

## Council meeting agenda

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Thursday, April 13, 2017

2:00 PM

Metro Regional Center, Council chamber

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PACKET REVISED 04/12/17

**1. Call to Order and Roll Call**

**2. Citizen Communication**

**3. Presentations**

- 3.1 Zoo Bond Program Citizens' Oversight Committee Annual Report [17-4782](#)

Presenter(s): Heidi Rahn, Metro  
Ruth Shelly, Oregon Zoo Bond Citizens' Oversight Committee

Attachments: [Oregon Zoo Bond Citizens' Oversight Committee Annual Report](#)

- 3.2 Zoo Organizational Culture Audit [17-4771](#)

Presenter(s): Brian Evans, Metro Auditor

Attachments: [Audit of Oregon Zoo Organizational Culture](#)

**4. Consent Agenda**

- 4.1 Consideration of the Council Meeting Minutes for April 6, 2017 [17-4795](#)

- 4.2 Resolution No. 17-4783, For the Purpose of Authorizing the Chief Operating Officer to Issue a New Non-System License to Pacific Foods of Oregon, Inc. for Transport and Disposal of Non-Recoverable Solid Waste, Including Putrescible Waste, at the Covanta Waste-to-Energy Facility Located in Brooks, Oregon [RES 17-4783](#)

Attachments: [Resolution No. 17-4783](#)  
[Exhibit A to Resolution No. 17-4783](#)  
[Staff Report](#)

**5. Resolutions**

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- 5.1 Resolution No. 17-4791, For the Purpose of Amending Resolution No. 16-4756, to Add the Complete Cleveland Street Project to Regional Flexible Funding Allocation for the Years 2019-21, with Conditions, and Amending Exhibits A and D Thereto, Pending Air Quality Conformity Determination. [RES 17-4791](#)
- Presenter(s): Dan Kaempff, Metro
- Attachments: [Resolution No. 17-4791](#)  
[Exhibit A to Resolution No. 16-4756 \(Amended\)](#)  
[Exhibit D to Resolution No. 16-4756 \(Amended\)](#)  
[Staff Report](#)
- 5.2 Resolution No. 17-4782, For the Purpose of Approving the Policy and Investment Framework for the 2040 Planning and Development Grant Program Funded with Construction Excise Tax [RES 17-4782](#)
- Presenter(s): Elissa Gertler, Metro  
Lisa Miles, Metro
- Attachments: [Resolution No. 17-4782](#)  
[Exhibit A to Resolution No. 17-4782](#)  
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[Attachment 1 to Staff Report](#)  
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[Attachment 3 to Staff Report](#)
- 5.3 Metro Chief Operating Officer Acting as Budget Officer Presents the Proposed Fiscal Year 2017-18 Budget and Budget Message to the Metro Council, Acting as the Budget Committee [17-4799](#)
- Presenter(s): Martha Bennett, Metro  
Tim Collier, Metro  
Brian Evans, Metro Auditor



- 5.3.1 Resolution No. 17-4769, For the Purpose of Adopting the Annual Budget for Fiscal Year 2017-18, Making Appropriations and Levying Ad Valorem Taxes

[RES 17-4769](#)

Attachments: [Resolution No. 17-4769](#)  
[Staff Report](#)

- 5.3.2 Public Hearing on Resolution No. 17-4769

**6. Ordinances (Second Reading)**

- 6.1 Ordinance No. 17-1397, For the Purpose of Addressing State Rule Requirements Regarding the Amount of Urban Reserves and the Balance of Urban and Rural Reserves in the Metro Region

[ORD 17-1397](#)

Presenter(s): Roger Alred, Metro

Attachments: [Ordinance No. 17-1397](#)  
[Exhibit A to Ordinance No. 17-1397](#)  
[Staff Report](#)  
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**7. Chief Operating Officer Communication**

**8. Councilor Communication**

**9. Adjourn**

## Metro respects civil rights

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### Повідомлення Metro про заборону дискримінації

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### Metro 的不歧视公告

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### Metro의 차별 금지 관련 통지서

Metro의 시민권 프로그램에 대한 정보 또는 차별 항의서 양식을 얻으려면, 또는 차별에 대한 불만을 신고 할 수 [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). 당신의 언어 지원이 필요한 경우, 회의에 앞서 5 영업일 (오후 5시 주중에 오전 8시) 503-797-1890를 호출합니다.

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### សេចក្តីជូនដំណឹងអំពីការមិនរើសអើងរបស់ Metro

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

### إشعار بعدم التمييز من Metro

تحتزم Metro الحقوق المدنية. للمزيد من المعلومات حول برنامج Metro للحقوق المدنية أو لإيداع شكوى ضد التمييز، يرجى زيارة الموقع الإلكتروني [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). إن كنت بحاجة إلى مساعدة في اللغة، يجب عليك الاتصال مقدماً برقم الهاتف 503-797-1890 (من الساعة 8 صباحاً حتى الساعة 5 مساءً، أيام الاثنين إلى الجمعة) قبل خمسة (5) أيام عمل من موعد الاجتماع.

### Paunawa ng Metro sa kawalan ng diskriminasyon

Iginagalang ng Metro ang mga karapatang sibil. Para sa impormasyon tungkol sa programa ng Metro sa mga karapatang sibil, o upang makakuha ng porma ng reklamo sa diskriminasyon, bisitahin ang [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Kung kailangan ninyo ng interpreter ng wika sa isang pampublikong pulong, tumawag sa 503-797-1890 (8 a.m. hanggang 5 p.m. Lunes hanggang Biyernes) lima araw ng trabaho bago ang pulong upang mapagbigyan ang inyong kahilingan. Notificación de no discriminación de Metro.

### Notificación de no discriminación de Metro

Metro respeta los derechos civiles. Para obtener información sobre el programa de derechos civiles de Metro o para obtener un formulario de reclamo por discriminación, ingrese a [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Si necesita asistencia con el idioma, llame al 503-797-1890 (de 8:00 a. m. a 5:00 p. m. los días de semana) 5 días laborales antes de la asamblea.

### Уведомление о недопущении дискриминации от Metro

Metro уважает гражданские права. Узнать о программе Metro по соблюдению гражданских прав и получить форму жалобы о дискриминации можно на веб-сайте [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Если вам нужен переводчик на общественном собрании, оставьте свой запрос, позвонив по номеру 503-797-1890 в рабочие дни с 8:00 до 17:00 и за пять рабочих дней до даты собрания.

### Avizul Metro privind nediscriminare

Metro respectă drepturile civile. Pentru informații cu privire la programul Metro pentru drepturi civile sau pentru a obține un formular de reclamație împotriva discriminării, vizitați [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Dacă aveți nevoie de un interpret de limbă la o ședință publică, sunați la 503-797-1890 (între orele 8 și 5, în timpul zilelor lucrătoare) cu cinci zile lucrătoare înainte de ședință, pentru a putea să vă răspunde în mod favorabil la cerere.

### Metro txoj kev ntxub ntxaug daim ntawv ceeb toom

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 lwm ua ntej ntawm lub rooj sib tham.

**Television schedule for June 16, 2016 Metro Council meeting**

<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.	<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.
<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.	<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.
<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.	

**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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## Council meeting agenda

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Thursday, April 13, 2017

2:00 PM

Metro Regional Center, Council chamber

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**1. Call to Order and Roll Call**

**2. Citizen Communication**

**3. Consent Agenda**

- 3.1 Consideration of the Council Meeting Minutes for April 6, 2017 [17-4795](#)

- 3.2 Resolution No. 17-4783, For the Purpose of Authorizing the Chief Operating Officer to Issue a New Non-System License to Pacific Foods of Oregon, Inc. for Transport and Disposal of Non-Recoverable Solid Waste, Including Putrescible Waste, at the Covanta Waste-to-Energy Facility Located in Brooks, Oregon [RES 17-4783](#)
- Attachments: [Resolution No. 17-4783](#)  
[Exhibit A to Resolution No. 17-4783](#)  
[Staff Report](#)

- 3.3 Resolution No. 17-4792, For the Purpose of Confirming the Reappointment of Two Members and Appointment of a New Member to the Metro Audit Committee [RES 17-4792](#)
- Attachments: [Resolution No. 17-4792](#)  
[Exhibit A to Resolution No. 17-4792](#)  
[Staff Report](#)

**4. Presentations**

- 4.1 Zoo Organizational Culture Audit [17-4771](#)
- Presenter(s): Brian Evans, Metro
- Attachments: [Audit of Oregon Zoo Organizational Culture](#)

- 4.2 Zoo Bond Program Citizens' Oversight Committee Annual Report [17-4782](#)

Presenter(s): Heidi Rahn, Metro  
Ruth Shelly, Oregon Zoo Bond Citizens' Oversight Committee

Attachments: [Oregon Zoo Bond Citizens' Oversight Committee Annual Report](#)

## 5. Resolutions

- 5.1 Resolution No. 17-4791, For the Purpose of Amending Resolution No. 16-4756, to Add the Complete Cleveland Street Project to Regional Flexible Funding Allocation for the Years 2019-21, with Conditions, and Amending Exhibits A and D Thereto, Pending Air Quality Conformity Determination. [RES 17-4791](#)

Presenter(s): Dan Kaempff, Metro

Attachments: [Resolution No. 17-4791](#)  
[Exhibit A to Resolution No. 16-4756 \(Amended\)](#)  
[Exhibit D to Resolution No. 16-4756 \(Amended\)](#)  
[Staff Report](#)

- 5.2 Resolution No. 17-4782, For the Purpose of Approving the Policy and Investment Framework for the 2040 Planning and Development Grant Program Funded with Construction Excise Tax [RES 17-4782](#)

Presenter(s): Elissa Gertler, Metro  
Lisa Miles, Metro

Attachments: [Resolution No. 17-4782](#)  
[Exhibit A to Resolution No. 17-4782](#)  
[Staff Report](#)  
[Attachment 1 to Staff Report](#)  
[Attachment 2 to Staff Report](#)  
[Attachment 3 to Staff Report](#)

- 5.3 Resolution No. 17-4769, For the Purpose of Adopting the Annual Budget for Fiscal Year 2017-18, Making Appropriations and Levying Ad Valorem Taxes

[RES 17-4769](#)

Presenter(s): Tim Collier, Metro  
Lisa Houghton, Metro

Attachments: [Resolution No. 17-4769](#)  
[Staff Report](#)

**6. Ordinances (Second Reading)**

- 6.1 Ordinance No. 17-1397, For the Purpose of Addressing State Rule Requirements Regarding the Amount of Urban Reserves and the Balance of Urban and Rural Reserves in the Metro Region

[ORD 17-1397](#)

Presenter(s): Roger Alred, Metro

Attachments: [Ordinance No. 17-1397](#)  
[Exhibit A to Ordinance No. 17-1397](#)  
[Staff Report](#)  
[Attachment 1 to Staff Report](#)

**7. Chief Operating Officer Communication**

**8. Councilor Communication**

**9. Adjourn**

## Metro respects civil rights

Metro fully complies with Title VI of the Civil Rights Act of 1964 and related statutes that ban discrimination. If any person believes they have been discriminated against regarding the receipt of benefits or services because of race, color, national origin, sex, age or disability, they have the right to file a complaint with Metro. For information on Metro's civil rights program, or to obtain a discrimination complaint form, visit [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights) or call 503-797-1536. Metro provides services or accommodations upon request to persons with disabilities and people who need an interpreter at public meetings. If you need a sign language interpreter, communication aid or language assistance, call 503-797-1890 or TDD/TTY 503-797-1804 (8 a.m. to 5 p.m. weekdays) 5 business days before the meeting. All Metro meetings are wheelchair accessible. For up-to-date public transportation information, visit TriMet's website at [www.trimet.org](http://www.trimet.org).

### Thông báo về sự Metro không kỳ thị của

Metro tôn trọng dân quyền. Muốn biết thêm thông tin về chương trình dân quyền của Metro, hoặc muốn lấy đơn khiếu nại về sự kỳ thị, xin xem trong [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Nếu quý vị cần thông dịch viên ra dấu bằng tay, trợ giúp về tiếp xúc hay ngôn ngữ, xin gọi số 503-797-1890 (từ 8 giờ sáng đến 5 giờ chiều vào những ngày thường) trước buổi họp 5 ngày làm việc.

### Повідомлення Metro про заборону дискримінації

Metro з повагою ставиться до громадянських прав. Для отримання інформації про програму Metro із захисту громадянських прав або форми скарги про дискримінацію відвідайте сайт [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). або Якщо вам потрібен перекладач на зборах, для задоволення вашого запиту зателефонуйте за номером 503-797-1890 з 8.00 до 17.00 у робочі дні за п'ять робочих днів до зборів.

### Metro 的不歧视公告

尊重民權。欲瞭解Metro民權計畫的詳情，或獲取歧視投訴表，請瀏覽網站 [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights)。如果您需要口譯方可參加公共會議，請在會議召開前5個營業日撥打503-797-1890（工作日上午8點至下午5點），以便我們滿足您的要求。

### Ogeysiiska takooris la'aanta ee Metro

Metro waxay ixtiraamtaa xuquuqda madaniga. Si aad u heshid macluumaad ku saabsan barnaamijka xuquuqda madaniga ee Metro, ama aad u heshid warqadda ka cabashada takoorista, booqo [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). Haddii aad u baahan tahay turjubaan si aad uga qaybqaadatid kullan dadweyne, wac 503-797-1890 (8 gallinka hore illaa 5 gallinka dambe maalmaha shaqada) shan maalmo shaqo ka hor kullanka si loo tixgaliyo codsashadaada.

### Metro의 차별 금지 관련 통지서

Metro의 시민권 프로그램에 대한 정보 또는 차별 항의서 양식을 얻으려면, 또는 차별에 대한 불만을 신고 할 수 [www.oregonmetro.gov/civilrights](http://www.oregonmetro.gov/civilrights). 당신의 언어 지원이 필요한 경우, 회의에 앞서 5 영업일 (오후 5시 주중에 오전 8시) 503-797-1890를 호출합니다.

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## Council meeting agenda

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Thursday, April 13, 2017

2:00 PM

Metro Regional Center, Council chamber

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### AGENDA REVISED 04/10/17

**1. Call to Order and Roll Call**

**2. Citizen Communication**

**3. Presentations**

- 3.1 Zoo Bond Program Citizens' Oversight Committee Annual Report [17-4782](#)

Presenter(s): Heidi Rahn, Metro  
Ruth Shelly, Oregon Zoo Bond Citizens' Oversight Committee

Attachments: [Oregon Zoo Bond Citizens' Oversight Committee Annual Report](#)

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Presenter(s): Brian Evans, Metro

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- Attachments: [Resolution No. 17-4791](#)  
[Exhibit A to Resolution No. 16-4756 \(Amended\)](#)  
[Exhibit D to Resolution No. 16-4756 \(Amended\)](#)  
[Staff Report](#)
- 5.2 Resolution No. 17-4782, For the Purpose of Approving the Policy and Investment Framework for the 2040 Planning and Development Grant Program Funded with Construction Excise Tax [RES 17-4782](#)
- Presenter(s): Elissa Gertler, Metro  
Lisa Miles, Metro
- Attachments: [Resolution No. 17-4782](#)  
[Exhibit A to Resolution No. 17-4782](#)  
[Staff Report](#)  
[Attachment 1 to Staff Report](#)  
[Attachment 2 to Staff Report](#)  
[Attachment 3 to Staff Report](#)
- 5.3 Resolution No. 17-4769, For the Purpose of Adopting the Annual Budget for Fiscal Year 2017-18, Making Appropriations and Levying Ad Valorem Taxes [RES 17-4769](#)
- Presenter(s): Tim Collier, Metro  
Lisa Houghton, Metro
- Attachments: [Resolution No. 17-4769](#)  
[Staff Report](#)

## 6. Ordinances (Second Reading)

- 6.1 Ordinance No. 17-1397, For the Purpose of Addressing  
State Rule Requirements Regarding the Amount of Urban  
Reserves and the Balance of Urban and Rural Reserves in  
the Metro Region

[ORD 17-1397](#)

Presenter(s): Roger Alred, Metro

Attachments: [Ordinance No. 17-1397](#)  
[Exhibit A to Ordinance No. 17-1397](#)  
[Staff Report](#)  
[Attachment 1 to Staff Report](#)

7. **Chief Operating Officer Communication**
8. **Councilor Communication**
9. **Adjourn**



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### សេចក្តីជូនដំណឹងអំពីការមិនរើសអើងរបស់ Metro

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

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**Television schedule for June 16, 2016 Metro Council meeting**

<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.	<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.
<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.	<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.
<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.	

**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.

Agenda Item No. 3.1

Zoo Bond Program Citizens' Oversight Committee Annual Report

*Presentations*

Metro Council Meeting  
Thursday, April 13, 2017  
Metro Regional Center, Council Chamber

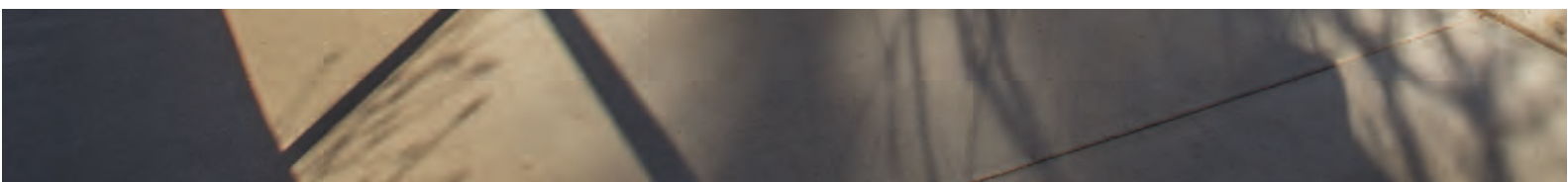


# **Oregon Zoo Bond Citizens' Oversight Committee**

## **CALENDAR YEAR 2016 REPORT**

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*Presented April 2017 to the Metro Council and the community*



**Cover:** Entrance to the Nature Exploration Station (NESt) of the new Oregon Zoo Education Center. Commissioned artist Rob Ley's artwork titled *Ambiguous* in the plaza is based on the center's interpretive theme that "small things matter." (photo: Michael Durham)



April 3, 2017

**RE: Oregon Zoo Bond Citizens' Oversight Committee Report for the Calendar Year 2016**

Dear Metro Councilors and Residents of the Region:

In 2008 voters of the region expressed the value they place on animal welfare and water and energy conservation when they passed the \$125 million bond measure that funds habitat and infrastructure upgrades at the Oregon Zoo. The bond measure mandated an Oregon Zoo Bond Citizens' Oversight Committee ("the committee") to provide independent citizen review to help ensure that the public's money is well spent. Every year, the committee presents an annual report to the Metro Council and community, and this is the committee's report on bond progress from January through December 2016.

The report is divided into three required reporting items: (1) Assessment of Progress, (2) Spending Considerations, and (3) Project Modifications in Excess of Budget. In each section, the committee provides a narrative followed by a summary of findings and recommendations. For the recommendations from last year's 2015 report, you'll find an update on what was done to fulfill those recommendations, followed by new findings and recommendations from 2016. The new 2016 findings and recommendations are also summarized at the beginning of the report for your convenience.

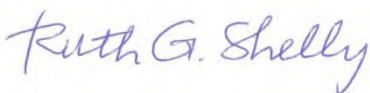
If the 2015 report was dominated by the successful construction of Elephant Lands, the 2016 report focuses on construction of the new Oregon Zoo Education Center, which opened March 2, 2017. **The committee is pleased to report that in 2016, bond funds continued to be spent wisely, bond projects were advanced on schedule and within budget, and overall the bond program is on track to deliver on voter expectations.**

That last sentence is simple in expression but profound in its meaning. For seven years, a group of dedicated citizens has met regularly (five times in 2016) to review progress on the bond projects, analyze financials, and ask probing questions – all with the serious responsibility of delivering to the voters what they requested, and what we as taxpayers have funded. Members of the committee have rotated through terms of service, neither dropping that torch nor that commitment. Though each year brings a new project with additional learning and fresh challenges, the committee dives in with discipline, rigor and diverse expertise to ensure that the Oregon Zoo bond program keeps its promises.

With three years yet to go in the construction schedule, we are two-thirds of the way through. At this point, it seems significant that the Education Center opens with the theme of "small things matter." Individual members of the committee might humbly consider themselves a "small thing," but their hours of service added up over seven years is a testament to civic involvement that ensures accountability of the public trust.

It is my honor to thank the 17 other members of the Oregon Zoo Bond Citizens' Oversight Committee for their service, and the Oregon Zoo staff and Metro zoo bond staff for their hard work, professionalism and clear answers to the many questions we asked. We present this report as a team effort.

Sincerely,



Ruth G. Shelly  
Oversight Committee Chair  
Executive Director, Portland Children's Museum



# Oregon Zoo Bond Citizens' Oversight Committee Report

A report to the Metro Council and community regarding progress  
on the zoo bond program

Presented April 2017 for the calendar year 2016

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# Oregon Zoo Bond Citizens' Oversight Committee Report

A report to the Metro Council and community regarding progress on the zoo bond program

Presented April 2017 for the calendar year 2016

In 2008 Portland area voters expressed the value they place on animal welfare and water and energy conservation when they passed the \$125 million bond measure that funds habitat and infrastructure upgrades at the Oregon Zoo. As mandated by the bond measure, the Oregon Zoo Bond Citizens' Oversight Committee ("the committee") provides independent citizen review to help ensure the public's money is well spent. The committee's charge is to determine if the zoo improvement program is on the right path in terms of structure, expenditures and achievement of defined goals. This is the committee's annual report to the Metro Council and the community, presenting its findings on how the program has progressed during the period from January through December 2016.

## **Zoo Bond Ballot Measure:**

### **Bonds to Protect Animal Health and Safety; Conserve, Recycle Water**

The zoo bond measure calls for updating and replacing old exhibits and facilities, increasing access to conservation education, and replacing utility systems to reduce water and energy use and lower operating costs.

- Provide more humane care for animals; update four outdated and undersized enclosures with larger, more natural and safer spaces.
- Protect animal health and safety; modernize zoo's substandard 45-year-old animal clinic determined deficient by the Association of Zoos and Aquariums.
- Increase access to conservation education; provide more space for summer camps, classes and hands-on learning for kids, adults and families.
- Improve water quality; replace the zoo's 1950s sewer system, reducing pollution by separating sewage from stormwater, harvesting runoff for reuse.
- Conserve, reuse water; install water recycling filtration systems; replace leaking, worn-out plumbing, irrigation systems, saving 11,000,000 gallons of water annually.

## **Why the committee exists**

The Metro Council first appointed the committee in January 2010. The committee met five times in 2016: January (call-in meeting), February, April, September and November. Currently the committee has 18 members, who bring to the committee skill sets from a diverse set of backgrounds (see Appendix A).

The committee operates under a charter that incorporates the governance and reporting requirements of Metro Council Ordinance 10-1232. The Metro Council president appoints the chair of the committee, a position currently held by Ruth Shelly.

The committee meetings typically involve interactive presentations by the zoo bond staff team and other Oregon Zoo staff. Each meeting includes considerable discussion and question/answer time.

The committee operates at a high oversight level, reviewing the zoo improvement program to ensure that structure, expenditures and defined goals are on track. In most cases, the committee does not make specific project decisions. Members look at how decision-making occurs and how business is conducted. The committee seeks to help ensure that the right processes and controls are in place so that the best possible value can be realized from the voter-approved zoo bond funds. The attached organizational chart of the zoo bond program (Appendix B), illustrates the many different levels of interaction and oversight.

The 2008 zoo bond measure titled “Bonds to Protect Animal Health and Safety: Conserve, Recycle Water” (the “zoo bond”) called for a citizen oversight committee to do the following:

1. Assess progress in implementing the Oregon Zoo bond measure project improvements.
2. Report on project spending trends and current cost projections, and review and report on the annual independent financial audit of spending.
3. Consider and recommend project modifications intended to account for increases in construction costs in excess of budget estimates, to ensure that the purpose and promise of the Oregon Zoo bond measure is fully realized.

## **The committee's reporting requirement**

The committee is required to report annually to the Metro Council regarding the progress of the zoo bond measure improvements, spending trends and cost projections, and project modifications. This document satisfies that requirement. This committee helps ensure the best value for the voters' investment and provides this report to the community as part of its oversight and stewardship.

In addition to the bond reporting requirements, the committee reviewed other requirements and goals for the program. These included the state requirement that 1.5 percent of construction cost on eligible projects be used for renewable energy installations. Metro requires that 1 percent of construction cost on projects of a certain size be used for commissioned artwork. Zoo bond-funded construction projects have an aspirational contracting goal of 15 percent participation from minority-owned, women-owned, emerging small business, and service-disabled veteran-owned firms. The committee also strives to maintain a focus on the visitor experience and how its recommendations impact this crucial component.

Starting with the 2015 report, the committee changed the format from previous years by focusing on the three main objectives of the ballot measure – animal welfare, conservation education, and infrastructure and sustainability – and diversity in contracting utilization, for each project. This report includes the committee's recommendations from the report issued in March 2016 that covered the calendar year 2015 (2015 Findings and Recommendations), and provides an update on the outcomes of those recommendations as applicable.

As noted above, this report fulfills the bond measure requirement to report annually to the Metro Council regarding the progress of the zoo bond measure improvements, spending trends and cost projections, and project modifications. Although of interest to the committee, it does not attempt to set measurable operations standards or include an analysis of operations of the new facilities constructed by the bond program. Some of that information is provided in a mid-program report, [\*Thanks to You, A Better Zoo, 2016 Bond Program Progress Report\*](#), posted on the zoo website, [www.OregonZoo.org](http://www.OregonZoo.org). In addition, in January 2015 in response to the committee's request, bond staff provided a memo outlining the estimated annual operational impacts of zoo bond projects. A more in-depth review of the impact on zoo operations will be provided to the committee after one full fiscal year (July to June) of operations in the new bond-constructed facilities, starting with an Elephant Lands operations report in 2017.

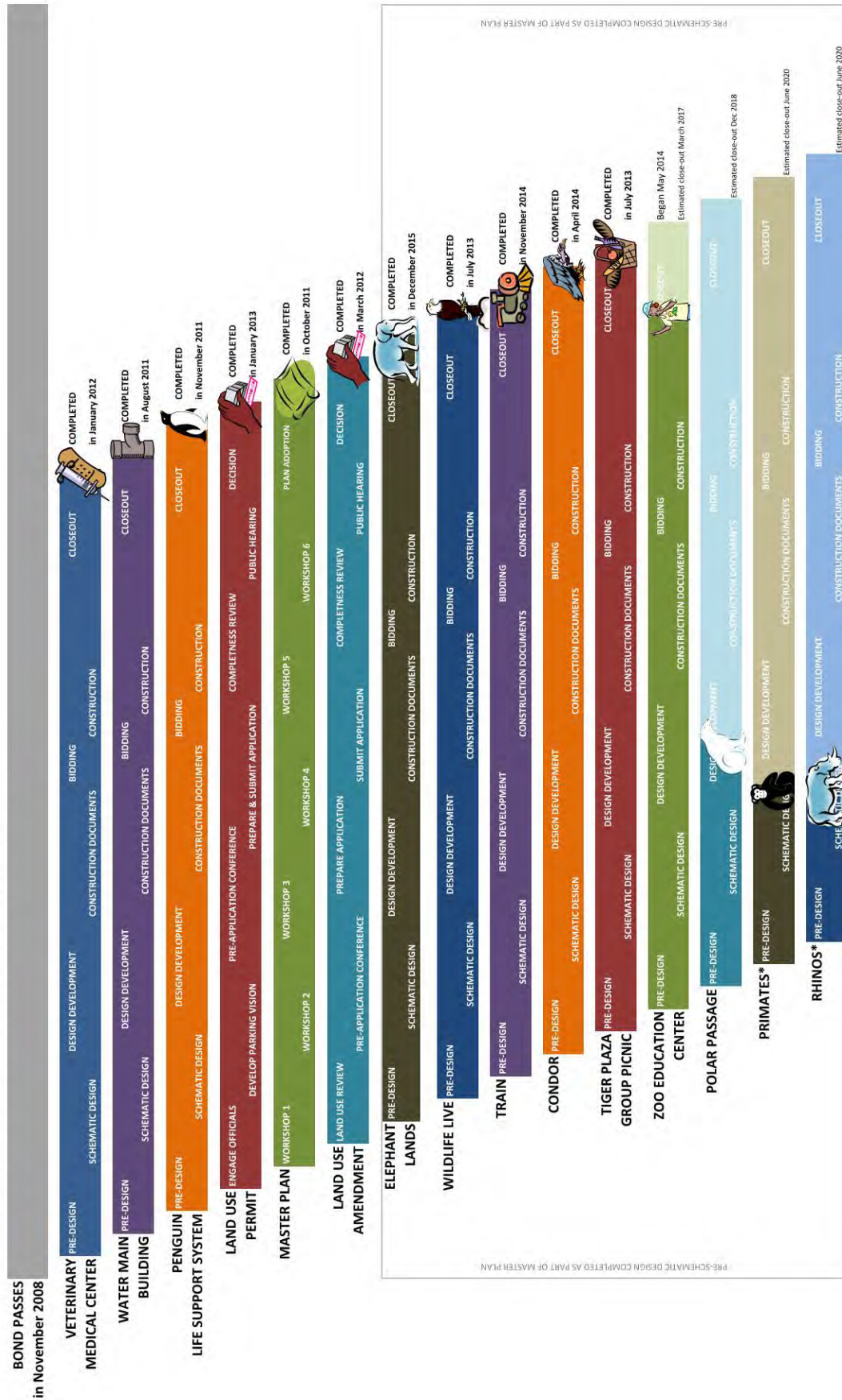
This Oversight Committee annual report includes some general diversity in contracting information, but more complete information is available in a new [\*Oregon Zoo Bond Program Equity in Contracting Quarterly Report\*](#), first issued by bond staff in September 2016, and provided to the committee and posted quarterly thereafter on the zoo website.

This report makes various references to items that were presented to the committee in 2016 and prior years. The committee's meeting materials, minutes, annual reports, program fiscal audits and *Oregon Zoo Bond Program Equity in Contracting Quarterly Reports* can be found on the Oversight Committee meeting materials pages on the zoo's website: <http://www.oregonzoo.org/discover/new-zoo/oregon-zoo-bond-citizens-oversight-committee/oregon-zoo-bond-citizens-oversight>.

Figure 1

# OREGON ZOO BOND PROGRAM

PROJECT SEQUENCE AND PROGRESS, AS OF DECEMBER 2016



## 2016 Findings and Recommendations Summary

The committee's findings and recommendations for 2016 are compiled here for quick reference. They are listed again under each reporting item later in the report with more complete narrative and updates on the previous year's recommendations.

### 2016 Findings and Recommendations Summary

#### **Diversity in Contracting: Overview**

- The committee carries forward its 2015 recommendation that staff share the general contractor's Diversity in Workforce and Contracting plan with the committee prior to seeking subcontractor bids on a construction project, specifically Polar Passage.
- The committee carries forward its recommendation that when the 15 percent COBID utilization goal may not be reached because of specialty work, that alternative bidding practices such as those suggested for "2015 improved recruitment strategies of MWESB firms" should be implemented to maximize opportunity.
- The committee recommends tracking and reporting the contracting of COBID-certified firms used for project design and other services on the project, not just construction.
- The committee commends staff on their reflective process of analyzing what worked and lessons learned, accepting feedback and working to improve diversity in contracting, and recommends that they continue the successful approach of making data-driven decisions applied to future projects.

#### **Program Governance and Structure: Overview**

- The committee commends the bond program for continuing to keep all projects on track with a successful zoo executive leadership transition to Dr. Donald E. Moore.
- The committee appreciates Dr. Moore's professional experience and background, his enthusiasm and support of the bond projects, and his interface with the committee.
- The governance structure that guides the bond program is proving to be effective. As it did in 2015, the committee recommends preserving the current governance structure of the bond program reporting to the Metro deputy chief operating officer for appropriate oversight.

(continued)

## 2016 Findings and Recommendations Summary (continued)

### Education Center

- The committee commends the Oregon Zoo for developing many partnerships to support programming in the new Education Center.
- The committee commends the Oregon Zoo for continuing zoo operations throughout bond projects construction, with minimal negative impact to zoo operations.
- The committee reviewed and made recommendations regarding project modifications for the Education Center to enhance opportunities for conservation education and reductions in greenhouse gas emissions and operating costs. These recommendations were approved by the Metro Council.
- To date, utilization of COBID-certified firms exceeded the 15 percent goal for the Education Center, and the committee recommends sharing final data in 2017.
- The committee recommends that staff analyze and share lessons learned on the Education Center contracting of COBID-certified firms.
- The committee commends inclusion of the following features in the Education Center to enhance infrastructure and sustainability, making the building a teaching tool:
  - Installation of 760 solar panels on the roof to help achieve net-zero energy operations
  - High-efficiency lighting and HVAC
  - Energy-efficient radiant-floor heating
  - Forest Stewardship Council (FSC)-certified wood
  - Bird-friendly lights and fritted glass to help prevent and deter window strikes
  - Native plants for wildlife and reduced irrigation
  - Green roofs on the wildlife garden shelter and bee hotel
  - Rain gardens to clean and detain stormwater
  - Material reuse: salvaged timbers from the old Elephant Museum building were used for garden shelter; salvaged Elephant Plaza concrete pavers were used in wildlife garden; redwood trees removed from site for construction were salvaged and used for outdoor tables and benches.

## **2016 Findings and Recommendations Summary** (continued)

### **Polar Passage**

- The committee recommends that staff analyze the use of saltwater for all of the Polar Passage swimming pools and bring the cost and program analysis to the committee for review.
- The committee recommends that the zoo develop a formal commitment to polar bear conservation and define how Polar Passage supports this conservation commitment.
- The committee carries forward its 2015 recommendation that staff share the general contractor's Diversity in Workforce and Contracting plan with the committee prior to seeking subcontractor bids on a construction project, specifically Polar Passage.

### **Interpretive Experience and Wayfinding**

- The committee commends the zoo for updating and installing a new wayfinding system to support visitor navigation and trip planning on grounds.
- The committee recommends that staff share the outcomes and findings from the Elephant Lands and Education Center interpretive summative evaluations when they are available.

### **Percent for Art**

- The committee commends the zoo for the successful restoration and reinstallation of the Willard Martin Mosaic at the new Education Center, funded in part from an Oregon Cultural Trust grant.
- The committee commends the successful art installation at the Education Center by commissioned artist Rob Ley.
- The committee recommends that the next commissioned art installation process be appropriately integrated with the Polar Passage and Central Plaza design.
- The committee recommends that the zoo document the new public art and develop an ongoing maintenance plan to support its commitment to this nonliving collection.

### **Elephant Lands**

- The committee commends the zoo for receiving several awards and recognitions for Elephant Lands, including LEED Gold certification and Daily Journal of Commerce Project of the Year Award.
- The committee recommends publicly sharing, when complete, the outcomes of the studies currently underway that are assessing the impact of the new habitat on the elephants' well-being and health. The committee would also like to be aware of the research dissemination strategy.
- The committee recommends publicly sharing the outcomes of summative evaluations of the interpretive exhibits and how a resulting change in public perception and behavior may help elephants in the wild.



## **2016 Findings and Recommendations Summary** (continued)

### **Budget and Expenditures**

- The committee commends Metro for its conservative fiscal policy that have resulted in a AAA bond rating from S&P and Aaa from Moody's providing premiums on the sale of the bonds.
- The Oversight Committee found that careful attention to allocation of remaining bond funds was needed, and launched a budget subcommittee in fall 2016 for this detailed analysis. The Oversight Committee asks the budget subcommittee to recommend in 2017 a prioritized strategy for allocation of the remaining bond and other funds for construction and improvements at the Oregon Zoo.
- The committee commends the Zoo for successful management of projects to date, including Elephant Lands and the Education Center, within the approved budget and schedule.
- The committee commends the Oregon Zoo Foundation and zoo bond staff for a successful application to PGE's Renewable Development Fund to expand the solar installation on the Education Center.
- The committee congratulates and thanks the Oregon Zoo Foundation for its significant financial support of \$6 million to date, \$4 million of which supported the Education Center and Elephant Lands projects. The committee recommends that staff seek the Foundation's input on allocation of the remaining \$2 million.
- The committee recommends staff monitor code changes at the City of Portland, standards for animal welfare and cost escalations that may have financial and other impacts on the program.

### **Contracting Methods**

- The committee commends Zoo Bond staff for the successful contracting and project development through use of the alternate contracting methods.
- The committee recommends that Zoo Bond staff continue to document cost savings and efficiencies through use of alternative contracting methods to inform future projects.
- The committee recognizes that although difficult to quantify, using CM/GC contracting results in a better overall mission-driven project, supports diversity in contracting and results in cost savings from fewer change orders.

**2016 Findings and Recommendations Summary** (continued)**Master Plan Implementation: Cost Projections**

- The committee recommends staff continue to inform and update the Oversight Committee on cost trends in the construction industry, including materials costs.
- The committee recommends staff continue to review and validate budgets and cost escalation and their implications on the remaining planned projects.
- The committee recommends the staff continue to monitor changes to animal welfare standards that could have an impact on current and future projects.
- The committee recommends staff assess and monitor the zoo's draft conservation priorities (to be finalized in the Integrated Conservation Action Plan (ICAP)) for any upcoming changes that could affect project designs, construction or operation.

**Administrative Costs: Cost Projections**

- The committee recommends staff continue to monitor the reasonable assessment of administrative costs and their implications on the overall program budget, and provide a report at least annually to the full Oversight Committee.

**Operating Costs: Cost Projections**

- The committee recommends staff provide the operating expense data and revenue from Elephant Lands by December 2017, following the completion of one fiscal year of operation ending June 30, 2017.
- The committee recommends staff provide by December 2017 a preliminary report on the impact of the Education Center on operating costs and revenue.

**REQUIRED REPORTING ITEM 1 | Assessment of Progress**

Assess progress in implementing the Oregon Zoo bond measure project improvements

## **A. Program initiatives**

### **1. Animal Welfare: Overview**

Protecting animal health and safety was a priority in the ballot measure. The zoo is committed to providing its animals with the best care possible. Animal welfare is prioritized during design and monitored during all construction. The sequence and design of the bond-funded projects prioritizes animal welfare.

Animal welfare refers to an animal's collective physical, mental and emotional states over a period of time and is measured on a continuum from poor to excellent. The zoo aims to optimize the welfare potential of each animal through enrichment, enclosure design, nutrition, research programs, veterinary care, husbandry training, population management and staff training. For animals to thrive the zoo takes into account psychological aspects of welfare such as mental, emotional and social health. The zoo conducts continuous welfare assessments of individual animals and the species to analyze behavior, physiology, and physical appearance and health.

The ballot measure called for providing more indoor and outdoor space for elephants; replacing the zoo's 45-year-old animal hospital and quarantine facilities to protect animal health and safety; protecting the health of polar bears by replacing concrete structures and substrate with pools, more space and more humane conditions; and replacing plain and sterile areas for primates with trees, rocks and water.

The new Elephant Lands habitat provides more space, natural substrate and enrichment opportunities for the elephants. Expanded spaces and upgraded facilities will improve elephant health and welfare by providing more options for extending outside access, increasing exercise opportunities and offering a more natural and stimulating environment for elephants. Research outcomes will be available in 2017.

The new Veterinary Medical Center offers dramatic improvements in animal holding, climate controlled spaces, enclosure substrates to increase safety and comfort, reduced stress for animals, options for environmental enrichment and ability to control communicable diseases. The Association of Zoos and Aquariums (AZA) had deemed the zoo's former animal quarantine facility substandard. Built 45 years ago, it had inadequate lighting, heating, ventilation and drainage. The building had been noted for its rusty and crumbling walls and doors. Some surfaces were difficult to sanitize because of degradation and could have provided foreign objects subject to ingestion by animals. The facility's floor could damage the hooves of some animals. The Oregon Zoo is now recognized as having one of the most advanced animal hospitals in the country.

The new Condors of the Columbia exhibit offers opportunities for the birds to fly and provides the public with a rare opportunity to see this endangered Northwest native bird, increasing awareness of the need to protect this endangered species.

The new Education Center provides improved facilities for the invertebrate collection at the Insect Zoo and western pond turtles at the Species Conservation Lab. In addition, the Center's message of taking small actions on behalf of wildlife will benefit the conservation of animals worldwide.

In 2016 and 2017 the polar bear habitat will be designed to increase access to natural substrate, renovate and increase the efficiency of the water-filtration system, reduce temperatures, chill the pool water, and increase both land and pool space. The current exhibit is almost entirely concrete, generating a very high heat load in the summer, and is basically the same footprint as the original facilities from 1959. Although renovated in 1980, the entire exhibit needs improvements to enhance the welfare of the polar bears. Renovations over the years have completely enclosed the bears, creating visual barriers that prevent the bears from looking into the distance. The current space, both land and pools, do not meet the Manitoba protocols (see Polar Passage, page 23) established for zoo polar bears. The future habitat will provide long views, natural substrate, more space, and meet all requirements for polar bear habitats.

The primate habitat will be upgraded to provide more complex spaces. Indoor and outdoor areas would give primates a sustainable and enriching environment. Zookeepers will be able to rotate the animals into a variety of habitats in the reworked exhibit thus providing a more enriching environment. New holding spaces would enhance animal care and welfare.

The rhinoceros habitat will also be expanded to provide more space for this critically endangered species.

## **2. Conservation Education: Overview**

The ballot measure highlighted a need to increase conservation education opportunities for zoo visitors. The zoo aims to inspire visitors to take conservation action, increase its capacity to invite and engage diverse audiences in conservation education, engage other conservation partners in providing resources and programming to the zoo's 1.6 million annual visitors, and advance conservation education in the region by fostering connection and dialogue between different sectors and issues.

The zoo's education programs are of high quality and filled to capacity every year, even though they are provided in limited and inadequate space: two 12-year-old modular trailers, a former storage space, a basement and leased off-site space are used for group presentations. Camps get bumped all summer for competing uses, and the basement space is shared with the zoo's catering program.

Completed in March 2017, the Education Center creates a dedicated space for education programming at the zoo. Zoo audiences will make lasting connections with zoo partners and other visitors to share experiences, ideas and resources about safe places for individuals and families to be out in nature. Zoo visitors will learn and share ways to make environmentally responsible choices and to take meaningful conservation actions in their homes and communities. Visitors will understand that small things aggregate to have a big impact, a key concept about nature, conservation and personal actions. They will understand that nature is nearby and buzzing with activity in urban settings, even in our backyards and gardens. Exhibits and activities in the Education Center will motivate visitors to make their backyards, gardens and communities more wildlife-friendly. Through live displays, zoo audiences will learn to have a personal connection to and appreciation for small animals such as insects and other

invertebrates. Lastly, zoo audiences will gain awareness of and possibly support the conservation efforts of the Oregon Zoo and its partners.

### **3. Infrastructure and Sustainability: Overview**

The ballot measure called for the zoo to conserve and reuse water, requiring significant infrastructure upgrades. Most of the zoo's infrastructure dates back to the 1950s and 1960s. Pipes, plumbing and irrigation systems are outdated, leaking and well past their useful lives. The most expensive utility cost at the zoo is water, and leaking pipes, run-off, inadequate filtration systems, and lack of water storage all contribute to wasting water and increasing costs. Literally millions of gallons of water per year and thousands of dollars will be saved through a major rebuilding of the zoo's water distribution system. In addition, new buildings are being designed to capture solar warmth, and provide natural light and ventilation.

In its Comprehensive Capital Master Plan, the Oregon Zoo detailed its commitment to creating an efficient and sustainable campus constantly striving to increase conservation of resources, and improvement and expansion of services. The bond funds have provided for the replacement of many of the original buildings, antiquated building/operational systems and animal habitats. The Oregon Zoo strives to be an efficient and sustainable campus.

The physical location of the zoo presents development challenges due to natural landforms, steep grades and unstable soil conditions. Projects are shaped using the design team's study of vegetation, geology, hydrology, landforms, topography, circulation, potable water network and existing infrastructure, age of existing buildings and suitability of land for development. Capital improvements, enhancements and sustainable features have been incorporated to improve site infrastructure, including the new train route and trestle, new service road, sanitary sewer line replacement, improved stormwater management, and energy and water saving measures. One energy-saving feature is a geothermal loop installed underground in Elephant Lands that when complete, will capture heat used to cool the polar bear pools and transfer it to help heat Elephant Lands.

In the past, outdated facilities have been obstacles to the zoo's goal of modeling best practices. Some of the zoo's plumbing and wiring is original to the late 1950s. These aged systems are being updated as projects are completed. In addition, projects will be designed and constructed to achieve or exceed U.S. Green Building Council Leadership in Energy and Environmental Design (LEED) Silver certification. The Veterinary Medical Center and Elephant Lands both received LEED Gold Certifications, and the goal has been set for the Education Center also to achieve LEED Gold.

Oregon zoo bond project sustainability and infrastructure goals:

- Achieve LEED Silver or higher certification in each project.
- Reduce zoo-wide greenhouse gas emissions 80 percent below 2008 levels by 2050, from building operations and maintenance and through energy efficiency and resource conservation.
- Produce on-site renewable energy with solar panels generating electricity to meet state requirements to invest 1.5 percent of capital construction cost of eligible projects in renewable energy.
- Reduce zoo-wide water use 50 percent below 2008 levels by 2025.

As Oregon's biggest paid attraction based on annual attendance, the Oregon Zoo has a wonderful opportunity to communicate sustainable practices and sustainability principles while enhancing exhibits.

The Oregon Zoo has made significant improvements in new and renovated facilities, infrastructure, and habitats incorporating sustainable elements that build synergy for the care of animals, the visitor experience, and service and operations.

On projects to date, the zoo has separated the old combined sewer system into isolated stormwater and sanitary sewer pipes, and built stormwater planters and bioswales to naturally filter and clean stormwater before sending it downstream; this practice will continue on the remaining projects.

The zoo installed an underground stormwater storage facility under the Elephant Lands encounter habitat capable of storing and slowly releasing storm runoff from the entire zoo in a ten-year rain event. In addition, the zoo implemented water reuse or reclaimed water systems for nonpotable water demands (rain water harvesting) on the Veterinary Medical Center and Elephant Lands, as well as on the Education Center still under construction. The zoo has installed water filtration and circulation systems to reuse water in the penguinarium and Elephant Lands, and will also do so in the Polar Passage pools.

The zoo has designed landscape areas with native, climate-adaptive plant species on projects to date and will continue to do so on remaining projects.

The new Education Center includes many features to enhance infrastructure and sustainability, detailed on pages 20 to 22 of this report.

#### **4. Diversity in Contracting: Overview**

The zoo continues to demonstrate its commitment to increase contracting opportunities for minority-owned enterprises, women-owned enterprises, emerging small businesses, and service-disabled veteran-owned enterprises that are certified by the State of Oregon Certification Office of Business Inclusion and Diversity (COBID firms).<sup>1</sup> The aspirational contracting goal for the zoo bond-funded construction projects is 15 percent participation from COBID firms.

On the nearly complete Education Center project, the COBID utilization rate as of December 31, 2016, was 29 percent—almost double the aspiration goal. Overall as of that date, the bond program has spent approximately \$70.1 million on COBID-eligible construction contracts, and \$9.8 million, or 14 percent, of that was on COBID firms. Of that COBID spending, 37 percent (\$3.6 million) went to minority-owned businesses, 43 percent (\$4.2 million) to emerging small businesses, and 20 percent (\$2 million) to women-owned businesses.

A full accounting of the bond program diversity in contracting activities is now detailed in a quarterly report, first issued in September 2017. The [Equity in Contracting Quarterly Report](#) is posted on the zoo website, and distributed through Metro's community and construction networks.

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<sup>1</sup> Metro now refers to MWESB firms as COBID (Certification Office for Business Inclusion and Diversity)-certified firms to align with the state's certification program for minority-owned businesses, women-owned businesses, emerging small businesses and service-disabled veteran-owned businesses.

Efforts to increase these numbers include evaluation during the procurement of goods and services, outreach to COBID firms to encourage participation, mentoring of COBID firms, and breaking projects down to increase accessibility to bid.

Improved recruitment strategies of COBID firms included:

- General contractor starts recruiting COBIDs earlier to help get them ready by bid day, and hosting workshops either at their office or onsite before bid day.
- Breaking down bid packages for subcontractors so that they are not overwhelming for smaller firms to bid.

Early in the bond program, Metro used a different method of calculating COBID utilization (COBID utilization percentage was calculated based on the value of contract dollars available to subcontractors; excluding the value of the general contractor's self-performed work). Metro revised its methodology in 2014 to include the total contract value (including the general contractor's self-performed work and overhead costs), and this report has updated all COBID utilization reporting to be consistent with the current method. Metro's revised methodology for calculating COBID utilization deducts the value of the scopes of work deemed ineligible to COBID firms from the total construction contract amount to determine the base for utilization rate calculation. For example, for the Condors of the Columbia project, this methodology resulted in removing the specialized aviary mesh installation scope of work, with a subcontract value of \$157,845, from the base calculation. Only three firms nationwide provide the mesh installation, and none of them was a certified COBID firm.

To determine if a scope of work is ineligible, the Metro project manager and contractor contact and search the Oregon Procurement Information Network (ORPIN), State of Oregon COBID website, Oregon chapter of National Association of Minority Contractors and minority business chambers of commerce to determine if any vendors in the area are eligible to perform the specialized work. The outcome of this search is documented in the project Minority Utilization Report. Metro's procurement manager must approve the request for any specialized work deemed ineligible to COBID contractors and is responsible for tracking and reporting COBID contractor utilization.

## Diversity in Contracting: Overview

### 2015 Recommendations *with updates*:

- The committee recommends that MWESB quarterly and annual reporting be broken down to report individual categories related to minority, women and emerging small business for each project to enable better tracking and planning.

*Update: Staff provided the first quarterly report that demonstrated the tools, efforts and outcomes in contracting with MWESB-certified firms (now COBID-certified, see footnote). The report was broken down by certification for each project, where data were available.*

- The committee recommends that the RFPs for the prime construction contractor include one of the scoring criteria to be a description of efforts the contractor will take to enhance the diversity of the workforce on the entire project.

*Update: The Polar Passage RFP for construction services included scoring criteria for workforce diversity strategies.*

### 2016 Findings and Recommendations:

- The committee carries forward its 2015 recommendation that staff share the general contractor's Diversity in Workforce and Contracting plan with the committee prior to seeking subcontractor bids on a construction project, specifically Polar Passage.
- The committee carries forward its recommendation that when the 15 percent COBID utilization goal may not be reached because of specialty work, that alternative bidding practices such as those suggested for "2015 improved recruitment strategies of MWESB firms" should be implemented to maximize opportunity.
- The committee recommends tracking and reporting the contracting of COBID-certified firms used for project design and other services on the project, not just construction.
- The committee commends staff on their reflective process of analyzing what worked and lessons learned, accepting feedback and working to improve diversity in contracting, and recommends that they continue the successful approach of making data-driven decisions applied to future projects.



## 5. Program Governance and Structure: Overview

Prior to the start of the zoo bond construction projects, the Metro Auditor recommended improved accountability through clarity of the organizational structure. The Auditor suggested clearly delineating roles and responsibilities and lines of authority.<sup>2</sup> The governance structure set up for the zoo bond program separated bond program project planning and construction activity from zoo operations. The zoo bond program team reports directly to the Metro deputy chief operating officer. In addition, bond program expenditure authority is separate from zoo operations with limited authority designated to the bond program director and overall authority designated to the Metro deputy chief operating officer.

A follow-up audit demonstrated that separating the bond program from zoo operations created a separate project management function better suited to address financial oversight, scheduling and information sharing.<sup>3</sup> This robust governance and oversight structure continues to guide the bond program and is proving to be effective in ensuring careful and diligent stewardship of bond funds.

In February 2016, Dr. Donald E. Moore joined the zoo as the new director.

### Program Governance and Structure

#### 2016 Findings and Recommendations:

- The committee commends the bond program for continuing to keep all projects on track with a successful zoo executive leadership transition to Dr. Donald E. Moore.
- The committee appreciates Dr. Moore's professional experience and background, his enthusiasm and support of the bond projects, and his interface with the committee.
- The governance structure that guides the bond program is proving to be effective. As it did in 2015, the committee recommends preserving the current governance structure of the bond program reporting to the Metro deputy chief operating officer for appropriate oversight.

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<sup>2</sup> Metro audit issued in November 2009 entitled "Oregon Zoo Capital Construction: Metro's readiness to construct 2008 bond projects," p. 21.

<sup>3</sup> Metro audit issued October 26, 2011, entitled "Zoo Capital Construction Program Audit Follow-up," p. 5.

## REQUIRED REPORTING ITEM 1 | Assessment of Progress

## B. Ongoing and new bond projects

### 1. Education Center

The Education Center design offers a highly interactive, engaging facility that provides multiple avenues for learning about nature and conservation. Key features of the site include the Nature Exploration Station (NESt), the Backyard Habitat, Insect Zoo, a species recovery lab raising western pond turtles, classrooms, a flexible events space, a café and offices. Design of the Education Center kicked off in summer 2014, with schematic design approval in fall 2014. More than 3,600 people in the metro region influenced key interpretive themes and potential activities at the Education Center via online and site surveys. Construction began in September 2015, with the grand opening on March 2, 2017.

The construction has a significant impact on the visitor experience, zoo classes and camps, and zoo operations. Access in and out of the project site onto busy Washington Park roadways was a safety challenge and concern. Close coordination between construction and facility operations was required. The Metro Council approved an alternative procurement for construction management by a general contractor, which helps address these risks, as well as encouraging more minority-owned, women-owned and emerging small business contractor participation. The design team and construction contractors worked closely with zoo staff and stakeholders to minimize the negative impacts to visitors and surrounding neighbors during construction.

**Animal Welfare** – In addition to new improved facilities for the invertebrate collection at the Insect Zoo and western pond turtles at the Species Conservation Lab, the NESt's message of taking small actions on behalf of wildlife will benefit the conservation of animals worldwide.

**Conservation Education** – The Education Center will facilitate the development of Metro's environmental literacy framework and will be a place where regional conservation education partners can connect with each other and the community. Working with partners, the framework outcomes have been molded into the overarching themes for the Education Center, including the big idea that "Small Things Matter":

**Small animals matter.** While visitors to the zoo care about many larger animals such as elephants, orangutans and polar bears, Education Center exhibits and experiences – like the new, improved Insect Zoo – ensure they don't forget the smaller and often underappreciated inhabitants of our world including insects, turtles and microorganisms which are critical to a functioning and healthy natural system.

**Small habitats matter.** Small habitats found in gardens, stormwater basins, highway medians, parks, and natural areas all over the region are important to a well functioning ecosystem.

**Small actions matter.** Small individual actions and choices can make a big difference. An exhibit in the Education Center's Nature Exploration Station highlights "wildlife heroes" – everyday people who have taken action on behalf of wildlife and wild places. An adjacent "Take Action Now" exhibit encourages visitors to follow these heroes' example and pledge to do more to help.

The zoo is developing partnerships with like-minded conservation organizations to deliver collaborative educational programs and access to office space in the new facility. Key partners include the U.S. Fish and Wildlife Service, which has dedicated staff and resources to provide ongoing year-round programming; the Intertwine Alliance, which will be using the space to convene and plan among regional conservation education organizations; and Metro's Property and Environmental Services and Parks and Nature divisions, which will provide content and resources for programs and exhibits on natural gardening, waste reduction and sustainability. Oregon State University Master Gardeners will support the demonstration garden to foster awareness about backyard habitats. Dozens of additional partners participate in a partnership and programming advisory group. A list of more than 30 primary partners was [presented at the Oversight Committee November 9, 2016, meeting](#), and many more are also involved.

**Infrastructure and Sustainability** – This project includes the completed demolition of the Tiger Plaza structures, a portion of infrastructure work identified in the Master Plan to address stormwater and site utilities, and visitor and revenue-generating amenities for Discovery Plaza. The Education Center will be a “building that teaches” with sustainable elements prominently on display and interpreted through an interactive sustainability dashboard exhibit. The LEED-certified building will feature rain water reuse in restrooms, solar panels for energy production, bird-friendly glazing, Forest Stewardship Council-certified wood and efficient heating and cooling systems. The Oregon Zoo Foundation and zoo staff have developed a new partnership with SolarWorld, the largest U.S. manufacturer of solar panels and a leader in solar technology, to provide solar panels at cost. With the goal to produce as much energy that is consumed, the zoo aims to achieve a net-zero energy operations certification for the NEST building. Funding from Portland General Electric's Renewable Development Fund supported the expansion of the solar panel installation to help achieve this goal. Green Living signs and a sustainability dashboard will interpret the resource conservation efforts and outcomes of the new facility.

**Diversity in Contracting** – A preliminary estimate of the Education Center total contract expenditures that will be awarded to COBID firms shows the zoo bond program will greatly exceed its target. As of December 31, 2016, the project had a 29.1 percent COBID utilization rate, based on COBID-eligible construction contract spending.

## Education Center

### 2015 Findings and Recommendations *with updates:*

- The committee recommends that the bond program apply for a renewable energy grant from Portland General Electric in spring 2016 if the grant program receives pending approvals and is opened for application. Receipt of this grant would significantly expand the building's solar panels and create a net-zero energy operations facility that can serve as a teaching tool.

*Update: Portland General Electric awarded the Oregon Zoo and Oregon Zoo Foundation \$385,000 to support the expansion of the solar installation at the Education Center. This expansion will help the zoo achieve a net-zero energy operations building.*

- The committee commends the Oregon Zoo Foundation, zoo bond staff and SolarWorld for developing a partnership to save funds on the procurement of solar panels.

*Update: The committee commends the Oregon Zoo Foundation for a successful education campaign that raised \$1.7 million to support the capital investment and programming at the new Education Center.*

- The committee recommends the zoo staff share, prior to the opening of the new Education Center, the status of partnership development to deliver nature, conservation and sustainability programming and resources in the new facility.

*Update: The zoo's education curator shared the partnership development strategy and outcomes with the committee in April and November 2016. The zoo is developing partnerships with like-minded conservation organizations to deliver collaborative educational programs and access to office space in the new facility.*

- The committee commends the extensive outreach conducted by the CM/GC contractor to secure COBID subcontractors, surpassing the 15 percent aspirational goal.

*Update: The Education Center COBID utilization rate as of December 31, 2016, was 29.1 percent of the COBID-eligible construction contract dollars.*

(continued)

**Education Center** (continued)**2016 Findings and Recommendations:**

- The committee commends the Oregon Zoo for developing many partnerships to support programming in the new Education Center.
- The committee commends the Oregon Zoo for continuing zoo operations throughout bond projects construction, with minimal negative impact to zoo operations.
- The committee reviewed and made recommendations regarding project modifications for the Education Center to enhance opportunities for conservation education and reductions in greenhouse gas emissions and operating costs. These recommendations were approved by the Metro Council.
- To date, utilization of COBID-certified firms exceeded the 15 percent goal for the Education Center, and the committee recommends sharing final data in 2017.
- The committee recommends that staff analyze and share lessons learned on the Education Center contracting of COBID-certified firms.
- The committee commends inclusion of the following features in the Education Center to enhance infrastructure and sustainability, making the building a teaching tool:
  - Installation of 760 solar panels on the roof to help achieve net-zero energy operations
  - High-efficiency lighting and HVAC
  - Energy-efficient radiant-floor heating
  - Forest Stewardship Council (FSC)-certified wood
  - Bird-friendly lights and fritted glass to help prevent and deter window strikes
  - Native plants for wildlife and reduced irrigation
  - Green roofs on the wildlife garden shelter and bee hotel
  - Rain gardens to clean and detain stormwater
  - Material reuse: salvaged timbers from the old Elephant Museum building were used for garden shelter; salvaged Elephant Plaza concrete pavers were used in wildlife garden; redwood trees removed from site for construction were salvaged and used for outdoor tables and benches.

## 2. Polar Passage

Planning and design work for the new polar bear habitat, Polar Passage, included in the bond is underway. The vision is to develop a new and larger habitat to encourage and promote exploring, digging, swimming, scratching and other natural behaviors. As the world's largest land predators, polar bears need space, and the proposed upgrade will offer them not only more room, but also a safer and more natural and diverse habitat to explore.

**Animal Welfare** – As envisioned, the project will expand the bears' access to natural substrate and habitat, renovate and increase the efficiency of the water-filtration system, reduce temperatures, chill the pool water, and increase both land and pool space. New holding areas will have better lighting and ventilation, allowing for better animal care. The original scope included one saltwater pool, and staff is analyzing the use of saltwater for all the pools, as it is the natural water source for polar bears and offers significant animal welfare benefits. This would be a change in the original scope, so costs continue to be analyzed.

The Manitoba protocols for polar bears are formally known as Manitoba, Canada's Polar Bear Protection Act. These standards establish the necessary minimum requirements of any facility that might want to receive an orphaned animal from Manitoba (Western Hudson Bay population/Churchill area). The regulations identify exhibit and off-exhibit space, holding area, maternity den, pools, viewing distance, barrier heights, exhibit complexity, animal care, enrichment and education requirements. Adhering to the Manitoba protocols is important for designing Polar Passage so that the zoo could qualify to receive polar bears from Canada, if available. In Churchill, Manitoba, polar bears in the wild that interact inappropriately and repeatedly with humans have had to be euthanized. Polar Passage could be a future home for these types of bears. The Association of Zoos and Aquariums' Species Survival Plan for polar bears has asked that all polar bear facilities aspire to the Manitoba standards.

As marine mammals, polar bears' eye and coat health is best served with access to saltwater, which is planned for at least one pool in Polar Passage. (Saltwater is not specified by the Manitoba protocols.)

**Conservation Education** – Development of this new habitat also provides the Oregon Zoo the opportunity to educate guests about climate change, as well as the conservation research the zoo conducts with polar bears to assess the impacts of such change. A key component of the new polar bear exhibit will be to bring the zoo's research and positive reinforcement training activities to the forefront of the visitor experience. One of the main objectives of the interpretive messaging will be to introduce facts about climate change, polar bear conservation, and actions visitors can take to preserve polar bears and their arctic habitat. As with all bond projects, the effectiveness of the interpretive exhibits with visitors will be assessed after the project is complete.

**Infrastructure and Sustainability** – Infrastructure work associated with the polar bear project includes a public plaza with guest amenities, visitor path upgrades, and the final phase of upgrading utilities as part of the bond program implementation. The polar bear project will also connect to the geothermal "slinky" system installed during the construction of Elephant Lands to exchange heat and cooling between the habitats. The geothermal system will help save energy by transferring energy used to cool Polar Passage and use it to help heat Elephant Lands.

**Diversity in Contracting** – The approval to utilize CM/GC for this project will allow for more outreach to COBID contractors during the design phase.

**Percent-for-Art** – The final of three major bond program Percent-for-Art installations will be developed in conjunction with the Polar Passage project. The team of Edwin and Veronica Dam de Nogales was selected in November 2016 as the commissioned artists. The Polar Passage design and conservation messages related to the iconic polar bear were a major consideration in artist selection.

## **Polar Passage**

### **2015 Findings and Recommendations *with updates*:**

- The committee agrees with the construction of Polar Passage using the Construction Management/General Contractor (CM/GC) alternate procurement method to ensure strong project oversight by staff, to create a team from the start of the project that works more cooperatively to solve problems and finds the best way to design and build the project, and to best address the needs of this complex project with difficult site conditions.

*Update: Lease Crutcher Lewis was awarded the CM/GC contract for Polar Passage. The zoo is benefitting from the general contractor's participation in the design of Polar Passage. Lease Crutcher Lewis assists in the design process by identify cost effective solutions and options in partnership with CLR Design.*

- The committee recommends an updated cost escalation analysis to ensure the budget is adequate to meet the original intent of the ballot measure.

*Update: A Budget Subcommittee was formed to recommend a strategy to the Zoo Bond Citizens' Oversight Committee regarding allocation of the remaining bond funds. In September 2016, the subcommittee drafted guiding principles and a work plan and shared them with the committee, and staff provided an updated cost escalation analysis.*

- The committee recommends staff bring major project modifications before the committee for review.

*Update: The subcommittee will review project modifications and budget allocation for the remaining projects, and bring initial recommendations to the full oversight committee in early 2017.*

- The committee recommends continued outreach efforts to MWESB contractors, with an emphasis not only on diverse business ownership, but also diverse workforce.

*Update: The Polar Passage CM/GC contractor is doing outreach to COBID-certified firms and working to develop a diverse workforce. The planned outreach and workforce development was included in the [September 2016 Equity in Contracting Quarterly Report](#). Once the project design is finalized, the CM/GC contractor will provide a specific work plan for achieving diversity in contracting goals.*

**Polar Passage** (continued)

**2016 Findings and Recommendations:**

- The committee recommends that staff analyze the use of saltwater for all of the Polar Passage swimming pools and bring the cost and program analysis to the committee for review.
- The committee recommends that the zoo develop a formal commitment to polar bear conservation and define how Polar Passage supports this conservation commitment.
- The committee carries forward its 2015 recommendation that staff share the general contractor's Diversity in Workforce and Contracting plan with the committee prior to seeking subcontractor bids on a construction project, specifically Polar Passage.



### 3. Interpretive Experience and Wayfinding

The zoo's overall interpretive goals, including both bond project and non bond project initiatives, are to create a more synergistic experience for guests across the entire campus and to position the zoo itself – its environmental resources and stewardship of those resources, husbandry and animal care practices, and conservation programs – as an essential part of that experience.

Each project has interpretive themes and goals. Visitors are engaged as part of the front-end (goal setting), formative (design) and summative (effectiveness) evaluations. Animal welfare, sustainability/green living, and conservation education are common threads through each project's interpretive elements.

A new interpretive Elephant Lands app completed in 2015 represents the zoo's first initiative to use smart phone technology to enhance the educational experience. With the new free app, funded by the Oregon Zoo Foundation, visitors can locate individual elephants and record and share observations about the herd by using elephant identification stations. The app also features a pledge that users can take to share a commitment to elephant conservation. Outcomes will be reported in an Elephant Lands operating report in 2017.

Installation of the campus wayfinding system made significant progress in 2016. Zoo staff and consultants implemented a system to aid visitor navigation and trip planning on grounds.

#### Interpretive Experience and Wayfinding

##### 2015 Finding *with update*:

- The committee appreciates the support of the Oregon Zoo Foundation in funding the Elephant Lands app to enhance the visitors' educational experience.

*Update: The zoo developed and launched the first smart phone application to enhance the visitors' educational experience at Elephant Lands.*

##### 2016 Findings and Recommendations:

- The committee commends the zoo for updating and installing a new wayfinding system to support visitor navigation and trip planning on grounds.
- The committee recommends that staff share the outcomes and findings from the Elephant Lands and Education Center interpretive summative evaluations when they are available.

#### 4. Percent for Art

The zoo bond program is taking a programmatic approach to meeting Metro's 1 percent-for-art requirement. In addition to art installed at the Veterinary Medical Center, the art appropriation for the remainder of the construction projects was pooled for the whole program to fund three major commissions at three plazas (instead of a small art installation at each project). The first commissioned artist, Catherine Widgery, created "Forest Lights" for Elephant Lands and the east plaza, which opened in December 2015 (see Elephant Lands in the next section).

For the second major art commission, the Regional Arts and Culture Council, on behalf of Metro and in conjunction with the Oregon Zoo Public Art Advisory Committee (which includes a member of the Zoo Oversight Committee), issued in 2014 a request for qualifications (RFQ) to select a second commissioned artist to create art for the Education Center and west plaza project. From the 232 artists from around the country who responded to the RFQ, the art committee selected Rob Ley, a public artist from Los Angeles. Mr. Ley's art, titled *Ambiguous*, was installed in 2016 near the Education Center entrance. His conceptual approach is based on the Education Center's interpretive theme that "small things matter," particularly how many small parts contribute to a whole. He looked to nature for design inspiration, particularly images of small parts like spores, pollen, eggs, seeds and rhizomes. The form is made with 2,500 triangles that compose the sculpture; 10,000 unique angled bends and 15,000 rivets turn all of these separate pieces into a singular, monolithic form.

The third major art commission selection process was completed in 2016 in conjunction with the design of the new Polar Passage. The Oregon Zoo Public Art Advisory Committee selected the artist team of Edwin and Veronica Dam de Nogales of Ontario, Canada, out of 179 responses to the RFQ.

##### Percent for Art

##### 2015 Recommendation *with update*:

- The committee recommends continued partnership with the Regional Arts and Culture Council to assist with artist solicitation and selection.

*Update: The committee commends the Regional Arts and Culture Council for leading a successful artist solicitation and selection process for Polar Passage.*

##### 2016 Findings and Recommendations:

- The committee commends the zoo for the successful restoration and reinstallation of the Willard Martin Mosaic at the new Education Center, funded in part by an Oregon Cultural Trust grant.
- The committee commends the successful art installation at the Education Center by commissioned artist Rob Ley.
- The committee recommends that the next commissioned art installation process be appropriately integrated with the Polar Passage and Central Plaza design.
- The committee recommends that the zoo document the new public art and develop an ongoing maintenance plan to support its commitment to this nonliving collection.

## REQUIRED REPORTING ITEM 1 | Assessment of Progress

## C. Completed bond projects

### 1. Remote Elephant Center, deemed not feasible and cancelled February 2016

While a Remote Elephant Center was not included among the list of projects approved by voters when passing Measure 26-96, zoo and Metro staff conducted feasibility analyses of potential sites, operational plans and financials, per the Metro Council's direction as stated in Attachment A of Resolution No. 08-3945, approved in 2008.

In February 2016 the Metro Council unanimously approved a formal resolution to suspend pursuit of the Remote Elephant Center project due to lack of financial viability, difficulty securing suitable property and the ability to achieve the zoo's vision for elephants through the new onsite Elephant Lands. Metro informed the public by issuing a press release and posting the decision on the zoo and Metro websites, and it was covered by local media as well. The committee is working with staff on fund reallocation.

### 2. Elephant Lands, December 2015

In recognition that elephants are the Oregon Zoo's signature species, Metro prioritized the onsite Elephant Habitat (known as "Elephant Lands") project in terms of timing and the financial resources dedicated to it. The project was substantially complete in December 2015, within its approved schedule and budget. The grand opening to the public was held on December 15, 2015, with several hundred people attending.

As part of the elephant habitat expansion, a number of related subprojects were also completed. These include: 1) relocation of the train loop, 2) a new perimeter service road, 3) relocation of the Wild Life Live! program and 4) water and energy sustainability measures, including Leadership in Energy and Environmental Design (LEED) Gold certification for the elephant buildings and site, and a new campus geothermal loop to reduce the use of fossil fuels for heating and cooling. The Elephant Lands project was completed using a Construction Management/General Contractor (CM/GC) alternative procurement approach.

Of particular note, the low percentage of cost for change-order work for this large project is to be commended. A project of this size and scope would generally average change orders that increase costs by around 10 percent of the construction cost. The Elephant Lands number has been particularly low, around 5 percent of the guaranteed maximum price, which shows one of the benefits of utilizing CM/GC.

Two totem poles were displaced in the construction of Elephant Lands, which created an opportunity for a complete restoration by the Lelooska tribe and artist Ray Losey prior to relocating the poles. With significant engagement of the Native American community, the zoo hosted a well-attended totem pole rededication event to celebrate the Native American culture, history and meaning of the poles.

Elephant Lands also includes work by the first major commissioned artist under the 1 percent-for-art program, Catherine Widgery, whose artwork welcomes guests to Forest Hall, the elephants' new indoor habitat.

The Wild Life Live! facility was displaced due to the construction of Elephant Lands. The bond program renovated an under-utilized animal holding facility at the zoo and successfully relocated the Wild Life Live! program. The relocation resulted in improved living quarters for the program animals, and Wild Life Live! staff are pleased with the new headquarters.

**Animal Welfare** – The Elephant Lands project significantly expands the elephant habitat, allowing for an evolution in the way the elephants use their space in support of the zoo's vision for elephants to live in family herds. The design of the habitat sought every opportunity to encourage natural behaviors and nurture family dynamics. The project elements include Forest Hall and the Elephant Barn, the North Meadow Habitat, Encounter Habitat and the South Habitat on a six-acre site.

Throughout the habitat, feeding stations, mud wallows, and water features including a 160,000-gallon pool provide many activity choices and encourage the elephants to be active 14 to 16 hours a day, just as they would in their natural environment. Deep sand groundcover blankets the entire habitat, including most of the indoor areas. State-of-the-art heating and ventilation systems with open doors allow the herd to move inside and out as they please.

In planning for Elephant Lands, the zoo hired a consultant team that included architects expert in the design of animal habitats who drew upon the best features of state-of-the-art elephant facilities around the world. Working with elephant care staff, the design team crafted Elephant Lands to meet the psychological and social requirements of the elephant herd as well as its physical needs.

The zoo's research staff has been monitoring the zoo's elephant herd for more than four years, from September 2012 to December 2016, to study the effect of Elephant Lands on the herd. Their findings are expected to provide scientifically credible documentation of the effects of the new habitat on the elephants' welfare and quality of life, findings that will likely prove valuable to other elephant care facilities.

Researchers started monitoring in the old habitat to establish baseline data on the herd's general health, hormone levels and behavior. They continued monitoring as the herd transitioned into the new Elephant Lands habitats. As of December 2016, the elephants have been in the new Forest Hall and barn for one year. Staff will continue to monitor the herd for years to come.

Samples collected measured the elephants' behavior diversity and how they spent their time (7,446 video clips totaling 250 hours), distance walked and recumbence (154 sessions with GPS bracelets), and stress and reproductive hormones (1,493 fecal samples). The zoo also has 20 prior years of hormone data. Dedicated zoo volunteers did most of the videotaping. Processing the data and samples will take an estimated 3,000 hours, and the goal is to be complete by July 2017. Analysis of the data will look at standard welfare variables of housing features and management practices, as well as additional variables for this study: construction and moves, life events (births, deaths and transfers), and reproductive status and cycle phase.

Although the study is not complete, the researchers are observing some great changes as a result of Elephant Lands. Anecdotal observations show the elephants are using their resources – such as feeders and food delivery locations, habitat features and enrichment elements – more than they did before Elephant Lands. The animals are walking and foraging for food throughout the habitat by checking all the feeders, which are programmed to deliver food unpredictably. This is a change from the old habitat where keepers delivered the food on a schedule. The elephants are also showing a greater variability in social interactions since the new habitat allows them to choose where to be, who to be with, or whether to be alone. The new habitat complexity appears to be correlated with the elephants vocalizing more with each other when out of view of one another. Researchers noted that the elephants at the Oregon Zoo are utilizing the many new resources available to them. The Committee looks forward to receiving the final results of the study in 2017.

**Conservation Education** – Art, interpretive signs and other displays installed with the project provide the public with many opportunities to understand the impacts of human activities on wild elephant habitat and to get an up-close experience with these amazing creatures. The Elephant Lands interpretive experience has three main themes:

- **Being an elephant: the mind, body and life of an elephant.** This natural history content helps enrich guests' understanding of elephants as remarkable, unique creatures.
- **Elephant Lands is the Oregon Zoo's vision for elephant care in practice.** These highlights show how elements in and around the habitat enrich the lives of the zoo's elephant herd.
- **Humans and elephants: a shared history.** This exploration of the long, complex history that elephants and humans have shared includes current conservation issues and celebrates more than 60 years of elephants at the Oregon Zoo.

A life-sized wall graphic of Packy, the former senior male elephant, allows visitors to appreciate the height and size of an elephant, while a model of an elephant trunk allows them to experience its feel and texture. As mentioned, the Elephant Lands interpretive experience also includes the zoo's first smart phone application. Features of the app, released in December 2015, provide visitors with tools for identifying individual elephants in the herd.

**Infrastructure and Sustainability** – Completion of the six-acre Elephant Lands project exemplifies the zoo's commitment to sustainability through the incorporation of a variety of elements including energy efficiency, sustainable building materials, solar preheating hot water, use of day lighting, stormwater management and the first portion of a new geothermal "slinky" system that will redistribute heat created from cooling the polar bear exhibit and move it to Elephant Lands where it is needed to warm the elephants. The zoo received technical assistance and nearly \$150,000 in rebates and incentives from the Energy Trust of Oregon for energy efficiency investments at Elephant Lands.

In 2015 the Portland Business Journal staff nominated Elephant Lands for a PBJ Better Bricks award, primarily for the project's focus on sustainability and use of cross-laminated timber (CLT) for the roof of the Elephant Plaza restroom, the first commercial building in Oregon to use CLT. Cross-laminated timber is a new engineered wood product made of 2-by-6s glued together in huge sheets and crosshatched in three to nine layers. Made of a naturally renewable resource, CLT is considered a greener choice since it takes less energy to produce than steel and concrete and can be made of smaller, lower-grade timber that avoids cutting old-growth trees.

Infrastructure improvements as part of Elephant Lands include a new service road, which provides a safer environment for visitors by removing most service and construction vehicles from pedestrian paths and by improving emergency vehicle access. In addition, the zoo train tracks were rerouted to provide more space for the elephants and offer better views of the animals.

The zoo received LEED Gold certification for Elephant Lands. In addition, the zoo received recognition as the Project of the Year by the Daily Journal of Commerce, as well as several industry awards.

**Diversity in Contracting** – Elephant Lands achieved a COBID utilization rate of 10 percent of the COBID-eligible contract value, with \$4.4 million going to COBID-certified firms. Due to the project's complexity, scale and specialization, the 15 percent COBID goal was harder to reach. Also, 25 percent of the subcontractors that bid on the project were COBID firms, but not all of them had the lowest bid, so some were not awarded the work. The scopes of work deemed ineligible for COBID firms, and deducted from the total construction contract amount to determine the base for the utilization rate calculation, include: elephant doors and gates, crane, elevators and specialty rock work.

## Elephant Lands

### 2015 Findings and Recommendations *with updates*:

- The committee recommends publicly sharing when complete the outcomes of the studies currently underway that are assessing the impact of the new habitat on the elephants' well-being and health.

*Update: The zoo's conservation and research staff updated the committee with preliminary findings and the data analysis completion timeline of 2017.*

- The committee applauds the innovation of the Elephant Lands design and construction team in the first commercial utilization of cross-laminated timber in Oregon. The committee recommends the bond program continue to identify innovative sustainability investments.

*Update: The zoo received LEED Gold certification for Elephant Lands.*

### 2016 Findings and Recommendations:

- The committee commends the zoo for receiving several awards and recognitions for Elephant Lands, including LEED Gold certification and Daily Journal of Commerce Project of the Year Award.
- The committee recommends publicly sharing, when complete, the outcomes of the studies currently underway that are assessing the impact of the new habitat on the elephants' well-being and health. The committee would also like to be aware of the research dissemination strategy.
- The committee recommends publicly sharing the outcomes of summative evaluations of the interpretive exhibits and how a resulting change in public perception and behavior may help elephants in the wild.

### 3. Condors of the Columbia, 2014

Condors of the Columbia officially opened to the public in May 2014. Construction was completed on amended schedule and *under* budget by \$412,983. The construction completion date was later than the estimated schedule in the Comprehensive Capital Master Plan, but approved and updated due to the need for a longer design and construction period and the discovery of hidden underground challenges on site. Condors of the Columbia highlights the Oregon Zoo's successful condor breeding program and aims to inspire visitors to learn more about the conservation of these iconic birds.

The interpretative features at the Condors of the Columbia exhibit were designed to illustrate the zoo's role in California condor conservation and to inspire audiences to take conservation action. To validate the efficacy of the interpretive experience, an evaluator was contracted to analyze visitor tracking studies and intercept surveys. The evaluator concluded that Condors of the Columbia was highly successful in meeting the intended outcomes.

The exhibit was not a candidate for LEED certification because it did not meet minimum square-footage requirements.

**Diversity in Contracting** – The project accomplished a COBID utilization rate of 26 percent; 19 percent were emerging small businesses and 7 percent were minority-owned businesses. The specialty netting scope was deemed ineligible for COBID firms, and the value was deducted from the calculation.

### 4. Veterinary Medical Center, 2012

The grand opening of the VMC was celebrated in January 2012. The Veterinary Medical Center replaced the substandard veterinary and quarantine buildings with a new facility that meets standards set by the Association of Zoos and Aquariums. The Veterinary Medical Center was prioritized as the first bond project for animal health and safety.

**Diversity in Contracting** – Of the total contract value, the project achieved a 10 percent<sup>4</sup> COBID utilization rate. Five percent were emerging small businesses, 4 percent were women-owned businesses, and 1 percent were minority-owned businesses.

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<sup>4</sup>Metro's calculation methodology at the time of this project was to exclude the cost of prime contractor self-performed work. Out of the \$4,214,163 available in subcontracts (*i.e.*, work not performed directly by the prime contractor), 17 percent of the dollars went to contractors certified as a MBE, WBE or ESB. This number was previously reported in Metro's annual MWESB report.

## **5. Penguin Life Support System Upgrade, 2012**

The penguin water filtration project was completed in 2012. The goal of the upgrade was to conserve water and improve water quality. Zoo staff estimates that water use has decreased by more than 90 percent as the pool water is filtered versus frequently dumped.

**Diversity in Contracting** – The project accomplished an MWESB utilization rate of 6 percent; all 6 percent were emerging small businesses.

## **6. Comprehensive Capital Master Plan, 2011**

The Comprehensive Capital Master Plan was completed and approved by the Metro Council in September 2011. It addresses project sequencing, scope, programming and budgeting for bond projects.

## **7. Water Main Building, 2011**

The Water Main Building was completed in 2011 and prevents nonpotable water from entering the water system. It was a crucial upgrade to save water at the zoo, including the capture and reuse of rainwater at the Veterinary Medical Center.

## **8. Land Use, 2011**

Metro completed and received approval for three land use applications with the City of Portland: (1) an amendment to the existing Conditional Use Master Plan to allow work to proceed on the Elephant Lands project and the Condors of the Columbia project, (2) West Lot land use application and (3) an application for a new Conditional Use Master Plan for the next 10 years for the remainder of the specific bond projects and some of the overall master plan improvements.

Parking management responsibilities were turned over to Portland Parks & Recreation as part of the land use process. Impacted parties formed the Washington Park Transportation Management Association (WPTMA). Paid parking for the shared lot and throughout Washington Park was implemented in January 2014. In 2015 the WPTMA was renamed Explore Washington Park with a new website and branding.



## REQUIRED REPORTING ITEM 2 | Spending Considerations

Report on spending trends, current cost projections and independent financial auditors' report

## A. Overall program spending

### 1. Budget and Expenditures

The zoo bond program is divided into four main areas: construction projects, planning projects, land use processes and program administration. As of December 30, 2016, the total amount budgeted for all program activities is \$136.8 million.

Figure 2

#### Oregon Zoo Bond Program Budgets and Expenditures

as of December 31, 2016

Project	Project Budget	Project Expenditures	Forecasted Expenditures	% Complete
Master Plan/Land Use Permits	\$ 3,304,011	\$ 3,197,675	\$ 3,197,675	100%
Veterinary Medical Center	\$ 9,464,299	\$ 8,840,329	\$ 8,840,329	100%
Penguin Life Support System	\$ 1,800,000	\$ 1,762,250	\$ 1,762,250	100%
Water Main Building	\$ 267,459	\$ 242,495	\$ 242,495	100%
Condors of the Columbia	\$ 2,628,592	\$ 2,215,609	\$ 2,215,609	100%
Elephant Lands	\$ 57,561,443	\$ 57,453,810	\$ 57,561,443	100%
Remote Elephant Center	\$ 117,864	\$ 117,864	\$ 117,864	100%
Education Center	\$ 17,504,125	\$ 16,390,844	\$ 17,504,125	94%
Interpretives/Wayfinding	\$ 2,489,647	\$ 2,206,648	\$ 2,489,647	89%
Percent-for-Art	\$ 843,154	\$ 554,314	\$ 842,467	66%
Program Administration	\$ 3,912,881	\$ 4,631,886	\$ 7,200,000	64%
Polar Passage	\$ 22,707,853	\$ 551,151	\$ 22,707,853	2%
Primate/Rhino Habitats	\$ 14,240,221	\$ 1,909	\$ 14,240,221	0.01%
<b>Totals</b>	<b>\$ 136,841,549</b>	<b>\$ 98,166,783</b>	<b>\$ 138,921,976</b>	
<b>Zoo Bond Program Forecasted Revenues</b>			<b>\$ 148,172,062</b>	

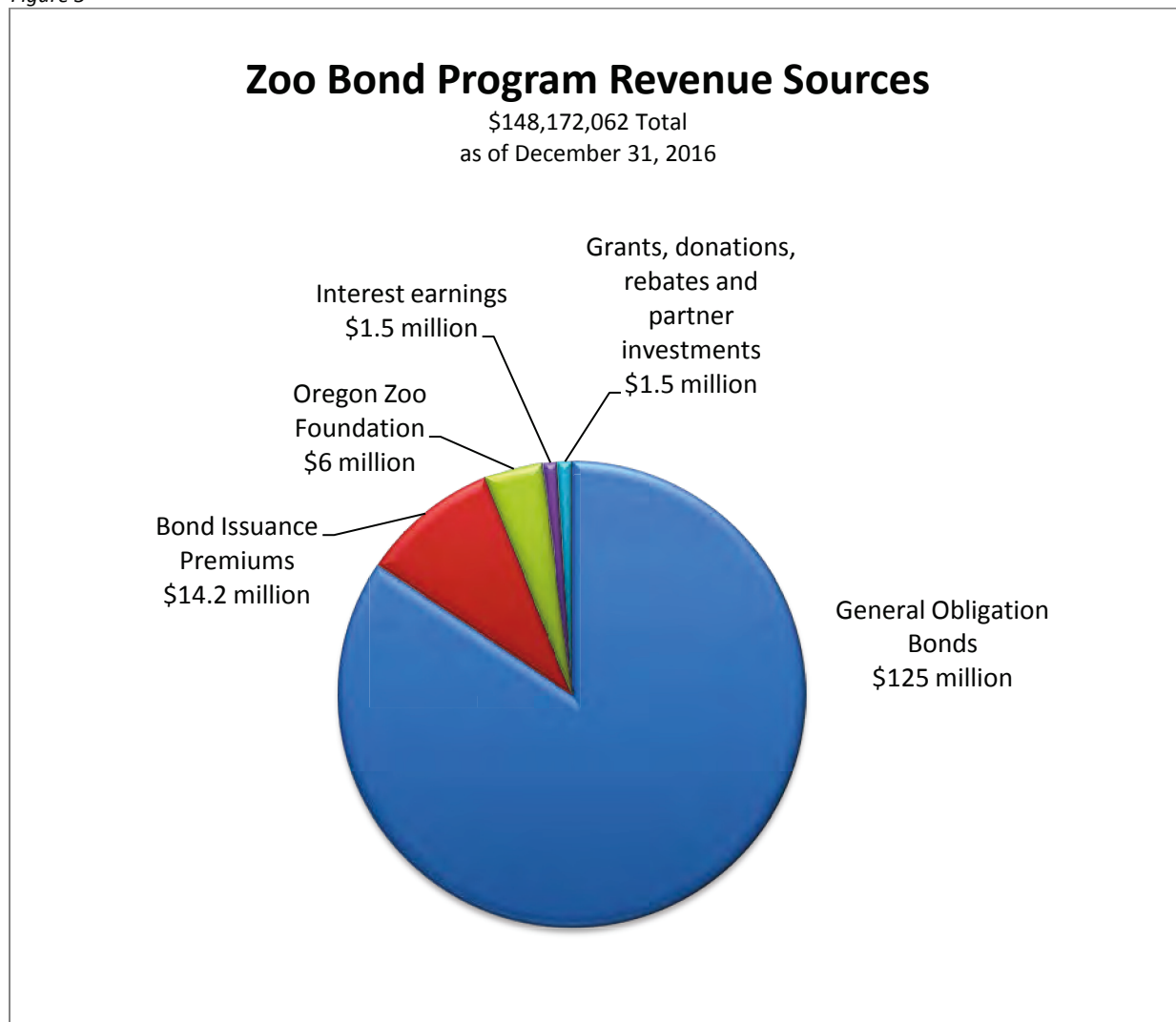
In January 2017, \$2,249,640 was added to the Program Administration forecasted total expenditures, for a new total of \$7.2 million, based on updated data. Staff will seek a budget amendment in Spring 2017.

The Comprehensive Capital Master Plan process is complete, as well as construction of the Veterinary Medical Center, the Penguin Life Support System Upgrade project, the Water Main Building, Condors of the Columbia, Elephant Lands, and the major land use approval processes. The Education Center is 94 percent complete. These projects represent \$98.2 million (66 percent) of the \$148.2 million total resources, and were completed on time and within budget.

The planned projects for 2017-2019 include completing construction of the Education Center, the design and construction of the new Polar Passage and related infrastructure, and the design and construction of the new Primate and Rhino improvements. In addition, the program continues to plan campus and program-level interpretive design, and projects to meet the one-percent-for-art requirement.

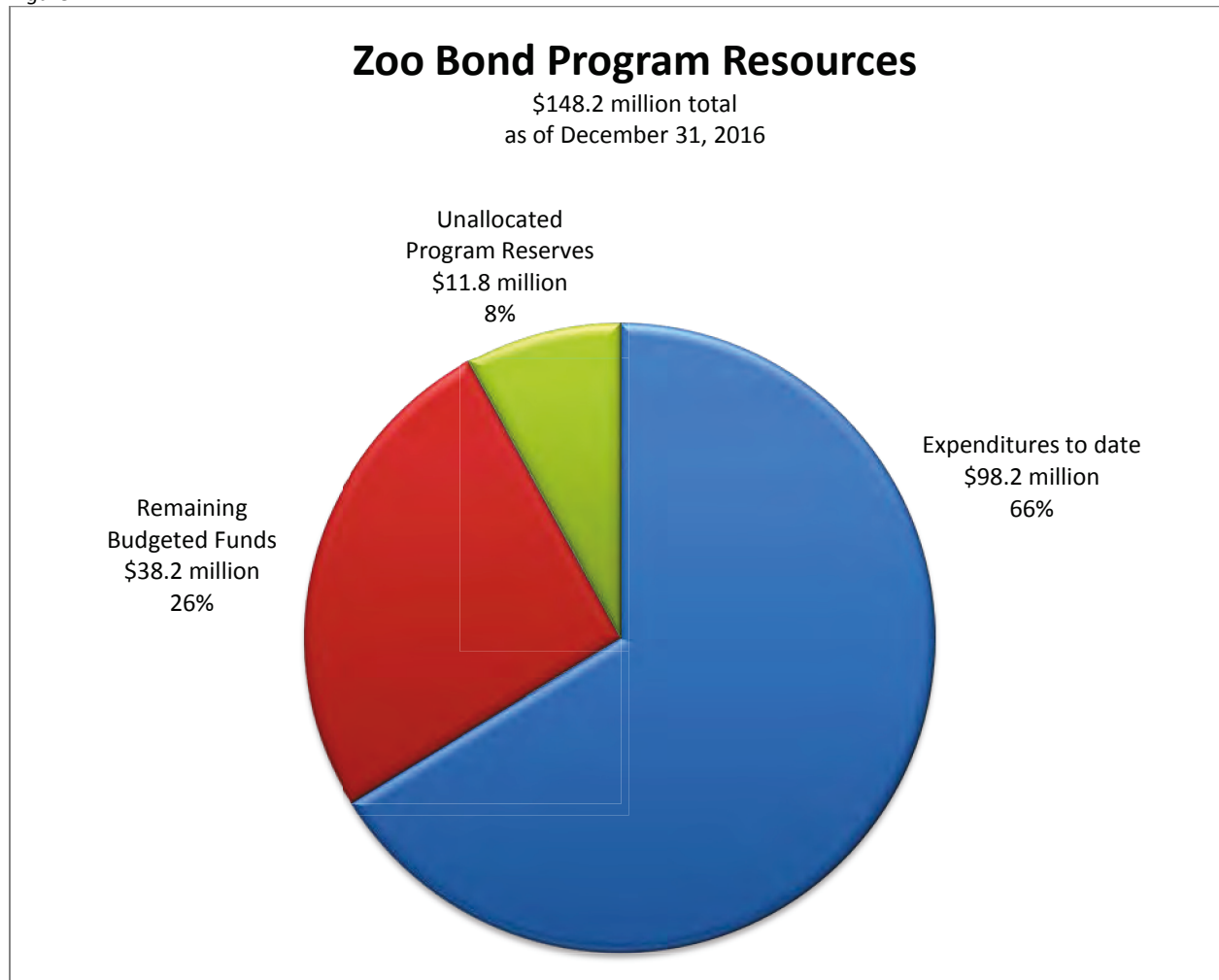
Funding sources total approximately \$148.2 million and include \$125 million from general obligation bond measure proceeds, \$6 million from the Oregon Zoo Foundation, an expected \$1.5 million in grants, donations, and partner contributions, approximately \$1.5 million in anticipated investment earnings and \$14.2 million from bond sale premium proceeds.

Figure 3



The remaining \$11.8 million that is not budgeted to a specific project as of year's end is considered additional program contingency. Sources of the unallocated funds include the unspent bond funds from the Remote Elephant Center project, premium funds received on the bond sales, and donations from the Oregon Zoo Foundation. All of this program contingency is above and beyond the individual project contingencies, which are built into each project budget.

Figure 4



Metro's conservative fiscal policy and excellent AAA bond rating from S&P and Aaa from Moody's have resulted in premiums on the sale of the bonds. This has put the program in a solid position to complete the remaining projects, despite significant cost escalation in the region. Project budgets and scopes were defined in 2011 and will need to be analyzed and potentially modified to address cost escalation. Of principal concern to this committee is completion of all bond projects with the remaining funding without sacrificing bond program and animal welfare objectives.

The Oversight Committee charter outlines the committee's role to "consider and recommend project modifications if inflationary increases in construction costs exceed current budget estimates." The committee has set up a budget subcommittee to review construction cost escalation and project modifications. In 2017, the subcommittee will make a recommendation to the full committee regarding the allocation of remaining bond funds. The Oversight Committee will provide a recommendation to the Metro Council.

**Budget and Expenditures****2016 Findings and Recommendations:**

- The committee commends Metro for its conservative fiscal policy that has resulted in a AAA bond rating from S&P and Aaa from Moody's providing premiums on the sale of the bonds.
- The committee commends the zoo for successful management of projects to date, including Elephant Lands and the Education Center, within the approved budget and schedule.
- The committee commends the Oregon Zoo Foundation and zoo bond staff for a successful application to PGE's Renewable Development Fund to expand the solar installation on the Education Center.
- The Oversight Committee found that careful attention to allocation of remaining bond funds was needed, and launched a budget subcommittee in fall 2016 for this detailed analysis. The Oversight Committee asks the budget subcommittee to recommend in 2017 a prioritized strategy for allocation of the remaining bond and other funds for construction and improvements at the Oregon Zoo.
- The committee congratulates and thanks the Oregon Zoo Foundation for its significant financial support of \$6 million to date, \$4 million of which supported the Education Center and Elephant Lands projects. The committee recommends that staff seek the Foundation's input on allocation of the remaining \$2 million.
- The committee recommends staff monitor code changes at the City of Portland, standards for animal welfare, and cost escalations that may have financial and other impacts on the program.

## 2. Contracting Methods

The program received Metro Council approval to use an alternative general contractor procurement method called the Construction Management by General Contractor approach for the Elephant Lands, Education Center and Polar Passage projects and related infrastructure. This approach worked well for the Elephant Lands project and, given the complexity of the zoo bond-funded projects and the possibility of simultaneous construction projects, the committee continues to support the consideration of alternative contracting methods such as this in order to reduce risk and achieve the most cost-effective and efficient use of the zoo bond funds.

### Contracting Methods

#### 2015 Findings and Recommendations *with updates*:

- The committee and Metro Council supported the use of Construction Management by General Contractor (CM/GC) for the Polar Passage construction.

*Update: The involvement of the CM/GC in the design phase of Polar Passage has been critical to the value engineering process to date.*

- The committee supports the continued consideration of alternative contracting methods.

*Update: Some of the many benefits to using CM/GC as an alternative procurement method on Elephant Lands were constructability analysis from the beginning of design, informed value engineering through design and construction, which kept the project on budget, and gaining the knowledge to identify four distinct phases of construction so certain aspects of the project could be competitively bid to subcontractors, benefiting the schedule, budget and zoo operations.*

#### 2016 Findings and Recommendations:

- The committee commends Zoo Bond staff for the successful contracting and project development through use of the alternate contracting methods.
- The committee recommends that Zoo Bond staff continue to document cost savings and efficiencies through use of alternative contracting methods to inform future projects.
- The committee recognizes that although difficult to quantify, using CM/GC contracting results in a better overall mission-driven project, supports diversity in contracting and results in cost savings from fewer change orders.

## REQUIRED REPORTING ITEM 2 | Spending Considerations

**B. Cost projections****1. Master Plan Implementation**

The Comprehensive Capital Master Plan describes the zoo's vision and goals, the purpose and intent for each facility, and includes a budget, sequence and timeline of construction projects that will bring the future vision to reality. This representation of the zoo's future is an essential tool to coordinate the development of the zoo's separate facilities into a coherent, effective and unique institution with a clear and recognizable theme and mission.

The Metro Council approved the master plan in 2011, which included the budgets for the bond-funded projects. The CCMP has been and will continue to be a crucial element to ensure efficient and effective use of bond proceeds. As part of the CCMP process, each project budget was developed with a contingency fund for both design and construction. Annual cost escalation due to inflation was also incorporated into each project budget. In addition, the overall program has a contingency fund. The Education Center budget was updated to reflect cost escalation. Funds still remain in program contingency to cover future needs.

The committee commends the economy and efficiency with which the program has been run, and recommends its continuance. Of principal concern to this committee is completion of all bond projects with the remaining funding without sacrificing bond program and animal welfare objectives.

In September 2016 the committee launched a budget subcommittee to make a recommendation to the full committee in the spring of 2017 on allocation of the remaining unbudgeted bond program funds.

## Master Plan Implementation: Cost Projections

### 2015 Findings and Recommendations *with updates*:

- The committee is concerned with the escalating cost of construction and would like a regular report on the effect it will have on the final projects.

*Update: Staff provided cost escalation updates to the committee throughout the year. The Polar Passage project budget was amended to address cost escalation in the region. Additional amendments may be needed as cost escalation forecasts are updated. The primate and rhino project budgets will be assessed given the forecasted 27 percent (vs. 6 percent originally estimated in 2011) escalation of construction costs.*

- The committee would like a report on the funds available after the next bond sale and the Metro Council decision on the Remote Elephant Center.

*Update: Staff provided a report in the fall of 2016 to the committee regarding the unallocated funds available (then an estimated \$12 million). The budget subcommittee will review and advise on how those funds should be allocated given cost escalation and project modifications.*

- The committee recommends a subcommittee review the remaining commitments and budgets, unallocated resources, and cost escalation to ensure the resources are available to complete all bond commitments.

*Update: A subcommittee began meeting in the fall of 2016 to focus on fund allocation and project modification. The subcommittee is continuing to meet and will make a recommendation to the full committee in the spring of 2017.*

### 2016 Findings and Recommendations:

- The committee recommends staff continue to inform and update the Oversight Committee on cost trends in the construction industry, including materials costs.
- The committee recommends staff continue to review and validate budgets and cost escalation and their implications on the remaining planned projects.
- The committee recommends the staff continue to monitor changes to animal welfare standards that could have an impact on current and future projects.
- The committee recommends staff assess and monitor the zoo's draft conservation priorities (to be finalized in the Integrated Conservation Action Plan (ICAP)) for any upcoming changes that could affect project designs, construction or operation.

## 2. Administrative Costs

Metro's central services support the zoo bond program with budget management, bond sales, legal support, procurement of goods and services, and information services.

Administration costs and the actual costs of issuing the bonds total \$4.6 million (4.7 percent) of the zoo bond program's total expenditures through December 31, 2016. This percentage is comparable to other local public bond-funded construction projects. An analysis of the Beaverton School District, Portland Public School District and Portland Community College bond programs resulted in a range of administrative costs between 3.8 percent and 7.2 percent of the total program budget.

Originally staff projected that total administrative overhead costs for the zoo bond program would be \$3.9 million, about 3 percent of total expenditures. Metro adopts a cost allocation plan in which costs for centralized services are allocated on a reasonable basis. The same methodology for allocation is applied and charged to all Metro programs. The Oregon Department of Transportation reviews Metro's cost allocation plan for compliance with federal rules.

In 2016 the Oversight Committee received an update on the revised numbers and a detailed explanation about how Metro allocates resources for central services. These updates made it clear that Metro and zoo staff have taken steps to control these overhead costs to ensure voter-approved funds are spent efficiently to achieve the bond program objectives, while maintaining proper controls and providing needed administrative support.

### Administrative Costs: Cost Projections

#### 2015 Recommendations *with updates*:

- A report on the administration costs, including allocated central service costs, and bond issuance costs was provided to the committee in January 2015. The committee recommends updating the budget allocation for administration and bond issuance costs to reflect the revised forecasted expenditures.

*Update: The forecasted expenditures for administrative and bond issuance costs were updated in December 2016. The budget allocation will be considered in 2017.*

- The committee recommends an annual report regarding the administration and bond issuance costs.

*Update: Staff updated the committee on the forecasted administrative costs at meetings in 2016.*

#### 2016 Finding and Recommendation:

- The committee recommends staff continue to monitor the reasonable assessment of administrative costs and their implications on the overall program budget, and provide a report at least annually to the full Oversight Committee.



### 3. Operating Costs

The Oregon Zoo staff anticipates that some future operating costs of the zoo will increase upon completion of the bond-funded projects, but will be offset by additional revenue-generating opportunities and the enhancements and efficiencies gained through new technologies and the modernization of zoo infrastructure. The committee believes it is important that staff continue to monitor this assumption as project planning matures, to allow reasonable financial planning by zoo staff.

#### **Operating Costs: Cost Projections**

##### **2015 Recommendation *with update*:**

- The committee recommends that staff provide by December 2016 a report on the impact of Elephant Lands on operating costs and revenue.

*Update: Data will be analyzed in the fall of 2017 after a full fiscal year of operations.*

##### **2016 Findings and Recommendations:**

- The committee recommends staff provide the operating expense data and revenue from Elephant Lands by December 2017, following the completion of one fiscal year of operation ending June 30, 2017.
- The committee recommends staff provide by December 2017 a preliminary report on the impact of the Education Center on operating costs and revenue.

REQUIRED REPORTING ITEM 2 | Spending Considerations

## **C. Independent financial audit**

Moss Adams issued the annual independent financial audit report of the zoo bond program on November 17, 2016. The auditors reported that nothing came to their attention that caused them to believe that Metro failed to comply with the provisions of the bond measure. No specific management letter comments were made. Notice of the audit report was published on December 21, 2016, in the Daily Journal of Commerce, and the audit report was posted on the zoo website.

**REQUIRED REPORTING ITEM 3 | Project modifications in excess of budget**

Consider and recommend project modifications intended to account for increases in construction costs in excess of budget estimates

- **No project modifications are recommended at this time.**

In September 2016, the Oversight Committee launched a budget subcommittee charged with recommending in spring 2017 a prioritized strategy for project modifications and allocation of the remaining bond funds.

**How to learn more**

We encourage you to learn more about the Oregon Zoo's bond program by visiting [www.oregonzoo.org/newzoo](http://www.oregonzoo.org/newzoo).

We also welcome your feedback about what you would like to hear from us next year. Would you like us to focus on specific areas of concern or processes? Please contact us with any ideas, suggestions or questions.

**Email:** [zobond@oregonzoo.org](mailto:zobond@oregonzoo.org)

**Phone:** 503-914-6028

## Appendix A – Committee Membership

### **Ruth Shelly – Committee Chair**

Ruth Shelly, executive director of Portland Children's Museum, leads a learning complex that consists of a children's museum, private preschool, public K-5 charter school, and research center with a total staff of 37 full-time and 28 part-time employees; \$3.8 million annual budget; and almost 300,000 visitors annually. Shelly is a lifelong museum professional who started in exhibit design and moved to administration, serving in art, history, natural history, and science museums – as well as an aquarium – before entering the children's museum field. She has served on museum association boards at the state, regional and national level. In her present role, Shelly is at the nexus of informal, formal and professional learning, and she is particularly interested in the role that museums can play in shaping the future of educational systems in the United States. Prior to moving to Portland in 2013, Shelly served as Executive Director of the Madison Children's Museum during its move to a renovated historical building, which became the first LEED-certified museum in Wisconsin, and a 2011 recipient of the IMLS National Medal for Museum and Library Service.

### **Daniel Aja**

Daniel Aja is the senior vice president and chief medical officer at Banfield Pet Hospital, where he leads internal and external medicine initiatives at the world's largest veterinary practice. Prior to joining Banfield in 2014, Dr. Aja served as director of U.S. professional and veterinary affairs at Hill's Pet Nutrition. Previously, he owned and directed the Cherry Bend Animal Hospital in Traverse City, Michigan. Dr. Aja earned his veterinary medical degree from the college of Veterinary Medicine at Michigan State University, and has more than 32 years of experience, credibility and commitment to delivering the highest quality of veterinary medicine. He is a past president of the American Animal Hospital Association and served on the Michigan State Board of Veterinary Medicine. He is also the founding board member of Partners for Healthy Pets, a committee of the American Veterinary Medical Foundation created to ensure pets receive the preventative health care they deserve.

### **Noah Bishop**

Noah Bishop is an attorney and the proud father of two young zoo enthusiasts. A graduate of Lewis and Clark Law School, he has focused his practice on debtor-creditor law, and now runs his own law firm, Bishop Bankruptcy Law. He volunteers at The Bankruptcy Clinic, a free service provided by the lawyers of the Oregon State Bar.

### **Linda S. Craig**

Linda S. Craig recently retired from her tax and accounting practice, Linda S. Craig, LLC. She is familiar with citizen oversight committees, having served five years, including a term as chairperson, on the Metro Natural Areas Performance Oversight Committee. She was also on the Advisory Committee for Clean Water Services in Washington County. Since moving to Portland in 1970, she has been on several boards of directors of conservation organizations, including many years with the Audubon Society of Portland. Now she is treasurer of the Xerces Society, an international not-for-profit dedicated to the protection of invertebrate species and their habitats.

## Appendix A – continued

### **Heidi Goertzen**

Heidi Goertzen is the chief compliance officer for Ferguson Wellman Capital Management, overseeing the company's regulatory and compliance matters. Prior to joining the firm, she worked for RVK, Inc. as an investment analyst for several years before serving as investment associate for seven years. She earned a B.S. in finance from Linfield College and holds a MBA with a concentration in finance from the University of Portland's Pamplin School of Business.

### **Susan Hartnett**

Susan Hartnett has more than 25 years of experience in urban planning and development. Her career includes more than 20 years with City of Portland bureaus, including planning, transportation and water; she currently serves as the spectator venues program manager in the Office of Management and Finance. Hartnett has also worked for the City of Tigard, Oregon Heath & Science University, the City of Chicago and several private sector companies. She earned her Bachelor of Science in criminalistics from the University of Illinois and her master's in urban and regional planning from Portland State University, and is an active member of the American Institute of Certified Planners.

### **Deborah Herron**

Deborah Herron is the director of public affairs and government relations for Walmart in Oregon and several other Western states. Walmart has been a strong supporter of the Oregon Zoo, and Herron has been instrumental in ensuring this connection, including serving on the Oregon Zoo Foundation's Board of Trustees. Previous to her work at Walmart, she was a principal at Vox Public Relations in Portland. She is well known and connected in the public affairs community, bringing collaboration, curiosity, careful thinking, passion, enthusiasm and a solution-oriented approach to engage audiences.

### **Jill Mellen**

Jill Mellen is a research biologist whose areas of expertise include animals, animal welfare and enhancing guest experiences in informal learning settings such as zoos and aquariums. Dr. Mellen has worked in the zoo and aquarium field for more than three decades. Most recently she was the Education and Science Director at Disney's Animal Kingdom, where she researched a range of topics from elephant welfare to inspiring children to conservation action. Within the Association and Zoos and Aquariums, Dr. Mellen has held many leadership positions. Her current projects include coordinating studies on marine animal welfare. Early in her career, Dr. Mellen worked at the Oregon Zoo, and has moved back to Portland after her retirement from the Disney Company.

### **Mickey Lee**

Mickey Lee is an energy advisor with NW Natural working with construction contractors and clients to ensure new service is effective and efficient, and utilizing her background in workforce equity, construction and relationship management. Prior to that, she was a project manager at MPower Oregon, where she oversaw the rehab development of energy and water efficiency in the multifamily affordable housing market across the state of Oregon. She has a background in project development

## Appendix A — continued

and management, working with clients across the US to mitigate carbon emissions. Her work has a strong emphasis on environmental and social equity. She has been recognized nationally for helping to bridge the gap between private and public entities. She holds an MBA in sustainable development from Bainbridge Graduate Institute at Pinchot University and is accredited through the national Building Performance Institute.

### **Daniel Morris**

Daniel Morris is research director for Our Oregon, studying government finances and budget priorities. Educated in Portland Public Schools, he went on to earn a master's degree in physics from the University of Michigan and a doctorate in public health from Saint Louis University. As an epidemiologist, Dr. Morris led studies on topics ranging from tobacco tax evasion to tracking obesity with driver licenses.

### **Robyn K. Pierce**

Robyn K. Pierce is a professional consultant with Pierce, Bonyhadi & Associates. She assists colleges, universities and school districts with planning, development, design and construction of academic, research, housing and student service facilities. She served eight years as the director of facilities and planning at Portland State University (PSU), where she managed a department of 160 staff and had an active role in more than 1.5 million square feet of campus growth and development, including nine LEED-certified buildings and three public-private and public-public partnership projects. She managed annual budgets exceeding \$100 million, including construction budgets. Pierce remains dedicated to supporting women and minority contractors in all facets of project development. She completed her undergraduate degree at the University of Oregon and master's degree at PSU.

### **Katherine A. Porras**

Katherine A. Porras is an investment associate at Meyer Memorial Trust, responsible for monitoring and analyzing the foundation's investments, while researching environmental, social and governance factors on portfolio holdings to inform the alignment of the investment strategy to the organization's mission. Ms. Porras has experience working in finance, legal services, and performing arts. She earned an MBA with a focus in finance from Willamette University's Atkinson Graduate School of Management. She looks forward to contributing to the zoo, its staff and the Oregonian community at large.

### **Mike Schofield**

Mike Schofield is the chief financial officer of the Gresham-Barlow School District. He previously served as business manager for the Forest Grove School District, managing the school district's finances and \$65.3 million worth of construction and school improvements included in a successful bond measure. Prior to that, he served as the chief financial officer of the Northwest Regional Education Service District. Schofield has more than 25 years of managing finances for various public education entities. He is a graduate of Portland State University and holds a Certified Management Accountant.

## Appendix A – continued

### **Kevin Spellman**

Kevin Spellman is a business consultant and trainer for construction contractors and industry professionals, following a 28-year career with commercial contractor Emerick Construction, including 18 years as president. In his Spellman Consulting, Inc. practice, he works with contractors on business strategies, development of contract management tools and techniques, and effective operational procedures. He has been an adjunct instructor in the Civil Engineering Department at Oregon State University, and at Portland Community College. He has served on several local boards, including Multnomah Education Service District, and currently chairs the Bond Accountability Committee for Portland Public Schools' bond program.

### **Dick Stenson**

Dick Stenson retired in 2014 after more than 20 years as Tuality Healthcare president and chief executive officer. He was previously administrator of Straub Clinic & Hospital and Straub Health Plan in Honolulu, after working in San Francisco as administrator of Harkness Community Hospital and Upjohn Medical Group. He has a BS degree from the University of California, Berkeley and master's degrees in healthcare and business administration from Tulane and Loyola universities in New Orleans. Stenson is a fellow in the American College of Healthcare Executives and the American College of Medical Practice Executives. He serves on the boards of Hillsboro Community Foundation, Portland Community College Foundation, Virginia Garcia Clinic Foundation, Native American Rehabilitation Association of the Northwest, Community Action, Commission on Children, Washington County Public Health, Intel Community Advisory Panel, Vision Action Network, Pacific University Acorn Foundation, Tuality Foundation, and Greater Hillsboro Chamber of Commerce.

### **Christine L. Taylor**

Christi Taylor is an attorney with Miller Nash Graham & Dunn's business practice team and focuses on construction and general business law. She also has a particularly strong interest in energy law. In her construction practice, she assists clients through the process of building complex projects, including drafting and negotiating contracts for construction. In her general business practice, she assists clients with entity formation, contract drafting and review, corporate governance, and sales and acquisitions. Before transitioning to Miller Nash's business team, she spent three years practicing with the firm's commercial litigation group and focused on disputes involving construction claims and defects, corporate governance and insurance recovery. Ms. Taylor is also a huge polar bear fan!

### **Tom Turnbull**

Tom Turnbull specializes in providing business and legal advice to high-growth companies and entrepreneurs. He is a co-founder and vice president of business development with OpenSesame, the largest source for elearning content in the world with more than 20,000 online courses. Turnbull previously served on the Oregon Museum of Science and Industry board of trustees for five years. He has an MBA in finance and entrepreneurial studies from New York University, a JD from the University of Washington School of Law, and a BA in philosophy from the University of Puget Sound.

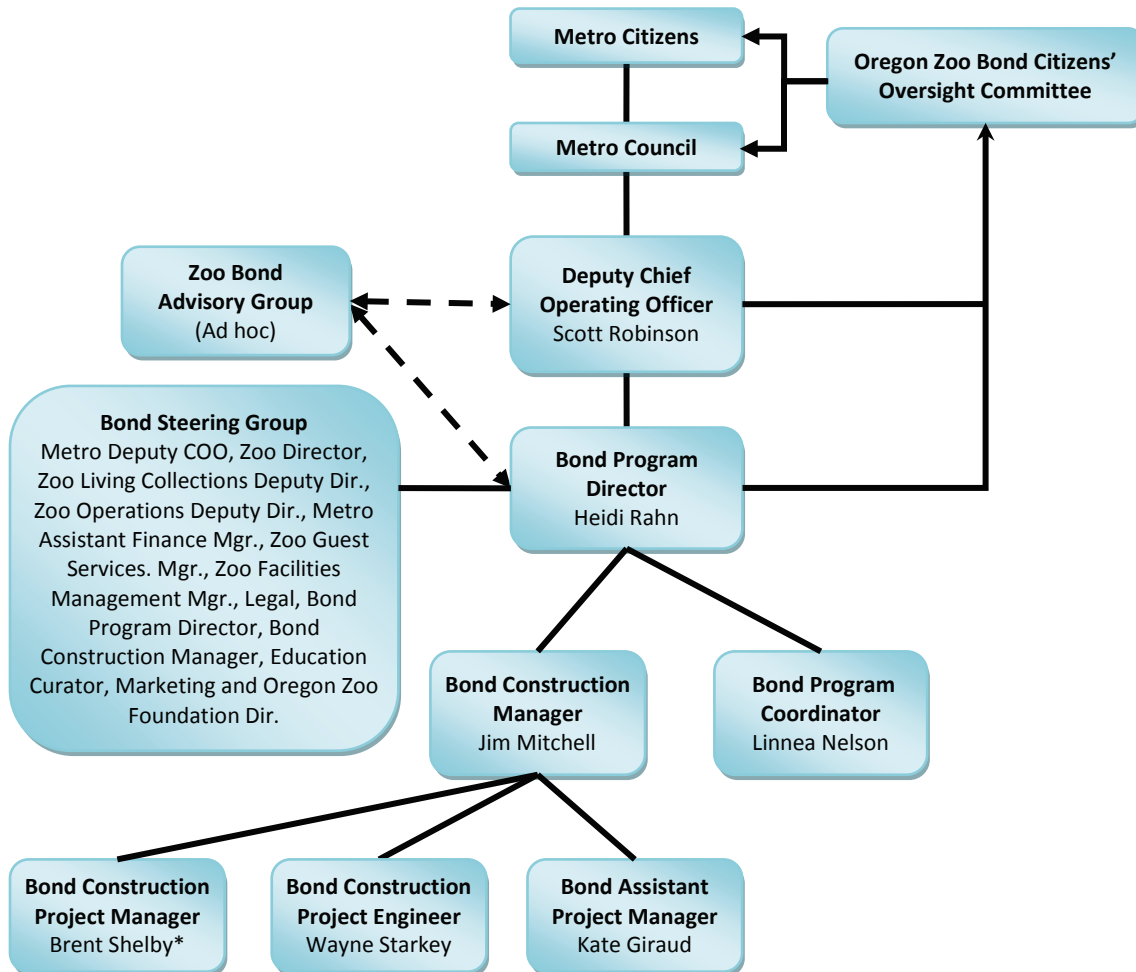
## Appendix A – continued

### **Karen Weylandt**

Karen Weylandt has served at Providence Health & Services for more than 25 years, and is currently chief planning and design officer for the five-state health system. She has worked in the building, construction and improvement of Providence hospitals, outpatient clinics, surgery centers and educational facilities from Alaska to California. Her leadership for the planning and construction of Providence Newberg Medical Center resulted in the first hospital in the country to earn a LEED Gold designation. She also directed the planning and construction for the Providence Cancer Center in Portland. Weylandt's recent projects include a major expansion of services for Providence's downtown Seattle facilities, and a master plan for the south campus expansion at St. John's Hospital in Santa Monica, California. Weylandt earned a degree as a registered nurse and a master's degree in health care administration. For the past seven years she has served on the Oregon Facility Authority Board, and she also served several years on the Oregon Humane Society Board.

## Appendix B

### Zoo Bond Program Organization Structure



#### External Consultant and Contractor Contributions

Bond Construction Projects: Design consultants and construction contractors managed by bond construction and project managers.

#### Zoo Staff Contributions

Animal Welfare, Guest Experience, Facilities Impacts, Conservation Education, Grant Administration, Finance, Procurement, Marketing, and Public Relations and Involvement.

#### Oregon Zoo Foundation Contributions

Financial, Grant Administration, Donor Management and Communications.

#### Metro Contributions

Governance, Civil Engineering, Real Estate, Planning/Permitting, Program Delivery, Historical Investigations, Legal, Finance, Procurement, Human Resources, Sustainability, Diversity/Equity/Inclusion, and Risk Management.

Solid Lines = Primary responsibility for or relationship to

Dashed Lines = Secondary/support for or relationship to

\*Brent Shelby accepted another position within Metro effective March 27, 2017.



Agenda Item No. 3.2

Zoo Organizational Culture Audit

*Presentations*

Metro Council Meeting  
Thursday, April 13, 2017  
Metro Regional Center, Council Chamber



## **Oregon Zoo:**

*Clarify vision, prioritize actions, and learn from change to improve organizational culture*

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February 2017

A Report by the Office of the Auditor

**Brian Evans**

*Metro Auditor*

**Angela Owens**

*Senior Management Auditor*

**Simone Rede**

*Senior Management Auditor*

### **Metro Accountability Hotline**

The Metro Accountability Hotline gives employees and citizens an avenue to report misconduct, waste or misuse of resources in any Metro or Metro Exposition Recreation Commission (MERC) facility or department.

The Hotline is administered by the Metro Auditor's Office. All reports are taken seriously and responded to in a timely manner. The auditor contracts with a hotline vendor, EthicsPoint, to provide and maintain the reporting system. Your report will serve the public interest and assist Metro in meeting high standards of public accountability.

*To make a report, choose either of the following methods:*

**Dial 888-299-5460 (toll free in the U.S. and Canada)**

**File an online report at [www.metroaccountability.org](http://www.metroaccountability.org)**



**Brian Evans**  
**Metro Auditor**

600 NE Grand Ave  
Portland, OR 97232-2736  
TEL 503 797 1892, FAX 503 797 1831

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## MEMORANDUM

February 22, 2017

To: Tom Hughes, Council President  
Shirley Craddick, Councilor, District 1  
Carlotta Collette, Councilor, District 2  
Craig Dirksen, Councilor, District 3  
Kathryn Harrington, Councilor, District 4  
Sam Chase, Councilor, District 5  
Bob Stacey, Councilor, District 6

From: Brian Evans, Metro Auditor **BE**

### **Re: Audit of Oregon Zoo organizational culture**

This report covers our audit of the Oregon Zoo's organizational culture. Culture audits explore the working environment through the perspective of employees. The purpose of this audit was to assess the Zoo's organizational culture by evaluating its ability to effectively manage and adapt to change. This audit was included in our FY2015-16 Audit Schedule.

Over the last several years, significant changes occurred at the Zoo. At the same time, there has been a trend of zoos evolving into conservation organizations. These changes presented opportunities, but they also presented challenges. Feedback from employees indicated that the Zoo faced challenges that went beyond any single event, employee or policy.

The Zoo made progress in developing guidance to advance its mission. However, we found it was still in the process of clarifying and prioritizing what it wants to accomplish in some areas. Few processes were in place to track and analyze information about recent changes to internal communications and management training. It will also be important to align resources, skills, and incentives to create meaningful change.

We have discussed our findings and recommendations with Scott Robinson, Interim General Manager of the Zoo; Don Moore, Zoo Director; Craig Stroud, Deputy Director of Operations; Sheri Horiszny, Deputy Director of Living Collections; Mitchell Jacover, Strategic Program Director; Heidi Rahn, Zoo Bond Program Director Manager; Grant Spickelmier, Education Curator; and Stephanie Cameron, Marketing and Communications Manager. A formal follow-up to this audit will be scheduled within 2 years. We would like to acknowledge and thank all of the management and staff who assisted us in completing this audit.

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## Summary

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We found the Zoo's organizational culture was defined by its changing operating environment. Over the last several years, significant changes occurred to the Zoo's campus, personnel, and relationship with Metro Council and the Oregon Zoo Foundation. At the same time, there has been a trend of zoos evolving into conservation organizations.

These changes presented opportunities, but they also presented challenges. Feedback from employees indicated that the Zoo faced challenges that went beyond any single event, employee or policy. Organizational culture is shaped by the experiences of its employees. It affects organizational success, and improving it can enhance value, productivity, and growth.

This audit of the Zoo's organizational culture was initiated to determine what was causing employee concerns. Culture audits explore the working environment through the perspective of employees. Unlike some audits that focus exclusively on hard controls, culture audits also focus on soft controls like trust, leadership and communication to identify opportunities for improvement.

The Zoo made progress in developing guidance to advance its mission. However, we found it was still in the process of clarifying and prioritizing what it wants to accomplish in some areas. Effective guidance provides clarity by creating a shared understanding about what needs to be done. It can also be used to prioritize actions.

Few processes were in place to track and analyze information about recent changes to internal communications and management training. When organizations lack processes to track and analyze information, they may struggle to adequately understand and address problems.

It will also be important to align resources, skills, and incentives to create meaningful change. These components will be important to address after improvements to the other components have been made.

Our recommendations to improve the Zoo's organizational culture focus on clarifying and prioritizing the Zoo's guidance in some areas, strengthening assessment of recent changes, and ensuring appropriate resources, skills and incentives are in place.

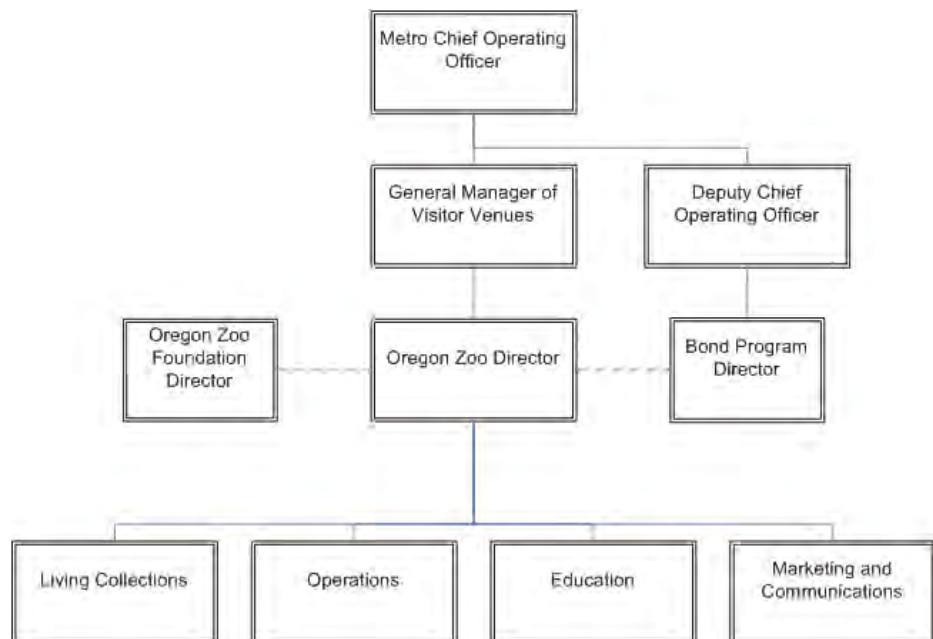
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## Background

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The Oregon Zoo (Zoo) is owned and operated by Metro and receives charitable support from the Oregon Zoo Foundation, an independent nonprofit organization. It is managed by the Zoo Director, who reports to Metro's General Manager of Visitor Venues. Like Metro's other departments, the Zoo shares internal services, such as human resources, communications, and information services.

### **Exhibit 1 The Zoo is part of Metro and is organized into four major areas**

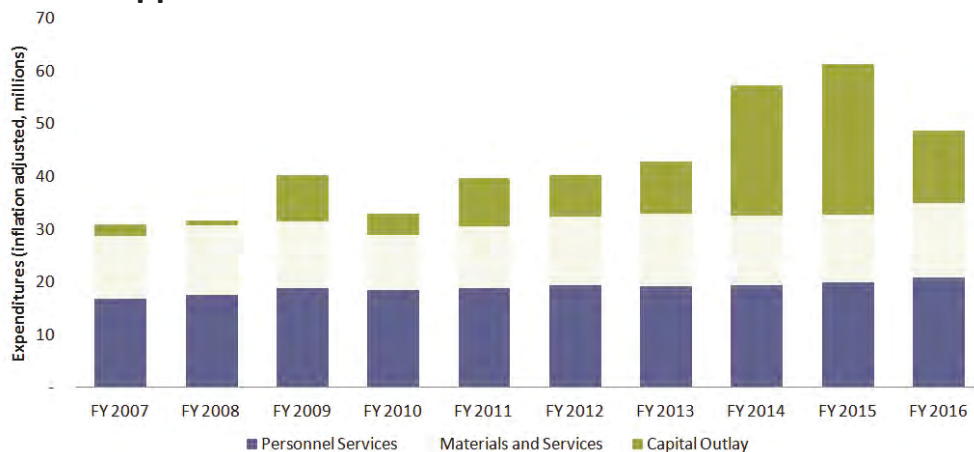


*Source: Metro Auditor's Office analysis of Oregon Zoo organizational charts (2016).*

The Zoo is accredited by the Association of Zoos and Aquariums (AZA), which sets standards for animal welfare, scientific education, and staff training. Standards are updated annually and reviews take place every five years. The AZA completed a special mentoring review of the Zoo in 2014. The mentoring team found that the Zoo had progressed from an informal organization to a more complex one that needed more formal practices and relationships. During the regular review the following year, the AZA accredited the Zoo through 2020.

Zoo employees are the largest part of Metro's workforce. In 2016, the Zoo relied on nearly 900 employees to deliver its programs and services. Operating expenditures in FY 2015-16 were about \$35 million and capital expenditures were about \$13.6 million. Most of the capital expenditures were from a voter-approved bond measure to improve animal welfare, increase conservation education, and conserve water. Over the past 10 years, operating expenditures increased by 22%, adjusted for inflation.

## Exhibit 2 Most increases in capital expenditures resulted from a 2008 voter-approved bond measure



Source: Metro Auditor's Office analysis of PeopleSoft Data.

The Zoo is responsible for the lives of about 1,800 individual animals and over 1,000 plant species. About 1.5 million people visit the Zoo each year. Caring for animals and providing good visitor experiences requires the Zoo to be prepared to respond quickly to weather events, safety and emergency situations, and unexpected animal or customer needs at all times of the day.

In addition to managing day-to-day operations, the Zoo has experienced significant changes to its mission statement, personnel, facilities, and relationships with its partners. In 2012, the Zoo revised its mission to emphasize animal welfare, environmental literacy, and conservation science. It developed six strategic mandates to carry out the mission that were in line with a general trend among zoos to become conservation organizations.

1. Make animal welfare a guiding principle
2. Be conservation leaders
3. Educate and inspire our community
4. Implement phase one of the master plan
5. Further a culture of organizational excellence
6. Grow usable net resources to support our mission

There have been many personnel changes over the past several years. For example, the Zoo was under interim direction for about two years until the current director started in February 2016. There was also a vacancy in the Living Collections division for about one year until the Deputy Director started. Nearly every area of the Zoo's campus has been impacted by construction projects to improve exhibits and other infrastructure. In 2014, roles and responsibilities between the Zoo and the Oregon Zoo Foundation were clarified and in FY 2015-16, it moved to an enterprise fund to improve transparency and stability for long-term financial management. All of these changes have created a more formal work environment.

In a 2014 agency-wide survey, employees at the Zoo appeared less satisfied than employees in other Metro departments. Employees expressed lower opinions



of agency effectiveness and commitment, and communication and engagement. Their perceptions of collaboration within and between Zoo departments were very low.

In addition, about half of the reports made to Metro's Accountability Hotline in FY 2013-14 and FY 2014-15 were related to the Zoo. The reports identified a variety of concerns, including communication, compliance with policies and procedures, and management responsiveness to employees.

Feedback from employees indicated that the Zoo faced challenges that went beyond any single event, employee or policy. Organizational culture is shaped by the experiences of its employees. It affects organizational success, and improving it can enhance value, productivity, and growth.

This audit of the Zoo's organizational culture was initiated to determine what was causing employee concerns. Culture audits explore the working environment through the perspective of employees. Unlike some audits that focus exclusively on hard controls, culture audits also focus on soft controls like trust, leadership and communication to identify opportunities for improvement.

### **Exhibit 3    Culture audits assess both soft and hard controls**

Soft Controls (Cultural)	Hard Controls (Traditional)
<ul style="list-style-type: none"><li>• Trust</li><li>• Leadership</li><li>• Expectations</li><li>• Values</li><li>• Standards</li></ul>	<ul style="list-style-type: none"><li>• Code of Ethics</li><li>• Rules &amp; Regulations</li><li>• Written Policies &amp; Procedures</li><li>• Organizational Structure</li><li>• Defined Roles &amp; Responsibilities</li></ul>

*Source: Institute of Internal Auditors (2016).*

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## Scope and methodology

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The purpose of this audit was to assess the Zoo's organizational culture by evaluating its ability to effectively manage and adapt to change. Specific audit objectives were to determine:

- If there was adequate guidance in place to align activities with the Zoo's mission.
- If the Zoo had taken steps to align its organizational structure with its mission.
- If the Zoo had processes in place to learn from recent changes.

To meet our objectives, we reviewed outside audits and literature related to organizational culture. Topics included human capital management, change management, leadership, organizational structure, communication, and qualities of learning organizations. We also looked at tools used to analyze culture, such as surveys and assessment criteria. We reviewed employee feedback from multiple sources and hotline reports to identify potential trends in concerns or comments about the culture.

To learn more about the work environment, opportunities for improvement, and recent changes, we interviewed Zoo management at various levels. We also spoke with Metro management, Council members, and representatives from the Oregon Zoo Foundation, and we attended all-staff meetings.

We reviewed management reports, planning documents, and the Zoo's external and internal websites to learn more about operations. To determine if there was guidance in place, we reviewed animal welfare, environmental literacy, and conservation and research documents. To determine if the Zoo had learning processes in place, we selected three changes the Zoo had made and compared practices to management expertise.

This audit was included in the FY 2016-17 audit schedule. We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

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## Results

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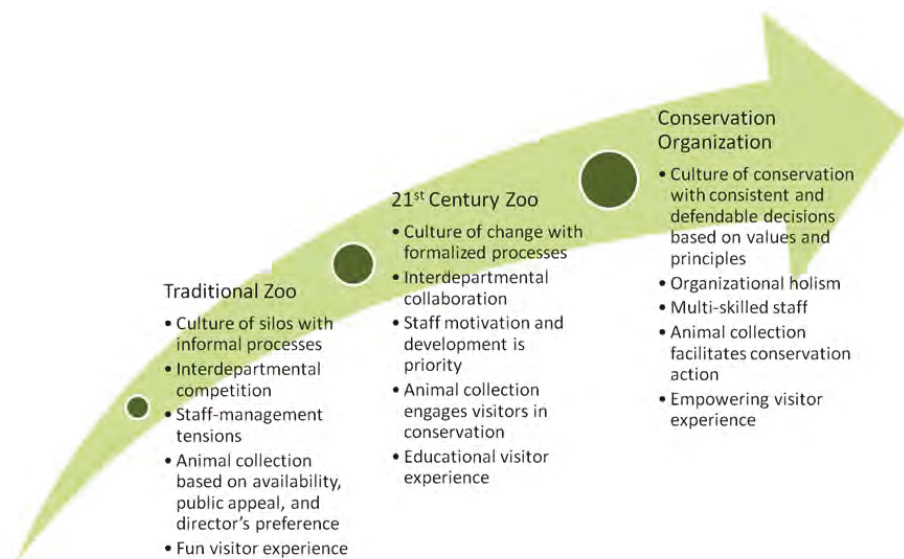
An organization's culture is determined by the behaviors, processes and attitudes of its employees and external partners. In recent years, changes to the Zoo's physical environment, leadership and mission have had an effect on Zoo culture. We found that progress was made to address some of the negative outcomes that can result from change, but additional work was needed to:

- Clarify conservation priorities and incorporate them into day-to-day activities and strategic decisions.
- Assess and learn from recent changes to determine if they addressed root causes.
- Engage employees to get input about the effectiveness of recent changes.
- Align resources, skills and incentives after prioritizing actions to meet the Zoo's mission.

### Organizational culture has been defined by change

We found the Zoo's organizational culture was defined by its changing operating environment. Over the last several years, significant changes occurred to the Zoo's campus, personnel, and relationship with Metro Council and the Oregon Zoo Foundation. At the same time, there has been a trend of zoos evolving into conservation organizations. Increasing focus on conservation underlined the importance of educating and empowering visitors, and made animal welfare essential to success.

#### Exhibit 4 Conservation is an increasing focus as zoos evolve



Source: Metro Auditor's Office adaptation of Zoos Victoria 2009-29 Strategic Plan.

Changes presented opportunities, but they also presented challenges for management and staff. Some employees reported that they have been working in a constant state of flux. They were hopeful new leadership would bring stability

and unity, but expressed confusion and uncertainty about the Zoo's direction and future changes.

One model suggests meaningful change results from having critical components in place. If any of them are missing, there is a decreased chance of success and negative outcomes can result. For example, unclear vision or insufficient resources may lead to confusion and frustration. Without assessment, results are unknown and learning cannot occur.

## Exhibit 5 Meaningful change requires critical components



*Source: Metro Auditor's Office adaptation of Delorese Ambrose, Ed.D.'s model for managing change (1987).*

Using this model, we determined that there were ways to avoid the unintended consequences of change by making improvements in three of the components. While all of the components are critical for meaningful change, the vision, action plan, and assessment should be prioritized. Determining appropriate resources, skills, and incentives will depend on what the Zoo is trying to accomplish, its course of action, and how it measures success.

Leadership and communication is also necessary to realize the Zoo's vision. There is potential for leadership at all levels of the organization. Communicating how, when, and why changes are occurring can help everyone understand what is happening. Ensuring all employees are engaged can help the Zoo identify opportunities for improvement and increase the likelihood of meaningful change.

### Continue to clarify vision and prioritize actions

Some employee comments reflected concerns and confusion about how the Zoo was going to carry out its mission. Some questioned whether the Zoo was walking its talk. Conflicts may occur when there is a gap between what an organization says it believes and what it does. This was identified as a particular challenge for zoos as they evolve into conservation organizations.

Lack of clear vision to implement change can create confusion. Different interpretations could result in conflicting actions and unmet expectations. This

risk is especially relevant to the Zoo, since people have different ideas about what conservation looks like.

To assess two components of change (vision and action plan), we determined whether there was guidance in place to advance the Zoo's mission. The Zoo made progress in developing guidance. However, we found it was still in the process of clarifying and prioritizing what it wants to accomplish. Effective guidance provides clarity by creating a shared understanding about what needs to be done. It can also be used to prioritize actions.

In 2012, the Zoo revised its mission to reflect its commitment to advancing the highest level of animal welfare, environmental literacy, and conservation science. It made progress in developing guidance to help employees understand what was expected in each area. For example, an animal welfare committee and conservation action team were established. A research strategy was put into place and a framework was developed for education programs. Some processes were formalized to guide decisions about animal well-being. Several Zoo employees are involved in professional organizations that help identify best practices.

However, we found a key piece of guidance was in development. At the time of our review, the Zoo was in the process of defining and creating a shared understanding of conservation. This process was expected to result in an integrated conservation action plan (ICAP).

The ICAP is anticipated to be the primary framework for implementing the Zoo's mission including establishing educational messages, and setting priorities for conservation and the Zoo's animal collection. Using the ICAP for these purposes would represent a major step in the Zoo's evolution to a conservation organization. Traditionally, zoo leaders have based those decisions on their personal interests and expertise.

## **Exhibit 6 The Zoo originally acquired penguins in 1957 as a result of director-led expeditions**



*Source: Oregon Zoo Foundation (2013).*

Some employees expected the plan to provide clarity and prioritization for future programming. Because the plan is likely to be a key part of the Zoo's evolution, it will be important to ensure that it is finalized and meets expectations.

The Zoo also developed a strategic plan and six mandates to help carry out its mission. Strategic plans vary in format. According to the Government Finance Officers Association, they flow from the mission statement down to specific actions. In between are a small number of long-range goals that should span the duration of the strategic plan.

In 2012, a consultant was hired to help the Zoo develop a five-year strategic plan. The consultant's work included goals that covered the first year of the plan as well as longer-term goals. In 2015, a limited duration position was created to coordinate and implement the plan. Progress was made in clarifying the strategic plan since that time. The Zoo identified over 100 actions, known internally as SMART goals, to be more inclusive to all parts of the organization. There was value and insight gained from this process. The actions were updated annually, so they had the potential to change throughout the duration of the strategic plan.

While the SMART goals outlined Zoo-wide actions to implement the plan, it was not clear how they aligned with the previously developed long-term goals. Aligning the actions with longer-term goals was important because there is complexity built into the mandates that support the Zoo's mission, and limited resources to implement them. As a result, actions to carry them out could vary depending on the Zoo's priorities. Including a small number of long-term goals would further align the Zoo's strategic plan with best practices to ensure actions are prioritized, coordinated, and consistent over the life of the strategic plan.

## Assess results of recent changes

To determine if the Zoo was assessing results of recent changes, we reviewed its learning processes. Improving internal communications and management training at the Zoo has been a priority. We looked at recent changes in those areas to see if the Zoo had processes to learn from them.

Few processes were in place to track and analyze information about recent changes to internal communications and management training. The Zoo lacked formal systems to gather and sort feedback about its internal website, all-staff meetings, and a coaching course introduced in 2016.

When organizations lack processes to track and analyze information, they may struggle to adequately understand and address problems. Solutions may not be sufficient or appropriate if organizations do not analyze the root cause. If trends are not tracked, organizations may have trouble justifying further changes or linking successes to their results.

Feedback and suggestions for changes to the Zoo's internal website (Zoogole) were not tracked or analyzed systematically. For example, animal updates were shared to improve the quality of information on Zoogole, but there was no formal process to determine if changes had the desired effect. Users could email the help desk if they encountered an issue or wanted to report an item that needed fixing, but there was no way to identify common trends and prioritize the issues of greatest importance. If issues were tracked and analyzed, patterns could be detected to determine the effectiveness of web content.



Management also made efforts to increase attendance at all-staff meetings. Meetings were renamed as town halls to appear less formal, and refreshments were offered to entice employees. Meeting days were rotated to accommodate variation in employee schedules. In addition, more employees were invited to deliver updates and share stories about their work. However, feedback from employees was not formally gathered to evaluate the effectiveness of those efforts.

All-staff meeting attendance was informally gauged, so managers had different perceptions and expectations of attendance. While some barriers were addressed, there may be other factors affecting attendance. For example, several recent meetings were not posted to the Zoogoogle calendar. Management was considering offering additional incentives to help motivate employees to attend. Better understanding of the factors contributing to attendance could help management increase it.

Similarly, assessment of the effectiveness of the coaching course was underdeveloped. Participants did not have an opportunity to evaluate the course after they completed it. Gathering that feedback would help refine the course to make sure it addressed managers' needs. More structured assessment was also needed to determine if participants were putting the training into action. Creating a way to assess training outcomes would increase the chances that lessons were learned so that improvements are sustained.

## Engage employees to learn from change

We saw signs of ineffective communication and low engagement among some employees. Without sufficient input from employees about the effectiveness of changes, the Zoo will not know what works for them. The Zoo lacked an internal communications plan and faced barriers to communicate with its workforce. When internal communication is unclear or insufficient, employees may become dissatisfied and disconnected from change initiatives.

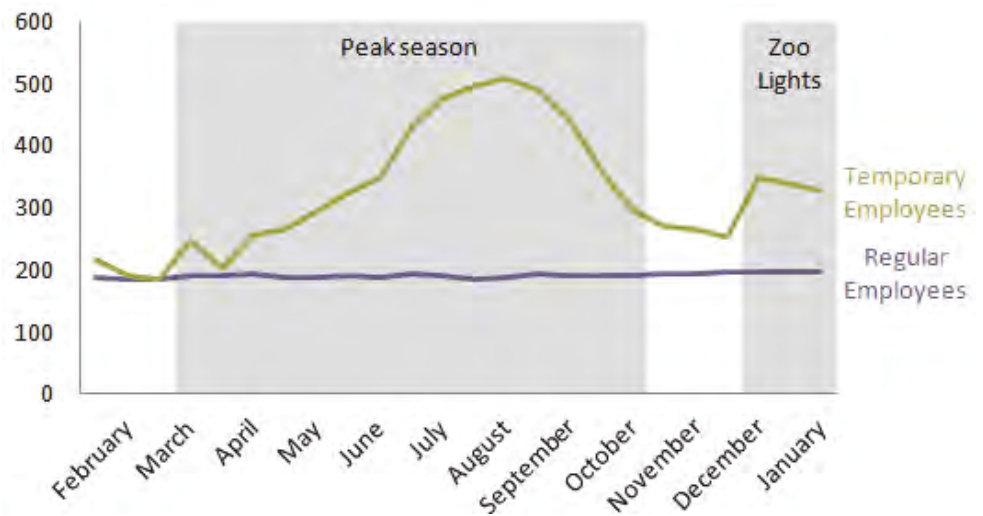
A plan to communicate policy changes was identified as a priority by Zoo managers and employees in 2014. The Zoo was drafting a guide to planning and decision-making that was expected in 2016. However, the draft plan did not specify how decisions would be communicated to employees.

During the audit, there were examples that raised concerns about the effectiveness of internal communications. For example, employees were not notified that the Zoo had discontinued a particular form of emergency communication. Some managers indicated information did not flow effectively from above and some experienced challenges communicating with temporary employees.

About three quarters of Zoo employees are temporary. Management acknowledged that temporary employees made up a significant portion of the Zoo's workforce, and that seasonal employment was part of the Zoo's business model. Management also stated that they were still trying to figure out the best way to reach them. Challenges to effective communication included:

- **Some temporary employees were shared between departments.** This arrangement had the potential to confuse responsibility for communication among managers.
- **The number of temporary employees varied by season.** This pattern created large shifts in demand for communication, which could be difficult to handle if managers did not plan for it.
- **Some temporary employees return to the Zoo every year, while others do not.** Varying experience among temporary employees required different levels of communication.

## Exhibit 7 Temporary employment varied by season



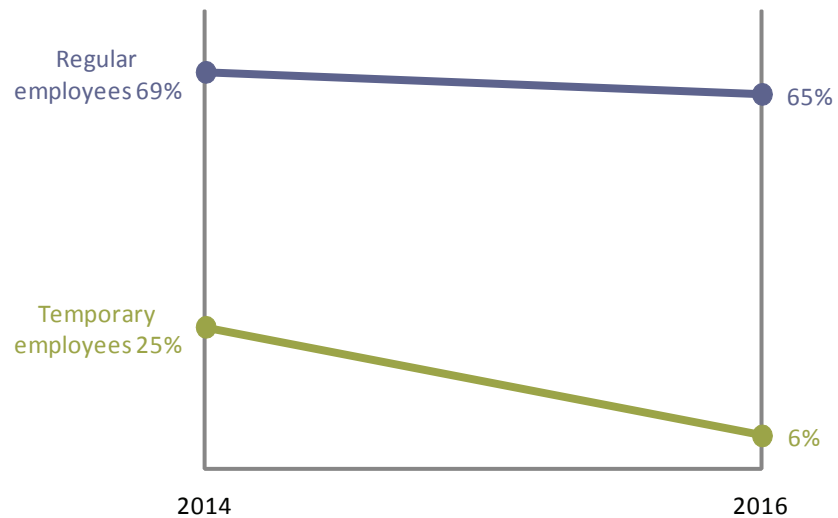
Source: Metro Auditor's Office analysis of PeopleSoft data (2015).

Even when internal communications were provided, employees experienced barriers to access it. Some employees, including temporary workers, did not have designated time or email accounts to receive information. Others could only access it through shared devices. The nature of some positions also prevented staff from easily communicating with their supervisors. For example, selling tickets to customers does not allow for face-to-face communication with managers while on the job.

Recent employee survey participation showed continued challenges in reaching temporary employees. In June 2014, employees were invited to take a survey on issues affecting the Zoo. In February 2016, the effort was repeated to determine progress. Regular employee participation was relatively consistent from 2014 to 2016, but participation among temporary employees fell from 25% to 6%.



## Exhibit 8 Survey participation dropped more among temporary employees than regular employees



Source: Metro Auditor's Office analysis of Oregon Zoo employee survey and PeopleSoft data

As a result, the 2014 and 2016 survey results may not be comparable. Low temporary employee participation in 2016 means their opinions were underrepresented, compared to 2014. In addition, the surveys were conducted at different times of year, which could impact results. Evaluation of progress over time would be enhanced by conducting surveys during the same time of year and with similar rates of participation between employee groups.

## Align resources, skills, and incentives with the Zoo's mission

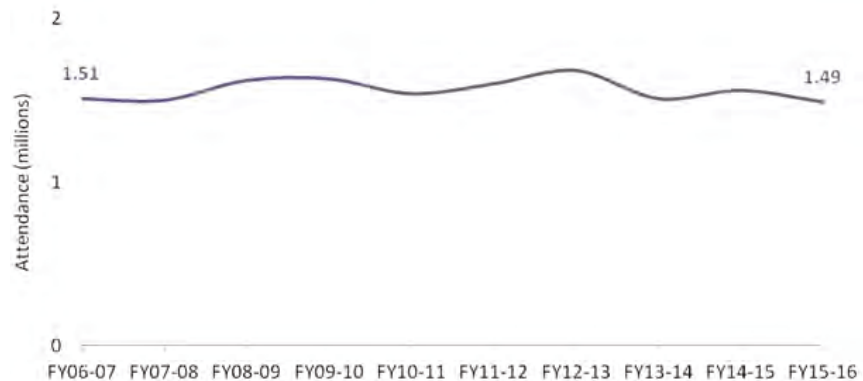
It will also be important to align resources, skills, and incentives to create meaningful change. These components of change will be important to address after improvements to the other components have been made.

### Financial resources

The appropriateness of an organization's financial resources depends on what it is trying to accomplish. Once the Zoo clarifies its vision for change, it will be in a position to identify the necessary resources to realize it. Formalizing long-term strategies to fund the mission is one way the Zoo can do this.

The Zoo's budget is sensitive to changes. It is impacted by animal emergencies, weather, and rising personnel costs. Increasing attendance has been one way to increase revenue. Trends in attendance indicate that strategy may not be sufficient in the future. There has been little variation in attendance over the past 10 years, and expectations for growth are low.

## Exhibit 9 Zoo attendance has been relatively consistent over the last ten years



Source: Metro Auditor's Office analysis of Oregon Zoo data.

The Zoo identified the need to grow net resources to fund its mission. This means increasing revenue, improving efficiencies, and focusing on efforts that best support the mission. It has taken several steps to do this. However, a long-term financial plan had not been established.

Long-term financial planning is a best practice. It can help focus efforts, identify potentially conflicting priorities, and guide decisions. It could also help employees understand the link between resource decisions and the mission.

Some employees expressed concerns about the Zoo's ability to fund its mission. Recognizing that there may not be enough funding to implement everything the Zoo wants to do, it will be important to formalize financial strategies. Without long-term strategies, efforts to implement the mission may compete with each other, or be perceived to be at cross-purposes. For example, increasing gift shop or food revenue could potentially conflict with reducing the Zoo's carbon footprint. Some efforts to fund the mission require investment, which may give the impression that certain activities are more important than others. These represent some of the difficult financial decisions that can create tension among employees.

### Human resources

Some managers also raised concerns about how the Zoo was structured, and whether lines of reporting were appropriate. They felt roles and responsibilities and differences between job classifications could be clarified. Classification and compensation studies are one way to address these issues. They can provide comparisons to other zoos and evaluate job duties among similar positions throughout the organization.

We sought to determine whether the Zoo had aligned its organizational structure with its mission. We found the Zoo had taken steps to evaluate the organizational structure, but clarification of what the Zoo wants to accomplish may lead to additional changes and require further review. For example, as the Zoo becomes a conservation organization, it may consider having a direct line of reporting from conservation to the Zoo Director.

The Zoo made some changes to its organizational structure. It forecasted staffing needs and converted some positions from temporary to permanent. It filled key leadership positions and worked to improve its relationship with Metro.

The Zoo created two limited duration positions to manage its strategic plan and coordinate conservation action efforts. While these positions reflect an increased commitment to developing and implementing the Zoo's strategies, organizational change is a long-term endeavor that requires ongoing attention. Without stable funding or commitment, there is a risk that change efforts will not provide the desired results.

The Zoo will require new resources as it matures. More formal processes can increase workload. It should ensure classification is appropriate and equitable, given changing expectations. It should also make sure duties are uniform across the Zoo among positions of the same classification.

**Skills** Opportunities exist to learn and develop new skills as the Zoo becomes more sophisticated. Employees are more likely to successfully adapt to change if they possess the required skills. If not, they may become anxious about what is expected of them. As the Zoo adapts to change, it should assess the skills needed to be successful.

When systems and strategies are in place and employees are able to implement them, they can create capacity for long-term improvement and enhance customer satisfaction. We found the Zoo's evolution required more specialized skills that could result in skill gaps if not addressed.

Zoo operations were becoming more sophisticated. For example, new buildings on the Zoo's campus were designed to use resources more efficiently, and information systems were expected to streamline business processes. Responsibilities also grew as the Zoo matured. Some tasks were shifted from volunteers to staff and administrative duties increased based on legal and financial obligations. Animal keepers were expected to serve as habitat managers, as well as trainers.

The Zoo identified the need for more technical knowledge. We also heard negative experiences using the Zoo's new technology and observed some resistance to meeting increased expectations. We heard that more training was needed to take on the Zoo's equity work and meet safety requirements. To stay on top of changing infrastructure and fulfill expanding roles, the Zoo should ensure it has the necessary skills.

**Incentives** Investing in employees is a common hurdle organizations must overcome to create meaningful change. Once the Zoo identifies required skills, it will need to better understand what motivates employees.

Change initiatives may focus on developing capacity or using economic incentives. Those that rely too heavily on rewards may miss opportunities to address other barriers that would generate buy-in. We found the Zoo was attempting to invest in its employees in various ways, but had limited knowledge

of the effectiveness of those efforts. We learned that some activities designed to motivate employees were impractical for some to attend and that the Zoo could do more to understand how best to recognize staff.

We learned that some enrichment activities were difficult for some employees to attend. For example, Lunch & Learns to educate staff on a variety of topics conflicted with some work schedules. The hour-long presentations competed with break time for some staff, posing a barrier to participation.

Similarly, staff barbecues and the soft opening of ZooLights were cited by management as ways to bring employees together. But they were also used to test services, which could give employees the impression that bringing them together was not the primary purpose of those events. Lunchtime and evening events to build community may have the opposite effect if they create more work for Zoo employees or infringe on unpaid time.

We heard that activities for employees who work directly with Zoo visitors could be improved, and that those employees could be better acknowledged for the work they do. As the Zoo evolves into a conservation organization, it should ensure that all employees, especially those who interact with guests, are inspired to spread the Zoo's conservation message.

The Zoo had a program to recognize employees for demonstrating Metro values or the strategic mandates. Individuals and teams were nominated by management and entered to win gift certificates. Nominees were announced at all-staff meetings and on Zoogoogle, but not all employees could access those communications, so they may miss out on this recognition.

If employees do not feel connected with the Zoo's mission, even well-designed changes can slow down or stop. Once the Zoo establishes reliable communication with all employees, it should confirm what motivates them to implement change.

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## Recommendations

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To clarify its vision and prioritize its actions, the Zoo should:

1. Use the integrated conservation action plan to implement its conservation mission.
2. Identify and integrate a small number of long-term goals to align the strategic mandates with specific actions.

To strengthen the Zoo's ability to learn from change, it should:

3. Develop processes to assess the results of change, including internal communications and management training.
4. Develop and implement an internal communications plan that facilitates engagement with all employees.

To ensure appropriate resources, skills and incentives:

5. Formalize short- and long-term financial strategies.
6. Continue to assess and align the Zoo's organizational structure.
7. Ensure job classifications are appropriate across the Zoo given changing responsibilities.
8. Assess skills necessary to meet the Zoo's mission and address any identified gaps.
9. Evaluate opportunities to motivate and recognize employees.

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# Management response

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Date: February 14, 2017  
To: Brian Evans, Metro Auditor  
From: Dr. Don Moore, Director, Oregon Zoo  
Subject: **MANAGEMENT RESPONSE TO 2016 ORGANIZATIONAL CULTURE AUDIT**

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Thank you for the opportunity to respond to your recent audit of Oregon Zoo's Organizational Culture. We appreciate the time and effort expended by you and your staff. Your report captures much of the complexity of operating a zoo, especially in times of significant growth and change. The report offers useful recommendations for continuing to improve employee engagement and successfully manage change. We appreciate receiving candid feedback — even if it is sometimes critical — and believe it provides valuable insight into our culture and operating environment.

While the report focuses on recommendations for improvement, we think it is important to note some significant accomplishments that were not highlighted. These accomplishments are the result of effective processes and management practices — and are all the more impressive when you consider that the planning and implementation of each occurred during a time of major organizational change, as well as physical change on the zoo campus.

## **Survey results show improvements in staff morale**

Our staff is our greatest resource, and we strive to create an environment where all staff members and volunteers feel safe, feel like they belong, and feel that they matter. As noted in the report, the zoo conducted two staff surveys: one in July 2014, and a second in February 2016, which was intended to provide the zoo's new director with current information.

The 2016 survey revealed significant improvements in the tone of staff comments and in the ranking of concerns, compared with the 2014 survey results. We believe these improvements indicate progress made to improve employee engagement. In 2016, concerns about trust, support, and respect from management went from being the top-ranked concern of staff to twelfth in concern. Concerns about temporary status fell from second to thirteenth, and concerns about employee morale fell to number fifteen of all concerns.

Zoo management attributes these improvements to a number of initiatives and actions:

- Recruitment of a new zoo director.
- Improved orientation and training materials for new hires Management training focused on coaching, and development and informational sessions about financial and budget processes.
- Improved internal communications, including the distribution of division newsletters and information kiosks in employee break rooms.
- Our Zoonited team was given more focus and responsibility for acknowledging staff and creating zoo-wide team-building events. These team-building events facilitate trust and better communication across teams.
- Zoo all-staff meetings (now called "Town Halls") changed in scope of information delivery

- so they are more inclusive, informative and emphasize acknowledgement.
- Increase in the number of staff responsible for developing and meeting strategic planning goals.

### **Successful completion of bond-funded projects**

In March 2017, the zoo will open its new Education Center, the sixth of eight major capital projects approved by voters in the 2008 zoo bond measure. The Education Center is expected to achieve certification for Leadership in Energy and Environmental Design (LEED) and will become a regional hub for conservation education.

Other completed projects include a LEED Gold-certified, state-of-the-art Veterinary Medical Center; a filtration upgrade that reduces water usage at our penguin habitat by more than 80 percent; Condors of the Columbia, a habitat informing visitors about efforts to recover North America's largest bird; and Elephant Lands — a world-class, LEED Gold-certified habitat that provides our Asian elephant family with a home where they can thrive. Elephant Lands was named Project of the Year by the Daily Journal of Commerce among a field of 95 finalists; it also earned the top award for public projects and runner-up honors for the DJC's first-ever People's Choice Award.

All of these projects were completed on time and on budget. Completing six major construction projects consecutively, while remaining open to visitors, is no small feat. Throughout the planning process, we were able to repeatedly reinforce our vision and our mission by engaging staff across all divisions in project planning.

By choosing thoughtful and innovative solutions, the zoo found ways to balance existing operations and new construction without losing sight of our vision (why we are here) and our mission and strategic mandates (what we are here to do). When the zoo completes the last bond project, 40 percent of the zoo campus will have been transformed so that Oregon Zoo will remain one of the world's leading modern zoos. As you can imagine, a physical transformation of this magnitude has presented challenges to most, if not all, of our staff in their daily work. We are very proud of our efforts and resulting success.

### **Accreditation shows a high standard of animal welfare, professionalism and organizational culture**

In September 2015, Oregon Zoo was re-accredited by the Association of Zoos and Aquariums. "The Association of Zoos and Aquariums only accredits zoos and aquariums that meet the highest standards in animal care and welfare," said AZA president and CEO Jim Maddy. "When people visit the Oregon Zoo, they can be assured that they are supporting a facility that is a leader in the care and conservation of wildlife." Prior to the 2015 re-accreditation, the Oregon Zoo was recognized with six of the association's major awards: three for conservation work on behalf of endangered species, two for marketing excellence, and another for environmental efforts in the zoo's day-to-day operations. "Winning six AZA awards over the span of five years is an incredible accomplishment," Maddy said. "Oregonians can be very proud of their zoo — it's regarded as among the top zoos in the country."

### **Visitor surveys show that the zoo continues to exceed public expectations**

The Oregon Zoo is committed to providing visitors with a high-quality experience. Exceeding the expectations of more than 1.5 million people a year — providing a safe, comfortable and inspiring experience — is a huge undertaking, even without major construction underway. To assess visitor satisfaction, the zoo engages an independent research firm, Pivot Group.

In the firm's most recent survey, conducted in summer 2016, 95 percent of visitors said the zoo met or exceeded their expectations. Visitors who said the zoo exceeded their expectations increased by 12 percent over 2015. According to Pivot Group, the Oregon Zoo scores higher than similar organizations surveyed. Key indicators from the survey are used to inform all areas of the visitor experience. In our continued effort to keep staff engaged and informed, survey results were shared with the entire staff at a Town Hall meeting and posted to the zoo's intranet.

We agree there are opportunities to improve change management and employee engagement, and appreciate the recommendations of this audit. The zoo has a critical mission, a compassionate and skilled team, and a supportive community. We believe the Oregon Zoo is positioned to continue this positive trajectory and to enjoy continued success.

Our responses to the report's specific recommendations are:

**To clarify its vision and prioritize its actions, the Zoo should:**

*Recommendation 1 – Use the integrated conservation action plan to implement its conservation mission.*

We agree that using an integrated conservation action plan will support achieving our mission. We are developing that innovative plan and are in the initial framework stage. As the plan develops, it will focus and support the zoo's decision-making and coordination of conservation activities across all zoo divisions. We will share the plan with staff as it develops.

*Recommendation 2 – Identify and integrate a small number of long-term goals to align the strategic mandates with specific actions.*

The zoo is entering the final years of its current five-year strategic plan. In developing the successor plan, the zoo will consider how to best align long-term goals with specific actions.

**To strengthen the Zoo's ability to learn from change, it should:**

*Recommendation 3 – Develop processes to assess the results of change, including internal communications and management training.*

We agree that gathering adequate data and feedback helps focus and affirm the effectiveness of change. The resources put into gathering that information must be balanced against resource availability and the costs and benefits of assessment. We believe the comprehensive staff survey tool that we have used the past two years is effective at soliciting representative staff feedback for our purposes. In addition we trained most zoo managers on employee engagement and coaching tactics, which also will help with communications.

*Recommendation 4 – Develop and implement an internal communications plan that facilitates engagement with all employees.*

The zoo is staffed 24 hours a day, seven days a week. The seasonality of visitation creates significant variations in staffing numbers between different months of the year and days of week. This reality creates inherent challenges to scheduling all-staff gatherings and other face-to-face engagement opportunities. We believe the strategic steps already taken to improve employee engagement, communication and training are generating significant and positive results. We will continue to monitor the impact of these efforts and implement additional steps as warranted.



**To ensure appropriate resources, skills and incentives:**

*Recommendation 5 – Formalize short- and long-term financial strategies.*

We agree with the importance of having solid financial strategies. Like any organization that must balance resources with expenses, the zoo actively forecasts operating assumptions and modifies activities. These assumptions are used to prepare an annual five-year forecast of revenues and expenses that informs current-year budget development. The forecast accounts for all known impacts that may affect revenues or expenses, including admission-price adjustments; changes to on-grounds food, beverage or service offerings; minimum wage increases; and retirement-contribution rate changes. Significant recent examples include the effect of bond construction on the visitor experience and the modification or closure of offerings such as restaurants, the zoo train and the concert series. We also estimate attendance levels based on historic trends and adjust the assumption for changing campus conditions and offerings. These known or estimated impacts are communicated internally and with our partner, the Oregon Zoo Foundation. We have successfully gauged and responded to these many variables and grown resources each year to support increasing expenses and program activities. We will continue to perform robust financial planning to ensure our ability to focus resources on our important mission activities.

*Recommendation 6 – Continue to assess and align the Zoo’s organizational structure.*

We agree that the zoo’s organizational structure is a foundational element to delivering the best possible zoo mission outcomes. We will continue to align staff and programs to the individuals and teams we believe will achieve the greatest outcomes.

*Recommendation 7 – Ensure job classifications are appropriate across the Zoo given changing responsibilities.*

We agree with this recommendation and, as necessary, will undertake appropriate classification assessments per our human resources policies and union agreements.

*Recommendation 8 – Assess skills necessary to meet the Zoo’s mission and address any identified gaps.*

We agree and this has been, and will continue to be, an ongoing effort. As we continue to integrate our conservation activities across the zoo’s divisions, we expect to identify resource gaps or needed skills. We will approach filling those gaps or acquiring those skills using a comprehensive and focused organizational development approach.

*Recommendation 9 – Evaluate opportunities to motivate and recognize employees.*

We agree. We will continue to engage our employees through initiatives and efforts to motivate performance and recognize their good work. For example, in the past few years we have completely revamped our on-boarding and training programs for temporary guest services staff (more than 1,000 employees annually) to ensure that team members feel prepared for and excited about their work. We launched a staff “kudos program” that recognizes employee contributions. We trained most zoo managers on employee engagement and positive coaching tactics. We are excited about these motivational actions and will continue to build upon them.



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Agenda Item No. 4.1

Consideration of the Council Meeting Minutes for April 6, 2017

*Consent Agenda*

Metro Council Meeting  
Thursday, April 13, 2017  
Metro Regional Center, Council Chamber

**Resolution No. 17-4783**, For the Purpose of Authorizing the Chief Operating Officer to Issue a New Non-System License to Pacific Foods of Oregon, Inc. for Transport and Disposal of Non-Recoverable Solid Waste, Including Putrescible Waste, at the Covanta Waste-to-Energy Facility Located in Brooks, Oregon

*Consent Agenda*

Metro Council Meeting  
Thursday, April 13, 2017  
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AUTHORIZING THE CHIEF OPERATING ) RESOLUTION NO. 17-4783  
OFFICER TO ISSUE A NEW NON-SYSTEM LICENSE TO PACIFIC )  
FOODS OF OREGON, INC. FOR TRANSPORT AND DISPOSAL OF ) Introduced by Chief Operating  
NON-RECOVERABLE SOLID WASTE, INCLUDING PUTRESCIBLE ) Officer Martha Bennett with the  
WASTE AT THE COVANTA WASTE-TO-ENERGY FACILITY ) concurrence of Council President  
LOCATED IN BROOKS, OREGON ) Tom Hughes,

WHEREAS, the Metro Code requires a non-system license of any person that transports solid waste generated from within the Metro Region to a non-system disposal facility; and

WHEREAS, Pacific Foods has filed a complete application seeking a non-system license to transport non-recoverable solid waste, including putrescible waste, to a non-system facility for disposal under the provisions of Metro Code Chapter 5.05, "Solid Waste Flow Control;" and

WHEREAS, the solid waste authorized under the Non-System License is generated at the Pacific Foods facility located in Tualatin, Oregon, and is transported to the Covanta Waste-to-Energy Facility for disposal; and

WHEREAS, the Metro Code Chapter 5.05 provides that applications for non-system licenses for putrescible waste shall be reviewed by the Chief Operating Officer and are subject to approval or denial by the Metro Council; and

WHEREAS, the Chief Operating Officer has analyzed the application and considered the relevant factors under the Metro Code; and

WHEREAS, the Chief Operating Officer recommends that the non-system license be issued together with specific conditions as provided in Exhibit A to this Resolution; now therefore,

THE METRO COUNCIL RESOLVES AS FOLLOWS:

1. The non-system license application of Pacific Foods is approved subject to the terms, conditions, and limitations contained in Exhibit A to this Resolution.
2. The Chief Operating Officer is authorized to issue to Pacific Foods a non-system license substantially similar to the one attached as Exhibit A.

ADOPTED by the Metro Council this \_\_\_\_ day of \_\_\_\_\_, 2017.

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

Approved as to Form:

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

600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232 2736  
TEL 503 797 1835 | FAX 503 813 7544



**METRO SOLID WASTE FACILITY  
NON-SYSTEM LICENSE**

**No. N-176-17**

<b>LICENSEE:</b>
Pacific Foods of Oregon, Inc. 19480 SW 97 <sup>th</sup> Ave Tualatin, OR 97062
<b>CONTACT PERSON:</b>
James Louderman Phone: (503) 692-9666 E-mail: <a href="mailto:james.louderman@pacificfoods.com">james.louderman@pacificfoods.com</a>
<b>MAILING ADDRESS:</b>
Pacific Foods of Oregon, Inc. 19480 SW 97 <sup>th</sup> Ave Tualatin, OR 97062

**ISSUED BY METRO:**

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Paul Slyman,  
Property & Environmental Services Director

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Date



<b>1</b>	<b>NATURE OF WASTE COVERED BY LICENSE</b>
	Non-recoverable solid waste commingled with putrescible waste, including restroom and lunchroom waste, generated at the Pacific Foods site located at 19480 SW 97 <sup>th</sup> Avenue in Tualatin, Oregon.
<b>2</b>	<b>CALENDAR YEAR TONNAGE LIMITATION</b>
	The licensee is authorized to transport to the non-system facility described in Section 3 up to 1,300 tons per calendar year of the waste described in Section 1.
<b>3</b>	<b>NON-SYSTEM FACILITY</b>
	<p>The licensee is authorized to transport the waste described above in Section 1 to the following non-system facility:</p> <p style="text-align: center;">Covanta Waste-to-Energy Facility 4850 Brooklake Road, NE Brooks, OR 97305</p> <p>This license is issued on condition that the non-system facility named in this section is authorized to accept the type of waste described in Section 1. If Metro receives notice from the Oregon Department of Environmental Quality that this non-system facility is not authorized to accept such waste, Metro may immediately terminate this license pursuant to Section 9.</p>
<b>4</b>	<b>TERM OF LICENSE</b>
	The license term is from March 1, 2017 to December 31, 2019, unless terminated sooner under Section 9.
<b>5</b>	<b>REPORTING OF ACCIDENTS AND CITATIONS</b>
	The licensee must report to Metro any significant incidents (such as fires), accidents, and citations involving the vehicles that are used to transport the solid waste authorized by this license.



6	RECORD KEEPING AND REPORTING
	<p>(a) The licensee must keep and maintain accurate records of the amount of all solid waste that the licensee transports to the non-system facility described in Section 3. These records must include the information specified in the Metro document titled, <u>Reporting Requirements and Data Standards for Metro Solid Waste Licensees, Franchisees, and Parties to Designated Facility Agreements</u>.</p> <p>(b) The licensee must perform the following no later than fifteen days following the end of each month:</p> <ul style="list-style-type: none"><li>i. Transmit to Metro the records required under Section 6(a) above in an electronic format prescribed by Metro;</li><li>ii. Submit to Metro a Regional System Fee and Excise Tax Report, that covers the preceding month; and</li><li>iii. Remit to Metro the requisite Regional System Fees and Excise Tax in accordance with the Metro Code provisions applicable to the collection, payment, and accounting of such fees and taxes.</li></ul> <p>(c) The licensee must make available to Metro (or Metro's designated agent) all records from which Sections 6(a) and 6(b) above are derived for its inspection or copying, as long as Metro provides at least three business days written notice of an intent to inspect or copy documents. The licensee must, in addition, sign or otherwise provide to Metro any consent or waiver necessary for Metro to obtain information or data from a third party, including the non-system facilities named in Section 3.</p>

9	ADDITIONAL LICENSE CONDITIONS
	<p>This license is subject to the following conditions:</p> <p>(a) The permissive transport of solid waste to the non-system facility, listed in Section 3, authorized by this license is subordinate to any subsequent decision by Metro to direct the solid waste described in this license to any other facility.</p> <p>(b) The Chief Operating Officer (the "COO") may amend or terminate this license if the COO determines that:</p> <ul style="list-style-type: none"><li>i. There has been sufficient change in any circumstances under which Metro issued this license;</li><li>ii. The provisions of this license are actually or potentially in conflict with any provision in Metro's disposal contract with Oregon Waste Systems, Inc.; or</li><li>iii. Metro's solid waste system or the public will benefit from, and will be better served by, an order directing that the waste described in Section 1 be transferred to, and disposed of at, a facility other than the facility listed in Section 3.</li></ul>





	<p>(c) In addition to subsections (b)(i) through (iii), Metro may amend, suspend, revoke or terminate this license pursuant to the Metro Code.</p> <p>(d) The licensee may not transfer or assign any right or interest in this license without Metro's prior written approval.</p> <p>(e) This license will terminate upon the execution of a designated facility agreement with the facility listed in Section 3 that authorizes the facility to accept the waste described in Section 1.</p> <p>(f) This license authorizes transport of solid waste to the facility listed in Section 3. The transport of waste generated from within the Metro boundary to any non-system facility other than that specified in this license is prohibited unless authorized in writing by Metro.</p>
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<b>10</b>	<b>COMPLIANCE WITH LAW</b>
	<p>The licensee must fully comply with all applicable local, regional, state and federal laws, rules, regulations, ordinances, orders, and permits pertaining in any manner to this license, including all applicable Metro Code provisions and administrative rules adopted pursuant to Chapter 5.05 whether or not those provisions have been specifically mentioned or cited herein. All conditions imposed on the collection and hauling of the Licensee's solid waste by federal, state, regional or local governments or agencies having jurisdiction over solid waste generated by the Licensee are deemed part of this license as if specifically set forth herein.</p>

<b>11</b>	<b>INDEMNIFICATION</b>
	<p>The licensee must defend, indemnify and hold harmless Metro, its elected officials, officers, employees, agents and representatives from any and all claims, demands, damages, causes of action, or losses and expenses arising out of or related in any way to the issuance or administration of this non-system license. Expenses include, but are not limited to, all attorneys' fees, whether incurred before any litigation is commenced, during any litigation or on appeal.</p>

## STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 17-4783 AUTHORIZING THE CHIEF OPERATING OFFICER TO ISSUE A NEW NON-SYSTEM LICENSE TO PACIFIC FOODS OF OREGON, INC. FOR TRANSPORT AND DISPOSAL OF NON-RECOVERABLE SOLID WASTE, INCLUDING PUTRESCIBLE WASTE AT THE COVANTA WASTE-TO-ENERGY FACILITY LOCATED IN BROOKS, OREGON

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March 29, 2017

Prepared by: Hila Ritter  
503-797-1862

Approval of Resolution No. 17-4783 will authorize the Chief Operating Officer (COO) to issue a new non-system license (NSL), to Pacific Foods of Oregon, Inc. (Pacific Foods). The proposed NSL will authorize Pacific Foods to transport up to 1,300 tons per calendar year of non-recoverable waste, including putrescible (wet) waste, generated at its facility located at 19480 SW 97<sup>th</sup> Ave. in Tualatin (Metro District 3) to the Covanta Waste-to-Energy facility (Covanta) located in Brooks, Oregon.

## BACKGROUND

### Overview

The applicant, Pacific Foods, was founded in 1987 and is a locally owned and operated food manufacturing company specializing in soups and non-dairy beverages. Pacific Foods has a robust sustainability program including a dedicated recycling staff of 4-5 full time employees and a current landfill diversion rate of approximately 85 percent. As part of these efforts, the company seeks to become a zero-waste-to-landfill company. The waste that Pacific Foods seeks to transport to Covanta includes lunch room and restroom waste, and off-specification food products contained in aseptic packaging. Pacific Foods minimizes food waste in a variety of ways. For example, certain food by-products go to their cattle farms in the Willamette Valley to be used as animal feed or bedding. Liquid off-specification product (such as broth or soy milk) is de-watered on site to recover the aseptic containers. The waste water is treated on-site and solids captured during the process are transported to Farm Power in Tillamook for anaerobic digestion. Certain products (such as off-specification pea soup) contain too much solid material to be processed through the facility's de-watering machinery. If the off-specification product is edible it is donated to the Oregon Food bank, if it is inedible and cannot be de-watered, it is disposed.

On December 16, 2016, Pacific Foods filed a complete application seeking a new NSL to transport up to 1,300 tons per calendar year of non-recoverable waste, including wet waste, generated at its facility to Covanta. The proposed license is subject to approval or denial by the Metro Council because it also authorizes the delivery of wet waste to a non-system facility.<sup>1</sup>

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<sup>1</sup> Metro Code Chapter 5.05

## **ANALYSIS/INFORMATION**

### **A. Known Opposition**

Marion County staff has recently raised concerns about Covanta's practice of accepting waste from the Metro region to the exclusion of waste generated within Marion County. The County notified Covanta of its concerns about the facility's capacity in a letter issued last fall. County staff verbally requested that Metro take Covanta's capacity into account when it considers issuing NSLs to use the facility. Metro staff sent an email on March 2<sup>nd</sup> and then a letter on March 7<sup>th</sup> to the County requesting written clarification on its concerns and seeking specific comment on the proposed NSL application. The County has not responded in writing to either of Metro's request for more information.

Although approval of this resolution would authorize Pacific Foods to transport waste to Covanta, the proposed NSL does not obligate Covanta to accept the waste. In addition, Metro may subsequently amend, suspend, or terminate the NSL should there be any change in circumstances after it is issued. Metro staff will continue to monitor the situation and work with the County to resolve any issues that may arise during the term of this license.

### **B. Legal Antecedents**

Metro Code Chapter 5.05 prohibits any person from utilizing non-system facilities without an appropriate license from Metro. Additionally, Metro Code Section 5.05.043 provides that, when determining whether or not to approve an NSL application, the Metro Council must consider the following factors to the extent relevant to such determination.

- (1) *The degree to which prior users of the non-system facility and waste types accepted at the non-system facility are known and the degree to which such wastes pose a future risk of environmental contamination;*

Covanta primarily accepts solid waste generated in Marion County. The facility also accepts special waste and other wastes generated by companies seeking to promote alternative disposal policies or government agencies seeking to destroy certain waste for public safety or the public good such as contraband, postage stamps, expired pharmaceuticals, and lottery tickets.

The proposed disposal site is a waste-to-energy facility rather than a landfill and thus does not pose the same potential environmental risk from waste delivered from prior users. Air emissions from the facility are controlled through the use of high efficiency combustion within the furnace/boiler as well as by selective non-catalytic reduction, spray dryer absorbers, fabric filter baghouses and an activated carbon injection system. The ash generated at the facility is then disposed, or used beneficially, in accordance with Oregon Department of Environmental Quality (DEQ) requirements.

- (2) *The record of regulatory compliance of the non-system facility's owner and operator with federal, state and local requirements including but not limited to public health, safety and environmental rules and regulations;*

Covanta holds a DEQ Solid Waste Energy Recovery Permit.<sup>2</sup> No formal enforcement actions have been taken at Covanta by DEQ in the last five years and Covanta is in compliance with federal, state, and local requirements. Staff has also received confirmation that Covanta has a good compliance record with respect to public health, safety and environmental regulations.

*(3) The adequacy of operational practices and management controls at the non-system facility;*

Covanta screens incoming waste for hazardous, radioactive, and other unacceptable materials and has a state-of-the-art emissions control system to minimize the risk of future environmental contamination. In addition, Covanta uses operational practices and management controls that are considered by the DEQ to be appropriate for the protection of health, safety, and the environment.

*(4) The expected impact on the region's recycling and waste reduction efforts;*

Pacific Foods maintains an extensive internal recycling program and seeks to deliver only its non-recoverable waste, including wet waste, to a waste-to-energy facility instead of a landfill.

The Metro-area waste that is delivered to Covanta is considered to be disposal and does not count toward recovery in Metro's recovery rate calculation because state statute<sup>3</sup> stipulates that only those wastesheds that burn mixed solid waste for energy recovery within their watershed boundaries may count a portion of it towards their DEQ recovery rate calculation. Marion County is the only watershed within Oregon that hosts a waste-to-energy facility within its boundaries; therefore, it is the only watershed that is currently allowed to include a portion of the in-county waste that is delivered to Covanta in its recovery rate. Approval of the proposed NSL is not expected to impact the Metro region's recycling and waste reduction efforts.

*(5) The consistency of issuing the license with Metro's existing contractual arrangements;*

Metro has a contractual obligation to deliver a minimum of 90 percent of the region's putrescible waste that is delivered to general purpose landfills during the calendar year, to landfills owned by Waste Management. The waste subject to this proposed license will not be disposed at a general-purpose landfill. Thus, approval of the proposed license will not conflict with Metro's disposal contract.

*(6) The record of the applicant regarding compliance with Metro ordinances and agreements or assistance to Metro in Metro ordinance enforcement and with federal, state and local requirements including but not limited to public health, safety and environmental rules and regulations;*

In October 2016, Pacific Foods contacted Metro to inquire about NSL requirements. Pacific Foods had been transporting waste to Covanta without appropriate authorization since October 2014. During that time period Pacific Foods transported 963.60 tons to Covanta and did not remit the fees and taxes due Metro totaling \$28,866.10. Metro invoiced Pacific Foods for the back fees and taxes rather than issue a

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<sup>2</sup> Oregon DEQ permit #364

<sup>3</sup> ORS 465A.010(4)(f)(B)

formal enforcement action for this violation of Metro Code.<sup>4</sup> Pacific Foods contacted Metro to come into compliance, and agreed to cease transporting waste to Covanta until such time as they become authorized for such activity. Pacific Foods has paid all back fees and taxes owed to Metro in full.

*(7) Such other factors as the Chief Operating Officer deems appropriate for purposes of making such determination.*

Covanta is the primary disposal site for solid waste generated within Marion County. At certain times during the year, in order to operate more efficiently, the facility requires more solid waste than is generated within the County. Metro transfer stations have provided this waste in the past, but have not done so since December of 2015.

The proposed license includes a 32-month term, commencing on May 1, 2017, and expiring on December 31, 2019. Metro Code Section 5.05.170(5)(B) states that a new NSL may be issued for a term of up to a three years. The proposed term will align future consideration of this NSL with other similar NSLs.

### **C. Anticipated Effects**

The effect of Resolution No. 17-4783 will be to issue a new NSL authorizing Pacific Foods to transport up to 1,300 tons per calendar year of non-recoverable waste, including wet waste to Covanta for disposal. The proposed license will commence on May 1, 2017, and expire on December 31, 2019.

### **D. Budget/Rate Impacts**

The waste covered under the proposed NSL will be delivered to Covanta. Covanta is not a general-purpose landfill and the proposed tonnage will not impact Metro's obligations under its disposal contract. The regional system fee and excise tax will be collected on the waste transported to Covanta under authority of the proposed NSL.

## **RECOMMENDED ACTION**

The COO finds that the proposed license satisfies the requirements of Metro Code Chapter 5.05 and recommends that the Metro Council adopt Resolution No. 17-4783. Approval of this resolution will authorize the COO to issue an NSL to Pacific Foods (attached as Exhibit A).

HR  
Queue

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<sup>4</sup> Metro Code Section 5.05.025

**Resolution No. 17-4791**, For the Purpose of Amending Resolution No. 16-4756, to Add the Complete Cleveland Street Project to Regional Flexible Funding Allocation for the Years 2019-21, with Conditions, and Amending Exhibits A and D Thereto, Pending Air Quality Conformity Determination

*Resolutions*

Metro Council Meeting  
Thursday, April 13, 2017  
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING	)	RESOLUTION NO. 17-4791
RESOLUTION NO. 16-4756, TO ADD THE	)	
COMPLETE CLEVELAND STREET PROJECT	)	
TO REGIONAL FLEXIBLE FUNDING	)	
ALLOCATION FOR THE YEARS 2019-21, WITH	)	
CONDITIONS, AND AMENDING EXHIBITS A	)	Introduced by Chief Operating Officer Martha
AND D THERETO, PENDING AIR QUALITY	)	Bennett in concurrence with Council
CONFORMITY DETERMINATION	)	President Tom Hughes

WHEREAS, on February 2, 2017, the Metro Council adopted Resolution 16-4756 as recommended by the Joint Policy Advisory Committee on Transportation (JPACT), which identified regional investments and project to receive approximately \$130.38 million in federal transportation funding forecast to be appropriated to the metropolitan region for the fiscal years 2019 through 2021 through the federal Surface Transportation Block Grant Program (STBG) and Congestion Mitigation – Air Quality (CMAQ) transportation funding programs; and

WHEREAS, the Metro Council and JPACT are authorized per federal regulation 23 CFR 450.324 to allocate these funds to projects and programs in the metropolitan region through the Regional Flexible Fund Allocation (RFFA) process; and

WHEREAS, Resolution 16-4756 contained a provision stating that discussion was still ongoing regarding a funding decision for either the Cleveland Street project or the Division Street project, both located in the City of Gresham, Oregon (City), and the Resolution stated that JPACT's recommendation would be brought back to Metro Council at a later date; and

WHEREAS, on March 16, 2017, JPACT recommended that the Cleveland Street project be funded with RFFA funds so long as certain conditions are met by the City to fund the Division Street project with \$2,000,000 of City system development charges that the City agreed to assess for that project; and

WHEREAS, Metro and the City have agreed to enter into an intergovernmental agreement (IGA) by January 1, 2018 that will more fully describe the conditions for RFFA funding of Cleveland Street contingent on new City funding of \$2 million for the Division Street project, which conditions have been agreed to by the City and JPACT as set forth in Amendment 1 to Exhibit D attached hereto, and the IGA will provide for termination of RFFA funding for the Complete Cleveland Street project if the agreed-upon conditions are not fulfilled;

WHEREAS, Exhibit A to Resolution 16-4756 must also be amended to reflect the conditional funding agreement for the Cleveland Street and Division Street projects, as set forth in the amended Exhibits A attached hereto; now therefore

BE IT RESOLVED that the Metro Council hereby adopts the recommendation of JPACT to fund the Cleveland Street project subject to a fully-executed IGA with the City containing the funding conditions for Division Street as set forth in the amended Exhibit D to Resolution 16-4756 attached hereto; and the Metro Council hereby also amends Exhibit A to Resolution 16-4756 to reflect these changes.

ADOPTED by the Metro Council this 13th day of April, 2017.

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Tom Hughes, Council President

Approved as to Form:

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Allison R. Kean, Metro Attorney



**2019-21 Regional Flexible Funds Allocation - Adopted by Metro Council April 13, 2017**

<b><u>Step 1: Regional Bond Commitments and Region-wide Program Investments</u></b>	
Existing transit bond payments	\$48,000,000
New transit bond commitment	\$15,430,000
New project development bond commitment	\$3,780,000
Corridor and Systems Planning	\$1,660,000
Regional MPO Planning (In-lieu of dues)	\$3,960,000
Regional Travel Options (Incl. \$1.5M for Safe Routes to School, \$.25M for Climate Smart Strategies)	\$9,290,000
Transit Oriented Development	\$9,870,000
Transportation System Management and Operations/ITS (Incl. \$.25M for Climate Smart Strategies)	\$5,240,000
<b>Total:</b>	<b>\$97,230,000</b>

<b><u>Step 2: Community Investment Fund</u></b>			
<b>Active Transportation/Complete Streets</b>			
<b><u>Project name</u></b>	<b><u>Applicant</u></b>	<b><u>Sub-region</u></b>	<b><u>Amount</u></b>
Beaverton Creek Trail	THPRD	Washington	\$3,693,212
Brentwood-Darlington Safe Routes to School	City of Portland	Portland	\$2,200,000
Complete Cleveland Street	City of Gresham	Multnomah	\$3,141,156
Cully Walking and Biking Parkway	City of Portland	Portland	\$2,200,000
Halsey Street Safety and Access to Transit	City of Portland	Portland	\$2,400,000
Herman Road Walking and Biking Improvements	City of Tualatin	Washington	\$625,000
Highway 43 Walking and Biking Improvements	City of West Linn	Clackamas	\$3,000,000
I-5 Walking and Biking Bridge	City of Wilsonville	Clackamas	\$1,550,000
Jade and Montavilla Connected Centers	City of Portland	Portland	\$3,200,000
Molalla Avenue Walking and Biking Improvements	City of Oregon City	Clackamas	\$3,800,632
<b>Total:</b>			<b>\$25,810,000</b>
<b>Regional Freight Initiatives</b>			
<b><u>Project name</u></b>	<b><u>Applicant</u></b>	<b><u>Sub-region</u></b>	<b><u>Amount</u></b>
Basalt Creek Parkway Extension	Washington County	Washington	\$2,803,605
Central Eastside Access & Circulation Improvements	City of Portland	Portland	\$2,805,879
Hunziker Road Industrial Area	City of Tigard	Washington	\$1,730,516
Regional Freight Studies	Metro	Regional	To be determined <sup>1</sup>
<b>Total:</b>			<b>\$7,340,000</b>

<b>Total 2019-21 RFFA:</b>	<b>\$130,380,000</b>
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1.) Final amount, up to \$210,000, will be generated from further cost savings, if any, from the City of Portland (Central Eastside Project.)

Shaded projects are candidates for defederalization.

## **2019-21 RECOMMENDED REGIONAL FLEXIBLE FUND GRANTEES CONDITIONS OF APPROVAL**

Conditions of approval are mechanisms to ensure the intent of the decision making body approving the projects is followed post allocation and into project design and construction. These conditions are intended to make sure that projects are built according to the elements proposed in the applications and approved by JPACT and Metro Council. Projects can be reviewed at any point in the process for consistency with the conditions of approval and action taken if they are not adhered to.

The conditions of approval emerged from two avenues: 1) comments provided by Metro and ODOT staff; and 2) public comment received from the regional public comment period. Both public and staff comments were provided to the project applicants and Metro requested all project applicants respond to comments. Based on the responses, conditions of approval were developed.

There are two sets of conditions which apply to projects: 1) conditions which address all projects; and 2) project specific conditions. The conditions for all projects outline expectations for which projects the funds are to be used, acknowledgments, and guidelines for design. The project-specific conditions outline expectations to create the best project possible. Many of the proposed projects are at different stages of development (e.g. some are in planning phases while others are ready for construction), so some of the same conditions were applied to projects based on the project's stage in development.

### **Conditions applied to all projects and programs:**

1. Funding is awarded to the JPACT-recommended projects for the 2019-21 Regional Flexible Fund Allocation. If any project is determined to be infeasible, or is completed without expending all of the flexible funds awarded, any remaining flexible funds for that project shall revert to the regional pool for the next flexible fund allocation (i.e. 2022-24), to be distributed among the region, per MTIP/RFFA policy. Or, the project sponsor/local jurisdiction receiving the flexible funds may request that JPACT reallocate the funds per the MTIP amendment process.
2. The award amount is the total amount being provided to deliver the JPACT-recommended project. The project sponsor/local jurisdiction is expected to resolve any cost overruns or unexpected costs to emerge. It is understood by the project sponsor/local jurisdiction that Metro does not have any further financial commitment/responsibility beyond providing the amount awarded.
3. Project scopes will include what is written in their project application narrative and project refinements in response to comments. Requests for adjustments to project scopes shall be made in writing to the MTIP Project Manager utilizing the amendment procedures adopted in the MTIP (2018-21 MTIP amendment procedures are currently defined in chapter 6). Changes in project scopes must be approved by Metro to ensure the original intent of the project is still being delivered.
4. All projects will be consistent with street design guidelines as defined in the Creating Livable Streets guidebook (Metro; 2nd edition; June 2002 or subsequent edition in effect at the time a funding intergovernmental agreement is signed), as determined by the Metro Planning Director or designee.
5. All projects with bicycle and pedestrian components will update local network maps and provide relevant bike and pedestrian network data to Metro. Metro will provide guidelines on network data submissions upon request. Additionally all projects will implement sufficient wayfinding

signage consistent with Metro sign guidelines. (Ex. Metro's Intertwine Design Guidelines: [http://library.oregonmetro.gov/files/intertwine\\_regional\\_trail\\_signage\\_guidelines.pdf](http://library.oregonmetro.gov/files/intertwine_regional_trail_signage_guidelines.pdf)) The Intertwine Design Guidelines will be updated to be consistent with federal guidelines.

6. All projects with ITS elements will be consistent with National ITS Architecture and Standards and Final Rule (23 CFR Section 940) and Regional ITS Architecture. This includes completing a systems engineering process during project development to be documented through the systems engineering form and submitted to Metro for inventory purposes. For further guidance, consult ODOT's ITS compliance checklist at: <https://www.oregon.gov/ODOT/HWY/ITS/Documents/ITS%20Systems%20Engineering%20Checklist.pdf>
7. All project public notifications and materials created or printed for the purposes of the project, including both printed and web-based information, shall acknowledge Metro as a partner. Acknowledgement can be in the form of: include the Metro logo on print or online materials, spoken attribution, and/or Metro staff at events. Metro will provide partners with Metro logos and usage guidelines upon request.
8. All projects will meet federal Title VI and Environmental Justice requirements and Metro guidelines for public involvement (as applicable to the project phase, including planning and project development) as self-certified in each application. As appropriate, local data and knowledge shall be used to supplement analysis and inform public involvement. Metro guidelines for public involvement can be found in the Public Engagement Guide Appendix G: Local Engagement and Non-Discrimination Checklist. ([http://www.oregonmetro.gov/sites/default/files/final\\_draft\\_public\\_engagement\\_guide\\_112113.pdf](http://www.oregonmetro.gov/sites/default/files/final_draft_public_engagement_guide_112113.pdf))
9. Per new federal requirements all projects will implement monitoring measures and performance evaluation to be reviewed by Metro. Performance evaluation measures are to be responsive to MAP-21 and FAST Act requirements and relevant to the type of project and project phase. (<http://www.fhwa.dot.gov/tpm/about/nhnp.cfm>) Additionally, all projects will share monitoring data and information upon request by Metro.
10. For federally funded projects, lead agencies awarded RFFA will comply with ODOT Local Agency Liaison (LAL) project re-submission requirements (e.g. completion of detailed scope of work, budget, project prospectus, etc.) as deemed required and in the proper format as part of the federal delivery process to complete required MTIP & STIP programming, initiate development and execution of the Intergovernmental Agreement (IGA), plus obligate and expend awarded federal funds for the project.
11. Locally funded projects – projects to be funded via an exchange of federal funds for local funding – will be subject to concurrence with ODOT that the project does not contain any conflicts with ODOT right-of-way or facilities, and must comply with Metro's requirements for funding as defined through an intergovernmental agreement.

**Active Transportation and Complete Streets projects:**

**City of Gresham – Complete Cleveland Street**

- a. Project funding award is contingent upon the City's commitment of \$2,000,000 of local transportation system development charge (SDC) funding to contribute towards the Complete Division Street project, as defined in the City's Regional Flexible Fund Allocation (RFFA) submitted application.
- b. The City has indicated a commitment to investing these system development funds in the Complete Division Street project, to be paid for with a planned-for increase in the City's SDC rates.
- c. The City agrees to enter an Intergovernmental Agreement (IGA) with Metro prior to the funding obligation for the Complete Cleveland Street project. This IGA will be agreed upon by Jan. 1, 2018, or the parties will pursue mediation. The IGA will specifically memorialize the following key elements of agreement:
  1. The \$2,000,000 of local system development charge funds will be used in a timeframe as agreed upon by the City and Metro, up to and including potential debt vehicles provided by partner agencies in order to accomplish key project elements as quickly as possible.
  2. The City agrees to construction of the Complete Division Street Project as described in the RFFA submitted application on a schedule agreed upon by the City and Metro, understanding that external funding is required to complete financing for the full project scope.
  3. The City agrees to work with partner agencies to complete key project elements within the 2019-2021 timeframe and on a schedule agreed upon by the City and Metro.
  4. The City agrees to work with Metro, TriMet, and other external partners to prioritize the Complete Division Street Project for external funding.
  5. If the City is unable to secure full funding for the Division Street project to complete construction within the 2019-2021 timeframe, Metro and the City can amend the IGA to extend the construction schedule.
- d. The project agreement between ODOT and the City for the Complete Cleveland Street project will include language indicating the above contingencies regarding the Complete Division Street project. If the above contingencies are not fulfilled, JPACT and the Metro Council have the option to take action to remove funding for the Complete Cleveland Street project.

**City of Portland – Brentwood-Darlington Safe Routes to School**

- a. Project scope will be reduced by eliminating the segment from 32<sup>nd</sup> to 52<sup>nd</sup>, and the connection from 87<sup>th</sup> and Flavel to the Springwater Corridor.
- b. The segment from 32<sup>nd</sup> to 52<sup>nd</sup> will be constructed at a later time using local funds.
- c. PBOT and Portland Parks and Recreation are discussing using local funds to construct the connection to the Springwater Corridor.
- d. PBOT will increase amount of local matching funds from \$3,100,000 to \$3,150,000.

**City of Portland – Cully Walking and Biking Parkway**

- a. The project will utilize a neighborhood greenway design between Sandy and Prescott.
- b. The project is a candidate for funding via a federal funding exchange, as it does not impact any ODOT facilities or any NHS roadways.
- c. PBOT has requested a project start date in 2017 or 2018.

**City of Portland – Halsey Street Safety and Access to Transit**

- a. Project scope will be reduced by removing elements redundant with the Seventies Neighborhood Greenway project. That project includes re-striping of NE Halsey St west of 80<sup>th</sup> Ave, and the crossing in the vicinity of 65<sup>th</sup> and Halsey.
- b. PBOT will increase amount of local matching funds from \$2,167,200 to \$2,580,000.

**City of Portland – Jade and Montavilla Connected Centers**

- a. Project scope will be reduced by removing the element improving SE Alder St from 82<sup>nd</sup> to 84<sup>th</sup>. If anticipated circulation changes around 82<sup>nd</sup>/Stark/Washington are approved by ODOT and implemented, the need to address cut-through traffic on Alder is removed.
- b. PBOT will increase amount of local matching funds from \$3,941,500 to \$3,994,000.

**City of Oregon City – Molalla Avenue Walking and Biking Improvements**

- a. Project is a candidate for funding via a federal funds exchange. Scope will be adjusted so as not to impact OR 213 if doing so would create an issue with using local funding on the project.
- b. TriMet has committed \$21,000 in transit stop amenities in the project area, based on a RFFA funding award.
- c. The City has requested a project start date in 2018.

**City of Tualatin – Herman Road Walking and Biking Improvements**

- a. No additional conditions.

**City of West Linn – Highway 43 Walking and Biking Improvements**

- a. ODOT has committed \$1,100,000 in funding to this project.
- b. The City will increase amount of local matching funds from \$1,310,000 to \$1,710,000.

**City of Wilsonville – I-5 Walking and Biking Bridge**

- a. No additional conditions.

**Tualatin Hills Parks and Recreation District – Beaverton Creek Trail**

- a. THPRD will increase amount of local matching funds by \$199,187.

**Regional Freight Initiatives:**

**City of Portland – Central Eastside Access & Circulation Improvements**

- a. PBOT will increase amount of local matching funds from \$2,400,000 to \$2,596,554.
- b. PBOT will seek additional potential cost savings through various means, including federal funds exchange and project scope adjustments. These further cost savings, up to \$210,000, will be added to 2019-21 RFFA funding for Regional Freight Studies.

**City of Tigard – Hunziker Road Industrial Area**

- a. Project is a candidate for federal funds exchange. The City has indicated a potential cost savings of \$30,000 by using local funding on the project.
- b. The City will seek additional cost savings through scope reductions or using development funding to pay for certain project elements (i.e. sidewalks fronting developed parcels) to accommodate a total reduction in RFFA funding from \$1,851,740 to \$1,730,516. Any change in implementation or scope reduction must be approved by the Metro Planning & Development Director as consistent with the overall objectives and expected outcomes of the original application.

**Washington County – Basalt Creek Parkway Extension**

- a. The County will seek additional cost savings or increase local funding to reduce their RFFA award to \$2,803,605.

**Metro – Regional Freight Studies**

- a. As noted above, RFFA cost savings achieved by PBOT on the Central Eastside project, up to \$210,000, will be repurposed to conduct freight studies on behalf of the region.
- b. Specific studies to be funded through this method will be brought before TPAC for discussion and input prior to commencing work and approved through the annual Unified Planning Work Program (UPWP) adoption process.

**Planning and Region-wide Programs:**

The high capacity transit bond payment will be completed consistent with Metro Resolution 10-4185 regarding the multi-year commitment of regional flexible funds and the subsequent Metro and TriMet intergovernmental agreement to implement Resolution 10-4185.

Planning activities and region-wide programs funded with regional flexible funds must be implemented consistent with the Unified Planning Work Program (UPWP). Additionally, the following programs and planning activities are guided by and must be consistent with the following plans and legislation or as updated by any subsequent legislation (including most current UPWP) adopted by JPACT and the Metro Council directing program or plan activities:

- Transit Oriented Development: TOD Strategic Plan
- Regional Travel Options: RTO Strategic Plan (to be updated in 2017-18 to include guidance for additional investments for Safe Routes to School and 2014 Climate Smart Strategy implementation.)
- Corridor and Systems Planning, Regional Freight Studies: Unified Planning Work Program, 2014 Regional Transportation Plan and its components, including 2010 Regional Transportation System Management and Operations Plan, 2010 Regional Freight Plan, 2014 Regional Active Transportation Plan, and 2014 Climate Smart Strategy
- Transportation System Management and Operations: 2014 RTP – TSMO vision and plan components; 2010-2020 Regional TSMO Plan (to be updated in 2017-2018 to include guidance for Climate Smart Strategy implementation.)
- High Capacity Transit development

Requests for adjustments to program activities shall be made in writing to the UPWP Project Manager utilizing the amendment procedures adopted in the UPWP. Requests for changes in regional flexible fund allocations to region-wide programs or planning shall be made in writing to the MTIP Project Manager utilizing the amendment procedures adopted in the MTIP.

## STAFF REPORT

FOR THE PURPOSE OF AMENDING RESOLUTION NO. 16-4756, TO ADD THE COMPLETE CLEVELAND STREET PROJECT TO REGIONAL FLEXIBLE FUNDING ALLOCATION FOR THE YEARS 2019-21, WITH CONDITIONS, AND AMENDING EXHIBITS A AND D THERETO, PENDING AIR QUALITY CONFORMITY DETERMINATION

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Date: March 29, 2017

Prepared by: Dan Kaempff

### BACKGROUND

On February 2, 2017, Metro Council adopted Resolution No. 16-4756, which determined 13 projects to receive funding through the 2019-21 Regional Flexible Fund Allocation. These 13 projects were recommended to Metro Council for adoption by the Joint Policy Advisory Committee on Transportation (JPACT) at their January 19, 2017 meeting.

JPACT was not able to reach consensus on funding for a 14<sup>th</sup> project during their January 19 meeting. Two projects, both in the City of Gresham, were being considered. The projects were the Complete Cleveland Street project, and the Complete Division Street project. Their action indicated that they would continue to study the two projects and arrive at a decision at a later meeting. Subsequent to that, Metro Council's action on Resolution No. 16-4756 could be amended to include the JPACT-recommended project. This was done to enable the Metropolitan Transportation Improvement Program (MTIP) process to move forward and stay on schedule.

### JPACT DELIBERATION AND DECISION

JPACT's discussion regarding the Cleveland and Division projects centered on the question of which project was of greater regional significance, and should thereby be included in the RFFA funding package. Some JPACT members viewed the Division project and its relation to the Division Transit Project as the most appropriate project for regional funding. Other members were of the opinion that the Cleveland project should be funded, given it was identified as a priority project by the East Multnomah County Transportation Committee.

After discussion at the February JPACT meeting did not result in a decision on the matter, City of Gresham and Metro staff worked out an agreement that was agreeable to all parties. In exchange for the Cleveland Street project receiving RFFA funds, the City pledged to dedicate \$2 million of City system development charges (SDCs) to the Division Street project, and to work with regional partners to identify the remainder of the funding needed to complete the project. An intergovernmental agreement, detailing the terms and conditions related to the RFFA funding, must be in place prior to January 1, 2018. Exhibit D to Resolution No. 16-4756, 2019-21 Recommended Regional Flexible Fund Grantees Conditions of Approval, lists the specific conditions under which funding will be allocated to the Cleveland Street project.

### ANALYSIS/INFORMATION

1. **Known Opposition:** No known opposition.
2. **Legal Antecedents:** This resolution adds the Cleveland Street project to the list of projects funded through Resolution 16-4756, which allocates transportation funds in accordance with the federal transportation authorizing legislation (currently known as Moving Ahead for Progress in the 21st century or MAP-21). The allocation process is intended to implement the Regional Flexible Fund 2019-21 program policies as defined by Metro Resolution No. 16-4702, For The Purpose Of

Adopting The 2018-2021 Metropolitan Transportation Improvement Program and 2019-2021 Regional Flexible Funds Allocation Policy Statement For The Portland Metropolitan Area, adopted June 16, 2016 and Metro Resolution No. 10-4185 For the Purpose of Approving a Supplemental Multi-Year Commitment of Regional Flexible Funding for the Years 2015-2027, Funding the Portland-Milwaukie Light Rail Transit Project, and Project Development for the Portland-Lake Oswego Transit Project, and the Southwest Corridor and Authorizing Execution of an Amendment to the Existing Intergovernmental Agreement with TriMet Regarding the Multi-Year Commitment of Regional Flexible Funds.

3. **Anticipated Effects:** Adoption of this resolution would add the Cleveland project to the existing 2019-21 RFFA projects undergoing air quality conformity analysis of the effects of implementing these projects and programs for compliance with the State Implementation Plan for air quality.
4. **Budget Impacts:** No budget impacts would result from adoption of this resolution.

#### **RECOMMENDED ACTION**

Metro staff recommends the approval of Resolution No. 17-4791.



Agenda Item No. 5.2

**Resolution No. 17-4782**, For the Purpose of Approving the Policy  
and Investment Framework for the 2040 Planning and  
Development Grant Program Funded with Construction Excise Tax

*Resolutions*

Metro Council Meeting  
Thursday, April 13, 2017  
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING THE	)	RESOLUTION NO. 17-4782
POLICY AND INVESTMENT FRAMEWORK	)	
FOR THE 2040 PLANNING AND	)	Introduced by Chief Operating Officer Martha
DEVELOPMENT GRANT PROGRAM FUNDED	)	Bennett in concurrence with Council
WITH CONSTRUCTION EXCISE TAX	)	President Tom Hughes

WHEREAS, in 2006, Metro adopted Ordinance No. 06-1115, establishing a construction excise tax (CET) to generate revenue for providing grants to local governments for regional and local planning; and

WHEREAS, the 2006 CET Ordinance contained a sunset provision based on a maximum amount collected of \$6.3 million, which amount was reached in 2009; and

WHEREAS, on recommendation of an advisory group and the Metro Chief Operating Officer (“COO”) regarding the continuing need for funding regional and local planning, on June 11, 2009 the Metro Council adopted Ordinance No. 09-1220, extending the CET for an additional five year period, with a sunset date of September 2014; and

WHEREAS, the CET has successfully raised approximately \$14 million in revenue that has been distributed by Metro to local governments through the Community Planning and Development Grant (“CPDG”) program for planning work across the region that otherwise could not have been funded; and

WHEREAS, on recommendation of an advisory group and the Metro COO, in June 2014 the Metro Council adopted Ordinance No. 14-1328, extending the CET for an additional five year period, with a new sunset date of December 31, 2020; and

WHEREAS, the 2014 CET Ordinance directed the Metro COO to propose amendments to the existing administrative rules implementing the CET and CPDG programs under Metro Code Chapter 7.04 (“Administrative Rules”) and to return to the Metro Council for its approval of the revised Administrative Rules prior to promulgating them; and

WHEREAS, on March 19, 2015 the Metro Council adopted Resolution No. 15-4595, which approved the Metro COO’s proposed amendments to the Administrative Rules; and

WHEREAS, on September 24, 2015 the Metro Council adopted Resolution No. 15-4640, which awarded approximately \$4.76 million in grants for the fiscal year 2015-2016 CPDG cycle (“Cycle 4”), leaving approximately \$230,000 of CET revenue unallocated; and

WHEREAS, in Resolution No. 15-4640 the Metro Council directed the COO and her staff to return to the Council with a proposal regarding possible uses of unallocated CET revenue from Cycle 4; and

WHEREAS, in response to the Metro Council’s directive, the COO and Metro staff developed the Equitable Housing Planning and Development Grant Program as a subset of the CPDG program in order to provide grants using unallocated Cycle 4 CET revenue to support local implementation of projects that eliminate barriers to construction of affordable housing across the region; and

WHEREAS, the Metro Council accepted the COO's recommendation to create the Equitable Housing Planning and Development Grant Program and to provide an initial budget of \$500,000 for a first round of grants, consisting of the \$230,000 in unallocated Cycle 4 revenue, plus an additional \$270,000 of CET revenue; and

WHEREAS, on December 1, 2016 the Metro Council adopted Resolution No. 16-4753, which awarded approximately \$575,000 in Equitable Housing Planning and Development grants; and

WHEREAS, in order to most effectively address barriers to development, implement the 2040 Growth Concept, and to help address the recent equitable housing crisis in our region, the Metro Council has established a policy emphasis in previous grant cycles to enable the grant program respond to current trends and issues affecting development in our region; and

WHEREAS, our region continues to have a crisis in housing supply as growth continues, especially for low income residents, and multiple tools, strategies, and approaches are needed across the region to provide more equitable housing; and

WHEREAS, equity, equitable development and equitable housing are currently issues of considerable local and regional concern given the potential for displacement of long-term residents, businesses and communities of color due to changing neighborhoods and rapidly escalating real estate costs; and

WHEREAS, in 2016, the Metro Council adopted the Strategic Plan to Advance Racial Equity, Diversity and Inclusion; and

WHEREAS, complementary strategies for employment growth, redevelopment, and land readiness are also important to address other current regional growth and development issues; and

WHEREAS, a clear policy framework outlining the goals of Cycle 5 funding and the types of projects that will be prioritized for the current round of grant funds will assist local governments in identifying and scoping projects that will best satisfy the policy emphasis and meet the selection criteria; and

WHEREAS, a shift from bi-annual grant cycles to annual grant cycles will provide greater flexibility and opportunity to grant applicants to propose and implement projects that will facilitate development that aligns with local and regional goals; and

WHEREAS, a new name for the grant program, "2040 Planning and Development Grants" program will emphasize the program's connection to implementing the region's 2040 growth concept and will reduce confusion of the "CPDG" acronym with the federal government's Community Development Block Grant, commonly referred to as the "CDBG" program; and

WHEREAS, the recently revised administrative rules, approved by the Metro COO in March 2017 and set forth in Exhibit A, provide added clarity regarding the various types of projects that are eligible to be considered for grant funding, more clearly describe the criteria for evaluating grant applications, and highlight current procedures for administering future cycles of the 2040 Planning and Development Grant program; now, therefore

BE IT RESOLVED that:

1. The Metro Council hereby authorizes and directs the Metro COO and staff to initiate Cycle 5 of Metro's 2040 Planning and Development grants, and to award up to \$2.0 million of CET revenue to fund projects using the following policy and investment emphasis:
  - a. Twenty-five percent (25%) of allocated funds will be targeted to qualified concept planning and comprehensive planning projects for urban reserves and new urban areas.
  - b. Fifty percent (50%) of allocated funds will be targeted for qualified projects that will facilitate development inside the UGB and that have a particularly strong emphasis on serving historically marginalized communities and/or equitable housing.
  - c. Twenty-five percent (25%) of allocated funds will be targeted to qualified projects that will facilitate development in centers, corridors, station areas and employment areas.
  - d. In the event that there are insufficient qualified applications within any one funding target category, grant funds may be awarded to qualified applications in any other category.
2. The Metro Council hereby authorizes and directs the Metro COO and staff to hereafter conduct annual grant cycles, administering the 2040 Planning and Development grants in accordance with the revised administrative rules, approved by the COO in March 2017 and set forth in Exhibit A, attached hereto and incorporated herein.
3. The Metro Council hereby directs the Metro COO and staff to continue to implement improvements to grant program administration and monitoring of the investments over time to ensure that the program is successfully supporting regional goals and policies set forth in the 2040 Growth Concept, the Urban Growth Management Functional Plan, and the six desired outcomes outlined in the Regional Framework Plan.

ADOPTED by the Metro Council this \_\_\_\_\_ day of April 2017

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Tom Hughes, Council President

Approved as to Form:

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Alison R. Kean, Metro Attorney

**ADMINISTRATIVE RULES: METRO CODE CHAPTER 7.04**  
**[REVISED MARCH 2017]**

Effective July 1, 2006, and extended through December 31, 2020, Metro has established as Metro Code Chapter 7.04 a Construction Excise Tax (“CET”) to fund Community Planning and Development Grants (“CPDG”). Effective April 1, 2017 the CPDG program shall be known as the 2040 Planning and Development Grant program (“2040 Grant” or “Grant”). These Administrative Rules establish the procedures for administering this tax as mandated in Metro Code Section 7.04.050 and Metro Code Section 7.04.060. These Administrative Rules also establish the procedures for administering the 2040 Grants. For ease of reference a copy of Metro Code Chapter 7.04 is attached to these administrative rules.

**I. Metro Administrative Matters.**

- A. Definitions. These administrative rules incorporate the definitions as set forth in Metro Code Section 7.04.030 of Chapter 7.04, Construction Excise Tax, and Chapter 3.07, the Urban Growth Management Functional Plan.
- B. Designated Representatives (Metro Code Section 7.04.060). The Metro Chief Operating Officer (“COO”) is responsible for the administration and enforcement of the Metro Code Chapter 7.04 and these administrative rules.
  - 1. The COO may delegate his authority in administration and enforcement of the Code chapter and these administrative rules as he determines and as set forth herein.
  - 2. The COO shall appoint a Hearings Officer(s), which appointment shall be confirmed by the Metro Council. The Hearings Officer(s) shall have the authority to order refunds or rebates of the Construction Excise Tax or waive penalties as a result of the hearings process. Upon appointing a Hearings Officer, the Chief Operating Officer shall delegate authority to the Hearings Officer to administer oaths, certify to all official acts, to subpoena and require attendance of witnesses at hearings to determine compliance with this chapter, rules and regulations, to require production of relevant documents at public hearings, to swear witnesses, to take testimony of any Person by deposition, and perform all other acts necessary to adjudicate appeals of Construction Excise Tax matters.
- C. Internal Flow of Funds. Funds will be accounted for in a Construction Excise Tax account that will be created by the effective date of Metro Code Chapter 7.04.
- D. Rate Stabilization Reserves. Metro Code Chapter 7.04.200 states that the Council will, each year, as part of the Budget process, create reserves from revenues generated by the CET. These reserves are to even out collections thereby stabilizing the funds needed to support the applicable programs despite industry building activity fluctuation. These reserves can only be drawn on to support the specific budgeted activities as discussed in Section I.E. of these administrative rules. Due to their restricted nature, these reserves shall be reported as designations of fund balance in Metro’s General Fund.
- E. Dedication of Revenues. Revenues derived from the imposition of this tax, netted after deduction of authorized local jurisdiction costs of collection and administration will be solely dedicated to grant funding of the regional and local planning that is required to make land ready for development after inclusion in the Urban Growth Boundary.
- F. Rule Amendment. The Chief Operating Officer retains the authority to amend these administrative rules as necessary for the administration of the Construction Excise Tax, after consultation with Metro Council.

## II. Construction Excise Tax Administration.

### A. Imposition of Tax (Metro Code Section 7.04.070).

1. The CET is imposed on every Person who engages in Construction within the Metro jurisdiction, unless an Exemption applies as set forth herein.
2. The tax shall be due and payable at the time of the issuance of any building permit, or installation permit in the case of a manufactured dwelling, by any building authority, unless an Exemption applies as set forth herein.
3. The CET shall be calculated and assessed as of the application date for the building permit. Persons obtaining building permits based on applications that were submitted prior to July 1, 2006 shall not be required to pay the CET, unless the building permit issuer normally imposes fees based on the date the building permit is issued.
4. If no permit is issued, then the CET is due at the time the first activity occurs that would require issuance of a building permit under the State of Oregon Building Code.

### B. Calculation of Tax (Metro Code Section 7.04.080). The CET is calculated by multiplying the Value of New Construction by the tax rate of 0.12%

(0.0012 x Value of New Construction)

- a. In the case of a Manufactured Dwelling for which no Exemption is applicable, and for which there is no building code determination of valuation of the Manufactured Dwelling, the applicant's good faith estimate of the Value of New Construction for the Manufactured Dwelling shall be used.

### C. Exemptions (Metro Code Section 7.04.040).

1. Eligibility for Exemption. No obligation to pay the CET is imposed upon any Person who establishes, as set forth below, that one or more of the following Exemptions apply:
  - a. The Value of New Construction is less than or equal to One Hundred Thousand Dollars (\$100,000); or
  - b. The Person who would be liable for the tax is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), or a limited partnership the sole general partner of which is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), the Construction is used for residential purposes AND the property is restricted to being occupied by Persons with incomes less than fifty percent (50%) of the median income for a period of 30 years or longer; or
  - c. The Person who would be liable for the tax is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3) AND the Construction is dedicated for use for the purpose of providing charitable services to Persons with income less than fifty percent (50%) of the median income.

2. Procedures for Establishing and Obtaining an Exemption; Exemption Certificates:

- a. For exemption (a) above, the exemption will be established at the building permit counter where the Value of New Construction as determined in the building permit is less than or equal to One Hundred Thousand Dollars (\$100,000).
- b. For exemptions (b) and (c) above, prior to applying for a building permit a Person claiming an exemption may apply to Metro for a Metro CET Exemption Certificate, by presenting the appropriate documentation for the exemption as set forth herein, and upon receiving a Metro CET Exemption Certificate the Person may present the certificate to the building permit issuer to receive an exemption from paying the CET; or
- c. For exemptions (b) and (c) above, instead of going to Metro to obtain a Metro CET Exemption Certificate, a Person claiming an exemption from the CET when applying for a building permit may submit to the building permit issuer Metro's CET Exemption Certificate application form. Upon receiving a Person's Metro CET Exemption Certificate application, the building permit issuer shall preliminarily authorize the exemption and shall not collect the CET. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the exemption and to institute collection procedures to obtain payment of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the exemption;
- d. To receive a Metro CET Exemption Certificate from Metro, or to substantiate to Metro the validity of an exemption received from a local building permit issuer, an applicant must provide the following:
  - i. IRS tax status determination letter evidencing that the Person seeking the building permit is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3); and
  - ii. In the case of residential property, proof that the property is to be restricted to low income persons, as defined, for at least 30 years. Proof can be in the form of loan covenants; rental agreements or grant restrictions; a certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and
  - iii. In the case of a qualified tax-exempt entity providing services to Persons with incomes less than 50 percent of the median income, the applicant must provide information that will allow such tax exempt status to be verified, and proof that the property will be restricted to such uses. Proof can be in the form of loan covenants; rental agreements or grant restrictions; certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and

- iv. In the case of a limited partnership with a tax-exempt sole general partner corporation, verification from the partnership's attorney of that status is required; and
- v. Authorization to audit the records to verify the legal status and compliance with Metro qualifications of all entities claiming exempt status.
- e. Partial Applicability of Exemption. If an exemption is applicable to only part of the Construction, then only that portion shall be exempt from the CET, and CET shall be payable for the remainder of the Construction that is not eligible for an exemption, on a pro-rata basis. It shall be the responsibility of the Person seeking the partial exemption to fill out a Metro CET Exemption Certificate application for the partial exemption, declaring on that application the proportion of the Construction qualifies for the exemption. Upon receiving a Person's Metro CET Exemption Certificate application claiming a partial exemption, the building permit issuer shall preliminarily authorize the partial exemption and shall only collect the pro-rata CET as declared by the applicant. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the partial exemption and to institute collection procedures to obtain payment of the remainder of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the partial exemption.

D. Ceiling (Metro Code Section 7.04.045).

- 1. If the CET imposed would be greater than \$12,000.00 (Twelve Thousand Dollars) as measured by the Value of New Construction that would generate that amount of tax, then the CET imposed for that Construction is capped at a Ceiling of \$12,000.00 (Twelve Thousand Dollars).
- 2. The Ceiling applies on a single structure basis, and not necessarily on a single building permit basis. For example:
  - a. If a single building permit is issued where the Value of New Construction is greater than or equal to Ten Million Dollars (\$10,000,000), then the CET for that building permit is capped at Twelve Thousand Dollars (\$12,000.00).
  - b. If Construction in a single structure will require multiple building permits during the pendency of the CET program, and the total CET that would be imposed for those building permits would add up to more than Twelve Thousand Dollars (\$12,000.00), then the total CET for those building permits within the same structure during the pendency of the CET program is capped at Twelve Thousand Dollars (\$12,000.00). Once a total of \$12,000.00 has been paid in CET for a particular structure, then no additional CET will be collected for that structure during the pendency of the CET program.



E. Rebates (Metro Code Section 7.04.120). If a CET has been collected and a CET Exemption or the CET Ceiling was applicable, a rebate for the CET may be obtained from Metro.

1. Procedures for obtaining rebate are:
  - a. Within thirty (30) days of paying the CET, the Person who believes that the CET was not applicable due to a CET exemption or CET Ceiling, shall apply for a rebate in writing to Metro and provide verification that the exemption eligibility provisions of Metro Code Section 7.04.040, or that the CET Ceiling provisions of Metro Code Section 7.04.045, have been met. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to seek a rebate.
  - b. Applicant shall provide proof that the CET was paid, in the form of a paid receipt from the building permit issuer showing the tax was paid. All supporting documentation for the exemption or ceiling shall be submitted at the time of the rebate claim. The rebate will only be made to the name that is listed on the receipt unless the applicant has a written assignment of rebate.
  - c. A rebate or a letter of denial shall be issued by Metro within thirty (30) days of receipt of a written request for rebate provided that the request includes all required information. The rebate will be calculated based upon the paid receipt, less the five percent (5%) administrative fee already retained by the building permit issuer and the five percent (5%) Metro administration fee.

F. Refunds (Metro Code Section 7.04.150). If a CET has been collected and the Construction was not commenced and the building permit was cancelled, a refund for the CET may be obtained from Metro.

1. Eligibility is determined by the absence of Construction and cancellation of the building permit.
2. Procedures for obtaining refund:
  - a. Apply in writing to Metro within thirty (30) days of permit cancellation.
  - b. Provide copy of canceled permit.
  - c. Provide proof of payment of the tax in the form of the paid receipt.
  - d. A refund or a letter of denial shall be issued by Metro within thirty (30) days of receipt of the written request for refund provided that the request includes all required information. The refund will be calculated based upon the paid receipt, less the five percent (5%) administrative fee already retained by the building permit issuer and the five percent (5%) Metro administration fee.
  - e. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to receive a refund.

G. Appeals. The Hearings Officer shall conduct hearings related to enforcement or appeals of the CET. The appeal to the Hearings Officer must be:

1. In writing;
2. Made within ten (10) calendar days of denial of a refund, rebate, or exemption request. Notice of denial to the party denied, is deemed to have occurred three days after the mailing of the certified denial letter from Metro;
3. Tax must be paid prior to appeal;
4. Directed to the Office of Metro Attorney, who will contact the Hearings Officer to schedule a hearing upon receipt of a written appeal. The Hearings Officer will at that time provide further information as to what documentation to bring to the hearing.

H. Review. Review of any action of the Chief Operating Officer or Hearings Officer, taken pursuant to the Construction Excise Tax Ordinance, or the rules and regulations adopted by the Chief Operating Officer, shall be taken solely and exclusively by writ of review in the manner set forth in ORS 34.010 through 34.100, provided, however, that any aggrieved Person may demand such relief by writ of review.

I. CET Sunset (Metro Code Section 7.04.230).

1. The CET shall not be imposed on and no person shall be liable to pay any tax for any Construction activity that is commenced pursuant to a building permit issued on or after December 31, 2020.
2. Local governments collecting CETs shall remit the CETs to Metro on a quarterly or monthly basis, based on the jurisdiction's CET Collection IGAs with Metro. Each quarter, within thirty days of receiving CET remittances from all collecting local jurisdictions, Metro will issue a written statement of the total CET that Metro has received that quarter and cumulatively.
3. CET remittance to Metro shall be net of the local government's administrative expenses in collecting the CET, up to five percent (5%) of the CET collected by the local government as set forth in the Metro CET Collection IGA. This net amount of CET remitted to Metro shall be the basis for Metro's calculations of CET cumulative totals.
4. The CET shall cease to be imposed by local governments on December 31, 2020, and shall be remitted by the local governments to Metro as soon thereafter as possible.

### **III. CET Collection Procedures.**

A. Local Government CET Collection and Remittance Via Intergovernmental Agreements (Metro Code Section 7.04.110). For those local governments collecting the CET pursuant to Intergovernmental Agreements with Metro, the following procedures shall apply:

1. CET Report; Information Required. Each quarter (unless a local government prefers to report monthly), along with its CET remittance to Metro, the local government shall prepare and submit to the Metro Chief Operating Officer a report of the CETs and building permits issued for the previous quarter's construction activities. The report shall include: the number of building permits issued that quarter; the aggregate value of construction; the number of building permits for which CET exemptions were given; the aggregate value of

construction for the exempted construction; the aggregate amount of CET paid; and the amount of CET administrative fee retained by the local government pursuant to this CET Collection IGA.

2. CET Remittance to Metro. Local governments collecting CET via IGAs with Metro shall remit the collected CET to Metro. Remittance shall be quarterly, unless a jurisdiction prefers to remit the CET monthly, by the 30<sup>th</sup> of the month following the quarter (or month) ending. Quarters end on September 30, December 31, March 31 and June 30 of each year. CET remittance and the CET Report shall be sent to Metro, attn Construction Excise Tax Accounting Specialist, 600 NE Grand, Portland, Oregon 97232.
  3. Remuneration to Local Government for Collecting CET. As consideration for collecting the CET, each local government collecting the CET shall retain no more than five percent (5%) of the tax collected by that local government. This payment is intended to be a reimbursement of costs incurred. Prior to submitting the CET to Metro, the local government shall deduct the remuneration agreed upon directly from the collected tax, and the amounts deducted and retained shall be identified on the report submitted to Metro.
  4. Metro Administrative Fee. To partially reimburse Metro for its costs in implementing and administering the CET program, Metro will retain five percent (5%) of the net CET funds remitted by local governments to Metro.
  5. Audit and Control Features. Each local government shall allow the Chief Operating Officer, or any person authorized in writing by the Chief Operating Officer, to examine the books, papers, building permits, and accounting records relating to any collection and payment of the tax, during normal business hours, and may investigate the accuracy of reporting to ascertain and determine the amount of CET required to be paid.
  6. Failure to Pay. Upon a Person's refusal to or failure to pay the CET when due, the local government administering that Person's building permit shall notify Metro in writing within five (5) business days of such failure, with information adequate for Metro to begin collection procedures against that Person, including the Person's name, address, phone numbers, Value of New Construction, Construction Project, and building permit number. Upon a Person's refusal or failure to pay the CET, it shall be Metro's responsibility to institute collection procedures to obtain payment of the CET as well as any other remedy Metro may have under law.
- B. Metro Collection Procedures in Event of Non-payment. The CET is due and payable upon issuance of a building permit. It is unlawful for any Person to whom the CET is applicable to fail to pay all or any portion of the CET. If the tax is not paid when due, Metro will send a letter notifying the non-payer of his obligation to pay the CET along with the following information:
1. Penalty. In addition to any other fine or penalty provided by Chapter 7.04 of the Metro Code, penalty for non- payment will be added to the original tax outstanding. That penalty is equal to fifty dollars (\$50.00) or the amount of the tax owed, whichever is greater.
  2. Misdemeanor. In addition to any other civil enforcement, non- payment of the CET is a misdemeanor and shall be punishable, upon conviction, by a fine of not more than five hundred dollars (\$500.00). This fine shall be charged to any officer, director, partner or other Person having direction or control over any Person not paying the tax as due.

3. Enforcement by Civil Action. If the tax is not paid, Metro will proceed with collection procedures allowable by law to collect the unpaid tax, penalties assessed and fines due, including attorney fees.

**IV. Revenue Distribution (Metro Code Section 7.04.220).**

**A. Grant Cycles.** CET funds collected pursuant to the 2014 extension of the CET shall be allocated in five application assessment cycles (Cycle 4, Cycle 5, Cycle 6, Cycle 7, and Cycle 8).

1. The Cycle 1 fund distribution took place in March 2006, which allocated up to \$6.3 million in grants. Grant requests in this cycle were made for planning only in new areas that were brought into the Urban Growth Boundary (UGB) between 2002 and 2005.
2. The Cycle 2 grant allocation through the Community Planning and Development Grant program (CPDG) took place in June 2010, which allocated up to \$3.7 million in CET Grant revenue. Grant requests in this cycle were made for planning in all areas inside the UGB as of December 2009.
3. The Cycle 3 grant allocation through the CPDG program took place in August 2013, which allocated \$4.5 million in grants. Grant requests in this cycle were made for planning in all areas that are in the UGB as of December 2009, plus areas added to the UGB since 2009 and Urban Reserves. This cycle earmarked fifty percent (50%) of projected CET revenues for planning in areas added to the UGB since 2009 and Urban Reserves, and required that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.
4. The Cycle 4 grant allocation through the CPDG program took place in 2015-2016 for planning in all areas that are in the UGB and Urban Reserves. This cycle earmarked seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and required that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves did not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas. A total of approximately \$4.7 million in grants was awarded. In 2016-17 an additional cycle of grants was conducted to support Equitable Housing Planning and Development projects. A total of \$575,000 in funding was awarded.
5. The Cycle 5 grant allocation shall take place in 2017-2018 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for such projects does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.
6. The Cycle 6 grant allocation shall take place in 2018-2019 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue

for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for such projects does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

7. The Cycle 7 grant allocation shall take place in 2019-2020 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for such projects does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.
8. The Cycle 8 grant allocation shall take place in 2020-2021 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for such projects does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.
9. These cycles may be delayed or amounts reduced if the actual CET receipts remitted by the local governments are not as high as projected, or if CET revenue projections are modified due to market conditions, or if required by Metro's spending cap limitations.
10. Metro may conduct additional allocation cycles if the Metro Chief Operating Officer finds that CET receipts are projected to exceed the grant amounts awarded in Cycles 5, 6, 7 and 8.

B. 2040 Grants Screening Committee.

1. Role. A 2040 Planning and Development Grants Screening Committee ("Committee") shall be created, which shall review Grant Requests submitted by local governments. The Committee shall advise and recommend to the Metro Chief Operating Officer ("COO") the ranking and recommended grant amounts, and whether to grant full, partial, or no awards, in accordance with the grant Evaluation Criteria set forth below.
2. Committee Members. The COO shall appoint six to nine members to the Committee, including the Committee Chair. A new Committee shall be established for Cycle 5, Cycle 6, Cycle 7 and Cycle 8 grants, but may include members from the previous Committees. Skill sets to be represented will be composed of the following expertise:
  - Economic development;
  - Urban planning;
  - Real estate and finance;
  - Infrastructure finance relating to development or redevelopment;
  - Local government;
  - Urban renewal and redevelopment;
  - Business and commerce;

- Neighborhood Association or Community Planning Commission with an understanding of community livability issues; and
- Environmental sustainability relating to development or redevelopment.
- Social equity relating to community development and redevelopment planning

C. Range of Eligible Grant Project Types

1. Urban reserve concept planning. Concept planning for future development of new urban areas on land currently designated Urban Reserves (or in areas brought into the Urban Growth Boundary since 2009) to facilitate the future development of complete communities and comply with Title 11 of the Urban Growth Management Functional Plan.
2. Strategy or policy development. Development and adoption of action plans, strategic initiatives, code refinements, incentives, streamlined review and other development related policy work that will meaningfully increase community readiness for development or identify and reduce barriers to development, redevelopment, and infill.
3. Investment strategies and financial tools. Exploration and development of investment strategies and financial tools and incentives to facilitate development, redevelopment and infill, such as urban renewal districts, enterprise zones, tax abatements, or collaborative capital improvement plans.
4. Area-specific redevelopment planning. Strategic planning, concept design and feasibility for redevelopment and infill of specific areas or districts.
5. Site-specific development or redevelopment. Schematic design and feasibility analyses for site-specific development projects, equitable housing projects and public-private partnerships
6. Equitable housing projects and policies. Any approach or combination of approaches outlined in sections 2-5 above that will facilitate the development of equitable housing throughout the metro region. Metro's working definition of equitable housing is diverse, quality, physically accessible, affordable housing choices with access to opportunities, services, and amenities
7. Future refinement of Project Types. The Metro COO has the authority to direct staff to refine and modify or expand the range of Eligible Project Types as needed to improve program effectiveness and clarity and continually improve the program's effectiveness in achieving regional goals.

D. Grant Application Procedures

The Metro COO will direct the staff to organize a fair and efficient process for soliciting grant requests as follows:

1. Eligible Grant Applicants. Grant applicants shall be cities or counties within the Metro boundary. Other local governments, as defined in ORS 174.116, may apply for a 2040 Grant only in partnership with a city or county within the Metro boundary.
2. Application guidelines and timelines. The guidelines and timeline for submitting grant applications will be publicized each year with sufficient time to provide eligible applicants with

adequate time for planning, budgeting, preparation and submittal of all required application materials. The grant application process may include an option for applicants to receive feedback from Metro staff regarding their proposed projects prior to submission of the final application.

3. Application Endorsements and Matching Contributions. Applications should reflect commitment by county, city and/or relevant service providers to participate in the planning effort and describe how governance issues will be resolved through or prior to the planning process. All grant requests shall include an endorsement of support of the governing body and a minimum 10% matching contribution specifying allocation of local funding and/or staff resources for the proposed project. Metro may request that any jurisdiction that elects to submit more than one grant application per cycle shall submit a prioritized list clarifying the relative importance of each application to that jurisdiction.
4. Refinement of Application Procedures. The Metro COO has the authority to direct staff to refine and modify the general Grant Application Procedures outlined above as needed to ensure smooth, efficient administration and continual improvement of the grant program.

E. Grant Request Evaluation Criteria

1. Clear development outcomes. Proposal presents a compelling project concept with specific, impactful outcomes to facilitate development. Performance measures are clearly articulated.
2. Advances and complements regional goals and policies. Proposed project will help to advance established regional development policy goals and outcomes expressed in the 2040 Growth Concept, the Urban Growth Management Functional Plan and in the following six Desired Outcomes stated in the Regional Framework Plan, adopted by the region to guide future planning:
  - People live and work in vibrant communities where their everyday needs are easily accessible;
  - Current and future residents benefit from the region's sustained economic competitiveness and prosperity;
  - People have safe and reliable transportation choices that enhance their quality of life;
  - The region is a leader in minimizing contributions to climate change;
  - Current and future generations enjoy clean air, clean water and healthy ecosystems;
  - The benefits and burdens of growth and change are distributed equitably.
3. Aligns with local goals and/or maximizes community assets. Proposed project will help to realize community plans and goals, accommodate expected population and employment growth, and/or maximize existing community assets such as public transit, parks, natural features, historic districts, employment areas.
4. Likelihood of full implementation. Key stakeholders (property owners, policy makers, funding jurisdictions, service districts, etc.) have committed full support for the project goals and timelines, will be meaningfully involved in guiding the project, and have the capacity and authority to implement actions/investments as needed to bring the project to fruition. Opportunities and threats to project commitments are identified.

5. Public involvement. Proposal incorporates best practices for public involvement; strategies for meaningfully engaging neighbors, businesses, property owners, and key stakeholders, as well as historically marginalized communities including low income and minority populations are clearly articulated and well-conceived; proposal indicates how public input will be used to strengthen the project outcomes and/or increase the likelihood of successful implementation.
6. Team roles and capacity. Roles and responsibilities of the applicant county or city, as well as any additional partners have been clearly defined; proposed staff has skill set, experience and appropriate available time needed to successfully manage all aspect of the grant project and oversee the work of consultant team or teams on behalf of the project partners
7. Jurisdiction track record. Applicant has proven capability to successfully implement community development projects, especially past CPDG or 2040 Grant projects; prior grants have fully delivered expected products and outcomes according to the approved schedule of milestones; any CPDG or 2040 Grant projects still underway are on track and scheduled for completion prior to initiation of proposed project.
8. Grant leverage. Extent to which partners have committed additional in-kind or direct financial contributions to the project beyond the minimum ten percent match that is required;
9. Replicable best practices. Proposed project will develop best practices that could be replicated in other locations. (Note: this criterion may not be applied to all projects.)

F. Review of Grant Requests.

1. Metro staff shall conduct an initial screening of all grant requests to confirm that they meet the minimum program and eligibility requirements. Staff shall forward the letters of intent and Grant Requests to the members of the Committee, along with a summary of the strengths and weaknesses of each request according to the grant evaluation criteria. Staff will provide assistance to the Committee as needed to support their review and deliberations.
2. The Committee shall review the Grant Requests and evaluate them based on the Grant Request Evaluation Criteria set forth above. The Committee shall use the criteria as guidelines for evaluating applications. The Committee may consult with the proponent of the Grant Request or any others in reviewing the request. After analyzing the Grant Requests, the Committee shall forward to the Metro COO the Committee's recommended ranking and grant amounts for each of the Grant Requests.
3. The Metro COO shall review the Committee's recommendations and shall forward her/his own grant recommendations, based on the Grant Requests Evaluation Criteria set forth above, along with the recommendations of the Screening Committee, to the Metro Council.
4. The Metro Council shall decide, in a public hearing, whether or not to approve funding of any grants, and the amount of each grant.

G. General Procedures for Entering into Grant Agreements.

1. Grant Award Letter. Upon the award of a grant, the Metro COO shall issue a Grant Award Letter for the grant amount determined by the Metro Council.



2. Negotiation of the draft Intergovernmental Agreement (“IGA”). Metro and the Grant Applicant shall negotiate the terms of the Grant Intergovernmental Agreement (“IGA”) The scope of work in the grant application as modified by any condition in Metro Council grant award shall be the basis for Metro and grantee to negotiate the draft IGA. The draft IGA shall set forth the role of Metro’s project liaison on the project advisory committee, an agreed-upon scope of work and budget, completion dates of expected milestones and deliverables, matching funds and grant payment amounts for each milestone, and any administrative penalties that may be imposed by Metro for amendments to the IGA or project timeline that may be requested by the applicant. The IGA shall retain the right of the Metro COO to terminate a Grant award if the milestones set forth in the IGA are not met within the timeframes set forth in the IGA.
3. Procurement of project consultants: Prior to execution of the final IGA, the applicant shall work with Metro to select an appropriate consultant team as needed to complete the proposed work as outlined in the grant application. Metro shall have the opportunity to review and approve any requests for proposals issued by the grant applicant and shall be involved as an equal partner in the selection of all project consultants.
4. Draft contract with project consultants: Following final selection of project consultants, applicant shall prepare draft contracts with all consultants that fully describe the deliverables and timelines as set forth in the draft IGA and provide maximum costs for each consultant task.
5. Execution of the final IGA: The draft consultant contracts shall be attached as an exhibit to the final IGA. The governing body of the Grant applicant jurisdiction shall authorize the approval of the IGA. Following execution of the IGA by appropriate personnel on behalf of the local governing body, the COO shall execute the IGA. If the IGA has not been finalized and signed by Metro and grantee within six months of grant award, the COO shall exercise the authority to cancel the grant award.
6. Refinement of Grant Agreement Procedures. The COO has the authority to direct staff to refine and modify the general Grant Agreement procedures outlined above as needed to ensure smooth, efficient administration and continual improvement of the grant program.

H. General Procedures for Distribution of Grant Funds.

1. Grant Payments. Grant payments shall be made upon the completion of those milestones set forth in the IGA, as determined by Metro in accordance with the requirements of the Metro Code and the IGA. In general, a portion of the Grant funds may be distributed following execution of the IGA by Metro, with the remainder of the Grant being paid out as progress payments upon completion of the milestones in the IGA. Grantees shall submit progress reports to Metro documenting the milestone and the completed deliverables for grant payment.
2. Eligible Grant Expenses. The following expenses shall be considered eligible expenses for reimbursement with grant funds:
  - Materials directly related to project
  - Consultants’ work and expenses on project
  - Grant applicant staff support directly related to project
  - Overhead directly attributable to project.
3. Ineligible Grant Expenses. Grant requests to reimburse local governments for planning work already completed shall not be considered.

## **STAFF REPORT**

### **IN CONSIDERATION OF RESOLUTION NO. 17-4782, FOR THE PURPOSE OF APPROVING POLICY AND INVESTMENT FRAMEWORK FOR THE 2040 PLANNING AND DEVELOPMENT GRANT PROGRAM FUNDED WITH CONSTRUCTION EXCISE TAX**

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Date: April 11, 2017

Prepared by: Lisa Miles 503.797.1877  
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## **BACKGROUND**

In 2006, Metro established a construction excise tax (CET) to generate revenue for providing grants to local governments for regional and local planning. The ordinance contained a sunset provision based on a maximum amount collected of \$6.3 million, and the maximum amount was reached in 2009. In 2009 the Metro Council extended the CET for an additional five year period.

In 2014, the Metro Council adopted Ordinance No. 14-1328, which extended the CET through December 2020 and directed the Chief Operating Officer (COO) to seek direction from the Metro Council prior to revising the Administrative Rules for implementation of the CET and the Community Planning and Development Grants (CPDG). In 2015, the Metro Council adopted a resolution approving the Metro COO's amendments to the Administrative Rules.

As part of the resolution approving the Cycle 4 grants in 2015, the Metro Council directed the COO and staff to return to the Council with a proposal regarding possible uses of unallocated CET revenue from Cycle 4. In response to the Metro Council's directive, the COO and Metro staff developed the Equitable Housing Planning and Development Grant Program as a subset of the CPDG program using unallocated Cycle 4 CET revenue to support local implementation of projects that eliminate barriers to construction of affordable housing across the region.

The Metro Council accepted the COO's recommendation to create the Equitable Housing Planning and Development Grant Program with an initial budget of \$500,000 for a first round of grants, consisting of the \$230,000 in unallocated Cycle 4 revenue, plus an additional \$270,000 of CET revenue. Part way through the grant application process, Multnomah County relinquished a \$75,000 grant awarded during Cycle 4, which was for the purpose of planning and developing a homeless shelter, thus increasing the potential pool of available funding. On December 1, 2016 the Metro Council adopted Resolution No. 16-4753, which awarded approximately \$575,000 in Equitable Housing Planning and Development grants.

## **Program and Process Improvements**

At the outset of the next grant cycle slated for the fiscal year 2017-2018 ("Cycle 5"), the Metro COO and staff have considered how the CPDG and Equitable Housing Planning and Development Grant programs have evolved and what revisions and approaches could help the planning and development grant program to be more effective in the upcoming grant cycle and future cycles. The following program and process improvements are envisioned:

- Change the CPDG program name to 2040 Planning and Development Grants to emphasize the program's connection to implementing the region's 2040 Growth Concept, to incorporate both the CPDG and the Equitable Housing Planning and Development Grant programs under one umbrella, and to reduce confusion with the federal government's Community Development Block Grant (CDBG) program acronym.
- Move to annual grant cycles and one application process for all grant types
- Utilize ZoomGrants software to facilitate submission of applications and ongoing grant administration
- Provide sample project scope elements as part of application materials to assist with project development
- Provide optional pre-application conferences to discuss application and proposed project approach with Metro staff
- Issue a flexible services procurement to establish a qualified list of consultants from which local jurisdictions can select under Oregon's cooperative procurement statutes (jurisdictions may still initiate their own procurement process if desired)

### **Proposed Policy and Investment Emphasis for Cycle 5**

In order to most effectively address barriers to development and to accomplish the 2040 Growth Concept, Metro Council has established a policy emphasis in previous grant cycles to help align grant program with current trends and issues affecting development in our region. Our region continues to have a crisis in housing supply as growth continues, especially for low income residents. Multiple tools, strategies, and approaches are needed across the region to provide more equitable housing. Complementary strategies for employment growth, redevelopment, and land readiness are also important to address other current regional growth and development issues. The proposed policy and investment emphasis for the current cycle is as follows:

- 25% of grant funds will be targeted for concept planning or comprehensive planning projects in Urban Reserves or areas brought into UGB since 2009
- 50% of funds will be targeted for projects to facilitate development within the Urban Growth Boundary that have a strong emphasis on serving historically marginalized communities and/or equitable housing
- 25% of funds will be targeted for projects to facilitate development in centers, corridors, station areas, and employment areas
- In the event that there are not sufficient strong applications in any target area, grant funds may be allocated to other types of applications.

The explicit equitable development emphasis for grant investments will encourage cities and counties to prioritize project applications that specifically address development inequities and affordable housing issues in their communities. It should be noted that every application for funding under the 2040 Planning and Development grant program must demonstrate how it will effectively meet all of the grant evaluation

criteria and significantly advance regional policies and goals in order to be successful. Evaluation of applications within the proposed funding target category for equitable development will simply give first consideration for that portion of funding to applications with a primary or particularly strong equity emphasis (projects serving historically marginalized communities or advancing development of equitable housing.) Likewise, applications not specifically seeking consideration under the equitable development category will still have to describe how they are meeting the region's equity goals, as every application is required to explain how they are in alignment with the region's six desired outcomes.

In evaluating the grant applications, the screening committee will first review applications that seek consideration under the equitable development category; those that do not have a sufficiently strong equitable development emphasis to merit funding in that category will be then be added to the general pool of applications for projects in centers, corridors, station areas and employment areas, and evaluated alongside those applications based on their relative overall merits. The screening committee, the COO, and the Council will ultimately need to bring their own professional judgment and common sense to applying the criteria, allocating resources from each funding target and determining what projects best meet all criteria, including regional policy priorities and equitable development objectives, and therefore warrant funding. The 2040 Planning and Development Grants application handbook will address the above nuances and provide adequate clarification for applicants.

It should be noted that given the timing of this grant cycle and the current Growth Management cycle, staff believe that very few, if any, applications for planning projects in urban reserves will be received this year, so it is likely that a significant portion of funds will not be awarded and would thus be available to fund planning projects within the Urban Growth Boundary.

Prior to initiating the application process for future grant Cycles 6, 7, and 8, staff will report back to the Council regarding the nature of applications received and grants awarded in Cycle 5. At that time, Council will have the opportunity to consider the appropriate policy and investment emphasis for the upcoming grant cycle and establish funding targets accordingly.

### **Proposed 2017 Administrative Rule Revisions**

In order to enhance the clarity of program guidelines and eligible project types, and to align the administrative rules developed in 2015 with the current recommended process improvements, certain provisions of the administrative rules required further revision. The Metro COO has approved revised rules (Exhibit A to the resolution) to be used to guide this cycle and future grant cycles of the 2040 Planning and Development Grant program. A table describing the rule revisions section by section is provided in Attachment C to this staff report, but the significant changes can be summarized as follows:

- Added new section to clarify the range of acceptable planning project types that are eligible for grant funds
- Consolidated and refined Grant Evaluation Criteria into one page of clearly stated criteria that can be applied to all types of eligible projects (previously 4 pages).
- Removed some specificity regarding application paper flow and procedures to allow for continual improvement from cycle to cycle without requiring additional formal revisions of rules
- Grant awards will be conditional upon COO final approval of the project team, including all project consultants; project IGA's will not be finalized by the COO until consultant teams,

work scopes, contracts and project schedules are fully defined in cooperation with the jurisdiction grantee. (This should enhance Metro staff's ability to ensure that specific consultant teams and scopes are appropriate to achieve proposed project outcomes; it should also reduce number of IGA revisions necessary.)

Exhibit A to the resolution (also Attachment 1 to this staff report) includes revisions to sections IV.C.6. and IV.E.2. of the Administrative Rules, which were made in response to Councilor questions at the March 21 Work Session. These changes include providing more definition of the term "equitable housing" and further clarification of how applications need to address regional policy goals, and the relation of the program to achieving the goals in the Urban Growth Management Functional Plan, the Regional Framework Plan, and the six desired outcomes.

### **Additional Clarifications on Items Discussed at March 21 Council Work Session**

To ensure that the proposed policy and investment framework (including both the Administrative Rule revisions and proposed funding targets) is clear, staff would like to provide the following further explanation with regard to specific items discussed at the March 21<sup>st</sup> work session:

*How do the program changes and administrative rule revisions proposed by staff address program issues raised by the Metro Auditor?*

Among the issues raised by the Metro Auditor in the February 2016 Audit of the Community Planning and Development Grants program were the program's perceived lack of alignment with regional planning goals and lack of clarity regarding what the program was designed to accomplish. The revisions to the grant evaluation criteria, as well as the new section of the Administrative Rules specifically outlining the types of projects that are considered eligible, provide further clarification and focus on these aspects of the program. The revised criteria are significantly more concise than they were previously, simplifying 4 pages of criteria into one page. Staff believes that the simplification and increased clarity of the criteria and variety of eligible project types will make it easier for applicants to understand how to shape their projects and grant proposals to best meet the criteria and support regional planning and development goals. Other recommended changes, such as the process to refine scopes prior to executing an IGA will also help to address some of the auditor's findings regarding multiple revisions to project timelines and administrative details of the IGAs.

*What is the purpose of having the proposed funding target for equitable development projects? Won't this just place additional limits and create a risk that strong projects that are not focused on equitable development will not be funded? Wouldn't it be better to just let applications compete on their own merits?*

Emphasizing equitable development (serving the needs of historically marginalized communities or advancing the development of equitable housing) through the proposed funding targets is a way to highlight the Metro Council's policy priority to reduce inequities in our region, and encourage cities and counties to consider projects that would advance equitable development in their communities. All applications will be held to a high standard for meeting all of the evaluation criteria. It is true that a strong project that has a particular focus on equitable development will have a better chance of receiving a grant award in this cycle than a strong project that does not have an equitable development emphasis but may meet other important policy objectives such as addressing the threat of climate change.

*With the proposed policy emphasis that 50% of funds are targeted for proposals that specifically address historically marginalized communities or advance equitable housing development does that mean that the value of equity is not important or required or emphasized in all project applications?*

No. As explained above on page 3, all applications are required to address all grant request evaluation criteria. One of the evaluation criteria that the application “Advances and complements regional goals and policies” including the six desired outcomes in the Regional Framework Plan. Given that one of the six desired outcomes is that “the burdens and benefits of growth and change are distributed equitably,” all applications will need to address the issue of equitable development in some way.

In recruiting and appointing members of this year’s 2040 Planning and Development Grant Screening Committee, the COO and staff will also be making a concerted effort to ensure that diverse perspectives are represented on the committee and will include members who not only bring an understanding of community planning and development issues, but also awareness and knowledge of how to most effectively incorporate and address equity considerations.

*The proposed Administrative Rule changes Section provides the Metro COO with the authority make future additions or changes to the eligible project types. Why is this provision included? Shouldn’t there be a touchback with Council on such changes?*

This provision was included in the revisions to the Administrative rules to clearly authorize the COO and staff to make continual improvements to the program in a streamlined manner, focusing limited staff time to most efficiently and successfully administer the program. Minor future adjustments to the administration and administrative rules of this program may not warrant the extensive staff time, as well as Metro Council time, that is required by the formal legislative process. Under Metro Code, the COO has the full authority to determine the administrative rules for the program, and formal approval of the Council is not required. The COO and the Council President will apply their judgment in determining whether future adjustments rise to the level of policy change that warrants a touchback with the Council or formal legislative action.

*What is the relationship of these grants to the urban growth management functional plan? There is no longer an explicit connection in the administrative rules.*

As indicated above at the top of page 4, the Grant Request Evaluation Criteria (Section IV.E.2). of the proposed administrative rules have been further revised to more clearly make the connection between the grant program and regional goals and policies, the Urban Growth Management Functional Plan and the Regional Framework plan which establishes the six desired outcomes.

## **ANALYSIS/INFORMATION**

### **1. Known Opposition**

There is no known opposition to the proposed legislation. Staff briefed key stakeholders and MPAC regarding the suggested program and process improvements and the proposed policy emphasis for Cycle 5 and no opposition was expressed.

## **2. Legal Antecedents**

- Metro Ordinance 06-115 (“2006 CET Ordinance) established the construction excise tax
- Metro Ordinance 09-1220 extended the CET for an additional five year period (through September 2014).
- Metro Ordinance 14-1328 extended the CET for an additional five year period (through December 2020) and directed the Metro COO to propose amendments to the existing administrative rules.
- Metro resolution 15-4595 approved the Metro COO’s proposed amendments to the administrative rules
- Metro resolution 15-4640 directed the Metro COO’s to propose a possible use for unallocated funds in Cycle 4
- Metro resolution 16-4753 awarded approximately \$575,000 in Equitable Housing Planning and Development Grants

## **3. Anticipated Effects**

Approval of the resolution will enhance the grant program by providing greater opportunity for applicants to apply for grants of any type in one annual grant cycle under the name “2040 Planning and Development Grants.” The resolution will clarify Metro Council’s desired policy and investment emphasis for grant funding in Cycle 5 to support equitable development by earmarking 50% of available funds and giving first consideration to qualified projects inside the UGB with a strong emphasis on serving historically marginalized communities and/or equitable housing. The resolution will also provide a clear policy and administrative framework for the program as set forth in the 2017 Revised Administrative Rules.

## **4. Budget Impacts**

The shift to annual grant cycles will change the pace at which CET funds are disbursed, but the overall funding is not anticipated to change as a reduced quantity of funding will be disbursed with each cycle. Exact funding for any grant round is subject to the projected excise tax revenues collected. The proposed shift to annual grant cycles, combined with the proposed process improvements, is intended to help streamline administrative aspects and operational efficiency of the program, while increasing access to grant opportunities by potential applicants.

## **5. Attachments**

Attachment 1: 2017 Revised Administrative Rules (clean version)  
Attachment 2: 2017 Revised Administrative Rules (striketrough version)  
Attachment 3: 2015 Administrative Rules

## **RECOMMENDED ACTION**

The Chief Operating Officer recommends adoption of the resolution to approve the policy and investment framework for “Cycle 5” of the 2040 Planning and Development Grant Program.

**ADMINISTRATIVE RULES: METRO CODE CHAPTER 7.04  
[REVISED MARCH 2017]**

Effective July 1, 2006, and extended through December 31, 2020, Metro has established as Metro Code Chapter 7.04 a Construction Excise Tax (“CET”) to fund Community Planning and Development Grants (“CPDG”). Effective April 1, 2017 the CPDG program shall be known as the 2040 Planning and Development Grant program (“2040 Grant” or “Grant”). These Administrative Rules establish the procedures for administering this tax as mandated in Metro Code Section 7.04.050 and Metro Code Section 7.04.060. These Administrative Rules also establish the procedures for administering the 2040 Grants. For ease of reference a copy of Metro Code Chapter 7.04 is attached to these administrative rules.

**I. Metro Administrative Matters.**

- A. Definitions. These administrative rules incorporate the definitions as set forth in Metro Code Section 7.04.030 of Chapter 7.04, Construction Excise Tax, and Chapter 3.07, the Urban Growth Management Functional Plan.
- B. Designated Representatives (Metro Code Section 7.04.060). The Metro Chief Operating Officer (“COO”) is responsible for the administration and enforcement of the Metro Code Chapter 7.04 and these administrative rules.
  - 1. The COO may delegate his authority in administration and enforcement of the Code chapter and these administrative rules as he determines and as set forth herein.
  - 2. The COO shall appoint a Hearings Officer(s), which appointment shall be confirmed by the Metro Council. The Hearings Officer(s) shall have the authority to order refunds or rebates of the Construction Excise Tax or waive penalties as a result of the hearings process. Upon appointing a Hearings Officer, the Chief Operating Officer shall delegate authority to the Hearings Officer to administer oaths, certify to all official acts, to subpoena and require attendance of witnesses at hearings to determine compliance with this chapter, rules and regulations, to require production of relevant documents at public hearings, to swear witnesses, to take testimony of any Person by deposition, and perform all other acts necessary to adjudicate appeals of Construction Excise Tax matters.
- C. Internal Flow of Funds. Funds will be accounted for in a Construction Excise Tax account that will be created by the effective date of Metro Code Chapter 7.04.
- D. Rate Stabilization Reserves. Metro Code Chapter 7.04.200 states that the Council will, each year, as part of the Budget process, create reserves from revenues generated by the CET. These reserves are to even out collections thereby stabilizing the funds needed to support the applicable programs despite industry building activity fluctuation. These reserves can only be drawn on to support the specific budgeted activities as discussed in Section I.E. of these administrative rules. Due to their restricted nature, these reserves shall be reported as designations of fund balance in Metro’s General Fund.
- E. Dedication of Revenues. Revenues derived from the imposition of this tax, netted after deduction of authorized local jurisdiction costs of collection and administration will be solely dedicated to grant funding of the regional and local planning that is required to make land ready for development after inclusion in the Urban Growth Boundary.
- F. Rule Amendment. The Chief Operating Officer retains the authority to amend these administrative rules as necessary for the administration of the Construction Excise Tax, after consultation with Metro Council.



## **II. Construction Excise Tax Administration.**

### **A. Imposition of Tax (Metro Code Section 7.04.070).**

1. The CET is imposed on every Person who engages in Construction within the Metro jurisdiction, unless an Exemption applies as set forth herein.
2. The tax shall be due and payable at the time of the issuance of any building permit, or installation permit in the case of a manufactured dwelling, by any building authority, unless an Exemption applies as set forth herein.
3. The CET shall be calculated and assessed as of the application date for the building permit. Persons obtaining building permits based on applications that were submitted prior to July 1, 2006 shall not be required to pay the CET, unless the building permit issuer normally imposes fees based on the date the building permit is issued.
4. If no permit is issued, then the CET is due at the time the first activity occurs that would require issuance of a building permit under the State of Oregon Building Code.

### **B. Calculation of Tax (Metro Code Section 7.04.080).** The CET is calculated by multiplying the Value of New Construction by the tax rate of 0.12%

(0.0012 x Value of New Construction)

- a. In the case of a Manufactured Dwelling for which no Exemption is applicable, and for which there is no building code determination of valuation of the Manufactured Dwelling, the applicant's good faith estimate of the Value of New Construction for the Manufactured Dwelling shall be used.

### **C. Exemptions (Metro Code Section 7.04.040).**

1. Eligibility for Exemption. No obligation to pay the CET is imposed upon any Person who establishes, as set forth below, that one or more of the following Exemptions apply:
  - a. The Value of New Construction is less than or equal to One Hundred Thousand Dollars (\$100,000); or
  - b. The Person who would be liable for the tax is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), or a limited partnership the sole general partner of which is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), the Construction is used for residential purposes AND the property is restricted to being occupied by Persons with incomes less than fifty percent (50%) of the median income for a period of 30 years or longer; or
  - c. The Person who would be liable for the tax is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3) AND the Construction is dedicated for use for the purpose of providing charitable services to Persons with income less than fifty percent (50%) of the median income.

2. Procedures for Establishing and Obtaining an Exemption; Exemption Certificates:

- a. For exemption (a) above, the exemption will be established at the building permit counter where the Value of New Construction as determined in the building permit is less than or equal to One Hundred Thousand Dollars (\$100,000).
- b. For exemptions (b) and (c) above, prior to applying for a building permit a Person claiming an exemption may apply to Metro for a Metro CET Exemption Certificate, by presenting the appropriate documentation for the exemption as set forth herein, and upon receiving a Metro CET Exemption Certificate the Person may present the certificate to the building permit issuer to receive an exemption from paying the CET; or
- c. For exemptions (b) and (c) above, instead of going to Metro to obtain a Metro CET Exemption Certificate, a Person claiming an exemption from the CET when applying for a building permit may submit to the building permit issuer Metro's CET Exemption Certificate application form. Upon receiving a Person's Metro CET Exemption Certificate application, the building permit issuer shall preliminarily authorize the exemption and shall not collect the CET. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the exemption and to institute collection procedures to obtain payment of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the exemption;
- d. To receive a Metro CET Exemption Certificate from Metro, or to substantiate to Metro the validity of an exemption received from a local building permit issuer, an applicant must provide the following:
  - i. IRS tax status determination letter evidencing that the Person seeking the building permit is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3); and
  - ii. In the case of residential property, proof that the property is to be restricted to low income persons, as defined, for at least 30 years. Proof can be in the form of loan covenants; rental agreements or grant restrictions; a certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and
  - iii. In the case of a qualified tax-exempt entity providing services to Persons with incomes less than 50 percent of the median income, the applicant must provide information that will allow such tax exempt status to be verified, and proof that the property will be restricted to such uses. Proof can be in the form of loan covenants; rental agreements or grant restrictions; certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and

- iv. In the case of a limited partnership with a tax-exempt sole general partner corporation, verification from the partnership's attorney of that status is required; and
- v. Authorization to audit the records to verify the legal status and compliance with Metro qualifications of all entities claiming exempt status.
- e. Partial Applicability of Exemption. If an exemption is applicable to only part of the Construction, then only that portion shall be exempt from the CET, and CET shall be payable for the remainder of the Construction that is not eligible for an exemption, on a pro-rata basis. It shall be the responsibility of the Person seeking the partial exemption to fill out a Metro CET Exemption Certificate application for the partial exemption, declaring on that application the proportion of the Construction qualifies for the exemption. Upon receiving a Person's Metro CET Exemption Certificate application claiming a partial exemption, the building permit issuer shall preliminarily authorize the partial exemption and shall only collect the pro-rata CET as declared by the applicant. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the partial exemption and to institute collection procedures to obtain payment of the remainder of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the partial exemption.

D. Ceiling (Metro Code Section 7.04.045).

- 1. If the CET imposed would be greater than \$12,000.00 (Twelve Thousand Dollars) as measured by the Value of New Construction that would generate that amount of tax, then the CET imposed for that Construction is capped at a Ceiling of \$12,000.00 (Twelve Thousand Dollars).
- 2. The Ceiling applies on a single structure basis, and not necessarily on a single building permit basis. For example:
  - a. If a single building permit is issued where the Value of New Construction is greater than or equal to Ten Million Dollars (\$10,000,000), then the CET for that building permit is capped at Twelve Thousand Dollars (\$12,000.00).
  - b. If Construction in a single structure will require multiple building permits during the pendency of the CET program, and the total CET that would be imposed for those building permits would add up to more than Twelve Thousand Dollars (\$12,000.00), then the total CET for those building permits within the same structure during the pendency of the CET program is capped at Twelve Thousand Dollars (\$12,000.00). Once a total of \$12,000.00 has been paid in CET for a particular structure, then no additional CET will be collected for that structure during the pendency of the CET program.

E. Rebates (Metro Code Section 7.04.120). If a CET has been collected and a CET Exemption or the CET Ceiling was applicable, a rebate for the CET may be obtained from Metro.

1. Procedures for obtaining rebate are:

- a. Within thirty (30) days of paying the CET, the Person who believes that the CET was not applicable due to a CET exemption or CET Ceiling, shall apply for a rebate in writing to Metro and provide verification that the exemption eligibility provisions of Metro Code Section 7.04.040, or that the CET Ceiling provisions of Metro Code Section 7.04.045, have been met. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to seek a rebate.
- b. Applicant shall provide proof that the CET was paid, in the form of a paid receipt from the building permit issuer showing the tax was paid. All supporting documentation for the exemption or ceiling shall be submitted at the time of the rebate claim. The rebate will only be made to the name that is listed on the receipt unless the applicant has a written assignment of rebate.
- c. A rebate or a letter of denial shall be issued by Metro within thirty (30) days of receipt of a written request for rebate provided that the request includes all required information. The rebate will be calculated based upon the paid receipt, less the five percent (5%) administrative fee already retained by the building permit issuer and the five percent (5%) Metro administration fee.

F. Refunds (Metro Code Section 7.04.150). If a CET has been collected and the Construction was not commenced and the building permit was cancelled, a refund for the CET may be obtained from Metro.

1. Eligibility is determined by the absence of Construction and cancellation of the building permit.

2. Procedures for obtaining refund:

- a. Apply in writing to Metro within thirty (30) days of permit cancellation.
- b. Provide copy of canceled permit.
- c. Provide proof of payment of the tax in the form of the paid receipt.
- d. A refund or a letter of denial shall be issued by Metro within thirty (30) days of receipt of the written request for refund provided that the request includes all required information. The refund will be calculated based upon the paid receipt, less the five percent (5%) administrative fee already retained by the building permit issuer and the five percent (5%) Metro administration fee.
- e. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to receive a refund.

G. Appeals. The Hearings Officer shall conduct hearings related to enforcement or appeals of the CET. The appeal to the Hearings Officer must be:

1. In writing;
2. Made within ten (10) calendar days of denial of a refund, rebate, or exemption request. Notice of denial to the party denied, is deemed to have occurred three days after the mailing of the certified denial letter from Metro;
3. Tax must be paid prior to appeal;
4. Directed to the Office of Metro Attorney, who will contact the Hearings Officer to schedule a hearing upon receipt of a written appeal. The Hearings Officer will at that time provide further information as to what documentation to bring to the hearing.

H. Review. Review of any action of the Chief Operating Officer or Hearings Officer, taken pursuant to the Construction Excise Tax Ordinance, or the rules and regulations adopted by the Chief Operating Officer, shall be taken solely and exclusively by writ of review in the manner set forth in ORS 34.010 through 34.100, provided, however, that any aggrieved Person may demand such relief by writ of review.

I. CET Sunset (Metro Code Section 7.04.230).

1. The CET shall not be imposed on and no person shall be liable to pay any tax for any Construction activity that is commenced pursuant to a building permit issued on or after December 31, 2020.
2. Local governments collecting CETs shall remit the CETs to Metro on a quarterly or monthly basis, based on the jurisdiction's CET Collection IGAs with Metro. Each quarter, within thirty days of receiving CET remittances from all collecting local jurisdictions, Metro will issue a written statement of the total CET that Metro has received that quarter and cumulatively.
3. CET remittance to Metro shall be net of the local government's administrative expenses in collecting the CET, up to five percent (5%) of the CET collected by the local government as set forth in the Metro CET Collection IGA. This net amount of CET remitted to Metro shall be the basis for Metro's calculations of CET cumulative totals.
4. The CET shall cease to be imposed by local governments on December 31, 2020, and shall be remitted by the local governments to Metro as soon thereafter as possible.

### **III. CET Collection Procedures.**

A. Local Government CET Collection and Remittance Via Intergovernmental Agreements (Metro Code Section 7.04.110). For those local governments collecting the CET pursuant to Intergovernmental Agreements with Metro, the following procedures shall apply:

1. CET Report; Information Required. Each quarter (unless a local government prefers to report monthly), along with its CET remittance to Metro, the local government shall prepare and submit to the Metro Chief Operating Officer a report of the CETs and building permits issued for the previous quarter's construction activities. The report shall include: the number of building permits issued that quarter; the aggregate value of construction; the number of building permits for which CET exemptions were given; the aggregate value of

construction for the exempted construction; the aggregate amount of CET paid; and the amount of CET administrative fee retained by the local government pursuant to this CET Collection IGA.

2. CET Remittance to Metro. Local governments collecting CET via IGAs with Metro shall remit the collected CET to Metro. Remittance shall be quarterly, unless a jurisdiction prefers to remit the CET monthly, by the 30<sup>th</sup> of the month following the quarter (or month) ending. Quarters end on September 30, December 31, March 31 and June 30 of each year. CET remittance and the CET Report shall be sent to Metro, attn Construction Excise Tax Accounting Specialist, 600 NE Grand, Portland, Oregon 97232.
  3. Remuneration to Local Government for Collecting CET. As consideration for collecting the CET, each local government collecting the CET shall retain no more than five percent (5%) of the tax collected by that local government. This payment is intended to be a reimbursement of costs incurred. Prior to submitting the CET to Metro, the local government shall deduct the remuneration agreed upon directly from the collected tax, and the amounts deducted and retained shall be identified on the report submitted to Metro.
  4. Metro Administrative Fee. To partially reimburse Metro for its costs in implementing and administering the CET program, Metro will retain five percent (5%) of the net CET funds remitted by local governments to Metro.
  5. Audit and Control Features. Each local government shall allow the Chief Operating Officer, or any person authorized in writing by the Chief Operating Officer, to examine the books, papers, building permits, and accounting records relating to any collection and payment of the tax, during normal business hours, and may investigate the accuracy of reporting to ascertain and determine the amount of CET required to be paid.
  6. Failure to Pay. Upon a Person's refusal to or failure to pay the CET when due, the local government administering that Person's building permit shall notify Metro in writing within five (5) business days of such failure, with information adequate for Metro to begin collection procedures against that Person, including the Person's name, address, phone numbers, Value of New Construction, Construction Project, and building permit number. Upon a Person's refusal or failure to pay the CET, it shall be Metro's responsibility to institute collection procedures to obtain payment of the CET as well as any other remedy Metro may have under law.
- B. Metro Collection Procedures in Event of Non-payment. The CET is due and payable upon issuance of a building permit. It is unlawful for any Person to whom the CET is applicable to fail to pay all or any portion of the CET. If the tax is not paid when due, Metro will send a letter notifying the non-payer of his obligation to pay the CET along with the following information:
1. Penalty. In addition to any other fine or penalty provided by Chapter 7.04 of the Metro Code, penalty for non- payment will be added to the original tax outstanding. That penalty is equal to fifty dollars (\$50.00) or the amount of the tax owed, whichever is greater.
  2. Misdemeanor. In addition to any other civil enforcement, non- payment of the CET is a misdemeanor and shall be punishable, upon conviction, by a fine of not more than five hundred dollars (\$500.00). This fine shall be charged to any officer, director, partner or other Person having direction or control over any Person not paying the tax as due.

3. Enforcement by Civil Action. If the tax is not paid, Metro will proceed with collection procedures allowable by law to collect the unpaid tax, penalties assessed and fines due, including attorney fees.

**IV. Revenue Distribution (Metro Code Section 7.04.220).**

- A. Grant Cycles. CET funds collected pursuant to the 2014 extension of the CET shall be allocated in five application assessment cycles (Cycle 4, Cycle 5, Cycle 6, Cycle 7, and Cycle 8).

1. The Cycle 1 fund distribution took place in March 2006, which allocated up to \$6.3 million in grants. Grant requests in this cycle were made for planning only in new areas that were brought into the Urban Growth Boundary (UGB) between 2002 and 2005.
2. The Cycle 2 grant allocation through the Community Planning and Development Grant program (CPDG) took place in June 2010, which allocated up to \$3.7 million in CET Grant revenue. Grant requests in this cycle were made for planning in all areas inside the UGB as of December 2009.
3. The Cycle 3 grant allocation through the CPDG program took place in August 2013, which allocated \$4.5 million in grants. Grant requests in this cycle were made for planning in all areas that are in the UGB as of December 2009, plus areas added to the UGB since 2009 and Urban Reserves. This cycle earmarked fifty percent (50%) of projected CET revenues for planning in areas added to the UGB since 2009 and Urban Reserves, and required that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.
4. The Cycle 4 grant allocation through the CPDG program took place in 2015-2016 for planning in all areas that are in the UGB and Urban Reserves. This cycle earmarked seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and required that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves did not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas. A total of approximately \$4.7 million in grants was awarded. In 2016-17 an additional cycle of grants was conducted to support Equitable Housing Planning and Development projects. A total of \$575,000 in funding was awarded.
5. The Cycle 5 grant allocation shall take place in 2017-2018 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for such projects does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.
6. The Cycle 6 grant allocation shall take place in 2018-2019 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue

for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for such projects does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

7. The Cycle 7 grant allocation shall take place in 2019-2020 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for such projects does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.
8. The Cycle 8 grant allocation shall take place in 2020-2021 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for such projects does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.
9. These cycles may be delayed or amounts reduced if the actual CET receipts remitted by the local governments are not as high as projected, or if CET revenue projections are modified due to market conditions, or if required by Metro's spending cap limitations.
10. Metro may conduct additional allocation cycles if the Metro Chief Operating Officer finds that CET receipts are projected to exceed the grant amounts awarded in Cycles 5, 6, 7 and 8.

B. 2040 Grants Screening Committee.

1. Role. A 2040 Planning and Development Grants Screening Committee ("Committee") shall be created, which shall review Grant Requests submitted by local governments. The Committee shall advise and recommend to the Metro Chief Operating Officer ("COO") the ranking and recommended grant amounts, and whether to grant full, partial, or no awards, in accordance with the grant Evaluation Criteria set forth below.
2. Committee Members. The COO shall appoint six to nine members to the Committee, including the Committee Chair. A new Committee shall be established for Cycle 5, Cycle 6, Cycle 7 and Cycle 8 grants, but may include members from the previous Committees. Skill sets to be represented will be composed of the following expertise:
  - Economic development;
  - Urban planning;
  - Real estate and finance;
  - Infrastructure finance relating to development or redevelopment;
  - Local government;
  - Urban renewal and redevelopment;
  - Business and commerce;



- Neighborhood Association or Community Planning Commission with an understanding of community livability issues; and
- Environmental sustainability relating to development or redevelopment.
- Social equity relating to community development and redevelopment planning

C. Range of Eligible Grant Project Types

1. Urban reserve concept planning. Concept planning for future development of new urban areas on land currently designated Urban Reserves (or in areas brought into the Urban Growth Boundary since 2009) to facilitate the future development of complete communities and comply with Title 11 of the Urban Growth Management Functional Plan.
2. Strategy or policy development. Development and adoption of action plans, strategic initiatives, code refinements, incentives, streamlined review and other development related policy work that will meaningfully increase community readiness for development or identify and reduce barriers to development, redevelopment, and infill.
3. Investment strategies and financial tools. Exploration and development of investment strategies and financial tools and incentives to facilitate development, redevelopment and infill, such as urban renewal districts, enterprise zones, tax abatements, or collaborative capital improvement plans.
4. Area-specific redevelopment planning. Strategic planning, concept design and feasibility for redevelopment and infill of specific areas or districts.
5. Site-specific development or redevelopment. Schematic design and feasibility analyses for site-specific development projects, equitable housing projects and public-private partnerships
6. Equitable housing projects and policies. Any approach or combination of approaches outlined in sections 2-5 above that will facilitate the development of equitable housing throughout the metro region. Metro's working definition of equitable housing is diverse, quality, physically accessible, affordable housing choices with access to opportunities, services, and amenities
7. Future refinement of Project Types. The Metro COO has the authority to direct staff to refine and modify or expand the range of Eligible Project Types as needed to improve program effectiveness and clarity and continually improve the program's effectiveness in achieving regional goals.

D. Grant Application Procedures

The Metro COO will direct the staff to organize a fair and efficient process for soliciting grant requests as follows:

1. Eligible Grant Applicants. Grant applicants shall be cities or counties within the Metro boundary. Other local governments, as defined in ORS 174.116, may apply for a 2040 GRANTS only in partnership with a city or county within the Metro boundary.
2. Application guidelines and timelines. The guidelines and timeline for submitting grant applications will be publicized each year with sufficient time to provide eligible applicants with

adequate time for planning, budgeting, preparation and submittal of all required application materials. The grant application process may include an option for applicants to receive feedback from Metro staff regarding their proposed projects prior to submission of the final application.

3. Application Endorsements and Matching Contributions. Applications should reflect commitment by county, city and/or relevant service providers to participate in the planning effort and describe how governance issues will be resolved through or prior to the planning process. All grant requests shall include an endorsement of support of the governing body and a minimum 10% matching contribution specifying allocation of local funding and/or staff resources for the proposed project. Metro may request that any jurisdiction that elects to submit more than one grant application per cycle shall submit a prioritized list clarifying the relative importance of each application to that jurisdiction.
4. Refinement of Application Procedures. The Metro COO has the authority to direct staff to refine and modify the general Grant Application Procedures outlined above as needed to ensure smooth, efficient administration and continual improvement of the grant program.

E. Grant Request Evaluation Criteria

1. Clear development outcomes. Proposal presents a compelling project concept with specific, impactful outcomes to facilitate development. Performance measures are clearly articulated.
2. Advances and complements regional goals and policies. Proposed project will help to advance established regional development policy goals and outcomes expressed in the 2040 Growth Concept, the Urban Growth Management Functional Plan and in the following six Desired Outcomes stated in the Regional Framework Plan, adopted by the region to guide future planning:
  - People live and work in vibrant communities where their everyday needs are easily accessible;
  - Current and future residents benefit from the region's sustained economic competitiveness and prosperity;
  - People have safe and reliable transportation choices that enhance their quality of life;
  - The region is a leader in minimizing contributions to climate change;
  - Current and future generations enjoy clean air, clean water and healthy ecosystems;
  - The benefits and burdens of growth and change are distributed equitably.
3. Aligns with local goals and/or maximizes community assets. Proposed project will help to realize community plans and goals, accommodate expected population and employment growth, and/or maximize existing community assets such as public transit, parks, natural features, historic districts, employment areas.
4. Likelihood of full implementation. Key stakeholders (property owners, policy makers, funding jurisdictions, service districts, etc.) have committed full support for the project goals and timelines, will be meaningfully involved in guiding the project, and have the capacity and authority to implement actions/investments as needed to bring the project to fruition. Opportunities and threats to project commitments are identified.

5. Public involvement. Proposal incorporates best practices for public involvement; strategies for meaningfully engaging neighbors, businesses, property owners, and key stakeholders, as well as historically marginalized communities including low income and minority populations are clearly articulated and well-conceived; proposal indicates how public input will be used to strengthen the project outcomes and/or increase the likelihood of successful implementation.
6. Team roles and capacity. Roles and responsibilities of the applicant county or city, as well as any additional partners have been clearly defined; proposed staff has skill set, experience and appropriate available time needed to successfully manage all aspect of the grant project and oversee the work of consultant team or teams on behalf of the project partners
7. Jurisdiction track record. Applicant has proven capability to successfully implement community development projects, especially past CPDG or 2040 Grant projects; prior grants have fully delivered expected products and outcomes according to the approved schedule of milestones; any CPDG or 2040 Grant projects still underway are on track and scheduled for completion prior to initiation of proposed project.
8. Grant leverage. Extent to which partners have committed additional in-kind or direct financial contributions to the project beyond the minimum ten percent match that is required;
9. Replicable best practices. Proposed project will develop best practices that could be replicated in other locations. (Note: this criterion may not be applied to all projects.)

F. Review of Grant Requests.

1. Metro staff shall conduct an initial screening of all grant requests to confirm that they meet the minimum program and eligibility requirements. Staff shall forward the letters of intent and Grant Requests to the members of the Committee, along with a summary of the strengths and weaknesses of each request according to the grant evaluation criteria. Staff will provide assistance to the Committee as needed to support their review and deliberations.
2. The Committee shall review the Grant Requests and evaluate them based on the Grant Request Evaluation Criteria set forth above. The Committee shall use the criteria as guidelines for evaluating applications. The Committee may consult with the proponent of the Grant Request or any others in reviewing the request. After analyzing the Grant Requests, the Committee shall forward to the Metro COO the Committee's recommended ranking and grant amounts for each of the Grant Requests.
3. The Metro COO shall review the Committee's recommendations and shall forward her/his own grant recommendations, based on the Grant Requests Evaluation Criteria set forth above, along with the recommendations of the Screening Committee, to the Metro Council.
4. The Metro Council shall decide, in a public hearing, whether or not to approve funding of any grants, and the amount of each grant.

G. General Procedures for Entering into Grant Agreements.

1. Grant Award Letter. Upon the award of a grant, the Metro COO shall issue a Grant Award Letter for the grant amount determined by the Metro Council.

2. Negotiation of the draft Intergovernmental Agreement (“IGA”). Metro and the Grant Applicant shall negotiate the terms of the Grant Intergovernmental Agreement (“IGA”) The scope of work in the grant application as modified by any condition in Metro Council grant award shall be the basis for Metro and grantee to negotiate the draft IGA. The draft IGA shall set forth the role of Metro’s project liaison on the project advisory committee, an agreed-upon scope of work and budget, completion dates of expected milestones and deliverables, matching funds and grant payment amounts for each milestone, and any administrative penalties that may be imposed by Metro for amendments to the IGA or project timeline that may be requested by the applicant. The IGA shall retain the right of the Metro COO to terminate a Grant award if the milestones set forth in the IGA are not met within the timeframes set forth in the IGA.
3. Procurement of project consultants: Prior to execution of the final IGA, the applicant shall work with Metro to select an appropriate consultant team as needed to complete the proposed work as outlined in the grant application. Metro shall have the opportunity to review and approve any requests for proposals issued by the grant applicant and shall be involved as an equal partner in the selection of all project consultants.
4. Draft contract with project consultants: Following final selection of project consultants, applicant shall prepare draft contracts with all consultants that fully describe the deliverables and timelines as set forth in the draft IGA and provide maximum costs for each consultant task.
5. Execution of the final IGA: The draft consultant contracts shall be attached as an exhibit to the final IGA. The governing body of the Grant applicant jurisdiction shall authorize the approval of the IGA. Following execution of the IGA by appropriate personnel on behalf of the local governing body, the COO shall execute the IGA. If the IGA has not been finalized and signed by Metro and grantee within six months of grant award, the COO shall exercise the authority to cancel the grant award.
6. Refinement of Grant Agreement Procedures. The COO has the authority to direct staff to refine and modify the general Grant Agreement procedures outlined above as needed to ensure smooth, efficient administration and continual improvement of the grant program.

H. General Procedures for Distribution of Grant Funds.

1. Grant Payments. Grant payments shall be made upon the completion of those milestones set forth in the IGA, as determined by Metro in accordance with the requirements of the Metro Code and the IGA. In general, a portion of the Grant funds may be distributed following execution of the IGA by Metro, with the remainder of the Grant being paid out as progress payments upon completion of the milestones in the IGA. Grantees shall submit progress reports to Metro documenting the milestone and the completed deliverables for grant payment.
2. Eligible Grant Expenses. The following expenses shall be considered eligible expenses for reimbursement with grant funds:
  - Materials directly related to project
  - Consultants’ work and expenses on project
  - Grant applicant staff support directly related to project
  - Overhead directly attributable to project.
3. Ineligible Grant Expenses. Grant requests to reimburse local governments for planning work already completed shall not be considered.

**ADMINISTRATIVE RULES: METRO CODE CHAPTER 7.04**

**[REVISED MARCH 2017]**~~Revised March 2015~~

Effective July 1, 2006, and extended through December 31, 2020, Metro has established as Metro Code Chapter 7.04 a Construction Excise Tax (“CET”) to fund Community Planning and Development Grants (“CPDG”). Effective April 1, 2017 the CPDG program shall be known as the 2040 Planning and Development Grant program (“2040 Grant” or “Grant”). These Administrative Rules establish the procedures for administering this tax as mandated in Metro Code Section 7.04.050 and Metro Code Section 7.04.060. These Administrative Rules also establish the procedures for administering the 2040 Grants. For ease of reference a copy of Metro Code Chapter 7.04 is attached to these administrative rules.

**I. Metro Administrative Matters.**

- A. Definitions. These administrative rules incorporate the definitions as set forth in Metro Code Section 7.04.030 of Chapter 7.04, Construction Excise Tax, and Chapter 3.07, the Urban Growth Management Functional Plan.
- B. Designated Representatives (Metro Code Section 7.04.060). The Metro Chief Operating Officer (“COO”) is responsible for the administration and enforcement of the Metro Code Chapter 7.04 and these administrative rules.
  - 1. The COO may delegate his authority in administration and enforcement of the Code chapter and these administrative rules as he determines and as set forth herein.
  - 2. The COO shall appoint a Hearings Officer(s), which appointment shall be confirmed by the Metro Council. The Hearings Officer(s) shall have the authority to order refunds or rebates of the Construction Excise Tax or waive penalties as a result of the hearings process. Upon appointing a Hearings Officer, the Chief Operating Officer shall delegate authority to the Hearings Officer to administer oaths, certify to all official acts, to subpoena and require attendance of witnesses at hearings to determine compliance with this chapter, rules and regulations, to require production of relevant documents at public hearings, to swear witnesses, to take testimony of any Person by deposition, and perform all other acts necessary to adjudicate appeals of Construction Excise Tax matters.
- C. Internal Flow of Funds. Funds will be accounted for in a Construction Excise Tax account that will be created by the effective date of Metro Code Chapter 7.04.
- D. Rate Stabilization Reserves. Metro Code Chapter 7.04.200 states that the Council will, each year, as part of the Budget process, create reserves from revenues generated by the CET. These reserves are to even out collections thereby stabilizing the funds needed to support the applicable programs despite industry building activity fluctuation. These reserves can only be drawn on to support the specific budgeted activities as discussed in Section I.E. of these administrative rules. Due to their restricted nature, these reserves shall be reported as designations of fund balance in Metro’s General Fund.
- E. Dedication of Revenues. Revenues derived from the imposition of this tax, netted after deduction of authorized local jurisdiction costs of collection and administration will be solely dedicated to grant funding of the regional and local planning that is required to make land ready for development after inclusion in the Urban Growth Boundary.
- F. Rule Amendment. The Chief Operating Officer retains the authority to amend these administrative rules as necessary for the administration of the Construction Excise Tax, after consultation with Metro Council.

## **II. Construction Excise Tax Administration.**

### **A. Imposition of Tax (Metro Code Section 7.04.070).**

1. The CET is imposed on every Person who engages in Construction within the Metro jurisdiction, unless an Exemption applies as set forth herein.
2. The tax shall be due and payable at the time of the issuance of any building permit, or installation permit in the case of a manufactured dwelling, by any building authority, unless an Exemption applies as set forth herein.
3. The CET shall be calculated and assessed as of the application date for the building permit. Persons obtaining building permits based on applications that were submitted prior to July 1, 2006 shall not be required to pay the CET, unless the building permit issuer normally imposes fees based on the date the building permit is issued.
4. If no permit is issued, then the CET is due at the time the first activity occurs that would require issuance of a building permit under the State of Oregon Building Code.

### **B. Calculation of Tax (Metro Code Section 7.04.080).** The CET is calculated by multiplying the Value of New Construction by the tax rate of 0.12%

(0.0012 x Value of New Construction)

- a. In the case of a Manufactured Dwelling for which no Exemption is applicable, and for which there is no building code determination of valuation of the Manufactured Dwelling, the applicant's good faith estimate of the Value of New Construction for the Manufactured Dwelling shall be used.

### **C. Exemptions (Metro Code Section 7.04.040).**

1. Eligibility for Exemption. No obligation to pay the CET is imposed upon any Person who establishes, as set forth below, that one or more of the following Exemptions apply:
  - a. The Value of New Construction is less than or equal to One Hundred Thousand Dollars (\$100,000); or
  - b. The Person who would be liable for the tax is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), or a limited partnership the sole general partner of which is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), the Construction is used for residential purposes AND the property is restricted to being occupied by Persons with incomes less than fifty percent (50%) of the median income for a period of 30 years or longer; or
  - c. The Person who would be liable for the tax is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3) AND the Construction is dedicated for use for the purpose of providing charitable services to Persons with income less than fifty

percent (50%) of the median income.

2. Procedures for Establishing and Obtaining an Exemption; Exemption Certificates:

- a. For exemption (a) above, the exemption will be established at the building permit counter where the Value of New Construction as determined in the building permit is less than or equal to One Hundred Thousand Dollars (\$100,000).
- b. For exemptions (b) and (c) above, prior to applying for a building permit a Person claiming an exemption may apply to Metro for a Metro CET Exemption Certificate, by presenting the appropriate documentation for the exemption as set forth herein, and upon receiving a Metro CET Exemption Certificate the Person may present the certificate to the building permit issuer to receive an exemption from paying the CET; or
- c. For exemptions (b) and (c) above, instead of going to Metro to obtain a Metro CET Exemption Certificate, a Person claiming an exemption from the CET when applying for a building permit may submit to the building permit issuer Metro's CET Exemption Certificate application form. Upon receiving a Person's Metro CET Exemption Certificate application, the building permit issuer shall preliminarily authorize the exemption and shall not collect the CET. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the exemption and to institute collection procedures to obtain payment of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the exemption;
- d. To receive a Metro CET Exemption Certificate from Metro, or to substantiate to Metro the validity of an exemption received from a local building permit issuer, an applicant must provide the following:
  - i. IRS tax status determination letter evidencing that the Person seeking the building permit is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3); and
  - ii. In the case of residential property, proof that the property is to be restricted to low income persons, as defined, for at least 30 years. Proof can be in the form of loan covenants; rental agreements or grant restrictions; a certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and
  - iii. In the case of a qualified tax-exempt entity providing services to Persons with incomes less than 50 percent of the median income, the applicant must provide information that will allow such tax exempt status to be verified, and proof that the property will be restricted to such uses. Proof can be in the form of loan covenants; rental agreements or grant restrictions; certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and

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- iv. In the case of a limited partnership with a tax-exempt sole general partner corporation, verification from the partnership's attorney of that status is required; and
- v. Authorization to audit the records to verify the legal status and compliance with Metro qualifications of all entities claiming exempt status.
- e. Partial Applicability of Exemption. If an exemption is applicable to only part of the Construction, then only that portion shall be exempt from the CET, and CET shall be payable for the remainder of the Construction that is not eligible for an exemption, on a pro-rata basis. It shall be the responsibility of the Person seeking the partial exemption to fill out a Metro CET Exemption Certificate application for the partial exemption, declaring on that application the proportion of the Construction qualifies for the exemption. Upon receiving a Person's Metro CET Exemption Certificate application claiming a partial exemption, the building permit issuer shall preliminarily authorize the partial exemption and shall only collect the pro-rata CET as declared by the applicant. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the partial exemption and to institute collection procedures to obtain payment of the remainder of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the partial exemption.

D. Ceiling (Metro Code Section 7.04.045).

- 1. If the CET imposed would be greater than \$12,000.00 (Twelve Thousand Dollars) as measured by the Value of New Construction that would generate that amount of tax, then the CET imposed for that Construction is capped at a Ceiling of \$12,000.00 (Twelve Thousand Dollars).
- 2. The Ceiling applies on a single structure basis, and not necessarily on a single building permit basis. For example:
  - a. If a single building permit is issued where the Value of New Construction is greater than or equal to Ten Million Dollars (\$10,000,000), then the CET for that building permit is capped at Twelve Thousand Dollars (\$12,000.00).
  - b. If Construction in a single structure will require multiple building permits during the pendency of the CET program, and the total CET that would be imposed for those building permits would add up to more than Twelve Thousand Dollars (\$12,000.00), then the total CET for those building permits within the same structure during the pendency of the CET program is capped at Twelve Thousand Dollars (\$12,000.00). Once a total of \$12,000.00 has been paid in CET for a particular structure, then no additional CET will be collected for that structure during the pendency of the CET program.



- E. Rebates (Metro Code Section 7.04.120). If a CET has been collected and a CET Exemption or the CET Ceiling was applicable, a rebate for the CET may be obtained from Metro.
1. Procedures for obtaining rebate are:
    - a. Within thirty (30) days of paying the CET, the Person who believes that the CET was not applicable due to a CET exemption or CET Ceiling, shall apply for a rebate in writing to Metro and provide verification that the exemption eligibility provisions of Metro Code Section 7.04.040, or that the CET Ceiling provisions of Metro Code Section 7.04.045, have been met. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to seek a rebate.
    - b. Applicant shall provide proof that the CET was paid, in the form of a paid receipt from the building permit issuer showing the tax was paid. All supporting documentation for the exemption or ceiling shall be submitted at the time of the rebate claim. The rebate will only be made to the name that is listed on the receipt unless the applicant has a written assignment of rebate.
    - c. A rebate or a letter of denial shall be issued by Metro within thirty (30) days of receipt of a written request for rebate provided that the request includes all required information. The rebate will be calculated based upon the paid receipt, less the five percent (5%) administrative fee already retained by the building permit issuer and the five percent (5%) Metro administration fee.
- F. Refunds (Metro Code Section 7.04.150). If a CET has been collected and the Construction was not commenced and the building permit was cancelled, a refund for the CET may be obtained from Metro.
1. Eligibility is determined by the absence of Construction and cancellation of the building permit.
  2. Procedures for obtaining refund:
    - a. Apply in writing to Metro within thirty (30) days of permit cancellation.
    - b. Provide copy of canceled permit.
    - c. Provide proof of payment of the tax in the form of the paid receipt.
    - d. A refund or a letter of denial shall be issued by Metro within thirty (30) days of receipt of the written request for refund provided that the request includes all required information. The refund will be calculated based upon the paid receipt, less the five percent (5%) administrative fee already retained by the building permit issuer and the five percent (5%) Metro administration fee.
    - e. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to receive a refund.

G. Appeals. The Hearings Officer shall conduct hearings related to enforcement or appeals of the CET. The appeal to the Hearings Officer must be:

1. In writing;
2. Made within ten (10) calendar days of denial of a refund, rebate, or exemption request. Notice of denial to the party denied, is deemed to have occurred three days after the mailing of the certified denial letter from Metro;
3. Tax must be paid prior to appeal;
4. Directed to the Office of Metro Attorney, who will contact the Hearings Officer to schedule a hearing upon receipt of a written appeal. The Hearings Officer will at that time provide further information as to what documentation to bring to the hearing.

H. Review. Review of any action of the Chief Operating Officer or Hearings Officer, taken pursuant to the Construction Excise Tax Ordinance, or the rules and regulations adopted by the Chief Operating Officer, shall be taken solely and exclusively by writ of review in the manner set forth in ORS 34.010 through 34.100, provided, however, that any aggrieved Person may demand such relief by writ of review.

I. CET Sunset (Metro Code Section 7.04.230).

1. The CET shall not be imposed on and no person shall be liable to pay any tax for any Construction activity that is commenced pursuant to a building permit issued on or after December 31, 2020.
2. Local governments collecting CETs shall remit the CETs to Metro on a quarterly or monthly basis, based on the jurisdiction's CET Collection IGAs with Metro. Each quarter, within thirty days of receiving CET remittances from all collecting local jurisdictions, Metro will issue a written statement of the total CET that Metro has received that quarter and cumulatively.
3. CET remittance to Metro shall be net of the local government's administrative expenses in collecting the CET, up to five percent (5%) of the CET collected by the local government as set forth in the Metro CET Collection IGA. This net amount of CET remitted to Metro shall be the basis for Metro's calculations of CET cumulative totals.
4. The CET shall cease to be imposed by local governments on December 31, 2020, and shall be remitted by the local governments to Metro as soon thereafter as possible.

### **III. CET Collection Procedures.**

A. Local Government CET Collection and Remittance Via Intergovernmental Agreements (Metro Code Section 7.04.110). For those local governments collecting the CET pursuant to Intergovernmental Agreements with Metro, the following procedures shall apply:

1. CET Report; Information Required. Each quarter (unless a local government prefers to report monthly), along with its CET remittance to Metro, the local government shall prepare and submit to the Metro Chief Operating Officer a report of the CETs and building permits issued for the previous quarter's construction activities. The report shall include: the number of building permits issued that quarter; the aggregate value of construction; the number of building permits for which CET exemptions were given; the aggregate value of

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construction for the exempted construction; the aggregate amount of CET paid; and the amount of CET administrative fee retained by the local government pursuant to this CET Collection IGA.

2. CET Remittance to Metro. Local governments collecting CET via IGAs with Metro shall remit the collected CET to Metro. Remittance shall be quarterly, unless a jurisdiction prefers to remit the CET monthly, by the 30<sup>th</sup> of the month following the quarter (or month) ending. Quarters end on September 30, December 31, March 31 and June 30 of each year. CET remittance and the CET Report shall be sent to Metro, attn Construction Excise Tax Accounting Specialist, 600 NE Grand, Portland, Oregon 97232.
  3. Remuneration to Local Government for Collecting CET. As consideration for collecting the CET, each local government collecting the CET shall retain no more than five percent (5%) of the tax collected by that local government. This payment is intended to be a reimbursement of costs incurred. Prior to submitting the CET to Metro, the local government shall deduct the remuneration agreed upon directly from the collected tax, and the amounts deducted and retained shall be identified on the report submitted to Metro.
  4. Metro Administrative Fee. To partially reimburse Metro for its costs in implementing and administering the CET program, Metro will retain five percent (5%) of the net CET funds remitted by local governments to Metro.
  5. Audit and Control Features. Each local government shall allow the Chief Operating Officer, or any person authorized in writing by the Chief Operating Officer, to examine the books, papers, building permits, and accounting records relating to any collection and payment of the tax, during normal business hours, and may investigate the accuracy of reporting to ascertain and determine the amount of CET required to be paid.
  6. Failure to Pay. Upon a Person's refusal to or failure to pay the CET when due, the local government administering that Person's building permit shall notify Metro in writing within five (5) business days of such failure, with information adequate for Metro to begin collection procedures against that Person, including the Person's name, address, phone numbers, Value of New Construction, Construction Project, and building permit number. Upon a Person's refusal or failure to pay the CET, it shall be Metro's responsibility to institute collection procedures to obtain payment of the CET as well as any other remedy Metro may have under law.
- B. Metro Collection Procedures in Event of Non-payment. The CET is due and payable upon issuance of a building permit. It is unlawful for any Person to whom the CET is applicable to fail to pay all or any portion of the CET. If the tax is not paid when due, Metro will send a letter notifying the non-payer of his obligation to pay the CET along with the following information:
1. Penalty. In addition to any other fine or penalty provided by Chapter 7.04 of the Metro Code, penalty for non- payment will be added to the original tax outstanding. That penalty is equal to fifty dollars (\$50.00) or the amount of the tax owed, whichever is greater.
  2. Misdemeanor. In addition to any other civil enforcement, non- payment of the CET is a misdemeanor and shall be punishable, upon conviction, by a fine of not more than five hundred dollars (\$500.00). This fine shall be charged to any officer, director, partner or other Person having direction or control over any Person not paying the tax as due.

3. Enforcement by Civil Action. If the tax is not paid, Metro will proceed with collection procedures allowable by law to collect the unpaid tax, penalties assessed and fines due, including attorney fees.

**IV. Revenue Distribution (Metro Code Section 7.04.220).**

- A. Grant Cycles. CET funds collected pursuant to the 2014 extension of the CET shall be allocated in ~~three-five new~~ application assessment cycles (Cycle 4, Cycle 5 ~~and~~, Cycle 6, Cycle 7, and Cycle 8).

1. The Cycle 1 fund distribution took place in March 2006, which allocated up to \$6.3 million in grants. Grant requests in this cycle were made for planning only in new areas that were brought into the Urban Growth Boundary (UGB) between 2002 and 2005.
2. The Cycle 2 grant allocation through the Community Planning and Development Grant program (CPDG) took place in June 2010, which allocated up to \$3.~~57-7~~ million in CET Grant revenue. Grant requests in this cycle were made for planning in all areas inside the UGB as of December 2009.
3. The Cycle 3 grant allocation through the CPDG program took place in August 2013, which allocated \$4.5 million in grants. Grant requests in this cycle were made -for planning in all areas that are in the UGB as of December 2009, plus areas added to the UGB since 2009 and Urban Reserves. -This cycle earmarked fifty percent (50%) of projected CET revenues for planning in areas added to the UGB since 2009 and Urban Reserves, and required that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.
4. The Cycle 4 grant allocation through the CPDG program shall take~~took~~ place in 2015-2016 for planning in all areas that are in the UGB and Urban Reserves. This ~~grant allocation cycle shall~~ earmarked ed seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and required d that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves ~~does did~~ not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas. A total of approximately \$4.7 million in grants was awarded. In 2016-17 an additional cycle of grants was conducted to support Equitable Housing Planning and Development projects. A total of \$575,000 in funding was awarded.
5. The Cycle 5 grant allocation shall take place in 2017-2018 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for such projects~~areas added to the UGB since 2009 and Urban Reserves~~ does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.
6. The Cycle 6 grant allocation shall take place in ~~2019~~2018-2020-2019 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected

revenue for concept planning and comprehensive planning for urban reserves and new urban areas, ~~and require that if the amount of qualified Grant Requests for such projects does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas and require that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.~~

7. ~~The Cycle 7 grant allocation shall take place in 2019-2020 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for such projects does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.~~
8. ~~The Cycle 8 grant allocation shall take place in 2020-2021 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for such projects does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.~~
79. These cycles may be delayed or amounts reduced if the actual CET receipts remitted by the local governments are not as high as projected, or if CET revenue projections are modified due to market conditions, or if required by Metro's spending cap limitations.
810. Metro may conduct additional allocation cycles if the Metro Chief Operating Officer finds that CET receipts are projected to exceed the grant amounts awarded in Cycles ~~4 and Cycle 5, 6, 7 and 8.~~ ~~Cycle 6.~~

B. CPDG-2040 Grants Screening Committee.

1. Role. A ~~CPDG2040 Planning and Development Grants~~ Screening Committee ("Committee") shall be created, which ~~Committee~~ shall review Grant Requests submitted by local governments. The Committee shall advise and recommend to the Metro Chief Operating Officer ("COO") the ranking and recommended grant amounts, and whether to grant full, partial, or no awards, in accordance with the grant Evaluation Criteria set forth below. ~~The COO shall review the Committee's recommendations and shall forward her/his own grant recommendations, along with the recommendations of the Committee, to the Metro Council. The Metro Council shall make final grant decisions in a public hearing. A new CPGD Screening Committee shall be established for Cycle 4, Cycle 5 and Cycle 6 grants, but may include members from the previous Committees.~~
2. CPDG Screening Committee Members. The COO shall appoint six to nine members to the Committee, including the Committee Chair. A new CPGD Screening Committee shall be established for Cycle 4, Cycle 6, Cycle 7 and Cycle 8 grants, but may include members from the previous Committees. Skill sets to be represented will be composed of the following

expertise:

- Economic development;
- Urban planning;
- Real estate and finance;
- Infrastructure finance relating to development or redevelopment;
- Local government;
- Urban renewal and redevelopment;
- Business and commerce;
- Neighborhood Association or Community Planning Commission with an understanding of community livability issues; and
- Environmental sustainability relating to development or redevelopment.
- Social equity relating to community development and redevelopment planning

#### C. Range of Eligible Grant Project Types

1. Urban reserve concept planning. Concept planning for future development of new urban areas on land currently designated Urban Reserves (or in areas brought into the Urban Growth Boundary since 2009) to facilitate the future development of complete communities and comply with Title 11 of the Urban Growth Management Functional Plan.
2. Strategy or policy development. Development and adoption of action plans, strategic initiatives, code refinements, incentives, streamlined review and other development related policy work that will meaningfully increase community readiness for development or identify and reduce barriers to development, redevelopment, and infill.
3. Investment strategies and financial tools. Exploration and development of investment strategies and financial tools and incentives to facilitate development, redevelopment and infill, such as urban renewal districts, enterprise zones, tax abatements, or collaborative capital improvement plans.
4. Area-specific redevelopment planning. Strategic planning, concept design and feasibility for redevelopment and infill of specific areas or districts.
5. Site-specific development or redevelopment. Schematic design and feasibility analyses for site-specific development projects, equitable housing projects and public-private partnerships
6. Equitable housing projects and policies. Any approach or combination of approaches outlined in sections 2-5 above that will facilitate the development of equitable housing throughout the metro region. Metro's working definition of equitable housing is diverse, quality, physically accessible, affordable housing choices with access to opportunities, services, and amenities
7. Future refinement of Project Types. The Metro COO has the authority to direct staff to refine and modify or expand the range of Eligible Project Types as needed to improve program effectiveness and clarity and continually improve the program's effectiveness in achieving regional goals.

#### D. Grant Application Procedures

The Metro COO will direct the staff to organize a fair and efficient process for soliciting grant requests as follows:

1. Eligible Grant Applicants. Grant applicants shall be cities or counties within the Metro boundary. Other local governments, as defined in ORS 174.116, may apply for a 2040 GRANTS only in partnership with a city or county within the Metro boundary.
2. Application guidelines and timelines. The guidelines and timeline for submitting grant applications will be publicized each year with sufficient time to provide eligible applicants with adequate time for planning, budgeting, preparation and submittal of all required application materials. The grant application process may include an option for applicants to receive feedback from Metro staff regarding their proposed projects prior to submission of the final application.
3. Application Endorsements and Matching Contributions. Applications should reflect commitment by county, city and/or relevant service providers to participate in the planning effort and describe how governance issues will be resolved through or prior to the planning process. All grant requests shall include an endorsement of support of the governing body and a minimum 10% matching contribution specifying allocation of local funding and/or staff resources for the proposed project. Metro may request that any jurisdiction that elects to submit more than one grant application per cycle shall submit a prioritized list clarifying the relative importance of each application to that jurisdiction.
4. Refinement of Application Procedures. The Metro COO has the authority to direct staff to refine and modify the general Grant Application Procedures outlined above as needed to ensure smooth, efficient administration and continual improvement of the grant program.

E. Grant Request Evaluation Criteria

1. Clear development outcomes. Proposal presents a compelling project concept with specific, impactful outcomes to facilitate development. Performance measures are clearly articulated.
2. ~~Advances and complements regional goals and policies. Proposed project will help to advance established regional development policy goals and outcomes expressed in the 2040 Growth Concept, the Urban Growth Management Functional Plan and in the following six Desired Outcomes stated in the Regional Framework Plan, adopted by the region to guide future planning~~regional significance. ~~Proposed project will help to advance established regional development goals and outcomes, expressed in the 2040 Growth Concept and the six Desired Outcomes, adopted by the region to guide future planning:~~
  - People live and work in vibrant communities where their everyday needs are easily accessible;
  - Current and future residents benefit from the region's sustained economic competitiveness and prosperity;
  - People have safe and reliable transportation choices that enhance their quality of life;
  - The region is a leader in minimizing contributions to climate change;
  - Current and future generations enjoy clean air, clean water and healthy ecosystems;
  - The benefits and burdens of growth and change are distributed equitably.

3. Aligns with local goals and/or maximizes community assets. Proposed project will help to realize community plans and goals, accommodate expected population and employment growth, and/or maximize existing community assets such as public transit, parks, natural features, historic districts, employment areas.
4. Likelihood of full implementation. Key stakeholders (property owners, policy makers, funding jurisdictions, service districts, etc.) have committed full support for the project goals and timelines, will be meaningfully involved in guiding the project, and have the capacity and authority to implement actions/investments as needed to bring the project to fruition. Opportunities and threats to project commitments are identified.
5. Public involvement. Proposal incorporates best practices for public involvement; strategies for meaningfully engaging neighbors, businesses, property owners, and key stakeholders, as well as historically marginalized communities including low income and minority populations are clearly articulated and well-conceived; proposal indicates how public input will be used to strengthen the project outcomes and/or increase the likelihood of successful implementation.
6. Team roles and capacity. Roles and responsibilities of the applicant county or city, as well as any additional partners have been clearly defined; proposed staff has skill set, experience and appropriate available time needed to successfully manage all aspect of the grant project and oversee the work of consultant team or teams on behalf of the project partners
7. Jurisdiction track record. Applicant has proven capability to successfully implement community development projects, especially past CPDG or 2040 Grant projects; prior grants have fully delivered expected products and outcomes according to the approved schedule of milestones; any CPDG or 2040 Grant projects still underway are on track and scheduled for completion prior to initiation of proposed project.
8. Grant leverage. Extent to which partners have committed additional in-kind or direct financial contributions to the project beyond the minimum ten percent match that is required;
9. Replicable best practices. Proposed project will develop best practices that could be replicated in other locations; ~~proposal defines a compelling approach for sharing project outcomes with other communities in the region.~~ (Note: this criterion may not be applied to all projects.)

C.F. ~~CPDG Screening Committee~~ Review of Grant Requests.

1. Metro staff ~~shall~~ shall conduct an initial screening of all grant requests to confirm that they meet the minimum program and eligibility requirements. Staff shall forward the letters of intent and Grant Requests to the members of the Committee, ~~and along with a summary of the strengths and weaknesses of each request according to the grant evaluation criteria.~~ Staff will provide ~~staff~~ assistance to the Committee as needed to support their review and deliberations.
2. The ~~CC~~ Committee shall ~~then~~ review the Grant Requests and evaluate them based on the Grant Request –CPDG-Evaluation Criteria set forth below/above. The Committee shall use the criteria as guidelines for evaluating applications. The Committee may consult with the proponent of the Grant Request or any others in reviewing the request. After analyzing the Grant Requests, the Committee shall forward to the Metro COO the Committee's recommended ranking and grant amounts for each of the Grant Requests.



~~3. After analyzing the Grant Requests, the Committee shall forward to the Metro COO the Committee's recommended ranking and grant amounts for each of the Grant Requests.~~

3. The Metro COO shall review the Committee's recommendations and shall forward her/his own grant recommendations, based on the CPDG-Grant Requests Evaluation Criteria set forth ~~below~~above, along with the recommendations of the Screening Committee, to the Metro Council.

4. The Metro Council shall decide, in a public hearing, whether or not to approve funding of any grants, and the amount of each grant.

~~D. Metro Council Grant Approval. The Metro COO shall review the Committee's recommendations and shall forward her/his own grant recommendations, along with the recommendations of the Screening Committee, to the Metro Council. The Metro Council shall make final grant decisions in a public hearing.~~

EG. General Procedures for Entering into Grant Agreements. Distribution.

~~1. Step One: Pre Grant Letter of Intent. Prior to making a request to Metro for CDPG funds, each Grant Applicant that anticipates requesting CDPG funds in Cycle 4, Cycle 5 and Cycle 6 shall submit electronic Letter of Intent to the Metro COO.~~

~~a. Grant Applicant. CDPG applicants shall be cities or counties within the Metro boundary. Other local governments, as defined in ORS 174.116, may apply for a CDPG only in partnership with a city or county within the Metro boundary.~~

~~b. Letter of Intent Content. The Letter of Intent shall set forth the local government's proposed planning project, the requested grant amount, how the project will address the CDPG Request Evaluation Criteria, and proposed milestones for grant payments. Metro staff and the grant applications Screening Committee shall review the Letter of Intent and Metro staff will send comments to the local governments.~~

~~2. Step Two: Grant Request. After submitting the Letter of Intent, and after working with Metro staff and Screening Committee if necessary, to revise the proposal, Grant Applicants shall submit an electronic Grant Request to the Metro Chief Operating Officer. The grant request shall include support of the governing body and matching fund commitment with allocation of fund and/or staff resources for the proposed project.~~

~~A) Grant Request Evaluation Criteria for proposed projects within the current UGB.~~

~~For proposed projects within the UGB, the Grant Request shall specifically address how the proposed grant achieves, does not achieve, or is not relevant to, the following criteria ("CPDG Grant Evaluation Criteria"), consistent with the intent of the Urban Growth Management Functional Plan. Applicants should refer to the Application Handbook for information and guidance regarding how to address specific evaluation criteria set forth below.~~

~~1) Expected Development Outcomes: Explain what planning activities are proposed to be undertaken with the planning and development grant, and how those activities will identify and reduce the barriers to developing complete communities. Address:~~

- ~~a) Identification of opportunity site/s within the boundary of the proposed project area with catalyst potential that focus on jobs growth and/or housing. Explain the characteristics of the site/s and how the proposed project will lead to a catalytic investment strategy with private and public sector support.~~
- ~~b) Clearly articulated and realistic desired outcomes from the planning grant that increase community readiness for development.~~
- ~~c) The level of community readiness and local commitment to the predicted development outcomes; considerations include:
  - ~~i. Track record of successful implementation of community development projects and/or past CPDG plan implementation~~
  - ~~ii. Development sites of adequate scale to generate critical mass of activity;~~
  - ~~iii. Existing and proposed transportation infrastructure to support future development;~~
  - ~~iv. Existing urban form provides strong redevelopment opportunities;~~
  - ~~v. Sound relationship to adjacent residential and employment areas;~~
  - ~~vi. Compelling vision and long-term prospects;~~~~
- ~~d) Describe the roles and responsibilities of the applicant and county or city, and relevant service providers for accomplishing the goals of the proposed project.~~
- ~~2) Regionally Significant: Clearly identify how the proposed planning grant will benefit the region in achieving established regional development goals and outcomes, including sustainability practices, expressed in the 2040 Growth Concept and the six Desired Outcomes, adopted by the region to guide future planning, which include:
  - ~~a) People live and work in vibrant communities where their everyday needs are easily accessible;~~
  - ~~b) Current and future residents benefit from the region's sustained economic competitiveness and prosperity;~~
  - ~~c) People have safe and reliable transportation choices that enhance their quality of life;~~
  - ~~d) The region is a leader in minimizing contributions to climate change;~~
  - ~~e) Current and future generations enjoy clean air, clean water and healthy ecosystems;~~
  - ~~f) The benefits and burdens of growth and change are distributed equitably.~~~~
- ~~3) Centers, Corridors, Station Communities and Main Streets: Areas identified on the 2040 Growth Concept Map in the Metro Regional Framework Plan as Centers, Corridors, Station Communities and Main Streets have been recognized as the principal centers of urban life in the region. These areas are at different stages of development and each has its own character. For planning projects proposed for or within these areas, describe how the planning actions identified in Title 6 of the Metro Urban Growth Management Functional Plan have been previously addressed or will be addressed as part of the proposed project. This includes establishing an area boundary, performing an assessment of the areas, and adopting a plan of actions and investments.~~

~~4) Other locations: Discuss how the proposed planning grant facilitates development or redevelopment of the following areas, as applicable:~~

~~a) Employment and industrial areas;~~

~~b) Areas recently brought into the UGB where concept planning has been completed but where additional planning and implementation work is needed in order to make these areas development ready; and/or~~

~~c) Areas with concentrations of underserved or underrepresented groups.~~

~~5) Best Practices Model: Consideration will also be given to applications that can be easily replicated in other locations and demonstrate best practices. Discuss how lessons learned from the planning project will be shared with other communities in the region.~~

~~6) Leverage: Discuss whether and how the proposed planning grant will leverage outcomes across jurisdictions and service providers, or create opportunities for additional private/public investment. Investments can take the form of public or private in-kind or cash contributions to the overall planning activity.~~

~~7) Matching Fund/Potential: A ten percent (10%) local match is required either as a direct financial contribution or as an in-kind contribution. Discuss whether any portion of the total project cost will be incurred by the applicant and/or its partners. Explain specific portions of the work scope the match money would fund.~~

~~8) Growth Absorption: Discuss how this project will create opportunities to accommodate expected population and employment growth consistent with local planning.~~

~~9) Public Involvement: Discuss whether and how the public, including neighbors of the project, businesses, property owners, key stakeholders, and disadvantaged communities including low income and minority populations, will be involved in the project and how their input will be used to strengthen the project outcomes and increase the likelihood of implementation.~~

~~10) Governing Body: Describe the role of the governing body in relation to:~~

~~a) The type of action to be taken to implement the final product; and~~

~~b) Where applicable, how public voting requirements for annexation and transit improvements will be addressed so that the outcome of proposed planning projects can be realized.~~

~~11) Capacity of applicant: Describe the skill set needed and the qualifications of the staff and/or consulting teams proposed to carry out the planning project.~~

**~~B) Grant Request Evaluation Criteria for proposed projects within areas added to the UGB since 2009 and Urban Reserves.~~**

~~Grant requests for projects in areas added to the UGB since 2009 and Urban Reserves shall specifically address how the proposed grant achieves, does not achieve, or is not relevant to the following criteria, drawn from the Urban Growth Management Functional Plan (UGMFP). While the UGMFP's Title 11 (Planning for New Urban Areas) calls for completion of a concept plan prior to Council decision to add the area to the UGB, award of a grant for concept planning in urban reserves by the Metro Council should not be interpreted as a commitment by Metro to add the area to the UGB in the next cycle. Applications should note whether the~~

~~planning project includes an Urban Reserve area. The Screening Committee shall emphasize using available funds to spur development. Applicants should refer to the Application Handbook for information and guidance regarding how to address specific evaluation criteria set forth below.~~

~~1) Address Title 11 requirements for a concept plan or comprehensive plan. Describe how the proposed planning grant will address the requirements for either a concept plan or comprehensive plan or both as described in Title 11.~~

~~a) If not proposing to complete a full plan, describe how the portion proposed will result in an action that secures financial and governance commitment that facilitates the next steps in the planning process.~~

~~b) If not proposing a planning grant for the full Urban Reserve area, describe how the proposal will still allow for coordinated development of the entire area as a complete community and address any applicable principles for concept planning of urban reserves contained in the urban and rural reserve intergovernmental agreement between Metro and the county.~~

~~2) Regionally Significant: Unless addressed in criteria #1, describe how the proposed planning grant will benefit the region in achieving established regional development goals and outcomes, including sustainability practices, as expressed in the 2040 Growth Concept and the Six Desired Outcomes adopted by the Metro Council to guide future planning in the region, which include:~~

~~a) People live and work in vibrant communities where their everyday needs are easily accessible;~~

~~b) Current and future residents benefit from the region's sustained economic competitiveness and prosperity;~~

~~c) People have safe and reliable transportation choices that enhance their quality of life;~~

~~d) The region is a leader in minimizing contributions to climate change;~~

~~e) Current and future generations enjoy clean air, clean water and healthy ecosystems; and~~

~~f) The benefits and burdens of growth and change are distributed equitably.~~

~~3) Address how the proposed project will meet local needs and contribute solutions to regional needs. Describe whether and how the proposal will meet a variety of community needs, including land uses such as mixed use development and large lot industrial sites that are anticipated to continue to be regional needs.~~

~~4) Demonstrate jurisdictional and service provider commitments necessary for a successful planning and adoption process. Applications should reflect commitment by county, city and relevant service providers to participate in the planning effort and describe how governance issues will be resolved through or prior to the planning process. Describe the roles and responsibilities of the county, city and relevant service providers for accomplishing the commitments.~~

~~5) Address readiness of land for development in areas added to the UGB since 2009 and Urban Reserves. For applications in areas added to the UGB since 2009, demonstrate that market conditions would be ready to support development and efficient use of land or define the steps that the project would undertake to influence market conditions.~~

~~=~~

~~6) Best Practices Model: Consideration will also be given to applications that can be easily replicated in other locations and demonstrate best practices. Discuss how lessons learned from the planning project will be shared with other communities in the region.~~

~~7) Leverage: Discuss whether and how the proposed planning grant will leverage outcomes across jurisdictions and service providers, or create opportunities for additional private/public investment. Investments can take the form of public or private in-kind or cash contributions to the overall planning activity.~~

~~8) Matching Fund/Potential: A ten percent (10%) local match is required either as a direct financial contribution or in-kind contribution. Discuss whether any portion of the total project cost will be incurred by the applicant and/or its partners. Explain specific portions of the work scope the match money would fund.~~

~~9) Growth Absorption: Explain how this project will create opportunities to accommodate expected population and employment growth consistent with local planning.~~

~~10) Public Involvement: Discuss whether and how the public, including neighbors to the project, businesses, property owners, key stakeholders, and disadvantaged communities including low income and minority populations, will be involved in the project and how their input will be used to strengthen the project outcomes and increase the likelihood of implementation.~~

~~11) Governing Body: Describe the role of the governing body in relation to:~~

~~a) The type of action to be taken to implement the final product; and~~

~~b) Where applicable, how public voting requirements for annexation and transit improvements will be addressed so that the outcome of proposed planning projects can be realized.~~

~~12) Capacity of applicant: Describe the skill set needed and the qualifications of the staff and/or consulting teams proposed to carry out the planning project.~~

### **~~C) Proposed Scope of Work, Milestones and Budget.~~**

~~The Grant Request shall include a proposed scope of work and budget, setting forth the expected completion dates and costs for achieving the milestones proposed in the Grant Request. The Grant Request shall include also outcome measures specific to the project and source of data and information for Metro's use for evaluation of the progress of the CPDG program. Milestones and grant payment allocations should follow the following general guidelines:~~

~~1) Execution of the CPDG IGA;~~

~~2) Grant Applicant staff's draft or proposed plan, report, code change, zoning change, redevelopment plan, Urban Growth Diagram, Concept Plan, urban services delivery plan, or other plan or agreement consistent with the CPDG;~~

- ~~3) Grant Applicant staff's final recommended plan, report, code change, redevelopment plan, zoning change, Comprehensive Plan or Comprehensive Plan amendment, development agreement, urban services delivery plan, or other plan or agreement consistent with the CPDG award, addressing compliance with the Urban Growth Management Functional Plan, the applicable conditions of the CPDG award, and applicable state laws and regulations; and~~
  - ~~4) Grant Applicant's action on the final plan, report, code change, redevelopment plan, zoning change, Comprehensive Plan or Comprehensive Plan amendment, urban services delivery plan, or other plan or agreement consistent with the CPDG award, consistent with the Functional Plan, the applicable conditions of the CPDG award, and applicable state law. The governing body of the applicant shall authorize the action on the final products.~~
  - ~~5) Grant Applicant's proposed outcome measures specific for the project and source of data and information for Metro's use for evaluation of the progress of this grant program.~~
  - ~~6) Grant Applicant's proposed method of sharing lessons learned during the planning project for the purpose of benefiting other jurisdictions in the region.~~
- ~~1. 3. Step Three: Grant Award Letter. Upon the award of a grant, the Metro COO shall issue a Grant Award Letter for the grant amount determined by the Metro Council.~~
  - ~~2. Negotiation of the draft Intergovernmental Agreement ("IGA"). Upon the award of a grant, the Metro COO shall issue a Grant Letter for the grant amount determined by the Metro Council. Metro and the Grant Applicant shall enter into a negotiate the terms of the Grant Intergovernmental Agreement ("IGA") The scope of work in the grant application as modified by any condition in Metro Council grant award shall be the basis for Metro and grantee to negotiate the draft IGA. The governing body of the Grant applicant jurisdiction shall authorize the approval of the IGA. The draft IGA shall set forth the role of Metro's project liaison on the project advisory committee, an agreed-upon scope of work and budget, completion dates of expected milestones and deliverables, and Grant payment dates matching funds and grant and payment amounts for each milestone, and any administrative penalties that may be imposed by Metro for amendments to the IGA or project timeline that may be requested by the applicant. The IGA shall retain the right of the Metro COO to terminate a Grant award if the milestones set forth in the IGA are not met within the timeframes set forth in the IGA. The scope of work in the grant application and guidelines above as modified by any condition in Metro Council grant award shall be the basis for Metro and grantee to negotiate the IGA.~~
  - ~~3. Procurement of project consultants: Prior to execution of the final IGA, the applicant shall work with Metro to select an appropriate consultant team as needed to complete the proposed work as outlined in the grant application. Metro shall have the opportunity to review and approve any requests for proposals issued by the grant applicant and shall be involved as an equal partner in the selection of all project consultants.~~
- ~~Draft contract with project consultants: Following final selection of project consultants, applicant shall prepare draft contracts with all consultants that fully describe the deliverables and timelines as set forth in the draft IGA and provide maximum costs for each consultant task.~~
- ~~4.~~
  - ~~5. a. Execution of the Deadline for Signing final IGA: The draft consultant contracts shall be attached as an exhibit to the final IGA. The governing body of the Grant applicant jurisdiction~~

shall authorize the approval of the IGA. Following execution of the IGA by appropriate personnel on behalf of the local governing body, the COO shall execute the IGA. If the IGA has not been finalized and signed by Metro and grantee within six months of grant award, the COO shall exercise the authority to cancel the grant award.

6. Refinement of Grant Agreement Procedures. The COO has the authority to direct staff to refine and modify the general Grant Agreement procedures outlined above as needed to ensure smooth, efficient administration and continual improvement of the grant program.

H. General Procedures for Distribution of Grant Funds.

~~b. Grant Payments. : The grant payment amount and marching fund shall be stated in the IGA.~~ Grant payments shall be made upon the completion of those milestones set forth in the IGA, as determined by Metro in accordance with the requirements of the Metro Code and the IGA. In general, a portion of the Grant funds ~~shall may~~ be distributed ~~upon following~~ execution of ~~a the~~ IGA ~~with by~~ Metro, with the remainder of the Grant being paid out as progress payments upon completion of the milestones in the IGA. Grantees shall submit progress reports to Metro documenting the milestone and the completed deliverables for grant payment.

~~c. Eligible Expenses.~~

~~1. The following expenses shall be considered Eligible Expenses for CPDG consideration for eligible direct costs, which will have priority for funding over indirect costs:~~

~~1.~~

2. Eligible Grant Expenses. -The following expenses shall be considered eligible expenses for reimbursement with grant funds:

- Materials directly related to project
- ;~~C~~Consultants' work and expenses on project;
- GGrant aApplicant staff support directly related to project; and
- Overhead directly attributable to project.

3. Ineligible Grant Expenses. Grant requests to reimburse local governments for planning work already completed shall not be considered.

~~a) \_\_\_\_\_~~

~~b) Consultants' work on project;~~

~~c) Grant Applicant staff support directly related to project; and~~

~~d) Overhead directly attributable to project;~~

~~2. Grant requests to reimburse local governments for planning work already completed shall not be considered.~~

~~3. If the total Grant Requests from participating Grant Applicants exceed the total CET actual revenues, Metro shall first consider awarding funds for eligible direct costs, which will have priority for funding over indirect costs.~~

~~d) Metro staff liaison: Grantees shall work closely with the Metro staff liaison, and include them in the appropriate advisory committee for the project.~~

~~e) Completion of grant project: The COO shall retain the right to terminate a CPDG award if the milestones set forth in the IGA are not met within the timeframes set forth in the IGA.~~

~~4. **Application Handbook:** Before soliciting applications for the planning and development grants, Metro shall publish a handbook with details on how to submit applications, prepare a project budget linked to expected outcomes and milestones, and deadlines for applicants to submit letters of intent and full applications.~~



**ADMINISTRATIVE RULES: METRO CODE CHAPTER 7.04**  
**[Revised March 2015]**

Effective July 1, 2006, and extended through December 31, 2020, Metro has established as Metro Code Chapter 7.04 a Construction Excise Tax (“CET”) to fund Community Planning and Development Grants (“CPDG”). These Administrative Rules establish the procedures for administering this tax as mandated in Metro Code Section 7.04.050 and Metro Code Section 7.04.060. For ease of reference a copy of Metro Code Chapter 7.04 is attached to these administrative rules.

**I. Metro Administrative Matters.**

- A. Definitions. These administrative rules incorporate the definitions as set forth in Metro Code Section 7.04.030 of Chapter 7.04, Construction Excise Tax, and Chapter 3.07, the Urban Growth Management Functional Plan.
- B. Designated Representatives (Metro Code Section 7.04.060). The Metro Chief Operating Officer (“COO”) is responsible for the administration and enforcement of the Metro Code Chapter 7.04 and these administrative rules.
  - 1. The COO may delegate his authority in administration and enforcement of the Code chapter and these administrative rules as he determines and as set forth herein.
  - 2. The COO shall appoint a Hearings Officer(s), which appointment shall be confirmed by the Metro Council. The Hearings Officer(s) shall have the authority to order refunds or rebates of the Construction Excise Tax or waive penalties as a result of the hearings process. Upon appointing a Hearings Officer, the Chief Operating Officer shall delegate authority to the Hearings Officer to administer oaths, certify to all official acts, to subpoena and require attendance of witnesses at hearings to determine compliance with this chapter, rules and regulations, to require production of relevant documents at public hearings, to swear witnesses, to take testimony of any Person by deposition, and perform all other acts necessary to adjudicate appeals of Construction Excise Tax matters.
- C. Internal Flow of Funds. Funds will be accounted for in a Construction Excise Tax account that will be created by the effective date of Metro Code Chapter 7.04.
- D. Rate Stabilization Reserves. Metro Code Chapter 7.04.200 states that the Council will, each year, as part of the Budget process, create reserves from revenues generated by the CET. These reserves are to even out collections thereby stabilizing the funds needed to support the applicable programs despite industry building activity fluctuation. These reserves can only be drawn on to support the specific budgeted activities as discussed in Section I.E. of these administrative rules. Due to their restricted nature, these reserves shall be reported as designations of fund balance in Metro’s General Fund.
- E. Dedication of Revenues. Revenues derived from the imposition of this tax, netted after deduction of authorized local jurisdiction costs of collection and administration will be solely dedicated to grant funding of the regional and local planning that is required to make land ready for development after inclusion in the Urban Growth Boundary.
- F. Rule Amendment. The Chief Operating Officer retains the authority to amend these administrative rules as necessary for the administration of the Construction Excise Tax, after consultation with Metro Council.

## II. Construction Excise Tax Administration.

### A. Imposition of Tax (Metro Code Section 7.04.070).

1. The CET is imposed on every Person who engages in Construction within the Metro jurisdiction, unless an Exemption applies as set forth herein.
2. The tax shall be due and payable at the time of the issuance of any building permit, or installation permit in the case of a manufactured dwelling, by any building authority, unless an Exemption applies as set forth herein.
3. The CET shall be calculated and assessed as of the application date for the building permit. Persons obtaining building permits based on applications that were submitted prior to July 1, 2006 shall not be required to pay the CET, unless the building permit issuer normally imposes fees based on the date the building permit is issued.
4. If no permit is issued, then the CET is due at the time the first activity occurs that would require issuance of a building permit under the State of Oregon Building Code.

### B. Calculation of Tax (Metro Code Section 7.04.080). The CET is calculated by multiplying the Value of New Construction by the tax rate of 0.12%

(0.0012 x Value of New Construction)

- a. In the case of a Manufactured Dwelling for which no Exemption is applicable, and for which there is no building code determination of valuation of the Manufactured Dwelling, the applicant's good faith estimate of the Value of New Construction for the Manufactured Dwelling shall be used.

### C. Exemptions (Metro Code Section 7.04.040).

1. Eligibility for Exemption. No obligation to pay the CET is imposed upon any Person who establishes, as set forth below, that one or more of the following Exemptions apply:
  - a. The Value of New Construction is less than or equal to One Hundred Thousand Dollars (\$100,000); or
  - b. The Person who would be liable for the tax is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), or a limited partnership the sole general partner of which is a corporation exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3), the Construction is used for residential purposes AND the property is restricted to being occupied by Persons with incomes less than fifty percent (50%) of the median income for a period of 30 years or longer; or
  - c. The Person who would be liable for the tax is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3) AND the Construction is dedicated for use for the purpose of providing charitable services to Persons with income less than fifty

percent (50%) of the median income.

2. Procedures for Establishing and Obtaining an Exemption; Exemption Certificates:

- a. For exemption (a) above, the exemption will be established at the building permit counter where the Value of New Construction as determined in the building permit is less than or equal to One Hundred Thousand Dollars (\$100,000).
- b. For exemptions (b) and (c) above, prior to applying for a building permit a Person claiming an exemption may apply to Metro for a Metro CET Exemption Certificate, by presenting the appropriate documentation for the exemption as set forth herein, and upon receiving a Metro CET Exemption Certificate the Person may present the certificate to the building permit issuer to receive an exemption from paying the CET; or
- c. For exemptions (b) and (c) above, instead of going to Metro to obtain a Metro CET Exemption Certificate, a Person claiming an exemption from the CET when applying for a building permit may submit to the building permit issuer Metro's CET Exemption Certificate application form. Upon receiving a Person's Metro CET Exemption Certificate application, the building permit issuer shall preliminarily authorize the exemption and shall not collect the CET. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the exemption and to institute collection procedures to obtain payment of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the exemption;
- d. To receive a Metro CET Exemption Certificate from Metro, or to substantiate to Metro the validity of an exemption received from a local building permit issuer, an applicant must provide the following:
  - i. IRS tax status determination letter evidencing that the Person seeking the building permit is exempt from federal income taxation pursuant to 42 U.S.C. 501(c)(3); and
  - ii. In the case of residential property, proof that the property is to be restricted to low income persons, as defined, for at least 30 years. Proof can be in the form of loan covenants; rental agreements or grant restrictions; a certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and
  - iii. In the case of a qualified tax-exempt entity providing services to Persons with incomes less than 50 percent of the median income, the applicant must provide information that will allow such tax exempt status to be verified, and proof that the property will be restricted to such uses. Proof can be in the form of loan covenants; rental agreements or grant restrictions; certification from the entity's corporate officer attesting that the exemption is applicable; or any other information that may allow the exemption determination to be made; and

- iv. In the case of a limited partnership with a tax-exempt sole general partner corporation, verification from the partnership's attorney of that status is required; and
- v. Authorization to audit the records to verify the legal status and compliance with Metro qualifications of all entities claiming exempt status.
- e. Partial Applicability of Exemption. If an exemption is applicable to only part of the Construction, then only that portion shall be exempt from the CET, and CET shall be payable for the remainder of the Construction that is not eligible for an exemption, on a pro-rata basis. It shall be the responsibility of the Person seeking the partial exemption to fill out a Metro CET Exemption Certificate application for the partial exemption, declaring on that application the proportion of the Construction qualifies for the exemption. Upon receiving a Person's Metro CET Exemption Certificate application claiming a partial exemption, the building permit issuer shall preliminarily authorize the partial exemption and shall only collect the pro-rata CET as declared by the applicant. The building permit issuer shall forward the Person's Metro CET Exemption Certificate application to Metro along with the quarterly CET report. It shall be Metro's responsibility to determine the validity of the partial exemption and to institute collection procedures to obtain payment of the remainder of the CET, as well as any other remedy Metro may have under law, if the Person was not entitled to the partial exemption.

D. Ceiling (Metro Code Section 7.04.045).

- 1. If the CET imposed would be greater than \$12,000.00 (Twelve Thousand Dollars) as measured by the Value of New Construction that would generate that amount of tax, then the CET imposed for that Construction is capped at a Ceiling of \$12,000.00 (Twelve Thousand Dollars).
- 2. The Ceiling applies on a single structure basis, and not necessarily on a single building permit basis. For example:
  - a. If a single building permit is issued where the Value of New Construction is greater than or equal to Ten Million Dollars (\$10,000,000), then the CET for that building permit is capped at Twelve Thousand Dollars (\$12,000.00).
  - b. If Construction in a single structure will require multiple building permits during the pendency of the CET program, and the total CET that would be imposed for those building permits would add up to more than Twelve Thousand Dollars (\$12,000.00), then the total CET for those building permits within the same structure during the pendency of the CET program is capped at Twelve Thousand Dollars (\$12,000.00). Once a total of \$12,000.00 has been paid in CET for a particular structure, then no additional CET will be collected for that structure during the pendency of the CET program.

- E. Rebates (Metro Code Section 7.04.120). If a CET has been collected and a CET Exemption or the CET Ceiling was applicable, a rebate for the CET may be obtained from Metro.
1. Procedures for obtaining rebate are:
    - a. Within thirty (30) days of paying the CET, the Person who believes that the CET was not applicable due to a CET exemption or CET Ceiling, shall apply for a rebate in writing to Metro and provide verification that the exemption eligibility provisions of Metro Code Section 7.04.040, or that the CET Ceiling provisions of Metro Code Section 7.04.045, have been met. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to seek a rebate.
    - b. Applicant shall provide proof that the CET was paid, in the form of a paid receipt from the building permit issuer showing the tax was paid. All supporting documentation for the exemption or ceiling shall be submitted at the time of the rebate claim. The rebate will only be made to the name that is listed on the receipt unless the applicant has a written assignment of rebate.
    - c. A rebate or a letter of denial shall be issued by Metro within thirty (30) days of receipt of a written request for rebate provided that the request includes all required information. The rebate will be calculated based upon the paid receipt, less the five percent (5%) administrative fee already retained by the building permit issuer and the five percent (5%) Metro administration fee.
- F. Refunds (Metro Code Section 7.04.150). If a CET has been collected and the Construction was not commenced and the building permit was cancelled, a refund for the CET may be obtained from Metro.
1. Eligibility is determined by the absence of Construction and cancellation of the building permit.
  2. Procedures for obtaining refund:
    - a. Apply in writing to Metro within thirty (30) days of permit cancellation.
    - b. Provide copy of canceled permit.
    - c. Provide proof of payment of the tax in the form of the paid receipt.
    - d. A refund or a letter of denial shall be issued by Metro within thirty (30) days of receipt of the written request for refund provided that the request includes all required information. The refund will be calculated based upon the paid receipt, less the five percent (5%) administrative fee already retained by the building permit issuer and the five percent (5%) Metro administration fee.
    - e. Failure to seek a rebate within the thirty (30) day time limit will terminate a Person's right to receive a refund.

G. Appeals. The Hearings Officer shall conduct hearings related to enforcement or appeals of the CET. The appeal to the Hearings Officer must be:

1. In writing;
2. Made within ten (10) calendar days of denial of a refund, rebate, or exemption request. Notice of denial to the party denied, is deemed to have occurred three days after the mailing of the certified denial letter from Metro;
3. Tax must be paid prior to appeal;
4. Directed to the Office of Metro Attorney, who will contact the Hearings Officer to schedule a hearing upon receipt of a written appeal. The Hearings Officer will at that time provide further information as to what documentation to bring to the hearing.

H. Review. Review of any action of the Chief Operating Officer or Hearings Officer, taken pursuant to the Construction Excise Tax Ordinance, or the rules and regulations adopted by the Chief Operating Officer, shall be taken solely and exclusively by writ of review in the manner set forth in ORS 34.010 through 34.100, provided, however, that any aggrieved Person may demand such relief by writ of review.

I. CET Sunset (Metro Code Section 7.04.230).

1. The CET shall not be imposed on and no person shall be liable to pay any tax for any Construction activity that is commenced pursuant to a building permit issued on or after December 31, 2020.
2. Local governments collecting CETs shall remit the CETs to Metro on a quarterly or monthly basis, based on the jurisdiction's CET Collection IGAs with Metro. Each quarter, within thirty days of receiving CET remittances from all collecting local jurisdictions, Metro will issue a written statement of the total CET that Metro has received that quarter and cumulatively.
3. CET remittance to Metro shall be net of the local government's administrative expenses in collecting the CET, up to five percent (5%) of the CET collected by the local government as set forth in the Metro CET Collection IGA. This net amount of CET remitted to Metro shall be the basis for Metro's calculations of CET cumulative totals.
4. The CET shall cease to be imposed by local governments on December 31, 2020, and shall be remitted by the local governments to Metro as soon thereafter as possible.

### **III. CET Collection Procedures.**

A. Local Government CET Collection and Remittance Via Intergovernmental Agreements (Metro Code Section 7.04.110). For those local governments collecting the CET pursuant to Intergovernmental Agreements with Metro, the following procedures shall apply:

1. CET Report; Information Required. Each quarter (unless a local government prefers to report monthly), along with its CET remittance to Metro, the local government shall prepare and submit to the Metro Chief Operating Officer a report of the CETs and building permits issued for the previous quarter's construction activities. The report shall include: the number of building permits issued that quarter; the aggregate value of construction; the number of building permits for which CET exemptions were given; the aggregate value of

construction for the exempted construction; the aggregate amount of CET paid; and the amount of CET administrative fee retained by the local government pursuant to this CET Collection IGA.

2. CET Remittance to Metro. Local governments collecting CET via IGAs with Metro shall remit the collected CET to Metro. Remittance shall be quarterly, unless a jurisdiction prefers to remit the CET monthly, by the 30<sup>th</sup> of the month following the quarter (or month) ending. Quarters end on September 30, December 31, March 31 and June 30 of each year. CET remittance and the CET Report shall be sent to Metro, attn Construction Excise Tax Accounting Specialist, 600 NE Grand, Portland, Oregon 97232.
  3. Remuneration to Local Government for Collecting CET. As consideration for collecting the CET, each local government collecting the CET shall retain no more than five percent (5%) of the tax collected by that local government. This payment is intended to be a reimbursement of costs incurred. Prior to submitting the CET to Metro, the local government shall deduct the remuneration agreed upon directly from the collected tax, and the amounts deducted and retained shall be identified on the report submitted to Metro.
  4. Metro Administrative Fee. To partially reimburse Metro for its costs in implementing and administering the CET program, Metro will retain five percent (5%) of the net CET funds remitted by local governments to Metro.
  5. Audit and Control Features. Each local government shall allow the Chief Operating Officer, or any person authorized in writing by the Chief Operating Officer, to examine the books, papers, building permits, and accounting records relating to any collection and payment of the tax, during normal business hours, and may investigate the accuracy of reporting to ascertain and determine the amount of CET required to be paid.
  6. Failure to Pay. Upon a Person's refusal to or failure to pay the CET when due, the local government administering that Person's building permit shall notify Metro in writing within five (5) business days of such failure, with information adequate for Metro to begin collection procedures against that Person, including the Person's name, address, phone numbers, Value of New Construction, Construction Project, and building permit number. Upon a Person's refusal or failure to pay the CET, it shall be Metro's responsibility to institute collection procedures to obtain payment of the CET as well as any other remedy Metro may have under law.
- B. Metro Collection Procedures in Event of Non-payment. The CET is due and payable upon issuance of a building permit. It is unlawful for any Person to whom the CET is applicable to fail to pay all or any portion of the CET. If the tax is not paid when due, Metro will send a letter notifying the non-payer of his obligation to pay the CET along with the following information:
1. Penalty. In addition to any other fine or penalty provided by Chapter 7.04 of the Metro Code, penalty for non- payment will be added to the original tax outstanding. That penalty is equal to fifty dollars (\$50.00) or the amount of the tax owed, whichever is greater.
  2. Misdemeanor. In addition to any other civil enforcement, non- payment of the CET is a misdemeanor and shall be punishable, upon conviction, by a fine of not more than five hundred dollars (\$500.00). This fine shall be charged to any officer, director, partner or other Person having direction or control over any Person not paying the tax as due.

3. Enforcement by Civil Action. If the tax is not paid, Metro will proceed with collection procedures allowable by law to collect the unpaid tax, penalties assessed and fines due, including attorney fees.

#### **IV. Revenue Distribution (Metro Code Section 7.04.220).**

- A. Grant Cycles. CET funds collected pursuant to the 2014 extension of the CET shall be allocated in three new application assessment cycles (Cycle 4, Cycle 5 and Cycle 6).
  1. The Cycle 1 fund distribution took place in March 2006, which allocated up to \$6.3 million in grants. Grant requests in this cycle were made for planning only in new areas that were brought into the Urban Growth Boundary (UGB) between 2002 and 2005.
  2. The Cycle 2 grant allocation through the Community Planning and Development Grant program (CPDG) took place in June 2010, which allocated up to \$3.57 million in CET Grant revenue. Grant requests in this cycle were made for planning in all areas inside the UGB as of December 2009.
  3. The Cycle 3 grant allocation took place in August 2013, which allocated \$4.5 million in grants. Grant requests in this cycle were made for planning in all areas that are in the UGB as of December 2009, plus areas added to the UGB since 2009 and Urban Reserves. This cycle earmarked fifty percent (50%) of projected CET revenues for planning in areas added to the UGB since 2009 and Urban Reserves, and required that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.
  4. The Cycle 4 grant allocation shall take place in 2015-2016 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.
  5. The Cycle 5 grant allocation shall take place in 2017-2018 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for areas added to the UGB since 2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.
  6. The Cycle 6 grant allocation shall take place in 2019-2020 for planning in all areas that are in the UGB and Urban Reserves. This grant allocation shall earmark seventy percent to seventy five percent (70% to 75%) of projected revenue for planning within the existing UGB, and earmark twenty five percent to thirty percent (25% to 30%) of projected revenue for concept planning and comprehensive planning for urban reserves and new urban areas, and require that if the amount of qualified Grant Requests for areas added to the UGB since



2009 and Urban Reserves does not equal or exceed the earmarked amounts, the remainder of funds may be allocated to Grant Requests for planning in other areas.

7. These cycles may be delayed or amounts reduced if the actual CET receipts remitted by the local governments are not as high as projected, or if CET revenue projections are modified due to market conditions, or if required by Metro's spending cap limitations.
8. Metro may conduct additional allocation cycles if the Metro Chief Operating Officer finds that CET receipts are projected to exceed the grant amounts awarded in Cycle 4 and Cycle 5 and Cycle 6.

B. CPDG Screening Committee.

1. Role. A CPGD Screening Committee ("Committee") shall be created, which Committee shall review Grant Requests submitted by local governments. The Committee shall advise and recommend to the Metro Chief Operating Officer ("COO") the ranking and recommended grant amounts, and whether to grant full, partial, or no awards, in accordance with the grant Evaluation Criteria set forth below. The COO shall review the Committee's recommendations and shall forward her/his own grant recommendations, along with the recommendations of the Committee, to the Metro Council. The Metro Council shall make final grant decisions in a public hearing. A new CPGD Screening Committee shall be established for Cycle 4, Cycle 5 and Cycle 6 grants, but may include members from the previous Committees.
2. CPDG Screening Committee Members. The COO shall appoint six to nine members to the Committee, including the Committee Chair. Skill sets to be represented will be composed of the following expertise:
  - Economic development;
  - Urban planning;
  - Real estate and finance;
  - Infrastructure finance relating to development or redevelopment;
  - Local government;
  - Urban renewal and redevelopment;
  - Business and commerce;
  - Neighborhood Association or Community Planning Commission with an understanding of community livability issues; and
  - Environmental sustainability relating to development or redevelopment.
  - Social equity relating to community development and redevelopment planning

C. CPDG Screening Committee Review of Grant Requests.

1. Metro staff shall forward the letters of intent and Grant Requests to the members of the Committee, and will provide staff assistance to the Committee.
2. The Committee shall then review the Grant Requests and evaluate them based on the CPGD Evaluation Criteria set forth below. The Committee shall use the criteria as guidelines for evaluating applications. The Committee may consult with the proponent of the Grant Request or any others in reviewing the request.
3. After analyzing the Grant Requests, the Committee shall forward to the Metro COO the Committee's recommended ranking and grant amounts for each of the Grant Requests.

4. The Metro COO shall review the Committee's recommendations and shall forward her/his own grant recommendations, based on the CPDG Requests Evaluation Criteria set forth below, along with the recommendations of the Screening Committee, to the Metro Council. The Metro Council shall decide, in a public hearing, whether or not to approve funding of any grants, and the amount of each grant.

D. Metro Council Grant Approval. The Metro COO shall review the Committee's recommendations and shall forward her/his own grant recommendations, along with the recommendations of the Screening Committee, to the Metro Council. The Metro Council shall make final grant decisions in a public hearing.

E. Procedures for Distribution.

1. **Step One: Pre-Grant-Letter of Intent.** Prior to making a request to Metro for CPDG funds, each Grant Applicant that anticipates requesting CPDG funds in Cycle 4, Cycle 5 and Cycle 6 shall submit electronic Letter of Intent to the Metro COO.
  - a. Grant Applicant. CPDG applicants shall be cities or counties within the Metro boundary. Other local governments, as defined in ORS 174.116, may apply for a CPDG only in partnership with a city or county within the Metro boundary.
  - b. Letter of Intent Content. The Letter of Intent shall set forth the local government's proposed planning project, the requested grant amount, how the project will address the CPDG Request Evaluation Criteria, and proposed milestones for grant payments. Metro staff and the grant applications Screening Committee shall review the Letter of Intent and Metro staff will send comments to the local governments.
2. **Step Two: Grant Request.** After submitting the Letter of Intent, and after working with Metro staff and Screening Committee if necessary, to revise the proposal, Grant Applicants shall submit an electronic Grant Request to the Metro Chief Operating Officer. The grant request shall include support of the governing body and matching fund commitment with allocation of fund and/or staff resources for the proposed project.

**A) Grant Request Evaluation Criteria for proposed projects within the current UGB.**

For proposed projects within the UGB, the Grant Request shall specifically address how the proposed grant achieves, does not achieve, or is not relevant to, the following criteria ("CPDG Grant Evaluation Criteria"), consistent with the intent of the Urban Growth Management Functional Plan. Applicants should refer to the Application Handbook for information and guidance regarding how to address specific evaluation criteria set forth below.

- 1) Expected Development Outcomes: Explain what planning activities are proposed to be undertaken with the planning and development grant, and how those activities will identify and reduce the barriers to developing complete communities. Address:
  - a) Identification of opportunity site/s within the boundary of the proposed project area with catalyst potential that focus on jobs growth and/or housing. Explain the characteristics of the site/s and how the proposed project will lead to a catalytic investment strategy with private and public sector support.
  - b) Clearly articulated and realistic desired outcomes from the planning grant that increase community readiness for development.

- c) The level of community readiness and local commitment to the predicted development outcomes; considerations include:
    - i. Track record of successful implementation of community development projects and/or past CPDG plan implementation
    - ii. Development sites of adequate scale to generate critical mass of activity;
    - iii. Existing and proposed transportation infrastructure to support future development;
    - iv. Existing urban form provides strong redevelopment opportunities;
    - v. Sound relationship to adjacent residential and employment areas;
    - vi. Compelling vision and long-term prospects;
  - d) Describe the roles and responsibilities of the applicant and county or city, and relevant service providers for accomplishing the goals of the proposed project.
- 2) Regionally Significant: Clearly identify how the proposed planning grant will benefit the region in achieving established regional development goals and outcomes, including sustainability practices, expressed in the 2040 Growth Concept and the six Desired Outcomes, adopted by the region to guide future planning, which include:
- a) People live and work in vibrant communities where their everyday needs are easily accessible;
  - b) Current and future residents benefit from the region's sustained economic competitiveness and prosperity;
  - c) People have safe and reliable transportation choices that enhance their quality of life;
  - d) The region is a leader in minimizing contributions to climate change;
  - e) Current and future generations enjoy clean air, clean water and healthy ecosystems;
  - f) The benefits and burdens of growth and change are distributed equitably.
- 3) Centers, Corridors, Station Communities and Main Streets: Areas identified on the 2040 Growth Concept Map in the Metro Regional Framework Plan as Centers, Corridors, Station Communities and Main Streets have been recognized as the principal centers of urban life in the region. These areas are at different stages of development and each has its own character. For planning projects proposed for or within these areas, describe how the planning actions identified in Title 6 of the Metro Urban Growth Management Functional Plan have been previously addressed or will be addressed as part of the proposed project. This includes establishing an area boundary, performing an assessment of the areas, and adopting a plan of actions and investments.
- 4) Other locations: Discuss how the proposed planning grant facilitates development or redevelopment of the following areas, as applicable:
- a) Employment and industrial areas;
  - b) Areas recently brought into the UGB where concept planning has been completed but where additional planning and implementation work is needed in order to make these areas development ready; and/or

- c) Areas with concentrations of underserved or underrepresented groups.
- 5) Best Practices Model: Consideration will also be given to applications that can be easily replicated in other locations and demonstrate best practices. Discuss how lessons learned from the planning project will be shared with other communities in the region.
- 6) Leverage: Discuss whether and how the proposed planning grant will leverage outcomes across jurisdictions and service providers, or create opportunities for additional private/public investment. Investments can take the form of public or private in-kind or cash contributions to the overall planning activity.
- 7) Matching Fund/Potential: A ten percent (10%) local match is required either as a direct financial contribution or as an in-kind contribution. Discuss whether any portion of the total project cost will be incurred by the applicant and/or its partners. Explain specific portions of the work scope the match money would fund.
- 8) Growth Absorption: Discuss how this project will create opportunities to accommodate expected population and employment growth consistent with local planning.
- 9) Public Involvement: Discuss whether and how the public, including neighbors of the project, businesses, property owners, key stakeholders, and disadvantaged communities including low income and minority populations, will be involved in the project and how their input will be used to strengthen the project outcomes and increase the likelihood of implementation.
- 10) Governing Body: Describe the role of the governing body in relation to:
  - a) The type of action to be taken to implement the final product; and
  - b) Where applicable, how public voting requirements for annexation and transit improvements will be addressed so that the outcome of proposed planning projects can be realized.
- 11) Capacity of applicant: Describe the skill set needed and the qualifications of the staff and/or consulting teams proposed to carry out the planning project.

**B) Grant Request Evaluation Criteria for proposed projects within areas added to the UGB since 2009 and Urban Reserves.**

Grant requests for projects in areas added to the UGB since 2009 and Urban Reserves shall specifically address how the proposed grant achieves, does not achieve, or is not relevant to the following criteria, drawn from the Urban Growth Management Functional Plan (UGMFP). While the UGMFP's Title 11 (Planning for New Urban Areas) calls for completion of a concept plan prior to Council decision to add the area to the UGB, award of a grant for concept planning in urban reserves by the Metro Council should not be interpreted as a commitment by Metro to add the area to the UGB in the next cycle. Applications should note whether the planning project includes an Urban Reserve area. The Screening Committee shall emphasize using available funds to spur development. Applicants should refer to the Application Handbook for information and guidance regarding how to address specific evaluation criteria set forth below.

- 1) Address Title 11 requirements for a concept plan or comprehensive plan. Describe how the proposed planning grant will address the requirements for either a concept plan or comprehensive plan or both as described in Title 11.

- a) If not proposing to complete a full plan, describe how the portion proposed will result in an action that secures financial and governance commitment that facilitates the next steps in the planning process.
  - b) If not proposing a planning grant for the full Urban Reserve area, describe how the proposal will still allow for coordinated development of the entire area as a complete community and address any applicable principles for concept planning of urban reserves contained in the urban and rural reserve intergovernmental agreement between Metro and the county.
- 2) Regionally Significant: Unless addressed in criteria #1, describe how the proposed planning grant will benefit the region in achieving established regional development goals and outcomes, including sustainability practices, as expressed in the 2040 Growth Concept and the Six Desired Outcomes adopted by the Metro Council to guide future planning in the region, which include:
  - a) People live and work in vibrant communities where their everyday needs are easily accessible;
  - b) Current and future residents benefit from the region's sustained economic competitiveness and prosperity;
  - c) People have safe and reliable transportation choices that enhance their quality of life;
  - d) The region is a leader in minimizing contributions to climate change;
  - e) Current and future generations enjoy clean air, clean water and healthy ecosystems; and
  - f) The benefits and burdens of growth and change are distributed equitably.
- 3) Address how the proposed project will meet local needs and contribute solutions to regional needs. Describe whether and how the proposal will meet a variety of community needs, including land uses such as mixed use development and large lot industrial sites that are anticipated to continue to be regional needs.
- 4) Demonstrate jurisdictional and service provider commitments necessary for a successful planning and adoption process. Applications should reflect commitment by county, city and relevant service providers to participate in the planning effort and describe how governance issues will be resolved through or prior to the planning process. Describe the roles and responsibilities of the county, city and relevant service providers for accomplishing the commitments.
- 5) Address readiness of land for development in areas added to the UGB since 2009 and Urban Reserves. For applications in areas added to the UGB since 2009, demonstrate that market conditions would be ready to support development and efficient use of land or define the steps that the project would undertake to influence market conditions.
- 6) Best Practices Model: Consideration will also be given to applications that can be easily replicated in other locations and demonstrate best practices. Discuss how lessons learned from the planning project will be shared with other communities in the region.

- 7) **Leverage:** Discuss whether and how the proposed planning grant will leverage outcomes across jurisdictions and service providers, or create opportunities for additional private/public investment. Investments can take the form of public or private in-kind or cash contributions to the overall planning activity.
- 8) **Matching Fund/Potential:** A ten percent (10%) local match is required either as a direct financial contribution or in-kind contribution. Discuss whether any portion of the total project cost will be incurred by the applicant and/or its partners. Explain specific portions of the work scope the match money would fund.
- 9) **Growth Absorption:** Explain how this project will create opportunities to accommodate expected population and employment growth consistent with local planning.
- 10) **Public Involvement:** Discuss whether and how the public, including neighbors to the project, businesses, property owners, key stakeholders, and disadvantaged communities including low income and minority populations, will be involved in the project and how their input will be used to strengthen the project outcomes and increase the likelihood of implementation.
- 11) **Governing Body:** Describe the role of the governing body in relation to:
  - a) The type of action to be taken to implement the final product; and
  - b) Where applicable, how public voting requirements for annexation and transit improvements will be addressed so that the outcome of proposed planning projects can be realized.
- 12) **Capacity of applicant:** Describe the skill set needed and the qualifications of the staff and/or consulting teams proposed to carry out the planning project.

**C) Proposed Scope of Work, Milestones and Budget.**

The Grant Request shall include a proposed scope of work and budget, setting forth the expected completion dates and costs for achieving the milestones proposed in the Grant Request. The Grant Request shall include also outcome measures specific to the project and source of data and information for Metro's use for evaluation of the progress of the CPDG program. Milestones and grant payment allocations should follow the following general guidelines:

- 1) Execution of the CPDG IGA;
- 2) Grant Applicant staff's draft or proposed plan, report, code change, zoning change, redevelopment plan, Urban Growth Diagram, Concept Plan, urban services delivery plan, or other plan or agreement consistent with the CPDG;
- 3) Grant Applicant staff's final recommended plan, report, code change, redevelopment plan, zoning change, Comprehensive Plan or Comprehensive Plan amendment, development agreement, urban services delivery plan, or other plan or agreement consistent with the CPDG award, addressing compliance with the Urban Growth Management Functional Plan, the applicable conditions of the CPDG award, and applicable state laws and regulations; and
- 4) Grant Applicant's action on the final plan, report, code change, redevelopment plan, zoning change, Comprehensive Plan or Comprehensive Plan amendment, urban services

delivery plan, or other plan or agreement consistent with the CPDG award, consistent with the Functional Plan, the applicable conditions of the CPDG award, and applicable state law. The governing body of the applicant shall authorize the action on the final products.

- 5) Grant Applicant's proposed outcome measures specific for the project and source of data and information for Metro's use for evaluation of the progress of this grant program.
- 6) Grant Applicant's proposed method of sharing lessons learned during the planning project for the purpose of benefiting other jurisdictions in the region.

**3. Step Three: Grant Intergovernmental Agreement ("IGA").** Upon the award of a grant, the Metro COO shall issue a Grant Letter for the grant amount determined by the Metro Council. Metro and the Grant Applicant shall enter into a Grant Intergovernmental Agreement ("IGA"). The governing body of the Grant applicant jurisdiction shall authorize the approval of the IGA. The IGA shall set forth an agreed-upon scope of work and budget, completion dates of expected milestones and deliverables, and Grant payment dates and payment amount for each milestone. The scope of work in the grant application and guidelines above as modified by any condition in Metro Council grant award shall be the basis for Metro and grantee to negotiate the IGA.

- a. **Deadline for Signing IGA:** If the IGA has not been signed by Metro and grantee within six months of grant award, the COO shall exercise the authority to cancel the grant award.
- b. **Grant Payments:** The grant payment amount and marching fund shall be stated in the IGA. Grant payments shall be made upon the completion of those milestones set forth in the IGA, as determined by Metro in accordance with the requirements of the Metro Code and the IGA. In general, a portion of the Grant funds shall be distributed upon execution of a IGA with Metro, with the remainder of the Grant being paid out as progress payments upon completion of the milestones in the IGA. Grantees shall submit progress reports to Metro documenting the milestone and the completed deliverables for grant payment.
- c. **Eligible Expenses.**
  1. The following expenses shall be considered Eligible Expenses for CPDG consideration for eligible direct costs, which will have priority for funding over indirect costs:
    - a) Materials directly related to project;
    - b) Consultants' work on project;
    - c) Grant Applicant staff support directly related to project; and
    - d) Overhead directly attributable to project;
  2. Grant requests to reimburse local governments for planning work already completed shall not be considered.
  3. If the total Grant Requests from participating Grant Applicants exceed the total CET actual revenues, Metro shall first consider awarding funds for eligible direct costs, which will have priority for funding over indirect costs.

- d) Metro staff liaison: Grantees shall work closely with the Metro staff liaison, and include them in the appropriate advisory committee for the project.
- e) Completion of grant project: The COO shall retain the right to terminate a CPDG award if the milestones set forth in the IGA are not met within the timeframes set forth in the IGA.

4. **Application Handbook:** Before soliciting applications for the planning and development grants, Metro shall publish a handbook with details on how to submit applications, prepare a project budget linked to expected outcomes and milestones, and deadlines for applicants to submit letters of intent and full applications.



Agenda Item No. 5.3

**Resolution No. 17-4769**, For the Purpose of Adopting the Annual  
Budget for Fiscal Year 2017-18, Making Appropriations and Levying  
Ad Valorem Taxes

*Resolutions*

Metro Council Meeting  
Thursday, April 13, 2017  
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADOPTING THE ANNUAL ) RESOLUTION NO 17-4769  
BUDGET FOR FISCAL YEAR 2017-18, MAKING )  
APPROPRIATIONS AND LEVYING AD VALOREM ) Introduced by Martha Bennett, Chief  
TAXES ) Operating Officer, with the concurrence of  
) Council President Tom Hughes

WHEREAS, the Multnomah County Tax Supervising and Conservation Commission held its public hearing on the annual Metro budget for the fiscal year beginning July 1, 2017, and ending June 30, 2018; and

WHEREAS, recommendations from the Multnomah County Tax Supervising and Conservation Commission have been received by Metro (attached as Exhibit A and made a part of the Resolution) and considered; now, therefore,

BE IT RESOLVED,

1. The "Fiscal Year 2017-18 Metro Budget," in the total amount of FIVE HUNDRED SIXTY SEVEN MILLION SIX HUNDRED SEVENTY SEVEN THOUSAND SIX HUNDRED TWENTY THREE (\$567,677,623), attached hereto as Exhibit B, and the Schedule of Appropriations, attached hereto as Exhibit C, are hereby adopted.

2. The Metro Council does hereby levy ad valorem taxes, as provided in the budget adopted by Section 1 of this Resolution, at the rate of \$0.0966 per ONE THOUSAND DOLLARS (\$1,000) of assessed value for operating rate levy; at the rate of \$0.0960 per ONE THOUSAND DOLLARS (\$1,000) of assessed values for local option rate levy and in the amount of THIRTY FIVE MILLION EIGHT HUNDRED NINETY SEVEN THOUSAND ONE HUNDRED SIXTEEN (\$35,897,116) for general obligation bond debt, said taxes to be levied upon taxable properties within the Metro District for the fiscal year 2017-18. The following allocation and categorization subject to the limits of Section 11b, Article XI of the Oregon Constitution constitute the above aggregate levy.

SUMMARY OF AD VALOREM TAX LEVY

	Subject to the General Government <u>Limitation</u>	Excluded from <u>the Limitation</u>
Operating Tax Rate Levy	\$0.0966/\$1,000	
Local Option Tax Rate Levy	\$0.0960/\$1,000	
General Obligation Bond Levy		\$35,897,116

3. In accordance with Section 2.02.040 of the Metro Code, the Metro Council hereby authorizes positions and expenditures in accordance with the Annual Budget adopted by Section 1 of this Resolution, and hereby appropriates funds for the fiscal year beginning July 1, 2017, from the funds and for the purposes listed in the Schedule of Appropriations, Exhibit C.

4. The Chief Operating Officer shall make the filings as required by ORS 294.458 and ORS 310.060, or as requested by the Assessor's Office of Clackamas, Multnomah, and Washington Counties.

ADOPTED by the Metro Council on this 22<sup>nd</sup> day of June 2017.

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Tom Hughes, Council President

APPROVED AS TO FORM:

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Alison Kean, Metro Attorney

## STAFF REPORT

### CONSIDERATION OF RESOLUTION 17-4769 ADOPTING THE ANNUAL BUDGET FOR FISCAL YEAR 2017-18, MAKING APPROPRIATIONS AND LEVYING AD VALOREM TAXES

Date: April 13, 2017

Presented by: Martha Bennett  
Chief Operating Officer

## BACKGROUND

I am forwarding to the Metro Council for consideration and approval my proposed budget for fiscal year 2017-18.

Metro Council action, through Resolution No. 17-4769 is the final step in the process for the adoption of Metro's operating financial plan for the forthcoming fiscal year. Final action by the Metro Council to adopt this plan must be completed by June 30, 2017.

Once the budget plan for fiscal year 2017-18 is approved by the Metro Council on May 4, 2017, the number of funds and the maximum tax levy cannot be amended without review and certification by the Tax Supervising and Conservation Commission. Adjustments, if any, by the Metro Council to increase the level of expenditures in a fund are limited to no more than 10 percent of the total value of any fund's expenditures in the period between Metro Council approval in early May 2017 and adoption in June 2017.

Exhibit A to this Resolution will be available subsequent to the Tax Supervising and Conservation Commission hearing June 8, 2017. Exhibits B and C of the Resolution will be available at the public hearing on April 13, 2017.

## ANALYSIS/INFORMATION

1. **Known Opposition** – Metro Council hearings will be held on the Proposed Budget on April 13, 2017 and May 4, 2017. Opportunities for public comments will be provided. Opposition to any portion of the budget will be identified during that time.
2. **Legal Antecedents** – The preparation, review and adoption of Metro's annual budget is subject to the requirements of Oregon Budget Law, ORS Chapter 294. Oregon Revised Statutes 294.635 requires that Metro prepare and submit its approved budget to the Tax Supervising and Conservation Commission by May 15, 2017. The Commission will conduct a hearing on June 8, 2017 for the purpose of receiving information from the public regarding the Metro Council's approved budget. Following the hearing, the Commission will certify the budget to the Metro Council for adoption and may provide recommendations to the Metro Council regarding any aspect of the budget.
3. **Anticipated Effects** – Adoption of this Resolution will put into effect the annual FY 2017-18 budget, effective July 1, 2017.
4. **Budget Impacts** – The total amount of the proposed FY 2017-18 annual budget is \$567,677,623 and 865.71 FTE.

**RECOMMENDED ACTION**

The Chief Operating Officer recommends adoption of Resolution No. 17-4769

Agenda Item No. 6.1

**Ordinance No. 17-1397**, For the Purpose of Addressing State Rule Requirements Regarding the Amount of Urban Reserves and the Balance of Urban and Rural Reserves in the Metro Region

*Ordinances (Second Read)*

Metro Council Meeting  
Thursday, April 13, 2017  
Metro Regional Center, Council Chamber

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF ADDRESSING	)	Ordinance No. 17-1397
STATE RULE REQUIREMENTS	)	
REGARDING THE AMOUNT OF URBAN	)	Introduced by Chief Operating Officer
RESERVES AND THE BALANCE OF	)	Martha Bennett in concurrence with
URBAN AND RURAL RESERVES IN THE	)	Council President Tom Hughes
METRO REGION	)	

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, in 2016 the Metro Council addressed the remand issues arising out of Clackamas County via Ordinance No. 16-1368, which adopted findings concluding that the urban reserve study areas identified as areas 4A, 4B, 4C, and 4D (generally referred to as “Stafford”) were correctly designated as urban reserve areas; and

WHEREAS, Metro now must adopt findings addressing two state rule requirements that apply to the designation of urban and rural reserves across the entire region, in light of (a) the Metro Council’s adoption of newer regional urban growth projections in the 2014 Urban Growth Report, and (b) the reduction of urban reserve acreage in Washington County via HB 4078; and

WHEREAS, Metro held public hearings on March 2, 2017 and March 16, 2017 at which the Metro Council accepted testimony regarding the urban and rural reserve designations in the Metro Region; and

WHEREAS, the Metro Council has reviewed the staff report, the testimony submitted by interested parties, and all other materials in the record, and now concludes that (a) the amount of existing urban reserves in the region is sufficient to accommodate urban growth in the region for ~~between 40 and~~ 50 years after 2015, and (b) the balance in the designation of urban and rural reserves across the region best achieves the goals of creating livable communities while protecting farms, forests, and natural landscape features; now therefore,

THE METRO COUNCIL ORDAINS AS FOLLOWS:

1. The Findings of Fact and Conclusions of Law in Exhibit A, attached and incorporated into this ordinance, explain how the urban and rural reserve designations adopted in 2011 by Metro Ordinance No. 11-1255, as modified by the 2014 Oregon legislature in House Bill 4078, are consistent with state law.
2. The prior record of proceedings before the Metro Council in Ordinance No. 16-1368 is hereby adopted and incorporated as part of the record in this proceeding.

ADOPTED by the Metro Council this 13<sup>th</sup> day of April 2017.

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Tom Hughes, Council President

Attest:

Approved as to Form:

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Nellie Papsdorf, Recording Secretary

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Alison R. Kean, Metro Attorney



## **Exhibit A to Ordinance No. 17-1397**

The findings set forth below include the supplemental findings of the Metro Council arising out of this proceeding regarding the amount of urban reserves and region-wide balance of urban and rural reserves under applicable state rules. The findings below will replace Section V of the findings adopted by the Metro Council in Ordinance No. 16-1368.

### **V. SUPPLEMENTAL FINDINGS REGARDING 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 (a) the Metro Council's adoption of the current Urban Growth Report in 2015, and (b) the Oregon Legislature's enactment of House Bill 4078.

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 the northern and southern portions of the 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, added an additional 1,178 acres of urban reserves to the UGB, and made other revisions to the reserves map in Washington County.

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 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 approximately 2,015 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 state acknowledgement of the 2,015 acres of 2011 UGB expansions in order to provide certainty to the cities regarding their ability to urbanize those expansion areas. In addition to acknowledging the UGB expansion areas already approved by Metro, House Bill 4078 included the following changes to the reserves map in Washington County:

- Converted 2,449 acres of urban reserves to rural and undesignated
- Converted 417 acres from rural reserve to urban reserve
- Converted 883 acres of undesignated areas to rural reserve
- Added 1,178 acres of urban reserve to the UGB

In the final accounting, HB 4078 resulted in the net reduction of 3,210 acres of urban reserves below the amount remaining after Metro's 2011 UGB expansion. The remaining acreage of urban reserves in the Metro region is now 23,031.

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.

Regarding the requirement for a 40 to 50 year supply of urban reserves, the applicable state rule requires Metro’s estimate of the projected long-range need for urban reserve acreage to be based on the analysis in Metro’s most recent Urban Growth Report (UGR). The projected need for urban reserves adopted by Metro and the counties in 2011 was based on the regional growth forecast set forth in Metro’s 2009 UGR. Since that time, in 2015 the Metro Council adopted the current 2014 UGR, which provides the current residential and employment growth projections for the region.

The findings below address the status of existing urban reserve acreage in light of the newer growth projections in the 2014 UGR, as well as the impact of HB 4078 on both the amount of urban reserves and the regionwide balance of urban and rural reserves under the “best achieves” standard.

#### **A. Amount of Land Designated Urban Reserve in the Metro Region**

The state rules governing the designation of urban and rural reserves require that the amount of land designated as urban reserves must be planned to accommodate estimated urban population and employment growth in the Metro region for between 20 and 30 years beyond the 20-year period for which Metro has demonstrated a buildable land supply inside the UGB in its most recent Urban Growth Report. OAR 660-027-0040(2). The Metro Council adopted the current 2014 UGR via Ordinance No. 15-1361 on November 12, 2015.

In order to update the 50-year need analysis for urban reserves to 2065 by applying the most current growth projections, Metro planning staff prepared a memorandum dated February 22, 2017, which was attached to the staff report for Metro’s public hearing on March 2, 2017. That memorandum provides an updated assessment of potential long-term demand for urban reserves, and concludes that the existing amount of urban reserves, combined with buildable land already inside the UGB, can provide a sufficient amount of land to accommodate expected urban growth.

Specifically, the staff memorandum includes an analysis of projected long-term need for residential and employment land, and concludes that the existing 23,031 acres of urban reserves can reasonably be expected to accommodate projected household and employment growth over the next 40 to 50 years. The staff analysis forecasts a potential need for 24,827 acres of urban reserves by 2065. Only for demonstrative purposes of placing that acreage in perspective on a 50-year planning horizon, assuming that an equal amount of urban reserve acreage is converted annually over 50 years, the existing 23,031 acres of urban reserves would provide a 46-year supply of land for urban growth in the Metro region. However, for the reasons described above in Section IV of these findings regarding more efficient use of land, including the likelihood of

land developing at densities of higher than 10 dwelling units per net developable acre, the Metro Council finds that the existing 23,031 acres of urban reserves are intended to provide a supply of land for 50 years from the date of adoption of the 2014 UGR in 2015.

As explained in the staff memo, any prediction about how much land will be required for urban growth in the region over a 50-year planning horizon is necessarily a rough estimate. The nature of this exercise requires Metro to predict what growth and development trends might look like over the next 50 years, based on the available data. State law does not provide any particular formula or methodology for estimating the future need for urban reserves. As explained by LCDC in its 2012 order regarding Metro's compliance with the requirement to provide a 40 to 50-year supply of urban reserves, the statutes and rules provide Metro "a substantial degree of discretion concerning ... the methods and policy considerations that Metro uses to project future population and employment." (LCDC Compliance Acknowledgment Order 12-ACK-001819, page 26).

The 50-year regional growth estimate provided in the February 22, 2017 Metro staff memorandum is based on the analysis and projections in the 2014 UGR. The UGR forecast is then subjected to a series of predictions about what will happen in the future, based on multiple levels of assumptions regarding an array of factors that affect how much residential and employment growth might be expected in the region, such as capture rate, vacancy rate, and projected share of single-family and multifamily housing types. Minor changes in the underlying assumptions regarding these factors will necessarily change the results.

The Metro Council also notes that the intergovernmental agreements between Metro and each of the three counties regarding the designation of reserves provide for a review of existing urban reserves in each county 20 years after the date of adoption, or sooner if agreed to by Metro and all three counties. Therefore, the adequacy of the amount of land designated for future urbanization can and will be revisited, and additional lands may be added if necessary, much sooner than 2065.

Based on the analysis and projections provided in the Metro staff memorandum dated February 22, 2017, the Metro Council concludes that the existing 23,031 acres of urban reserves across the region, combined with buildable land already inside the UGB, will provide a sufficient amount of land for urban growth in the region until 2065.

#### **B. Balance in the Designation of Reserves that "Best Achieves" Certain Goals**

Included among the state rules governing urban and rural reserves is a requirement that Metro and the counties must explain how the urban and rural reserve designations achieve the following objective:

"The objective of this division is a balance in the designation of urban and rural reserves that, in its entirety, best achieves livable communities, the viability and

vitality of the agricultural and forest industries and protection of the important natural landscape features that define the region for its residents.” OAR 660-027-0005(2).

During the proceedings before LCDC regarding its adoption of the remand order in 2015, some parties argued that the reduction in urban reserve acreage in Washington County via House Bill 4078 created a shift in the balance of urban reserves that implicates the “best achieves” standard. The following two sections of these findings address the application of the best achieves standard in light of HB 4078.

First, in adopting HB 4078 the legislature enacted a new statute that acknowledged the new balance of urban and rural reserves across the region as being in compliance with state law, and therefore a new analysis by Metro and the counties is not required. Second, in the event such an analysis is required, that standard is still met.

### **1. The “best achieves” rule is satisfied through HB 4078**

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, in the absence of any changes to the existing mapped acreage of urban and rural reserves in Clackamas County and Multnomah County, the existing balance of reserves across the region meets all applicable state requirements and there is no need for Metro to revisit the standards related to the “best achieves” requirement 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 reapply 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" rule 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.

## **2. The balance in the designation of reserves still achieves the stated goals**

The meaning and application of the "best achieves" rule was the subject of considerable debate in the appeals filed with LCDC in 2011 and with the Court of Appeals in 2012. Ultimately, in the *Barkers Five* opinion, the Court of Appeals agreed with the positions taken by LCDC and Metro

that the “best achieves” standard provides significant discretion to Metro and the counties, and is satisfied through their site-specific findings concerning the application of the urban and rural reserve factors. Specifically, the Court of Appeals identified and agreed with the following four legal premises regarding the application of the standard.

First, the best achieves standard is a qualitative standard, rather than a quantitative one. The court agreed with LCDC that the standard “is not a balance in terms of the quantitative *amount* of urban and rural reserve acreage, but a balance between encouraging further urban expansion versus land conservation.” The court explained that Metro and the counties are not required to justify a quantitative “balance” in the specific amount of acreage of urban reserves and rural reserves.

Second, the best achieves standard applies to Metro and the counties’ designation of reserves “in its entirety” and not to the designation of individual properties or areas as urban or rural reserves.

Third, the best achieves standard allows for a range of permissible designations, and not a single “best” outcome. The court agreed with LCDC and Metro that the standard does not require a ranking of alternative areas from worst to best. The court specifically rejected arguments presented by the cities of West Linn and Tualatin that the word “best” requires a comparative analysis that identifies a single highest-ranked designation.

Fourth, the court held that Metro and the counties must explain how the designation satisfies the best achieves standard through their findings concerning the application of the urban and rural reserve factors to specific areas. The court agreed with LCDC that there is a close relationship between the “factors” that Metro and the counties must consider for urban and rural reserve designations and the overall “best achieves” objective, and that the best achieves standard is satisfied through findings explaining why particular areas were chosen as urban or rural reserves.

Under the four legal premises stated by the Court of Appeals in *Barkers Five*, Metro and the counties have broad discretion in reaching a conclusion regarding whether the regionwide balance of urban and rural reserves achieves the identified objectives of creating livable communities while protecting farms, forest, and natural landscape features.

Some parties have argued that the reduction in urban reserve acreage in Washington County via House Bill 4078 inherently caused a shift in the “balance” of urban reserves that runs afoul of the best achieves standard. However, under the above-stated first premise of the Court of Appeals, that is incorrect. The court held that the best achieves standard does not require quantitative balancing of the specific amount of urban reserve acreage in one county or another. Thus, the reduction of urban reserves in Washington County by 3,210 acres does not inherently raise concerns under this standard.

Metro and the counties have adopted detailed findings regarding the consideration of all urban and rural reserve factors, explaining why particular areas were chosen as urban or rural reserves,

and explaining how the regional partners came to agree that the overall package of urban and rural reserves reflects a balance that best achieves the objectives of creating livable communities while protecting farms, forest, and natural landscape features. Those findings are consistent with the fourth premise identified by the Court of Appeals regarding compliance with the best achieves standard, and the findings continue to demonstrate that the objectives stated in the rule are being achieved through the selected designations.

Metro and the counties have also adopted detailed findings that explain why the urban and rural reserves adopted by the region satisfy the best achieves standard, which are set forth above in Section II of these findings. Those findings note that urban reserves, if and when added to the UGB, are likely to take some land from the farm and forest base. However, Metro and the counties also recognized that some of the same characteristics that make an area suitable for agriculture also make it suitable for livable communities under the best achieves standard, including mixed-use pedestrian and transit-supportive urban development, as well as industrial uses. For the reasons described below, the findings in Section II are still valid and are not impacted by the reduction of urban reserves in Washington County under House Bill 4078.

The designation by Metro and the counties of urban and rural reserves achieves the objectives required under the state rule, in part, by adopting 266,628 acres of rural reserves across the region that establish the long-term limits of urbanization in the Metro area. As described above, consistency with the “best achieves” standard does not require a quantitative balancing of the amount of rural and urban reserve acreage. However, the designation of a significant amount of rural reserve areas around the region, with the vast majority (248,796 acres) being foundation and important agricultural land, demonstrates the region’s commitment to achieving the objectives of ensuring viability and vitality of the agricultural and forest industries and corresponding protection of important natural landscape features. As described in the Court of Appeals opinion, LCDC’s intent when it created the best achieves standard was to provide another level of review specifically designed to protect foundation farmland in the region:

“[Commissioner Worrix] explained that the best achieves standard was seen as ‘the best solution’ for the agricultural industry that had expressed ‘a strong concern ... that there needed to be something that highlighted the importance of foundation land and gave them that little extra bit of scrutiny.’” *Barkers Five*, 261 Or App at 312.

Regarding important natural landscape features, the process associated with achieving a balance in the designation of urban and rural reserves also provided a significant amount of weight to the protection of natural features. Three of the urban reserve factors – (5), (7) and (8) – seek to direct urban development away from important natural landscape features, and away from farm and forest practices. This provides an example of the close relationship between the factors for urban and rural reserve designations and the “best achieves” objective (as described in the fourth premise adopted by the Court of Appeals), and demonstrates how the best achieves standard may



be satisfied through findings explaining why particular areas were chosen as urban or rural reserves. Similarly, the rules that apply to rural reserve designations include very specific directives regarding how natural landscape features must be reviewed and considered. OAR 660-027-0060(3). Section II of these findings includes a bullet-point list of areas where important natural landscape features are located that are protected with rural reserve designations.

Two of the three objectives that the best achieves standard requires to be balanced are primarily achieved through rural reserve designations: (a) protection of farm and forest and (b) protection of important natural resource features. The region's ability to achieve these two objectives through rural reserve designations is not impacted by the reduction of urban reserve acreage that occurred via House Bill 4078. In fact, that legislation enhanced the region's ability to achieve those two standards by adding approximately 2,780 acres of new rural reserves in Washington County, all of which is foundation agricultural land.

The third objective that must be balanced as part of the best achieves analysis is "livable communities." This objective is primarily achieved by designating areas across the region that will be the best locations to build "great communities" through application of the urban reserve factors. As discussed in Section II of these findings, great communities are those that offer residents a range of housing types and transportation modes from which to choose. To that end, urban reserve factors (1), (3), (4) and (6) are aimed at identifying lands that can be developed in a compact, mixed-use, walkable and transit-oriented pattern, supported by efficient and cost-effective services.

The reduction of urban reserves in Washington County by 3,210 acres does not impact the region's ability to build livable communities across the region over the next 40 to 50 years. The quantitative aspect of urban reserve planning is addressed by the rule discussed above that requires sufficient acreage for up to 50 years of urban growth. Meanwhile, the directive of the best achieves standard to provide livable communities is aimed at designating highest *quality* of locations that can provide a range of housing types and transportation modes, as well as efficient public services. As discussed above, the existing urban reserve acreage in the region still provides a sufficient amount of land for urban growth over the next 40 to 50 years. The fact that House Bill 4078 reduced the amount of urban reserves from 26,241 to 23,031 acres has no effect on the region's ability to plan and build livable communities on those 23,031 acres over the next several decades. Therefore, the balance in the designation of urban and rural reserves, in its entirety, still achieves the goals of providing livable communities, viability and vitality of farm and forest industries, and the protection of important natural landscape features that define the region.

In 2011, the region concluded, acting together, that the agreed-upon urban and rural reserve designations provide a balance that achieves the objectives of building livable communities while protecting farms, forests, and natural features. The findings adopted by Metro and the counties support a conclusion that the best achieves standard has been met, and that conclusion is

not impacted by the changes to urban and rural reserve acreage that occurred via House Bill 4078.

### **C. Responses to Issues Raised by Opponents**

During the proceedings leading up to the Metro Council's adoption of Ordinance No. 17-1397, several parties submitted testimony raising legal issues regarding the Metro staff analysis set forth in the February 22, 2017 memorandum to the Metro Council concerning the amount of urban reserves remaining in the region. Responses to these arguments are provided in the Metro staff memorandum dated March 23, 2017, which is included in the record and hereby incorporated as part of these findings.

A common theme in letters submitted by attorneys for the Maletis Brothers and Barkers Five, LLC arises out of Metro's reliance on the 2014 UGR for purposes of determining whether the amount of urban reserves is sufficient to provide a 40 to 50 year supply of urbanizable land. These parties contend that the 2014 UGR is flawed for various reasons and therefore does not provide an adequate basis to forecast the future need for residential and employment land between now and 2065.

A fundamental problem with arguments about the adequacy of the future growth projections in the 2014 UGR is that those projections were developed through a multi-year and extensively peer-reviewed process culminating in adoption of the 2014 UGR by the Metro Council via Ordinance No. 15-1361. That decision was not appealed by any party, and therefore the UGR is acknowledged by LCDC as providing a legally valid forecast that is in compliance with all state requirements. To the extent that opponents are attempting to challenge the adequacy of the assumptions and projections in the adopted and acknowledged 2014 UGR, those arguments are impermissible collateral attacks. The applicable rule establishing the requirement for a 40 to 50 year supply of urbanizable land does not require Metro to generate a new UGR for purposes of estimating the future need for urban reserves. Rather, it directs Metro to rely on the land supply analysis in the most recently adopted 2014 UGR, which is exactly what Metro has done.

Many of the staff responses in the memorandum dated March 23, 2017 to issues raised by counsel for the Maletis Brothers also apply to issues raised by counsel for Barkers Five, LLC in a letter dated March 23, 2017. Nearly all of the issues raised by Barkers Five are based on arguments regarding why they believe the 2014 UGR is not accurate. As addressed above, Metro is entitled to rely on the adopted and acknowledged 2014 UGR forecast and to apply that forecast to the urban reserve analysis. Responses to specific issues raised by counsel for Barkers Five, LLC are included in a separate memorandum from Metro staff dated April 6, 2017, which is included in the record and hereby incorporated as part of these findings.

## **SUPPLEMENTAL STAFF REPORT**

### **IN CONSIDERATION OF ORDINANCE NO. 17-1397 FOR THE PURPOSE OF ADDRESSING STATE RULE REQUIREMENTS REGARDING THE AMOUNT OF URBAN RESERVES AND THE BALANCE OF URBAN AND RURAL RESERVES IN THE METRO REGION**

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Date: April 6, 2017

Prepared by: Roger Alfred, Senior Assistant Attorney

#### **PROPOSED ACTION**

Adoption of Ordinance No. 17-1397 including supplemental findings addressing two state rule requirements that apply to the amount of urban reserves regionwide and to the “balance” of urban and rural reserve designations, in light of the Oregon legislature’s reduction of urban reserve acreage in 2014 via House Bill 4078, and the Metro Council’s adoption of the most recent Urban Growth Report.

#### **BACKGROUND**

This staff report supplements the prior staff report dated February 23, 2017. The Metro Council held public hearings on March 2, 2017 and March 16, 2017. At the close of the March 16, 2017 public hearing the Council held the record open for additional written submittals until March 23, 2017. A considerable amount of oral and written testimony has been submitted, much of it related to existing rural reserve designations in Multnomah County. Metro staff prepared a memorandum dated March 23, 2017 responding to issues that had been raised by the date of the second hearing. On March 23, 2017, the date the record was closed, Metro received a letter from the Jordan Ramis law firm on behalf of Barkers Five, LLC with accompanying exhibits. That letter raises issues regarding the Metro staff analysis of the sufficiency of existing urban reserves to provide a 50-year supply of urbanizable land.

In response to the letter from Jordan Ramis, Metro staff prepared a memorandum dated April 6, 2017 that addresses relevant concerns. That memorandum is Attachment 1 to this staff report. Staff has also prepared a revised set of supplemental findings (Exhibit A to the Ordinance), which are included in the Council packet. The revised findings are nearly identical to the draft findings that were provided to the Council for the March 16 hearing, with the primary change being the addition of a new Section C at the end, which incorporates the April 6 staff memorandum and provides other findings in response to issues raised by opponents in the public hearings and during the open record period.

#### **PROPOSED FINDINGS**

Staff has provided a set of proposed supplemental findings. 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 and in 2016 regarding the remand from the Court of Appeals of urban reserve designations in the Stafford area. The supplemental findings will replace Section V of the previous findings from 2016 addressing issues regarding the 50-year supply of urban reserves and the regionwide balance of urban and rural reserves. In adopting Ordinance No. 17-1397 the Council will re-adopt the entire set of findings that were adopted in 2016, with the new Section V included in that document.

## **RECOMMENDED ACTION**

Staff recommends adoption of Ordinance No. 16-1368. As described in the proposed findings, staff's analysis of the evidence in the record supports the conclusion reached by Metro staff in the February 22, 2017 that there is a sufficient amount of urban reserves to provide a 50-year supply, and supports the conclusion that the regionwide balance of urban and rural reserves best achieve the goals of creating livable communities while protecting farms, forests and important natural landscape features.

# Memo

Date: April 6, 2017  
To: Metro Council  
From: Ted Reid, Principal Regional Planner  
Roger Alfred, Senior Assistant Attorney  
Subject: Urban and rural reserves – Metro Planning and Development staff response to letter from Mr. Peter Watts

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This memorandum provides the Metro staff response to a letter submitted by Peter Watts of the Jordan Ramis law firm on March 23, 2017 regarding the sufficiency of the amount of land designated as Urban Reserve in the Metro region. Because the evidentiary record closed on March 23, 2017, this memorandum does not include any new evidence, but only staff comments regarding the arguments and exhibits submitted by Mr. Watts.

First, Mr. Watts contends that it is “unreasonable” for Metro staff to rely on the 2014 UGR for purposes of forecasting the 40 to 50 year need for urban reserves in the Metro region because the 2014 UGR analysis is overly influenced by the recession and “does not represent the current market reality.” As previously described in the Metro staff memorandum dated March 23, 2017, the applicable state rule regarding forecasting the amount of land needed for urban reserves directs Metro to base its analysis on the most recent UGR, and does not require Metro to undertake a new buildable lands analysis under ORS 197.296 in order to project future need for residential and employment land between now and 2065. The 2014 UGR was adopted by Metro Council ordinance in 2015 and acknowledged by LCDC; therefore, its conclusions are not subject to challenge in this proceeding.

In support of his arguments, Mr. Watts first points to census data from 2014 to 2016 regarding housing permits issued in the Portland-Vancouver-Hillsboro Metropolitan Statistical Area (MSA) to argue that the percentage of single family homes constructed in the last three years exceeds Metro’s projection in the 2014 UGR that 36% of new housing units would be single family. Mr. Watts also cites a 2016 Housing Market Analysis prepared by the Department of Housing and Urban Development (HUD), and argues that the HUD analysis predicts that 58% of future demand will be for single family homes, which is 22% more than predicted in the UGR.

The primary error in these arguments is that both the census report and the HUD forecast are based on data and estimates for the entire seven-county MSA, which includes Columbia County, Yamhill County, Skamania County, and Clark County. Meanwhile, the housing mix described in the 2014 UGR is limited to the area defined by the Metro UGB, and does not consider the entire seven-county region. It is not surprising that there will be higher demand for, and development of, single family homes in less densely urbanized locations such as Canby,

Vancouver, Newberg, St. Helens and Stevenson than within the Metro UGB. Comparing the census data and HUD seven-county forecast to the 2014 UGR is not comparing apples to apples.

Further, the cited figures from the seven-county HUD forecast are based exclusively on housing tenure (sales vs. rentals) as opposed to the UGR, which translates tenure into actual housing type (single family vs. multifamily). Therefore, the comparatively higher number of “single family homes” that are predicted by HUD includes condominiums, which are considered multifamily dwellings rather than single family for purposes of the UGR.

The remainder of the letter from Mr. Watts includes paragraphs (a) through (g) raising additional issues with the 2014 UGR projections. Each of those paragraphs is addressed below.

- a. Mr. Watts incorrectly asserts that the staff analysis regarding future urban reserve acreage is somehow related to estimated growth in Skamania County. That county is part of the federally defined seven-county MSA for which detailed census data are available and are relied upon by Metro as the starting point for its forecasts of population and job growth in the Metro area. However, the seven-county forecasts are then pared down through the application of a market-based land and transportation computer model that is used to determine what percentage of the new jobs and households expected in the seven-county MSA are likely to locate within the Metro UGB. This “capture rate” was approximately 72% in the 2014 UGR. Neither the UGR nor the February 22, 2017 urban reserve assessment by Metro staff include any projections regarding what particular amount of growth will occur in Skamania or any of the other counties that are not part of the Metro area. To the extent Mr. Watts is challenging the capture rate for the Metro area as applied in the 2014 UGR, that decision has been adopted and acknowledged and Metro may properly rely upon it.
- b. Mr. Watts challenges the application of a four percent vacancy rate in the February 22, 2017 urban reserve assessment. In that analysis, Metro staff applied the same four percent vacancy rate that was applied in the 2014 UGR. Mr. Watts asserts that “no county in the seven county region achieved even a 5% vacancy rate, let alone a 4% vacancy rate per the 2000 and 2010 census,” but provides no evidence to support that assertion. However, Mr. Watts did submit evidence to the contrary in the HUD report addressed above, which states on page one that the owner-occupied vacancy rate in the seven-county housing market area is one percent and the rental housing vacancy rate is 2.9%. Thus, based on the evidence provided by Mr. Watts, the 4% rate assumed by Metro staff might be considered too high. However, no particular vacancy rate is required for purposes of the urban reserve assessment and Metro may properly rely on the same vacancy rate estimate that was applied in the 2014 UGR.
- c. Mr. Watts asserts that Metro staff’s assumption in the urban reserve assessment that 45% of gross urban reserve acreage will be net developable acres is too high, pointing to net developable areas in South Hillsboro, North Bethany, South Cooper Mountain and the Stafford Basin. Regarding South Hillsboro, the page cited by Mr. Watts in the South Hillsboro Community Plan provides a figure for net developable acres of 649 but does not

provide the gross acreage for the entire plan area. However, page three of the Community Plan describes the plan area as containing approximately 1,400 acres, which equates to 46% net developable acres. Similarly, Mr. Watts describes North Bethany as having 237 net developable acres out of 691 gross acres, but the page he cites in the Washington County materials that he submitted as an exhibit does not reflect those figures. Rather, those materials consistently refer to 326 net developable acres. Assuming that the 691 gross acre figure is correct, 326 acres out of 691 equates to 47% net developable acres. Mr. Watts also cites South Cooper Mountain where the net-to-gross acreage was 237/544, which equates to 43.6% buildable land, or only 1.4% less than the 45% assumed by Metro staff in the urban reserve assessment.

The reliance by Mr. Watts on the concept plan materials he submitted regarding the Stafford Basin is similarly puzzling. His letter states that only 1,000 out of 4,700 acres were deemed buildable; however page 5 of the plan document states the following: "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." Based on this statement, net buildable acreage in the Stafford Basin would be 46.5% of the gross acreage. To be fair, we know that the three urban reserve areas at issue (4A, 4B and 4C) actually do contain approximately 4,700 acres. Assuming that the Stafford Basin concept plan materials are correct regarding the basin containing 2,000 acres of net buildable land (which is questionable since it appears to have considered only a 4,300 acre plan area rather than a 4,700 acre area), that would equate to 42.5% net buildable land.

These four examples, which all fall within about two percentage points of 45% (two of the examples are higher), validate Metro staff's decision to apply an assumption that 45% of urban reserve land will be buildable.

- d. Mr. Watts points to existing urban reserve areas that are located east and south of the former City of Damascus and contends that those areas "are no longer viable as urban reserves" because water and sewer services cannot be easily provided and they are unlikely to be annexed by Gresham or Happy Valley. When these urban reserve areas were designated in 2010, they were adjacent to the UGB and the City of Damascus. While the disincorporation of that city might make it more challenging for these areas to be urbanized in the future, they remain designated as urban reserves and Metro cannot disregard their existence for purposes of undertaking the analysis required under OAR 660-027-0040(2). Further, even if Mr. Watts is correct that the City of Gresham is currently not interested in annexing into Clackamas County, there is no reason to believe that the city's current political position will never change over the course of a 50-year planning horizon.
- e. Mr. Watts asserts that the Metro staff assumption of 10 dwelling units per acre in the February 22, 2017 urban reserve assessment is too high, citing a prior agreement regarding future density in the Stafford area; however, no such agreement has been submitted as evidentiary support for this statement. Assuming that portions of Stafford urban reserves are brought into the UGB at some point in the future, future development and density in

those areas will be based on concept plans prepared by a city with plans to annex the area, in conjunction with Metro and Clackamas County. The same is true for the Advance Road urban reserve area adjacent to the City of Wilsonville.

- f. Mr. Watts asserts that the Metro staff assumption of 10 dwelling units per acre in the urban reserve assessment is unlikely, and actual density in future urban areas will be lower. As examples, Mr. Watts cites a recent UGB expansion in the City of Lafayette with a density of six units per acre, as well as suburban locations and smaller cities in Clark County, Washington. It is entirely possible, and not at all surprising, that development is occurring at lower densities outside of the Metro UGB in Washington. Metro has no jurisdiction over those decisions. In the Metro region, cities and counties are subject to DLCD's Metropolitan Housing Rule, which requires higher densities. In fact, that rule requires an overall density of 10 units per acre in Multnomah County, Portland, Gresham, Beaverton, Hillsboro, Lake Oswego and Tigard. The Metro Council has the authority to place conditions of approval, including expectations for housing numbers and densities, on UGB expansions. For instance, the 2011 Metro Council ordinance expanding the UGB into South Hillsboro and South Cooper Mountain included conditions resulting in densities in the range of 10 to 15 units per net developable acre, as referenced in Metro staff's February 22, 2017 assessment.

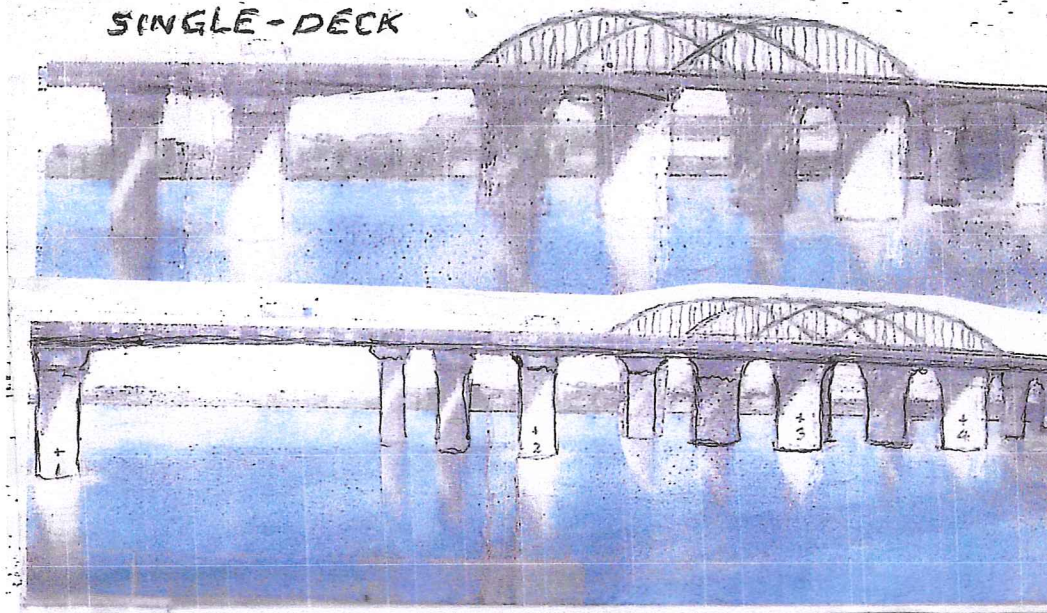
Mr. Watts asserts that Metro is ascribing 28 percent of future growth to the four counties outside of the Metro UGB and asserts that those counties (Yamhill, Skamania, Columbia and Clark counties) cannot be expected to take on that much growth. We believe that Mr. Watts is referencing the 28 percent of total seven-county growth that is not "captured" in the Metro UGB per the 2014 UGR's analysis (72 percent is the forecast Metro UGB capture rate). The premise of this argument is incorrect because the 72 percent capture rate applies to projected growth inside the Metro UGB, not inside the boundaries of the three counties included in the Metro UGB. There are many other cities located within Washington, Clackamas and Multnomah counties where future growth will occur that are not within the Metro UGB. It is incorrect to say that all growth not captured within the Metro UGB will occur in the other four counties; therefore, that number would actually be much smaller than 28 percent. In any event, the capture rate forecast is based on the best available information and results from Metro's land use model – Metro's job is to predict how much growth will occur within the Metro UGB, not to forecast growth in Yamhill, Skamania, Columbia and Clark counties.

- g. Mr. Watts states that the population growth estimates for the region are too low, pointing to estimates released in 2015 from the U.S. Census Bureau. The Metro staff estimates are based on the population forecast in the 2014 UGR that was adopted by the Metro Council and acknowledged by LCDC. The population forecast in the 2014 UGR is derived from the most recent U.S. Census data available at the time, in the 2010 census. As described above, the urban reserve rules do not require Metro to undertake a new UGR analysis under ORS 197.296 and corresponding population forecast for purposes of estimating the current sufficiency of urban reserves. Rather, Metro is correctly relying on the projections set forth in the adopted and acknowledged 2014 UGR.

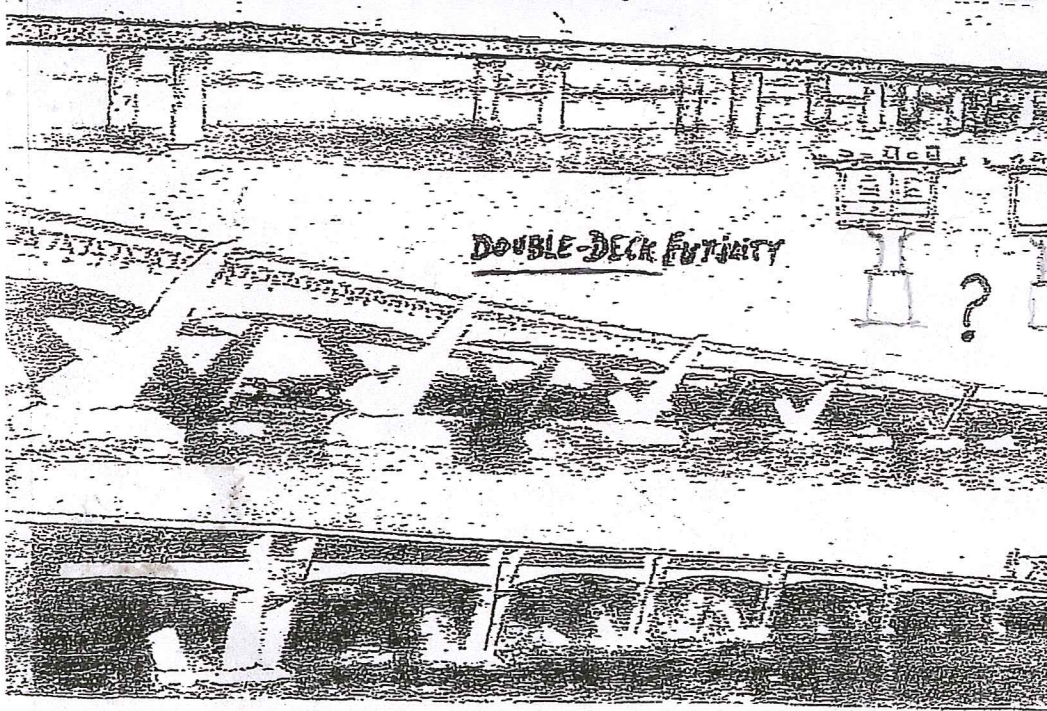


Materials following this page were distributed at the meeting.

the "GEMSTONE BRIDGE"  
SINGLE-DECK



DOUBLE-DECK FUTURITY



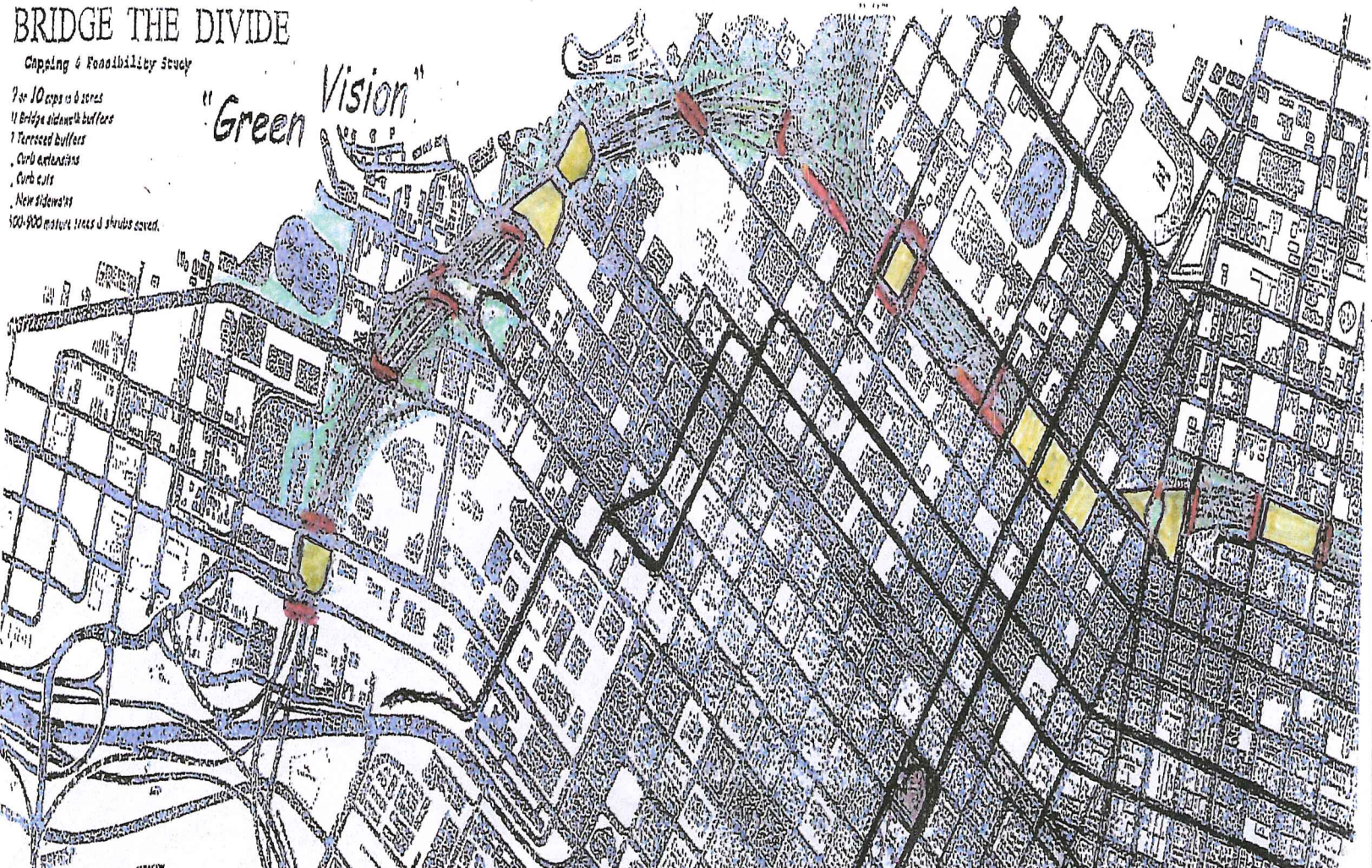


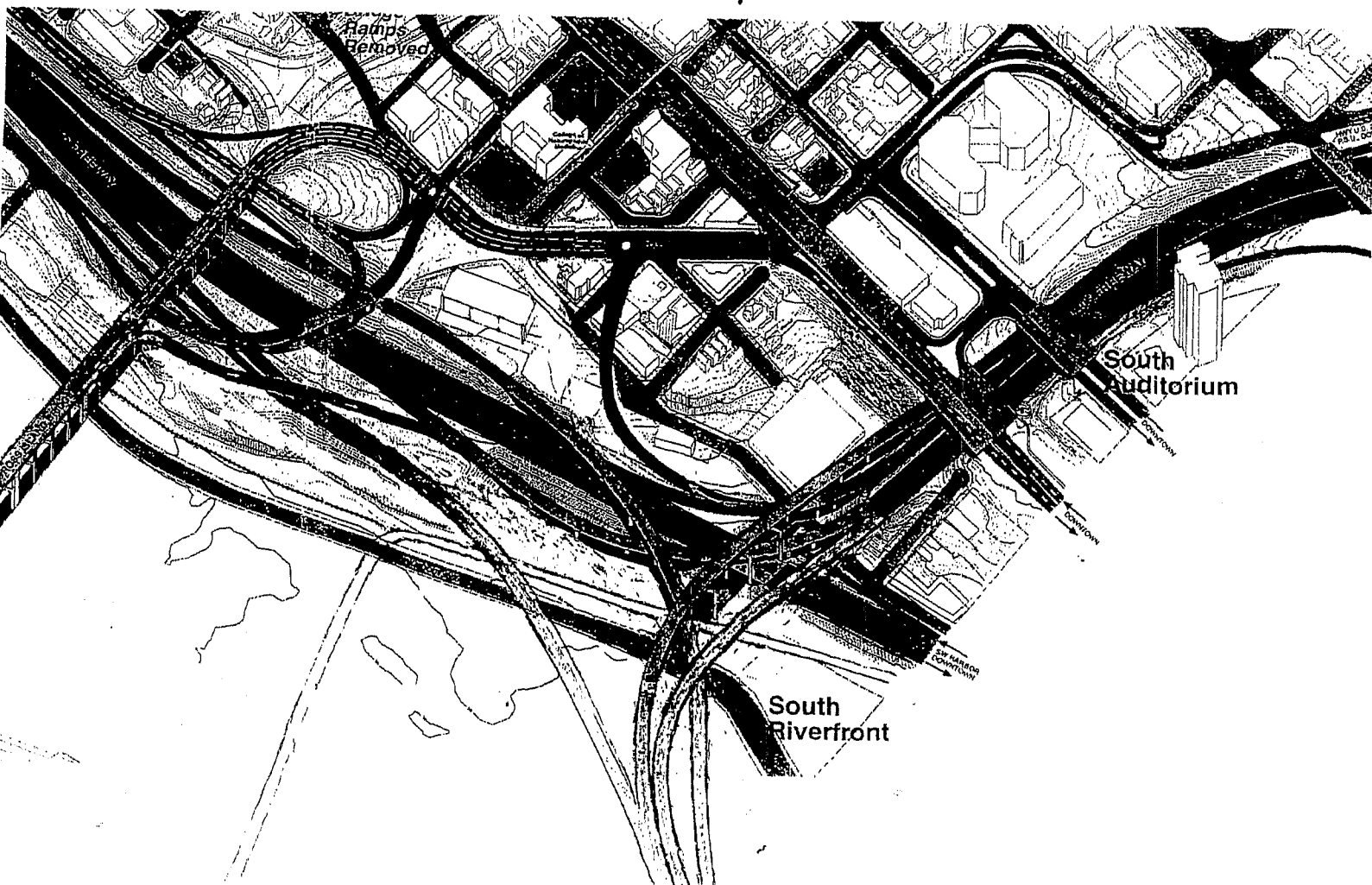
# BRIDGE THE DIVIDE

Capping & Feasibility Study

- 7+ 10' c/s in 6' streets
- 11 Bridge sidewalk buffers
- 7 Terraced buffers
- Curb extensions
- Curb cuts
- New sidewalks
- 100-900 mature trees & shrubs saved.

"Green Vision"







# Resolution 17-4791: 2019-21 Regional Flexible Funds Allocation

Dan Kaempff - Metro

Presentation to Metro Council

April 13, 2017

# Amends Resolution 16-4756

- Previously adopted by Council on February 2, 2017; allocated \$33.15 million to freight and active transportation
- Left open the question of funding Gresham's Cleveland St or Division St projects
- JPACT requested additional time to consider, make recommendation to Council

# JPACT discussion

- Division St. seen as regional priority
  - Key element of Division Transit Project
  - Designated high crash arterial
- Cleveland St. identified as subregional priority
  - Higher technical score than Division

# Compromise

- Gresham offered \$2 million in local SDC funds to build Division St. in exchange for fully-funded Cleveland St. (\$3,141,156 RFFA funds)
- Gresham and Metro have until Jan. 1, 2018 to agree to terms via IGA, outlined in Amended RFFA Conditions of Approval (Exhibit D)



# Conditions of approval

- \$2 million Gresham SDC contribution to Division St.
- Agreement to work with regional partners to close funding gap (~\$1.4 million)
- Division St. project schedule agreed to by City and Metro; key project elements completed in 2019-21
- IGA terms must be agreed to by January 1, 2018 and prior to funding obligation for Cleveland St.
- JPACT and Council have option to remove funding for Cleveland St. if terms are not fulfilled

# JPACT recommendation

- JPACT agreed to these conditions at March 16 meeting
- Amends 16-4756; updates Exhibits A and D
- Completes allocation of 2019-21 Regional Flexible Funds



Metro

# 2040 Planning and Development Grants Cycle 5

Metro Council Meeting

April 13, 2017

# Program Background



- Initiated in 2006 to fund concept planning in urban growth boundary expansion areas
- Evolved over time to also include grants for planning within the urban growth boundary
- Nearly \$20 million has funded 58 projects to facilitate development and promote livability
- \$575,000 was awarded to six projects in 2016 to advance the development of equitable housing
- In 2016 auditor recommended clarifications program focus and help achieve regional goals



# Fifth Cycle of Grants Slated for 2017

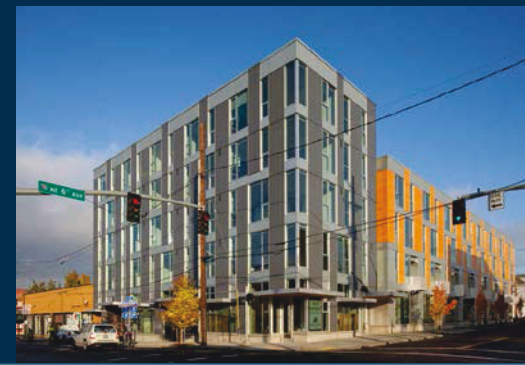


- **Initiating customer service improvements**
- **Administrative revisions to increase program effectiveness and efficiency**
- **Changing economic and development dynamics in the region call for new policy approaches**
- **Opportunity for small course corrections with potential for high long term impact**





# Customer Service Improvements



## PREVIOUS CYCLES

- A. Grant awards every two years
- B. Four pages of technically complex grant criteria
- C. Need examples of successful applications
- D. Written feedback on draft applications from Metro staff

## CYCLE 5

- Implement user-friendly online application
- New shift to annual grant cycles for all types of applications
- Consolidated to 1 page of criteria applicable to all project types
- Refined processes and clarified definition of eligible project types
- Providing sample project approaches for each project type
- Sharing grant project lessons learned will help inform future applications
- Provide face to face pre-application conference early in the process.



# Program Administration and Performance Improvements



## PREVIOUS CYCLES

- A. Application process not aligned with local jurisdictions' budget processes**
- B. Final project scopes did not uniformly align with original grant awards or regional development goals**
- C. Significant staff time spent administering IGA amendments**
- D. Procurement effort and timeliness is inefficient, especially burdensome for small cities**

## CYCLE 5

- Launch Cycle 5 in April 2017**
- Consultant teams, scopes of work, and project schedules will be finalized prior to executing project IGAs**
- Metro will conduct a cooperative flexible services procurement to develop qualified list of planning and development consultants available to all local jurisdictions**

# Metro Council Policy Emphasis



## PREVIOUS CYCLES

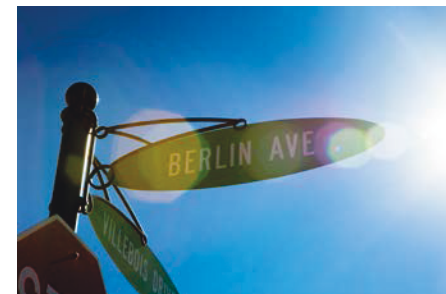
**A. Focus on concept plans for areas new to UGB.**

**B. Emphasize equitable housing in special grant allocation process**

**C. Assist local jurisdictions with creative solutions to community development issues that accomplish the 2040 Vision**

## CYCLE 5

- **Align concept plan emphasis with updated Growth Management process**
- **Emphasize equitable outcomes for all applications of all project types.**
- **Funding targets prioritize projects with specific emphasis on equitable development outcomes**
- **Continue to encourage equitable housing innovation as a key project type**
- **Continue to make important investments in station areas, downtowns, and employment areas**





# Next Steps in 2017



April 17	Application materials available on line
April 18 - May 25	Pre-application conferences available
May 26	Letters of intent due
June 30	Full applications due
July - Sept.	Screening Committee Review
Sept.- Oct.	Council finalizes grant awards
2018	Project implementation
Ongoing	Sharing of project outcomes





Metro



# Proposed Budget

FY 2017-18



Metro

# Overview

- Budget message
- Budget by the numbers
- Office of Metro Auditor
- Moving the budget forward
- Public Hearing

# Budget message

## Budget Focus

Continue to deliver high quality public services

Diversity, Equity and Inclusion

Tackle financial headwinds

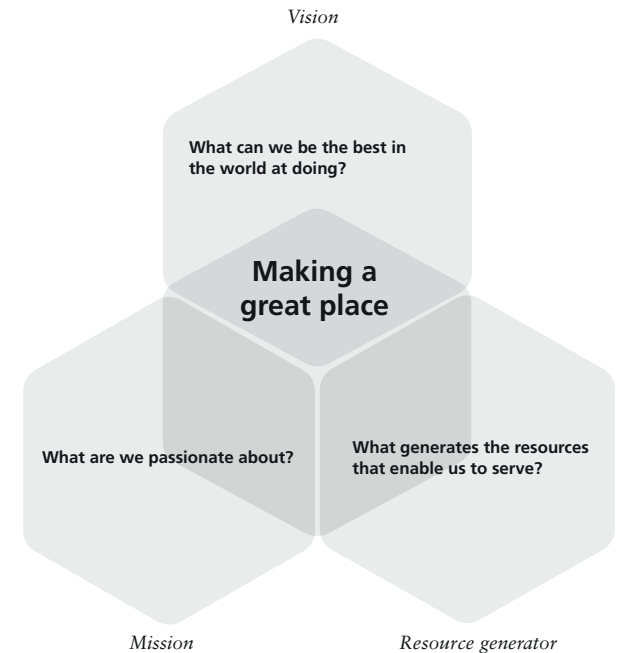
Invest in agency infrastructure

# Decision-making tools

- 6 desired regional outcomes

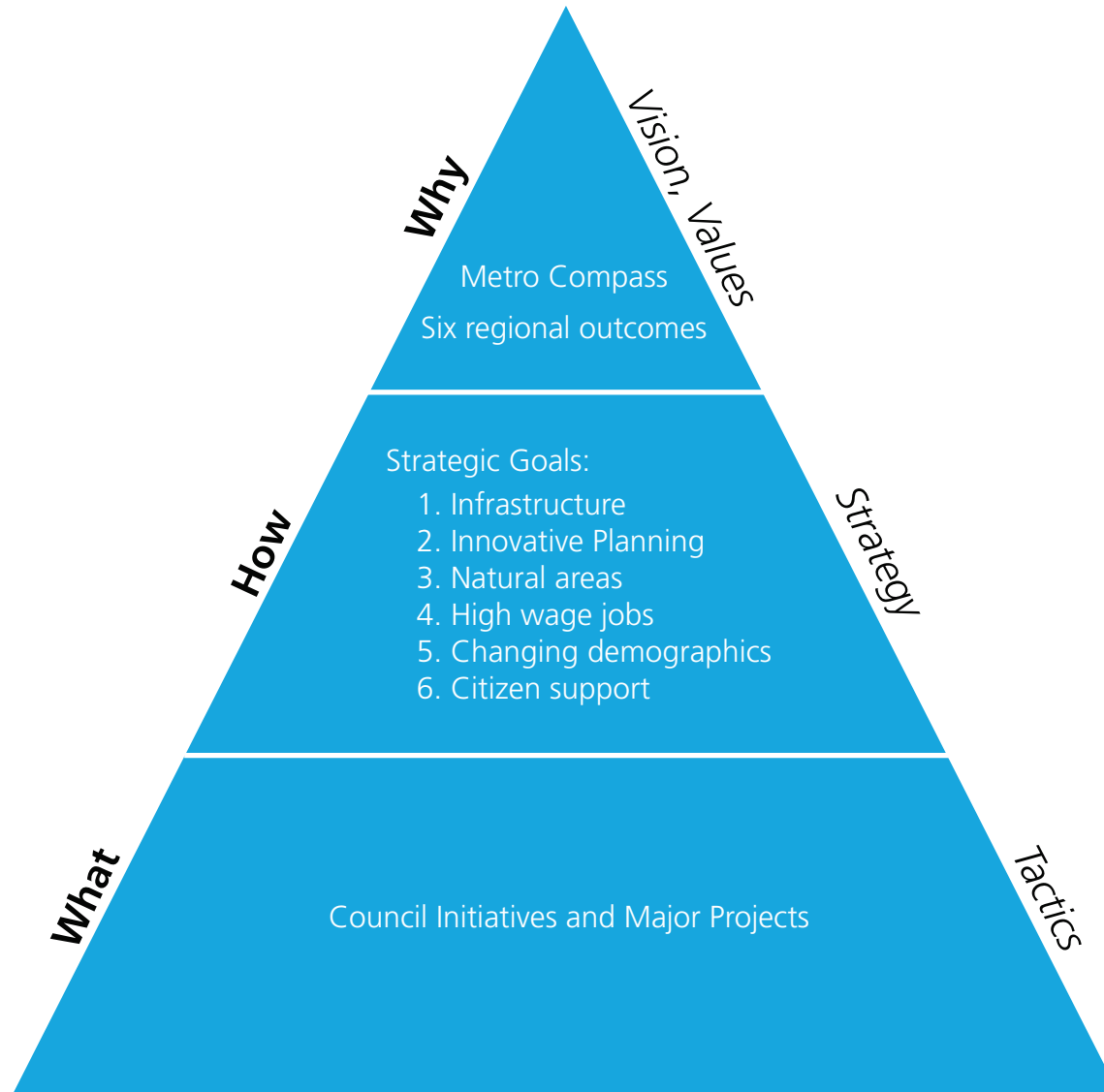


- Metro Compass



- Guidance from Council work session
- Department mission-critical plans

# Decision-making tools

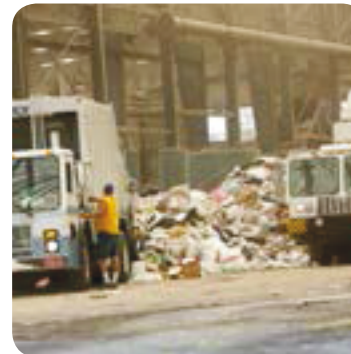


# What the budget looks like

	<b>FY 2016-17 Amended Budget</b>	<b>FY 2017-18 Proposed Budget</b>	<b>% Change</b>
<b>Operating Funds</b>	\$400,000,000	\$428,800,000	7%
<b>Bond/Capital Funds</b>	\$107,800,000	\$80,700,000	(25%)
<b>Debt Service Funds</b>	\$119,600,000	\$48,500,000	(59%)
<b>Other Funds</b>	\$11,900,000	\$9,800,000	(18%)
<b>Total All Funds</b>	<b>\$639,300,000</b>	<b>\$567,800,000</b>	<b>(11%)</b>
<b>FTE</b>	<b>860.66</b>	<b>865.71</b>	<b>1%</b>

# What the budget delivers

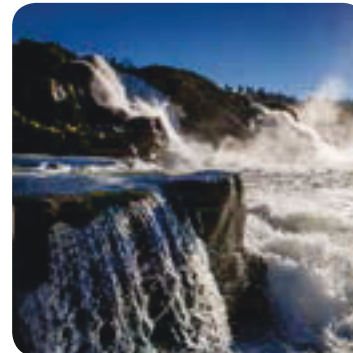
- Strategic goals and key initiatives identified by Council
  - 2018 Regional Transportation Plan and Long Term Transportation Funding
  - Implementation of the Strategic Plan to Advance Racial Equity, Diversity, and Inclusion, and Diversity Action Plan
  - Solid Waste Roadmap and the new Regional Solid Waste Plan
  - Equitable housing strategy next steps





# What the budget delivers

- 2018 Urban Growth Report and Urban Growth Management Decision
- Construction Careers Pathways Project
- Willamette Falls Legacy Project
- Oregon Zoo Bond Projects
- Parks and Nature System Plan and renewed Local Option Levy implementation

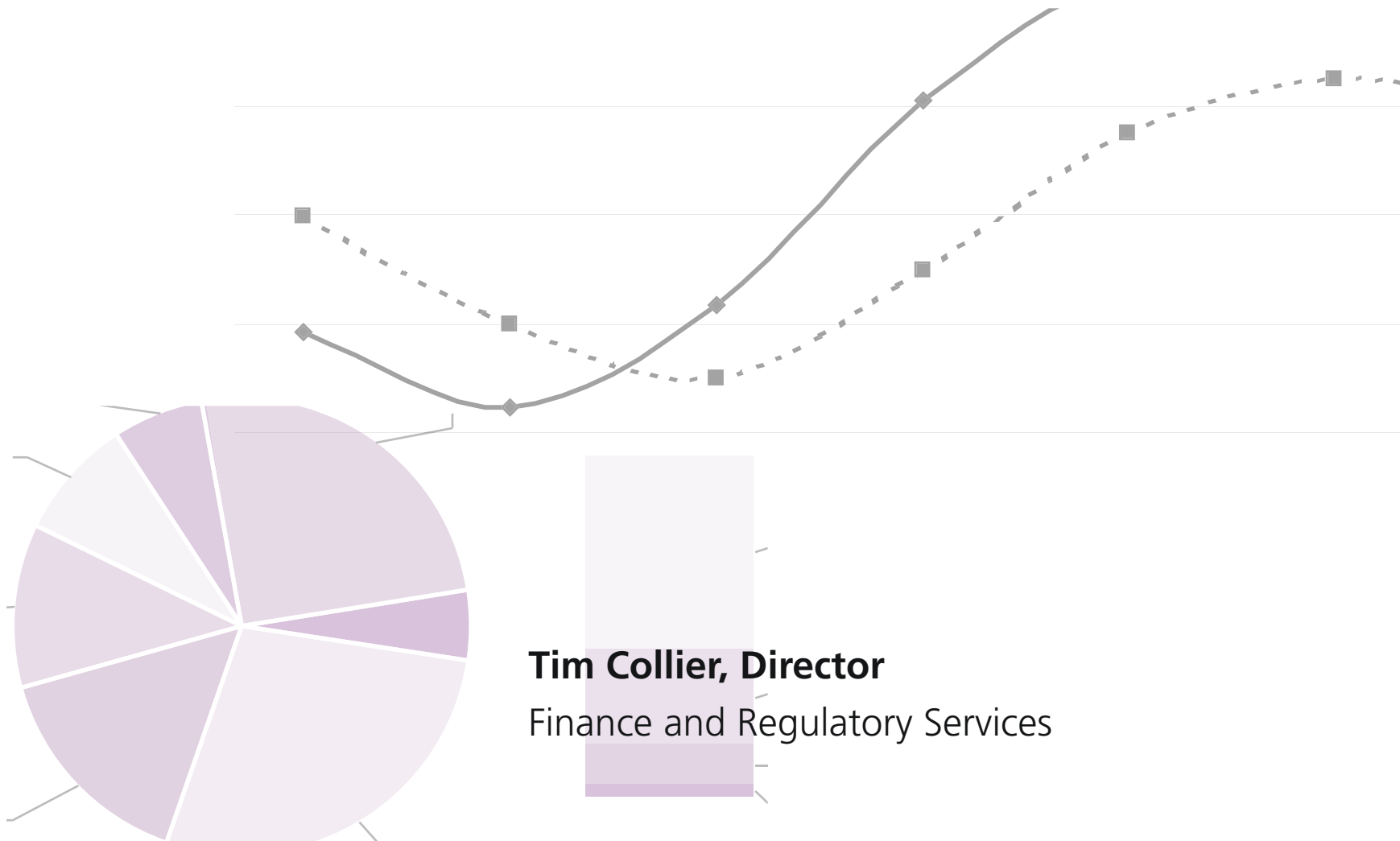




Metro

# 2017-18 Proposed Budget

## Budget by the numbers



**Tim Collier, Director**

Finance and Regulatory Services

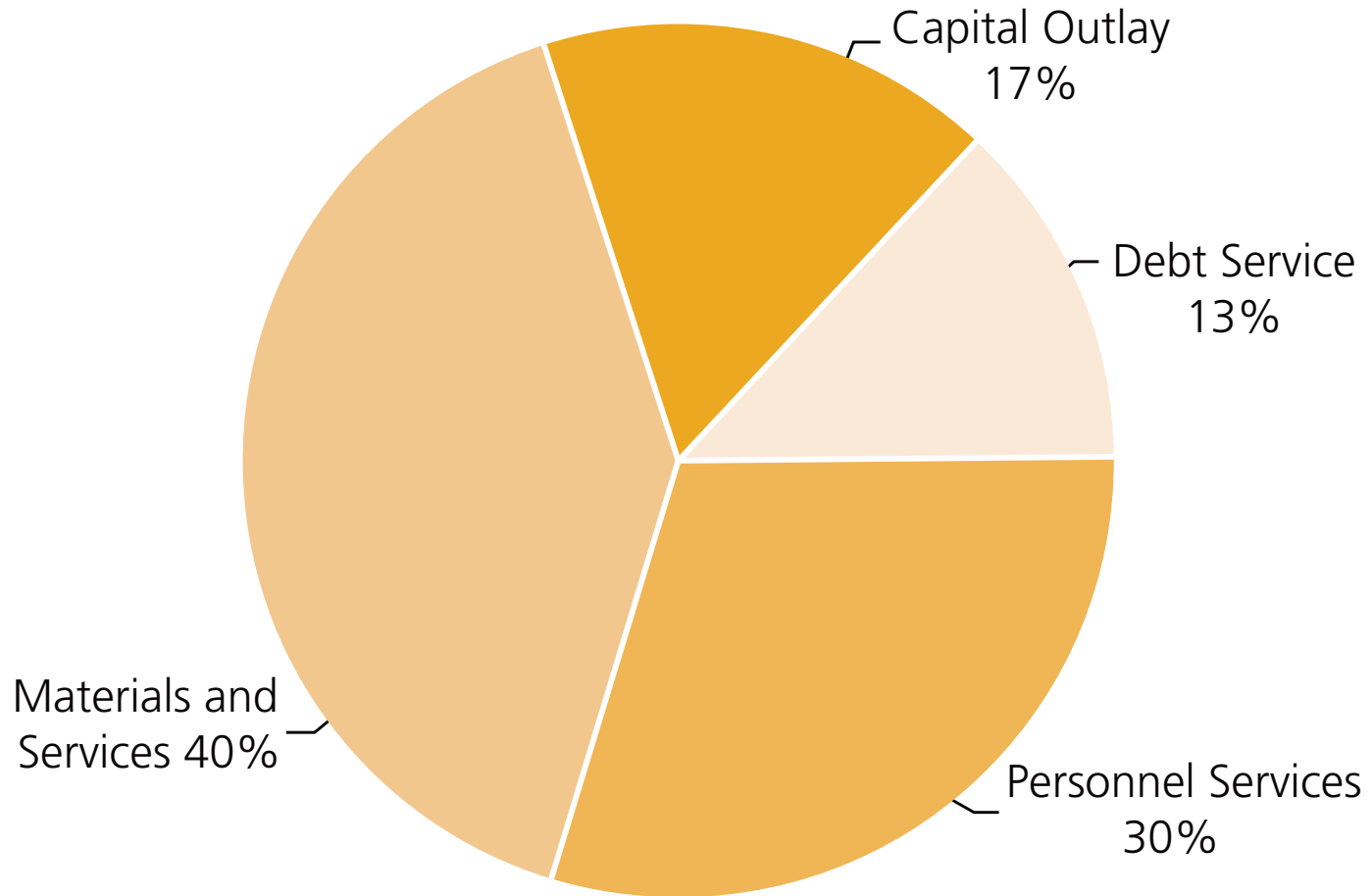
# The Budget Summary

	<b>FY 16-17 Amended Budget</b>	<b>FY 17-18 Proposed Budget</b>	<b>Budget % Change</b>
<b>Total Budget</b> <i>(all resources and requirements)</i>	\$639 million	\$568 million	(11%)
Current Revenues	339 million	293 million	(14%)
Current Expenditures	404 million	348 million	(14%)
Wages and benefits	98.5 million	103.9 million	5%
Full-time positions	860.66 FTE	865.71 FTE	5.05 FTE

# Budget by fund

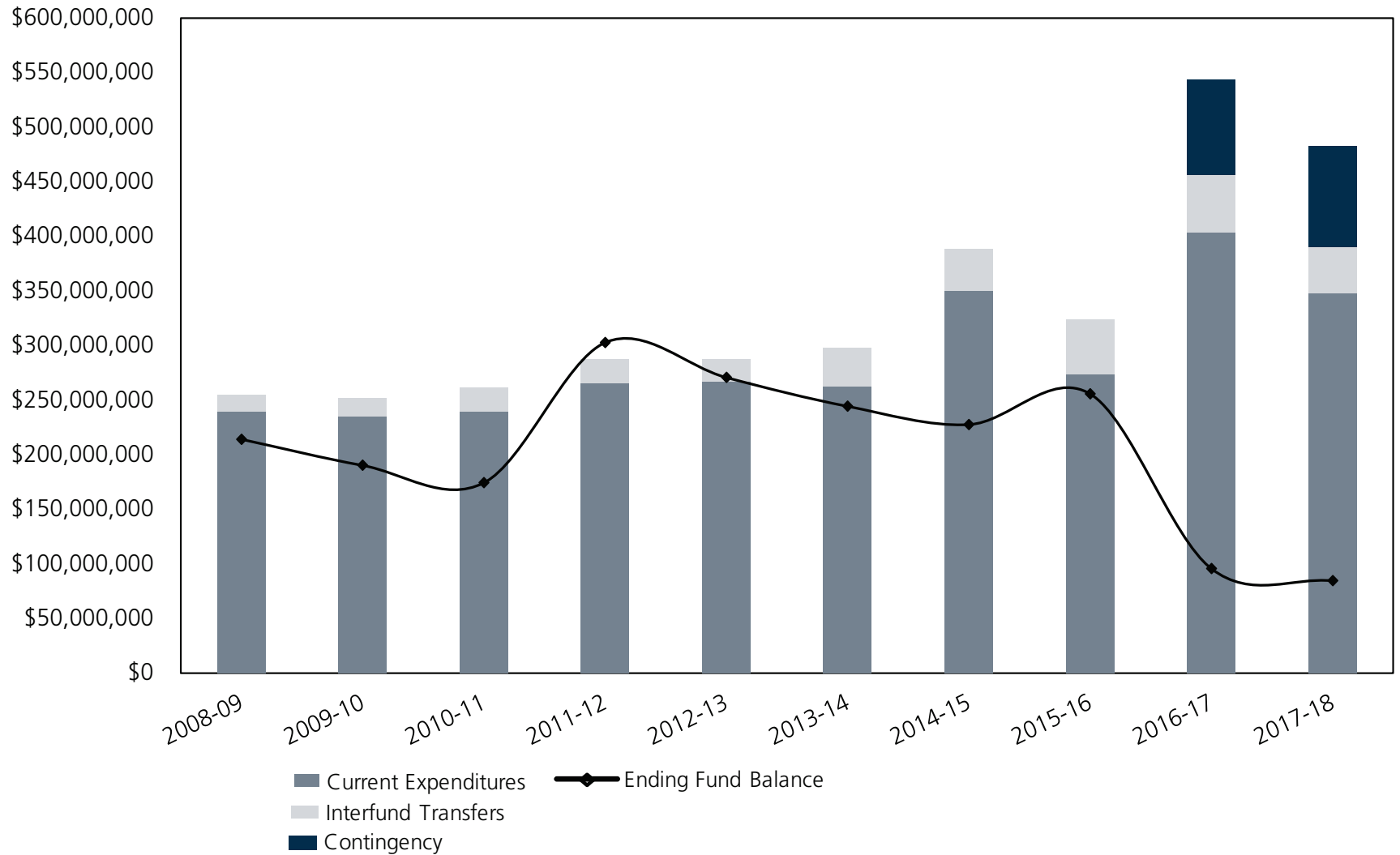
	FY 2016-17 Amended Budget	FY 2017-18 Proposed Budget	% Change
<b>Operating Funds</b>			
General Fund	\$110,000,000	\$112,000,000	2%
MERC Fund	110,900,000	133,700,000	21%
Oregon Zoo Operating Fund	41,600,000	42,100,000	1%
Parks and Natural Areas Levy Fund	18,900,000	20,800,000	10%
Solid Waste Revenue Fund	118,600,000	120,200,000	1%
<i>Total Operating</i>	\$400,000,000	\$428,800,000	7%
<b>Bond/Capital Funds</b>			
General Assets Management Fund	18,000,000	16,400,000	
Natural Areas Fund	41,100,000	25,300,000	
Open Spaces Fund	800,000	300,000	
Oregon Zoo Capital Asset Management Fund	7,200,000	5,200,000	
Oregon Zoo Infrastructure Bond Fund	40,700,000	33,500,000	
<i>Total Bond/Capital</i>	\$107,800,000	\$80,700,000	(25%)
<b>Debt Service Funds</b>			
General Obligation Bond Debt Service Fund	31,300,000	35,000,000	
General Revenue Bond Fund	88,300,000	13,500,000	
<i>Total Debt Service</i>	\$119,600,000	\$48,500,000	(59%)
<b>Other Funds</b>			
Cemetery Perpetual Care Fund	600,000	700,000	
Rehabilitation & Enhancement Fund	2,500,000	2,300,000	
Risk Management Fund	5,800,000	4,100,000	
Smith & Bybee Wetlands Fund	3,000,000	2,700,000	
<i>Total Other</i>	\$11,900,000	\$9,800,000	(18%)
<b>Total All Funds</b>	<b>\$639,300,000</b>	<b>\$567,800,000</b>	<b>(11%)</b>
<b>FTE</b>	<b>860.66</b>	<b>865.71</b>	<b>1%</b>

# Category of Expense

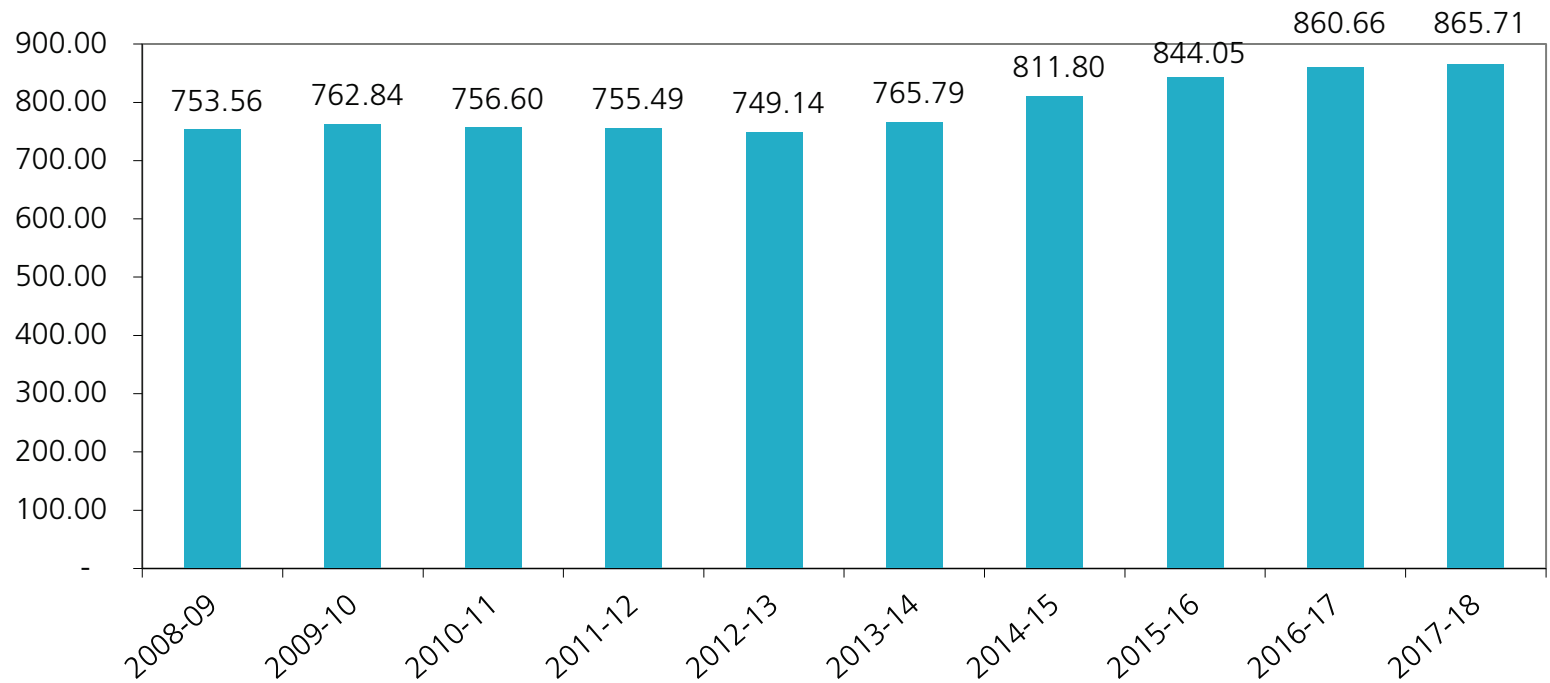


Total current expenditures: \$292,688,538

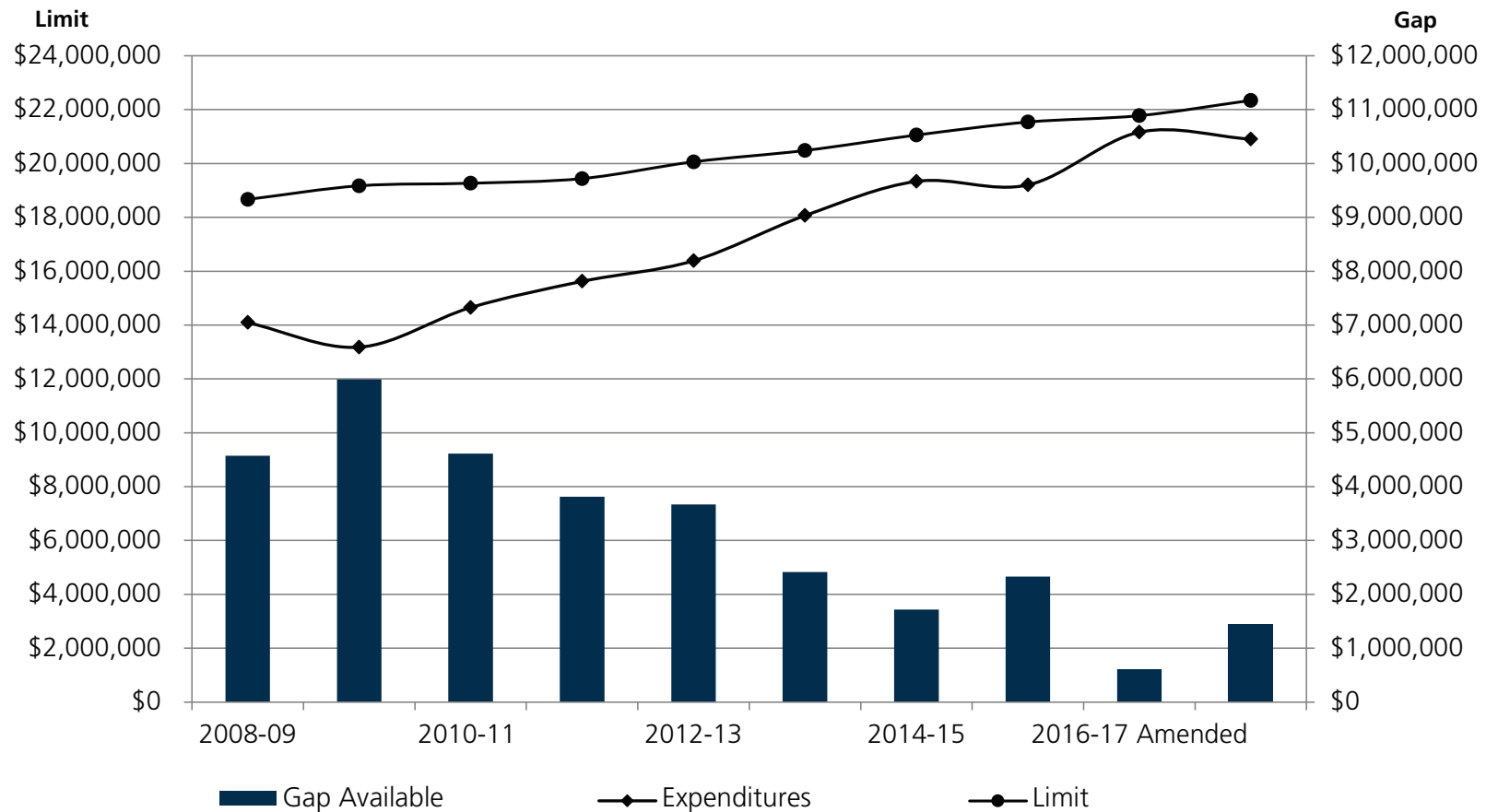
# 10-year expenditure history



# 10-year total agency FTE history

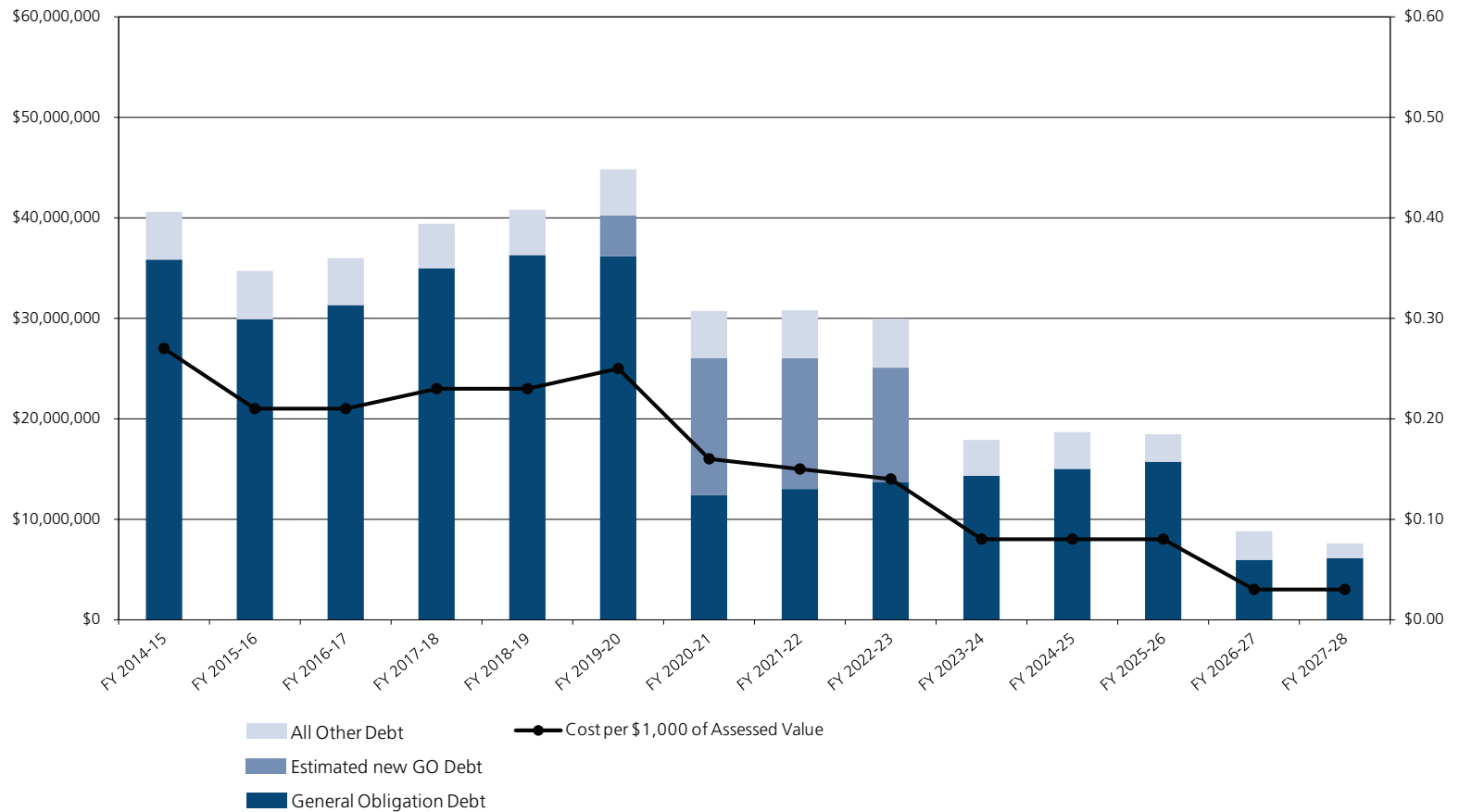


## Charter Limitation on expenditures





## Debt service obligations



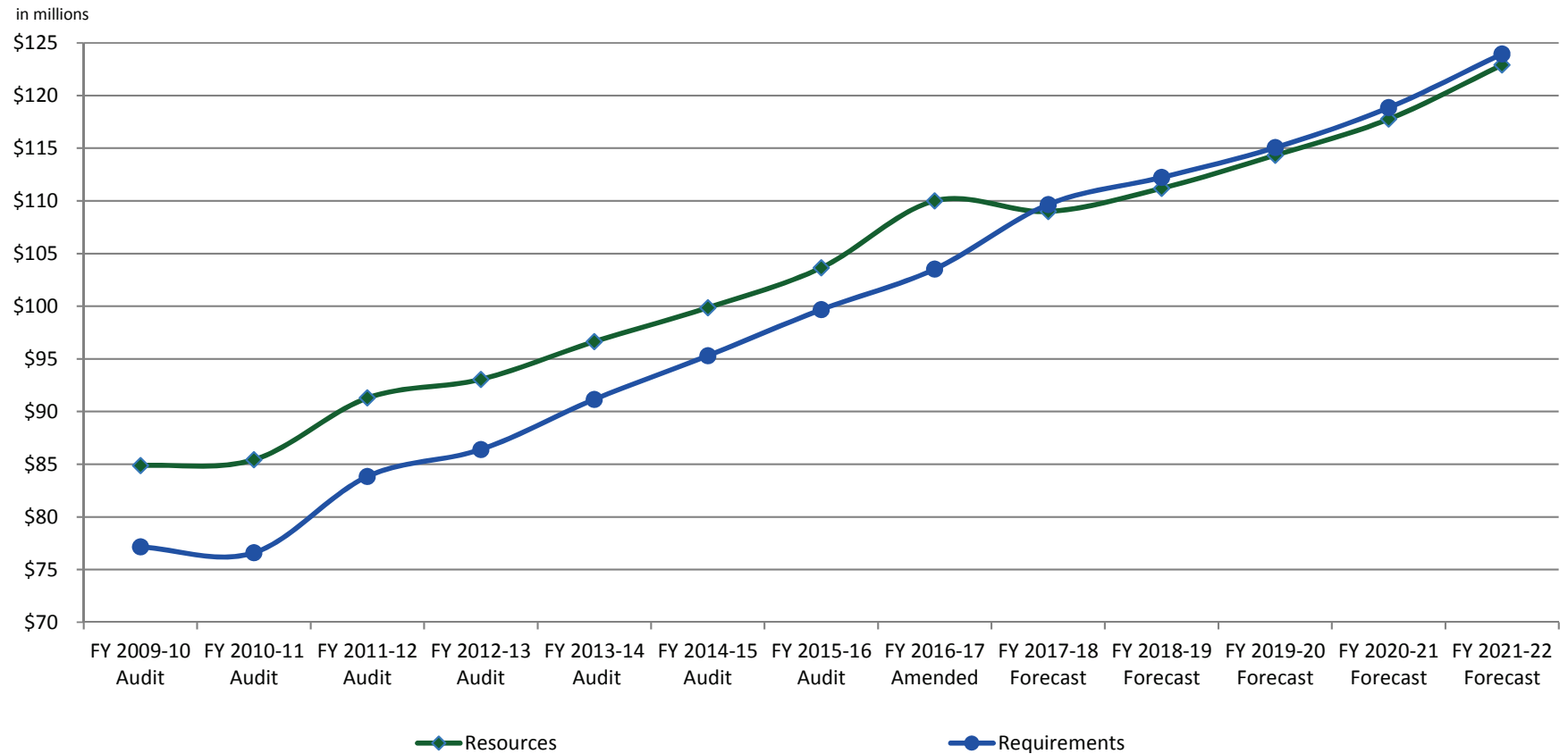
# Property tax levy

	Principal	Interest	Total
<i>General Obligation Bonds</i>			
Natural Areas 2012A Series	3,350,000	2,701,450	6,051,450
Oregon Zoo Infrastructure 2012A Series	2,510,000	2,055,325	4,565,325
Oregon Zoo Infrastructure 2016 Series	8,095,000	1,251,250	9,346,250
<i>General Obligation Refunding Bonds</i>			
Natural Areas 2014 Series	13,160,000	1,846,750	15,006,750
	<b>\$27,115,000</b>	<b>\$7,854,775</b>	<b>\$34,969,775</b>

Property Taxes	FY 2016-17 Amended Budget	FY 2017-18 Proposed Budget
Permanent Operating Rate (per thousand)	9.66¢	9.66¢
Parks and Natural Areas Local Option Levy (per thousand)	9.60¢	9.60¢
Debt service (per thousand)	21¢	22¢
Average homeowner (\$200,000 assessed value) (\$250,000 market value)	\$81	\$83

# General Fund

## Five-year forecast Nov. 2016

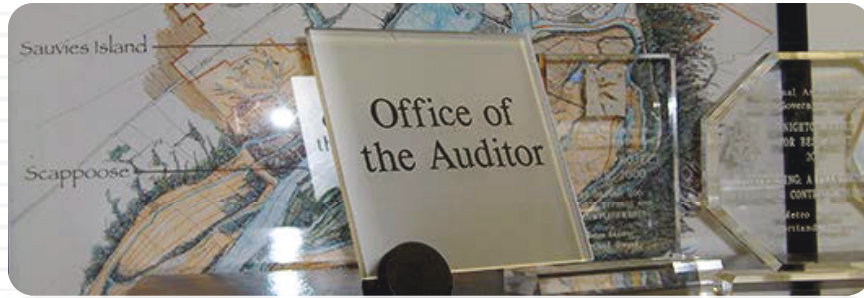


# Transient Lodging Tax (TLT)

<b>Revenues</b>	<b>2013-14 Actual</b>	<b>2014-15 Actual</b>	<b>2015-16 Actual</b>	<b>2016-17 Budget</b>	<b>2017-18 Budget</b>
OCC	\$9,610,000	\$9,519,000	\$10,186,000	\$10,593,000	\$11,662,000
Portland's	1,294,000	1,311,000	1,341,000	1,371,000	1,391,000
Pooled Capital	1,920,000	5,242,000	6,741,000	-	6,741,000
<b>TOTAL</b>	<b>\$12,824,000</b>	<b>\$16,072,000</b>	<b>\$18,268,000</b>	<b>\$11,964,000</b>	<b>\$19,794,000</b>

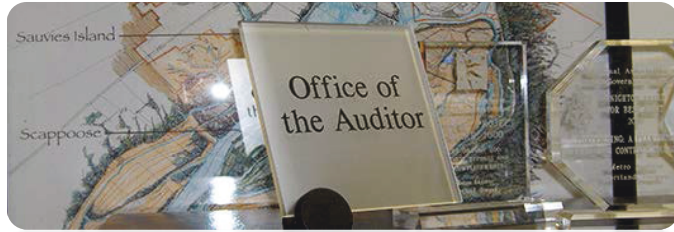
# Venue Summary

	FY 2016-17 Amended Budget	FY 2017-18 Proposed Budget	% Change
<b>Venue Total Budget</b>			
OCC	62,500,000	81,500,000	30%
Oregon Zoo	41,600,000	42,100,000	1%
Portland'5	29,800,000	31,600,000	6%
Expo	11,500,000	12,500,000	9%
Admin	7,000,000	8,100,000	15%
<i>Total</i>	152,500,000	175,800,000	15%
<b>Venue Full Time Positions</b>			
OCC	115.65	115.65	-
Oregon Zoo	200.60	195.00	(3%)
Portland'5	52.40	56.40	8%
Expo	15.30	15.80	3%
Admin	6.60	6.65	1%
<i>Total</i>	390.55	389.50	0%



# **Office of the Metro Auditor**

## **FY 2017-18 Proposed Budget**



## Mission

- Ensure that Metro is accountable to the public
- Ensure that Metro activities are transparent
- Improve the efficiency, effectiveness and quality of Metro services and activities

# Accomplishments FY 2016-17



- Completed 5 audits
- Managed 18 reports to the Accountability Hotline
- Administered contract with external auditor for financial audit
- Received a Knighton Award for best performance audit in the Small audit shop category

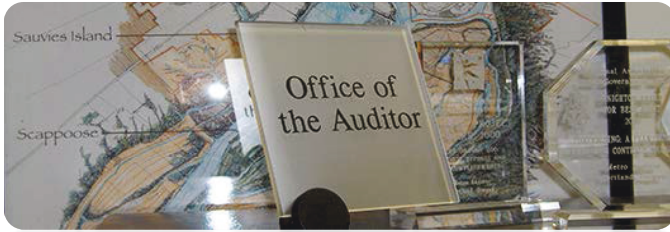


# Accomplishments FY 2016-17

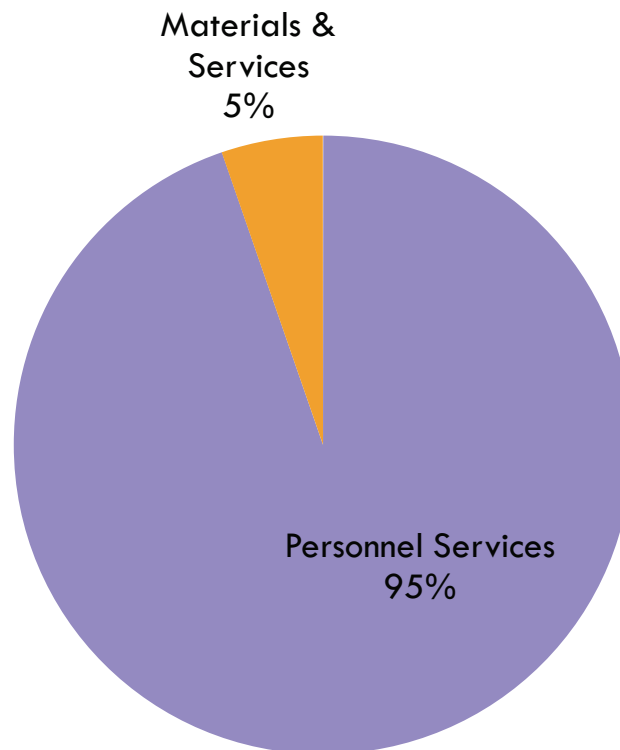


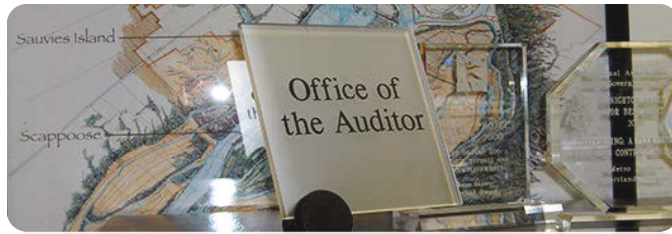
## Audits completed

- ▣ Glendoveer Operating Agreement (August 2016)
- ▣ Capital Project Planning (November 2016)
- ▣ Organic Waste System Follow-up (February 2017)
- ▣ Zoo Organizational Culture (February 2017)
- ▣ Convention Center Hotel Project Management (March 2017)



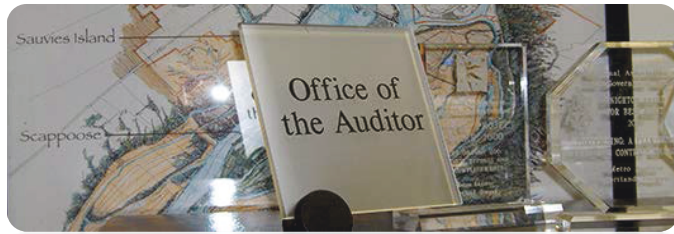
## Proposed FY2017-18 Budget





## Comparison to Previous Years

	FY2015-16 Actual	FY2016-17 Adopted	FY2017-18 Proposed
Personnel	\$569,080	\$663,520	\$712,834
Materials & Services	\$22,783	\$37,662	\$38,500
TOTAL	\$591,863	\$701,182	\$751,334



## Audits Underway:

- ❑ Payroll
- ❑ Social media usage
- ❑ Zoo end of life process
- ❑ Public records requests



Metro

2017-18 Proposed Budget

# Moving the budget forward

**Martha Bennett**

Chief Operating Officer

# Moving the budget forward

- Approving, and ultimately adopting, a balanced budget now becomes the Council's challenge

Does the budget move Metro and the region in the right direction?

Does the budget strike the right balance in responding to both program needs and ensuring funding for future years?

Does the budget reflect your guidance?

Does the budget continue to maintain the confidence of Metro's citizens?

# Next important dates

			Public Hearing
<b>April</b>	April 13	Budget introduced	*
	April 18	Council worksession on proposed budget	
<b>May</b>	May 4	Public Hearing Resolution to approve budget, set tax levy, forward budget to TSCC Budget ordinance continued to June	*
	May 15	Budget documents to TSCC	
<b>June</b>	June 8	TSCC review and hearing	*
	June 15	Final amendments	*
	June 22	Budget adoption	*
<b>July</b>	July 1	New budget begins	
	July 15	Tax levy submitted to counties	

# Acknowledgements

## **Thanks to:**

Finance Team

Program Managers and Analysts

Senior Leadership Team

Cover Design

Creative Services





# Thank you



To view Metro's budget and the budget message in its entirety please visit:

**[www.oregonmetro.gov/budget](http://www.oregonmetro.gov/budget)**

ATTORNEYS:  
CHRISTOPHER JAMES  
AREK FRISTENSKY  
EXECUTIVE ASSISTANT:  
LISA SMITH



ATTORNEYS

March 23, 2017

**VIA ELECTRONIC MAIL**

Metro Council  
600 NE Grand Avenue  
Portland, Oregon 97232  
nellie.papsdorf@oregonmetro.gov

Re: Metro Council Hearings on Proposed Ordinance No. 17-1397 –  
March 2, 2017; March 16, 2017; April 13, 2017

Dear Council Representatives:

This submission is on behalf of landowners within Area 9B and more particularly what has been called the “L” area of 9B, namely: Springville Investors, LLC, Katherine Blumenkron, David Blumenkron, Burnham Farms, LLC, and Bob Zahler (collectively, the “Owners”). This submission concerns the 1,500-acre area of land owned in what was designated as “study area” 9B in the urban and rural reserves designation process.

This submission supplements the Owners’ collective and individual submissions on March 2, 2017 and March 16, 2017, respectively.

Metro and Multnomah County treated the “L” in Area 9B differently than other reserves study areas possessing important natural landscape features. There is evidence in the record showing that the presence of natural landscape features, including stream corridors, in study areas other than Area 9B did not preclude Metro from nevertheless determining that those areas should be designated as urban reserve. *See e.g.* East Bethany Owners Collaboration Objection of May 27, 2011 to Metro Ordinance 11-1255, incorporated into LCDC Compliance Acknowledgement Order 12-ACK-001819 (identifying Area 1C as one such area).

For instance, like Area 9B, which includes portions of Abbey Creek, Area 1C has several stream corridors that flow directly through the area. Also like Area 9B, Area 1C is bounded by the Urban Growth Boundary, has few topographical constraints on urban use, and local agencies indicated the ability and desire to provide the area with urban services. But unlike Area 9B, Area 1C is “Foundation” agricultural land, while Area 9B is “conflicted” land that is less suitable for agricultural use. Nevertheless, Metro designated Area 1C as urban reserve, but agreed that Area 9B should be designated rural reserve on grounds including that 9B could not be developed in ways that protect Abbey Creek. In other words, Metro treated similarly situated areas differently, by weighting

and applying the urban and rural reserve factors differently to Area 9B than to other areas.

The justification that Area 9B should not be designated urban reserve due to presence of natural landscape features is, to put it mildly, specious in light of the fact that Metro decided to designate other study areas that possess natural landscape features as urban reserves, including but not limited to Area 1C, 8B, 8C, and 4A.<sup>1</sup> Such treatment is not only inconsistent, it acts as a constitutional violation of the protections of due process and the right to equal protection under the law. Accordingly, the “L” must be designated urban reserve.

By this and previous submissions, the Owners do not waive or release their claim and right to have the urban reserve designation of their properties determined before Metro under adequate constitutional due process procedures.

Respectfully Submitted,

THE JAMES LAW GROUP, LLC

s/ Christopher James

On behalf of:

Springville Investors, LLC

Katherine Blumenkron

David Blumenkron

Burnham Farms, LLC

Bob Zahler

---

<sup>1</sup> Additionally, the argument that Metro cannot divide study areas such as Area 9B into urban, rural, and/or undesignated subparts is contradicted by the fact that Metro did just that for other areas, including Areas 7B (dividing into 28 acres of undesignated and 480 of urban reserve) and 7I (dividing into undesignated and rural reserve subparts). Moreover, these areas were, from the outset, significantly smaller in size than Area 9B. Metro can decide to designate the “L” within Area 9B as undesignated or urban reserve, while maintaining rural reserve for the remaining area(s).

**From:** Mike Stewart [<mailto:mikestewart1133@yahoo.com>]

**Sent:** Thursday, March 23, 2017 3:24 PM

**To:** Tom Hughes <[Tom.Hughes@oregonmetro.gov](mailto:Tom.Hughes@oregonmetro.gov)>; Bob Stacey <[Bob.Stacey@oregonmetro.gov](mailto:Bob.Stacey@oregonmetro.gov)>; Craig Dirksen <[Craig.Dirksen@oregonmetro.gov](mailto:Craig.Dirksen@oregonmetro.gov)>; Sam Chase <[Sam.Chase@oregonmetro.gov](mailto:Sam.Chase@oregonmetro.gov)>; Shirley Craddick <[Shirley.Craddick@oregonmetro.gov](mailto:Shirley.Craddick@oregonmetro.gov)>; Carlotta Collette <[Carlotta.Collette@oregonmetro.gov](mailto:Carlotta.Collette@oregonmetro.gov)>; Kathryn Harrington <[Kathryn.Harrington@oregonmetro.gov](mailto:Kathryn.Harrington@oregonmetro.gov)>

**Cc:** Jim Bernard <[jbernard@co.clackamas.or.us](mailto:jbernard@co.clackamas.or.us)>; Martha Schrader <[mschrader@co.clackamas.or.us](mailto:mschrader@co.clackamas.or.us)>; Paul Savas <[psavas@co.clackamas.or.us](mailto:psavas@co.clackamas.or.us)>; BCCMail <[bccmail@co.clackamas.or.us](mailto:bccmail@co.clackamas.or.us)>

**Subject:** Please confirm the Urban Reserves for Stafford.

Honorable Metro President Hughes and Metro Councilors,

Please find attached to this email a map of the Stafford Hamlet CVP voter turnout.

This map was put the map together with the voter turnout data supplied to us by Gary Schmidt of Clackamas County.

**Those that are IN FAVOR OF UGB INCLUSION are in GREEN.**

Those NOT PARTICIPATING are in YELLOW. There was a 77% Non-Participation rate in this vote, the LOWEST Turnout of any of the Hamlet's previous important votes.

Those that participated are in PINK.

If you take the time to look at the parcels that voted, they are nearly all in Neighborhoods that are Already Developed.

**The Parcels of Land that are of Sufficient Size to Effectively Develop are in "THE WILLING" Undeveloped Neighborhoods.**

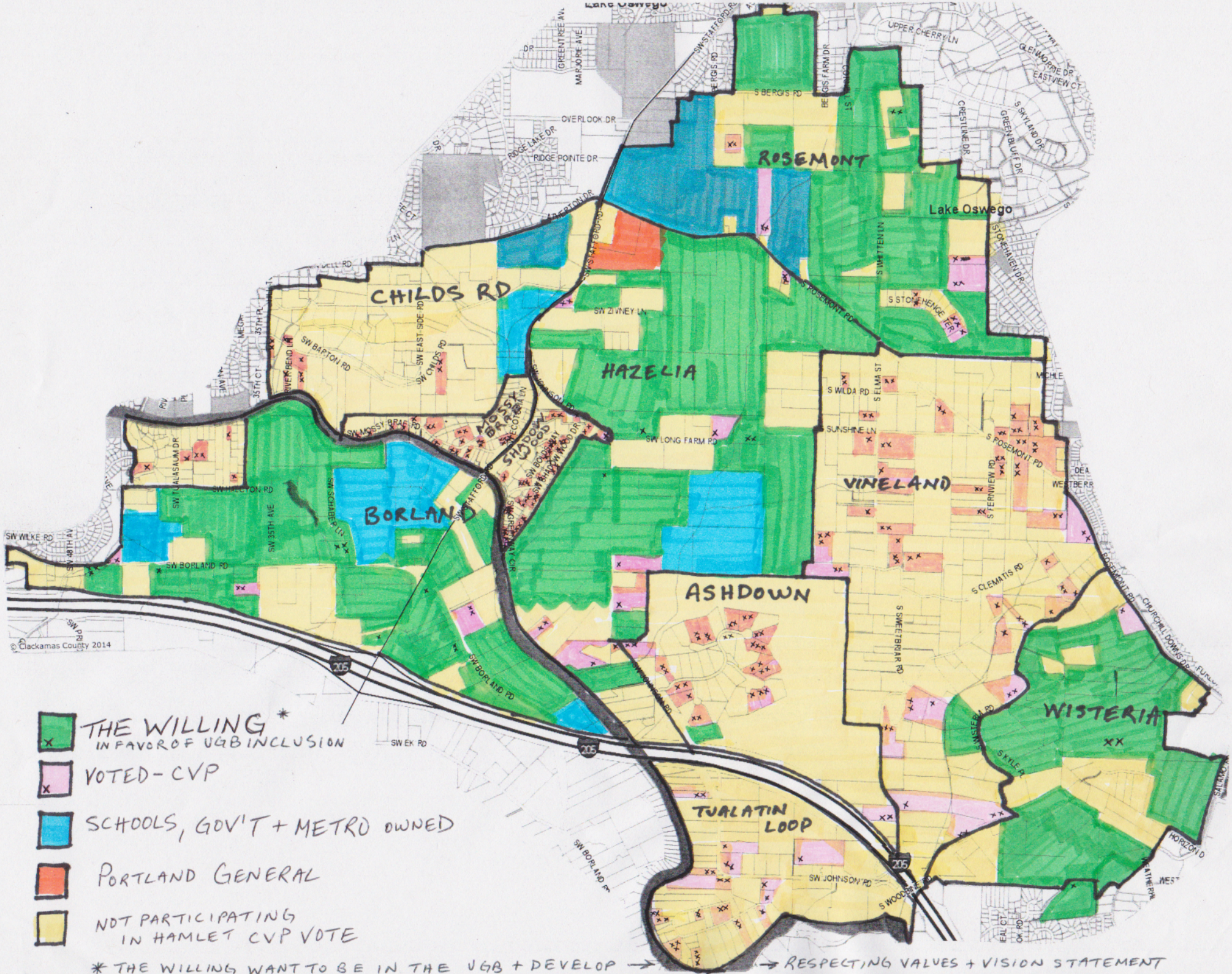
During this vote the Hamlet allowed those that live on less than 5 acres vote as Large Lot Landowners if they declared they owned a business in Stafford, they asked Dan Chandler for approval of this in August, he said yes. Since Clackamas County doesn't require a business permit, it is challenging to verify that declaration. If you look at the map for those who did vote in the Large Lot Category, 5+ acres, it doesn't add up to the numbers the Hamlet reported.

Thank you for your support.

Respectfully submitted,

Mike Stewart  
**co-Chief Petitioner of  
The Stafford Hamlet**  
503 880 1133





- THE WILLING** \*  
INFAVOR OF UGB INCLUSION
- VOTED - CVP**
- SCHOOLS, GOV'T + METRO OWNED**
- PORTLAND GENERAL**
- NOT PARTICIPATING  
IN HAMLET CVP VOTE**

\* THE WILLING WANT TO BE IN THE UGB + DEVELOP → → RESPECTING VALUES + VISION STATEMENT



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VIA E-MAIL  
[Roger.alfred@oregonmetro.gov](mailto:Roger.alfred@oregonmetro.gov)

March 23, 2017

Roger Alfred  
Metro Regional Government  
600 NE Grand Ave  
Portland OR 97232

Re: **Letter Regarding Metro Ordinance No. 17-1397**  
Our File No. 52736-73749

Dear Roger:

I wanted to provide the following to President Hughes and Members of the Metro Council as they consider Metro Ordinance No. 17-1397. As you are aware, I represent the Barkers Five, appellants in the remand process. I am writing this letter regarding the sufficiency of the Urban Reserves, post HB 4078, as well as whether HB 4078 implicates ORS 195.145(4) or OAR 660-027-0040(10). The decrease of 11.3% of the total Urban Reserves land, lost during the negotiation of HB 4078, is statistically significant. Although, Ordinance 17-1397 relies on 2014 Urban Growth Report (hereinafter "UGR") to justify no need for additional urban reserves, census data as well as the Comprehensive Housing Market Analysis, prepared by the U.S. Department of Housing and Urban Development's Office of Policy and Development and Research (hereinafter "HUD") calls the projections of the UGR into question.

Executive Summary

The UGR predicted a dramatic departure from the traditional housing mix. Growth projections, relying in part on recessionary data, projected that 36% of new housing units would be single family, while 64% would be multi-family. Metro assumed that 60.2% of future housing would occur in the city of Portland, and 92% of that being multi-family. Recent census data demonstrates that those projections are significantly off the mark, and closely track historical trends coming out of a recession. In 2014, 44% of housing permits were for single family homes, *see Exhibit 1*. In 2015, the number climbed to 51%, *see Exhibit 2*. 2016's number of 50%, *see Exhibit 3*, was undoubtedly impacted by the flood of multi-family permits that were submitted in December of 2016 as a result of Portland's Inclusionary Zoning Policy. *See Exhibit 4*. While the 2017 numbers could be skewed because of the Inclusionary Zoning law, it is likely that 2018, will return to historical trends of around 65-70% single family.

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In 2016 HUD released their Comprehensive Housing Market Analysis for the seven-county, Portland-Vancouver-Hillsboro Region, writing that during the next three years, "demand is expected for 27,225 new single family homes... demand is expected for 18,925 market rate rental units." See *exhibit 5*. Per HUD predictions, 58% of demand will be for single family homes, 22% more than predicted in the UGR.

HUD divides the seven county region into three submarkets. The Portland submarket, comprised of Multnomah, Clackamas, and Columbia Counties, is expected to increase by 20,900 households. The Hillsboro submarket, comprised of Washington and Yamhill Counties, is expected to increase by 11,700 households. The Vancouver submarket, comprised of Clark and Skamania Counties, is expected to grow by 8,850 households. Again, this is a dramatic departure from the UGR which projected 60.2% of growth in the city of Portland, itself.

The UGR clearly does not represent the current market reality, and its projections are so compromised, that it is unreasonable for the Metro Council to rely on it, in determining whether there are sufficient Urban Reserves for the next 45-50 years.

Additionally, the substance and probative quality of the legislative history, surrounding HB 4078 demonstrates that the legislature did not believe that they were looking at regional needs as a whole.

#### Additional Issues with the UGR Projections

In addition to the above issues, I have concerns related to the use of population data, density assumptions, and findings in the Memo prepared by Mr. Ted Reid. Mr. Reid reaches the conclusion that despite an 11.3% land reduction, there is no need for additional Urban Reserves.

Because Clark, Columbia, Skamania, and Yamhill counties are outside of Metro's jurisdiction, there are issues with extrapolating Metro density and growth rates on them. Additionally, I would point to the following:

- a. It is unrealistic to project any significant growth, in Skamania County. As Scott Bailey, regional labor economist, for the State of Washington wrote, in September of 2016, "Skamania County is located about 40 miles east of the Portland metro area, in the beautiful Columbia River Gorge. Almost 90 percent of the county is timberland, mostly within the Gifford Pinchot National Forest. Much of the non-timber land is concentrated in the southern strip along the Columbia River, and falls under the protection of the Columbia Gorge Scenic Area. As a result of these factors, the county has a small population and job base, and projections generally call for modest growth in jobs and population over the next 20 years." See *Exhibit 6*.
- b. Mr. Reid's updated analysis utilizes an annual vacancy rate of 4%, across the seven county region. He writes, "the vacancy rate is the percent of dwelling units that are expected to be vacant at any given moment to allow people to move from residence to residence." Ted's definition and projection doesn't seem to take into account housing units that are not a person's "household" or primary tax home. This is illustrated by the



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Skamania County, census data. Approximately 18% of the housing units, in Skamania County, were not occupied as a household in the 2000 census, and 20% were not occupied as a household per the 2010 census. *See Exhibit 7.* This is not because there were a large number of homes that were empty, and for sale, it is because approximately one-fifth of the homes are second, or vacation, homes.

No county, in the seven county region, achieved even a 5% vacancy rate, let alone a 4% vacancy rate per either the 2000 and 2010 census. Each percentage point added to the vacancy rate adds approximately 3,825 necessary residential units. Mr. Reid estimates 10 units to the acre (more on that later) and assumes that 45% of urban reserve land will be buildable (more on that later). If Mr. Reid's density and gross to net acre assumptions are correct, each percentage point that is added to the vacancy rate necessitates an extra 825 acres. When looking at historical and future projections across the seven county region, the aggregate range should be closer to 6%. This would require adding approximately 1,650 acres.

- c. The assumption that 45% of urban reserve lands will be buildable is unrealistically high. The net developable acres of South Hillsboro was, 649/1800, or 36%, *see Exhibit 8, p. 65 of the So-Hi Community Plan.* North Bethany was 237/691 of 34.2%, *see Exhibit 9 p. 7, of the North Bethany Planning Project docs,* and South Cooper Mountain was 237/544 or 43.5%, *see Exhibit 10, p. 14 of the South Cooper Mountain Plan.* If the most developable lands in Washington County, are not hitting the 45% Metro projection, then the number of net developable acres in Clackamas County can be expected to be even lower, given slope, topography, environmental constraints and existing neighborhoods. The Stafford Land Owner's Association, hired John Fregonese, Former head of Planning for Metro, and author of Metro's 2040 Plan, to prepare some preliminary concepts for what future growth in the Stafford Triangle Urban Reserve Areas 4A, 4B, and 4C, could look like. After accounting for legacy neighborhoods, park lands, riparian areas, environmental constraints, topography, slope, and existing CC&R's, John looked at the approximately 4,700 acres in the 3 planning areas, he calculated that there were approximately 1,000 net developable acres, that could be expected to develop. *See Exhibit 11.* That puts the buildable percentage a 21.7%. Of Clackamas County's reserves, Stafford is one of the most buildable. It is likely given topography in and around the Newell Creek Canyon, and the landslides associated with it, that Urban Reserves, 3B, 3C, 3D, 3F, and 3G, will develop at a lower buildable percentage than Stafford. Given those numbers it is unclear how .45% can be justified.
- d. Clackamas County Urban Reserves 1D, 1F, and 2A, located East and South of the former city of Damascus are no longer viable as Urban Reserves, due to the disincorporation of the city of Damascus. The findings for the expansion into, and urbanization, of those areas relied upon annexation by Damascus. Gresham has already indicated an unwillingness to annex into Clackamas County, and from an infrastructure cost perspective, it is not feasible for them to provide urban levels of services for either water and sewer to areas in the former city of Damascus, due to the bluffs with steep slopes between Gresham and the Damascus area. Additionally, and as



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predicted by Metro in the 2014 Urban Growth Report Appendix 15, pg. 3, Happy Valley has determined that they are not interested in annexing areas East of 222<sup>nd</sup>. See *Exhibit 12*. This is because the ability to urbanize Damascus is limited by the various drainage basins. The amount of water and sewer infrastructure, and pumping necessary to urbanize East of 222<sup>nd</sup> and south of the current UGB boundary make urban levels of service cost prohibitive. Metro has already projected that the eastern portion of what was formerly Damascus will have RRFF5 zoning, or five acre rural lots. As a result, there is no jurisdiction that can or will annex the Urban Reserves, as they will not be adjacent to a city, or serviceable. The three Areas, which compromise approximately 5,440 acres, have a ripple effect for Clackamas County. As part of the grand bargain, Metro UGB expansions are prohibited in Undesignated Areas, until 75% of the county's urban reserves have been brought into the UGB, annexed into a city, and zoned for urban uses. Because Reserves 1D, 1F, and 2A comprise more than 25% of Clackamas County's Urban Reserves, they will essentially block any Undesignated Areas from being annexed into the UGB, in Clackamas County. This further constrains the fifty year Urban Reserve supply, and highlights the need for additional land, such as the Barker's property which is adjacent to North Bethany.

- e. Although, Mr. Reid assumes a rate of 10 units per acre, Metro has already negotiated the number of units per acre for a number of the Urban Reserve Areas, at levels of less than 10 units per acre. The Stafford Urban Reserves will net out at 8 units per Net Developable Acre, per prior agreement. Wilsonville has stated in there plan materials for the Frog Pond/Advance Road: "Frog Pond West is 100% single-family, detached homes. The areas in the Urban Reserve are planned for a greater mix of housing, including medium-density residential (townhomes or cottage lots, for example) but no apartments." See *Exhibit 13*, LP15-0002 Frog Pond Area Concept Plan. I checked with Mark Ottenad at Wilsonville who confirmed that Frog Pond was brought in without any density requirement from Metro. Advance Road and Stafford are considered the two most viable Urban Reserves in Clackamas County based on slope, topography, and proximity to infrastructure, and neither are hitting the benchmark number.
- f. Metro's rules regarding housing mix, and units per acre, do not apply to areas outside of the Metro's jurisdiction. Current preferences and lack of available infrastructure, make projections of 10-15 units per acre extremely unlikely. The recent Lafayette UGB expansion, which has been approved by the DLCD Director but is still in the appeal period, has a density of approximately 6 units per acre. See *Exhibit 14*. Our law firm is currently handling a substantial number of the plats for new subdivisions in Clark County. In the cities of Ridgefield, Camas, and Washougal, the clear preference is for "executive housing," with a push for larger houses on larger lots. The plats that we are handling average approximately four units per acre in those cities. In unincorporated Clark County the plats that we are handling are averaging approximately six units per acre. See *Exhibit 15*. It is also very unlikely that any of the four non-Metro counties would accept a 50% multi-family mix rule, and it is unrealistic to expect that half of new housing in those areas with be multi-family housing. Additionally, Ted does not project growth on a county-by-county basis. He just ascribes 28% of the future growth to the

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four county region. Absent specific needs analysis and a detailed look at each of the four counties, I do not see how they can reliably be projected to take on that kind of projection growth.

- g. The population numbers that Mr. Reid has used for the region are significantly low. The U.S. Census Bureau has released its 2015 population estimates, for the cities in the tri-county Metro region with populations over 5,000. Based on that data, the projections relied upon by Mr. Reid in Exhibit A of the 2040 Population Distributed Forecast are 3.2% less than the Census Bureau. See *Exhibit 16*. This amounts to over 40,000 people. There is reason to believe that there has been a corresponding underestimate of housing units in the region, though the Census Bureau calculates its household data based on a four year average, so it trails behind the population data. A population error of -3.2% at the commencement of the fifty year population projections will compound over the next fifty years, and further underestimates the need for additional Urban Reserves Land.

Whether the Legislature's Action Implicated ORS 195.145(4)

I think you have made a credible argument that the legislative action does not implicate ORS 195.145(4) or OAR 660-027-0040(10), based on a strict reading of the statute and administrative rule. Though, from a public policy perspective, I think that there is also a credible argument that irrespective of legislative action, Metro must look at the map globally, to insure that there is a forty-five to fifty year land supply, and that a change in one county's map necessitates changes in the other two maps. This argument is supported by the legislative record relating to HB 4078, which does not demonstrate that the legislature took a global look at regional data. In fact, the legislative record demonstrates that they solely looked at Washington County, as illustrated by their floor testimony, and by a March 4<sup>th</sup> article in the Oregonian: "Reps. Brian Clem, D-Salem, and John Davis, R-Wilsonville, brokered the compromise among developers, conservationists and local governments that became HB 4078 in the week following the court decision.

The bill's effects were limited to Washington County and was crafted specifically to keep the door closed on future Legislative intervention in local land use decisions. But Clackamas County commissioners have indicated they may seek a similar compromise. 'Clackamas County remained neutral on HB 4078 with the assurance that land-use issues that they face in their county will be addressed next session in a similar fashion,' said Sen. Chuck Thomsen, R-Hood River." See *Exhibit 17*

As the Oregon Supreme Court clarified in *State v. Gaines*, 206 P. 3d 1042, 1051, (2009), "Legislative history may be used to confirm seemingly plain meaning and even to illuminate it; a party also may use legislative history to attempt to convince a court that superficially clear language actually is not so plain at all — that is, that there is a kind of latent ambiguity in the statute. For those or similar purposes, whether the court will conclude that the *particular* legislative history on which a party relies is of assistance in determining legislative intent will depend on the substance and probative quality of the legislative history itself."



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In this case, the substance and probative quality of the legislative history, demonstrates that the legislature did not believe that they were looking at regional needs as a whole. The legislative record demonstrates that they were dealing with the immediate issues related to the Oregon Court of Appeals ruling, as it related to Washington County.

Metro is tasked specifically with looking at regional need, so the legislative removal of certain Urban Reserves land in Washington County could and would impact the regional supply, depending on the scope of the removal.

Conclusion

I'm aware that the Urban Reserves process has been a long and arduous one, and that Metro is not eager to add more Urban Reserves lands. But, the loss of Washington County Urban Reserves is significant, and the viability of the Urban Reserves surrounding the former city of Damascus are not viable. The Barker's property which is on the UGB boundary, immediately adjacent to North Bethany, is in close proximity to infrastructure, and there will undoubtedly be market need for the property over the next 45-50 years. It should not have been designated Rural Reserve. The loss of land in Washington County, should allow the Barkers to be redesignated as an Urban Reserve.

Sincerely,

JORDAN RAMIS PC



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OR Direct Dial (503) 598-5547

Enclosures

# Memo



**Metro**

600 NE Grand Ave.  
Portland, OR 97232-2736

Date: March 23, 2017  
To: Roger Alfred, Senior Assistant Attorney  
From: Ted Reid, Principal Regional Planner  
Subject: Urban and rural reserves – Metro Planning and Development staff response to letters from Mr. Steven Pfeiffer

---

Mr. Steven Pfeiffer of the Perkins Coie law firm submitted two letters at the March 16, 2017 Metro Council public hearing on Urban and Rural Reserves. You asked that I provide a Metro Planning and Development Department staff response to the issues raised by Mr. Pfeiffer regarding the sufficiency of the number of acres of urban reserves. Though the two letters are for separate clients of Mr. Pfeiffer's firm, both letters contain the same text, so this memo responds to both letters collectively.

## **Reliance on 2014 Urban Growth Report**

Mr. Pfeiffer says that Metro erroneously relies on the 2014 UGR, which he says has flawed reasoning. The state rules governing the designation of urban and rural reserves require that the amount of land designated as urban reserves must be planned to accommodate estimated urban population and employment growth in the Metro region for between 20 and 30 years beyond the 20-year period for which Metro has demonstrated a buildable land supply inside the UGB in its most recent Urban Growth Report. OAR 660-027-0040(2). After a multi-year process and extensive peer review, the Metro Council adopted the current 2014 UGR via Ordinance No. 15-1361 on November 12, 2015. This decision was subsequently acknowledged by the State of Oregon.

Since the 2014 UGR has been adopted and acknowledged, critiques of its methods, assumptions, and conclusions are no longer timely. All of the topics raised by Mr. Pfeiffer were the subject of extensive discussion and peer review before the Metro Council's adoption of the 2014 UGR. Nevertheless, following are staff responses to the individual issues raised by Mr. Pfeiffer.

## **Damascus growth capacity**

Mr. Pfeiffer states in his letters that the 2014 UGR contains an "unreasonable projection of urban development of the former city of Damascus." The 2014 UGR noted that "with its ongoing community and political challenges, how much of Damascus' growth capacity should be counted during the 2015 to 2035 time frame is more of a policy question than a technical question." Consistent with that view, the Metro Council and the Damascus City Council held a joint work session in May 2015 to discuss this and other questions. Based on direction provided in that meeting, Metro staff applied further reductions to the amount of growth that

was assumed for the Damascus area. Those reductions recognized ongoing governance and infrastructure provision challenges. The 2014 UGR's revised estimates also recognized that the City of Happy Valley intends to annex and govern the western parts of the former Damascus area now that Damascus has disincorporated.

Final 2014 UGR growth capacity estimates for the area were approved by Clackamas County, Damascus, and Happy Valley staff (and adopted by the Metro Council on the advice of the Metro Policy Advisory Committee).

### **Effects of the Great Recession**

Mr. Pfeiffer states that the 2014 UGR's flawed reasoning includes "unreasonable reliance upon the documented economic downturn in the region beginning in 2007." This economic downturn – the Great Recession – was the longest recession since World War II. It was characterized by:

- Worldwide impacts, not just in our region
- Monetary crises in several countries
- Collapse of housing markets
- Sharp reductions in employment, particularly in construction and manufacturing
- Reduction in Gross Domestic Product
- Slowing of wage increases
- Increased income inequities with a reduction in the share of households characterized as middle class
- Reductions in consumer spending
- Losses in the stock market

Though these effects are not all permanent, they have long-term implications for the region's (and nation's) population and employment forecast. In addition to the structural changes that have occurred to demographics (e.g., lower birth rates and an aging population) and the economy (e.g., shifts in employment from the manufacturing sector to professional and service sectors), there is the undeniable fact that many jobs were lost during the Great Recession. From peak to trough, the Great Recession resulted in the loss of nearly 100,000 jobs in the seven-county region. Consequently, there were more jobs in the seven-county region in the year 2000 than there were in 2010. Regardless of strong job growth coming out of the Great Recession, the regional forecast necessarily started with a lower current employment number.

### **Loss of urban reserve acres in Washington County through HB 4078**

Mr. Pfeiffer states that "Metro fails to take into account additional factual and legal changes that have occurred since the original adoption of reserves, including the loss of over 3,000 acres of urban reserves in Washington County." As noted in my February 22, 2017 memo to the Metro Council (Attachment 1 to February 23, 2017 staff report) as well as the draft Exhibit A to the ordinance, this reduction of urban reserve acres is accounted for and is reflected in the

23,031 acres of urban reserves. Staff has determined that the existing 23,031 acres of urban reserves across the region, combined with buildable land already inside the urban growth boundary (UGB), will provide a sufficient amount of land for urban growth in the region over the next 40 to 50 years, as required by state law.

### **Large-lot industrial land**

Mr. Pfeiffer states that Metro fails to take into account its “own documented conclusion that the region lacks an adequate supply of large-lot industrial land” and references the status of West Hayden Island as well as two reports as a basis for this contention.

Contrary to Mr. Pfeiffer’s assertion, the 2014 UGR concluded that the region has a sizable surplus of large industrial sites inside the UGB for meeting expected industrial employment growth through the year 2035. The adopted and acknowledged 2014 UGR found that there are 74 large industrial sites (over 25 net buildable acres each) inside the UGB. The 2014 UGR also found that there is potential demand for eight to 34 such sites from 2015 to 2035. This means that there is a surplus of 40 to 66 large industrial sites over the 2015 to 2035 time period. This does not include the additional industrial acreage added to the UGB under HB 4078 that Metro was precluded from counting in the 2014 UGR under the terms of the bill.

The 2014 UGR used the report referenced by Mr. Pfeiffer (2014 Industrial Site Readiness Inventory) as a basis for concluding that the region has a surplus of large industrial sites. The Industrial Site Readiness Inventory was completed by Metro and several public and private sector partners. The other report referenced by Mr. Pfeiffer – *Land Availability: Limited Options* – is an executive summary of an older (2012) inventory conducted by Metro and several of the same partners. Neither of the reports cited by Mr. Pfeiffer includes an assessment of demand for industrial sites. They are simply inventories of industrial sites. What they show is that most of the industrial sites in the region require additional actions and investments to make them development ready. This would also be the case with any land added to the UGB.

Mr. Pfeiffer mentions that Metro does not account for the loss of West Hayden Island for future employment use. This vacant land was counted in the 2014 UGR because it is inside the UGB. The City of Portland may, at some later date, decide to annex and zone the land. No one, including Metro, is able to forecast future policy actions.

The region’s surplus of industrial sites is large enough that omitting West Hayden Island from calculations would not change the 2014 UGR’s fundamental conclusion that there is a surplus. More importantly, West Hayden Island was added to the UGB in the early 1980s to accommodate marine industrial and deep water terminal uses. Land with those characteristics is not fungible and cannot be replaced with a UGB expansion. Likewise, lands owned by Mr. Pfeiffer’s clients would not provide marine industrial or deep water terminal capacity. Finally, Metro’s role in growth forecasting and management does not include an obligation to provide a supply of large industrial sites.

# **EXHIBIT 1**

Table 3au. New Privately Owned Housing Units Authorized  
Unadjusted Units by Metropolitan Area

Annual 2014

CSA	CBSA	Name	Total	1 Unit	2 Units	3 and 4 Units	5 Units or more	Num of Struc- tures With 5 Units or more
999	10180	Abilene, TX	284	284	0	0	0	0
184	10420	Akron, OH	764	685	0	16	63	1
999	10500	Albany, GA	271	235	22	9	5	1
440	10540	Albany, OR	393	270	2	0	121	11
104	10580	Albany-Schenectady-Troy, NY	2231	1203	62	127	839	70
106	10740	Albuquerque,* NM	2543	2128	12	67	336	15
999	10780	Alexandria, LA	323	311	12	0	0	0
408	10900	Allentown-Bethlehem-Easton,* PA-NJ	1801	1051	2	14	734	38
999	11020	Altoona, PA	100	88	4	0	8	1
108	11100	Amarillo, TX	918	496	6	44	372	13
218	11180	Ames, IA	539	179	10	0	350	22
999	11260	Anchorage,* AK	887	671	18	22	176	19
220	11460	Ann Arbor, MI	570	385	2	0	183	14
999	11500	Anniston-Oxford-Jacksonville, AL	114	102	0	0	12	1
118	11540	Appleton, WI	935	513	36	40	346	35
120	11700	Asheville, NC	1832	1408	8	0	416	31
122	12020	Athens-Clarke County, GA	932	504	2	4	422	19
122	12060	Atlanta-Sandy Springs-Roswell,* GA	26683	16984	40	217	9442	165
428	12100	Atlantic City-Hammonton,* NJ	722	392	38	10	282	24
12220	12220	Auburn-Opelika,* AL	943	751	4	0	188	10
12260	12260	Augusta-Richmond County, GA-SC	2847	2416	4	40	387	20
12420	12420	Austin-Round Rock,* TX	20276	11842	256	188	7990	273
999	12540	Bakersfield, CA	2297	1885	26	29	357	29
548	12580	Baltimore-Columbia-Towson,* MD	7100	4662	70	14	2354	54
999	12620	Bangor, ME	226	208	6	12	0	0
148	12700	Barnstable Town, MA	640	530	4	15	91	15
999	12940	Baton Rouge, LA	3571	3297	0	4	270	6
310	12980	Battle Creek, MI	57	35	2	0	20	1
474	13020	Bay City, MI	62	37	0	0	25	5
999	13140	Beaumont-Port Arthur, TX	1797	1227	194	0	376	26
999	13220	Beckley, WV	125	120	0	0	5	1
999	13380	Bellingham, WA	1007	542	42	23	400	16
140	13460	Bend-Redmond,* OR	1330	1274	24	0	32	5
999	13740	Billings, MT	651	517	4	16	114	9
999	13780	Binghamton, NY	85	85	0	0	0	0
142	13820	Birmingham-Hoover,* AL	3383	2337	2	85	959	18
999	13900	Bismarck, ND	1771	883	26	8	854	18
999	13980	Blacksburg-Christiansburg-Radford, VA	353	297	8	0	48	2
145	14010	Bloomington, IL	271	257	2	6	6	1
144	14020	Bloomington, IN	539	233	36	0	270	17
146	14100	Bloomsburg-Berwick, PA	113	107	2	4	0	0
147	14260	Boise City,* ID	5183	3481	16	375	1311	64
148	14460	Boston-Cambridge-Newton,* MA-NH	12024	4991	306	245	6482	225
216	14500	Boulder, CO	1371	560	46	23	742	41
150	14540	Bowling Green, KY	613	419	12	30	152	12
14740	14740	Bremerton-Silverdale, WA	598	519	4	4	71	1
14860	14860	Bridgeport-Stamford-Norwalk, CT	1889	987	38	62	802	17
15180	15180	Brownsville-Harlingen, TX	1417	1179	66	30	142	3
999	15260	Brunswick, GA	462	462	0	0	0	0
160	15380	Buffalo-Cheektowaga-Niagara Falls, NY	1878	1057	24	56	741	55
268	15500	Burlington, NC	606	593	6	7	0	0



999	15540	Burlington-South Burlington, VT	709	371	52	25	261	8
548	15680	California-Lexington Park, MD	457	451	0	0	6	1
184	15940	Canton-Massillon, OH	551	404	12	70	65	6
162	15980	Cape Coral-Fort Myers,* FL	4095	3112	66	167	750	43
4	16020	Cape Girardeau, MO-IL	187	163	12	0	12	1
3	16060	Carbondale-Marion, IL	246	87	16	22	121	1
456	16180	Carson City,* NV	35	33	2	0	0	0
999	16220	Casper, WY	330	330	0	0	0	0
168	16300	Cedar Rapids, IA	881	644	70	113	54	2
548	16540	Chambersburg-Waynesboro,* PA	356	251	12	32	61	5
999	16580	Champaign-Urbana, IL	1489	366	10	4	1109	41
170	16620	Charleston, WV	321	88	16	29	188	18
999	16700	Charleston-North Charleston,* SC	6155	4144	0	0	2011	51
172	16740	Charlotte-Concord-Gastonia, NC-SC	18537	11306	56	75	7100	238
999	16820	Charlottesville, VA	873	706	18	0	149	7
174	16860	Chattanooga, TN-GA	2349	1229	24	10	1086	31
999	16940	Cheyenne, WY	403	305	0	3	95	1
176	16980	Chicago-Naperville-Elgin,* IL-IN-WI	15679	7723	124	439	7393	201
999	17020	Chico, CA	550	355	6	6	183	20
178	17140	Cincinnati, OH-KY-IN	5206	3218	28	137	1823	102
999	17300	Clarksville, TN-KY	1516	1276	42	54	144	15
174	17420	Cleveland, TN	689	419	20	84	166	8
184	17460	Cleveland-Elyria,* OH	2926	2282	44	81	519	31
518	17660	Coeur d'Alene, ID	1051	824	54	0	173	23
999	17780	College Station-Bryan, TX	1845	1014	32	36	763	28
999	17820	Colorado Springs,* CO	3673	2662	28	0	983	42
190	17860	Columbia,* MO	1414	663	38	27	686	20
192	17900	Columbia,* SC	4067	3300	4	3	760	36
194	17980	Columbus, GA-AL	955	703	0	24	228	16
294	18020	Columbus, IN	254	254	0	0	0	0
198	18140	Columbus, OH	7052	3505	100	243	3204	189
	18580	Corpus Christi, TX	2872	1675	6	11	1180	70
	18700	Corvallis, OR	451	119	22	0	310	31
999	18880	Crestview-Fort Walton Beach-Destin, FL	1666	1564	2	8	92	4
999	19060	Cumberland, MD-WV	57	52	0	0	5	1
206	19100	Dallas-Fort Worth-Arlington, TX	43752	24884	182	166	18520	426
174	19140	Dalton,* GA	121	115	0	0	6	1
999	19180	Danville, IL	6	6	0	0	0	0
380	19300	Daphne-Fairhope-Foley, AL	1384	1364	16	4	0	0
209	19340	Davenport-Moline-Rock Island,* IA-IL	655	458	66	15	116	4
			778	742	30	6	0	0
212	19380	Dayton, OH	136	136	0	0	0	0
290	19460	Decatur, AL	53	41	0	0	12	1
999	19500	Decatur, IL						
422	19660	Deltona-Daytona Beach-Ormond Beach,* FL	1921	1749	2	0	170	8
216	19740	Denver-Aurora-Lakewood,* CO	15767	8064	310	61	7332	164
218	19780	Des Moines-West Des Moines,* IA	4436	2952	38	23	1423	58
220	19820	Detroit-Warren-Dearborn,* MI	6295	4830	60	200	1205	69
222	20020	Dothan, AL	367	254	0	0	113	2
428	20100	Dover,* DE	998	912	2	12	72	3
999	20220	Dubuque, IA	276	248	10	0	18	1
999	20260	Duluth, MN-WI	597	435	12	12	138	11
450	20500	Durham-Chapel Hill,* NC	2587	2167	2	0	418	17
408	20700	East Stroudsburg, PA	153	153	0	0	0	0
232	20740	Eau Claire, WI	463	343	24	12	84	13
999	20940	El Centro, CA	246	185	4	3	54	5
	21340	El Paso, TX	3043	2260	58	176	549	34
	21060	Elizabethtown-Fort Knox, KY	492	292	30	4	166	19
515	21140	Elkhart-Goshen, IN	270	270	0	0	0	0
236	21300	Elmira, NY	57	51	6	0	0	0
240	21500	Erie, PA	321	166	42	10	103	5
999	21660	Eugene, OR	1316	506	26	11	773	40
999	21780	Evansville, IN-KY	727	568	42	11	106	5

999	21826	Fairbanks,* AK	0	0	0	0	0	0
244	22020	Fargo, ND-MN	3766	1242	4	24	2496	64
999	22140	Farmington,* NM	173	173	0	0	0	0
246	22180	Fayetteville, NC	1089	1012	0	0	77	3
	22220	Fayetteville-Springdale-Rogers, R-MO	3605	2640	36	3	926	46
999	22380	Flagstaff, AZ	560	290	6	0	264	3
220	22420	Flint, MI	343	271	2	0	70	5
999	22500	Florence, SC	380	332	8	0	40	4
999	22520	Florence-Muscle Shoals, AL	197	174	0	0	23	4
999	22540	Fond du Lac, WI	240	106	22	0	112	7
999	22660	Fort Collins,* CO	2498	1627	78	15	778	45
999	22900	Fort Smith, AR-OK	607	374	86	19	128	8
258	23060	Fort Wayne,* IN	1245	883	48	4	310	37
260	23420	Fresno, CA	1892	1611	4	15	262	30
999	23460	Gadsden, AL	79	79	0	0	0	0
264	23540	Gainesville, FL	803	540	0	0	263	20
122	23580	Gainesville, GA	722	714	8	0	0	0
276	23900	Gettysburg,* PA	272	222	0	10	40	8
104	24020	Glens Falls, NY	365	257	0	34	74	10
999	24140	Goldsboro, NC	257	257	0	0	0	0
999	24220	Grand Forks, ND-MN	1000	315	0	0	685	14
999	24260	Grand Island, NE	305	249	20	6	30	1
999	24300	Grand Junction,* CO	504	452	12	0	40	6
266	24340	Grand Rapids-Wyoming, MI	3171	2273	62	13	823	44
366	24420	Grants Pass,* OR	149	145	4	0	0	0
999	24500	Great Falls, MT	463	155	18	12	278	9
216	24540	Greeley,* CO	2708	1995	2	24	687	51
267	24580	Green Bay, WI	1004	641	22	6	335	35
268	24660	Greensboro-High Point,* NC	2632	1470	2	0	1160	49
274	24780	Greenville, NC	905	335	42	0	528	18
	24860	Greenville-Anderson-Mauldin, SC	4479	3306	12	22	1139	44
	25060	Gulfport-Biloxi-Pascagoula, MS	1954	1386	22	62	484	30
548	25180	Hagerstown-Martinsburg, MD-WV	975	783	0	24	168	15
406	25220	Hammond,* LA	592	577	10	0	5	1
546	25260	Hanford-Corcoran, CA	434	274	0	0	160	19
276	25420	Harrisburg-Carlisle, PA	1602	1201	4	0	397	22
277	25500	Harrisonburg,* VA	404	324	20	0	60	6
278	25540	Hartford-West Hartford-East Hartford, CT	1393	754	48	93	498	41
999	25620	Hattiesburg, MS	166	55	10	101	0	0
280	25860	Hickory-Lenoir-Morganton, NC	594	454	18	0	122	6
999	25940	Hilton Head Island-Bluffton-Beaufort, SC	1426	1426	0	0	0	0
496	25980	Hinesville, GA	422	378	0	8	36	1
999	26140	Homosassa Springs, FL	233	233	0	0	0	0
284	26300	Hot Springs, AR	43	43	0	0	0	0
999	26380	Houma-Thibodaux, LA	664	634	6	4	20	1
288	26420	Houston-The Woodlands-Sugar Land,* TX	63749	38323	146	236	25044	845
170	26580	Huntington-Ashland, WV-KY-OH	359	231	12	45	71	4
290	26620	Huntsville, AL	2817	1784	16	34	983	57
292	26820	Idaho Falls, ID	482	474	8	0	0	0
294	26900	Indianapolis-Carmel-Anderson, IN	8005	4964	110	141	2790	137
168	26980	Iowa City, IA	1130	667	6	26	431	22
296	27060	Ithaca, NY	300	139	14	0	147	19
999	27100	Jackson, MI	90	90	0	0	0	0
298	27140	Jackson, MS	1999	1991	0	8	0	0
	27180	Jackson, TN	205	205	0	0	0	0
	27260	Jacksonville,* FL	7781	6299	82	187	1213	53
999	27340	Jacksonville, NC	1081	1045	20	4	12	2
357	27500	Janesville-Beloit, WI	160	140	20	0	0	0
999	27620	Jefferson City, MO	240	171	24	45	0	0
304	27740	Johnson City, TN	713	465	0	0	248	10
306	27780	Johnstown, PA	61	59	2	0	0	0

308	27860	Jonesboro, AR	709	386	48	93	182	22
309	27900	Joplin, MO	584	508	24	4	48	1
999	27980	Kahului-Wailuku-Lahaina,* HI	338	324	14	0	0	0
310	28020	Kalamazoo-Portage, MI	476	426	10	4	36	2
	28100	Kankakee, IL	127	115	4	0	8	1
	28140	Kansas City,* MO-KS	8207	4176	156	237	3638	112
999	28420	Kennewick-Richland, WA	1264	1078	48	20	118	9
999	28660	Killeen-Temple, TX	2373	2117	170	12	74	12
304	28700	Kingsport-Bristol-Bristol, TN-VA	394	370	4	4	16	1
408	28740	Kingston, NY	285	157	10	0	118	8
314	28940	Knoxville, TN	3162	2148	14	0	1000	33
316	29020	Kokomo, IN	140	98	28	4	10	1
999	29100	La Crosse-Onalaska, WI-MN	298	243	22	21	12	2
318	29180	Lafayette, LA	2362	2224	0	13	125	6
320	29200	Lafayette-West Lafayette, IN	1081	596	0	17	468	28
999	29340	Lake Charles, LA	1303	620	84	3	596	34
332	29420	Lake Havasu City-Kingman, AZ	535	521	14	0	0	0
999	29460	Lakeland-Winter Haven,* FL	2559	2547	12	0	0	0
999	29540	Lancaster, PA	1108	969	32	6	101	9
330	29620	Lansing-East Lansing, MI	758	455	2	7	294	16
999	29700	Laredo,* TX	1719	954	2	28	735	15
238	29740	Las Cruces,* NM	617	606	0	0	11	1
332	29820	Las Vegas-Henderson-Paradise,* NV	10036	6809	26	95	3106	183
312	29940	Lawrence, KS	347	178	8	0	161	7
999	30020	Lawton, OK	114	92	14	8	0	0
276	30140	Lebanon, PA	348	285	6	0	57	6
999	30300	Lewiston, ID-WA	90	59	4	3	24	2
438	30340	Lewiston-Auburn, ME	91	91	0	0	0	0
336	30460	Lexington-Fayette, KY	1888	1319	26	37	506	24
338	30620	Lima, OH	64	56	4	4	0	0
339	30700	Lincoln, NE	1994	1052	8	0	934	27
	30780	Little Rock-North Little Rock-Conway, AR	2082	1514	60	23	485	7
999	30860	Logan, UT-ID	788	417	0	53	318	24
346	30980	Longview, TX	290	213	30	11	36	3
440	31020	Longview, WA	178	160	12	0	6	1
348	31080	Los Angeles-Long Beach-Anaheim,* CA	26950	8300	582	312	17756	485
350	31140	Louisville-Jefferson County, KY-IN	4035	2414	82	8	1531	204
352	31180	Lubbock, TX	2136	975	60	0	1101	92
999	31340	Lynchburg, VA	921	576	4	3	338	12
356	31420	Macon, GA	218	218	0	0	0	0
260	31460	Madera, CA	214	210	0	4	0	0
357	31540	Madison, WI	3808	1246	52	41	2469	59
148	31700	Manchester-Nashua, NH	968	464	24	0	480	11
358	31740	Manhattan, KS	514	407	8	20	79	4
359	31860	Mankato-North Mankato, MN	430	232	18	0	180	11
360	31900	Mansfield, OH	61	61	0	0	0	0
365	32580	McAllen-Edinburg-Mission,* TX	3504	2871	178	245	210	12
366	32780	Medford, OR	747	590	10	15	132	15
368	32820	Memphis, TN-MS-AR	3154	2539	4	4	607	11
382	32900	Merced, CA	168	162	6	0	0	0
370	33100	Miami-Fort Lauderdale-West Palm Beach,* FL	15259	5791	128	68	9272	256
176	33140	Michigan City-La Porte, IN	125	101	0	0	24	2
474	33220	Midland, MI	261	106	18	0	137	3
372	33260	Midland,* TX	1556	920	0	0	636	26
376	33340	Milwaukee-Waukesha-West Allis,* WI	2355	1257	48	32	1018	44
379	33460	Minneapolis-St. Paul-Bloomington, WI	11421	6685	42	85	4609	70
	33540	Missoula,* MT	578	227	10	94	247	11
380	33660	Mobile, AL	746	746	0	0	0	0
382	33700	Modesto, CA	454	404	0	0	50	1
384	33740	Monroe, LA	734	508	148	27	51	8
220	33780	Monroe, MI	240	240	0	0	0	0
999	33860	Montgomery, AL	1125	733	2	0	390	23

390	34060	Morgantown, WV	101	16	0	10	75	2
314	34100	Morristown, TN	151	141	10	0	0	0
500	34580	Mount Vernon-Anacortes, WA	274	262	12	0	0	0
794	34620	Muncie, IN	98	54	0	0	44	1
	34740	Muskegon, MI	172	163	6	3	0	0
	34820	Myrtle Beach-Conway-North Myrtle Beach, SC-NC	5446	5027	64	15	340	20
488	34900	Napa, CA	147	92	16	0	39	4
162	34940	Naples-Immokalee-Marco Island,* FL	3610	2477	8	164	961	55
400	34980	Nashville-Davidson--Murfreesboro--Franklin, TN	15040	9171	66	28	5775	163
404	35100	New Bern, NC	264	264	0	0	0	0
408	35300	New Haven-Milford, CT	1140	484	14	36	606	35
406	35380	New Orleans-Metairie,* LA	2991	2440	140	63	348	4
408	35620	New York-Newark-Jersey City,* NY-NJ-PA	47981	11796	1338	1071	33776	1046
515	35660	Niles-Benton Harbor, MI	184	184	0	0	0	0
412	35840	North Port-Sarasota-Bradenton,* FL	5658	4174	36	254	1194	72
278	35980	Norwich-New London, CT	646	288	6	12	340	13
999	36100	Ocala,* FL	754	713	2	3	36	6
428	36140	Ocean City,* NJ	638	447	164	17	10	2
372	36220	Odessa,* TX	556	430	6	0	120	5
482	36260	Ogden-Clearfield, UT	2678	1990	24	124	540	32
416	36420	Oklahoma City,* OK	7933	6022	130	92	1689	78
500	36500	Olympia-Tumwater, WA	1004	934	10	0	60	6
420	36540	Omaha-Council Bluffs,* NE-IA	4192	2639	20	0	1533	63
422	36740	Orlando-Kissimmee-Sanford,* FL	16115	9806	108	95	6106	210
118	36780	Oshkosh-Neenah, WI	513	269	16	0	228	16
999	36980	Owensboro, KY	323	257	38	4	24	3
348	37100	Oxnard-Thousand Oaks-Ventura, CA	1315	536	0	90	689	37
699	37340	Palm Bay-Melbourne-Titusville,* FL	1286	1241	2	0	43	2
	37460	Panama City, FL	693	687	2	4	0	0
	37620	Parkersburg-Vienna, WV	124	122	2	0	0	0
999	37860	Pensacola-Ferry Pass-Brent,* FL	1825	1637	12	0	176	15
426	37900	Peoria, IL	891	836	2	0	53	1
428	37980	Philadelphia-Camden-Wilmington,* PA-NJ-DE-MD	13631	6379	228	501	6523	384
999	38060	Phoenix-Mesa-Scottsdale,* AZ	20341	11557	156	125	8503	349
340	38220	Pine Bluff, AR	55	39	0	0	16	1
430	38300	Pittsburgh,* PA	4199	3089	84	69	957	32
999	38340	Pittsfield, MA	172	132	0	0	40	1
999	38540	Pocatello, ID	162	142	0	20	0	0
370	38940	Port St. Lucie,* FL	1394	1048	22	3	321	22
438	38860	Portland-South Portland, ME	1691	1414	28	42	207	14
440	38900	Portland-Vancouver-Hillsboro,* OR-WA	12356	5462	154	59	6681	187
999	39140	Prescott, AZ	968	948	8	4	8	1
148	39300	Providence-Warwick, RI-MA	1775	1441	52	73	209	20
482	39340	Provo-Orem, UT	5300	2684	28	167	2421	87
444	39380	Pueblo,* CO	157	157	0	0	0	0
412	39460	Punta Gorda,* FL	610	610	0	0	0	0
376	39540	Racine, WI	207	159	24	0	24	1
450	39580	Raleigh,* NC	11647	7680	0	4	3963	93
452	39660	Rapid City, SD	671	524	10	3	134	8
428	39740	Reading, PA	458	322	0	24	112	6
454	39820	Redding, CA	242	240	2	0	0	0
456	39900	Reno,* NV	2216	1507	12	11	686	62
666	40060	Richmond,* VA	4312	3181	40	85	1006	24
	40140	Riverside-San Bernardino-Ontario,* CA	10166	7222	88	207	2649	210
999	40220	Roanoke, VA	511	425	14	0	72	4
462	40340	Rochester, MN	832	621	6	16	189	3
464	40380	Rochester, NY	1789	1267	58	36	428	19
466	40420	Rockford, IL	150	134	4	12	0	0
468	40580	Rocky Mount, NC	216	202	14	0	0	0

470	40660	Rome, GA	75	70	0	0	5	1
472	40900	Sacramento--Roseville--Arden-Arcade,* CA	4159	3694	10	32	423	20
474	40980	Saginaw, MI	218	105	42	10	61	2
	41420	Salem, OR	944	712	20	4	208	20
	41500	Salinas, CA	367	236	2	0	129	14
999	41540	Salisbury, MD-DE	2796	2237	144	64	351	32
482	41620	Salt Lake City,* UT	5318	3159	38	111	2010	86
999	41660	San Angelo,* TX	629	229	0	0	400	25
999	41700	San Antonio-New Braunfels,* TX	10196	6084	182	52	3878	174
999	41740	San Diego-Carlsbad,* CA	6875	2487	72	219	4097	163
488	41860	San Francisco-Oakland-Hayward,* CA	10001	3716	82	77	6126	122
488	41940	San Jose-Sunnyvale-Santa Clara,* CA	10037	1861	10	149	8017	166
999	42020	San Luis Obispo-Paso Robles-Arroyo Grande, CA	983	812	18	19	134	17
488	42100	Santa Cruz-Watsonville, CA	296	174	0	15	107	13
106	42140	Santa Fe,* NM	161	161	0	0	0	0
999	42200	Santa Maria-Santa Barbara, CA	754	371	26	6	351	16
488	42220	Santa Rosa, CA	663	419	4	8	232	14
496	42340	Savannah, GA	2211	1857	6	0	348	44
999	42540	Scranton--Wilkes-Barre--Hazleton, PA	2298	2110	14	92	82	6
500	42660	Seattle-Tacoma-Bellevue,* WA	21953	8665	528	359	12401	286
370	42680	Sebastian-Vero Beach,* FL	707	707	0	0	0	0
999	42700	Sebring,* FL	92	92	0	0	0	0
999	43100	Sheboygan, WI	112	88	4	0	20	3
206	43300	Sherman-Denison, TX	271	203	4	0	64	3
999	43340	Shreveport-Bossier City, LA	1761	1284	6	0	471	22
999	43420	Sierra Vista-Douglas, AZ	261	179	0	0	82	11
512	43580	Sioux City, IA-NE-SD	408	301	24	4	79	2
999	43620	Sioux Falls, SD	2330	1134	8	131	1057	49
	43780	South Bend-Mishawaka, IN-MI	512	342	2	0	168	3
	43900	Spartanburg, SC	1108	1088	20	0	0	0
518	44060	Spokane-Spokane Valley, WA	1960	1135	82	21	722	45
522	44100	Springfield, IL	457	302	66	0	89	3
521	44140	Springfield, MA	509	421	30	15	43	5
520	44180	Springfield, MO	2106	1117	16	4	969	36
212	44220	Springfield, OH	53	49	0	4	0	0
378	41060	St. Cloud, MN	576	386	0	16	174	14
999	41100	St. George, UT	1628	1573	0	4	51	4
312	41140	St. Joseph, MO-KS	107	101	6	0	0	0
476	41180	St. Louis,* MO-IL	6998	4544	62	116	2276	119
524	44300	State College, PA	510	364	12	0	134	7
277	44420	Staunton-Waynesboro, VA	603	249	4	0	350	17
488	44700	Stockton-Lodi,* CA	1265	1245	0	0	20	1
999	44940	Sumter,* SC	289	269	0	0	20	1
532	45060	Syracuse, NY	1155	644	56	16	439	23
533	45220	Tallahassee, FL	1260	628	4	3	625	26
999	45300	Tampa-St. Petersburg-Clearwater,* FL	12386	7267	130	134	4855	176
999	45460	Terre Haute, IN	338	75	28	0	235	9
999	45500	Texarkana, TX-AR	139	131	8	0	0	0
422	45540	The Villages,* FL	2570	2570	0	0	0	0
534	45780	Toledo, OH	1075	598	10	0	467	31
999	45820	Topeka, KS	315	285	6	0	24	3
408	45940	Trenton,* NJ	368	239	8	0	121	9
536	46060	Tucson,* AZ	3250	2296	32	0	922	44
999	46140	Tulsa,* OK	4533	3022	76	96	1339	50
	46220	Tuscaloosa, AL	1386	440	70	33	843	30
	46340	Tyler, TX	402	388	8	6	0	0
999	46520	Urban Honolulu,* HI	1578	875	12	0	691	17
999	46540	Utica-Rome, NY	234	218	0	0	16	2
999	46660	Valdosta, GA	410	384	16	0	10	2
488	46700	Vallejo-Fairfield, CA	646	646	0	0	0	0
544	47020	Victoria,* TX	837	165	68	0	604	25

428	47220	Vineland-Bridgeton,* NJ	212	182	0	0	30	6
545	47260	Virginia Beach-Norfolk-Newport News, VA-NC	5715	3766	22	70	1857	92
47300	Visalia-Porterville, CA	1092	836	8	0	248	22	
47380	Waco, TX	1480	616	50	0	814	49	
47460	Walla Walla, WA	214	190	8	0	16	2	
356	47580	Warner Robins, GA	780	661	0	8	111	13
548	47900	Washington-Arlington-Alexandria,* DC-VA-MD-WV	24804	12411	128	26	12239	132
999	47940	Waterloo-Cedar Falls, IA	407	334	22	11	40	3
999	48060	Watertown-Fort Drum, NY	519	107	4	0	408	54
554	48140	Wausau, WI	383	218	0	0	165	12
430	48260	Weirton-Steubenville, WV-OH	46	28	0	18	0	0
999	48300	Wenatchee, WA	460	433	6	0	21	3
999	48540	Wheeling, WV-OH	61	9	0	0	52	2
999	48660	Wichita Falls, TX	157	107	2	0	48	3
556	48620	Wichita, KS	1515	1178	170	37	130	5
558	48700	Williamsport, PA	214	107	12	0	95	2
999	48900	Wilmington,* NC	2208	1367	18	0	823	24
548	49020	Winchester, VA-WV	525	523	2	0	0	0
268	49180	Winston-Salem, NC	2085	1424	80	4	577	23
148	49340	Worcester, MA-CT	1366	1256	40	12	58	3
999	49420	Yakima, WA	442	352	2	6	82	4
276	49620	York-Hanover, PA	817	721	6	12	78	9
566	49660	Youngstown-Warren-Boardman, OH-PA	314	302	0	0	12	1
472	49700	Yuba City, CA	280	270	10	0	0	0
999	49740	Yuma, AZ	594	594	0	0	0	0

\* - Metropolitan areas where all permit offices are requested to report monthly.

## **EXHIBIT 2**

Table 3au. New Privately Owned Housing Units Authorized  
Unadjusted Units by Metropolitan Area

Annual 2015

CSA	CBSA	Name	Total	1 Unit	2 Units	3 and 4 Units	5 Units or more	Num of Structures With 5 Units or more
999	10180	Abilene, TX	535	303	4	0	228	24
184	10420	Akron, OH	967	792	4	12	159	1
999	10500	Albany, GA	203	166	26	6	5	1
440	10540	Albany, OR	365	344	6	0	15	3
104	10580	Albany-Schenectady-Troy, NY	3623	1185	70	236	2132	142
106	10740	Albuquerque,* NM	2295	2012	12	52	219	12
999	10780	Alexandria, LA	289	241	48	0	0	0
408	10900	Allentown-Bethlehem-Easton,* PA-NJ	1356	943	0	7	406	28
999	11020	Altoona, PA	117	108	0	4	5	1
108	11100	Amarillo, TX	880	564	4	0	312	30
218	11180	Ames, IA	555	196	2	3	354	15
999	11260	Anchorage,* AK	933	695	30	60	148	17
220	11460	Ann Arbor, MI	420	390	0	0	30	3
999	11500	Anniston-Oxford-Jacksonville, AL	61	61	0	0	0	0
118	11540	Appleton, WI	1119	568	32	28	491	43
120	11700	Asheville, NC	2161	1794	0	0	367	27
122	12020	Athens-Clarke County, GA	1159	562	6	0	591	28
122	12060	Atlanta-Sandy Springs-Roswell,* GA	30342	19995	30	167	10150	192
428	12100	Atlantic City-Hammonton,* NJ	710	351	6	0	353	18
12220	Auburn-Opelika,* AL	838	826	12	0	0	0	0
12260	Augusta-Richmond County, GA-SC	3035	2669	2	0	364	22	22
999	12420	Austin-Round Rock,* TX	22370	11857	372	76	10065	347
999	12540	Bakersfield, CA	2200	2098	6	14	82	7
548	12580	Baltimore-Columbia-Towson,* MD	8264	4587	100	6	3571	60
999	12620	Bangor, ME	555	197	8	16	334	33
148	12700	Barnstable Town, MA	572	550	10	6	6	1
999	12940	Baton Rouge, LA	3569	3463	2	0	104	6
310	12980	Battle Creek, MI	59	59	0	0	0	0
474	13020	Bay City, MI	147	49	0	0	98	2
999	13140	Beaumont-Port Arthur, TX	1132	953	2	3	174	16
999	13220	Beckley, WV	100	100	0	0	0	0
999	13380	Bellingham, WA	1144	599	38	85	422	29
140	13460	Bend-Redmond,* OR	2227	1550	54	0	623	22
999	13740	Billings, MT	1764	1274	8	3	479	19
999	13780	Binghamton, NY	249	71	106	0	72	2
142	13820	Birmingham-Hoover,* AL	3733	2414	0	16	1303	26
999	13900	Bismarck, ND	1082	664	22	0	396	15
999	13980	Blacksburg-Christiansburg-Radford, VA	476	474	2	0	0	0
145	14010	Bloomington, IL	396	245	10	7	134	6
144	14020	Bloomington, IN	395	269	10	0	116	6
146	14100	Bloomsburg-Berwick, PA	190	135	0	0	55	2
147	14260	Boise City,* ID	5499	4295	6	340	858	47
148	14460	Boston-Cambridge-Newton,* MA-NH	15036	4844	410	319	9463	258
216	14500	Boulder, CO	1249	768	56	42	383	22
150	14540	Bowling Green, KY	1147	546	68	48	485	34
14740	Bremerton-Silverdale, WA	918	796	4	8	110	4	4
14860	Bridgeport-Stamford-Norwalk, CT	2598	800	20	11	1767	45	45
154	15180	Brownsville-Harlingen, TX	1285	1129	58	15	83	10
999	15260	Brunswick, GA	535	535	0	0	0	0
160	15380	Buffalo-Cheektowaga-Niagara Falls, NY	1677	992	24	12	649	44
268	15500	Burlington, NC	1032	736	2	4	290	9



308	27860	Jonesboro, AR	482	402	36	44	0	0
309	27900	Joplin, MO	531	445	30	8	48	7
999	27980	Kahului-Wailuku-Lahaina,* HI	502	332	24	28	118	17
310	28020	Kalamazoo-Portage, MI	623	501	46	28	48	2
	28100	Kankakee, IL	89	89	0	0	0	0
	28140	Kansas City,* MO-KS	8954	4547	206	280	3921	146
999	28420	Kennewick-Richland, WA	1464	1221	2	4	237	16
999	28660	Killeen-Temple, TX	2310	1840	386	4	80	7
304	28700	Kingsport-Bristol-Bristol, TN-VA	705	419	8	0	278	24
408	28740	Kingston, NY	307	148	10	4	145	11
314	28940	Knoxville, TN	3060	2592	4	0	464	15
316	29020	Kokomo, IN	441	166	142	0	133	3
999	29100	La Crosse-Onalaska, WI-MN	497	233	36	3	225	12
318	29180	Lafayette, LA	2483	1973	12	20	478	14
320	29200	Lafayette-West Lafayette, IN	527	475	24	0	28	1
999	29340	Lake Charles, LA	1034	788	178	32	36	4
332	29420	Lake Havasu City-Kingman, AZ	636	626	10	0	0	0
999	29460	Lakeland-Winter Haven,* FL	3039	3003	8	0	28	4
999	29540	Lancaster, PA	1154	968	18	0	168	12
330	29620	Lansing-East Lansing, MI	1056	496	2	18	540	14
999	29700	Laredo,* TX	1848	1032	0	27	789	15
238	29740	Las Cruces,* NM	760	719	2	28	11	1
332	29820	Las Vegas-Henderson-Paradise,* NV	10605	7805	32	21	2747	201
312	29940	Lawrence, KS	839	372	0	9	458	4
999	30020	Lawton, OK	100	96	4	0	0	0
276	30140	Lebanon, PA	384	347	0	0	37	2
999	30300	Lewiston, ID-WA	139	63	4	0	72	6
438	30340	Lewiston-Auburn, ME	74	74	0	0	0	0
336	30460	Lexington-Fayette, KY	2206	1381	26	22	777	41
338	30620	Lima, OH	77	64	0	13	0	0
339	30700	Lincoln, NE	2548	1090	4	0	1454	42
	30780	Little Rock-North Little Rock-Conway,	2699	1487	52	18	1142	54
999	30860	Logan, UT-ID	614	368	0	53	193	20
346	30980	Longview, TX	248	221	8	4	15	1
440	31020	Longview, WA	178	168	10	0	0	0
348	31080	Los Angeles-Long Beach-Anaheim,* CA	34034	8447	862	454	24271	550
350	31140	Louisville-Jefferson County, KY-IN	3979	2734	62	80	1103	67
352	31180	Lubbock, TX	1856	958	64	8	826	56
999	31340	Lynchburg, VA	797	591	2	3	201	9
356	31420	Macon, GA	317	245	0	72	0	0
260	31460	Madera, CA	211	211	0	0	0	0
357	31540	Madison, WI	3498	1406	58	82	1952	45
148	31700	Manchester-Nashua, NH	921	557	20	4	340	10
358	31740	Manhattan, KS	496	340	10	0	146	10
359	31860	Mankato-North Mankato, MN	808	245	6	136	421	22
360	31900	Mansfield, OH	62	62	0	0	0	0
365	32580	McAllen-Edinburg-Mission,* TX	4306	2929	278	107	992	45
366	32780	Medford, OR	717	604	20	11	82	5
368	32820	Memphis, TN-MS-AR	3951	2573	8	0	1370	40
382	32900	Merced, CA	232	228	4	0	0	0
370	33100	Miami-Fort Lauderdale-West Palm Beach,* FL	23450	7142	74	175	16059	403
176	33140	Michigan City-La Porte, IN	159	99	10	0	50	1
474	33220	Midland, MI	130	108	22	0	0	0
372	33260	Midland,* TX	1030	766	0	0	264	12
376	33340	Milwaukee-Waukesha-West Allis,* WI	3001	1369	44	0	1588	47
377	33460	Minneapolis-St. Paul-Bloomington, WI	11673	6770	62	65	4776	64
	33540	Missoula,* MT	574	292	10	15	257	11
380	33660	Mobile, AL	907	648	10	0	249	25
382	33700	Modesto, CA	413	413	0	0	0	0
384	33740	Monroe, LA	605	555	4	21	25	5
220	33780	Monroe, MI	291	243	4	0	44	6
999	33860	Montgomery, AL	1099	764	0	16	319	20

390	34060	Morgantown, WV	166	24	2	3	137	3
314	34100	Morristown, TN	188	186	2	0	0	0
500	34580	Mount Vernon-Anacortes, WA	438	410	28	0	0	0
294	34620	Muncie, IN	46	46	0	0	0	0
	34740	Muskegon, MI	241	241	0	0	0	0
	34820	Myrtle Beach-Conway-North Myrtle Beach, SC-NC	6154	5763	100	15	276	27
488	34900	Napa, CA	172	170	2	0	0	0
162	34940	Naples-Immokalee-Marco Island,* FL	4060	3078	6	253	723	38
400	34980	Nashville-Davidson--Murfreesboro--Franklin, TN	18291	11417	62	66	6746	173
404	35100	New Bern, NC	435	315	0	0	120	5
408	35300	New Haven-Milford, CT	1161	422	28	37	674	32
406	35380	New Orleans-Metairie,* LA	2495	2093	54	6	342	3
408	35620	New York-Newark-Jersey City,* NY-NJ-PA	86424	11167	1366	1004	72887	1710
515	35660	Niles-Benton Harbor, MI	208	168	0	12	28	1
412	35840	North Port-Sarasota-Bradenton,* FL	7141	4992	40	223	1886	82
278	35980	Norwich-New London, CT	531	238	2	4	287	11
999	36100	Ocala,* FL	1055	1055	0	0	0	0
428	36140	Ocean City,* NJ	614	453	134	9	18	2
372	36220	Odessa,* TX	612	468	0	0	144	3
482	36260	Ogden-Clearfield, UT	3120	2319	22	123	656	60
416	36420	Oklahoma City,* OK	6004	5518	196	4	286	11
500	36500	Olympia-Tumwater, WA	1020	881	6	8	125	7
420	36540	Omaha-Council Bluffs,* NE-IA	4157	2973	12	7	1165	27
422	36740	Orlando-Kissimmee-Sanford,* FL	20474	12038	132	86	8218	269
118	36780	Oshkosh-Neenah, WI	710	303	26	3	378	18
999	36980	Owensboro, KY	243	233	2	8	0	0
348	37100	Oxnard-Thousand Oaks-Ventura, CA	1433	678	8	83	664	35
009	37340	Palm Bay-Melbourne-Titusville,* FL	1918	1609	2	8	299	9
	37460	Panama City, FL	988	808	4	8	168	7
	37620	Parkersburg-Vienna, WV	177	137	10	0	30	5
999	37860	Pensacola-Ferry Pass-Brent,* FL	2634	2017	10	8	599	28
426	37900	Peoria, IL	502	424	20	0	58	4
428	37980	Philadelphia-Camden-Wilmington,* PA-NJ-DE-MD	12317	6548	258	451	5060	276
999	38060	Phoenix-Mesa-Scottsdale,* AZ	22402	16621	168	186	5427	256
340	38220	Pine Bluff, AR	31	21	10	0	0	0
430	38300	Pittsburgh,* PA	5264	3293	90	138	1743	45
999	38340	Pittsfield, MA	214	106	0	0	108	4
999	38540	Pocatello, ID	190	168	2	20	0	0
370	38940	Port St. Lucie,* FL	1601	1268	28	9	296	19
438	38860	Portland-South Portland, ME	1980	1584	58	39	299	20
440	38900	Portland-Vancouver-Hillsboro,* OR-WA	13967	7102	192	119	6554	207
999	39140	Prescott, AZ	1377	1120	12	17	228	9
148	39300	Providence-Warwick, RI-MA	1818	1482	88	56	192	12
482	39340	Provo-Orem, UT	4549	3098	30	118	1303	66
444	39380	Pueblo,* CO	282	200	20	0	62	3
412	39460	Punta Gorda,* FL	1129	947	6	4	172	11
376	39540	Racine, WI	217	189	28	0	0	0
450	39580	Raleigh,* NC	11987	8694	22	4	3267	91
452	39660	Rapid City, SD	798	572	0	0	226	9
428	39740	Reading, PA	416	343	2	0	71	5
454	39820	Redding, CA	375	321	0	4	50	7
456	39900	Reno,* NV	2787	2000	14	0	773	44
000	40060	Richmond,* VA	4875	3619	22	80	1154	37
	40140	Riverside-San Bernardino-Ontario,*	9926	7816	116	114	1880	153
999	40220	Roanoke, VA	763	408	2	4	349	12
462	40340	Rochester, MN	1776	658	8	3	1107	31
464	40380	Rochester, NY	2652	1381	54	145	1072	51
466	40420	Rockford, IL	134	90	44	0	0	0
468	40580	Rocky Mount, NC	263	249	14	0	0	0

470	40660	Rome, GA	93	89	0	4	0	0
472	40900	Sacramento--Roseville--Arden-Arcade,* CA	6184	5175	88	16	905	38
474	40980	Saginaw, MI	382	156	62	3	161	5
	41420	Salem, OR	1297	807	10	0	480	38
	41500	Salinas, CA	587	315	2	0	270	22
999	41540	Salisbury, MD-DE	3031	2512	138	63	318	33
482	41620	Salt Lake City,* UT	6755	3762	28	158	2807	63
999	41660	San Angelo,* TX	236	236	0	0	0	0
999	41700	San Antonio-New Braunfels,* TX	7824	6478	82	78	1186	150
999	41740	San Diego-Carlsbad,* CA	9883	3222	54	229	6378	227
488	41860	San Francisco-Oakland-Hayward,* CA	13386	4804	128	117	8337	215
488	41940	San Jose-Sunnyvale-Santa Clara,* CA	5788	1897	18	94	3779	135
999	42020	San Luis Obispo-Paso Robles-Arroyo Grande, CA	821	692	4	0	125	18
488	42100	Santa Cruz-Watsonville, CA	335	202	0	13	120	16
106	42140	Santa Fe,* NM	110	110	0	0	0	0
999	42200	Santa Maria-Santa Barbara, CA	1082	411	32	87	552	14
488	42220	Santa Rosa, CA	621	431	2	38	150	16
496	42340	Savannah, GA	2407	2357	2	0	48	3
999	42540	Scranton--Wilkes-Barre--Hazleton, PA	831	800	0	20	11	2
500	42660	Seattle-Tacoma-Bellevue,* WA	25008	8646	470	575	15317	291
370	42680	Sebastian-Vero Beach,* FL	873	849	0	0	24	1
999	42700	Sebring,* FL	162	156	6	0	0	0
999	43100	Sheboygan, WI	123	101	4	0	18	3
206	43300	Sherman-Denison, TX	340	322	12	0	6	1
999	43340	Shreveport-Bossier City, LA	1107	1023	0	0	84	11
999	43420	Sierra Vista-Douglas, AZ	215	139	0	0	76	12
512	43580	Sioux City, IA-NE-SD	510	349	12	10	139	6
000	43620	Sioux Falls, SD	1926	1069	120	67	670	48
	43780	South Bend-Mishawaka, IN-MI	524	380	0	0	144	12
	43900	Spartanburg, SC	1418	1418	0	0	0	0
518	44060	Spokane-Spokane Valley, WA	2738	1461	76	19	1182	47
522	44100	Springfield, IL	383	289	54	3	37	3
521	44140	Springfield, MA	458	405	34	4	15	1
520	44180	Springfield, MO	2223	1256	14	4	949	35
212	44220	Springfield, OH	63	61	2	0	0	0
378	41060	St. Cloud, MN	858	376	0	12	470	22
999	41100	St. George, UT	1658	1614	0	19	25	4
312	41140	St. Joseph, MO-KS	211	94	4	4	109	13
476	41180	St. Louis,* MO-IL	7698	5054	34	115	2495	82
524	44300	State College, PA	389	314	2	4	69	3
277	44420	Staunton-Waynesboro, VA	287	287	0	0	0	0
488	44700	Stockton-Lodi,* CA	2431	1708	24	0	699	29
999	44940	Sumter,* SC	217	217	0	0	0	0
532	45060	Syracuse, NY	1194	615	4	19	556	29
533	45220	Tallahassee, FL	896	737	4	3	152	8
999	45300	Tampa-St. Petersburg-Clearwater,* FL	15653	9739	104	93	5717	165
999	45460	Terre Haute, IN	215	79	62	32	42	2
999	45500	Texarkana, TX-AR	333	69	8	0	256	8
422	45540	The Villages,* FL	1568	1568	0	0	0	0
534	45780	Toledo, OH	715	649	44	0	22	4
999	45820	Topeka, KS	388	354	22	12	0	0
408	45940	Trenton,* NJ	896	284	12	3	597	27
536	46060	Tucson,* AZ	2428	2226	18	0	184	3
550	46140	Tulsa,* OK	3774	2885	70	84	735	38
	46220	Tuscaloosa, AL	747	453	82	16	196	8
	46340	Tyler, TX	470	420	32	18	0	0
999	46520	Urban Honolulu,* HI	3833	982	0	0	2851	90
999	46540	Utica-Rome, NY	246	224	2	4	16	2
999	46660	Valdosta, GA	627	603	14	0	10	2
488	46700	Vallejo-Fairfield, CA	1434	1036	2	0	396	21
544	47020	Victoria,* TX	139	139	0	0	0	0

428 47220 Vineland-Bridgeton,* NJ	237	185	0	0	52	8
545 47260 Virginia Beach-Norfolk-Newport News, VA-NC	6722	4024	18	72	2608	89
546 47300 Visalia-Porterville, CA	1275	1129	56	0	90	8
47380 Waco, TX	1507	592	86	88	741	35
47460 Walla Walla, WA	214	194	4	0	16	2
356 47580 Warner Robins, GA	1048	748	0	0	300	38
548 47900 Washington-Arlington-Alexandria,* DC-VA-MD-WV	23007	12638	120	50	10199	186
999 47940 Waterloo-Cedar Falls, IA	414	328	6	0	80	8
999 48060 Watertown-Fort Drum, NY	147	137	0	0	10	1
554 48140 Wausau, WI	241	229	8	4	0	0
430 48260 Weirton-Steubenville, WV-OH	48	48	0	0	0	0
999 48300 Wenatchee, WA	593	490	14	0	89	7
999 48540 Wheeling, WV-OH	115	71	2	0	42	3
999 48660 Wichita Falls, TX	80	80	0	0	0	0
556 48620 Wichita, KS	2021	1153	366	50	452	34
558 48700 Williamsport, PA	159	143	16	0	0	0
999 48900 Wilmington,* NC	2358	1646	134	8	570	13
548 49020 Winchester, VA-WV	774	637	0	0	137	5
268 49180 Winston-Salem, NC	2044	1602	8	4	430	17
148 49340 Worcester, MA-CT	1385	1152	24	13	196	3
999 49420 Yakima, WA	395	390	2	3	0	0
276 49620 York-Hanover, PA	778	707	2	16	53	3
566 49660 Youngstown-Warren-Boardman, OH-PA	311	299	0	0	12	1
472 49700 Yuba City, CA	371	242	0	32	97	8
999 49740 Yuma, AZ	768	765	0	3	0	0

\* - Metropolitan areas where all permit offices are requested to report monthly.

## **EXHIBIT 3**

Table 3yu. New Privately Owned Housing Units Authorized  
Unadjusted Units by Metropolitan Area

December 2016 Year-to-Date

CSA	CBSA	Name	Total	1 Unit	2 Units	3 & 4 Units	5 Units or more	Num of Struc- tures With 5 Units or more
999	10180	Abilene, TX	302	294	8	0	0	0
184	10420	Akron, OH	574	570	0	4	0	0
999	10500	Albany, GA	207	153	0	8	46	6
440	10540	Albany, OR	303	293	0	0	10	2
104	10580	Albany-Schenectady-Troy,* NY	2790	1353	82	229	1126	72
106	10740	Albuquerque,* NM	2461	1927	6	28	500	42
999	10780	Alexandria, LA	239	239	0	0	0	0
408	10900	Allentown-Bethlehem-Easton, PA-NJ	482	329	0	0	153	14
999	11020	Altoona, PA	0	0	0	0	0	0
108	11100	Amarillo, TX	639	625	14	0	0	0
218	11180	Ames, IA	571	112	0	0	459	24
999	11260	Anchorage,* AK	1046	751	26	53	216	19
220	11460	Ann Arbor, MI	216	216	0	0	0	0
999	11500	Anniston-Oxford-Jacksonville, AL	57	49	0	8	0	0
118	11540	Appleton, WI	544	370	42	0	132	9
120	11700	Asheville, NC	2754	1706	10	0	1038	47
122	12020	Athens-Clarke County, GA	518	457	14	16	31	6
122	12060	Atlanta-Sandy Springs-Roswell, GA	36121	22931	48	102	13040	202
	12100	Atlantic City-Hammonton,* NJ	1083	336	8	8	731	30
	12220	Auburn-Opelika, AL	906	854	16	0	36	3
	12260	Augusta-Richmond County, GA-SC	2951	2543	8	60	340	15
999	12420	Austin-Round Rock, TX	22242	13609	76	172	8385	283
999	12540	Bakersfield, CA	2031	1863	8	12	148	15
548	12580	Baltimore-Columbia-Towson,* MD	8040	4697	146	0	3197	59
999	12620	Bangor, ME	139	86	6	32	15	3
148	12700	Barnstable Town, MA	91	91	0	0	0	0
999	12940	Baton Rouge,* LA	3419	3395	4	20	0	0
310	12980	Battle Creek, MI	2	2	0	0	0	0
474	13020	Bay City, MI	12	12	0	0	0	0
999	13140	Beaumont-Port Arthur, TX	616	452	0	0	164	5
999	13220	Beckley,* WV	70	70	0	0	0	0
999	13380	Bellingham, WA	1138	686	24	60	368	18
140	13460	Bend-Redmond, OR	2218	1761	40	59	358	14
999	13740	Billings, MT	537	525	0	0	12	1
999	13780	Binghamton, NY	1	1	0	0	0	0
142	13820	Birmingham-Hoover,* AL	3463	2701	0	0	762	23
999	13900	Bismarck, ND	835	622	16	6	191	5
999	13980	Blacksburg-Christiansburg-Radford, VA	216	132	0	0	84	3
145	14010	Bloomington, IL	307	176	2	0	129	8
144	14020	Bloomington,* IN	501	292	30	4	175	7
146	14100	Bloomsburg-Berwick,* PA	151	124	2	3	22	4
147	14260	Boise City,* ID	6740	5396	22	308	1014	52
148	14460	Boston-Cambridge-Newton,* MA-NH	13017	5268	514	370	6865	278
216	14500	Boulder, CO	1813	669	28	18	1098	63
	14540	Bowling Green, KY	979	595	70	38	276	27
	14740	Bremerton-Silverdale,* WA	1060	863	14	15	168	10
400	14860	Bridgeport-Stamford-Norwalk,* CT	1917	714	48	22	1133	23
154	15180	Brownsville-Harlingen, TX	969	813	16	92	48	7
999	15260	Brunswick, GA	522	522	0	0	0	0
160	15380	Buffalo-Cheektowaga-Niagara Falls,* NY	1992	935	16	14	1027	69

268	15500	Burlington, NC	839	653	12	12	162	6
999	15540	Burlington-South Burlington, VT	643	255	52	24	312	13
548	15680	California-Lexington Park,* MD	698	689	0	4	5	1
184	15940	Canton-Massillon, OH	466	401	4	15	46	9
2	15980	Cape Coral-Fort Myers,* FL	5417	4092	122	240	963	54
4	16020	Cape Girardeau, MO-IL	0	0	0	0	0	0
456	16180	Carson City,* NV	159	87	0	0	72	9
999	16220	Casper, WY	165	157	0	8	0	0
168	16300	Cedar Rapids, IA	650	451	114	50	35	1
548	16540	Chambersburg-Waynesboro,* PA	257	248	2	7	0	0
999	16580	Champaign-Urbana, IL	695	179	4	0	512	16
170	16620	Charleston, WV	188	58	18	24	88	8
999	16700	Charleston-North Charleston,* SC	6936	4758	18	10	2150	65
172	16740	Charlotte-Concord-Gastonia, NC-SC	19353	12989	54	17	6293	166
999	16820	Charlottesville, VA	905	599	8	0	298	28
174	16860	Chattanooga, TN-GA	2171	1454	38	14	665	21
999	16940	Cheyenne, WY	469	422	0	14	33	1
176	16980	Chicago-Naperville-Elgin, IL-IN-WI	19469	8118	186	678	10487	325
999	17020	Chico, CA	549	297	0	39	213	17
178	17140	Cincinnati, OH-KY-IN	5859	3932	154	126	1647	84
999	17300	Clarksville,* TN-KY	1679	1316	72	77	214	28
174	17420	Cleveland, TN	383	270	24	49	40	3
184	17460	Cleveland-Elyria, OH	2955	2653	50	49	203	17
518	17660	Coeur d'Alene, ID	1498	1083	20	7	388	29
999	17780	College Station-Bryan, TX	2856	1214	196	118	1328	60
999	17820	Colorado Springs,* CO	5167	3609	10	0	1548	50
190	17860	Columbia,* MO	1304	863	20	4	417	11
192	17900	Columbia,* SC	4625	3914	0	0	711	38
194	17980	Columbus, GA-AL	886	615	2	7	262	17
294	18020	Columbus, IN	300	300	0	0	0	0
198	18140	Columbus, OH	8249	4040	40	281	3888	169
	18580	Corpus Christi, TX	1268	1243	6	19	0	0
	18700	Corvallis, OR	127	85	6	3	33	2
999	18880	Crestview-Fort Walton Beach-Destin,* FL	2529	2140	6	8	375	16
999	19060	Cumberland, MD-WV	44	44	0	0	0	0
206	19100	Dallas-Fort Worth-Arlington, TX	55618	29846	262	323	25187	463
999	19180	Danville, IL	0	0	0	0	0	0
380	19300	Daphne-Fairhope-Foley, AL	1913	1662	30	137	84	14
209	19340	Davenport-Moline-Rock Island,* IA-IL	406	348	0	0	58	2
212	19380	Dayton, OH	1224	901	0	0	323	23
290	19460	Decatur, AL	189	185	4	0	0	0
999	19500	Decatur, IL	39	39	0	0	0	0
422	19660	Deltona-Daytona Beach-Ormond Beach, FL	2021	1525	14	0	482	21
216	19740	Denver-Aurora-Lakewood, CO	21322	10211	318	58	10735	248
218	19780	Des Moines-West Des Moines, IA	6720	3758	34	12	2916	78
220	19820	Detroit-Warren-Dearborn, MI	7536	5728	182	122	1504	104
222	20020	Dothan, AL	229	223	0	0	6	1
428	20100	Dover,* DE	1276	1124	4	4	144	9
999	20220	Dubuque, IA	205	117	4	0	84	2
999	20260	Duluth, MN-WI	139	106	4	0	29	2
450	20500	Durham-Chapel Hill,* NC	4388	2957	20	8	1403	54
408	20700	East Stroudsburg, PA	126	126	0	0	0	0
232	20740	Eau Claire, WI	725	401	88	24	212	15
999	20940	El Centro, CA	142	135	0	0	7	1
238	21340	El Paso,* TX	3052	2217	90	71	674	77
	21060	Elizabethtown-Fort Knox, KY	465	316	8	12	129	21
	21140	Elkhart-Goshen, IN	287	283	4	0	0	0
236	21300	Elmira, NY	1	1	0	0	0	0
999	21420	Enid, OK	69	69	0	0	0	0
240	21500	Erie, PA	100	62	8	0	30	1
999	21660	Eugene, OR	1074	636	22	0	416	15
999	21780	Evansville, IN-KY	926	624	38	12	252	10

999 21820	Fairbanks,* AK	11	11	0	0	0	0
244 22020	Fargo, ND-MN	2484	1197	40	35	1212	47
999 22140	Farmington,* NM	104	102	2	0	0	0
246 22180	Fayetteville,* NC	953	833	8	0	112	9
9 22220	Fayetteville-Springdale-Rogers, AR-MO	4333	3414	162	7	750	45
999 22380	Flagstaff, AZ	616	378	6	0	232	5
220 22420	Flint, MI	174	126	0	0	48	4
999 22500	Florence, SC	281	275	6	0	0	0
999 22520	Florence-Muscle Shoals, AL	272	194	6	0	72	12
999 22540	Fond du Lac, WI	284	71	0	0	213	13
999 22660	Fort Collins,* CO	3524	1614	36	61	1813	115
999 22900	Fort Smith, AR-OK	603	346	128	33	96	6
258 23060	Fort Wayne, IN	1474	1038	58	0	378	27
260 23420	Fresno,* CA	2686	2330	30	45	281	34
999 23460	Gadsden, AL	45	45	0	0	0	0
264 23540	Gainesville, FL	910	409	0	0	501	26
122 23580	Gainesville, GA	1383	853	0	0	530	19
276 23900	Gettysburg,* PA	347	347	0	0	0	0
104 24020	Glens Falls, NY	263	198	0	11	54	7
999 24220	Grand Forks, ND-MN	314	123	0	0	191	4
999 24260	Grand Island, NE	292	103	10	3	176	11
999 24300	Grand Junction,* CO	599	498	10	0	91	2
266 24340	Grand Rapids-Wyoming, MI	3655	1644	40	64	1907	79
999 24500	Great Falls, MT	242	153	2	3	84	3
216 24540	Greeley, CO	2334	1798	22	41	473	46
267 24580	Green Bay, WI	878	692	20	4	162	16
268 24660	Greensboro-High Point,* NC	2735	1635	8	0	1092	53
274 24780	Greenville, NC	606	211	56	0	339	21
273 24860	Greenville-Anderson-Mauldin, SC	5414	4157	26	31	1200	41
999 25060	Gulfport-Biloxi-Pascagoula, MS	1759	1597	26	39	97	10
25180	Hagerstown-Martinsburg, MD-WV	921	912	6	3	0	0
25220	Hammond, LA	652	646	6	0	0	0
276 25420	Harrisburg-Carlisle,* PA	1555	1162	6	19	368	25
277 25500	Harrisonburg,* VA	643	619	0	0	24	2
278 25540	Hartford-West Hartford-East Hartford,* CT	2054	841	30	33	1150	74
999 25620	Hattiesburg, MS	129	69	4	20	36	6
280 25860	Hickory-Lenoir-Morganton, NC	53	7	2	0	44	6
999 25940	Hilton Head Island-Bluffton-Beaufort, SC	696	587	0	0	109	11
496 25980	Hinesville, GA	276	276	0	0	0	0
999 26140	Homosassa Springs, FL	378	363	0	0	15	3
284 26300	Hot Springs, AR	45	45	0	0	0	0
999 26380	Houma-Thibodaux, LA	427	422	2	3	0	0
288 26420	Houston-The Woodlands-Sugar Land, TX	44643	35397	118	58	9070	262
170 26580	Huntington-Ashland, WV-KY-OH	154	134	8	12	0	0
290 26620	Huntsville,* AL	2992	2320	0	0	672	28
292 26820	Idaho Falls, ID	873	825	12	0	36	1
294 26900	Indianapolis-Carmel-Anderson, IN	7554	5643	218	90	1603	76
168 26980	Iowa City, IA	1610	423	4	28	1155	23
296 27060	Ithaca, NY	89	11	10	0	68	1
999 27100	Jackson, MI	6	6	0	0	0	0
298 27140	Jackson, MS	1640	1636	0	4	0	0
297 27180	Jackson, TN	167	167	0	0	0	0
300 27260	Jacksonville,* FL	11698	8499	108	47	3044	94
999 27340	Jacksonville,* NC	803	785	0	0	18	3
27500	Janesville-Beloit, WI	162	156	6	0	0	0
27740	Johnson City, TN	148	96	0	0	52	7
306 27780	Johnstown, PA	5	5	0	0	0	0
308 27860	Jonesboro, AR	956	520	54	117	265	13
309 27900	Joplin, MO	165	139	26	0	0	0
999 27980	Kahului-Wailuku-Lahaina,* HI	567	256	88	27	196	23
310 28020	Kalamazoo-Portage, MI	111	111	0	0	0	0



176	28100	Kankakee, IL	17	17	0	0	0	0
312	28140	Kansas City, MO-KS	10063	5248	126	531	4158	102
999	28420	Kennewick-Richland,* WA	1560	1373	16	16	155	7
999	28660	Killeen-Temple,* TX	2119	1796	218	4	101	6
	28700	Kingsport-Bristol-Bristol, TN-VA	12	12	0	0	0	0
	28740	Kingston, NY	113	47	2	4	60	11
314	28940	Knoxville, TN	3371	2653	4	4	710	15
316	29020	Kokomo, IN	310	108	4	0	198	1
999	29100	La Crosse-Onalaska, WI-MN	246	224	22	0	0	0
318	29180	Lafayette, LA	1577	1423	50	4	100	5
320	29200	Lafayette-West Lafayette, IN	569	437	26	0	106	8
324	29340	Lake Charles, LA	1381	748	102	6	525	28
332	29420	Lake Havasu City-Kingman, AZ	683	657	26	0	0	0
999	29460	Lakeland-Winter Haven, FL	4052	2904	6	3	1139	53
999	29540	Lancaster, PA	141	75	6	0	60	3
330	29620	Lansing-East Lansing, MI	364	197	2	0	165	16
999	29700	Laredo, TX	1814	1100	2	36	676	14
238	29740	Las Cruces,* NM	778	765	2	0	11	1
332	29820	Las Vegas-Henderson-Paradise,* NV	13577	8805	18	27	4727	225
312	29940	Lawrence, KS	1343	209	2	4	1128	68
999	30020	Lawton, OK	91	81	6	4	0	0
276	30140	Lebanon, PA	200	200	0	0	0	0
999	30300	Lewiston, ID-WA	2	2	0	0	0	0
438	30340	Lewiston-Auburn, ME	115	76	4	0	35	4
336	30460	Lexington-Fayette,* KY	2732	1480	28	24	1200	52
338	30620	Lima, OH	5	5	0	0	0	0
339	30700	Lincoln, NE	2268	1030	28	0	1210	31
340	30780	Little Rock-North Little Rock-Conway, AR	2302	1624	70	11	597	50
999	30860	Logan, UT-ID	192	156	0	12	24	2
346	30980	Longview, TX	128	128	0	0	0	0
	31020	Longview, WA	166	166	0	0	0	0
	31080	Los Angeles-Long Beach-Anaheim,* CA	32008	9307	920	607	21174	533
350	31140	Louisville-Jefferson County, KY-IN	5001	3028	12	16	1945	80
352	31180	Lubbock, TX	2755	1201	108	15	1431	87
999	31340	Lynchburg, VA	489	390	0	0	99	4
356	31420	Macon-Bibb County, GA	195	195	0	0	0	0
260	31460	Madera, CA	285	285	0	0	0	0
357	31540	Madison, WI	4930	1598	114	88	3130	71
148	31700	Manchester-Nashua, NH	829	435	36	0	358	10
358	31740	Manhattan, KS	926	263	6	0	657	35
359	31860	Mankato-North Mankato, MN	256	134	14	4	104	2
365	32580	McAllen-Edinburg-Mission,* TX	4674	2975	158	498	1043	37
366	32780	Medford, OR	718	550	4	19	145	13
368	32820	Memphis, TN-MS-AR	4355	3003	8	28	1316	39
382	32900	Merced, CA	148	148	0	0	0	0
370	33100	Miami-Fort Lauderdale-West Palm Beach, FL	18694	6688	174	133	11699	313
176	33140	Michigan City-La Porte, IN	96	88	4	4	0	0
474	33220	Midland, MI	149	57	92	0	0	0
372	33260	Midland, TX	672	632	0	40	0	0
376	33340	Milwaukee-Waukesha-West Allis,* WI	3829	1634	42	12	2141	68
378	33460	Minneapolis-St. Paul-Bloomington, MN-WI	14133	7761	68	93	6211	93
999	33540	Missoula,* MT	935	368	18	19	530	18
380	33660	Mobile, AL	1158	721	12	17	408	15
382	33700	Modesto, CA	47	47	0	0	0	0
384	33740	Monroe, LA	557	487	0	30	40	8
	33780	Monroe, MI	13	13	0	0	0	0
	33860	Montgomery, AL	775	686	0	0	89	8
390	34060	Morgantown, WV	14	12	2	0	0	0
500	34580	Mount Vernon-Anacortes, WA	384	384	0	0	0	0
294	34620	Muncie, IN	27	17	0	0	10	1
266	34740	Muskegon, MI	16	16	0	0	0	0
396	34820	Myrtle Beach-Conway-North Myrtle Beach,						

SC-NC	5603	5327	122	27	127	
162 34940 Naples-Immokalee-Marco Island, FL	3576	2654	2	230	690	
400 34980 Nashville-Davidson--Murfreesboro--Franklin, TN	18557	12014	48	100	6395	
35300 New Haven-Milford, CT	567	189	2	14	362	
35380 New Orleans-Metairie, LA	2949	2455	98	25	371	
408 35620 New York-Newark-Jersey City, NY-NJ-PA	42466	9987	1696	770	30013	
515 35660 Niles-Benton Harbor, MI	15	15	0	0	0	
412 35840 North Port-Sarasota-Bradenton,* FL	8111	5821	54	264	1972	79
278 35980 Norwich-New London, CT	199	133	34	4	28	3
999 36100 Ocala, FL	1426	1410	16	0	0	0
428 36140 Ocean City,* NJ	638	475	132	21	10	2
372 36220 Odessa,* TX	558	459	0	7	92	9
482 36260 Ogden-Clearfield, UT	3435	2198	12	152	1073	64
416 36420 Oklahoma City,* OK	6770	5039	188	50	1493	67
500 36500 Olympia-Tumwater, WA	2035	1051	22	37	925	44
420 36540 Omaha-Council Bluffs, NE-IA	4244	2903	50	12	1279	37
422 36740 Orlando-Kissimmee-Sanford, FL	23251	14208	252	164	8627	288
118 36780 Oshkosh-Neenah, WI	331	242	18	0	71	5
999 36980 Owensboro, KY	369	238	2	0	129	11
348 37100 Oxnard-Thousand Oaks-Ventura, CA	1076	274	16	70	716	46
999 37340 Palm Bay-Melbourne-Titusville, FL	2230	1784	0	16	430	11
999 37460 Panama City, FL	509	505	4	0	0	0
425 37620 Parkersburg-Vienna, WV	117	117	0	0	0	0
426 37860 Pensacola-Ferry Pass-Brent,* FL	2907	2402	0	0	505	32
427 37900 Peoria, IL	48	48	0	0	0	0
428 37980 Philadelphia-Camden-Wilmington,* PA-NJ-DE-MD	12115	6820	244	551	4500	235
999 38060 Phoenix-Mesa-Scottsdale,* AZ	28542	18577	352	169	9444	264
340 38220 Pine Bluff, AR	38	24	14	0	0	0
38300 Pittsburgh, PA	1509	999	32	11	467	12
38340 Pittsfield, MA	10	10	0	0	0	0
999 38540 Pocatello, ID	196	196	0	0	0	0
370 38940 Port St. Lucie, FL	1644	1405	92	26	121	12
438 38860 Portland-South Portland, ME	1630	1272	82	47	229	20
440 38900 Portland-Vancouver-Hillsboro,* OR-WA	14723	7344	256	109	7014	267
999 39140 Prescott, AZ	1359	1115	14	0	230	18
148 39300 Providence-Warwick,* RI-MA	2547	1664	92	132	659	24
482 39340 Provo-Orem, UT	5305	4417	88	44	756	71
444 39380 Pueblo,* CO	282	265	4	0	13	2
412 39460 Punta Gorda, FL	971	905	12	3	51	6
376 39540 Racine, WI	169	165	4	0	0	0
450 39580 Raleigh,* NC	13507	9435	20	15	4037	101
452 39660 Rapid City, SD	862	447	0	4	411	13
428 39740 Reading, PA	34	34	0	0	0	0
454 39820 Redding, CA	133	133	0	0	0	0
456 39900 Reno,* NV	3599	1867	72	50	1610	116
999 40060 Richmond, VA	4837	3955	24	107	751	65
348 40140 Riverside-San Bernardino-Ontario, CA	10019	7930	74	76	1939	148
462 40340 Rochester, MN	1444	451	12	4	977	13
464 40380 Rochester, NY	2000	1282	14	133	571	40
466 40420 Rockford, IL	194	178	16	0	0	0
470 40660 Rome, GA	226	102	0	0	124	2
472 40900 Sacramento--Roseville--Arden-Arcade,* CA	7217	6148	122	8	939	35
0980 Saginaw, MI	61	52	6	3	0	0
1420 Salem, OR	944	452	26	4	462	36
999 41500 Salinas, CA	391	260	4	23	104	8
999 41540 Salisbury, MD-DE	3045	2544	188	86	227	23
482 41620 Salt Lake City, UT	8800	4311	46	114	4329	100
999 41660 San Angelo,* TX	170	170	0	0	0	0
999 41700 San Antonio-New Braunfels,* TX	9785	6441	250	95	2999	242

999	41740	San Diego-Carlsbad,* CA	10669	2341	140	305	7883	246
488	41860	San Francisco-Oakland-Hayward,* CA	14989	4927	78	147	9837	232
488	41940	San Jose-Sunnyvale-Santa Clara,* CA	6127	2057	16	110	3944	107
999	42020	San Luis Obispo-Paso Robles-Arroyo Grande, A	476	329	0	8	139	7
	42100	Santa Cruz-Watsonville, CA	227	114	0	16	97	17
106	42140	Santa Fe,* NM	117	117	0	0	0	0
999	42200	Santa Maria-Santa Barbara, CA	168	66	0	3	99	16
488	42220	Santa Rosa, CA	691	479	8	0	204	12
496	42340	Savannah, GA	1971	1767	8	0	196	15
999	42540	Scranton--Wilkes-Barre--Hazleton, PA	72	56	0	16	0	0
500	42660	Seattle-Tacoma-Bellevue,* WA	25516	9396	478	494	15148	339
370	42680	Sebastian-Vero Beach, FL	847	799	0	9	39	2
999	43100	Sheboygan, WI	9	9	0	0	0	0
999	43340	Shreveport-Bossier City, LA	1154	952	0	0	202	16
999	43420	Sierra Vista-Douglas, AZ	198	139	0	0	59	11
512	43580	Sioux City, IA-NE-SD	131	125	0	6	0	0
999	43620	Sioux Falls, SD	2999	1355	4	51	1589	62
515	43780	South Bend-Mishawaka, IN-MI	293	225	2	0	66	10
273	43900	Spartanburg, SC	1879	1879	0	0	0	0
518	44060	Spokane-Spokane Valley, WA	3703	1827	92	44	1740	103
522	44100	Springfield, IL	179	87	44	0	48	4
521	44140	Springfield, MA	33	31	2	0	0	0
520	44180	Springfield, MO	1382	672	18	0	692	26
212	44220	Springfield, OH	55	55	0	0	0	0
378	41060	St. Cloud, MN	9	9	0	0	0	0
999	41100	St. George, UT	1342	1236	6	22	78	3
312	41140	St. Joseph, MO-KS	0	0	0	0	0	0
476	41180	St. Louis, MO-IL	7943	5340	56	72	2475	83
574	44300	State College, PA	72	72	0	0	0	0
	44420	Staunton-Waynesboro, VA	209	195	6	8	0	0
	44700	Stockton-Lodi, CA	1403	1351	0	0	52	2
999	44940	Sumter,* SC	280	250	0	0	30	1
532	45060	Syracuse, NY	816	375	10	16	415	55
533	45220	Tallahassee, FL	986	734	8	6	238	15
999	45300	Tampa-St. Petersburg-Clearwater,* FL	17180	10683	74	91	6332	146
999	45460	Terre Haute, IN	176	67	32	7	70	3
999	45500	Texarkana, TX-AR	48	48	0	0	0	0
422	45540	The Villages, FL	1070	1066	4	0	0	0
534	45780	Toledo, OH	661	588	64	4	5	1
999	45820	Topeka, KS	325	305	8	12	0	0
408	45940	Trenton,* NJ	705	180	32	53	440	28
536	46060	Tucson,* AZ	2585	2164	26	0	395	20
538	46140	Tulsa,* OK	3756	3040	82	40	594	28
999	46220	Tuscaloosa, AL	1407	473	26	37	871	64
540	46340	Tyler, TX	398	305	12	81	0	0
999	46520	Urban Honolulu,* HI	1658	846	0	0	812	17
999	46540	Utica-Rome, NY	14	14	0	0	0	0
999	46660	Valdosta, GA	549	514	10	0	25	5
488	46700	Vallejo-Fairfield, CA	681	618	0	0	63	4
428	47220	Vineland-Bridgeton,* NJ	138	118	0	0	20	4
545	47260	Virginia Beach-Norfolk-Newport News, VA-NC	6375	4011	88	87	2189	66
546	47300	Visalia-Porterville, CA	1290	1164	46	0	80	10
999	47380	Waco, TX	1525	408	74	32	1011	48
999	47460	Walla Walla, WA	156	140	4	0	12	1
	47580	Warner Robins, GA	760	760	0	0	0	0
	47900	Washington-Arlington-Alexandria, DC-VA-MD-WV	24944	12974	84	16	11870	217
999	47940	Waterloo-Cedar Falls, IA	229	151	0	0	78	4
999	48060	Watertown-Fort Drum, NY	104	102	2	0	0	0
554	48140	Wausau, WI	124	124	0	0	0	0
430	48260	Weirton-Steubenville, WV-OH	0	0	0	0	0	0

999 48300 Wenatchee, WA	477	454	2	0	21	2
999 48540 Wheeling, WV-OH	26	10	0	0	16	2
999 48660 Wichita Falls, TX	1	1	0	0	0	0
556 48620 Wichita, KS	1621	895	240	4	482	32
3 48700 Williamsport, PA	15	11	4	0	0	0
9 48900 Wilmington, NC	2187	1145	10	0	1032	33
548 49020 Winchester, VA-WV	852	852	0	0	0	0
268 49180 Winston-Salem, NC	1508	1032	0	12	464	16
148 49340 Worcester, MA-CT	171	164	4	3	0	0
999 49420 Yakima, WA	330	324	2	4	0	0
276 49620 York-Hanover, PA	147	135	6	0	6	1
566 49660 Youngstown-Warren-Boardman, OH-PA	255	243	8	4	0	0
999 49740 Yuma, AZ	886	879	0	7	0	0

\* - Metropolitan areas where all permit offices are requested to report monthly.

## **EXHIBIT 4**

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From the Portland Business Journal:

<https://www.bizjournals.com/portland/news/2017/03/16/how-portlands-newest-affordable-housing-program.html>

## How Portland's newest affordable housing program could stymie new development

➤ **SUBSCRIBER CONTENT:**

Mar 16, 2017, 2:39pm PDT **Updated: Mar 16, 2017, 5:08pm PDT**

Patrick Barry has for years used building permits to forecast the number of new apartment units that could be built in Portland.

In December and January, the pipeline was flooded with permits that could result in 7,000 new units.

"There's just no comparison to other time periods," said Barry, an appraiser with Portland-based Barry & Associates. "Granted, some of these will fall out because of financing or other reasons, but there's no question that those months were big in terms of units getting into the pipeline."

Head into February, however, and the numbers dry up. According to the city of Portland's early assistance intakes — the same data that Barry counts — just 448 units entered the pipeline in February, and just 170 have been submitted so far this month.

What's behind the sudden drought?

The city's new inclusionary zoning policy and its Feb. 1 implementation date.

Approved by the Portland City Council last fall, the IZ policy aims to expand the inventory of affordable housing in Portland by requiring developers to include affordable units in new projects. But developers warned that IZ, along with rising construction costs and other new city policies like the construction excise tax, might instead lead to fewer new units and further crimp an already tight supply. Already some developers are backing off certain multifamily projects, eyeballing the suburbs — where cities are happy to tout their lack of IZ — or, in some cases, focusing more on industrial, retail or office projects.



CRAIG SPENCER

***Click on the image above to see the math on how IZ would impact one multifamily project***

"There was a rush to get projects in before the IZ deadline," Barry said, "There's no question that there is going to be a big slowdown."

For Portlanders concerned about infill, historic preservation, demolition and increased traffic congestion, less new construction in inner Portland might seem like a good thing. On the other hand, lower apartment inventory means higher rents, which in turn will only add to the pressing problem of affordability.

### Nuts and bolts

First implemented in the U.S. in the early 1970s, inclusionary zoning requires developers to include a certain percentage of affordable units in new multifamily developments. Major cities across the country, including San Francisco, Boston and Washington, D.C. have tried their hands at it with mixed results.

In Oregon, inclusionary zoning was illegal under state law until lawmakers voted last year to let local jurisdictions decide their own fate. Deep in the grip of a housing emergency, the Portland City Council pounced, voting in December to implement IZ.

"We are pretty excited about it," said City Commissioner Dan Saltzman, who's led the IZ charge.

Under Portland's policy, new multifamily developments with 20 or more units must reserve 20 percent of those units for households making 80 percent of Area Median Income, which for a family of four is currently at \$58,650.

Under that guideline, the Portland Housing Bureau said the maximum rent, including utilities, for a one-bedroom unit would be \$1,100 per month; a two-bedroom would cap at \$1,320 per month. The average market rate rent for a one-bedroom in Portland in February was \$1,455, while a two-bedroom cost \$1,821, according to Rent Jungle.

The IZ policy provides incentives to developers to help offset affordable unit costs through waivers of the construction excise tax and system development charges, density bonuses and property tax exemptions. Projects located close to transit are also exempt from the normal minimum parking standards. And, through an "off-site" option, developers have the choice to build new affordable units or dedicate existing ones at a site near the new development.

Developers who don't provide the affordable units must pay a fee of between \$19.50 per square foot and \$30 per square foot that will go into an affordable housing fund.

Saltzman expects the new policy will add about 200 to 300 new affordable units to the market each year for the first few years. That's a drop in the bucket compared to the roughly 5,400 total units that were delivered in 2016. Of that total, those apartments that met the criteria for affordable were quickly snapped up.

Consider the Yard, the 21-story, 284-unit building at the east end of the Burnside Bridge. It included 57 units of affordable housing. Those leased up immediately and a waiting list loaded up in short order.

While the number of IZ-prompted affordable units will initially be small, Saltzman noted that the program is just one piece of the city's efforts to address affordability. Others include the \$258.4 million affordable housing bond, passed by voters last November, and the construction excise tax, which levies a fee on new developments that then goes into a fund for affordable housing and home ownership programs.

The inclusionary zoning program is a long-term play," Saltzman said.

### Projects not penciling

While the incentives offered by the city under the IZ program can make it less expensive to build a multifamily project, the lower-priced affordable units can make the completed project less valuable than a comparable market rate apartment building, said Eric Cress, a principal with Urban Development + Partners. Why? Because the total rent collected in the market rate building is higher than in the project with affordable units (Click on the image above for an example). The project's value is the number that matters most to banks and investors, and if the cost-to-value ratio is out of whack, it can make it difficult to secure financing.

"You can't finance that," Cress said. "The financing world does not accept anything that costs more than its value."

Another issue, Cress said, is that the IZ incentives aren't uniformly administered. The incentives for projects in the central city, for instance, are more generous than those offered on projects in close-in Portland neighborhoods or "mixed-use zones," including on Southeast Division Street, where UDP has been prolific.

"The incentives don't cover the additional costs (for the affordable units)," Cress said. "The gap is large enough that we can't make it work, so we've had to put many of those projects to the side. The unfortunate thing about that is that those are the most affordable projects to build. I give kudos to the city for trying to address affordability, but they probably should have considered a little more about how they might finance some of that."

One gleaming high-rise counterpoint to the potential drain affordable units can be on ROI is the Yard. Even with its 57 units of affordable housing, the building sold in December to a foreign investor for a handsome \$126.7 million.

It helped that the Yard received a 10-year tax abatement to include the affordable units through a Portland Housing Bureau program. In addition, construction costs are higher now than when costs were locked in for the Yard.

"I think this sale was an outlier and not an indicator of what projects will sell for in the next few years," said Chris Nelson, a partner with Capstone Partners, a Portland development firm whose multifamily projects have included Burnside 26 and Grant Park Village.

He estimated that the IZ requirements have the potential to ding returns by 8 percent or more in a development scene that's already seeing some challenges.

"The current environment is not attractive for new market rate apartment development," he said. "The combination of higher development costs, flat rent trends and more limited debt and equity makes it difficult to pencil new development. The addition of IZ will make it extremely difficult for new projects to get built over the next three to five years."

As Cress sees it, the only way construction of large-scale affordable housing makes financial sense is through federal, state and local incentives.

"You could never build those with traditional capital," he said. "They just don't return. You still have to pay for the financing and you still have to pay your investors no matter what. You can't just jack up the rent."

**If not here, then where?**



Developers are already adapting to the new IZ world in a number of ways.

Many, including developers like UDP, SolTerra and Urban Development Group, submitted permits in part to beat the Feb. 1 IZ deadline. Projects that met that deadline potentially have up to three years to break ground, so it could be a while before what's in the pipeline comes out of the ground. Some, naturally, won't end up seeing the light of day.

Conditions in the city limits may also find developers and investors looking outside Portland for new opportunities.

"You're definitely going to see a larger push toward the suburbs," said Ira Virden, a broker and managing director with Portland's HFF who has handled millions in multifamily acquisitions in recent years.

"Institutional equity likes to develop where there's white collar job growth and white collar jobs. If there's a lower return here in Portland, you will definitely see them go out there."

That may already be happening. Tom Brenneke, president of Guardian Real Estate Development has a multifamily project in the works in Milwaukie, Nelson's Capstone Partners is well into a Tigard project and Cress said other municipalities in the metro region aren't shy in sharing their IZ-free virtues to entice developers.

"Some of the outer-Portland cities are certainly making sure it's understood that they do not have IZ," he said. "Those cities have been trying to attract more development, and I think they find this to be an opportunity to invite Portland's developers into their towns."

### **the long view**

Despite fears that the apartment pipeline will slow to a trickle, Ross Caron, public information officer for the city's Bureau of Development Services, said looking at one month's data is not a "dependable indicator of what the impacts may be on application volume." He noted that the city received seven multifamily permit applications in February, compared to 10 in February 2016. Similarly, there were two applications for land use reviews this February and only one last year.

"It's difficult to predict from month to month what the volume is going to be," Caron said, "but generally spring-summer is busier than fall-winter."

And it seems some developers are seeing the IZ requirements as an opportunity.

Barry, of Barry & Associates, shared two developments that were submitted by Urban Development Group before the IZ regulations took effect. One at 1707 S.E. Tenino St., former home to Mike's Drive-In, is a four-story building with 89 units; the other is at 5965 S.E. Milwaukie Ave. and would have four stories and 54 units. The Beaverton-based developer proposed adopting the IZ requirements in exchange for parking exemptions for both projects.

That some developers are already finding ways to work within the new IZ policy gives Saltzman confidence that it will eventually take hold across the city. He acknowledged that some multifamily projects may not come to be because of IZ and other city programs. But he also said that, eventually, IZ will just become part and parcel of the development process here.

"Over time, I think the concerns that many are saying will pencil out," he said. "(Inclusionary zoning) is now a fact. It's a requirement, and I think we worked pretty hard to make sure the policy was well calibrated."

## **EXHIBIT 5**

# Portland-Vancouver-Hillsboro, Oregon-Washington

U.S. Department of Housing and Urban Development | Office of Policy Development and Research | As of May 1, 2016

PD&amp;R



## Housing Market Area

The Portland-Vancouver-Hillsboro Housing Market Area (hereafter, the Portland HMA) consists of seven counties located at the confluence of the Columbia and Willamette Rivers in northwestern Oregon and southwestern Washington. The HMA is coterminous with the Portland-Vancouver-Hillsboro, OR-WA Metropolitan Statistical Area. For purposes of this analysis, the HMA is divided into three submarkets: (1) the Portland submarket, consisting of Clackamas, Columbia, and Multnomah Counties in Oregon; (2) the Beaverton-Hillsboro submarket, consisting of Washington and Yamhill Counties in Oregon; and (3) the Vancouver submarket, which consists of Clark and Skamania Counties in Washington.

## Summary

### Economy

After losing jobs from 2008 through 2010, nonfarm payrolls in the Portland HMA have expanded every year since 2011 as a result of strong economic conditions. During the 12 months ending April 2016, nonfarm payrolls in the HMA increased by 35,200 jobs, or 3.2 percent, to 1.12 million jobs compared with a gain of 32,400 jobs, or 3.1 percent, during the 12 months ending April 2015. During the same time, the unemployment rate declined from 5.8 to 5.0 percent. Nonfarm

payrolls are projected to increase at an average annual rate of 2.7 percent during the 3-year forecast period.

### Sales Market

The current sales housing market in the HMA is tight, with an estimated vacancy rate of 1.0 percent, down from 2.2 percent in April 2010 (Table DP-1 at the end of this report). New and existing home sales totaled 52,900 during the 12 months ending March 2016, up 19 percent from a year earlier (CoreLogic, Inc., with adjustments by the analyst). As of April 2016, a 1.4-month supply of homes was available for sale, down from a 1.8- and 2.8-month supply in April 2015 and 2014, respectively, in the HMA (RMLS™). During the next 3 years, demand is expected for 27,225

new single-family homes (Table 1).

The 2,810 homes under construction and some of the 20,700 other vacant units that may return to the market will satisfy a portion of the demand.

### Rental Market

Rental housing market conditions in the HMA are tight, with an estimated vacancy rate of 2.9 percent compared with 5.9 percent in April 2010 (Table DP-1). The apartment vacancy rate was 3.0 percent during the first quarter of 2016, up from 2.5 percent a year ago; however, the average rent increased 13 percent to \$1,185 (MPF Research). During the 3-year forecast period, demand is expected for 18,925 market-rate rental units. The 6,995 units under construction will meet a portion of that demand (Table 1).

### Market Details

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**Table 1.** Housing Demand in the Portland HMA\* During the Forecast Period

	Portland HMA*		Portland Submarket		Beaverton-Hillsboro Submarket		Vancouver Submarket	
	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units	Sales Units	Rental Units
Total demand	27,225	18,925	12,750	10,650	7,675	5,325	6,800	2,950
Under construction	2,810	6,995	1,050	4,900	820	970	940	1,125

\*Portland-Vancouver-Hillsboro HMA.

Notes: Total demand represents estimated production necessary to achieve a balanced market at the end of the forecast period. Units under construction as of May 1, 2016. A portion of the estimated 20,700 other vacant units in the HMA will likely satisfy some of the forecast demand. The forecast period is May 1, 2016, to May 1, 2019.

Source: Estimates by analyst

## Economic Conditions

Economic conditions in the Portland HMA are strong, with the rate of job growth having outpaced growth in the nation since 2011. Nonfarm payroll growth in the HMA averaged 2.6 percent a year from 2011 through 2015, far exceeding the national average of 1.7 percent. During the 12 months ending April 2016, job growth accelerated, increasing by an average of 35,200 jobs, or 3.2 percent, to 1.12 million

jobs compared with job gains during the 12 months ending April 2015 (Table 2). Job gains occurred in every nonfarm payroll sector during the past 12 months. The unemployment rate averaged 5.0 percent during the 12 months ending April 2016, down from 5.8 percent a year earlier, because growth in employment far outpaced growth in the labor force (Figure 1). Top employers in the HMA include Intel Corporation, Providence Health Systems, and Oregon Health & Science University, with 17,500, 15,239, and 14,616 employees, respectively (Table 3).

The economy of the HMA experienced two separate periods of substantial job losses during the 2000s—from 2001 through 2003, when the dot.com bubble burst, and from 2009 through 2010, when the economy experienced the nationwide economic recession and housing market collapse. The HMA is a regional center for the high-technology (hereafter, high-tech) industry, earning the region the nickname “Silicon Forest.” During the 1990s, the HMA experienced particularly strong economic

**Table 2.** 12-Month Average Nonfarm Payroll Jobs in the Portland HMA,\* by Sector

	12 Months Ending		Absolute Change	Percent Change
	April 2015	April 2016		
Total nonfarm payroll jobs	1,087,700	1,122,900	35,200	3.2
Goods-producing sectors	176,100	180,100	4,000	2.3
Mining, logging, & construction	56,600	57,700	1,100	1.9
Manufacturing	119,500	122,400	2,900	2.4
Service-providing sectors	911,600	942,800	31,200	3.4
Wholesale & retail trade	167,300	171,200	3,900	2.3
Transportation & utilities	36,100	37,300	1,200	3.3
Information	23,700	25,100	1,400	5.9
Financial activities	64,800	67,200	2,400	3.7
Professional & business services	166,500	172,900	6,400	3.8
Education & health services	157,500	163,500	6,000	3.8
Leisure & hospitality	109,500	114,700	5,200	4.7
Other services	38,500	39,800	1,300	3.4
Government	147,800	151,100	3,300	2.2

\*Portland-Vancouver-Hillsboro HMA.

Notes: Numbers may not add to totals because of rounding. Based on 12-month averages through April 2015 and April 2016.

Source: U.S. Bureau of Labor Statistics

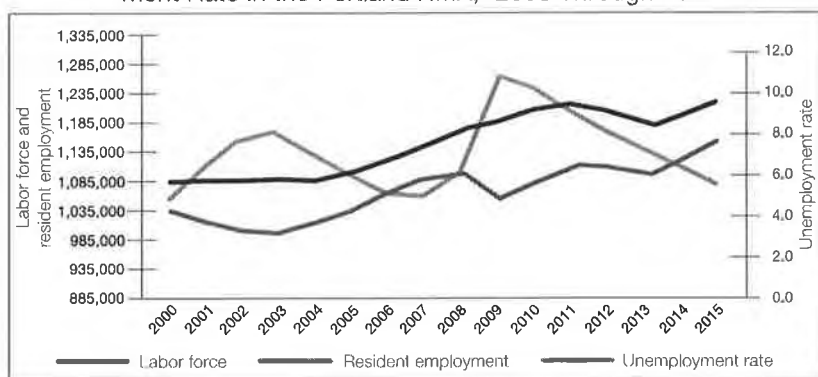
growth because the high-tech industry was expanding rapidly (referred to as the dot.com bubble); however, when the dot.com bubble burst, it disproportionately impacted firms in the high-tech industry, causing a more

severe downturn in the HMA compared with the economic downturn in the nation. From 2001 through 2003, payrolls in the HMA declined by an average of 13,300 jobs, or 1.4 percent, annually; nationwide, payrolls fell an average of 0.4 percent a year.

Economic growth returned from 2004 through 2007, with payroll gains averaging 25,500 jobs, or 2.6 percent, annually compared with the national rate, which averaged 1.4 percent a year. The national recession and housing market collapse subsequently caused economic conditions in the HMA to weaken. After reaching a plateau of 1.04 million jobs in 2007 and 2008, nonfarm payrolls fell by 60,000 jobs, or 5.8 percent, in 2009 and the unemployment rate spiked to 10.9 percent; national payrolls fell 4.3 percent. The weak economy caused a sharp reduction in planned spending, both from households and businesses, causing job losses in nearly every sector of the economy. Payrolls continued to decline in 2010, but at a much slower rate, down 4,200 jobs, or 0.4 percent, to 979,200 jobs.

The professional and business services sector, the largest in the HMA economy, represents slightly more than 15 percent of total nonfarm payrolls (Figure 2). During the 12 months ending April 2016, the sector added more jobs than any sector, increasing by 6,400 jobs, or 3.8 percent, to 172,900 jobs, compared with an increase of 7,800 jobs, or 4.9 percent, during the previous 12 months. Growth in this sector has been boosted by hiring in the high-tech industry, including computer systems design and scientific, professional, and technical services, and also by increased administrative hiring with the presence of corporate headquarters such as adidas North America,

**Figure 1.** Trends in Labor Force, Resident Employment, and Unemployment Rate in the Portland HMA,\* 2000 Through 2015



\*Portland-Vancouver-Hillsboro HMA.

Source: U.S. Bureau of Labor Statistics

**Table 3.** Major Employers in the Portland HMA\*

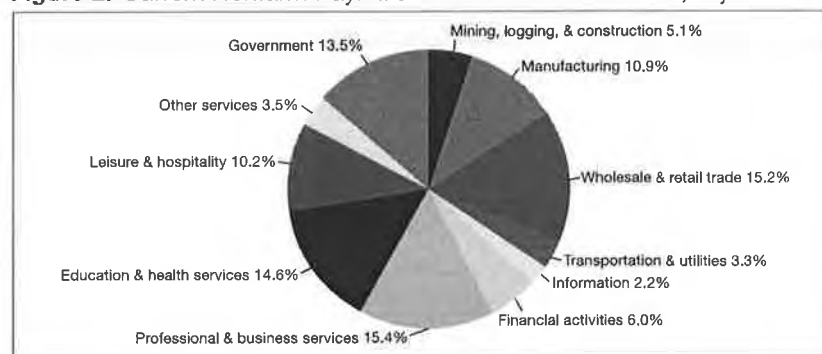
Name of Employer	Nonfarm Payroll Sector	Number of Employees
Intel Corporation	Manufacturing	17,500
Providence Health Systems	Education & health services	15,239
Oregon Health & Science University	Government	14,616
Kaiser Permanente	Education & health services	11,881
Legacy Health Systems	Education & health services	10,436
Fred Meyer Stores	Wholesale & retail trade	10,237
Nike, Inc.	Professional & business services	8,000
Wells Fargo & Co.	Financial activities	4,617
Portland State University	Government	4,153
U.S. Bank	Financial activities	4,000

\*Portland-Vancouver-Hillsboro HMA.

Note: Excludes local school districts.

Sources: Moody's Economy.com; Portland Business Journal: Book of Lists 2015

**Figure 2.** Current Nonfarm Payroll Jobs in the Portland HMA,\* by Sector



\*Portland-Vancouver-Hillsboro HMA.

Note: Based on 12-month averages through April 2016.

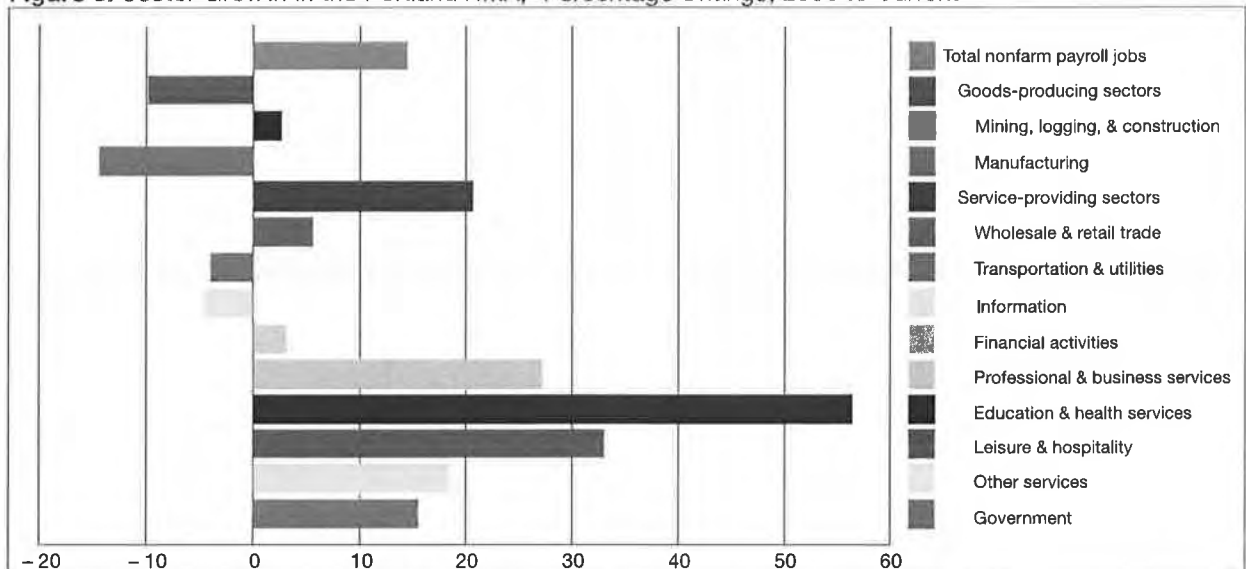
Source: U.S. Bureau of Labor Statistics

Columbia Sportswear Company, Daimler Trucks North America, Intel Corporation, and NIKE, Inc. Growth trends in this sector mirrored overall economic conditions in the HMA, with strong growth during the buildup of the dot.com bubble, followed by a sharp drop as it burst. The sector rebounded quickly, partially because business openings and expansions required increased administrative hiring, but also because of increased demand for computer systems design and information technology improvements. The onset of the nationwide economic recession caused a 1-year decline in sector payrolls, which fell by 11,600 jobs, or 8.0 percent, in 2009. Job growth in the professional and business services sector recovered faster than any sector in the HMA, and, from 2011 through 2014, payrolls increased by an average of 7,000 jobs, or 4.8 percent, annually. In April 2016, NIKE, Inc., announced a \$380 million expansion of its corporate headquarters campus in the Beaverton-Hillsboro submarket. With a target completion

date of 2018, the expansion will add approximately 3.2 million square feet of office, mixed-use, and parking facilities to the campus, with the potential to create thousands of jobs during the 3-year forecast period.

The manufacturing sector continues to play a significant role in the economy of the HMA, despite a decline in employment of 15.0 percent since 2000 (Figure 3). During the 12 months ending April 2016, manufacturing payrolls increased by 2,900 jobs, or 2.4 percent, to 122,400 jobs, compared with a gain of 3,200 jobs, or 2.5 percent, during the previous 12 months. Nearly 60 percent of the jobs in the manufacturing sector are in the computer and electronic product manufacturing or semiconductor and other electronic component manufacturing industries. Both these industries are considered part of the high-tech industry; consequently, the collapse of the dot.com bubble caused a major decline in manufacturing jobs. From 2001

**Figure 3. Sector Growth in the Portland HMA,\* Percentage Change, 2000 to Current**



\*Portland-Vancouver-Hillsboro HMA.

Note: Current is based on 12-month averages through April 2016.

Source: U.S. Bureau of Labor Statistics

through 2003, manufacturing sector payrolls declined by an average of 8,400 jobs, or 6.2 percent, annually, the largest payroll decline of any sector. Manufacturing payroll growth resumed from 2004 through 2006, during a period of economic expansion in the HMA, but the average growth of 2,800 jobs, or 2.3 percent, annually was not enough to compensate for all the job losses during the previous recession. The most recent economic recession caused payrolls to decline even further, losing an average of 4,900 jobs, or 4.1 percent, annually from 2007 through 2010. The manufacturing sector began to recover in 2011, when the high-tech industry began to expand; from 2011 through 2014, payrolls increased by an average of 2,800 jobs, or 2.5 percent, a year. This trend is expected to moderate during the forecast period because of planned layoffs at Intel Corporation, the largest employer in the HMA and in Oregon, which specializes in semiconductor manufacturing. In April 2016, the company announced plans to cut its global workforce by 11 percent, or 12,000 workers, beginning immediately. Already, nearly 800 employees have been laid off in Oregon, but that could climb to an estimated 2,150 jobs if the 11-percent cut is applied evenly across all locations. Reducing its workforce is not uncommon for Intel Corporation, however, and is not necessarily indicative of industry performance. It is likely that a large portion of these highly skilled workers will find employment at other high-tech firms that are expanding within the HMA.

During the past 5 years, the HMA has gained national attention for its lifestyle and culture, with numerous accolades, including being ranked number 1 in 2015 on the *Washington*

*Post's* list of "The 10 Best Food Cities in America." Recognition such as that has contributed to strong growth in the leisure and hospitality sector, which largely comprises jobs in the accommodations and food services industry. During the 12 months ending April 2016, sector payrolls increased by an average of 5,200 jobs, or 4.7 percent, to 114,700 jobs, compared with an increase of 3,900 jobs, or 3.7 percent, during the previous 12 months. Sector payrolls declined sharply in response to both economic downturns but have fully recovered, adding an average of 3,300 jobs, or increasing 3.3 percent, annually from 2011 through 2014. Part of this growth can be attributed the HMA's growing beer industry. The number of brewing companies in the HMA increased from 83 in 2014 to 91 in 2015, and the industry had an economic impact of \$2.83 billion in Oregon in 2014 (Oregon Craft Beer). Job growth in the leisure and hospitality sector is expected to continue at a strong pace during the forecast period as the HMA continues to be nationally highlighted, boosting population growth and tourism and elevating the demand for accommodations and drinking and dining establishments.

The recent and future growth in the local high-tech industry is expected to positively affect employment in the manufacturing and the professional and business services sectors. Other sectors, such as the leisure and hospitality and the wholesale and retail trade sectors, are expected to indirectly benefit from growth in core industries. Nonfarm payrolls are expected to increase at an average annual rate of 2.7 percent, or by 29,950 jobs, annually during the 3-year forecast period.



# Population and Households

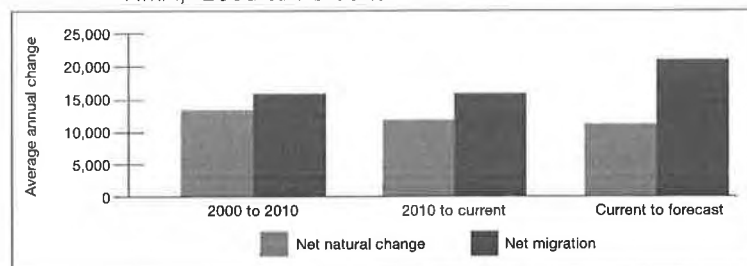
As of May 1, 2016, the population of the Portland HMA is estimated at 2.4 million, increasing at an average annual rate of 1.2 percent, or 27,800, since 2010, with net in-migration accounting for 15,800 people a year, or approximately 57 percent of the increase (Figure 4). Population growth averaged 1.5 percent a year from 2000 to 2004, despite the collapse of the dot.com bubble, with net in-migration accounting for 51 percent of the increase. Economic growth rebounded, and population growth accelerated moderately from 2004 to 2007, averaging 1.7 percent, or 35,050 people, annually; approximately 63 percent of the growth came from net in-migration. Population growth in the HMA slowed sharply in response to the nationwide economic recession that began in 2007, and, from 2007 to 2012, growth averaged 20,900 people, or 0.9 percent; net in-migration decreased, comprising 32 percent of the increase. Strengthening economic conditions boosted population growth to an average of 26,700 people, or 1.2 percent, from 2012 to 2013, because of increased net in-migration, which averaged 15,000 people and comprised 56 percent of the increase. Since 2013, population growth in the HMA has averaged 35,800 people, or

1.5 percent, annually, and strong labor market conditions helped boost net in-migration, which has accounted for nearly 69 percent of total population growth, or 24,800 people, annually. During the next 3 years, population growth is expected to slow slightly because of moderating economic growth, reaching an estimated 2.49 million people by May 1, 2019, reflecting an average annual increase of 32,000 people, or 1.3 percent, a year.

The Portland submarket is the most populous of the three submarkets in the HMA, with an estimated population of 1.24 million, followed by the Beaverton-Hillsboro submarket with an estimated population of 683,400, and the Vancouver submarket with approximately 472,200, increasing at average annual rates of 1.1, 1.4, and 1.3 percent, respectively, since 2010. Net in-migration in the HMA has averaged 15,800 people annually since 2010, with nearly 50 percent being in the Portland submarket, 28 percent in the Beaverton-Hillsboro submarket, and 22 percent in the Vancouver submarket. From 2000 to 2004, suburban growth was more prevalent, and net in-migration was strongest in the Vancouver submarket, which comprised 46 percent of total net in-migration to the HMA. The Vancouver submarket historically has been a bedroom community for the city of Portland, attracting new residents because of its relatively low cost of living compared with the other two submarkets. The Portland submarket captured approximately 32 percent of total net in-migration during this period, and the Beaverton-Hillsboro submarket accounted for 22 percent.

Population growth in the HMA increased from 2004 to 2007 because of strong economic conditions that

**Figure 4.** Components of Population Change in the Portland HMA,\* 2000 to Forecast



\*Portland-Vancouver-Hillsboro HMA.

Notes: The current date is May 1, 2016. The forecast date is May 1, 2019.

Sources: 2000 and 2010—2000 Census and 2010 Census; current and forecast—estimates by analyst

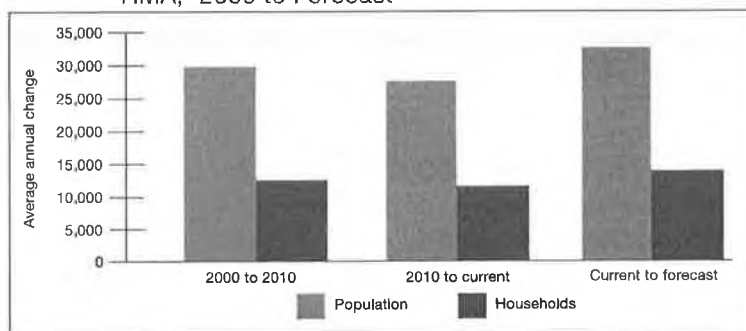


bolstered net in-migration, which averaged 22,150 people annually. During this period of economic expansion, household preferences shifted toward more urban areas that tend to be closer to job opportunities, and the share of net in-migration attributable to the Portland submarket increased from 32 to 43 percent. In the Beaverton-Hillsboro submarket, net in-migration increased, accounting for 30 percent of the total, largely a result of job growth in the high-tech industry, which is more concentrated in the submarket. Population growth slowed in the Vancouver submarket, and its share of net in-migration declined from 46 to 27 percent. The trend of moving into urban centers continued during the nationwide economic recession, although total population growth in the HMA slowed substantially and net in-migration declined to an average of 6,750 people annually from 2007 to 2012. The Portland submarket captured 52 percent of total net in-migration to the HMA during this time. The Beaverton-Hillsboro submarket accounted for 35 percent of all net in-migration, mainly because it has a stronger economic base than does the Vancouver submarket and it has easier access to the city of Portland, which is the economic center

for the HMA. The recession caused population growth in the Vancouver submarket to plummet and net in-migration fell to 13 percent of the HMA total from 2007 to 2012. Since 2013, improving economic conditions in the HMA have led to increased net in-migration, averaging 24,800 people annually, with the Portland, Beaverton-Hillsboro, and Vancouver submarkets comprising 47, 28, and 25 percent of the HMA total, respectively.

During the next 3 years, population growth is expected to accelerate slightly compared with the 2010-to-current period in the Portland submarket, increasing by an average of 15,350 people, or 1.2 percent, annually, reaching 1.29 million people by May 1, 2019. The population of the Vancouver submarket is also anticipated to grow at a faster rate than the 2010-to-current period, increasing by an average of 7,000, or 1.5 percent, annually, to 493,200, by May 1, 2019, largely because job growth in the submarket has been strong since 2013 and the cost of living continues to be relatively less than in the other two submarkets. Population growth in the Beaverton-Hillsboro submarket is anticipated to continue at the same rate, gaining 9,975 people, or 1.4 percent, a year, reaching 713,300 people by the end of the 3-year forecast period.

**Figure 5.** Population and Household Growth in the Portland HMA,\* 2000 to Forecast



\*Portland-Vancouver-Hillsboro HMA.

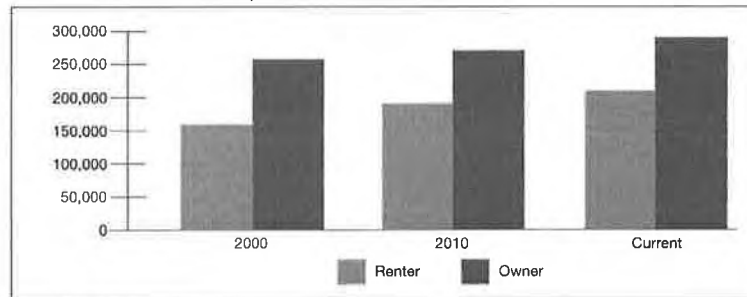
Notes: The current date is May 1, 2016. The forecast date is May 1, 2019.

Sources: 2000 and 2010–2000 Census and 2010 Census; current and forecast—estimates by analyst

An estimated 936,700 households currently reside in the HMA, with 504,500, 254,800, and 177,350 being in the Portland, Beaverton-Hillsboro, and Vancouver submarkets, respectively. From 2010 to the current date, the number of households in the HMA increased by an average of 11,350, or 1.3 percent, annually compared with an average annual increase of 12,250 households, or 1.5 percent, from 2000 to 2010 (Figure 5). From 2000 to 2010,

# Population and Households Continued

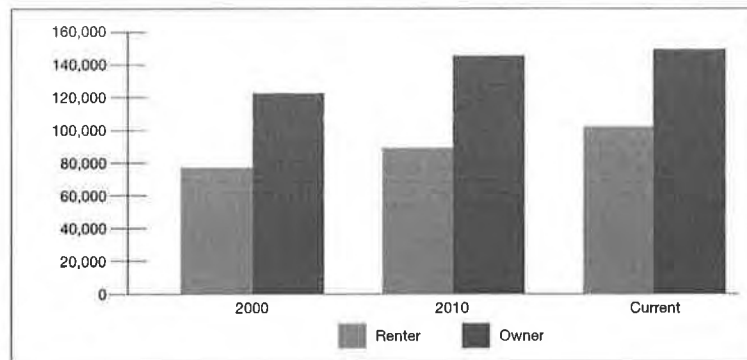
**Figure 6. Number of Households by Tenure in the Portland Submarket, 2000 to Current**



Note: The current date is May 1, 2016.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

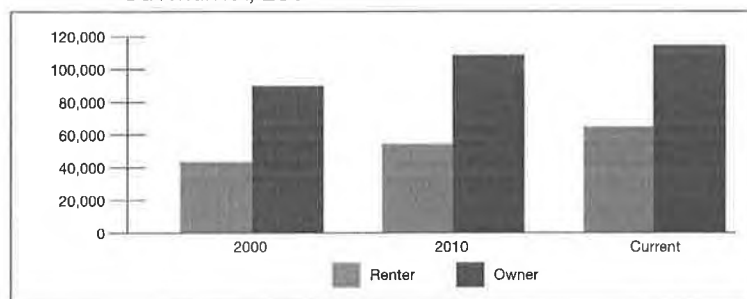
**Figure 7. Number of Households by Tenure in the Beaverton-Hillsboro Submarket, 2000 to Current**



Note: The current date is May 1, 2016.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

**Figure 8. Number of Households by Tenure in the Vancouver Submarket, 2000 to Current**



Note: The current date is May 1, 2016.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

the rate of household growth was highest in the Vancouver submarket, at 3,175 households, or 2.2 percent, followed by the Beaverton-Hillsboro submarket, at 3,775 households, or 1.8 percent, and the Portland submarket at 5,275 households, or 1.2 percent. Household growth slowed from 2010 to the current date in the Beaverton-Hillsboro and Vancouver submarkets because of the prolonged effects from the national recession and the shift toward urban living, with average annual increases of 3,150 households, or 1.3 percent, and 2,425 households, or 1.4 percent, respectively. The household growth rate in the Portland submarket remained unchanged, increasing by an average of 5,750 households, or 1.2 percent. During the 3-year forecast period, the number of households in the HMA is estimated to increase to 978,200, reflecting an average annual increase of 13,850 households, or 1.5 percent. The household growth rate is anticipated to increase in each submarket, reaching 525,400, 266,500, and 186,200 households in the Portland, Beaverton-Hillsboro, and Vancouver submarkets, respectively. Figures 6, 7, and 8 illustrate the number of households by tenure in each submarket from 2000 to the current date.

# Housing Market Trends

## Sales Market—Portland Submarket

Current sales housing market conditions in the Portland submarket are tight, with an estimated vacancy rate of 1.0 percent, down from 2.4 percent in April 2010 (Table DP-2 at the end of this report). The decline reflects increased demand because household finances and access to credit continue to improve, and much of the excess inventory that resulted from the foreclosure crisis has been absorbed.

During the 12 months ending March 2016, 24,300 existing single-family homes, townhomes, and condominiums (hereafter, existing homes) sold in the submarket, up 17 percent from a year ago (CoreLogic, Inc., with adjustments by the analyst). By comparison, existing home sales totaled 20,700 during the 12 months ending March 2015, representing a 9-percent increase from a year earlier. Existing home sales peaked from 2003 through 2005 during a period of strong economic expansion following the collapse of the dot.com bubble, averaging 28,650 sales annually. The nationwide recession and housing market collapse subsequently caused existing sales to decline at an average annual rate of 19 percent, or 4,525 homes sold, a year from 2006 through 2009, to a low of 13,750 homes sold. Existing sales increased modestly in 2010 when job losses moderated and again in 2011 when job growth gradually returned. As the economic recovery accelerated and access to credit improved, existing home sales increased, averaging 18,150 homes sold annually from 2012 through 2014. The average sales price of an existing home increased 9 percent, to \$356,000, during the 12 months ending March 2016 compared with the previous 12 months when the average

sales price increased 5 percent, to \$325,000. The current average sales price is approximately 9 percent higher than the previous peak of \$326,400 in 2007. The national recession caused a significant amount of strain on household finances and tighter mortgage lending standards. Combined, these two factors caused a sharp reduction in the number of potential homebuyers, and demand and prices fell quickly. From 2008 through 2011, the average sales price declined at an average annual rate of 6 percent, to a low of \$254,500. The average sales price began increasing in 2012 in response to increased demand as the economy improved, and, from 2012 through 2014, the average sales price increased at an average annual rate of 8 percent.

Seriously delinquent (90 or more days delinquent or in foreclosure) loans and real estate owned (REO) properties have become a less significant part of the sales market in the submarket than they were during the worst of the housing crisis from 2009 through 2012. During March 2016, 2.2 percent of mortgages were seriously delinquent or had transitioned into REO status, down from 3.1 percent in March 2015, but still above the average rate of 1.2 percent from 2000 through 2007 (CoreLogic, Inc.). By comparison, the delinquency rate averaged 5.4 percent from 2009 through 2012. During the 12 months ending March 2016, REO sales totaled 1,175, comprising 5 percent of all existing sales. By comparison, REO sales accounted for 21 percent of total existing sales from 2009 through 2012 and only 3 percent from 2000 through 2007. The average sales price of an REO home was \$225,000 during the

## Housing Market Trends

Sales Market—Portland Submarket Continued

12 months ending March 2016, approximately 38 percent less than the sales price of a regular resale home.

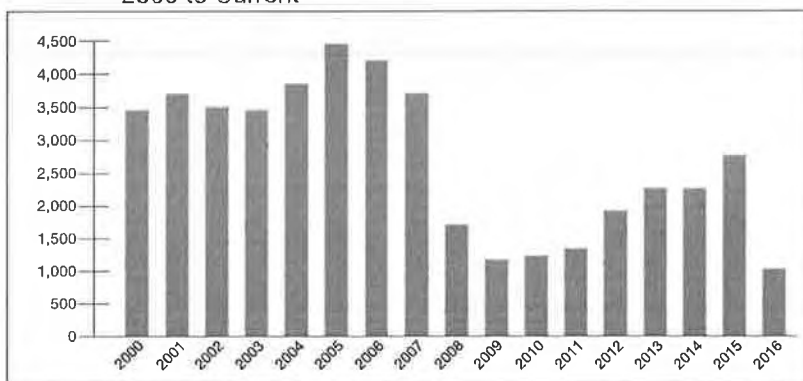
Approximately 2,175 new single-family homes, townhomes, and condominiums (hereafter, new homes) sold during the 12 months ending March 2016, up 18 percent from the 1,850 new homes sold during the previous 12 months (CoreLogic, Inc., with adjustments by the analyst). New home sales averaged 4,075 homes sold annually from 2001 through 2006, before declining at an average annual rate of 25 percent from 2007 through 2011 to a low of 1,275 new homes sold, a direct result of the nationwide recession and housing market crisis. As the economic recovery strengthened, the demand for new homes returned; sales increased an average of 25 percent a year from 2012 through 2014, averaging 1,600 homes sold annually. During the 12 months ending March 2016, the average sales price of a new home increased 5 percent from a year ago, to \$401,200, surpassing the previous peak of \$361,500 in 2008 by more than 11 percent. Sales prices increased at an average annual rate of 9 percent from 2003 through 2008 and, as a result of the national

recession, subsequently declined by an average of 10 percent a year in 2009 and 2010, to a low of \$295,100. Strong economic conditions from 2011 through 2014 led to an increase in the demand for new homes, and the average sales price increased at an average annual rate of 6 percent during this time.

New home construction, as measured by the number of single-family homes permitted, was relatively stable from 2000 through 2004, despite the economic impact of the dot.com bubble collapse; an average of 3,600 new homes were permitted annually (Figure 9). The buildup during the growth of the housing market bubble was fairly mild in the submarket, with new home construction increasing to an average of 4,150 homes permitted a year in 2005 and 2006; the limited amount of developable land in the submarket helped to constrain the amount of new home construction during this time. Conversely, the nationwide recession and housing crisis had a severe impact on new home construction in the submarket, causing permitting activity to decline an average of 35 percent annually from 2007 through 2009, to a low of 1,150 homes in 2009. New home construction stabilized in 2010 and increased gradually from 2011 through 2014, averaging 1,925 single-family homes permitted annually. During the 12 months ending April 2016, 2,725 single-family homes were permitted, up 11 percent from the 2,450 homes permitted during the 12 months ending March 2015 (preliminary data).

Nearly all new home construction in the Portland submarket is in smaller subdivisions with fewer than 50 homes, because available land is becoming harder to acquire. As

**Figure 9.** Single-Family Homes Permitted in the Portland Submarket, 2000 to Current



Notes: Includes townhomes. Current includes data through April 2016.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

the average sales prices continues to climb, the most common target market for new single-family homes is second- and third-time homebuyers looking to upgrade into a larger home, rather than the first-time homebuyer demographic that was most prevalent during the early stage of the housing market recovery (local developers). Numerous communities are under construction throughout the submarket, mainly concentrated in suburban cities that surround the city of Portland, and prices range considerably. New homes are typically priced higher in the city of

Portland; for example, home prices in the new subdivision of Cedar Mills in northwest Portland start in the mid-\$600,000s, whereas new homes in Legend at Villebois in Wilsonville in the southeastern part of the submarket start in the high \$200,000s. In the city of Happy Valley in the eastern portion of the submarket, two communities have new homes for sale, both with starting prices in the high \$300,000-to-mid-\$400,000 range.

During the 3-year forecast period, demand is expected for 12,750 new homes in the Portland submarket (Table 1). The 1,050 homes currently under construction and a portion of the 13,000 other vacant units that may return to the market will satisfy some of the forecast demand. Table 4 illustrates the estimated demand for new sales housing in the submarket by price range. Demand is expected to increase modestly during each year of the forecast period as economic conditions remain strong and as household finances and access to credit improve.

**Table 4.** Estimated Demand for New Market-Rate Sales Housing in the Portland Submarket During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
200,000	299,999	1,525	12.0
300,000	399,999	3,175	25.0
400,000	499,999	3,175	25.0
500,000	599,999	2,550	20.0
600,000	699,999	1,275	10.0
700,000	and higher	1,025	8.0

Notes: The 1,050 homes currently under construction and a portion of the estimated 13,000 other vacant units in the submarket will likely satisfy some of the forecast demand. The forecast period is May 1, 2016, to May 1, 2019.

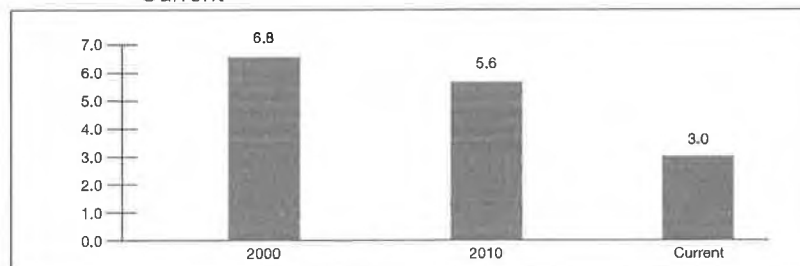
Source: Estimates by analyst

## Rental Market—Portland Submarket

The current rental housing market in the Portland submarket is tight, with an overall estimated vacancy rate of 3.0 percent, down from 5.6 percent

in April 2010 (Figure 10). Along with increasingly high sales prices, strong economic growth and net in-migration in the submarket since 2010 have contributed to increased demand for rental housing. The apartment market is also tight, despite the addition of an estimated 3,200 units since the first quarter of 2015 (MPF Research). By comparison, approximately 1,125 units were added to the inventory during the first two quarters of 2014, and only 510 units during the first two quarters of 2015. Within the seven MPF-defined areas (hereafter areas) in the Portland

**Figure 10.** Rental Vacancy Rates in the Portland Submarket, 2000 to Current



Note: The current date is May 1, 2016.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

## Housing Market Trends

### Rental Market—Portland Submarket Continued

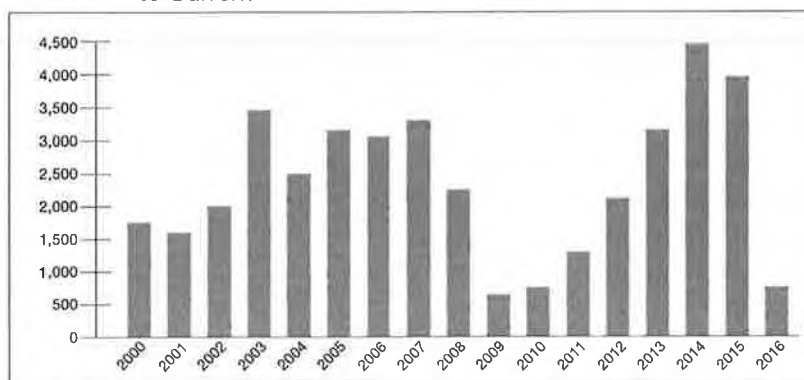
submarket, the apartment vacancy rates range from a high of 4.4 percent in the Central Portland area, up from 3.0 percent a year ago, to a low of 1.9 percent in the Gresham area, up from 1.4 percent a year ago. The increase in the vacancy rate in the Central Portland area is mainly because it is the location of more than one-third of the recently completed units in the submarket. Multifamily construction has been relatively limited in the Gresham area, contributing to the very low vacancy rate. Of the 3,200 units completed in the submarket during the past year, approximately 42 percent, or 1,325 units, were in the East Portland area, which reported a vacancy rate of 3.8 percent during the first quarter of 2016, up from 2.0 percent a year ago. Since 2010, the only area to have a vacancy rate above 5.0 percent was Central Portland during the first quarter of 2011.

Rent growth occurred in each MPF-defined area from the first quarter of 2015 to the first quarter of 2016. Except for the Central Portland area, which reported rent growth of 9 percent, all other areas in the submarket reported increases of more than 10 percent, with the largest increase in the Gresham area, at 17 percent.

The highest average asking rent was \$1,506 in the Central Portland area. Average asking rents by unit type were \$1,066 for a studio unit, \$1,406 for a one-bedroom unit, \$1,961 for a two-bedroom unit, and \$2,341 for a three-bedroom unit. The lowest average asking rent was \$1,037 in the Gresham area, where asking rents by unit type were \$867 for a studio unit, \$878 for a one-bedroom unit, \$1,067 for a two-bedroom unit, and \$1,296 for a three-bedroom unit. Average rent growth was more moderate in the submarket from 2011 through 2014, with no area reporting average annual rent growth above 10 percent. Properties offering concessions were more common in 2011 and 2012, when market conditions were not as tight; as of the first quarter of 2016, the Southwest Portland area was offering the most in concessions, at slightly more than 2 percent.

Because of job losses and reduced rental demand in the Portland submarket, multifamily construction, as measured by the number of multifamily units permitted, slowed to an average of 710 units a year in 2009 and 2010 compared with an average of 3,100 units permitted annually from 2003 through 2007, when economic growth was strong (Figure 11). Multifamily permitting began to increase after 2010 in response to increased rental demand, partially because the foreclosure crisis caused households to shift toward renting, but also because of rapidly increasing net in-migration. From 2011 through 2015, multifamily permitting increased at an average annual rate of 39 percent, averaging 3,000 units permitted each year. During the 12 months ending April 2016, approximately 4,775 multifamily units were permitted, up 25 percent

**Figure 11.** Multifamily Units Permitted in the Portland Submarket, 2000 to Current



Notes: Excludes townhomes. Current includes data through April 2016.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

## Housing Market Trends

## Rental Market—Portland Submarket Continued

from the 3,825 units permitted during the previous 12 months (preliminary data). Since 2010, condominium construction has comprised less than 8 percent of total multifamily construction compared with the peak period of 2000 through 2007, when approximately 37 percent of multifamily construction was intended for condominiums. Currently under construction is the 28-story condominium tower Cosmopolitan On the Park, which will feature 150 units in downtown Portland's most popular neighborhood, the Pearl District. The development is expected to be complete in August 2016, with sales prices ranging from the low \$400,000s for a one-bedroom/one-bathroom unit to \$3.8 million for the largest penthouse suites.

Within the submarket, apartment development is most popular in areas close to the downtown Portland core, including the Central Portland and the East Portland areas. Examples of developments currently under construction include the three-tower, 657-unit Hassalo on Eighth in the East Portland area and the 267-unit Modera Pearl apartments, in the Central Portland area. The first tower of Hassalo on Eighth opened in the summer of 2015, and the other two

are preleasing, with expected completion dates in late 2016 and early 2017; asking rents range from \$990 to \$1,809 for studio units, \$1,680 to \$3,225 for one-bedroom units, \$2,380 to \$3,850 for two-bedroom units, and \$3,043 to \$3,722 for three-bedroom units. Unit rents for Modera Pearl apartments are not available yet, because it will not be finished until late 2017. At the 244-unit Waterline Apartments, which was recently completed in the Central Portland area, asking rents are \$1,469 for studio units and range from \$1,560 to \$1,883 for one-bedroom units and from \$1,945 to \$2,422 for two-bedroom units.

During the 3-year forecast period, demand is expected for 10,650 new market-rate rental units in the Portland submarket (Table 1). The 4,900 units estimated to be under construction will satisfy part of the forecast demand. Demand is expected to be strongest in the first year of the forecast period and moderate in the second and third years as the new inventory is absorbed and market conditions become more balanced. Table 5 shows the estimated demand by rent level and number of bedrooms for new market-rate rental housing in the submarket during the forecast period.

**Table 5.** Estimated Demand for New Market-Rate Rental Housing in the Portland Submarket During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
1,000 to 1,199	470	1,100 to 1,299	1,275	1,300 to 1,499	1,675	1,500 to 1,699	230
1,200 to 1,399	530	1,300 to 1,499	1,700	1,500 to 1,699	2,150	1,700 to 1,899	85
1,400 or more	180	1,500 or more	1,275	1,700 or more	960	1,900 to 2,099	65
						2,100 or more	45
<b>Total</b>	<b>1,175</b>	<b>Total</b>	<b>4,275</b>	<b>Total</b>	<b>4,800</b>	<b>Total</b>	<b>430</b>

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 4,900 units currently under construction will likely satisfy some of the estimated demand. The forecast period is May 1, 2016, to May 1, 2019.

Source: Estimates by analysts

## Sales Market—Beaverton-Hillsboro Submarket

The current sales housing market in the Beaverton-Hillsboro submarket is tight as the demand for homes increases and prices continue to appreciate, a trend that has been sustained since 2012. The current estimated sales vacancy rate is 1.0 percent, down from 2.1 percent in April 2010 (Table DP-3 at the end of this report). During the 12 months ending March 2016, 12,650 existing homes sold in the submarket, up 29 percent from a year ago (CoreLogic, Inc., with adjustments by the analyst). By comparison, existing home sales totaled 10,100 homes sold during the 12 months ending March 2015, up 13 percent from a year earlier. The high-tech industry recovered from the dot.com bubble collapse, and the submarket experienced strong job growth from 2004 through 2005, which resulted in strong household growth. An average of 14,750 homes sold annually from 2004 through 2005. Although existing home sales remained elevated in 2006, it marked the first year of declining sales; from 2006 through 2009, existing home sales fell by an average of 28 percent annually, to a low of 6,000 homes sold. Existing home sales increased modestly in 2010, boosted by the first-time homebuyers tax credit program, but fell again in 2011 when the program expired. The economic recovery accelerated from 2012 through 2014, causing household finances to improve and banks to ease their lending standards, which resulted in increased demand for homes; an average of 9,400 homes sold annually.

The average sales price of an existing home increased 8 percent, to \$318,300, during the 12 months

ending March 2016, exceeding the previous peak of \$309,600 in 2007 by nearly 3 percent. By comparison, the average sales price increased 3 percent, to \$295,100, during the 12 months ending March 2015. The national recession caused the demand for homes to drop substantially, which put downward pressure on sales prices. From 2008 through 2011, the average sales price declined at an average annual rate of 6 percent to a low of \$241,400. Housing market conditions started to improve as the economic recovery accelerated, and, from 2012 through 2014, the average sales price increased 7 percent a year.

During 2005 and 2006, before the housing market downturn, the rate of home loans that were seriously delinquent or had transitioned into REO status in the submarket averaged 0.5 percent, and REO sales accounted for 1 percent of all existing home sales (CoreLogic, Inc.). The foreclosure crisis that resulted from the national recession had a damaging impact on the housing market, however, and the percentage of home loans that were seriously delinquent or in REO status averaged almost 5.0 percent from 2009 through 2011, and REO sales accounted for 23 percent of total existing home sales. By comparison, the delinquency rate averaged 0.9 percent from 2000 through 2007, during a period of strong housing market conditions, and REO sales accounted for only 2 percent of existing home sales. Housing market conditions have improved consistently since 2011 as a result of the strong economic recovery, and, as of March 2016, 1.9 percent of home loans in the submarket were seriously delinquent or in REO status, down from 2.8 percent in



## Housing Market Trends

Sales Market—Beaverton-Hillsboro Submarket Continued

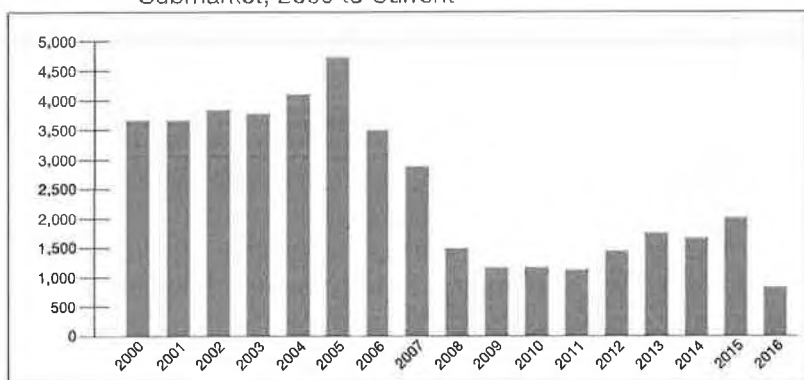
March 2015, and REO sales totaled 850, falling to 7 percent of all existing home sales. The average sales price of an REO home was \$226,500 during the 12 months ending March 2016, approximately 30 percent less than the sales price of a regular resale home.

The volume of new home sales in the submarket increased 14 percent, to 1,675 homes sold during the 12 months ending March 2016. By comparison, new home sales totaled 1,475 homes sold during the 12 months ending March 2015, up 3 percent from a year earlier. The economic expansion that occurred in the HMA from 2004 through 2007 especially benefited the submarket because of the relatively large number of rapidly expanding high-tech firms located in the submarket. New home sales peaked at an average of 4,125 homes sold annually in 2004 and 2005 and declined to an average of 3,300 homes sold a year in 2006 and 2007. Sales declined further as the housing market crisis worsened, averaging 1,335 homes sold a year from 2008 through 2010, before reaching a record low of 1,000 homes sold in 2011. The number of new home sales increased to an annual average of

1,375 homes sold from 2012 through 2014 because of strong economic growth. During the 12 months ending March 2016, the average sales price of a new home increased 4 percent from a year ago, to \$382,700, exceeding the previous peak of \$339,400 in 2008 by 13 percent. By comparison, the average sales price increased 16 percent during the 12 months ending March 2015 compared with prices during the previous 12 months. New home sales prices increased at an average annual rate of 9 percent from 2004 through 2008 and subsequently declined by an average of 5 percent a year from 2009 through 2012, to a low of \$277,200. Strong job growth and access to mortgage financing boosted the demand for new homes, causing prices to increase at an average annual rate of 13 percent from 2012 through 2014.

New home construction, as measured by the number of single-family homes permitted, has increased in the Beaverton-Hillsboro submarket since 2011 but remains below historical averages. During the 12 months ending April 2016, 2,250 single-family homes were permitted, a 36-percent increase from the 1,650 new homes permitted during the previous 12 months (preliminary data). New home construction was strong from 2000 through 2004, averaging 3,775 homes permitted annually despite the economic downturn that resulted from the collapse of the dot.com bubble, and permitting peaked in 2005, when 4,700 homes were permitted (Figure 12). Single-family home construction fell at an average annual rate of 30 percent from 2006 through 2009, to a low of 1,125 homes permitted, as a result of weakening housing market conditions and job losses brought on by the national recession.

**Figure 12.** Single-Family Homes Permitted in the Beaverton-Hillsboro Submarket, 2000 to Current



Notes: Includes townhomes. Current includes data through April 2016.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

## Housing Market Trends

Sales Market—Beaverton-Hillsboro Submarket Continued

From 2010 through 2014, an average of 1,400 new homes were permitted annually. New home construction in the submarket has generally concentrated in the cities of Beaverton and Hillsboro. The most common target

market for new single-family homes is second- and third-time homebuyers looking to upgrade into a larger home or new families earning high-tech industry wages that are typically much higher than the Area Median Income (local real estate agents).

**Table 6.** Estimated Demand for New Market-Rate Sales Housing in the Beaverton-Hillsboro Submarket During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
150,000	249,999	770	10.0
250,000	349,999	1,925	25.0
350,000	449,999	2,300	30.0
450,000	549,999	1,525	20.0
550,000	649,999	770	10.0
650,000	and higher	380	5.0

Notes: The 820 homes currently under construction and a portion of the estimated 3,800 other vacant units in the submarket will likely satisfy some of the forecast demand. The forecast period is May 1, 2016, to May 1, 2019.

Source: Estimates by analyst

Demand is expected for 7,675 new homes in the Beaverton-Hillsboro submarket during the next 3 years (Table 1). The 820 homes currently under construction and a portion of the 3,800 other vacant units that may return to the market will satisfy some of the forecast demand. Table 6 illustrates the estimated demand for new sales housing in the submarket by price range. Demand is expected to be evenly distributed during each year of the forecast period.

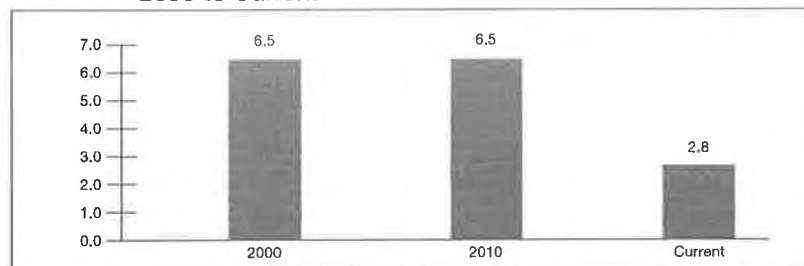
## Rental Market—Beaverton-Hillsboro Submarket

As a result of increased population growth since 2010, the rental housing market in the Beaverton-Hillsboro submarket remains tight, with an overall estimated vacancy rate of 2.8 percent compared with 6.5 percent in April 2010 (Figure 13). Despite a spike in multifamily rental construction since 2012, the apartment market has also remained tight. MPF

Research defines three areas in the Beaverton-Hillsboro submarket: East

Beaverton, Aloha/West Beaverton, and Hillsboro. The apartment vacancy rate increased from 2.4 to 2.9 percent in the East Beaverton area and from 3.0 to 4.8 percent in the Hillsboro area, largely because household preferences have shifted toward the Aloha/West Beaverton area, which has experienced the largest gain in new inventory during the past 3 years and is closest to the Intel Corporation and NIKE, Inc. campuses. Of the 1,900 new units that have entered the market since the first quarter of 2014, 1,200 have been in the Aloha/West Beaverton area, but the vacancy rate has continued to decline and is estimated at 2.4 percent during the first quarter of 2016, down from 3.3 percent in the first quarter of 2015. Since 2010, the vacancy rates in all three areas have remained below 5.0 percent.

**Figure 13.** Rental Vacancy Rates in the Beaverton-Hillsboro Submarket, 2000 to Current



Note: The current date is May 1, 2016.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

## Housing Market Trends

### Rental Market—Beaverton-Hillsboro Submarket Continued

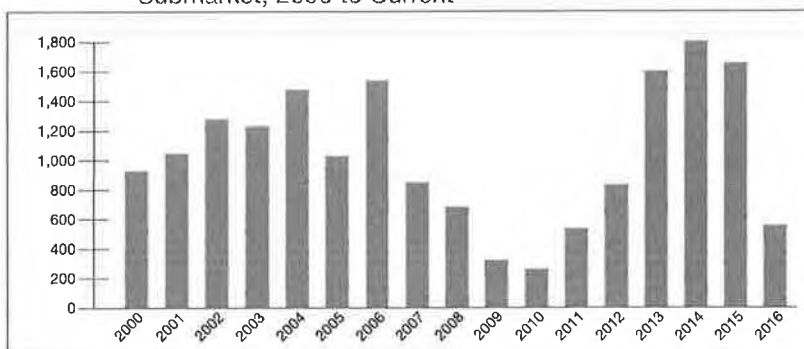
In percentage terms, the submarket has reported the strongest rent growth in the HMA from the first quarter of 2015 to the first quarter of 2016. The fastest rate of rent growth occurred in the East Beaverton area, at 19 percent, to an average of \$1,128; asking rents averaged \$848 for a studio unit, \$989 for a one-bedroom unit, \$1,182 for a two-bedroom unit, and \$1,411 for a three-bedroom unit. The average asking rent in the Hillsboro area increased 16 percent, to \$1,383, despite an increase in the vacancy rate; rents averaged \$1,180 for studio units, \$1,187 for one-bedroom units, \$1,425 for two-bedroom units, and \$1,719 for three-bedroom units. The smallest rent growth recorded in the submarket was in the Aloha/West Beaverton area, up 12 percent to \$1,226; rents averaged \$1,239 for studio units, \$1,081 for one-bedroom units, \$1,275 for two-bedroom units, and \$1,499 for three-bedroom units. Rent growth in the Aloha/West Beaverton area averaged 10 percent annually from the first quarter of 2013 through the first quarter of 2015. The East Beaverton and Hillsboro areas experienced milder average annual rent increases of 2 and 9 percent, respectively, during the same time. Studio units are most popular in newer developments,

with three-bedroom units taking the longest to lease (local property managers).

An average of 1,175 multifamily units were permitted in the Beaverton-Hillsboro submarket annually from 2000 through 2005, during a period of strong population growth (Figure 14). Multifamily permitting peaked in 2006, at 1,525 units, but subsequently declined at an average annual rate of 37 percent through 2010, to a low of 250 units permitted, because weak economic conditions resulted in reduced demand for condominiums and rental units. The foreclosure crisis fueled an increased demand for rental units, and multifamily permitting increased, averaging 670 units permitted a year in 2011 and 2012. As rental market conditions tightened further, builders responded by increasing multifamily building activity, which averaged 1,700 units annually in 2013 and 2014. During the 12 months ending April 2016, multifamily permitting decreased 6 percent, to 1,650 units permitted, compared with the number permitted during the previous 12 months (preliminary data). From 2004 through 2007, condominium construction peaked at nearly 40 percent of all multifamily building activity, as measured by the number of multifamily units permitted, in the submarket. The housing market collapse, however, caused a shift in preferences toward renting, increasing the demand for new apartment construction, and, since 2010, condominiums have comprised less than 10 percent of all multifamily units permitted.

Rental developments currently under construction or recently completed in the submarket include both affordable

**Figure 14.** Multifamily Units Permitted in the Beaverton-Hillsboro Submarket, 2000 to Current



Notes: Excludes townhomes. Current includes data through April 2016.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

## Housing Market Trends

### Rental Market—Beaverton-Hillsboro Submarket Continued

and market-rate apartment projects. Sunset View Apartments is currently under construction with an expected completion date in the summer of 2016. The development will consist of 236 affordable apartment units close to the NIKE, Inc. headquarters campus in the city of Beaverton. The 352-unit Amberglen West apartments in the Aloha/West Beaverton area is currently under construction and expected to be complete in August 2017; asking rents will range from \$1,266 to \$1,598 for one-bedroom units, \$1,352 to \$2,033 for two-bedroom units, and \$1,904 to \$1,961 for three-bedroom units. Construction of the 255-unit Rowlock Apartments was completed in August 2015 in the Hillsboro area, with rents starting at

\$1,425 for studio units and ranging from \$1,425 to \$1,580 for one-bedroom units and from \$1,915 to \$2,070 for two-bedroom units.

During the next 3 years, demand is expected for 5,325 new market-rate rental units in the Beaverton-Hillsboro submarket (Table 1). The 970 units under construction will meet a portion of the forecast demand. Demand is expected to be strongest in the first year of the forecast period and moderate in the second and third years as the new inventory is absorbed and the market becomes more balanced. Table 7 shows the estimated demand by rent level and number of bedrooms for new market-rate rental housing in the submarket during the forecast period.

**Table 7.** Estimated Demand for New Market-Rate Rental Housing in the Beaverton-Hillsboro Submarket During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
1,000 to 1,199	160	1,150 to 1,349	930	1,250 to 1,449	1,325	1,550 to 1,749	370
1,200 or more	110	1,350 to 1,549	470	1,450 to 1,649	800	1,750 or more	160
		1,550 or more	370	1,650 or more	400		
<b>Total</b>	<b>270</b>	<b>Total</b>	<b>1,775</b>	<b>Total</b>	<b>2,525</b>	<b>Total</b>	<b>530</b>

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 970 units currently under construction will likely satisfy some of the estimated demand. The forecast period is May 1, 2016, to May 1, 2019. Source: Estimates by analysts

## Sales Market—Vancouver Submarket

The current sales housing market in the Vancouver submarket is tight, with an estimated vacancy rate of 1.0 percent, down from 2.1 percent in 2010 (Table DP-4 at the end of this report). Similar to trends in the other two submarkets, housing market conditions in the submarket have tightened rapidly since the economic recovery began, and most of the excess vacancies that resulted from the housing market collapse have been absorbed.

During the 12 months ending March 2016, 9,450 existing homes sold in the submarket, up 22 percent from a year ago, marking the largest number of existing homes sold since 2006 (CoreLogic, Inc., with adjustments by the analyst). From 2003 through 2005, relatively affordable sales housing in the submarket attracted new households, with an average of 11,950 existing homes sold annually. Existing home sales fell 22 percent in 2006, when economic growth began

## Housing Market Trends

*Sales Market—Vancouver Submarket Continued*

to slow, and, from 2007 through 2010, existing home sales fell by an average of 17 percent a year, to a low of 4,925 homes sold. Economic conditions moderated in 2010, and new home sales remained unchanged. Growth in existing home sales resumed as the economy fully recovered, and, from 2011 through 2014, an average of 6,400 existing homes sold annually. The average sales price of an existing home increased 8 percent, to \$283,300, during the 12 months ending March 2016, approximately 20 and 10 percent less than the average existing home sales prices in the Portland and Beaverton-Hillsboro submarkets, respectively. The current average sales price remains 2 percent less than the peak sales price of \$289,400 in 2007. From 2008 through 2011, the average sales price declined at an average annual rate of 8 percent, to a low of \$210,500, because substantial job losses caused a sharp drop in the demand for sales homes. When job growth recovered and the demand for homes increased, the average sales price increased an average of 8 percent annually from 2012 through 2014.

Strong job growth and increasing home values during the past 3 years helped reduce seriously delinquent loans and REO properties in the Vancouver submarket and the HMA. During March 2016, 1.8 percent of all home loans in the submarket were seriously delinquent or had transitioned into REO status, down from 2.6 percent in March 2015, and REO sales declined from 6 to 4 percent of total existing home sales (CoreLogic, Inc., with adjustments by the analyst). By comparison, the delinquency rate, including homes in REO status, averaged approximately 7.0 percent from 2009 through 2011, during the

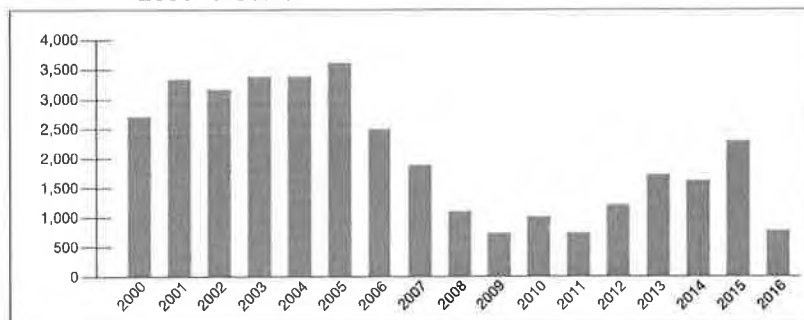
worst of the foreclosures crisis, and REO sales comprised almost one-fourth of all existing home sales. By comparison, from 2000 through 2007, the delinquency rate averaged 1.3 percent and REO sales accounted for less than 2 percent of existing home sales. The average sales prices of an REO home sale in the submarket was \$232,000 during the 12 months ending March 2016, approximately 18 percent less than the sales price of a regular resale home.

The new home sales market has improved dramatically since 2011, with home sales increasing an average of 25 percent annually. During the 12 months ending March 2016, new home sales totaled 1,700 homes sold, up 32 percent from the 1,300 new homes sold during the 12 months ending March 2015. An average of 2,875 new homes sold annually from 2003 through 2005, when economic conditions were strong and access to financing was more readily available. Following the national and regional trend, however, new home sales declined with the onset of the recession, and, from 2006 through 2011, new home sales fell at an average annual rate of 23 percent, to a low of 650 homes sold. The average sales price of a new home increased 10 percent, to \$328,400, during the 12 months ending March 2016 compared with a 7-percent increase during the previous 12 months. Sales prices increased at an average annual rate of 3 percent from 2004 through 2006 and subsequently declined an average of 9 percent a year from 2007 through 2009, to a low of \$237,600. Prices increased at an average annual rate of 5 percent from 2010 through 2014, when economic conditions improved and demand for new homes returned.

Strong housing demand and increasing sales prices have led to an increase in new home construction in the Vancouver submarket since 2011. During the 12 months ending April 2016, 2,525 single-family homes were permitted, up 45 percent from the 1,750 homes permitted during the previous 12 months (preliminary data). Single-family homebuilding was robust from 2000 through 2005, when population growth in the submarket was strongest, and an average of 3,250 single-family homes were permitted annually (Figure 15). Homebuilding dropped dramatically following the onset of the national

recession as net in-migration to the submarket plummeted. From 2006 through 2009, homebuilding activity declined at an average annual rate of 33 percent, to a low of 720 single-family homes permitted. After the economic recovery was fully under way, homebuilding increased and an average of 1,525 new single-family homes were permitted a year from 2012 through 2014. Most buyers are second- and third-time homebuyers looking to upgrade to larger homes; however, more first-time homebuyers are purchasing in the Vancouver submarket than in the Portland or Beaverton-Hillsboro submarkets because housing in the submarket is still relatively affordable (local developers and real estate agents). Single-family development is concentrated in Ridgefield in the northeastern portion of the submarket and in Camas in the eastern section of the submarket. In Ridgefield, new home prices range from the mid-\$200,000s to the upper \$600,000s. New homes in Camas start in the mid-\$300,000 range and increase to the mid-\$900,000s.

**Figure 15.** Single-Family Homes Permitted in the Vancouver Submarket, 2000 to Current



Notes: Includes townhomes. Current includes data through April 2016.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

**Table 8.** Estimated Demand for New Market-Rate Sales Housing in the Vancouver Submarket During the Forecast Period

Price Range (\$)		Units of Demand	Percent of Total
From	To		
150,000	249,999	680	10.0
250,000	349,999	1,350	20.0
350,000	449,999	2,375	35.0
450,000	549,999	1,350	20.0
550,000	649,999	680	10.0
650,000	and higher	340	5.0

Notes: The 940 homes currently under construction and a portion of the estimated 3,900 other vacant units in the submarket will likely satisfy some of the forecast demand. The forecast period is May 1, 2016, to May 1, 2019.

Source: Estimates by analyst

Demand is expected for 6,800 new homes in the Vancouver submarket during the next 3 years (Table 1). The 940 homes currently under construction and a portion of the 3,900 other vacant units that may return to the market will satisfy some of the forecast demand. Table 8 illustrates the estimated demand for new sales housing in the submarket by price range. Demand is expected to be evenly distributed during each year of the forecast period.

## Rental Market—Vancouver Submarket

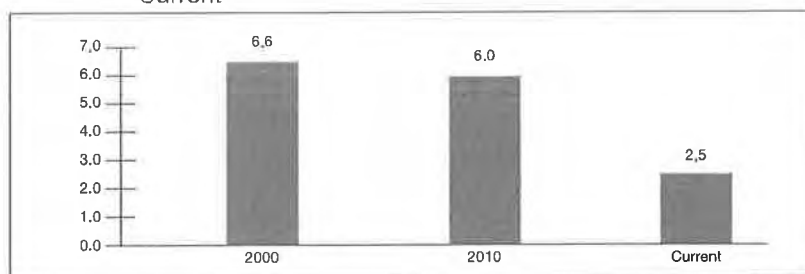
The current rental housing market in the Vancouver submarket is tight, with an overall estimated vacancy rate of 2.5 percent, down from 6.0 percent in April 2010 (Figure 16). The nationwide recession and housing market collapse caused a decrease in homeownership and a surge in demand for rental units since 2011. Although apartment construction has increased substantially during the past several years, it has not been strong enough to compensate for the record low level of construction from 2008 through 2012, and market conditions remain tight, with an estimated apartment vacancy rate of 2.5 percent during the first quarter of 2016, up from 1.7 percent a year ago (MPF Research). During the same time, the average asking rent in the submarket increased 10 percent, to \$1,068,

despite the uptick in the vacancy rate. Rents averaged \$777 for studio units, \$919 for one-bedroom units, \$1,150 for two-bedroom units, and \$1,294 for three-bedroom units. By comparison, rent growth averaged 8 percent annually from the first quarter of 2011 through the first quarter of 2014.

An average of 570 multifamily units were permitted annually in the Vancouver submarket from 2000 through 2007 (Figure 17). The national recession and housing market collapse caused multifamily construction to plummet from 2008 through 2011, when an average of 150 multifamily units were permitted annually. With increased rental demand stemming from the effects of the housing market crisis, the apartment market began to tighten quickly, and builders responded by increasing apartment construction 35 percent in 2012, to 370 units permitted. Apartment construction spiked in 2013, when 1,250 units were permitted, followed by a drop to 660 units permitted in 2014. During the 12 months ending April 2016, 1,050 multifamily units were permitted, up 33 percent from the 790 units permitted during the 12 months ending April 2015 (preliminary data). Condominium construction has accounted for less than 5 percent of total multifamily building activity in the submarket since 2010. By comparison, from 2004 through 2007, when financing was easier to obtain, condominium construction peaked at 37 percent of all multifamily building activity, as measured by the number of multifamily units permitted in the submarket.

Two of the larger developments currently under construction in the submarket are the 155-unit Columbia

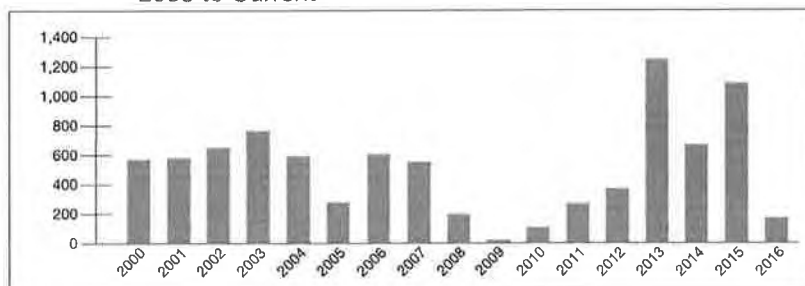
**Figure 16.** Rental Vacancy Rates in the Vancouver Submarket, 2000 to Current



Note: The current date is May 1, 2016.

Sources: 2000 and 2010—2000 Census and 2010 Census; current—estimates by analyst

**Figure 17.** Multifamily Units Permitted in the Vancouver Submarket, 2000 to Current



Notes: Excludes townhomes. Current includes data through April 2016.

Sources: U.S. Census Bureau, Building Permits Survey; estimates by analyst

## Housing Market Trends

## Rental Market—Vancouver Submarket Continued

View Apartments Phase 2 and the 156-unit Four Seasons Central. The mix of units for the Columbia View Apartments includes one-, two-, and three-bedroom units; the anticipated completion date is in late 2017, and asking rents are unavailable. Construction of the Four Seasons Central is expected to be complete in October 2016; asking rents range from \$1,199 to \$1,575 for one-bedroom units and from \$1,544 to \$1,699 for two-bedroom units and are \$1,705 for three-bedroom units.

During the next 3 years, demand is expected for 2,950 new market-rate rental units in the Vancouver submarket (Table 1). The 1,125 units under construction will meet a portion of the forecast demand. Demand is expected to be evenly distributed during each year of the forecast period. Table 9 shows the estimated demand by rent level and number of bedrooms for new market-rate rental housing in the submarket during the forecast period.

**Table 9.** Estimated Demand for New Market-Rate Rental Housing in the Vancouver Submarket During the Forecast Period

Zero Bedrooms		One Bedroom		Two Bedrooms		Three or More Bedrooms	
Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand	Monthly Gross Rent (\$)	Units of Demand
800 to 999	95	850 to 1,049	580	1,100 to 1,299	1,050	1,350 to 1,549	190
1,000 or more	50	1,050 or more	310	1,300 or more	570	1,550 or more	100
<b>Total</b>	<b>150</b>	<b>Total</b>	<b>890</b>	<b>Total</b>	<b>1,625</b>	<b>Total</b>	<b>300</b>

Notes: Numbers may not add to totals because of rounding. Monthly rent does not include utilities or concessions. The 1,125 units currently under construction will likely satisfy some of the estimated demand. The forecast period is May 1, 2016, to May 1, 2019.

Source: Estimates by analysts

## Data Profiles

**Table DP-1.** Portland HMA\* Data Profile, 2000 to Current

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total resident employment	1,031,816	1,084,124	1,179,000	0.5	1.6
Unemployment rate	4.5%	10.2%	5.0%		
Nonfarm payroll jobs	981,500	979,200	1,123,000	0.0	2.6
Total population	1,927,881	2,226,009	2,395,000	1.4	1.2
Total households	745,531	867,794	936,700	1.5	1.3
Owner households	469,156	535,433	559,500	1.3	0.7
Percent owner	62.9%	61.7%	59.7%		
Renter households	276,375	332,361	377,200	1.9	2.1
Percent renter	37.1%	38.3%	40.3%		
Total housing units	790,876	925,076	974,100	1.6	0.9
Owner vacancy rate	2.2%	2.2%	1.0%		
Rental vacancy rate	6.7%	5.9%	2.9%		
Median Family Income	\$52,400	\$70,000	\$73,300	2.9	0.9

\*Portland-Vancouver-Hillsboro HMA.

Notes: Numbers may not add to totals because of rounding. Employment data represent annual averages for 2000, 2010, and the 12 months through April 2016. Median Family Incomes are for 1999, 2009, and 2014. The current date is May 1, 2016.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst



**Table DP-2. Portland Submarket Data Profile, 2000 to Current**

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total population	1,042,437	1,160,677	1,239,000	1.1	1.1
Total households	416,674	469,513	504,500	1.2	1.2
Owner households	258,366	281,474	294,100	0.9	0.7
Percent owner	62.0%	60.0%	58.3%		
Rental households	158,308	188,039	210,400	1.7	1.9
Percent renter	38.0%	40.0%	41.7%		
Total housing units	443,087	502,475	527,000	1.3	0.8
Owner vacancy rate	2.2%	2.4%	1.0%		
Rental vacancy rate	6.8%	5.6%	3.0%		

Notes: Numbers may not add to totals because of rounding. The current date is May 1, 2016.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

**Table DP-3. Beaverton-Hillsboro Submarket Data Profile, 2000 to Current**

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total population	530,334	628,903	683,400	1.7	1.4
Total households	197,894	235,660	254,800	1.8	1.3
Owner households	122,467	146,604	152,800	1.8	0.7
Percent owner	61.9%	62.2%	60.0%		
Rental households	75,427	89,056	102,000	1.7	2.3
Percent renter	38.1%	37.8%	40.0%		
Total housing units	209,183	249,560	263,100	1.8	0.9
Owner vacancy rate	2.3%	2.1%	1.0%		
Rental vacancy rate	6.5%	6.5%	2.8%		

Notes: Numbers may not add to totals because of rounding. The current date is May 1, 2016.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

**Table DP-4. Vancouver Submarket Data Profile, 2000 to Current**

	2000	2010	Current	Average Annual Change (%)	
				2000 to 2010	2010 to Current
Total population	355,110	436,429	472,200	2.1	1.3
Total households	130,963	162,621	177,350	2.2	1.4
Owner households	88,323	107,355	112,600	2.0	0.8
Percent owner	67.4%	66.0%	63.5%		
Rental households	42,640	55,266	64,750	2.6	2.6
Percent renter	32.6%	34.0%	36.5%		
Total housing units	138,606	173,041	184,000	2.2	1.0
Owner vacancy rate	2.0%	2.1%	1.0%		
Rental vacancy rate	6.6%	6.0%	2.5%		

Notes: Numbers may not add to totals because of rounding. The current date is May 1, 2016.

Sources: U.S. Census Bureau; U.S. Department of Housing and Urban Development; estimates by analyst

## Data Definitions and Sources

2000: 4/1/2000—U.S. Decennial Census  
 2010: 4/1/2010—U.S. Decennial Census  
 Current date: 5/1/2016—Analyst's estimates  
 Forecast period: 5/1/2016–5/1/2019—Analyst's estimates

The metropolitan statistical area definition in this report is based on the delineations established by the Office of Management and Budget (OMB) in the OMB Bulletin dated February 28, 2013.

**Demand:** The demand estimates in the analysis are not a forecast of building activity. They are the estimates of the total housing production needed to achieve a balanced market at the end of the 3-year forecast period given conditions on the as-of date of the analysis, growth, losses, and excess vacancies. The estimates do not account for units currently under construction or units in the development pipeline.

**Other Vacant Units:** In the U.S. Department of Housing and Urban Development's (HUD's) analysis, other vacant units include all vacant units that are not available for sale or for rent. The term therefore includes units rented or sold but not occupied; held for seasonal, recreational, or occasional use; used by migrant workers; and the category specified as "other" vacant by the Census Bureau.

**Building Permits:** Building permits do not necessarily reflect all residential building activity that occurs in an HMA. Some units are constructed or created without a building permit or are issued a different type of building permit. For example, some units classified as commercial structures are not reflected in the

residential building permits. As a result, the analyst, through diligent fieldwork, makes an estimate of this additional construction activity. Some of these estimates are included in the discussions of single-family and multifamily building permits.

For additional data pertaining to the housing market for this HMA, go to [huduser.gov/publications/pdf/CMARtables\\_Portland\\_Vancouver\\_HillsboroOR\\_WA\\_16.pdf](http://huduser.gov/publications/pdf/CMARtables_Portland_Vancouver_HillsboroOR_WA_16.pdf).

## Contact Information

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This analysis has been prepared for the assistance and guidance of HUD in its operations. The factual information, findings, and conclusions may also be useful to builders, mortgagees, and others concerned with local housing market conditions and trends. The analysis does not purport to make determinations regarding the acceptability of any mortgage insurance proposals that may be under consideration by the Department.

The factual framework for this analysis follows the guidelines and methods developed by HUD's Economic and Market Analysis Division. The analysis and findings are as thorough and current as possible based on information available on the as-of date from local and national sources. As such, findings or conclusions may be modified by subsequent developments. HUD expresses its appreciation to those industry sources and state and local government officials who provided data and information on local economic and housing market conditions.

For additional reports on other market areas, please go to [huduser.gov/portal/ushmc/chma\\_archive.html](http://huduser.gov/portal/ushmc/chma_archive.html).

## **EXHIBIT 6**

# Skamania County Profile

by Scott Bailey, regional labor economist

Updated September, 2016

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## Overview

### *Regional context*

Skamania County is located about 40 miles east of the Portland metro area, in the beautiful Columbia River Gorge. Almost 90 percent of the county is timberland, mostly within the Gifford Pinchot National Forest. Much of the non-timber land is concentrated in the southern strip along the Columbia River, and falls under the protection of the Columbia Gorge Scenic Area. As a result of these factors, the county has a small population and job base, and projections generally call for modest growth in jobs and population over the next 20 years.

### *Local economy*

Almost twenty-five years ago, Skamania County's economy went through a wrenching transition. Long dependent upon timber for jobs and income, the county lost both when logging was curtailed on national forests and the Stevenson Co-Ply, the county's largest employer (owned cooperatively by current and former workers), closed. Ten percent of the county's job base disappeared and unemployment topped 22 percent in February 1992. But a year after the closure, the Skamania Lodge, a new destination resort subsidized by federal funds from the Columbia Gorge Scenic Area Act, opened, with almost the same number of jobs. Almost overnight, Skamania had shifted from a timber economy to a tourist economy.

Employment changed little in the subsequent years, with a brief uptick late in the 1990s and a corresponding loss heading into the 2001 recession. Job growth picked up in 2002, but the Great Recession wiped out much of the gains.

The transition from timber to tourism was accompanied by a shift in occupational structure and generally lower wages and income (though official wage data do not include tips). In addition, ex-timber workers who commuted to Clark County for retraining discovered that the commute to the Portland area wasn't all that onerous. While the number of employed residents grew by about 15 percent during the 1990s, the number of those commuting to jobs outside of the county grew by almost 50 percent. In 2014, 69 percent of the county's earned income came from jobs outside of the county. Indeed, almost half of the population growth in the 1990s came in the southwest part of the county closest to Portland.

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## Geographic facts

(Source: U.S. Census Bureau QuickFacts)

	Skamania County	Rank in state
Land area, 2010(square miles)	1,655.68	24
Persons per square mile, 2010	6.73	35

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## Outlook

Looking ahead, there is room for some population growth. Also, the site of the old plywood mill, right along the river, has yet to be redeveloped, with housing, commercial and light industrial uses all possible, should the owners decide to make the investment. As this report is being published, a controversial housing development is under consideration at Broughton Landing.

A major threat to the local economy is the potential loss of Federal payments to rural counties affected by the loss of timber revenues. If and when these payments are discontinued, Skamania County would lose a major source of revenue for local government services, including schools.

## Labor force and unemployment

*(Source: Employment Security Department)*

Current labor force and unemployment statistics are available on the [Labor area summaries page](#).

The county county labor force was estimated at 5,016 in 2015, with an unemployment rate of 7.3 percent. That was well below the peak of 13.0 percent in the 2008-09 recession. Unemployment has declined steadily since 2009.

It should be noted that county unemployment in the 2008-09 recession was not as bad as in the 2001 recession or the early 1990s.

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## Industry employment

*(Source: Employment Security Department)*

Current industry employment statistics are available on the [Labor area summaries page](#).

Skamania County nonfarm employment grew steadily from 2002 to 2007, dropped sharply in 2008 and 2009, and stabilized from 2010 to 2014. Revised data indicate that the county lost jobs in 2015 (-70 jobs, -0.3 percent). Over the 2002-2015 period, despite the ups and downs, private sector growth was strong, averaging 2.1 percent per year. Job growth was concentrated in manufacturing (+70), hospitality (+140), retail trade (+60), and all other services (+90). It was a different case with the public sector. Both federal employment (-110 jobs) and local non-educational government (-90 jobs) suffered losses.

In 2015, of the 2,280 jobs in the county, 30 percent (640) were public sector, much higher than for the state and nation. Leisure & hospitality (570) and manufacturing (270) dominated the private sector.

The major trends and events over the last 25 years include:

- Logging restrictions on federal lands curbed harvests in the early 1990s, leading to a loss of timber jobs. Timber harvests fell from around 400 million board feet in the 1980s to as low as 24 million board feet in 2009 before rebounding to 82 million board feet in 2013.
- Stevenson Co-Ply closed in 1992.
- Skamania Lodge opened in 1993 and expanded in 2003. Tourist related restaurants, retail and services have developed in the Stevenson area.
- The closure of the federal Wind River Nursery in the late 1990s.
- Molded Fiberglass, a trucking industry supplier, opened in 1995, had peak employment in 2000, but then closed after its major customer retrenched during the 2001 recession.
- The Bonneville Hot Springs resort opened in North Bonneville in 2002.
- Insitu moved about 100 jobs to Stevenson in August 2009, but these were transferred back to Klickitat County in 2014.

Skamania County's agricultural production is a fairly small part of the county economy. According to the 2007 Census of Agriculture, there were 123 farms in the county, covering

5,400 acres, fewer acres than any county in the state. The main crop in Skamania is actually trees. In 1982, the timber harvest in Skamania was 410 million board feet, with about 60 percent from federal land and 40 percent from timber industry land. Logging from both sources had all but dried up two decades later. Timber harvest was 76 million board feet in 2014, with most of the cut on large private (non-industry) holdings. Logging employment in the county declined from 90 jobs in 1990 to 10 jobs in 2015.

For historical industry employment data, **contact an economist**.

### *Industry employment by age and gender*

*(Source: The Local Employment Dynamics)*

The Local Employment Dynamics (LED) database, a joint project of state employment departments and the U.S. Census Bureau, matches state employment data with federal administrative data. Among the products is industry employment by age and gender. All workers covered by state unemployment insurance data are included; federal workers and non-covered workers, such as the self-employed, are not. Data is presented by place of work, not place of residence. Some highlights:

- Females held a majority (51.2 percent) of the non-federal jobs in Skamania County in 2015.
- Female-dominated industries included education (76 percent), accommodation & food services (59 percent) and retail trade (67 percent).
- Male dominated industries include manufacturing (81 percent) and construction (64 percent).

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### **Wages and income**

*(Source: Employment Security Department; Bureau of Labor Statistics; Bureau of Economic Analysis; U.S. Census Bureau; U.S. Census Bureau, American Community Survey)*

The median hourly wage for non-federal jobs in Skamania County was \$17.77 in 2014, down a bit from the 2012 high of \$18.40. That was about \$2.00 per hour shy of the state average if King County were excluded. The 2014 average annual wage of \$33,983 has changed very little for the past five years.

Median household income in Skamania for the 2010-14 period was \$50,986, not significantly different from the 2005-09 time span. The household median was 5 percent below the national average, while median family income (\$66,104) was slightly above the nation.

### *Personal income*

Personal income includes earned income, investment income and government payments such as Social Security and Veterans Benefits. Investment income includes income imputed from pension funds and from owning a home. Per capita personal income equals total personal income divided by the resident population.

In 2014, county per capita income was \$36,999. That was 25 percent below the state average and 20 percent below the national average. The gap between the county and the state and nation has closed by about 5 percentage points since 2000.

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### **Population**

*(Source: U.S. Census Bureau)*

Skamania's population was estimated at 11,339 in 2015. Over the past decade, population has grown by 0.7 percent per year, just below the national rate.

### *Population facts*



(Source: U.S. Census Bureau QuickFacts)

	Skamania County	Washington state
Population 2015	11,339	7,170,351
Population 2010	11,066	6,724,543
Percent change, 2010 to 2015	2.5%	6.6%

### Age, gender and ethnicity

(Source: U.S. Census Bureau QuickFacts)

Skamania's population is somewhat older than the state and nation. In 2015:

- 22 percent of the county was below the age of 19, versus 26 percent statewide.
- 20 percent was aged 20 to 39, versus 28 percent statewide.
- 30 percent was aged 40 to 59, above the state figure of 27 percent.
- 28 percent was aged 60 or older, well above the state average of 21 percent.

The county is also less diverse: in 2015, 89 percent of the population was white and non-Hispanic.

### Demographics

(Source: U.S. Census Bureau QuickFacts)

	Skamania County	Washington state
Population by age, 2015		
Under 5 years old	4.4%	6.2%
Under 18 years old	20.1%	22.5%
65 years and older	18.0%	14.4%
Females, 2015	49.4%	50.0%
Race/ethnicity, 2015		
White alone, not Hispanic or Latino	88.6%	80.3%
Black	0.5%	4.1%
American Indian, Alaskan Native	1.3%	1.9%
Asian, Native Hawaiian, Other Pacific Islander	1.1%	9.1%
Hispanic or Latino, any race	5.6%	12.4%

### Educational attainment

(Source: U.S. Census Bureau QuickFacts)

Skamania residents are less likely to have a college degree than in the state or nation as a whole. In 2010-14, 21.4 percent of the population aged 25 and older had a bachelor's degree or higher education, vs. 32.3 percent statewide.

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## **EXHIBIT 7**





DP-1

Profile of General Population and Housing Characteristics: 2010

2010 Demographic Profile Data

NOTE: For more information on confidentiality protection, nonsampling error, and definitions, see <http://www.census.gov/prod/cen2010/doc/dpsf.pdf>.

Geography: Skamania County, Washington

Subject	Number	Percent
SEX AND AGE		
Total population	11,066	100.0
Under 5 years	604	5.5
5 to 9 years	648	5.9
10 to 14 years	730	6.6
15 to 19 years	717	6.5
20 to 24 years	451	4.1
25 to 29 years	501	4.5
30 to 34 years	639	5.8
35 to 39 years	674	6.1
40 to 44 years	710	6.4
45 to 49 years	943	8.5
50 to 54 years	1,013	9.2
55 to 59 years	1,028	9.3
60 to 64 years	812	7.3
65 to 69 years	617	5.6
70 to 74 years	364	3.3
75 to 79 years	276	2.5
80 to 84 years	188	1.7
85 years and over	151	1.4
Median age (years)	44.0	( X )
16 years and over	8,922	80.6
18 years and over	8,608	77.8
21 years and over	8,268	74.7
62 years and over	2,083	18.8
65 years and over	1,596	14.4

Subject	Number	Perc
Male population	5,565	50.3
Under 5 years	301	2.7
5 to 9 years	326	2.9
10 to 14 years	367	3.3
15 to 19 years	378	3.4
20 to 24 years	235	2.1
25 to 29 years	242	2.2
30 to 34 years	330	3.0
35 to 39 years	316	2.9
40 to 44 years	351	3.2
45 to 49 years	487	4.4
50 to 54 years	486	4.4
55 to 59 years	533	4.8
60 to 64 years	427	3.9
65 to 69 years	312	2.8
70 to 74 years	185	1.7
75 to 79 years	138	1.2
80 to 84 years	89	0.8
85 years and over	62	0.6
Median age (years)	44.0	( X )
16 years and over	4,476	40.4
18 years and over	4,322	39.1
21 years and over	4,144	37.4
62 years and over	1,048	9.5
65 years and over	786	7.1
Female population	5,501	49.7
Under 5 years	303	2.7
5 to 9 years	322	2.9
10 to 14 years	363	3.3
15 to 19 years	339	3.1
20 to 24 years	216	2.0
25 to 29 years	259	2.3
30 to 34 years	309	2.8
35 to 39 years	358	3.2
40 to 44 years	359	3.2
45 to 49 years	456	4.1
50 to 54 years	527	4.8
55 to 59 years	495	4.5
60 to 64 years	385	3.5
65 to 69 years	305	2.8
70 to 74 years	179	1.6

Subject	Number	Perc
75 to 79 years	138	.2
80 to 84 years	99	0.9
85 years and over	89	0.8
Median age (years)	44.1	( X )
16 years and over	4,446	40.2
18 years and over	4,286	38.7
21 years and over	4,124	37.3
62 years and over	1,035	9.4
65 years and over	810	7.3
RACE		
Total population	11,066	100.0
One Race	10,737	97.0
White	10,265	92.8
Black or African American	46	0.4
American Indian and Alaska Native	173	1.6
Asian	96	0.9
Asian Indian	4	0.0
Chinese	14	0.1
Filipino	36	0.3
Japanese	18	0.2
Korean	11	0.1
Vietnamese	3	0.0
Other Asian [1]	10	0.1
Native Hawaiian and Other Pacific Islander	11	0.1
Native Hawaiian	6	0.1
Guamanian or Chamorro	2	0.0
Samoa	0	0.0
Other Pacific Islander [2]	3	0.0
Some Other Race	146	1.3
Two or More Races	329	3.0
White; American Indian and Alaska Native [3]	179	1.6
White; Asian [3]	48	0.4
White; Black or African American [3]	24	0.2
White; Some Other Race [3]	30	0.3
Race alone or in combination with one or more other races: [4]		
White	10,585	95.7
Black or African American	88	0.8
American Indian and Alaska Native	375	3.4
Asian	160	1.4
Native Hawaiian and Other Pacific Islander	35	0.3
Some Other Race	179	1.6

Subject	Number	Perc
<b>HISPANIC OR LATINO</b>		
Total population	11,066	100.0
Hispanic or Latino (of any race)	553	5.0
Mexican	428	3.9
Puerto Rican	13	0.1
Cuban	2	0.0
Other Hispanic or Latino [5]	110	1.0
Not Hispanic or Latino	10,513	95.0
<b>HISPANIC OR LATINO AND RACE</b>		
Total population	11,066	100.0
Hispanic or Latino	553	5.0
White alone	347	3.1
Black or African American alone	2	0.0
American Indian and Alaska Native alone	23	0.2
Asian alone	0	0.0
Native Hawaiian and Other Pacific Islander alone	0	0.0
Some Other Race alone	139	1.3
Two or More Races	42	0.4
Not Hispanic or Latino	10,513	95.0
White alone	9,918	89.6
Black or African American alone	44	0.4
American Indian and Alaska Native alone	150	1.4
Asian alone	96	0.9
Native Hawaiian and Other Pacific Islander alone	11	0.1
Some Other Race alone	7	0.1
Two or More Races	287	2.6
<b>RELATIONSHIP</b>		
Total population	11,066	100.0
In households	11,041	99.8
Householder	4,522	40.9
Spouse [6]	2,457	22.2
Child	2,899	26.2
Own child under 18 years	2,173	19.6
Other relatives	542	4.9
Under 18 years	234	2.1
65 years and over	82	0.7
Nonrelatives	621	5.6
Under 18 years	49	0.4
65 years and over	48	0.4
Unmarried partner	340	3.1
In group quarters	25	0.2

Subject		Number	Perc
Institutional population		25	2
Male		21	0.2
Female		4	0.0
Noninstitutionalized population		0	0.0
Male		0	0.0
Female		0	0.0
HOUSEHOLDS BY TYPE			
Total households		4,522	100.0
Family households (families) [7]		3,072	67.9
With own children under 18 years		1,145	25.3
Husband-wife family		2,457	54.3
With own children under 18 years		804	17.8
Male householder, no wife present		214	4.7
With own children under 18 years		124	2.7
Female householder, no husband present		401	8.9
With own children under 18 years		217	4.8
Nonfamily households [7]		1,450	32.1
Householder living alone		1,156	25.6
Male		625	13.8
65 years and over		141	3.1
Female		531	11.7
65 years and over		232	5.1
Households with individuals under 18 years		1,285	28.4
Households with individuals 65 years and over		1,155	25.5
Average household size		2.44	( X )
Average family size [7]		2.92	( X )
HOUSING OCCUPANCY			
Total housing units		5,628	100.0
Occupied housing units		4,522	80.3
Vacant housing units		1,106	19.7
For rent		70	1.2
Rented, not occupied		4	0.1
For sale only		70	1.2
Sold, not occupied		19	0.3
For seasonal, recreational, or occasional use		799	14.2
All other vacants		144	2.6
Homeowner vacancy rate (percent) [8]		2.0	( X )
Rental vacancy rate (percent) [9]		5.6	( X )

	Subject	Number	Perc
HOUSING TEN			
	Occupied housing units	4,522	100.0
	Owner-occupied housing units	3,352	74.1
	Population in owner-occupied housing units	8,313	( X )
	Average household size of owner-occupied units	2.48	( X )
	Renter-occupied housing units	1,170	25.9
	Population in renter-occupied housing units	2,728	( X )
	Average household size of renter-occupied units	2.33	( X )

X Not applicable.

[1] Other Asian alone, or two or more Asian categories.

[2] Other Pacific Islander alone, or two or more Native Hawaiian and Other Pacific Islander categories.

[3] One of the four most commonly reported multiple-race combinations nationwide in Census 2000.

[4] In combination with one or more of the other races listed. The six numbers may add to more than the total population, and the six percentages may add to more than 100 percent because individuals may report more than one race.

[5] This category is composed of people whose origins are from the Dominican Republic, Spain, and Spanish-speaking Central or South American countries. It also includes general origin responses such as "Latino" or "Hispanic."

[6] "Spouse" represents spouse of the householder. It does not reflect all spouses in a household. Responses of "same-sex spouse" were edited during processing to "unmarried partner."

[7] "Family households" consist of a householder and one or more other people related to the householder by birth, marriage, or adoption. They do not include same-sex married couples even if the marriage was performed in a state issuing marriage certificates for same-sex couples. Same-sex couple households are included in the family households category if there is at least one additional person related to the householder by birth or adoption. Same-sex couple households with no relatives of the householder present are tabulated in nonfamily households. "Nonfamily households" consist of people living alone and households which do not have any members related to the householder.

[8] The homeowner vacancy rate is the proportion of the homeowner inventory that is vacant "for sale." It is computed by dividing the total number of vacant units "for sale only" by the sum of owner-occupied units, vacant units that are "for sale only," and vacant units that have been sold but not yet occupied; and then multiplying by 100.

[9] The rental vacancy rate is the proportion of the rental inventory that is vacant "for rent." It is computed by dividing the total number of vacant units "for rent" by the sum of the renter-occupied units, vacant units that are "for rent," and vacant units that have been rented but not yet occupied; and then multiplying by 100.

Source: U.S. Census Bureau, 2010 Census.

## **EXHIBIT 8**





# SOUTH HILLSBORO

COMMUNITY PLAN  
DECEMBER 2014





**City of Hillsboro Planning Department**

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# 1

## Introduction

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## 1.1 Project Overview

South Hillsboro presents a unique opportunity for the City to create a new and innovative community responding to the needs of the City of Hillsboro, Washington County, Metro Region, and neighboring residents. This document outlines the foundation, principles, approach, and implementation action plan that will realize this vision.

The planning effort for South Hillsboro brings together almost 20 years of conceptual planning to provide a specific framework for future development of this unique Hillsboro community. The project builds upon previous planning efforts led by the City of Hillsboro and two major South Hillsboro property owners to achieve the following:

- Articulate the City's vision for best-in-class development and design of the South Hillsboro community using Planning and Design Principles and identification of Best Practices.
- Incorporate property owners' visions into the city's Master Plan where consistent and compatible with the City's vision, goals, policies, and principles.
- Establish recommended road alignments, bicycle and pedestrian corridors, parks and open space, school locations and land use designations/zoning.
- Provide regulatory guidance and process clarity to enable property owners to create detailed development plans.
- Provide flexibility to encourage creative approaches to development and design, both public and private.
- Provide cost estimates and identify funding tools and strategies for the infrastructure improvements needed to develop South Hillsboro.
- Identify expected phasing of public improvements.
- Describe a comprehensive implementation strategy that includes detailed design and development standards that will apply to the South Hillsboro planning area.

## 1.2 Planning Area Description

The South Hillsboro Plan Area (depicted in Figure A-1) has been a candidate for future urban growth for the past decade. Its development is a key component of the City's effort to provide adequate housing products and types to encourage people working in Hillsboro to live in Hillsboro. South Hillsboro represents the most significant residential and mixed-use expansion of the City planned in the next 20 years, complementing the industrial-oriented urban growth boundary expansion areas to the north.

The South Hillsboro Plan Area is located at the southeastern edge of the City of Hillsboro (see Figure A-2). It lies to the west of SE 209th Avenue and to the south of SW Tualatin Valley Highway. The Plan Area contains approximately 1,400 acres of developed and undeveloped land. Gordon, Butternut, and Rosedale Creeks traverse the area generally from west to east. A Bonneville Power Administration (BPA) powerline corridor crosses the Plan Area from north to south. The Plan Area is adjacent to the Reedville, Aloha, and Witch Hazel Village neighborhoods.

South Hillsboro is also a unique opportunity to create a compelling place that encourages people to live, work, play, stay, and learn in Hillsboro. South Hillsboro will serve as the eastern and southern gateway to the City for many visitors. Moreover, as a new development, South Hillsboro provides an opportunity to showcase and demonstrate new, innovative thinking about neighborhood design, yielding neighborhoods that are sustainable, highly livable, affordable, and future-oriented.



Figure A-1: South Hillsboro Master Plan Area

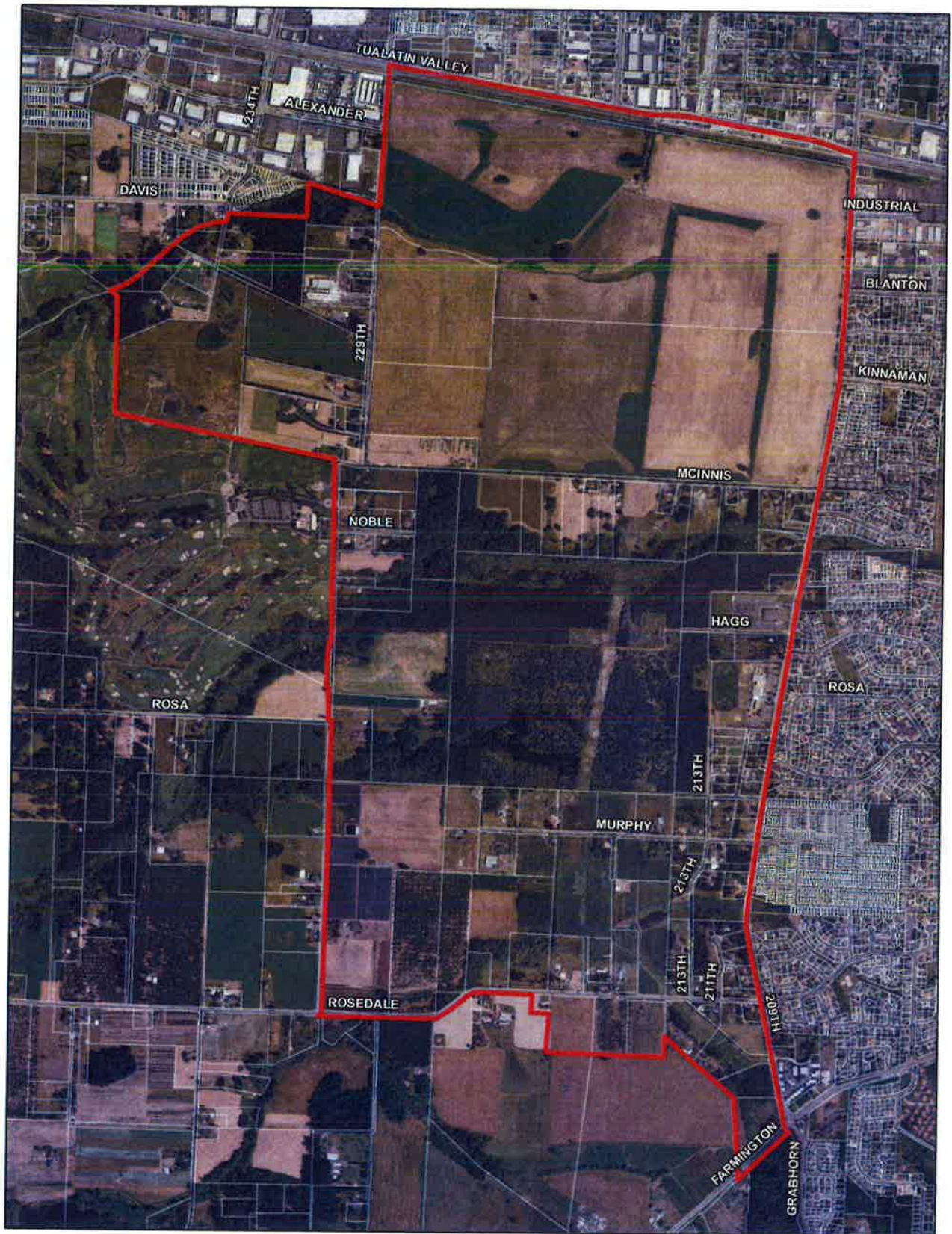
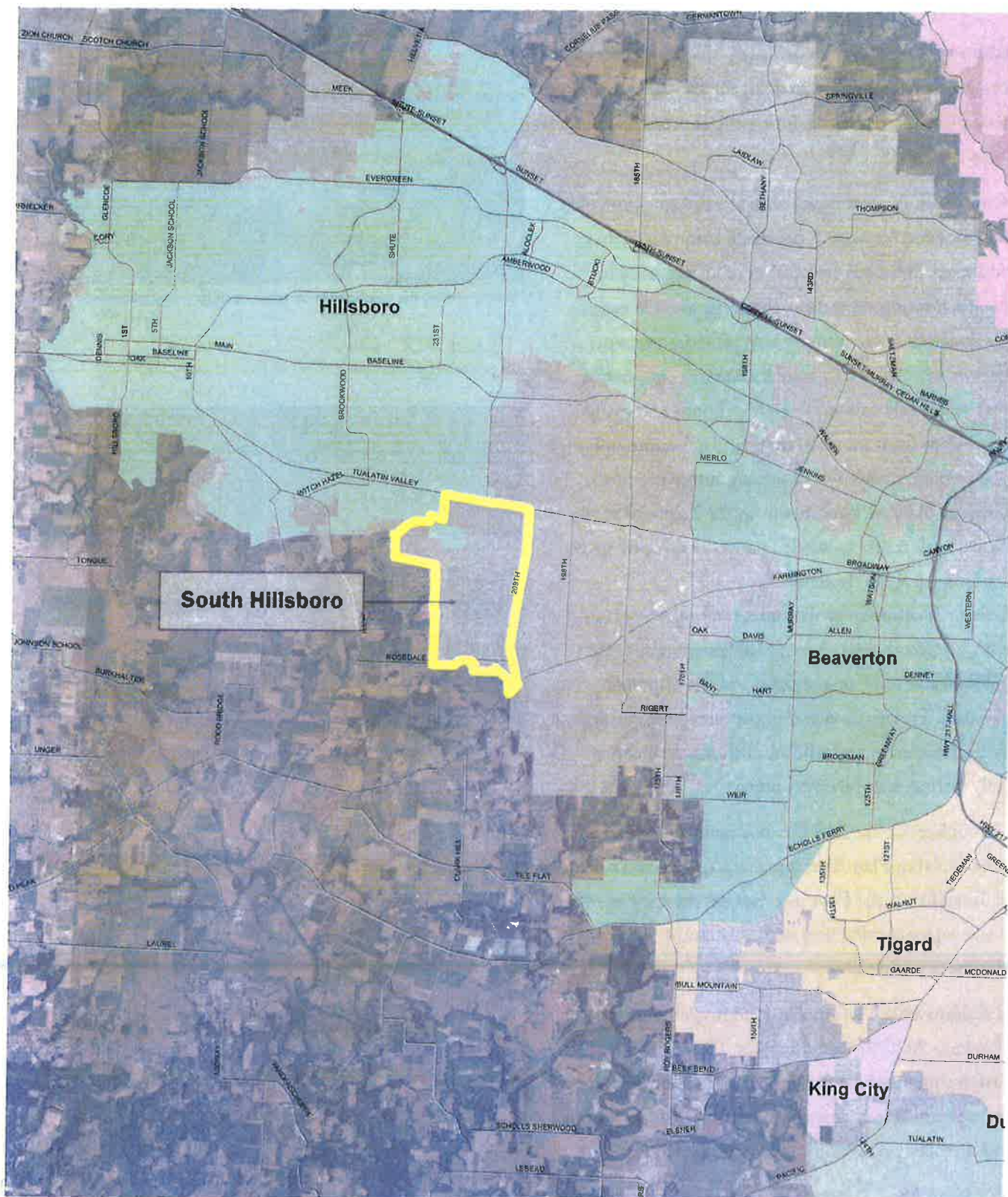




Figure A-2: Plan Area Context





### 1.3. Plan Area Vision: Complete, Connected, Green

In addition to meeting the demands of local and regional forces and development principles, three overriding, general principles emerged during the concept planning process:

- **Complete:** A community with the full spectrum of facilities and services. A life-cycle community that addresses the needs and desires of all residents for health, housing, education, shopping and recreation.
- **Connected:** A community that provides residents and visitors with full multi-modal access. A community that seamlessly connects neighborhoods and easily transitions from urban to rural lands. A community plan, which in addition to serving future residents, provides older neighborhoods to the East and to the North with access to needed parks, trails, open space, shopping and family services.
- **Green:** A community that integrates open spaces with neighborhoods. A sustainable community that incorporates state-of-the-art green development practices. Preservation and improvement of existing natural resources and wildlife corridors to create a truly distinct natural environment.

The Complete-Connected-Green framework ensures that the evolving Plan Area remains a special and unique place. In addition, the Plan incorporates an array of other local and regional influences with community driven development principles:

- **Hillsboro 2020 Vision:** The Plan implements the Hillsboro 2020 Vision principles. The Hillsboro 2020 Vision statement focus areas include strengthening and sustaining community, enhancing neighborhoods and districts, preserving the environment, creating



Housing fronting the street creates attractive frontage in a neighborhood



Grid system of streets with bike lanes and on-street parking – a “complete street”, integrated with building edges and activities



A connected system of natural areas with a public edge.

economic opportunity, expanding education and cultural horizons, and promoting health and safety.

- **Metro Great Communities Characteristics and Regional Values:** The Metro Great Communities Characteristics and Regional Values directly shape the design and development of South Hillsboro. The six regional values include vibrant communities, economic prosperity, safe & reliable transportation, leadership on climate change, clean air & water, and equity.
- **Natural & Cultural Resource Preservation:** The Vision encourages preservation and enhancement of the significant natural and cultural resources. The Gordon and Butternut Creek corridors are part of a community-wide green space network. Cultural resources have also been identified and preserved throughout the development process.
- **Infrastructure Funding & Phasing:** The provision of necessary utilities, facilities and services are guided by an infrastructure funding and phasing program described in the Implementation Action section. The infrastructure program focuses on the adequate provision of public facilities and services as development occurs.
- **Market Feasibility:** The Plan is responsive to the economic and market conditions shaping growth. This includes providing development flexibility to adjust to changing demographics and other market conditions.

These considerations collectively influenced the creation of the Plan for an innovative, dynamic, and vibrant community.

## 1.4. Regulatory Framework

There are a number of policy and advisory documents that together create the regulatory context guiding development in South Hillsboro. These components include:

- **Comprehensive Plan Policies** in Section 31 of the Hillsboro Comprehensive Plan. These policies enunciate the City's vision and direction for development in South Hillsboro and provide the regulatory basis for other implementing policies and standards that are adopted. Although Comprehensive Plan policies are generally not directly applied to evaluating and approving proposed development, they can be utilized in certain subjective land use reviews such as the Conditional Use and the Planned Unit Development processes.
- **Community Plan Narratives** in the appendix to Section 31 of the Hillsboro Comprehensive Plan (this document). The appendix is intended to provide additional context and background on the City's vision for South Hillsboro, including the planning principles and background information used to develop policies and standards, and examples of desired development patterns and design elements. The appendix is not a regulatory document, but could be useful to developers and decision makers for interpreting and evaluating future design and development proposals.
- **Community Development Code (CDC)** sections, including a specific Plan District for South Hillsboro (CDC 12.65), a new Mixed Use-Village and Town Center zoning district (CDC 12.24), and other zoning district language as necessary to implement the various comprehensive plan designations. These CDC sections set specific development requirements and standards, specific land uses, and the processes used in the design review and permitting processes.

- 
- **Various system master plans** administered by City departments and outside service providers, including but not limited to Transportation System Plan, Capital Improvement Plans, Parks and Trails Master Plan, Sanitary Sewer Master Plan and similar documents.
  - **Agreements with developers and property owners** including Memoranda of Understanding, Annexation Agreements, and Development Agreements specifying obligations and conditions for development in South Hillsboro, including allocation of trips, financing of infrastructure or public realm improvements, and obligations for ongoing maintenance, among other topics.





# 2

Planning  
Context

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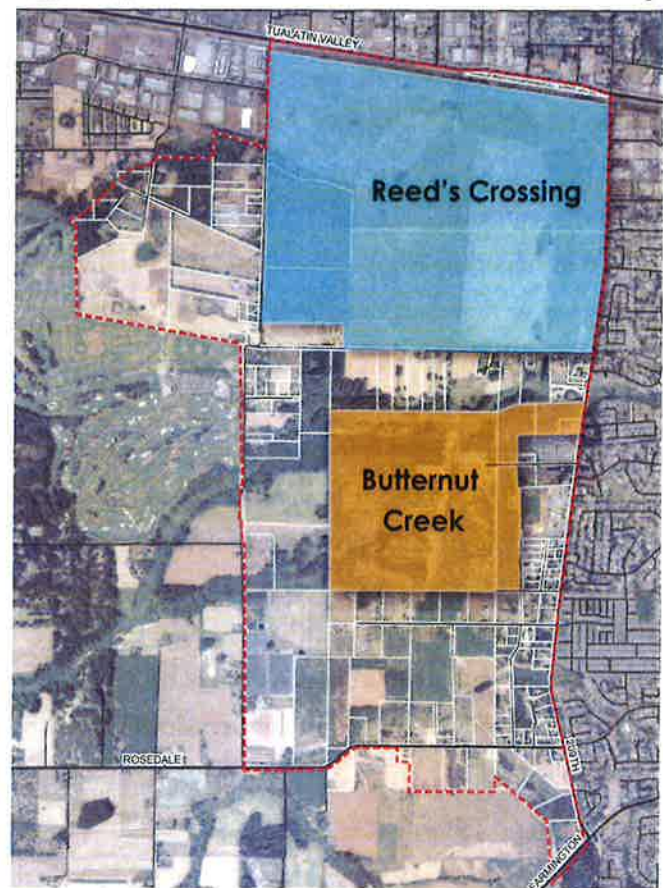
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## 2.1. Area History

The South Hillsboro planning area has played a locally significant role in the area's agricultural heritage. The area planned for the Reed's Crossing development, near the north of the planning area (see Figure A-3), was historically the Ladd-Reed Farm. This farm was named for William S. Ladd, a former mayor of the City of Portland, and Simeon G. Reed, the namesake of the community of Reedville immediately to the east of South Hillsboro, as well as the founder of Portland's Reed College. Founded in the 1870s, the Ladd-Reed Farm produced a variety of livestock, various crops, and trees, and Reed experimented with a number of agricultural innovations including steam-powered farm equipment and new systems for irrigation. The operation later evolved into the first large dairy farm in Washington County<sup>1</sup>.

Following the death of the founders, the farm became the basis for the endowment for Reed College. John Kelly purchased the property from the endowment in 1925, and the property was willed to the Sisters of St. Mary of Portland in 1957<sup>2</sup>. The last dwellings on the farm were demolished in 1963, and all of the main farm buildings were subsequently removed<sup>3</sup>. The Sisters of St. Mary of Portland sold the property in 2001<sup>4</sup>.

Figure A-3: Primary Property Owners at present



Through the various owners of the Ladd-Reed Farm, the property has remained in agricultural production, most recently through contract arrangements with local farmers. Other areas of South Hillsboro have also supported agricultural production, including a large tree farm in the area planned for the Butternut Creek development and Village Center, and other smaller agricultural operations in the southern portions of the planning area.

Over time, areas surrounding South Hillsboro have urbanized to various degrees, particularly in Aloha and Reedville to the east and northeast, both unincorporated communities immediately adjacent to Hillsboro.

1 Josephson, J. (2013). The Reed Farm. In *Images of America: Aloha-Reedville*. Charleston, SC: Arcadia Publishing.

2 *D. S. Parklane Development, Inc., et al v. Metro*, LUBA 97-048, p. 4410-4419.

3 Washington County, Oregon. (1983). *Washington County Cultural Resource Inventory*, Resource 110/332.

4 Tomich, D. (2010, Winter). Reading Between the Bricks. *Spirit (Sisters of St. Mary of Oregon Ministries Corporation)*, 10-11.

Collectively, the population of Aloha and Reedville totals over 50,000 as of 2010<sup>5</sup>.

- **Reedville**, located near the intersection of Tualatin Valley Highway and SW 209<sup>th</sup> Avenue, was originally platted in 1889 and served as a commercial center for surrounding residences and farms through the 1950s. Much of the original town was lost to highway expansion, as well as damage from the 1962 Columbus Day Storm<sup>1</sup>.
- **Aloha**, located to the east of the planning area, was also originally farmland, but experienced a rapid influx of new residents beginning in the 1960s as residential uses replaced agricultural production. Development in Aloha has followed traditional suburban patterns to a large extent, although development of supporting infrastructure including urban-scale roads, complete sidewalks, and adequate stormwater facilities has been less consistent<sup>5</sup>.

## 2.2. Planning Foundation

The vision for South Hillsboro blends an array of local and regional influences with community driven development principles. Key underlying principles are described briefly below. Additional planning principles more specific to South Hillsboro are included in Chapter 4 of this appendix.

- The **Hillsboro 2020 Vision** statement focuses on strengthening and sustaining community, enhancing neighborhoods and districts, preserving the environment, creating economic opportunity, expanding education and cultural horizons, and promoting health and safety. The Vision also

encourages preservation and enhancement of significant natural and cultural resources.

- The adequate provision of utilities, facilities and services guided by an infrastructure funding and phasing program as described in the Implementation Action section of the Community Plan.
- The Plan must be responsive to the economic and market conditions shaping growth. This includes providing development flexibility to adjust to changing demographics and other market conditions.
- The **Metro Great Communities** Characteristics and Regional Values directly shape the design and development of South Hillsboro. The six regional values include vibrant communities, economic prosperity, safe & reliable transportation, leadership on climate change, clean air & water, and equity.
- There are also a number of state and regional planning documents that contain guidelines and regulations with which the Community Plan must be consistent. The most important of these are:

- » The **Statewide Metropolitan Housing Rule** (which implements Statewide Planning Goal 10, Housing). In general, the rule requires that the City “designate sufficient buildable land to provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing.” The rule also establishes minimum housing densities that are to be achieved in areas like South Hillsboro located in the Metropolitan region.

- » The Oregon **Transportation Planning Rule (TPR)**. The TPR guides jurisdictions through meeting the broad objectives of the Statewide Transportation Goal, which are to provide a safe, convenient and economic transportation system, while addressing the needs of the transportation disadvantaged.

<sup>5</sup> Washington County, Oregon (2014). *Aloha-Reedville Study and Livable Community Plan Final Report*.



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» Metro's **Urban Growth Management Functional Plan, Title 11** requirements. Title 11 requires that concept or community planning be done for newly urbanized areas. Planning must address residential densities to support local and regional housing needs; a diversity of housing stock and affordable housing; transportation planning; identification and mapping of resource areas to be protected; and conceptual public facilities and service plans and a conceptual school plan identifying land and facilities necessary to serve the area.

A number of individual property owners within the South Hillsboro planning area are also preparing their own plans for future development. In particular, project partners Newland Communities and Hagg Lane, LLC, have worked with their own teams to prepare relatively detailed plans for their properties (Reed's Crossing and Butternut Creek respectively). Other property owners have engaged in similar but less detailed planning efforts. Specific elements of those plans have been blended into this appendix.

## 2.3. Previous Planning Efforts

Planning for the South Hillsboro area began in the late 1990s and resulted in preparation of a draft South Hillsboro Community Plan in 2008 and adoption of an updated South Hillsboro Community Plan in 2012. The Community Plan was the first step in establishing a set of goals and objectives for the future growth of the planning area and described a development program that emphasized a "complete-connected-green" approach. The City has also completed an Economic, Social, Environmental and Energy (ESEE) analysis of South Hillsboro that identifies how and where natural resource protection will be applied through the city's Significant Natural Resource Overlay Zone.

In addition, the City completed an amendment to its Transportation System Plan (TSP) for the South Hillsboro area in September 2013. A Transportation Financing Plan and other public infrastructure analyses and cost estimates have been prepared concurrently with this Community Plan update and will be incorporated in separate documents, with some information from that effort included in the Funding element of this appendix.

## 2.4. Planning Context

The following additional factors have been considered throughout planning efforts for South Hillsboro.

### 2.4.1. Natural Resources

The Tualatin River lies roughly one mile to the west of the planning area. Several tributaries to the Tualatin River flow west through the site, including Rosedale Creek, Gordon Creek, and Butternut Creek. South Hillsboro contains upland and riparian wildlife habitat along these stream corridors. Figure A-21 shows the approximate locations of these habitats, as well as significant and potentially significant wetlands. Figure A-4 depicts the topography in the planning area.

Properties that contain natural resources have been or will be inventoried and a significance determination made using the methodologies described in the adopted City of Hillsboro Goal 5 Natural Resource Inventory & Assessment Report. Those findings will be incorporated in an Environmental Energy Social and Economic (ESEE) analysis which will guide how those resources are treated during the development process as part



Figure A-4: Topographic Map

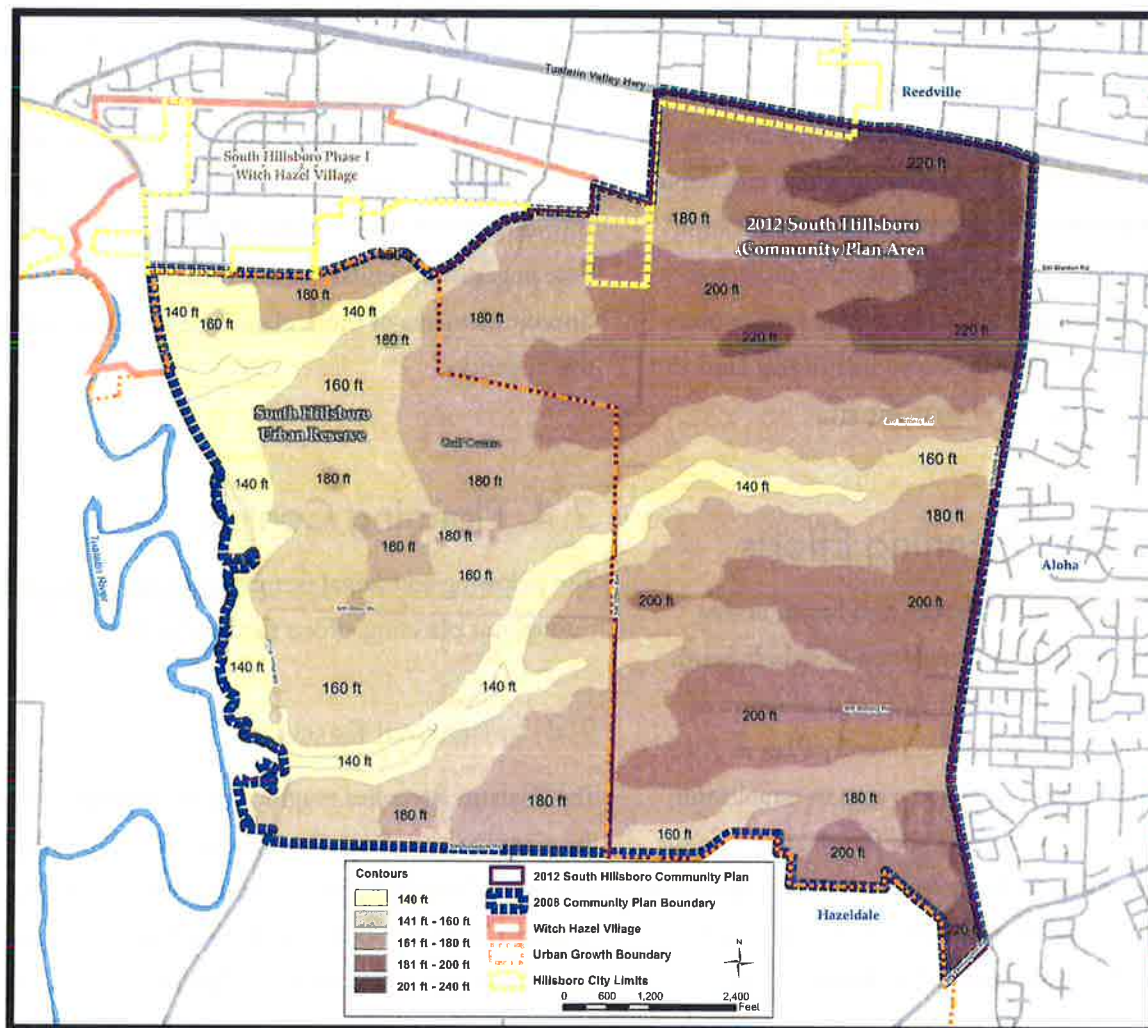
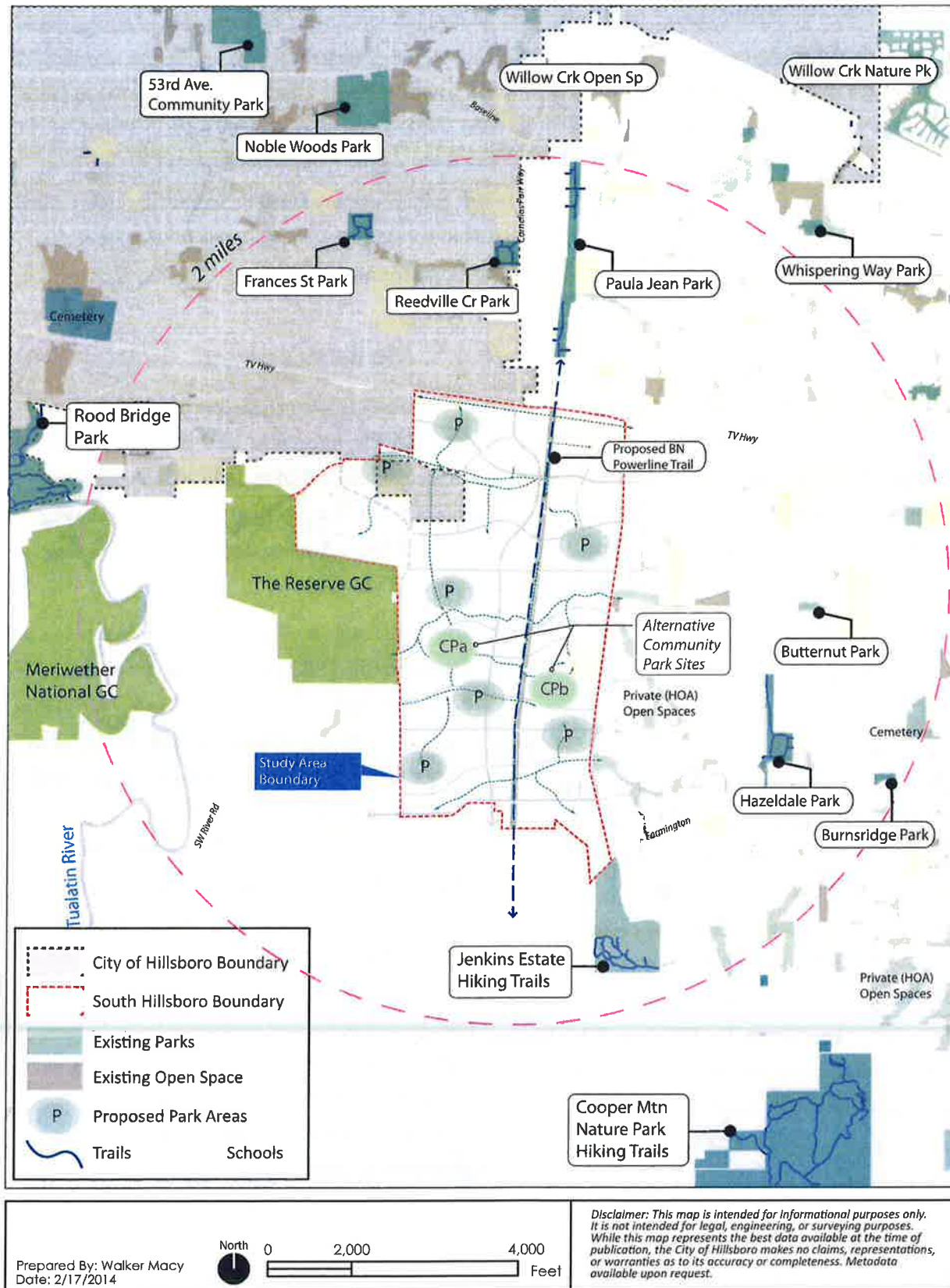


Figure A-5: Regional Parks, Trails, and Open Space



of application of the City of Hillsboro's Significant Natural Resources Overlay (SNRO) zone. In general, natural resources should be woven into the fabric of the development pattern in South Hillsboro and treated as valuable resources and amenities for future residents.

### 2.4.2. Parks, trails and open space

Figure A-5 shows the locations of parks, trails and public open space in the vicinity of South Hillsboro. Butternut, Hazeldale, and Burnsridge parks lie to the east of the planning area, as well as several private open spaces. To the north lie Francis Street Park, Reedville Creek Park, Paula Jean Park, and Whispering Way Park. A golf course abuts the planning area to the West and the Jenkins Estate hiking trails lie near South Hillsboro's southeastern boundary. Development of additional community and neighborhood parks, trails and open spaces should be considered within this larger park and recreation facilities context.

### 2.4.3. Schools

There are two existing schools within South Hillsboro: Rosedale Elementary in the northwest and Life Christian private school in the east. The majority of the planning area is within the Hillsboro School District, with approximately 170 acres of the southeasterly portion within the Beaverton School District. Figure A-6 shows the locations schools in and near the planning area as well as school district boundaries. The Hillsboro School District plans to add four new elementary schools and a new middle school within the planning area.

### 2.4.4. Cultural resources

The Oregon State Historic Preservation Office (SHPO) database indicates that historic and archaeological sites

not formally documented do occur in the vicinity of South Hillsboro, including an unmarked cemetery and Native American archaeological sites. The records of the Oregon Commission on Historic Cemeteries indicate that another nameless cemetery is located south of Reedville, on the Ladd-Reed farm. Issues associated with cultural resources will be addressed in more detail and in accordance with applicable law as part of the development process.

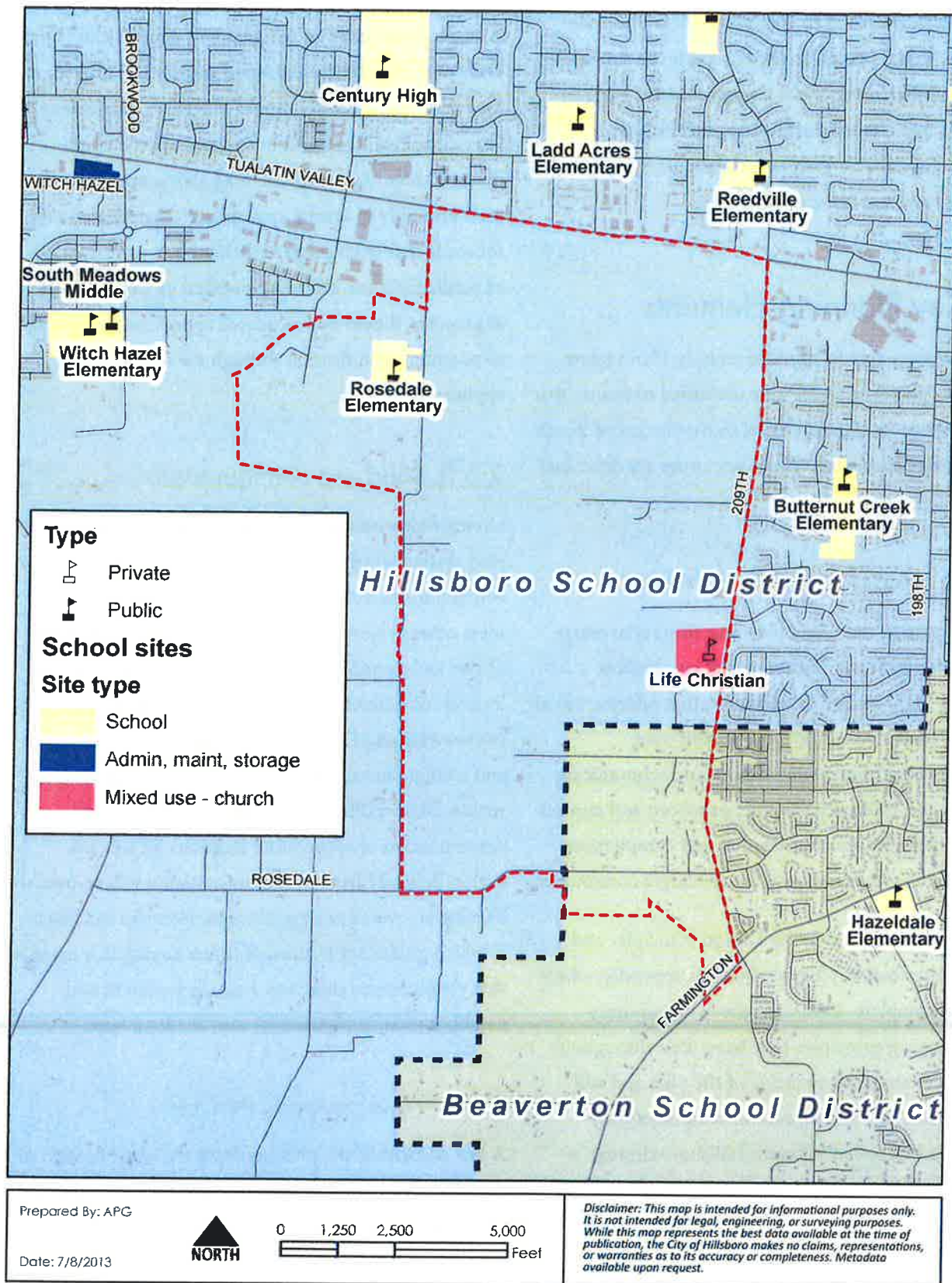
### 2.4.5. Market conditions

A market analysis was prepared as part of the Community Plan process in 2007-2008. This analysis was updated in 2012 and again in 2014 by Johnson Economics. Key findings from this analysis related to current and future housing development in the area include the following:

- There will continue to be a strong future demand for housing in the Hillsboro area. Over the next ten years, South Hillsboro will meet approximately 60% of the total Hillsboro area demand for new housing of all types and just 42% of the demand for single-family detached housing.
- Economic projections indicate rapid absorption of single-family detached units, with lots in the 7,000-9,000 square foot range having the fastest absorption in the market based on demand.
- The scale, density and type of housing proposed in the plan, including housing envisioned in medium-density, high-density and mid-rise residential areas, as well as mixed use residential/commercial areas are generally consistent with market demand in the area in terms of average densities, likely pricing and market depths based on Hillsboro-market area trends.
- The phasing of retail and commercial development in South Hillsboro will be important. While the



Figure A-6: Regional School Locations



amount of commercial space in the initial phases may be modest compared to later phases, it is important that the initial phases be sited properly; be financially viable on their own; create a very attractive gateway to the Town Center and entire South Hillsboro community; and be built as early as possible to provide this gateway and sense of place.

## 2.5. Key Planning Elements

As a preliminary step in this Community Plan update process, key planning issues were identified to ensure that those elements considered critical to the success of South Hillsboro were addressed. Those key issues are described below.

### 2.5.1. Creating a unique community

An overall goal of the City's planning effort is to create a distinct area in South Hillsboro that emphasizes sustainable, high-quality development that offers a mix of residential, commercial, and employment uses; incorporates environmentally, socially and economically sustainable and resiliency planning practices; and ensures that South Hillsboro is connected to and complements surrounding neighborhoods within the larger community.

These goals are reflected in the Design Principles and Concepts described in Chapter 4 of this appendix, which strive for a "complete-connected-green" community. Those underlying principles have been used throughout this process to shape all elements of the plan and will similarly be codified in proposed development code provisions to be applied in South Hillsboro through a combination of base zones and a South Hillsboro Plan District.

### 2.5.2. Major road alignments

A major component of the planning effort is the evaluation and determination of appropriate alignments for major roads through South Hillsboro, particularly Cornelius Pass Road and its location relative to the Town Center. Approximate road alignments will be used primarily to ensure appropriate connection points for roads that cross property lines and to estimate costs of public facilities. Within individual properties, road alignments should be considered approximate and subject to potential modification through the development application process.

### 2.5.3. Land use configurations

Concurrent with development of road alignments, this plan update process evaluated land use and development configurations that complement road alignments and meet other project objectives. This included assessment of size and location for the Town and Village Centers, location of different residential neighborhood types and commercial/retail nodes, and the approximate location and configuration of parks and open space networks within South Hillsboro. The process also included determination of appropriate locations for schools within South Hillsboro. This information will be used to develop an overall zoning concept, discussed in Chapter 5, which guides application of future zoning in a manner that yields desired densities, housing products, and neighborhood configurations over the long term.

### 2.5.4. Housing opportunities

A key element of the plan update is the identification of specific mixes and types of residential uses that will best achieve the housing objectives and community vision for

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South Hillsboro. This includes consideration of how those housing types/mixes will relate to the planned Town and Village Centers, as well as parks and open spaces. Information related to housing is intended to be conceptual. Specific types of allowed housing in different areas of South Hillsboro will be controlled by provisions of the Community Development Code and through the development permitting processes.

#### 2.4.5. Infrastructure & Phasing

Another key aspect to guiding successful development of the South Hillsboro area will be ensuring adequate and appropriate stormwater management. Two new sanitary sewer pump stations will be located within the South Hillsboro planning area - the Butternut Creek and Rosedale Pump Stations. While water service in the planning area will be ultimately provided by the City of Hillsboro, early phases between 209th Avenue and the proposed Cornelius Pass Road alignment will receive water from the Tualatin Valley Water District (TVWD) pursuant to an intergovernmental agreement between the City and TVWD. In addition, a number of different strategies may be implemented to manage stormwater quality treatment and detention (quantity) in South Hillsboro.

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# 3



Planning Process



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### 3.1. Project reconnaissance and background research

Drawing on previous work done for the South Hillsboro Community Plan, one of the first steps in the master planning process was to gain a comprehensive understanding of the current regulatory, land use, market, transportation, and infrastructure conditions in the South Hillsboro Plan Area. This information was summarized in South Hillsboro Master Plan Summary Report: Existing Conditions, Opportunities and Constraints, which was completed in August 2013.

Nearly 80% of the plan area is currently improved or unimproved farmland in 161 individual parcels. The average parcel is 8.3 acres in size, although there are four parcels of 50-250 acres that will play key roles in defining the Town and Village Centers that will serve the community. Developed lands are more concentrated near the boundaries of the Plan area, particularly in the southeast, and contain a mix of residential, farm, commercial, and institutional uses.

The summary report found that there is a significant opportunity in South Hillsboro to integrate individual property owner plans with leading design and planning principles in a way that would yield a unique, distinctive community comprised of a variety of housing types and neighborhood styles, closely integrated with compelling mixed-use areas and a strong parks and open space system.

The report also found that significant infrastructure investment would be necessary to support residential development in South Hillsboro. Existing roads, water, and waste treatment systems are most appropriate to a rural, not urban context. Development and phasing of transportation, parks, schools, water, sewer, and civic

infrastructure improvements will be key to delivering the type of community that South Hillsboro can be.

### 3.2. Community engagement and public participation

Recent public involvement efforts build upon engagement activities from earlier phases of planning work in South Hillsboro. Early in the master planning process, a public involvement plan was developed in order to ensure a broad level of participation by all interested stakeholders and the larger Hillsboro community. The City's Citizen Involvement Advisory Committee (CIAC) approved an initial public outreach plan in February 2012. A refined plan for public involvement activities was developed

**Hillsboro**  
OREGON

**South Hillsboro: Growing a Great Community**

Join Your Neighbors at the Next SoHi Community Open House!

**Tuesday, June 26 • 5:30 to 7:30 pm**  
**Rosedale Elementary School Cafeteria • 3901 SW 229th Avenue**  
**Come at any time • Refreshments provided • All ages welcome**

**Help Plan the Future of South Hillsboro!**

At the third and final community open house to create a plan for the future of South Hillsboro, participants will hear a brief presentation, followed by an open house to review and comment on the proposed:

- Land use and development plan
- Parks, trails and open space
- Location and design of major roads
- Phasing of key capital and transportation improvements
- Examples of housing and other development types
- Village and town centers
- Next steps toward adoption

**Can't make the open house?**  
Visit our website: [www.hillsboro-oregon.gov/SouthHillsboro](http://www.hillsboro-oregon.gov/SouthHillsboro), or contact:  
Jeannine Rustad, J.D., Long Range Planning Supervisor, 503.681.5321, [jeannine.rustad@hillsboro-oregon.gov](mailto:jeannine.rustad@hillsboro-oregon.gov)  
Para información en español, por favor llame al Omar Carrillo, 503.278.3462, [omar.carrillo@coganowest.com](mailto:omar.carrillo@coganowest.com)

150 East New Street, Hillsboro, Oregon 97123-4026 • 503.681.6152 • 503.681.6245 • [www.hillsboro-oregon.gov](http://www.hillsboro-oregon.gov)

**Hillsboro**  
OREGON

Informational flyer sent to local residents inviting them to the June 2014 Community Open House.

around a community engagement strategy developed by consultants in July 2013, calling for a variety of tools and approaches to be taken to engage stakeholders and the broader community. The CIAC and the Advisory Committee for Citizen Involvement both approved an updated Public Involvement Plan in August 2013.

During the 2008 planning process, public input was received during citizen-led Task Force meetings, three project open houses, two community forums, one scenario planning workshop, stakeholder interviews, a housing market focus group session, a local business community meeting, several Citizen Participation Organization (CPO) meetings and a Hillsboro Vision 2020 Town Hall event. Public feedback was also obtained through email, letters, surveys, and comment cards. Over 12,000 project newsletters, comment cards and meeting notifications were mailed to property owners in-and-around the plan area.

In 2012, the City began public outreach efforts for the adoption phase of the South Hillsboro planning effort. Outreach efforts on 2012 included:

- Project webpage updates
- A public open house (held March 22, 2012) focusing on two alternatives to meet Metro conditions
- A public open house (held May 8, 2012) focusing jointly on South Hillsboro, the Tualatin Valley Highway Corridor Refinement Plan, and the Aloha-Reedville Livability Study
- Two Planning Commission worksessions on alternatives and to review memoranda of understanding with project partners.

In the latest phase of master planning work beginning in 2013, community engagement efforts have included:

- Individual or group meetings with property owners, service providers, and community members
- Three public open houses (discussed below)
- Media outreach
- A Project Website (<http://www.hillsboro-oregon.gov/SouthHillsboro>) including documents, maps, and project updates
- Worksessions and meetings with the Hillsboro City Council, Planning Commission, Transportation Committee, Finance Committee, and other bodies as appropriate.



Community members and staff discuss display boards at the November 2013 Community Open House.



Community members and staff discuss display boards at the November 2013 Community Open House.

- Stakeholder interviews
- Inter-departmental and inter-agency coordination.

Open houses were held on September 10, 2013, November 12, 2013, and June 26, 2014 at Rosedale Elementary School, which is within the planning area. Each event was designed to provide a forum for discussion and feedback from community members, organized around the focus of the planning team at that point in the plan development process. At each open house, community members had the opportunity to leave informal written or verbal comments, which were then used to refine the project team's work. Each of these events is summarized below.

#### Open House 1 (September 20, 2013)

Agenda topics: presentation and general question and answer session regarding the project overview and schedule, planning principles, best practices, and next steps. Estimated 75 attendees.

#### Open House 2 (November 12, 2013)

Agenda topics: conceptual plans for land use, housing types, transportation, parks and open space, schools,

urban design, and neighborhood development patterns. Estimated 35 attendees.

#### Open House 3 (June 26, 2014)

Agenda topics: presentation and general question and answer session focusing on the draft composite plan, and refined concepts for land use, transportation, parks and open space, schools, and community amenities. Estimated 100 attendees.

### 3.3. Partner collaboration

The City and its consultant teams worked closely with project partners throughout the plan development process to ensure multiple opportunities for input on project deliverables, and to ensure alignment between the City's vision for South Hillsboro and the economic realities facing developers as they implement these plans. This collaborative effort included:

- Representatives of two major property owners in South Hillsboro (Hagg Lane, LLC, and Newland Communities),

- 
- Owners of property in other areas of South Hillsboro, and
  - Related departments, agencies and service providers including the City of Hillsboro Parks, Public Works, and Water Departments; Hillsboro School District; Clean Water Services; Washington County; TriMet; and the Oregon Department of Transportation.

Many of the key project issues (for example, determining the location and design of major roads, parks, and schools) were addressed through a collaborative approach with these project partners.

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# 4

Design  
Principles and  
Concepts



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## 4.1. Implementing the Complete-Connected-Green Vision

This section expands on the Complete-Connected-Green vision described earlier, and identifies key hallmarks of planned development in South Hillsboro that are intended to deliver this vision. These concepts drive the design principles and planning practices explained later, which in turn drive the policies and standards governing development in South Hillsboro.

### 4.1.1. Complete: A lifestyle system

Complete means the spectrum of activities that define where we live; where we work or attend school; and where we spend our time outside of home and work. The Plan provides a balance of land uses to accommodate each of these. Providing shelter creates space for “inhabitants.” Providing a home creates space for “residents.” But providing a community creates space for “citizens.”

The Plan provides both a sense of place and a sense of community. This “complete community” concept is directly related to the six key focus areas of the Hillsboro 2020 Vision as described in the Hillsboro 2020 Vision section of this report. It also mirrors the Metro Great Communities “Complete Communities” characteristics

and Regional Values. The Plan provides a unique opportunity to create a new, complete community with the full spectrum of land uses and public services. In addition, South Hillsboro will provide affordable housing, parks and recreation and will accommodate age and income diversity. Areas where residents live, work and play will include a Town Center, Village Center, compact single-family and larger-lot single-family neighborhoods. South Hillsboro will be a life-cycle community serving all segments of the population. The physical design:

- Creates a transitional community, with more intense uses close to Tualatin Valley Highway, becoming less intense moving outward toward the urban growth boundary.
- Integrates a Town Center with commercial, residential, mixed-use, civic uses, transit center, and the greenspace system.
- Integrates a Village Center with commercial, residential, mixed-use and the greenspace system.
- Integrates compact neighborhoods with the Town and Village Centers, schools, parks and the greenspace system.
- Integrates single-family neighborhoods with schools, parks and the greenspace system.



COMPLETE: Good streets have a sense of enclosure, an active street frontage, and create a “third place” (apart from homes and public spaces) where people can gather





**CONNECTED:** Wide shared greenway trails for bike and pedestrian access to and through natural areas, and pathways connect residential development to other areas.

- Creates third places that benefit both the immediate Plan Area and the larger Hillsboro and broader Washington County communities.

#### 4.1.2. Connected: A multimodal transportation system

Connectivity is key to creating a cohesive, complete community. The Plan provides a circulation system and greenspace network that promotes walkability and provides multiple ways to travel within the area. Different neighborhood orientations to streets, greenspace areas and other design features help create a diverse set of corridors, walking/biking trails, and roadways. The physical design includes the following elements:

- Grid pattern circulation system to accommodate streets, bike lanes and sidewalks.
- Greenspace circulation system to accommodate walkways, bicycle and hiking trails.
- Transit center to enable a future bus/commuter rail transit system. The transit center is intended to support potential high capacity transit service and help provide for transit connections between South Hillsboro and other areas in the City and region.
- Implement recommended improvements from the Tualatin Valley Highway Corridor and South

Hillsboro Focus Area Plans to increase regional connectivity.

- North/south extension of Cornelius Pass Road for regional connectivity.
- Transportation planning envisions linkages to Downtown Hillsboro, North Hillsboro employment and Tanasbourne/AmberGlen via the circulation system and expanded transit system.

#### 4.1.3. Green: A comprehensive greenspace system

The Greenspace system includes the natural stream corridors, the Bonneville Power Administration power line corridor, and new parks and trails. Collectively these form a greenspace network that links the community both internally and with adjacent neighborhoods. The greenspace system supports riparian habitat, passive and active recreation, and open space preservation. The power line corridor can help create a unifying feature for orienting the compact neighborhoods. The physical design for this concept includes:

- Connect east-west stream corridors with north-south wildlife travel corridors.
- Use the power line corridor as a north-south greenspace connector for trails. The corridor will be



GREEN: stormwater planters filter runoff and create a pleasant transition from public to private space. Ecoroofs help to filter stormwater runoff and should be incorporated in building design whenever possible

Sustainable design - permeable parking surfaces

designed to ensure public health and safety through regulated design and use.

- Preserve wide forested areas to provide habitat for interior forest species.
- Maintain wetland/stream hydrology in sub-basins.
- Incorporate trails/passive recreational opportunities in outer edges of greenspace areas.
- Expand future greenspace to improve connectivity with the Tualatin River.
- Use natural buffers as part of the urban growth boundary where possible, to aid the transition to agricultural uses.
- Promote habitat friendly development practices.

## 4.2. Design Principles and Best Planning Practices

This section includes planning and design principles that serve as the foundation for the overall land use, transportation and open space framework developed for South Hillsboro, and the comprehensive plan policies and Community Development Code standards that result. These principles also provide a basis for design standards and other development code provisions that will be applied in South Hillsboro. Sustainable design and

development concepts and other planning best practices have been incorporated into the principles wherever possible.

These design principles are based upon best practices for sustainable development. Staff and community members worked to refine these best practices into more specific principles relevant to the context of South Hillsboro. These principles were reviewed at community workshops and meetings, with property owners, and with the Planning Commission and City Council.

### 4.2.1. Land Use

- Highlight views to Mt. Hood and other key natural resources such as local and surrounding foothills, forests and creek corridors.
- Design areas on the edge of South Hillsboro (adjacent to rural areas) to incorporate practices that create a transition between urban and rural development.
- Incorporate a sense of entry into the design of key locations and distinct neighborhoods within the South Hillsboro community through the use of signage, gateway structures, street design, landscaping and building form.
- Incorporate wayfinding and contextual elements to provide a sense of location for travelers and establish





Preserving and leveraging key view corridors.



Commercial street with a sense of enclosure



Areas of low density development adjacent to rural land create a transition from urban to rural

distinctions between different neighborhoods and centers in South Hillsboro.

- Site commercial and mixed-use buildings to provide a sense of enclosure along the street frontage.
- Create a plan that is financially feasible to achieve and economically sustainable over the long term.

#### 4.2.2. Housing

- Overall development density should be compatible with surrounding planned density and residential diversity should be promoted.
- All residential areas should allow for opportunities for a variety of housing types and a range of densities appropriate to the intent of each zone and that meet the needs of people in a range of household incomes and structures.
- Individual neighborhoods should allow for a range of architectural styles and design characteristics.
- Environmentally sustainable approaches should be incorporated in the design and construction of



Context-sensitive development (views of surrounding landscape; garages tucked behind residences) with particular attention to the "First 30 Feet," or area of the building elevation closest to street level

housing, such as building orientation, energy-efficient construction, water-efficient fixtures, photovoltaic panels, recycled and regional materials, water-efficient landscape, minimized site disturbance and/or other similar techniques.

- Residential neighborhoods should be designed for openness. Gated communities and tall, sight-obscuring fences and walls should be avoided except for screening mechanical systems and back of house services such as trash collection areas.

#### 4.2.3. Commercial

- Development along Tualatin Valley Highway and the railroad should help create an attractive and inviting "face" and sense of entry to South Hillsboro by establishing buildings that are visually open and minimize blank walls. Parking and loading areas should be significantly screened from roadways and adjacent pedestrian facilities.
- Retail and commercial buildings should be constructed of high quality materials. Standards for use of materials on the ground floor of retail, commercial and other buildings, including in mixed use areas is particularly important. Special attention should be paid to the first 30 vertical feet of the buildings

to ensure a pleasant and inviting presence for the pedestrian.

- Site buildings so that they provide active street frontages that support walking, with minimal setbacks. Building heights should be sufficient to create a sense of street enclosure, or 'outdoor room.'
- Parking and loading services should be located so as to allow desired uses and activities to face the street and to support pedestrian-oriented streets. The majority of parking and loading areas should be located on the side or rear of buildings. Direct, safe and convenient pedestrian access through parking areas should be integrated into site design and layout.
- Ground floor retail and commercial buildings and uses should have a high degree of transparency, with glass windows or doors occupying a majority of the ground floor façade and allowing pedestrians to see inside the building.
- Upper stories also should incorporate a large degree of window openings and other features that provide visual interest and are compatible in scale and character with nearby neighborhoods.
- Ensure that large-scale retail does not detract from the character of the Town Center.





Commercial uses provide a sense of enclosure, an active street frontage, and create a "third place" (apart from homes and public spaces) where people can gather

- Signage should be pedestrian-oriented in scale and location, and should not contribute to a sense of visual clutter.
- Civic, retail, residential and other uses should be sited and designed such that they are visually complementary to each other. Larger-scale commercial uses should be located in the Town and Village Centers only. Neighborhood commercial uses should

be of smaller scale, oriented to pedestrian access from nearby homes.

#### 4.2.4. Transportation

- To the greatest extent possible, create a road system that ensures safety and maximizes connectivity within South Hillsboro as a whole and within individual neighborhoods while supporting regional traffic which must pass through South Hillsboro (while diminishing neighborhood cut-through traffic). This road system should generally include a grid of major arterials, collector, and local streets and alleyways designed to respond to a full range of development types and transportation functions. In some areas, the ability to create a grid system may be affected by topography, natural resource constraints or other limiting factors.
- Roadways should include facilities for walking and bicycling as appropriate based on roadway classification and context. A network of inner-connected pedestrian and bicycling routes should be provided that are inviting, safe and that encourage use by a broad spectrum of users.
- Arterials should be designed with a limited number of driveways and intersecting roads to provide adequate capacity for through traffic while providing connections to surrounding streets and neighborhoods. Wherever possible, access to individual businesses and properties should be provided from secondary streets.
- Streets in mixed use and commercial areas should incorporate pedestrian-oriented designs and amenities such as wide sidewalks and highly visible crosswalks, medians or refuges, on-street parking, pedestrian scale lighting, street trees and furniture, opportunities for outdoor seating and/or other features intended to activate and energize streetscapes. On-street parking should be included in street design, where appropriate,



Attractive intersection treatments provide increased safety for all users

to support commercial and retail uses fronting on the street.

- Trails and pathways should be designed and built to safely accommodate a variety of users and provide connections between homes, local and regional destinations, including retail and shopping areas, schools, parks, natural and open spaces and other community facilities.
- Major streets such as Cornelius Pass Road should be connected to adjacent neighborhoods as much as possible. These streets should act as part of the neighborhoods rather than barriers. Sound walls should be avoided.
- Throughout South Hillsboro, Cornelius Pass Road should be designed to support a 35 mph posted speed limit, with a 25 mph limit in the Village Center.

#### 4.2.5. Parks and Open Space

- Natural features and habitat areas should be preserved, enhanced, and incorporated into the design of residential and commercial areas, as well as parks and recreational facilities.
- Parks and open spaces should have public edges (i.e., public streets) adjacent to supportive uses in order to

help make them safe. Avoid placing rear yards and fences as borders to parks and open spaces.

- Where feasible and beneficial, schools, civic uses, parks and open space corridors may be co-located and/or directly connected to make them walkable for children, improve safety, reduce the need to drive between these facilities and use land and other resources efficiently.
- Civic uses and parks should have prominent locations to create neighborhood identity and to encourage public use.
- Parks should meet the city's size standards and include a variety of active and passive recreational and other neighborhood or community-oriented activities and opportunities and meet the needs of surrounding residential and mixed use neighborhoods.
- The design and siting of parks should help enhance the character of surrounding neighborhood and serve as a tool for creating desirable urban form.
- Higher density residential areas and commercial and mixed use areas should incorporate gathering places for residents, workers, shoppers and other visitors. These spaces should be sized and designed to accommodate gatherings and events as appropriate.
- The BPA Easement Corridor should be considered as an amenity and should be adjacent to a public street or



Design and siting of parks and open spaces complements and gives character to the surrounding development





Bioswales in a residential development treat stormwater runoff from the street and sidewalk

other public space with opportunities for linear open space and trail connections where feasible.

#### 4.2.6. Other Infrastructure

- Clarify public and private responsibilities for building and maintaining public facilities, spaces and other infrastructure.
- Plan for undergrounding of all utilities.
- Low impact development practices should be incorporated in designing and building streets and pathways, including building narrower streets and using sustainable drainage techniques where feasible and financially sustainable over the long term.
- Stormwater treatment facilities should be seamlessly incorporated into the landscape and design of neighborhoods and civic spaces as much as possible.
- Utilize passive building strategies, including building orientation to maximize daylight and natural ventilation, to promote sustainability.

## 4.3. Design of Community Facilities

### 4.3.1. Overview

The City of Hillsboro intends for development in South Hillsboro to be clearly integrated with the overall brand of the City of Hillsboro while still providing a unique sense of place within South Hillsboro. In part, this unique identity can be created through the visual clues provided by a mix of improvements within publicly owned spaces and facilities. How strongly the brand is expressed depends upon the extent to which the design of these improvements are pre-determined and required.

The following specific types of strategies are proposed to help establish a unique identity.

- Intersection and crosswalk paving
- Landscaping and street trees
- Street lighting and furnishings
- Utilities
- Parks, trails and plazas
- Wayfinding
- Gateways

Following is a summary of general recommendations for how these elements will be implemented in South Hillsboro. Ultimately most of these strategies will be implemented through additional requirements in the City's Development Code or through separate Engineering standards referenced in the development code. Further work on those requirements will be needed and is expected to involve review and discussion among various City Departments, partnering property owners and developers and other community members prior to finalizing and preparing those standards.

#### 4.3.2. Intersection Paving

One highly visible design feature that will be found throughout South Hillsboro is the treatment of intersections and in particular, pedestrian crossings and other paving elements within and adjacent to those intersections. Consistent and systematic use of paving treatments will incorporate a strong cohesive bicycle and pedestrian system, use of high quality materials and a relatively cohesive design aesthetic:

- Use of unique, highly visible materials will create a consistent look for South Hillsboro and improve safety for pedestrians, bicyclists and drivers. Options include texture or pattern-differentiated concrete or well-designed high-visibility pedestrian crossings (consistent with Public Works standards). Use of brick and dyed concrete would be less preferred given maintenance and other issues.
- Pedestrian crossings should be placed as close to the intersection as possible (not set back from it) to reduce crossing distances, improve visibility and make crossing in two directions as direct as possible.
- Crossings should be as wide as reasonably possible to improve visibility and safety.



Differentiated materials are used within crossings but not repeated on sidewalks in this example.



This example features a raised concrete crossing area to enhance visibility for drivers and pedestrians in a mixed use area.



A well-designed "zebra crossing" is another alternative.



- Crossings should be integrated with other intersection design features and aspects of the design of the adjacent streets.
- High-visibility pedestrian crossing treatments are recommended at all intersections of collectors and/or arterial, or as otherwise indicated for use in Public Works standards. They might also be used for intersections of collectors and local streets adjacent to schools, parks or other key public facilities and/or at mid-block crossings in the town or village centers.
- A very specific standard could be used or developers (and the City) could be provided with a limited number of options that could be used in different situations (e.g., crossings in the town and village centers might look somewhat different than in more residential areas). In either case, the number of options should be limited to ensure that they result in a cohesive, unique design aesthetic for South Hillsboro in its entirety while ensuring safety of all road users.

### 4.3.3. Landscaping and Street Trees

Within South Hillsboro, street trees and other landscaping within the public right-of-way will provide opportunities to reinforce the area's identity. This will include street trees, other landscaping found in planting areas adjacent to the roadway (e.g., grasses, shrubs or other groundcover plants), or in center medians and use of hanging plants, planter boxes and/or other similar features. Landscaping also may be integrated with "hardscape" features such as paving in civic plazas, small courtyards or other gathering places. Landscaping in the right-of-way is expected to be provided throughout South Hillsboro. However, the prevalence and character of different landscaping elements may vary between different types of areas. While a certain degree of consistency may be desirable across all areas, different

approaches would be taken in residential areas vs. the Town and Village Center Core Areas and other mixed use areas. In addition, landscaping approaches may differ between lower density single family neighborhoods and more urban, medium or higher density residential areas. Other strategies and recommendations related to street trees and landscaping include the following:



Large streets provide a canopy over this local residential street.



Columnar species of street trees are often used in commercial and mixed use areas to maintain visibility of storefronts and signage.



Example of street trees in planting areas in a mixed use area.

- Consistent with the “Complete-Connected-Green” theme for South Hillsboro, provide a higher level of landscaping in South Hillsboro compared to other parts of the City. This may mean a tighter minimum spacing of street trees, a higher percentage of plantings within civic plazas or similar areas, wider landscaped buffers for parking lots, and/or wider planting strips or generally more area devoted to landscaping in the right-of-way. Some of these requirements have already been incorporated in the South Hillsboro Plan District provisions to be adopted as amendments to the City’s Community Development Code.
- Wherever possible, use climate-adapted plant species that require less water and limited maintenance, consistent with an emphasis on environmentally sustainable practices. Street tree species selected should be well-suited to urban environments and must be consistent with the species list as designated by Public Works.
- In commercial and mixed use areas, balance landscaping objectives with visibility for local businesses. This may include using columnar tree species and “limbing up” or pruning trees to a height that ensure that they do not block ground floor business signs or windows.
- Vary the degree of living plantings and hardscape in different areas. In more urban areas such as the Town Center or Village Center Core Areas, a higher degree of hardscaping may be appropriate, with the highest percentages in the Town Center and relatively lower percentages in lower density residential neighborhoods.
- Consider maintenance costs and needs in selecting tree and other plant species and in determining the most appropriate mix of planting and hardscape.
- Implement a maintenance approach that is cost-effective for the City, and efficient and equitable for adjacent property owners.
- Similar to other elements of the public realm, integrate landscaping approaches with other aspects of the streetscape and the character of surrounding private development.
- Integrate landscaping with stormwater management facilities.

#### 4.3.4. Street Lighting and Furnishings

Similar to other public realm elements, street lighting and street furniture provide opportunities to reinforce a unique identity in South Hillsboro. All three zones of the streetscape (vehicular, sidewalk, and parking) must be properly lit. Pedestrian scale street lighting should be provided in all areas of South Hillsboro where street lighting is required. However, given the width of the right of way, special consideration to the scale of the street lights along Cornelius Pass Road will be needed. Within the mixed use areas, additional lighting enhancements should be considered on the light poles such as brackets for hanging baskets, banners or permanent community identifiers, and outlets for holiday lighting.

Pedestrian and bicyclist amenities (e.g., amenities such as benches, trash receptacles, bollards, bicycle racks, drinking fountains and/or other similar features) are expected to be provided primarily in mixed use areas such as the Town and Village Centers and adjacent to institutional uses (e.g., schools and schools) which are allowed in residential zones. In addition, they could be required in higher density residential zones as well.





Contemporary trash and recycling container. Seat walls can be an effective alternative to benches.



These trash containers have been placed in a furnishing zone outside the main pedestrian walking zone.



Street lighting integrated with wayfinding, regulatory signs and art.



Simple, staple bicycle racks, located outside the pedestrian zone, but under awnings.

Following are more specific guidelines for street furniture and lighting in South Hillsboro.

- At a minimum, include street furniture in streetscape design standards areas designated for mixed use. Consider incorporating some elements in high density residential area as well.
- At a minimum, street furnishings in the Town and Village Centers should include benches, trash receptacles and bicycle racks. Drinking fountains also could be included if a water source is readily available and if the City determines that the benefit/cost ratio for providing them is relatively high.
- Bollards may be considered as needed as a safety device (e.g., adjacent to mid-block crossings and possibly in other locations where there is an elevated risk of vehicle/ pedestrian collisions such as curbless

streets. Where bollards are used, they should be designed and placed to address potential maintenance and obstruction issues to minimize the need for manual cleaning around the bollard, and to discourage graffiti.

- The design and scale of street furniture and lighting should be integrated with other urban design features and aspects of the streets in a given area, as well as with the architectural design of buildings and other aspects of private development.
- The design of streets should include a zone for street furnishings, typically the first 4 feet between a street's curb towards the building edge, to reduce clutter and avoid pedestrian obstacles.
- Identify a design aesthetic for street lighting and street furniture for use within South Hillsboro

that reflects the brand and history of the area. A “northwest contemporary” look is recommended for street furnishings in South Hillsboro. This should incorporate a more contemporary look that is timeless (not trendy) rather than tied to a specific time period (e.g., a “historical” look).

- Street furnishings and lighting should be chosen to minimize maintenance costs and should be “weather-appropriate” for conditions in the Pacific Northwest (i.e., significant rainfall).
- Street and other exterior lighting should provide for security and extended use of properties into nighttime hours, while ensuring an environmentally sensitive and energy efficient nighttime environment that includes the ability to view the stars against a dark sky from residential and other appropriate viewing areas.
- Other pedestrian scale street lighting considerations include:
  - » Considering use of solar powered lighting.
  - » Allowing stores to help illuminate sidewalks in the evening.
  - » Using newer LED lighting, not high pressure sodium.
  - » Integrating lighting with signage and/or art.
- The City should not simply select and purchase a low cost, “off the shelf” set of street furniture and pedestrian scale lighting for this area. The design of these elements should be carefully considered in conjunction with other aspects of the design of these areas.
- Ultimately, specific standards may include requirements for which areas shall include street furniture and lighting; approximate spacing of street lighting; the approximate numbers of benches and trash receptacles that should be provided on a given block face or length of street in the town and village

centers; and/or factors that shall be considered in selecting specific furniture and lighting products.

#### 4.3.5. Utilities

Within South Hillsboro the design and regulation of utilities provides an opportunity to reinforce the brand and to ensure a high quality environment. As proposed in the draft South Hillsboro Plan District, utilities are required to be undergrounded either in the public right-of-way or in a public utility easement. However, some aspects will still be visible and standards for the placement and screening of those utilities also is addressed in the proposed Plan District. In addition to applying these proposed standards, the following strategies also will be implemented in South Hillsboro:

- Work closely with public utilities on a comprehensive approach to undergrounding major utilities as construction proceeds, to avoid having to disturb streets later.
- Coordinate with franchise utilities to do the same.
- As currently established in the plan district, on Active Use streets require that vaults be located underground to avoid conflicts. Alternatively, if desired, revisit the



Contemporary version of a unique manhole



- plan district standards to allow utility boxes to be above ground where public art will be incorporated.
- Consider requiring landscaping when artificial rocks are used to screen utility vaults.
  - Locate utilities within rear alleys where possible. Utility reluctance to do so is typically due to concerns about vehicles striking the vaults. Small curbs can be installed around the vaults to mitigate this.
  - If all utilities cannot be undergrounded in residential areas, work closely with providers to ensure that facilities are located away from significant public parks and major gateways.
  - Multiple boxes should be arranged in close proximity to reduce visual impact and allow for concentrated landscape screening.
  - Incorporate public art on above-ground vaults and work with utilities and property owners to establish a utility vault art program.



Unscreened vaults are rather unsightly and should be discouraged except in an alley or on the rear of the project.



Utility boxes can be a location for public art.

#### 4.3.6. Parks, Trails and Plazas

Successfully accommodating existing and special conditions in South Hillsboro is an important part of the design of public park, plaza and trail design.

##### Public Parks

The City of Hillsboro Parks and Recreation Department's existing standards have resulted in very good parks. However, if appropriate, establishing unique park design requirements within South Hillsboro could be another means of creating a distinct identity. There will be six Neighborhood parks and one community park in South Hillsboro. While these parks may serve somewhat different roles within the community, they are all urban parks that will be meeting the recreational needs of the residents. If the City determines that these parks

should have aspects unique to the South Hillsboro area, then common design elements within the parks that are unique to this area could be used to help foster a sense of place as well as serving to distinguish it a distinct area within the City of Hillsboro. Distinctive pavers, fencing, plantings, furniture and/or structures could also be used to establish a unique identity. Overall, a high level of quality is desired in the choice of materials, to establish this community as an enduring, well-designed neighborhood. In addition, design standards should ensure parks within South Hillsboro:



Trails should be designed with a hierarchy of widths and materials to meet the needs of a range of future users.

- Focus on context sensitive design;
- Use of climate-adaptive plants which will thrive with in local environment (e.g., use less irrigation, pesticides and fertilizers); and
- Ensure timelessness and durability through high quality materials.

## Trails

South Hillsboro will be connected by a series of trails. Similar to parks, to the extent trails within South Hillsboro differ from elsewhere in Hillsboro, they provide another mechanism to reinforce a distinct identity there. The width of the trails, paving materials, fences, signs, and adjacent plantings can all serve to promote a distinct South Hillsboro identity. Design standards should ensure trails within South Hillsboro:

- Are located in ways which create a pleasant and interesting route while minimizing ecological impacts;
- Recognize the needs of user group(s) in terms of design and materials. For example, pathways should be the minimum necessary to accommodate expected future users.



Plazas in Town and Village Centers should include shade trees and places for sidewalk dining to spill out onto the edges of public spaces

## Plazas

Plazas will be an integral part of the Village and Town Center Core Areas. These spaces will likely be on private property and managed by the property owner. The Hillsboro Community Development Code currently establishes some minimum criteria for plazas that will be counted toward the open space requirement. These standards are focused primarily on size and amenity requirements. However, similar to parks, common design elements such as distinctive pavers, plantings, furniture and/or structures could also be used to establish a unique



Water features in parks and urban plazas ensure a wide range of ages will activate the park

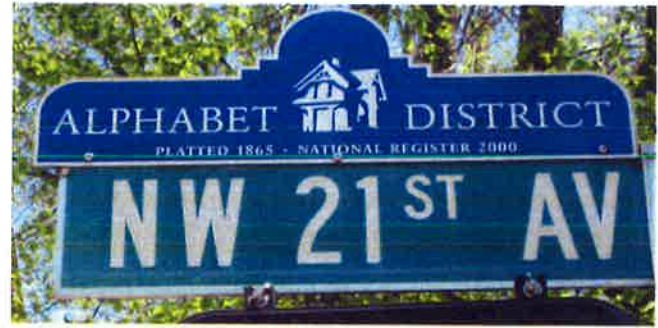


identity for South Hillsboro. However, the Town Center Core Area and Village Center Core Area will not necessarily have the same design aesthetic; therefore, the design of all plazas does not need to be identical although all should relate to the streetscape elements.

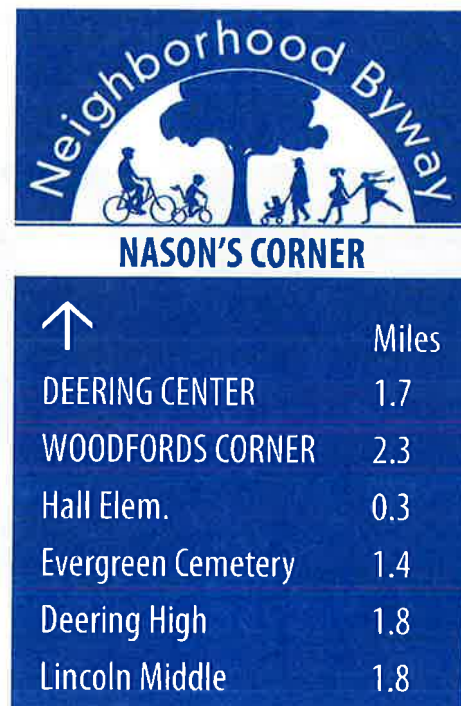
#### 4.3.7. Wayfinding

Within South Hillsboro, wayfinding provide opportunities to reinforce the area's identity. Wayfinding, in the urban design context, refers to elements which provide orientation and direction within the built environment while helping to establish an identity and sense of place for the community. This can include a range of elements, but for the purposes of this paper the focus is on directional and locational signage. Key principles include:

- Wayfinding in South Hillsboro should contain some unique aspects that reinforce a distinct sense of place both within individual neighborhoods as well as across all areas of South Hillsboro, while integrating with citywide Wayfinding standards and programs.
- South Hillsboro is intended to be a connected community. Within residential areas, the use of individual subdivision entry signs, which tend to create a sense of exclusion, should be limited or prohibited. Signage identifying individual neighborhoods in South Hillsboro should be provided in a consistent manner that unifies the community.
- The wayfinding system for vehicular and pedestrian users should function as an integral part of the built environment and carefully consider the context and scale of signs. Permanent iconic signs, rather than paint, is the preferred method.
- Use materials and colors that reflect and complement the site and context, as well as the area's unique landscape, culture and history. If possible, carefully



Wayfinding in neighborhoods should provide locational information in a consistent manner



Wayfinding for pedestrians and bicyclists.

tie the visual feel of the wayfinding signs to other elements of Hillsboro identity (such as colors and fonts or City logos).

- Provide information in a clear, concise, and minimal manner, while not adding to visual clutter.
- Lighting should be designed into the landscape or integrated into the sign to provide even illumination and reduce "dark sky" uplighting.



Distinctive wayfinding signage for trails

- Within parks, open space and trails additional wayfinding should be provided that helps the user (especially bicyclists and pedestrians) find their way between connected facilities and other destinations (e.g., the Town Center and Village Center Core Areas). The design of these elements should be unified throughout public open spaces in South Hillsboro.

Subtle, non-signage wayfinding can also be encouraged through the use of specific landscape plantings or trees (as a visual marker that signifies a town center or local park) or streetscape elements like furnishings and surfacing that provide cues to one's position in an urban environment. Even differentiating the scale of street design can help to communicate that one is entering a residential neighborhood.

Within the Town Center and Village Center Core Areas additional commercial signage will be visible; however, wayfinding signage should be provided. The Town Center Core Area and Village Center Core Area will not necessarily have the same design aesthetic; therefore, the wayfinding signage does not need to be identical. However, both should relate to those streetscape elements they have in common. For example, SW

Cornelius Pass Road will be a primary point of entry for both commercial centers. Streetscape elements on SW Cornelius Pass Road (e.g., street lights and furniture) will be a unifying element to which the wayfinding signage at both centers will need to relate.

#### 4.3.8. Gateways

Gateway elements at important entrances to the community (e.g. key intersections and bridges) can contribute to a sense of identity for a community. Gateways can be thought of as community signatures and their design should somehow reflect elements of local culture, natural landscape, built form or community history, helping to define community boundaries.

Within South Hillsboro locating gateway elements at key intersections and bridges provides an opportunity to reinforce the area's unique identity. Gateways into South Hillsboro should represent the entire area and should not be specific to a particular development. The scale and content should avoid the appearance of an entrance to a business park or similar commercial enterprise or to a separate city.



Landform combined with signage as a gateway. NOTE: Expanses of manicured lawn should be discouraged in South Hillsboro.

Figure A-7 illustrates opportunities for gateway treatments in South Hillsboro, both for smaller-scale neighborhood or district gateways providing transitions between areas in South Hillsboro, as well as larger or more prominent citywide gateways marking key entrances to the City as a whole. These locations were chosen based upon their prominence to land uses and key transportation intersections. It is not anticipated that all of these gateway locations will be utilized -- rather this map is intended to highlight where a gateway treatment may be most appropriate.

Key issues related to the role, scale and location of gateways should be considered prior to identifying gateways for specific areas or locations.

- Gateway should be visually striking such that it can be noticeable to passersby, but should also blend and fit in with the surrounding landscape and built form.
- Use materials and colors that reflect and complement the site and context (e.g., the northwest agricultural heritage of the area). The City should consider how/whether a highly-lit piece of public art, where the play of light is integral to the design, would be appropriate. Brightly lit pieces create night time interest, but tend to feel much more urban.
- Consider designs which complement or echo the major gateway elements at lesser gateways such as bridges or other locations.
- A striking landform or significant planting design (with seasonal variations) can serve as an effective gateway, although in general the use of manicured lawns should be discouraged due to environmental impacts.
- A large public art piece could also serve as an effective major gateway to South Hillsboro, with minor gateways at other entry points. Gateway elements should be coordinated with wayfinding.

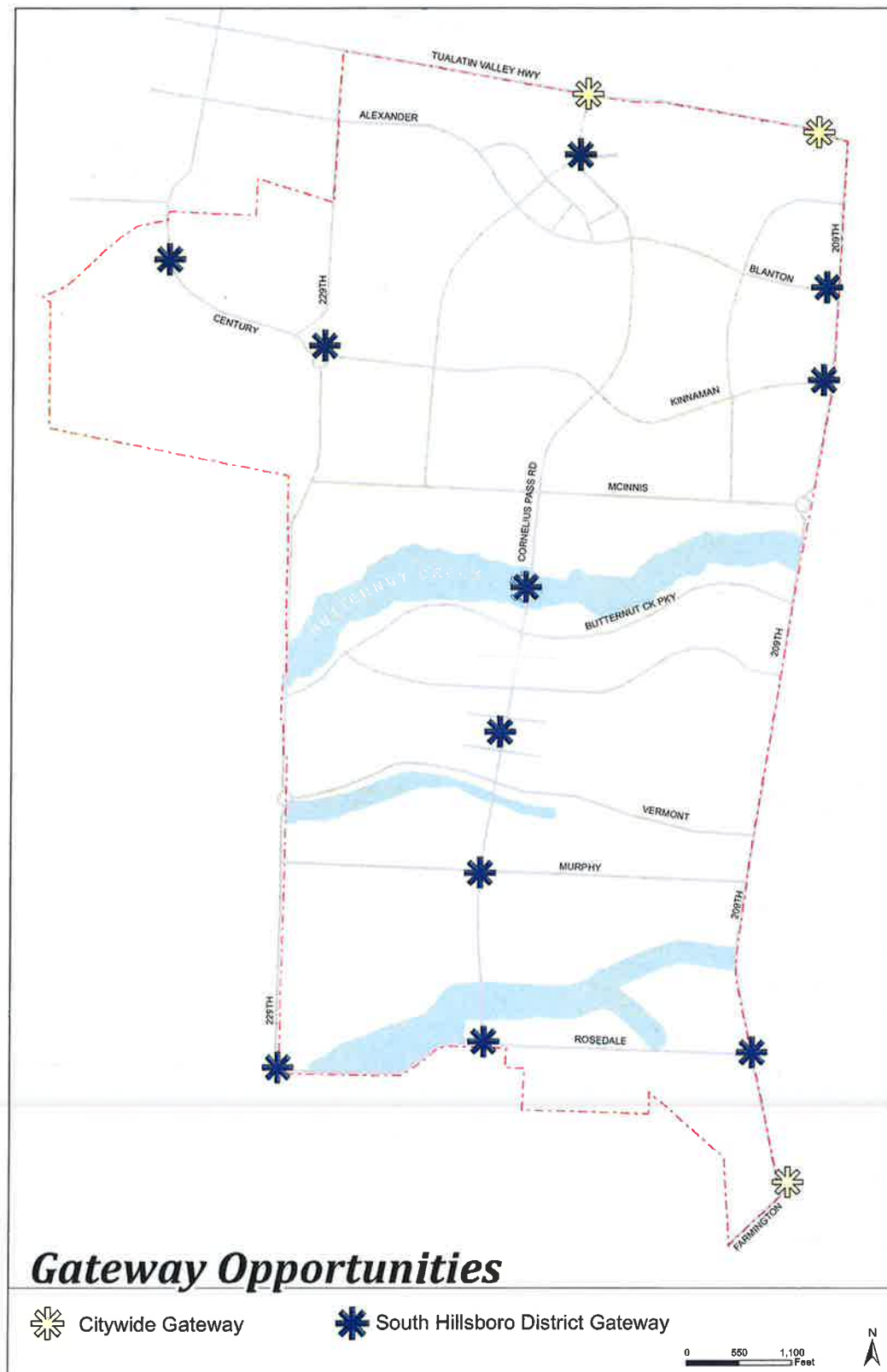
- The scale and placement of landscape or art gateways is critical— elements which are located too far from an entry point or are too small will not be legible to people arriving. On a wide roads location is critical. A median or island offers a highly visible location.
- If text is to be incorporated into gateways, consider what message would be appropriate. A reference to “South Hillsboro” would recognize the area’s distinct identity, but could suggest that South Hillsboro is not a part of the City of Hillsboro. Alternatively, less location-specific text (e.g., “complete-connected-green”) could be incorporated into a public art piece.
- As an alternative to a “public art” approach to establishing gateways, encourage developers to locate buildings of a sufficient scale to serve as gateways at key locations. For example, taller (3 – 4 story) buildings can create gateways at key locations.



Public art expressing a non-location-specific message.



Figure A-7: Gateway Opportunities



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# 5

Development  
Program

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## 5.1. Overall Land Use Framework

The South Hillsboro land use plan is derived from the general land uses and street alignments that were proposed in the 2008 Community Plan. Much of the form of that plan was driven by the alignment of a major new southward extension of the Cornelius Pass Road arterial from its existing terminus at Tualatin Valley Highway. This arterial is expected to become a spine of the community, with highest densities located along its route. New collector roads were generally aligned to extend existing streets west across the plan area, connecting SW 209th and SW 229th Avenues.

Two major landowners have developed more detailed plans for their holdings (Reed's Crossing and Butternut Creek) under the general framework of the Community Plan. Their plans are included in the Composite Map shown later in this chapter. Each developer's consultants have prepared useful analyses of likely development form that are also reproduced in this plan. The plans prepared by Hagg Lane also include properties owned by other individuals to the east and west.

The other properties in the plan area will be rezoned as they are annexed. Some areas may be assembled into larger parcels for development. For the purposes of this Master Plan, Community Plan land use designations are applied to those parcels as a placeholder.

A grid of streets, connecting to the grid seen in conceptual plans for Reed's Crossing and Butternut Creek, has been applied to parcels between these areas. It is assumed that the detailed street system will change according to landowners' individual plans and Planned Unit Development submittals. Thus, this plan seeks to confirm alignments of major collectors but does not specify location of local streets.

Collectors include the SW 229th Avenue realignment to connect to SW 234th Avenue (Century Boulevard north of Tualatin Valley Highway) and routes following the key drainages across the site. Connections to Reed's Crossing and Butternut Creek streets are also key components of ensuring that this becomes an integrated community, rather than a collection of unrelated subdivisions. Connections between different neighborhoods and to natural areas, green spaces (parks and trails), and other parts of the City are also crucial.

There are three other key drivers of the land use plan's form:

- **Bonneville Power Administration Corridor:** A 250-foot wide transmission line easement runs north-south across the site, much of which is currently farmed or vacant. It does not represent a barrier to movement across the plan area, but BPA regulations significantly limit development within the easement. The corridor may see a doubling of transmission capacity in future. The easement effectively creates a swath of open land from Tualatin Valley Highway to SW Farmington Road, intersecting all three major drainages across



Bonneville Power Administration lines through South Hillsboro.



the site. A major regional trail is envisioned for the Corridor. Conceptual plans for the Butternut Creek development identify the Corridor as a potential major recreational asset, and locate neighborhood parks adjacent to the transmission line.

- **Rail Corridor:** A short line freight railroad corridor runs alongside Tualatin Valley Highway, currently in active use by the Portland and Western Railroad. Due to operational and safety restrictions, at-grade access across railroad tracks is increasingly limited. The existing at-grade crossing at SW 229th Avenue will be

closed, leaving just three connections to the Tualatin Valley Highway from the overall South Hillsboro area (including the connection at SW 209th Avenue). This will funnel most traffic to either Cornelius Pass Road, SW 209th Avenue, or to a third access outside the South Hillsboro area, at SW 234th Avenue via SE Alexander Street. This will reduce the potential for a fully connected grid system of streets connecting to the Tualatin Valley Highway, while also resulting in the need for significant intersection improvements at these points.

- **Natural Features:** The natural features of this area are another key influence on urban form. These features are entirely related to three major drainages that flow from east to west across the site, draining the land to the Tualatin River, and include riparian corridors, associated wetlands, and adjacent upland wooded habitat.



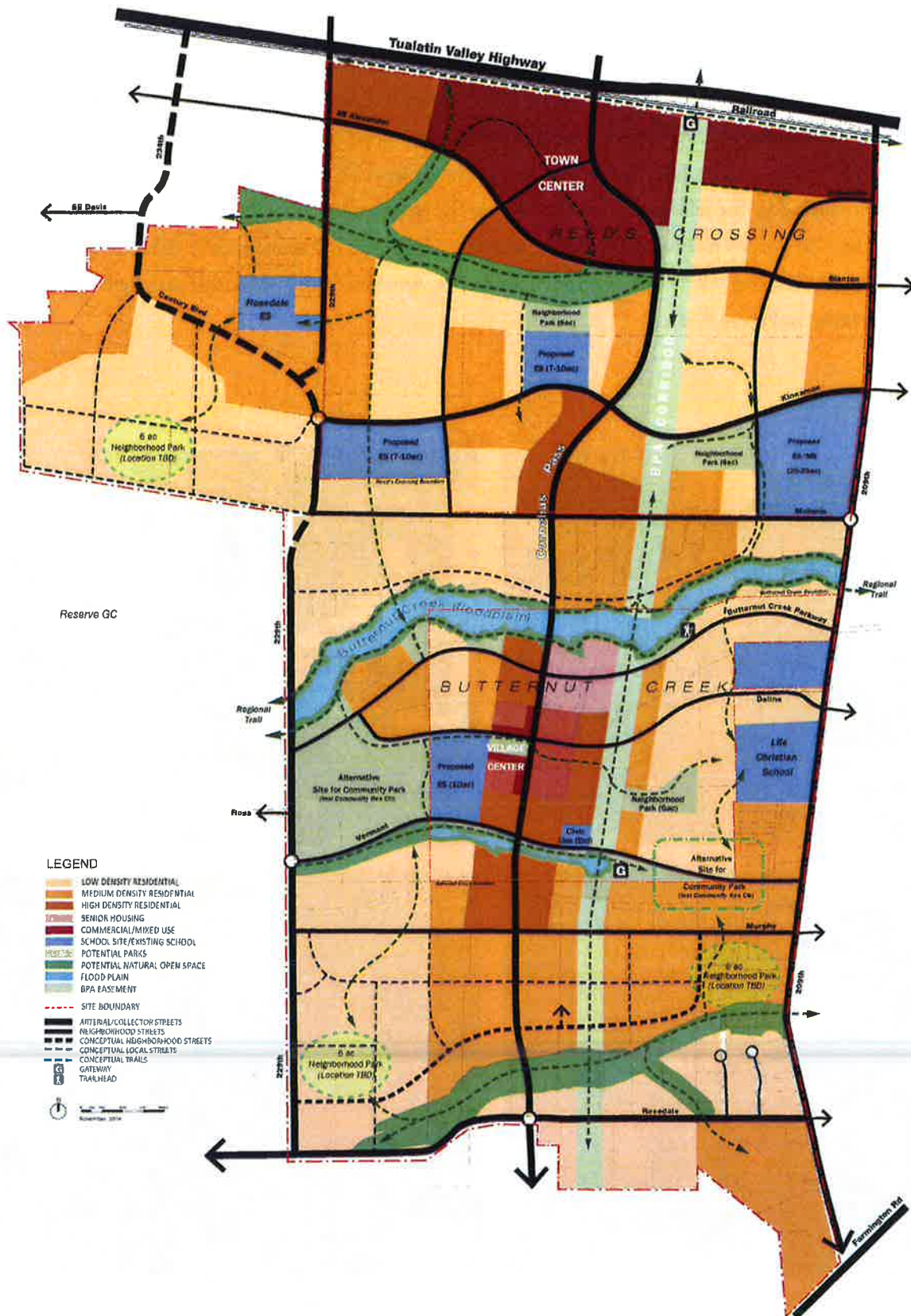
Existing natural areas in South Hillsboro.

## 5.2. Land Use Plan

### 5.2.1. Composite Map

The Composite Map shown in Figure A-8 illustrates conceptual development throughout South Hillsboro, including the Town and Village Centers, proposed locations of parks and schools, trail and road systems, and residential and commercial development types. This map enunciates City goals for housing product type mix and location, identifies ways to meet community needs for parks, schools, and open space, and blends the development aspirations of major partners. Although this map is not itself regulatory, it is used as the basis for guiding other decisions about densities, uses, and system design explored elsewhere in this Appendix.

Figure A-8: Land Use Composite Map





### 5.2.2. Reed's Crossing: Town Center

As shown in the Composite Map, the highest intensity of development is anticipated to occur in the northern portion of the area, in Reed's Crossing. This will include a Town Center slated for retail, office, and multi-family uses. The Town Center is envisioned as a walkable district visible from Cornelius Pass Road. Buildings and streets will have a high quality design, and parking will be placed behind the buildings to ensure direct frontage onto the main street and Active Use Streets, and an orientation to the pedestrian. The design of Cornelius Pass Road and other streets in the Town Center -- including the relationship of buildings to the street and the design and location of pedestrian and bicycle facilities -- is the key to ensuring a vibrant, walkable, attractive, and economically viable Town Center. Other blocks in Reed's Crossing will feature a range of residential densities from low to high density, as noted in the Composite Map shown in Figure A-8.



Example Imagery of Reed's Crossing Town Center features

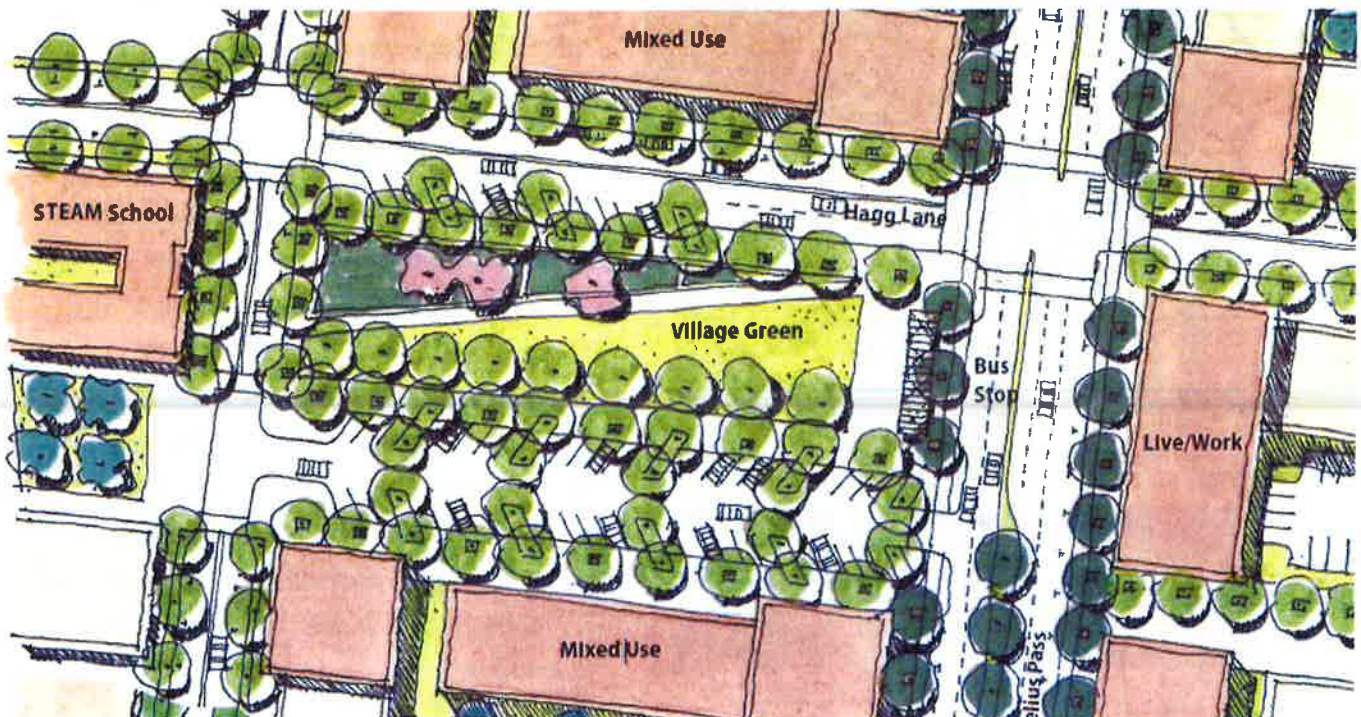


### 5.2.3. Butternut Creek: Village Center

Conceptual plans for Butternut Creek include a range of densities similar to Reed's Crossing. This is based on consistent findings in market studies and similar development intentions of providing a mix of retail, commercial and residential uses, along with parks, schools and other community amenities. A Village Center is proposed in Butternut Creek along Cornelius Pass Road. This is a smaller-scale mixed use 'node' with a pocket park perpendicular to Cornelius Pass. Ground-floor retail uses will face the park. A school and Community Park to the west will further activate this Village Center. Residential density is highest in the Center and lessens in a concentric pattern moving away from its core. Development along the east edge of the plan area should generally reflect the character and density of existing development along SW 209th Avenue, particularly newer subdivisions at densities approaching 10 dwelling units per acre.



Example Imagery of Butternut Creek Village Center





#### 5.2.4. Southern and Western portions of South Hillsboro

The properties in the northwestern portion of the plan area present an opportunity to locate executive housing along the adjacent Reserve Golf Course property. To facilitate access to this portion of South Hillsboro, property owners have worked together on a conceptual realignment of 234th Avenue/Century Boulevard to 229th Avenue and a realignment of SW 229th Avenue through these parcels. A simple grid of streets will be imposed over the mainly flat ground due north of the golf course. A forested drainage near Gordon Creek, north and west of the Rosedale Elementary School, may

make development more constrained in that corner of South Hillsboro.

The southern portion of the South Hillsboro area is currently a mix of agricultural uses and large lot subdivisions along SW 209th Avenue. Land uses in this area will likely be almost entirely residential, although the very southeast corner of the plan area, at the intersection of SW 209th Avenue and SW Farmington Road could attract retail uses due to the number of passing vehicles.

#### 5.2.5. Housing & Commercial Development

South Hillsboro is intended to meet a variety of housing needs for future residents. The scale, density, and type of

housing will include a combination of executive, low-density, medium-density, high-density, and mid-rise residential uses, as well as mixed-use residential/commercial areas, consistent with current and future market demand in the area in terms of average densities, likely pricing and other Hillsboro-area market trends.

The land use plan leverages opportunities to develop a mix of housing types and price ranges for Hillsboro's growing workforce, especially for the forecasted number of employees within professional and business, retail, leisure, hospitality, and health services. Housing densities that reduce land costs and increase transit feasibility will be key to achieving housing affordability within South Hillsboro. These housing forms may include single-family homes on small lots or in cluster housing developments, row houses or townhouses, or multi-family apartments.

Figure A-9: Excerpt from Reed's Crossing Draft Plan

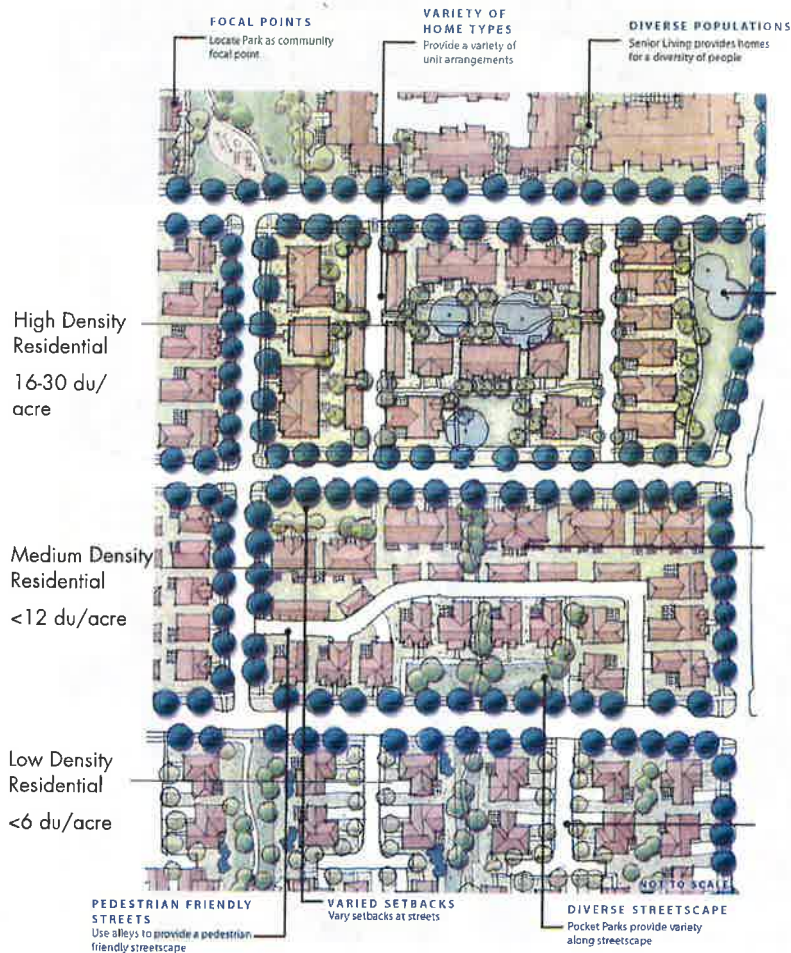
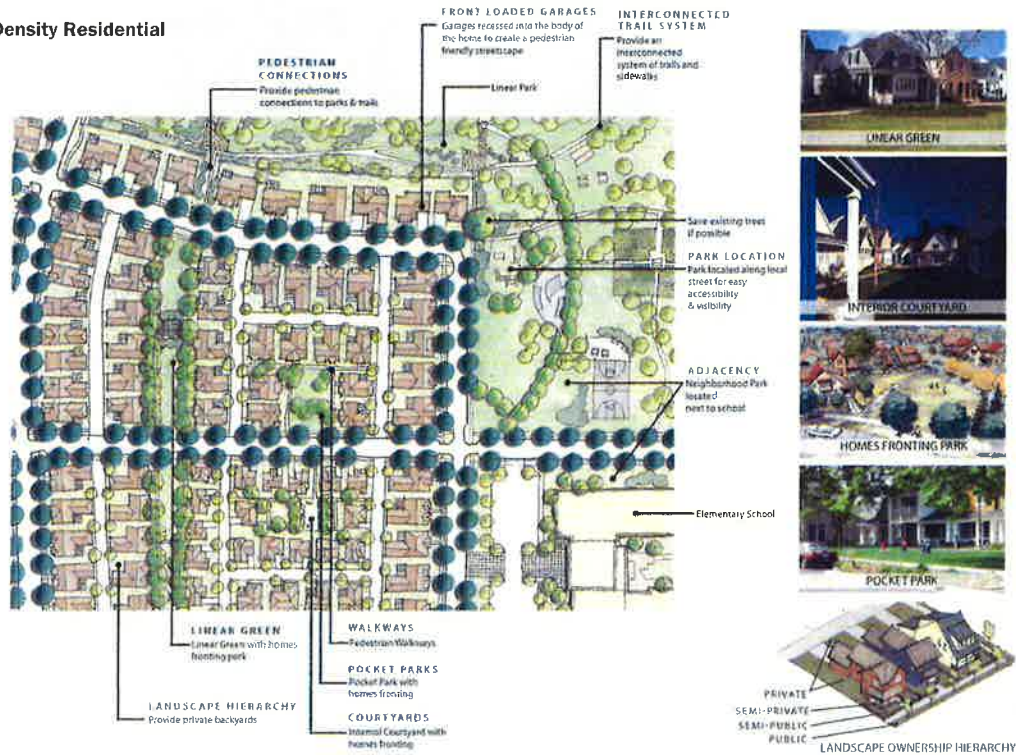


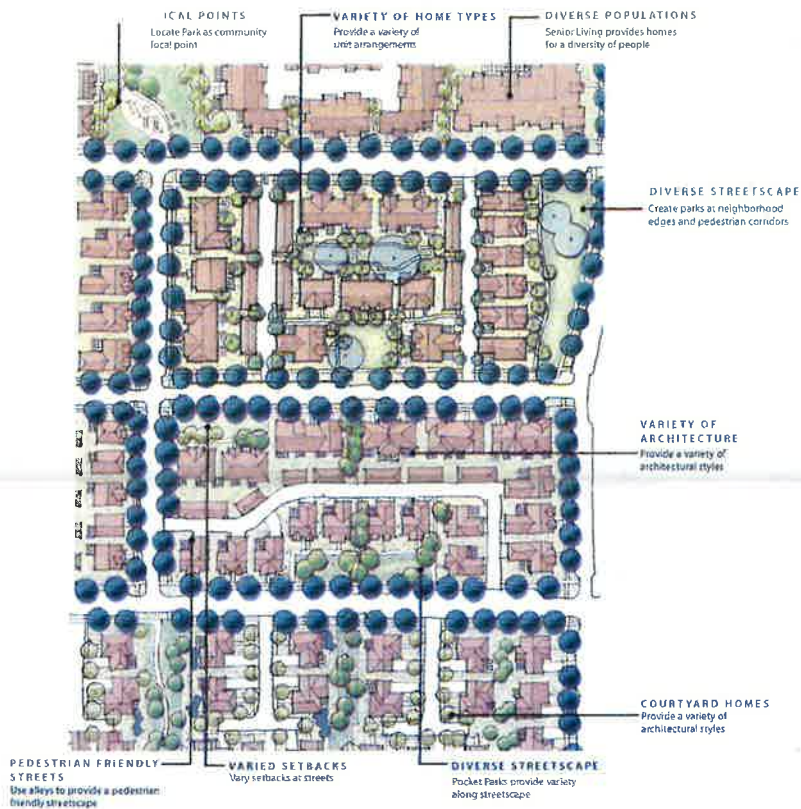


Figure A-10: Residential Development Patterns

### Low-Density Residential



### Medium/High-Density Residential





Low-density housing at the edge of rural land should be compatible with adjacent rural character and provide views of nearby agricultural fields



High-quality construction and materials create a character of place. Higher densities achieved through subtle home design types (image shows a duplex)

The City will implement residential and mixed-use Comprehensive Plan designations in South Hillsboro through a variety of zones that allow for these types of housing. The City also intends to adopt policies and subsequent regulations that encourage innovative housing products and development types, particularly those that enable live/work housing arrangements and those that integrate sustainable and low-impact building approaches or technologies.

Future retail and commercial development in South Hillsboro will serve local demand and regional demand, including residents within South Hillsboro and surrounding areas such as Aloha and Reedville, which are currently underserved by commercial and retail services. Retail and commercial uses are expected to include a mix of general merchandise stores as well as smaller, locally-oriented retail and service businesses. Smaller retail businesses are expected to generate nearly half of the demand for future development. These types of businesses are most compatible with mixed-use and other non-large-format development types.

Commercial and retail development will be concentrated in the Town and Village Centers and adjacent areas.

It is expected that these locations will improve the economic vitality of these businesses and allow for the establishment of shopping options that are highly accessible via walking, biking, or transit. Outside the Town and Village Centers, some very limited low-intensity, neighborhood-friendly commercial or retail uses may exist, such as small corner stores or home occupations, with the bulk of commercial development occurring in the centers.

#### 5.2.6. Schools, Parks, Trails, and Open Space

Schools are often important amenities for new residential development, and this plan provides opportunities for integration of schools with communities, allowing children to walk to school and providing community gathering spaces. A Middle/Elementary School site is reserved in the southeast corner of Reed's Crossing. There are two existing schools in the plan area: Rosedale Elementary School on SW 229th Avenue and the private Life Christian Elementary School on SW 209th Avenue, south of Hagg Lane.



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## 5.3. Comprehensive Plan Land Use

The City utilizes a two-map system of implementing land use. The guiding map is the Comprehensive Plan Land Use Map (see Figure A-11), which assigns specific land use categories (e.g. Commercial, Industrial, Open Space, and Residential of varying densities) to property within the City's planning area. The Comprehensive Plan designations are then implemented by applying corresponding zoning districts on the City's Zoning Map for property annexed into the City limits (discussed later). Each zone addresses the specific uses allowed (outright or conditionally) and the development standards applicable to each district.

## 5.4. Zoning Concept and Buildout Projections

### 5.4.1. Zoning Concept

The City has developed an overall concept to guide the application of zoning to implement desired land uses and densities throughout South Hillsboro consistent with Comprehensive Plan policies. The zoning concept covers all properties in South Hillsboro, and considers development of single-family detached housing, single-family attached housing, and multi-family housing, including residential components of mixed-use development in the Town and Village Centers. The strategy also identifies take-outs for designated rights-of-way, projected locations for parks and schools, and environmental takeouts related to significant riparian or upland resources.

The zoning concept is illustrated in Figure A-12. The concept calls for the application of the following zones

(as defined in the Hillsboro Community Development Code) in various locations in South Hillsboro:

- Single-family residential zones: SFR-4.5, SFR-6, SFR-7, SFR-8.5, and SFR-10.
- Multi-family residential zones: MFR-1, MFR-2, and MFR-3.
- Mixed-use zones: MU-VTC.

The zoning concept described here is a projection, not a determination of zoning for all properties. Over time, this concept may be refined to reflect changes in the market or new development trends. Zones will be applied to properties once they have been annexed into the City using standard land use decision processes for annexation and zoning.

### 5.4.2. Buildout & Density Projections

Based upon the zoning concept discussed in Section 5.4.1, development projections can be made for each residential product type. The City is currently projecting a total dwelling unit estimate of 7,712 units throughout South Hillsboro, based upon the current zoning concept. This would yield an average residential density of between 9 and 12 dwelling units per net acre outside of Planned Unit Developments, where the maximum density would be 14 dwelling units per net acre. Residential product mix would be approximately 57% single-family detached, 22% single-family attached, and 21% multi-family.

These estimates represent 95% of the maximum dwelling units allowed assuming implementation of the proposed zoning concept, including take-outs for rights-of-way, parks and schools, and environmental resources. These buildout projections also assume transfer of allowed density from the Bonneville Power Administration corridor to other locations where development is not



Figure A-11: Comprehensive Plan Map

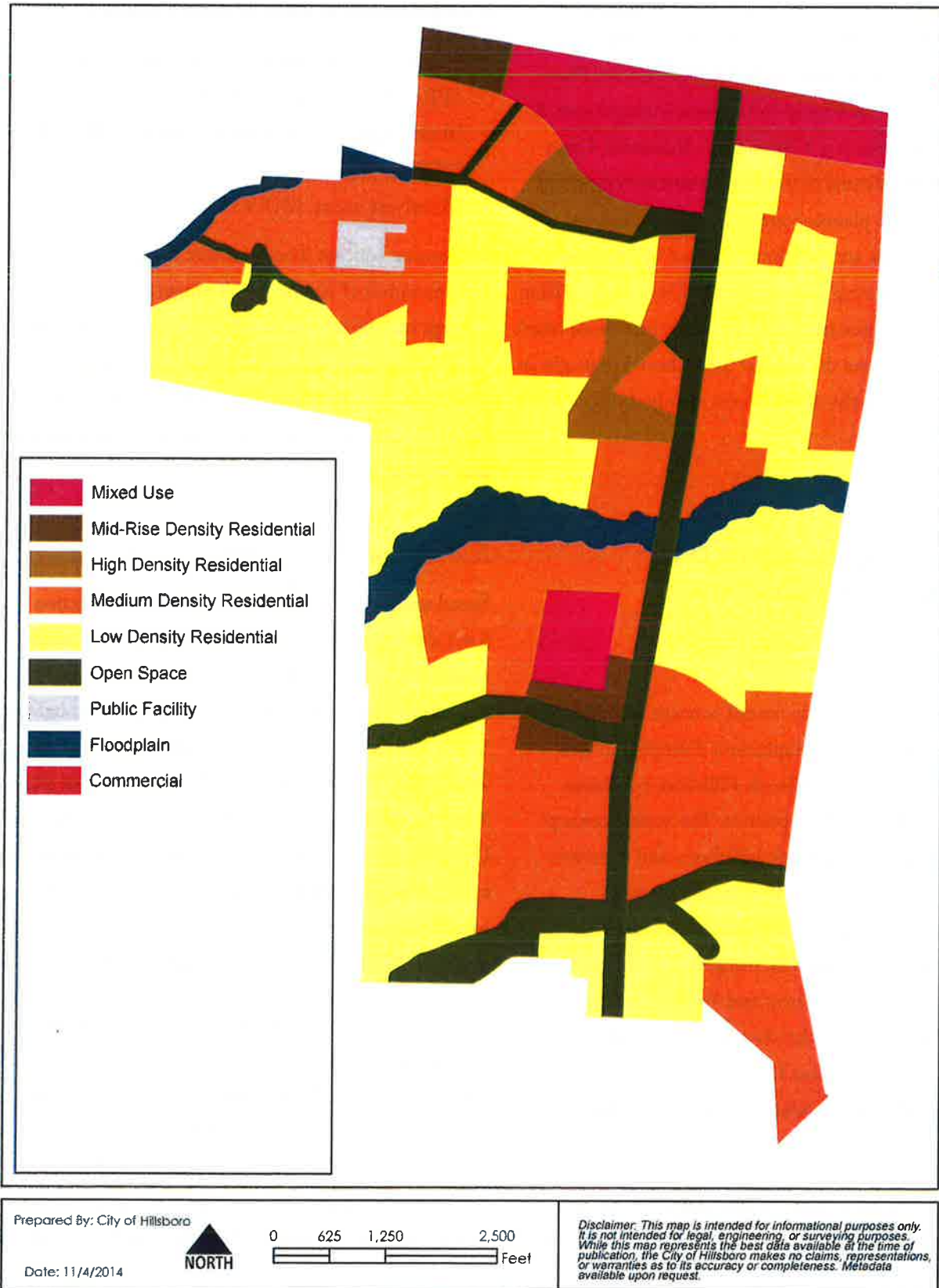


Figure A-12: Zoning Concept

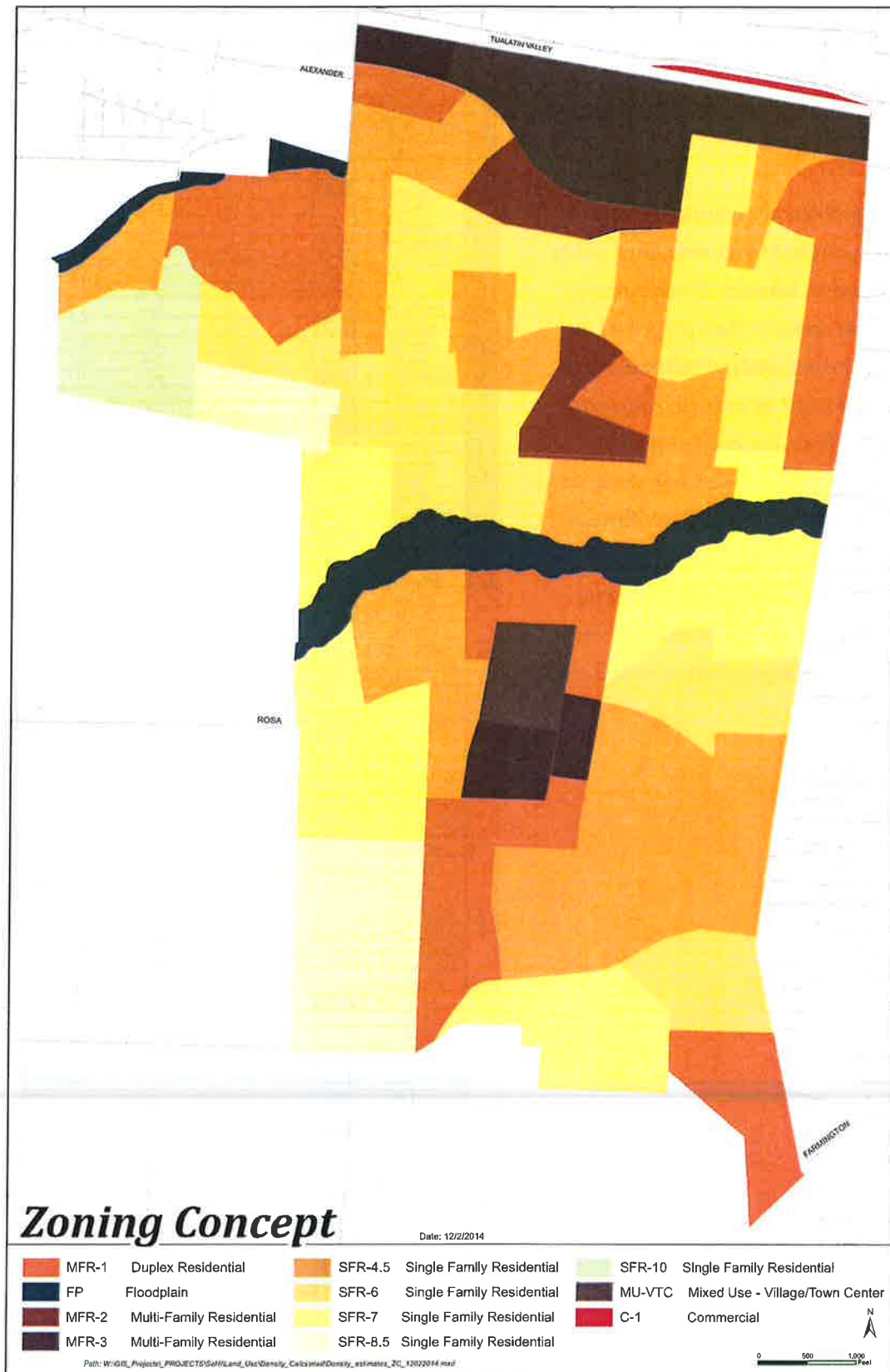


Table A-1: Zoning Concept and Buildout Projections

restricted. Detailed buildout projections for each zone are shown in Table A-1.

These buildout projections are subject to change as the zoning concept is refined over time, particularly regarding environmental takeouts. Some property owners did not allow access to their properties for wetland surveys; therefore, wetland delineations on these properties were made by orthophotography, which is less precise. There is a possibility that takeouts for newly-identified wetlands in these areas are more than might actually be required. There is also a possibility that significant riparian or upland resources may be under-represented in Butternut Creek, as that property owner did not submit results of their inventory to the Department of State Lands.

Financing Strategy (11/04/2014)	Zone					TOTAL
	DU/ac	Reed's Crossing	Butternut Creek	SoHi West	Other Area	
Total Developable Area <sup>a</sup>		385	130	101	351	966
(Less ROW and Res Split) <sup>b</sup>		245	85	73	246	649
Net Acres <sup>b</sup>		33	-	-	-	33
Min DU	40	1,299	-	-	-	1,299
Max DU <sup>d</sup>	48.5	1,575	-	-	-	1,575
DU (95% of MAX)	46.1	1,497	-	-	-	1,497
- SFD	0%	-	-	-	-	-
- SFA	50%	748	-	-	-	748
- MF	50%	748	-	-	-	748
PUD Max DU <sup>d</sup>	58.2	1,890	-	-	-	1,890
Net Acres <sup>b</sup>		-	7	-	-	7
Min DU	18	-	132	-	-	132
Max DU <sup>d</sup>	45	-	329	-	-	329
DU (95% of MAX)	42.75	-	313	-	-	313
- SFD	0%	-	-	-	-	-
- SFA	50%	-	156	-	-	156
- MF	50%	-	156	-	-	156
PUD Max DU <sup>d</sup>	54	-	395	-	-	395
Net Acres <sup>b</sup>		6	11	-	-	17
Min DU	23	133	245	-	-	378
Max DU <sup>d</sup>	28.75	166	307	-	-	473
DU (95% of MAX)	27.313	157	292	-	-	449
- SFD	0%	-	-	-	-	-
- SFA	30%	47	88	-	-	135
- MF	70%	110	204	-	-	314
PUD Max DU <sup>d</sup>	34.5	199	380	-	-	579
Net Acres <sup>b</sup>		26	-	-	1	27
Min DU	17	443	-	-	13	456
Max DU <sup>d</sup>	21.25	554	-	-	16	570
DU (95% of MAX)	20.188	525	-	-	15	540
- SFD	0%	-	-	-	-	-
- SFA	40%	210	-	-	6	216
- MF	60%	315	-	-	9	324
PUD Max DU <sup>d</sup>	25.5	664	-	-	19	683
Net Acres <sup>b</sup>		31	15	14	40	100
Min DU	11	338	166	154	445	1,103
Max DU <sup>d</sup>	16	492	242	224	648	1,606
DU (95% of MAX)	15.2	467	230	213	616	1,526
- SFD	65%	303	150	138	401	992
- SFA	30%	140	69	64	185	458
- MF	5%	24	11	11	30	76
PUD Max DU <sup>d</sup>	19.2	595	288	269	777	1,929
Net Acres <sup>b</sup>		63	18	6	69	156
Min DU	8	503	143	45	554	1,245
Max DU <sup>d</sup>	10	629	179	56	693	1,557
DU (95% of MAX)	9.5	596	171	54	658	1,479
- SFD	100%	596	171	54	658	1,479
- SFA	0%	-	-	-	-	-
- MF	0%	-	-	-	-	-
PUD Max DU <sup>d</sup>	12	755	215	67	832	1,869
Net Acres <sup>b</sup>		86	15	15	33	149
Min DU	6	517	89	91	200	897
Max DU <sup>d</sup>	7.5	645	111	114	251	1,121
DU (95% of MAX)	7.125	613	107	108	238	1,066
- SFD	100%	613	107	108	238	1,066
- SFA	0%	-	-	-	-	-
- MF	0%	-	-	-	-	-
PUD Max DU <sup>d</sup>	9	775	134	136	301	1,346
Net Acres <sup>b</sup>		-	19	-	63	82
Min DU	5	-	96	-	316	412
Max DU <sup>d</sup>	6.25	-	120	-	395	515
DU (95% of MAX)	5.9375	-	114	-	376	490
- SFD	100%	-	114	-	376	490
- SFA	0%	-	-	-	-	-
- MF	0%	-	-	-	-	-
PUD Max DU <sup>d</sup>	7.5	-	145	-	474	619
Net Acres <sup>b</sup>		-	-	15	39	54
Min DU	4	-	-	61	156	217
Max DU <sup>d</sup>	5	-	-	76	195	271
DU (95% of MAX)	4.75	-	-	72	185	257
- SFD	100%	-	-	72	185	257
- SFA	0%	-	-	-	-	-
- MF	0%	-	-	-	-	-
PUD Max DU <sup>d</sup>	6	-	-	91	234	325
Net Acres <sup>b</sup>		-	-	23	-	23
Min DU	3.5	-	-	81	-	81
Max DU <sup>d</sup>	4.35	-	-	101	-	101
DU (95% of MAX)	4.1325	-	-	95	-	95
- SFD	100%	-	-	95	-	95
- SFA	0%	-	-	-	-	-
- MF	0%	-	-	-	-	-
PUD Max DU <sup>d</sup>	5.22	-	-	121	-	121



Table A-1 Continued: Zoning Concept and Buildout Projections

**Housing Breakdown**

Total SFD	1,512	542	467	1,858
Total SFA	1,145	313	64	191
Total MF	1,197	371	11	39
	Reed's Crossing	Butternut Creek	SoHI West	Other Area

TOTALS	Net Acreage	245	85	73	246	649
	Min DU	3,233	871	432	1,684	6,220
	Min DU/Net Acre	13	10	6	7	9
	Max DU	4,061	1,288	571	2,198	8,118
	Max DU/Net Acre	17	15	8	9	12
	PUD Max DU	4,878	1,557	684	2,637	9,755
	PUD Max DU/Net Acre	20	18	9	11	15

Total Dwelling Units (95% of Max) <sup>e</sup>
7,712

DU Count for SDC Calcs

AVG ACROSS SOHI		
Min DU/acre	Max DU/acre	Max PUD/acre
9	12	15

Notes: All areas are reported in Acres; all dwelling unit counts have been rounded down to the nearest whole number

<sup>a</sup> Total Area with Env Constraints, Schools, Parks, and Public Facilities (existing and proposed) removed

<sup>b</sup> Net acreage was calculated by first taking out right-of-way from all Developable Area calculations (25% for RL designations and 35% for all other residential designations); the Residential Split was then added to all Mixed Use areas to identify areas available for residential development. A 35% take-out was applied to MU-VTC.

<sup>c</sup> PUD could receive 20% increase in maximum density of base zone with discretionary approval

<sup>d</sup> MU-VTC ranges vary between the Town Center (Reed's Crossing) and Village Center (Butternut Creek) development areas. Additional information on the minimum and maximum dwelling units assigned to this zone are available in the CDC, Section 12.24.X00

<sup>e</sup> This figure is 95% of the Max DU (see green table)

<sup>f</sup> Average dwelling units per acre calculated for the minimum and maximum DU density permitted in each zone (averages the totals in the green box)

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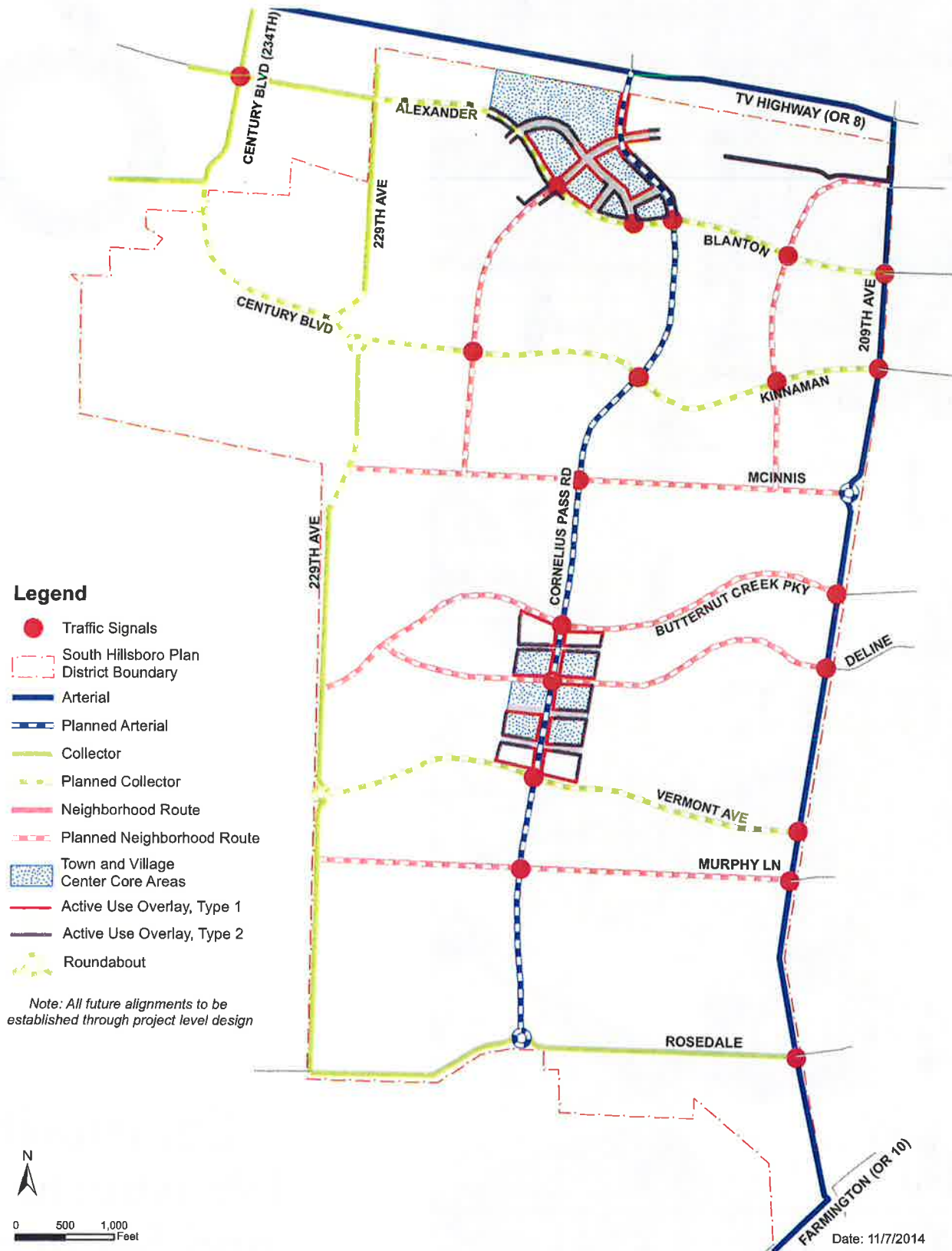
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6

Community  
Infrastructure  
and Services

Figure A-13: Roadway Location and Designation Map





## 6.1. Transportation

A variety of transportation facilities will ultimately help people travel within South Hillsboro, as well as to and from places outside the Plan Area. This Plan describes the location and conceptual design of major transportation facilities in South Hillsboro – i.e., large “arterial” and “collector” streets, such as Cornelius Pass Road, Alexander/Blanton Street, SW 229th Avenue, Rosedale Road, and others. It addresses a full range of modes of travel -- individual vehicles, bicycling, use of transit, and walking. It also generally describes how the transportation system will serve and connect to key destinations within and surrounding South Hillsboro. Information about the phasing, costs and funding of transportation facilities is found in Section 7 of this document and in a separate South Hillsboro Transportation Financing Program.

### 6.1.1. Roadway Location and Design

Figure A-13 shows the approximate location of major roads in South Hillsboro. These locations are approximate and will be further refined during future, more detailed design and development processes. The location of connections between major property owners have been located and designed with a higher level of accuracy to identify roadway tie in points for major property owners. Wherever possible, roads will be located and designed to minimize impacts on existing properties and structures, as well as to reduce impacts on streams, creeks and other natural resources.

Major road facilities include the following:

- **Arterial streets.** These roads will carry the most significant amount of traffic within the area, including traffic that starts or ends in South Hillsboro, as well

as traffic destined for other parts of Hillsboro or the region. Cornelius Pass Road and SW 209th Avenue are arterials in South Hillsboro. They will tend to provide less direct access to adjacent properties, since driveways and intersecting roads must be spaced farther apart on arterial streets. When fully built out, these roads will typically include five or seven travel lanes (including turn lanes), with additional turn lanes at intersections in some cases, as well as sidewalks and bicycle facilities.

- **Collector streets.** These streets “collect” traffic from local neighborhood streets, and people will typically use them to travel between neighborhoods in South Hillsboro or to access an arterial street. These will include Alexander/Blanton Street, Kinnaman Road, Vermont Street, Century Boulevard, 229th Avenue, and Rosedale Road, as shown in Figure A-13. When fully built out, these roads will typically include three travel lanes (including turn lanes) as well as sidewalks and bicycle facilities.
- **Neighborhood Routes.** These streets are similar to collectors but are intended to carry less traffic and primarily serve individual neighborhoods. They provide direct access to people’s homes and businesses, as well as routes through neighborhoods to local destinations. They typically include two travel lanes, bicycle lanes on the sides, parking on one or both sides and sidewalks with planting strips on both sides of the street. Several possible neighborhood routes are shown in Figure A-13.
- **Local Streets.** For the most part, the locations of local streets will be defined by developers as part of future specific development proposals. Local streets provide direct access to individual homes and businesses. They typically include enough room for on-street parking, travel in both directions, planting strips, and sidewalks. Bicycles generally share the travel lanes

with cars on these streets. The location of these roads will be governed in large part by street spacing and block size standards included in the South Hillsboro Plan District section of the City's Community Development Code.

- **Alleys.** Alleys can provide access to residents of neighborhoods, limiting the negative impacts to streetscape from garages dominating front facades. Alleys can be used for commercial deliveries in mixed use or commercial areas. They can also be used to route some utilities, which can help to eliminate unsightly meter boxes and utility pedestals on front lawns. Alleys would typically be allowed and encouraged but not required in these areas.

The design of these roads will be governed by cross-sectional standards included in the South Hillsboro Plan District section of the City of Hillsboro Community Development Code in conjunction with more specific design and construction standards found in the City's Engineering Design and Construction Manual.

Additional guidelines for the design of streets are found in Section 4 of this document.

### 6.1.2. Bicycle and Pedestrian System

As a "Complete-Connected-Green" community, it is vitally important that South Hillsboro's transportation system provides a variety of choices for people to walk and bicycle within the area, both for exercise and to travel from their homes or businesses to places to shop, eat, drink, recreate, or learn.

Figure A-14 illustrates proposed bicycle and pedestrian facilities within South Hillsboro which will include:

- **Bicycle lanes.** Federal and state policy and good planning practice dictates that bicycle lanes be

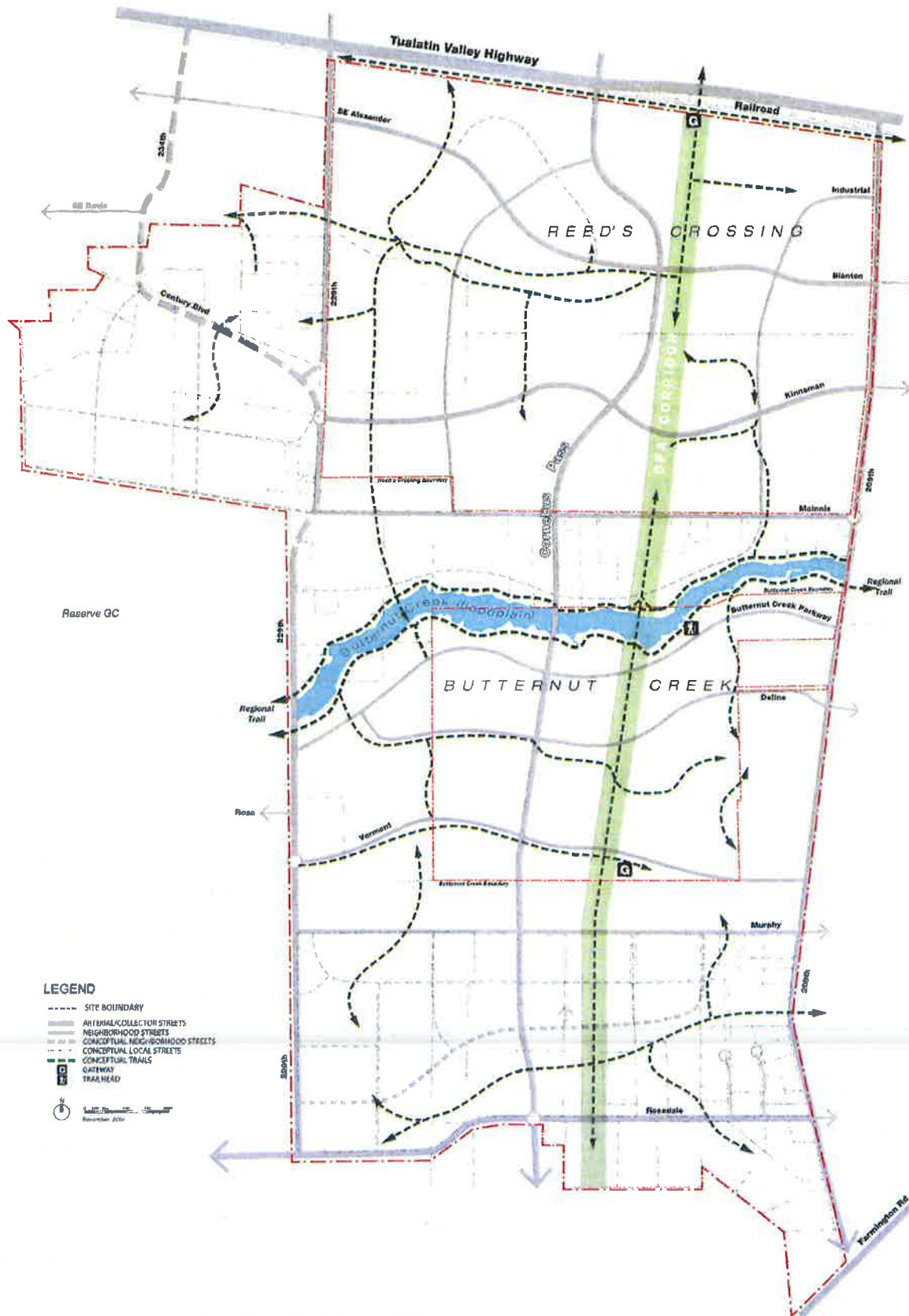
provided on all collector and arterial streets, as shown in Figure A-14. Bicycle lanes will also be required on neighborhood routes in South Hillsboro.

- **Sidewalks.** All new roads should include sidewalks on both sides of the street to ensure that people can walk within and between different neighborhoods and directly access homes and businesses.
- **Additional multi-use paths and trails.** Pathways are planned for several locations to provide additional opportunities for people to bicycle and walk within South Hillsboro. These will include routes along the BPA powerline corridor, along Butternut and Gordon Creeks, parallel to and south of Tualatin Valley Highway, across Butternut Creek (to supplement limited road crossings of the creek) and interspersed within parks and supplemented by the sidewalk system to provide connections between homes, parks, schools, and other activity centers. These pathways, in conjunction with bicycle and pedestrian connections within the local street system will form an integrated looped system.



Multi-use path adjacent to habitat area

Figure A-14: Bicycle and Pedestrian System



Where trails and public streets coincide, design should consider the opportunity to provide joint sidewalk and bicycle facilities through use of multi-use paths within the public street right of way. Additional guidelines for the design of pathways are found in Section 4 of this document.

### 6.1.3. Transit Facilities and Service

Providing comprehensive transit service to South Hillsboro residents and visitors will be essential to providing people with a full range of transportation choices. Specific transit routes, frequency of service and the location of transit facilities will be formulated by TriMet in coordination with the City, landowners and community members as development occurs. The type and frequency of service will depend on a variety of factors, including:

- Availability of resources to fund transit service
- Projected ridership for specific planned or proposed routes
- Available layover locations at planned stopover points along a given route
- Ability to coordinate service provision with targeted employers or neighborhoods

Future plans for transit service to serve the South Hillsboro area have been identified through TriMet's 2013 Westside Service Enhancement Plan, which represents TriMet's recently adopted plan for future transit service within northern Washington County, including Hillsboro, Beaverton, Cornelius, and Forest Grove.

TriMet planners anticipate that South Hillsboro will provide housing for Silicon Forest workers at high-tech and manufacturing businesses within North Hillsboro, and for the broader Sunset Highway employment corridor with a smaller share working in the Portland Central City. A key objective of the future transit service is to provide connections from South Hillsboro to these employment areas, and to introduce transit service in conjunction with initial housing development within South Hillsboro. New north-south bus service would provide connections to Light Rail, the existing Route 57 Frequent Bus service, and a planned new bus route which would link Beaverton and Hillsboro along Baseline Road and Main Street.

Preliminary service recommendations include the following:

- Modify Route 46 to link the Intel Jones Farm Campus and Hillsboro Airport, the Fairplex Light Rail Transit Station, Brookwood Parkway and Witch Hazel residential areas, and the South Hillsboro Town Center, potentially utilizing Alexander Street.
- Modify Route 47 to link between the South Hillsboro Town Center, Bethany Village, PCC Rock Creek Campus (with a transfer), and the Silicon Forest employment center including Intel Ronler Acres Campus with potential peak commute 15-minute frequency including connections at the Orenco Light Rail Transit Center and with the Route 57 Frequent Service bus line.
- Potential future enhanced Route 57 transit service subject to the results of an anticipated High Capacity Transit study (longer-term transit enhancement).

Both the Route 46 and Route 47 would terminate initially in the South Hillsboro Town Center area, creating the need for a small transit layover facility with



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operator amenities. This facility should be planned to ensure adequate size and accessibility, have safe and efficient ingress and egress (for transit vehicles, bicycles, and pedestrians), and assure efficient connectivity to the Route 57 transit corridor. It should also consider accommodation of bicycle parking to facilitate bike-to-bus connectivity. Facility siting should also consider potential future expansion of transit service south through the Butternut Creek Village Center and beyond, including potential bus service extension to South Washington County. The Village Center may need to include a similar transit facility to serve as an interim route terminus and layover.

Additional related infrastructure improvements should be designed to provide efficient and safe transit services in South Hillsboro, including safe pedestrian crossings near transit facilities and bus stops, safe and visible bicycle routes with storage facilities at transit layover locations, street designs that easily accommodate transit vehicles maneuvering and structural impacts to pavement surfaces, bus stop pull-outs, shelters, and landing pads that facilitate boarding and de-boarding.

Funding for service recommended in the Plan remains tied to continued economic recovery and operating revenue increases for TriMet. Longer term extension and expansion of service to portions of South Hillsboro south of the Butternut Creek area will depend on factors such as:

- Extension of Cornelius Pass Road across Butternut Creek;
- Development throughout South Hillsboro along the Cornelius Pass Road corridor at densities consistent with the South Hillsboro Zoning Concept; and

- Development of other areas south of South Hillsboro, including South Cooper Mountain, River Terrace including upgraded roadway connections, coupled with inter-jurisdictional cooperation between TriMet, Hillsboro, Washington County, Beaverton, Tigard, Tualatin, and Sherwood.

## 6.2. Public Utilities

A variety of public infrastructure facilities will be needed in South Hillsboro to provide homes, businesses and others with water and sanitary sewer services and to manage the flow and filtration of stormwater. As part of the South Hillsboro Community Planning and Master Planning processes, the approximate location, size and cost of these facilities was determined at a planning level. The location of major water and sanitary sewer lines is based primarily on the location of roads, topography, drainage systems and/or needed facilities to pump water or wastewater uphill. The size of facilities was based on buildout development assumptions for the South Hillsboro area, as well as requirements for serving adjacent areas.

Ultimately, the City's Capital Improvements Plans and Master Plans for sewer and water facilities will be updated to reflect assumptions for South Hillsboro and also guide development of these facilities. Information in this document serves primarily as a set of planning level assumptions intended to guide the overall size and location of facilities, recognizing that more detailed future planning, design and engineering will govern the details of design and construction of major facilities. Similarly, water, sanitary sewer and stormwater conveyance facilities associated with local streets or individual neighborhoods

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will be designed and built as part of the land development process.

### 6.2.1. Water

Typically, the following types of facilities are needed to provide water to an area:

- Treatment plants to ensure that water is clean and drinkable
- Reservoirs to store treated water and large transmission mains to manage distribution to local areas
- Pipes, pump stations, and pressure regulators to distribute the treated water to local homes and businesses

In South Hillsboro, the only water facilities expected to be needed are the local distribution system—pipes, pump stations, and pressure regulators to distribute treated drinking water within local streets. Treatment and large storage facilities that serve South Hillsboro will be located outside the area. While development in South Hillsboro will help fund the cost of these facilities (to the extent they serve new homes and businesses), they are not expected to be located within the South Hillsboro plan area. However, a new high pressure water transmission line from a new storage reservoir in the South Cooper Mountain area is likely to be located in the future Cornelius Pass Road extension corridor to deliver water to an existing transmission line north of Tualatin Valley Highway.

As shown in Figure A-15, the South Hillsboro local distribution pipe network will be generally located along existing and new roads. These pipes will be installed to form a connected loop that ensures adequate water pressure and flow to all users. Temporary connections to existing Tualatin Valley Water District (TVWD)

mains will be made in early stages of South Hillsboro development (pursuant to terms of an intergovernmental agreement between TVWD and the City of Hillsboro). These temporary connections will be replaced with permanent connections newly constructed portions of the City's final loop system as they are developed.

In addition to the new major distribution pipes associated with roadways, Figure A-15 shows the suggested location of additional facilities such as a booster pump station (BPS), pressure reducing valves (PRV), potential temporary connections to existing Tualatin Valley Water District (TVWD) waterlines, and locations of subsurface storage wells called aquifer storage and recovery (ASR) wells that are owned and operated by TVWD and the Joint Water Commission (JWC).

Information about the costs and funding of water facilities is found in the Implementation Actions portion of this document.

### 6.2.2. Sanitary Sewer

Sanitary sewage system facilities are needed to collect wastewater generated in the South Hillsboro area, and convey the flow to the Clean Water Services (CWS) River Road Pump Station, which will force the flow to CWS's Rock Creek Advanced Wastewater Treatment Facility (WWTF) located in Hillsboro but outside of the South Hillsboro plan area. CWS owns and operates pump stations and all sanitary sewer lines 24-inches in diameter and larger. The sanitary sewer main lines located on either side of Butternut Creek, south of the next tributary, and north of Cross Creek, will be constructed by the associated land developments. Figure A-16 shows one potential layout for the main lines and pump stations. Sanitary sewer mains will need to be constructed along and adjacent to the riparian corridors

Community Plan

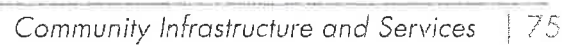
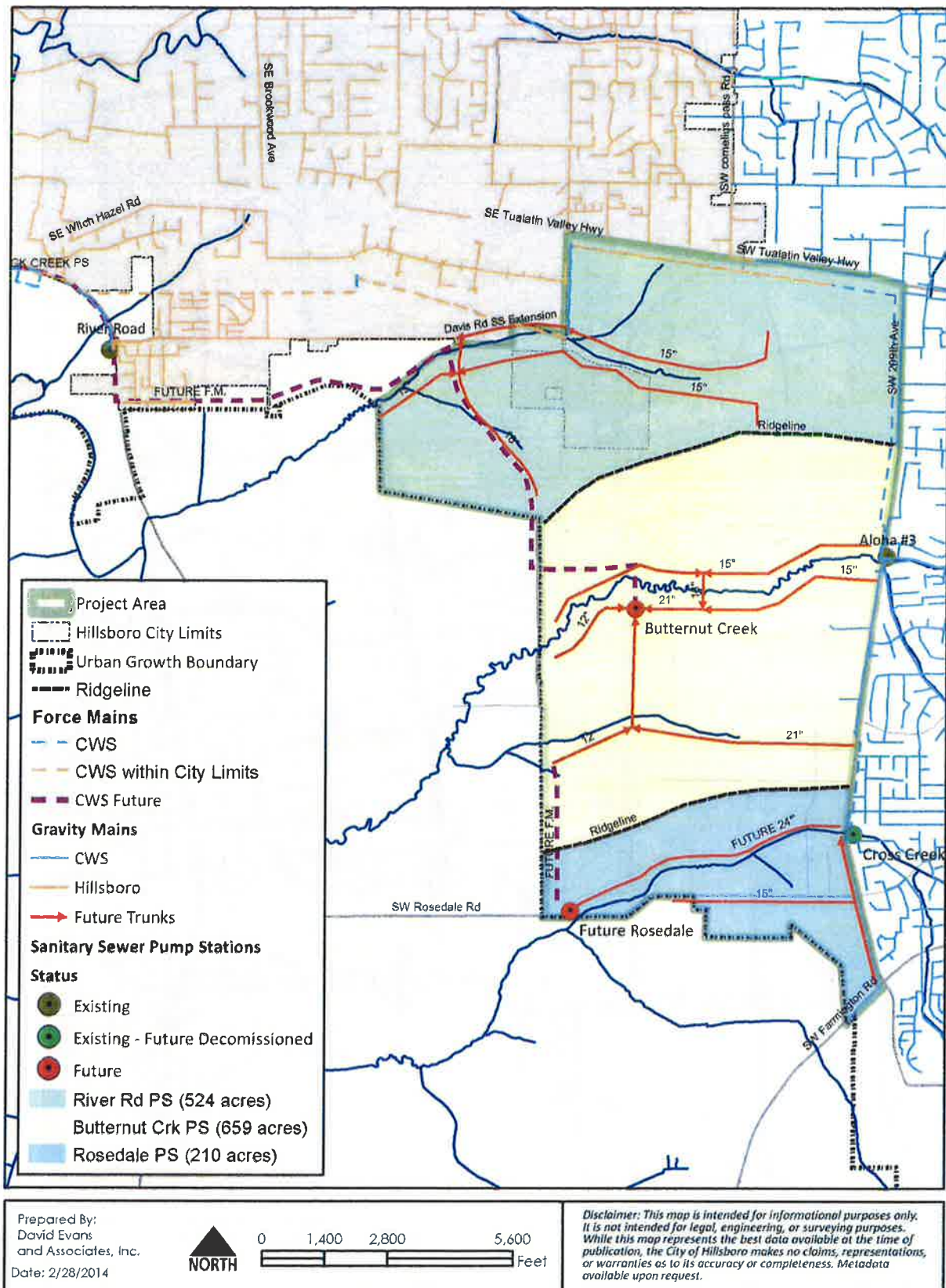




Figure A-16: Sanitary Sewer Facilities and Infrastructure



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of existing stream and sensitive areas and convey flows to either the existing sanitary lines or these new pump stations. Smaller sanitary lines will be constructed within streets at the time of development.

Sewer service to the area north of the first ridgeline will be provided by the extension of the Davis Road trunk line, eastward along Gordon Creek. The service area is approximately 524 acres as shown in green in Figure A-16.

Two new pump stations will ultimately be located in South Hillsboro. The Butternut Creek Pump Station (BCPS) is currently in design, with an anticipated location south of Butternut Creek adjacent to the Butternut Creek property. It will collect flow generated from approximately 659 acres as shown in yellow in Figure A-16. The force main will connect to the River Road Pump Station, which CWS plans to have operational by 2016. Prior to “opening day” operation of the Butternut Creek Pump Station, two gravity trunk line extensions will be required from SW 209th Avenue. The first connection will divert flow from the Aloha 3 Pump Station located approximately 300 feet south of the Aloha 3 Pump Station. The second will divert flow from the Cross Creek Pump Station force main discharge (currently discharging to Aloha 3 Pump Station) located approximately at the SW Vermont Street intersection. This will provide minimum operational flows to Butternut Creek PS prior to receiving future development flows.

The Rosedale Pump Station has been identified by CWS and the agency anticipates construction to serve development generally consistent with Hillsboro’s anticipated phasing of annexation and development of the South Hillsboro area. If development demand is slower than anticipated, this pump station could be

initially constructed to CWS standards by developers. The Pump Station is likely to be located near SW Rosedale Road and SW 229th Avenue. At some future time, CWS will retire the Rosedale Pump Station on SW 209th Avenue. Sanitary flows of the contributing area from North Cooper Mountain as well as the area south of SW Murphy within the South Hillsboro boundary will be routed to the Rosedale Pump Station, which will force the flow north along SW 229th Avenue and discharge to a gravity line eventually arriving at the Butternut Creek Pump Station.

Information about the costs and funding of sanitary sewer facilities is found later in this document.

### 6.2.3. Stormwater Management

Stormwater management within South Hillsboro must meet the City adopted Clean Water Services (CWS) requirements at the time of building plan submittal. The stormwater management requirements may change whenever CWS’s discharge permit is updated by the Department of Environmental Quality or whenever mandated changes in the State and Federal regulations are made.

In general, a site development plan should include water quality treatment and detention (quantity) strategies. Detention strategies shall be designed to minimize impacts from increased stormwater runoff from the road network and all impervious areas on the downstream riparian corridors. Managing stormwater quality and quantity can be achieved by applying a combination of tools and strategies that replicate the natural hydrological conditions of the area. This approach aims to minimize erosion, sedimentation, contaminant discharges, and any other detrimental changes in water flow characteristics. The goal is to prevent impacts to area streams and

riparian corridors. Proposed strategies include the following:

- Piped conveyance to City maintained public regional stormwater quality and detention facilities serving a sub-basin of multiple tenant commercial developments, multi-family, and/or multiple lot single family developments;
- On-site privately owned and maintained stormwater quality and detention facilities where regional stormwater facilities are not feasible due to topography or available land (serving a single tenant commercial lot and/or an individual single family lot);
- Low impact development approach (LIDA) stormwater quality treatment and detention facilities, desired as amenities by private development and maintained by active tenant associations, may be considered to augment the above stormwater management strategies.

The following is a brief description of the main components of the systems noted above.

### Regional Stormwater Facilities

Historically, stormwater water quality and detention has been managed within an individual multiple lot development. While this approach may be suitable for in-fill projects within mostly developed areas, it is not the preferred means for handling stormwater from large areas newly added to the urban growth boundary such as South Hillsboro. Regional stormwater facilities serving an entire sub-basin, located on a dedicated parcel at the lower end of the natural drainage or on a linear tract along a creek corridor, and sited optimally to capture the maximum area within the sub-basin, are preferred. Regional facilities are more efficient for the City to maintain and provide the best protection for the receiving stream. Per unit of stormwater volume treated, these larger facilities are generally less expensive to construct and maintain than multiple smaller facilities spread through a basin. The total annual maintenance cost for fewer, larger facilities is significantly less than for numerous, smaller ones.

Anticipated new federal regulations, to be reflected in future CWS permits, will likely require post-construction controls on stormwater such that new development would

Example of a regional stormwater facility





need to be designed to prevent a significant rise in the peak rate and duration of runoff contributed to streams. CWS will be modifying its design and construction standards within the next two years to reflect this requirement. Regional facilities should be constructed with additional space for future capacity expansion as State and Federal regulatory requirements change. Smaller facilities constructed on space constrained parcels may be difficult to expand in the future.

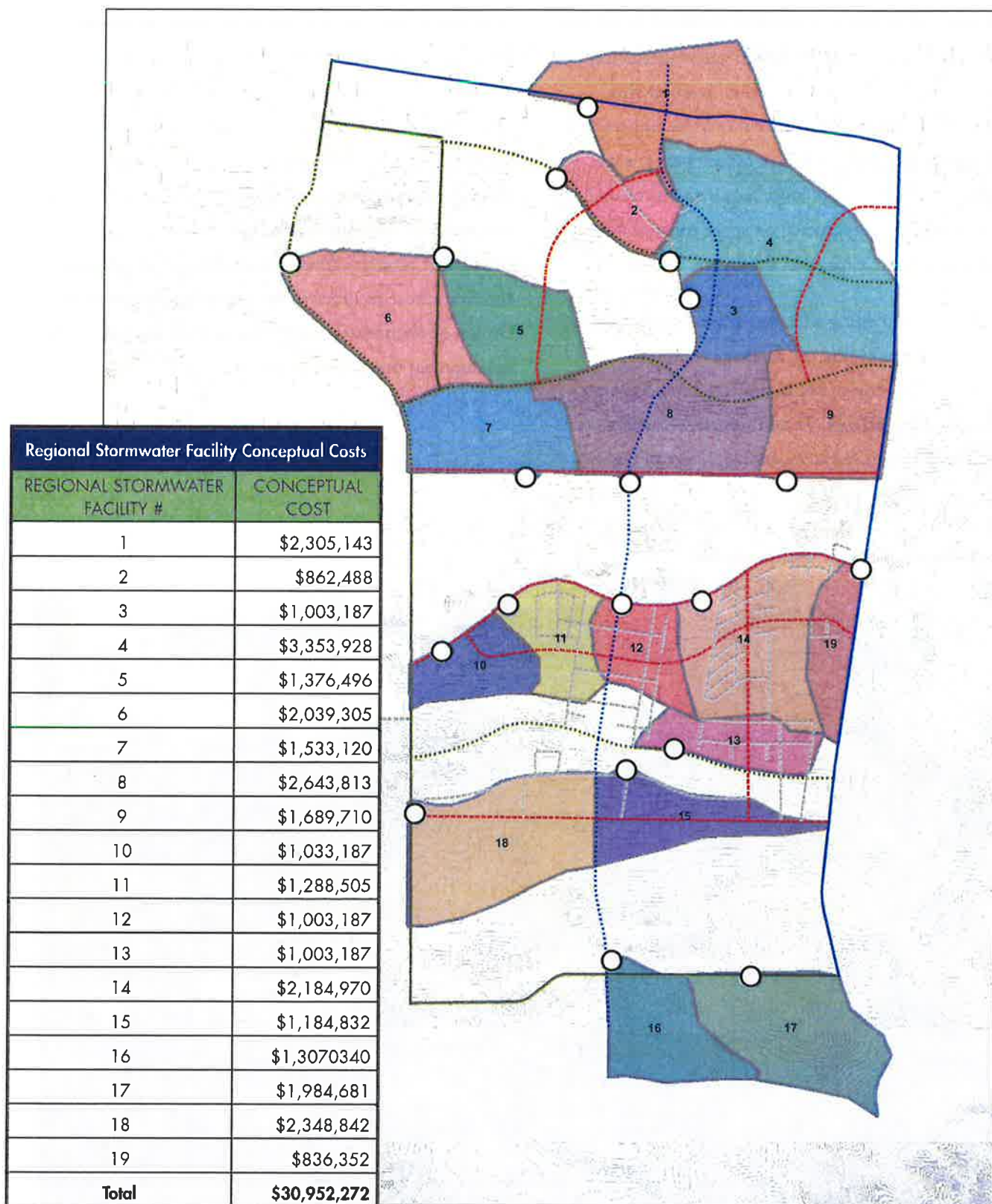
The location and sizing of large regional stormwater facilities involves evaluating drainage conditions, topography, location of roads, projected development levels, and other factors. In addition, land ownership may further influence the location and size of regional

facilities. For example, the number and specific location of facilities may change if a large property owner can direct runoff from multiple catchment areas into a smaller number of larger facilities. Figure A-17 shows the conceptual location and cost of large regional stormwater facilities in South Hillsboro to be refined by area developers' stormwater strategies. Piped conveyance will be needed to convey stormwater from inlets, catch basins and private property development to regional facilities and from those facilities to the stream discharge points. Design of stormwater conveyance systems is a part of the development design review process.

Example of on-site stormwater facility serving Magnolia Park.



Figure A-17: Conceptual Regional Stormwater Facility Map and Conceptual Costs





While the regional stormwater facility approach is recommended wherever possible in South Hillsboro, this tool has challenges that include:

- **Coordination among property owners.** If one property owner is ready to develop, but has to cross through other properties under separate ownership to access a regional stormwater facility and those other property owners are not ready to develop, it may cause costly development delays.
- **Upfront funding.** These shared regional facilities need to be in place for the initial project to develop. That means that someone needs to provide upfront funding, to be reimbursed by subsequent development.
- **Size and location.** While regional facilities may require fewer acres overall, compared to the traditional small site-specific approach, the large-scale facilities will require large, consolidated areas of land accessible to the regional facility by gravity flow. Some initial large area developers may choose to pass the stormwater management facility locations on to the individual site developers to not tie up land for regional stormwater management facilities that could be sold for development. With the smaller sub-basin approach, in some cases the smaller stormwater facilities could be tucked away on otherwise unusable portions of a site.

### On-Site Small Stormwater Facilities

As discussed above, the regional stormwater facility approach has some implementation challenges due to topography and access to available land. When large regional solutions aren't feasible, developers should then look to sites within a sub-basin that serve multiple parcels. Stormwater management facilities proposed to be privately maintained, when other solutions aren't available or practical, will be reviewed by the City on a

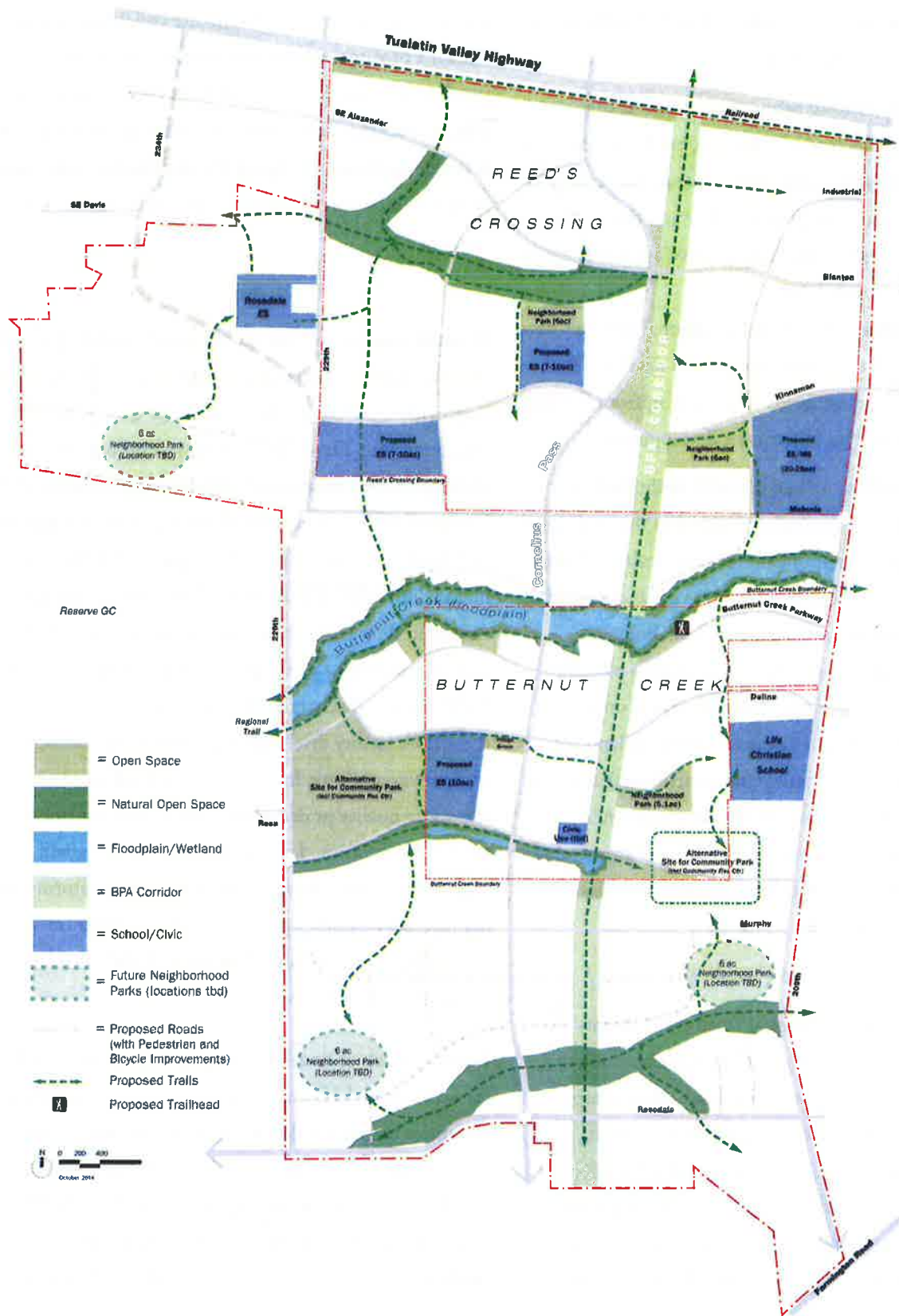
case-by-case basis. Piped conveyance will be needed to convey stormwater from the on-site collection system within a private property development to the on-site small stormwater facilities and from those facilities to the stream discharge points or to the regional facility if that is the destination. Design of the stormwater conveyance system will be part of the development design review process.

### Low Impact Development Approach

Privately maintained low impact development approaches (LIDA) may be desired as an amenity in a development to provide a portion of the stormwater quality treatment and detention. Developers many want to use LIDA techniques for Leadership in Energy & Environmental Design (LEED) credits, site shading, safety, tree canopy and landscaping amenities. Examples of LIDA tools include flow-through planters, planter strips/rain gardens, vegetated filter strips, bioretention swales, green roofs and on-site porous pavement, among others. Unless a LIDA facility discharges directly into a stream corridor, the LIDA facility discharge may need to be connected to a conveyance pipe that goes into a regional or on-site water quality or detention facility downstream of the LIDA facilities. Localized LIDA facilities will not replace the need to have publicly maintained stormwater management facilities prior to discharge either on-site or regionally. Construction of localized LIDA facilities will not receive an SDC credit.

Because much of South Hillsboro's soils are not suitable for infiltration, LIDA approaches may be considered as amenities for private development in limited quantity to augment other stormwater facilities. Maintenance will be a key factor in determining where and how LIDA strategies can be used, given limited public resources available for maintenance of such facilities. In general,

*Figure A-18: Schools, Parks, Trails, and Open Space Locations*





the City will require that an active tenant association exists in the area where LIDA is being considered and a dependable mechanism and agreement are established with the City that the association will maintain the LIDA facilities. Due to maintenance challenges and costs, LIDA facilities will not be used for stormwater management on public roadways constructed as part of the development of a site, and are not desirable in single family residential developments.

## 6.3. Parks, Recreation and Open Space

As the South Hillsboro area develops into a complete community, it is important to plan for and set aside space for parks, which if properly planned, can become focal points for new neighborhoods. Parks are often presented as key amenities for potential homebuyers and have been proven to increase property values for nearby homes.

### 6.3.1. Community and Neighborhood Parks and Open Space

The City of Hillsboro's Parks Department has anticipated growth in the South Hillsboro area and identified the need for seven new parks in South Hillsboro – six neighborhood parks and one community park. Figure A-18 identifies approximate locations for these parks. The locations reflect a logical dispersal of sites that will serve existing and future neighborhoods, providing access to parks for most residents within walking distance. Based on the City's parks and open space acreage standards, the Hillsboro Parks Department has identified the

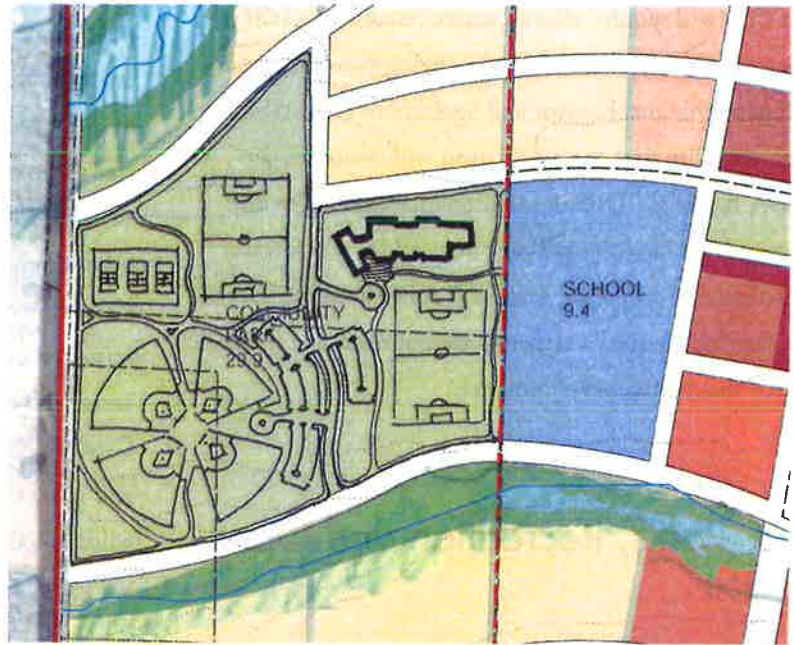
need for approximately 214 acres of parks and open space (with public access) to meet the current level of service of 7.4 acres per 1,000 residents. Table A-2 shows how this estimated need will be met through a combination of neighborhood and community parks, natural areas and other open spaces planned throughout the area. The table indicates that these areas will exceed the City's level of service standards. The table also shows that additional areas which do not count directly towards meeting the City's LOS standards will provide additional open space and natural areas, supporting community livability and wildlife habitat areas.

The Parks Department is currently seeking to acquire land for one large (30-40 acre) Community Park, which will feature an indoor recreation facility and sports fields.

Table A-2: Park and Open Space Level of Service Calculations

Park Areas	Acreage	Notes
Neighborhood Parks in South and NW area (location tbd)	18 ac	
Community Park x 1	29.8 ac	
Newland/Reed's Crossing	38.3 ac	
Neighborhood Parks	12 ac	
Natural Open Space	26.3 ac	
Butternut Creek	34.5 ac	
Neighborhood Park	5.1 ac	
Village Green	1.5 ac	
Open Space	4.3 ac	
Natural Area	11.1 ac	
Floodplain	12.5 ac	
BPA Corridor	52.2 ac	
Newland	21.6 ac	
Open Space between BPA and Corn. Pass	4.3 ac	
Butternut Creek	10 ac	
North and South of Butternut	20.6 ac	
TV Highway Linear Park	11 ac	
Outside of Butternut South of McKinnis	17.9 ac	
Open Space	2.9 ac	
Natural Open Space	15 ac	
"Other" Natural Areas	68 ac	
S Natural Area	30.5 ac	
<b>TOTAL:</b>	<b>285.7 ac</b>	
<b>Additional Acreage not included in LOS</b>	<b>196.2 ac</b>	
Schools	61.1 ac	
Floodplain/Wetland	81.6 ac	
Hanauer	12.5 ac	
Outside of Butternut South of McKinnis	15.6 ac	
NW Natural Area	37.5 ac	
Newland "Private" Parks and Open Space	16 ac	Estimate

This Community Park is anticipated to be located south of Butternut Creek and will ideally be co-located with a school. While this is a preferred location, other options may be considered as shown on Figure A-18. Land will also be needed for at least six Neighborhood Parks, which will serve nearby homes and feature more passive, unprogrammed space. These parks should be six to ten acres each in the Reed's Crossing and Butternut Creek areas where housing and population densities will be higher and more programmed and unprogrammed space will be needed.



Conceptual Village Green design adjacent to the Butternut Creek Village Center.

In addition to formally-identified Community and Neighborhood Parks, there are other types of public spaces that can contribute to the livability and identity of South Hillsboro, such as public plazas in the Town Center, pocket parks or greens within new neighborhoods, and green roofs and courtyards in larger buildings. For example, the Village Center Green identified in the Butternut Creek draft concept plan provides a strong central placemaking feature that can also become a visual amenity for surrounding higher-density land uses.

In addition to parks, there are many opportunities to provide publicly accessible and other open space in the South Hillsboro area, usually on unbuildable and protected land featuring Goal 5 resources such as riparian areas (Butternut Creek is the most visible example), wetlands, upland habitat and steep slopes. These spaces can provide future residents with access to nature, both visually, as backdrops to new development, and recreationally, with trails routed adjacent to sensitive areas. In addition, community garden locations should also be considered where feasible and close to residents,

taking advantage of fertile soils in the South Hillsboro area, while providing a physical link to the area's agricultural heritage.

The 250-foot-wide Bonneville Power Administration (BPA) Pearl-Keeler transmission line easement provides an important opportunity for a significant open space and recreational amenity. The easement includes a 500kV transmission line. The easement effectively creates a swath of open land from Tualatin Valley Highway to SW Farmington Road, intersecting all three major drainages across the site. A major regional trail, the Reedville Trail, is envisioned for the Corridor. Stormwater management facilities and other open space uses also may be desirable within the easement. The Butternut Creek development interest at South Hillsboro has indicated an intention to locate neighborhood parks adjacent to the transmission line in their plans. Development within or adjacent to the transmission line easement will require collaboration with BPA to ensure that planned development meets

Conceptual illustration of Butternut Creek and nearby trail



BPA land use, design, construction, and maintenance standards.

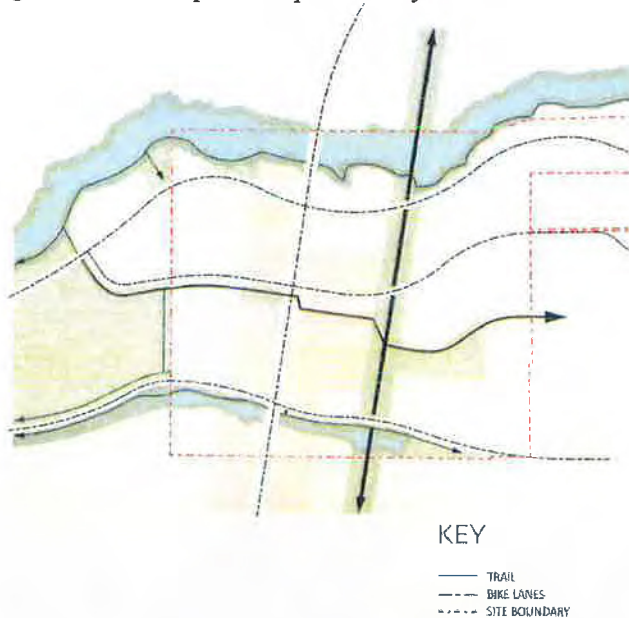
Road and trail connections across the easement are possible but need to be planned to minimize impacts on maintenance and operation of powerlines and supporting towers in the corridor. Certain types of development are not permitted within the easement, particularly those that increase the ground level elevation under the lines, and adjacent landowners may be concerned about potential health effects (perceived or real) and how these impact residential sales. At the same time, the line represents a significant opportunity as a trail and open space corridor and defining amenity for the South Hillsboro area.

The BPA has previously discussed the possibility of doubling the capacity of its Pearl-Keeler line by adding a second set of towers and lines within the existing easement. No date for this expansion has been set. The current lines are designed to a rural standard, which means that the lines are closer to the ground than transmission lines in more urbanized areas. It may be necessary to work with BPA to redesign the existing lines to have adequate clearance for trails or street connections considering line sag.

Implementing any future improvements within the corridor will require continued coordination among all parties – the City, BPA and adjacent property owners –



Figure A-19: Conceptual Looped Trail System



to allow the easement to serve as an amenity for South Hillsboro without compromising its function as an electrical transmission corridor.

### 6.3.2. Trails

A trail network in South Hillsboro can be created out of a range of different trail types, including roadway sidewalks, natural open space trails, and regional connections such as a trail proposed under the BPA transmission line corridor. Trails are an integral part of the transportation network, providing an alternative to auto travel and partially reducing the demand on roads in the new community.

Ideally, a system of trails will be created, connecting open spaces together, linking to other parks and open spaces outside the community, and providing safe routes for children to travel to schools as well as for the elderly to get to civic destinations. Trails can also connect to an integrated system of bike paths and lanes associated with

arterials and collectors to allow commuters to access workplaces safely. Figure A-19 illustrates a conceptual looped trail system that incorporates a combination of trails adjacent to natural areas, trails in proposed community and neighborhood parks and the BPA easement corridor, and on-street (sidewalk or pathway) connections.

### 6.3.3. Location of Parks and Schools

Schools and parks play important roles in creating neighborhood identity. Parks should be centrally-located and easy to access, especially on foot, and should be set aside early in the planning process in places that often include natural amenities such as mature trees.

Schools can also serve as important shapers of community identity. Well-designed and sited schools should have a civic presence and an inviting public edge. Both schools and neighborhood parks generally seek out flat sites that are easy to develop. They also require utility provision, so they should be located to take advantage of existing infrastructure.

Figure A-18 shows approximate locations of parks, trails and open spaces based on work conducted during the Master Planning process, including coordination with Reed's Crossing, Butternut Creek and other property owners. The conceptual system of schools, parks, and open space in South Hillsboro is designed such that all residences are within one-half mile of a park or open space facility, as shown in Figure A-20, in accordance with goals set forth in the City of Hillsboro Parks and Recreation Department's Parks and Trails Master Plan.

Figure A-20: Park Catchment Areas





The conceptual system design also features extensive co-location of parks and schools. There are a number of benefits collocating parks and schools, including:

- Efficiencies in land needs and construction cost from sharing facilities such as parking and sports fields that would otherwise need to be exclusively provided.
- Takes advantage of divergent scheduling of each use. Parks are usually busiest nights and weekends, while schools are out of bounds during the day.
- Benefits from sharing operations and maintenance funding and logistics.

In designing co-located park and school facilities, care should be taken to avoid potential issues associated with collocated facilities. For example, facilities should be designed to ensure that large facilities do not hamper connectivity within neighborhoods. In addition, signage and other strategies to clearly delineate where community members can and cannot be at certain times to address security issues associated with schools.

The locations of these facilities may be refined during subsequent development and facility siting processes undertaken by property owners and developers, the City of Hillsboro Parks and Recreation Department and/or the Hillsboro School District. However, ultimate locations will be guided by the planning principles and policies identified in this document and in Chapter 31 of the Hillsboro Comprehensive Plan.

## 6.4. Other Public Facilities and Services

Other services to be provided in South Hillsboro include library, police, fire and emergency response services.

The City of Hillsboro will provide police services in the area. Most services will be managed through the City's Central police facility, although a community policing office is expected to be located in the South Hillsboro Town Center to provide more direct access to police personnel for South Hillsboro residents and businesses. Hillsboro Fire Department is also evaluating service plans in South Hillsboro, and may site new facilities in the vicinity depending on development timing, adequacy of existing stations, and mutual aid agreements with Tualatin Valley Fire & Rescue.

The City of Hillsboro plans to open a branch library in South Hillsboro in the Reed's Crossing area. The library is expected to be an approximately 8,000 square foot branch, with a possibility of future expansion to continue serving a growing population in the area. Given the distance from this location to existing Library branches and the Aloha Library, this will be adequate to serve the area even with the increases in density.

## 6.5. Natural Resources

The plan area is located in the Middle Tualatin-Rock Creek Watershed within three sub-water-sheds including Middle Tualatin-Gordon Creek, Butternut Creek, and Middle Tualatin-Rosedale Creek. The Tualatin River flows southerly near the western boundary of the urban reserve area. Several tributaries to the Tualatin River flow west/southwesterly through the site, including Gordon Creek, Butternut Creek, a Butternut Creek tributary, Rosedale Creek (also referred to as Hazeldale Creek), and an unnamed Tualatin River tributary that originates immediately west of the Reserve Vineyards and Golf Club and joins the Tualatin River at approximately river mile 36.5.

Wetlands and other natural resources in portions of the South Hillsboro area were mapped in 2001 for a portion of the South Hillsboro area in the City of Hillsboro Goal 5 Natural Resources Inventory and Assessment. In 2014, wetlands and other natural areas in the remainder of the area were mapped by consultants to the City of Hillsboro and several area property owners. In many cases, wetland and natural resource boundaries mapped in the inventory are approximate and are intended for general planning purposes only. For example, wetland areas are not the result of formal wetlands “delineations” in most cases. Significant riparian corridors and upland wildlife habitat were also mapped along Gordon Creek and Butternut Creek in the City’s Goal 5 inventory. Remaining significant riparian corridors and upland wildlife habitat were mapped during 2014. In addition, a formal wetland delineation has been prepared by the Oregon Department of State Lands (DSL) for the portion of Gordon Creek located east of SW 229th Avenue in Reed’s Crossing.

Natural resources determined to be significant and their Impact Areas have been or will be added to the Significant Natural Resource Overlay (SNRO) District as part of the rezoning process. An Economic, Social, Environmental, and Energy (ESEE) Consequences Analysis has been conducted for the Significant Natural Resource (SNR) sites added to the SNRO District. The SNRO District and associated development code provisions will govern how natural resource areas are protected in this area, including whether development is and its impacts are prohibited, avoided, managed or mitigated. In addition to the City’s SNRO District, the City is a partner in the Tualatin Basin Fish & Wildlife Habitat Program. This is a voluntary program that encourages the use of Habitat Friendly Development Practices, including Low Impact Development (LID) techniques, designed to reduce the environmental impacts

of new development and remove barriers to their utilization. The intent is to provide flexibility in the land development ordinances to encourage the protection of qualified Habitat Benefit Areas.

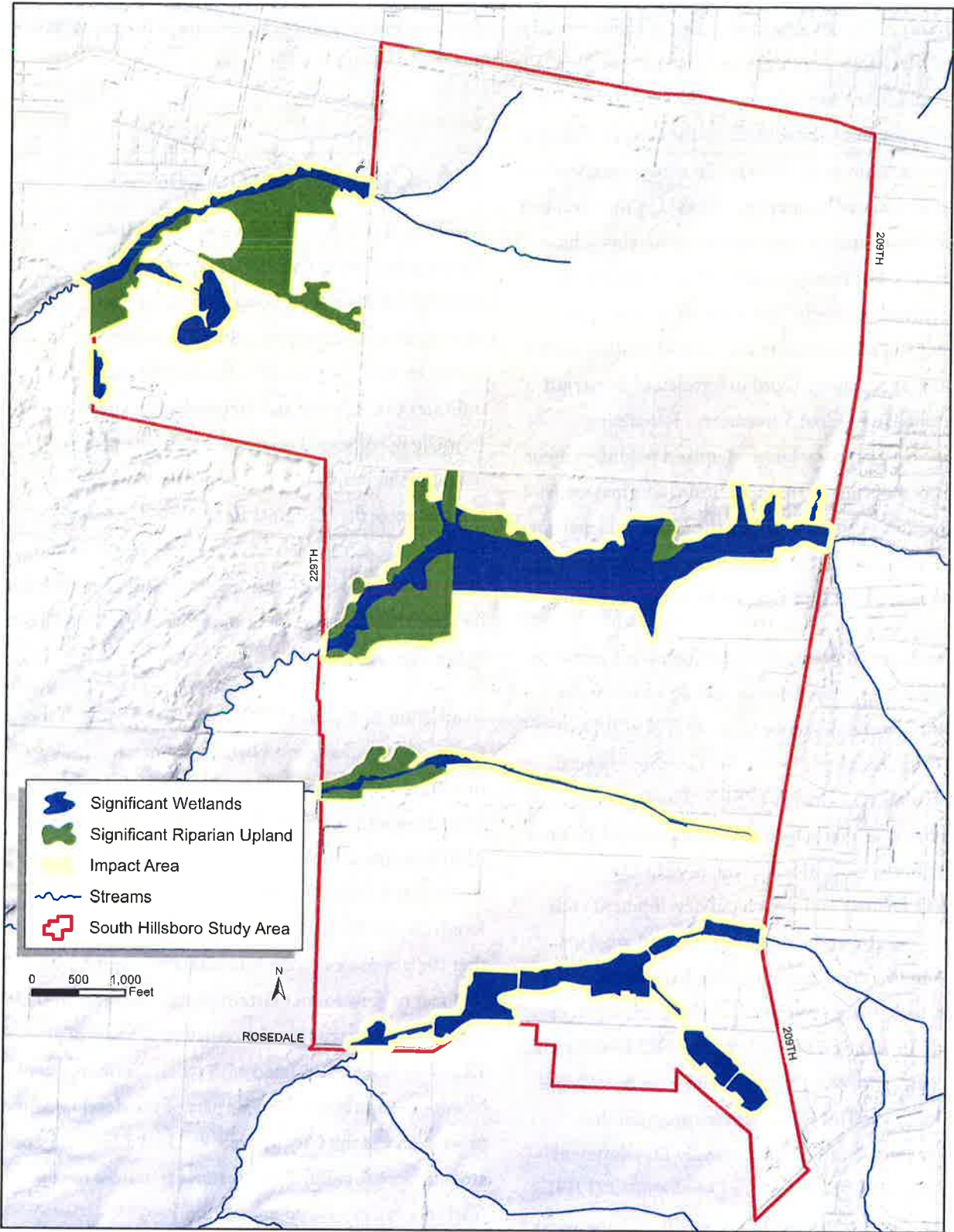
## 6.6. Cultural Resources

An archival search at the Oregon State Historic Preservation Office (SHPO) was conducted to determine if known prehistoric or historic archaeological sites or other documented cultural resources are present within or near the plan area. The SHPO database indicates that historic and archaeological sites not formally documented do occur within the plan area, including an unmarked cemetery. The cemetery is referred to as the “Original Reed Farm Cemetery” or the “Ladd-Reed Cemetery.” No survey report or site form is associated with this resource. SHPO records also indicate that Native American archaeological sites exist in the Plan Area.

In addition to the SHPO database, the records of the Oregon Commission on Historic Cemeteries indicate that another nameless cemetery is located in Section 14 of Township 1 South, Range 2 West, Willamette Meridian. The cemetery is documented in the Oregon Burial Site Guide. The cemetery is located south of Reedville, on the Ladd-Reed farm. The guide states that the gravestones were intentionally covered with 2 to 3 feet of soils so that farming could continue in the area. It is estimated that the cemetery consists of 10 to 12 graves. Issues associated with cultural resources will be addressed in more detail as part of the development process and as the City updates its Goal 5 inventory or environmental, cultural and historic resources for the plan area subsequent to annexation.



Figure A-21: Natural Resources



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# 7

## Implementation Actions and Strategies

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## 7.1. Overview

A variety of different types of actions will be needed to implement the planning strategies and policies incorporated in this document and Chapter 31 of the Comprehensive Plan, including but not limited to the following actions.

### Amendments to implementing plans and ordinances

Proposed amendments to the Hillsboro Community Development Code will be submitted to the City's Planning Commission and City Council for concurrent review and adoption.

### Infrastructure Financing Plans

The City is preparing a transportation financing program to describe the cost and phasing of major transportation facility improvements and private development and the sources of funds and financing mechanisms that will be used to pay for their design and construction. The City is also preparing a financing plan to describe the cost and financing of parks, recreation, and open space amenities and other infrastructure.

### Key, catalytic public and private investments.

A number of key infrastructure and other projects can help the City and property owners reach priority development and community goals. Examples in South Hillsboro include the following, among others:

- Purchase of land for and construction of public facilities, including parks, schools, and designated open space.

- Construction of roads, trails, and other transportation infrastructure.
- Creation of key gateways and wayfinding elements to identify and brand South Hillsboro.
- Creation of initial phases of the Reed's Crossing Town Center, Butternut Creek Village Center, and South Hillsboro West development that will spur additional, future investment and development.
- Initial development of lower-density housing products in the western portion of South Hillsboro, addressing the City's current demand for these types of "executive housing" products.

### Annexation and application of zoning

After adoption of the updated Community Plan and associated Community Development Code provisions, proposed development areas will need to be annexed into the City and specific zoning will need to be applied prior to development.

### Public Infrastructure Availability.

Annexation of South Hillsboro property requires the assurance that adequate public services and facilities are available, or will be made available, to accommodate the added burdens imparted by development. To assure timely availability of infrastructure, such as multi-modal transportation capacity and downstream sewer capacity, technical evaluations including detailed transportation and municipal utility impact studies will be required of proposed development to advise Annexation Agreements and/or Development Agreements.

Identifying and securing the commitments to assure adequacy of municipal facilities, including public transportation and other utility systems, either in advance of or in conjunction with proposed development,

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will assure operational capacity in accordance with adopted performance standards. Funding for needed improvements, including its phased development, will be integrated with Infrastructure Financing Plans to ensure that necessary on-and-off-site transportation improvements, along with other capital improvements, are constructed in time to serve new development.

### South Hillsboro transportation studies

Assuring that the cumulative impacts of transportation growth associated with development in South Hillsboro are monitored and managed effectively will be essential to providing timely construction of identified new transportation capacity improvements within the South Hillsboro transportation impact area. Amendments to the Community Development Code will be adopted to assure that the transportation studies required with each development are cumulative in nature, consistent with trip distribution patterns and multi-modal useage assumptions of the comprehensive transportation impact study, and sufficiently expansive as to address monitoring of operational performance throughout the South Hillsboro impact area which extends between Rock Creek and 185th Avenue, from Farmington Road to north of TV Highway.

### Annexation and/or development agreements

The City previously signed two memoranda of understanding (MOUs) with each of the major landowners in the area – Hagg Lane LLC (Butternut Creek area) and Newland Communities (Reed's Crossing area). The City will use these MOUs and subsequent discussions to enter into legally binding agreements with these property owners at the time of annexation that will specify the roles and responsibilities of the City, property

owner, and potentially other properties. These agreements and new agreements with other South Hillsboro property owners will establish allowable levels of development, consistent with limits on development impacts to public transportation and utility infrastructure associated with such development. Agreements will be consistent with the policies outlined in Section 31 of the Hillsboro Comprehensive Plan.

### Branding and marketing

As the City is interested in proactively attracting residents and business owners to locate in South Hillsboro and attracting developers or builders to develop portions of the area, the City will continue to collaborate with major property owners in initiating their own City marketing and branding efforts. For example, the City is exploring the creation of a Citywide wayfinding system that includes gateway elements, which would be extended to the South Hillsboro plan area. Developers have also indicated their desire to separately brand their individual developments, which should align with Citywide visions for the sense of place in South Hillsboro and the overall wayfinding system design.

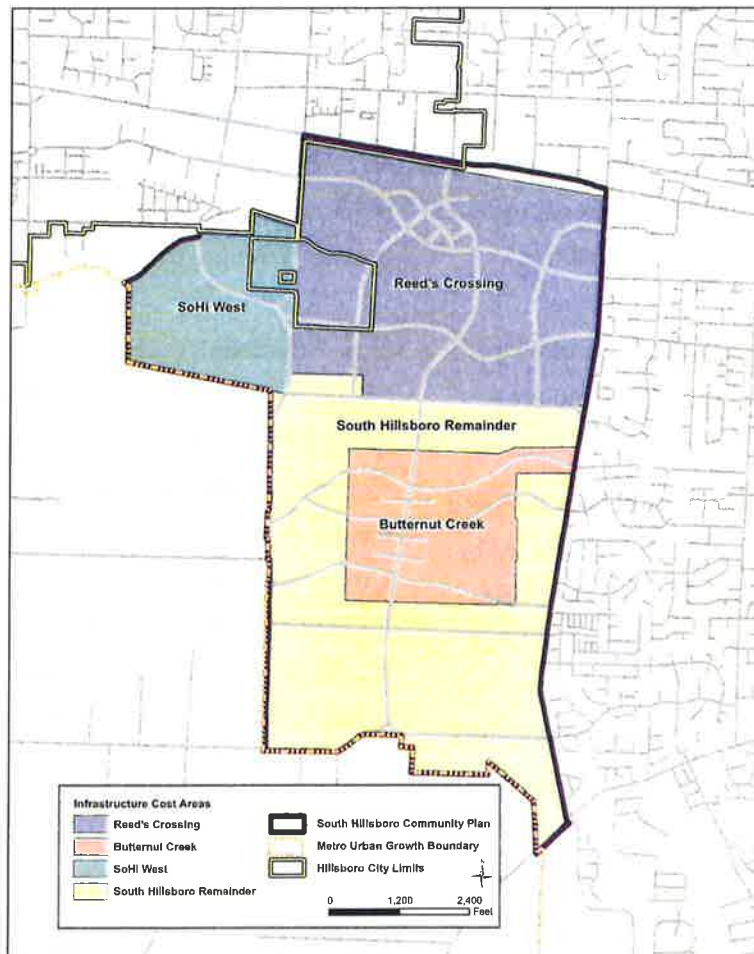
## 7.2. Infrastructure Costs

Costs for public facilities have been estimated for water, sanitary sewer, stormwater, parks and recreation and transportation facilities in South Hillsboro. Costs have been broken out by major sub-area (see Figure A-22), including:

- Reed's Crossing
- Butternut Creek
- South Hillsboro West
- Remaining portions of South Hillsboro



Figure A-22: South Hillsboro Sub-Areas



The following text and tables summarize these cost and the methods and assumptions that were used to estimate them.

Following is a summary of cost methodologies and estimates for transportation, water, sanitary sewer, parks and other facilities.

### 7.2.1. Cost Estimating Methods and Assumptions

Costs were estimated for specific facilities identified in Chapter 6 of this Plan. Costs are “planning level” estimates based on unit costs, though transportation system costs are considerably more advanced yet not

final. They are not based on detailed design of specific facilities and will need to be refined in the future as part of subsequent detailed design processes. Additional assumptions include the following:

- Costs for water and sanitary sewer pipes only include major distribution and collection pipes located along collector and arterial roads or along drainages associated with sanitary sewer collection. Smaller pipes located on local streets will be constructed and paid for by developers as part of the development process and those costs are not included here.
- Costs for water and sanitary sewer pipes include the cost of materials and construction, including piping,

bedding, backfill and surface preparation. They also include costs associated with overhead and profit, engineering and construction management and contingency. Right-of-way costs are not included for these facilities because they are expected to be located within street rights-of-way which are already included in transportation cost estimates or with utility easements.

- In general, sanitary sewer pipe sizes were developed based on the land use anticipated flows and the existing contours along the roadways.
- Sanitary sewer pump station cost estimates are based on preliminary pump station locations developed by Clean Water Services (CWS). Because the pump station locations have not been finalized, CWS has not developed anticipated construction costs for the pump stations. Therefore, the City's consultant made an assumption regarding the pump station costs. The complete pump station cost includes wet well, piping, pumps, control building, and backup generator. Once CWS finalizes the locations, these costs can be updated.
- For water and sanitary sewer facilities, the City has calculated projected costs for publicly-funded oversizing to ensure that facilities are large enough to serve the study area, as well as any other nearby areas that contribute water or sewer flows to the system within South Hillsboro. Cost tables show these figures which are also part of the overall cost figures shown.

Transportation system costs have been developed for off-site identified deficiencies, as well as internal and edge Collector and Arterial class roadways based upon unit costs from public bid projects, adjusted to reflect anticipated cost savings for significant elements that are likely to be constructed by private development. In

addition, the costs directly associated with design, right of way, and construction of bicycle lanes on neighborhood routes within South Hillsboro have been included. Local streets that service commercial and residential areas and are funded directly by development, thus are not evaluated, as they do not provide direct benefit to the broader travelling public.

Costs reflect anticipated use of asphaltic concrete paving meeting a 20-year design life on roadways slated for County jurisdiction, and use of a mix of Asphaltic Concrete and Portland Cement Concrete streets meeting a 40-year design life on roadways slated for City jurisdiction. Varying contingencies are included for hard costs and soft costs, reflecting the range of complexity of individual roadway segments. For instance, improvements on SW 209th Avenue will be more complex to design and construct than a similarly sized roadway in the greenfields of new South Hillsboro development.

Roadway costs have been segregated into their "Local Street" costs and their "Added Capacity" costs. "Local Street" component costs specifically assume 34 feet of pavement curb-to-curb with roadside planters, streetlights, street trees, and sidewalks within a 56 foot right of way. Additional roadway travel lane widening, and added costs associated with thicker pavement structural sections, are reflected in the "Added Capacity" cost components. For both, the current value of right of way has been established at \$6 per square foot. Separation of "Local Street" costs from "Added Capacity" costs allows for determination of "Regional Share" cost allocation, which recognizes that regional traffic will utilize a portion of the "Added Capacity" built on the new and improved roadways in South Hillsboro.

Traffic modeling has been utilized to establish for each roadway segment the share of projected 2012 urban growth boundary buildout traffic which does not have a trip origin or destination in South Hillsboro. The resulting “Regional Share”, which varies by roadway segment, has been applied to the “Added Capacity” costs to determine a reasonable estimate of the public road infrastructure costs which may need to be identified from sources outside of new South Hillsboro development. Final establishment of transportation system costs, and the revenue structure to fund those costs, will be adopted through a South Hillsboro Financing Program and potential System Development Charge Methodology Report.

### 7.2.2. Cost & Revenue Tables

Cost and revenue tables on subsequent pages illustrate improvements necessary to implement planned development in South Hillsboro. Tables A-3 through A-6 summarize costs for each facility type by major sub-area, as illustrated in Figure A-22. Table A-7 summarizes off-site improvement costs, and Table A-8 summarizes projected civic improvements in South Hillsboro. Table A-9 consolidates improvements in each sub-area to show overall costs for necessary improvements across South Hillsboro, based on projected residential units and commercial building square footage.

## 7.3. Infrastructure Funding Strategies and Responsibilities

In Oregon, jurisdictions can impose System Development Charges (SDCs) for water, wastewater, storm drainage, transportation, and parks and schools. Two types of SDCs are allowed: improvement (new infrastructure

that must be provided to serve new development); and reimbursement (a portion of the existing remaining capacity within existing infrastructure that new development will utilize). SDC fees can be structured to recover ‘other costs’ (planning, compliance reporting) and annual inflation. Beyond SDCs, other funding options may also provide adequate revenue to complete necessary infrastructure improvements. These funding strategies are discussed below for each category of improvement.

### 7.3.1. Transportation

Funding for transportation system improvements will come primarily from new private development in South Hillsboro, with supplemental funding anticipated from potential “Regional Share” sources which could include in part funding through the County’s Major Streets Transportation Improvement Program (“MSTIP”), as well as other non-South Hillsboro funding sources. The composition of South Hillsboro development funding source(s) should be established prior to annexation of properties within South Hillsboro, and would be adopted through the South Hillsboro Financing Program, a potential supplemental System Development Charge Methodology Report and implementing Ordinance, and other potential adopted funding mechanisms.

As described in Section 7.1, transportation system costs were calculated to differentiate between “Local Street” costs and “Added Capacity” costs. This was done both to create a foundation for evaluating the “Regional Share” costs, as well as to establish a necessary understanding of “Local Street” costs. These costs would need to be collected from South Hillsboro development to fund “Local Street” right of way acquisition, design, and construction cost components of anticipated gaps in the required Collector/Arterial roadway network where it

Table A-3: Reed's Crossing Conceptual Cost Summary

Reed's Crossing Conceptual Cost Summary	
ITEM	2014 TOTAL
OPEN SPACE AMENITIES	
NEIGHBORHOOD/COMMUNITY PARKS	\$7,080,485
NATURE PARKS	\$7,048,371
DEVELOPED GREENWAYS/TRAILS	\$1,760,077
INDOOR FACILITIES/CENTERS/AQUATICS	\$0
<b>SUBTOTAL FOR AMENITIES</b>	<b>\$15,888,933</b>
TRANSPORTATION	
SYSTEM IMPROVEMENTS	\$55,837,000
<b>SUBTOTAL FOR TRANSPORTATION</b>	<b>\$55,837,000</b>
SANITARY SEWER	
15" TRUNK LINE	\$3,874,255
BUTTERNUT CREEK PUMP STATION	\$914,094
<b>SUBTOTAL FOR SANITARY SEWER</b>	<b>\$4,788,349</b>
WATER SYSTEM	
SW CORNELIUS PASS ROAD EXTENSION	\$2,009,280
SW KINNAMAN ROAD	\$1,584,000
SW 209TH AVENUE	\$1,071,360
SW 229TH AVENUE	\$135,360
SW ALEXANDER / BLANTON STREET	\$2,524,560
SW 212 AVENUE / INDUSTRIAL WAY	\$394,560
SW MCINNIS LANE	\$551,520
<b>SUBTOTAL FOR WATER</b>	<b>\$8,270,640</b>

Table A-4: Butternut Creek Conceptual Cost Summary

Butternut Creek Conceptual Cost Summary	
ITEM	2014 TOTAL
OPEN SPACE AMENITIES	
NEIGHBORHOOD/COMMUNITY PARKS	\$3,876,565
NATURE PARKS	\$2,733,589
DEVELOPED GREENWAYS/TRAILS	\$950,442
INDOOR FACILITIES/CENTERS/AQUATICS	\$0
<b>SUBTOTAL FOR AMENITIES</b>	<b>\$7,560,596</b>
TRANSPORTATION	
SYSTEM IMPROVEMENTS	\$21,487,000
<b>SUBTOTAL FOR TRANSPORTATION</b>	<b>\$21,487,000</b>
SANITARY SEWER	
15" TRUNK LINE	\$813,450
21" TRUNK LINE	\$1,974,550
CREEK CROSSING	\$16,300
BUTTERNUT CREEK PUMP STATION	\$1,387,440
<b>SUBTOTAL FOR SANITARY SEWER</b>	<b>\$4,191,740</b>
WATER SYSTEM	
SW CORNELIUS PASS ROAD EXTENSION	\$1,383,360
SW 209TH AVENUE	\$135,360
TO/FROM SW CORNELIUS PASS ROAD EXTENSION	\$995,760
CREEK CROSSING	\$44,000
<b>SUBTOTAL FOR WATER</b>	<b>\$2,558,480</b>

Table A-7: Off-Site Conceptual Cost Summary

South Hillsboro Off-Site Conceptual Cost Summary	
ITEM	2014 TOTAL
TRANSPORTATION	
SYSTEM IMPROVEMENTS	\$99,348,000
<b>SUBTOTAL FOR TRANSPORTATION</b>	<b>\$99,348,000</b>



Table A-5: South Hillsboro West Conceptual Cost Summary

South Hillsboro West Conceptual Cost Summary	
ITEM	2014 TOTAL
OPEN SPACE AMENITIES	
NEIGHBORHOOD/COMMUNITY PARKS	\$3,540,242
NATURE PARKS	\$0
DEVELOPED GREENWAYS/TRAILS	\$0
INDOOR FACILITIES/CENTERS/AQUATICS	\$0
<b>SUBTOTAL FOR AMENITIES</b>	<b>\$3,540,242</b>
TRANSPORTATION	
SYSTEM IMPROVEMENTS	\$10,388,000
<b>SUBTOTAL FOR TRANSPORTATION</b>	<b>\$10,388,000</b>
SANITARY SEWER	
15" TRUNK LINE	\$669,900
18" TRUNK LINE	\$1,083,240
CREEK CROSSING	\$11,000
<b>SUBTOTAL FOR SANITARY SEWER</b>	<b>\$1,764,140</b>
WATER SYSTEM	
SW 234TH AVENUE	\$990,720
SW KINNAMAN ROAD EXTENSION	\$135,360
SW 229TH AVENUE	\$135,360
SW MCINNIS LANE	\$40,320
CREEK CROSSING	\$5,500
<b>SUBTOTAL FOR WATER</b>	<b>\$1,307,260</b>

Table A-8: Civic Amenities Conceptual Cost Summary

Civic Amenities Conceptual Cost Summary	
ITEM	2014 TOTAL
1 SCHOOL SITE, SOUTH HILLSBORO WEST	Constructed
3 SCHOOL SITES, REED'S CROSSING	Land Purchased
1 SCHOOL SITE, BUTTERNUT CREEK	Optioned
1 COMMUNITY POLICING OFFICE	\$4,953,000
1 LIBRARY BRANCH, REED'S CROSSING	\$8,034,000
<b>SUBTOTAL FOR CIVIC AMENITIES, (EXCLUDING SCHOOLS)</b>	<b>\$12,987,000</b>

Table A-6: Remainder of South Hillsboro Conceptual Costs

Remainder of South Hillsboro Conceptual Cost Summary	
ITEM	2014 TOTAL
OPEN SPACE AMENITIES	
NEIGHBORHOOD/COMMUNITY PARKS	\$27,731,899
NATURE PARKS	\$24,347,699
DEVELOPED GREENWAYS/TRAILS	\$800,035
INDOOR FACILITIES/CENTERS/AQUATICS	\$25,502,600
<b>SUBTOTAL FOR AMENITIES</b>	<b>\$78,382,233</b>
TRANSPORTATION	
SYSTEM IMPROVEMENTS	\$67,965,000
<b>SUBTOTAL FOR TRANSPORTATION</b>	<b>\$67,965,000</b>
SANITARY SEWER	
12" TRUNK LINE	\$831,600
15" TRUNK LINE	\$3,250,610
21" TRUNK LINE	\$617,780
24" TRUNK LINE	\$2,044,845
CREEK CROSSING	\$5,400
BUTTERNUT CREEK PUMP STATION	\$2,558,559
ROSEDALE PUMP STATION	\$1,918,600
<b>SUBTOTAL FOR SANITARY SEWER</b>	<b>\$11,227,394</b>
WATER SYSTEM	
SW CORNELIUS PASS ROAD EXTENSION	\$1,700,160
SW MCINNIS LANE	\$966,240
SW HAGG LANE	\$276,480
SW MURPHY LANE	\$1,391,040
SW 209TH AVE.	\$1,549,440
SW 229TH AVE.	\$3,200,220
SW ROSEDALE ROAD	\$1,452,960
CREEK CROSSING	\$33,100
<b>SUBTOTAL FOR WATER</b>	<b>\$10,559,640</b>

Table A-9: Conceptual Cost & Revenue Comparison

	Units	Square Feet	Water	Sanitary Sewer	Transportation	Open Space Amenities
<b>Reed's Crossing</b>						
<b>Cost Estimate</b>			<b>\$8,270,640</b>	<b>\$4,788,349</b>	<b>\$55,837,000</b>	<b>\$15,888,933</b>
Non-Creditable Local Streets					\$21,228,000	
<b>Oversizing Cost Estimate</b>			<b>\$1,675,080</b>	<b>\$2,722,079</b>	<b>\$34,609,000</b>	
<b>Oversizing Revenue Estimate (Existing SDC)</b>						
Residential	3,856		\$23,837,792	\$18,894,400	\$23,964,782	\$15,701,632
Commercial		300,000	\$831,333	\$755,883	\$3,857,940	\$0
Civic/Parks					\$829,140	
<b>Total</b>	<b>3,856</b>	<b>300,000</b>	<b>\$24,669,625</b>	<b>\$19,650,283</b>	<b>\$28,651,862</b>	<b>\$15,701,632</b>
<b>Surplus (Deficit)</b>			<b>\$22,994,545</b>	<b>\$16,928,204</b>	<b>(\$5,957,138)</b>	<b>(\$187,301)</b>
<b>Butternut Creek</b>						
<b>Cost Estimate</b>			<b>\$2,558,480</b>	<b>\$4,191,740</b>	<b>\$21,487,000</b>	<b>\$7,560,596</b>
Non-Creditable Local Streets					\$7,834,000	
<b>Oversizing Cost Estimate</b>			<b>\$851,680</b>	<b>\$2,996,998</b>	<b>\$13,653,000</b>	
<b>Oversizing Revenue Estimate (Existing SDC)</b>						
Residential	1,221		\$7,548,222	\$5,982,900	\$7,514,203	\$4,971,912
Commercial		50,000	\$98,000	\$78,944	\$915,030	\$0
Civic/Parks					\$762,408	
<b>Total</b>	<b>1,221</b>	<b>50,000</b>	<b>\$7,646,222</b>	<b>\$6,061,844</b>	<b>\$9,191,641</b>	<b>\$4,971,912</b>
<b>Surplus (Deficit)</b>			<b>\$6,794,542</b>	<b>\$3,064,846</b>	<b>(\$4,461,359)</b>	<b>(\$2,588,684)</b>
<b>South Hillsboro West</b>						
<b>Cost Estimate</b>			<b>\$1,307,260</b>	<b>\$1,764,140</b>	<b>\$10,388,000</b>	<b>\$3,540,242</b>
Non-Creditable Local Streets					\$3,430,000	
<b>Oversizing Cost Estimate</b>				<b>\$920,531</b>	<b>\$6,958,000</b>	
<b>Oversizing Revenue Estimate (Existing SDC)</b>						
Residential	541		\$3,344,462	\$2,650,900	\$4,110,187	\$2,202,952
Commercial		0	\$0	\$0	\$0	\$0
Civic/Parks					\$8,274	
<b>Total</b>	<b>541</b>		<b>\$3,344,462</b>	<b>\$2,650,900</b>	<b>\$4,118,461</b>	<b>\$2,202,952</b>
<b>Surplus (Deficit)</b>			<b>\$3,344,462</b>	<b>\$1,730,369</b>	<b>(\$2,839,539)</b>	<b>(\$1,337,290)</b>



	Units	Square Feet	Water	Sanitary Sewer	Transportation	Open Space Amenities
<b>Remainder of South Hillsboro</b>						
Cost Estimate			\$10,569,640	\$11,227,394	\$67,965,000	\$78,382,233
Non-Creditable Local Streets					\$8,799,000	
Oversizing Cost Estimate			\$1,933,370	\$8,020,317	\$59,166,000	
Oversizing Revenue Estimate (Existing SDC)						
Residential	2,087		\$12,901,834	\$10,226,300	\$16,043,042	\$8,498,264
Commercial		0	\$0	\$0	\$0	\$0
Civic/Parks						
Total	2,087		\$12,901,834	\$10,226,300	\$16,060,969	\$8,498,264
<b>Surplus (Deficit)</b>			<b>\$10,968,464</b>	<b>\$2,205,983</b>	<b>(\$43,105,031)</b>	<b>(\$69,883,969)</b>
<b>South Hillsboro Off-Site</b>						
Cost Estimate					\$99,348,000	
Non-Creditable Local Streets						
Oversizing Cost Estimate					\$99,348,000	
<b>Surplus (Deficit)</b>					<b>(\$99,348,000)</b>	
<b>ALL AREAS</b>						
Cost Estimate			\$22,706,020	\$21,971,623	\$255,025,000	\$105,372,004
Non-Creditable Local Streets					\$41,291,000	
Oversizing Cost Estimate			\$4,460,130	\$14,659,925	\$213,734,000	
Oversizing Revenue Estimate (Existing SDC)						
Residential	7,705		\$47,632,310	\$37,754,500	\$51,632,214	\$31,374,760
Commercial		350,000	\$929,833	\$834,827	\$4,772,970	\$0
Civic/Parks					\$1,617,749	
Total	7,705	350,000	\$48,562,143	\$38,589,327	\$58,022,933	\$31,374,760
<b>Surplus (Deficit)</b>			<b>\$44,102,013</b>	<b>\$23,929,402</b>	<b>(\$155,711,067)</b>	<b>(\$73,997,244)</b>
<b>Supplemental Revenue Estimate</b>					<b>\$84,098,067</b>	<b>\$73,997,244</b>
<b>Regional Share</b>					<b>\$71,613,000</b>	



is anticipated that re-development is unlikely to occur in the timeframe necessary to accommodate needed roadway capacity expansion.

Within Washington County, the Transportation Development Tax (“TDT”) functions as the adopted System Development Charge for transportation. Development is typically required to fund “out-of-pocket” the “Local Street” cost elements, including dedication of right of way, for improvements which are contiguous, or within, the development. As such, private development will fund “out-of-pocket” an estimated \$41.3 Million of the identified \$255 Million transportation system expansion costs. “Local Street” costs estimated to be required for roadway segments in gap areas where publicly delivered improvements are anticipated total approximately \$16.4 Million. These funds would need to be secured through assessed TDT fees and other revenue sources. “Added Capacity” costs of approximately \$197.3 Million have been estimated to split as roughly \$71.6 Million attributable to “Regional Share” and \$125.7 Million resulting from cumulative impacts of new South Hillsboro development. Together, the identified funding need estimated to cover “Added Capacity” and “Local Street” gap funding totals an estimated \$213.7 Million.

In addition to the estimated \$41.3 Million of development “out-of-pocket” funding, revenues projected from assessment of existing TDT rates on new South Hillsboro development are estimated to accrue an additional \$58 Million. If “Regional Share” funding is able to be reasonably established to meet the identified \$71.6 Million “Regional Share” cost apportionment, a funding deficit of approximately \$84.1 Million would result, which would need to be funded through new transportation revenue sources collected on South Hillsboro development. It is anticipated that

a supplemental Transportation Systems Development Charge (“TSDC”) would be required, though other potential funding sources could also be considered. Funding options are being evaluated in coordination with Washington County and development interests, with resolution of funding source(s) anticipated prior to annexation of property in South Hillsboro.

### 7.3.2. Water

The City of Hillsboro is currently served by two water entities. Areas north of US Highway 26 (Sunset Highway) and east of Cornelius Pass Road are served by Tualatin Valley Water District (TVWD); addresses west of Cornelius Pass and south of US Highway 26 are served by the Hillsboro Water Department (HWD). In accordance with the Urban Service Agreement between TVWD and the city, the service area boundary between TVWD and HWD follows TV Highway east from Cornelius Pass Road and then turns south along SW 209th Avenue, such that the proposed South Hillsboro Plan Area is entirely within the HWD service area. Both districts maintain their own distribution systems and reservoirs but utilize a treatment plant maintained by the Joint Water Commission, to which the Cities of Beaverton, Tigard and Forest Grove also belong.

Current Revenue Sources generally include the following:

- Developer contributions. These direct developer incurred costs are negotiated, but generally encompass all on-site and nearby off-site costs. Over-sizing pipes to provide capacity for future off-site development is typically not the developer’s responsibility, but may be reimbursed.
- System Development Charges (SDCs). In Oregon, jurisdictions can impose SDCs for water, wastewater, storm drainage, transportation, and parks and schools.

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Two types of SDCs are allowed: improvement (new infrastructure that must be provided to serve new development); and reimbursement (a portion of the existing remaining capacity within existing infrastructure that new development will utilize). In addition, SDC fees can be structured to recover 'other costs' (planning, compliance reporting) and annual inflation.

### 7.3.3. Sanitary Sewer

Hillsboro provides sanitary sewer service through a collaborative service delivery arrangement. By intergovernmental agreement with Clean Water Services (CWS), the City of Hillsboro is responsible for operation and maintenance of the sanitary sewer collection system, which is comprised of gravity sanitary sewer lines and facilities smaller than 24 inches in diameter. The City is also responsible for approving the installation of new collection system components and for approving and inspecting new service connections within City limits. CWS is responsible for all wastewater treatment and for the construction and operation of the conveyance system (public pump stations and force mains and gravity sanitary sewer lines 24 inches in diameter and larger).

Current revenue sources include the following:

- **Developer contributions.** These are negotiated, but typically include all on-site and off-site improvements as necessary to connect to existing system and through the development to the furthest property line to serve upstream properties. Again, over-sizing to accommodate other future off-site or area-wide development is one cost that would be excluded from this category, but may be reimbursable. SDCs. Sanitary sewer SDCs are dedicated to projects listed

in City of Hillsboro or Clean Water Service's Master Plans.

### 7.3.4. Stormwater

Construction of stormwater treatment, detention, and conveyance infrastructure is typically the responsibility of private developers as a condition of the development approval. For this reason the sub-area conceptual cost summaries in Tables A-3 through A-6 and conceptual cost and revenue comparison in Table A-8 do not include numbers associated with stormwater.

If a developer constructs a local water quality facility for the development that serves multiple lots (regional facility) or expands an existing regional facility for the development, the developer receives a credit for a portion of the system development fee for constructing the facility in accordance with the City adopted CWS rate structure. Historically, the City has not been able to easily identify large regional stormwater facilities within mostly developed areas of Hillsboro due to limited availability of land and funding for advance purchase of favorable sites.

North Bethany is the only example in the Portland region of a growth area with a regional stormwater facility fee that allows for advance purchase of large regional stormwater facility sites. Since Clean Water Services collects all stormwater system development charges (SDCs) in North Bethany, CWS provided \$1 million of seed money to jump start this first regional stormwater facility. The City will collect all stormwater SDCs in South Hillsboro; however the City does not have sufficient stormwater SDC reserves to fund the advance purchase of regional stormwater facility sites.

With limited existing development in South Hillsboro, a number of strategies could be used to facilitate the identifying and purchasing of favorable large regional stormwater facility sites, including the following:

- Consider establishing public-private partnerships with property owners to allow for private sector purchase and construction of regional stormwater facilities in exchange for SDC credits on their developments.
- Consider setting up a supplementary systems development charge for South Hillsboro to finance the purchase of land, construction of regional stormwater facilities and for oversizing major trunk conveyance lines that aren't covered under the general CWS SDC charge.
- Work with intervening or connecting property owners to obtain easements for connecting conveyance facilities where needed to support phased development avoiding delays and added costs in constructing multiple facilities where one would serve more area.

### 7.3.5. Parks

The City of Hillsboro's Parks Department is responsible for the development and maintenance of all parks and open space within its boundaries. Parks situated outside of incorporated areas are the responsibility of the Washington County Facilities and Parks Services Division (except those within the SB 122 planning area which corresponds to the school district boundary).

Currently, the City's Parks SDC collects funding assessments on new development within the City including anticipated new revenue from development within South Hillsboro. Preliminary planning level cost estimates for identified parks facilities including the cost of parks, developed greenways and trails, and

indoor recreation facilities needed in the South Hillsboro Plan area have been identified. A comparison against projected revenue collections from the existing City Parks SDC rate structure anticipates a revenue shortfall. New Parks funding will need to be identified, which may include a supplemental Parks SDC for South Hillsboro and other potential new funding sources.

## 7.4. Supplemental Funding Options

The Plan Area faces two distinct issues in filling its park and transportation funding gap:

- Locating and likely creating sources of funding to cover costs beyond those covered by existing revenue sources, and
- Establishing a financing mechanism acceptable to both the City and developers that will generate cash flow for infrastructure construction prior to development actually occurring (and receipt of the SDC/TDT funding stream associated with that development).

Each of these issues – the generation of funds and the timing of fund availability – will require attention as South Hillsboro area planning moves forward.

The following list of funding options was generated through conversations with city, county and Metro staff and legal counsel, the Oregon Economic and Community Development Department (OECD) and the Oregon League of Cities. Documents created for and by other jurisdictions that have faced similar challenges in funding infrastructure have also been reviewed (as for Pleasant Valley, Villebois and North Bethany). The most likely potential funding tools are described in more detail.

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Other sources are mentioned briefly, with additional information about them available upon request to the city.

#### 7.4.1. Property Taxes

Both the City of Hillsboro and Washington County have the authority to levy property taxes with double majority voter approval. However, local option levies are limited by several previous ballot measures, and any tax increase must be within those limits. It is unknown at this time whether the city or county has the ability to increase its local option levy due to statutory limitations.

General obligation bonds, in contrast, are not subject to the same limits other than double majority voter approval. These must be used for capital projects, a criterion which infrastructure investment should meet.

While a city or county-wide property tax has the potential to generate significant funds, one disadvantage is the perceived fairness of who pays versus who benefits from growth. A property tax spreads the unmet costs of growth across the entire community. However, this wide base also offers the potential of a relatively lower per property burden. Washington County voters have twice passed property tax measures to fund transportation investments, as described below.

#### 7.4.2. Washington County Major Street Transportation Improvement Program (MSTIP)

This program originated as a voter-approved property tax dedicated to transportation projects geographically distributed throughout the County. As a result of Ballot Measures 47/50, the MSTIP was combined with the general property tax, but the County Board continues to use it as a dedicated transportation funding source. This

funding source has twice been renewed by voters, each time with a list of projects that accompanied the vote. The MSTIP is currently projected to generate an average of \$35 million in annual funding over the next five years, for a total of \$175 million through 2018.

Most MSTIP projects currently in the design and construction stages were funded under the current list of MSTIP projects. Those projects will be substantially complete in 2013. The County is currently going through the process of identifying a recommended list of projects to be funded over the next five years (fiscal years 2013-2014 and 2017-2018). Transportation projects (or portions of them) identified in this Plan could be included in future MSTIP project lists.

#### 7.4.3. Increased SDC/TDT Rates

Metro is moving to encourage this approach, as indicated through its July 2007 document 'Promoting vibrant communities with System Development Charges.' Steps being recommended include "unbundling" SDCs to separate cost elements, encouragement of best management practices, green design SDC discounts, and transition to "impact-based" SDCs (such as higher SDCs for greenfield than urban development to better accomplish real cost recovery objectives). Other ideas suggested by Metro include a differential (or location-based) SDC fee schedule that could reduce fees for higher density development with fewer occupants per unit, as well as lowering the level of service (LOS) standards for urban area infrastructure. Area-specific SDCs are likely to be considered for implementation in South Hillsboro.

The Metro analysis also suggests that SDC rates should be set to aim for full cost recovery and that SDCs can be effective in influencing development patterns

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and encouraging development that is less taxing to infrastructure – including in-fill development and development that favors smaller units, lots sizes, and locations adjacent to transit systems.

#### 7.4.4. Supplemental System Development Charge

An area-specific SDC was considered for the recent Witch Hazel Village concept planning area. In the South Hillsboro Plan Area, assigning an additional transportation SDC (versus the current TDT tax) has the potential to generate significant revenue. As with a city or countywide increase in TDT rates, public support for an area-specific approach to increase SDC fees is yet unknown. However, this appears to be a potentially promising approach which will be explored further and may be incorporated in development or other funding agreements for the Plan Area.

#### 7.4.5. Local Improvement District (LID)

LIDs are similar to SDCs in that they charge only those who will benefit from the infrastructure investment. A LID is a semi-voluntary charge against property values requiring the support of 51% of landowners within the district; the boundaries of a district are flexible. Property owners can opt to pay over as many as 20 years and funds can be used for capital improvements or maintenance.

Unlike SDC or TDT funding, the LID is not triggered by land development and therefore may be viewed as a penalty against those who do not develop (to increase the value/revenue stream associated with their land). In the same vein, it can be a more reliable funding source than funds which would be realized only when and if development occurs.

In Oregon, LIDs have been used for small-scale projects such as local street improvement and for larger transportation improvements, such as the Portland downtown transit mall light rail extension and streetcar development. A key consideration in South Hillsboro's potential use of a LID is land owners' willingness and ability to contribute and the risk associated with possible future real estate downturns.

#### 7.4.6. Grants/Donations

Of the Plan Area's infrastructure needs, parks and open space likely represents the best potential fit for grants and donations. Possible sources would be determined on a project basis and may generate relatively few funds. The initial comparison of infrastructure costs and revenues indicates that there is in fact a parks surplus, although this may change as figures are revised.

#### 7.4.7. Selective Classification of Arterials and Collectors

Study Area roadways will be classified as arterials, collectors, neighborhood routes and local streets according to their projected Average Daily Traffic. Arterial and collector streets constructed by developers qualify for Traffic Impact Fee credits. To qualify for credits, arterial and collector streets must be listed in the TDT Base Report. The City of Hillsboro has suggested not listing planning area arterial and collector streets on the Base Report, to enable TDT funds to focus on off-site roadway systems impacted by Study Area development.

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#### 7.4.8. Other Financing Mechanisms

A variety of other funding sources were discussed during the development of this plan. However, the majority of them could not be implemented without changes in state law or significant legislative actions. These mechanisms include but are not limited to a real estate transfer tax, windfall tax, urban renewal or tax increment financing, formation of a county service district, excise tax, vehicle registration surcharge and/or use of state or federal grant or loan programs. Homeowners Associations also can be a source of help in maintaining certain types of facilities once they are constructed.

# Acknowledgements

## HILLSBORO CITY COUNCIL

### 2006-2008

Mayor Tom Hughes  
Councilor Nenice Andrews  
Councilor Aron Carleson  
Councilor Ed Dennis  
Councilor Doug Johnson  
Councilor Joe Keizur  
Councilor Cynthia O'Donnell

### 2012

Mayor Jerry Willey  
Councilor Olga Acuña  
Councilor Nenice Andrews  
Councilor Steve Callaway  
Councilor Aron Carleson  
Councilor Mike Castillo  
Councilor Darell Lumaco

### 2014

Mayor Jerry Willey  
Councilor Olga Acuña  
Councilor Megan Braze  
Councilor Steve Callaway  
Councilor Aron Carleson  
Councilor Darell Lumaco  
Councilor Fred Nachtigal

## HILLSBORO PLANNING COMMISSION

### 2006-2008

President John Coulter  
Vice President Katie Eyre  
Commissioner Steve Callaway  
Commissioner Charles Fleisher  
Commissioner Ray Lankford  
Commissioner Ross Matthews

### 2012

President John Coulter  
Vice President Brian Roberts  
Commissioner Richard Cardoza  
Commissioner Jim Fitzgerald  
Commissioner Charles Fleisher  
Commissioner Holly Neill  
Commissioner Judith Shortt

### 2014

President Katie Eyre  
Vice President Brian Roberts  
Commissioner Richard Cardoza  
Commissioner Charles Fleisher  
Commissioner Jim Maguire  
Commissioner Holly Neill  
Commissioner Judith Shortt

## SOUTH HILLSBORO TECHNICAL ADVISORY COMMITTEE

Andy Braun  
Clean Water Services  
Chris Brehmer  
Kittelson & Associates  
Dave Cady  
Performance Homes NW  
Marah Danielson  
Oregon Department of Transportation  
Anne Debbaut  
Oregon Department of  
Land Conservation & Development

Jennifer Galaway  
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TriMet  
Brock Nelson  
Union Pacific Railroad  
Tim O'Brien  
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Lainie Smith  
Oregon Department of Transportation  
Monica Stafflund  
Bonneville Power Administration  
Adam Stewart  
Hillsboro School District  
Gary Stockhoff  
Washington County Engineer  
Steve Szigethy  
Washington County  
Transportation Planning



## CITY OF HILLSBORO STAFF

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Long Range Planning Manager

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Current Planning Manager

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Senior Planner

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Urban Planner

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Urban Planner

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Tina Bailey  
Public Works Senior Program Manager

Corinne Bloomfield  
Communications & Marketing Manager

Peter Brandom  
Sustainability Project Manager

Diana Foesch  
Police Sergeant

Mike Gieszler  
Chief Plans Examiner

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Senior Development Manager

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Water Department Director

Ken Pipher  
Parks and Recreation  
Program & Support Manager

Mark Prince  
Deputy Fire Chief

Bob Reitmajer  
Public Works Project Manager

Bob Sanders  
Public Works Assistant Director

Mike Smith  
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Tyler Wubbena  
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## CONSULTANT TEAM

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Jerry Johnson  
Principal, Johnson Economics

Brian Vanneman  
Principal, Leland Consulting Group

C. Mirth Walker, PWS, CWD  
Senior Wetland Scientist, SWCA

Randall Young  
President, Henderson Young & Company



**Hillsboro**  
OREGON

For more information about South Hillsboro, contact the  
City of Hillsboro Planning Department at 503-681-6153  
or visit the project website:

**[www.hillsboro-oregon.gov/SouthHillsboro](http://www.hillsboro-oregon.gov/SouthHillsboro)**

## **EXHIBIT 9**

## **NORTH BETHANY 2010 ORDINANCE PROCESS**

### **DRAFT OPERATING PRINCIPLES**

For any process to operate smoothly, it is necessary for those involved to agree at the outset on the purpose for the process and on the procedures by which the group will govern its discussions, deliberations, and decision-making. These operating principles are not intended to diminish, modify or otherwise affect the statutory or regulatory authorities of the parties.

#### **I. PURPOSE OF THE NORTH BETHANY 2010 ORDINANCE PROCESS**

The primary purpose of the North Bethany 2010 Ordinance Process is to strive to gain agreement on issues related to financing, natural resources and land use of the North Bethany area. The goal is to have discussion to resolve identified outstanding issues which will enable staff to draft the necessary land use ordinances and materials for the Funding Strategy for the Washington County Board of Commissioners' adoption.

#### **II. NORTH BETHANY 2010 ORDINANCE COORDINATING COMMITTEE AND WORKGROUP STRUCTURE**

The Coordinating Committee will be comprised of up to two members of the Washington County Board of Commissioners, staff from the Washington County Department of Land Use and Transportation and members of the Workgroups. This body will meet monthly for the duration of the project to report on and discuss each Workgroup's progress, provide consultation and direction as the process moves forward, and to offer concurrence with or modifications to recommendations from the Workgroups.

Three Workgroups will meet to independently address outstanding issues for the North Bethany 2010 ordinance development. The Workgroups have been divided by topic: Natural Resource and Open Space Areas, Land Use and Design, and Growth Management and Funding. The Workgroup discussions are intended to be open meetings, with room for any interested members of the public to attend. The participants are voluntarily working together to achieve a mutually acceptable outcome that satisfies, to the greatest degree possible, the interests of all participants. The Workgroups will be responsible for all agreements reached that are publicly identified as Workgroup products.

The Workgroup members will strive to:

- Work together to identify, discuss and brainstorm solutions to the outstanding issues for the North Bethany 2010 ordinance development.
- Agree on the desired level of specificity of agreement components; and
- Ensure adequate integration of the technical and policy information needed to provide staff sufficient understanding of stakeholder interests to develop ordinances.



In order for this scope to be acceptable to those involved in this process, all agree to work together and strive to produce a set of recommendations that integrates the mandates, concerns, and ideas of those potentially affected by implementation of the ordinances and funding plan.

Technical Input will be provided on an “as-needed” basis by Coordinating Committee or Workgroup members, Washington County staff, consultants or other designated entities as agreed upon by the Workgroup. To the extent a process participant is relying on the expertise of technical staff, those technical staff must be made available for discussion with other process participants if requested or needed. These technical advisers will not make decisions on behalf of the Coordinating Committee or Workgroup.

### **III. PARTICIPATION**

Interests Represented. Coordinating Committee and Workgroup members represent public and private entities that have an interest in North Bethany, resources or investments that could be affected by the activities of Washington County, or an interest, role and/or responsibility in achieving an agreement.

Attendance at Meetings. Each member will make a good faith effort to attend each Coordinating Committee and Workgroup meeting. If a Coordinating Committee or Workgroup member cannot attend, he or she may designate a regular alternate to attend. It is the responsibility of the member and alternate to stay fully briefed on all Coordinating Committee and Workgroup meeting discussions and deliberations. It is the responsibility of the member to inform the alternate concerning the deliberations. All alternates are also bound by these Operating Principles.

Constituent Interests. Coordinating Committee and Workgroup members are expected to consult with and represent the concerns and interests of the organizations and constituents they were appointed to represent. They are responsible for ensuring that all significant issues and concerns of their organizations and constituents are fully and clearly articulated during Coordinating Committee and Workgroup meetings. Workgroup members are also responsible for ensuring that any eventual recommendations or agreements are acceptable to their constituents and/or the agencies they were appointed to represent.

### **IV. MEETINGS AND MATERIALS**

Agendas. Proposed meeting agendas will be drafted by the Project Team (Washington County and Kearns & West) in consultation with Coordinating Committee and Workgroup members. The Project Team will strive to circulate draft agendas for review a week in advance of Coordinating Committee and Workgroup meetings. Agendas will be approved or revised at the beginning of each meeting.

Action Items. Action item lists will be prepared by the facilitator to assist the Coordinating Committee and Workgroup in documenting its progress and activities. The facilitator will ensure that items included on the lists are tracked and that Coordinating Committee and Workgroup members are informed of progress.

Breaks. Meetings may be suspended at any time at the request of any member to allow consultation among group members. Requests should be respectful of all members' time. If the use of breaks becomes disruptive, the Coordinating Committee and Workgroup will revisit the process. The facilitator may be used to assist parties during the caucus if requested.

Facilitator. Coordinating Committee and Workgroup meetings will be facilitated by Kearns & West. The facilitator will remain independent and not take positions on the issues. The facilitator will work to ensure that the process runs smoothly. The facilitator's role usually includes developing draft agendas, facilitating meetings, working to resolve any impasse that may arise, preparing action items and other tasks as requested. The facilitator will work directly with all Coordinating Committee and Workgroup members to ensure their ability to represent the concerns and interests of their organizations and constituents. The facilitator will serve at the will of the group and may be replaced by another facilitator upon consensus by the members.

Materials. The Project Team will strive to circulate all draft materials for review at least one week in advance of each meeting, giving members the opportunity to raise questions.

## **V. DECISION-MAKING AND COMMITMENTS**

Consensus. The Workgroups will strive to reach consensus on all issues, with the objective of maximizing agreement on the overall scope of identified issues. Consensus is defined as all Coordinating Committee and Workgroup members can live with the agreement and outcomes. If the group cannot reach consensus on an issue, staff will incorporate the staff recommendation into the filed ordinances. The Workgroup discussions will be used to inform staff as they draft the ordinance to be presented to and considered by the Washington County Planning Commission and the Washington County Board of Commissioners.

Decision Making. Through the ordinance process, the Board of Commissioners is the ultimate decision-making body in the North Bethany process. Workgroup members will seek consensus of those present at the Coordinating Committee or Workgroup meeting.

It is understood that Coordinating Committee and Workgroup members are representing interests of their agency, organization, and/or constituents. As such, Workgroup participants must have the authority to contribute to Workgroup discussions on behalf of the entity he/she is representing. Participants agree to regularly brief those with authority within their respective organizations to ensure support and buy-in for agreements reached through the Coordinating Committee and Workgroup process.

Commitments of Members. All participants agree to:

- Attend meetings and follow through on promises and commitments;
- Come to meetings prepared, having read all materials provided for the meeting;
- Bring concerns from their interest group or organization up for discussion at the earliest point possible in the process;
- Share all relevant information that will assist the group in achieving its goals;
- Participate in a free, open, and mutually respectful exchange of ideas, views, and information prior to achieving consensus;
- Resolve issues being addressed by the group within the group structure;

- Articulate to the best of their ability interests that underlie issues and concerns in an effort to find common ground among the parties;
- Characterize individual, caucus, or subgroup viewpoints as fully and accurately as possible;
- Keep their organization's decision-makers informed of potential decisions and actions; and
- Support the eventual product if they have concurred on it.
- Share with other group members the outcomes of outside discussions with decision-makers or others who have influence on this process.
- All members retain responsibility for following the legal and policy parameters relevant to the issues.

## **VI. PROCESS REMINDERS/GROUND RULES**

- Seek to learn and understand each other's perspective.
- Encourage respectful, candid and constructive discussions.
- Provide balance of speaking time.
- Seek to set aside differences, share perspectives and resolve issues.
- Discuss topics together rather than in isolation.
- Make every effort to avoid surprises.
- Limit side conversations.
- Turn off cell phones or place in the non-ring mode during formal meeting sessions.
- Make every effort to start and end meetings on time.

## **VII. SAFEGUARDS**

Good Faith. All members agree to act in good faith in all aspects of the collaborative effort. Specific offers made in open and frank problem solving conversations will not be used against any other member in future litigation or public relations. Personal attacks and prejudiced statements are not acceptable. Good faith requires that individuals not represent their personal or organization's views as views of the Coordinating Committee or Workgroup, and that they express consistent views and opinions in the Coordinating Committee and Workgroup and in other forums. In addition, when speaking to the media, members should either refer questions to the Washington County Program Educator or provide statements that reflect only their personal or organization's views.

Right to Withdraw. Any member may temporarily or permanently withdraw from the Coordinating Committee and Workgroup at any time after discussing the reasons for withdrawal with the facilitator. Any entity that withdraws from the Coordinating Committee and Workgroup shall remain bound by the good faith and other provisions of these Operating Principles.

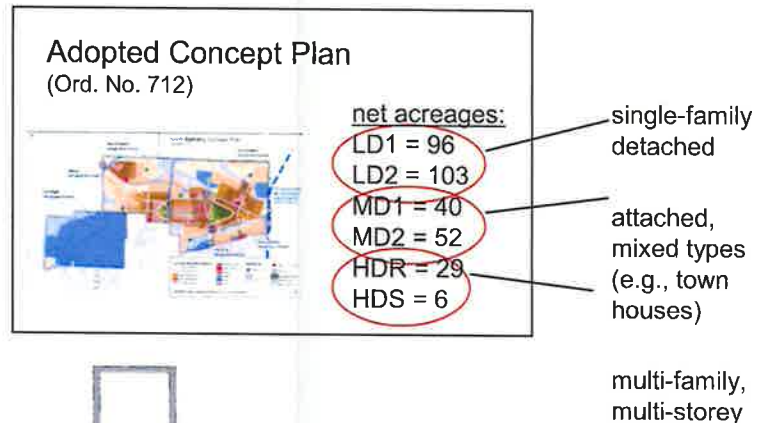
## **VIII. SCHEDULE**

The Coordinating Committee will meet once a month April, May and June, 2010. Each of the three Workgroups will meet approximately six times during April, May and June, 2010, or as needed to meet its responsibilities. Given the target for finalizing all elements of a County Ordinance is October, 2010, the target date for agreement in principle on the terms of the North Bethany 2010 Land Use Ordinance is June 30, 2010.

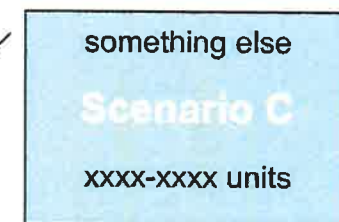
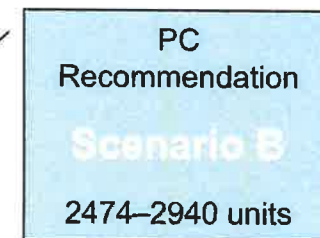
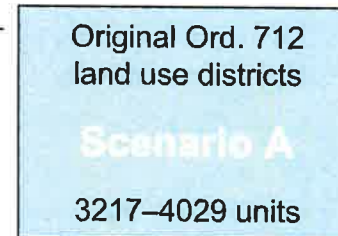


# Housing Density and Capacity in North Bethany Subarea

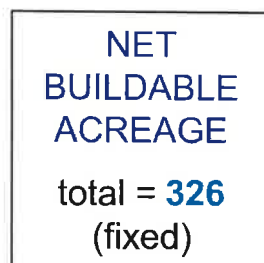
## Base Information



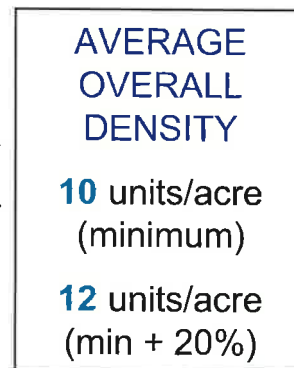
## Possible Outcomes



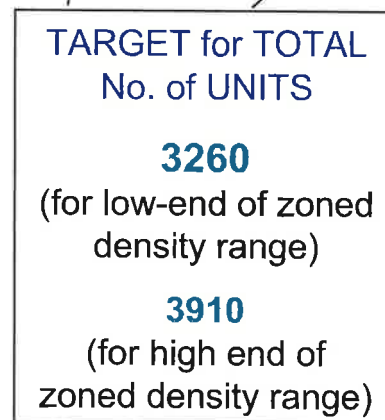
## Density Calculation



**X**



**=**



Note: Metro requires an overall average of at least 10 units per net acre; county policy is for a 20% min-max range per district

Note: SWG working assumption for Concept Plan was 5,000 minimum units

# Summary Table for Total Dwelling Units in North Bethany Subarea

April 29, 2010

date	description	residential acreage	min-max number of dwelling units	notes
May 2009	last staff proposal to SWG	476	4,255–5,243  (with Arbor Oaks: 4,800–6,020)	<ul style="list-style-type: none"> <li>gross buildable acres</li> <li>545-777 units assumed for Arbor Oaks</li> <li>working assumption for SDC funding of 5,000 units for entire UGB expansion area</li> </ul>
June 2009	proposed Ordinance No. 712	491	4,118–5,155  (with Arbor Oaks: 4,663–5,932)	<ul style="list-style-type: none"> <li>gross buildable acres</li> </ul>
August 2009	PC recommendation on Ordinance No. 712	343	3,431–4,117	<ul style="list-style-type: none"> <li>net buildable acres</li> <li>Arbor Oaks as separate Subarea</li> <li>other PC requests resulted in a subsequent reduction in residential acreage (reflected in engrossed ordinance)</li> </ul>
October 2009	adopted Ordinance No. 712-A	326	uncertain	<ul style="list-style-type: none"> <li>net buildable acres</li> <li>district densities not determined</li> </ul>

# Housing Capacity Analysis for North Bethany Subarea Using Various Land Use Designation Schemes

Based on Ordinance No. 712 (adopted October 2009)

May 2, 2010

## A: Original Staff Recommendation (Ord. No. 712, June 2009)

Land Use Category	Adopted Concept Plan Notation	Potential Land Use District	Reported Net Buildable Acres*	Minimum Gross Density (80% max)	Maximum Gross Density	Projected Minimum Dwelling Units	Projected Maximum Dwelling Units
Low Density	LD1	NC:R5-6	96	5	6	480	576
	LD2	NC:R7-9	103	7	9	721	927
Medium Density	MD1	NC:R10-12	40	10	12	400	480
	MD2	NC:R14-18	52	14	18	728	936
High Density - Specialty	HDR	NC:R24-30	29	24	30	696	870
	HDS	NC:R32-40	6	32	40	192	240
<b>TOTALS</b>			<b>326</b>			<b>3217</b>	<b>4029</b>
<b>Average Net Density</b>						<b>9.87</b>	<b>12.36</b>

## B: PC Recommendation (August 2009)

Land Use Category	Adopted Concept Plan Notation	Potential Land Use District	Reported Net Buildable Acres*	Minimum Gross Density (80% max)	Maximum Gross Density	Projected Minimum Dwelling Units	Projected Maximum Dwelling Units
Low Density	LD1	R-5	96	4	5	384	480
	LD2	R-6	103	5	6	515	618
Medium Density	MD1	R-9	40	7	9	280	360
	MD2	R-15	52	12	15	624	780
High Density - Specialty	HDR	R-24	29	19	24	551	696
	HDS	R-25+	6	20	>25	120	6
<b>TOTALS</b>			<b>326</b>			<b>2474</b>	<b>2940</b>
<b>Average Net Density</b>						<b>7.59</b>	<b>9.02</b>


\*Net Buildable Acres shown in 10/20/09 staff report is based on the total unconstrained residential acreage, minus a factor of 17% to account for the average area attributable to local streets.



# WASHINGTON COUNTY OREGON

October 13, 2009

To: Washington County Board of Commissioners

From: Brent Curtis, Planning Manager   
Department of Land Use & Transportation

Subject: **PROPOSED A-ENGROSSED LAND USE ORDINANCE NO. 712 AND  
FUNDING STRATEGY**

## STAFF REPORT

**For the October 20, 2009, Board of Commissioners Hearing**  
*(The public hearing will begin no sooner than 10:00 a.m.)*

### I. RECOMMENDATION

Read by title only and conduct the public hearing for Ordinance No. 712-A. Enter into the record project background documents and technical reports. Hear the staff report and public testimony and continue the hearing to October 27, 2009.

### II. BACKGROUND

The Board hearing on Ordinance No. 712 was conducted over the course of five meeting dates: August 11th, 18th, 25th, September 1st and 22nd. At the September 22nd hearing, the Board directed engrossment of Ordinance No. 712 and scheduled two subsequent hearing dates to consider A-Engrossed Ordinance No. 712, one scheduled for evening, as required by Chapter X of the County Charter. The Board also directed staff to provide public notice of the changes and the hearings, also as outlined in County Charter Chapter X.

Staff has prepared and mailed a public notice describing the changes to Ordinance No. 712 and the two hearing dates. This notice was mailed to interested parties and individuals on the General Notification List on October 9, 2009. Additionally, notices and copies of the engrossed ordinance were mailed to cities, special service districts, CPOs and Metro, as well as posted on the Planning Division's North Bethany project website.

A copy of A-Engrossed Ordinance No. 712 is included in your notebook for the October 20, 2009 meeting. Per Mike Robinson's request, he and John Junkin were given an opportunity to review the proposed changes prior to filing the ordinance.

The material associated with the record request is provided in your meeting notebooks for reference. This package of material includes technical reports and background information that

provided a basis for some of the North Bethany planning decisions that are reflected in the ordinance. All of these materials are posted on the North Bethany project website and have been available there for public review for at least the last several months.

Because the components of A-Engrossed Ordinance No. 712 represent an incomplete implementation package for North Bethany, with additional work to continue for the 2010 ordinance season, the cover ordinance specifies that the provisions of A-Engrossed Ordinance No. 712 are not yet effective. The Board reviewed this language at the September 22nd hearing. A-Engrossed Ordinance No. 712 provides the basis for future work in the form of Plan policies and design elements; continued work will cover implementation details. Because the North Bethany Subarea Plan will remain incomplete, the elements of A-Engrossed Ordinance No. 712 will not be operable until enabled by a subsequent ordinance.

Briefly, some of the substantive changes that the Board directed for Ordinance No. 712 were: 1) to remove Arbor Oaks from the North Bethany Subarea and create a new Subarea for Arbor Oaks; 2) to remove the requirement for the locations of Secondary Streets; 3) to revert to a more generalized Concept Plan version of proposed land use designations rather than specify zoning districts at this stage; and 4) to change Road A from a 5-lane Arterial to a 3-Lane Collector. A more detailed description of changes is provided in Section IV of this report.

### III. ANALYSIS

The changes directed with engrossment revert back to a more generalized version of proposed land uses for the planning area. This is reflected in the Concept Plan map that is included as Page 1 of Exhibit 3. As a result, some of the acreage tallies previously presented have been modified. Table 1 below summarizes adjusted acreages for various proposed land use designations and other constrained areas for the 800-acre site. Note that acreages provided relate to the North Bethany Subarea only, estimated to be a total of 691 acres now that Arbor Oaks has been excluded.

As shown in **Table 1**, the overall total area calculated for residential development has fluctuated with the engrossment changes. This is a result of the removal of the Public Service District previously identified (for a difference of 39 acres), the removal of steep slopes and existing and future road rights of way, and the removal of Arbor Oaks from the North Bethany Subarea. The sum of the latter is represented by a reduction of 78 acres of R-9 land, 11 acres of Public Service (including the Springville school site), and 25 acres of Public Service-Open Space. In addition, the fixed park locations are now depicted as an overlay, so that the underlying land use district can provide a basis for appraisal valuation.

**Table 1: North Bethany Concept Plan Acreages**  
*Based on Ordinance No. 712-A, October 2009*

Concept Plan Designations		Acres
Residential		512
Low Density 1 (LDR-1)	145	
Low Density 2 (LDR-2)	146	
Medium Density 1 (MDR-1)	57	
Medium Density 2 (MDR-2)	96	
High Density (HDR)	58	
High Density Specialty (HDR-S)	10	
Commercial		13
Mixed Use Commercial	9	
Corner Commercial	4	
Institutional (INST) <sup>1</sup>		75
Wetland <sup>2</sup>		91
<b>TOTAL</b>		<b>691</b>

**Other Non-Buildable Lands**

ROW for Primary Streets <sup>3</sup>		115
Local (48')	9	
Neighborhood Route (60')	40	
Collectors (78')	26	
Arterials (90')	11	
Arterials (98')	29	
ROW for Local Streets <sup>4</sup>		80
Parks		43
Community Park West <sup>5</sup>	4	
Community Park East <sup>5</sup>	14	
Linear Park Abbey Creek <sup>5</sup>	6	
Linear Park Bethany Creek <sup>5</sup>	4	
Park Blocks <sup>5</sup>	4	
Neighborhood Parks <sup>6</sup>	11	
Steep Slopes <sup>2</sup>		12

<sup>1</sup> Excludes existing PCC Rock Creek Campus (156 acres)

<sup>2</sup> Acreages subject to adjustment based on more accurate information

<sup>3</sup> Based on those streets shown on the Primary Streets and Core Design Elements Map

<sup>4</sup> Estimated rights of way for additional local streets (assumed 17%)

<sup>5</sup> Less Primary Streets rights of way

<sup>6</sup> Estimate based on low end of acreages specified in Neighborhood Design Elements (rights of way not subtracted)

**Table 2**, below, provides a summary break-down of gross developable residential acreage—the total acreage for each of the six proposed residential Concept Plan designations with the exception of right-of-way for existing roads. The overview provided in Table 2 is similar to the methodology the county currently uses to calculate developable acreage, as outlined in the CDC. Note that the area attributable to the fixed park locations (for the core park blocks and community park features) is excluded from the gross developable acreage.

**Table 3** provides the summary break-down of net developable residential acreage—areas are provided for each residential designation after subtracting acreages for the estimated right-of-

way for the future primary street network and local street system, all parks (core and neighborhood) and slopes greater than 25%. Table 3 identifies the net developable residential acreage (326 acres) based on the Metro Title 11 methodology for calculating net residential land area.

The six designations fall into three general density categories: low, medium and high. Using both calculation methods described above, the amount of area allocated to the low density category is nearly 2/3 of the overall developable residential land area. The total amount of planned land area for each district is provided, based on best available GIS data. These acreage calculations represent a preliminary step toward determining housing capacity and residential densities for the various land use designations. The Board's engrossment direction did not include a definitive determination regarding density. At this stage, density determinations and dwelling unit projections will be revisited as part of a follow-up ordinance.

**Table 2: North Bethany Gross Developable Residential Acreage**

*Based on Ordinance No. 712-A, October 2009*

Concept Plan Designation	Total Acres	Existing Street ROW <sup>1</sup>	Core Parks <sup>2</sup>	Gross Developable Acreage	Percentage of Gross Developable Acreage	Percentage of Total by Category
LDR-1	145	4	3	138	29%	60%
LDR-2	146	2	1	143	30%	
MDR-1	57	1	1	56	12%	29%
MDR-2	96	2	15	79	17%	
HDR	58	2	11	45	10%	11%
HDR-S	10	1	1	9	2%	
<b>TOTALS</b>	<b>512</b>	<b>12</b>	<b>32</b>	<b>470</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup> Existing street right of way was calculated for the following streets: Kaiser, Springville, Brugger and 185th.

<sup>2</sup> Core Park acreage subtracts Primary Streets right of way.

**Table 3: North Bethany Net Developable Residential Acreage**

*Based on Ordinance No. 712-A, October 2009*

Concept Plan Designation	Total Acres	Primary Streets ROW	All Parks <sup>1</sup>	> 25% slopes	Local Street ROW <sup>2</sup>	Net Developable Acres	Percentage of Net Residential Area	Percentage of Total by Category
LD-1	145	11	6	12	20	96	29%	61%
LD-2	146	16	7	0	21	103	31%	
MD-1	57	8	1	n/a	8	40	12%	28%
MD-2	96	17	16	n/a	11	52	16%	
HDR	58	12	11	n/a	6	29	9%	11%
HDR-S	10	2	1	n/a	1	6	2%	
<b>TOTALS</b>	<b>512</b>	<b>66</b>	<b>42</b>	<b>12</b>	<b>67</b>	<b>326</b>	<b>100%</b>	<b>100%</b>

<sup>1</sup> Core Park acreage subtracts Primary Streets right of way. Neighborhood park acreages are estimates based on the lower park acreage sited in the neighborhood design elements (right of way not subtracted).

<sup>2</sup> Assumed 17% of acreage required for local streets. Percentage is calculated by first subtracting the primary streets ROW, parks and 25% slopes from the total acres column.



#### IV. SUMMARY OF PROPOSED CHANGES

The summary list below describes significant differences between Ordinance No. 712 and A-Engrossed Ordinance No. 712. Because it is not practical to list or fully explain all of the proposed changes, the following is a general description of the most significant changes:

1. The cover ordinance is amended to clarify that Ordinance 712 provides the framework for an additional ordinance to be filed in 2010 and that the existing FD-20 land use designations will remain in place until adoption of the additional ordinance.
2. The Arbor Oaks Neighborhood is removed from the NB Subarea (Exhibit 2) and an Arbor Oaks Subarea is created in the Bethany Community Plan (Exhibit 1) in order to *not* apply any new regulations to the development, with the exception of making Joss Avenue an interim Collector and making Springville Road a 5-lane Arterial along the development's frontage. Areas of Special Concern 2, 4 and 5 are added to the Arbor Oaks Subarea. Exhibit 3 maps were amended to be consistent with the changes described above, including removal of all of Arbor Oaks from the Drainage Master Plan map.
3. The Future Land Use Designation maps are removed from Exhibit 3 and a new map, entitled 'North Bethany Concept Plan,' is added that designates generalized land uses, constrained lands (locally significant wetlands and steep slopes), Primary Street locations, specific and generalized park locations, community & neighborhood focal points, and commercial sites. Section IV of Exhibit 2 is amended to include a Concept Plan description.
4. Road A is changed from a 5-lane Collector to a 3-lane Collector west of Kaiser Road. As a result, Section V.B. of Exhibit 2 is amended to change the required right-of-way width from 98 feet to between 74 and 78 feet; the CL-2 cross-section is removed from Exhibit 3 and references to CL-2 are changed to CL-1 in order to reflect the number of lane and width changes.
5. Secondary Streets become preferred locations, rather than prescribed; text descriptions (Exhibit 2) and mapped locations (Exhibit 3) are revised to indicate that Secondary Streets are intended as guidance only. Exhibits 4 and 6 are also amended to remove reference to Secondary Streets.
6. Exhibit 2 is amended to remove the Flexible Streets description, and Exhibit 3 is amended to remove the related Flexible Streets map.
7. The width of the mapped Wetlands feature, as shown on the Significant Natural Resources map (Exhibit 3), was adjusted to represent the Goal 5 resource lands only.

8. The Significant Natural Resources map and Park, Trails and Pedestrian Connections map (Exhibit 3) are amended to show that Neighborhood Park locations are preliminary with underlying residential land use designations.
9. Section V.A. of Exhibit 2 is amended to add a general design element pertaining to setbacks along Collector and Arterial roadways and to clarify where rear building façade orientation to public spaces is permitted.
10. Section IV of Exhibit 2 is amended to add a description of a forthcoming Public Service Overlay map.
11. Exhibit 2 is amended to reflect necessary County Engineer review.
12. Exhibit 4 is amended to clarify when the FD-20 District may be removed (per proposed new Implementing Strategies w. and x.). Amendments to Implementing Strategy y. clarify when amendments to the Community Plan may be made.
13. Exhibit 5 is amended to add descriptions of existing land use districts and to remove the text for the proposed new land use districts.
14. Exhibit 8 text is amended to add revised text indicating that a future Urban Reserves study will address the Saltzman Road Study Area. The Functional Classification map and Number of Lanes map are amended to reflect removal of Arbor Oaks. The Number of Lanes map is also amended to reflect an earlier error for Springville Road west of Joss Avenue.
15. Exhibit 9 is amended to remove the Off-Street Trail from the Arbor Oaks Subarea.
16. Sections 308-2.4 and 308-7.1 of Exhibit 11 are amended to remove reference to future land use designations since these have yet to be determined, and to facilitate acquisition of park and open space areas.
17. A new Exhibit 12 is added to create a new Implementing Strategy to Plan Policy 15 that addresses the provision of public services in North Bethany.
18. A new Exhibit 13 is added to create a new Plan Policy 43 that addresses community design for new urban areas.
19. A new Exhibit 14 is added to create a new Plan Policy 44 that addresses growth management in new urban areas.
20. No changes are made to Exhibits 7 and 10.

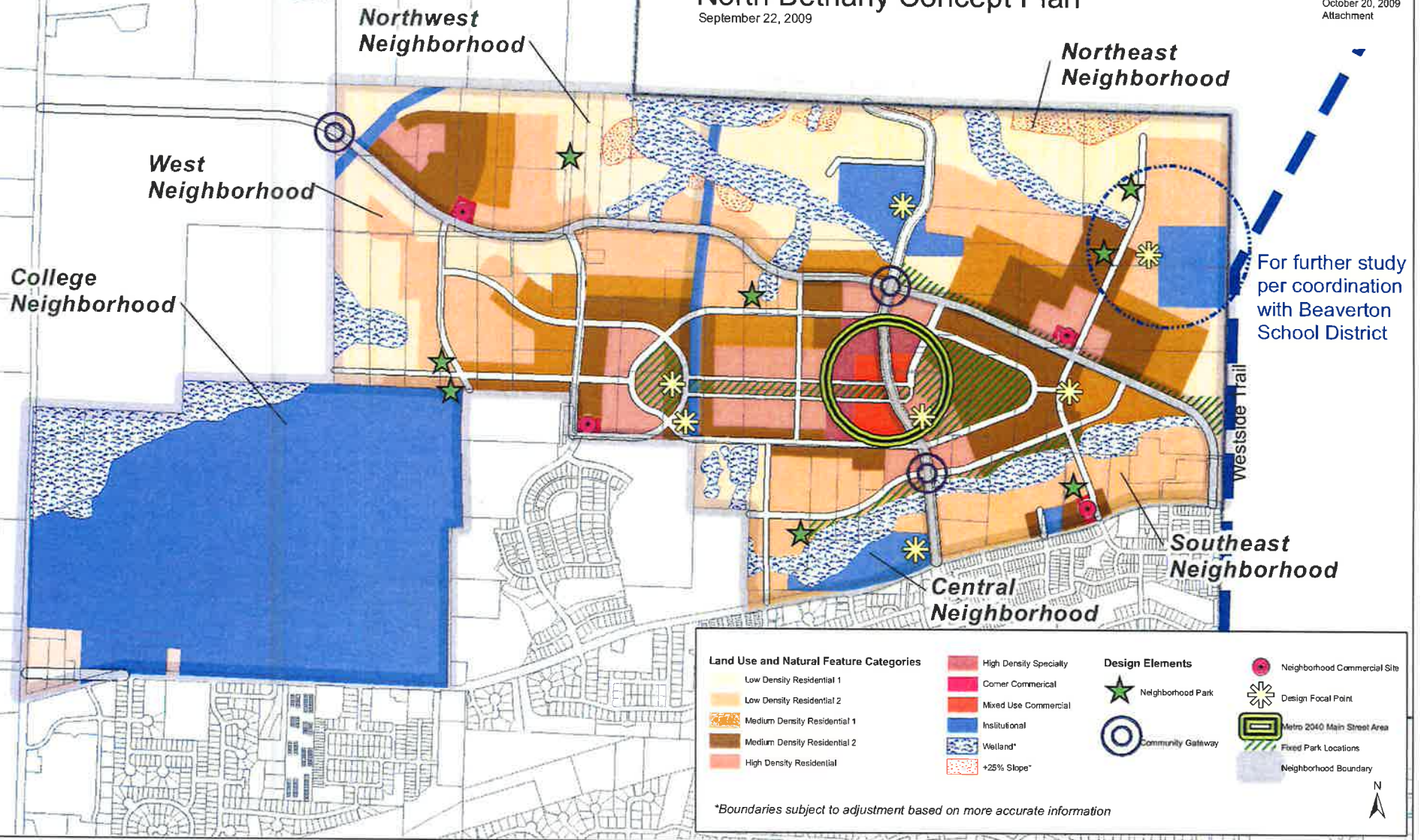
#### **Attachment**

North Bethany Concept Plan map

# North Bethany Concept Plan

September 22, 2009

BCC Staff Report  
A-Eng. Ord. 712  
October 20, 2009  
Attachment



## **EXHIBIT 10**



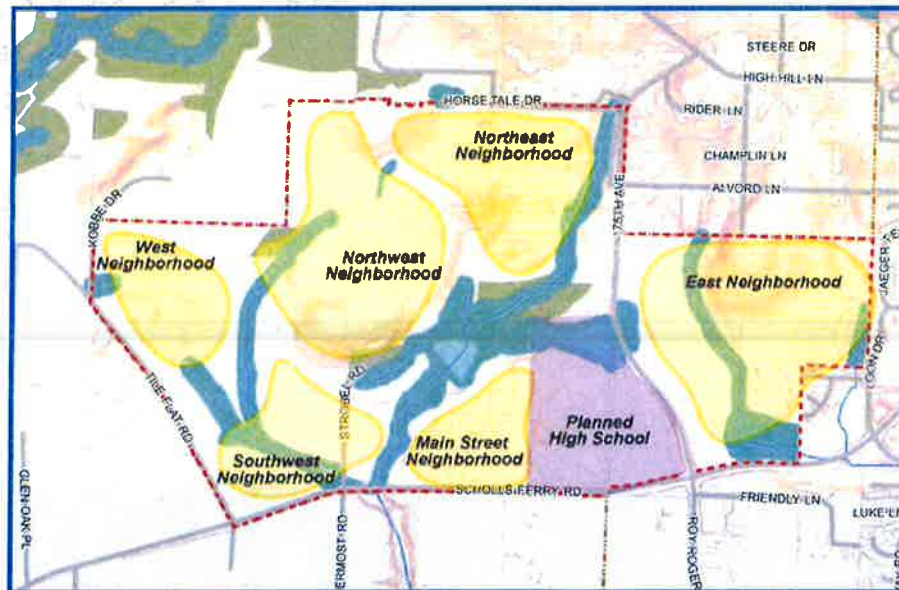
**Beaverton**

South Cooper Mountain

*The Region's Next Great Community*

# South Cooper Mountain Community Plan

Draft - July 1, 2014



Funding for the South Cooper Mountain Concept & Community Plans was provided by Metro Community Planning & Development Grants, private contributions, and the City of Beaverton.

# ACKNOWLEDGEMENTS

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**Betty Bode**  
**Denny Doyle, Mayor**  
**Mark Fagin, Council President**  
**Ian King**  
**Marc San Soucie**

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**Ed Chadwick**, Bierly Family properties, SCM  
**Kathy Cobb**, Urban Reserve Area property owner  
**John Cooper**, Urban Reserve Area property owner  
**Mimi Doukas**, Chair, City of Beaverton Planning Commission; **Kim Overhage** (alternate), City of Beaverton Planning Commission  
**David Dunahugh**, Crescent Grove Cemetery Association, SCM property owner  
**Ron Dyches**, Dyches Family LLC, SCM property owner  
**David Harrison**, Beaverton Committee for Community Involvement (BCCI)  
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**Matt Grady**, Gramor Development  
**Dan Grimberg**, Arbor Homes/Crescent Grove Cemetery property interest  
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**Alton Harvey**, Neighbors Southwest Neighborhood Association Committee (NAC)  
**Martin Moore**, Urban Reserve Area property owner  
**Jamie Morgan-Stasny**, Metropolitan Land Group, SCM property owner  
**Boyce Smith**, NCM property owner; **Lori Smith** (alternate), NCM property owner  
**Brian Wegener**, Tualatin Riverkeepers  
**Ramsey Weit**, Community Housing Fund  
**Justin Wood**, Homebuilders Association

*Please see **Appendix A** for Project Committees and Team.*



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## INTRODUCTION

### Community Plan Boundary

The South Cooper Mountain Community Plan encompasses approximately 544 acres located at the southwest edge of the City of Beaverton (see Figure 1). This area, referred to in this plan as the Community Plan area, was added to the Urban Growth Boundary in 2011 and was annexed by the City of Beaverton in 2013.<sup>1</sup> The plan area is located generally north of SW Scholls Ferry Road, south of Horse Tale Drive, east of SW Tile Flat Road, and west of SW Loon Drive. The Community Plan area boundary is shown in Figure 2.

### About the South Cooper Mountain Community Plan and Concept Plan

The South Cooper Mountain Community Plan (Community Plan) was created as part of a larger planning effort that produced the South Cooper Mountain Concept Plan (Concept Plan). The Concept and Community Plans were developed through an intergovernmental process with extensive community involvement, described beginning on page 6. The geographic scope and role of each document are summarized below.

Figure 1: Community Plan Context Map



### South Cooper Mountain Concept Plan

The Concept Plan establishes the overall vision and long range planning strategies<sup>2</sup> for South Cooper Mountain, and guides comprehensive planning for areas within the Urban Growth Boundary (UGB). There are three subareas referenced in Concept Plan:

- The South Cooper Mountain Annexation Area, now referred to as the South Cooper Mountain Community Plan area – the 544-acre area within the UGB and the City of Beaverton that is the subject of this Community Plan;<sup>3</sup>
- The Urban Reserve Area – the 1,242-acre area of land designated as Urban Reserve north of the Community Plan area;<sup>4</sup> and

<sup>1</sup> During much of the process that led to the creation of this plan, this area was referred to as the South Cooper Mountain Annexation Area (SCMAA).

<sup>2</sup> The Concept Plan includes near-term recommendations which guide planning and development in the next twenty years, and long-term recommendations intended to guide planning and development in the 20-50 year time frame.

<sup>3</sup> This is the subject area of this Community Plan, and is referred to herein as the Community Plan area.

<sup>4</sup> The Urban Reserve adjacent to the Community Plan area was called Urban Reserve 6B during the Urban and Rural Reserves designation process. For more on the Urban and Rural Reserves program, visit <http://www.oregonmetro.gov/index.cfm/go/by.web/id=26257>.

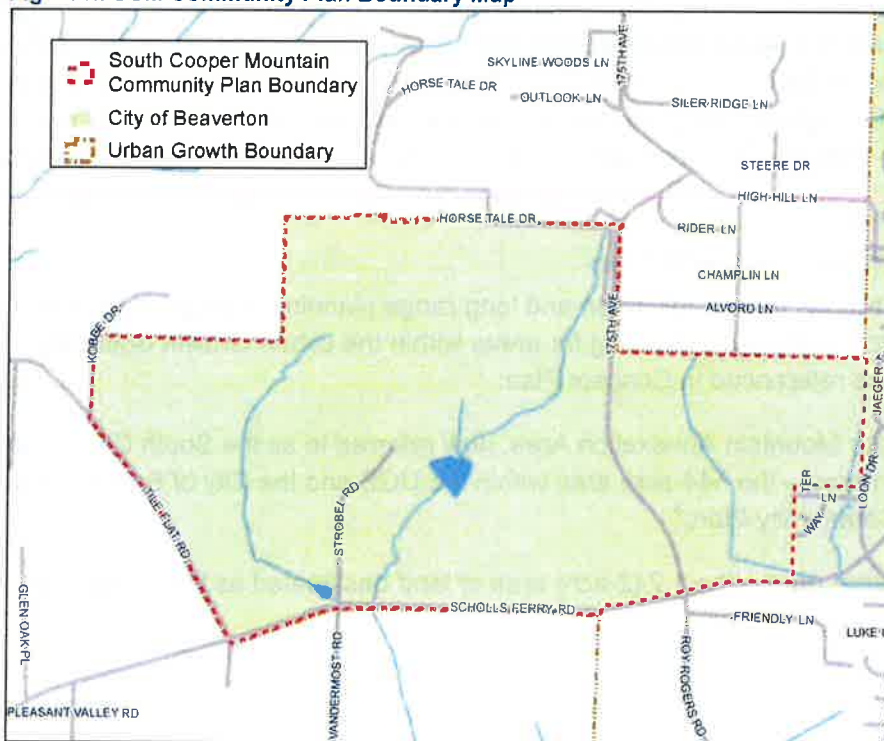
- North Cooper Mountain – a 504-acre area included within the Urban Growth Boundary in 2002 that is within the urban area of unincorporated Washington County.

These subareas are displayed in Figure 3.

Pursuant to Metro Urban Growth Management Functional Plan (UGMFP) Title 11,<sup>5</sup> a concept plan is intended to guide, not bind, amendments to city or county comprehensive plans or land use regulations following addition of an area to the UGB. The SCM Concept Plan lays the groundwork for amendments to City of Beaverton and Washington County comprehensive plans and land use regulations that will implement the plan. The Concept Plan also serves to guide and help coordinate future planning and infrastructure investments by the City of Beaverton and other service providers. The Concept Plan sets the stage for: coordinated and cohesive land use patterns; transportation networks; trails, bicycle and pedestrian networks; natural resource protection; access to Cooper Mountain Nature Park; public services and facilities; and infrastructure funding.

In compliance with Metro requirements,<sup>6</sup> the Concept Plan is inclusive of land within the 1,242 acre

**Figure 2: SCM Community Plan Boundary Map**



<sup>5</sup> Metro UGMFP Title 11, section 3.07.1110 Planning for Areas Designated Urban Reserve.

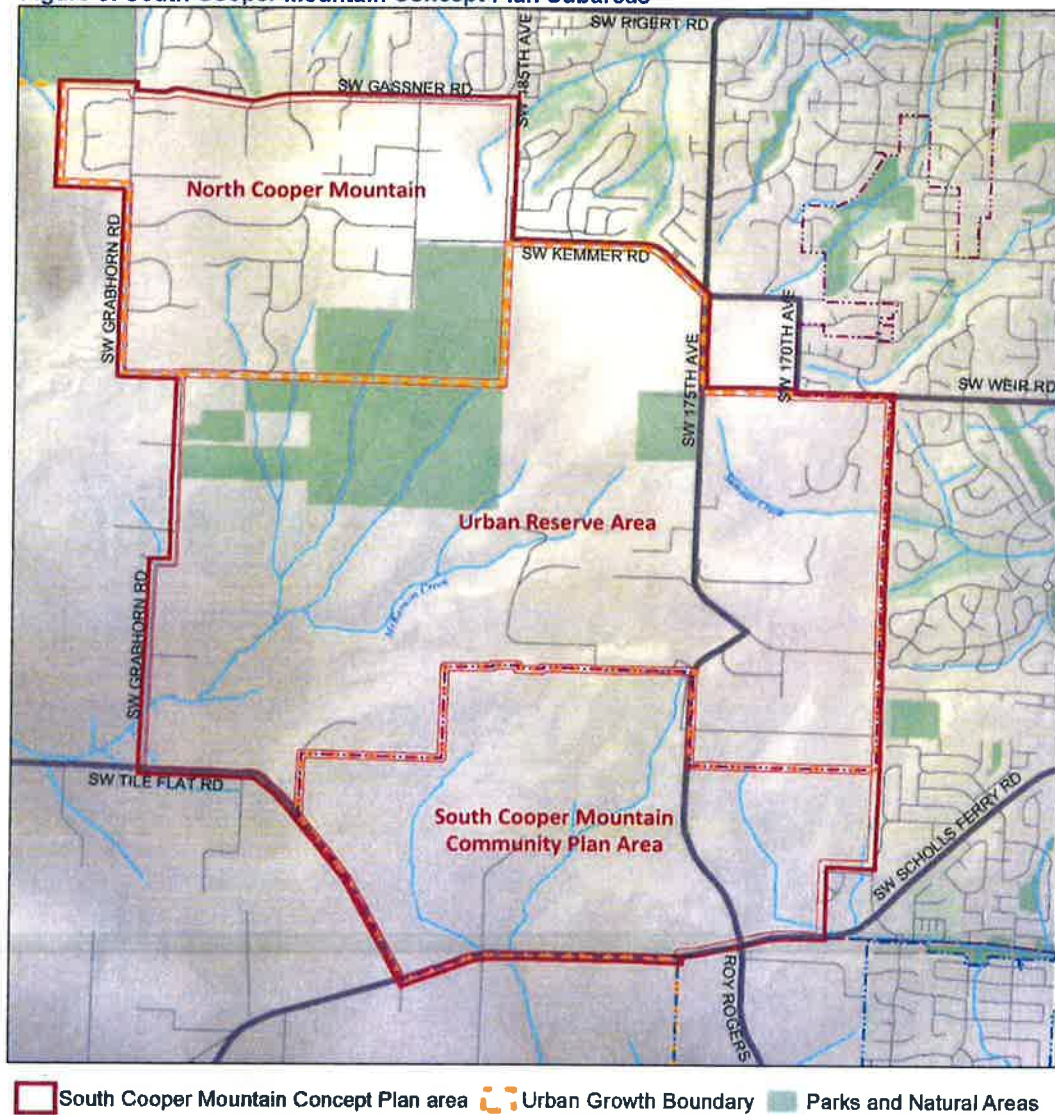
<sup>6</sup> Metro Ord. No. 11-1264B, Exhibit B, South Cooper Mountain, condition #1: "The city of Beaverton, in coordination with Washington County and Metro, shall adopt comprehensive plan provisions and land use regulations for Area 3 to authorize urbanization, pursuant to Metro Code section 3.07.1120. To implement Principle 1 of Exhibit B to the Reserves IGA between Metro and Washington County, the city shall undertake and complete this planning for the whole of Urban Reserve Area 6B, in order to provide appropriate protection and enhancement to the public lands and natural features, and protect and enhance the integrity of Titles 3 and 13 resources in the area. Planning for trail and pedestrian and bicycle travel shall be coordinated with Metro and the county to ensure appropriate access to Cooper Mountain Nature Park."



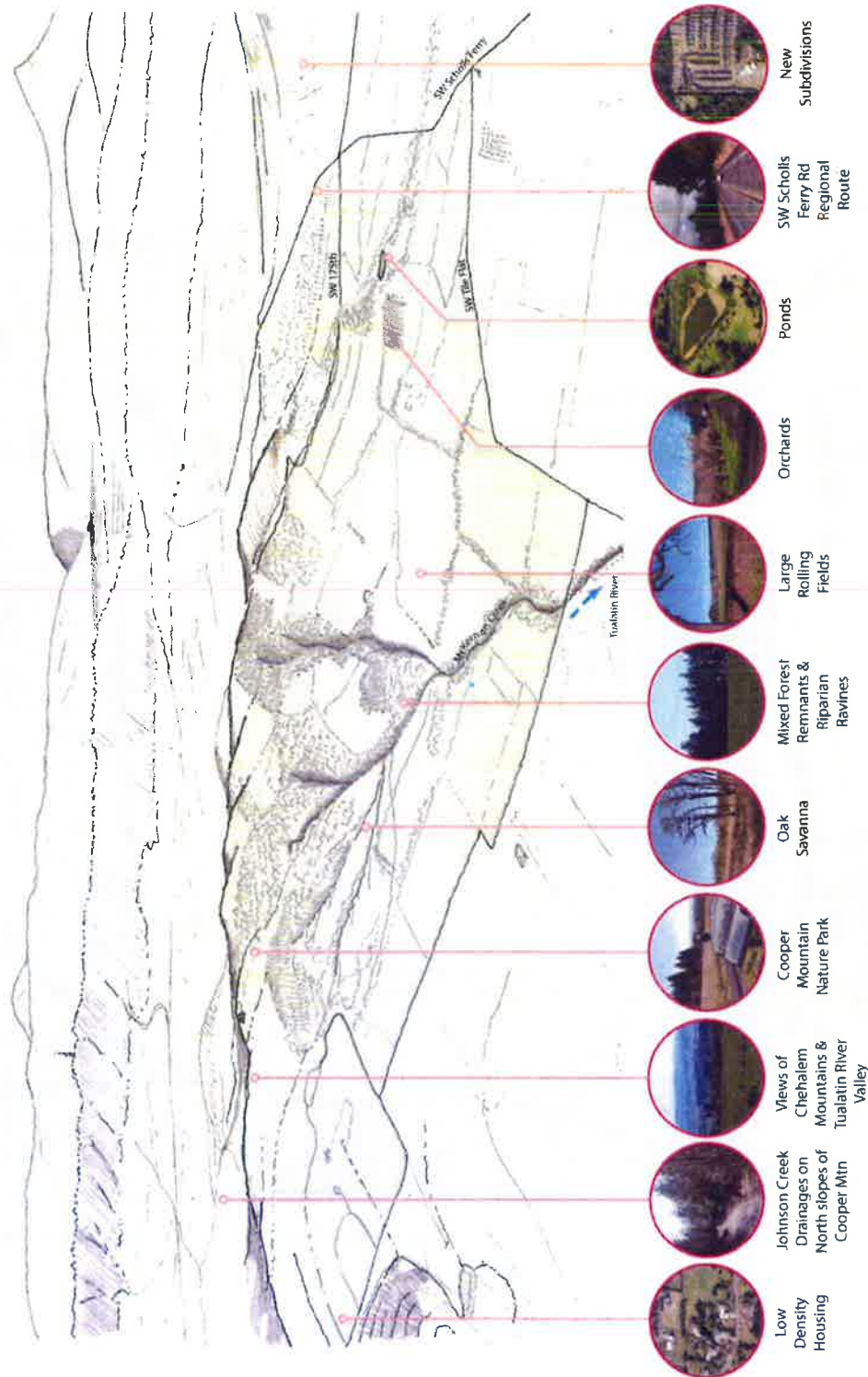
Urban Reserve Area, as well as the 544-acre area recently added to the UGB and annexed into Beaverton.

The landscape character of the Concept Pan area is illustrated in Figure 4, and the Concept Plan map is shown in Figure 5.

**Figure 3: South Cooper Mountain Concept Plan Subareas**

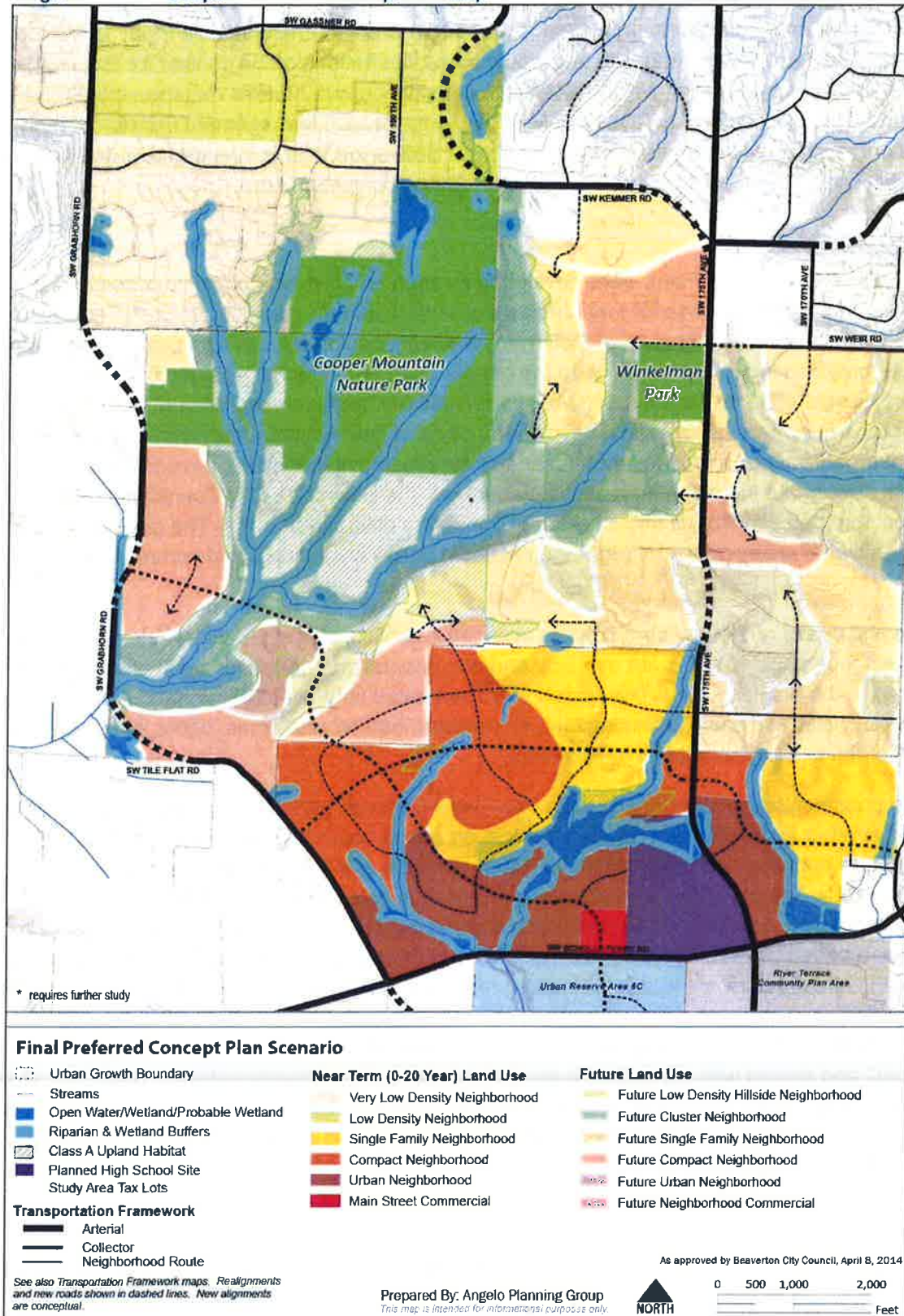


**Figure 4: South Cooper Mountain Concept Plan Landscape Character**





**Figure 5: South Cooper Mountain Concept Plan Map**



## South Cooper Mountain Community Plan

The South Cooper Mountain Community Plan is part of the City's Comprehensive Plan. It provides regulatory policies and maps, along with descriptions and illustrations of the context for those policies and maps. The Community Plan was developed in compliance with Metro's requirements for new urban areas, which are codified in Title 11 of Metro's Urban Growth Management Functional Plan. It addresses only the 544 acres that are within the City of Beaverton, and is intended to implement the vision established by the Concept Plan for the South Cooper Mountain area.

## Planning Process

The Concept and Community Plans were developed through an 18-month planning process that included a variety of opportunities for input from stakeholders and the general public. A Technical Advisory Committee (TAC) composed of staff from affected jurisdictions, agencies, service providers and districts, provided input and guidance to the project team about technical aspects of the planning process. A Citizens Advisory Committee (CAC) composed of community representatives including residents, property owners, businesses, developers, city and county planning commissioners, citizen involvement organizations, advocacy groups, and other affected stakeholders provided feedback to the project team throughout the planning process. In addition, the Beaverton City Council and Planning Commission provided direction at key milestones during the planning process. The general public was invited to participate at key points through open houses, online workshops, and community outreach meetings.

The first phase of the planning process included establishment of Guiding Principles for the project (see page 10) followed by study and documentation of existing conditions and future needs in the planning area. The project team evaluated land use, transportation, the real estate market, water and sewer infrastructure, stormwater, natural resources, parks, and energy as a part of the existing conditions assessment.<sup>7</sup>

The second phase of the project began with a visioning workshop, attended by roughly 60 interested parties, with another 20 people participating through an online version of the workshop. This workshop solicited input on priorities and preferences for future land use and transportation scenarios in the Concept Plan area. Results of this workshop were used to develop three initial Concept Plan "scenarios" addressing future land use and transportation patterns for the planning area.<sup>8</sup> These three scenarios were vetted by the project's TAC and CAC and then fully analyzed to evaluate and compare transportation, infrastructure, park, school, natural resource, and land use implications. Based on the findings from the scenario evaluation, two hybrid scenarios were created that combined the best-performing elements of the three original scenarios. The two hybrid scenarios were discussed by the TAC and CAC and shared with the public at an open house and community outreach meetings. Based on input from those groups, a preferred scenario was developed. That preferred scenario became the basis for the Concept Plan and for the more detailed and refined set of recommendations that are embodied in this Community Plan.

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<sup>7</sup> *South Cooper Mountain Concept & Community Plans, SUMMARY REPORT: Existing Conditions & Future Needs, June 6, 2013.*

<sup>8</sup> *South Cooper Mountain Concept & Community Plans, Scenarios for Future Growth, September 12, 2013.*



## PLANNING AREA CONTEXT

### Landscape Setting

The Community Plan area sits at the base of the south slope of Cooper Mountain. The topography gradually climbs up in elevation moving north from Scholls Ferry Road (at approximately 300' elevation), with several small hills and hummocks. There are four distinct high points that present constraints with respect to road connectivity, but also provide opportunities for viewpoints and the shaping of development patterns. Views are primarily to the southwest, capturing the scenic vista of Chehalem Ridge. Views of Mt. Hood to the east are available from the central high point.

The Community Plan area includes three small tributaries of the Tualatin River. The central tributary is surrounded by a chain of linked upland, riparian forest and wetland areas that provide important habitat value. The remaining tributaries have been degraded by farming and forestry activities. All three tributaries are recognized as resource areas under state, regional and local regulations.

Figure 6: Community Plan Area Topography and Resources



- |                       |  |
|-----------------------|--|
| Urban Growth Boundary | Wetland/Probable Wetland                 |
| Study Area Taxlots    | Riparian & Wetland Buffers               |
| Major Roads           | Developed Land (inside study area)       |
| Local Roads           | Upland Wildlife Habitat Class A          |
| Existing Parks        | 15-25% slope (buildable but challenging) |
| Streams               | >25% slope (unbuildable)                 |
| Open Water            |  |

Of the 544 total acres in the Community Plan area, roughly 364 acres are considered developable after accounting for natural resource and slope constraints. The 364 acres represent a “gross buildable

acreage", and includes land for future roads, stormwater management facilities, civic uses such as parks and schools<sup>9</sup>, and commercial and residential development.

## Transportation Context

East-west and north-south connections are limited both within and around the Community Plan area, and several important area roadways that serve regional traffic are nearing capacity. SW Scholls Ferry Road and SW 175<sup>th</sup> Avenue / Roy Rogers Road in particular carry large volumes of through-traffic. North-south commute patterns between Tualatin / Sherwood / Yamhill County and Washington County employment destinations rely heavily on SW 175<sup>th</sup> Avenue, despite its terrain, narrow width, and sharp curves. SW Tile Flat and SW Grabhorn Roads presently serve more through-traffic than their current rural nature and sharp curves would suggest. SW Tile Flat Road forms the western edge of the UGB in the Community Plan area.

Roads within the Community Plan area are not currently built to urban standards, and need improvements to resolve safety issues and accommodate new growth. There are no sidewalks or bike lanes at this time because existing roads were designed according to rural road standards.<sup>10</sup> Other existing issues in the vicinity include the "kink" or hairpin turn on SW 175<sup>th</sup> Avenue at High Hill Lane, the skewed intersection at SW Kemmer Road and SW 175<sup>th</sup> Avenue, the multiple 90-degree turns on SW Grabhorn Road, and congestion at the intersection of Roy Rogers Road / 175<sup>th</sup> Avenue and SW Scholls Ferry Road. The closest transit service is available on SW Scholls Ferry Road at SW Teal Boulevard.

Transportation is the most-often cited concern of area residents, including motorist safety, bicycle and pedestrian safety, and traffic congestion.

## Services and Service Providers

Service providers for the Community Plan area and the current public facilities and services available to the area are summarized below. Future facilities needed to serve the area are described under "Institutional / Civic Uses" starting on page 15 for schools and parks and under "

Infrastructure Provision" starting on page 30 for water, sewer, and stormwater.

## Drinking Water & Sanitary Sewer

The City of Beaverton will provide drinking water to the Community Plan area, although the Tualatin Valley Water District (TVWD) also has water distribution lines adjacent to the northeastern side of the Community Plan area. The City has existing water lines in SW Loon Drive and within the Churchill Forest subdivision to the east of the Community Plan area as well as a new line within SW Scholls Ferry Road as far west as SW 175<sup>th</sup> Avenue.

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<sup>9</sup> The planned Beaverton School District future high school, the location of which has been determined and land has been acquired, is not included in the "developable" acreage.

<sup>10</sup> As of the writing of this Community Plan, SW Scholls Ferry Road is being widened by Washington County, including sidewalks and bike lanes within the UGB, with concurrent extension of sanitary sewer and water lines by the cities of Beaverton and Tigard.

The City of Beaverton will be responsible for providing sanitary sewer infrastructure in the Community Plan area through an inter-governmental agreement (IGA) with Clean Water Services (CWS). The closest existing sewer facilities are located to the southeast of the Community Plan area, including a new line recently extended in SW Scholls Ferry Road as far west as SW 175<sup>th</sup> Avenue.

### Fire and Public Safety

Tualatin Valley Fire & Rescue (TVF&R) provides fire and emergency medical services in the area. The TVF&R station closest to the Community Plan area is Station 69 on SW 175<sup>th</sup> Avenue south of SW Kemmer Road.

The Beaverton Police Department (BPD) provides law enforcement within the Community Plan area. All BPD public services are provided through the main police department offices in Beaverton City Hall, which is the base of operations for all BPD personnel. In addition, there are inter-governmental agreements in place for emergency response that allow Sheriff's deputies from Washington County to respond to calls within city limits based on proximity, regardless of boundaries.

### Schools and Parks

The Community Plan area is divided, with the Beaverton School District (BSD) serving the eastern portion, and the Hillsboro School District (HSD) serving the western portion. BSD is planning to build a new high school within the Community Plan area, at the northwest corner of SW Scholls Ferry Road and SW 175<sup>th</sup> Avenue. The site is roughly 45 acres, and will include a comprehensive high school along with sports fields and other facilities. The closest existing BSD elementary school is Scholls Heights Elementary, located just east of the Community Plan area on SW Loon Drive. On the Hillsboro School District (HSD) side, the nearest elementary school is Groner Elementary, which is located several miles west of the plan area.

The Beaverton School Facility Plan was updated and adopted as part of the city's comprehensive plan in 2010. The Hillsboro School District last updated Population and Enrollment Forecasts in April 2012. These plans were considered in determining the amount of land and improvements needed for public school facilities to serve the SCM Community Plan area, as required by Metro.<sup>11</sup>

Tualatin Hills Park and Recreation District (THPRD) is anticipated to be the primary park and recreation service provider for the Community Plan area.<sup>12</sup> The city's Development Code currently does not require annexation to THPRD if it can be demonstrated that commensurate parks and recreational facilities can be provided by the developer.<sup>13</sup>

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<sup>11</sup> Per Metro UGMFP Title 11, 3.07.1120.C.5.

<sup>12</sup> THPRD is the designated service provider for the Community Plan area, as well as for the URA to the north; however, property owners are not required to annex into the district.

<sup>13</sup> Per Section 40.93 of the Beaverton Community Development Code (Tualatin Hills Park And Recreation District Annexation Waiver), an applicant may request approval of a Tualatin Hills Park and Recreation District (THPRD) Annexation Waiver which would waive the requirement to annex property into the District as a condition of approval of any development as specified in Section 60.33 of the Development Code. A THPRD annexation waiver may only be requested by the property owner(s) for any development proposed outside of THPRD boundaries who wish to provide their own park and recreation facilities and services rather than annex the site to THPRD.



## Libraries

The City, as a member of the Washington County Cooperative Library Services (WCCLS) receives funding to support library services from Washington County. The branch closest to the study area is the Beaverton City Library at Murray Scholls, an approximately 10,500 square foot facility located in the Murray Scholls Town Center. The Murray-Scholls branch library is heavily used and the City is currently looking to lease additional space to expand library services in south Beaverton.

## Solid Waste & Recycling

The City of Beaverton Solid Waste & Recycling program regulates seven franchised haulers and sets rates for the collection of garbage, recycling and yard debris from all customers within the city limits. Waste Management (WM) of Oregon is the hauler in the area.

## Electricity & Natural Gas

Portland General Electric (PGE) provides electric power to the area in and around the area. There is a new substation located immediately south of the Community Plan area across Scholls Ferry Road.

NW Natural provides natural gas to customers in the vicinity of the Community Plan area. A natural gas transmission pipeline runs down SW Scholls Ferry Road to SW Roy Rogers Road at the southern edge of the Community Plan area and another runs down SW Scholls Ferry Road to SW Pleasant Valley Road southwest of the Community Plan area; a third runs within the power line easement east of the Community Plan area.<sup>14</sup>

# COMMUNITY PLAN ELEMENTS

## Guiding Principles: Overarching Policies for the South Cooper Mountain Community Plan

### Context

The policies listed below are refined policy statements from the SCM Guiding Principles.<sup>15</sup> These policies established the foundation for, and helped shape, the South Cooper Mountain Concept Plan. Developed in 2013, the original Guiding Principles captured ideas from previous planning work and agreements by the City of Beaverton, Metro and Washington County, and, added new vision statements agreed upon by the TAC and the CAC. The principles served as broad criteria for decision making for the entire 2,300-acre SCM Concept Plan area, including the Community Plan area. In this Community Plan, the guiding principles serve as overarching policies.

### Overarching Policies

1. *Implement the Concept Plan.* *Implement the South Cooper Mountain Concept Plan in a comprehensive and proactive manner, through the: Comprehensive Plan; Development Code; land*

<sup>14</sup> Pipeline and Hazardous Materials Safety Administration, National Pipeline Mapping System Public Map Viewer: <https://www.npms.phmsa.dot.gov/PublicViewer/>, accessed 4/30/13. These do not include distribution pipelines serving individual users.

<sup>15</sup> Please see South Cooper Mountain Concept Plan for the full text of the Guiding Principles.

use reviews; infrastructure planning; natural resource planning; coordination with service providers; capital improvement planning; community involvement, and other means as needed.

2. Create Beaverton's next great community. Create a community that is walkable, family-friendly, livable, and includes quality neighborhoods, great green spaces, community focal points, a Main Street, and well-designed development.
3. Create a sustainable community. Create a community that meets the needs of Beaverton and the South Cooper Mountain area today and tomorrow, while minimizing negative environmental, social, and economic impacts. Support low-carbon economies and lifestyles, energy efficiency and security, health and well-being, and ecosystem stewardship; and enable future residents and the broader community to meet their own needs.
4. Implement a realistic funding plan for infrastructure. Work closely with the public and private sector to implement the SCM Infrastructure Funding Plan. Coordinate with Tigard, Washington County, and all service providers to plan, fund and deliver the infrastructure needed to implement community plans on South Cooper Mountain.
5. Provide housing choices. Provide a variety of housing types and densities to provide options for a range of income levels. Provide housing choices consistent with the overall housing needs of Beaverton.
6. Provide transportation options. Provide a well-connected transportation network that promotes options for all modes of travel, and encourages walking, biking and future transit service. Address north-south, east-west, and other regional travel issues in coordination with neighboring cities, Washington County, Metro, Tri-Met and Oregon Department of Transportation.
7. Provide appropriate protection, enhancement and access to Cooper Mountain's natural resources and public lands. Avoid and minimize impacts, protect key natural resources, and design new growth so that it is integrated with natural areas and other open spaces. Provide appropriately located access to natural areas and open space.
8. Coordinate with regional requirements and plans. Coordinate with Metro, Washington County, Tigard and other governments regarding Urban Growth Boundary expansion areas and Urban Reserves. Coordinate transportation planning with the 2035 Regional Transportation Plan and Regional Transportation Functional Plan. Promote connections from South Cooper Mountain to the area's regional trails and green spaces.
9. Coordinate with other planning in the area. Coordinate with the River Terrace and South Hillsboro Community Plans. Coordinate with planning for regional water facilities. As additional planning projects in the area are identified, provide information and promote coordination with the South Cooper Mountain Concept Plan.
10. Ensure that the plan complements existing neighborhoods and commercial areas so that South Cooper Mountain is a part of greater Beaverton.
11. Plan new civic uses so they are focal points for the community. Ensure schools, parks and other civic uses are centers of community activity. Integrate the planned new high school with neighborhoods and other development within the plan.
12. Promote compatibility with adjacent rural areas. Promote compatibility between urban uses and agricultural/forestry uses outside the Urban Growth Boundary.

## Land Use

### Land Use Implementation

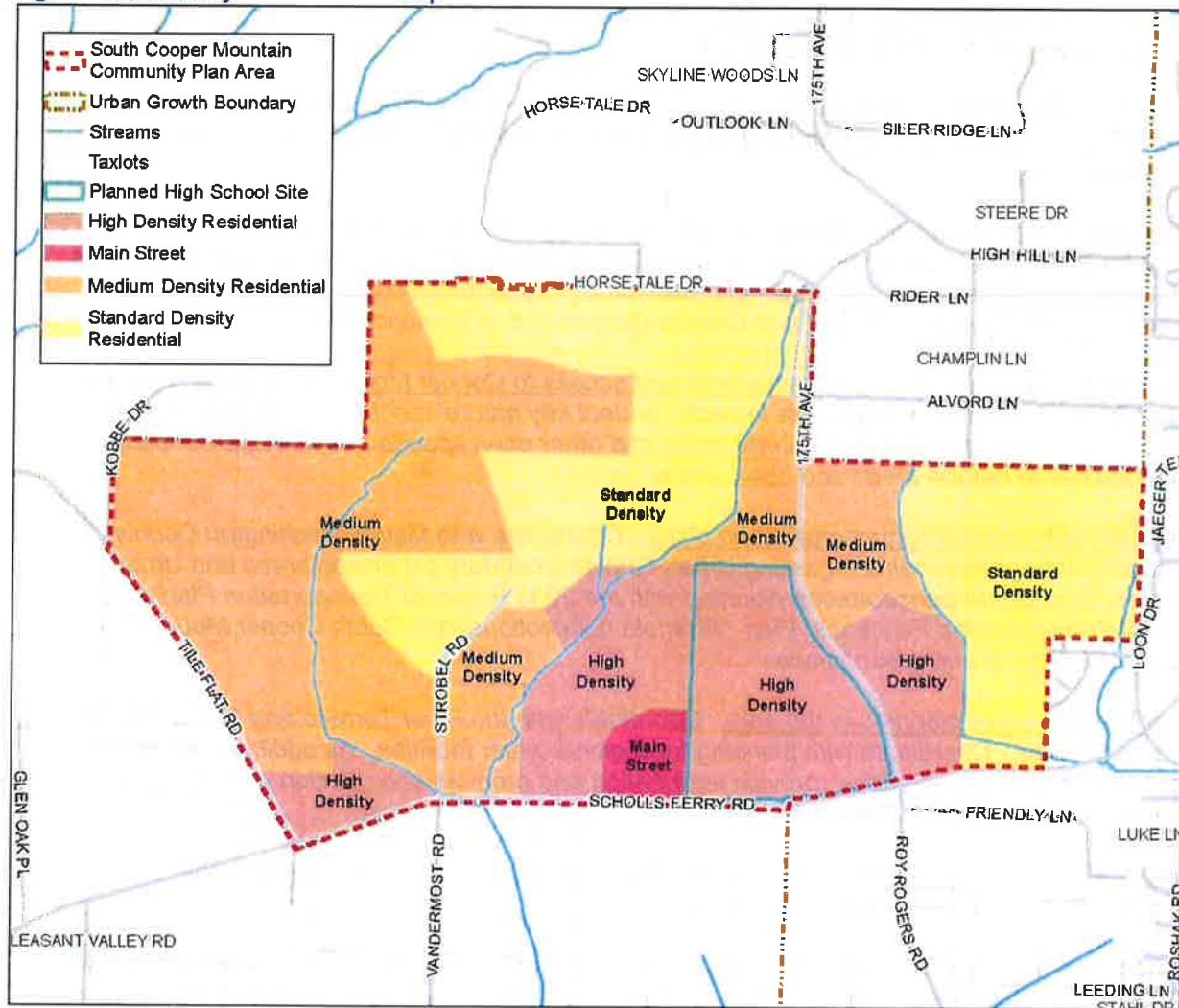
#### Context

#### Land Use Designations

Land use designations for the South Cooper Mountain Community Plan area are shown on the Land Use Map (Figure 7). The Land Use Map is the term used for the Comprehensive Plan Map in the City of Beaverton Comprehensive Plan.<sup>16</sup>

The designations on the Land Use Map displayed in Figure 7 serve as the Comprehensive Plan designations for the area. They are implemented by zoning districts as listed in Chapter 3.14 of the Comprehensive Plan and as shown in the Zoning District Matrix included in Table 1 below.

**Figure 7: Community Plan Land Use Map**



<sup>16</sup> The Land Use Map published in this document is advisory - the city's official Land Use Map is the controlling map of Comprehensive Plan designations.



**Table 1: Comprehensive Plan and Zoning District Matrix**

Comprehensive Plan and Zoning District Matrix: South Cooper Mountain Community Plan		
Comprehensive Plan Designation	Zoning District	Near-Term Land Use Development Type from SCM Concept Plan
Standard Density Residential	R7, R5	Single Family Neighborhood
Medium Density Residential	R4, R2	Compact Neighborhood 50% of Urban Neighborhood
High Density Residential	R1	50% of Urban Neighborhood
Main Street	Neighborhood Service, R1, R2	Main Street Commercial

### ***The Land Use Map and Zoning Strategy – Balancing Certainty and Flexibility***

The Land Use Map designations have been applied to implement the South Cooper Mountain Concept Plan. The boundaries of the Land Use designations are intended to reflect key outcomes of the Concept Plan, for example:

- Providing a transition of density from areas of higher density (e.g. along SW Scholls Ferry Road) to areas of lower density (e.g. near SW Loon Drive).
- Coordinating land use with the network of arterial streets, collectors, neighborhood routes, and local streets.
- Protecting natural resource areas and integrating them as amenities for future development.
- Providing a range of residential areas that ultimately result in a variety of housing types, neighborhood framework, and amount of new housing that is consistent with the estimates made in the South Cooper Mountain Concept Plan.

For all of the above reasons, the boundaries of the Land Use designations follow the intended outcomes of the Concept Plan. In some cases, the boundaries follow property lines; in other cases they follow planned roads or logical dimensions between property lines, resulting in more than one designation on a parcel. It is anticipated and expected that refinements to the boundaries of the Land Use designations may be needed as zoning is applied when land use applications are brought forward.

The zoning map for the Community Plan will be created over time through review of development proposals that implement the density of the land use designations. This approach allows for implementation of zoning districts based upon community designs that are sensitive to existing topography and responsive to unknown constraints associated with design and construction of new infrastructure, but still satisfy the density goals of the Community Plan. This approach is intended to achieve a balance of certainty and flexibility. The City's intent is to:

- Implement the vision and concepts described in the Concept Plan;

- Implement the policies in this Community Plan and applicable requirements of the Beaverton Development Code and other regulations; and,
- Provide flexibility for phased development and adjustments needed for site specific conditions, design ideas, and market needs.
- Provide an efficient process for applying new zoning, through use of the City's zone map amendment procedures, where applicable.

The Land Use Implementation Policies describe the steps and requirements that the City will use to achieve a balance of certainty and flexibility for land use in the Community Plan area.

### **Overall Development Program**

The overall development program for the Community Plan area is summarized in Table 2 by Land Use designation, with the projected dwelling unit capacity of each district, and total for the planning area. For the Medium and Standard Density Residential comprehensive plan designations, capacity estimates are provided based on assumptions of the mix of the R-2 vs. R-4 and R-5 vs. R-7 zones, respectively, that are consistent with the Concept Plan. Capacity estimates for all residential zones do not include the land needed for civic / institutional uses. Civic/institutional uses are identified in Table 3 – they are typically conditional uses in residential zones and the assumed acreage for these uses has been deducted from the table below.

**Table 2: Land Use Designations and Capacity Estimates**

Land Use Designation	Gross Acres <sup>17</sup>	Gross Residential Acres <sup>18</sup>	Net Residential Acres <sup>19</sup>	Assumed Mix of Zones	Estimated Housing Capacity (units) <sup>20</sup>	Minimum Housing Capacity (units) <sup>21</sup>
<b>High Density</b>	122	66	31	100% R-1	1,250	1,080
<b>Medium Density</b>	220	206	111	30% R-2 70% R-4	1,570	1,260
<b>Standard Density</b>	182	170	95	30% R-5 70% R-7	660	530
<b>Main Street</b>	10	0	0	100% NS	N/A	N/A

<sup>17</sup> Gross acres in Table 2 excludes existing right-of-way, which accounts for the difference from the 544-acre total area of the SCM Community Plan area.

<sup>18</sup> Excludes land for civic uses. In the Main Street designation, does not include land assumed to be designated NS. While residential uses are allowed in the NS zone, this area is anticipated to be developed primarily with commercial uses.

<sup>19</sup> Net acreage, as defined in the city's development code, excludes street dedications, environmentally constrained lands, and land set aside in separate tracts or dedicated to a public entity for schools, parks, or open spaces.

<sup>20</sup> The regulatory maximum capacity under the city's Development Code is calculated based on gross acres, per section 20.25.15 of the Beaverton Development Code. However, this calculation produces an unrealistically high estimate of capacity that is rarely, if ever, achieved in practice. The more realistic estimate of capacity included in Table 2 was based on net acres and the allowed densities in each zone, consistent with the city's capacity estimates for the rest of the city.

<sup>21</sup> Minimum residential density is calculated based on net acres rather than gross acres. The minimum number of units is calculated by dividing 80% of the net acres by the minimum land area per unit.

Land Use Designation	Gross Acres <sup>17</sup>	Gross Residential Acres <sup>18</sup>	Net Residential Acres <sup>19</sup>	Assumed Mix of Zones	Estimated Housing Capacity (units) <sup>20</sup>	Minimum Housing Capacity (units) <sup>21</sup>
<b>Total</b>	534	442	237		3,480	2,870

### ***Institutional / Civic Uses***

The need for the following civic uses has been identified through the planning process in order to meet the needs of the new growth. School needs were coordinated with the Beaverton School District and the Hillsboro School District. Park needs were coordinated with the Tualatin Hills Park and Recreation District.

**Table 3: Civic Use Land Needs**

Use	Estimated Land Need
<b>Neighborhood Parks</b>	Nine to 11 acres (three to four parks)
<b>Elementary Schools</b>	20 acres (two 10-acre school sites)
<b>High School</b>	45 acres (BSD high school site)

It is assumed that the service providers (THPRD and Beaverton and Hillsboro School Districts) will use their standard site selection and land acquisition processes to acquire the land needed for these facilities (BSD is already in possession of the 45-acre high school site). In addition, current development review practices provide for coordination through the requirement to obtain Service Provider Letters indicating that service levels are, or can be made to be, sufficient to support proposed development.

### ***Land Use Implementation Policies***

- The City shall adopt a Land Use Map as part of the Community Plan that establishes initial comprehensive plan map designations for the South Cooper Mountain Community Plan area.*
- Washington County zoning, as administered by the City, shall remain in place until new City zoning is applied. Existing agricultural uses in the Community Plan area shall be allowed to continue until the property owner decides to transition to urban development and submits a development application to the City, at which time the property will be rezoned consistent with the Community Plan.*
- Zoning may be applied<sup>22</sup> through initiation by the City or as requested by an applicant. Zoning and development review applications may be requested concurrently. The mix of zones applied to a given property shall be consistent with the assumed mix of zones shown in Table 2.*
- Amendments to the boundaries of Land Use Map designations may be proposed as individual requests prior to development, or simultaneously when development is proposed. This policy is intended to provide a means for the Land Use map and zoning to be aligned with site-specific*

<sup>22</sup> Section 40.97 of the Development Code of the City of Beaverton (Zoning Map Amendment) outlines various applications used in applying City zoning to properties within the City.

conditions, and the placement of roads, housing densities, parks, schools and other development that will occur incrementally over time.

5. All Land Use map amendments and will be required to demonstrate consistency with this *Community Plan in addition to applicable Comprehensive Plan policies, Development Code requirements, and other applicable regulations. Amendments to the Land Use Map will be required to demonstrate that change does not result in an increase or decrease in minimum residential capacity of the subject property of more than 10%.*
6. The City will support efforts by THPRD and Beaverton and Hillsboro School Districts to find, acquire and develop appropriate sites for neighborhood parks and elementary schools within the Community Plan area. The following location criteria shall guide the selection of appropriate sites:
  - a. Neighborhood Parks
    - i. Two to four acres per neighborhood park of unconstrained, relatively level land for active recreation facilities
    - ii. Good frontage on a local street or Neighborhood Route with on-street parking
    - iii. Good connections to trails
    - iv. Focal points for neighborhoods, with walkable “catchment areas”
    - v. Co-location adjacent to a school is highly desirable
  - b. Elementary Schools
    - i. Eight to ten acres of unconstrained, relatively level land per elementary school
    - ii. Good access from Neighborhood Routes or Collector roads
    - iii. Generally not adjacent to an arterial road
    - iv. Focal points for neighborhoods, centrally-located within walkable attendance areas
    - v. Opportunities to co-locate schools adjacent to parks should be sought
7. As a matter of policy and planning for neighborhood cohesiveness, the City encourages BSD and HSD to work toward an adjustment of the boundary that would result in all of the Community Plan area being served by BSD.

## Neighborhoods and Housing

### Context

#### Neighborhood Framework

Existing topography, natural resources and existing and planned streets provide the backdrop for new neighborhoods in the Community Plan area. Conceptual neighborhood areas have been drawn and are illustrated as yellow subareas on Figure 8. (The purple subarea on Figure 8 is the site of the planned BSD high school.) Each neighborhood is ½ mile or less across, representing a walking distance of about 5 minutes from center of the neighborhood to its edge.

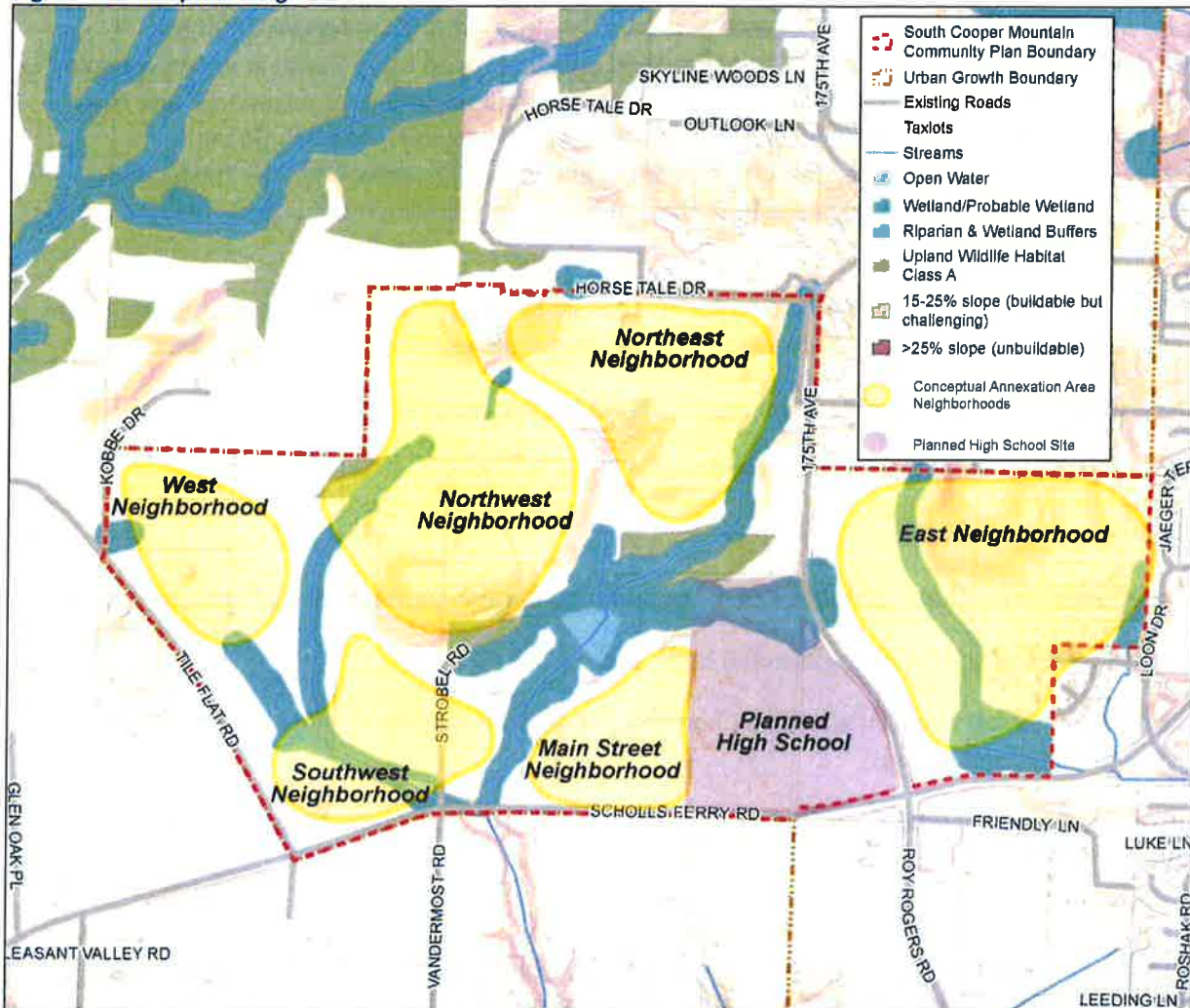
#### Housing Variety

Providing a variety of housing types can improve the aesthetic character of the neighborhoods by avoiding large, monotonous areas of the same building form. A variety of housing also helps provide different housing types for different income levels.

Table 4 below lists the housing types and supporting uses that are allowed within each of the zones that will implement the Plan Designations of the Community Plan.



**Figure 8: Conceptual Neighborhoods**



**Table 4: Allowed Uses & Housing Types**

Zoning District	Uses & Housing Types Allowed
<b>R-1</b>	Attached housing, detached housing allowed outright; schools, parks, churches and certain other commercial & civic uses allowed conditionally
<b>R-2</b>	Attached housing, detached housing allowed outright; schools, parks and, churches certain other commercial & civic uses allowed conditionally
<b>R-4</b>	Detached housing allowed outright, limited attached housing allowed conditionally; schools, parks, churches and certain other commercial & civic uses allowed conditionally
<b>R-5</b>	Detached housing allowed outright, duplexes allowed conditionally; schools, parks, churches and certain other commercial & civic uses allowed conditionally
<b>R-7</b>	Detached housing allowed outright; schools, parks, churches and certain other commercial & civic uses allowed conditionally
<b>NS</b>	Many commercial uses, including retail, service, eating and drinking establishments, and offices allowed outright; attached and detached housing allowed conditionally; schools and parks allowed outright, churches and certain other civic uses allowed conditionally

### **Housing Affordability**

Planning for a mix of housing types and densities allows construction of housing units that are affordable to different income levels. The neighborhood adjacent to the Main Street is an appropriate location for a small affordable housing development because it will be zoned for mixed use and high density, will have local shops, and will be close to future transit. However, the Main Street neighborhood is not the only suitable location. For the Community Plan area, it will be important to provide a variety of options and locations where affordable housing development is possible and can be integrated into neighborhoods as they develop.

The City's existing policies and standards provide incentives for integration of affordable housing into Planned Unit Developments. The City also uses the following tools as affordable housing incentives:

- Tax exemptions for non-profits who provide affordable housing;
- Fee waivers for planning and site review fees;
- SDC waivers and subsidies;
- Use of Community Development Block Grants to fund infrastructure serving affordable housing;
- Acquisition, banking and write-downs of land; and
- Assignment of staff to assist affordable housing projects through the funding, development review and permit process.

The City is also considering a new tool that would defer payment of SDCs until occupancy for housing that qualifies as affordable.

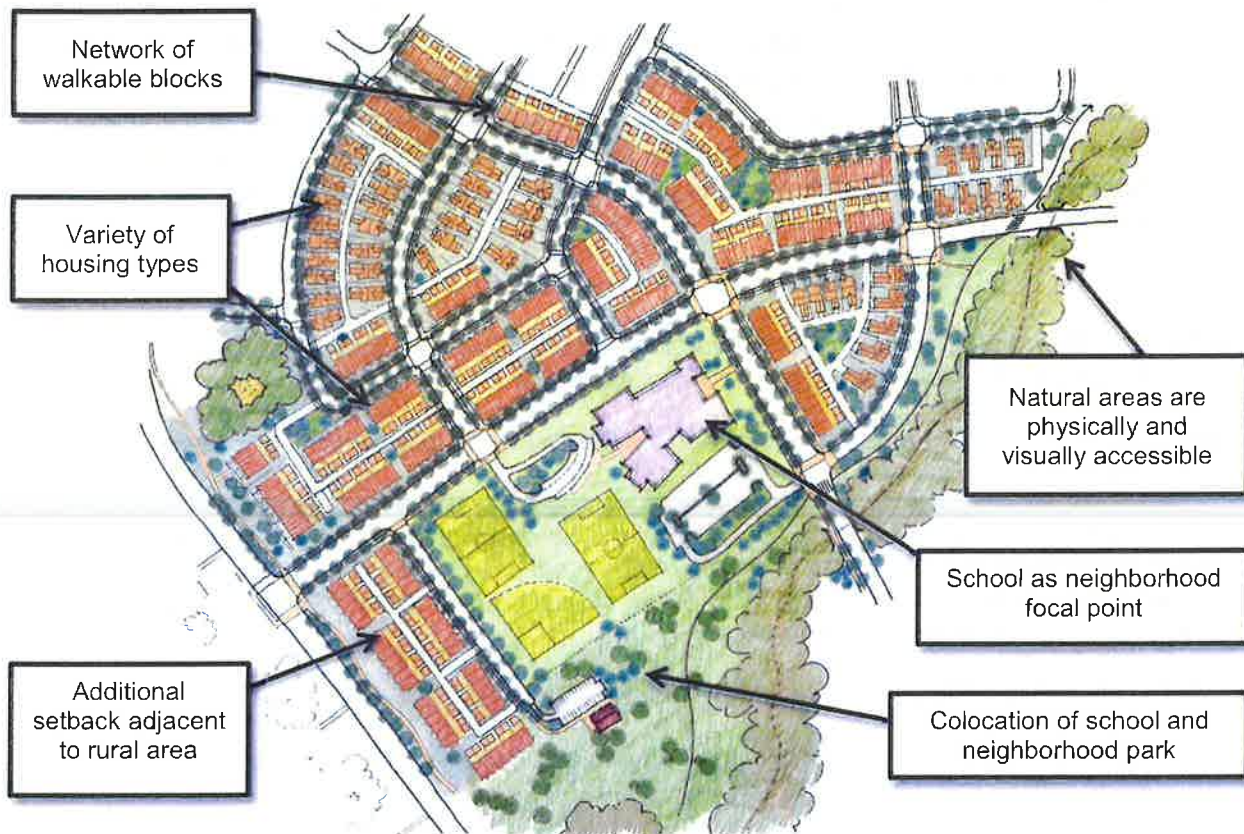
### **Neighborhood and Housing Policies**

1. *Development shall contribute to creating walkable neighborhoods. This policy is implemented by demonstrating consistency with the neighborhood design principles listed below:*
  - a. *A variety of at least housing types shall be provided in each of the neighborhoods shown on the Neighborhood Framework Plan (Figure 8). The East, Northeast, Northwest, and West Neighborhoods shall include at least four housing types. The Main Street and Southwest Neighborhoods shall provide at least three housing types.*
  - b. *For the purposes of this Community Plan, each of the following are considered a "housing type": (1) Live/work dwelling; (2) Multi-dwelling structure; (3) Single-family attached dwelling; (4) Cluster housing and/or compact detached dwelling; and, (5) Detached dwelling.*
  - c. *Clear neighborhood focal points shall be provided. Focal points include but are not limited to: parks, schools, community gathering spaces, neighborhood services (i.e. day care), scenic viewpoints, and/or natural areas that are visually and physically accessible to the public;*
  - d. *A network of walkable blocks and trails, consistent with the Transportation Framework Plan, Bicycle Framework Plan, and applicable Development Code standards shall be provided;*



- e. *The orientation of streets, blocks, development and/or trails shall be planned so that natural areas are not “walled off”, but rather are as physically and visually accessible to the public as practicable;*
  - f. *The provision of parks and open space shall be consistent with applicable Development Code standards and the Natural Resources Framework Plan. Park and open space shall be coordinated with the Tualatin Hills Park and Recreation District.*
2. *In addition to the housing variety that must be demonstrated at a neighborhood level, individual developments and PUDs shall provide housing variety consistent with:*
- a. *Sites 0 to 15 acres (gross) – 1 housing type permitted, but more encouraged.*
  - b. *Sites greater than 15 and up to 30 acres (gross) – minimum of 2 housing types required.*
  - c. *Sites over 30 acres (gross) – minimum of 3 housing types required although flexibility to housing types can be proposed through the development review process wherein an attractive and varied neighborhood is achieved.*
3. *The City will support efforts to provide affordable housing in South Cooper Mountain. The City will evaluate the feasibility of pro-active involvement in affordable housing projects and supportive programs benefiting South Cooper Mountain.*

**Figure 9: Neighborhood Design Principles in a Medium Density Residential Neighborhood**



## Main Street

### Context

"Main Streets" are a "design type" identified in Metro's 2040 Growth Concept. As described in Chapter 3 of the Comprehensive Plan, they are intended to include small-scale retail and services to serve adjacent neighborhoods, along with some medium- to high-density housing, and should have access to transit. The City's goal is to provide Main Street areas with a vibrant mix of neighborhood commercial and residential uses in a pedestrian friendly environment that includes wide sidewalks with pedestrian amenities. They are intended to develop as cohesive communities with design features promoting an urban scale and pedestrian environment. The Main Street Comprehensive Plan designation is implemented by the Neighborhood Service, R1 and R2 zones.

The SCM Main Street is planned to be located adjacent to the planned BSD high school (see Figure 7 and 8), creating a community focal point and potential future transit node. Visibility from Scholls Ferry Road, and proximity to the High School, are key location and site planning criteria for the Main Street. It is planned to have a clear structure of blocks, and direct street and trail connections to the nearby neighborhoods, the high school, and the emerging River Terrace neighborhood located to the south of SCM in Tigard. Strong street, pedestrian and bike connections will support the success of the businesses in the Main Street and reduce reliance on the automobile for future SCM residents to meet their daily needs. The more pedestrian-oriented the Main Street is designed to be, the more it will establish a unique identity and draw community use.

The amount of land designated for a future Main Street was determined based on a market study considering the estimated household expenditures of existing and future residents of the South Cooper Mountain Concept Plan area. Because the portion of household expenditures on neighborhood retail varies widely, based on availability of retail, how accessible it is, and the appeal of the retail to nearby households, there is some inherent uncertainty in how much retail area the market will demand and support at this particular location. The visible location along Scholls Ferry Road and proximity to employees, students and community events at the High School are intended to enhance the viability of the retail on Main Street.

### Main Street Policies

1. *Plan the Main Street area to provide local shopping opportunities. Main Street should complement and not compete with larger centers such as Progress Ridge.*
2. *Ensure that the Main Street area is designed as a pedestrian-oriented center that also provides for excellent accessibility by car and bicycle.*
3. *Ensure that the Main Street area is designed to have a complementary relationship with the adjacent High School and associated civic and recreational uses. Access and pedestrian routes should be coordinated. Uses within the Main Street should support the school district's policies for healthy food choices and active lifestyles.*
4. *The design of the Main Street are should follow these principles:*
  - a. *Land uses and circulation should be organized into a series of walkable blocks.*

- b. Buildings should be oriented to the street along key routes. The City should consider tailored building orientation standards so that the storefront character is continuous along the most active edges of the blocks.*
- c. Mixed use buildings, 2 stories and taller, are encouraged.*
- d. Future transit should be anticipated and accommodated.*
- e. Public gathering spaces should be accommodated through a plaza, festival street, or parking area that can be converted to Saturday-market type use during community events.*

## Transportation

### Streets

#### Context

The existing major roadways that flank and run through the Community Plan area – SW Scholls Ferry Road on the south, SW 175<sup>th</sup> Avenue through the plan area, and SW Tile Flat Road on the west – have evolved over time. Historically they were farm-to-market roads and rural access routes. With the success of employment centers to the north and south, and the urbanization of the suburban communities in the Metro area, they have become even more important for regional commuting and local trips between the nearby communities. These roads will continue to serve as important routes to and through the plan area, as the land use context of south Cooper Mountain transitions from rural to urban. As urban development occurs, these arterials will provide an important new role as streets directly adjacent to urban neighborhoods, schools, and a Main Street. Accordingly, the policies in this section are intended to guide a balanced approach that provides for mobility and pedestrian safety, walking, biking, future transit, and access to urban uses.

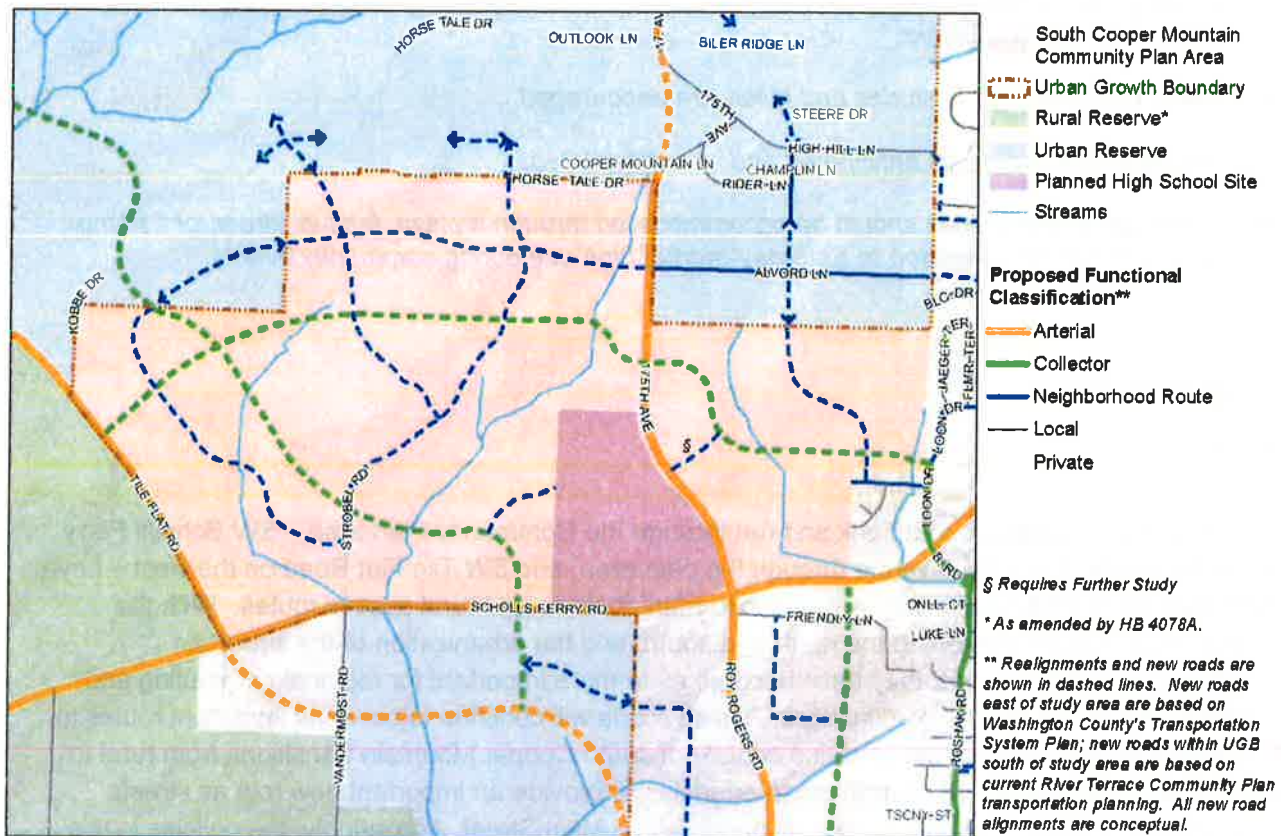
SW Scholls Ferry Road, SW 175<sup>th</sup> Avenue and SW Tile Flat Road are under the jurisdiction of Washington County and are subject to County road standards. The policies of this plan pertaining to those streets are intended to guide selection of appropriate design treatments within the range of options allowed by the County in consultation and close coordination with the City of Beaverton and City of Tigard. A continued partnership approach will help the successful implementation of the planned transportation facilities, and adjacent land uses, in the area over time.

There are few alternatives today to the existing major roads, which all experience congestion during peak commute times. There is a need to supplement the arterial network with a connected network of collectors, neighborhood routes, and local streets to provide continuous routes that are parallel to the arterials and can offer access to and through new neighborhoods as they develop.

With several busy arterial roads bounding and splitting the Community Plan area, and important planned pedestrian destinations adjacent to them (including the future high school site and the planned Main Street area), thoughtfully designed and located pedestrian crossings will be critical to ensuring safe pedestrian access throughout the plan area. Pedestrian and bicycle connections to the planned high school and to River Terrace are particularly important for providing safe routes to school and walking and biking access that connects South Cooper Mountain and River Terrace.



**Figure 10: Community Plan Street Framework**



## Street Policies

1. The streets planned for the Community Plan area are illustrated in Figure 10. The Beaverton Transportation System Plan and Washington County Transportation System Plans will be updated consistent with Figure 10 and will be the controlling documents for transportation planning.
2. Access and circulation serving the high school shall be coordinated between the Beaverton School District, the City of Beaverton, the City of Tigard, Washington County, Tualatin Valley Fire and Rescue and other service providers.
3. SW Scholls Ferry Road, SW 175<sup>th</sup> Avenue, and SW Tile Flat Road are designated as Arterial streets, in recognition of their importance for regional movements. Transportation facility design and land use regulations and review shall recognize and balance the urban mobility needs with the multi-modal urban community functions of these key roadways. Specific policies for the objectives of each street are provided below.
  - a. SW 175<sup>th</sup> Avenue within the Community Plan area shall be improved through a coordinated approach between the City, County and adjacent land owners. The City shall proactively initiate this coordination. SW 175<sup>th</sup> Avenue shall be designed to provide for mobility needs and provide an attractive and welcoming entrance to the area. Safe, protected pedestrian crossing opportunities shall be provided near important pedestrian destinations, such as the future high school site, when a need is demonstrated and such crossings are appropriately and safely designed and located.

- b. *SW Scholls Ferry Road adjacent to the Community Plan area shall be improved to meet Washington County's Urban Arterial road standards. It shall be designed to provide for efficient movement of vehicles, including freight, but shall also provide for safe bicycle and pedestrian facilities, especially in the vicinity of the Main Street. Safe, protected pedestrian crossing opportunities shall be provided near important pedestrian destinations. The city of Beaverton, city of Tigard and Washington County shall explore coordinated access, and a pedestrian crossing, in the vicinity of the high school and Main Street.*
  - c. *SW Tile Flat Road adjacent to the Community Plan area shall be designed to retain a rural design, particularly on the west side adjacent to land designated as Rural Reserve. All expansions requiring additional right-of-way shall be to the east (urban) side. Safe bicycle and pedestrian movements shall be accommodated by a shared-use pathway adjacent to the road on the east side, with trees and other landscaping to provide a visual buffer to adjacent rural lands.*
4. *A new east-west Collector street shall connect from SW Tile Flat Road to SW Loon Drive, providing a parallel route to SW Scholls Ferry Road that connects through the full width of the Community Plan area. This street shall be designed to provide a safe and comfortable connection for pedestrians and bicyclists as well as cars and to create a clear, direct and convenient route that connects the eastern, northern and western neighborhoods. The City and County shall evaluate options for the connection of the East-West Collector to SW Loon Drive, and how local circulation and local street connections should be coordinated with that connection.*
5. *A new north-south Collector road shall connect from SW Scholls Ferry Road through the Community Plan area.*
- a. *North of SW Scholls Ferry Road, this new collector shall serve as the Main Street area of South Cooper Mountain. The Main Street section of this Collector road shall be designed to be pedestrian-friendly, and designated as a Major Pedestrian Route, with on-street parking, wide sidewalks, pedestrian-scale street lights, "furnishings" such as benches and street trees in tree grates, and curb bump-outs where possible. A reduced design speed shall be pursued for the Main Street section along with features that encourage cars to travel more carefully through the Main Street area.<sup>23</sup>*
  - b. *The alignment of the North-South Collector shall account for, and not preclude, future extension to the west to SW Grabhorn Road and south to serve Urban Reserve 6C.*
6. *Within the Community Plan area, new neighborhoods shall be served and linked by a connected network of streets. Neighborhood Route connections shall provide connectivity between neighborhoods. The preferred network is illustrated in Figure 10. The City may permit flexibility to adapt to site specific conditions and ownerships provided the conceptual network in Figure 10, or equivalent, is provided.*
7. *The City shall coordinate with Washington County to evaluate the need for, and feasibility of, any proposed Neighborhood Route connections to Arterial roads.*

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<sup>23</sup> According to the City of Beaverton's Engineering Design Manual, the City Engineer may approve a lower alternative design speed where it can be shown that the 85th percentile speed of traffic will be lower than the design speed standard during all hours. The design speed is the minimum speed that shall be used in design of safe road geometry. The design speed shall not prohibit the use of traffic calming features or signing, where appropriate, to encourage lower traffic speeds.

8. *All signalized intersections within and abutting the plan area shall be designed with high-quality pedestrian crossing treatments, such as count-down timers and high-visibility cross-walks.*

## Bicycle and Pedestrian Framework

### Context

Provision of a diverse and connected bicycle and pedestrian network consistent with regional active transportation goals is one of the great opportunities for the Community Plan area. The bicycle and pedestrian network will provide for local travel on bike and on foot, and support the overarching goal to create Beaverton's next great community. The network also serves to connect to destinations outside of the Community Plan area, such as Cooper Mountain Nature Park, the future Cooper Mountain Regional Trail, and River Terrace's trail system.

While the ultimate trail widths and designs will be determined at time of design and development, the following trail typology is recommended for planning purposes, based on THPRD's 2006 Trails Plan:

- **Community Multi-Use Trails:** These trails link important land uses and areas of interest with one another and connect users to the regional trail system. They are assumed to be paved paths that accommodate pedestrians (including those with disabilities) and bicyclists, recognizing that topographic constraints may be challenging. Within the planning area, it is assumed that multi-use trails that parallel roadways will be separated by a landscaped area. Trail width should be 8 to 10 feet paved width one- to two-foot gravel shoulders.
- **Pedestrian-Only Nature Trails:** These are assumed to be soft-surface trails that are for pedestrians only (though they should be accessible to those with disabilities whenever feasible). They provide connections through and along natural areas, including links to the Cooper Mountain Nature Park trail system. Widths may range from 3 to 8 feet.

A conceptual bicycle and pedestrian framework plan is included in Figure 11, illustrating the plan to achieve the policy objectives listed below.

### Bicycle and Pedestrian Framework Policies

1. *On-Street Bicycle & Pedestrian Facilities: All new and improved roadways within the Community Plan area shall have sidewalks.<sup>24</sup> In addition, all new Arterial and Collector streets shall have bike lanes, as identified in the City of Beaverton and Washington County TSPs. More protective bicycle facilities, such as buffered bike lanes, shall be considered for SW Scholls Ferry Road and SW 175<sup>th</sup> Avenue, due to traffic speeds and, in the case of SW 175<sup>th</sup> Avenue, grades.*
2. *Stream Corridor Trails: A system of nature trails and multi-use paths shall run along the outer edge(s) of the vegetated corridors adjacent to stream reaches within the Community Plan area, as illustrated in Figure 11, providing a recreational amenity and safe, pleasant pedestrian and/or bicycle connections.*
3. *Trails through Resource Areas: The site specific design and location of providing trail connections across wetland resource areas within the Community Plan area shall be addressed on a case-by-*

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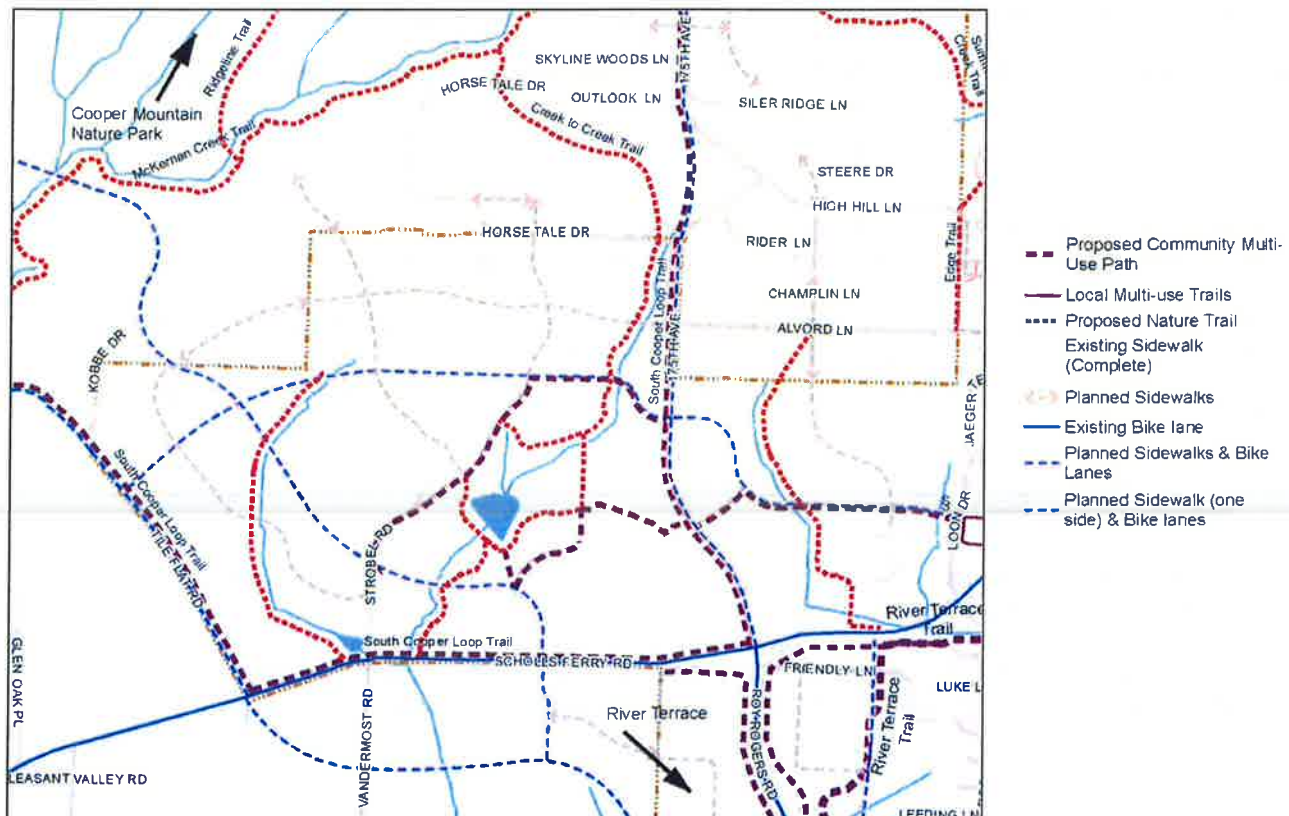
<sup>24</sup> The exception is SW Tile Flat Road, which is planned to have a multi-use path along the eastern side in place of sidewalks. Another exception a trail that may parallel a street next to a resource area. In this case, the trail may replace the sidewalk on the resource side of the street.



case basis. There is a need to provide safe and convenient pedestrian and/or bicycle across the central natural resource area located north of the high school and Main Street. There is also a need to provide access to the River Terrace Trail south of SW Scholls Ferry Road. These, and other trails through resource areas, shall be designed to minimize impacts to the natural resources. Maintenance and enhancement of wildlife corridors and connections between resource areas should be considered when designing and locating trails.

4. **School to School Trail:** A multi-use path shall link from SW Loon Drive at Scholls Heights Elementary school to SW 175<sup>th</sup> Avenue at the planned high school site. Its alignment shall be coordinated with efforts to extend a "purple pipe" (non-potable water) connection from a Beaverton well site near SW Loon Drive to the high school that could supply irrigation water for playing fields.
5. **Western Edge Trail:** A community multi-use trail shall run along the east side of SW Tile Flat Road within the Community Plan area. This trail shall be extended further north, paralleling SW Grabhorn Road as far as Cooper Mountain Nature Park, when that portion of the Urban Reserve Area is brought into the UGB and developed.

**Figure 11: Community Plan Bicycle & Pedestrian Framework**



## Resource Protection and Enhancement

### Significant Natural Resources & Open Space Edges

#### Context

The two highest-quality natural areas within the Community Plan area are the central riparian/wetland area and the wetland area in the southeast corner of the plan area. These are shown in Figure 12 and described below.

**Central riparian/wetland area:** This area contains a diversity of native habitats, including wetland, riparian, and upland habitat. It contains the most intact stream within the Community Plan area; human disturbance throughout this resource area appears to be relatively minimal, with the exception of an existing dam (removal of which should be evaluated for feasibility and environmental impacts). The area is home to a diverse mix of vegetation and frequented by migratory birds. This area includes wetlands identified as W-A and W-C in the Local Wetlands Inventory (LWI) prepared for the Community Plan area, both of which were found to meet locally significant wetland criteria.

**Eastern wetland:** This wetland area covers roughly 4.5 acres, and is contiguous with wetlands on the Churchill Forest subdivision property that have been protected as part of the subdivision approval. This wetland, identified as W-H in the LWI prepared for the Community Plan area, provides diverse wildlife habitat, and meets criteria for designation as a locally significant wetland.

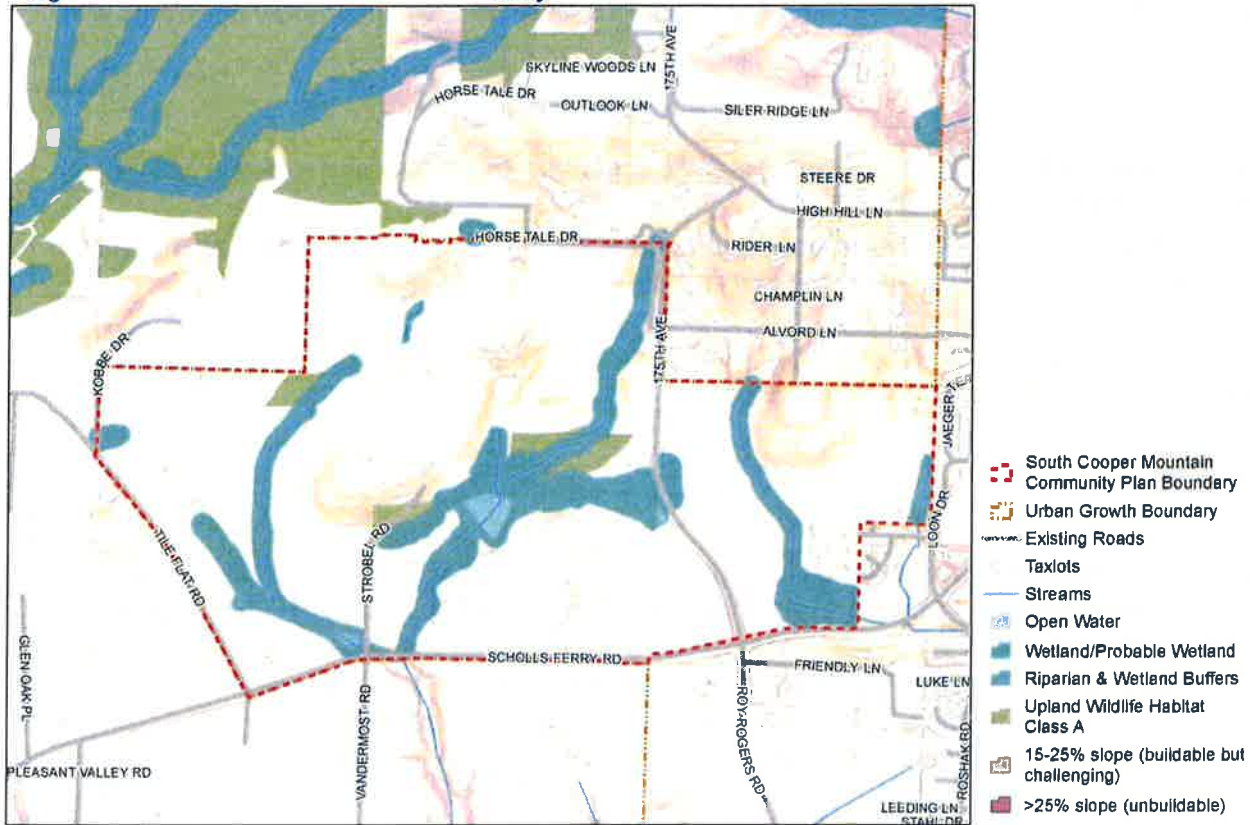
In addition, the two drainage corridors on the eastern and western sides of the plan area are regulated by Clean Water Services' (CWS) vegetated corridor regulations. Both are currently degraded, but CWS regulations will require restoration of native vegetation upon development approval.

These resources can become amenities for the future neighborhoods if they are appropriately protected and restored.

#### Natural Resource Policies

1. *Locally significant wetlands and protected riparian corridors within the Community Plan area shall be protected and enhanced, consistent with local, state, and federal regulations.*
2. *Development adjacent to significant natural resource areas shall be designed to provide visual and/or physical access to the resource area and limit continuous rear lot line edges abutting a significant natural resource through one or more of the following treatments of the open space edge.*
  - a. *parallel trail along the edge of the vegetated corridor with access points from adjacent roads and community focal points;*
  - b. *local streets that run adjacent to the edge of the vegetated corridor, without development between the street and the vegetated corridor; or*
  - c. *neighborhood parks, pocket parks, schools and similar uses that connect to the resource area and provide breaks between developed areas abutting the resource.*

Figure 12: Natural Resources in the Community Plan area



## Urban Forestry Management

### Context

Trees provide a variety of important environmental services, in addition to offering aesthetic benefits. The environmental services include: contributing to stormwater management by intercepting rainfall; moderating temperature; providing habitat; enhancing air quality; and improving soil stability on sloping terrain. Large stands of mature trees in the Community Plan area were removed prior to annexation to the City of Beaverton and in the interim period during which the SCM Concept Plan and Community Plan were being developed. Efforts should be made to restore and maintain tree canopy throughout the Community Plan area.

Title 13 of Metro's Urban Growth Management Functional Plan requires that local governments protect identified regionally significant upland wildlife areas within UGB expansion areas.<sup>25</sup> Several areas meeting Metro's criteria for designation as "Class B Upland Habitat" have been identified in the SCM Community Plan area, along with more limited areas that meet the criteria for "Class C Upland Habitat".<sup>26</sup> The City of Beaverton has tree protection and mitigation standards for certain types of trees,

<sup>25</sup> Metro UGMFP Title 13, section 3.07.1330 Implementation Alternatives for Cities and Counties and section 3.07.1370 Future Metro Urban Growth Boundary Expansion Areas.

<sup>26</sup> See DRAFT Natural Resources Memorandum by David Evans and Associates, Inc., June 3, 2013.

including Significant Individual Trees, Trees within Significant Natural Resource Areas and Trees within Significant Groves.<sup>27</sup>

### **Urban Forestry Policies**

1. *The City shall explore options to encourage and incentivize tree planting and retention of mature trees within the Community Plan area.*
2. *Tree planting already required by City regulations (e.g. landscaped areas, street trees) shall be maximized as a method to increase the tree canopy in the Community Plan area.*
3. *Regionally Significant Upland Habitat within the SCM Community Plan area shall be protected through designation of Significant Groves and application of the City's existing tree protection standards and Habitat Benefit Area provisions, as appropriate.*

## **Scenic Views**

### **Context**

Scenic views are recognized as resources in Chapter 7 of the Comprehensive Plan. There are a number of locations within the Community Plan area that offer scenic views of the Tualatin Valley and Chehalem ridge to the southwest. These views are an integral component of the unique character of the Community Plan area, and are key amenities to be retained and enhanced as urbanization occurs. In addition to aesthetic qualities, scenic viewpoints provide a visual connection between the contemporary growth of the city and rural heritage of the area.

### **Scenic View Policies**

1. *Development on lands that currently offer views of the Chehalem Ridge shall be designed to retain view corridors of at least 30 degrees for the enjoyment of the adjacent neighborhoods and the broader community, using one or more of the following techniques. Viewpoints should provide seating and space for passersby.*
  - a. *Streets that "T", stub, or curve at a location offering a viewpoint, with a break between buildings;*
  - b. *Neighborhood or pocket parks situated to offer a viewpoint; and/or*
  - c. *Gaps between buildings with small seating areas adjacent to the sidewalk (see Figure 13 for an illustration of this concept).*

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<sup>27</sup> Beaverton Development Code Chapter 60, Section 60.60. Trees and Vegetation.



Figure 13: Scenic Viewpoint Visualization



## Rural Edges and Transitions

### Context

The Community Plan area abuts land outside the UGB, west of SW Tile Flat Road, that is designated Rural Reserve and zoned for Exclusive Farm Use, a rural resource zone. Since this land is assumed to be retained for agricultural use over the next several decades, or until the urban reserves have all been added to the UGB, the border between urban and rural lands should be sensitive to adjacent rural uses. Measures to enhance compatibility between farm/forest lands and UGB expansion areas are also required as a condition of the UGB expansion for the SCM Community Plan area.<sup>28</sup>

Due to urban density targets for the plan area, and the unconstrained nature of the land available for development immediately east of SW Tile Flat Road, it is not appropriate to substantially reduce planned densities adjacent to the rural edge in the interest of an urban-rural transition. Further, even standard single-family neighborhoods can have a visual and spill-over impact on adjacent rural areas if not carefully designed. Therefore, the policies below emphasize a design approach to rural edges and transitions.

### Rural Transition Policies

1. *Require a special setback for development abutting SW Tile Flat Road, to be dedicated and improved as a multi-use path. (If the path becomes part of the right-of-way, rear setbacks shall be reduced in order to reduce the impact on the land's development potential.)*
2. *Require that the setback area and path are landscaped with trees and shrubs that provide a visual screen for adjacent rural uses.*
3. *The City shall work with THPRD to explore opportunities to provide Parks System Development Charge (SDC) credits to developers who dedicate and/or improve a trail implementing this objective.*

<sup>28</sup> Metro Ord. No. 11-1264B condition #4 for SCM states that "Land use regulations shall include provision – such as setbacks, buffers and designated lanes for movement of slow-moving machinery – to enhance compatibility between urban uses and agricultural and forest practices on adjacent land outside the UGB that is zoned for farm or forest use pursuant to statewide planning Goal 3 or 4."

Figure 14: Rural to Urban Transition along SW Tile Flat Road



## Infrastructure Provision

### Context

#### *Drinking Water*

As with other planning strategies for South Cooper Mountain, the water system for the Community Plan was conceptually planned during the Concept Plan process and evaluating the area as a whole. The water system expansion into South Cooper Mountain, and the SCM Community Plan area specifically, will be based on the largest single point demand in the area: fire service flow. Although providing domestic and irrigation services to the area is essential, the water system expansion will be developed to provide sufficient fire flow while maintaining a minimum water pressure.

The new 24-inch water line in SW Scholls Ferry Road will extend to SW 175<sup>th</sup> Avenue and the planned High School site. Additional development to the north and west will require expanded network connections.

A new 24-inch water line is planned to extend along SW 175<sup>th</sup> Avenue, ultimately connecting to a future five-million-gallon tank to be located near the intersection of SW 175<sup>th</sup> Avenue/SW Weir Road. By supplementing the existing system with this new five million-gallon storage tank, there will be adequate water storage to serve the entire planning area. It is scheduled to be constructed by 2020.

Other major water lines will be constructed in large loops within the existing or future right-of-ways of SW Scholls Ferry Road (west of SW 175<sup>th</sup> Avenue), the planned east-west collector roadway through the Community Plan area, the planned north-south Main Street collector roadway, and SW Tile Flat Road. Development occurring within the interior of SCMAA area will connect to one of these mainlines. The conceptual water system plan for the full Concept Plan area is shown in Figure 15. Water line alignments are conceptual and subject to further design and engineering. Water lines outside of Community Plan area are also conceptual and shown only for context and to inform future planning in the area.



A planning-level cost estimate to construct these facilities is approximately \$9.1 million for the Community Plan area (including soft costs such as engineering and contingency but excluding the cost of the planned storage tank).<sup>29</sup>

### Sanitary Sewer

The SCM Community Plan area will be served by different sewer line locations, as shown in the conceptual sanitary sewer system plan for the full Concept Plan area in Figure 15.

An existing 21-inch gravity sanitary sewer located in SW Scholls Ferry Road can serve some of the area east of 175th Avenue and north of Scholls Ferry Road as well as the planned High School site.

With the exception of the high school area, the areas west of SW 175<sup>th</sup> Avenue will be conveyed towards the low point in SW Scholls Ferry Road (at the creek crossing near SW Vandermost Road) and eventually be conveyed to the new River Terrace Pump Station. The River Terrace Pump Station will be located within the urban growth boundary along the creeks south of SW Scholls Ferry Road and west of SW Roy Rogers Road. The River Terrace Pump Station is anticipated to be in operation by the end of 2015, and all flows from this proposed pump station will be directed to the intersection of Scholls Ferry Road and 175th Avenue to connect to the 21-inch Scholls Ferry Road Sanitary Sewer Extension and ultimately to the Durham Wastewater Treatment Plant.

Major sewer lines will be extended within future collector road right-of-ways, as well as in SW Tile Flat Road and SW Scholls Ferry Road west of SW 175<sup>th</sup> Avenue. In addition, the low lying creek will have sanitary sewers on each side to convey waste water to the low point in SW Scholls Ferry Road.

A planning-level cost estimate to construct these facilities is approximately \$12.3 million (including soft costs such as engineering and contingency but excluding the cost of the planned River Terrace Pump Station).<sup>30</sup>

The conceptual sewer system plan for the full Concept Plan area is shown in 13. Sewer line alignments are conceptual and subject to further design and engineering. Sewer lines outside of Community Plan area are also conceptual and shown only for context and to inform future planning in the area.

### Stormwater

Conceptual storm water management planning was conducted during scenarios phase of the Concept Plan. The work identified: (1) A preference by the City of Beaverton and Clean Water Services (CWS) for an approach that uses Regional Stormwater Facilities (RSFs); (2) Recognition that there are challenges to implementing RSFs, and flexibility is needed to apply site-scale storm water management instead of, or in combination with, RSFs; and (3) Changing water quality regulations merit further planning for South Cooper Mountain, including the creation of a Storm Water Management Plan for the

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<sup>29</sup> Details of the cost estimates and planned water system are available in the Water System Concept Plan – Summary Findings and Planning Level Cost Estimates memorandum prepared by David Evans and Associates, Inc., June 11, 2014.

<sup>30</sup> Details of the cost estimates and planned sewer system are available in the Sanitary Sewer Concept Plan – Summary Findings and Planning Level Cost Estimates memorandum prepared by David Evans and Associates, Inc., June 11, 2014.

Community Plan area. The description below summarizes elements of the work that was prepared for the Concept Plan.<sup>31</sup>

The preferred approach for implementing Overarching Principles 3 (sustainability), 4 (funding plan), and 7 (natural resources) is to plan for large scale dry detention ponds, termed Regional Stormwater Facilities (RSFs) by CWS, in order to manage peak runoff rates to avoid downstream impacts. This approach is preferred because it is consistent with planning in other new areas added to the Urban Growth Boundary; it provides planned, comprehensive flow control in a cost-effective manner; and, it provides the highest level of certainty of meeting the flow management guidelines being established by CWS. In addition, RSFs will meet water quality requirements (capture and treatment of stormwater pollutants) as well as preserving the stream health of the receiving channel by avoiding hydrographic modification.

It should be noted that RSFs require a high level of coordinated implementation. Options should be available so that there is some flexibility as how to design and construct facilities to serve individual properties prior to regional facilities being available.

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<sup>31</sup> For the scenario level evaluation, please see *Stormwater and Water Quality Scenario Summary*, David Evans and Associates, December 19, 2014.

**Figure 15: Conceptual Future Water System for SCM Concept Plan Area**

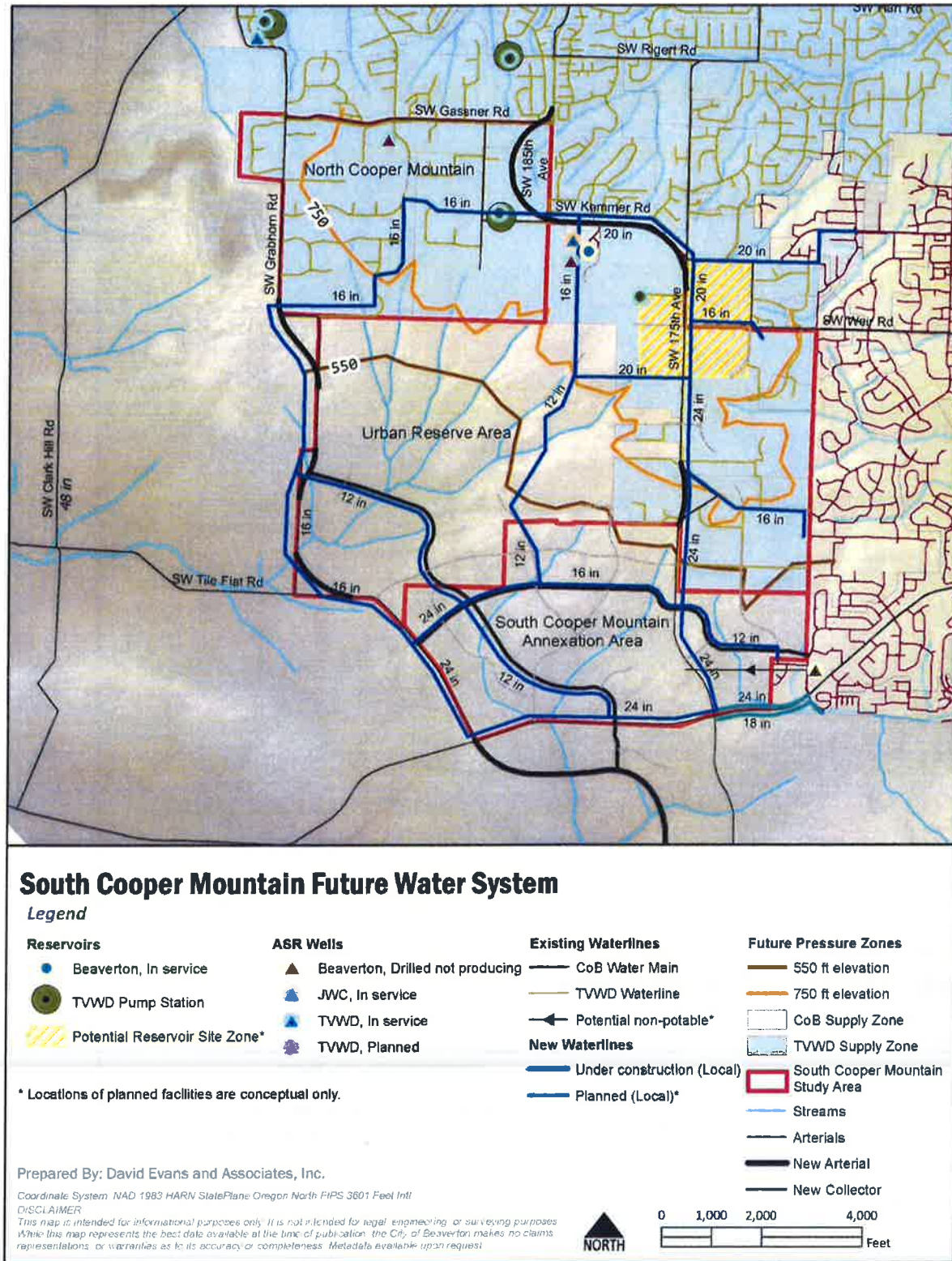
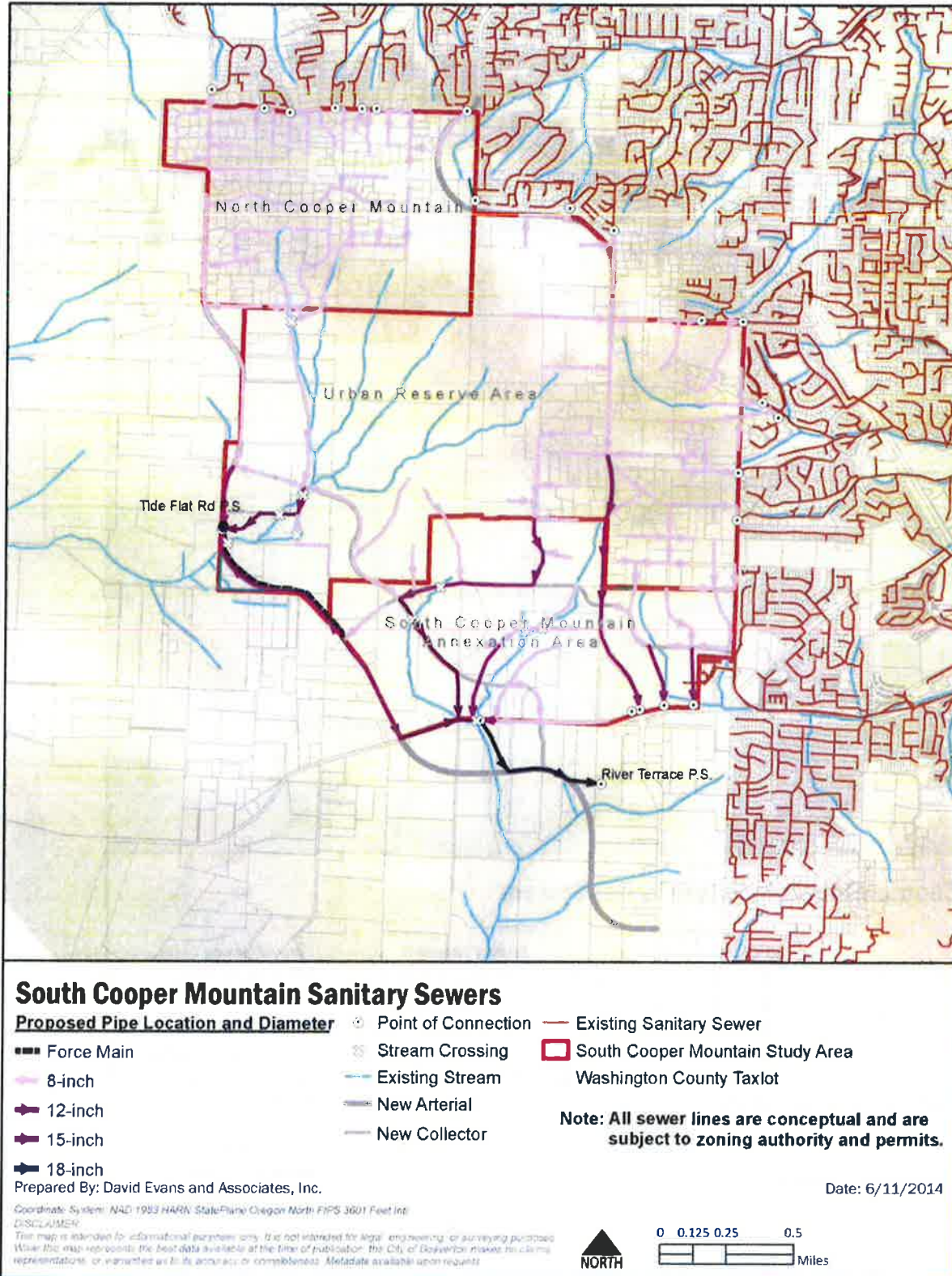




Figure 16: Conceptual Future Sanitary Sewer System for SCM Concept Plan Area



In the scenarios phase of the Concept Plan, RSFs were tentatively sized and located based on estimates of impervious area upland of the facilities. The sizing tool was the Western Washington Hydrologic Model, which matches flow-duration curves for a range of storms pre- and post-development. CWS is in the process of updating its conveyance and detention standards based on a similar approach. Thus the work prepared during the Concept Plan was an approximation of that anticipated standard of care. Fine tuning of the location, upland area, and final facility size (including buffer and access areas) will be required as future planning and development occurs.

Additional site-specific reviews of opportunities for Low Impact Development Approaches (LIDA) are encouraged as part of development, which may reduce the size of downstream detention facilities. This would be a joint decision of CWS and the City of Beaverton and would need to be decided prior to the commitment for any particular facility.

No matter what specific storm water management facilities are planned, it is essential that the detention ponds and conveyance work are planned and designed in combination with other elements of the Community Plan, including: protection and enhancement of natural resource areas, provision of parks and open spaces, and management of stormwater at the site and street scale.

### Infrastructure Policies

1. *Urban development shall not be allowed until urban services, including water and sewer, are available to the subject property.*
2. *The City shall work with service providers and property owners to extend urban services in a coordinated and efficient manner.*
3. *The City of Beaverton will coordinate closely with the City of Tigard on the final location and timing of the River Terrace Pump Station.*
4. *The City shall use the South Cooper Mountain Infrastructure Funding Plan as the basis of financing decisions for public facilities and services in the SCM Community Plan area.*
5. *The City shall develop memorandums of understanding with service providers to implement the South Cooper Mountain Infrastructure Funding Plan.*
6. *The City shall work with Clean Water Services to develop a Stormwater Management Plan for the SCM Community Plan area.*

# APPENDIX A: PROJECT COMMITTEES AND TEAM



## South Cooper Mountain Technical Advisory Committee

Susan Shanks, City of Tigard

Tom Mills, TriMet

Dyami Valentine, Washington County  
Department of Land Use and Transportation

Carrie Pak, Clean Water Services (CWS)

Kevin Hanway, City of Hillsboro Water  
Department; Tyler Wubbena (alternate), City of  
Hillsboro Water Department

Aisha Willits, Tualatin Hills Parks and  
Recreation District (THPRD)

Jeannine Rustad, City of Hillsboro Planning  
Department; Daniel Rutzick (alternate), City of  
Hillsboro Planning Department

Richard Hoffman, Tualatin Valley Fire & Rescue  
(TVF&R)

Anne Debbaut, Department of Land  
Conservation and Development (DLCD)

Mark Knudesen, Tualatin Valley Water District  
(TVWD); Stu David (alternate), TVWD

Tim O'Brien, Metro

Dick Steinbrugge, Beaverton School District  
(BSD); David Etchart (alternate), BSD

Lidwien Rahman, Oregon Department of  
Transportation (ODOT)

Adam Stewart, Hillsboro School District (HSD);  
Loren Rogers (alternate), HSD

## Finance Task Force

John O'Neill

Aisha Willits

Martin Moore

David Winship

Dan Grimberg

Jabra Khasho

David Waffle

Dyami Valentine

Toby LaFrance

Matt Wellner

Andy Braun

Guests: Wally Remmers, Tom Brian, Kenny Asher, Susan Shanks



# APPENDIX A: PROJECT COMMITTEES AND TEAM



## City of Beaverton South Cooper Mountain Planning Team

Valerie Sutton, Senior Planner, Project Manager

Steve Sparks, Principal Planner

Leigh Crabtree, Associate Planner

Cassera Phipps, Assistant Planner

Juston Manville, GIS Manager

Sheila Martin, Administrative Assistant

## City of Beaverton Core Project Team

Jabra Khasho

David Winship

Cindy Dolezel

Andrew Barrett

Peter Arellano

Mark Boguslawski

Jim Duggan

Eric Oathes

Lani Parr

Geoff Spalding

Jason Wachs

Alma Flores

Jeff Salvon

Patrick O'Claire

Andrea Nelson

Dave Waffle

Kenneth Rencher

Bill LaMarche

Luke Pelz

Todd Juhasz

Wendy Prather

Megan Cohen

Brion Barnett

Randy Ealy

# APPENDIX A: PROJECT COMMITTEES AND TEAM



## Consultant Team

### **Angelo Planning Group**

Joe Dills, Angelo Planning Group, Project Manager

Becky Hewitt, Angelo Planning Group, Planner and Assistant Project Manager

Cathy Corliss, Angelo Planning Group, Principal

Matt Hastie, Angelo Planning Group, Finance Task Force Facilitator

Andrew Parish, Angelo Planning Group, Planner

### **David Evans and Associates**

Claudia Sterling, David Evans and Associates, Storm Water Engineer

Ethan Rosenthal, David Evans and Associates, Ecologist

Paul Fendt, David Evans and Associates, Storm Water Engineer

Steve Harrison, David Evans and Associates, Engineer

Sara Gilbert, David Evans and Associates, GIS Specialist

### **DKS Associates**

Carl Springer, DKS Associates, Transportation Planner

Kevin Chewuk, DKS Associates, Transportation Planner

### **ECONorthwest**

Nick Popenuk, ECONorthwest, Funding Plan Manager

Lisa Wall, ECONorthwest, Analyst

Anne Fifield, ECONorthwest, Market Analyst

### **Fregonese Associates**

Glen Bolen, Fregonese Associates, Planner

Max Bolen, Fregonese Associates, Scenario Analyst

### **JLA Public Involvement**

Eryn Deeming Kehe, JLA Public Involvement, Public Involvement Advisor

Kalin Schmoltdt, JLA Public Involvement, Public Involvement Manager

### **Walker Macy**

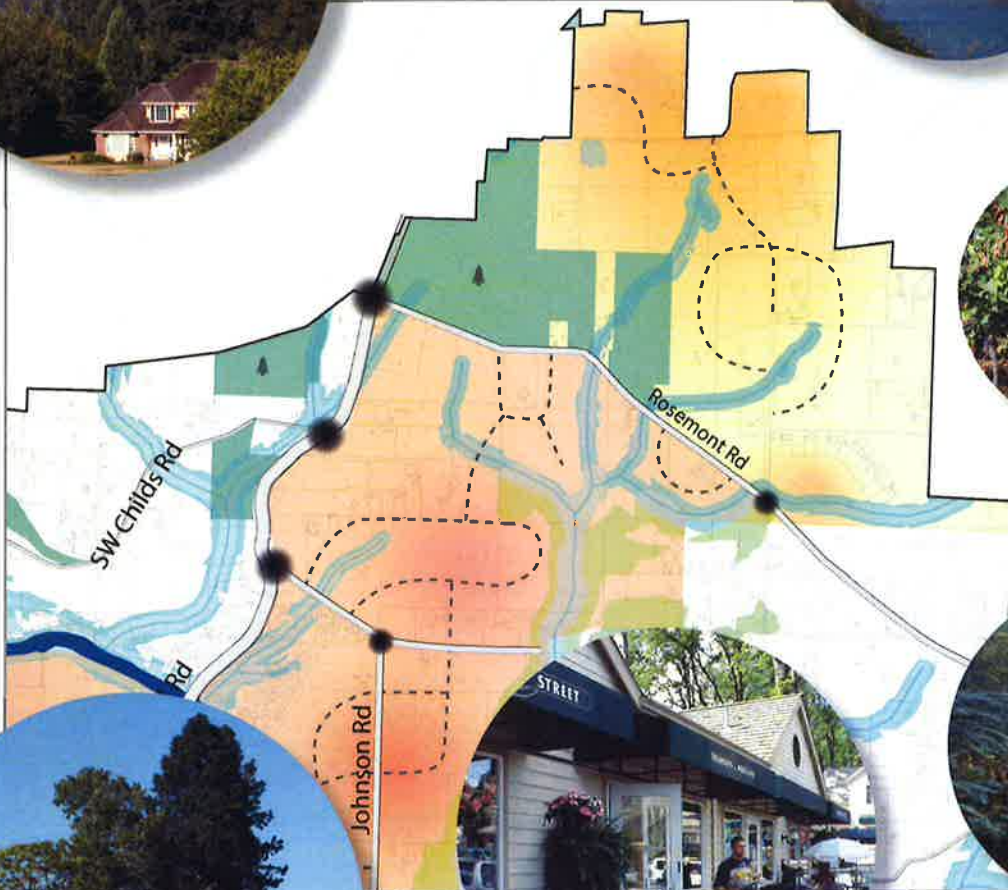
Ken Pirie, Walker Macy, Urban Designer

Mike Zilis, Walker Macy, Urban Designer

Nathan Kappen, Walker Macy, Urban Designer

Saumya Kini, Walker Macy, Urban Designer

## **EXHIBIT 11**



*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.

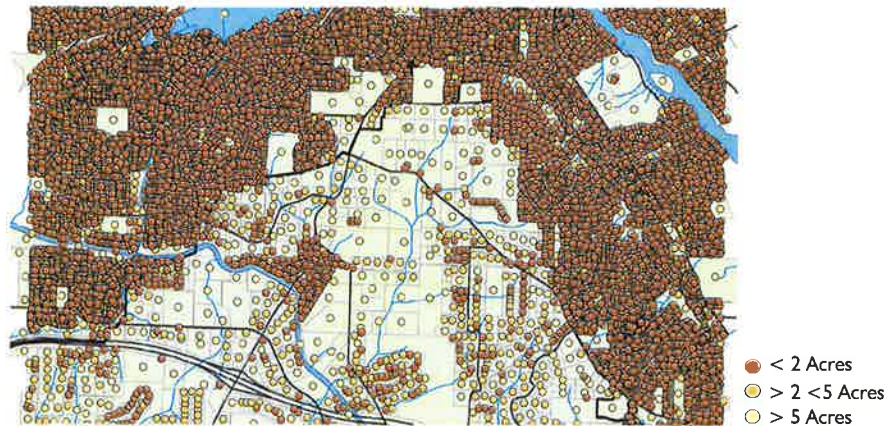
It is time for a regional discussion about the future of the Stafford Triangle. The Stafford Land Owners Association shares a vision for the area that:

- 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.

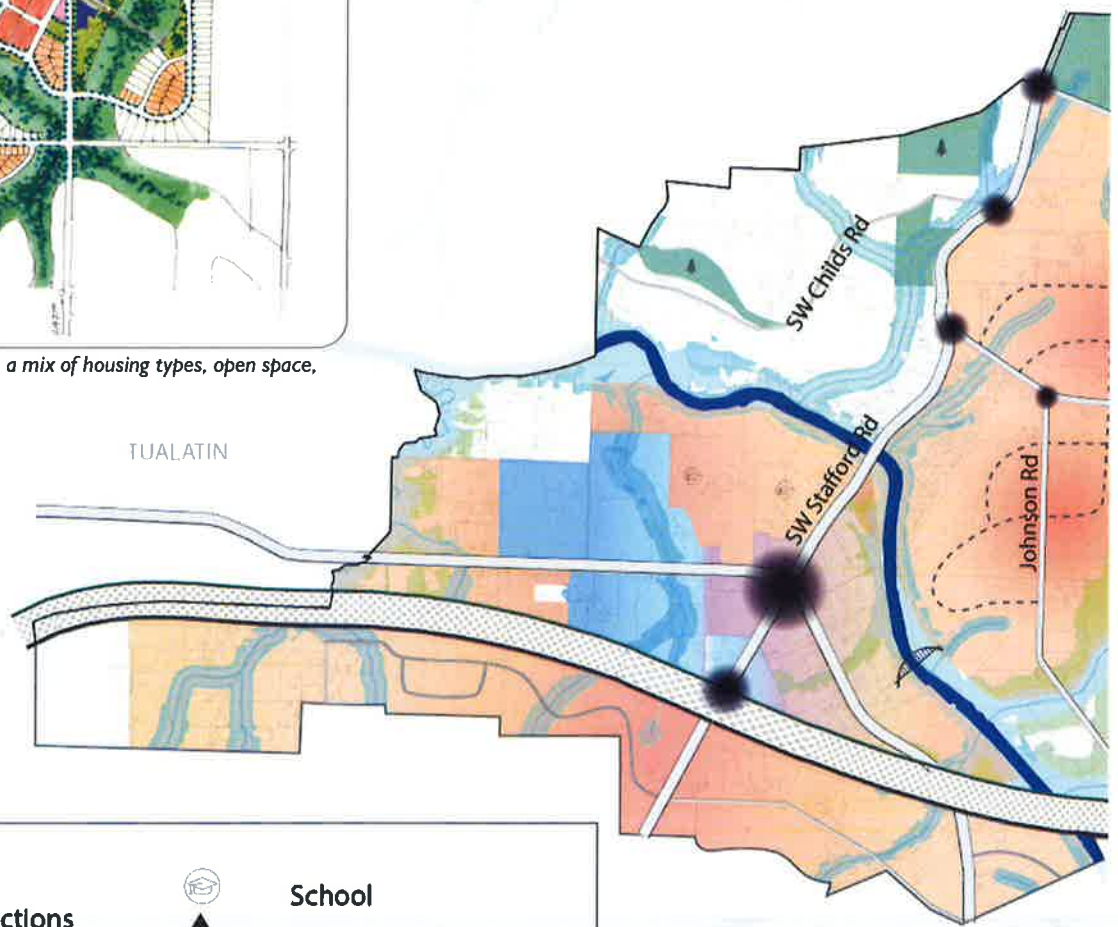
These are some of the flattest and most easily developed properties, and have great access to the freeway and Borland Road. These areas can be reached easily by car and could have enough activity to attract buses to transit stations at Oregon City and Tualatin. Separated from existing homes, concentrating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



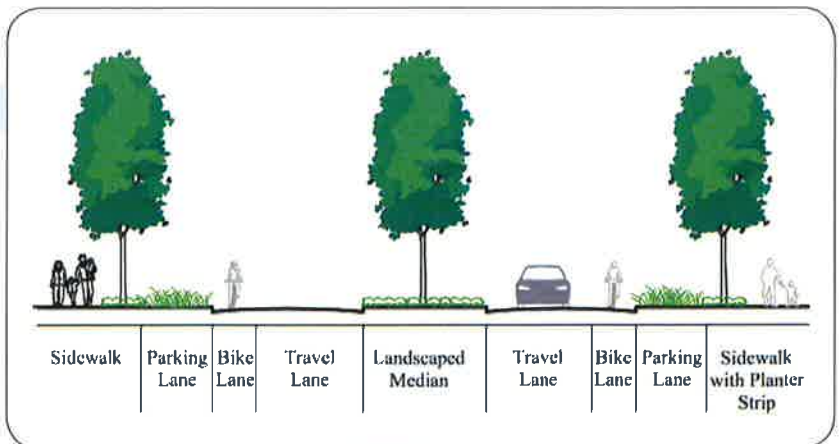
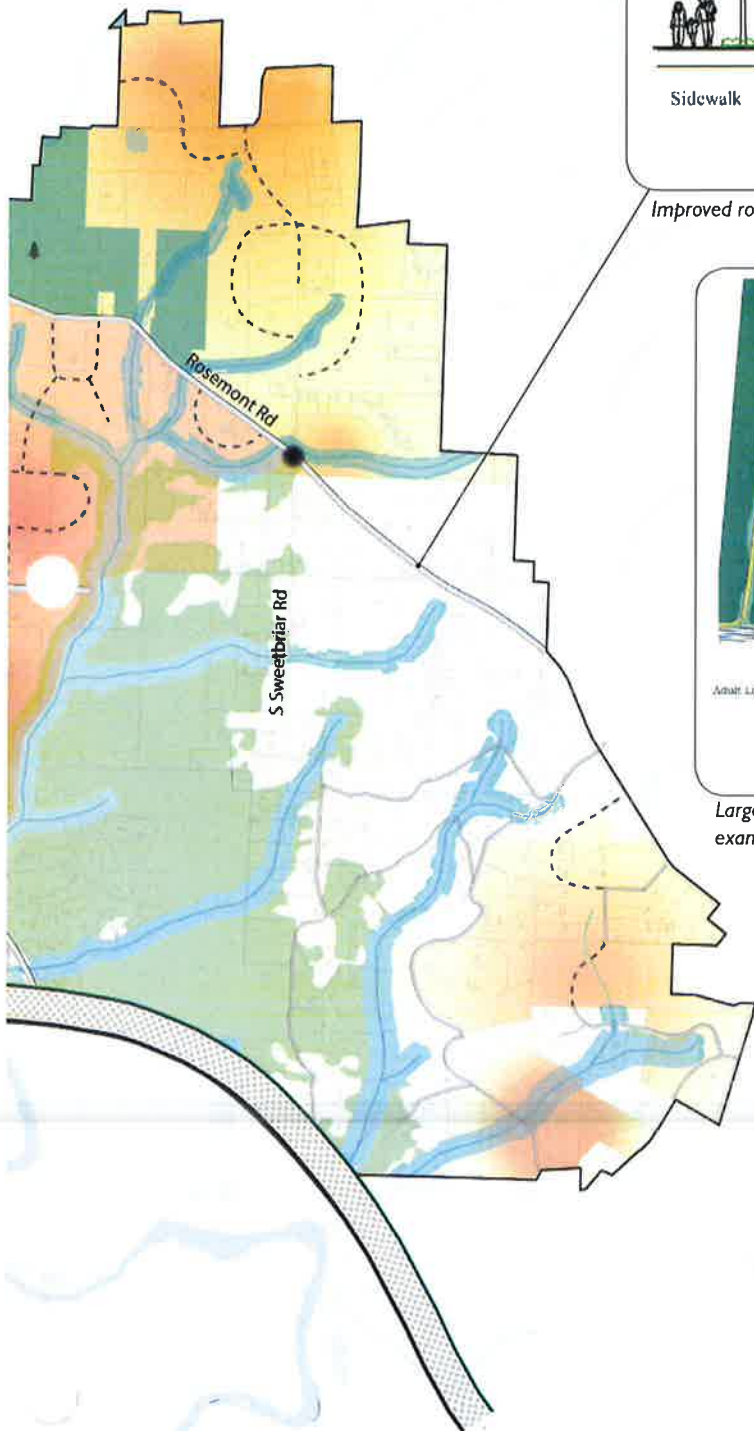




Walkable neighborhoods contain a mix of housing types, open space, and well connected streets.



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



Improved roads enhance communities.



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

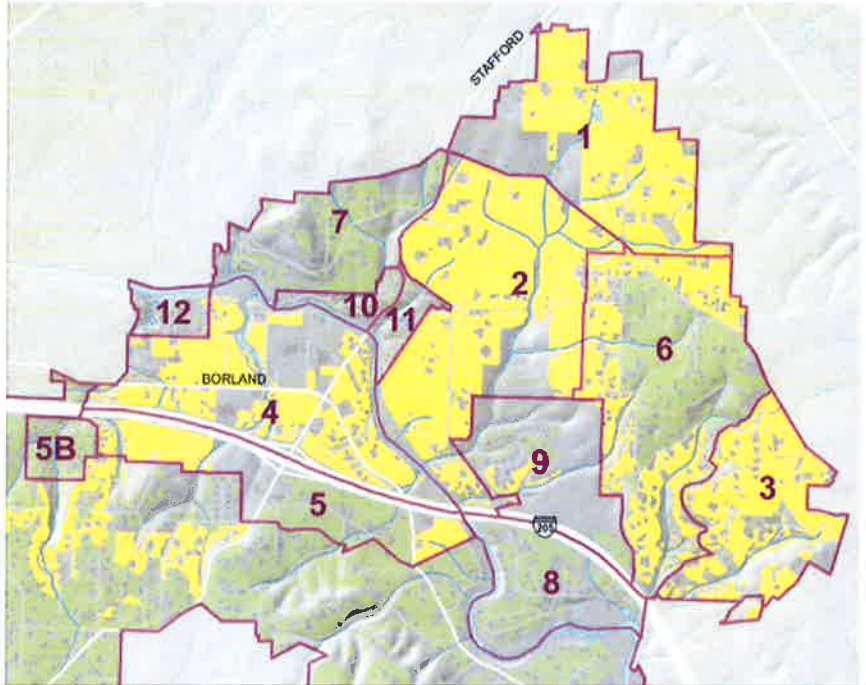


# Making the Case

## 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.

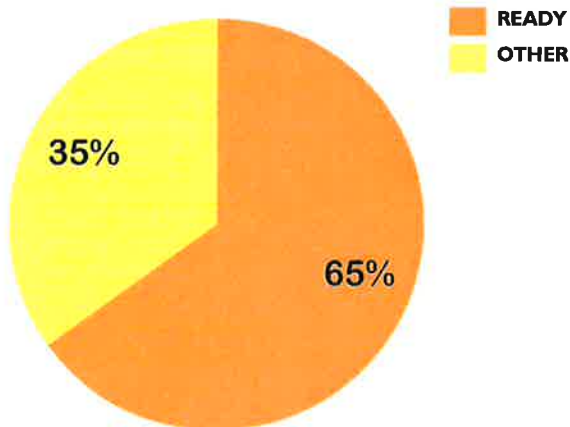




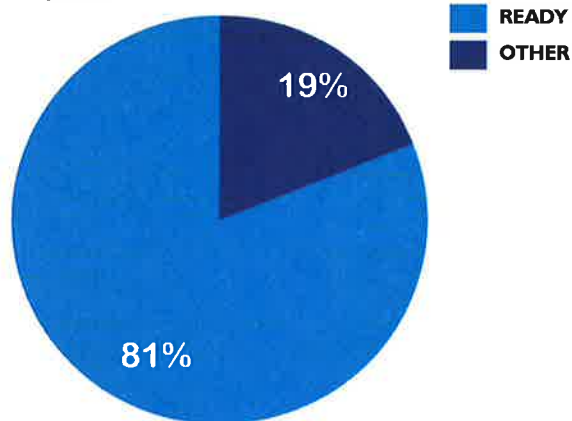
# Benefits of Urbanization

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

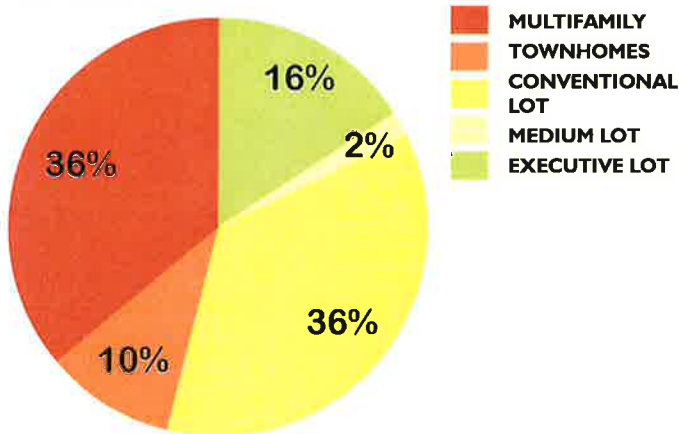


JOBS

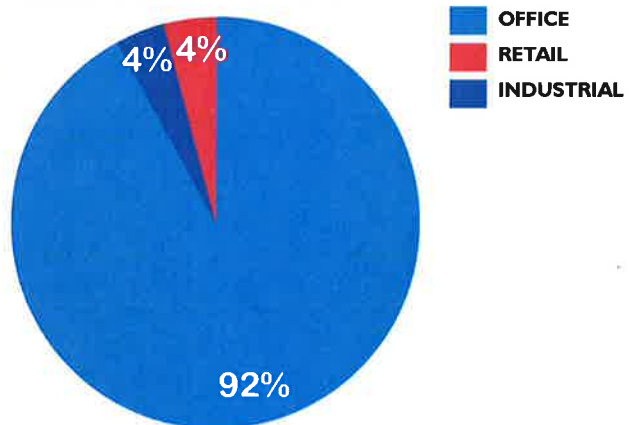


The large parcels of the Agreeable lands also provide the opportunity for efficient use of land and the ability to accommodate the wide range of housing types expected. Land assigned for jobs is focused primarily on office space with shopping allocated to the Town Center.

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.



## **EXHIBIT 12**

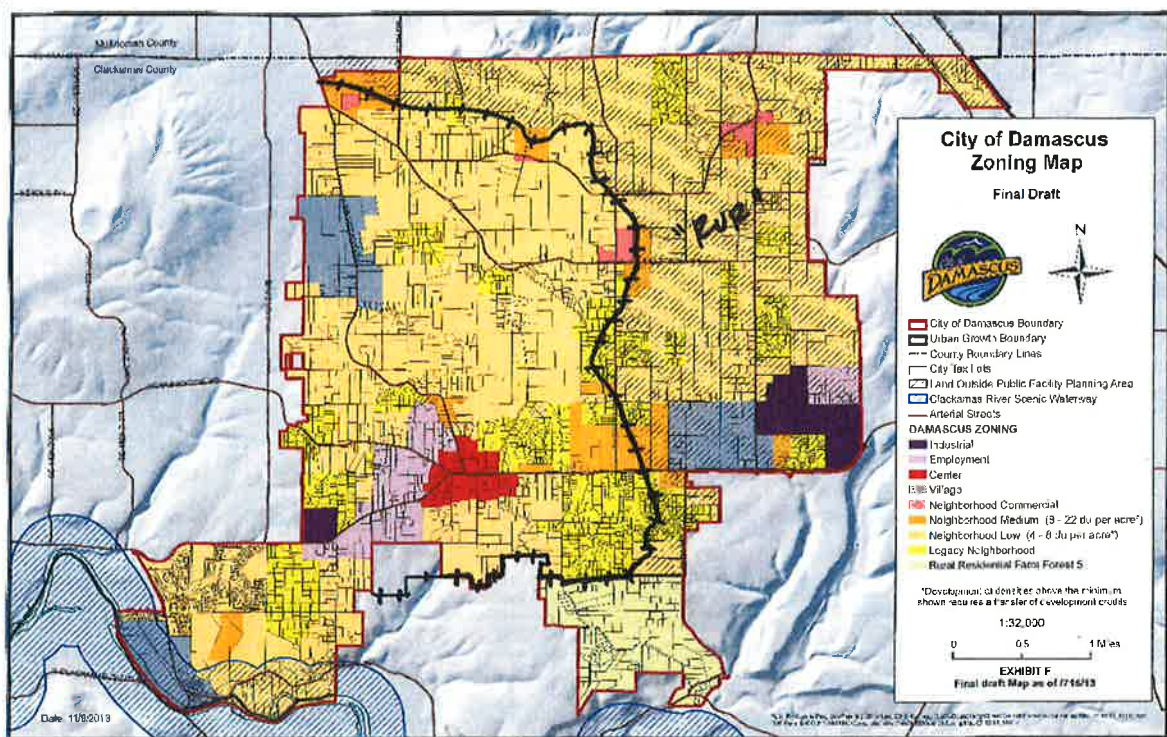


**Table 2: Net Change in the Non-residential Buildable Land Inventory (BLI) – Damascus Disincorporation scenario**

Industrial Supply change	Commercial + MUR Supply change
514 fewer acres in BLI	450 fewer acres in BLI

- The geography for the Damascus disincorporation scenario is bounded by a known watershed boundary (see cross-hatched black line in map 1.) Area to the west of the watershed line is included in the scenario. Area east of the line reverts to existing rural densities in the disincorporation scenario.

**Map 1: Damascus “Disincorporation Scenario”**

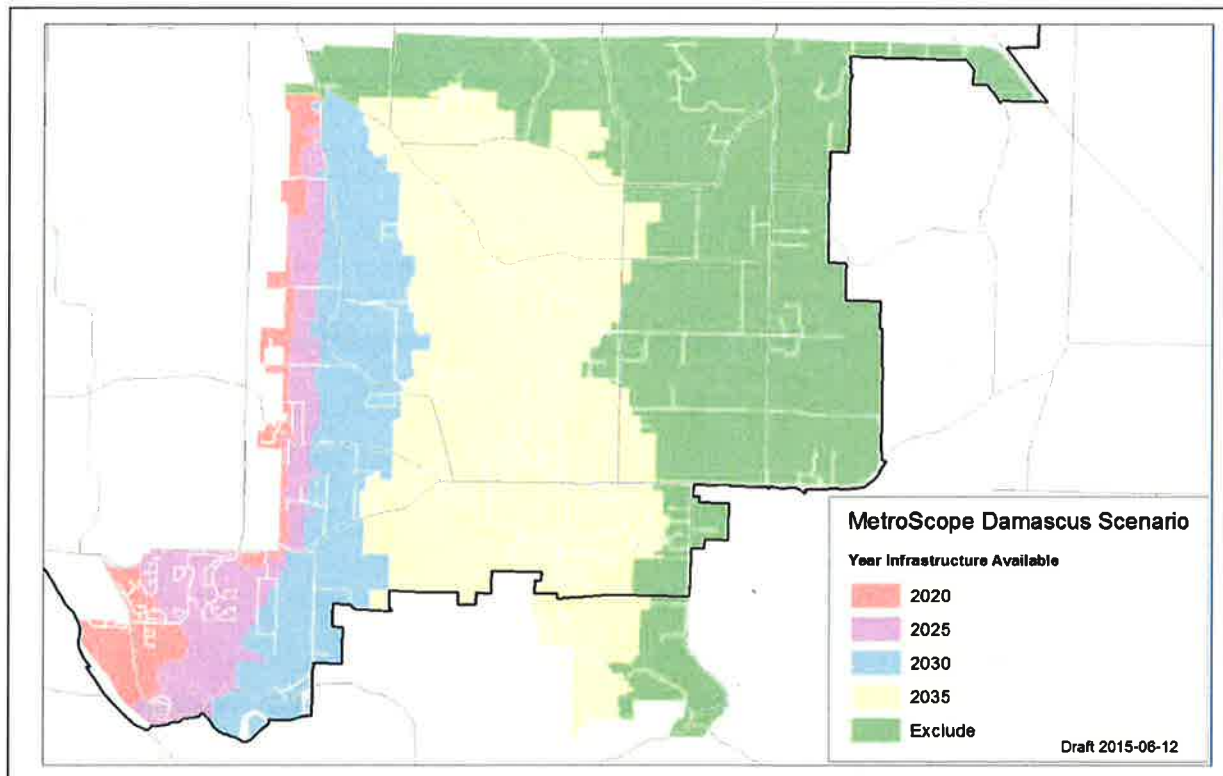


- The updated zoning concepts for the disincorporation scenario is based on the latest zoning information provided by city of Damascus as shown in map 1 and summarized in the following table:

### Land and infrastructure timing assumptions

- Phasing assumptions: capacity is phased-in in 5-year increments beginning in 2020 and ending in 2035.
- The so-called “Exclude” area (green in the map 2) is deemed entirely rural and assumed to be phase in its entirety in year 2015. (The area assumes rural densities per today’s Clackamas County zoning districts.)

**Map 2: Capacity Phase-in Assumptions for the Dis-incorporation Scenario**



*Assumption source: Michael Walter, Happy Valley planning director*

- **Rationale:** Not all capacity is deemed market ready all at once. Areas closer-in to Happy Valley have been deemed available sooner because of a combination of governance and/or regulatory readiness and an ability to more or less provide infrastructure and financing where needed. The phasing attempts to mimic readiness of a section of land based on the its capacity for a) governance (e.g., permitting regulations, zoning and other legal framework); b) infrastructure (e.g., readiness provision for basic sewer, water, roads, etc.); c) financing (i.e., local government financing for basic infrastructure and other level of service requirements deemed necessary for health and safety).

## **EXHIBIT 13**



LP15-0002



**FROG POND AREA PLAN**  
Creating a great community



# FROG POND AREA PLAN

A Concept Plan for Three New Neighborhoods in East Wilsonville

Hearings Draft- Subject to Change

Prepared by



SEPTEMBER 2, 2015



## A VISION FOR FROG POND IN 2035

*The Frog Pond Area in 2035 is a Wilsonville community with attractive and connected neighborhoods. The community's hallmarks are its walkable and active streets, variety of quality homes, and connected trails and open spaces. Frog Pond's excellent schools and parks are focal points of the community. Frog Pond is "just a short bike, walk, or bus trip" from all parts of Wilsonville – a highly valued part of the larger city.*

Funding for the Frog Pond Area Plan was provided by a Metro Community Planning and Development Grant and the City of Wilsonville.



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# Executive Summary

## A VISION FOR FROG POND IN 2035

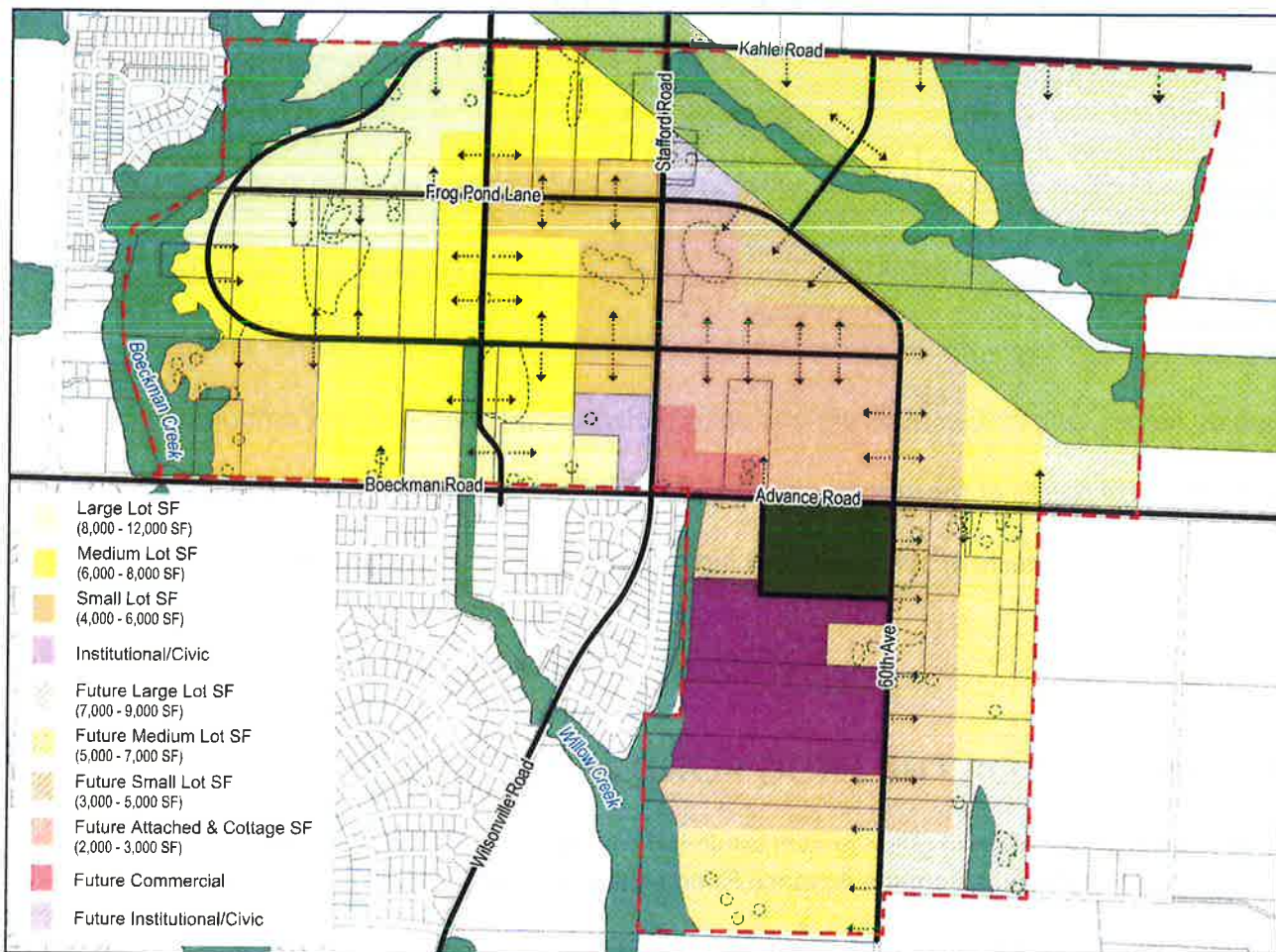
*The Frog Pond Area in 2035 is a Wilsonville community with attractive and connected neighborhoods. The community's hallmarks are its walkable and active streets, variety of quality homes, and connected trails and open spaces. Frog Pond's excellent schools and parks are focal points of the community. Frog Pond is "just a short bike, walk, or bus trip" from all parts of Wilsonville – a highly valued part of the larger city.*

## KEY FEATURES OF THE FROG POND AREA PLAN

- **One cohesive plan** to guide growth within the current Urban Growth Boundary and potential additions from the Advance Road Urban Reserve.
- **Four integrated framework plans** for land use and community design, transportation, parks and open space, and infrastructure (water, stormwater, and sewer systems).
- **Three walkable and connected neighborhoods**, with a set of parks and trails within and between the three areas.
  - **The West Neighborhood:** a new neighborhood for Wilsonville - in the current UGB and adjacent to the Boeckman Creek Corridor - comprised entirely of single-family detached homes in the large, medium, and small lot residential categories; land for an estimated 610 homes; along with civic uses, trails, and two neighborhood parks.
  - **The East Neighborhood:** a future neighborhood in the urban reserve adjacent to the BPA powerline/open space corridor; comprised of a variety of housing choices that includes Attached/Cottage Single Family; land for an estimated 849 homes; a 3.5 acre neighborhood commercial center to provide small scale retail and a community gathering place; civic uses at the historic Frog Pond Grange; and one neighborhood park.



## Executive Summary



- **The South Neighborhood:** a future neighborhood - in the urban reserve - anchored by civic uses that include a new middle school (opening 2017), primary school (future), and 10-acre community park (future); and comprised of a variety of detached housing choices and land for an estimated 476 homes.
- When Frog Pond's planned 1,935 homes are added to today's housing inventory, the City's housing mix will change from its current 57% multifamily and 43% single family to 47% multi-family and 53% single family (not including other development or redevelopment that is likely to occur).
- Two civic/institutional nodes will provide additional community gathering places: the Frog Pond Grange and Community of Hope Church site.
- Community design principles and illustrative demonstration plans which will guide future development to create a livable, walkable, high-quality community.





- A street framework plan that promotes connectivity, circulation, safety and complete streets for walking, biking, vehicles and transit.
- A preliminary transit circulation concept for South Metro Area Regional Transit (SMART) to serve the area.
- Design concepts for future improvements to Stafford Road as a gateway to Wilsonville.
- A safe and functional bicycle and pedestrian network that identifies designated routes, both on-street and off-street.
- A comprehensive trails plan, including the Boeckman Creek Trail, the BPA Easement Trail, South Neighborhood School Connection Trails; and the 60th Avenue Trail.
- Initial concepts and evaluation of a potential undercrossing under Advance Road at the entry to the schools and community park.
- An evaluation of how the Area Plan can support and provide Safe Routes to Schools.
- A two-park concept for the West Neighborhood that includes the option of a trailhead park at the western edge where the neighborhood meets the Boeckman Creek Corridor.
- Planning-level layouts and cost estimates for water, sanitary sewer and storm water infrastructure to serve the entire area.
- A storm water plan that incorporates low-impact development techniques: retention ponds; bioswales; pervious paving; rain gardens; tree canopy; and green roofs.
- A comprehensive infrastructure funding plan identifies 40 projects that will provide transportation, water, sewer, storm water and parks to the area. For each project, the plan identifies project costs, who will lead construction, and funding responsibilities.

## COMMUNITY INVOLVEMENT

The Frog Pond Area Plan was prepared with extensive involvement of the Wilsonville community. The open and inclusive process began in the spring of 2014 and continued through the summer of 2015. The process included a community kick-off meeting, an 18-member Task Force (four meetings), a 13-member Technical Advisory Committee (three meetings), two open houses, and two on-line surveys. At the mid-point of the process, a joint work session of the Planning Commission and City Council was held. Prior to hearings, two







## Executive Summary

work sessions were held with the Wilsonville Planning Commission, followed by two work sessions with the City Council. Throughout the various meetings, options were presented, follow-up analysis and dialogue was conducted, and the plan was changed to incorporate community input. The project team conducted stakeholder interviews and many individual meetings with groups and individuals. Public information was provided at many levels, including the project web site, updates in The Boones Ferry Messenger, email informational updates, and mailed notices for events.



## IMPLEMENTATION AND NEXT STEPS

The three major steps for implementation are:

1. Create and adopt a Master Plan, with implementing Comprehensive Plan and Zoning Code updates, for the area within the current UGB (2016). The Master Plan will establish property specific Comprehensive Plan map designation(s), the intended zones, and future zoning boundaries for the West Neighborhood. The Master Plan will provide additional detail (as-needed) for streets, blocks, pedestrian and bicycle facilities, parks and open space, and infrastructure; design guidelines; and, an infrastructure funding plan. New plan and zoning code language will also be developed during the Master Plan process, guided by the zoning strategy included in this Area Plan.
2. Utilize a two-step approach for entitlements. Step 1 is the initial adoption of the Comprehensive Plan map designations and the package of plan and code amendments – this step will be completed by the City at the end of Phase 2 of the Area Plan process (Summer 2016). Step 2 is the application of property-specific annexations, re-zoning, and concurrent PDR reviews – these will occur incrementally over time at the initiation of property owners.
3. Continue coordination with Metro on future consideration of urban reserves. The timing of the addition of the Frog Pond Advance Road Urban Reserve Areas into the UGB is uncertain. The City of Wilsonville's position regarding the Frog Pond urban reserves is: (1) it is appropriate land for future residential neighborhoods for the city; (2) the area is "next in line" to be added to the city after the West Neighborhood; and (3) there is no firm timeline for addition of the East and South Neighborhoods to the City as it is dependent upon future regional growth management decisions.

# Introduction



**T**he Frog Pond Area is an integral part of Wilsonville's past, present, and future. It is one of the oldest parts of the community – the area was first settled in the 1850's with the establishment of the Frog Pond School, later the Frog Pond Grange. Presently, in 2015, it is an important eastern edge of the City's Urban Growth Boundary (UGB) and the focus of a robust community discussion about creating Wilsonville's next great neighborhoods. The future is what this Area Plan is all about: ensuring a vision that creates, over the coming decades, new neighborhoods that are highly livable and a treasured part of the larger City.



## Introduction

### TWO AREAS, TWO TIMEFRAMES FOR GROWTH, ONE PLAN

#### Land Inside the UGB – Near-Term Residential Land Supply

About 220 acres out of the 500-acre planning area are inside the UGB. The UGB contains the City's urban land supply – those lands intended for new homes, parks, schools, and other needs of a growing city. The two areas within the UGB are:

- "Frog Pond West" - In 2002, Metro Council added the 181-acre area (west of Stafford Road and north of Boeckman Road) to the UGB. The City is responsible for completing a concept plan for that area by the end of 2015.
- The School-Park property - In 2013, 40 acres of land south of Advance Road and west of 60th Avenue were added to the UGB. A new middle school, a future primary school, and a 10-acre park with sports fields are planned for this area.

The land inside the UGB will be available for development following the completion of concept and master planning, and annexation. The timeframe for development is estimated to be up to 20 years.

#### Land Designated Urban Reserve – The Long-Term Future

The land adjacent to the UGB (about 280 acres) is designated Urban Reserve by Metro. Urban Reserve lands are those that will someday be considered for inclusion in the UGB as part of Wilsonville, and a concept plan is needed to provide the necessary information and analysis for such a consideration. The Urban Reserve lands are a long term land bank. When could development in the Urban Reserve area happen? This is difficult to predict because land must be added to the UGB first, which could take many years. It is reasonable to predict that the first development of the Frog Pond Urban Reserve land will likely sequentially follow Frog Pond West and be at least 5 to 10 years away.

#### One Cohesive Plan

The Frog Pond Area Plan is based on the premise that it makes sense to prepare a single concept plan for the combined 500-acre area within the UGB and Urban Reserves. The schools, parks, streets, trails, and other neighborhood elements





will all be part of the same community, which reinforces the need for a cohesive plan to knit them together. Advance planning at a concept level – before Urban Reserves are even considered for addition to the UGB – will help create that cohesive community over the long term, save money through efficient infrastructure planning, and provide involvement and certainty for all involved.

## THE PLANNING PROCESS

### Looking Back

Planning for the Frog Pond Area as part of Wilsonville began with the City's first city plan, where it was shown as a residential area. The context for that vision evolved over time through the introduction of statewide planning, Wilsonville's first comprehensive plan, the inclusion of the area in the UGB, and the designation of urban reserves. Figure 1 depicts key milestones during the four decades that led up to concept planning for Frog Pond.



**Figure 1. Wilsonville Planning Milestones**

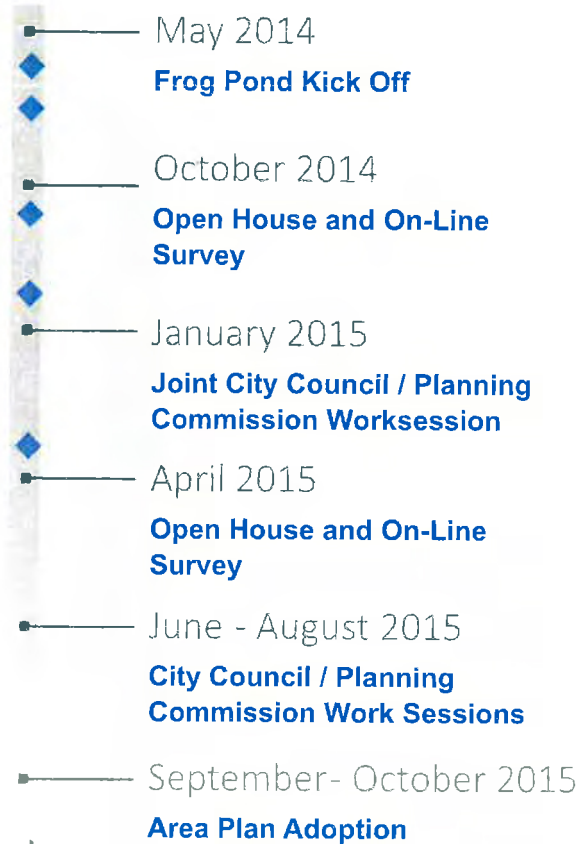




## Introduction

**Figure 2. Frog Pond Planning Milestones**

### June 2014



Today

◆ TAC/Task Force Meeting



### Community Involvement

This Area Plan reflects many voices from the Wilsonville community. It was created through an open and inclusive process that began in the spring of 2014 and continued through the summer of 2015. The process included a community kick-off meeting, an 18-member Task Force (four meetings), a 13 member Technical Advisory Committee (three meetings), two open houses, and two on-line surveys. At the mid-point of the process, a joint work session of the Planning Commission and City Council was held. Prior to hearings, two work sessions were held with the Wilsonville Planning Commission, followed by two work sessions with the City Council. The project team conducted stakeholder interviews and many individual meetings with groups and individuals. Public information was provided at many levels, including the project web site, updates in The Boones Ferry Messenger, email informational updates, and mailed notices for events. Figure 2 summarizes the steps and major points of outreach.

The Guiding Principles for the Area Plan included the following Process Principles:

- Provide early and ongoing opportunities for stakeholders to raise issues and concerns.
- Facilitate equitable and constructive communication between the public and project team.
- Empower residents to become involved with the project.
- Provide the public with balanced and objective information to help the public understand issues, alternatives, opportunities, and solutions.
- Aim to create the best product, a model that could be used in other communities.

# Background and Context



## OPPORTUNITIES AND CONSTRAINTS

### The Regional Context – Natural Areas

**T**he City of Wilsonville as a whole, and the Frog Pond planning area in particular, are surrounded by a rich array of natural areas, parks, agricultural lands, and rural open spaces. The Willamette River corridor in particular has many green spaces along its banks near the planning area, including Corral Creek Natural Area, Memorial Park, Molalla River State Park, Weber Farm Natural Area, Hebb Park, and several natural areas downstream of Canby which lead to Willamette Falls. The Willamette River lies less than a mile from the southern boundary of the planning area. The Natural Areas Map (Figure 3) also illustrates the significant green spaces on the west side of Wilsonville that are a short bike ride away from Frog Pond, including Graham Oaks Nature Park and the Coffee Creek wetlands.





## Background and Context

Wilsonville is both part of the greater Willamette Valley region and its own distinct city. Traveling south from Tualatin on I-5 or Boones Ferry Road, the pattern of developed and undeveloped areas reinforces this distinction. The journey along SW 65th Avenue or SW Stafford Road is even more striking – there is countryside and rural housing for large areas between east Tualatin, West Linn, and the Frog Pond area. The regional context map of urban and rural areas (Figure 4) illustrates: (1) the current “countryside north of Wilsonville” will likely evolve into planned urban communities as the urban reserves develop over the next 40 to 50 years, and (2) the “country-edge” along the east side of SW Stafford Road to the north of Kahle Road is a key urban-rural transitional area. It is an “Undesignated Area” adjacent to Urban Reserves and Rural Reserves.<sup>1</sup> The map also reveals that the City of Canby is only two miles from Frog Pond as the crow flies, but much further by road or ferry due to the Willamette, Pudding and Molalla Rivers.

### City Context

The City context map illustrates Frog Pond’s proximity to, and opportunity for becoming an extension of, the existing city. During the planning process, discussions focused on connections – how can Frog Pond become a new, great, livable, and well-connected part of the city? The Town Center, for example, is under a mile away and easily accessed via Canyon Creek Road. The Town Center is just one of several key areas east of I-5 that are within a short bike ride, South Metro Area Transit (SMART) bus trip, or drive from Frog Pond.

### Planning Area

The 497-acre study area is a logical and intuitive extension of the City of Wilsonville. Historically, it was part of the Wilsonville area’s early settlement pattern, with some key gathering places for the rural farming community, such as the Grange Hall (originally the Frog Pond School) and the Frog Pond church (immediately south of the study area). Physically, it is adjacent to key streets, existing neighborhoods, and natural areas. Even the shape of the study area wraps around the edge of the community. The study area is naturally comprised of three parts: the area west of Stafford Road; the area east of Stafford Road and north of Advance Road; and the area south of Advance Road. Dimensionally, each of these areas is approximately ¼ mile from center to edge, a comfortable 5 to 10 minute walking distance. There is an opportunity to design three distinct-yet-connected neighborhoods within the planning area.







## Background and Context

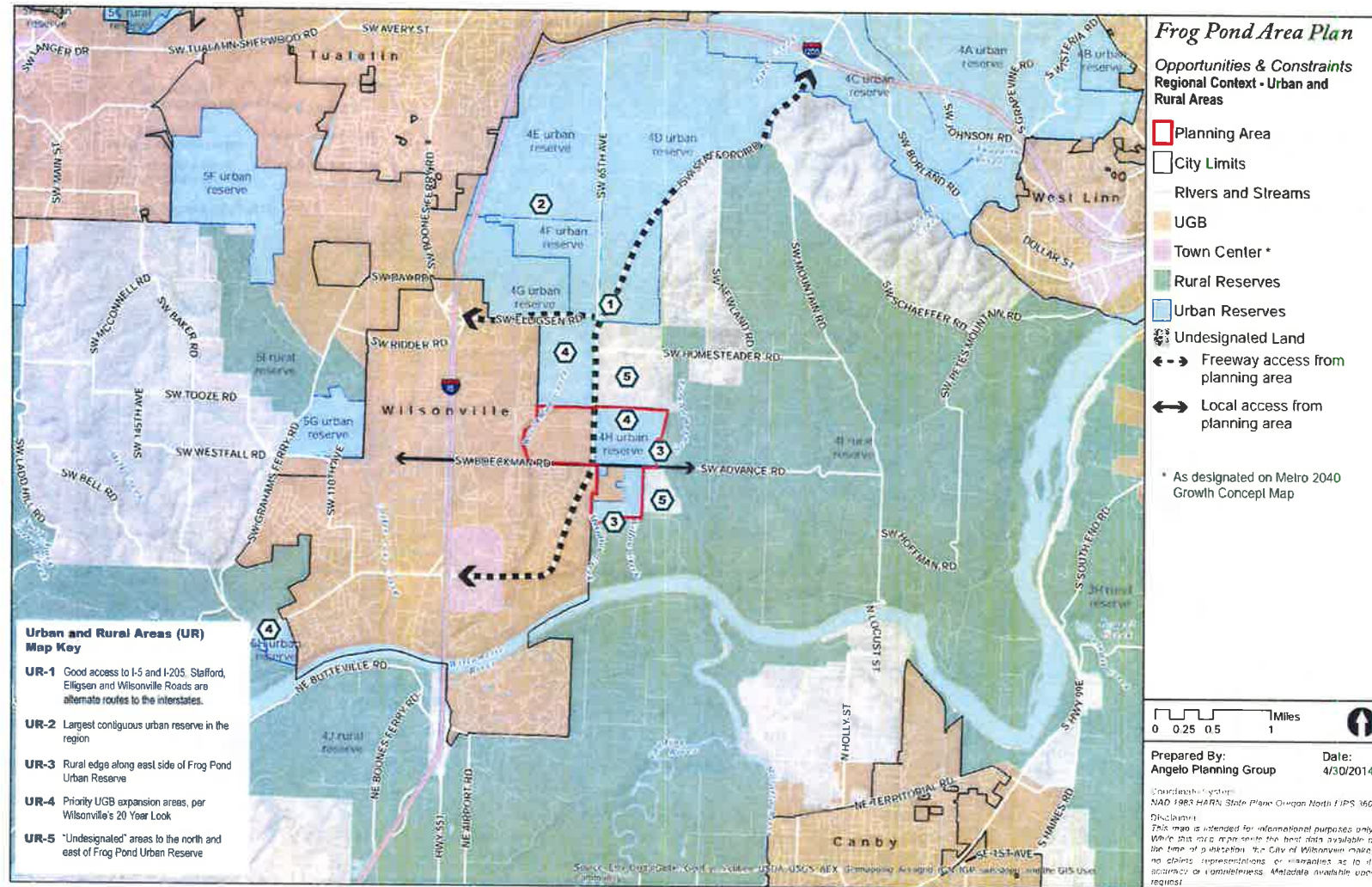


Figure 4. Regional Context - Urban and Rural Areas

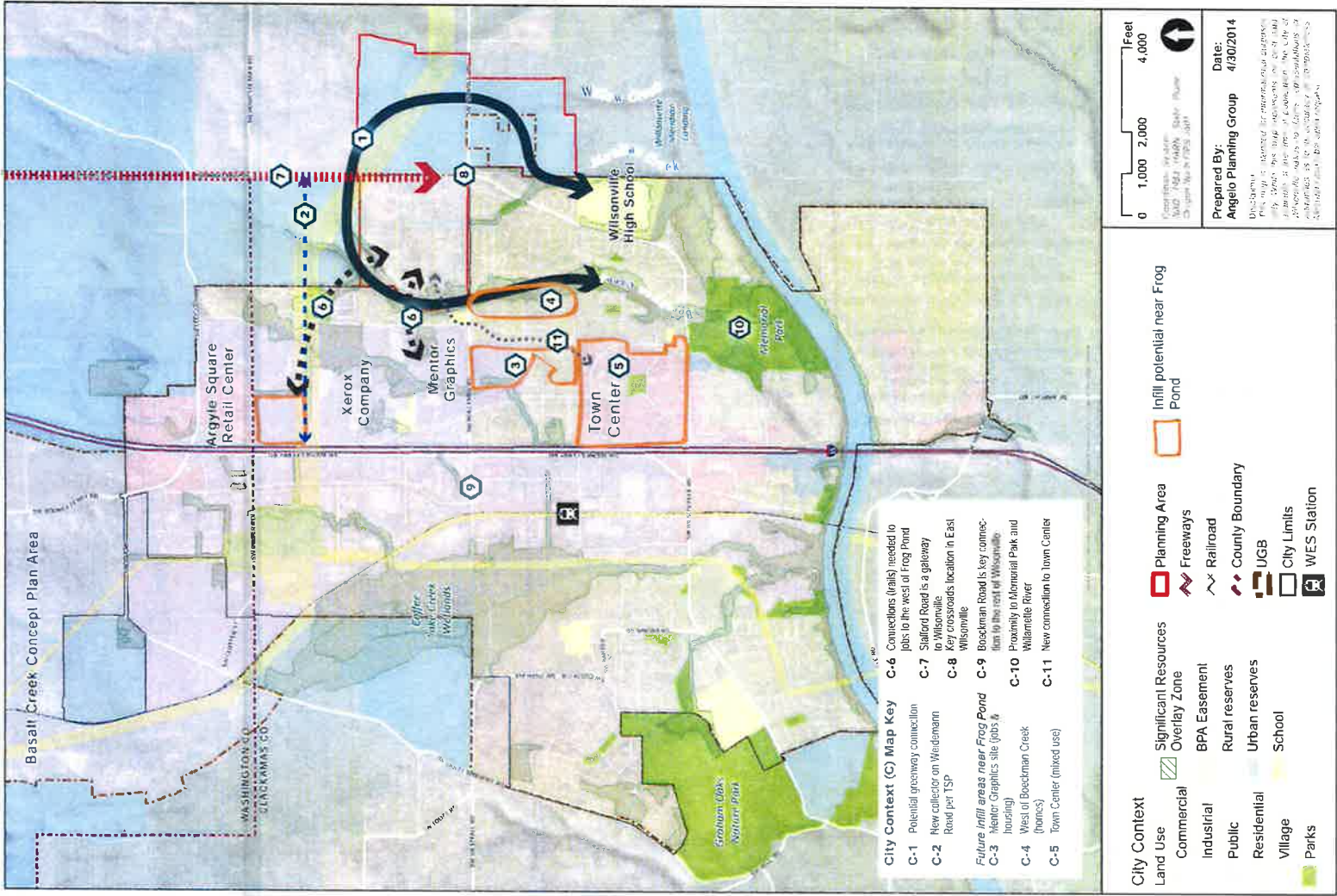


Figure 5. City Context



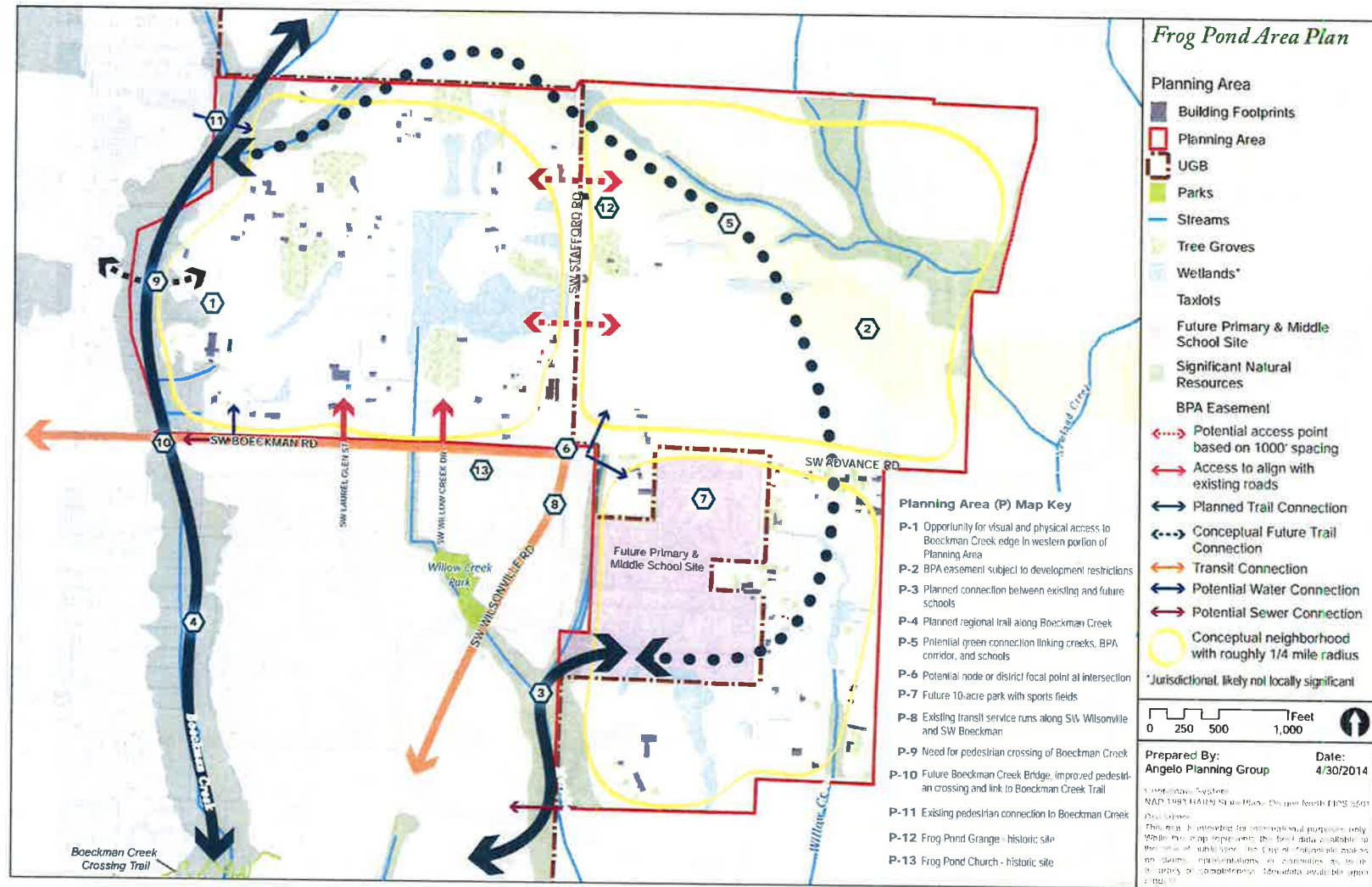


Figure 6. Planning Area Context



The tree groves within the planning area provide a key visual asset, and are a link to the historic character of the area. To the extent existing, mature trees can be retained and protected as annexation and development occurs, it will contribute to the character and desirability of the neighborhoods. The city has existing annexation policies that incentivize (but do not mandate) tree retention.

Likely future connection points to existing transportation, water, and sewer systems are identified in Figure 6. Roadway connections will likely align with existing connections along Boeckman Road or meet spacing standards along Stafford Road. City water and sanitary sewer services do not extend into the planning area at this time; however, water and sewer connection points are available along Boeckman Road as well as on the west side of Meridian Creek.

### Planning Area Scale Comparison

The planning scale comparison in Figure 7 illustrates the potential for creating walkable neighborhoods in the Frog Pond area. The 180-acre Frog Pond UGB area is approximately the size of the western one-half, of Villebois in Wilsonville.



**Figure 7. Frog Pond Planning Area compared to Wilsonville's Villebois and Vicinity**





## Background and Context

### MARKET ANALYSIS<sup>2</sup>

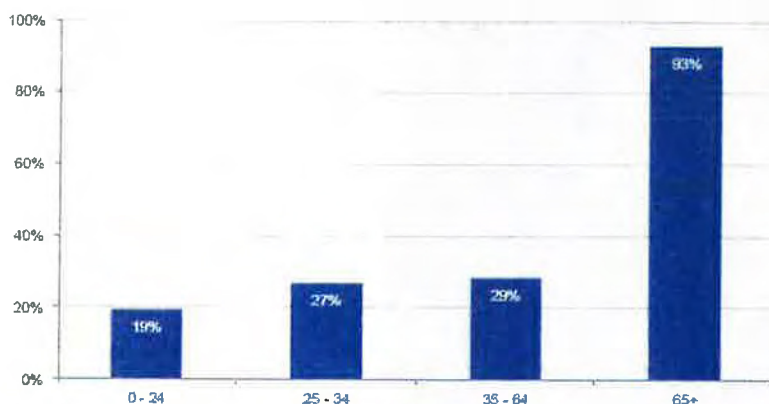
#### Demographic Context

Wilsonville is one of the Portland region's fastest growing cities. Metro has projected that the city's households will grow at 1.8 percent annually through 2035, faster than the region and other nearby cities such as Tualatin and Sherwood. The city may grow faster than this rate: between 2000 and 2012, Wilsonville's households grew at a rate of 2.8 percent per year, despite the recession. Therefore, there will almost certainly be demand for housing, and potentially commercial development, in Wilsonville and Frog Pond during the next two decades.

Wilsonville's residents are more likely to have a bachelor's or advanced degree than residents of the region, they earn slightly more than households in the region, and they are more likely to work in white collar jobs. Wilsonville has large shares of both young adults and senior residents, while the city has a smaller share of households headed by middle-aged adults compared to the region.

Analysis by Metro, the State of Oregon, and the US Census Bureau indicate that America's demographics are changing, and growth in the Frog Pond market area is likely to include a wide variety of household types. The most dramatic growth will come from the 65+ senior population, which is expected to increase by 93 percent between 2015 and 2035. By comparison, no other age group is expected to grow by more than 29 percent during the same time period. In addition, "non-traditional" household types such as families with out children, single-parent

households, and single-person households will be important components of growth and therefore will shape real estate demand in Frog Pond. Sixty-eight percent of Wilsonville's current households are one or two people; such smaller households have been growing as a share of the country's population since the 1970s, a trend that is expected to continue.



Source for both figures: Long-term Oregon State's County Population Forecast, 2010-2050, Office of Economic Analysis, State of Oregon, 2013; Leland Consulting Group.

**Figure 8. Forecasted Percent Population Increase by Age Group**  
(2015 to 2035, Washington and Clackamas Counties combined)



## Housing market analysis

Based on Wilsonville's Residential Lands Study, demographic projections, past housing built in Wilsonville, and other factors, the Frog Pond market analysis first recommended that Frog Pond be planned for a relatively broad mix of housing types including a variety of detached single-family, attached single-family, and even multifamily homes. The market analysis noted:

*"The primary housing type should be single-family detached homes within a variety of lot sizes, since such homes continue to be the choice of most American households. Because one and two-person households make up the majority of market area households, and because of the dramatic growth of the senior population, LCG recommends that the program contain a significant share of small lot single-family homes (lots between 2,500 and 4,000 square feet), as well as multifamily and attached housing. Developers generally support a diversity of housing within a large community such as Frog Pond, since such a broad mix of housing will accommodate a wider segment of the population, and therefore speed sales and absorption."*

The market study also spoke to neighborhood quality, citing:

*"Recent surveys and research by the National Association of Realtors (NAR), Urban Land Institute (ULI), and others show that the amenities associated with complete and walkable neighborhoods are important in addition to the home itself. These popular amenities include shops within an easy walk, places to walk for exercise, public transportation, and sidewalks. Such features should be taken into account in the design of the community."*

As the housing element of the plan was developed, community perspectives were integrated with market trends. This was one of the more challenging issues during the development of the plan. Many community members voiced the perspective that Frog Pond should be planned for several segments of the market that are somewhat different than what the market data showed: lower densities, higher income demographics, and in particular, a high percentage of lots 10,000 square feet and greater. Those favoring lower densities felt strongly that larger

*The neighborhood has a mix of houses and stores and other businesses that are easy to walk to.*



*The neighborhood has houses only and you have to drive to stores and other businesses.*

Source: National Community Preference Survey, National Association of Realtors, October 2013

**Figure 9. Community Preferences Survey Results**



## Market Analysis

lots were a missing part of the land supply in Wilsonville and demand was very strong for this housing type. After a comprehensive review of options, the final plan incorporated a hybrid approach, where lower densities are planned for the area within the UGB, and a greater mix of single-family housing opportunities would be available over time in the urban reserves (See Housing Strategy – page 23 of this report). Multi-family housing was removed from the plan due to the high percentage of multifamily units in Wilsonville's existing housing mix.

### Retail market analysis

The Frog Pond Area will build out along the edge of an existing urbanized city and region. As mentioned above, nearby goods and services are an amenity desired by homebuyers. The time-tested adage is “retail follows rooftops,” so retail development only takes place when there is a sufficient population of likely shoppers in the area. As a potential retail location, Frog Pond benefits from being situated along two arterial roads, Boeckman/Advance Roads and Stafford/Wilsonville Roads, which will provide some drive-by traffic. Retail in Frog Pond can also serve existing neighborhoods adjacent to the west and southwest.

Based on an evaluation of current and projected future retail spending, the market analysis first projected that Frog Pond could potentially support a retail center anchored by a small to medium-size grocery store (60,000 square feet or more) at project build out, in approximately 2035. If such a center cannot be attracted, the recommendation was for a smaller center of between 10,000 and 30,000 square feet. A variety of factors will affect retail feasibility, particularly whether or not other retail is built near Frog Pond during the next 20 years, the number of homes in the area, and retail development formats in the future.

With concerns about the feasibility and potential success of retail in the planning area, the retail market analysis was supplemented with an evaluation of comparable small centers in the Portland area and at Northwest Crossing in Bend (See Technical Appendix K). Based on this review, and the projected total housing being lower than first analyzed, a smaller center capable of supporting up to 38,000 square feet of retail on approximately 3.5 acres was included on the demonstration plan in the future East Neighborhood. Regardless of the size and scale of retail, the focus should be on establishing a retail/commercial hub development that provides some goods and services for local residents, while also creating a gateway, center, sense of place, and social hub for the area.



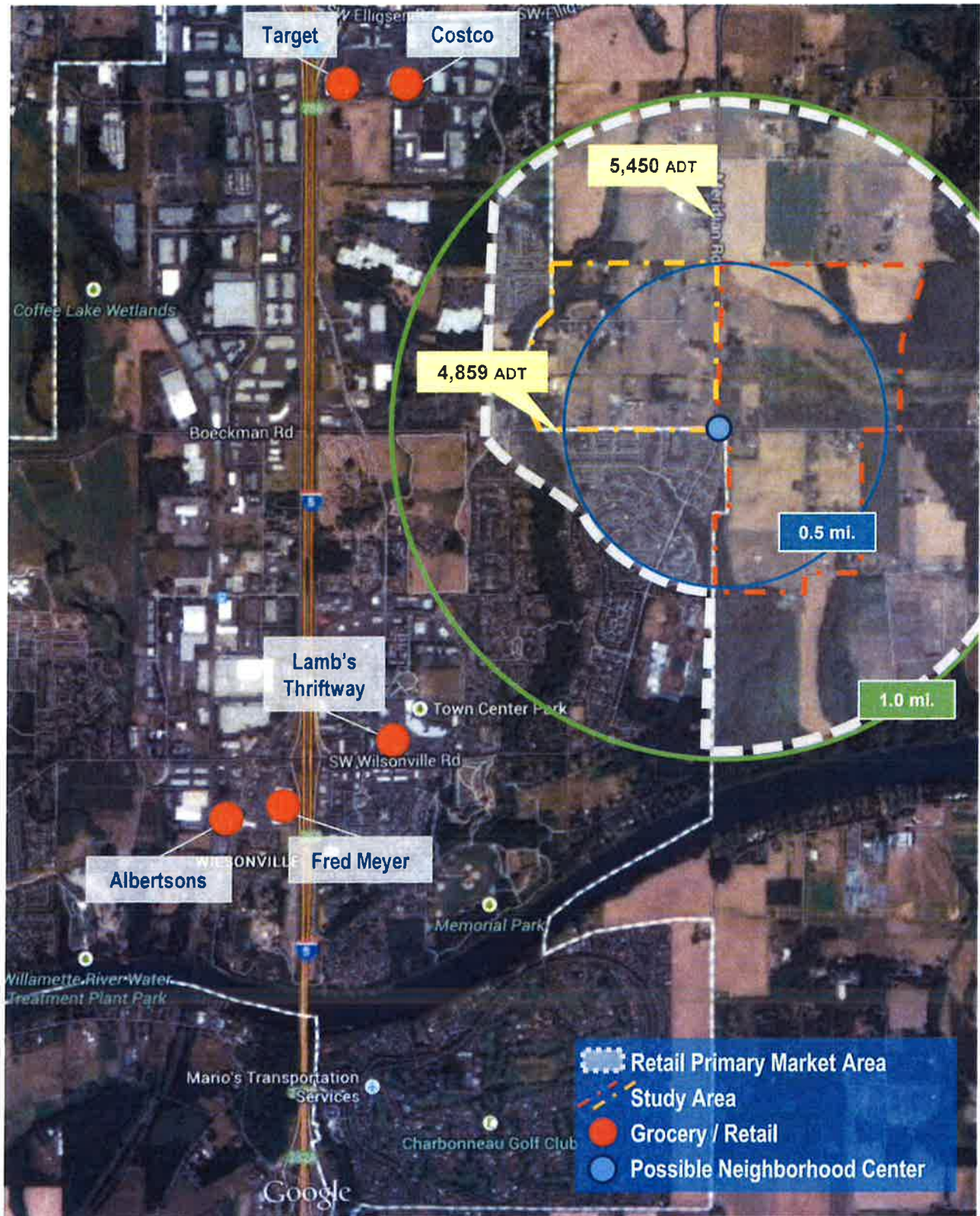


Figure 10. Frog Pond Retail Context



## Market Analysis

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# Vision and Guiding Principles

## A VISION FOR FROG POND IN 2035

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## ENVISIONING FROG POND IN 2035

**E**arly in the process, the Frog Pond Task Force and Technical Advisory Committee met together to envision the potential future for the Frog Pond Area. They brainstormed answers to this question: "Imagine you must leave Wilsonville to live on a beautiful South Sea island. You return in 20 years and the plan has been successfully implemented. You like what you see. What do you see?" Their ideas formed the basis for the Frog Pond Vision and Guiding Principles, which were approved by the City Council on August 14, 2014. The Vision Statement provides a verbal snapshot of the Frog Pond Area in 2035. It summarizes the desired character of the community as an integral part of Wilsonville and sets the framework for the guiding principles of the Frog Pond Area Plan.

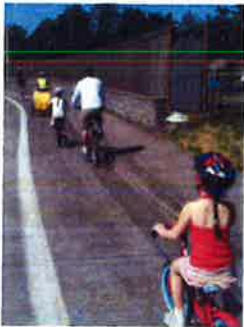




## Vision and Guiding Principles

### GUIDING PRINCIPLES FOR WILSONVILLE'S NEXT GREAT NEIGHBORHOODS

The following Guiding Principles capture the intended outcomes of the Area Plan, building on the vision. These principles guided the evaluation of plan options and issues throughout the planning process.



#### Create great neighborhoods

Frog Pond's homes, streets, open spaces, neighborhood-scale retail, and other uses fit together into walkable, cohesive, and connected neighborhoods. Frog Pond is a fun place to live.

#### Create a complete streets and trails network

Streets are designed for safe and enjoyable travel by bike, on foot, or by car. A great network of trails is provided. Safe crossings and connections are provided throughout the street and trail network.



#### Provide access to nature

The creeks and natural areas provide opportunities to see and interact with nature close to home.

#### Create community gathering spaces

Beautiful parks, quality schools, and other public spaces serve as community centers and gathering places. The land uses, transportation, and open space around the Advance Road school and park sites support a compatible neighborhood plan in that area. The Frog Pond Grange, and adjacent uses, fit together as a focal point of the community.



#### Provide for Wilsonville's housing needs

A variety of attractive homes are provided to fulfill the City's housing needs and align with the market. Single-family homes, including some on large lots, are a significant part of the mix. Neighborhoods are designed to be multi-generational and offer a diversity of attractive housing options at a variety of prices.

#### Create a feasible implementation strategy

A realistic funding plan for infrastructure, smart and flexible regulations, and other strategies promote successful implementation of the plan.

## Vision and Guiding Principles



## Frog Pond is an extension of Wilsonville

Frog Pond is truly connected – it is an easy and safe walk, drive, bike trip, or bus ride to other parts of Wilsonville, and Frog Pond feels like a well-planned extension of the city.



## Retain trees

Mature native trees are integrated into the community to enhance the area's character and value.



## Honor Frog Pond's history

A sense of history is retained, recognized, and celebrated.

## Provide compatible transitions to surrounding areas

New urban land uses are good neighbors to adjacent rural land uses, future developable areas, and existing neighborhoods. The plan provides for future growth of the City into adjacent urban reserves.



## Promote healthy, active lifestyles

Extensive walkways, community gardens, recreational facilities, and other elements support active and healthy lifestyles.

## Integrate sustainability

The plan integrates solutions which address economic, environmental and social needs. Frog Pond is a sustainable community over the long term.

## Coordinate with Wilsonville's transportation network

The plan is consistent with the Wilsonville Transportation System Plan for all modes of travel: trails, bikeways, SMART, and automobiles. Traffic impacts are managed for key streets and intersections, including the I-5 interchanges.





## Vision and Guiding Principles

### THE FOUR FROG POND FRAMEWORK PLANS

The Frog Pond Area Plan is comprised of four framework plans:

---

**Land Use and Community Design Framework**

Defines the major land use types and the core principles and guidelines for community design that will create livable neighborhoods.

---

**Transportation Framework**

Defines location, type, and design goals for key streets and intersections. Conceptual routing for future transit is also described. To complete the multi-modal objective, the Transportation Framework also defines the location, type, and design goals for key bike-ways, pedestrian routes, and trails.

---

**Park and Open Space Framework**

Integrates natural resources, defines parks, and links open spaces within and adjacent to the planning area.

---

**Infrastructure Framework**

Defines the planning level location, type, and cost of major water, sanitary sewer, and storm water infrastructure.

The term “framework” is used to indicate that the recommendations are made at a concept level in anticipation of: (1) more detailed master planning prior to development; and, (2) flexibility to adapt to future conditions and more detailed information. Together, the four framework plans are intended to create a complete community as envisioned by the Frog Pond vision statement.



# Land Use and Community Design



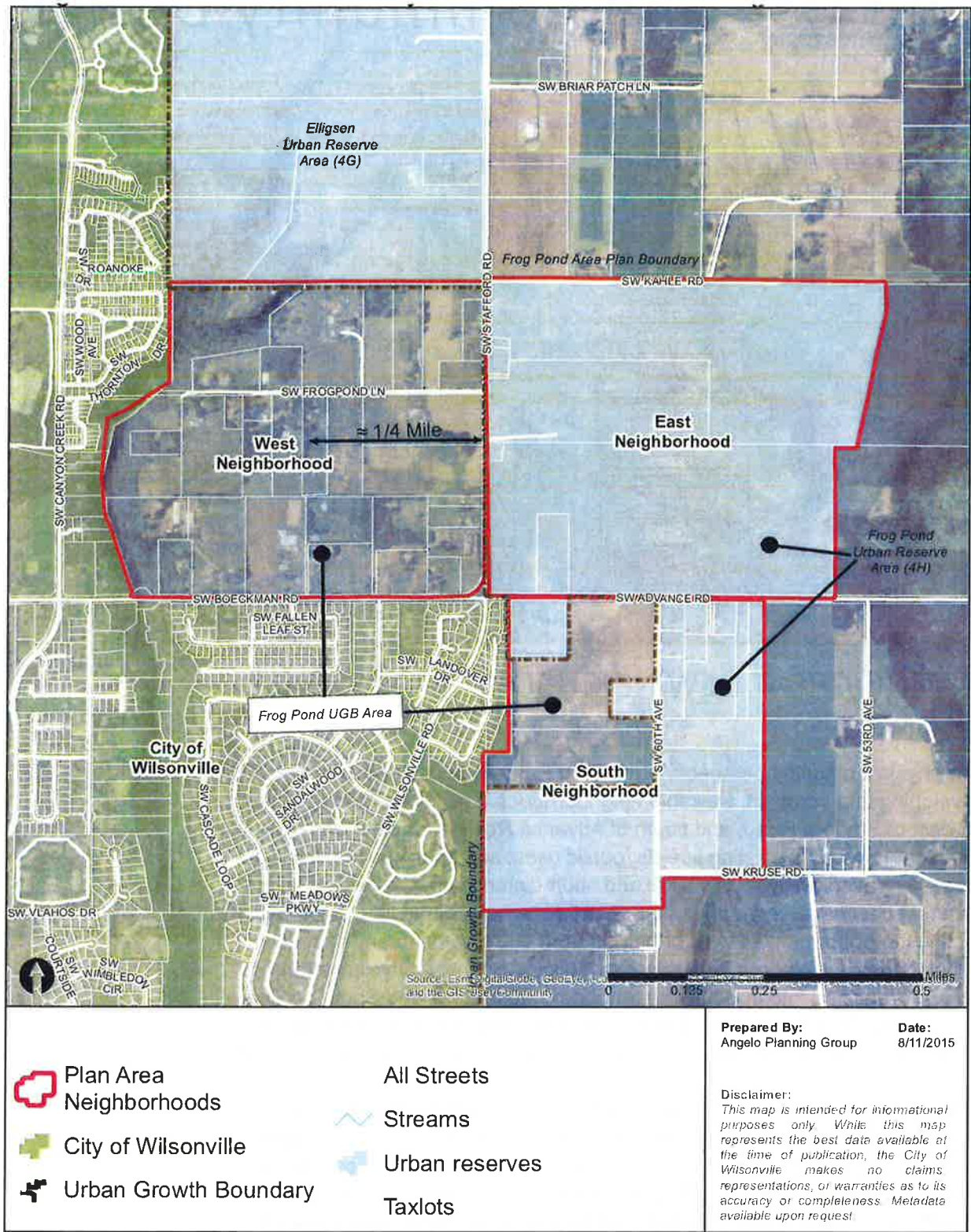
## CREATING GREAT NEW NEIGHBORHOODS IN EAST WILSONVILLE

From a physical planning perspective, the Frog Pond Area has excellent potential for developing into compact, walkable neighborhoods. The areas west of Stafford Road, east of Stafford Road, and south of Advance Road have clear and definable “edges” formed by existing streets, public uses, and open spaces; flat land that is easily traversed by foot or bike; and short distances (no more than a half-mile across) between these edges. This short distance is particularly important: it provides the opportunity to walk or bicycle from one’s home to any destination in the neighborhood in about 5-10 minutes. Building on these physical attributes, the Plan is organized into three neighborhoods - West, East, and South - collectively called the Frog Pond Area. See Figure 11 and the descriptions below for a description of the neighborhoods comprising the whole Frog Pond planning area.

**West Neighborhood** – The West Neighborhood is framed by the beautiful conifers on the steep slopes of the Boeckman Creek canyon, the open spaces and agricultural fields beyond the UGB, the historic Frog Pond Grange, Stafford Road, and the existing city along Boeckman Road. It is about one-quarter mile from its center to each of these edges. The land is generally flat and will be very walkable if a strong network of streets and paths are created, as called for in the plan. In 2015, there are 26 different ownerships spread across 32 tax lots, with



Land Use and Community Design







an average parcel ownership size of 5 acres. This level of parcelization is an important constraint. If each property were to be proposed with a small, individual and uncoordinated development project, it will be challenging to achieve a connected and walkable pattern of streets and blocks.

**East Neighborhood** – The East Neighborhood is principally framed by Stafford Road, Advance Road, and the BPA Powerline Corridor / Newland Creek. In addition, there are two buildable areas along Kahle Road a short walk from neighborhood amenities to the west and south across the BPA powerline corridor. The land slopes south and east toward Newland Creek at grades in the 4% range, outside of riparian areas. With an average parcel ownership size of 25 acres, the area has excellent potential for larger, master planned neighborhood development.

**South Neighborhood** – The South Neighborhood is bound by Willow Creek to the West, Advance Road to the north, the UGB/rural areas to the east, and the UGB/rural areas to the south. Forty acres of the South Neighborhood is already inside the UGB for the planned schools and a community park. These uses will provide a strong civic presence for the neighborhood, and connect it to rest of the community through the many community activities that will be held at the park and schools. Creating a connected street pattern will be slightly challenged by the size and configuration of parcels east of 60th Avenue, unless property consolidations occur. The area is flat and walkable.

## RESIDENTIAL LAND USES

### Strategies for Frog Pond's Mix of Housing: A Phased Approach

During the development of the Area Plan, there was broad agreement on the elements in the vision and guiding principles that call for: a variety of quality homes; a significant amount of single-family homes including homes on large lots; and, a housing mix designed to be multi-generational and offer a diversity of options at a variety of prices. There was a range of opinions and robust discussion regarding exactly what housing mix was best to achieve the vision. Some participants advocated for larger lots, generous yards, opportunities to “move up” in Wilsonville, and a higher income demographic. Others wanted a greater housing range that would accommodate a wider mix of incomes and residents, and strong consideration of housing affordability. After exploring many options and implications for infrastructure funding and development feasibility, the City chose a hybrid plan, with the following housing strategy:





## Land Use and Community Design

- A. **Plan for only detached housing within the West Neighborhood**, i.e. within the existing Frog Pond UGB Area, in order to meet the near-term need for single family detached housing identified in the City's Residential Lands Study, and be responsive to objectives cited by advocates for lower density and larger lots.
- B. **Plan for slightly higher densities and more housing variety**, including attached housing in the future East Neighborhood (Urban Reserve 4H). This will provide a *future* opportunity for a variety of housing choices that are aligned with the demographic trends and housing needs identified in the market analysis. The East Neighborhood will provide four residential designations, allowing (collectively) for townhomes, cottage lots, small lot residential, duplexes, medium lot single family, as well as large lot single family.
- C. **In the future South Neighborhood (in Urban Reserve 4H), plan for densities between those estimated in the other neighborhoods.** This will provide for housing types that are compatible with the adjacent schools, help broaden the overall housing mix and affordability, and allow for transition to lower urban densities adjacent to the rural reserve. Within the South Neighborhood, there will be at least three residential designations provided: small, medium, and large lot.

### The Land Use Framework and Residential Designations

The Land Use Framework in Figure 12 depicts the planned residential designations for the Frog Pond Area. It distinguishes between designations for lands within the current UGB, and, future designations for lands within the Urban Reserve. The plan also shows non-residential land uses (described in the next section of this report), major open spaces, and framework streets .

**The West Neighborhood** includes three residential designations.

- **Large Lot Single Family:** These lots range from 8,000 to 12,000 SF with a maximum net density of 4.4 units per acre.
- **Medium Lot Single Family:** These lots range from 6,000 to 8,000 SF and have a maximum net density of 6.2 units per acre.
- **Small Lot Single Family:** These lots range from 4,000 to 6,000 SF and have a maximum net density of 8.7 units per acre.

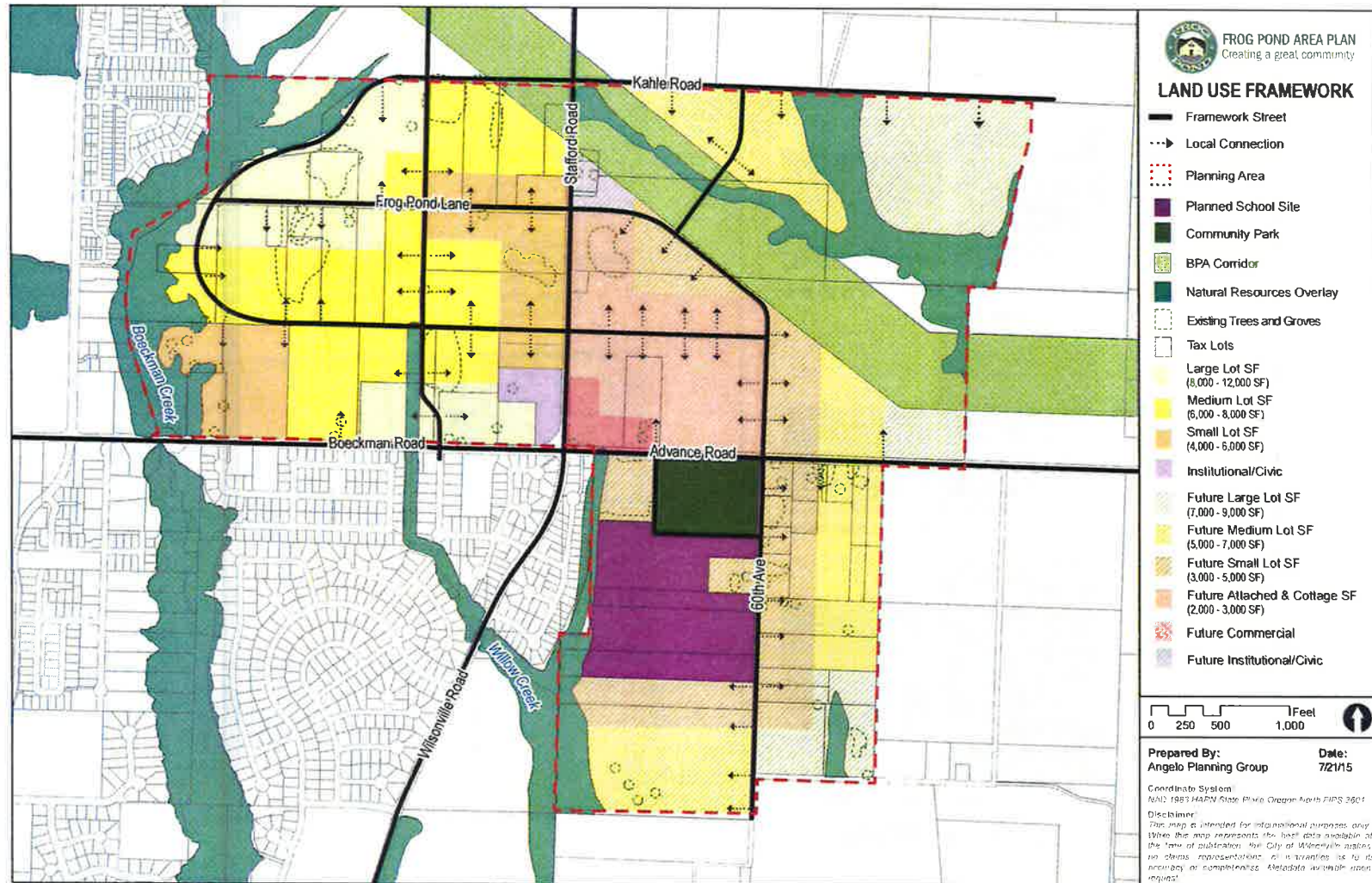
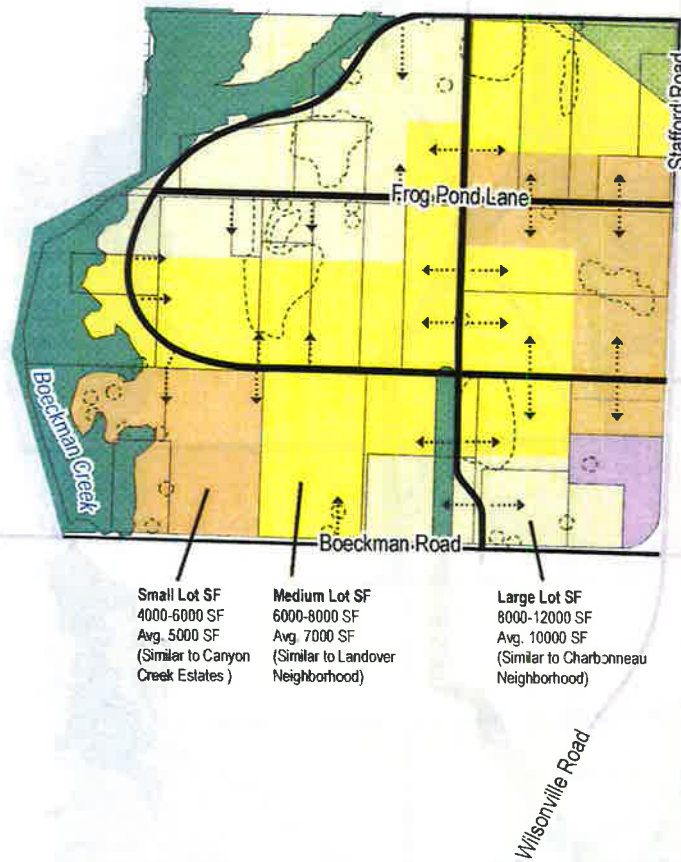


Figure 12. Land Use Framework



## NEIGHBORHOOD COMPARISONS

### Large Lot SF - Comparable to Charbonneau



Avg. Lot Size: 9256 SF  
Range: 7500-15000 SF  
Net Density: 4.7 Units/Acre

### Medium Lot SF - Comparable to Landover Neighborhood



Avg. Lot Size: 6690 SF  
Range: 4100 - 11000 SF  
Net Density: 6.5 Units/Acre

### Small Lot SF - Comparable to Canyon Creek Estates Neighborhood



Avg. Lot Size: 5186 SF  
Range: 4500 - 7800 SF  
Net Density: 8.39 Units/Acre

Figure 13. Land Use Framework (West Neighborhood)





**The East and South Neighborhoods** have four residential designations. They generally have smaller lot sizes than those in the West Neighborhood, and are identified by the word "Future" in the designation.

- **Future Large Lot Single Family:** These lots range from 7,000 to 9,000 SF, with a maximum net density of 5.4 units per acre.
- **Future Medium Lot Single Family:** These lots range from 5,000 SF to 7,000 SF and have a maximum net density of 7.3 units per acre.
- **Future Small Lot Single Family:** These lots range from 3,000 to 5,000 SF and have a maximum net density of 10.9 units per acre.
- **Future Attached/Cottage Single Family:** These lots range from 2,000 to 3,000 SF and have a maximum net density of 17.4 units per acre.
- **Large Lot Single Family:** These are spacious homes on large lots that are generally affordable to those with a combined household income of greater than \$150,000. These homes meet the needs of business owners and executives and those looking to "move up" while staying in Wilsonville.
- **Medium Lot Single Family:** These lots are affordable to those making between \$100,000 and \$150,000 per year, which is a large portion of Wilsonville households. Homes average 2,700 SF on 7,000 SF lots.
- **Small Lot Single Family:** These homes would also be affordable to families earning between \$100,000 and \$150,000. Homes average 2,350 SF on 5,000 SF lots.

Table 1 below describes the projected capacity of each Frog Pond neighborhood by residential land use designation.

**Table 1. Land Use Metrics and Capacity**

Residential Designation		West Neighborhood Units	East Neighborhood Units	South Neighborhood Units	Frog Pond Total Units	East+ South Units	Average Lot Size (SF)	Max Units/ ac net
West Neighborhood	LLSF (8,000 - 12,000 SF)	124	-	-	124	-	10,000	4.4
	MLSF (6,000 - 8,000 SF)	281	-	-	281	-	7,000	6.2
	SLSF (4,000 - 6,000 SF)	205	-	-	205	-	5,000	8.7
East & South Neighborhood	Future LLSF (7,000 - 9,000 SF)	-	120	28	148	148	8,000	5.4
	Future MLSF (5,000 - 7,000 SF)	-	125	162	287	287	6,000	7.3
	Future SLSF (3,000 - 5,000 SF)	-	123	286	409	409	4,000	10.9
	Future ACSF (2,000 - 3,000 SF)	-	481	-	481	481	2,500	17.4
<b>Total Units</b>		<b>610</b>	<b>849</b>	<b>476</b>	<b>1,935</b>	<b>1,325</b>		
Overall net density		6.3	10.8	8.8	8.4	10.01		



## Land Use and Community Design

### Housing Affordability and Paying for Infrastructure

Land cost, home construction cost, and infrastructure costs all play a role in housing affordability. As part of the evaluation of options for the housing element of the Area Plan, two analyses were prepared to address housing affordability, development feasibility and how to pay for infrastructure.<sup>1</sup> The results of those reports, cited below, were used to model how the Frog Pond Area Plan will affect home prices. Considerations for the West Neighborhood differ from those of the East and South Neighborhoods.

#### In the West Neighborhood:

- The West Neighborhood must pay for its own infrastructure because there is no guarantee of when (or even if) the East and South Neighborhoods will develop. There is an estimated \$10.6 million in “framework” infrastructure projects that are needed to serve the Frog Pond West Neighborhood which are not expected to be funded by individual development projects or the City’s Capital Improvement Program (CIP). These projects, such as the Stafford Road and Boeckman Road urban upgrades and two neighborhood parks, will benefit all properties in the West Neighborhood.
- When the \$10.6 million described above is divided by the number of lots estimated for the West Neighborhood, the result is a cost per lot that will need to be funded through an instrument such as a reimbursement district. The estimated reimbursement cost per lot in the West Neighborhood would average \$17,431 per lot.

**Table 2. Required Home Price in West Neighborhood**

<b>Designation</b>	<b>Required Home Price - West Neighborhood</b>
<b>Small Lot Single Family</b>	Lot size: 5,000 SF Home Size: 2,365 SF <b>Required Home Price: \$439,700</b>
<b>Medium Lot Single Family</b>	Lot Size: 7,000 SF Home size: 2,790 SF <b>Required Home Price: \$576,000</b>
<b>Large Lot Single Family</b>	Lot Size: 10,000 SF Home size: 3,500 SF <b>Required Home Price: \$775,400</b>

## Land Use and Community Design



- Given these infrastructure costs and the land use assumptions, the project team modeled the “Required Home Price” needed for homes in each land use category to make development feasible. These are shown in Table 2 below.

The implications of these housing costs are that the West Neighborhood would be considered affordable to households with an annual income of \$100,000 and above, as shown in Table 3.

#### In the East and South Neighborhoods:

- There is an estimated \$11.6 million in “framework” infrastructure projects that are needed to serve the Frog Pond East and South Neighborhoods which are not expected to be funded by individual development projects or the CIP. These projects, such as the East Neighborhood Park, benefit all properties in the East Neighborhood.
- When the \$11.6 million described above is divided by the number of lots in the East and South Neighborhoods (with consideration for non-residential development allocation), the result is a cost per lot that will need to be funded through an instrument such as a reimbursement district. The reimbursement cost per lot for the East and South Neighborhoods would average \$7,500 per lot.
- A “required home price” model was not created for the East and South Neighborhoods, due to the uncertainties inherent in land economics for properties that may be developing 10 or more years from now.

**Table 3. Percent of Households by Income Range and Home Purchase Price, Wilsonville, 2014**

Household Income Category		Percent of Households	Typical Monthly Mortgage Payment		Home Purchase Price Range	
Low	High					
\$0	\$15,000	12%	\$0	\$310	\$0	\$60,000
\$15,000	\$25,000	9%	\$310	\$520	\$60,000	\$100,000
\$25,000	\$35,000	10%	\$520	\$730	\$100,000	\$140,000
\$35,000	\$50,000	12%	\$730	\$1,040	\$140,000	\$200,000
\$50,000	\$75,000	14%	\$1,040	\$1,560	\$200,000	\$300,000
\$75,000	\$100,000	14%	\$1,560	\$2,080	\$300,000	\$395,000
\$100,000	\$150,000	20%	\$2,080	\$3,130	\$395,000	\$600,000
\$150,000	\$200,000	5%	\$3,130	\$4,170	\$600,000	\$795,000
\$200,000		4%	\$4,170	\$0	\$795,000	+

Source: US Census, ESRI Business Analyst, Leland Consulting Group.





## Land Use and Community Design

### Implementing Wilsonville's Housing Needs Analysis

The 2014 Wilsonville Housing Needs Analysis (also known as the Wilsonville Residential Land Study) was completed in 2014 and assumed that the majority of housing in Frog Pond would be single-family detached housing at between 5.8 and 8.5 net units per acre. This is consistent with the development outlined in this plan.

As of 2014, Wilsonville's housing stock is roughly 43% single family (including single family attached homes, single family detached homes, and mobile homes) and 57% multifamily (including duplexes, condos, and apartments). The development of Frog Pond will have the effect of shifting the citywide mix of single family and multifamily housing closer to a 50/50 percent balance. Table 4 describes this change in detail.<sup>2</sup>

**Table 4. Changes in Housing Mix of Wilsonville due to Frog Pond Development**

	Existing Units (2014)	West Neighborhood Buildout (+610 SF Units)	Full Frog Pond Buildout (+1935 SF units)
Single Family Units	4,329 43%	4,939 47%	6,264 53%
Multifamily Units	5,630 57%	5,630 53%	5,630 47%
<b>Total Units</b>	<b>9,959 100%</b>	<b>10,569 100%</b>	<b>11,894 100%</b>

### Achieving the Vision through Great Design- Community Design Principles

Wilsonville has a long tradition of thoughtful review of urban and architectural design elements in new development. This has resulted in a high-quality urban fabric and residential development that maintains value and consistently attracts homebuyers. The City's expectations for design are captured in the Comprehensive Plan:

*"Implementation Measure 4.1.5.ii - The design of developments within the community can be regarded from two viewpoints: the design of structures as they relate to site and function (architectural design) and, their relationship to the surrounding area (community design). Both aspects shall be considered to be of equal importance. Good architectural design is necessary to*

## Land Use and Community Design



*provide visual variety and allow for individual identity. At the same time, good community design provides a sense of unity with other development while eliminating conflicting appearances.” (Comprehensive Plan, page D-29)*

The Community Design Principles listed in Table 5 have been created to guide the Frog Pond Area Plan and the implementing master plans, policies and regulations that will be prepared in future years. The principles apply to all land uses and public realm improvements.

## Demonstration Plans

Two “demonstration plans” were prepared to illustrate application of the Community Design principles and help envision quality development in the Frog Pond area. The demonstration plans are conceptual and intended to be illustrative and guides to future development—not as specific development proposals.

The West Demonstration Plan illustrates approximately 34 acres in the West Neighborhood. It features the following:

- A 2-acre neighborhood park as a focal point and community gathering space for residents.
- A clear network of walkable blocks, enabling safe and comfortable walking routes for neighbors of all ages and abilities. These streets are also scaled to minimize development costs while further reducing vehicle speeds and enhancing safety.
- Front entries and porches facing the park and streets, with alleys used on some blocks to reduce the number of front driveway curb cuts, increase on-street parking, and emphasize a high-quality pedestrian environment.

**Table 5. Community Design Principles**

### Community Design Principles

- Create a network of walkable blocks
- Create community focal points at the schools, parks, civic nodes, and neighborhood commercial center
- Provide safe intersections and safe routes to school
- Provide a variety of housing types and forms at the block scale
- Provide pedestrian-oriented and human scale architectural design
- Create compatible transitions between different building forms
- Create compatible transitions at the urban-rural interface
- Provide physical and visual access to nature
- Preserve key natural features and integrate them into new development
- Design storm water features as amenities



## Land Use and Community Design

- Street trees forming “canopies” over the streets over the long term, and many other trees in yards and open spaces.
- A wide range of lot sizes - large, medium, small, cottage – arranged so that transitions between uses are gradual and compatible.

The East Demonstration Plan (Figure 15) is a conceptual layout for a 55-acre area north of Advance Road in the future East Neighborhood. Like the West Neighborhood Demonstration Plan, it is intended to illustrate how the Community Design Principles can be applied, with specific emphasis on demonstrating the potential variety of building types within the Attached/Cottage Single Family area and incorporation of the neighborhood commercial area. This East Demonstration Plan features:

- Two focal points and community gathering spaces: the 2.5 acre neighborhood park and the neighborhood commercial area.
- A clear network of walkable blocks, which are “permeable” to pedestrians through the use of small open spaces, pedestrian paths, and alleys.
- A series of green edges and public spaces adjacent to the BPA powerline corridor to provide visual and physical access to the corridor and Newland Creek to the east.
- Five to seven building types within the Attached/Cottage Single Family area: townhomes (two types) with alternating setbacks, cottages facing streets, cottages facing greens, duplexes facing streets, and duplexes at corners.
- Front doors that face Advance Road to provide “eyes on the street and park” and increase the quality and safety of walking along Advance Road.
- Direct and convenient street alignments for the extension of 60th Avenue and the “School Street” to mark these routes as key streets for safe routes to schools, walking, biking, and/or transit. These streets will also serve to ‘knit’ together the entire Frog Pond area with key streets connecting the schools area with the area west of Stafford Road.





**Street Trees**  
(Provide canopy over street for shade, pedestrian comfort, and rainwater absorption)



**Stormwater Bioswale**  
(Natural detention and filtration of on-street rainwater)



**Large Lot Single Family**



**Medium Lot Single Family**  
(With mature tree protected in front yard)



**Homes Facing Park**



**Neighborhood Park**

## Community Design Framework Demonstration Plan: Single Family Neighborhood

Figure 14. West Neighborhood Demonstration Plan





Figure 15. East Neighborhood Demonstration Plan



## NEIGHBORHOOD COMMERCIAL IN THE FUTURE EAST NEIGHBORHOOD

The Land Use Framework includes a 3.5 acre site designated as Future Commercial, located at the northeast corner of the Stafford-Wilsonville-Boeckman-Advance Road intersection. Consideration of local retail in the plan began early in the process through the adoption of the guiding principle titled **“Create Great Neighborhoods,”** which reads:

*“Frog Pond’s homes, streets, open spaces, neighborhood-scale retail, and other uses fit together into walkable, cohesive, and connected neighborhoods. Frog Pond is a fun place to live.”*

The overall vision for the neighborhood commercial center is that it is a place that provides local goods and services within easy access of the local neighborhoods, has a high quality and pedestrian-oriented design, and serves as a gathering place for the community. Due to its small scale and local orientation, it will not compete with other commercial areas in Wilsonville.

A market study was conducted to evaluate the demand and rationale for neighborhood scale retail in the Frog Pond area. The study found<sup>3</sup>:

“The Frog Pond Area community will build out along the edge of an existing urbanized city and region. Nearby goods and services are an amenity that residents will want; however, ‘retail follows rooftops’—in other words, significant retail development only takes place when there is a significant population of likely shoppers in the area. As a potential retail location, Frog Pond benefits from being situated along two arterial roads, Boeckman/Advance Roads and Stafford/Wilsonville Roads, which will provide some drive-by traffic. Retail in Frog Pond can also serve some adjacent existing communities to the west and southwest.

Based on an evaluation of current and projected future retail spending, LCG projects that Frog Pond could potentially support a small to medium-size grocery-anchored retail center (60,000 square feet or more) at full project build out in approximately 2035. If such a grocery-anchored center cannot be attracted, Frog Pond could support a smaller center of between 10,000 and 30,000 square feet. A variety of factors will affect retail feasibility, particularly whether or not other retail is built near Frog Pond during the next 20 years, the number of homes in the area, and retail development formats in the future. Regardless of the size and scale of retail, the focus should be on establishing a retail/commercial hub development that provides some goods and services for local residents, while also creating a gateway, center, sense of place, and social hub for the area.”





## Land Use and Community Design

A follow-up review of comparable centers was conducted to supplement the market study and set the final size for the center.<sup>4</sup> Based on this review, it was determined that a smaller, unanchored center was more typical in today's market and appropriate to the Frog Pond neighborhood context. The center included in the plan can accommodate an estimated 38,000 square feet of retail, small office, and neighborhood services such as a day care center.

Multiple options for locating the center were considered. The proposed location was chosen based on the following factors:

- The site is central to all three new Frog Pond neighborhoods and many customers within easy walking distance.
- It is proximate (i.e. within a 15 minute walk) to existing Wilsonville residents.
- Transit currently serves the area, and will potentially be routed along Advance Road in the future.
- The site is highly visible, which is a key market consideration.
- Existing and future pass-by traffic is the highest in the area.
- Neighborhood commercial is a complementary use and accessible to the planned community park and future homes in the East and South Neighborhoods.

### Neighborhood Commercial Demonstration Plan and Design Guidance

Figure 16 depicts a demonstration plan that was prepared for the Neighborhood Commercial center as part of the overall East Demonstration Plan. Two buildings are oriented along a new access road extending perpendicular from Stafford Road, forming a mini Main Street. The traffic analysis for the plan supports a full movement intersection at this location. Two additional buildings are oriented to Stafford Road for visibility, with parking interior to the site. The southern end of the site is envisioned to be open, potentially including a community garden, public art, storm water facilities, and pedestrian seating and lighting as well as a landscaped buffer from proposed homes to the east. Figure 17 depicts design guidelines and images for the center.



## CIVIC LAND USES

The following civic land uses are included on the Land Use Framework:

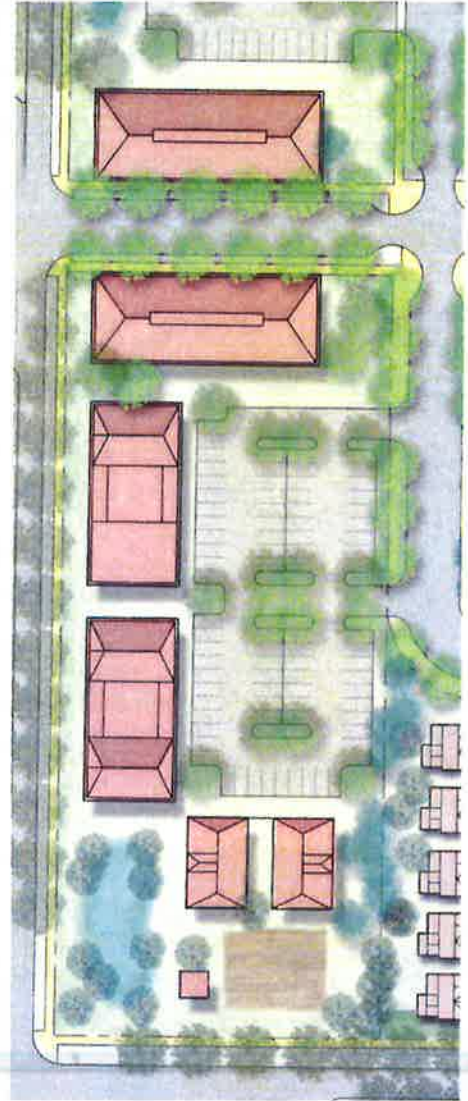
- Frog Pond Grange
- Community of Hope Church
- Community Park
- School Site

In addition, three neighborhood parks are planned (two in the West Neighborhood and one in the East Neighborhood). Please see page 58 for a description of those parks.

Both Frog Pond Grange and Community of Hope Church are designated Institutional/Civic on the Land Use Framework. This designation recognizes the important community role that these sites serve now and should serve in future years. The intended uses include religious, cultural, educational, and community service uses, not including retail. Residential use would be allowed in combination with a primary civic use. The Frog Pond Grange is a particularly important site due to its historical significance and role as the namesake for the area. The demonstration plan (Figure 18) envisions retention of the grange, a new community building nearby, a small environmental center, trailhead, parking, and extensive open space adjacent to the BPA powerline easement.

A demonstration plan was also prepared for the Community of Hope site (Figure 19). It shows the potential for two new buildings oriented to the corner of Stafford and Boeckman Roads, a small plaza, access from the West Neighborhood, and adjacent residential uses.

The Community Park and School sites were added to the UGB in 2013, and annexed to the City in 2015. The Community Park, a 10-acre site, will be developed for sports fields and other active recreation serving all of Wilsonville. As of the writing of this Area Plan, the timing for development of the park has not been determined. The 30-acre school site is owned by the West Linn-Wilsonville School District and will be home to a new middle school and primary school. The middle school is scheduled for opening in 2017. The primary school will be added in the future when the district determines there is a need.

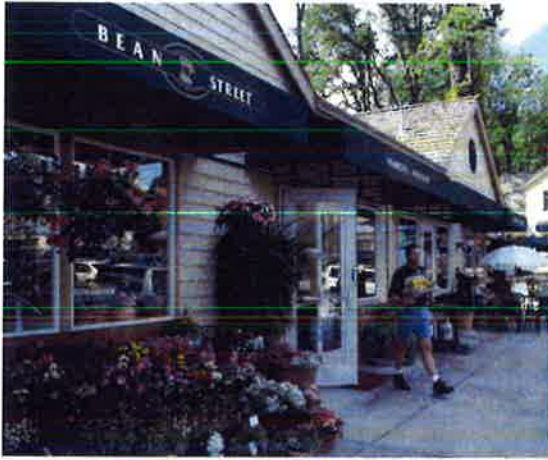


**Figure 16. Example Commercial Center Layout**

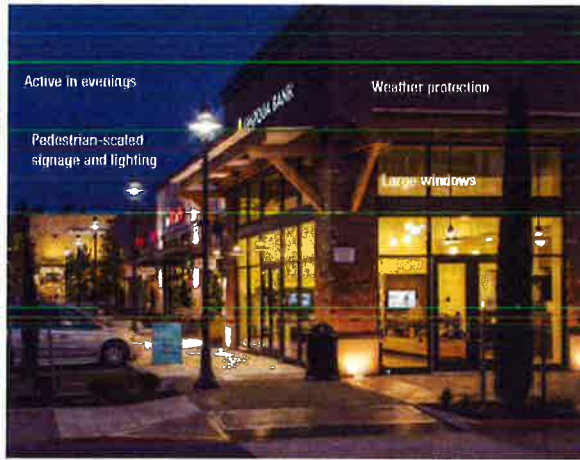




## Land Use and Community Design



Small retail blends with nearby homes



Neighborhood-scale commercial building



Sidewalk seating



Old Town Wilsonville



Lake Oswego

### Additional Design Considerations for Neighborhood Compatibility

- dark sky lighting
- thoughtful vehicular and pedestrian access
- screened loading areas
- reasonable hours of operation
- limitations on certain uses
- height and screening standards
- generous landscape
- high-quality design

Figure 17. Neighborhood Commercial Design

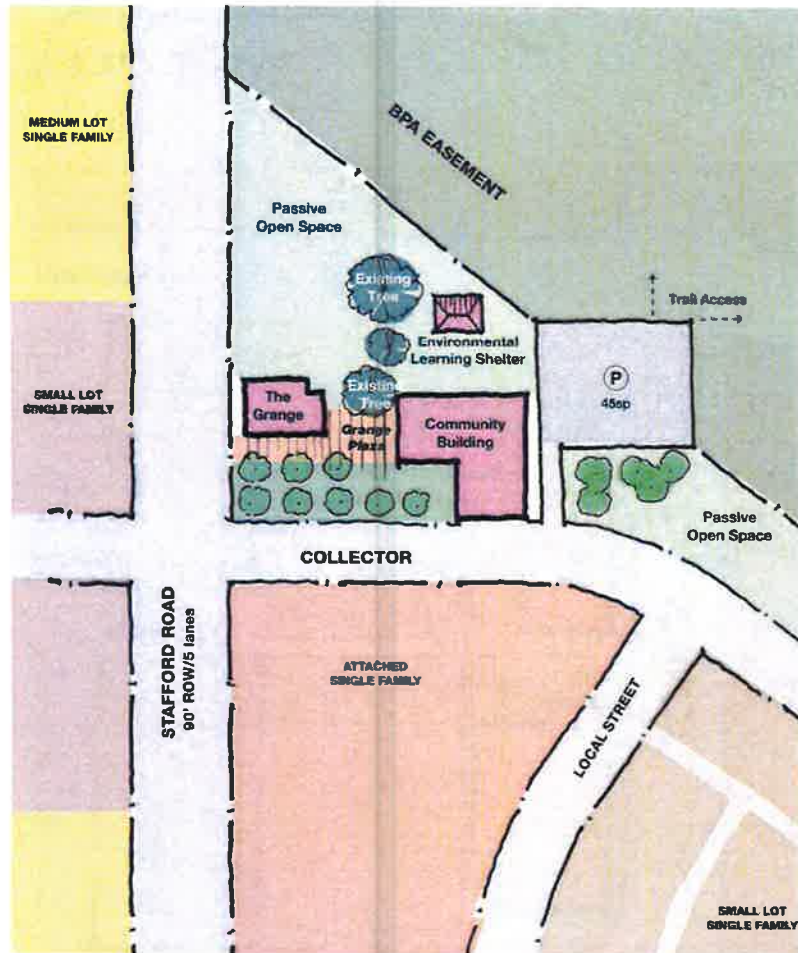


Figure 18. Frog Pond Grange Civic Node

11.18.2014



Aerial view of Grange



Grange site from Frog Pond Lane



Small Environmental Learning Center



Historic Grange can be repurposed like Wilsonville's Old Town Church.



Key Map

## Frog Pond Grange Civic Node Program and Access Study



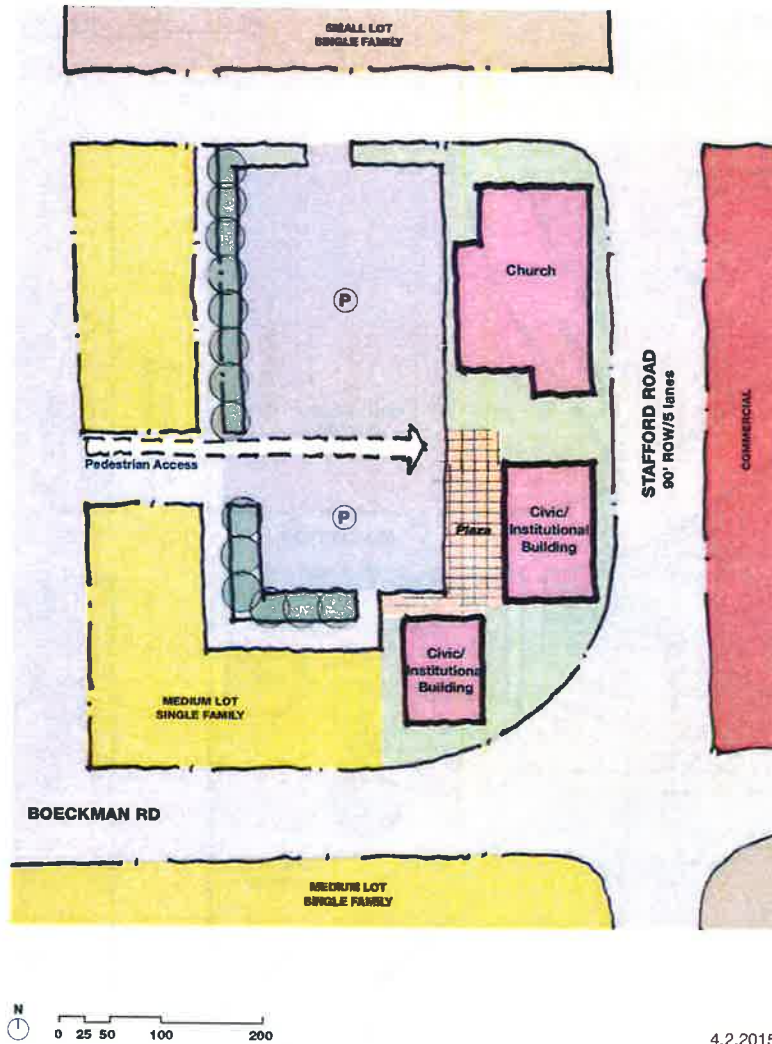


Figure 19. Four Corners Church Civic Node



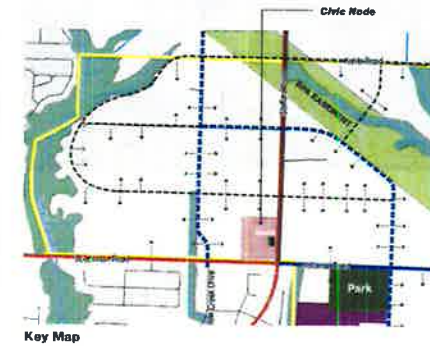
Aerial view of site, showing existing Lutheran Church



Civic Buildings on a small public plaza



Small daycare and community use building



Key Map

## Four Corners Civic Node Program and Access Study

# Transportation Framework



## FROG POND'S TRANSPORTATION STRATEGY - CONNECTIVITY, CIRCULATION, AND SAFETY

**T**he vision and strategy for the Frog Pond Area is to create three distinct neighborhoods that are connected to each other and to the rest of Wilsonville through a transportation framework that is safe and convenient whether one is traveling by foot, bike, SMART transit, or car. The planning process analyzed three alternative transportation and land use layouts and made additional refinements to arrive at the proposed transportation framework, shown in Figure 20.

The street plan is comprised of existing and new arterial streets, collector streets, and framework streets that are intended to be provided in the approximate locations shown on Figure 20. There will also be additional local streets, which have proposed connections to framework streets as shown with arrows on the figure; however, their precise alignment will be established through the development of individual properties.

Safe and convenient non-automotive access is a high priority for the City of Wilsonville. The Transportation Framework emphasizes high quality pedestrian routes to planned school and park sites in the South Neighborhood, as well as the numerous other park and trail amenities in the Frog Pond Area. The West





## Transportation Framework

Linn-Wilsonville School District's Safe Routes to School program has been part of the planning process for the Frog Pond area and will build upon the Transportation Framework by providing additional detail and site specific recommendations.

## TRANSPORTATION ANALYSIS

### Traffic Volumes and Operations

A transportation impact analysis was conducted as part of the Frog Pond Area Plan. This section summarizes the findings of that analysis.

Future traffic forecasts were performed for a 2035 horizon year based on Metro population and land use assumptions for the region, with the exception of the Frog Pond Area Plan, which was revised based on the proposed land uses. The majority of traffic growth between 2014 and 2035 is expected to occur to the north of Frog Pond because of additional growth in the area and the increasing importance of the Stafford Road connection to I-205.

Future intersection operations were analyzed for the site accesses and major intersections in the Frog Pond Area vicinity. Stafford Road was found to perform adequately as a three-lane roadway, however, it will be approaching its capacity beyond 2035 and the City should retain the option to widen it to 5 lanes in the future. To accommodate safe and efficient operations for traffic turning into and out of the East and West Neighborhoods, it is important to have a traffic signal at one of the Stafford Road accesses. Because of the high volumes to and from the north and desired traffic signal spacing, the preferred signal location is the middle access (rather than the south access). This middle access provides good connectivity to the heart of the East and West Neighborhoods and aligns with Collector streets as assumed in the Option A and C grid street framework. Even with the traffic signal, the unsignalized access north of the signal is expected to exceed the City of Wilsonville's level of service D performance standard due to increased delay. Therefore, drivers wanting to turn left onto Stafford Road are likely to reroute to the signalized access.

Intersection operations were also analyzed at key off-site study intersections, including both I-5 interchange areas, the Stafford Road/65th Avenue/Elligsen Road junction, and other key east side intersections. With the completion of all High Priority Projects identified in the Wilsonville Transportation System Plan, these areas are expected to meet applicable mobility targets and operating standards through the year 2035 as required by the City of Wilsonville, Clackamas County, and the Oregon Department of Transportation (ODOT). The analysis assumed growth consistent with Metro forecasts, build out of the current Wilsonville urban

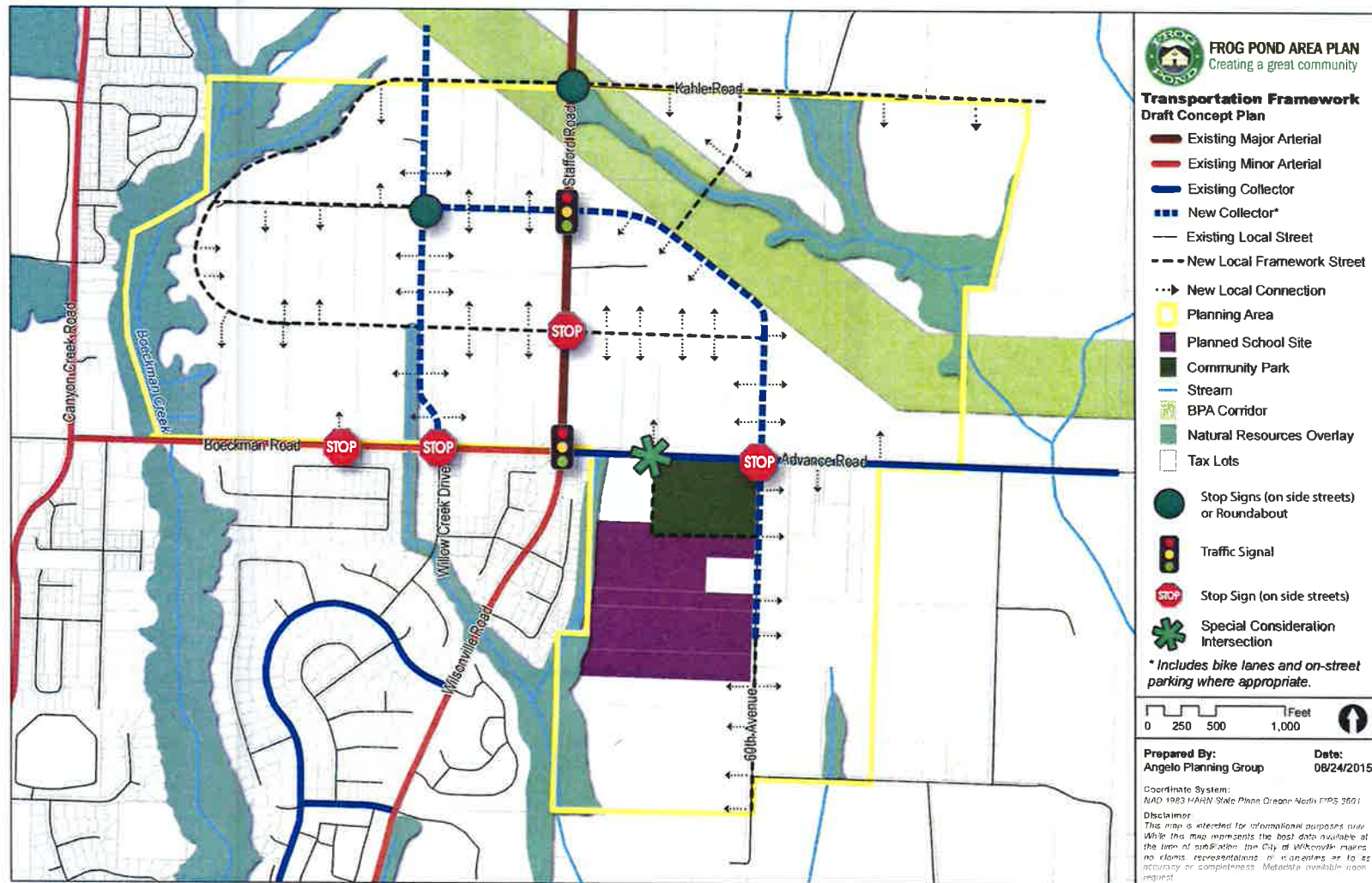


Figure 20. Transportation Framework - Streets

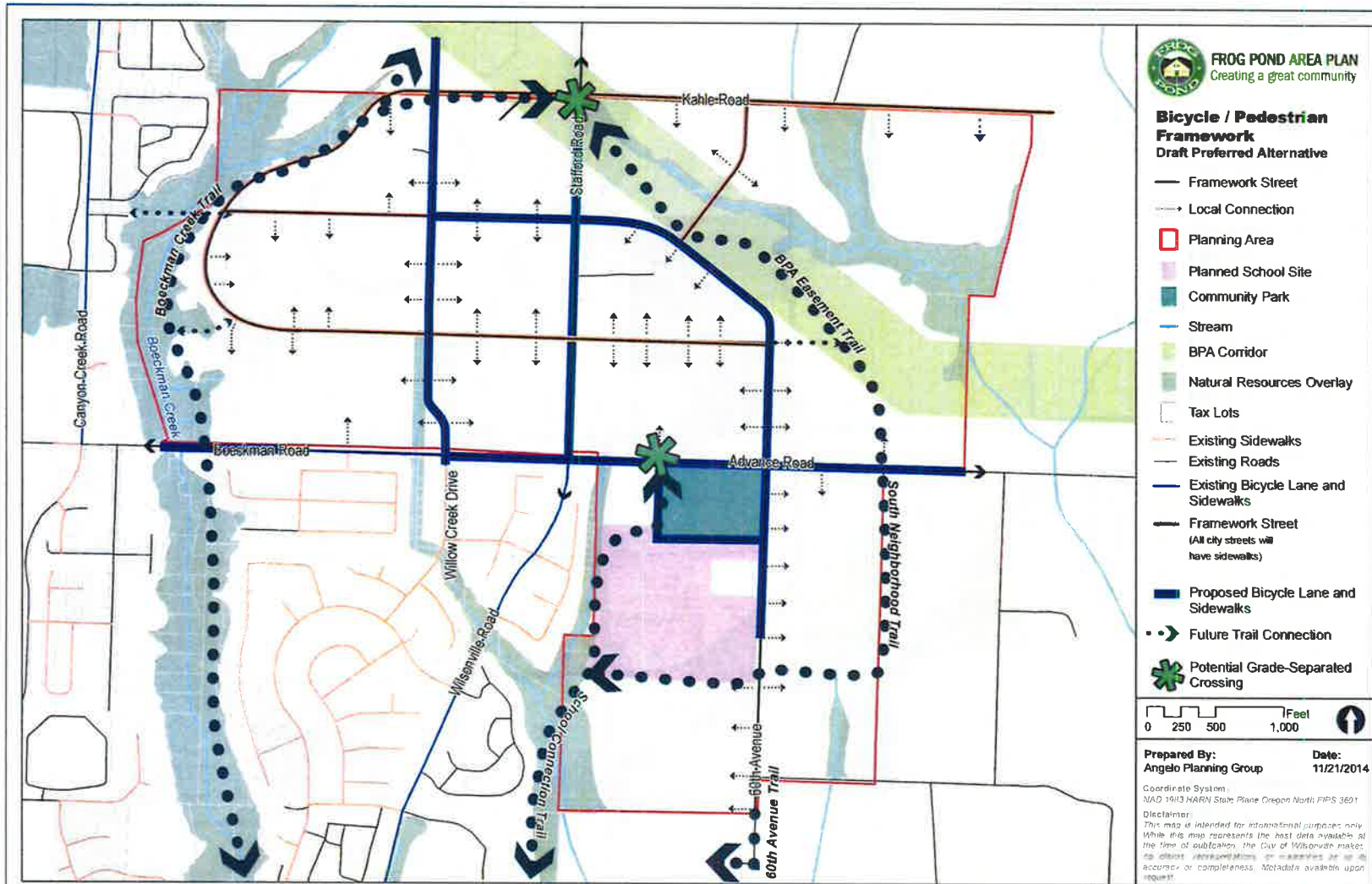


Figure 21. Transportation Framework - Bicycle and Pedestrian Routes



growth boundary, and a Maximum Build Out scenario for the Frog Pond Area that exceeds the amount of growth identified in any of the three land use alternatives considered.

As a Major Arterial, Stafford Road has been envisioned to eventually become a five-lane roadway. However, the City of Wilsonville's policy intent is to have Stafford Road be a three-lane facility in order to reduce speeds, increase safety for pedestrians and bicyclists, and beautify the street as an important gateway into Wilsonville. While a three-lane roadway is expected to provide adequate capacity over the 20-year planning horizon, Stafford Road would be approaching its three-lane capacity limit beyond the 20-year timeframe. By acquiring adequate right-of-way for the future five-lane facility consistent with the Major Arterial classification and designing a three-lane roadway that can easily be widened, the City would ensure it can support future development in its northeast area and can also have improved access to the future growth areas.

## Transportation Planning Rule Compliance

Full development of the Frog Pond Area Plan will, in the future, require bringing the Urban Reserve lands into the Metro Urban Growth Boundary (UGB) and adoption of amendments to the Wilsonville Comprehensive Plan to apply Wilsonville land use designations to the area. At that time, full compliance with Oregon's Transportation Planning Rule (ORS 660-012) will need to be demonstrated as part of the findings for the Comprehensive Plan amendments. The TPR requires that UGB expansions and associated Comprehensive Plan changes avoid causing a significant effect to the transportation system. This means the transportation improvement projects currently included in Wilsonville's Transportation System Plan (TSP) must still be sufficient to meet applicable operating standards and mobility targets or that additional improvements must be identified and conditioned on the development or added to the TSP.

As described above, twenty-year traffic scenarios (i.e., 2035, which is also the TSP horizon year) were performed for a range of land use scenarios that were considered in preparing the Frog Pond Area Plan. The results indicate that the I-5/Wilsonville Road and I-5/Elligsen Road interchange ramps will continue to meet ODOT's applicable mobility targets. In addition, the improvements identified in the TSP for the study intersections throughout Wilsonville would be sufficient to accommodate the project traffic levels, with the exception of the Stafford Road/Frog Pond Lane intersection. This intersection would require the addition of a traffic signal. Because this intersection is within the Area Plan, the traffic signal is easily included as a required improvement associated with the Area Plan. Therefore, the Frog Pond Area Plan and its associated improvements will have no significant effect and this plan complies with the TPR.





## Transportation Framework

When the Comprehensive Plan is amended to adopt the areas currently with the Urban Growth Boundary, the City will need to update its TSP to include the additional traffic signal at the Stafford Road/Frog Pond Lane intersection and the new Collector roads through the West Neighborhood to allow these improvements to be system development charge (SDC) credible.

### Street Classifications and Design

Existing streets in the Frog Pond area will be upgraded to the applicable City of Wilsonville standards consistent with the roadway's functional classification, and will include sidewalks and in some cases bike lanes. Stafford Road is classified as a Major Arterial and is planned for three lanes (one travel lane in each direction and a center turn lane as needed) to accommodate through traffic and the build-out of the Frog Pond area. Even though the standard cross section for a Major Arterial includes five lanes, the City strongly supports retention of Stafford Road as a three-lane facility because it is such an important gateway into the City and will need to be as safe as possible for pedestrians. However, the Area Plan assumes that buildings will be set back sufficiently in case Stafford Road needs to be widened to five lanes in the future due to growth of background traffic and the future development of Urban Reserves. Boeckman Road is a Minor Arterial,



1 New Neighborhood Collector Intersection



2 New Local Street Intersection



3 Boeckman Road/Advance Road Intersection

Sidewalk extents represent sufficient ROW for potential expansion of Stafford Rd. to 5 lanes



Key Map

**Figure 22. Stafford Road Intersection Concepts**



## Transportation Framework



and the transportation analysis (See Appendix D) demonstrated it will have adequate capacity with the standard three lanes and bike lanes. Advance Road will remain a Collector road (3 lanes with bike lanes) through 60th Avenue, then transition to 2 lanes with bike lanes east of 60th Avenue, providing access and on-street parking (where appropriate) to serve adjacent land uses.

New collector roads are planned to provide connections within and between the three neighborhoods. As shown in Figure 20, the collectors run: from Boeckman Road at Willow Creek Drive to the northern edge of the West Neighborhood; along or adjacent to Frog Pond Lane to Stafford Road and continuing east to the BPA power lines; and north from 60th Avenue at the planned park site north to the BPA power lines.

In addition to the arterials and collectors described above, the Transportation Framework includes framework streets. These are included to supplement the higher classification streets, setting the next level of connectivity, circulation, and safety. The east-west framework street that parallels Boeckman and Advance Road will both enhance travel and provide a visual and physical connection to Boeckman Creek for West Neighborhood residents. At the west end of this street, it arcs to the north, which is intended to provide a public edge to the creek area along the street, a linear park, Boeckman Creek Trail, or some combination of these facilities. This edge will be further defined in the master planning process – the high level concept is for the street to play a role in providing neighborhood access and connection to the Boeckman Creek corridor. Other examples of framework streets include the western half of Frog Pond Lane and the street running to the north end of the West Neighborhood that eventually connects to Kahle Road.

The Transportation Framework includes streets labeled as “new local connections.” These are intended to depict the potential for a high level of connectivity through a network of blocks. The City’s street connection policies and code standards will establish the final requirements.

Additional information about the City’s road classifications and associated cross-section and other standards can be found in the Wilsonville Transportation System Plan (TSP).

**Figure 23. Intersection Crossing Treatment Examples**



**Pedestrian Refuge at Roundabout**



**Bicycle Priority at Intersection**



**Curbless Street and Intersection**



## Transportation Framework

### INTERSECTION TREATMENTS

Two new traffic signals are needed in the Frog Pond area: one at the “four corners” intersection of Advance Road/Boeckman Road and Stafford Road/Wilsonville Road; and, one at the intersection of Stafford Road/ Frog Pond Lane to facilitate turning movements into the East and West Neighborhoods. Attention to detail will be required to preserve walkability at intersections across major roads (see Figure 22 and Figure 24 for conceptual intersection designs along Stafford and along a new collector road). Additional intersection treatment examples are shown in Figure 23.

Stop signs will be installed on the side street approaches as shown on the Transportation Framework – Streets map (Figure 20), and roundabouts are an option where indicated. The intersection of Willow Creek Drive and Boeckman Road is an important pedestrian route to school and emergency vehicle route, and while it is shown as a “stop sign on side streets” intersection, it may also benefit from extra pedestrian crossing enhancements.



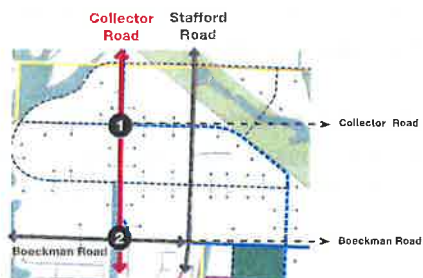
1 Collector Road Roundabout



Wilsonville Roundabout Example



2 Boeckman Road Intersection



Key Map

**Figure 24. New Collector Road Intersection Concepts**



## GATEWAY TREATMENTS

The Frog Pond Area is currently a rural gateway into Wilsonville. Gateway improvements on Stafford and Advance Roads will help establish a unified identity for the three neighborhoods as well as provide a transition from the rural to the urban setting. The intersection at Stafford and Kahle Road (see Figure 25) has high potential for gateway improvement because of streets, trail crossing, and adjacent open space under the BPA powerlines all come together at that intersection. The proposed improvements to the “Boeckman Dip” at Boeckman Road and Boeckman Creek will provide a good opportunity for a gateway treatment in the bridge and streetscape design, which will help establish a community identity for the Frog Pond neighborhoods.

## BICYCLE AND PEDESTRIAN ROUTES

The Bicycle/Pedestrian framework map in Figure 21 describes the framework streets, bicycle lanes, and conceptual trails in the Frog Pond area. All city streets will have sidewalks, and the blue highlighted streets in the framework will have bicycle lanes.<sup>1</sup> Bicycle and pedestrian access to the planned school site and community park are a particularly high priority, along with high quality trail connections and safe crossings of major streets.

### West Neighborhood: The Boeckman Creek Trail

The vision for the Boeckman Creek Regional Trail is for it to be both a neighborhood amenity and a key pedestrian connection to adjacent areas. South of Boeckman Road, the trail will run within the creek canyon along the sewer line easement. After passing under the future Boeckman Road bridge (which will be raised to address the “Dip”), the trail will climb to the top of bank along an existing access/maintenance road and run roughly along the edge of the vegetated corridor / Significant Resource Overlay Zone (SROZ) through the West Neighborhood. The trail alignment provides the opportunity for a linear park along this natural feature, with nodes of activity or pocket parks such as trailheads and play areas framed by the forest edge (see Figure 31 – Parks Framework). This location will ensure the trail is a neighborhood amenity and increase its use and safety. This trail will leave Boeckman Creek and traverse the northern edge of the West Neighborhood to link to the BPA corridor, intersecting Stafford Road at Kahle Road. As a regional trail, this should be paved at 12' in width, but stormwater runoff from the trail will need to be managed so as not to impact Boeckman Creek. Pervious pavement should be considered for this trail.

<sup>1</sup> SE 60th Street is identified as a collector with bike lanes from the intersection with Advance Road to the southern





## Transportation Framework

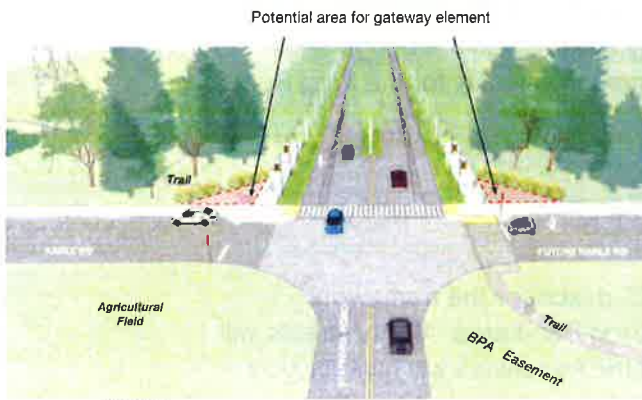
**Figure 25. Stafford Road Gateway Concept**



Seasonal color provides visual interest



Opportunity to highlight trail connection



**Conceptual Gateway Intersection**

SW Stafford & SW Kahle, looking south

- Facilitates transition from rural to urban setting
- Landscape and signage design should reflect the character of the planning area



Vertical elements, landscape and signage mark transitions and gateways

Connections to the trail from the adjacent streets and from accessways between homes in residential developments should be provided as frequently as is practical in order to maximize bicycle and pedestrian connectivity and convenience. Some of these connections may be natural surfaces if they are too steep for bicycles. Connections across the creek to the West will improve pedestrian access from the Frog Pond area to Canyon Creek Road and nearby residential areas and businesses. At this time, only generalized connections have been identified, specific alignment studies will be needed as part of future work.

### East Neighborhood: The BPA Easement Trail

In the East Neighborhood, where the BPA easement cuts through on a diagonal, a trail is proposed to run from the Kahle Road / Stafford Road intersection to Advance Road, continuing into the South Neighborhood. Connections from the adjacent streets to the west should be provided as frequently as is practical in order to maximize bicycle and pedestrian connectivity and convenience. Trails in all three neighborhoods will provide important Safe Routes to Schools opportunities.



Forest Trail



Creekside Trail



Upland Trail



Trail connection to neighborhood



Homes on natural edge

Figure 26. Boeckman Trail Options

Frog Pond Concept Plan

## Community Design Framework Demonstration Plan: Boeckman Creek Connections



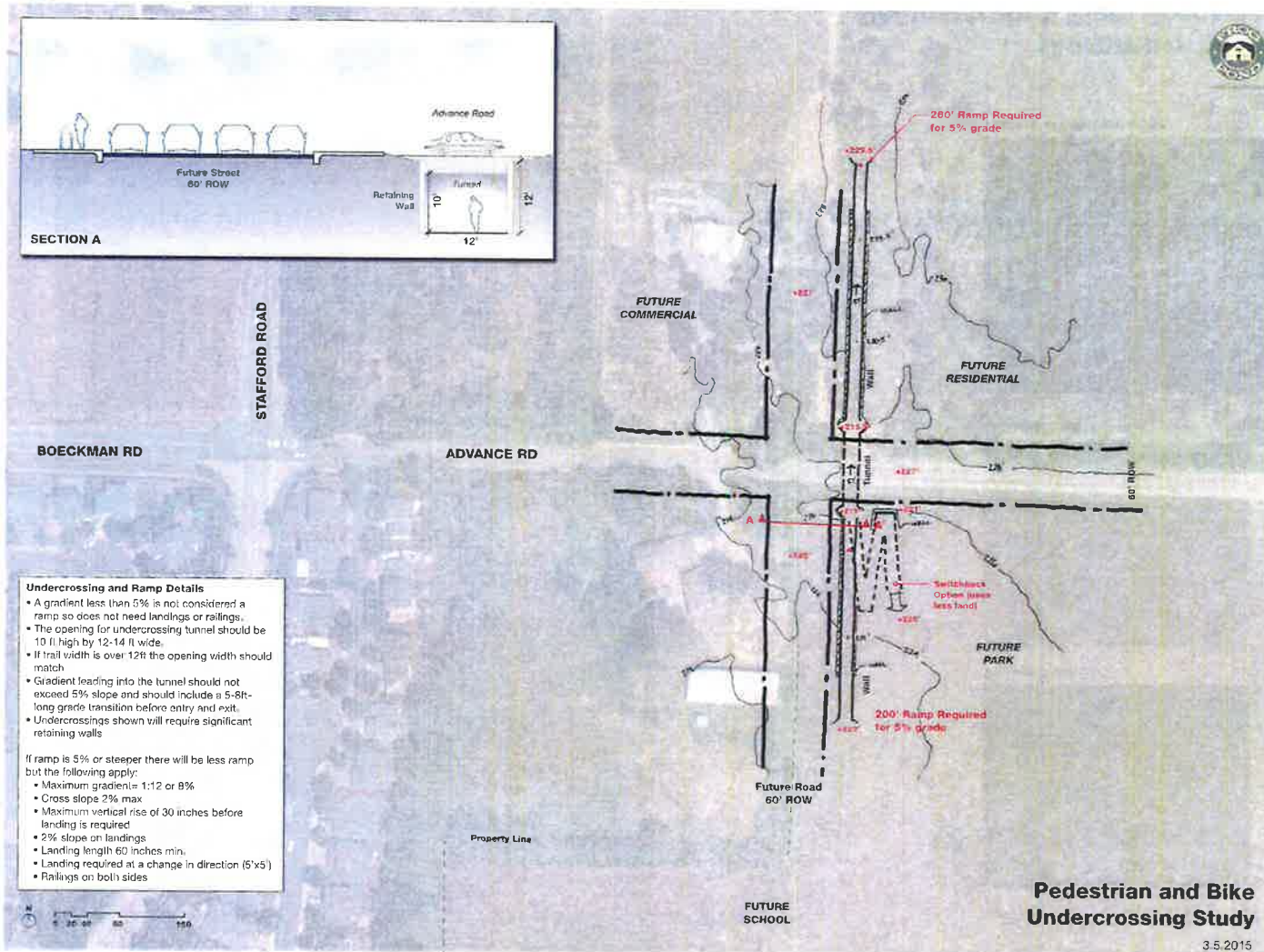
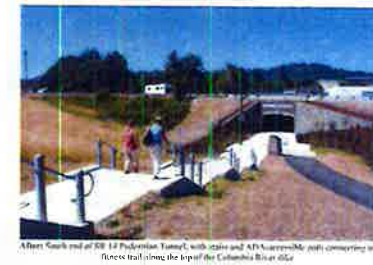


Figure 27. Potential Undercrossing Study

UNDERCROSSING EXAMPLE 1: SR-14 Tunnel in Washington, WA



UNDERCROSSING EXAMPLE 2: SR-14 Tunnel in Skamania County, WA





## South Neighborhood: School Connection Trails

The trail from the East Neighborhood will link to a proposed trail along the eastern edge of the South Neighborhood that would provide an edge to the future urban area, and (through landscaping and appropriate fencing) help buffer and protect the farmland in the adjacent rural reserve area. The trail will connect to the community park and school property. An additional trail would link from the existing Wilsonville High School and Boeckman Creek Primary School across Meridian Creek to the future schools site, potentially co-located with infrastructure easements and associated creek crossings. The routing of the trails in the South Neighborhood are conceptual and subject to refinement as more specific planning is conducted.

## 60th Avenue Trail

The possibility of using the existing unimproved 60th Avenue right-of-way as a trail south of the Frog Pond Area, connecting to the Willamette River at Oregon State Parks' undeveloped Willamette Meridian Landing property, is an exciting opportunity for further exploration. Such a connection could provide a highly desirable link to the river and the future open space and recreational opportunities at Willamette Meridian Landing.

**Figure 28. Existing BPA Corridor**





## Transportation Framework

### Potential Undercrossing

The Pedestrian and Bicycle Routes map identifies two potential locations for a pedestrian undercrossing at major pedestrian access points between the three neighborhoods. The overall purposes of these undercrossing are to: (1) Facilitate safe street crossings for pedestrians and bicyclists, particularly to the proposed schools and community park south of Advance Road, and (2) Support the vision for the Frog Pond neighborhoods as one of Wilsonville's most walkable areas.

The Project Team produced a site study for a pedestrian undercrossing at the Advance Road location, shown in Figure 27. This connection would provide a safe, direct, and unique route under Advance Road to the schools and park. To create an Americans with Disabilities Act (ADA) compliant undercrossing, a straight access ramp of greater than 200 feet would be required on either side of the intersection, or a switchback access ramp with a wider footprint. Timing is also a challenge, as Advance Road will be improved in the next several years, but the development of the East Neighborhood is many more years in the future. To preserve the opportunity for an undercrossing, Advance Road should be designed so that an undercrossing can be added in the future.

As noted above, the recommendation at this time is to preserve the opportunity for an undercrossing by designing Advance Road so that an undercrossing can be added in the future. City staff should continue to work with the City Council regarding their direction and level of aspiration for this project. To address technical issues, further study, coordination, and design work needs to be done to determine the feasibility and cost of a pedestrian undercrossing in the Frog Pond area. An appropriate time for this work could be as part of the improvements to Advance Road for the planned park and school site.

### Safe Routes to School

Overall, the Area Plan places a high priority of creating walkable neighborhoods and supporting Safe Routes to Schools (SRTS) planning and improvements. If these types of improvements are done successfully, it will help achieve the vision for the area. The West Linn-Wilsonville School District will be preparing a formal Safe Routes to Schools plan as part of their planning and development of the schools site in the South Neighborhood. The site will be developed initially for a middle school, with a primary school added in the future. The Area Plan team met with school district representatives to identify issues and opportunities for the Area Plan to recognize and incorporate. Building on that discussion, the following is a summary of issues and opportunities for SRTS in the Frog Pond Area:



## Transportation Framework



- **Principles** – The National Center for Safe Routes to Schools uses the following principles in their work: Safety; Health; Community; and Choice.
- **Phasing** – As with all aspects of the Frog Pond Area Plan, improvements related to SRTS will evolve and be phased in over time. The initial planning will occur as part of the development of the new middle school, set to open in September, 2017.
- **Walking policy** – The district's policy on walking to school generally precludes bussing within 1 mile of schools, except where there are major impediments. This makes the walking and cycling routes in the Frog Pond area particularly important to improve appropriately for children walking and cycling to the new schools.
- **Key streets in existing neighborhoods** – The most direct routes, and therefore key streets for SRTS-related improvements in existing neighborhoods are: Wilsonville Road, Willow Creek Road, the south side of Boeckman between Willow Creek and Wilsonville-Stafford, and the south side of Advance Road between Wilsonville-Stafford and the entrance to the school site. All pedestrian crossings along these streets will be important, particularly the major intersection at Wilsonville-Stafford-Boeckman-Advance Roads.

**Figure 29. Rapid Flash Beacons** - Photo courtesy [www.pedbikeimages.org](http://www.pedbikeimages.org) / Michael Frederick



- **Key streets in the future (West)** – As the West Neighborhood develops, important walking routes will grow to include: the north side of Boeckman Road; the Willow Creek extension; the west side of Stafford Road; and the network of local streets between these streets.



## Transportation Framework

- **Key streets in the future (East and South)** - As the East and South Neighborhoods develop, the north-south street that parallels Stafford and connects to the school access street will be the most direct route for children walking to school. 60th Avenue will serve a similar role in the South Neighborhood. The pedestrian and bike facilities on both sides of Advance Road will be important routes to the schools, the park, and general neighborhood circulation.
- **Special consideration intersection** – The intersection located approximately 660 feet east of the Wilsonville-Stafford-Boeckman-Advance Road intersection should receive special consideration for pedestrian safety. This will be a very active pedestrian area because of its “cross-roads” location near the schools, community park, retail area, and adjacent neighborhoods. Initial ideas include widened sidewalks and pedestrian areas, “zebra” cross-walk markings, signage and enhanced pedestrian lighting, rectangular rapid flash beacons, potential stop controls, and an undercrossing (see above discussion on the undercrossing).



# Parks and Open Space Framework



## NATURAL RESOURCES

**T**he Frog Pond Area is surrounded by a rich array of natural areas, parks, agricultural lands, and rural open spaces. The Area Plan capitalizes on proximity to these areas with road and trail connections, and also focuses on the preservation of resources while providing public access (and visual access) to open space.

The Frog Pond Area encompasses portions of Boeckman Creek, Willow Creek, Meridian Creek, and Newland Creek. These areas are identified as significant resources and will be protected by the City of Wilsonville's Significant Resources Overlay Zone (SROZ), which limits potentially harmful development.

There are several identified wetlands in the Frog Pond area, most of which are classified as "Non-Significant, Potentially Jurisdictional." These are isolated non-riparian wetlands that are not located within a floodplain, and do not have



## Park and Open Space Framework

hydrologic or water quality control functions. Development of wetlands will not be regulated by the City of Wilsonville, but may be subject to federal and state permitting requirements. There is one “significant” wetland, meeting city criteria, of about 2 acres in the Frog Pond area. However, it is located in the BPA corridor and will not be developed.

Existing tree groves within the planning area provide a key visual asset, and are a link to the historic character of the area. To the extent that existing, mature trees can be retained and protected as annexation and development occurs, it will contribute to the character, value and desirability of new neighborhoods. The city has existing annexation policies that provide incentives (but not mandates) for tree retention.

### Parks and Open Space

Parks planned for the Frog Pond area are guided by the city’s Parks and Recreation Master Plan (2007). The Parks Framework for the Frog Pond Area is described in Figure 31. Two neighborhood parks are envisioned for the West Neighborhood. One neighborhood park could be located close to the Boeckman Creek Trail with an active trailhead, serving as a public focal point at the west end of the West Neighborhood. As part of the development, the Boeckman Creek corridor would be included in platted tracts with conservation easements over them. The trail will provide public access through an otherwise undeveloped open space corridor. Similar trailhead parks are shown in Figure 32. The trailhead park is an exciting option that received wide support during the Area Plan process. It is not the only option however; the alternative of a standard neighborhood park in the western area is still available to the City if deemed better in the future. The second neighborhood park in the West Neighborhood will be a standard 2-acre park in the east portion of the neighborhood.

### Neighborhood Parks and Community Parks

**Neighborhood Parks:** Generally small in size, neighborhood parks are a combination of playground and park designed primarily for spontaneous, non-organized recreation activities.

**Community Parks:** Generally, community parks are larger parks that support organized activities and often have sport fields or other special facilities as their central focus. These parks can accommodate larger numbers of people and provide restrooms and parking.







Figure 31. Parks Framework

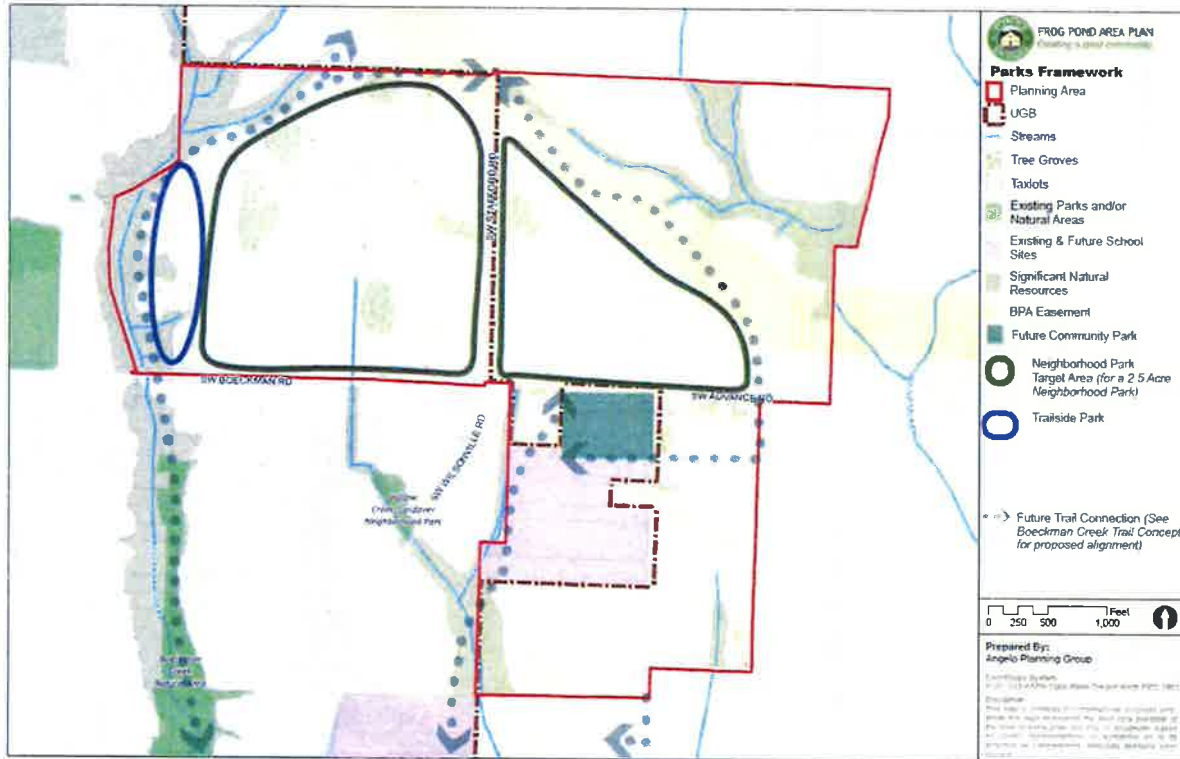


Figure 32. Trailhead Park Examples



Jackie Husen Park, bordering Cedar Mill Creek in Washington County.



Little Sugar Creek Greenway Park in Charlotte, NC.

## Park and Open Space Framework



The East Neighborhood will contain one 2-3 acre neighborhood park in addition to the powerline easement open space. Connections to the school and community park in the South Neighborhood, as well as topography and existing trees will be important considerations for the location and design of this park. The BPA powerline easement represents an opportunity for a 'borrowed' open space that is publicly accessible to residents. This will require further coordination with BPA.

The South Neighborhood contains a 10-acre community park adjacent to the future school site, which will meet the parks need for the neighborhood. These adjacencies are an excellent opportunity for shared recreational amenities such as reciprocal use of fields, gym space, pedestrian paths, and parking.

Throughout the Frog Pond area, future developments may provide additional smaller pocket parks and open space according to specific design plans and desires to enhance neighborhood desirability. Park and open space planning will continue as master plans are prepared for each neighborhood.

**Figure 33. Park Examples and Design Concepts**



Kids' fountain in park plaza



Neighborhood Center Plaza



Park events



Civic space and mature trees in neighborhood park



Neighborhood Park



Trails



Park integrated with powerline easement





## Park and Open Space Framework

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# Infrastructure



## SANITARY SEWER INFRASTRUCTURE

**T**here are significant “off-site” improvements to the sanitary sewer system required by development in the Frog Pond area. The City of Wilsonville’s Collection System Master Plan concludes relocation and upgrades to the Memorial Park Pump Station (MPPS) and improvements to the Boeckman Trunk Sewer will be future necessary improvements in roughly the next 6 to 10 years. Upgrades to the MPPS are triggered once the Advance Road Middle School is completed and 40% of Frog Pond’s West Neighborhood has been developed. Upgrades to the Boeckman Truck Sewer are triggered once development within the East and South Neighborhoods is allowed to begin.

Design for “on-site” improvements for the Frog Pond Area is governed by rainfall derived inflow and infiltration (RDII), the area’s topography, and the City’s standards for minimum pipe slopes, sizes and cover. The location of sanitary sewer pipes is generally aligned with the framework streets, although some additional



## Water/Sewer/Stormwater Infrastructure

easements will be necessary.

Several parts of the East Neighborhood require pump stations for sanitary sewer, including both “lobes” off Kahle Road and the far southeastern corner of the East Neighborhood. An additional pump station is needed to serve the southern end of the South Neighborhood. The cost of these pump stations is assumed to be borne by the developer.

Costs reflecting sanitary sewer infrastructure necessary for the Frog Pond Area are presented in Table 6. Some sewer lines serving Frog Pond will need to be “oversized” relative to minimum standards in order to serve future growth and the development of the Elligsen Urban Reserve - their costs above the minimum standard is included in the “City (SDC) Share” column. Detailed assumptions can be found in the technical append

**Table 6. Major and Framework Sanitary Sewer Infrastructure Cost Summary**

Neighborhood	Total Cost	Developer Cost	City (SDC) share
West	\$3,300,000	\$3,100,000	\$200,000
East	\$7,800,000	\$7,670,000	\$130,000
South	\$1,950,000	\$1,915,000	\$35,000
<b>Total Cost</b>	<b>\$13,050,000</b>	<b>\$12,685,000</b>	<b>\$365,000</b>

## WATER INFRASTRUCTURE

The design of water facilities in the Frog Pond area are generally governed by the minimum requirements for fire flow rates since they significantly exceed maximum daily domestic demands. The Frog Pond water system plan replicates the City’s current Water System Master Plan (WSMP), with modifications that account for topography and framework street alignments. Modeling from the WSMP indicates that the looped distribution system has been designed to meet all required standards, resulting in adequate fire flows. Full build-out of the Frog Pond area is anticipated to increase the City’s storage need by roughly 1.5 million gallons (MG), which would be met through the West Side Tank and 24-inch Transmission Main Project identified in the Wilsonville Water Master Plan (ID# 125). The west side tank project was indicated to cost nearly \$5.8 million and be needed by the year 2017; the City has determined that 25% of this project cost is attributable to development within the Frog Pond Area.

Costs for domestic water and fire infrastructure are presented below. Detailed assumptions can be found in Appendix E.

## Water/Sewer/Stormwater Infrastructure

**Table 7. Major and Framework Domestic Water and Fire Infrastructure Cost Summary**

Neighborhood	Total Cost	Developer Cost	City (SDC) share
West	\$5,070,000	\$4,610,000	\$460,000
East	\$6,370,000	\$5,540,000	\$830,000
South	\$1,860,000	\$1,530,000	\$330,000
<b>Total Cost</b>	<b>\$13,300,000</b>	<b>\$11,680,000</b>	<b>\$1,620,000</b>

Water and sewer lines can generally be aligned with the framework streets of this plan, although some additional easements will be necessary. Both the water and sewer systems have major off-site improvements needed that are partially related to growth in Frog Pond, but are also needed to serve other parts of the city or to correct existing issues.

## STORMWATER INFRASTRUCTURE

The approximate size and location of these set aside areas are shown on Figure 35, Figure 36, and Figure 37.

Stormwater management is anticipated to consist largely of roadside bioswales and detention basins to manage drainage originating from development. Drainage originating from private developments is expected to be managed by collection, treatment, and detention system constructed by the private developer in accordance with the City's Public Works Standards (PWS) and Oregon Drainage Law.

Costs for these improvements are listed in Table 8 below. Detailed assumptions can be found in the technical appendix.

**Table 8. Major and Framework Stormwater Infrastructure Cost Summary**

Neighborhood	Total Cost	Developer Cost	City (SDC) share
West	\$8,660,000	\$8,520,000	\$140,000
East	\$8,290,000	\$8,080,000	\$210,000
South	\$4,310,000	\$4,310,000	\$0
<b>Total Cost</b>	<b>\$21,260,000</b>	<b>\$20,910,000</b>	<b>\$350,000</b>

An existing regional detention pond exists on the north side of Boeckman Road within the Boeckman Creek corridor. The flow control structure was constructed in 1997 and has been indicated by the City to receive drainage from developed areas along Canyon Creek Road up to Elligsen Road, including the Xerox and Mentor Graphics properties. In the absence of design calculations for sizing the pond, further analysis is recommended to understand if modifications can



## Water/Sewer/Stormwater Infrastructure

be made to the existing flow control structure. These alterations may allow the structure to manage stormwater originating from portions of the West Neighborhood, and presents an opportunity to eliminate the need for some additional flow control facilities.

### GREEN INFRASTRUCTURE

Sustainable stormwater management is a key component of the Frog Pond Plan. The stormwater management approaches are anticipated to consist largely of a toolbox of approaches to treat, detain, and infiltrate runoff on-site. The City expects drainage originating from private development will be required to be managed by the private developer in accordance with the City's Public Works Standards and Oregon Drainage Law. The plans also assume new streets and on-site development will include low impact development (LID) techniques to the extent possible. The city's Stormwater Master Plan and Public Works Standards include a variety of LID options for stormwater management. Examples of low impact development as well as other types of green infrastructure are shown in Figure 34.



# Water/Sewer/Stormwater Infrastructure



**Figure 34. Green Infrastructure Examples**



**Pervious Paving**  
(Allows rainwater to percolate into soil)



**Parking Lot Rain Garden**  
(Natural detention and filtration of parking lot rainwater)



**Green Roof**  
(Reduces roof runoff and improves building insulation)



**Retention Pond**  
(Holds rainwater in wetland environment)



**Street Trees**  
(Provide canopy over street for shade, pedestrian comfort, and rainwater absorption)

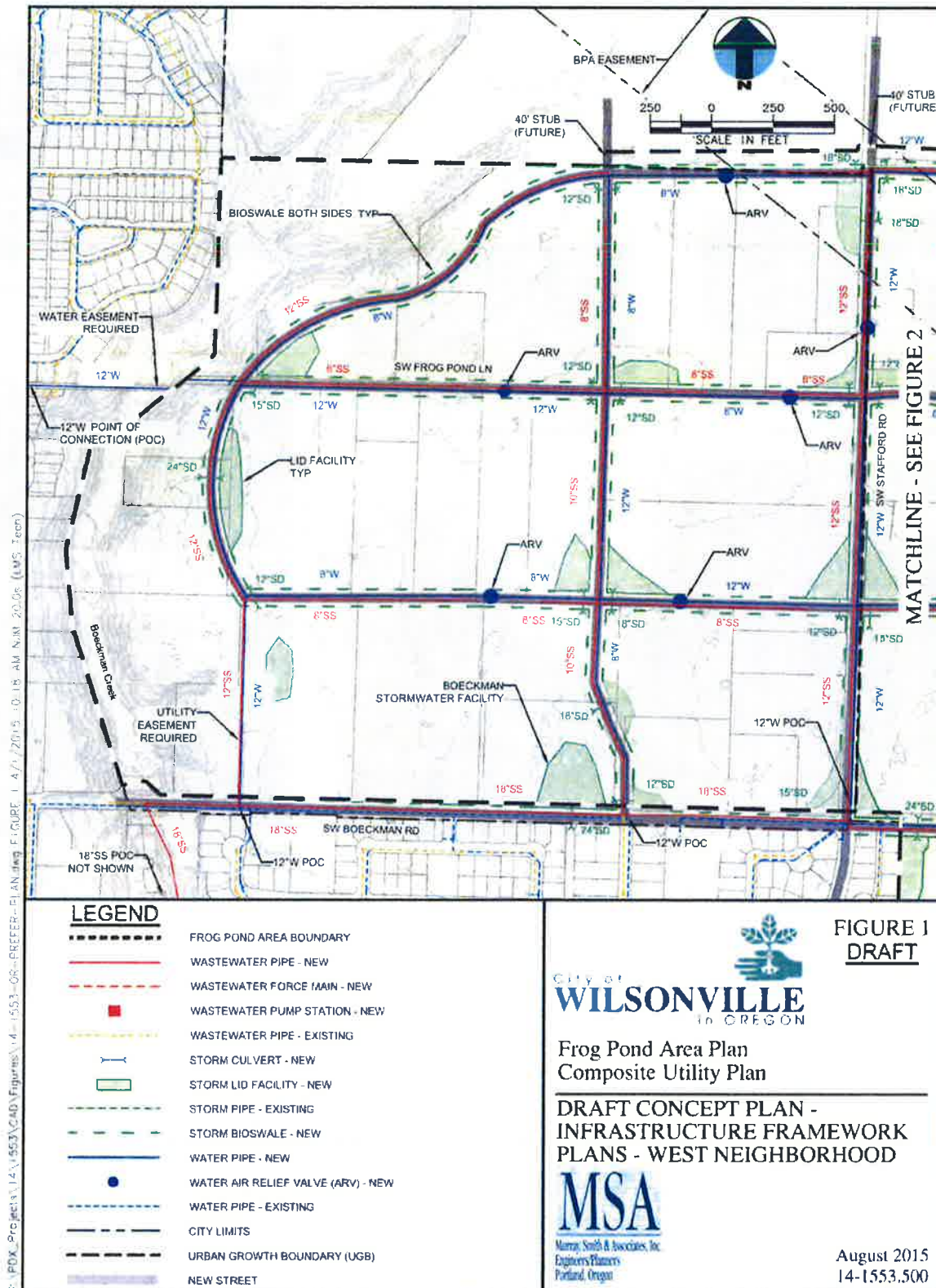


**Stormwater Bioswale**  
(Natural detention and filtration of on-street rainwater)



## Water/Sewer/Stormwater Infrastructure

Figure 35. Infrastructure Framework - West Neighborhood

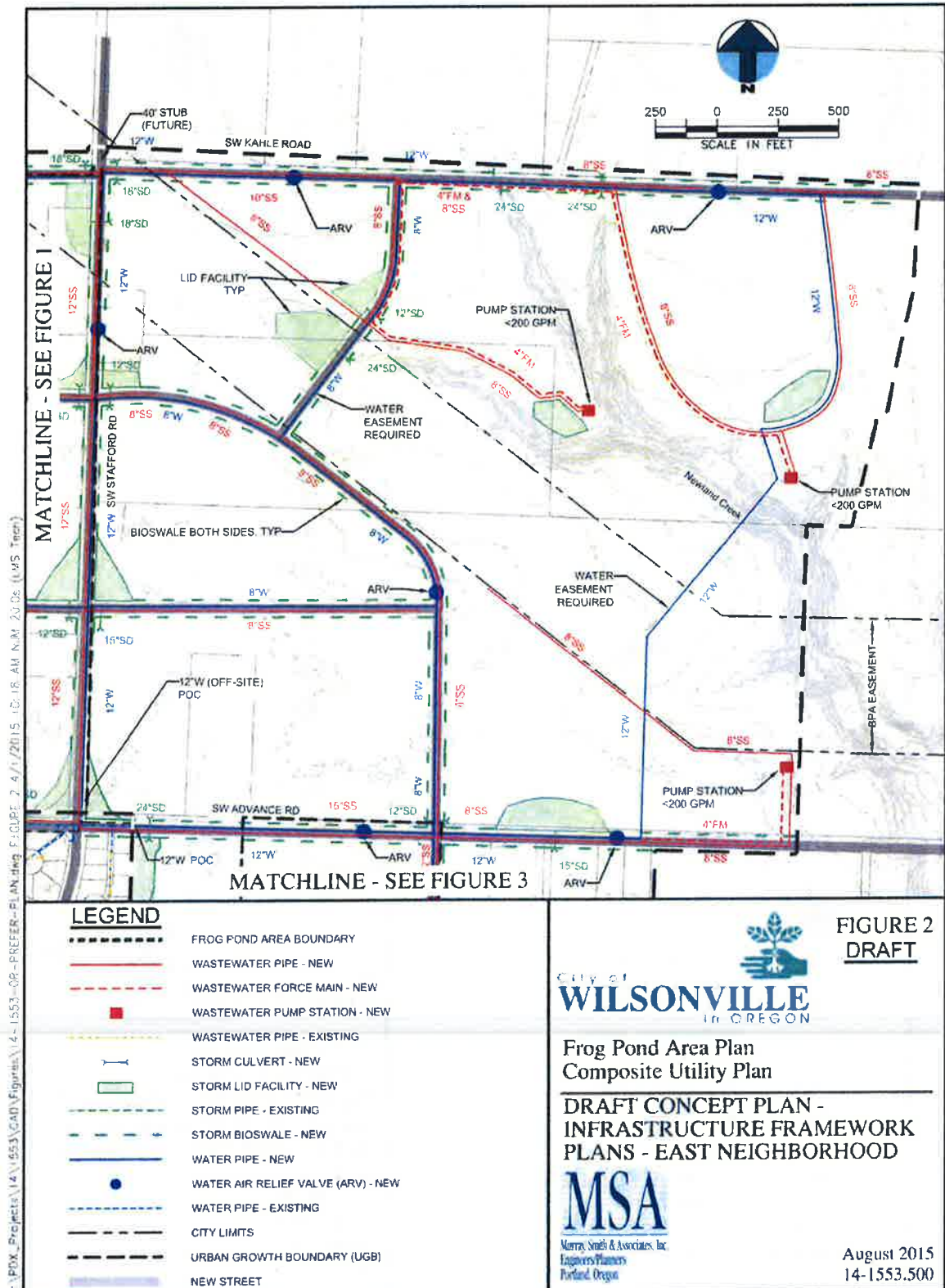




# Water/Sewer/Stormwater Infrastructure



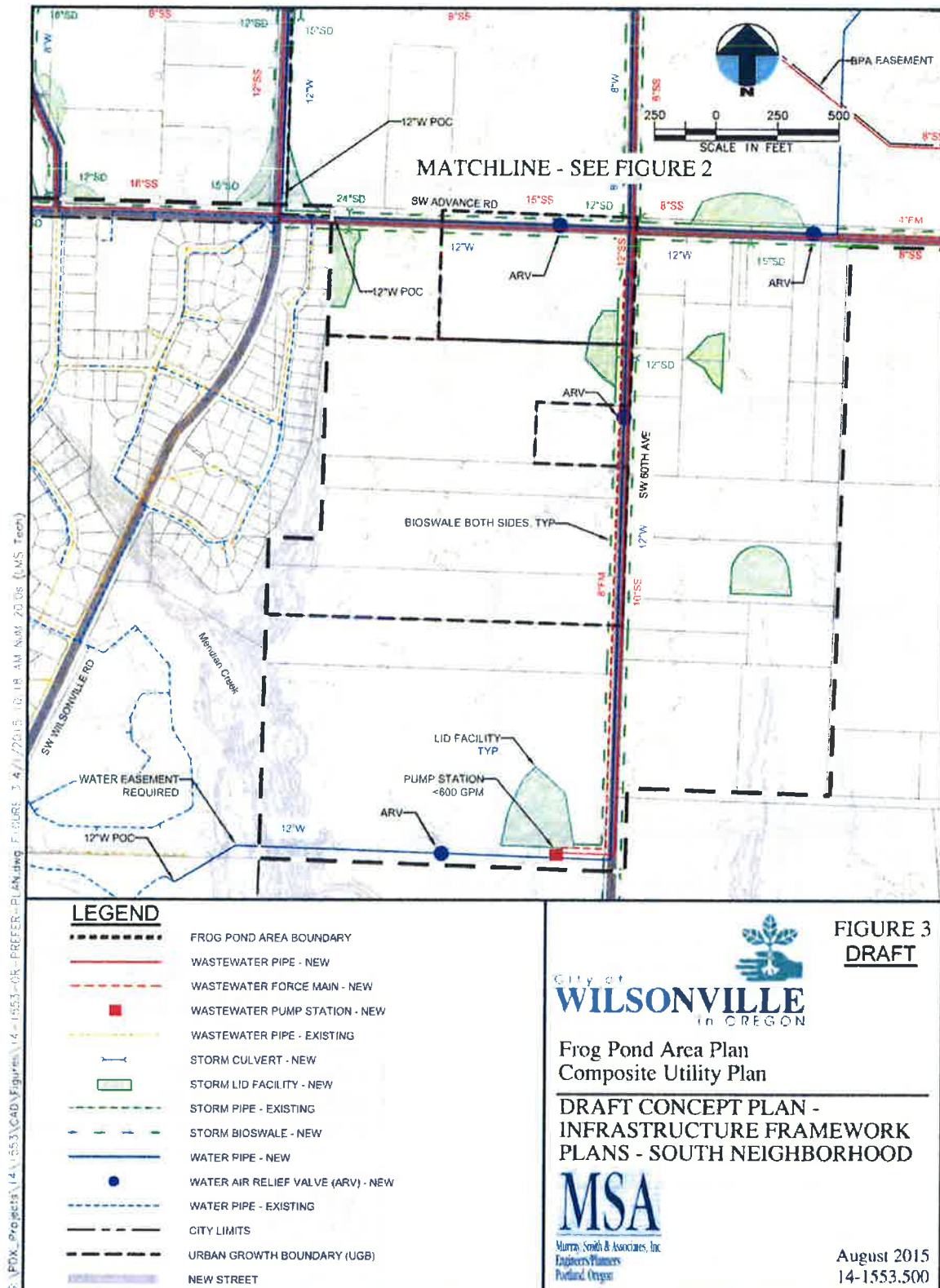
Figure 36. Infrastructure Framework - East Neighborhood





## Water/Sewer/Stormwater Infrastructure

Figure 37. Infrastructure Framework - South Neighborhood





# Implementation



## ZONING STRATEGY

This section describes a strategy for future regulatory implementation of the Frog Pond Area Plan (Area Plan) and Master Plan. The term “zoning strategy” is used here as short-hand to reference the package of land use regulations needed for implementation, including amendments to the Wilsonville Comprehensive Plan, Transportation System Plan, Zoning Code, and related documents.

The Frog Pond zoning strategy is the precursor to writing the actual regulations. The ideas described in this section were prepared early – as the Area Plan was being prepared – so the plan recommendations would be informed by ideas about their implementation.

References to the Area Plan below refer to the concept plan for the entire 500-acre planning area. References to the Master Plan refer to the more detailed planning that will be done for Phase 2 of the project for the West Neighborhood, the area currently within the Urban Growth Boundary (UGB). The Frog Pond





## Implementation

zoning strategy is preliminary and subject to refinement as the actual regulations are crafted in Phase 2 of the project.

## GENERAL GOALS

The regulatory implementation for the Frog Pond area should:

- A. Implement the Frog Pond vision and guiding principles.
- B. Create a system that can implement the vision with incremental development or a master-developer approach in the Frog Pond Area's West Neighborhood.
- C. Design a zoning structure that will ideally work in the short and long-term: first in the West Neighborhood, then in the East and South Neighborhoods, and ultimately in other future urban reserve areas.
- D. Adopt new base zones only if there is a compelling reason to. The more "new code" that is created, the more potential there is for unintended conflicts with existing code provisions (e.g. definitions).
- E. Craft the fewest number of rules to get the job done while meeting the City's expectations for quality development.

## RECOMMENDATIONS

In alignment with the zoning strategy outlined above, the City should consider creating a hybrid of its Planned Development Residential (PDR) regulations and the Villebois regulations for the Frog Pond area. There are good elements to draw upon from each, and the local experience and familiarity with these regulations will be valuable for future implementation.

The following elements and ideas should be considered.

1. Adopt the Area Plan (500-acre planning area) as a supporting document of the Comprehensive plan that is guiding and not regulatory. The Area Plan will establish, for the entire 500-acre area, the: overall vision and guiding principles; framework plans for land use, streets, pedestrian and bicycle networks, infrastructure and community design; an infrastructure funding strategy; and zoning strategy. The Area Plan would not have a regulatory role as part of the Comprehensive Plan. Rather, it is a guiding plan for subsequent Comprehensive Plan amendments, more detailed master plans, code amendments, and on-going infrastructure planning.

## **EXHIBIT 14**



# Oregon

Kate Brown, Governor

## Department of Land Conservation and Development

635 Capitol Street NE, Suite 150

Salem, Oregon 97301-2540

Phone: (503) 373-0050

Fax: (503) 378-5518

[www.oregon.gov/LCD](http://www.oregon.gov/LCD)



September 8, 2016

TO: Land Conservation and Development Commission

FROM: Jim Rue, Director  
Angela Lazarean, Mid-Willamette Valley Regional Representative

SUBJECT: **Agenda Item 7, September 22-23, 2016 LCDC Meeting**

### **Mid-Willamette Valley Regional Update and Regional Solutions Team Update**

#### **I. AGENDA ITEM SUMMARY**

The Land Conversation and Development Commission (commission or LCDC) will receive a briefing by Department of Land Conservation and Development (DLCD or the department) staff and James LaBar, the Mid-Willamette Valley Regional Solutions team coordinator. The first briefing is intended to provide a medley of highlights from the region that are department-specific and an overview of our collaboration with the University of Oregon Green Cities class. Following that, Mr. LaBar will provide an overview of regionally significant projects that illustrate the region's priorities and focus in on the projects that have a land-use nexus.

The Regional Solutions Centers (RSCs) are places for state agencies to collaborate with local governments, and with other public, private, and civic interests to solve problems and seize opportunities. Regional Solutions Advisory Committees, made up of Oregonians appointed by the Governor from business, civic organizations, government, foundations, and higher education, identify priorities to guide the work. RSCs are staffed by Regional Solutions Teams (RSTs) composed of a representative from state agencies.

This item is an information briefing and discussion opportunity. No commission action is requested.

For further information about this report, please contact Angela Lazarean, at 503-935-0034 or [angela.lazarean@state.or.us](mailto:angela.lazarean@state.or.us).

## II. MID-VALLEY REGIONAL UPDATE

### A. Lafayette UGB Expansion

The city of Lafayette amended its urban growth boundary (UGB) on May 14, 2015 to add land for residential use to meet its 20-year housing need. The city's analysis included information to provide a factual base for a 79-acre residential expansion. The city's proposal utilized the "safe harbor" provisions in OAR chapter 660, division 24. This is the first time a city has used these safe harbors for a residential expansion.

However, the city's final adoption was revised through the city's hearing process, reducing the size from the originally proposed 79 acres to 51.29 acres, creating a 93-unit housing deficit. The department determined that the actions of the city to amend its UGB did not comply with the applicable statewide planning goals and implementing administrative rules. Therefore the department remanded the decision to the city to either add land or increase density in the existing UGB to meet its 20-year need.

On remand, the city reconsidered its options and voted on a mix of changes to meet the deficit and fulfill their obligations in providing for a 20-year population need. The city made the following changes:

- Added three exception parcels (10 acres) as low density residential (shown in red on the map);
- Increased allowed residential density on 20 acres inside UGB (shown in orange); and
- Changed the right-of-way assumptions from 20 percent to 15 percent for the 40 acres added to UGB to yield a few more units (shown in purple).



The changes will accommodate 100 new housing units, satisfying the city's 93-unit deficit. The city and county have approved the changes and submitted them to the department. The department received one objection to the submittal and the decision is under review.

## **B. Technical Assistance Grants**

### **1. Donald and Gervais**

In the last biennium the department helped several cities update their housing needs analyses and buildable land inventories with technical assistance grants. These grants provide cities funding to plan for their housing needs and make sure there is appropriately zoned land for development. Donald and Gervais received these grants during the 2013-2015 biennium.

Donald and Gervais both had their plans updated by a Resource Assistance for Rural Environments (RARE) program participant that was supervised by the Mid-Valley Council of Governments. Use of a RARE staffer, dedicated to assisting the planners with data analysis and outreach, provided a regional partnership and cost savings to both jurisdictions and the program overall. The cost of that grant was \$50,000.

The city of Donald had not updated its housing needs analysis since acknowledgement, and the report found the city has a deficit of 76 acres of residential land. The city of Gervais General Plan was last amended in May 2006. The 2006 update did include updates to the employment and housing elements of the General Plan and resulted in a modest expansion of the city's UGB. With recent population growth, the report found that the city has almost built out its residential land (with about 22 acres remaining) and has a need of 74 acres to meet demand in the next 20 years.

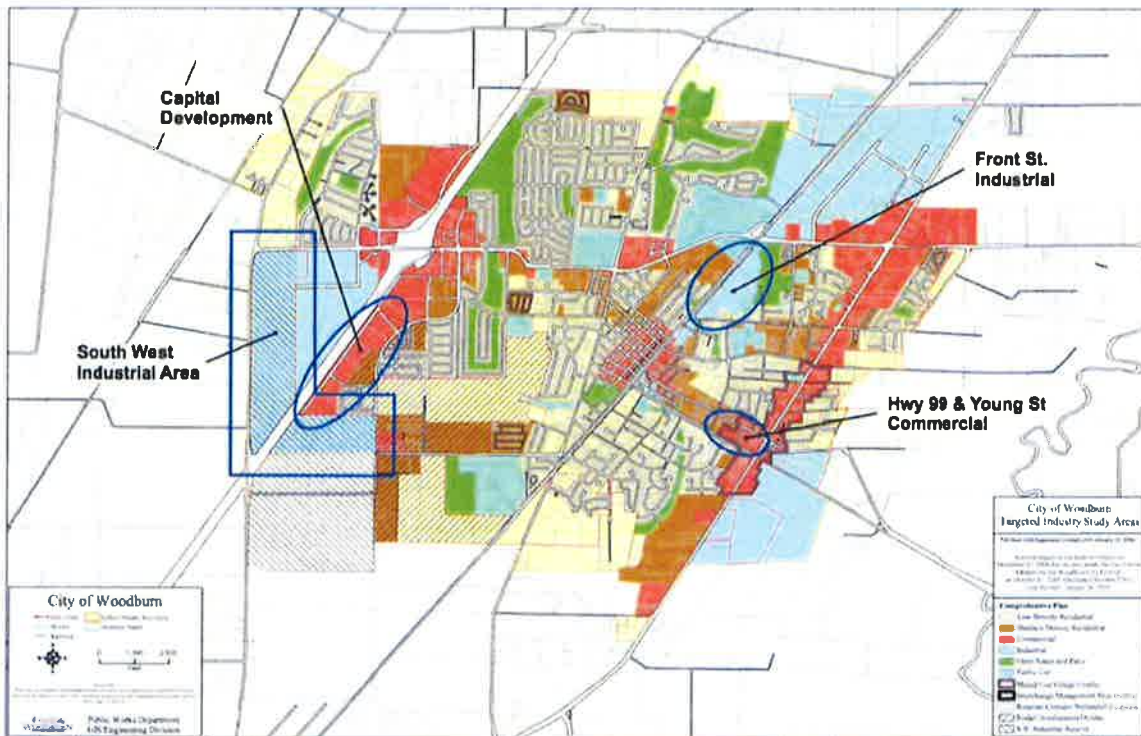
### **2. Woodburn and Newberg**

The department participated in two UGB mediation processes in the past year, with the cities of Woodburn and Newberg. While Woodburn was successful and Newberg was not, both cities are moving in the right direction in addressing their land needs for housing and economic development. Newberg received \$30,000 this biennium to complete and update of its buildable lands inventory before they begin a simplified UGB process in June of 2017, when population forecasts become available from PSU for the Willamette Valley region.

The department also gave a grant of \$5,000 to the city of Woodburn in partnership with other agencies/organizations for a Targeted Industry Analysis (TIA) for the land added to the UGB earlier this year. Woodburn last conducted an economic opportunities analysis in 2001. The purpose of the new report was to provide the city with a current independent analysis of Woodburn's economy to identify the city's economic opportunities and the best use of the industrial land added to the UGB. The analysis also considered target industries for three other sites; Stacy Allison Way, Commerce Way/Front Street, and Young Street/Highway 99. Before making investments in or developing new or changing existing policies to regulate uses in these development areas, the city wants to understand the characteristics of businesses that may reasonably be expected to locate on the sites, such as wages, job density, and other impacts..



The analysis will help inform Woodburn decision-makers as they consider the city's potential role in development of these areas. We understand this area of Woodburn to be the most sought-after industrial land in the state today. The TIA identified a broad array of targeted industries for the city to consider as they look at an economic development strategy for the area.



Source: City of Woodburn

### **C. UO Green Cities Charrettes**

DLCD has collaborated with the Green Cities class in hosting community design workshops in cities in the Mid-Willamette Valley since 2013. The design workshops, or “charrettes,” are intended to give city residents a chance to work closely with community leaders to identify and prioritize specific spatial planning and urban design issues and solutions. The outcome of this community visioning process a suite of products for the community’s use including videos, plans, maps, presentation documents, and reports.

Communities that receive planning assistance grants from DLCD cover expenses for the Green Cities event with those funds. DLCD staff provided assistance to these and other cities for organizing and coordinating the event. Incurred costs are for food, materials, and final report preparation and presentation delivered by Ric Stephens, the university professor.

The most recent charrette took place in Gervais, where the focus was on public engagement with the Latino community, placement and design of a community center, downtown development and design, pedestrian environment and multi-modal transportation options, and sustainable

development with urban resiliency. Student recommendations ranged from events and festivals to promoting a sense of place through wayfinding and public art. Other suggestions were to provide public spaces for food trucks, community gardens, and family gatherings. Below are a few photo simulations created by the students showcasing their ideas in Gervais.



So far, more than 250 University of Oregon students and five cities have benefited from this program that provides specific implementation actions for cities to become more sustainable, resilient, and regenerative. It is one of the few opportunities for students and citizens to engage in collaborative design that results in specific implementation actions.

The University Of Oregon Office of Sustainability awarded its 2016 Town & Gown Sustainability Award to the Green Cities course for student research, site visits, interviews, guest speakers, and design charrettes for the cities of Aumsville, Cascade Locks, Donald, Independence, Mt. Angel, and Gervais. Department staff, Angela Lazarean and Tom Hogue were named as recipients along with the instructor, Ric Stephens, and others.



### **III. REGIONAL SOLUTIONS TEAM UPDATE**

The Mid-Willamette Valley Regional Solutions Advisory Committee is composed of:

Senator Jackie Winters, Senate District 10	Convener
Jody Christensen, McMinnville Economic Dev. Partnership	Business Representative
Mayor John McArdle, city of Independence	LOC Representative
Commissioner Craig Pope, Polk County	AOC Representative
Chad Freeman, SEDCOR	Committee Appointment
Commissioner Stan Primozich, Yamhill County	Committee Appointment
Commissioner Kevin Cameron, Marion County	Committee Appointment
Julie Huckestein, Chemeketa Community College	Committee Appointment
Steve Powers, city of Salem	Committee Appointment
Mayor Kathryn Figley, city of Woodburn	Committee Appointment

The state agency members of the Regional Solutions Team include:

James LaBar	Governor's Coordinator
Mitchell Gee	Business Oregon, Business Development Officer
Michelle Bilberry	Business Oregon, Infrastructure Finance Authority
Mary Camarata	Department of Environmental Quality
Angela Lazarean	Department of Land Conservation & Development
Jae Pudewell	Department of Transportation
Lori Warner-Dickenson	Department of State Lands
Dennis Lucas	Parks & Recreation Department
Doug Cottam	Department of Fish & Wildlife
Terry Fasel	Department of Agriculture
Renata Wakeley	Mid-Willamette Valley Council of Governments

Following sections highlight several regional projects.

#### **Priority: Engage in local government infrastructure assessments**

- **Project: Carlton Downtown Water System.** The city of Carlton has major infrastructure issues with inadequate water supply, transmission, and distribution systems to support downtown industry and business. The city's reservoirs have lost significant capacity due to slides and need repair, the transmission line is inadequate, and the distribution lines are undersized and terminate in areas resulting in improper system looping. These deficiencies result in future water supply uncertainty and insufficient fire flows, which in turn stymies economic development efforts. The commission toured Carlton's downtown in 2012 and some of the issues were raised at that time.





To alleviate these water system deficiencies, Carlton is analyzing its raw water storage capacity, planning to rehabilitate its reservoir, and is working with McMinnville Water and Light to replace an existing inter-tie system for additional resiliency purposes. The city has completed its Meadowlake Transmission Line project, which replaced and upsized the infrastructure. In 2014, Regional Solutions invested \$500,000 in Carlton to improve the downtown distribution system and construction is now complete. The Mid-Willamette Valley Council of Governments (MWVCOG) provided administrative and wage monitoring assistance to the city for the project. The distribution system investments are connected to the supply and transmission improvements, and the system has been tested for fire hydrant flows, which immediately generated multiple inquiries from developers about the tests. This is a positive sign that the investment will open up additional development opportunities downtown and on the north side of town by connecting large vacant commercial properties to the enhanced water systems.

- **Project: North Santiam Canyon Communities Economic Development.** The North Santiam Canyon (NSC) includes the small cities of Lyons/Mehama, Mill City, Gates, Detroit, and Idanha. Over the last 25 years, the NSC has experienced severe economic distress fueled by a sharp decline in economic activity. Reduction of employment in the timber industry has had a profound impact on the ability of local governments in the canyon to provide essential services to their citizens. In 2014, Marion County and the MWVCOG updated a previous economic opportunity study and have completed a series of workshops with NSC communities to help them conceptualize and plan as a region. Regional Solutions has been working with the county and MWVCOG to maximize available resources for the NSC communities. Three recent results of this collaboration are:



- Business Oregon and Marion County have hired consultants to inventory commercial and industrial lands and to evaluate wastewater options for the NSC. The consultants are in the process of contacting communities and professionals about lands as well as possible solutions for providing wastewater services to the area and are expected to complete their reports in November.
- Marion County, through Business Oregon's intergovernmental agreement with the Oregon Health Authority, is currently working through the scope of a community health assessment for the NSC.
- Marion County, the U.S. Army Corps of Engineers (COE), Oregon's federal delegation, the Oregon Department of State Lands (DSL), Detroit Lake Marine, and Regional Solutions are collaborating to work through a joint DSL-COE permit application for removal-fill applications to dredge around the marinas enabling them to operate with additional resiliency.

**Priority: Expand agri-tourism opportunities which highlight local produce, viticulture/winery operations, and visitor hospitality amenities**

- **Project: Independence Landing.** Over the last 15 years, downtown Independence has experienced a revitalization spurred on by a series of ventures, including municipal investments in a new streetscape for Main Street, a city park and amphitheater, a new civic center, and private investments in downtown buildings and businesses. Adjacent to downtown is Independence Landing, an 18-acre, industrially zoned property. In early 2015, the city purchased the property and is actively working to bring the concept plan of housing and mixed-use development, including a hotel component, to fruition. The commission toured the site during its May 2014 meeting.

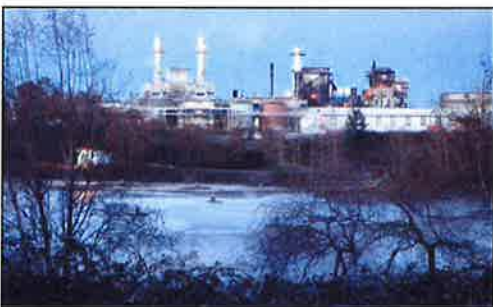
The initial concept plan and the vision for Independence Landing was developed with Transportation and Growth Management (TGM) Quick Response assistance. In August 2015, city contractors began the process of clearing and grading the site to make it development-ready. While Independence was preparing the site, asbestos was found on the property. The Business Oregon Brownfield



Program promptly awarded a grant for its entire cleanup. In March 2016, Regional Solutions convened an outreach meeting that included approximately 30 participants representing a variety of perspectives, including Travel Oregon, the Oregon Department of Environmental Quality (DEQ), the Oregon Department of Fish and Wildlife, and the Oregon Parks and Recreation Department. Regional Solutions codified the robust conversation and identified possible opportunities and solutions for the city and its partners to explore as they work the site.

Independence recently completed engineering estimates totaling \$3.5 million for public infrastructure. The city is working with IFA to obtain funding from the Special Public Works Fund for the public infrastructure. The city completed subdivision work and an urban renewal plan update and is entertaining a comprehensive plan amendment in late September. Independence is also in the process of negotiating an agreement with Gresham-based Tokola Properties for an 11-acre development terrace on the site. Independence hopes to have agreement with Tokola later this year and work to begin in spring 2017.

- **Project: WestRock Facility.** This paper mill in Newberg has closed, and the city of Newberg is working with Regional Solutions to best understand the asset and to begin the planning efforts for its reinvestment. The Regional Solutions Team assembled a comprehensive, responsive inventory of “assets” associated with the WestRock





facility so the city could better understand the property and begin to strategize on its economic development potential. The inventory included information from DEQ, the Oregon Water Resources Department, the Oregon Department of Transportation, and Department of State Lands. Newberg recently used this asset information to earn a 2016 TGM grant to update its Riverfront Master Plan, which is primarily composed of low-density residential uses, rural residential uses, undeveloped open space areas, Rogers Landing Boat Ramp and park, and the former WestRock mill site.

**Priority: Increase business capital for existing and emerging businesses**

- **Project: Marion-Polk Food Share (MPFS) Quinoa Development.** The goals of this project are to provide a nutritious and low-cost protein source for the emergency food system, engage incarcerated youth in a vocational education program, and expand agricultural economic development through increased cultivation of quinoa. A contract defining MPFS's partnership with the Oregon Youth Authority has been signed and representatives from the Department of Justice have provided significant guidance, oversight, and input. Regional Solutions invested \$205,000 in the project and MPFS has installed a cold storage unit, acquired a farm-field truck and trailer, and is planning additional structural improvements to facilitate the processing of quinoa. The MPFS also is in its third year of a five-year commitment for its agricultural work with quinoa. They are working with NORPAC to see if quinoa can be grown for seed with a better return on investment. NORPAC is currently running seed through germination testing and it looks promising.



**Priority: Explore passenger and freight rail opportunities**

- **Project: Mid-Willamette Valley Intermodal Facility Feasibility Study.** Shippers, legislators, and other stakeholders have expressed interest in exploring establishment of a new intermodal yard in the Willamette Valley to reduce transportation costs and truck congestion. Initial analysis of this concept was undertaken as part of the Governor's International Trade and Logistics Initiative. The 2016 Legislature allocated \$100,000 to



Business Oregon to conduct a feasibility study for a new intermodal terminal in the mid-Willamette Valley. The Mid-Valley and South Valley/Mid-Coast Regional Solutions efforts are working with Business Oregon, the Department of Transportation, and the Department of Agriculture to launch the study with ECONorthwest. The study will be completed in two phases, with the first phase focusing on data resources tracking gross

commodity flows, by commodity type, volume, value and containerization potential that could exploit a transloading facility. The second phase will render alternative transloading facility utilization scenarios using the gross commodity flow data.

- **Project: Rail Revitalization at Dallas Weyerhaeuser Mill Site.** This project is designed to upgrade an existing short-line railroad track that serves Dallas from a mill site east to Highway 99W. The improvements include railroad tie and switchgear enhancements to allow for 10 mph speeds on the track and improved access to the mill site. The city of Dallas has a large amount of prime industrial property that could be served by this rail line. In 2014, Regional Solutions invested \$300,000 in the project. The commission viewed the site during its May 2014 meeting.

Improvement of the rail line is intended to spur redevelopment of the Dallas mill site, which has a large job-creating potential. Many of the industrial sites and buildings have the capacity for large-scale manufacturing facilities, which can translate into jobs for the region.

In addition, it has the potential to serve agricultural producers by enabling them to transport bulk items more readily. This project has had a few challenges, especially with private business partners reconsidering their involvement. Dallas is working diligently to reframe the project. The Mid-Willamette Valley Intermodal Facility Feasibility Study will be informative to Dallas's reframing efforts due to the study detailing site criteria and facility operations for a viable intermodal transload facility in the region.



**Priority: Promote regional workforce development opportunities**

- **Project: Mountain West Career Technical Institute (MWCTI) Career Technical Education Center.** This new, state-of-the-art, 150,000 square-foot Career Technical Education Center (CTEC) in Northeast Salem will serve the Salem-Keizer School District, provide regional workforce development opportunities, and contribute to agri-business innovation in the mid-valley region. As an innovative public-private partnership between MWCTI and the Salem-Keizer School District, CTEC is focused on helping area students develop academic proficiency, technical skills, and industry certifications, as well as the professional skills needed to assure success in careers and/or college. When fully built out, CTEC will house 10 programs, serving approximately 1,000 students, as well as a Professional Development Center. As of September 2015, CTEC opened its first two programs – Residential Construction and Commercial Manufacturing – serving over 160 11th and 12th grade students. In 2015, Regional Solutions invested \$900,000 into CTEC to help finish building renovations and set up additional programs, including Agricultural and Food Systems. In April, the City of Salem decided to allocate \$1million of Urban Renewal dollars to CTEC. MWCTI is currently applying for New Market Tax Credits for additional funding, and CTEC is opening two additional programs this fall that focuses on Cosmetology and 3D Technical Design. Regional Solutions is now working with additional colleagues from the Department of Education and Department of Agriculture as they interact with CTEC’s advisory committees.



**Priority: Enhance programs that encourage business retention and expansion**

- **Project: Newberg Crestview Drive Enhancements.** The Newberg-Dundee Bypass will change the traffic patterns in Newberg in late 2017. The Crestview Drive project encompasses three segments of a major collector roadway, and it will function as a relief valve for the new congestion on the city’s local grid system. The improved road would provide an alternative route for more than 1,000 local workers and, more importantly, a major employer’s freight movement. The improved road also will improve access to more than 80 acres of commercial, retail, and industrial development. Finally, the project will provide increased access to north Newberg and vineyards and wineries north of town.



In 2015, Regional Solutions invested \$740,000 in the Crestview Drive project to help with construction of Segment 1 as early as FY 2016-2017 and design work beginning for Segments 2 and 3 in 2017-2018. Regional Solutions convened a meeting with the COE, DEQ, and DSL with the project's principle partners: city of Newberg, Gramor Development, and Springbrook Properties. As a result of the meeting, all parties received additional information about the project and permitting processes for the wetlands removal-fill permits, and the principle partners of the project are continuing to meet to work through the processes and permits.

## **EXHIBIT 15**





NOTES:

THE SITE IS LOCATED AT THE SOUTH END OF NW SIERRA ST.  
ASSESSOR'S SERIAL # 124231-000.  
THE SITE IS APPROXIMATELY 33.9 ACRES (1,477,816 SF) AND IS ZONED R-10.  
ALL WETLAND, STREAM, STEEP BANK AREAS/PROTECTED AREAS ARE AS SHOWN ON THE PLAN. SEE THE EXISTING AREAS ASSESSMENT REPORT CONDUCTED BY THE RESOURCE COMPANY ON MAY 18TH, 2005.  
ALL EXISTING STRUCTURES ON THE SITE WILL BE REMOVED AT THE TIME OF CONSTRUCTION.  
THERE ARE NO EXISTING EASEMENTS ON THE SITE.  
THERE ARE NO PROPOSED PARK OR OPEN SPACE FEATURES.  
THERE ARE NO PROPOSED TRAVEL FACILITIES.  
THERE ARE NO PROPOSED OR BICYCLE IMPROVEMENTS PROPOSED OTHER THAN THOSE REQUIRED BY THE ROAD STANDARDS AS WELL AS AN EASEMENT ON THE SOUTH SIDE OF LOT 99 FOR A POTENTIAL FUTURE TRAIL CONNECTION.  
ALL PROPOSED EASEMENTS ARE AS SHOWN ON THE PLAN.  
THERE ARE NO PROPOSED SPRING SYSTEMS OR RESERVE AREAS PROPOSED FOR THIS SITE. LOTS WILL BE SERVED BY A CONVENTIONAL SEWER SYSTEM.  
ACCORDING TO CLATSOP COUNTY GIS THERE ARE NO DESIGNATED FLOOD PLAIN AREAS ON SITE.

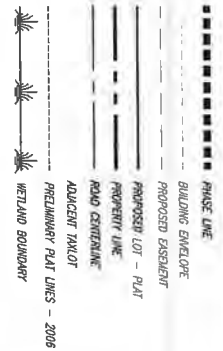
DENSITY CALCULATIONS:

GROSS SITE AREA = 33.9 ACRES (1,477,816 SF)  
CRITICAL AREA/OPEN SPACE = 6.35 ACRES (276,954 SF)  
13% OF SITE IS CONSIDERED OPEN SPACE  
NET SITE AREA = 27.54 ACRES (1,200,862 SF)  
INFRASTRUCTURE AREA = 6.23 ACRES (269,204 SF) (INCLUDES ALL OF TRACT C - STORMWATER TRACT)  
PER CMC 18.09.040 TABLE 2  
R-10 = 4.3 UNITS/ACRE MAXIMUM  
MAXIMUM DENSITY: 4.3 x 28.97 = 118 UNITS

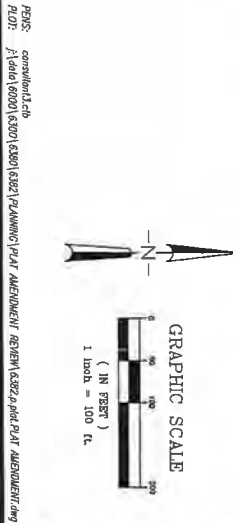
R-10 LOT DIMENSIONS AND SETBACKS PER CMC 18.09.040 TABLE 2 (PER DENSITY TRAMSEY)

MINIMUM LOT AREA: 7,000 SF  
MINIMUM LOT WIDTH: 60'  
MINIMUM LOT DEPTH: 60'  
MINIMUM FRONT YARD SETBACK: 20'  
MINIMUM SIDE YARD AND CORNER LOT REAR YARD: 5'  
MINIMUM SIDE YARD PLANNING A STREET: 20'  
MINIMUM REAR YARD SETBACK: 25'

LEGEND:



APPLICANT/OWNER:  
CBI LLC  
1514 NW OSTEENSON CANYON  
CAMAS, WA 98607  
(360) 834-3082  
CONTACT:  
OLSON ENGINEERING, INC.  
ATTN: ADAM STOKES, INC.  
222 E. EVERGREEN BLVD.  
VANCOUVER, WA 98660  
(360) 695-1265  
FAX (360) 695-8117  
info@olsoneng.com



MINOR PLAT AMENDMENT PLAN FOR:		BELZ PLACE - SUB#05-14	
LAND SURVEYORS		ENGINEERS	
ENGINEERING INC.		222 E. EVERGREEN BLVD., VANCOUVER, WA 98660	
DESIGNED: T24H		CHECKED: K.F.S.	
DRAWN: T24H		DATE: MARCH 2015	
SCALE: H. 1" = 100'		JOB NO. 6382.01.01	
SHEET		1 of 1	

## **EXHIBIT 16**

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# City Population Census Chart

City	2015 PSU Population Estimate	2015 Census Population Estimate	
Gladstone	11,505	11,986	
Happy Valley	17,510	18,493	
Lake Oswego	37,300	38,496	
Milwaukie	20,505	20,830	
Oregon City	33,940	35,831	
West Linn	25,605	26,593	
Wilsonville	22,870	22,729	
TOTALS	169,235	174,958	
GRAND TOTALS	1,236,240	1,276,559	
		3.20%	

# City Population Census Chart

City	2015 PSU Population Estimate	2015 Census Population Estimate	
Beaverton	94,215	96,577	
Cornelius	11,900	12,317	
Forest Grove	23,080	23,897	
Hillsboro	97,480	102,347	
Sherwood	19,080	19,283	
Tigard	49,280	51,253	
Tualatin	26,590	27,154	
TOTALS	321,625	332,828	
Fairview	8,940	9,280	
Gresham	107,065	110,553	
Portland	613,355	632,309	
Troutdale	16,020	16,631	
TOTALS	745,380	768,773	

## **EXHIBIT 17**



# Land-use 'grand bargain' heading to governor's desk, but Oregon growth debate far from settled



Sen. Fred Girod, R-Stayton, said Oregon lawmakers need to take a broad look at the state's land use laws, finding a new solution that works better for cities and rural communities. (Benjamin Brink/The Oregonian)



By **Christian Gaston** | [cgaston@oregonian.com](mailto:cgaston@oregonian.com)

on March 04, 2014 at 11:33 AM, updated March 14, 2014 at 3:59 PM

Oregon senators unanimously approved a land-use “grand bargain” Tuesday, settling a growth debate in the Portland area while teeing up a broader debate about the statewide land-use laws.

## OREGON LAND USE RULING

**House Bill 4078** would establish urban and rural reserves and expand the urban growth boundary in Washington County, clearing legal uncertainty over a growth plan adopted in 2010.

While the bill garnered strong support, many senators said the need for the bill showed that Oregon's land-use system is broken and should be a priority for the 2015 Legislature.

“It's so bureaucratic, it's so messed up, it's so broken that we have to have special pieces of legislation to get us out of the court cases,” said **Sen. Larry George, R-Sherwood**.

George was a key supporter of 2004's Ballot Measure 37, which allowed property owners to build on their property under the rules that applied when they purchased it. **The ballot measure touched off a major statewide debate** over land-use regulation in Oregon.

In 2007, voters approved Measure 49, which dialed back most of Measure 37's provisions, but it's clear that lawmakers still think there's work to be done.

**Sen. Tim Knopp, R-Bend**, said his hometown has been struggling to expand its UGB for more than a decade, with legal challenges holding up the process. The city now has an 18-month supply of developable land instead of the 20-year supply envisioned under the law.

Knopp told his colleagues he'd return with a bill similar to HB 4078 addressing Bend's concerns, but said the Legislature should take a broader view.

"Let's try and solve this so that we don't have to have UGB issue after UGB issue and land-use issue after land-use issue," Knopp said.

[Readers react to Helvetia farmer's plan to protect land from Urban Growth Boundary \(your comments\)](#)

[Threatened by Urban Growth Boundary, Helvetia farmer finds legal shield for his land](#)

[Portland-area population could jump by 725,000 in 20 years, Metro forecasts](#)

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**Sen. Lee Beyer, D-Springfield**, agreed. While he praised the goals of the system put in place by Senate Bill 100 in 1973, he said recent troubles in Portland, Bend, Springfield and elsewhere have shown the cracks Oregon's growth management regime.

"We need to revise our wonderful land-use system," Beyer said. "There's no honor to local decision-making. We need to revise that and reconsider that and fix it."

Lawmakers could also face another round of legislation stemming from the debate in the Portland area.

On Feb. 20, the Oregon Court of Appeals threw out a 2010 growth plan adopted by Metro and Portland-area counties, saying Washington County used "psuedo factors" to determine rural reserves.

The court decision returned Washington County to the start of the reserves planning process, potentially adding five or more years of delay. But it also found fault with reserve designations in Clackamas and Multnomah counties.

**Reps. Brian Clem, D-Salem, and John Davis, R-Wilsonville**, brokered the compromise among developers, conservationists and local governments that became HB 4078 in the week following the court decision.

The bill's affects were limited to Washington County and was crafted specifically to keep the door closed on future Legislative intervention in local land use decisions.

But Clackamas County commissioners have indicated they may seek a similar compromise.

"Clackamas County remained neutral on HB 4078 with the assurance that land-use issues that they face in their county will be addressed next session in a similar fashion," said **Sen. Chuck Thomsen, R-Hood River**.

**Sen. Fred Girod, R-Stayton**, said the Legislature should mull broad changes to the land-use system next year, finding a more flexible set of regulations that works for the state's urban centers and its rural communities.

"I think we need to take this on during the long session," Girod said, "and come up with something that works in rural Oregon and works in Portland."

The bill now heads to Gov. John Kitzhaber, who is expected to sign it.

-- Christian Gaston

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Home Builders Association  
of Metropolitan Portland

April 13, 2017

The Honorable Tom Hughes, President  
Metro Council  
600 NE Grand Ave.  
Portland, OR 97232

Re: Resolution No. 17-4782

Metro Council President Hughes and Council Members:

The HBA of Metro Portland (HBA) appreciates the opportunity to provide written comments on the proposal before Council on the 2040 Planning and Development Grant Program.

The association appreciates the efforts by Metro Council and our partners to address the housing challenges confronting us as a region. The HBA is committed to being an active partner with Metro and other stakeholders for the benefit of our communities and residents to address these issues.

Recognizing the difficulty of the task before us in meeting our housing needs and ensuring housing affordability for all residents, we understand the need to identify and outline policy and investment priorities and targets. This being said, the HBA is also aware that the Title 11 planning process requires cities to make large investments. The new growth management decision process may require additional analysis beyond Title 11 requirements. The HBA recognizes that the UGB expansion areas will provide opportunities for housing choices across the housing spectrum and will address the need for equitable housing over all. Therefore, cities should be eligible to apply for the 50% of funds identified in section 1b of the resolution for planning of projects outside of the UGB.

The HBA would respectfully ask for language that would direct Metro Council to establish a continued review of the policy by stakeholders to ensure the effective use of these funds in achieving the stated objectives.

The HBA values its relationship with Metro Council and looks forward to partnering on these important objectives. Thank you for your consideration of the above-noted items.

Respectfully,

Paul Grove  
Director of Government Relations

Home Builders Association of Metro Portland  
15555 SW Bangy Rd., Ste. 301  
Lake Oswego, OR 97035  
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# **Metro**

*600 NE Grand Ave.  
Portland, OR 97232-2736  
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**Metro**

## **Minutes**

**Thursday, April 6, 2017**

**2:00 PM**

**Metro Regional Center, Council chamber**

**Council meeting**



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**1. Call to Order and Roll Call**

Deputy Council President Kathryn Harrington called the Metro Council meeting to order at 2:01 p.m.

**Present:** 5 - Councilor Sam Chase, Councilor Carlotta Collette, Councilor Shirley Craddick, Councilor Kathryn Harrington, and Councilor Bob Stacey

**Excused:** 2 - Craig Dirksen, and Tom Hughes

**2. Citizen Communication**

Marta Mikkalo, City of Arlington: Ms. Mikkalo, on behalf of the Arlington Community Chamber of Commerce, spoke to the importance of waste management, garbage, and recycling to Gilliam County's local economy. She expressed the community's support for the Waste Management facilities located in Arlington and shared how they positively impacted local residents.

Art Lewellan, City of Portland: Mr. Lewellan submitted transportation improvement proposals for the City of Portland, including a new westside Marquam Bridge design and a Columbia River Crossing alternative. He asked Metro and other local jurisdictions to review his designs for future development.

**3. Consent Agenda****Approval of the Consent Agenda**

**A motion was made by Councilor Stacey, seconded by Councilor Craddick, to adopt items on the consent agenda. The motion passed by the following vote:**

**Aye:** 5 - Councilor Chase, Councilor Collette, Councilor Craddick, Councilor Harrington, and Councilor Stacey

- 3.1 Consideration of the Council Meeting Minutes for March 23, 2017
- 3.2 Resolution No. 17-4774, For the Purpose of Amending the 2015-18 Metropolitan Transportation Improvement Program (MTIP) to Modify and/or Add New Projects as Part of the February 2017 Formal MTIP Amendment for Beaverton, Clackamas County, DEQ, Metro, Portland, ODOT, Tigard, and TriMet

- 3.3 Resolution No. 17-4773, For the Purpose of Authorizing the Chief Operating Officer to Issue a New Non-System License to Veris Industries for Transport and Disposal of Non-Recoverable Solid Waste, Including Putrescible Waste, at the Covanta Waste-to-Energy Facility Located in Brooks, Oregon
- 3.4 Resolution No. 17-4784, For the Purpose of Confirming Deidra Kryss-Rusoff and Andrew Lonergan Appointments to the Investment Advisory Board

#### **4. Resolutions**

- 4.1 Resolution No. 17-4781, For the Purpose of Authorizing an Exemption from Competitive Bidding and Direct Award of the Construction Contract for the New Primate Habitat Project at the Oregon Zoo by Amendment to the CM/GC Contract for the Construction of the New Polar Bear Habitat and Associated Infrastructure

Deputy Council President Harrington called on Ms. Heidi Rahn and Mr. Jim Mitchell, Oregon Zoo, and Ms. Gabriele Schuster, Metro, to provide a brief presentation on Resolution No. 17-4781. Ms. Rahn explained that if approved, the three remaining zoo bond projects would be constructed under the oversight of one general contractor. She provided an overview of the constructability benefits of this approach, noting that the opportunity to compress the schedule and manage construction of the projects with one Construction Manager/General Contractor (CM/GC) would provide significant cost savings. Ms. Rahn explained that by using one contractor, the total construction schedule would be decreased from 30 to 22 months, reducing the duration of the impacts on zoo revenues. She stated that staff believed the approach aligned with the project's goals to meet the zoo's business needs, provide flexibility, and commit to equity in contracting.

Ms. Gabriele Schuster then shared the procurement recommendation. She explained that procurement staff also recommended that one contractor oversee the construction

of the three remaining Oregon Zoo bond projects and noted that this required a modification to the CM/GC contract for the Polar Bear habitat project. Ms. Schuster informed the Council that any subcontracted work would require competitive bidding through the prime contractor with a focus on Certification Office for Business Inclusion & Diversity (COBID) firms. Ms. Schuster explained that the prime contractor was selected based on robust criteria including a workforce diversity plan and contracting goals, and added that combining the three projects was unlikely to encourage favoritism or substantially diminish competition.

*Council Discussion*

Councilor Chase asked staff to discuss the benefits and potential pitfalls of using the proposed strategy. Councilor Collette asked how the additional \$1.3 million saved by merging the two projects would be used. Ms. Rahn explained that the funds would be used to address the significant cost escalation in the region for the construction of the new Polar Passage. Councilors discussed the consequences of the exemption from competitive bidding. Councilor Craddick expressed her support for the project and thanked staff for using the funds efficiently and effectively. Councilor Harrington thanked the Oregon Zoo Bond Citizens' Oversight Committee for their contributions and for ensuring that the zoo's commitments to the voters were met.

**A motion was made by Councilor Collette, seconded by Councilor Craddick, that this item be adopted. The motion passed by the following vote:**

**Aye:** 5 - Councilor Chase, Councilor Collette, Councilor Craddick, Councilor Harrington, and Councilor Stacey

Deputy Council President Harrington opened a public hearing on Resolution No. 17-4781 and requested that those wishing to testify come forward to speak. Seeing none, Deputy Council President Harrington gavelled out of the public hearing.

4.2 Resolution No. 17-4779, For the Purpose of Adopting Local Contract Review Board Administrative Rules and Interim Equity in Contracting Administrative Rules

Deputy Council President Harrington called on Ms. Cary Stacey, Ms. Gabriele Schuster, and Ms. Ashley McCarron for a presentation on Resolution No. 17-4779 and Ordinance No. 17-1398. Ms. Stacey informed the Metro Council that adoption of the ordinance and resolution would amend the Metro Code to adopt agency-wide contracting and procurement administrative rules. She noted that the legislation would help Metro meet state requirements by creating administrative rules using current contracting procurement policies and general contracting procurement practices that had not been fully adopted. She explained the process of adopting the administrative rules, stating that an ordinance would be needed to amend the Metro Code as a vehicle to implement the rules through resolution.

Ms. Stacey explained that the new rules were developed collaboratively using a comprehensive approach that balanced legal and obligatory requirements with business needs and upholding Metro's values. She informed the Council that the administrative rules largely kept policies that currently met Metro's business rules but also made policy changes designed to meet the different contract procurement needs of Metro's departments and venues. She noted that the rules also upheld Metro's commitment to equity in contracting.



Ms. Schuster provided an overview of the procurement policies that would be adopted and noted that the new rules would add more flexibility to Metro's current procurement program and create new opportunities for contractors as well as Metro staff. She explained that staff worked closely with other jurisdictions and local partners to develop strong equity rules and policies. Ms. Schuster thanked her staff and other project partners that provided input during the creation of the new rules.

Ms. Stacey also thanked the many staff members that contributed to the work, including Procurement Services staff, legal counsel, and the project's Steering Committee members. She explained that once the interim rules were adopted, Procurement Services was prepared to train more than 350 Metro staff on the new policies. She noted that a comment period would begin after the Council's vote and would extend through May 31 before the legislation returned to Council on June 15 for final adoption.

#### *Council Discussion*

Councilors thanked staff for their work and expressed support for both the ordinance and the resolution. Councilor Craddick noted that she looked forward to seeing the positive impacts of the new rules. Deputy Council President Harrington emphasized that the rules would provide a valuable strategy for advancing racial equity throughout the region.

**A motion was made by Councilor Craddick, seconded by Councilor Stacey, that this item be adopted. The motion passed by the following vote:**

**Aye:** 5 - Councilor Chase, Councilor Collette, Councilor Craddick, Councilor Harrington, and Councilor Stacey

**5. Ordinances (First Reading and Public Hearing)**

**5.1 Ordinance No. 17-1398, For the Purpose of Amending Metro Code Section 2.04 and Declaring an Emergency**

Resolution No. 17-4779 and Ordinance No. 17-1398 were presented together; please see above.

**A motion was made by Councilor Craddick, seconded by Councilor Chase, that this item be adopted. The motion passed by the following vote:**

**Aye:** 5 - Councilor Chase, Councilor Collette, Councilor Craddick, Councilor Harrington, and Councilor Stacey

**5.1.1 Public Hearing for Ordinance No. 17-1398**

Deputy Council President Harrington opened a public hearing on Ordinance No. 17-1398 and requested that those wishing to testify come forward to speak. Seeing none, Deputy Council President Harrington gaveled out of the public hearing.

**6. Chief Operating Officer Communication**

Ms. Martha Bennett provided an update on the following events or items: new asbestos requirements for transfer stations and the Washington Park Master Plan. She also announced that two new otters born at the Oregon Zoo had been named Nehalem (Nellie) and Nestucca (Tucker), following an online selection process.

**7. Councilor Communication**

Councilors provided updates on the following meetings or events: Levee Ready Columbia, the Southwest Washington Regional Transportation Council, the Oregon Zoo Foundation, the Metropolitan Exposition and Recreation Commission (MERC), a new park to be built in the Cully

neighborhood of Portland, the North Portland Tool Library Dedication, Black Violin's performance at P'5, and an upcoming Japan Best Practices trip focused on earthquake resiliency and urban planning. Councilor Craddick thanked Councilor Harrington for organizing a tour of the Roosevelt Landfill. Councilors also honored the passing of Ms. Lynn Sharp, a prominent ecologist who made significant contributions to Metro's parks system.

#### **8. Adjourn**

There being no further business, Deputy Council President Harrington adjourned the Metro Council meeting at 3:21 p.m. The Metro Council will convene the next regular council meeting on April 13 at 2:00 p.m. at the Metro Regional Center in the council chamber.

Respectfully submitted,



Nellie Papsdorf, Legislative and Engagement Coordinator

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF APRIL 6, 2017**

<b>ITEM</b>	<b>DOCUMENT TYPE</b>	<b>DOC DATE</b>	<b>DOCUMENT DESCRIPTION</b>	<b>DOCUMENT NO.</b>
<b>3.1</b>	Minutes	04/06/17	Minutes from the March 23, 2017 Council Meeting	040617c-01
<b>4.1</b>	PowerPoint	04/06/17	Oregon Zoo Bond Construction Contract	040617c-02
<b>4.1</b>	Handout	04/06/17	Procurement Services Materials	040617c-03
<b>4.2</b>	Handout	04/06/17	Art Lewellan Transportation opinion and materials	040617c-04
	Letter	04/06/17	Richards letter and materials to Council	040617c-05