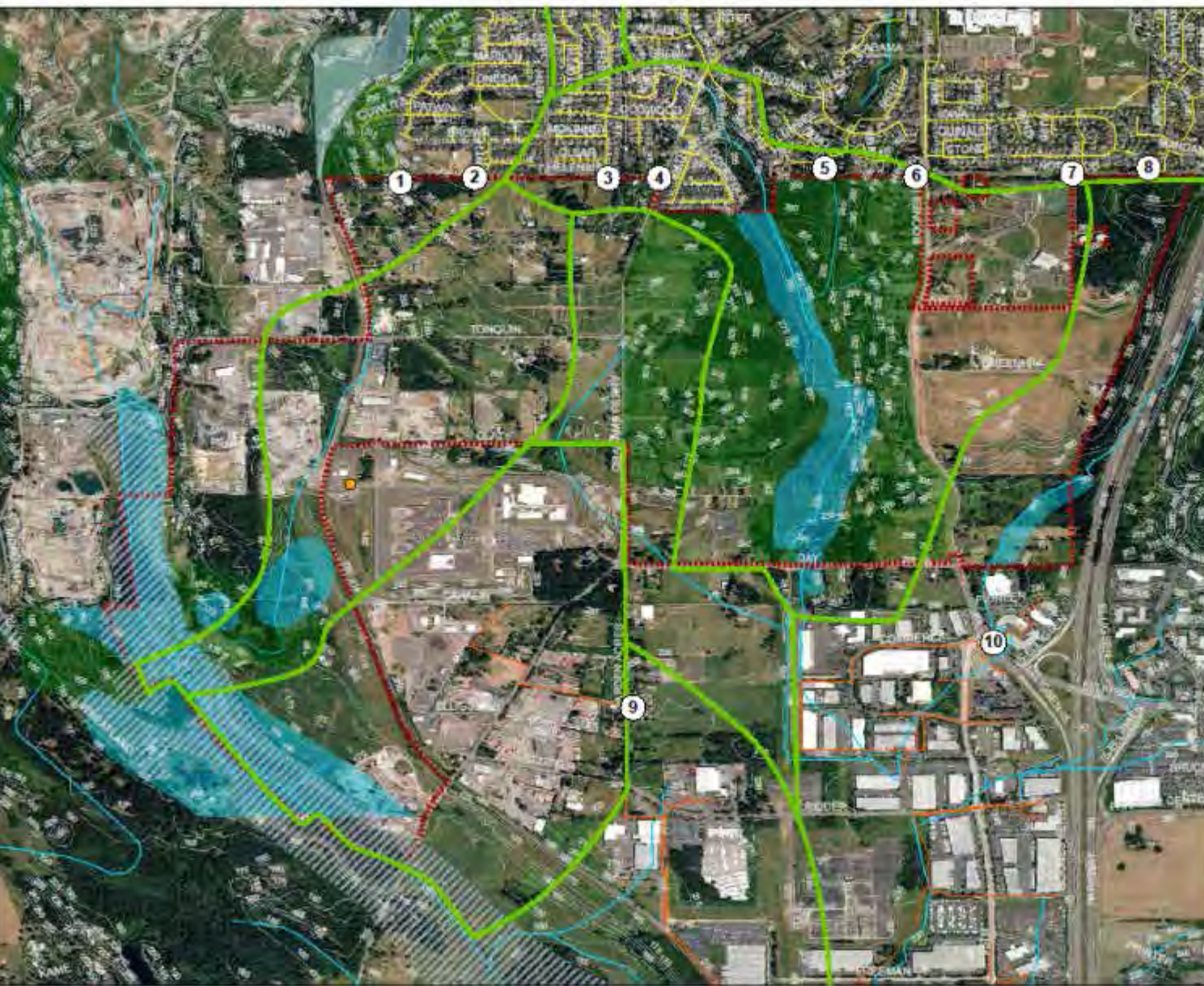


Stormwater

- Large natural resource areas will necessitate minimizing piping to minimize ground disturbance
- Existing culverts in the planning area have not been sized for urban conditions and will most likely need to be upsized for future conditions.
- Low impact development (LID) features will be required for development in Wilsonville



- LEGEND**
- Planning Area
 - No Resource
 - Water Area and Wetland
 - Wildlife Habitat
 - Water Area/Wetland&F/W Habitat
 - Significant Natural Area
 - 100-year Floodplain
 - Wilsonville Wastewater System
 - Wilsonville Wastewater Vault
 - CWS/Tualatin Wastewater System
 - CWS/Tualatin Wastewater Pumpstations
 - CONTOUR_5FT
 - Streets
 - Stream channels
 - Delineated Drainage Basin
 - (X) Potential Point of Connection to Existing System (see Table 2)



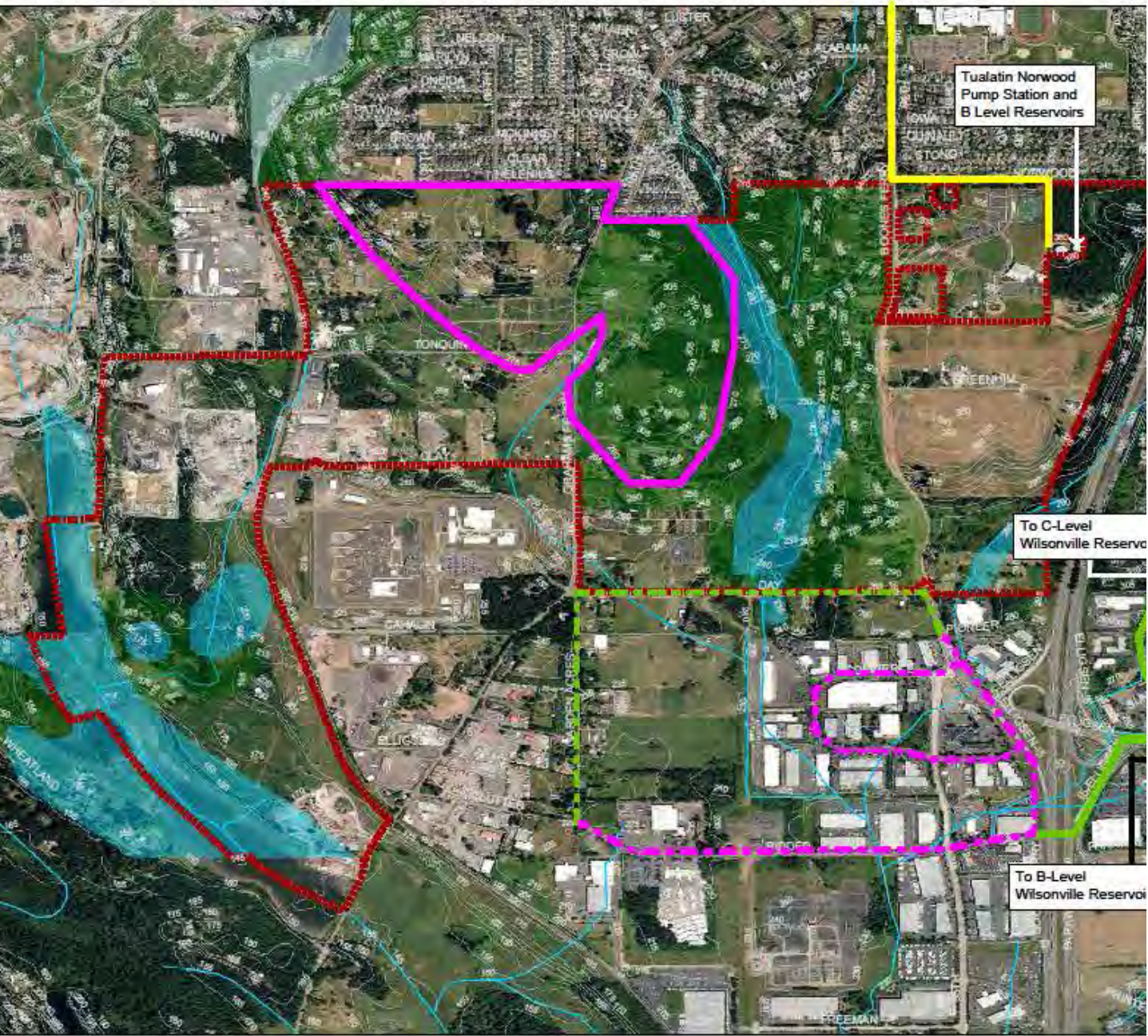
FIGURE 2
 Existing Wastewater Infrastructure
 Existing Stormwater and Wastewater Infrastructure
 Basalt Creek Planning Area

Sanitary

- A majority of the area could flow by gravity to Wilsonville
- Both Tualatin and Wilsonville have or are considering flows from Basalt Creek in the sanitary master plans.

Sanitary

- Facility planning for Wilsonville's recently upgraded 4 MGD treatment plant included provisions for further expansion to 7 MGD. Basalt Creek area can be accommodated.
- Service Agreements will require changes to service boundaries and capacity impacts evaluation.



Water

- Basalt Creek area can be served by either Wilsonville or Tualatin
- Two pressure zones to serve the area, with a majority of the basin in the pressure zone B with remainder in pressure zone C

Water

- Additional Storage and capacity under I-5 will need to be evaluated based on final zoning and anticipated demand.
- Willamette Supply project might have an impact on how and who serves this area.

Agenda

I. Introductions

II. Project Update

III. Existing Conditions

IV. Workshop Outcomes

V. Roundtable Discussion on Guiding Principles

VI. Next Steps

Public Workshop

- We will have information summarized for this over the next two weeks. Will include instant polling results, and pictures of the maps, and the digitized versions. It will not include any analysis.

Polling Questions

- Placeholder for instant polling questions

Agenda

I. Introductions

II. Project Update

III. Existing Conditions

IV. Workshop Outcomes

V. Roundtable Discussion on Guiding Principles

VI. Next Steps

Guiding Principles

- Represent **collective interests** and goals for planning area
- Provide **Framework** for gathering input and developing **evaluation** measures

Guiding Principles

1. Create a **shared vision** for the Basalt Creek planning area that maintains and **complements** the identity of each city and leads to **successful implementation** at the local level.

Guiding Principles

2. Grow the **economic opportunities** of this unique area.

Guiding Principles

3. Develop **cohesive infrastructure** systems (roads, trails, pipes) to serve the area.

Guiding Principles

4. Catalyze high-quality **industrial development** and foster creation of **quality neighborhoods** with a range of housing options to meet local demand.

Guiding Principles

5. Provide **appropriate transitions** between different land uses.

Guiding Principles

6. **Protect** existing city **neighborhoods** and employment areas from impacts created by growth.

Guiding Principles

7. Ensure **natural resource areas** are incorporated into the plan as community **amenities** and assets.

Guiding Principles

8. Increase **equitable access** to **nature** and active **recreation** opportunities.

Guiding Principles

9. Design an **efficient transportation network** to provide a full range of mobility options supportive of industry, employees and diverse residents.

Guiding Principles

- Dot exercise

Agenda

I. Introductions

II. Project Update

III. Existing Conditions

IV. Workshop Outcomes

V. Roundtable Discussion on Guiding Principles

VI. Next Steps

Next Steps

- Complete stakeholder outreach and summarize public input
- Finalize constraints, and existing conditions work
- Start developing themes and check back in with Individual Councils for input on developing alternatives

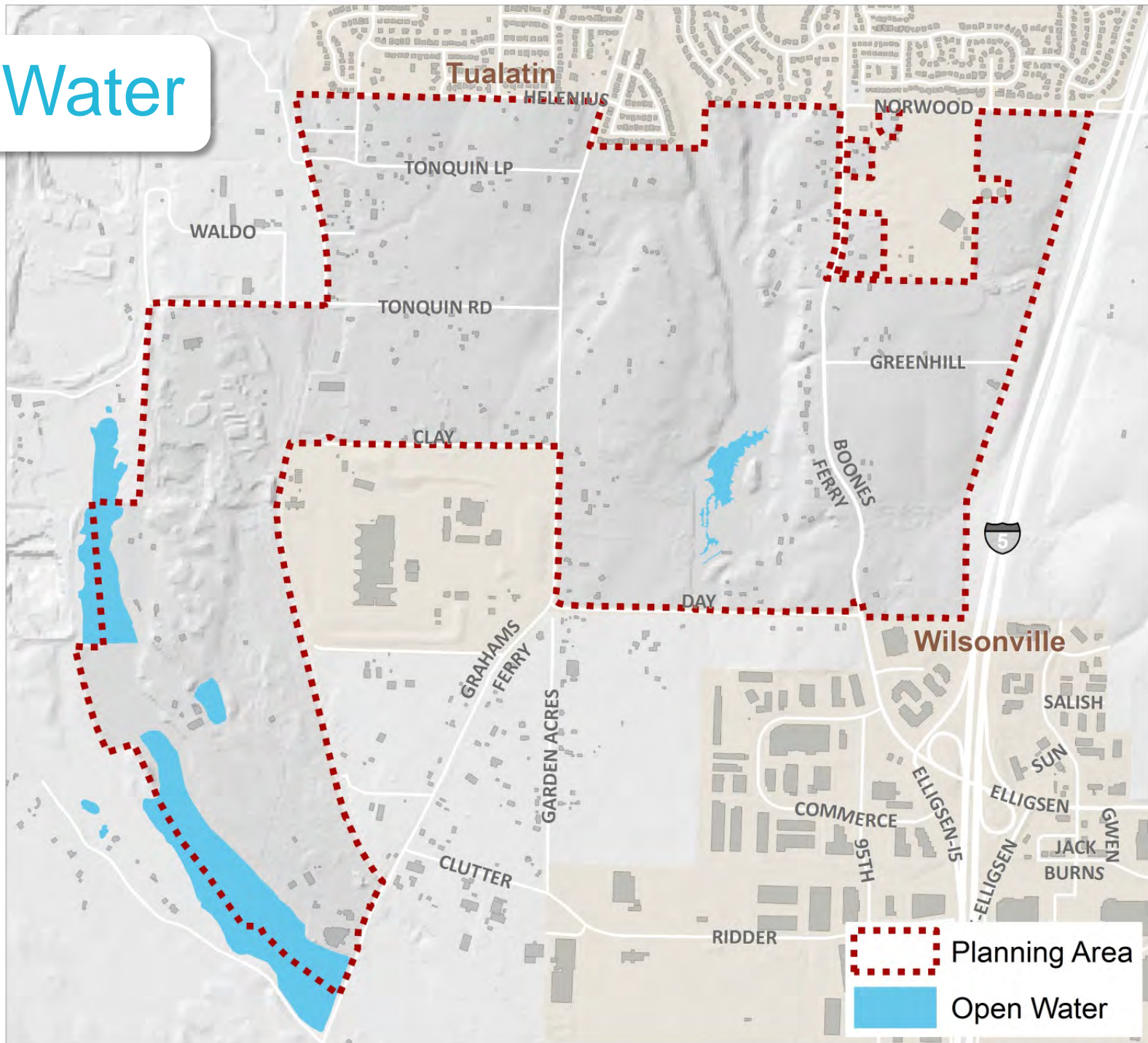
THANK YOU!

Summary of Environmental Constraints

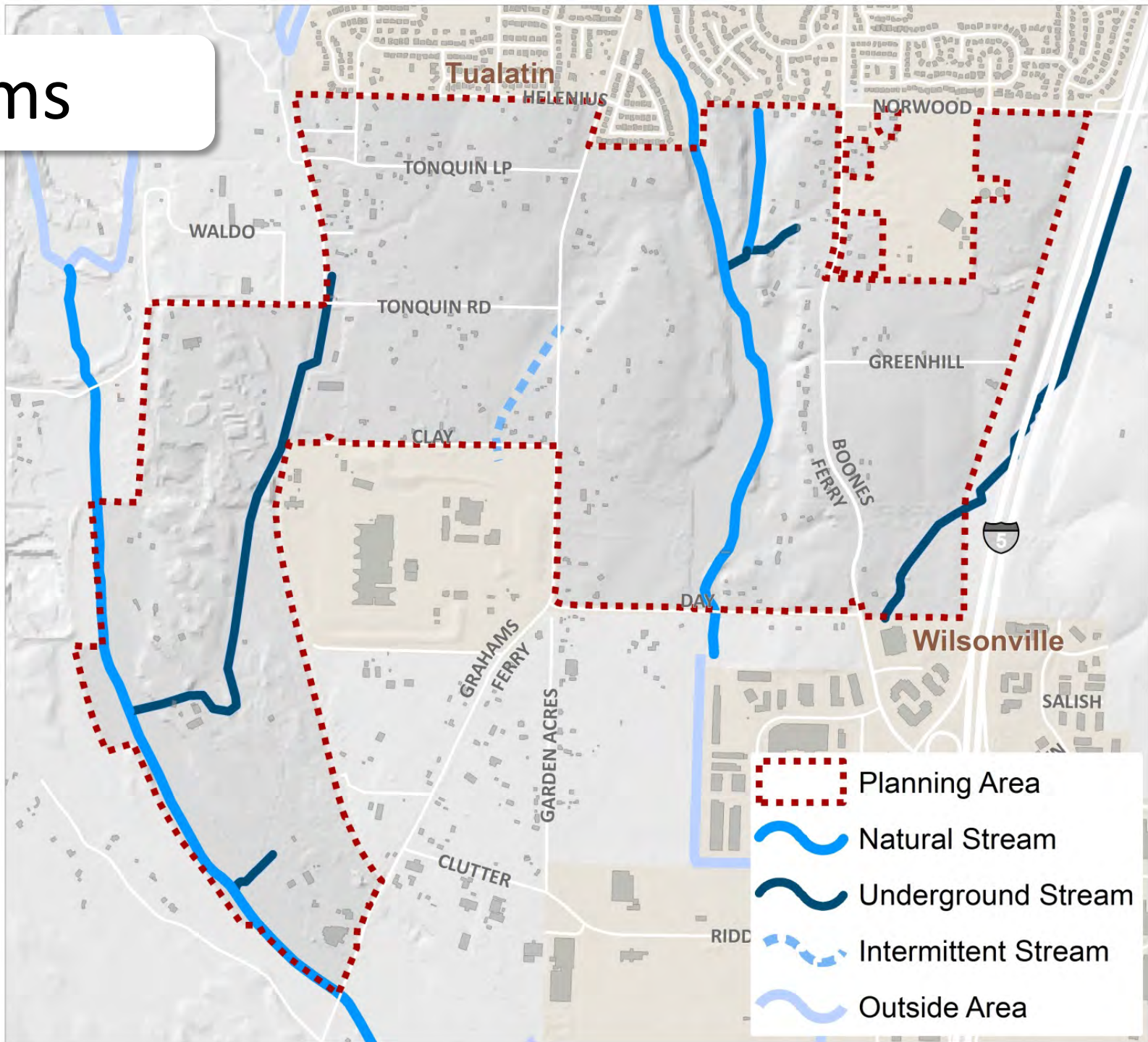
- Wetlands
- Habitat
- Steep slopes



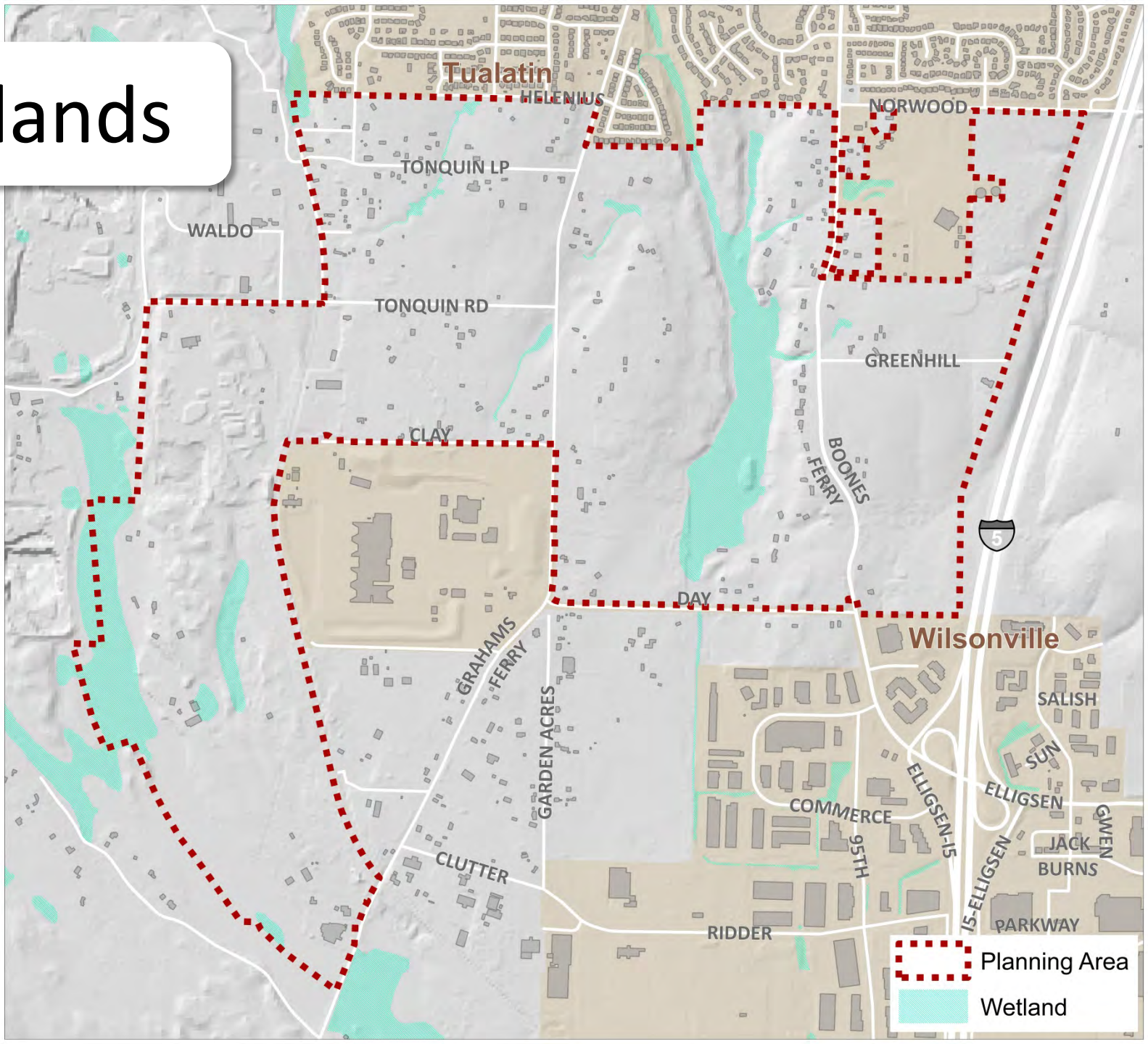
Open Water



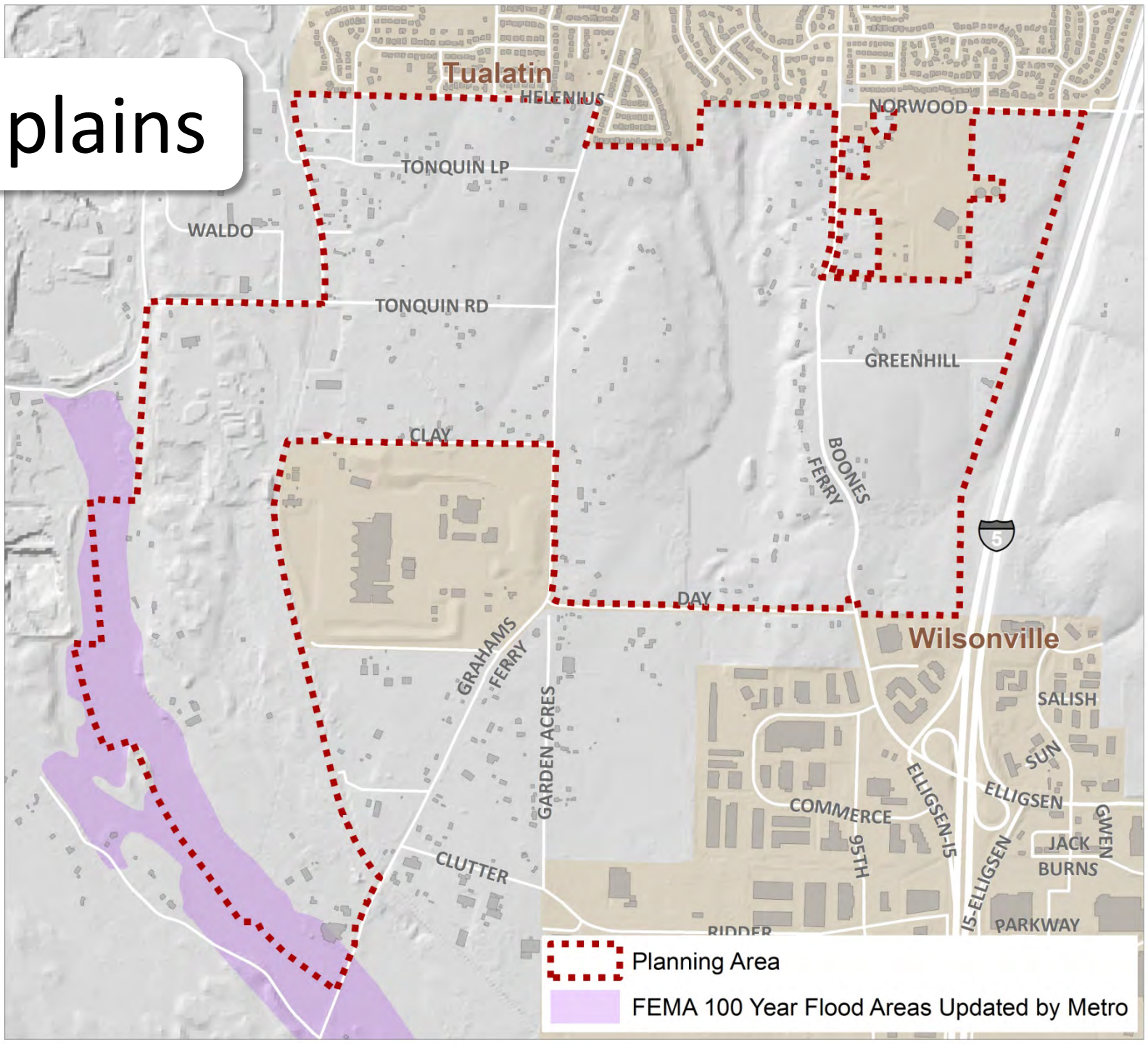
Streams



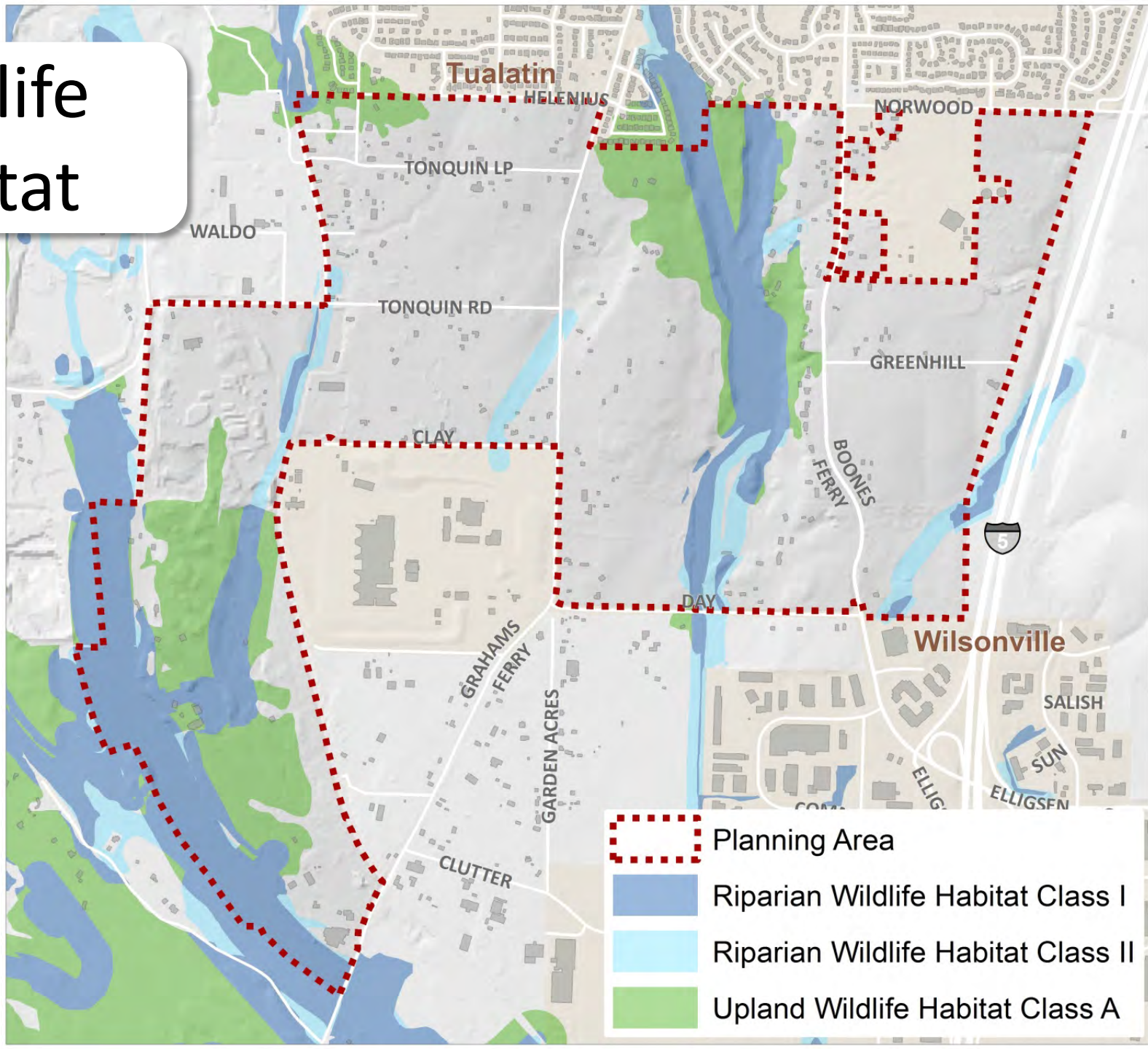
Wetlands



Floodplains

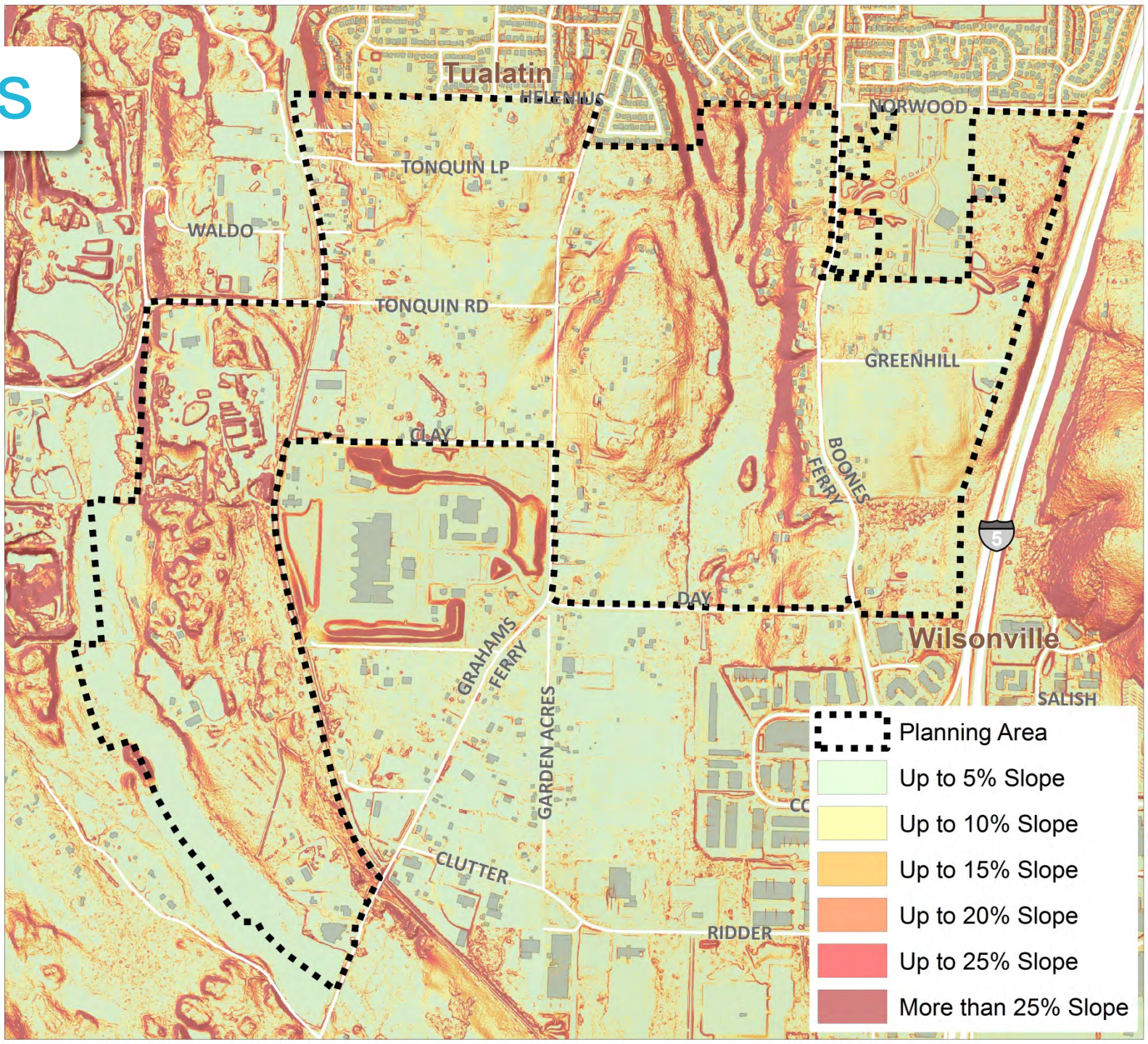


Wildlife Habitat

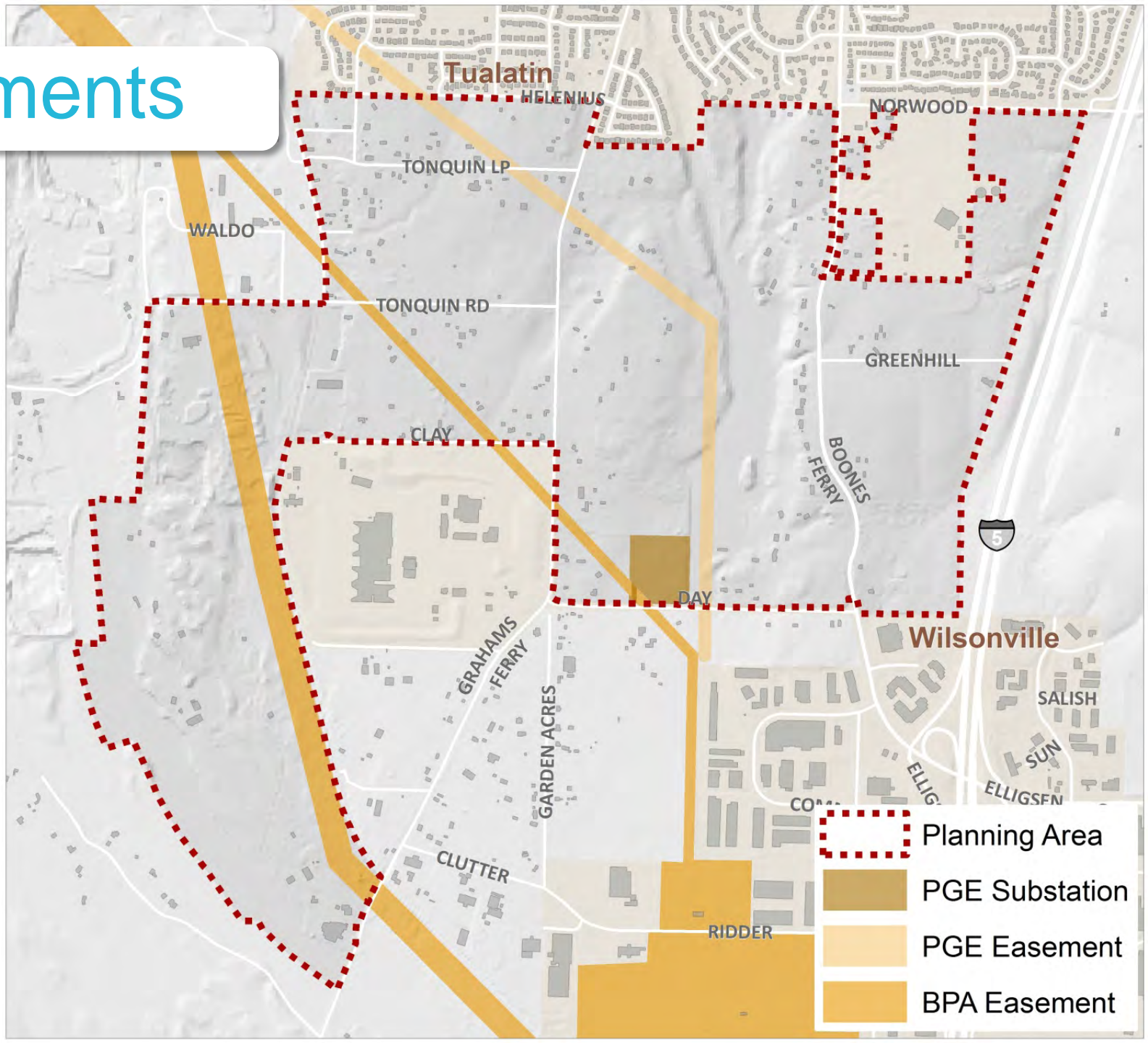


Data Source:
Metro Title 13
Wetlands
Inventory 2014

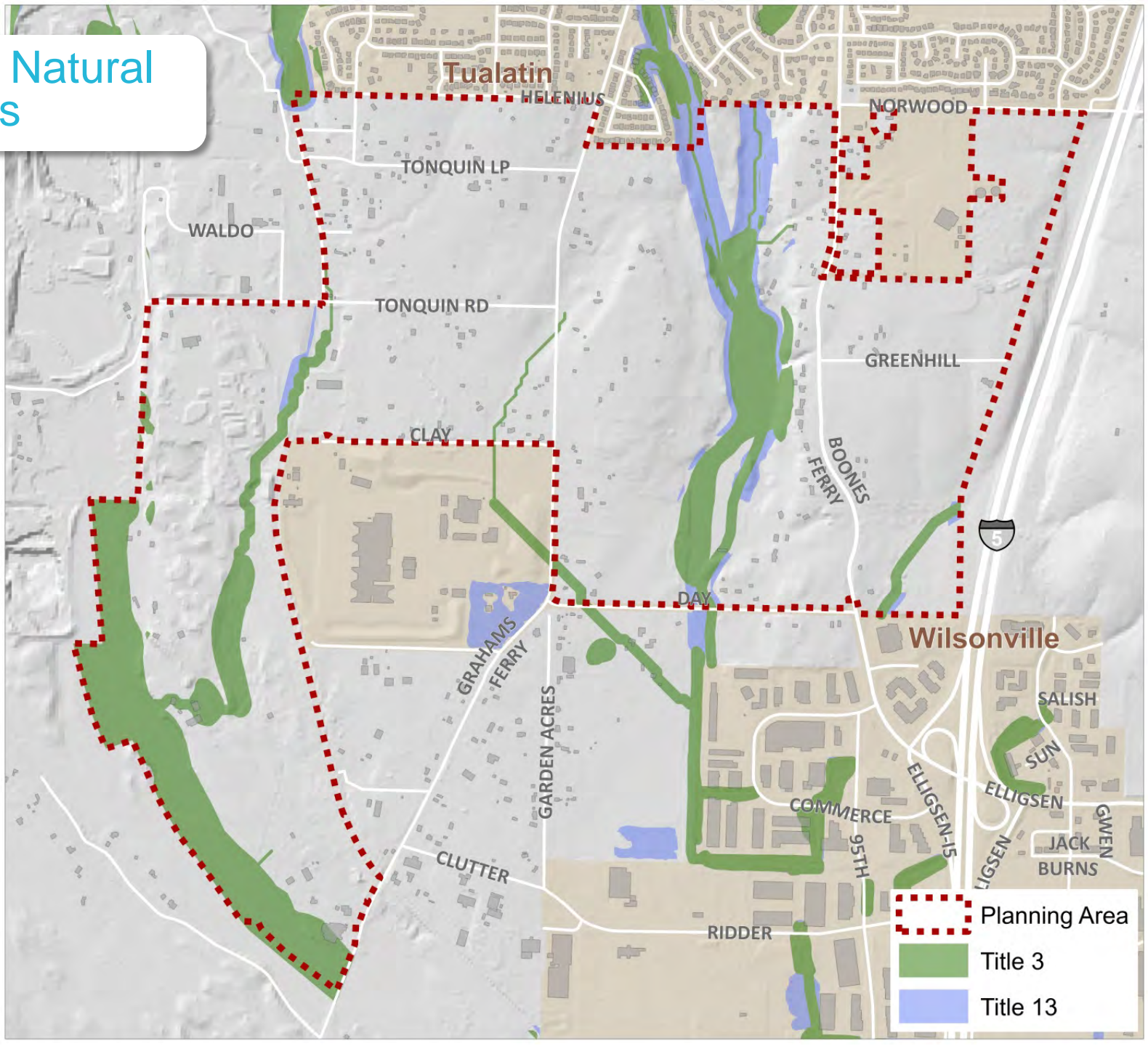
Slopes



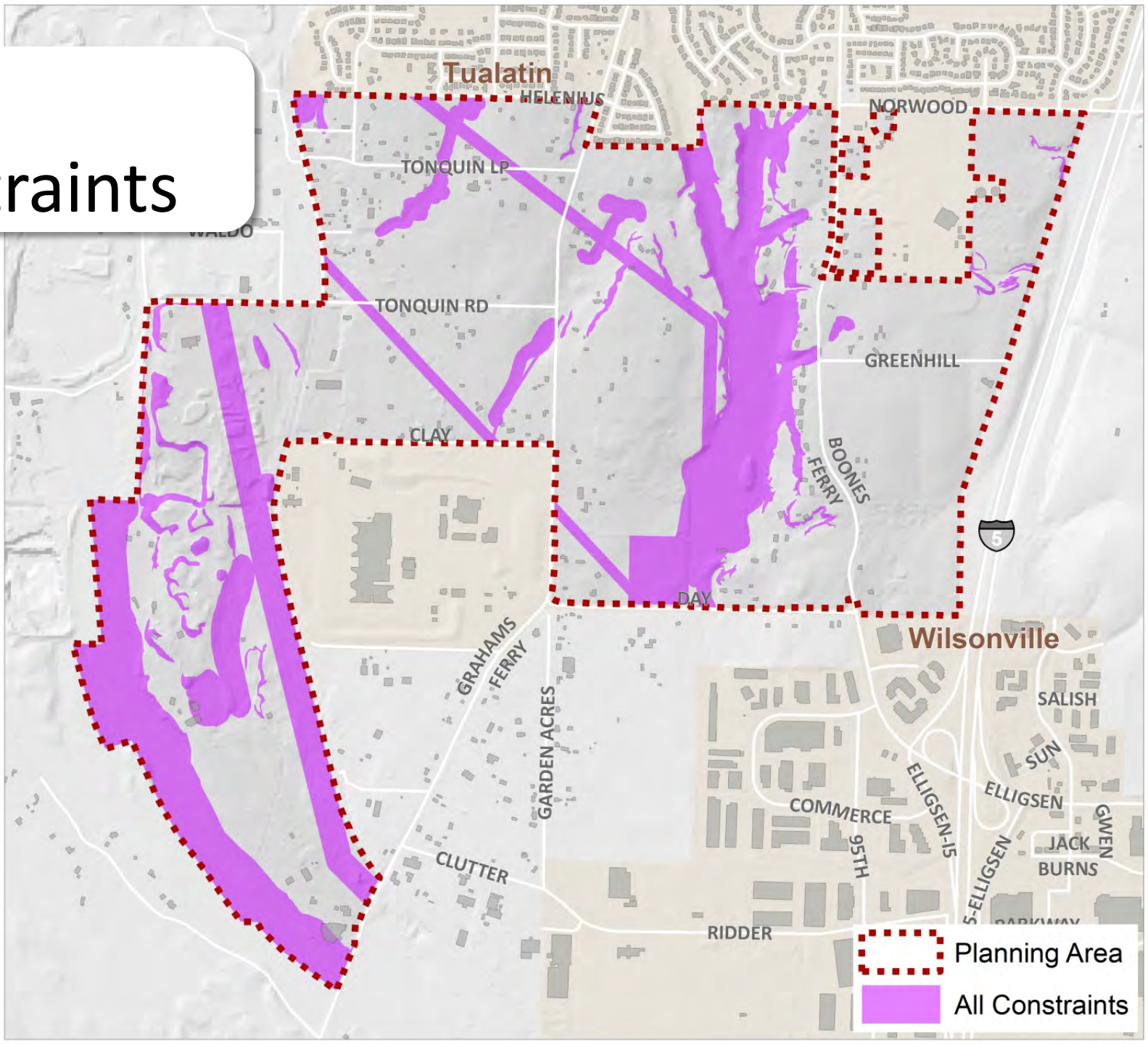
Easements



Protected Natural Resources



All Constraints



All Constraints

- 276 acres constrained
- Study area total is 847 acres
- 33% constrained

June 16, 2014

DRAFT

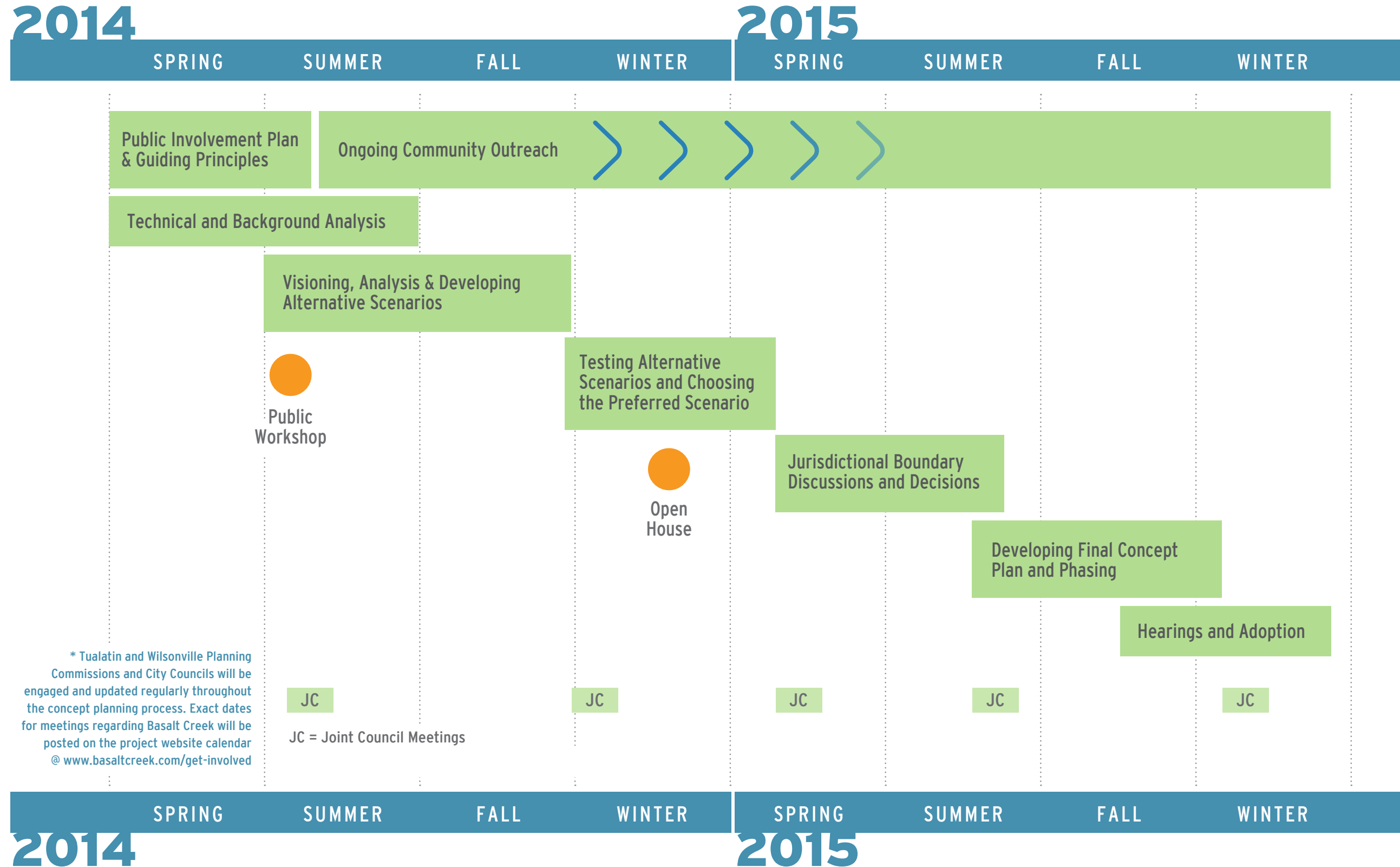
BASALT CREEK CONCEPT PLAN

GUIDING PRINCIPLES

Guiding Principles are intended to represent the collective interests and goals for the Basalt Creek planning area. The guiding principles provide a framework for gathering input and developing transparent and meaningful measures that can help inform the decision making process.

1. Create a shared vision for the Basalt Creek planning area that maintains and complements the identity of each city and leads to successful implementation at the local level.
2. Grow the economic opportunities of this unique area.
3. Develop cohesive infrastructure systems (roads, trails, pipes) to serve the area.
4. Catalyze high-quality industrial development and foster creation of quality neighborhoods with a range of housing options to meet local demand.
5. Provide appropriate transitions between different land uses.
6. Protect existing city neighborhoods and employment areas from impacts created by growth.
7. Ensure natural resource areas are incorporated into the plan as community amenities and assets.
8. Increase equitable access to nature and active recreation opportunities.
9. Design an efficient transportation network to provide a full range of mobility options supportive of industry, employees and diverse residents.

Concept Plan - Timeline



* Tualatin and Wilsonville Planning Commissions and City Councils will be engaged and updated regularly throughout the concept planning process. Exact dates for meetings regarding Basalt Creek will be posted on the project website calendar @ www.basaltcreek.com/get-involved

JC = Joint Council Meetings



**OFFICIAL MINUTES OF THE SPECIAL WORK SESSION OF THE TUALATIN CITY
COUNCIL FOR JULY 16, 2014**

Present: Tualatin Mayor Lou Ogden; Tualatin Council President Monique Beikman; Tualatin Councilor Joelle Davis; Tualatin Councilor Wade Brooksby; Tualatin Councilor Frank Bubenik; Tualatin Councilor Nancy Grimes; Tualatin Councilor Ed Truax; Wilsonville Mayor Tim Knapp; Wilsonville Councilor Scott Starr; Wilsonville Councilor Julie Fitzgerald; Wilsonville Councilor Susie Stevens

Staff Present: Sherilyn Lombos, Sean Brady, Aquilla Hurd-Ravich, Nicole Morris, Cindy Hahn, Alice Cannon, Bryan Cosgrove, Mike Kohlhoff, Chris Neamtzu, Katie Mangle, Nancy Kraushaar

Attendees: John Fregonese, Leila Aman, Erica Smith, Andy Cotugno

A. AGENDA

Mayor Ogden called the meeting to order at 6:05 p.m.

B. CALL TO ORDER

C. WELCOME AND INTRODUCTIONS

D. PRESENTATIONS

1. Project Update

Project Manager Leila Aman presented the project schedule. Key decisions points for the Councils were highlighted. She noted the project is currently in the technical and background analysis phase. When the process is complete the plan will include a land use concept and configuration, local roadway connections, a multimodal network, natural resource protection areas, utilities, and jurisdictional boundaries.

2. Existing Conditions

Principle Consultant John Fregonese presented the existing conditions. He spoke to housing and employment, environmental constraints, transportation, and infrastructure presently in the area.

Mayor Knapp noted Wilsonville has capacity to accommodate the area but have no future plans for increasing capacity to their sewer treatment facility. Mr. Fregonese explained further that both cities could serve the area and infrastructure growth is not a road block for the area.

Mayor Ogden asked what types of businesses have the potential to build in this area with the present constraints. Mr. Fregonese gave examples of several business types that would work within the constraints of the land.

Metro Policy Advisor Andy Cotugno explained Metro is responsible for managing the Urban Growth Boundary (UGB) and spoke to the UGB process for boundary determination. The Basalt Creek area was brought into the UGB in 2004 with a Metro ordinance with the idea that the area would be used for industrial job growth.

Wilsonville Councilor Starr asked what a typical area like this looks like for joining industrial and residential uses. Mr. Cotugno stated Metro leaves this to the City's to decide what this area will look like.

Tualatin Councilor Davis asked what protections Metro has in place to protect natural areas. Mr. Cotugno stated Metro has identified some protections in their ordinance. He also noted each jurisdiction has the ability to adopt protections.

Wilsonville Councilor Fitzgerald expressed concerns over the impact to the quality of life in the affected area and wants to assure a balance is struck. Mr. Fregonese explained that quality of life concerns will be addressed when alternatives for the area are discussed.

Mayor Knapp stated he would like to assure there is distinct definition between the two cities.

Mayor Ogden asked about the Growth Management review and how this area could be affected. Mr. Cotugno explained the area was brought into the UGB as part of the 20 year land supply requirement. He stated the area is intended to be used as industrial land.

Mayor Ogden asked how many alternatives would be presented for consideration. Mr. Fregonese stated 3-4 scenarios would be presented.

Discussion ensued on the type of industrial uses that might be appropriate for the Basalt Creek area and what form residential uses might take.

Mayor Ogden noted that contiguity with existing industrial areas, such as the Southwest Tualatin Concept Plan area, are important in determining uses as well as jurisdictional boundaries.

3. Workshop Outcomes

Mr. Fregonese stated land use scenarios will include input from stakeholder interviews, community workshops, online surveys, and joint Council input. He presented instant polling and mapping results from a recent community workshop.

Mayor Knapp noted a majority of the participants at the workshop were Tualatin residents. He wants to make sure that both cities perspectives are included when the scenarios are presented.

Wilsonville Councilor Starr expressed concerns over the feedback received from the workshop as the uses presented were not industrial land uses.

Tualatin Council President Beikman expressed concerns with the mapping exercise and the expectations it created for citizens who attended the meeting.

Tualatin Councilor Davis wants to be sure protections are put in place for the natural areas as this land is developed. Mayor Knapp and Ogden concurred.

E. ROUNDTABLE DISCUSSION

1. Discussion

Due to time constraints Mr. Fregonese recapped Council feedback. Key takeaways included:

- Use the context – area brought into UGB for industrial use – as a guide in developing land use scenarios.
- Creativity is important; both Mayors and several Councilors expressed interest in seeing national and international examples of blended development – industrial with residential and small-scale retail/personal services; opportunity exists to create something new and different.
- Listen to and address community concerns.

F. NEXT STEPS

1. **Planning Activities:** Brief outline of next steps in the planning process.
2. **Joint Council Meeting #3:** December 2014

G. ADJOURNMENT

Mayor Ogden adjourned the meeting at 8:03 p.m.

Sherilyn Lombos, City Manager

 / Nicole Morris, Recording Secretary

 / Lou Ogden, Mayor



City of Wilsonville
City of Tualatin

Joint Work Session Meeting
October 29, 2013

Basalt Creek / West Railroad
Concept Planning

**CITY COUNCIL MEETING
STAFF REPORT**

Meeting Date: October 29, 2013	Subject: Basalt Creek / West Railroad Concept Planning Joint Work Session with Tualatin City Council Staff Member: Katie Mangle Department: Community Development	
Action Required <input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution <input checked="" type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda	Advisory Board/Commission Recommendation <input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable <hr/> Comments: 	
Staff Recommendation: N/A		
Recommended Language for Motion: N/A		
PROJECT / ISSUE RELATES TO:		
<input checked="" type="checkbox"/> Council Goals/Priorities Economic Development	<input type="checkbox"/> Adopted Master Plan(s)	<input type="checkbox"/> Not Applicable

ISSUE BEFORE COUNCIL:

The Wilsonville and Tualatin City Councils will hold a joint work session to kick-off the Basalt Creek / West Railroad Concept Plan project. The discussion will inform the scope of work for the project and frame the collaboration on the process to come.

EXECUTIVE SUMMARY:

In 2004, Metro expanded the Urban Growth Boundary to include approximately 840 acres of land located in between Tualatin and Wilsonville. In June 2011, the Cities of Tualatin and Wilsonville, Washington County, Metro and ODOT signed an Intergovernmental Agreement which outlined the roles and responsibilities for the Basalt Creek concept planning efforts. One

of the first tasks was to complete the Basalt Creek Transportation Refinement Plan to help identify the major multi-modal transportation investments to be made in the area. In December 2012, a Policy Advisory Group composed of elected and administrative leaders from each of the agencies, unanimously recommended the adoption of the Basalt Creek Transportation Refinement Plan.

In recognition that Tualatin and Wilsonville are less than a mile apart, the Cities wish to work together to plan this area. The collaborative effort will ensure that the property owners, community members, elected officials, and staff from both Cities are involved in creating a vision for the future of this area that enhances the quality of life. The Cities of Tualatin and Wilsonville signed a Memorandum of Understanding in 2010 that acknowledged this cooperative approach to planning. This agreement also established Tualatin as the fiscal agent to administer grant funds received from Metro to conduct this planning work and directed staff from both cities to join together in the selection of a consultant. The project staff selected a consultant team led by Fregonese Associates to lead the concept planning work.

Broadly speaking, a concept plan identifies a vision for the area and guides future land use and transportation. Additionally, it outlines an implementation strategy for future provision of urban services (water, sanitary sewer, and storm sewer systems), other public services and protection of natural and cultural resources. Jurisdiction of the area will ultimately be divided between the two cities, both of which envision it including parks, green spaces, a small amount of retail, as well as employment and residential uses. Wilsonville has expressed that its portion of Basalt Creek/ West Railroad area be primarily used for employment, while Tualatin, which has little land remaining for housing has expressed its portion be primarily used for residential purposes. Both cities see the area contributing to a major regional economic workshed anchored by Coffee Creek in Wilsonville and Southwest Concept Plan in Tualatin.

The Basalt Creek/ West Railroad Area has been in the UGB since 2004; however, property owners have been unable to pursue urban development because a concept plan has not been prepared. Prior to incorporating this land into either City, Metro requires that both Cities adopt a Concept Plan, and then Washington County requires each City to amend their Urban Planning Area Agreement at which point land can be annexed. The Concept Plan work provides the opportunity to address the needs of the area residents as well as other community members and set a plan to provide adequate services, coordinate land use and transportation, and preserve natural resources.

EXPECTED RESULTS:

The meeting purpose is to kick-off the Concept Plan phase of work. The objectives for tonight are to:

- Start the project with a shared understanding of the process and potential outcomes.
- Identify issues and challenges that could present during concept planning.

TIMELINE:

The project is expected to take 18 months to two years to complete. Staff and the Consultant

team are preparing a scope of work for a contract to be presented to Tualatin City Council for authorization in November 2013. Note that, because Tualatin is the grant recipient, Tualatin City Council will be the only body to approve the consultant contract, and Tualatin staff will manage it. Wilsonville City Council will be consulted at key milestones throughout the project, and will have decision-making authority on any deliverables that pertain to the Wilsonville planning area.

CURRENT YEAR BUDGET IMPACTS:

The City of Tualatin received approximately \$350K from Metro’s Construction Excise Tax (CET) grant program to perform concept planning. The City of Wilsonville has, and will continue to, invest staff time into the process.

FINANCIAL REVIEW / COMMENTS:

Reviewed by: _____ Date: _____

LEGAL REVIEW / COMMENT:

Reviewed by: _____ Date: _____

COMMUNITY INVOLVEMENT PROCESS:

The project will incorporate participation from affected residents, businesses, and property owners. Developing a public involvement plan will be one of the first tasks of the consultant team.

POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY (businesses, neighborhoods, protected and other groups): The southern portion of the Basalt Creek area will be important for the long-term growth of Wilsonville’s industrial base. Growth in the Basalt Creek area will affect industrial-zoned properties in the Coffee Creek area, and it will be important to solicit the involvement of representatives from this area.

ALTERNATIVES: None at this time.

CITY MANAGER COMMENT:

ATTACHMENTS

- A. Meeting Agenda
- B. Aerial Photo Map
- C. Planning Area Map
- D. Summary of March 2011 Joint Meeting



City of Tualatin City of Wilsonville



TUALATIN AND WILSONVILLE CITY COUNCIL WORK SESSION OCTOBER 29, 2013 6:00 P.M.

Wilsonville City Hall
29799 SW Town Center Loop
Wilsonville, Oregon
Willamette River Room, City Hall, 2nd floor

Tualatin Council
Lou Ogden, Mayor
Monique Beikman
Ed Truax
Joelle Davis
Frank Bubenik
Nancy Grimes
Wade Brooksby

Wilsonville Council
Tim Knapp, Mayor
Scott Starr
Julie Fitzgerald
Richard Goddard
Susie Stevens

6:00 CALL TO ORDER

6:05 WELCOME AND INTRODUCTIONS

A. Introductions: Council, Staff and Consultant Team

6:20 STAFF PRESENTATION

A. Overview of the project

B. Introduction of consultant team and their approach to the project

7:00 ROUNDTABLE DISCUSSION

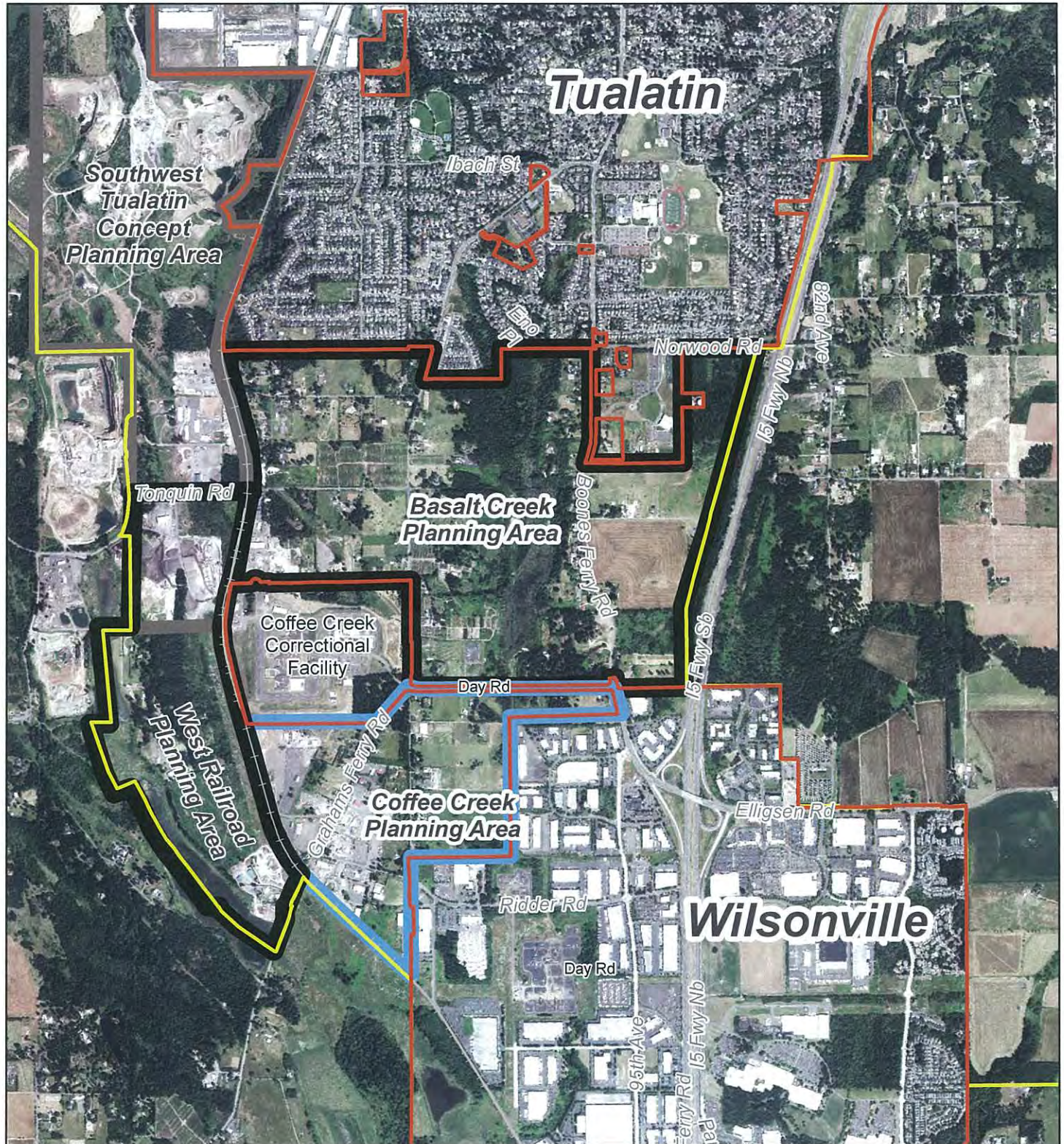
Objectives:

- **Start the project with a shared understanding of the process and potential outcomes.**
- **Identify issues and challenges that could be present during concept planning.**

1. What should the guiding principles be for the concept plan?

2. What do you see as the big issues facing Basalt Creek?
3. What do you want to see accomplished from Basalt Creek/ West Railroad planning? What would a successful project look like to you?
4. What are your ideas for decision making and process?

9:00 ADJOURN



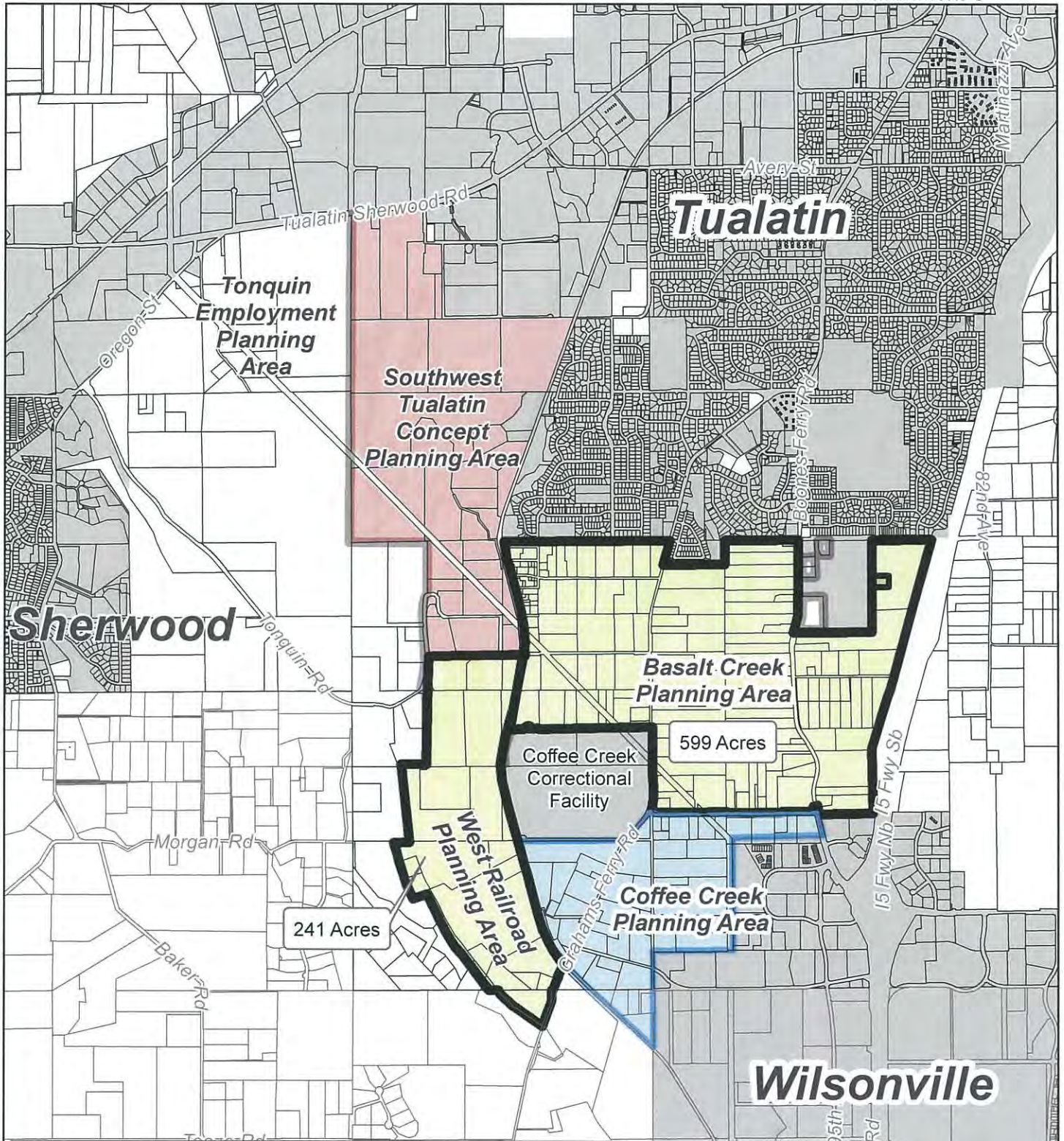
The City of Wilsonville

-  Tualatin Planning Area
-  City Limit
-  Proposed Tualatin/Wilsonville Joint Planning Area
-  UGB
-  Wilsonville Planning Area





7/15/2013





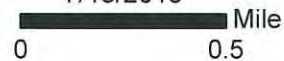
The Cities of Wilsonville and Tualatin

Planning Areas

-  Proposed Tualatin/Wilsonville Joint Planning Areas
-  Current City Limits



7/15/2013





City of Tualatin City of Wilsonville



Joint Council Meeting Roundtable Discussion Notes

Council Question 1: What are the big issues facing your City?

City of Tualatin	City of Wilsonville
Increasing Citizen Involvement	Creating Transparency in Government Operations
Improving Transportation & Mobility (T-S Rd.)	Managing Traffic and Limiting Congestion (I-5)
Developing Opportunities for Business Infill	Attracting Businesses
Expanding Local Public Transit	Protecting Boone Bridge
Representing City & South Region at Metro	Preserving Wilsonville Lifestyle & Community Feel
Balancing ↑ Service Demands & ↓ Revenues	Funding Infrastructure Improvements
Parks Charter Amendment	Replacing the Wastewater Treatment Plant
	Recruiting / Hiring City Manager

Council Question 2: What are the opportunities in the South Metro Region?

- Opportunity for elected officials, staff representatives, and community members to work together as a team and collaborate to find solutions
- Opening for greater local input
- Chance to create a louder voice in the South Metro Region
- Opportunity to preserve an attractive place to live, work, and play
- Prospect of maximizing assets through high quality development
- Time to develop trust between two elected bodies
- Opportunity to support each other on uncommon issues

Council Question 3: What do you want to see accomplished from Basalt Creek / West Railroad planning?

- Creates consistency with the Southwest Tualatin Concept Plan
- Provides solutions to accommodate the transportation needs of the planning area and surrounding community (effective SW 124th extension & access to West Railroad Area)
- Offers the ability to attract a large business campus type development
- Affords the protection of the South Tualatin neighborhoods
- Incorporates transitional land uses and/or buffer between industrial and residential uses
- Provides annexation plan so that none of the land is left unincorporated
- Maximizes the industrial development opportunities that present a financial gain through higher assessed value
- Protects the I-5 / Elligsen Road interchange
- Establishes a vision that will be a success in 20 – 30 years and makes both communities “better”
- Assesses the infrastructure needs
- Identifies a provision for natural areas, parks, and recreational space
- Completed through an engaging process



City of Tualatin City of Wilsonville

Attachment D



Next Steps:

- Schedule another joint council work session in late Spring
- Approve a Memorandum of Understanding with Washington County for concept planning
- Participate in Washington County's transportation analysis regarding the extension of SW 124th to the I-5 interchange
- Determine which portions of the planning efforts can be done concurrently with transportation analysis

**CITY OF WILSONVILLE
CITY COUNCIL WORK SESSION NOTES
OCTOBER 29, 2013**

The Wilsonville City Council held a joint work session with the Council of the City of Tualatin on Tuesday, October 29, 2013 at the Wilsonville City Hall beginning at 6 p.m.

Wilsonville City Council members:

Mayor Knapp
Councilor Goddard
Councilor Starr
Councilor Fitzgerald
Councilor Stevens

Tualatin City Council members:

Mayor Lou Ogden
Monique Beikman
Ed Truax
Joelle Davis
Frank Bubenik
Nancy Grimes
Wade Brooksby

Wilsonville Staff:

Bryan Cosgrove, City Manager
Mike Kohlhoff, City Attorney
Jeanna Troha, Assistant City Manager
Sandra King, City Recorder
Katie Mangle, Long Range Planner
Chris Neamtzu, Planning Director
Steve Adams, Engineering
Barbara Jacobson, Assistant City Attorney
Mike Ward, Engineering
Nancy Kraushaar, Community Development Director
Mark Ottenad, Government Affairs Director

Tualatin Staff:

Sherilyn Lombos, City Manager
Alice Cannon Rouyer, Assistant City Manager
Sean Brady, City Attorney
Ben Bryant, Management Analyst
Aquilla Herd-Ravich, Planning Manager

Also in attendance were Washington County Planners, the Consulting Team, residents from the neighboring areas, and representatives of Metro.

Mayor Knapp called the work session to order at 6:12 p.m. Introductions were made.

Staff Presentation

A. Overview of the project

- A Memorandum Of Understanding existed between the two cities for the cooperative planning of the Basalt Creek area. Because Tualatin is the recipient of the grant, Tualatin would manage the grant funds. The Wilsonville Council would be consulted at key milestones throughout the project, and will have decision making authority on any deliverables that pertain to the Wilsonville Planning area.
- Planning would consider the regional context of the area and concurrency protocol. The Tualatin SW Concept Plan includes light industrial/business park and the area will need to be annexed into Tualatin.
- The Coffee Creek Industrial area is envisioned to be a large campus with industrial and warehousing using a form based code pattern book.
- The concept planning is a high level guide that will comply with Metro Title 11, amend the urban planning agreement with Washington County and determine what areas go to which city to be annexed
- Would like to have additional joint work sessions at key milestones joint decisions to be made about boundary and governance.
- Each city council would make independent decisions about the character and land use, adoption and implementation of the plan
- Recommend each city council assign two council members to a sub-committee to draft decision making guidelines and give direction to staff about project making decisions.

Roundtable Discussion

Objectives:

Start the project with a shared understanding of the process and potential outcomes.

Identify issues and challenges that could be present during concept planning.

1. What should the guiding principles be for the concept Plan?

- Tualatin wants to protect its south neighborhoods
- What is advanced should be in consideration with the other city, must be compatible with, and enhance the other city
- Find continuity, enhance the other position
- Shared vision necessary
- Need to involve more than who is in the room [additional stakeholders/property owners]
- Question the use of warehousing and trucking for the area
- Stay true to each city's vision
- There will be a challenge with the residential and industrial/manufacturing
- How do we have a clear understanding of, and honor each city's vision through the process
- Tualatin has grown towards the south from the north and is more residential while Wilsonville is growing from the south and is industrial.
- Negotiate with Metro to maintain residential; considerations on how to transition from one to the other.
- Anticipate dealing with impact of the employment numbers from Basalt Creek, traffic etc.
- Look to Coffee Creek to complement those uses that are already there so we don't conflict with them
- Should include public and stakeholders throughout the process
- Assume the city boundaries will meet in the middle
- Avoid examples seen in the region where infrastructure is impossible to build
- Infrastructure; both cities should be willing to deal with that issue without any land grabs in mind
- Difficult topography and ability to provide services in a sustainable way should be considered
- Enhance livability and quality of life. Provide employment opportunities, efficient use of limited resources (provide and share) serve the area in least expensive way possible
- Environmental compatibility important, preserve landscapes, wet lands, use them as features on campuses, should be attracting uses and users that are proper in the first place
- Important to keep in mind transportation and retain good quality standard
- Traffic flow
- Development should be attractive to potential tenants, leverage opportunity with state and Metro,
- Standards should include certain types of industry development not just any kind
- Protect residential neighborhoods
- What characteristics do we want in the industrial development and how would we achieve that goal
- Not just about Tualatin and Wilsonville, private sector is involved also
- Topography is a challenge

- To have specific kinds/types of development need to be in touch with the market; must match resource to the right market and be real with what markets are viable there
- Encourage high quality industrial development

2. What do you see as the big issues facing Basalt Creek?

- There are a number of separately owned parcels
- Transportation issues and funding
- Topography is a challenge
- Funding and the regional significance and begs the need for state and federal funding so we have to have a gem to offer to developers
- Overlay includes school district that is not part of either town, how do we draw a benefit to our towns
- Transit is an issue with more jobs and additional traffic, what will TriMet be willing to do to provide transportation
- Funding. I-5/Boone Bridge, ability for I-5 to service the area and the region. Will there be the capacity to serve.
- What is the State willing to do to service the area and or protect the industry
- Technology industry changing trucking needs - Mentor Graphics ships electronically, no trucks on the road
- Protecting residential speaks to a buffer – how large a buffer, who will set it aside, how large will it be
- Staging resources (staff) and timing development to occur over time in a planned way so the results are what we all want to see

3. What do you want to see accomplished from Basalt Creek/West Railroad planning?

What would a successful project look like to you? Development could occur over the next 5-15 years – what is the 5 year goal. Are there any short-term outcomes staff should know about?

- Coffee Creek should have similar uses
- Facilities accessed through a common roadway
- Identify top enabling conditions to success, identify what we already have in our transportation plans and see what we have in common
- For big ticket items package the project that would have an appeal and attract high value funding streams
- Branding the projects/sites
- West rail road area has different character, access to the area from where and how
- Southwest rail road is a percentage of Basalt Creek – do the statements apply to both areas
- What does 5 years look like, don't know what seeds are in the area now. Do need to allow that to happen, to recognize short term potential now

- Do an analysis of what is possible in each area giving the topography that is there and what it would take to make land shovel ready

Wilsonville GIS has started to map out infrastructure, will be bringing that information forward when completed.

- Successful project involves stakeholders in the area who have a strong vision of what they would like to see
- 124th need to consider what the benefits and constraints are to the area
- How does interaction with south west concept plan area transpire don't we disconnect as move from one area to another
- Alignment issue in the 99W extension needs to be determined early and development will occur around that area
- Stakeholders should be involved in that discussion – how trucking will be affected with the location of the extension
- Protecting alignment of the extension right-of-way early in the process will take investment by some public body
- Success is a clear understanding of what each city's ambition is and how they can move forward in their steps to reach the vision What steps can we work on to begin the process to bring clarity of vision
- Would come back to the benefits of both cities making the area so attractive to benefit both cities
- Make the area so attractive by working together to make it a high demand area
- In favor of both bodies working together
- Need to match market at the right time
- That would include Washington County as a partner to go through the ideas now to provide for the transportation needs and set aside right-of-way
- Raise profile of project with the two counties will look like success
- Benefits both Washington and Clackamas counties so need to include both during the process
- Involve Clackamas County later in the process at time the overcrossing of I-5 occurs

4. What are your ideas for decision making and process?

- Some decisions would be made together, some separately
- Will have a stakeholder group for the project with wide variety of people and interests, wide array of public process
- Would like to have two representatives from each council to define who will be in stakeholder committee
- Decide land use first neighborhoods infrastructure first
- Decide what decisions we need to make
- First need to jointly create a vision we all share, then decide on how to accomplish
- Should be jurisdictionally blind until we get down to nuts and bolts

- Agree that is the right way to do it create vision then work out the details
- Go into this with jurisdictional blindness, no ideas in where a boundary should be
- Share the vision process between the two cities
- Subcommittee begin to develop this vision and take to their council
- Line will become evident as we plan thru this opportunity to show State a collaborative process to jointly plan the area
- Need to be cognizant of pragmatic self-interests in the outcome. Afterwards when the natural outcomes arise how to make it equitable
- How do you go about creating a joint vision
- That is the purpose of the subcommittee who should be part of that effort

Councilors Monique Beikman; and Joelle Davis volunteered for the subcommittee from the City of Tualatin. Councilors Richard Goddard and Susie Stevens volunteered to represent the City of Wilsonville.

- What is the role of the subcommittee and role of the council don't know what it would or would not do
- Would like more council involvement in the process rather than less. All council members should be included in the big picture items vision.
- Subcommittee limited to two councilors from each city to help work through the process road map. Both councils will meet together at each milestone
- Agree with Mayor Ogden that the council should be really involved subcommittee would help staff develop structure what would the steering committee look like
 - Large group 20 people, a diverse group to ground truth information
 - Small committee will be limited in scope to outline the process
- What are the process steps
- What will the subcommittee do? Think the comments made by both councils are telling about the attitudes and perspectives.
 - Thought steering committee would be the two councils not clear what will be gained.
 - What will the steering committee do, would rather see both councils come together
- Important to include other property owners in the committee
- Outlining process for project would it be helpful to have both councils involved in the process
- Would the two councils want to participate
- Scheduling meetings with everyone is difficult.
 - If dates are scheduled and not all councilors can attend, will one council outnumber the other, would that be a problem, how would that be handled
- Staff should develop the structure do not have issue with staff coming up with plan and then the councilors can provide input on that
- Trying to make effective use of people's time. Can see value in bouncing ideas from staff whatever ideas come out will be vetted by both councils

- Will provide input structure and timeline and then come back.
 - okay with subcommittee setting up structure of the process and recommendation on how to get other peoples input throughout process
 - need robust information brought back to both councils from sub committee

A consensus was reached to move forward with subcommittee and feeding information back to each council.

Work Session adjourned at 8:24 p.m.

Respectfully submitted,

Sandra C. King, MMC, City Recorder



BASALT CREEK CONCEPT PLAN

Attachment 5: [Wilsonville Planning Commission and City Council Meeting Minutes Excerpts](#)
(updated to include 06.13.2018 PC minutes excerpt)

File path:

https://www.ci.wilsonville.or.us/sites/default/files/fileattachments/planning/page/84121/c_bc_record_attachment.05_pc_cc_minute_excerpts_updated_to_incl.13.2018_pc_0.pdf



BASALT CREEK CONCEPT PLAN

Attachment 5: Wilsonville Planning Commission and
City Council Meeting Minutes Excerpts
*(updated to include 06.13.2018 PC minutes
excerpt)*

**PLANNING COMMISSION
WEDNESDAY, JUNE 13, 2018
6:00 P.M.**

**Wilsonville City Hall
29799 SW Town Center Loop East
Wilsonville, Oregon**

*Approved as presented at
the July 11, 2018
PC Meeting*

Minutes – Basalt Creek Excerpt

I. CALL TO ORDER - ROLL CALL

Chair Jerry Greenfield called the meeting to order at 6:00 p.m. Those present:

Planning Commission: Jerry Greenfield, Eric Postma, Peter Hurley, Simon Springall, Kamran Mesbah, and Ron Heberlein. Phyllis Millan was absent.

City Staff: Chris Neamtzu, Amanda Guile-Hinman, Miranda Bateschell, Daniel Pauly, Jeana Troha, Dwight Brashear, Nicole Hendrix, and Eric Loomis.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

CITIZEN'S INPUT - This is an opportunity for visitors to address the Planning Commission on items not on the agenda.

Scott Shamburg, 23975 SW Boones Ferry Rd, Tualatin, said he lived right on the border between Tualatin and Wilsonville. He had attended a couple of meetings and believed a lot had changed, but people were being secretive about the borders. He asked if he would be residing in Tualatin or Wilsonville. He supported the Basalt Creek planning and wanted to be involved for both cities, but he needed to know where he was at because Oregon Department of Transportation (ODOT), Washington County, Tualatin, and Wilsonville seemed to be secretive about it. The border had changed, and he just looked in the pamphlet and saw that it had changed again. He had a business and wanted to know if he was in a commercial, industrial, or residential zone.

Chair Greenfield responded several issues needed to be resolved before Mr. Shamburg's questions could be answered.

Chris Neamtzu, Planning Director, said Ms. Bateschell, who was the project manager, could speak with Mr. Shamburg about the map and answer his questions. He assured Staff was not trying to be secretive about any aspect of the project, and residents could reach out to Staff anytime with any questions.

Commissioner Postma said did not want to give Mr. Shamburg the impression he was being pushed out. The project was a joint planning effort and he wanted to know if there was anything else Mr. Shamburg wanted to address.

Mr. Shamburg said the lines had moved. His neighbor was getting some information, but ODOT and Washington County were not really saying anything. He would like to find out if he was in Wilsonville or Tualatin. He had lived at that location for 19 years and had a business. He would like to continue what he was doing there and was afraid that if he did not speak up he would get steam rolled.

Chair Greenfield noted that a public hearing had been scheduled for July on the Basalt Creek Concept Plan, so people would have the opportunity to speak at that time as well.

Grace Lucini, 23677 SW Boones Ferry Rd, Tualatin, distributed an information packet dated June 13, 2018 to the Commission and clarified it was in addition to the material already provided at the dais, which was dated June 11, 2018. She stated she lived in the Basalt Creek area, the unincorporated area of Washington County. She did not have any representation in this process because she did not have any elected officials in Washington County, Tualatin, or Wilsonville, which created a difficult situation because things were presented and it was very difficult to feel that her interests were being represented or given an equal amount of concern as others. The first map showed the location of her property, marked with a black rectangle. Like many of her neighbors, her property extended from Boones Ferry Rd west through the canyon to buildable property on the west side of the canyon. She became actively involved in the process in 2011 when she first saw a survey stake in the front part of her property during the beginning of the Boones Ferry Rd Improvement Project, which was now completed, and she had been following all of the sister projects, as well as this one, since that time. Throughout her experience, she had consistently requested transparency in the process so that everyone could understand what was going on, especially those who had no representation in this process. She understood that property owners within the Basalt Creek area were not required to become annexed in once the concept plan was finished.

Mr. Neamtzu stated that was correct for the City of Wilsonville.

Ms. Lucini asked what would happen when the concept plan identified infrastructure or other major projects going through private property that was not annexed.

Mr. Neamtzu explained those situations would be subject to negotiation at the time the projects were needed. It was hard to answer a broad question like that, but if private property were needed for a public project, the City would go through a substantial process with discussions and appraisals. Typically, road rights-of-way provide all of the connectivity needed for infrastructure to serve sites. He knew Ms. Lucini was concerned about the trail, which might stop at a property line, and nothing may happen for a long period of time until that property came into play, in which case, it could be extended. A lot of variables could occur under a lot of different scenarios for a lot of different types of infrastructure projects.

Ms. Lucini stated that exemplified the issues she had as a citizen within this process. These were not simple, but very multifaceted issues. Being limited to three minutes during City Council sessions, which was the only avenue she had for addressing the governing bodies made it really hard to get multiple questions into the record in that amount of time. She hoped the Commission understood it was very frustrating.

- She had consistently requested notifications of public meetings. This was a problem she had numerous times, as she was never being noticed, even as an interested person. In 2014, both cities decided to make the only amendment to the partnering agreement to require compliance with Oregon public meetings laws. Since that time, she continued to have problems with the Public Involvement Plan that was part of the Basalt Creek program. She appeared when information was presented to the Commission that Tualatin was now doing parks master planning, which might involve her property, but she was not aware of that and had not been notified by Parks and Recreation. This was not the first time. A similar process occurred when a water main was being put in on her property. In April, the Wilsonville Planning Commission meeting was not noticed to her either. She presented an email to Staff and asked why the meeting was not noticed. She was told the meeting was just informational. That was contrary to the public meetings law and to the statement in the Public Involvement Plan, which was on Page 7 of her handouts. It stated, "Planning Commission meetings will be noticed." This was very frustrating and she hoped that this could be remedied once and for all. The email was also included in her handouts that were added to the agenda packet.
- The other issue with the public involvement was that the affected property owners in the Basalt Creek area whose homes would be greatly affected by this had been given limited opportunities to provide input into the planning process. She referred to a chart in her handouts that showed how much involvement the

property owners were asked for, planned to have, and how limited it was. They had a focus group session in 2014 that consisted of six to eight representatives selected by the Cities. Some were businesses and some were residents, but for an area of over 800 acres, they only had six representatives. That was prior to any concept planning and was just an informational session. Since then, they had not been asked for their opinions as a group in a formal way. Yet, the concept plans continued on. She understood that the process was at the point where the two cities had not yet agreed upon the Concept Plan and that an appeal had been filed, which may or may not affect the Plan's progress. She asked what additional actions would be taken during the time that the appeal was being heard.

Mr. Neamtzu confirmed the Land Use Board of Appeals (LUBA) was reviewing the decision that Metro made under the intergovernmental agreement (IGA). Two property owners filed the appeal to LUBA and the cities were proceeding while the appeal was being handled in Salem. Wilsonville was under a mandate to process the concept plans consistent with the IGA and within a very restrictive time frame. If a decision came from Salem requiring Wilsonville to do something different, the City would do so at that point. He confirmed that the appeal only concerned a 40-acre sub-area on the west side of the canyon, just east of Grahams Ferry Rd. Usually, appealed decisions were remanded back for additional work, and Wilsonville would take that action if that was the direction provided by LUBA.

Ms. Lucini said she had been unclear as to whether everything came to stand still.

Mr. Neamtzu added that the IGA did not anticipate this set of circumstances, so Wilsonville must proceed under the timelines articulated in the IGA.

Ms. Lucini stated the handout dated June 13, 2018 included a map of the anticipated public trails through the Basalt Creek area. She was particularly concerned about the one in the center of the map referred to as the Canyon Public Trail. Page 18 of her materials showed an overlay of where the public trail had been identified on the Metro graphic that shows high slopes and significant wetland habitats. It was obvious that the trail would go right through the upper portion of the wetlands and some significant natural habitat. These habitats were Class 1 and Class A, which were the highest valued habitats.

Chair Greenfield said he did not believe the handouts showed a very precise representation of the path.

Ms. Lucini explained that she took the information from the map included in the packet that was distributed that day. It looked as if the trail would run down the back of the property lines. She was concerned about the information provided by Metro. The Recreation Ecology Study looked at the impact of recreational use of natural areas. She provided a summary of the study because it was 169 pages long. The first page stated, "Damage to trails or habitats that have negative effects on wildlife are more likely when trails are inappropriately located, designed, constructed, maintained, or used, or when unauthorized trails are proliferated. These issues also increase trail maintenance costs and negatively affect visitors' experiences." There multiple pages of negative influences on natural areas. She did not believe enough due diligence had been done on the placement of that particular public trail to be included in a public document for dissemination. It put an immediate cloud, legally and financially, on any property close to that pathway.

Commissioner Postma asked why that would put a cloud on any property.

Ms. Lucini said if someone wanted to sell, they would have to disclose that there was a potential public use pathway.

Commissioner Postma said this early in the process, they were not yet looking for precise locations, just generalized areas. The entire Commission was sensitive to the notion of protecting natural areas.

Ms. Lucini said her point was that it was so early in the process that she did not understand why a map needed to be included when a narrative would have been sufficient. The need for potential school sites in the area was

handled that way, and school sites were much more complicated, require much more land, and have many more issues. She asked why schools were purposely excluded from any map included in this plan, yet a public trail had been put on the map when it had an immediate effect. She believed that was inconsistent and she did not believe the placement had been considered in the correct place. She also believed the documentation stated that when linear pathways were placed through natural areas, it caused fragmentation of the ecosystem. Multiple linear pathways through the ecosystem made smaller and smaller areas that become fragmented. Each of those fragmented areas deteriorated because the core of the ecosystem was affected. There were multiple reasons why she felt it was inappropriate at this time and that it was inconsistent with other more major needs. She asked why the map was included in the packet.

Chair Greenfield stated the project is a long way from design. This was a concept plan, which was very preliminary at this point. The plan was saying a path was needed somewhere, and it should look like something, but not necessarily something that could be identified at this point; that would occur after several big steps down the road.

Ms. Lucini said she agreed and suggested that a narrative be used.

Commissioner Postma noted people like himself needed a visual.

Commissioner Mesbah added that there was a big difference between school locations and trail locations. The trail must be in the map because it grounded the connectivity everyone would be looking for. The language would say that this was not the final location, but through the area, through proper design and locating to find a path that was the least impactful on the natural habitat. Stating that the neighborhood would have a school was adequate because a school did not have to deal with the connectivity of different paths, which the City treated differently. He noted Ms. Lucini was making a good and an important point, and as a Commissioner, he would be looking at a thorough evaluation of the habitat quality. The statements she referred to in Metro's literature dealt with high quality core habitats and he did not know if the Basalt Creek area was a high quality core habitat or not.

Ms. Lucini responded that was why she added the map; they were the highest valued Class 1 and Class A riparian and upland habitats.

Commissioner Mesbah stated he would also be looking at the nature of the species and the impacts. Some of the pathways Ms. Lucini was talking about dealt mostly with roads, not hiking trails. However, hiking trails could also have adverse impacts.

Ms. Lucini said multiple linear bisections of a natural area cause fragmentation, so she requested consideration of aligning the bicycle paths in a north/south direction along the local roads currently being designed. At some point, a good planner could accommodate some very beautiful aesthetics if required or desired.

- She had multiple issues with construction and costs, and asked the Commissioners to refer to her written presentation sent earlier in the week. She asked for clear information that was representative of most of the information, which seemed odd, but she was surprised to see a statement that Washington County did not identify any significant natural areas in the Basalt Creek area. There were multiple documents, which she provided in her packet, from Washington County that included material from their Statewide Planning Goal 5 Analysis from 2007 and from Metro. The wetlands were listed in a federal list of wetlands, so she believed it was clear that there were some significant natural areas in the area.
- She asked the Commission to realize when making decisions about the Basalt Creek area that the Basalt Concept Area was not a blank canvas. It seemed to be very easy to become involved in planning a new area, but it was important to remember that many families have homes there and have been there for decades. They have had an extremely limited ability to have any meaningful dialogue with a decision-making body on significant matters that directly impact their property and lives. She asked the Commissioners to imagine themselves in the local residents' position. Through no fault of their own, they

were seeing sweeping changes to their homes and lives. Decisions were being made and putting them in isolation from input into the process. It was well known that the inclusion of people into a change process could improve the general support of the outcome. She suggested the Commission try to include the residents in the process because it would help when it came time to negotiate land acquisition and annexation into the area.

- She asked that Staff take as much opportunity to promote information exchange with the affected property owners, especially now that more defined plans were being produced, but not yet finalized. Open lines of communication and discussion could influence decisions of the property owners with regard to annexation. Negative experiences might be reflected in an election not to annex in and some of the property owners would become citizens of Wilsonville with voting rights and long-term memories.
- She asked the City to double efforts to provide proper notice and consider requiring Staff to provide notice because of the formal declarations that were previously stated in the partnering agreement and Oregon public meetings law.
- She asked the Commission to recommend that planners reduce and limit the number of locations where natural areas were bisected and reduce the amount of fragmentation in the natural areas, align trails along or near existing human created ecological edges rather than bisecting cohesive natural areas. When this was not possible, the trail would not create a totally new ecological edge or address the issue of dogs.
 - They also had not addressed whether dogs should be allowed within the public trail through a natural area. She loved dogs and had dogs. She was not asking to keep dogs out, but would like to have that part of the conversation when determining the location of the trail. Consider making trails along the north/south roads, but separated from the roads being planned in the area to reduce environmental impact and costs, improve access to construction, revision and monitoring of public access.
- The location of the trail had limited vehicle access and she questioned how emergency vehicles would access it or police would monitor it. She also wanted to know who would be responsible for monitoring it, if long and short-term funding had been acquired for monitoring, maintenance, emergency services, and who would be responsible for those.
- She asked that the Planning Commission require Staff to respond to the questions submitted in her email on June 11th. She appreciated the length of time she was given to speak.

Commissioner Postma encouraged Ms. Lucini to stay involved because it was important for the City to get input. He confirmed her email had been received and read, and noted that the information session might provide answers to some of her questions.

Chair Greenfield stated it was the Commission's privilege to have Ms. Lucini present and noted that the public hearing on Basalt Creek was scheduled for July. The Commission would do its due diligence and consider Ms. Lucini's input to prepare for the hearing.

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II. WORK SESSIONS

A. Accessory Dwelling Unit (ADU) Code Edits (Pauly)

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B. SMART Programs Enhancement Strategy (Brashear)

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C. Basalt Creek Concept Plan (Bateschell)

Chair Greenfield confirmed public testimony would be taken after Staff's presentation.

Miranda Bateschell, Planning Manager, said the Commission was well aware of the process that Wilsonville and Tualatin had gone through to get to this point with a draft concept plan. She presented a high-level overview of the concept, proposed Comprehensive Plan Amendments and Next Steps via PowerPoint, noting that Wilsonville and Tualatin Staff were working on a comprehensive response to the comments provided by Grace Lucini. The trails map indicated general locations where trails were likely to be located. Master planning and design alignments would be done before any of the trails were developed, and natural resources would be taken into consideration at each location. The vision was to have trails elevated up above natural resources on the bluff, not in the canyon. This would require a lot of coordination between the two cities and regional partners. She clarified that parts of the anticipated trail area were flat and other parts dropped off into the canyon. There was also a high elevation on the west side of the canyon above the natural resource. From Boones Ferry, the natural resource could not be seen, so a pedestrian trail on the west side off of the road network would provide more of a connection to nature.

Chair Greenfield reminded that this plan was just a functional concept, not a design concept. He called for comments from Mr Root.

Gordon Root, 485 S State St, Lake Oswego, encouraged the Commission to continue to move forward. He had been involved in the Basalt Creek Concept Plan since Metro adopted the ordinance in October 2004. This property was brought in to satisfy a need for employment and residential lands north of the Connector for a 20-year buildable land supply. Fourteen years into the process, not a single piece of dirt had been turned. From a property owner's standpoint, the process had been agonizing. He was a real estate investor who made speculative investments based on the time frame outlined in the ordinance. In May 2019 the project would be where it should have been in October 2011. The plan had been hashed and rehashed, discussed and re-discussed. Wilsonville had an 86 percent net employment market, so he planned to sell his property in Lake Oswego and move to Wilsonville. His project in Woodburn was for 708 single-family residences and 105 apartments. The target market for that project was the employees who work in Wilsonville businesses. Wilsonville gets unaffordable and unattainable for many people, so he hoped to offer a housing choice in Woodburn because it was a short commute to Wilsonville. Therefore, he encouraged a Woodburn bus route.

Ms. Bateschell believed the plan was very close to being approved. Many of the edits left to complete are not substantive and she had just received a revised draft the consultant earlier that day. That draft would be reviewed by City Council on Monday, and the rest of the edits would be made later in the week.

- The two cities had not yet discussed what the north/south trail would look like because this plan was at the conceptual level. Connectivity was needed particularly on the north side and they would like to connect people to the natural resource.

Commissioner Heberlein said he was not sure a trail was necessary because Boones Ferry and Grahams Ferry were not that far apart, and the proposed trail did not look as if it would connect to the existing trail network on the south side. He preferred better connectivity.

- Ms. Bateschell said a trail would be a nice asset for the new residential neighborhood to the north and for employers in the southern portion. It would also connect to Wilsonville's pedestrian and bike system to the south. As Day Road and Garden Acres Road were improved, the trail could be connected to a significant regional trail that would come all the way down into and through Wilsonville.

Chair Greenfield noted trails have two different viable functions, connectivity and enjoying outdoor activities. Even though the Boeckman Creek Trail went nowhere, it was still a very nice natural area.

Ms. Bateschell addressed several questions from Commissioner Springall as follows:

- She verified the route of the Ice Age Tonquin Trail in Basalt Creek, noting she did not believe Tualatin had adopted the trail, so that specific alignment was not shown.
- She confirmed that the West Railroad was included on all of the Concept Plan maps because it was in the area added to the urban growth boundary (UGB) by Metro, and the acreage would be added to the City of Wilsonville. The West Railroad area would be a future study area that would likely need its own analysis and master planning to determine the best and most efficient land use and service would be for the area.
- She confirmed the West Railroad area was included in the Concept Plan, but would be excluded from any initial Basalt Creek master plan. The area would be provided with its own designation that would not have a land use tied to it yet.
- The master plan timeline for Basalt Creek was budgeted for FY2019-2020. Additional work could be done on Basalt Creek once updates were done to the Comprehensive Plan and Comprehensive Plan Map. The project team had discussed several methods for moving forward with updates to the Development, Zoning and Form Based Codes, or possibly an economic development strategy. Many of the existing Capital Improvement Plans already accounted for land use and services in Basalt Creek, so extensions of the main lines had already been identified and included in the Concept Plan. The scope of next steps was still being determined. Plans could move forward in steps or as one project.
- No archaeological work had been completed yet to determine whether there were any Native American camps in the area.

Commissioner Postma confirmed that the physical boundary line between the cities would also mark the division between infrastructure and services, regardless of gravity. Each city would serve its own land area with its own infrastructure systems.

- Ms. Bateschell added that geological findings indicated a variety of basalt and other materials in the area. Gravity flowed toward Wilsonville, so the only pump station would be installed if and when the West Railroad area developed. She also anticipated that Tualatin would install gravity pumps for the properties on Basalt Creek Canyon.

Commissioner Mesbah:

- Requested more descriptions about the characteristics of the natural resources area. He believed this would avoid potential confusion about the habitat quality and clarify that the area was for restoration. A couple of paragraphs about restorative habitats and trail standards would be helpful. He also requested specific information about species in the area, sensitivities of the upland habitat, and appropriate levels of activity in the area.
 - Ms. Bateschell confirmed the Existing Conditions Report, one of the attachments to the Concept Plan, included language that would guide future steps and master planning.
- Said the typical resident would not read the report, so clarifying paragraphs should be added to the Concept Plan because the plan should be educational.

Chair Greenfield agreed.

Ms. Bateschell noted that because of the appeal of Metro's decision on the arbitration process, the City had decided to wait before moving forward with proposed Comprehensive Plan Amendments. Direction provided by the Land Use Board of Appeals (LUBA) would guide Staff on what should go into the Comprehensive Plan and could result in modifications to the Concept Plan. Additionally, Wilsonville would need to work with Washington County to update the Urban Planning Area Agreement and Comprehensive Plan Map. She confirmed that the Comprehensive Plan updates would need to be adopted by May 2019.

III. INFORMATIONAL

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IV. ADJOURNMENT

Chair Greenfield adjourned the regular meeting of the Wilsonville Planning Commission at 9:37 p.m.

**PLANNING COMMISSION
WEDNESDAY, APRIL 11, 2018
6:00 P.M.**

**Wilsonville City Hall
29799 SW Town Center Loop East
Wilsonville, Oregon**

*Revised minutes
approved at the May 9,
2018 Planning
Commission Meeting*

Minutes Excerpt - Basalt Creek

I. CALL TO ORDER - ROLL CALL

Chair Jerry Greenfield called the meeting to order at 6:06 p.m. Those present:

Planning Commission: Jerry Greenfield, Simon Springall, Phyllis Millan, and Ron Heberlein. Kamran Mesbah arrived at 6:31 pm. Eric Postma arrived at 7:10 pm. Peter Hurley was absent.

City Staff: Miranda Bateschell, Amanda Guile-Hinman, Jeanna Troha, Nancy Kraushaar, Mike McCarty, Charlie Tso, Bill Evans, Brian Stevenson, Tod Blankenship, and Erica Behler

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IV. INFORMATIONAL

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C. Basalt Creek Concept Plan (Bateschell)

Miranda Bateschell, Planning Manager, reported that the Basalt Creek Concept Plan was moving forward. She updated the Commission on where Staff had left off, which was a discussion around land use in the central sub-area and a potential shift away from employment to residential uses. Wilsonville, Tualatin, and Metro signed an intergovernmental agreement (IGA) allowing Metro to make land use decisions for the central sub-area. Both cities would integrate Metro's decision into the Concept Plan, which would have to be adopted within 120 days of Metro's decision. Metro's Chief Operations Officer forwarded her recommendation to the Metro Council at the end of March, recommending the central sub-area be used for employment, which was the preferred alternative. A copy of the recommendation was included in the agenda packet. Metro Council would meet on April 19th to make a decision. Wilsonville, Tualatin, the County, and consultants already had meetings scheduled to discuss Metro's decision. Revisions to the draft concept plan were already being made so that the Planning Commission could review the plan in a work session in May in order to meet the 120-day deadline. Staff planned to present draft Comprehensive Plan language at the same time, which should be minimal. The next step would be to scope a master planning project for Basalt Creek to implement the Form-based Code. The Planning Commission's hearing would be scheduled for June so that City Council could have a hearing in July.

- She and Amanda Guile-Hinman, Assistant City Attorney, addressed questions from the Commission as follows:
 - There was no opportunity to appeal Metro's decision because all parties agreed to it in the IGA. Land use decisions would be made when Wilsonville amended the Comprehensive Plan and adopted the Concept Plan, but the central sub-area was in Tualatin. She was not sure whether there could be legal action against Wilsonville's land use decisions or Tualatin's Comprehensive Plan Map amendments. The IGA specifically stated that none of the Cities would appeal Metro's decision. However, other parties could appeal the Metro decision or the Cities' land use decisions to the Land Use Board of Appeals (LUBA).

- There had been some discussion about how the boundary was conditional and whether or not that should change based on the decision made about land use. However, an agreement was made through the IGA that the only land use decision would be for the central sub-area. There was a written agreement that the Basalt Creek Parkway would be the future jurisdictional boundary between the two cities.

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IV. ADJOURNMENT

Chair Greenfield adjourned the regular meeting of the Wilsonville Planning Commission at 9:29 p.m.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

A regular meeting of the Wilsonville City Council was held at the Wilsonville City Hall beginning at 7:30 p.m. on Monday, December 18, 2017. Mayor Knapp called the meeting to order at 7:36 p.m., followed by roll call and the Pledge of Allegiance.

The following City Council members were present:

Mayor Knapp
Council President Starr - Excused
Councilor Stevens
Councilor Lehan
Councilor Akervall

Staff present included:

Bryan Cosgrove, City Manager
Jeanna Troha, Assistant City Manager
Barbara Jacobson, City Attorney
Kimberly Veliz, City Recorder
Nancy Kraushaar, Community Development Director
Mark Ottenad, Public/Government Affairs Director
Angela Handran, Assistant to the City Manager
Miranda Bateschell, Planning Manager
Eric Mende, Capital Projects Engineering Manager

Motion to approve the order of the agenda.

Motion: Councilor Stevens moved to approve the order of the agenda as submitted. Councilor Lehan seconded the motion.

Vote: Motion carried 4-0.

SUMMARY OF VOTES

Mayor Knapp	Yes
Council President Starr	Excused
Councilor Stevens	Yes
Councilor Lehan	Yes
Councilor Akervall	Yes

CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS

This is an opportunity for visitors to address the City Council on items not on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the City Council will make every effort to respond to questions raised during citizens input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

A. Scott Shamburg

Scott Shamburg of Tualatin expressed his concerns about the value of his property, which is located on SW Boones Ferry Road. Mr. Shamburg opposes the Basalt Creek area being designated residential and desires the land to be zoned for business. He asked that Council instruct him on the next steps.

Next steps disclosed to Mr. Shamburg included:

- Possible City Council adoption of Resolution No. 2657 depending on vote at the meeting tonight;
- If adopted, entry into an IGA with the Basalt Creek planning partners;
- Metro to set up a decision-making process for resolving the disagreement over the Central Subarea;
- End result completion of the Basalt Creek Concept Plan.

B. Howard Klein

Howard Klein of Wilsonville, voiced his safety concerns about the crosswalk on Wilsonville Road, where a man recently was struck by a car and passed away.

Mr. Klein was informed that there was a limited amount of funding, received this past year, from the Wilsonville-Metro Community Enhancement Program for this particular crosswalk. It has been identified and prioritized by the Wilsonville-Metro Community Enhancement Committee for a portion of these funds to be utilized for this crosswalk. Staff is awaiting the final police report to determine the exact cause of the accident; there could have been other factors such as distracted driving. The first step is to receive the police report. Next, engineering will look at all factors such as street lighting, trees and approaches. Followed by a plan for moving forward with the project.

MAYOR'S BUSINESS

- A. Employment Contract Renewal (2-year extension) for Municipal Court Judge (Fred Weinhouse)

Motion: Councilor Lehan moved to approve the employment contract renewal for the Municipal Court Judge with the two (2) year extension. Councilor Akervall seconded the motion.

Vote: Motion carried 4-0.

SUMMARY OF VOTES

Mayor Knapp	Yes
Council President Starr	Excused
Councilor Stevens	Yes
Councilor Lehan	Yes

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Councilor Akervall Yes
B. Upcoming Meetings

Upcoming Meetings were announced by the Mayor as well as the regional meetings he attended on behalf of the City. Mayor Knapped reminded that the next two Council meeting would be held on Thursdays. The first meeting of next month is Thursday, January 4, 2018 and the following meeting is scheduled for Thursday January 18, 2018.

COUNCILOR COMMENTS

- A. Councilor Stevens - No report.
- B. Councilor Lehan

Reported that she attended the Willamette Falls Heritage Area Coalition meeting, since the last Council meeting. Additionally, Councilor Lehan complimented the Public Works staff for the holiday light displays around the City.

- C. Councilor Akervall

Enjoyed attending the City staff holiday party and wished everyone a merry Christmas and happy holidays.

CONSENT AGENDA

- A. **Resolution No. 2660**
A Resolution Of The City Of Wilsonville Authorizing South Metro Area Regional Transit (SMART) To Contract With The Center For Transportation And The Environment (CTE) For Consulting Work Associated With The Deployment Of Battery Electric Transit Buses. (Simonton)
- B. Minutes of the November 20, 2017 and December 4, 2017 Council Meetings.

Ms. Jacobson read the titles of the Consent Agenda items into the record.

Motion: Councilor Lehan moved to approve the Consent Agenda as read. Councilor Akervall seconded the motion.

Vote: Motion carried 4-0.

SUMMARY OF VOTES

Mayor Knapp	Yes
Council President Starr	Excused
Councilor Stevens	Yes
Councilor Lehan	Yes

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Councilor Akervall

Yes

NEW BUSINESS

A. Resolution No. 2657

A Resolution Of The City Of Wilsonville Authorizing The City Manager To Execute An Intergovernmental Agreement Between Metro, Washington County, And The Cities Of Tualatin And Wilsonville Seeking A Binding Non-Appealable Decision From Metro Concerning One Area, The Central Subarea, Of The Basalt Creek Planning Area. (Kraushaar / Bateschell)

Ms. Jacobson read the title of Resolution No. 2657 into the record. Ms. Jacobson noted that Resolution No. 2657 has been updated to reflect that the Mayor rather than the City Manager will be signing the intergovernmental agreement.

Motion: Councilor Lehan moved to approve Resolution No. 2657 with the scrivener's corrections that the City Attorney mentioned. Councilor Stevens seconded the motion.

Vote: Motion carried 4-0.

SUMMARY OF VOTES

Mayor Knapp	Yes
Council President Starr	Excused
Councilor Stevens	Yes
Councilor Lehan	Yes
Councilor Akervall	Yes

B. Resolution No. 2658

A Resolution Of The City Of Wilsonville Acting In Its Capacity As Its Local Contract Review Board Authorizing The City Manager To Execute A Construction Contract With 2KG Contractors Inc. For Construction Of The Library Improvements Project (CIP #8098). (Mende)

Ms. Jacobson read the title of Resolution No. 2658 into the record. It was cited that scrivener's errors were corrected under the words of agreement section 1 of the resolution and language in section 1 (Contract Documents) of the agreement (Exhibit A). Below is the updated section 1 of Resolution No. 2658:

1. The City of Wilsonville, acting as the Local Contract Review Board, authorizes the City Manager to enter into, on behalf of the City of Wilsonville, a Construction Contract with 2KG Contractors, Inc., in substantially the same format as **Exhibit A** hereto and incorporated by reference herein, for a stated value of ONE MILLION FIFTY-FOUR THOUSAND DOLLARS (\$1,054,000).

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Here is the updated language in section 1 (Contract Documents) of the agreement (Exhibit A):

Section 1. Contract Documents

This Contract includes and incorporates by reference all of the foregoing recitals and all of the following additional “Contract Documents”: Contract Documents for the Library Improvements Project, dated October 5, 2017, including Specifications, General Conditions, Special Provisions, Supplemental Conditions, and Plans and Details bound separately; Contractor’s Bid submitted in response thereto; 2015 City of Wilsonville Public Works Standards; 2010 ADA Standards for Accessible Design; 2004 Americans with Disabilities Act Accessibility Guidelines (“ADAAG”), as amended; 2012 International Building Code (“IBC”); 2014 Oregon Structural Specialty Code; and the provisions of Oregon Revised Statutes (ORS) 279C, as more particularly set forth in this Contract. Contractor must be familiar with all of the foregoing and comply with them. Any conflict or inconsistency between the Contract Documents shall be called to the attention of the City by Contractor before proceeding with affected work. All Contract Documents should be read in concert and Contractor is required to bring any perceived inconsistencies to the attention of the City before executing this Contract. In the event a provision of this Contract conflicts with standards or requirements contained in any of the foregoing Contract Documents, the provision that is more favorable to the City, as determined by the City, will apply.

Motion: Councilor Stevens moved to approve Resolution No. 2658 as read with the correction of the scrivener’s errors as read by the City Attorney Barbara Jacobson. Councilor Akervall seconded the motion.

Vote: Motion carried 4-0.

SUMMARY OF VOTES

Mayor Knapp	Yes
Council President Starr	Excused
Councilor Stevens	Yes
Councilor Lehan	Yes
Councilor Akervall	Yes

C. Resolution No. 2661

A Resolution Of The City Of Wilsonville Acting In Its Capacity As Its Local Contract Review Board Authorizing The City Manager To Execute A Construction Contract With Kerr Contractors Oregon, Inc. For Construction Of The I-5 Exit 283 Southbound Ramp Modification Project (CIP #4199SBR). (Mende)

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Ms. Jacobson read the title of Resolution No. 2661 into the record. It was cited that a scrivener's error was corrected under the words of agreement section 1. Below is the updated section 1 of Resolution No. 2661:

1. The City of Wilsonville, acting as the Local Contract Review Board, authorizes the City Manager to enter into, on behalf of the City of Wilsonville, the Construction Contract with Kerr Contractors Oregon, Inc., in substantially the same format as **Exhibit A** hereto and incorporated by reference herein, for a stated value of FIVE HUNDRED SIXTY-TWO THOUSAND, FIVE HUNDRED SEVENTY-EIGHT DOLLARS (\$562,578).

Motion: Councilor Lehan moved to approve Resolution No. 2661 as read with the correction of the scrivener's error as read by the City Attorney. Councilor Akervall seconded the motion.

Vote: Motion carried 4-0.

SUMMARY OF VOTES

Mayor Knapp	Yes
Council President Starr	Excused
Councilor Stevens	Yes
Councilor Lehan	Yes
Councilor Akervall	Yes

D. Resolution No. 2662

A Resolution Of The City Of Wilsonville Acting In Its Capacity As Its Local Contract Review Board Authorizing The City Manager To Execute A Construction Contract With Brown Contracting, Inc. For Construction Of The Old Town Square Intersection Modification Project (CIP #4199FME). (Mende)

Ms. Jacobson read the title of Resolution No. 2662 into the record. It was cited that scrivener's errors were corrected under the words of agreement section 1 of the resolution and language in section 1 (Contract Documents) of the agreement (Exhibit A). Below is the updated section 1 of Resolution No. 2662:

1. The City of Wilsonville, acting as the Local Contract Review Board, authorizes the City Manager to enter into, on behalf of the City of Wilsonville, a Construction Contract with Brown Contracting, Inc., in substantially the same format as **Exhibit A** hereto and incorporated by reference herein, for a stated value of ONE HUNDRED NINETY-ONE THOUSAND, SIX HUNDRED FORTY-NINE DOLLARS (\$191,649).

Here is the updated language in section 1 (Contract Documents) of the agreement (Exhibit A):

Section 1. Contract Documents

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

This Contract includes and incorporates by reference all of the foregoing recitals and all of the following additional “Contract Documents”: Specifications and Contract Documents for the Old Town Square Intersection Modifications Project, dated November 6, 2017, including General Conditions, Special Provisions, Supplemental Conditions, and Plans and Details bound separately; Contractor’s Bid submitted in response thereto; 2015 City of Wilsonville Public Works Standards; Oregon Department of Transportation 2015 Oregon Standard Specifications for Construction; Special Provisions to ODOT Standards; 2010 ADA Standards for Accessible Design; 2004 Americans with Disabilities Act Accessibility Guidelines (“ADAAG”), as amended; 2012 International Building Code (“IBC”); 2014 Oregon Structural Specialty Code; and the provisions of Oregon Revised Statutes (ORS) 279C, as more particularly set forth in this Contract. Contractor must be familiar with all of the foregoing and comply with them. Any conflict or inconsistency between the Contract Documents shall be called to the attention of the City by Contractor before proceeding with affected work. All Contract Documents should be read in concert and Contractor is required to bring any perceived inconsistencies to the attention of the City before executing this Contract. In the event a provision of this Contract conflicts with standards or requirements contained in any of the foregoing Contract Documents, the provision that is more favorable to the City, as determined by the City, will apply.

Motion: Councilor Lehan moved to approve Resolution No. 2662 as read with the correction of the scrivener’s errors as read by the City Attorney. Councilor Stevens seconded the motion.

Vote: Motion carried 4-0.

SUMMARY OF VOTES

Mayor Knapp	Yes
Council President Starr	Excused
Councilor Stevens	Yes
Councilor Lehan	Yes
Councilor Akervall	Yes

CITY MANAGER’S BUSINESS

City Manager Cosgrove requested direction from Council on what approach to take concerning the proposed legislation that would allow the Oregon Department of Aviation to supersite an extension of the Aurora State Airport runway. Council directed staff to work with Clackamas County to compose a joint letter, to include what both parties oppose and what they would support. Additionally, staff was directed to gather more data and information, such as traffic engineering studies, environmental impacts, and technical data, on the impacts of this proposed legislation. Staff will return to Council with this topic the first meeting in January.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

City Manager Cosgrove informed Council of his schedule for the upcoming holiday. He will be out of office starting Wednesday, December 20 until after the New Year. Mr. Cosgrove thanked the Mayor and Councilor Akervall for attending the City's annual holiday party. Additionally, he wished Council a Merry Christmas and happy holidays. Furthermore, he appreciated Council for the work they do for the City.

LEGAL BUSINESS

City Attorney Jacobson wished Council happy holidays and shared that she looks forward to the new year.

ADJOURN

Mayor Knapp adjourned the meeting at 8:50 p.m.

Respectfully submitted,

Kimberly Veliz, City Recorder

ATTEST:

Tim Knapp, Mayor

**CITY OF WILSONVILLE
CITY COUNCIL WORK SESSION NOTES – BASALT CREEK EXCERPT
DECEMBER 18, 2017**

The Wilsonville City Council held a work session on Monday, December 18, 2017 at the Wilsonville City Hall beginning at 5:00 p.m.

The following City Council members were present:

Mayor Knapp
Council President Starr
Councilor Stevens
Councilor Lehan
Councilor Akervall

Staff present included:

Bryan Cosgrove, City Manager
Barbara Jacobson, City Attorney
Kimberly Veliz, City Recorder
Jeanna Troha, Assistant City Manager
Dwight Brashear, SMART Director
Nancy Kraushaar, Community Development Director
Susan Cole, Finance Director
Angela Handran, Assistant to the City Manager
Chris Neamtzu, Planning Director
Eric Mende, Capital Projects Engineering Manager
Keith Katko, Finance Operations Manager
Mark Ottenad, Public/Government Affairs Director
Miranda Bateschell, Planning Manager
Scott Simonton, Fleet Manager
Steve Adams, Engineering Manager
Zachary Weigel, P.E. Civil Engineer
Rob Wurpes, Chief of Police

Mayor Knapp called the Work Session to order at 5:07 p.m. and moved into Executive Session.

Mayor Knapp called the Executive Session to order at 5:07 p.m. pursuant to:

ORS 192.660 (2)(e) Real Property Transactions

ORS 192.660(2)(h) Litigation

The Executive Session adjourned at 5:38 p.m.

Agenda Review and Council Concerns

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Pre-Council Work Session

...

F. Metro/WaCo/Wilsonville/Tualatin Basalt Creek IGA (Jacobson)

City Attorney Jacobson kicked off the discussion of the Intergovernmental Agreement (IGA) between Metro, Washington County, and the Cities of Tualatin and Wilsonville Seeking a Binding Non-Appealable Decision from Metro Concerning One Area, the Central Subarea, of the Basalt Creek Planning Area. The item is on the regular City Council Agenda as Resolution No. 2657 under New Business.

Miranda Bateschell, Planning Manager was on also on hand to answer any questions.

Mayor Knapp commented that the cities were at a stalemate with each other and decided to let Metro mediate to assist in moving forward with an outcome.

Attorney Jacobson disclosed that Metro will make the choice of whether the land will be designated residential or employment. Additionally, both cities agree to designate the land as Metro decides. Furthermore, Metro's decision will not change the public process.

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Work Session adjourned at 7:22 p.m.

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CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

A regular meeting of the Wilsonville City Council was held at the Wilsonville City Hall beginning at 7:30 p.m. on Monday, May 1, 2017. Mayor Knapp called the meeting to order at 7:38 p.m., followed by roll call and the Pledge of Allegiance.

The following City Council members were present:

Mayor Knapp
Councilor Starr
Councilor Stevens
Councilor Lehan
Councilor Akervall

Staff present included:

Bryan Cosgrove, City Manager
Jeanna Troha, Assistant City Manager
Barbara Jacobson, City Attorney
Sandra King, City Recorder
Nancy Kraushaar, Community Development Director
Delora Kerber, Public Works Director
Jon Gail, Community Relations Coordinator
Mark Ottenad, Government and Public Affairs
Angela Handran, Community Outreach Coordinator

Motion to approve the order of the agenda.

Motion: Councilor Starr moved to approve the order of the agenda. Councilor Stevens seconded the motion.

Vote: Motion carried 5-0.

COMMUNICATIONS

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CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS

This is an opportunity for visitors to address the City Council on items not on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the City Council will make every effort to respond to questions raised during citizens input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

The Mayor indicated he would group the Citizen Input speaker cards by topic: traffic, Resolution No. 2626, and Basalt Creek development.

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Don Hansen of OTAK distributed two memos to the Council. The first dealt with the Basalt Creek Planning Area Schools Analysis; and the second dealt with the Basalt Creek Planning Area Projected Traffic. Mr. Hansen disagreed with the information in the Draft Basalt Creek Concept Plan Feasibility Study dated May 1, 2017 and thought the area would be better used as residential rather than employment/industrial.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

Peter Watts sent an email message to the City Councilors on April 30, 2017 in support of his belief the Basalt Creek Central Property would be better developed as residential, and that Metro's criteria did not decree the lands be employment.

Sherman Leitgeb was of the opinion the Draft Basalt Creek Concept Plan Feasibility Study dated May 1, 2017 was fiction since no cost analysis for development had been done on the area. He held the costs will not lead to employment on the site and there was other industrial land available at less cost.

Lark Leitgeb said she owned 23 acres in the Basalt Creek subarea and that there was a big difference between residential uses and industrial uses. She asked that Council work with the city of Tualatin to develop something that will work for everyone.

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ADJOURN

Mayor Knapp adjourned the meeting at 10:02 p.m

Memorandum



808 SW 3rd Avenue
Suite 300
Portland, OR 97204
Phone (503) 287-6825
Fax (503) 415-2304

To: Herb Koss
From: Don Hanson
Copies: Glen Bolen, AICP
Kate Rogers
Date: April 14, 2017
Subject: Basalt Creek Planning Area Projected Traffic
Project No.: 17713A

This memorandum presents analysis in support of the residential land use designation for a portion of the Basalt Creek Planning Area: a roughly 41¹ acre site at northeast corner of Grahams Ferry Road and the proposed Basalt Creek Parkway.

One of the tenets of the Basalt Creek Planning Area has been to limit traffic generation that results from new development to a level commensurate with the existing and planned infrastructure's capacity. For the site in question, the City of Tualatin provided direction to designate roughly 33 acres of land for residential use, differing from the Concept Plan's recommendation of tech/flex employment. This memo quantifies the changes to traffic generation that could result from this change. The data support our supposition that designating the properties for residential uses would not result in more traffic than if the land is designated for employment.

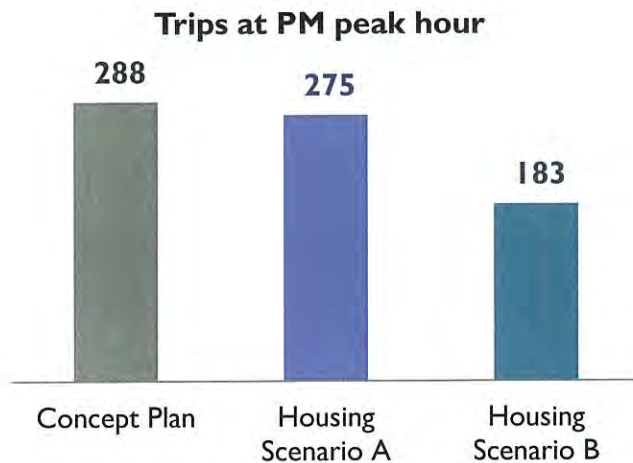
In addition to the 33 acres initially slated for tech/flex employment, the northern 7 acres of the site was considered for residential use. We created a trip generation comparison for this combined 41 acre area based on several land use scenarios for the site, utilizing the same per-unit trip factors and housing densities as those utilized by the Concept Plan team in their traffic and Envision Tomorrow models. Using these data, we were able to compare expected PM peak hour traffic counts for the existing Concept Plan and for two alternative scenarios with only residential land uses. The results are summarized in the table and chart below.

The existing concept plan calls for 33.2 acres of light industrial / low-density tech flex land and 7.4 acres of residential land with a mix of small- and medium-lot single-family housing. Under this scenario, 288 trips are generated at PM peak.

Alternative Housing Scenario A includes a mix of higher-and lower-density housing types (2-story garden apartments, townhomes, small-lot single-family, and medium-lot single-family), with an

average net density of 15 units per net residential acre². Under this scenario, 275 trips are generated at PM peak. At 18 fewer trips, this represents a small reduction in PM peak trips. Housing Scenario B includes a lower-density mix of housing types (townhomes, small- and medium-lot single-family) that result in an average net density of 10 units per net acre. Scenario B results in only 183 trips during PM peak.

	Concept Plan	Housing Scenario A	Housing Scenario B
Developable Acres	41	41	41
Households	46	436	290
Jobs	678	-	-
Average Net Density (units/acre)	9	15	10
Trips at PM peak hour	288	275	183



¹ We have used 41 acres in our analysis – this is the City of Tualatin’s base acreage for the site in the study presented. If more acres are used, the trip counts are reduced even further.

² Assumes 25% reduction of land to accommodate roads, utilities, and other public facilities.

Memorandum

Rec'd 5/1/17
Aek



808 SW 3rd Avenue
Suite 300
Portland, OR 97204
Phone (503) 287-6825
Fax (503) 415-2304

To: Herb Koss
From: Don Hanson
Copies: Kate Rogers
Date: May 1, 2017
Subject: Basalt Creek Planning Area – Schools Analysis
Project No.: 17713A

This memorandum presents analysis of the potential residential land use designation for a portion of the Basalt Creek Planning Area: a roughly 41¹ acre site at northeast corner of Grahams Ferry Road and the proposed Basalt Creek Parkway.

For the site in question, the City of Tualatin provided direction to designate roughly 33 acres of land for residential use, differing from the Concept Plan's recommendation of tech/flex employment for this land. A concern for this designation is the impact that new residential density will have on nearby schools, and whether they will have sufficient capacity and safe routes to school for the children living in the new homes.

The attached map depicts the nearest public and private schools to the subject site. The site is currently within the Sherwood School District, but is in close proximity to the Tigard-Tualatin District and the West Linn-Wilsonville District. It is assumed that students will attend Tigard-Tualatin schools. The closest public elementary school in Tigard-Tualatin is Edward Byrom Elementary; the closest middle school is Hazelbrook; the closest high school is Tualatin High.

To analyze the potential impact on nearby schools, we looked at estimates for the number of new school-age children that could be expected as an outcome of housing development within the subject site. Estimates are based on student generation rates provided by Arthur C. Nelson's *Planner's Estimating Guide: Projecting Land-Use and Facility Needs* (2004), which provides estimated counts of school-age children for elementary, middle, and high school, based on housing density (summarized in Table 2). The assumption is that more children are likely to live in lower-density single-family residences than in higher-density housing such as apartments and townhomes.

We created estimates for two residential land use scenarios for the subject site: one with higher residential density (Scenario A) and one with lower density (Scenario B). We compared these to the Concept Plan, which designates only seven acres of the site for low-density housing. The results are summarized in Table 1.

Housing Scenario A includes a mix of higher-and lower-density housing types (2-story garden apartments, townhomes, small-lot single-family, and medium-lot single-family), with an average residential density of 11.4 units per gross acre. Under this scenario, approximately 102 school-age children can be expected to attend public schools.

Housing Scenario B includes a lower-density mix of housing types (townhomes, small- and medium-lot single-family), and results in an average residential density of 7.7 units per gross acre. Under this scenario, approximately 107 school-age children can be expected to attend public schools—only slightly higher than under Scenario A. This is compared to an expected 23 school-age children under the Concept Plan scenario.

Table 1. Estimated School-age Children within Subject Site

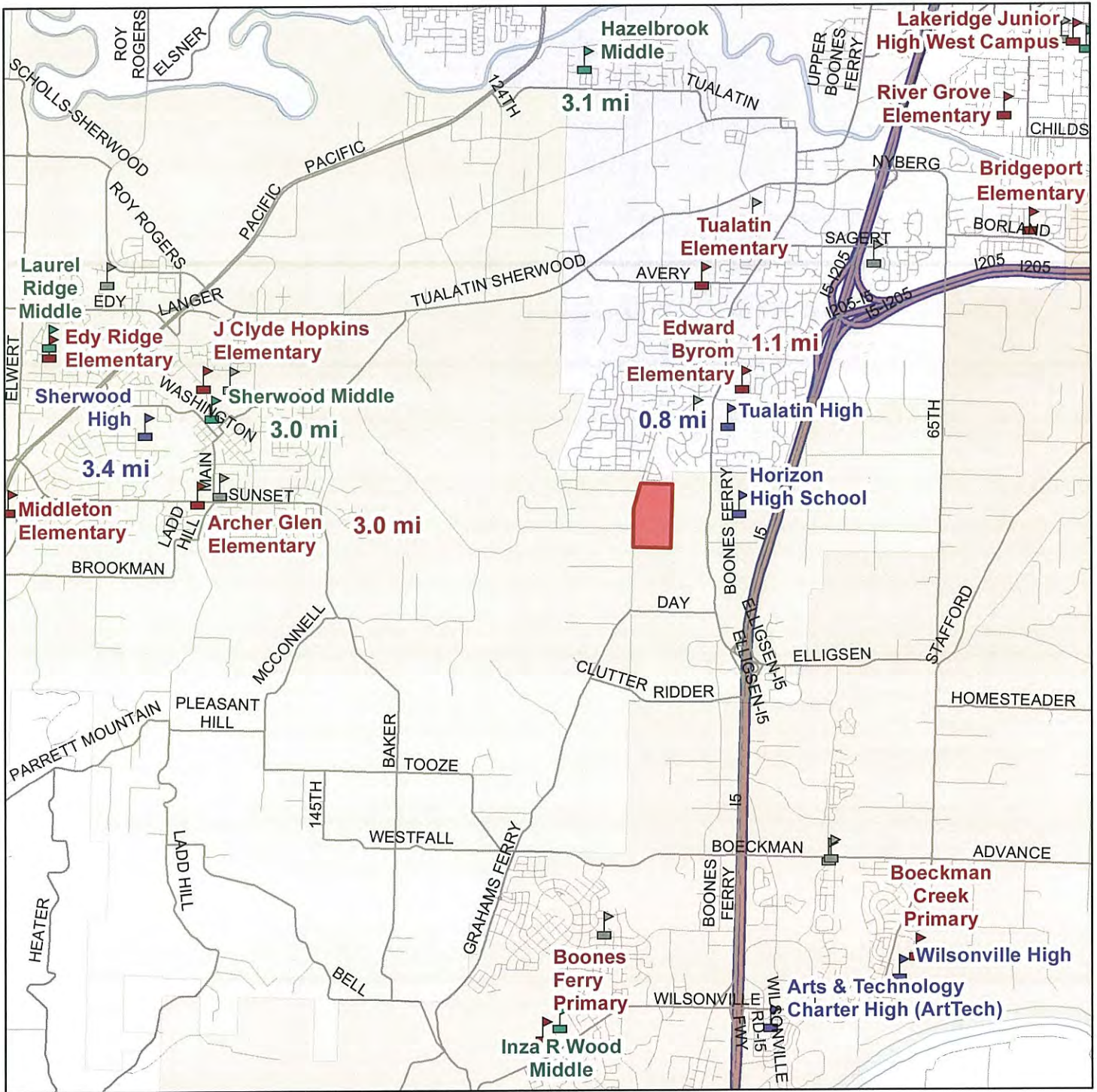
	Housing Density (units/gross acre)	Acres	Housing Units	Elementary	Middle School	High School	Total Public School	Private School
Concept Plan								
Small and Medium Lot Single Family	6.8	7.4	50	7.9	6.8	7.9	22.5	2.9
Total	6.8	7.4	50	8	7	8	23	3
Housing Scenario A								
Garden Apartments 2-story	21.1	10.0	211	11.2	9.5	11.2	31.9	9.5
Townhomes	9.2	6.0	55	4.1	3.5	4.1	11.6	2.6
Small Lot Single Family	8.9	15.0	134	9.9	8.4	9.9	28.3	6.4
Small and Medium Lot Single Family	6.8	10.0	68	10.7	9.2	10.7	30.6	3.9
Total	11.4	41.0	468	36	31	36	102	23
Housing Scenario B								
Townhomes	9.2	6.0	55	4.1	3.5	4.1	11.6	2.6
Small Lot Single Family	8.9	10.0	89	6.6	5.6	6.6	18.8	4.3
Small and Medium Lot Single Family	6.8	25.0	170	26.7	22.9	26.8	76.5	9.9
Total	7.7	41.0	314	37	32	38	107	17

Table 2. Student Generation Rates

Residential Housing Type	Public School Generation Rate	Elementary	Middle	High School	Private School
Fewer than 8 Units per Acre	0.450	0.157	0.135	0.158	0.058
9-14 Units per Acre	0.210	0.074	0.063	0.074	0.048
15+ Units per Acre	0.150	0.053	0.045	0.053	0.045

Source: *Planner's Estimating Guide: Projecting Land-Use and Facility Needs*. Arthur C. Nelson, 2004.

¹ We have used 41 acres in our analysis – this is the City of Tualatin’s base acreage for the site in the study presented. If more acres are used, the student counts are modified.

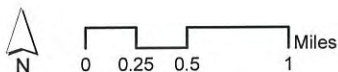


LEGEND

- Subject Site
- Elementary School
- High school
- Middle school or junior high
- Various grade levels
- Sherwood District
- Tigard-Tualatin District
- West Linn-Wilsonville District

Basalt Creek Employment Site | Washington County, Oregon

Source Data: Metro RLIS



**CITY OF WILSONVILLE
CITY COUNCIL WORK SESSION NOTES
MAY 1, 2017**

The Wilsonville City Council held a work session on Monday, May 1, 2017 at the Wilsonville City Hall beginning at 5 p.m.

The following City Council members were present:

Mayor Knapp
Councilor Starr
Councilor Stevens
Councilor Lehan
Councilor Akervall

Staff present included:

Bryan Cosgrove, City Manager
Barbara Jacobson, City Attorney
Jeanna Troha, Assistant City Manager
Sandra King, City Recorder
Susan Cole, Finance Director
Delora Kerber, Public Works Director
Nancy Kraushaar, Community Development Director
Adam Phillips, Police Chief
Dwight Brashear, SMART Director
Mark Ottenad, Government Affairs
Jon Gail, Community Relations Coordinator
Eric Loomis, SMART Operations Manager
Miranda Bateschell, Long Range Planner
Pam Munsterman, Municipal Court Clerk
Amanda Guile-Hinman, Assistant City Attorney
Keith Katko, Finance Operations Manager

Mayor Knapp called the work session to order at 5:00 p.m. and convened an Executive Session pursuant to ORS 192.660 (2)(e) Real Property Transactions ORS 192.660(2)(f) Exempt Public Records and ORS 192.660(2)(h) Litigation

The Executive Session adjourned at 6:08 p.m.

Mayor Knapp reconvened the Work Session at 6:08 p.m.

COUNCILORS' CONCERNS

Mayor Knapp noted the pavement condition on Boones Ferry Road north of Wilsonville Road is in rough condition after the winter.

PRE-COUNCIL WORK SESSION

A. Judge Weinhouse – Red-light Camera and Adult Diversion Program (Cole)

Council thought implementing both the red light camera and adult diversion programs were warranted. Staff will bring additional information regarding the adult diversion program to the May 15th meeting and begin preparing implementing legislation for both programs.

B. Basalt Creek Concept Plan (Bateschell)

Staff presented the results of the draft Basalt Creek Feasibility Study. Councilors restated their commitment to developing the area for employment lands.

C. Transit Funding (Brashear/Cole)

SMART will need to explore additional revenue sources to continue to provide the level of service the community and employers have come to expect. Staff presented revenue options for SMART to explore.

D. French Prairie Bridge Evaluation Criteria (Weigel)

Staff distributed Draft Evaluation Criteria for the French Prairie Bridge prepared by the Task Force and asked Council if there were items that should be added. Council suggested adding connection to commercial uses to Criterion F.

Work Session adjourned at 7:30 p.m.

Respectfully submitted,

Sandra C. King, MMC, City Recorder

**PLANNING COMMISSION
WEDNESDAY, APRIL 12, 2017
6:00 P.M.**

**Wilsonville City Hall
29799 SW Town Center Loop East
Wilsonville, Oregon**

*Minutes approved as
presented at the
5/10/17
PC Meeting*

Minutes Excerpt – Basalt Creek

I. CALL TO ORDER - ROLL CALL

Chair Greenfield called the meeting to order at 6:03 p.m. Those present:

Planning Commission: Jerry Greenfield, Eric Postma, Peter Hurley, Phyllis Millan, Simon Springall, and Kamran Mesbah. Al Levit arrived after the Consideration of the Minutes.

City Staff: Chris Neamtzu, Amanda Guile-Hinman, Jeanna Troha, Miranda Bateschell, Dwight Brashear, Eric Loomis, Michelle Marston, and Nicole Hendrix.

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III. INFORMATIONAL

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C. Basalt Creek Concept Plan Update (Bateschell)

Miranda Bateschell, Long-Range Planning Manager, noted the Staff report and PowerPoint she had presented to City Council on March 20, 2017 were included in the packet. She overviewed the Basalt Creek Concept Plan Update via PowerPoint dated April 12, 2017, summarizing the presentation provided to Council on a recent Tualatin City Council worksession on the Concept Plan during which that council directed Tualatin's staff to change Tualatin's side of the jurisdictional boundary from manufacturing park to residential on the Concept Plan's Land Use Map.

Key comments and responses to Commissioner questions was as follows:

- Ms. Bateschell indicated the location and route of the Basalt Creek Parkway, which was elevated above the railroad but was at grade at Grahams Ferry Rd. Significant grading would be required to maintain a maximum 6 percent grade and the Parkway would be elevated above the canyon, which was about 60 ft deep.
- Having some sort of a transitional buffer from Wilsonville's light industrial to Tualatin's low density residential was the reason for the manufacturing park designation originally. Other iterations showed a transitional office park designation. The intent was to create a better transition, but that was not seen in the last proposal from Tualatin.
- It seemed Tualatin was using its need for industrial land as a wedge until they got the boundary it wanted and then changed their mind about the land use. This also seemed counter to Metro's intention for the entire area.
- Historically, other UGB areas had shifted away from employment uses, which was challenging from a regional perspective, so Metro wanted to avoid that. Metro supported Wilsonville's work on the

Development Feasibility Analysis. Wilsonville's City Council shared many of the same concerns as the Commission about the process and believed the boundary conversation was still open since Tualatin had not stayed with the original discussion about the need for employment land. If the two cities could not agree on the boundary, Metro was the final boundary authority.

- The site plan on the left side of Slide 9 was presented by a representative of the property owner from Otak and showed a small amount of commercial versus residential. The entire footprint was much more intensive than the original footprint.
- Up until the Otak site plan was proposed, a manufacturing park designation was still on the land. Tualatin had concerns about it being an employment area because there was too much rock and slope for employment and wanted to do residential.
- Staff recently received an electronic packet, which could be forwarded to the Commission, that included the site plan and a letter from the property owner's representative, along with letters from developers and engineers reaffirming the steep slopes and basalt in the area, and the area did not appear to be most suitable for employment uses. However, Ms. Bateschell had not seen any further analysis. The bedrock analysis done last year when the City was exploring information for the sanitary sewer system showed the bedrock depth could vary widely within a short distance. That information was provided to the consultant team, who would visit the site to determine feasibility. At this point, the City would look at a range of different employment types and buildings, and what might be feasible on the site, realistically, in the future.
- Staff would discuss next steps with City Council on April 17th and hold a work session with Council on the initial Development Feasibility Report on May 1st.

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IV. ADJOURNMENT

Chair Greenfield adjourned the regular meeting of the Wilsonville Planning Commission at 8:55 p.m.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

A regular meeting of the Wilsonville City Council was held at the Wilsonville City Hall beginning at 7:00 p.m. on Monday, March 20, 2017. Mayor Knapp called the meeting to order at 7:11 p.m., followed by roll call and the Pledge of Allegiance.

The following City Council members were present:

Mayor Knapp
Councilor Starr
Councilor Stevens
Councilor Lehan
Councilor Akervall

Staff present included:

Bryan Cosgrove, City Manager
Jeanna Troha, Assistant City Manager
Barbara Jacobson, City Attorney
Sandra King, City Recorder
Nancy Kraushaar, Community Development Director
Delora Kerber, Public Works Director
Jon Gail, Community Relations Coordinator
Cathy Rodocker, Assistant Finance Director
Susan Cole, Finance Director
Zach Weigel, Engineer
Dwight Brashear, SMART Director
Dan Pauly, Senior Planner

Motion to approve the order of the agenda.

Motion: Councilor Starr moved to approve the order of the agenda. Councilor Lehan seconded the motion.

Vote: Motion carried 5-0.

CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS

This is an opportunity for visitors to address the City Council on items *not* on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the City Council will make every effort to respond to questions raised during citizens input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

Mayor Knapp explained the use of the countdown speaker timer.

Don Hansen, OTAK Planner, explained he has been working on the Basalt property for a group of owners who own the parcels that Council was discussing during Work Session. He felt the city of Tualatin did not abruptly change their mind on the uses of Basalt Creek; rather they focused on the information about the physical conditions of the site, not the big policy decision. The topography changes 65 vertical feet and Tualatin was concerned they could not get the topography to work for employment building parks. A civil engineering firm, Tony Weller, and a developer, Pac Trust, did not see how the land could work or be usable for employment lands, nor could real estate brokers who viewed the property. Mr. Hansen thought residential uses would be more conducive to the property, and provide workforce housing close to work and residential construction could be adapted to the topography. He said the plan would not

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES

increase traffic volumes and was “trip cap neutral”; however, he did acknowledge that during peak traffic periods there might be increased traffic, but overall the traffic was the same. The decision by Tualatin was based on site specific conditions.

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**CITY OF WILSONVILLE
CITY COUNCIL WORK SESSION NOTES – BASALT CREEK EXCERPT
MARCH 20, 2017**

The Wilsonville City Council held a work session on Monday, March 20, 2016 at the Wilsonville City Hall beginning at 5 p.m.

The following City Council members were present:

Mayor Knapp
Councilor Starr
Councilor Stevens
Councilor Lehan
Councilor Akervall

Staff present included:

Bryan Cosgrove, City Manager	Eric Loomis, SMART
Barbara Jacobson, City Attorney	Dwight Brashear, SMART Director
Jeanna Troha, Assistant City Manager	Nancy Kraushaar, Community Development Director
Sandra King, City Recorder	Zach Weigel, Engineer
Delora Kerber, Public Works Director	Cathy Rodocker, Assistant Finance Director
Susan Cole, Finance Director	Mark Ottenad, Public and Government Affairs Director
Steve Adams, Engineer	Jordan Vance, Economic Development
Miranda Bateschell, Long Range Engineer	
Jon Gail, Community Relations Coordinator	

EXECUTIVE SESSION

Mayor Knapp called the work session to order at 5:06 p.m. and convened an Executive Session pursuant to ORS 192.660 (2)(e) Real Property Transactions, ORS 192.660(2)(f) Exempt Public Records, ORS 192.660(2)(h) Litigation

Executive Session adjourned at 5:43 p.m.

The Work Session re-convened at 5:45 p.m.

COUNCIL WORK SESSION

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D. Basalt Creek Update (Bateschell)

The City of Tualatin wants to change designation of employment lands to residential in the Basalt Creek area. This proposal not consistent with why the land was added to the UGB.

To provide background, the staff report has been included in its entirety, without the exhibits.

Begin Staff Report.

Since 2011, the Cities of Wilsonville and Tualatin, Washington County, and Metro have been working together to implement an Intergovernmental Agreement (IGA) to concept plan the Basalt Creek Planning Area. After five joint Council work sessions and two Public Open Houses, a preferred Basalt Creek Land Use Concept Plan was completed in September 2016, presenting a proposed jurisdictional boundary in conjunction with ten considerations for success.

On February 13, 2017, the Tualatin City Council, at a council work session, provided Tualatin city staff with direction to modify the previously agreed upon preferred Basalt Creek Land Use Concept Plan to show the Basalt Creek central subarea as residential on the Tualatin side of the conditional jurisdictional boundary.

The IGA requires joint agreement from the two cities on a jurisdictional boundary and the concept plan. *Staff is seeking direction from the City Council on whether they agree to the proposed changes to the Basalt Creek Land Use Concept Map from the Tualatin City Council on February 13, 2017.*

Foundational Documents & Agreements

There is a long history of planning and inter-governmental coordination for the Basalt Creek Planning Area.

- In 2004, Metro added the Basalt Creek Planning Area to the Metro Urban Growth Boundary as part of Ordinance No. 04-1040B for the purpose of amending the Metro urban growth boundary to increase the capacity of the region to accommodate growth in industrial employment (Attachment A).
- In July 2010, the Cities of Wilsonville and Tualatin entered into a Memorandum of Understanding for Concept Planning the Urban Growth Boundary Expansion Area known as the Basalt Creek Planning Area (Attachment B).
- In May 2011, the Cities of Wilsonville and Tualatin, Washington County, and Metro entered into an IGA for concept planning the Basalt Creek and West Railroad Planning Areas (Attachment C). This IGA had two amendments: first, in June 2013 acknowledging the Basalt Creek Transportation Refinement Plan (TRP), and second, extending the IGA for three additional years, until fall 2019, to complete the Basalt Creek Concept Plan.
- From October 2013 through 2016, the Wilsonville and Tualatin City Councils held five joint Council work sessions and two Public Open Houses considering several boundary and land use alternatives for the Basalt Creek Planning Area.

Conclusion: these planning actions outline the process and expectations for the Basalt Creek Planning Area and the four parties involved in adopting a concept plan for the area. They specifically state that both cities must agree on both a jurisdictional boundary and a concept plan that both cities adopt. The proposed changes to the Basalt Creek Land Use Concept Map from the Tualatin City Council on February 13, 2017 do not appear consistent with the planning to date (Metro Ordinance, TRP, and Joint Council recommendations, conclusions, and decisions) or to be compatible with a cohesive business district that accommodates successful industrial employment growth.

Guiding Principles

On October 29, 2013, the Wilsonville-Tualatin Joint City Council met to start the project with a shared understanding of the process and potential outcomes, and to identify issues and challenges that could be present during concept planning. There was also significant discussion around guiding principles for the project. A key discussion point was having a shared vision that also respected each city's vision, and acknowledging that the plan that is advanced should be in consideration with the other city, must be compatible with, and enhance the other city.

At the July 16, 2014 Wilsonville-Tualatin Joint City Council meeting, the Councils reviewed findings from the June Community Workshop and the existing conditions for the planning area, which included environmental constraints such as wetlands and slopes. The Councils also refined the Guiding Principles (Attachment D), which helped the project team create evaluation measures to be used in assessing alternative land use scenarios.

Conclusion: The proposed changes to the Basalt Creek Land Use Concept Map from the Tualatin City Council on February 13, 2017 do not appear to consider the joint vision established to-date for an economically viable employment district. They also do not consider compatibility with or enhancement of the proposed uses that are currently proposed to be City of Wilsonville in the preferred Basalt Creek Land Use Concept Map despite the importance of this being decided early on in the project. In addition, the proposal is not consistent with all of the Guiding Principles for the Basalt Creek Concept Plan.

GP2 “Recreation opportunities should be made accessible in the area through the creation of new open spaces and trails and integrating them with existing regional networks.”

This will be much more difficult to achieve with residential uses, rather than employment uses, bordering the Basalt Creek Canyon to the west.

GP4 “Create a uniquely attractive business community unmatched in the metropolitan region.”

It will be difficult to achieve a successful business community in this area without the appropriate industrial massing (acreage) and like uses and compatible design mirroring each other on both sides of the parkway and with non-compatible uses inserted into the employment area.

GP5 “Ensure appropriate transitions between land uses.”

The proposal would place housing along a limited-access arterial intended for significant freight movement and across the street from manufacturing parks and industrial uses. There is a nearby cement batch plant that is now operating 24-7. The residential uses in the newly proposed location would be elevated, overlooking the Coffee Creek Correctional Facility. This is typically avoided in planning due to potential noise, traffic, vibration, light pollution, emissions and other environmental impacts.

GP6 “Meet regional responsibility for jobs and housing”

While the Metro Ordinance allowed for housing in the northern portion of the planning area, the 124th extension and Basalt Creek Parkway are being constructed farther south than the I-5-99W Connector as proposed and depicted in the Ordinance. As depicted, housing would be envisioned to or just south of Tonquin Loop, representing less than a quarter of the planning area. The Parkway is approximately 1600 feet farther south, representing a significant amount of acreage envisioned to accommodate industrial growth by the Metro Ordinance.

GP7 “Design cohesive and efficient transportation and utility systems.”

The most efficient sanitary sewer system depicted a City of Wilsonville service area (and jurisdictional boundary) farther north than the Basalt Creek Parkway. The Basalt Creek TRP, its projects and trip assumptions, were based on a predominantly industrial area. Residential land uses have higher trip rates than the currently modeled employment uses in the preferred Basalt Creek Land Use Concept Map.

GP9 “Total jobs allocated to prime flat industrial lands within the planning area.”

The preferred Basalt Creek Land Use Concept Map as well as the recent proposal from the Tualatin City Council includes acreage in the portion of the plan area proposed to be in City of Tualatin that is designated for housing despite limited constraints, flat topography, and overall attractiveness for employment uses. To-date Wilsonville concurred with the proposal, recognizing the need for Tualatin to meet a balance of residential and employment needs and allowing them to determine how; also, the adjacent land uses (residential and school) in that area could be considered more compatible with residential uses.

Basalt Creek Concept Plan Alternatives

Base Case Scenario (December 2014): At the Tualatin - Wilsonville Joint City Council meeting in December 2014, the project team presented a base-case infrastructure and land use scenario with an initial jurisdictional boundary along the future east-west connector, Basalt Creek Parkway (Attachment E).

Members of the Councils directed staff to:

- Re-evaluate the sanitary sewer system due to concerns regarding the initial design and potential costs for sanitary sewer construction in the planning area.
- Examine additional boundary options that do not necessarily follow the future Basalt Creek Parkway alignment due to a desire for a cohesive set of uses and design along both sides of the future arterial.
- Aim for jurisdictional equity when considering the various measures altogether.
- Provide more residential capacity in the northern portion of the planning area for the City of Tualatin.
- Propose creative solutions for transitions from employment to housing.

Option 1 & Option 2 (June 2015): On June 17, 2015, there was a Joint Wilsonville-Tualatin City Council meeting to discuss two alternative land use concept plans with two alternative proposed jurisdictional boundaries (Attachments F and G). At that meeting, the two Councils discussed the land use types, key indicators and potential benefits of the two draft boundary options. The Tualatin City Council favored Option 1 while the Wilsonville City Council favored Option 2.

In particular, Tualatin Councilors expressed significant interest in designating the land south of the future Basalt Creek Parkway, along Boones Ferry Road and the Basalt Creek Canyon (“the tooth”), as future City of Tualatin residential land in recognition of the existing residential community. City of Wilsonville Councilors expressed concern over Option 1 regarding the disparity in benefits realized by each city (less for the City of Wilsonville across indicators), a lack of industrial massing near Grahams Ferry Road and Basalt Creek Parkway, and future transportation impacts from the high number of trips from the residential uses. The Councils also discussed the proposed sanitary sewer system, as it differs from the proposed boundary options; how to best serve the area; and how potential financial savings might be shared if Wilsonville handled sanitary sewer from the City of Tualatin resulting in fewer Clean Water Services pump stations. As a result of the discussion, the Joint Council made a recommendation to project staff to prepare an alternative option.

The Wilsonville City Council recognized the “tooth” area was a must-have for the City of Tualatin and compromised despite a desire for “the tooth” to provide a natural resource amenity to adjacent employment uses and trail opportunities for nearby employees, in addition to the fact all stormwater runoff from this area would flow to the City of Wilsonville. The Councils also agreed to work out the boundary on the west end, to the north of the Basalt Creek Parkway, acknowledging Wilsonville’s concerns regarding trips, sewer service for Tualatin users, and additional employment capacity. The meeting concluded with the sentiment that it was important for the plan to make sense for both communities, while being fiscally responsible in the end, and that the land for both communities be profitable.

Option 3 (September 2015): In preparation for a Joint Wilsonville-Tualatin City Council meeting scheduled in September 2015, the project team prepared Boundary Option 3 (Attachment H) responding to the Joint Council’s input and concerns from the June meeting.

- Boundary extended down Boones Ferry to include existing residential parcels in Tualatin’s jurisdiction to recognize existing community and ensure a cohesive residential zone.
- Boundary shifted north on the west side of the Basalt Creek canyon area to create a more cohesive industrial district and compatible employment uses between the cities while considering topography and parcel lines.

Boundary Option 3 also considered jurisdictional equity through the lens of developable acres, phasing and infrastructure costs, and more balanced property tax returns. The City of Tualatin will likely see a higher overall return on investment and ability to meet near-term residential demand and development desires. The City of Wilsonville is provided a little more land to offset higher overall infrastructure costs and service to Tualatin development, a delay in return on investment, and the city’s ability to fulfill the employment capacity expectations for the planning area.

Tualatin – Option 4 (September 2015): In preparation for the September 2015 Joint Council meeting, there was a Tualatin City Council Work Session where the Tualatin City Council expressed concerns about the limited employment land opportunities for the City of Tualatin and directed Tualatin City Staff to prepare information for a Boundary Option 4, which would follow Tonquin Road west of the Basalt Creek Canyon area (Attachment I). Given this proposed concept plan and boundary alternative was not completed together by the two cities via the project team or decided at a Joint City Council meeting, a full analysis of all performance indicators in Envision was not completed. In order for City of Wilsonville staff and City Council to review this Option, the September Joint Council meeting was postponed until December.

In preparation for the December Wilsonville-Tualatin Joint Council meeting, the Mayors and City Council Presidents of both cities met with staff to discuss the various boundary options to date and remaining issues not yet resolved.

- Tualatin Mayor Ogden and Councilor Beikman communicated “the tooth” was no longer a priority for the City of Tualatin, but rather additional acreage on the west side of the planning area for more employment acreage.
- Wilsonville Mayor Knapp and Councilor Starr communicated significant concerns about a boundary along Tonquin Road from a planning perspective, reiterated the importance of certainty of industrial acreage, and the need for benefits to offset the additional costs.

Mayor Knapp and Councilor Starr also expressed the boundary was not the paramount issue to the City, but rather how the systems work so the area functions well, including enough contiguous land for both cities to appeal to business, getting the value needed related to transportation and industrial massing, and meeting regional industrial land needs. Mayor Ogden and Councilor Beikman agreed these were joint concerns, not just Wilsonville concerns. Problems experienced in Wilsonville in the Basalt Creek Planning Area (e.g. at the Elligsen interchange) would impact the full planning area’s success and would be a problem for both cities.

While Tualatin’s Option 4 seemed a departure from previous Joint Council decisions to the Wilsonville City Council, the Council remained flexible to the needs of the City of Tualatin while ensuring good planning that met the agreed upon vision and enhanced both cities; and as such, presented the Basalt Creek Parkway as a boundary option upon resolution of these joint concerns. There was agreement to

present the ideas and issues discussed as a packaged proposal at the December Wilsonville-Tualatin Joint Council meeting.

Preferred Boundary & Considerations for Success: On December 16, 2015, there was a Joint Wilsonville-Tualatin City Council meeting to discuss a preferred land use and boundary option for the Basalt Creek planning area. The Councils agreed to (1) a set of ten considerations for success (Attachment J), (2) a need to incorporate essential agreements into the Basalt Creek Concept Plan to refine and address those considerations, and (3) a preferred jurisdictional boundary along the Future Basalt Creek Parkway conditional upon successful incorporation of the ten considerations into the Basalt Creek Concept Plan. In addition, in response to Tualatin's disinterest in the West Railroad Area, Wilsonville accepted this area to be included in the City of Wilsonville in the future.

The ten considerations relate to the functional elements of the Concept Plan: sanitary sewer service, stormwater system design standards, industrial zoning certainty, trip caps, transportation projects and funding, transit service, trails and natural resource protections in the Basalt Creek Canyon area. It was intended those considerations would guide development of a preferred alternative for the Basalt Creek Concept Plan as well as outline implementation measures for success.

At the Joint Council meeting, both City Councils voiced a desire to memorialize and endorse these areas of general consensus. As a result, City of Wilsonville drafted Resolution No. 2569 and scheduled a hearing for March 14, 2016 to acknowledge those agreements made at the December Joint Council Meeting, including the ten considerations document. This hearing was rescheduled and cancelled indefinitely after the City of Tualatin cancelled adoption of the same document. The Resolution was never approved.

However, the project team advanced work on the ten considerations and developed a preferred Basalt Creek Land Use Concept Map (Option 5) for the public open house on April 28, 2016 (Attachment K). Essentially the land uses were very similar to what was presented in the Tualatin-proposed Option 4 with the boundary option along the Basalt Creek Parkway.

With positive feedback from the public open house, staff from both cities further refined the preferred Basalt Creek Land Use Concept Map to fix errors and align map designations with existing city comprehensive plan designations and zoning classifications. The draft, dated September 16, 2016 (Attachment L), was prepared for presentation at individual Council work sessions in October in order to move toward finalization of the Basalt Creek Concept Plan and a final Joint Council work session approving the Concept Plan. In addition, staff continued work to resolve issues through the ten considerations; while this advanced, complete agreement was not reached at this point in the project. As such, the map acknowledges the proposed Basalt Creek Land Use Concept Plan and jurisdictional boundary are subject to those considerations for success being integrated into the Concept Plan.

Washington County Basalt Creek Employment Site Evaluation (January 2017): Based on public input from property owners and residents in Tualatin at the October City of Tualatin Work Session meeting, Washington County commissioned a land suitability analysis from the firm Mackenzie for a portion of the planning area being called the "central subarea" to analyze slope and determine whether the land was in fact suitable for employment uses. The study concluded the "central subarea" is feasible for employment including flex business park, office campus, manufacturing, and commercial support services consistent with the City of Tualatin Manufacturing Park zoning classification (Attachment M).

Tualatin City Council Proposal (February 2017): The feedback from the property owner in the "central subarea" regarding the slopes in that area led to additional discussions with the Tualatin City Council and Planning Commission, eventually leading to the February 2017 proposal. On February 13, 2017, the

Tualatin City Council, at a council work session, provided Tualatin city staff with direction to modify the previously agreed upon preferred Basalt Creek Land Use Concept Plan to show the Basalt Creek central subarea as residential on the Tualatin side of the conditional jurisdictional boundary (Attachment N).

Slopes in the area were discussed, and a map presented, as part of the Existing Conditions at the July 16, 2014 Joint Council meeting (Attachment O). In the past two and a half years, it was not determined that the slopes in the “central subarea” were not suitable for employment uses through the site suitability and market analyses completed as part of the Basalt Creek Planning process. Tualatin City Council’s conclusion that the slopes are too steep to accommodate employment uses is also contrary to the January 2017 Washington County Employment Site Evaluation. At this time, there is no additional evidence presented by the Tualatin City Council to contradict the previous studies and site evaluations.

Conclusion: In addition to not appearing consistent with the Metro Ordinance or Basalt Creek TRP, the proposed changes to the Basalt Creek Land Use Concept Map from the Tualatin City Council on February 13, 2017 are also inconsistent with the project’s guiding principles, what was presented at the public open houses, project and County-led land suitability analyses, and Joint Council recommendations, conclusions, and decisions made throughout the process.

- Through the planning process, every boundary option had employment on both sides of the Basalt Creek Parkway. Most options had employment on both sides of Tonquin Road as well. Only Option 1 had residential down to Tonquin, a boundary option that Tualatin City Council liked but requested land uses changed due to too much residential. The February 2017 proposal from Tualatin City Council would be a significant shift to the preferred Basalt Creek Land Use Concept Map and the Options studied and resulting from the exhaustive process to-date.
- The proposed changes do not meet the objectives for a cohesive Parkway, a transition between employment and residential uses (residential uses would abut industrial uses and the Parkway), housing in the northern portion of the planning area, or jurisdictional equity particularly as it relates to the transportation network (residential uses create more trips than employment uses and based on the conditional boundary, over half Tualatin’s share of acreage would become residential under this proposal). These objectives were agreed to as early as the Joint Council meeting reviewing the Base Case Scenario (December 2014).
- The proposed changes do not meet the objectives agreed to at the June 2015 Joint Council either: there is lack of industrial massing near Grahams Ferry Road and Basalt Creek Parkway, there are potentially significant future transportation impacts from the high number of trips from the residential uses, and it may impact the ability for the land in both communities to be profitable. The potential conflict of uses, lack of cohesion along the Parkway and lack of industrial massing could impact the City of Wilsonville’s efforts in the Basalt Creek Planning Area negatively, making it difficult to create the successful employment district both the City and Metro were envisioning this place to be.
- The proposal is also contrary to Joint Council decisions made in December 2015 where Tualatin desired more land to provide employment uses and pushed for a city boundary further south in order to do so. Wilsonville Council agreed to a boundary along the future Basalt Creek Parkway based on the 10 Considerations for Success that were also agreed to by both councils at that Joint Council meeting. Consideration 3 specifically called out: “recognizing the regional need for industrial lands and following through on employment development in both cities to help such development to be successful.”

Wilsonville and Tualatin were set out to plan the Basalt Creek Planning Area in a cohesive way and in the regional context as a Regionally Significant Industrial Area (RSIA). While each city will have its own jurisdictional authority over the area designated to that city by the Basalt Creek Concept Plan, what happens where those two cities come together greatly matters and is extremely important to the success and livability of this future growth area. Planners study adjacency to ensure compatible uses and prevent negative consequences. What happens across the street, whether it is in the same city or a different city, will have either positive or negative impacts on that property. Staff would not recommend residential uses along the Basalt Creek Parkway and across from industrial uses and manufacturing parks. Locating residential uses in this area is also counter to recent efforts to restore environmental justice and social equity and presents concerns related to potential noise, traffic, vibration, light pollution, exposure to emissions, and other environmental impacts.

In Summary

The proposed changes to the Basalt Creek Land Use Concept Map from the Tualatin City Council on February 13, 2017 are 1) contrary to commitments and agreements made previously by the Wilsonville-Tualatin Joint Councils, 2) contrary to planning efforts, analyses and previous studies, and 3) inconsistent with contemporary planning policies and practices that are expected in Wilsonville and the region.

In addition, the full implications of the proposal are not understood since a complete analysis of its impact has not been completed. For example, what happens to the number of trips generated, but also how does this relate the assumptions in the Basalt Creek TRP and the project list that was created? Would a different project list be needed? How does it perform in regards to the project indicators: jobs, households, trips, assessed value, revenue and infrastructure costs?

Finally, given this recent shift, the Council may want to consider what certainty there is or is not that Tualatin City Council could change the concept plan in the future and how that could impact how the City of Wilsonville plans the area.

Clear direction for staff to respond to the proposal from the City of Tualatin and how to coordinate with all IGA parties to move the Basalt Creek Concept Plan process forward. Once agreement is reached on a Basalt Creek Land Use Concept Map and Basalt Creek Concept Plan, both cities can adopt corresponding land use amendments. The IGA is to “remain in effect until the CITIES and COUNTY amend their respective Urban Planning Area Agreements (UPAAs) and incorporate the Basalt Creek Concept Plan into each CITIES respective comprehensive plans.”

The City of Tualatin received approximately \$350K from Metro’s Construction Excise Tax (CET) grant program to perform concept planning. The current scope of work and budget with the consultant and as outlined with Metro under the CET grant program does not include additional funds for analysis of additional land use alternatives. The City of Wilsonville has, and will continue to, invest staff time into the process.

The project includes participation from affected residents, businesses, and property owners. Two open houses were held to engage and inform the public about the project. Additionally, the website is updated to reflect the most recent work and staff sends out monthly updates to an interested parties list and property owners via email and U.S. postal mail.

The Basalt Creek area is important for the long-term growth of Tualatin, Wilsonville, and the Metro region. Conducting a thorough and thoughtful planning process will identify and resolve each city’s vision for the area and potential impacts on the community. The Basalt Creek area presents an opportunity to maximize assessed property value, integrate jobs and housing, develop efficient

transportation and utility systems, create an attractive residential and business community, incorporate natural resource areas, and provide recreational opportunities as community amenities and assets.

ALTERNATIVES:

1. Agree with the Tualatin City Council February 2017 proposal and direct staff to move forward with the residential designation change to develop a final preferred land use concept map for the Basalt Creek Planning Area. A final concept plan could be adopted by 2017 with UPAA's amended in 2018.
2. Disagree with the Tualatin City Council February 2017 proposal, outline City of Wilsonville concerns, and direct staff to:
 - a. ask for another proposal from City of Tualatin that resolves both cities concerns; OR
 - b. present a counter proposal from City of Wilsonville (as directed).
3. Request additional information and analysis to be completed by the City of Tualatin for the proposal addressing Wilsonville City Council questions and reporting the indicators for this alternative as presented for Options 1-3.

End Staff Report

After discussion Council made the following comments and directed staff:

- If Tualatin does not have ability to foster employment lands then maybe that should be made Wilsonville.
- To put residential in midst of industrial is detrimental to the overall goals. Don't agree with this,
- The proposal to put the boundary at Parkway is no longer operative.
- Don't know how much more study the city needs to do. We are focused on developing Coffee Creek South of the area, continue with that.
- Any plan City of Wilsonville would sign on to is the original plan. Staff to convey that to Metro and Tualatin and Washington County.
- Important to continue the commitment to industrial lands.

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Work Session adjourned at 6:55 p.m.

**PLANNING COMMISSION
WEDNESDAY, OCTOBER 12, 2016
6:00 P.M.**

**Wilsonville City Hall
29799 SW Town Center Loop East
Wilsonville, Oregon**

*Approved as Presented
November 9, 2016*

Minutes Excerpt - Basalt Creek

I. CALL TO ORDER - ROLL CALL

Chair Greenfield called the meeting to order at 6:04 pm. Those present:

Planning Commission: Jerry Greenfield, Al Levit, Peter Hurley, Simon Springall, and Kamran Mesbah. Eric Postma, Phyllis Millan, and City Councilor Charlotte Lehan were absent.

City Staff: Miranda Bateschell, Michael Kohlhoff, and Amanda Guile-Hinman

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VII. INFORMATIONAL

A. Basalt Creek Concept Plan (Bateschell)

Miranda Bateschell, Long-Range Planning Manager, updated the Planning Commission on the progress of the Basalt Creek Planning Project, noting City Council would also receive an update at Council's October 17, 2016 meeting. Her key comments were as follows:

- The land uses had been finalized and the Land Use Concept Map had been updated accordingly (Page 4 of 10 of the Staff report). The minor changes made were based on final comments from the Tualatin and Wilsonville City Councils during the summer work sessions.
 - In Wilsonville, the High Tech Employment District was extended along Day Rd to Grahams Ferry Rd, having been primarily just on the east side of Boones Ferry Rd. She briefly reviewed the history leading to Craft Industrial, noting further details about how Craft Industrial would work with the zoning would be discussed further once the Concept Plan was completed.
- Progress had also been made on the Ten Considerations, which were adopted when a preferred jurisdictional boundary was determined. The updated Ten Considerations were in the packet (Attachment B) and now included the current status and next steps related to each of the considerations, as of September, as well as the specific team assigned to work on each consideration. She discussed the updates noted within Attachment B.
- In addition to updating City Council on October 17th, next steps include having an agency review team meeting in November or December where various agencies would review and provide feedback on the first draft of the Concept Plan. These agencies would include the transit agencies, Washington County, Metro, TVF&R and any agency the City coordinated with on such plans.
 - The full Basalt Creek Concept Plan would come before the Planning Commission and City Council for input during work sessions in early in 2017. A Joint Council meeting with the City of Tualatin would follow, hopefully in March 2017, for tentative approval of the Concept Plan with public hearings following at each City for final adoption. Afterward, ordinances would be adopted to amend the Comprehensive Plan to reflect the Basalt Creek Concept Plan, and the City's Urban Plan Area Agreement with Washington County would be updated.

Ms. Bateschell addressed comments and questions from the Commission as follows:

- Referencing the Land Use Concept Plan Map, she identified the canyon as the cross-hatched area running north to south just west of Boones Ferry Rd. Land use designations followed parcel lines to ensure the entire parcel had only one land use, however, the cross-hatched areas indicated all the restricted areas, including

Title 3/Title 13 Slope and the powerlines, that would have serious constraints on development for both cities.

- She did not know how many specific parcels would be on the Wilsonville side, but every parcel in Wilsonville was buildable to some extent, some were just more constrained than others. Some owners with existing building or uses might not want to build or develop in the future, such as those with property along the canyon. Some lots with frontage along Boones Ferry Rd, where most of the homes exist today, had lots with 200 ft to 300 ft of buildable area. She would provide the buildable acreage to the Commission at a later date.
- She confirmed that Kinsman Rd had been removed from Coffee Creek between Day and Ridder Rds, which was why the Kinsman Rd designation was changed on the map. The Future Basalt Creek Parkway had limited access, so the only at-grade intersections in the future would be at Tonquin, Grahams Ferry, and Boones Ferry Rds. If Kinsman Rd were to be developed, it would have to be either a local road for both Tualatin and Wilsonville that was not connected, or have some type of under-grade connection.
 - Kinsman Rd remained on the map in case it was later found to be an important connection point and so that could be communicated to Washington County. As master planning or development occurred in Basalt Creek, having Kinsman Rd on the map as a local road would allow the City to decide not to actually build it if that section of Kinsman Rd was determined to be not necessary. Developers might prefer other internal connections that would work better for the layouts of their developments.

B. UGB Task Force (Neamtzu)

Miranda Bateschell, Long-Range Planning Manager, said she had not attended last month's UGB Task Force meeting. Several city mayors, including Mayor Knapp, provided comment letters with input to Metro. Several comment letters and information about the meeting were provided in the packet. Based on input from the mayors, an additional Task Force meeting might be held, but she was uncertain. She confirmed the Commission would receive an update at the next Planning Commission meeting and encouraged the Commission to ask any questions via email.

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IV. ADJOURNMENT

Chair Greenfield adjourned the regular meeting of the Wilsonville Planning Commission at 7:37 pm.

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES – BASALT CREEK EXCERPT

A regular meeting of the Wilsonville City Council was held at the Wilsonville City Hall beginning at 7:00 p.m. on Monday, September 19, 2016. Mayor Knapp called the meeting to order at 7:10 p.m., followed by roll call and the Pledge of Allegiance.

The following City Council members were present:

Mayor Knapp
Councilor Starr
Councilor Fitzgerald - Excused
Councilor Stevens
Councilor Lehan

Staff present included:

Bryan Cosgrove, City Manager
Jeanna Troha, Assistant City Manager
Barbara Jacobson, City Attorney
Sandra King, City Recorder
Miranda Bateschell, Long Range Planner
Holly Miller, IT Manager
Nancy Kraushaar, Community Development Director
Steve Adams, City Engineer
Angela Handran, Community Outreach Specialist
Jon Gail, Community Relations Coordinator

MAYOR'S BUSINESS ...
COMMUNICATIONS...
CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS...
COUNCILOR COMMENTS, LIAISON REPORTS & MEETING ANNOUNCEMENTS...

CONSENT AGENDA

Ms. Jacobson read the title of Resolution No. 2602 into the record. She noted that an email had been received this evening from Grace Lucini, which has been made a part of the record.

A. Resolution No. 2602

A Resolution Of The City Of Wilsonville Authorizing The Mayor To Enter Into A Memorandum Of Understanding On Behalf Of The City Of Wilsonville With Washington County And The City Of Tualatin For Concept Planning The Urban Growth Boundary Expansion Area (Basalt Creek/West Railroad Planning Area). (Staff – Bateschell)

Motion: Councilor Stevens moved to approve the Consent Agenda. Councilor Lehan seconded the motion.

Vote: Motion carried 4-0.

PUBLIC HEARING...

CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES – BASALT CREEK EXCERPT

NEW BUSINESS...

CITY MANAGER'S BUSINESS – There was no report.

LEGAL BUSINESS...

ADJOURN

Mayor Knapp adjourned the meeting at 9:41 p.m.

**PLANNING COMMISSION
WEDNESDAY, JUNE 8, 2016
6:00 P.M.**

**Wilsonville City Hall
29799 SW Town Center Loop East
Wilsonville, Oregon**

**Approved as
Presented
07/13/2016**

Minutes Excerpt - Basalt Creek

I. CALL TO ORDER - ROLL CALL

Chair Jerry Greenfield called the meeting to order at 6:04 p.m. Those present:

Planning Commission: Jerry Greenfield, Eric Postma, Al Levit, Simon Springall, Phyllis Millan, Kamran Mesbah, and Councilor Charlotte Lehan. Peter Hurley arrived after Roll Call.

City Staff: Chris Neamtzu, Michael Kohlhoff, Miranda Bateschell, Stan Sherer, Brian Stevenson, and Jeanna Troha

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VI. WORK SESSIONS

B. Basalt Creek Concept Plan (Bateschell)

Miranda Bateschell, Long-Range Planning Manager, updated the Planning Commission on the Basalt Creek Concept Plan with these comments:

- In December, the Joint Council met and solidified a preferred jurisdictional boundary in relationship to a set of ten specific considerations that addressed things like transportation, sewer, water, stormwater, the canyon and natural resources. The Council concluded that if the Concept Plan included agreed upon, integrated solutions around these items, then the Basalt Creek Parkway would work as a jurisdictional boundary to support the vision of both cities in that area.
 - The preferred alternative and land use concepts were presented to the public via PowerPoint, included in the packet, at the public open house on April 18, 2016 where about 50 to 75 people attended. The presentation reviewed the process for reaching the preferred alternative, as well as the land uses and infrastructure. The public was asked a series of questions about how transit, bike/pedestrian infrastructure, parks and open space were used now and what people might want to use if they lived, worked, or developed in Basalt Creek. People expressed interest in recreating by biking and walking as a preferred use. There was also a lot of support for conservation as well as neighborhood parks and pocket parks, which were more useful in employment areas. Not a lot of transit use existed in the area, but not much was being provided, since the area was outside the city.
- Now that the preferred jurisdictional boundary had been determined, Staff confirmed with City Council at Monday's meeting their preferences regarding land use concepts that had been presented previously to ensure the map produced by the Planning Department reflected the Council's vision for the City. She distributed the Land Use Recommendations map that was presented to Council and reviewed Staff's recommended changes with these key comments:
 - Staff recommended keeping the High Tech District as presented due to its location near the freeway. The district would provide opportunities for higher employment density, such as offices mixed with manufacturing warehouses.
 - Changing the transition area west of the High Tech District across Boones Ferry Road to "Craft Industrial" was recommended. The area, which currently consisted of residential parcels, would remain as an employment use, but the parcels could include business development over time while maintaining the

existing home. This was the live/work concept Councilor Lehan spoke of earlier. Potential craft businesses might include a tasting room, brewery, pottery or photography studio, for example. Such development would be a useful transition until the area developed further. Long term, the vision for this area included two- or three-story buildings with small tenant spaces for light industrial manufacturing and office uses, as well as more retail than modeled in other buildings. After much discussion and concern about the amount of Craft Industrial allowed and the lack of City services in an area, Council agreed to allow the change.

- Council also approved Staff's recommendation to change the area south of the future Basalt Creek Parkway, near the Day Road/Graham's Ferry Road intersection, from Warehouse to High Tech Employment District, which Council also recommended extending along the Day Road frontage to that intersection. High Tech Employment District would include about half office and half industrial jobs.
- Previously, Staff had modeled mostly one- to two-story buildings in the employment areas; however, Council wanted to provide opportunities for four- to five-story office buildings, particularly near I-5, so Staff would work with the consultant to increase the job densities in that area and modeling additional taller buildings in the High Tech Employment District along Boones Ferry Rd.
- With regard to next steps, the Tualatin's City Council would have a work session on Monday, June 13th; after which the project team would work to finalize the land uses and run one last scenario to yield outputs regarding the number of trips, jobs, and households, as well as potential revenue.
 - The main concern was the trip cap. Most scenarios had resulted in trips close to the upper threshold of the trip cap and hopefully, the last scenario would still be within that cap. If the scenario exceeded the trip cap, then further discussion about land uses would be required to see whether land use adjustments were needed by one or both cities. If the scenario came in within the trip cap or close, Staff anticipated having the plan ready for the Planning Commission's review in the fall.

Comments from the Commission and responses to Commissioners' questions continued as follows:

- Some analyses showed that Tualatin could build out faster than Wilsonville given the lack of residential land in Tualatin, but there also seemed to be a lot of demand for industrial use. Wilsonville was developing a Coffee Creek Urban Renewal Area Plan and would likely have infrastructure projects invested in the Coffee Creek area sooner than originally planned, which could result in development happening along Day Road sooner than was expected. While all this depended largely on the current property owners' plans, the high demand for industrial combined with infrastructure improvements to support that demand should attract industrial development quickly. She believed the areas of both cities along I-5 would develop rather quickly.
- Ms. Bateschell had not been informed of any aggregation happening in the Basalt Creek area, but some property owners already owned large parcels or multiple parcels, and other owners have expressed interest in selling. All of those property owners have been participating in the planning process and most or all attended the public open house.
- Construction had already started on the Phase I of the Basalt Creek Parkway with the 124th extension to Grahams Ferry Road. The project was expected to take three summers, being completed in the summer of 2018, with the final portions of the project consisting of improvements to Tonquin Road and Grahams Ferry Road to Day Road.
 - Ms. Bateschell had requested an update from Washington County today about Phase II, which included the Parkway portion between Grahams Ferry and Boones Ferry Roads. The environmental work was supposed to start this year, but Staff had not heard anything further. Phase II was expected to be completed in about ten years, but the location and alignment for the I-5 overpass was yet unknown.
 - Following Phase I, access to the Basalt Creek Parkway from 124th to Grahams Ferry Road would include full intersections at Grahams Ferry and at 124th and Tonquin Roads. Improvements would also be made to Tonquin Road through this project so gravel trucks could take that route to access Grahams Ferry Road.
 - The Parkway would likely follow the existing Greenhill Road alignment. Housing already existed in the area south of the Parkway and just west of Boones Ferry Road.
- Office space was proposed near the BPA right-of-way rather than warehouse namely due to the size of the parcels and how buildings could be laid out. If enough aggregation occurred, warehouses were possible.

- City Council also discussed how Wilsonville already had an incredible amount of warehousing and that they wanted the City to be on the cutting edge and accommodate the future trajectory of new industries and new building types of models.
 - Additionally, some of Wilsonville's existing warehouse uses had transitioned to other uses, so Council questioned whether additional warehouse uses would be needed in that area.
- If a neighborhood park was built in the Basalt Creek area, it would likely be located in Tualatin's residential neighborhoods. Wilsonville would consider the industrial waysides concept, which was in the Form-Based Code, to provide more pocket park types of facilities. Companies in the area would be responsible for upkeep and maintenance, so that the green spaces were not neglected.
- Given the potential competition for vehicle trips with Tualatin, the City should plan higher density areas to capture its share of needed trips, even if the area did not build out that way.
- Examples of Craft Industrial development could be found in many places. The Hood River waterfront was a particularly good example given the amount of redevelopment and industrial use. Now two- and three-story buildings were being used by Craft Industries with live/work spaces that were also adjacent to a beautiful park, natural resource, and industrial uses. Hood River's scenario was fairly comparable to Wilsonville given the City's ability to maximize the Basalt Creek Canyon as an asset, and having additional industrial employment nearby. Supporting services and retail would also be needed for employees. This land use designation could also enable young entrepreneurs to live and work close to the industries with which they would want to partner. Craft Industrial was also working well in southeast Portland, which was much less dense than other areas, with the blending of single-family residential within a block or two of Craft Industrial spaces. Hood River and southeast Portland were used as examples as Staff considered how the buildings would look and what the area would look like.
- Because the clientele for Craft Industrial space usually sought cheap tenant spaces they could transform or improve themselves, Staff and Council discussed how Craft Industrial could be achieved through new buildings. The idea was not to push the use. As the sites redeveloped, and possibly aggregated, with new buildings being constructed, Craft Industrial would probably not be developed. Craft Industrial could work on existing frontages given the current nature of the parcels today.
 - Incremental development and providing opportunities for current residential buildings to be used for craft businesses had been discussed during the planning process in order to address the concern. The idea was to provide more of a transformation period than before, allowing for interim uses before any wholesale development. For example, one parcel already had a shop, so could that building be renovated into something that produced value for the property owner while enabling them to work and live there? The Craft Industrial area would not likely be one of the first areas to develop. The residential parcels would likely remain longer than other vacant parcels. Once a high-tech employer was in place, these adjacent residential parcels might have more success developing into Craft Industrial or a mix of regular small tenant industrial.
 - As part of its Economic Development Strategy, the City should consider developing specific innovation center or incubator spaces in the Craft Industrial sector that are subsidized for upstart entities, which would move to more expensive spaces as they flourished. Such programs would even be beneficial in attracting high-tech employment.
 - While the Craft Industrial designation could protect the area near the canyon from some types of unwanted development or uses long term, it also provided more flexibility to both existing and future owners of the residential parcels.
- The eastward extension of Day Road shown on the map was part of the planned system and would be a second overpass to be constructed.
- Concerns were expressed about traffic from the Tualatin portion of Basalt Creek having nowhere to go as accessing I-5 to the north and south already had awful congestion issues.
 - DKS Associates did model where the traffic generated within the planning area would go and traffic split more than anticipated. The results of the next analysis, which would include the new trips and land uses, would be brought to the Commission for review.

- At the open house, it was said that 15 percent of the traffic that would use I-5 to cross I-5 would use the new overpasses. The point was that traffic issues were very dependent on how much traffic would use I-5 to get across it by getting on and then off at the next exit. More information was requested about the nuts and bolts of the traffic data.
- People are creatures of habit and one solution to help with traffic problems was to educate drivers about alternate routes.
- With regard to the trip cap issue, land use would be the variable because capacity was constant in the analysis. The project team's analysis would include the vision that each City had and if the trips exceeded the cap, further discussion, including potential City negotiation would occur.
 - In work session, City Council had discussed the potential of using up the City's trip cap in Basalt Creek and the importance of doing some speculative planning to accommodate the future development of the West Railroad Study Area. While a small amount of trips could be allocated to ensure some development, the trip cap was associated with the Transportation Refinement Plan, which had a 20-year planning horizon. Due to the number of development constraints and limited amount of potential development in the West Railroad Area, Staff did not believe the area would develop before that 20-year planning horizon, so typically no trips would be reserved within the trip cap assigned for the shorter planning horizon. Staff wanted to ensure to achieve the desired densities and vision for Basalt Creek, since the area had fewer constraints and was much more viable in the near term.
 - Reserving rights-of-way on either side of the Parkway for additional lanes was suggested to help alleviate long-term traffic issues in the future.
 - Councilor Lehan reminded that Wilsonville dealt with a concurrency issue that led to a moratorium on the trips at the I-5/283 interchange at one point, which required a lot of negotiation that resulted in Fred Meyer allowing Villebois to move forward. Unlike these developments, the cities of Tualatin and Wilsonville had concurrency constraints, and the likelihood that Tualatin would develop faster and use up the trips further another complexity to the negotiation process.

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VII. ADJOURNMENT

Chair Greenfield adjourned the regular meeting of the Wilsonville Planning Commission at 7:43 p.m.

**CITY OF WILSONVILLE
CITY COUNCIL WORK SESSION NOTES
JUNE 6, 2016**

The Wilsonville City Council held a work session on Monday, June 6, 2016 at the Wilsonville City Hall beginning at 5 p.m.

The following City Council members were present:

Mayor Knapp
Councilor Starr
Councilor Fitzgerald
Councilor Stevens
Councilor Lehan

Staff present included:

Bryan Cosgrove, City Manager
Barbara Jacobson, City Attorney
Jeanna Troha, Assistant City Manager
Sandra King, City Recorder

Mayor Knapp called the work session to order at p.m. and convened an Executive Session pursuant to ORS 192.660 (2)(e) Real Property Transactions, ORS 192.660(2)(f) Exempt Public Records, and ORS 192.660(2)(h) Litigation.

Executive Session adjourned at p.m.

Work Session Convened at p.m.

Review Of Agenda

Councilors' Concerns

Pre-Council Work Session

- A. Declaration of Emergency Exercise (Kerber)

- B. Water Treatment Plant Master Plan Update (Kerber/Mende)

- C. Ozone Coalition Letter (Mende)

- D. Wilsonville Road Kinsman Road Truck Turning Radius Results (Kraushaar/Weigel)

E. Basalt Creek Update (Kraushaar)

Ms. Lucini's comments received Monday, June 6th via email are included in the Work Session Notes in their entirety.

"CITIZEN COMMENTS – Please include in the minutes for the Wilsonville City Council Work Session for 6-6-2016 and within the Basalt Creek Concept Planning file.

I am a resident of unincorporated Washington County within the Basalt Creek Concept Planning Area.

Since 2011, I have attended or viewed almost all of the public meetings held on the Basalt Creek Transportation Refinement Planning by Washington County, the City of Wilsonville, and the City of Tualatin. I have done the same for the Basalt Creek Concept Planning meetings by the City of Wilsonville and the City of Tualatin.

On several occasions, I have extended an invitation to the Wilsonville City Council to visit my property to gain first-hand information as to this unique area on which they will determine its eventual fate. The ravine and wetlands which compose a significant portion of the Basalt Creek area are extremely difficult to see from either Grahams Ferry Road or from Boones Ferry Road. As of yet, no members of the Wilsonville City Council have accepted my invitation to see the wetlands and the surrounding area deemed by Metro to contain both Class 1 Riparian and also Class A Upland Habitat.

Within this same area there are many people who have long standing existing homes. One development/ neighborhood with very nice homes – homes which would make any city proud- was built before many of the neighborhoods in Wilsonville including the entire Villebois development, or other neighborhoods such as Arbor Crossing.

1. When our homes were built-- they were appropriately zoned for residential use at that time.
2. Many of us have lived in these homes for 10 or 20+ years.
3. I take a very high interest in my home and the property it sits on. I am working to restore the wetlands on my property.
4. We have the attributes of a neighborhood, but have not been given the same consideration or protections from negative impacts or requirements for "buffering" from the Basalt Creek Transportation plans or Concept Planning.
5. Yet- with the construction of the Grahams Ferry Road- Boones Ferry Connector- a majority of this neighborhood -will be demolished or significantly and negatively impacted with the building of the connector bridge. This neighborhood was not given the same considerations as neighborhoods in Tualatin.

My neighbors and I have no elected representation within the concept planning process- no one to advocate for our homes or our property rights.

After attending the Basalt Creek Concept Planning Open House on April 28, 2016, and reading the "**10 CONSIDERATIONS FOR SUCCESS FOR THE BASALT CREEK CONCEPT PLAN**", I request the Wilsonville City Council consider the following issues.

CONSIDERATION NUMBER 2 -STORM WATER DRAINAGE

1. The area within the natural area west of Boones Ferry Road is within the Willamette Watershed.
 - i. Maps presented at the Open House indicate water runoff from east of Boones Ferry Road will be diverted to drain west or south west.
 - ii. How will contaminated water from streets and sediment which flows into the ravine on the west side of Boones Ferry Road be treated prior to flowing to the Willamette?
2. After viewing the storm water map presented at the Basalt Creek Open House, I have concerns as to where the storm water flow will be directed east of my property on the east side of SW Boones Ferry Road. The map presented at the Open House indicated the flow would be west- towards my property.
3. As project staff may remember during an onsite visit, we discussed the fact we experienced high peak water flow from this area. Our property was flooded from the flow of water from the discharge outlet under SW Boones Ferry Road in May 2015.
4. At the Open House, I did not see any areas within the storm water map set aside for areas designated for
 - i. upstream and on-site retention with *reabsorption*, or
 - ii. for water runoff treatment prior to discharge west ---towards the wetlands on the west side of SW Boones Ferry Road.
 - iii. Planned on site reabsorption which will assist in refilling our local aquifers and also reduce the need for handling of water run off by municipalities prior to discharge into the wetlands and eventually the Willamette River.
5. These elements should be required as part of the concept planning especially when large tracks of currently undeveloped land are being blocked out for zoning and development.
6. The size and scope of proposed developments will require incrementally larger areas set aside for storm water management and by their size may influence how parcels of land can be utilized.

CONSIDERATIONS 4,5, 6, 7, and 8 -- TRANSPORTATION ISSUES

1. Grahams Ferry- Boones Ferry Connector

- a. *A major premise of the Basalt Creek Concept Planning-- is based upon the location of the future connector between Grahams Ferry Road and Boones Ferry Road*
- b. At what point in time will geo technical testing be done on the "basalt 100' island" in the middle of the wetland which is the planned footing for the connector bridge? This island is the primary basis upon which WA County determined the location of the future connector bridge.

- c. It is my understanding that basalt rock and basalt rock formations have varying degrees of density and strength- and not all basalt rock used from nearby quarries can be used in road construction due to internal strength issues.
- d. What happens should the testing of the basalt island prove to be less than suitable for use as the footing for the bridge? If the bridge cannot be built with reasonable cost at the proposed (untested) location – what impact will this have on all aspects of the concept planning?

2. Kinsman Road Extension

- a. At the last Basalt Creek Joint Cities Meeting of both Tualatin and Wilsonville City Councils Meeting- it was discussed and agreed upon that the Kinsman extension north of Day Road would be tabled.
- b. Why is the extension still on the April 28th Open House maps?
- c. If there are still plans for the extension- how will the extension cross the Grahams Ferry -Boones Ferry Connector?
 - i. Proposed design for the connector will require a significantly large V cut into the ridge running north to south.
 - ii. The width of the “V” cut would be wide enough to accommodate a 5-6 lane expressway with bike and pedestrian lanes with all of the supportive infrastructure.
 - iii. The Kinsman extension would have to cross the entire 5-6 lane expressway V cut- either above or below- at a significant cost.
- d. To facilitate better understanding of the impact of proposed roads and the ability to actually implement- I have previously requested the staff provide a topographical overlay in their presentations. I again request this additional topographical information be provided during presentations so that informed decisions can be made with respect to future road locations and other infrastructure changes within the Basalt Creek Area.

3. Access to I-5 at Exit 286- Day Road & Boones Ferry Road Intersection

- a. The intersection and interchange is already congested at peak hours.
- b. During a WA County presentation to the Tualatin City Council in 2012, (on the WA County recommended location for the Grahams Ferry Road/ Boones Ferry Rd Connector) the project engineer acknowledged the anticipated volume of traffic at the Day Road- Boones Ferry intersection, will be 2 ½ times the volume currently seen on the Tualatin Sherwood Highway when the proposed Grahams Ferry-Boones Ferry Connector is built.
 - i. During the April 28th Open House, when there were multiple questions asked about the existing and anticipated congestion at this intersection- the comment that ***we have to get use to waiting for more than one signal change*** does not seem to understand the importance of local knowledge and the magnitude of the current problem.

- ii. Waiting more than one signal rotation is not a generally accepted standard by most municipalities
- iii. Does the City of Wilsonville accept waiting more than one signal rotation at an intersection as an acceptable standard now, and/or in future planning decisions?

CONSIDERATION 9 -BASALT CREEK CANYON

“The Cities recognize the Basalt Creek Canyon natural resource value and will work together to reach agreement on joint management practices for the canyon. The Cities also recognize the benefits of locating north to south trails near the Basalt Creek Canyon and bicycle connections that would connect the cities and other trail systems and be an asset for both residents and employees in the area.”

1. Please keep in mind- the canyon and the wetlands between Grahams Ferry Road and Boones Ferry Road are privately owned by several different property owners.
2. The current tax lots are long and narrow-running east – west. The canyon and wetlands run north and south and are located within the middle of the tax lots.
3. The map presented at the April 28th Open House indicates a public trail along the western edge of my property.
 - a. This location is not adjacent to the wetlands, nor on the same level as the wetlands.
 - b. In light of the recent news articles regarding the Spring Water Trail, I am not extremely interested in creating a similar situation on or along my property unless actions and funding would be provided to monitor the trail at all times of the day- 7 days a week.
4. The wetlands are in the middle of my property- with useable property on the east and west sides of the wetlands.
 - a. If a walking trail is envisioned along the wetlands – it will require the public acquisition of privately owned land from many different property owners.
 - b. If the trails are planned along the wetlands, the trail would cut my property in half, infringe upon my backyard and reduce the private use and enjoyment of my property.
 - c. As I am actively working to restore the wetlands on my property, how would the restored area be protected from misuse or residual pollution from public access?
5. While it might be a desirable marketing tool, providing unlimited public access and trails into sensitive wetlands may not be in the best interest of this significant natural resource.

Please keep in mind, while some of the area being discussed within the Basalt Creek Area is undeveloped land, there are many preexisting homes already established within the area being discussed.

While broad stroke conceptual planning is necessary to plan for future development, consideration should also be given as to how these plans may impact the existing home owners.

I appreciate your consideration of the issues I have presented as you listen to the Basalt Creek Concept Planning Update.

Many of these issues have been presented to the project staff on multiple occasions- and yet the issues remain without resolution.

Respectfully submitted,

Grace Lucini
23677 SW Boones Ferry Road
Tualatin, Oregon 97062”

Work Session adjourned at p.m.

Respectfully submitted,

Sandra C. King, MMC, City Recorder

**PLANNING COMMISSION
WEDNESDAY, MAY 11, 2016
6:45 P.M.**

**Wilsonville City Hall
29799 SW Town Center Loop East
Wilsonville, Oregon**

*06/08/2016
Approved as Presented*

Minutes Excerpt - Basalt Creek

I. CALL TO ORDER - ROLL CALL

Chair Greenfield called the meeting to order at 6:47 p.m. Those present:

Planning Commission: Jerry Greenfield, Eric Postma, Al Levit, Phyllis Millan, Simon Springall, and Kamran Mesbah. Peter Hurley and City Councilor Charlotte Lehan were absent.

City Staff: Chris Neamtzu, Michael E. Kohlhoff, Miranda Bateschell, and Steve Adams

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VII. INFORMATIONAL

A. Basalt Creek Concept Plan (Bateschell)

Miranda Bateschell, Long-Range Planning Manager, noted a presentation on the Basalt Creek Concept Plan and the results from last month's open house were included in the meeting packet. She confirmed nothing further was occurring with regard to Basalt Creek prior to next month's Planning Commission meeting, so there was no urgency in receiving the Commission's input at this time.

Chair Greenfield deferred the Basalt Creek update to next month.

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IX. ADJOURNMENT

Chair Greenfield adjourned the regular meeting of the Wilsonville Planning Commission at 9:35 p.m.

**PLANNING COMMISSION
WEDNESDAY, MARCH 9, 2016
6:00 P.M.**

**Wilsonville City Hall
29799 SW Town Center Loop East
Wilsonville, Oregon**

04/13/2016
Approved as
Presented

Minutes Excerpt - Basalt Creek

I. CALL TO ORDER - ROLL CALL

Chair Greenfield called the meeting to order at 6:07 p.m. Those present:

Planning Commission: Jerry Greenfield, Eric Postma, Al Levit, Peter Hurley, Phyllis Millan, Kamran Mesbah, and City Councilor Charlotte Lehan. Simon Springall was absent.

City Staff: Chris Neamtzu, Michael Kohlhoff, Miranda Bateschell, Eric Mende

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VIII. INFORMATIONAL

A. Basalt Creek Concept Plan (Bateschell)

Miranda Bateschell, Long-Range Planning Manager, said the Basalt Creek team had been moving forward with the recommendations from the December Joint Council meeting, which the Commission was informed about in January. Staff updated the Agency Review Team, which included local agency partners, in February and discussed transit service, open space, parks, and natural areas, as well as looking at connectivity from a multi-modal perspective and the transportation network in the Transportation Refinement Plan. A lot of progress was made on those parts of the Concept Plan which Staff had not previously worked on too much because they had been so focused on development scenarios and boundary options. Staff would continue to refine the information from the meeting and present it to the public to discuss how land uses intersect with transit services, potential pedestrian connections, etc.

- She encouraged the Commissioners to participate in the public open house on April 28, 2016 and engage with all property owners in the Basalt Creek planning area, including those from Tualatin. All property owners in the planning area receive monthly email updates from the project team and would be notified of the open house. Property owners have attended almost all of the joint City Council.
- Staff will seek input from the property owners about parks, open space, and trails at the open house in April. The area had some difficult connectivity issues particularly related to the Basalt Creek Canyon, which limited the ability to provide east/west connectivity in that area and limited access to the parkway, which would have a 102-ft wide right-of-way once built out. Staff was working hard to figure out how to best provide service to the employers, employees, businesses, and to the neighborhood north of the area.
- She would provide the materials and an update on the input received from April's open house at the Commission meeting in May.

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X. ADJOURNMENT

Chair Greenfield adjourned the regular meeting of the Wilsonville Planning Commission at 9:22 p.m.

**PLANNING COMMISSION
WEDNESDAY, JANUARY 13, 2016
6:00 P.M.**

**Wilsonville City Hall
29799 SW Town Center Loop East
Wilsonville, Oregon**

2/10/2016
Approved as
Presented

MINUTES EXCERPT – BASALT CREEK

I. CALL TO ORDER - ROLL CALL

Acting Chair Greenfield called the meeting to order at 6:00 p.m. Those present:

Planning Commission: Jerry Greenfield, Eric Postma, Al Levit, Peter Hurley, Simon Springall, and Phyllis Millan.
City Councilor Charlotte Lehan was absent.

City Staff: Chris Neamtzu, Michael Kohlhoff, Miranda Bateschell

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VII. WORK SESSION

A. Basalt Creek Concept Planning Update (Bateschell)

Miranda Bateschell, Long-Range Planning Manager, presented the update on the Basalt Creek Concept Plan Update and Next Steps via PowerPoint, noting that in December, the Joint City Council of the Cities of Tualatin and Wilsonville identified a preferred jurisdictional boundary for the Basalt Creek Planning Area.

Discussion and feedback from the Planning Commission was as follows with responses by Staff to various Commissioner questions, as noted:

- TDT was the acronym for Transportation Development Tax, and TLT was the Transit Lodging Tax; both were referenced in the Considerations for Success document (Page 4 of 5 of the Staff report). Mayor Knapp presented the Considerations for Success at December 16, 2015 Joint Council meeting and the Joint Council agreed to the document at that meeting. The Transit Lodging Tax was not specifically discussed at that meeting, but would likely be considered. Most of that tax was supposed go to tourism.
- Item 5 in the Considerations for Success document stated that any substantial additional traffic loads from external locations would likely overload the system. A lot of regional traffic was expected from the development of 124th Ave in addition to the parkway. Traffic loads were projected in the study for the 124th Ave Extension, but the external locations mentioned in Item 5 regarded the issue of other regional facilities potentially connecting to 124th Ave, and the regional impacts that might create to this planning area.
 - The Joint Council wanted the Planning Commission to be attentive and aware of this in the event that those discussions took place because it would directly impact the planning area. The Joint Council wanted to be unified on those issues to ensure the planning area was protected moving forward.
 - A transportation model had been done for the planning area with the development projected in terms of the land uses. That study was available for the Commission. Traffic from the planning area was pretty well split between those traveling north and south. Impacts were definitely seen in the 20-year horizon from the 124th Ave Extension that would require upgrades to the City's intersections and to Grahams Ferry Rd, Boones Ferry Rd, and Day Rd.
 - The 124th Ave Extension would pass through the Sherwood industrial area. All the areas adjacent to Basalt Creek had master plans in place, including the Tonquin Employment Area, Southwest Tualatin Concept Plan, and Coffee Creek Basalt Creek would be the last to be master planned. The entire area was approximately 2,000 cumulative acres.

- The study done was done in the spring of 2015, so to avoid the traffic congestion around the new Cabela's shopping area development.
- The 124th Ave Connector was a big concern for Wilsonville. They were intending to route traffic off the Tualatin/Sherwood Hwy south towards I-5 at the Elligsen junction. Including that in the model would be pertinent to the Basalt Creek development because the parkway and 124th Ave Extension went directly through the subject area. The 124th Ave Extension was to relieve traffic through the congested downtown area of Tualatin, not traffic on Tonquin Rd. Having a unified approach between Tualatin and Wilsonville was a challenge due to the Cities' opposing interests in the area with regard to traffic. It would be important to be specific with the traffic caps, although that might not be enough.
 - Washington County's role in the traffic routing was important because Tonquin Rd was a local road and the parkway would be a County road. The County is the lead on the 124th Ave Extension and Basalt Creek Parkway and had the modeling completed and shared the results with the City. The County sits on the Basalt Creek Technical Advisory Board.
- There was a long-term plan for an overpass, enabling the Basalt Creek Parkway to cross over I-5 at Greenhill Lane. The overpass was not shown on the Preferred Jurisdictional Boundary Map, as it was along the planning horizon at Greenhill on the current map's printed boundaries.
- The future Basalt Creek Parkway would split Frontage Road along Boones Ferry Rd and will serve as the dividing line, requiring two access points for the both sides of the residential community.
 - The residential area along Boones Ferry Rd south would remain Wilsonville residential. The City's long-term vision for the area was employment and industrial uses, so the area was anticipated to be some type of employment use. Residential property owners would remain in the County and when they wanted the opportunity to develop into something else that change would occur with a City of Wilsonville annexation.
 - The residential area east of Boones Ferry was pretty small. The full parcel appeared larger, but most of the back sides of the parcels were in the Basalt Creek Canyon and what would be the sensitive resource overlay. The frontage was about 10 acres.
- Staff clarified the locations of the prison, Coffee Creek Area, and Horizon School property, which was in the City of Tualatin on the Preferred Jurisdictional Boundary map (Slide 11). The teal color represented existing City of Wilsonville lands and the white between the teal areas indicated the Coffee Creek Area.
 - Staff reviewed the boundary options discussed to date, confirming the dividing line east of Boones Ferry Rd remained the same throughout the discussion, which was to follow Greenhill Ln, partly due to the anticipated overpass and because it seemed to be a clear dividing line.
- The elevation of the parkway coming over the railroad in the western portion of the planning area would be about 30 ft high. The parkway would return to grade shortly and then rise to about 5 to 10 feet above grade at the BPA easement. The parkway would be about 5 to 10 feet above grade, but would rise to about 20 or 25 feet above grade on a low grade property with drainage, and then return to grade when it hit the Basalt Creek Parkway/Grahams Ferry intersection.
 - Once the parkway was at full build-out, there would be vertical retaining walls on the west side of Grahams Ferry Rd, but for now, it would have side slopes. The parkway would affect the view from either side, almost like a massive berm. Envisioning the road profile in three dimensions and recognizing what a physical barrier the parkway would be in the interim and at final build-out was a turning point for both City Councils with regard to what made sense as a boundary. There was no relationship across it from one side of the other.
- Noting Consideration for Success Item 3, concern was expressed about the City finding some way to have a consistent industrial look on both sides of the parkway; otherwise it would be detrimental to the community. The assumption was that the Form-based Code planning being done on Day Rd would likely to shift to Basalt Creek, so coordinating with the City of Tualatin on look, design, feel, and a concept plan similar to the Form-based Code, even if Tualatin mimicked some of Wilsonville's concepts, would be beneficial to ensure a consistent look. . Even with similar aesthetics, each side of the road could have very different developments.
- With regard to SMART, there was no intention to combine efforts or integrate SMART into Tualatin; however, expanding SMART past the existing Wilsonville city limit was important to Wilsonville for the

success of the Basalt Creek area. The City wanted to ensure employers in Basalt Creek received the services promised to other Wilsonville employers.

- Expanding SMART would require a proposal to TriMet. The two Councils discussed the City of Tualatin willingness to support efforts to work with TriMet or any other entities to get SMART's service expanded in Wilsonville. The City of Tualatin would be responsible for determining TriMet or their own local service within their jurisdictional boundary. Stephan Lashbrook, SMART Director would discuss the process to expand SMART at the next City Council meeting.
- Michael Kohlhoff, City Attorney, explained the petition and withdrawal process involved with TriMet being removed from a territory, which property owners had to support by State statute. TriMet could only be petitioned to be removed from a territory once every five years and this was the fifth year, so the horizon to do the petition fell into the latter part of this summer and fall. Mr. Lashbrook would be presenting that process and timing to City Council. As stated, if Tualatin supported the withdrawal, they would have to consider what that would mean for their city. For businesses in Basalt Creek, there would be a different rate structure because SMART's rate structure was less than TriMet. Although, TriMet would be able to compensate for that, TriMet would need to look at the service currently being provided, what service they could provide in the future, and the subsequent impacts on TriMet's rate base.
 - The prospect of TriMet providing service to SMART's central locations was one of many considerations being discussed in determining how the two transit entities could best cooperate and work toward a complete strategy and plan.
- TriMet was trying to determine whether to have bus service into Portland, and Wilsonville already had a TriMet bus not coming to the transit center. The least expensive option seemed to be for TriMet to continue the route from Commerce Circle to the transit center, rather than SMART coming up with a new bus line.
 - Mr. Kohlhoff noted there were many issues to consider when trying to determine the best approach, such as the prison did not contribute to SMART, and yet TriMet was not serving the prison at all. Mr. Lashbrook was working diligently with respect to all the issues, legislation, etc.
- Considering that the parkway was projected to be dead ended for a while, all the traffic on the parkway would come down Boones Ferry Rd and possibly Grahams Ferry Rd resulting in a huge amount of traffic, especially with the southwest connector. Even if the parkway crossed I-5, there would be no reason to go over I-5 and people would still come south to get onto I-5. A few might use the parkway to access shopping if they could not get through the short way.
 - The Grahams Ferry Rd and Day Rd improvements outlined in the Basalt Creek Transportation Refinement Plan were connected to concerns about that extra traffic and were in the planning horizon.
 - The improvements were part of the concept plan's implementation, which was partly why the City was talking with its partners to the north about getting additional funds directed to Basalt Creek for those improvements. The City wanted to see the majority of the County's TDT directed to those specific projects in the Basalt Creek planning area.
- The extension to Tonquin Rd was omitted from the plan in favor of improvements to Grahams Ferry Rd. Staff was uncertain of the extent of the planned improvements and make the Basalt Creek report available to the Commission. Grahams Ferry Rd would become a major arterial to Day Rd.
- Improvements to the railroad underpass were also identified as projects in the concept plan.
- Staff confirmed the Preferred Boundary would not require the City to install a pumping station in Basalt Creek.
- Next steps included working with the consultant team to scope out how to get to a preferred or final concept plan. One of the first things to be done would be to get public input on the land use and concept plan around the Preferred Jurisdictional Boundary. Additionally, the project team would begin refining the ideas, tools, and implementation actions needed to address the ten considerations to ensure they were integrated into the final concept plan as well as the implementation actions for both cities and other potential parties, for example, if the City pursued using the County's TDT.
 - Staff planned to return in the fall for the adoption of a single concept plan. Both cities would adopt the same Concept Plan, which was expected in the fall, and then each City would have its own

implementing regulations since each city had different existing development codes, so the implementing ordinances and language in each city's code would be unique per city.

- The role of the Planning Commission was still being discussed as Staff worked with the City's partners on rescoping how the concept plan would be adopted. Wilsonville's City Staff envisioned that the Planning Commission would review the Concept Plan in a work session and hold a hearing on the draft Concept Plan prior to City Council's work sessions and hearings.
- Ground had already been broken on the first phase of the Basalt Creek Parkway, and the section from 124th Ave to Grahams Ferry Rd was envisioned being completed in the summer of 2018. Some additional improvements to Grahams Ferry Rd and Tonquin Rd would be part of that project. The County's goal was to finish the section between Grahams Ferry Rd and Boones Ferry Rd in 10 years, and they were currently working on a proposal for the environmental work on that phase.
- The City of Tualatin was the proposer for the project with Metro and received a substantial grant for the Basalt Creek planning, but an intergovernmental agreement was in place between Metro, both cities, and the County, that all the entities would work together on the concept planning and that both cities were responsible for the concept plan. Tualatin was also contributing Staff time.

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X. ADJOURNMENT

Chair Greenfield adjourned the regular meeting of the Wilsonville Planning Commission at 7:50 p.m.

**PLANNING COMMISSION
WEDNESDAY, AUGUST 12, 2015
6:00 P.M.**

Approved
September 9, 2015

**Wilsonville City Hall
29799 SW Town Center Loop East
Wilsonville, Oregon**

Minutes Excerpt - Basalt Creek

I. CALL TO ORDER - ROLL CALL

Chair McGuire called the meeting to order at 6:01 p.m. Those present:

Planning Commission: Marta McGuire, Eric Postma, Peter Hurley, and Simon Springall. Al Levit, Phyllis Millan, Jerry Greenfield, and City Councilor Charlotte Lehan were absent.

City Staff: Chris Neamtzu and Miranda Bateschell

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VI. PRESENTATIONS

A. Basalt Creek Concept Plan update (Miranda Bateschell).

Miranda Bateschell, Long-Range Planning Manager, updated the Planning Commission on the Basalt Creek Concept Plan by presenting the Land Use & Boundary Options via PowerPoint and reviewing the material provided in the Staff report. She noted the colors on the Land Use Alternatives maps (Slide 5) did not represent zoning, but a range of potential development options the market could put there.

- Referencing the All Constrained Lands Map (Slide 12), she explained that many of the constraints were in the West Railroad Area. The dark brown, light green, and light brown colors represented the natural habitat or easement constraints on the sites, resulting in limited development potential. The green areas had some development potential, but the dark brown did not really have development potential. Development was very limited simply due to topographical constraints. She noted two areas on the map that were currently developed, one of which was Knife River, and explained that only one parcel in the West Railroad Area could offer any short-term development opportunity.
- If industrial employment use was desired in the West Railroad Area, getting truck traffic under the railroad overpass would likely be impossible, so serious transportation constraints were also involved.
- In addition, installing sanitary sewer for part of the West Railroad Area was estimated to cost \$3 million to connect to the pump station near Grahams Ferry Rd. Such costs might not be too high with enough development potential, but without that potential, further analysis was needed to determine the return on investment and possible tradeoffs.

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IX. ADJOURNMENT

Chair McGuire adjourned the regular meeting of the Wilsonville Planning Commission at 6:40p.m.

**PLANNING COMMISSION
WEDNESDAY, DECEMBER 10, 2014
6:00 P.M.**

**Wilsonville City Hall
29799 SW Town Center Loop East
Wilsonville, Oregon**

Approved
January 14, 2015

Minutes Excerpt - Basalt Creek

I. CALL TO ORDER - ROLL CALL

Chair Altman called the meeting to order at 6:01 p.m. Those present:

Planning Commission: Ben Altman, Eric Postma, Peter Hurley, Al Levit, Jerry Greenfield, and City Councilor Susie Stevens. Marta McGuire and Phyllis Millan were absent.

City Staff: Chris Neamtzu, Barbara Jacobson, Nancy Kraushaar, Daniel Pauly, Mike Ward

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VIII. WORK SESSIONS

B. Basalt Creek Concept Plan Update (Neamtzu)

Chris Neamtzu, Planning Director, noted the recent Joint City of Tualatin and City of Wilsonville Council work session was a good meeting as both Cities worked to develop the base case scenario to start putting land uses on the ground and developing a transportation network. He reviewed the presentation given at the Joint Council work session on the first Base Case Scenarios for the Basalt Creek Concept Plan via PowerPoint, which was included in the packet, with these key additional comments:

- The Envision Tomorrow software generates outputs and creates different statistics about different land models based on the Base Scenario. The scenarios were considered crash test dummies because if the outcomes received were not satisfactory or realistic, the model could be rerun.
 - Two more scenarios would be developed, where Commission input would be requested to help identify potential land uses, determine if and where retail should be considered, and to help locate jurisdictional boundaries. Public outreach also would be done for each scenario.
- Ultimately, a jurisdictional boundary would need to be determined between the two cities, but for the first Base Case Scenario, the initial city boundary was based on the East-West Connector, which was identified in the 2004 Metro ordinance as being a possible dividing line, as well as in the Basalt Creek Transportation Refinement Plan adopted by both cities after two years of work. The 18 projects in that Plan were all assumed in the Base Case transportation network.
- The Development Codes between the cities are very different. For example, both Office Park/Flex categories could be accommodated in the City's PDI Zone; however, Tualatin has separate zones for each category, using it more as a service commercial zone. Wilsonville would have more of a corporate headquarters configuration with multi-story buildings and no service retail.
 - The land uses would be calibrated to more closely fit the types of development desired and new categories would be created based specifically on Tualatin and Wilsonville input.
 - Tualatin articulated the need for more residential, so the next Base Case would include more housing for Tualatin. Wilsonville's City Council continued to be consistent in its vision since 2004 that Basalt Creek would be an area for jobs.
- He confirmed entire Basalt Creek area was added to the UGB in 2004, but was not coded to either city. Previous UGB additions have been on the City's boundary and assigned to Wilsonville.
 - Basalt Creek was added to "The UGB" and described as being divided through the current process. Annexation could not occur until a concept plan was adopted by both Cities. When the

jurisdictional boundary was agreed upon, the concept plan would be split and each City would adopt a concept plan for their respective side.

- He clarified that trails would definitely be part of the planning, but were not included in the Base Case. A lot of activity and ideas surrounded trails and connectivity.
- Adding more residential to the north had the potential to use more available trips, but no discussion about an equitable distribution of vehicle trips had occurred yet. If there was some equity in land uses, there had to be equity in the distribution of the available infrastructure capacity.
 - The model could generate the separate outputs based on the jurisdiction, such as determining the number of trips north of the dividing line.
 - A significant number of trips would be going to households, and Office Flex and retail were also big drivers of vehicle trips. For industrial, there could be a warehouse with 6 employees on five acres, which was likely to be on the Wilsonville side.
- He was not sure if the forecast for parking spaces (Page 15 of 29) included residential, but he did not believe so.
 - Commissioner Levit believed the number for parking spaces was way too high.
 - Commissioner Greenfield questioned what proportion of the parking spaces would be filled by traffic from I-5 or from the west.
 - Commissioner Hurley suggested considering how many would be for tractor trailers and not commuters.
- The East-West Connector would have limited access with only two intersections, Boones Ferry Rd and Grahams Ferry Rd, having full access. The consultant team was considering ways to cross the Connector with a grade-separated crossing, which would be very expensive.
- Staff sought input about West Railroad Area. He described the land area and its constraints, including that no legal rail crossing currently exists.
- He noted that the Intersection Volume-to-Capacity assumed an overcrossing of the 124th Ave East-West Connector at Day Road, which would relieve congestion at intersections through the Elligsen Rd area. (Slide 28, Page 18 of 29 the Staff report)
- He explained that the East-West Connector could come out at Parkway Center or Canyon Creek Rd, or both, on the east side, but the final location had not been determined. The East-West Connector was a Washington County project currently under design. Nothing had been determined about who would pay for the overcrossings, but it would likely involve many parties.
- He reviewed the Link Volume-to-Capacity, noting that problems were identified at ODOT's on and off ramps. He reminded that the Basalt Creek Refinement Plan included a second I-5 overcrossing, but that important connection was not included in the model because it was planned beyond the 20-year planning horizon.
 - He clarified that ultimately the plan was to go to five lanes on Boones Ferry Rd by 2035.
 - Grahams Ferry Rd was a Villebois access point, which was likely why the southbound segment was orange, however, the thin line indicated low traffic volume. While nearing capacity, as a two-lane roadway, it was not a high capacity street.
- He confirmed wet infrastructure costs would be minimized if the jurisdictional boundary was pushed toward Tonquin Rd, which could eliminate a couple pump stations.
 - The fresh water system would be looped, so it did not matter which city served the area with water. However, Tualatin had a charter provision that did not permit Willamette River water, so comingling the drinking water systems would not be possible today.
 - Capacity of Wilsonville's sanitary sewer treatment plant was a consideration, as far as the amount of capacity the community would want to give up to treat another city's affluent when Wilsonville could attract a wet industry that was optimal from an employment standpoint and wants to preserve capacity of major infrastructure for large industries that would bring good jobs.
- Site specific, well boring information was being sought to better understand where rock masses were located, as this would be a significant cost factor. Perhaps a sampling has been done on Boones Ferry Rd.

- Chair Altman suggested contacting the geology department at Oregon State University which was currently mapping the entire state for earthquake faults.
- He noted the letter from Grace Lucini dated December 7, 2014 that was distributed to the Commission and explained that Staff would work through her questions and provide her some good written responses that would be shared with all the meeting groups.
- He sought feedback from the Commission specifically about the West Railroad Area, land uses, and jurisdictional boundaries.

Discussion and feedback regarding the Base Case Scenario continued amongst the Commission and Mr. Neamtzu as follows:

- West Railroad Area. Constraints included power line easements, a riparian corridor, wetland bottoms, cliffs and shallow soil.
 - Deed it to Oregon Department of Forestry and Wildlife (ODF&W) or Metro Greenspaces as a new wetland as what was done along Hwy 99W.
 - The area's topography included a bit of everything, including portions that are wetland bottom.
 - Use it as a land transfer if so more land could be used in Frog Pond.
 - Such mitigation banks were more complicated than it appeared. A wetland is supposed to be created or improved to receive a land credit. Going through the process to establish a bank was good idea because the area was part of the Metro target area for wetland restoration and enhancement.
 - Not much could be done until something was done with the railroad crossing at Grahams Ferry Rd because realistically, no trucks could get in or out of there.
 - A significant series of cuts and fills would be needed east of Grahams Ferry Rd for the East-West Connector, especially to achieve the required 6 percent grade for freight traffic and to cross the canyon with an 800-ft bridge. Washington County has developed profiles of the needed cuts and fills. The Connector would be at grade at both Grahams Ferry Rd and Boones Ferry Rd.
 - Right-of-way acquisition would be fairly difficult as a lot was needed and much of it followed rear property lines. Properties south of Tonquin Rd were long, deep, rectangular properties. The Connector essentially followed the north and south property lines, which would impact property owners on each side.
 - Land needed for right-of-way was largely farm fields with few structures being impacted.
 - Was the area worth developing, even if Metro approved the land transfer?
 - The railroad crossing prevented trucks from accessing the area. It was a fairly dangerous intersection and sending trucks down a two-lane road was not desirable. No good access point existed toward the north due to limited turning movements, and the high traffic volume expected here. (Base Case Roads Map, Slide 27, Page 18 of 29)
 - A sports complex was suggested for the flat areas, although traffic volumes were a concern.
 - A lot more activity was going on in terms of indoor sports activities in warehouse configurations; however, a good balance was needed between the uses. The City did not have a good way to accommodate a large square footage for indoor recreation in the current system. If there was a site or area that made sense, it could be something worth targeting.
 - The trip generation would be huge, with both off peak and PM peak use, and a lot of parking would be required.
 - With the Form-based Code, locations where recreational respite spots could be located amongst the industrial were desired and the constrained land of the West Railroad Area seemed perfect for that. Recreation could be different in West Railroad where more outdoor/open space/trail types of uses made sense.
 - Make it a recreational area. Some of the land could not be built so put a trail through there, similar to Smith and Bybee Lakes in Portland, then keep West Railroad in the City's park system.
 - Could Cahalin Rd cross under the power lines to access the area?

- While private crossings exist, the railroad was not allowing any new at-grade crossings. A road could go over or under the railroad, but Staff understood the City would have to give up a crossing to get one.
- If the area was a lower grade than Cahalin Rd, a road might be able to go under the railroad; however, going under the railroad would be a constrained opening anyway.
- Expanding the existing under crossing at Grahams Ferry Rd would be less expensive and needed to happen anyway as discussed in the Transportation System Plan (TSP).
- 18-wheeler tractor/trailers use the underpass to get to Pro-Gro already, but they could have difficulty making it up the hill.
- Jurisdictional boundaries
 - Having the East-West Connector as the boundary seemed ridiculousness, at least going westward, simply because of the gravity flows.
 - It seemed to make more sense for Wilsonville to give up some land closer to the east side, near I-5 and let Tualatin come south to encapsulate all the residential that was already planned, and then let Wilsonville extend farther north on the west side for industrial. Wilsonville's boundary could be on the lots just north of Tonquin Rd.
 - Having the City service just one or two pockets of residential seemed counterintuitive, if residential was not in the City's current plan.
 - Discussion at the City Council meeting involved not using the road as a transition between uses, but that might not hold true with a limited access collector, particularly with only two intersections. It was a different situation than Boones Ferry Rd, for example.
 - Traditional planning principles do not advise using roads as boundaries or transitions, though Wilsonville had many areas where roads separate land uses, like Canyon Creek Rd, so it could be done well.
 - There was so much focus on new mixed use and sustainable mixed use planning, but the old archaic plans about land use separation keep being carried forward. In some cases, roads make very good barriers and transition points.
 - It was more an issue of how much cost Tualatin wanted to absorb for infrastructure, which was more their call than Wilsonville's.
- Additional comments included:
 - While decisions would be made by City Council, the Planning Commission's input was important because the Commission would be making recommendations to the elected officials on the Concept Plan and they valued the Commission's input. Mr. Neamtzu would continue updating the Commission because as a body, they provided excellent ideas and would do a lot of the heavy lifting on the Concept Plan. He believed the Commission had an integral role in project.
 - The dirt pile seen in the curve of Tonquin Rd west of the Basalt Creek area on the Base Case Roads map was for stock piling soil and construction debris that was intended to fill the rock quarry pit. The huge holes seen to the south of 124th Ave off of Tualatin-Sherwood Rd would need to be filled to extend 124th Ave.
 - Mr. Neamtzu believed more residential would be seen in the next Base Case Scenario, as well as a boundary farther north to see if the utility costs balanced out better.
 - Assessed value based on building types was another output the modeling software could calculate, so subsequent Base Case Scenarios would include outputs on valuation.
 - Tualatin's Council has been interested in the output of Basalt Creek to see how it compared with the costs. A lot of information would be generated to see how Basalt Creek could be served economically and how it would start balancing out long term, which made sense.
 - The recreation issue continues to be discussed, including indoor recreation, as well as what suite of land uses would be appropriate that the City would want to encourage. The City had a good, flexible industrial zone that allows for a lot of different things, but this was a new area and Wilsonville wants to be on the cutting edge.
 - Given the office flex space north of Tonquin Rd, traffic on Tonquin Rd could potentially go to Tualatin-Sherwood Rd, but otherwise traffic would come to Wilsonville.

- Mr. Neamtzu indicated various traffic routes from the Basalt Creek area, noting it would be interesting to see the trip splits and turning movements from DKS Associates at the intersections.
- The East-West Connector/I-5 overcrossing was projected beyond the 20 year horizon, but everything else would be built within the next 20 years so the I-5 crossing was important now. Residents from the multi-family proposed in Basalt Creek using Boones Ferry Rd could not access the freeway until Tualatin-Sherwood Rd and had to deal with all the stoplights. Traffic from the multi-family units would syphon south to the N. Wilsonville Rd exit, so waiting 20 years for a crossing that might alleviate that congestion made no sense.
 - Mr. Neamtzu reiterated that East-West Connector/I-5 overcrossing was projected to be built beyond the 20-year horizon.
 - Restrictions on the distance between freeway interchanges were largely uncontestable. The reasons for the one-mile standard were evident considering the Carmen Dr interchange.
 - None of it would matter if traffic was syphoned south to the N. Wilsonville interchange. A different I-5 problem was just being created because ODOT did not want to build another interchange.
 - The only way to get something fixed was if it was broken, which would not take long.

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X. ADJOURNMENT

Chair Altman adjourned the regular meeting of the Wilsonville Planning Commission at 9:22 p.m.

PLANNING COMMISSION
WEDNESDAY, AUGUST 13, 2014
6:00 P.M.

Wilsonville City Hall
29799 SW Town Center Loop East
Wilsonville, Oregon

Approved
October 8, 2014

Minutes Excerpt - Basalt Creek

I. CALL TO ORDER - ROLL CALL

Vice Chair McGuire called the meeting to order at 6:02 p.m. Those present:

Planning Commission: Marta McGuire, Eric Postma, Al Levit, Peter Hurley, Phyllis Millan, Jerry Greenfield, and City Councilor Susie Stevens. Ben Altman was absent.

City Staff: Chris Neamtzu, Barbara Jacobson, Nancy Kraushaar, Katie Mangle, and Mike Ward

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VI. WORK SESSIONS

A. Basalt Creek Concept Plan (Mangle)

Katie Mangle, Long Range Planning Manager, presented via PowerPoint a synopsis of the Basalt Creek Concept Plan presented at the Joint Wilsonville and Tualatin City Council meeting in July. Copies of that full presentation were also distributed to the Commission for reference. More specific details about the work being done and the input received were included in the Commission's meeting packet. Her key additional comments and responses to questions from the Commission were as follows:

- No one anticipated having quarries or similar heavy industry in the industrial areas of Basalt Creek. Wilsonville has a long history of clean industrial, flex spaces and industrial mixing with offices use. As the project begins developing alternatives, articulating the types of industrial uses allowed and especially, any potential impacts resulting from different types of industrial would be important.
- Those participating in the mapping exercise made very astute observations about the relationships between different land uses and what constituted a buffer. Everyone understood the importance of determining the type of use that would be assigned to the lands near the residential areas to the north and that it was a sensitive edge. The benefits of having a good industrial neighbor were also recognized; for example, the industrial area across Canyon Creek Road from the residential area where Xerox was maintaining the large green space.
- Both City Councils were working very well together, and it was clear each was committed to a collaborative process.
- In light of the material presented, Staff sought input from the Commission about the characteristics the project team should consider when developing land use scenarios, which would begin after the Joint City Council meeting in September.

Discussion and feedback from the Planning Commission was as follows with responses by Staff to Commissioner questions as noted:

- Was a more practical analysis expected from developers and businesses? The maps show constrained areas but some land areas, while not technically constrained, were practically constrained.
 - For example, the area near Grahams Ferry and the railroad tracks were continually being shown as potential commercial or industrial development, but the awkward railroad crossing with the low overpass

prevented large trucks from crossing the railroad. This could be a practical constraint as far as what could be done in that area, which could decrease marketability.

- Another area involved the hill in the middle of the area, which was shown as developable, but due to the cost of building infrastructure up the steep hill, building there might be impractical.
- Ms. Mangle explained that the consultant team was hired to develop digital scenarios and the Constraints Map removed any land with 25 percent slope and above. The graphically-illustrated scenarios presented to the community would show no development would occur in those areas, but that some development would be assumed on areas with a 10 percent slope. The consultants' digital scenarios would also be created from databases that were tied into development, such as return on investment, and market-based assumptions set by the market study and discussions with developers. These digital scenarios would result in an intelligent map however, the modeling and illustrating had not occurred yet.
 - She confirmed further analysis was yet to come. Fortunately, the digital plans would be easier to modify and refine as such information was included to get to a higher level of detail. The existing maps and information presented was laying the groundwork for future efforts.
- Issues had been discussed previously about potential conflicts with the Tonquin Trail going through the industrial land of the Basalt Creek area. The Tonquin Trail alignment was shown as a purple dotted line on the Transportation Refinement Plan (Page 11, paper copy of Joint Council PowerPoint). Except for one small section, the majority of the Tonquin Trail would fall outside the concept area; however decisions were yet to be made about the northern trail sections going into Tualatin. Tualatin was still working on the trail's alignment to the Southwest Tualatin Concept Planning Area. Wilsonville had firm alignments of the trail's placement in the south portion of Basalt Creek running through the west railroad area, crossing the Coffee Creek Causeway and going up to Sherwood.
- No state mandated restrictions were involved with the Coffee Creek Correctional Facility, which participated in one of the focus groups and had no concerns about development. Representatives of the facility talked more about their needs as a major employer in the area, such as needing transit service for their employees. The correctional facility was fairly up to capacity, but did not see any need to expand its need for land for development.
- The development emphasis in Basalt Creek has been jobs and industrial development, so the amount of residential (shown as yellow chips on Workshop Maps in the PowerPoint) designated by some workshop participants during the map exercise was surprising. Were target percentages set for the amount of residential and industrial use in Basalt Creek, or was that being left open for the development of the scenarios?
 - No target percentages have been set, but assumptions have been used, especially with regard to what the Cities have asked Metro to assume for the regional traffic modeling and growth projections. These assumptions were used by both City Staffs based on guidance from the respective Councils.
 - Wilsonville's Staff reviewed several City policies, including the Economic Opportunity Analysis, Comprehensive Plan and different agreements with Tualatin and Washington County. Wilsonville's assumption had always been that Basalt Creek would be a job center for Wilsonville; there has been no history of discussion about having residential in Wilsonville's portion.
 - When the area was brought into the urban growth boundary (UGB), the presumption, though not a requirement, was that the dividing line would be near the East-West (E-W) Connector; however the E-W Connector was a bit farther south than originally presumed ten years ago.
 - The dialogue about the balance between residential and jobs would be important for the Tualatin community to discuss as the Tualatin City Council had discussed interest in both at different times.
 - Seeing yellow chips south of the connector might make sense depending on whether the Basalt Creek Area was developed in isolation or as an extension of the community.
 - Given Wilsonville's centric perspective and Comprehensive Plan, having an isolated Wilsonville neighborhood north of the industrial areas would be a big departure from the Wilsonville vision and would require an important discussion with the community.
 - Many people at the workshop were thinking about Basalt Creek being a complete community, so seeing the amount of residential yellow chips made sense; however, it was important input into the process, not alternatives to be voted upon.

- Mr. Neamtzu added that in retrospect, one weakness of the public workshop was that sideboards were not added to the map exercise to better shape that outcome. At the last joint work session of both City Councils, Metro provided a history lesson about the 2004 ordinance and the assumptions that lead to the decision regarding residential and industrial uses in Basalt Creek. Reestablishing that groundwork was helpful but map exercise participants would not have that knowledge going in and he wished that history would have been introduced.
- Guiding Principle 4 sounded as if a small, complete community would be created, but as the project was framed for the Commission, the focus was to create an industrial hub that would generate jobs. Having the same area also support a quality neighborhood could be challenging given the infrastructure that would be required to support that industrial base. Everyone involved needed to be continually reminded of that framing in order to continue on the same path.
- The Guiding Principles were developed by Staff based on discussion at the first Joint City Council meeting in October 2013 and presented to the Joint Council in July. No concrete feedback or editing was directed to Staff but some comments were that there were too many principles, some principles seemed obvious, and perhaps the principles should focus on the Joint Council's attitude about five or so key important questions, so it was a work in progress.
- The concept of a complete community did not need to be in either jurisdiction entirely.
- The workshop provided the team and both communities with very helpful information that interest and some need exists to have a retail center that serves the existing neighborhoods, new neighborhoods, and the employees of the industrial neighborhoods in Basalt Creek, which was important to hear. Attendees lived in the area and in the southern part of Tualatin and had extraordinary creativity and interest in seeing a variety of uses in the area, including mixed use and retail.

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IX. ADJOURNMENT

Vice Chair McGuire adjourned the regular meeting of the Wilsonville Planning Commission at 7:38 p.m.

PLANNING COMMISSION
WEDNESDAY, MARCH 12, 2014
6:00 P.M.

Wilsonville City Hall
29799 SW Town Center Loop East
Wilsonville, Oregon

Approved
April 9, 2014

Minutes Excerpt - Basalt Creek

I. CALL TO ORDER - ROLL CALL

Chair Altman called the meeting to order at 6:02 p.m. Those present:

Planning Commission: Ben Altman, Eric Postma, Jerry Greenfield, Al Levit, and City Councilor Susie Stevens. Marta McGuire arrived after Roll Call. Peter Hurley and Phyllis Millan were absent.

City Staff: Chris Neamtzu, Barbara Jacobson, and Katie Mangle

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VII. WORK SESSIONS

A. Concept Planning Update

Katie Mangle, Manager, Long Range Planning, explained the work sessions were meant to ensure the Planning Commission was briefed and understood two major projects getting underway this month. She sought input from the Commission about the Commission's role in each planning process. The Planning Commission would recommend the final draft plan to Council for adoption, but it was important to determine how and when the Commission should participate during the planning processes.

- Basalt Creek Concept Plan

Ms. Mangle presented the Staff report related to Basalt Creek via PowerPoint with these key comments:

- Displaying a map different than that provided in the packet, she noted the Basalt Creek Planning Study Area was shown in blue and included an area often called West Railroad. The area was within the Urban Growth Boundary (UGB) but was unincorporated and neither the City nor the County had done any planning for it. Over the next 18 months to two years, the City of Wilsonville would work in partnership with the City of Tualatin to develop one plan that would be implemented separately by the two cities. While some multi-jurisdictional planning efforts had taken place in the region, she did not believe anything quite like this had been done before, where two cities were almost equal partners in engaging an initiative.
- Key questions that would be considered regarded what uses would exist and where residential, industrial and open space would be located. An array of residential and industrial would probably exist, but who would provide different services and where the city boundary would be were uncertain.
- The consultant team on the project was Fregonese Associates, a local firm that used a package of GIS-based, high-tech evaluation tools called Envision Tomorrow. Using the high-tech tools would allow for different alternatives to be visualized and return on investment results to be generated. At one public open house this summer, people would be able to use some of the tools to have an interactive, high-tech experience.
- The City of Tualatin was managing the consultant and was the recipient of the Metro grant funding the project. Wilsonville Staff was following their lead in many ways. Staff from both cities have been

meeting weekly for several months and have built a solid partnership moving into the project. The consultants were starting to map existing conditions and Staff was developing the contact list and reaching out to property owners. No advisory committee or task force would be involved on the project, but people could get involved in an array of different ways, including one-on-one interviews. This decision was made by both Councils, because the project was pretty complex, in terms of decision-making, with both Cities having to jointly make many decisions. For Basalt Creek, the City Councils, both individually and meeting jointly, would be much more involved, hands-on, than was typical for this type of process. In addition to obtaining briefings, they would meet jointly to make decisions with each Council relying on their Planning Commissions to provide recommendations along the way. Most firsthand information would be obtained from workshops and interviews, instead of a typical, bulleted summary list from information that has gone through a different committee. The Councils have requested that they receive more of the raw material along the way which will assist the two bodies as they make decisions together. Some decisions could be difficult to make and this approach would allow them to feel on top of the project, close to the work, and close to peoples' comments as well.

Staff addressed questions from the Commission and provided additional information as follows:

- She clarified that the grey area on the map was already part of Tualatin
- The Transportation Refinement Plan (TRP), which set the major east/west connector, was completed about a year ago and would not be revisited during this project. Although there was no plan for the area, people who owned property or had interest in the area had been through many planning processes or capital projects, including the Boones Ferry Road Project and Tualatin Southwest Concept Planning Area. Moving forward, Staff would want to be clear about what the project was and was not doing. Even though the County was beginning to invest in the area, this concept planning was long-term, and it would be a long time before the area was ready for infrastructure and development.
 - The County was starting another project for the north/south portion of 124th Ave, which would be designed and constructed during the Basalt Creek process. The County might have funds to begin purchasing right-of-way for the east/west part of that project, but that project would not be constructed for some years. Staff would need to be careful regarding how they helped people through each conversation as planning work was occurring on both projects.
- The boundary between the Basalt Creek and Tualatin Southwest Concept Planning areas was established via two separate UGB expansions processes. The Southwest Tualatin Concept Plan area was added in 2002 and the Basalt Creek area was added to the boundary in 2004. The plans were contiguous and planning from the Southwest Tualatin Concept Plan area encroached into the Basalt Creek area, clear down to the northern boundary of the Coffee Creek Correctional Facility. At the time, the City of Tualatin assumed the area would be part of their community, without having a discussion between the two cities. That boundary had since been moved back to where the original UGB expansion processes originated and everyone agreed the division of the Basalt Creek area would occur via this planning. The Southwest Tualatin Concept Planning area was entirely Tualatin's to serve and in which to provide industrial development.
- With regard to where the cities' boundaries would ultimately be located, the term "jurisdictionally blind" would be used throughout the planning process. Everyone hoped the data analyses and planning would show where a logical line existed and that the decision would be easy once facts were present. The issue was raised in the joint Council work session. The area needed to be planned jurisdictionally blind, looking for that answer at the appropriate time, and not be driven by acreages, numbers, or specific geographies, because that was a temptation.
 - Historically, the alignment of the east/west connector was the boundary. Staff had reasons to believe that having each city with different land use controls on opposite sides of such an important roadway might not make sense.
 - A map displayed the watershed for the area with light grey shading indicating the water flow to the Willamette River and very little water flowing north to the Tualatin River. The map was one example of why further analysis was needed before city boundaries could be determined as grades, gravity and water flow must be considered to determine where sewer service made sense, who would be the provider, etc.

- Basalt Creek would be a mix of residential and industrial. The City of Wilsonville's objective was to obtain more industrial land, but residential made sense in some areas because of grades and other conditions.
 - Tualatin was all residential north of the study area. Tualatin might try to extend residential, but it was an open question because the area also abutted the Tualatin Southwest Concept Planning area, which was industrial and there were industrial uses in the Tonquin area. Different people would likely have different opinions.
 - A small retail center would be considered for serving southern Tualatin neighborhoods and industrial areas.
- The diagram on Page 17 of 19 was reviewed that illustrated the process, scope and how the planning project would proceed, as follows:
 - Currently, the process was in Task 1: Project Launch. The diagram identified tasks that consultants and Staff would undertake, key public involvement activities, and how the project would interplay with joint Council meetings, which implied that Council would be asked to make decisions to lock in assumptions before moving forward. Planning Commission meetings were not shown, but would be added to the diagram once the Commission's level of involvement was discussed.
 - Tentative dates were not yet available for the workshop, but the consultants were developing the project calendar, which included a lot of review times and the critical path for working toward the workshop. The public event was another open house. The workshop would involve the interactive high-tech tools.

Ms. Mangle noted that unlike the Transportation System Plan (TSP), where the Planning Commission processed most of the information and then presented it to Council at key points, City Council would be very involved and doing some of the "heavy lifting" themselves on the Basalt Creek Concept Plan. However, City Council also believed it was important that the Commission continue in its role as land use and transportation advisors, though monthly work sessions would probably not be held as done for other projects. She asked the Commissioners for ideas about how they saw the Commission's role in this planning process; were there particular areas of the project that the Commission wanted to focus on or would regular briefings on the planning process be suitable?

Feedback and discussion from the Commission about the Planning Commission's involvement in the Basalt Creek Concept Plan were as follows:

- The basic arterial roads have been determined, so the work would involve land use allocations and determining what standards might be different than what was currently being used. The structure of the project seemed upside down. Perhaps Staff should tell the Commission where it fit in the process.
- Down the road, the Commission would want to discuss whether the Coffee Creek/Day Road Code was to be extended into Basalt Creek. Was it envisioned that some of the potential Form Based Code (FBC) from Coffee Creek would be extended to the industrial portions of Basalt Creek? If mixed-use scenarios were considered, it seemed almost essential to have something different than the current Development Code.
 - Mr. Neamtzu agreed the discussion regarded applying FBC to Coffee Creek and then having the ability to make that judgment at some point in the future. The FBC project had been side boarded to focus its application on Coffee Creek for purposes of thinking about it through the exercise. FBC would be perfectly appropriate for Basalt Creek and other districts in the future, or even including it as a part of redevelopment in the City's regular industrial use areas. All of those options were on the table and possible in the future.
 - Because Day Road had Basalt Creek on one side and Coffee Creek on the other, it was always envisioned that whatever happened on Day Road would be consistent on both sides of the street. While it was uncertain whether Day Road would become a part of Wilsonville yet, if Day Road became something different than just a standard FBC, it would have applicability in the Basalt Creek Plan as it related to the north side of the street.
- Ms. Mangle noted Task 4: Alternative Scenarios (Page 17 of the Staff report) and said it would be great to have Planning Commissioners participating in the workshop, which was where the vision for the

project would be formed. Many items that the Planning Commission typically had opinions on would be discussed.

- The Commission would participate in the workshop first and then follow up with discussion after the workshop and before the Joint Council Meeting took place. Updates would be provided periodically at regular meetings and Staff would tailor their level of effort to the Commission's interest. The Commission would make note of when they wanted to be more involved on a particular issue, if appropriate.
- Requirements in the State statutes and City Code related to the Planning Commission's role were typical and would come later in the process. A public hearing would be held at the end of the process and the Commission would make a recommendation to City Council regarding whether the concept plan should be adopted. The question was what would allow the Commission to have the level of comfort required to make a recommendation to Council when the public hearing was held in two years.
- The Planning Commission would have to be present or do something before the key decision points for the Joint Council in order to provide input; otherwise the Joint Council would tell the Commission their decision, resulting in little for the Commission to do.
 - When this process was discussed with Council, several Councilors said to make sure the Planning Commission was advising them. Council wanted to be very involved in the process, but also valued the Planning Commission's active role.
- Task 4 should be sequenced in terms of when activities occurred and where the Commission fit in. The outcome appeared to be some direction from Council, so that flow was needed in there somewhere.

Ms. Mangle summarized that Staff would plan on regular briefings, with the possibility of joint work sessions with City Council. Consultants could also be invited to inform the Planning Commission meetings about key points. She agreed the joint work sessions with Council should occur before each of the decision-making meetings between the two cities. She confirmed Staff would continue to work on the sequencing.

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X. ADJOURNMENT

Chair Altman adjourned the regular meeting of the Wilsonville Planning Commission at 7:21 p.m.

**PLANNING COMMISSION
WEDNESDAY, NOVEMBER 13, 2013
6:00 P.M.**

**Wilsonville City Hall
29799 SW Town Center Loop East
Wilsonville, Oregon**

Approved
December 11, 2013

Minutes Excerpt - Basalt Creek

I. CALL TO ORDER - ROLL CALL

Chair Altman called the meeting to order at 6:01 p.m. Those present:

Planning Commission: Ben Altman, Eric Postma, Marta McGuire, Peter Hurley, Phyllis Millan, and City Councilor Julie Fitzgerald. Al Levit arrived right after Roll Call. Ray Phelps was absent.

City Staff: Chris Neamtzu, Barbara Jacobson, Nancy Kraushaar, and Katie Mangle

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VIII. INFORMATIONAL ITEMS

A. Basalt Creek Concept Plan update

Chris Neamtzu, Planning Director stated the kick-off meeting had been good and anyone interested could review the tape of the meeting. Many engaged citizens attended, including property owners, many of whom were concerned about transportation improvements; those living in nice homes, who were tracking the project closely; and business owners in the southwest Tualatin Concept Plan area and not within the geographic boundaries of the study area who were interested in how the planning related to their operations; as well as interested developers in the area. Having a lot of public involvement on the concept plan was guaranteed.

- He and Ms. Mangle were working with Tualatin's city staff to finalize a scope of work with the consultant team. He was apprehensive to put a timeline on it as two cities were involved as well as two committees. Each community was on different levels as far as information needs, so it would be a challenging process from a coordination standpoint.
- The Consulting team of Fregonese Associates with CH2M Hill was in the negotiation process for the contract. The firm had an exciting interactive model-building tool, "Envision Tomorrow" software, which allowed for multiple scenarios to be developed relatively rapidly with outputs for different kinds of returns on investment.

Ms. Mangle added Councilor Fitzgerald had mentioned the subcommittee that City Council was forming to help define the decision-making process. Questions included whether there would be a steering committee, what form it would take, and whether to include Planning Commissioners or City Councilors on the subcommittee. Staff had not yet decided how much or in what capacity the Planning Commission would be involved. She was somewhat protective of the Commissioners' time because of the upcoming work on the Frog Pond and Advance Rd areas, but was aware of the desire to be engaged in the Basalt Creek project.

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IX. ADJOURNMENT

Chair Altman adjourned the regular meeting of the Wilsonville Planning Commission at 7:25 p.m.



BASALT CREEK CONCEPT PLAN

Attachment 6: [Metro Resolution and Meeting Packet](#)

File path:

<https://www.ci.wilsonville.or.us/sites/default/files/fileattachments/planning/page/84121/c.bc.record.attachment.06.metro.resolution.and.meeting.packet.pdf>



BASALT CREEK CONCEPT PLAN

Attachment 6: METRO Resolution and Meeting Packet

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF RESOLVING A) RESOLUTION NO. 18-4885
DISPUTE BETWEEN THE CITY OF)
WILSONVILLE AND THE CITY OF) Introduced by Chief Operating Officer Martha
TUALATIN REGARDING THE CONCEPT) Bennett in concurrence with Council
PLAN FOR THE BASALT CREEK PLANNING) President Tom Hughes
AREA)

WHEREAS, in 2004 Metro adopted Ordinance No. 04-1040B, which amended the Urban Growth Boundary to add 1,940 acres of land to satisfy an identified regional need for industrial land, including approximately 646 acres located between the City of Tualatin and the City of Wilsonville that is now known as the Basalt Creek Planning Area; and

WHEREAS, in 2007 Metro awarded a \$365,000 grant of construction excise tax funds to the cities of Tualatin and Wilsonville to undertake concept planning for the Basalt Creek Planning Area; and

WHEREAS, in 2011 Washington County, Metro, and the cities of Tualatin and Wilsonville entered into an Intergovernmental Agreement (IGA) that outlines the requirements and responsibilities of the parties regarding their coordinated efforts toward adopting a concept plan for the Basalt Creek Planning Area; and

WHEREAS, under the 2011 IGA, all parties must agree regarding the jurisdictional boundary between the cities and the planning designations in the concept plan before the county may transfer planning authority to the cities to facilitate future annexation and urban development; and

WHEREAS, between 2013 and 2016 the two cities engaged in a joint concept planning process for the Basalt Creek Planning Area, but reached an impasse in 2017 regarding the appropriate planning designation for a 52-acre portion of the planning area known as the “Central Subarea,” and asked Metro to take on the role of arbitrating their dispute; and

WHEREAS, on January 22, 2018 the two cities, Metro, and Washington County entered into an IGA that assigns Metro the task of creating a process for arbitrating the dispute between the cities and reaching a decision regarding the appropriate land use designation for the Central Subarea; and

WHEREAS, Metro created a special process for the arbitration wherein the Metro Chief Operating Officer (COO) agreed to accept written evidence and argument from the cities and county prior to issuing a written recommendation to the Metro Council that would be reviewed by the Council in an “on the record” proceeding; and

WHEREAS, the 2018 IGA and the arbitration process created by Metro recognize that Metro’s decision as arbitrator does not itself result in the adoption or amendment of any land use plan or map, and will not have any land use effects unless and until it is implemented by the cities through future city land use decisions that will be appealable to LUBA; and

WHEREAS, the Metro COO reviewed the evidence and argument submitted by the cities, Washington County, and two property owners, and issued her written COO Recommendation to the Metro Council on March 26, 2018 recommending that the cities should designate the Central Subarea for future employment use; and

WHEREAS, the Metro Council reviewed the COO Recommendation and all of the evidence that was placed in the record before the COO, and at the Council meeting on April 19, 2018 voted unanimously to approve the COO Recommendation; now therefore,

BE IT RESOLVED that:

1. The Metro Council approves the COO Recommendation and agrees that the cities should designate the 52-acre Central Subarea of the Basalt Creek Planning Area for employment purposes, as depicted on the Basalt Creek Land Use Concept Map attached to the COO Recommendation as Exhibit C.
2. The Metro Council adopts the COO Recommendation dated March 26, 2018, attached as Exhibit A to this Resolution and incorporated herein, as the Council's findings and conclusions in support of this decision.
3. The Metro Council also adopts the Supplemental Findings attached as Exhibit B to this Resolution and incorporated herein as the Council's supplemental findings and conclusions in support of this decision.

ADOPTED by the Metro Council this 3 day of May 2018


Tom Hughes, Council President



Approved as to Form:



Alison R. Kean, Metro Attorney

EXHIBIT A TO RESOLUTION 18-4885

Chief Operating Officer Recommendation to the Metro Council Regarding the Basalt Creek Planning Area

This is my recommendation to the Metro Council concerning the appropriate land use designation of a 52-acre portion of the Basalt Creek Planning Area known as the “Central Subarea,” which is identified in Figure 1 below. A decision by Metro on this issue is contemplated by the Intergovernmental Agreement (IGA) among Metro, the City of Tualatin, the City of Wilsonville, and Washington County creating a process for Metro to resolve the dispute between the two cities regarding whether the Central Subarea should be planned for employment or residential use. My recommendation is that the Central Subarea should be designated as an employment area, as shown on the Figure 1 map.

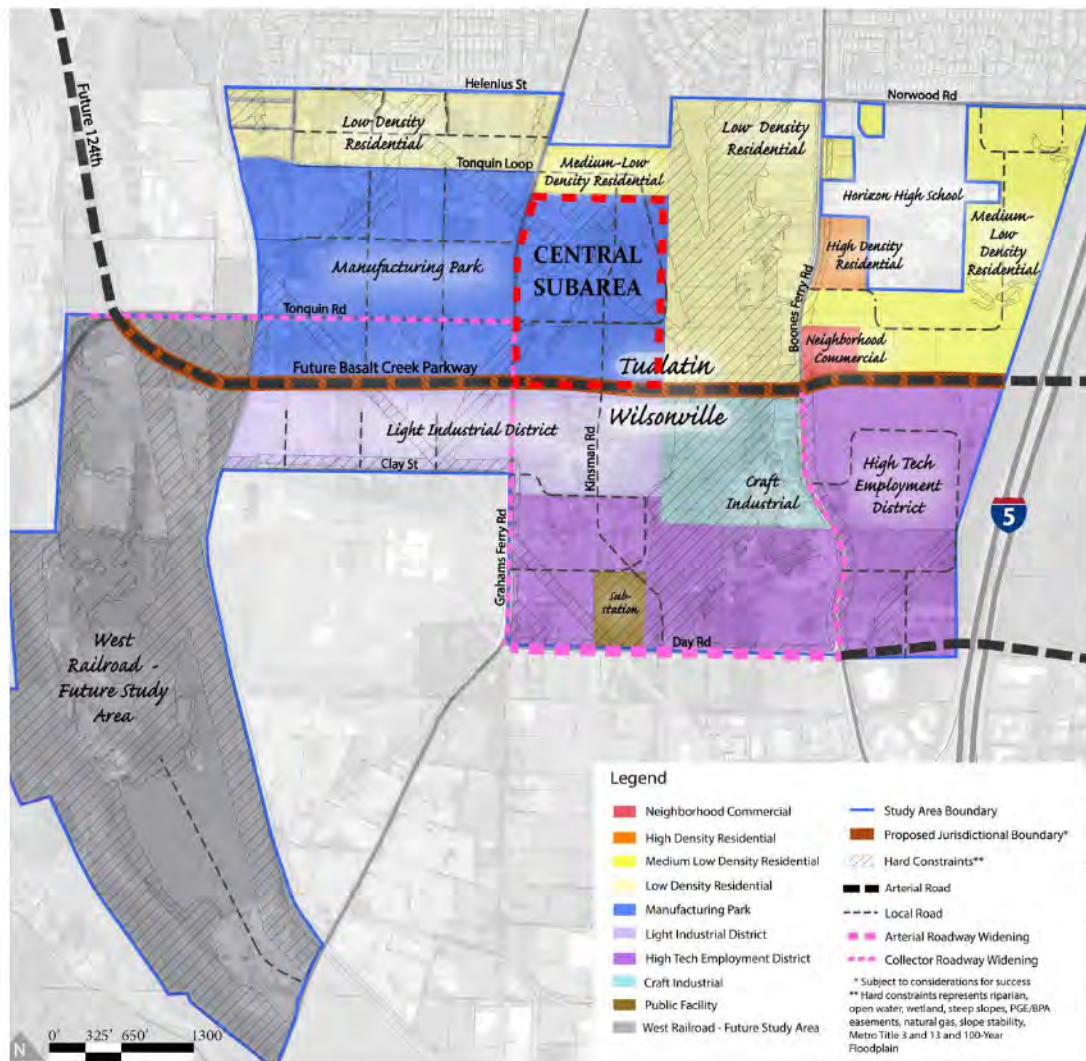


Figure 1: Basalt Creek Land Use Concept Map (Sept. 2016)

EXHIBIT A TO RESOLUTION 18-4885

A. Process

In 2017 the cities of Wilsonville and Tualatin reached an impasse regarding concept planning for a 52-acre portion of the Basalt Creek Planning Area known as the “Central Subarea” and asked Metro to take on the role of arbitrating their dispute. To that end, the cities, Metro, and Washington County entered into an IGA in January of 2018 that assigns Metro the task of making a final and non-appealable decision regarding the appropriate land use designation for the Central Subarea. The IGA is attached as Exhibit A and provides:

“Metro will have sole discretion to determine what to call this decision making process, where and when to hold the process, who Metro will appoint to make the decision, a briefing schedule, whether or not to hear oral argument, and ground rules that must be adhered to by the cities and county throughout the process.”

The process created by Metro began with the issuance of a staff report to the COO on February 21, 2018, which recommended an employment designation. The cities and the county then had until March 7, 2018 to submit written argument and evidence in support of their positions. The cities and county were provided an additional seven days to submit arguments and evidence in rebuttal to the first round of materials.

In addition to the materials submitted by the cities, Metro received a letter from the Chair of the Washington County Board of Commissioners in support of retaining the employment designation and stating concerns regarding Tualatin’s proposal to add more residential land in an area that has long been planned for industrial and employment use. Metro also received submittals from Herb Koss and Peter Watts, who own property within the Central Subarea and are advocating for a residential designation. Those two submittals include materials that had been provided to the two cities during the concept planning process.

After reviewing all of the documents provided by the parties and relevant regional planning materials, it is my conclusion that an employment designation for the Central Subarea is: (1) more consistent with the planning goals and expectations of the local government stakeholders over the last 14 years; and (2) supported by the greater weight of evidence in the record.

The Metro process calls for the Metro Council to review this recommendation and deliberate to a decision regarding whether to accept, reject, or modify it. The Council’s

EXHIBIT A TO RESOLUTION 18-4885

review will be based on the record of written materials submitted by the cities, county, and Metro staff. The Council will then adopt a resolution memorializing its decision and directing the cities to prepare concept plans consistent with Metro's final decision and with Title 11 of the Urban Growth Management Functional Plan. In the IGA, the cities agree that they will accept Metro's final decision and adopt corresponding concept plans.

B. Basalt Creek Planning History

1. 2004 UGB Expansion

The Basalt Creek Planning Area was added to the UGB as part of a 2004 expansion for industrial and employment purposes. Metro had previously expanded the UGB in 2002 to add 17,458 acres of land, with 15,047 acres added for residential purposes and 2,411 acres for employment. In the 2002 decision, Metro acknowledged that the amount of land being added for employment purposes was not sufficient to meet the identified 20-year need, and therefore requested that the Land Conservation and Development Commission (LCDC) assign a new work task that would allow Metro to complete its work and accommodate the region's need for industrial land. *See* Exhibit P to Metro Ordinance 02-969B. LCDC approved the majority of the decision, and returned the matter to Metro with instructions to satisfy the unmet 20-year need for industrial land.

Metro responded in 2004 by adopting Ordinance No. 04-1040B, the stated purpose of which was "to increase the capacity of the boundary to accommodate growth in industrial employment." That decision expanded the UGB to include 1,940 acres of land for industrial use, including the 646 acres now known as the Basalt Creek Planning Area between the cities of Tualatin and Wilsonville. The Metro Council adopted the following findings in support of adding the Basalt Creek area to the UGB:

"The Council chose this area because it is exception land (rural residential and rural industrial) with characteristics that make it suitable for industrial use. It lies within two miles of the I-5 corridor and within one mile of an existing industrial area, and portions of the area are relatively flat. These characteristics render it the most suitable exception area under consideration for warehousing and distribution, a significant industrial need facing the region." Metro Ordinance 04-1040B at Exhibit G, page 17.

During the Metro proceedings, the City of Tualatin and some of its residents expressed concerns about compatibility between future industrial uses in the Basalt Creek area and residential neighborhoods at the south end of the city, and about preserving the opportunity to choose an alignment between Tualatin and Wilsonville for the then-

EXHIBIT A TO RESOLUTION 18-4885

planned connector between Interstate 5 and Highway 99W. In response, the Metro Council adopted the following condition of approval:

“2. Title 11 planning shall incorporate the general location of the projected right of way alignment for the I-5/99W connector and the Tonquin Trail as shown on the 2004 Regional Transportation Plan. If the selected right-of-way for the connector follows the approximate course of the ‘south alignment,’ as shown on the Region 2040 Growth Concept Map, ... the portion of the Tualatin Area that lies north of the right-of-way shall be designated ‘Outer Neighborhood’ on the Growth Concept Map; the portion that lies south shall be designated ‘Industrial.’” Metro Ordinance 04-1040B at Exhibit F, page 3.

A copy of the 2004 version of the 2040 Growth Concept Map showing the two proposed alignments for the I-5/99W connector is attached as Exhibit B. That exhibit also shows the locations of the Central Subarea and the Basalt Creek Parkway. The Metro Council adopted the following findings describing the purpose of the condition:

“Second, the Council states that, so long as the alignment for the Connector falls close to the South Alignment shown on the 2040 Growth Concept Map, it will serve as the buffer between residential development to the north (the portion least suitable for industrial uses) and industrial development to the south (the portion of the area most suitable for industrial use).” Metro Ordinance 04-1040B at Exhibit G, pages 17-18.

2. Local Concept Planning

In 2007, Metro awarded a \$365,000 CET Grant to the cities of Tualatin and Wilsonville to perform concept planning for the Basalt Creek Planning Area. In 2011 the cities, Metro, and Washington County entered into an IGA that outlines the requirements and responsibilities of the parties regarding their coordinated efforts on the Basalt Creek concept plan. The IGA defines a decision-making process that requires all four parties to agree to the final decisions about the jurisdictional boundary between the two cities and the appropriate land use designations for the entire area.

The concept plan was put on hiatus from 2011 to 2013 while transportation planning issues for the larger South County Industrial Area were being resolved via the Basalt Creek Transportation Refinement Plan. The stakeholders concluded that it was important to address transportation issues for the area prior to any industrial development occurring. As part of that transportation planning effort, the Basalt Creek Parkway was one of several options identified as critical to the success of the transportation system. The

EXHIBIT A TO RESOLUTION 18-4885

Parkway was seen as one of the vital connectors for truck traffic from the Tonquin and Southwest Tualatin Industrial areas to the north down to Interstate 5, in order to mitigate the traffic impacts on Tualatin-Sherwood Road and the Tualatin Town Center.

Upon completion of the Basalt Creek Transportation Refinement Plan in 2013, the cities of Wilsonville and Tualatin resumed their concept planning efforts, utilizing Metro's CET grant funds. In December of 2015, the City Councils of Wilsonville and Tualatin reached an agreement regarding a jurisdictional boundary between the cities, delineated by the Basalt Creek Parkway. Further work between the cities resulted in a "Preferred Basalt Creek Land Use Map" in September of 2016, which designated the majority of the area north of the Basalt Creek Parkway in Tualatin, including the Central Subarea, with a Manufacturing Park zoning classification. Exhibit C.

3. Summary of Dispute

In October of 2016, a property owner in the Central Subarea presented the City of Tualatin with a proposal to change the designation of the subarea from employment to residential. The property owner asserted that the area is not well suited for employment uses due to topography and geologic conditions. In support of this proposal, the property owner submitted a request from OTAK to amend the Preferred Basalt Creek Land Use Map, stating a concern that the Central Subarea would be difficult to develop for employment purposes due in part to the existence of slopes in excess of ten percent. The property owner also submitted letters from other development professionals stating that the site topography is too challenging for industrial development and is better suited for smaller footprint buildings such as housing. Tualatin Brief, Exhibit 108.

At a Tualatin City Council work session on October 10, 2016, the City Council directed planning staff to consider the property owner's request as proposed by OTAK. The matter came back to the City Council on November 28, 2016. The Tualatin planning department staff report for that meeting noted that the OTAK proposal to amend the concept plan "includes substantially more residential land uses in the central subarea" than had been previously discussed, and recommended rejecting the property owner's proposal and retaining the proposed employment designation: "After consideration of OTAK's proposal and all of the above factors together, staff believes the central subarea can be developed for employment over the long-term. While there are some hilly areas, the Manufacturing Park designation can be made flexible enough to include some smaller scale employment uses." Wilsonville Rebuttal Brief, Exhibit G.

EXHIBIT A TO RESOLUTION 18-4885

In response to the property owner's testimony to the City of Tualatin in October of 2016 regarding the unsuitability of the Central Subarea for employment uses, Washington County hired Mackenzie development group to undertake an independent study regarding the viability of employment uses in that area. The study was completed in January of 2017 and concluded that employment uses are viable in the Central Subarea, specifically for flex business park, office campus, manufacturing, and commercial support services. Wilsonville Brief, Exhibit G.

In February of 2017, the Tualatin City Council directed their staff to proceed with changing the designation of the Central Subarea from employment to residential. In March of 2017, the City of Wilsonville hired the engineering firm KPFF to evaluate the feasibility of development for employment uses in the Central Subarea. The resulting KPFF feasibility study provided three different scenarios for viable employment development, taking into consideration the slope and geologic composition of the site. Wilsonville Brief, Exhibit D.

Under the 2011 IGA regarding concept planning for the Basalt Creek Planning Area, all parties must agree regarding the jurisdictional boundary between the cities and the land use designations. Since the cities cannot agree, the area cannot be planned or annexed by either city. The cities asked Metro to act as an arbitrator and resolve the dispute.

ANALYSIS

A. Planning Goals and Expectations of Local Government Stakeholders

The planning history of the Central Subarea and the planning expectations of local government stakeholders lean heavily in the direction of an employment designation. The area was brought into the UGB by Metro in 2004 as part of an expansion for the purpose of meeting a regional need for industrial land, and the entire Basalt Creek Planning Area is designated on Metro's Title 4 map as a future industrial area.

Although the 2004 UGB expansion decision did contemplate that some portions of the Basalt Creek Planning Area could become residential, the relevant condition of approval and findings (quoted above on page 3) drew a line at the location of the south alignment of the proposed I-5/99W connector and stated that areas north of that line, closer to the City of Tualatin boundary, are more appropriate for residential use, while areas south of that line (including the Central Subarea) are more appropriate for industrial use.

As noted by the City of Wilsonville in its brief, the City of Tualatin has already designated a substantial portion of its share of the 2004 UGB expansion area for

EXHIBIT A TO RESOLUTION 18-4885

residential development. Without removing the employment designation from the Central Subarea, 91 the 194 developable acres in Tualatin's portion of the Basalt Creek Planning Area are designated as residential. Those 91 acres include flat land adjacent to Interstate 5 at the eastern edge of the planning area between Norwood Road and the future Basalt Creek Parkway that appear to be ideal for employment purposes. Wilsonville Brief, Exhibit A. If the Central Subarea designation is changed from employment to residential, Tualatin will have designated 65% of its developable land in the planning area for residential purposes.

Evidence in the record indicates that the City of Tualatin strongly advocated for an employment designation in the Central Subarea during the concept planning process until the end of 2016, when the property owner and OTAK proposed the change to residential. Wilsonville Brief, Exhibit A and Exhibit C at page 6; Wilsonville Rebuttal Brief, Exhibit I. Evidence in the record also shows that the City of Tualatin moved the proposed jurisdictional boundary between the cities farther south in order to provide more employment opportunities for Tualatin. Minutes from the Tualatin City Council work session on August 24, 2015 state:

“Mayor Ogden stated he did not believe the mix of residential and industrial in this option [boundary option 3] is a good value for the people who live in Tualatin. This mix creates more trips in turn creating more congestion. He understands the need for residential capacity but does not believe it should be done at the exclusivity of other options. His recommendation would be to move the boundary line further down to accommodate for job producing land options creating a more balanced growth option.

“Council Bubenik would like to see more land in this option converted to light industrial.

“Council President Beikman expressed dissatisfaction with boundary option three. She stated boundary option three removes all industrial land and converts it to residential leaving no room for job growth.” Wilsonville Rebuttal Brief, Exhibit A.

As a result of this direction from the Tualatin City Council regarding the city's desire for more employment land, Tualatin planning staff generated a new Boundary Option 4, which moved the boundary between the two cities south to Tonquin Road and changed the designation of the Tualatin portion of the Central Subarea from residential to

EXHIBIT A TO RESOLUTION 18-4885

employment. Wilsonville Rebuttal Brief, Exhibit C. Planning staff then presented Boundary Option 4 at the joint meeting between the two city councils on December 16, 2015. Wilsonville Rebuttal Brief, Exhibit D.

At the December 16, 2015 meeting, the two city councils agreed that the boundary line between the two cities should be moved even farther south, to the future location of the Basalt Creek Parkway. Tualatin Reply Brief, Exhibit 128. The City of Wilsonville argues that there was an express agreement between the cities at the December 16, 2015 joint meeting regarding an employment designation for the Central Subarea. The City of Tualatin disagrees, noting that the stated purpose and outcome of the meeting was limited to the agreement regarding the location of the jurisdictional boundary, and that future land use designations were not included as part of the presentation to the two city councils. Tualatin Reply Brief, Exhibits 128, 129 and 130.

The City of Tualatin appears to be correct that there was no formal agreement or vote taken by the two cities at the December 16, 2015 joint meeting regarding land use designations. However, the evidence, and common sense, support the City of Wilsonville's contention that its agreement regarding the jurisdictional boundary was based in part on the Tualatin City Council's position regarding Tualatin's need for more employment land, and that Wilsonville would not have agreed to cede more land to Tualatin if it was proposed to be residential.

There is no dispute that the Tualatin City Council directed its staff to move the city boundary south to Tonquin Road because it believed Tualatin was not being provided enough employment land for future job growth in the city. That directive resulted in Boundary Option 4, which changed the Tualatin portion of the Central Subarea from residential to employment. At the same December 16, 2015 joint meeting where Tualatin's Boundary Option 4 was presented to the two city councils, the councils reached agreement on a boundary location even farther south, at the Basalt Creek Parkway. Given Tualatin's push to move the boundary south in order to provide itself with more employment land, there was no reason for Wilsonville to think that Tualatin was going to change its proposed employment designation for the Central Subarea to residential. Although there was no vote or other formal action taken at the December 16, 2015 joint meeting regarding land use designations, the evidence supports a finding that Wilsonville's agreement regarding the jurisdictional boundary was premised on its belief that areas north of that boundary would remain in an employment designation as proposed by Tualatin on December 16, 2015. As stated by Wilsonville Mayor Tim Knapp at a city council work session on March 20, 2017, "Our prior offer to set the boundary at the parkway is contingent on the rest of that agreement that has, apparently, disappeared.

EXHIBIT A TO RESOLUTION 18-4885

So the proposal to put the boundary at the parkway is no longer operative.” Wilsonville Rebuttal Brief, Exhibit I, page 2.

Since 2016, Washington County has objected to changing the employment designation based on the county’s planning expectations and related transportation investments in the Basalt Creek Planning Area. The March 5, 2017 submittal from the Chair of the Washington County Commission states:

“Our position remains consistent with my letter to Mayor Ogden and members of the Tualatin City Council dated October 27, 2016, wherein I expressed the concerns of the Board of County Commissioners regarding potential increases in the amount of residential units proposed in the Tualatin side of the Basalt Creek Concept Plan. The County supports the planned employment uses in this area and has invested over \$65 million in the construction of the new 124th arterial to leverage future economic development in the area.”

A copy of the county’s October 27, 2016 letter is attached as Exhibit D. That letter provides, in relevant part:

“We believe this area to be prime future industrial land needed to support the regional economy. In 2013, Washington County, City of Tualatin, City of Wilsonville, and Metro acknowledged the Basalt Creek Transportation Refinement Plan. This plan identified transportation infrastructure needed to support this future industrial area. We have moved forward in support of this agreement with construction of the new 124th arterial to leverage future economic development. We believe that eliminating industrial land beyond what the latest concepts show would be a big mistake for the economic health of South County and counter to our agreement.”

The Basalt Creek Transportation Refinement Plan Recommendations from 2013, attached as Exhibit E, supports the assertion of Washington County that an important function of the planned Basalt Creek Parkway (also referred to as the SW 124th arterial) is “supporting industrial access from the Tonquin, Southwest Tualatin, and Basalt Creek Planning Areas.” Exhibit E, page 2. This planning objective is also reflected in Metro’s 2014 Regional Transportation Plan (RTP), which describes the recommended alternative to the I-5/99W connector proposal as follows:

“The recommended alternative ... is based upon the principle that it is preferable to spread the traffic across three smaller arterials rather than one

EXHIBIT A TO RESOLUTION 18-4885

large expressway. The analysis concluded this approach could effectively serve the traffic demand, would provide better service to urban land uses in the Tualatin/Sherwood area, especially industrial lands, and could be built incrementally based upon need to serve growth and revenue availability.”

“* * * * *

“Since completion of the I-5/99W Connector Study, Washington County led the Basalt Creek Transportation Refinement Plan along with Metro, ODOT, and the Cities of Tualatin and Wilsonville. The purpose of this refinement plan was to determine the major transportation system to serve the Basalt Creek Planning Area. The plan sets the stage for land use concept planning and comprehensive plan development for the Basalt Creek area. The need to plan for the future transportation system was driven by future growth in the Basalt Creek area itself as well as almost 1000 acres of future industrial development targeted for surrounding areas.” 2014 RTP, pages 5-21 and 5-22.

The relevant transportation planning documents for the Basalt Creek Planning Area indicate that one reason for abandoning the I-5/99W connector proposal was to create a better plan for transportation connectivity for planned industrial development in the area. As noted by Washington County in its March 5, 2017 letter, a primary purpose of the \$65 million investment in the planning and development of the Basalt Creek Parkway is to support future economic development from planned employment areas in the Basalt Creek Planning Area. The City of Tualatin’s decision to add more residential land to the sizeable areas it has already planned for residential is not consistent with the county’s planning expectations and investment in the Basalt Creek Parkway arising out of the agreement reached by the local governments in the Basalt Creek Transportation Refinement Plan.

B. Consideration of the Cities’ Arguments

1. Consistency with Condition of Approval on 2004 UGB Expansion

The City of Tualatin contends that the Central Subarea must be designated for residential purposes under the condition of approval attached to the 2004 UGB expansion in Metro Ordinance 04-1040B. Tualatin asserts this is because the condition requires all areas north of the Basalt Creek Parkway to be designated “Outer Neighborhood.” However, the condition refers to the south alignment of the proposed I-5/99W connector and not to the Basalt Creek Parkway:

EXHIBIT A TO RESOLUTION 18-4885

“2. Title 11 planning shall incorporate the general location of the projected right of way alignment for the I-5/99W connector and the Tonquin Trail as shown on the 2004 Regional Transportation Plan. If the selected right-of-way for the connector follows the approximate course of the ‘south alignment,’ as shown on the Region 2040 Growth Concept Map, as amended by the portion of the Tualatin Area that lies north of the right-of-way shall be designated ‘Outer Neighborhood’ on the Growth Concept Map; the portion that lies south shall be designated ‘Industrial.’” Metro Ordinance 04-1040B at Exhibit F, page 3.

The map below (also attached as Exhibit B) shows the location of the Central Subarea and the Basalt Creek Parkway overlaid on the 2040 Growth Concept Map from 2004 with the proposed north and south alignments for the I-5/99W connector. As shown on this map, the south alignment is located along the northern boundary of the Central Subarea.



Figure 2: Central Subarea and Basalt Creek Parkway overlaid on Metro 2040 Growth Concept Map (2004 version)

In reviewing the cities’ arguments on this issue, it is important to note that the I-5/99W connector concept was abandoned by the stakeholders in favor of spreading traffic across three smaller arterials. Therefore the two alternative connector alignments have been removed from the current 2040 Growth Concept Map. As a result, the significance of this condition of approval is limited, since the proposed connector will never exist. Tualatin contends that the Basalt Creek Parkway should be treated as if it were the connector because it “follows the approximate course” of the south alignment, consistent with the condition of approval. Therefore, Tualatin argues, the Parkway must serve as the buffer

EXHIBIT A TO RESOLUTION 18-4885

between industrial development to the south and residential to the north, as stated in the Metro Council findings explaining the condition of approval:

“Second, the Council states that, so long as the alignment for the Connector falls close to the South Alignment shown on the 2040 Growth Concept Map, it will serve as the buffer between residential development to the north (the portion least suitable for industrial uses) and industrial development to the south (the portion of the area most suitable for industrial use).” Metro Ordinance 04-1040B at Exhibit G, pages 17-18.

However, the Basalt Creek Parkway and the previously proposed I-5/99W connector are not interchangeable facilities. As stated in the above-quoted portion of the 2014 RTP, the recommended alternative to the I-5/99W connector “is based on the principle that it is preferable to spread the traffic across three smaller arterials rather than one large expressway.” 2014 RTP, page 5-21.

More importantly, the location of the Basalt Creek Parkway is sufficiently south of the proposed connector’s south alignment that it cannot reasonably be considered the “approximate course” of that alignment. Tualatin argues that the distance is only approximately 1800 feet, or one-third of a mile. However, shifting the entire length of a proposed roadway project by one-third of a mile is not an insignificant change. Also, as pointed out by Wilsonville in its brief, the amount of acreage that would be changed from industrial to residential as a result of shifting the alignment that far south is significant – the residential acreage would increase from 110 acres to 380 acres. Wilsonville Rebuttal Brief at Exhibit F, page 2.

This highlights a flaw in Tualatin’s argument – if the condition of approval still applies as the city contends, and is interpreted so that the Basalt Creek Parkway is the equivalent of the I-5/99W connector and therefore must separate industrial uses to the south and residential to the north, then 100% of the approximately 200 acres of employment land in Tualatin’s portion of the planning area would need to be converted to residential. Wilsonville Rebuttal Brief at Exhibit H. This is an outcome that has never been contemplated by any party to this decade-long planning process, and would create further obstacles and disputes among the cities, county, and Metro regarding planning for the Basalt Creek area.

The part of the Metro Council’s 2004 UGB expansion findings regarding the location of the proposed south alignment that is more relevant today is that the Council identified the area north of the proposed alignment as being the least suitable for industrial use, and the

EXHIBIT A TO RESOLUTION 18-4885

area to the south as being the most suitable for industrial use. As shown on the map above (and attached as Exhibit B), the location of that proposed alignment follows the northern boundary of the Central Subarea.

In conclusion, the 2004 condition of approval does not support Tualatin's argument that the Central Subarea must be designated for housing. However, the 2004 Metro Council findings do indicate that Metro's UGB expansion decision identified the area south of the proposed I-5/99W connector, including the Central Subarea, as "the area most suitable for industrial use."

2. Suitability for Industrial/Employment Development

The primary reason stated by the City of Tualatin for changing the Central Subarea planning designation from employment to residential was that the area is too steep and too rocky to be developable for employment purposes. This issue was initially raised in testimony from a property owner in the Central Subarea, who hired OTAK to prepare and submit a request for an amendment to the concept plan that provides a bullet-point list of concerns, along with a slope analysis and a proposal for residential development in the subarea. The three concerns identified in the OTAK document are topography, access, and the fact that the subarea abuts the Basalt Creek Canyon. Tualatin Exhibit 108.

The property owner also submitted four one-page letters from development professionals at Brian Copton Excavating, Real Estate Investment Group, PacTrust, and Ken Leahy Construction stating that development of the Central Subarea for employment purposes would be "very difficult," "very inefficient," "uneconomic," and that the area is generally better suited for residential use due to its topography, rockiness, and access limitations. Wilsonville Brief, Exhibit H.

In response to this testimony, Washington County hired Mackenzie development group to undertake a study regarding the viability of employment uses in the Central Subarea. The study was completed in January of 2017 and provides a slopes map, an estimation of development area acreage for employment purposes, and a conceptual employment use concept plan. The Mackenzie report acknowledges that there are development constraints on the site, noting that nearly a third of the site consists of slopes greater than 10%, which are generally considered undevelopable for employment purposes. The report states that "of the 63 gross acres, approximately half of the site (about 37 acres) may be suitable for employment development, if slopes ranging above 5% to 10% can be mitigated." Wilsonville Brief Exhibit G, page 3. The report provides an employment use concept plan showing 40% developable area and approximately 315,000 square feet of building

EXHIBIT A TO RESOLUTION 18-4885

area, and goes on to conclude that employment uses are viable in the Central Subarea, specifically for flex business park, office campus, manufacturing, and commercial support services.

The Mackenzie report includes two incorrect assumptions that undercut the evidentiary value of the report's concept plan and conclusions. First, Mackenzie mistakenly included the 11-acre property to the north of the Central Subarea as part of its study, and located two buildings and an access road in that location in its concept plan. That property has been agreed upon as a future residential area and is not part of the dispute between the cities. It also includes some of the flattest terrain in the area, so its inclusion in the Mackenzie study skews the conclusions regarding total developable area. Second, the Mackenzie concept plan shows a public road access point onto the Basalt Creek Parkway, which is not correct due to the limited access nature of that facility. However, the Mackenzie report does have evidentiary value in that it describes land suitability factors for employment development, identifies the locations of the best developable areas within the Central Subarea for employment purposes, and identifies types of employment uses that could be located in those areas.

After the Tualatin City Council directed staff to change the designation of the Central Subarea from employment to residential in February of 2017, the City of Wilsonville hired the engineering firm KPFF to undertake a study evaluating the feasibility of development for employment uses in the Central Subarea. The KPFF study provides a comprehensive evaluation of the site, including environmental constraints, slopes, rock location and excavation, grading, and site access. Based on that evaluation, the KPFF study identifies three different "schemes" for employment development of the Central Subarea. The three schemes offer differing intensities of development, based in part on the level of desired protection of open space areas in the northern portion of the site. Scheme A shows a total building area of 480,000 square feet, Scheme B shows a total building area of 594,800 square feet, and Scheme C shows a total building area of 781,350 square feet. The KPFF study concludes as follows:

"Various employment opportunities can be accommodated on the site from larger industrial facilities such as Building A to smaller craft industrial facilities such as Building E. The slope on the site is conducive to the stepped and smaller buildings such as Buildings E and C. These buildings could provide office space as well as smaller craft facilities that can include breweries, textiles, pottery and metal works. Not only will these facilities increase the employment opportunities in the area but they also fill a need for providing space to support local artists and craft industry. As indicated

EXHIBIT A TO RESOLUTION 18-4885

in the three schemes there is flexibility on the site to use a variety of building types and footprints. This feasibility study has validated through the test fits that the area can be developed to increase employment opportunities in the region. As a result, other land uses were not analyzed for feasibility since the area is designated as a regional employment area.”

“The site does pose some grading challenges which will require the use of stepped foundations and retaining walls as indicated and discussed. This is not unexpected in the region and the use of retaining walls and stepped footings has been done in other projects locally as indicated by the included images. The cost for accommodating the grade changes is higher than if the project site were completely flat, but it is not out of line with development on similar types of sites. Infrastructure costs such as construction of new roadway and utilities are required for all greenfield sites and would be required to develop the feasibility study site regardless of the intended use.”
Wilsonville Brief, Exhibit D, page 28.

Metro is presented with a situation where there is conflicting evidence in the record regarding the viability of employment uses in the Central Subarea. Metro’s decision on this issue must be based on substantial evidence in the record, which is legally defined as evidence a reasonable person would rely on in making a decision. In reaching that decision, Metro may consider the weight and credibility of the relevant conflicting evidence and decide which evidence it finds to be more persuasive in reaching its decision.

After reviewing all of the relevant evidence in the record, and evaluating its comparative weight and credibility, the greater weight of more credible evidence supports a conclusion that it is feasible to develop the Central Subarea for employment purposes. The evidence indicates that, although the Central Subarea may not be a likely candidate for a large industrial facility, there is sufficient developable area on the site for multiple buildings housing smaller employment uses, as depicted in the Mackenzie and KPFF studies, such as office, flex business park, manufacturing, and craft industrial.

The best evidence in the record regarding the viability of employment uses in the Central Subarea is the KPFF study, which provides an independent and highly credible professional analysis of potential employment uses on the site, and concludes that although there will be some challenges and costs associated with grading and excavation that would not exist if the site were totally flat, those costs are “not out of line with development on similar types of sites.” Wilsonville Brief, Exhibit D, page 28. The KPFF

EXHIBIT A TO RESOLUTION 18-4885

study also provides photo examples of other projects in the Metro region where grading and retaining walls have been used to allow employment development in similarly sloped areas.

The property owner advocating for a residential designation has not provided a similarly thorough and independent professional study of the site. The OTAK materials provide topographic and slope maps that appear identical to those provided by Mackenzie and KPFF, and state the uncontested fact that the site contains slopes in excess of 10% and 25% that are unlikely to be developable. However, as noted in the Mackenzie study, those portions of the Central Subarea that contain slopes of less than 5% may be readily developed, as well as those areas between 5% and 10% with more significant grading. OTAK expressly agreed with this aspect of the Mackenzie analysis. Wilsonville Brief, Exhibit H, item #9. The Mackenzie and KPFF studies each show those locations where employment-related buildings may be developed, including areas with slopes up to 10%. The OTAK memorandum goes on to make two inconclusive statements regarding access and the presence of the Basalt Creek Canyon, which have little evidentiary value. Tualatin Brief, Exhibit 108.

The record includes four one-page letters from individuals in the construction and real estate professions, written at the request of the property owner, generally stating their opinions that the Central Subarea is not well suited for employment uses due to topography, rockiness, and limited access. None of these letters include or reference the type of detailed and site-specific evidence provided in the analysis undertaken by KPFF. Two of the letters state that large industrial or flex buildings would not be viable due to the size of their footprints, but do not appear to consider the types of smaller employment uses identified by KPFF and Mackenzie. The common theme of the letters is that development of the site for employment purposes will be expensive due to grading and excavation costs, followed by conclusions that those higher costs will make future development “inefficient” or “uneconomic,” but providing little or no direct evidence supporting those opinions.

Taking a step back, the question properly before the cities, and now Metro, is a *planning* question regarding what would be the best type of use in this particular location in the future, given the long-range plan for the area. The question is not whether the Central Subarea will be developed tomorrow, or even in the next three years, for employment purposes. Accordingly, testimony that raises potential concerns about site-specific development issues, and particularly economic feasibility, is necessarily less relevant in reaching a determination as to whether an employment designation is appropriate. In reaching a decision regarding a land use planning designation for future development, a

EXHIBIT A TO RESOLUTION 18-4885

local government is not required to demonstrate that there is a particular development plan for the property that could occur immediately.

The KPFF study demonstrates that it is feasible for the Central Subarea to be developed for employment uses. The study acknowledges that it will be more challenging (and expensive) than if the area were flat, but states that the resulting costs are not out of line with existing development on similar sites. As noted by the City of Wilsonville in its brief, employment properties in the region that are easy to develop have largely been developed already, requiring developers and local governments to become more innovative and flexible regarding the siting of employment uses. The importance of local government flexibility was recognized by City of Tualatin planning staff when it concluded that the Central Subarea could be developed for employment uses: “While there are some hilly areas, the Manufacturing Park designation can be made flexible enough to include some smaller scale employment uses.” Wilsonville Rebuttal Brief, Exhibit G,

The property owner also submitted three letters from engineering and planning firm CES/NW that are of higher evidentiary value than the other materials relied upon by the City of Tualatin, in that the CES materials include a more objective and evidence-based analysis than letters that primarily state opinion-based conclusions. The first letter, dated February 10, 2017, raises similar issues regarding slopes and access points; however, it is primarily aimed at critiquing the Mackenzie concept plan, which as acknowledged above includes incorrect assumptions regarding access and developable acreage. Those errors are correctly pointed out in the CES letter.

Since the flaws in the Mackenzie plan are now known, and it has been essentially superseded by the more detailed (and accurate) KPFF study, the subsequent CES letter dated May 18, 2017 is more relevant because it provides a direct review of the KPFF study and conceptual development plan. The letter from CES focuses on the preferred Scheme B and makes an estimate regarding the amount of grading that would be required and the associated costs of that grading plus necessary retaining walls. Significantly, one conclusion of the CES letter is that “we feel the proposed grading plan is possible.” Tualatin Brief, Exhibit 113. Thus, the consultants hired by the property owner admit that it is *possible* for the Central Subarea to be graded for employment use. The issue posed by CES is not physical feasibility; it is how much it would cost. The CES letter estimates \$10.5 million for grading and \$1.2 million for retaining walls. However, the letter does not provide any evidence or conclusions regarding whether or why those expenses would render development of the site economically infeasible. This letter has evidentiary value

EXHIBIT A TO RESOLUTION 18-4885

for the amount of money that could be required to grade the site, but not for a conclusion that grading costs would render development economically infeasible.

The question of economic feasibility is more directly addressed in the next letter from CES, dated July 20, 2017, the primary point of which is to compare residential development to employment development in the Central Subarea given its site constraints. But again, that letter stops short of saying that employment development is not feasible: “Add rock excavation at six to ten times the normal cost of grading to the excessive amount of grading required, and this property *may not be* economically feasible to develop.” Tualatin Brief, Exhibit 114 (emphasis added). This letter provides evidentiary support for the proposition that it will be more expensive to develop the Central Subarea for employment than residential, and that excavation and grading costs *could* make it economically infeasible. But it does not directly support the conclusion asserted by the City of Tualatin that developing the site for employment use “is not economically feasible.” Tualatin Brief, page 6.

In its brief, the City of Tualatin also challenges certain assumptions and conclusions in the KPFF study. Tualatin notes that all three potential development schemes depicted in the KPFF study “have office space as the predominant use, not industrial.” Tualatin Brief, page 11. Office space is an employment use and the debate here is about whether the site is appropriate for employment purposes, which of course could include industrial but are not limited to industrial. Tualatin also argues that the KPFF study concludes that “the area is useful, at best, for ‘split elevation’ office use.” Tualatin Brief, page 5. The City of Wilsonville provided the following response from KPFF engineer Matt Dolan, which more accurately describes the study’s conclusions: “To the contrary, the study suggests that a different building type could be utilized in areas with steeper slopes and does not suggest this approach for the entire area. All of the scenarios and building typologies imagined in the study support employment opportunities within the study area....” Wilsonville Rebuttal Brief, Exhibit K.

Tualatin also notes that the office buildings include “split elevations and access at varying levels to accommodate grade,” and then asserts “[a]s explained by an industrial/employment developer, stepped floors are not desired for industrial/employment development,” citing the PacTrust letter dated November 14, 2016. However, the PacTrust letter does not say anything about stepped floors being undesirable for employment development. The conclusion of the PacTrust letter is that “the topography of your site makes development of industrial or flex buildings uneconomic.” Tualatin Brief, Exhibit 115. Notably, the PacTrust letter does not say that the site topography

EXHIBIT A TO RESOLUTION 18-4885

renders development infeasible for other smaller employment uses, such as the office or craft industrial buildings that are included in the KPFF development schemes.

Tualatin also contends that the KPFF proposed development schemes do not comply with Oregon Fire Code requirements regarding the allowable grade of an access road and a need for secondary access to the southern development area. These issues are adequately addressed in the response from the KPFF engineer, who notes that applicable TVFR requirements allow grades up to 15%, and that whether and where secondary access will be provided would be determined in consultation with TVFR at the time development is actually proposed. The KPFF memo also includes the following assessment:

“The discussion regarding economic feasibility does not seem pertinent or relevant to the determination of the long range planning goals for the area. If they are to be considered, a much more impartial and holistic approach would need to be applied to some sort of criteria that can equally evaluate long term economics for varying development scenarios. This is well beyond the scope of the feasibility study or any conclusions that could be extrapolated from the report and development scenarios envisioned.”

Wilsonville Rebuttal Brief, Exhibit K.

Tualatin also argues that the KPFF study is “biased” because KPFF purposely ignored the possibility of residential development on the site, and only studied the possibility of employment uses. Tualatin Reply Brief at 6. This argument ignores the statement on the first page of the KPFF report that the purpose of the study is to “ascertain whether the policy objective of employment uses is achievable in this subarea. Only if this investigation determines employment uses not to be feasible on this site will this analysis then consider feasibility of other land uses.” Wilsonville Brief, Exhibit D, page 1.

After reviewing all of the evidence in the record, and evaluating its comparative weight and credibility, the greater weight of more credible evidence supports a conclusion that it is feasible to develop the Central Subarea for employment purposes. Regarding credibility, this analysis cannot overlook the property owners’ monetary incentive to obtain a residential designation, which is more likely to provide a higher investment return than employment.

The evidence indicates that, although the Central Subarea may not be a likely candidate for a large footprint industrial facility, there is sufficient developable area on the site for multiple buildings housing smaller employment uses, as depicted in the Mackenzie and KPFF studies, such as office, flex business park, manufacturing, and craft industrial. This

EXHIBIT A TO RESOLUTION 18-4885

conclusion is supported by the City of Tualatin staff report to the City Council dated November 28, 2016, which concludes: “After consideration of OTAK’s proposal and all of the above factors together, staff believes the central subarea can be developed for employment over the long-term. While there are some hilly areas, the Manufacturing Park designation can be made flexible enough to include some smaller scale employment uses.” Wilsonville Rebuttal Brief, Exhibit G.

3. Responding to the Housing Crisis

The City of Tualatin contends that changing the planning designation for the Central Subarea to housing is an effective response to the regional housing crisis. Tualatin cites Metro materials that identify an urgent need to provide more affordable housing in the region, including the proposed 2018 affordable housing bond.

The Metro materials relied upon by the city describe an urgent need to address the current shortage of affordable housing in the region. As correctly noted by the City of Wilsonville, there is no evidence to support a conclusion that new homes constructed in the Central Subarea would fit any traditional definition of “affordability.”

More importantly, zoning the Central Subarea for residential use also would not address an immediate need for any type of housing. New residential development in this type of greenfield area takes a very long time, due in part to the need to plan, finance and construct all of the necessary infrastructure. Areas in Washington County that were added to the UGB in 2002 have only recently begun to actually be developed with housing. The long timelines associated with greenfield development do not lend themselves to addressing short-term housing needs. That will require development in existing urban areas that are already served by infrastructure.

Tualatin asserts that it has a shortage of land available for housing, based on its number of estimated dwelling units in Metro’s 2015 Buildable Land Inventory (BLI). However, the BLI is an inventory, not a housing needs analysis. In the absence of any information regarding the city’s projected population growth and corresponding future housing needs, an inventory does not support a conclusion that there is a need for housing. Tualatin’s brief does not refer to a local housing needs analysis under Goal 10, and it is not clear if the city has a current acknowledged housing needs analysis.

Tualatin’s argument that adding housing in the Central Subarea is necessary in order to provide housing for workers in the Basalt Creek area is unsubstantiated. Data gathered by Metro regarding work commutes at the intra-county level suggest that decisions regarding where to live are influenced by many other factors besides proximity to work.

EXHIBIT A TO RESOLUTION 18-4885

Exhibit F. Locating housing near an employment area does not guarantee that people will choose to live and work in the same area. Also, the high costs of infrastructure for new residential construction in this greenfield area will likely result in home costs exceeding the available income of most individuals working in nearby industrial jobs.

C. Conclusion

Metro identified the Central Subarea as viable industrial and employment land and included it in the UGB for that purpose. It has a regional Industrial designation under Title 4 of Metro's functional plan. The area is close to Interstate 5, has good existing and planned transportation infrastructure, including the Basalt Creek Parkway, consists of relatively large parcels, and is in close proximity to other areas planned and developed for employment uses. As described above, the weight of more credible evidence in the record supports a conclusion that an employment designation remains appropriate for the Central Subarea, and that the area should be planned accordingly by the cities.

**INTERGOVERNMENTAL AGREEMENT
BETWEEN METRO, WASHINGTON COUNTY, AND THE CITIES OF
TUALATIN AND WILSONVILLE SEEKING A BINDING NON-APPEALABLE
DECISION FROM METRO CONCERNING ONE AREA, THE CENTRAL SUBAREA,
OF THE BASALT CREEK PLANNING AREA**

This Intergovernmental Agreement (IGA) is entered into by the following parties: Metro, a metropolitan service district organized under the laws of the State of Oregon (hereinafter referred to as "Metro"), Washington County, a political subdivision in the State of Oregon (hereinafter referred to as "County"), and the City of Tualatin ("Tualatin") and City of Wilsonville ("Wilsonville"), incorporated municipalities of the State of Oregon (hereinafter referred to as "Cities").

Whereas, in 2004 the Metro Council added two areas, known as the Basalt Creek and West Railroad Planning Areas, located generally between the Cities, to the Urban Growth Boundary (UGB) via Metro Ordinance No. 04-1040B; and

Whereas, Metro conditioned that these UGB expansion areas undergo Title 11 concept planning, as defined in Metro Code Chapter 3.07, cited as the Urban Growth Management Functional Plan (UGMFP); and

Whereas, County and Cities agreed to consider the Basalt Creek and the West Railroad areas in a single concept planning effort and to refer to the two areas generally as the Basalt Creek Planning Area; and

Whereas, located within the Basalt Creek Planning Area is a distinct subarea consisting of the following parcels identified by Washington County tax lot identification: 2S135CB00400, 2S135CB00500, 2S135CC00300, 2S135CC00100, 2S135CC00800, 2S135CC00900, 2S135CC00500, 2S135CC00600, 2S135CC00700, as reflected in Exhibit 1, attached hereto and incorporated by reference herein, which subarea is hereafter referred to as the "Central Subarea"; and

Whereas, in 2011, Metro, County, and Cities entered into an Intergovernmental Agreement (2011 IGA) for concept planning the Basalt Creek Planning Area; and

Whereas, in 2013, Metro, County, and Cities entered into the First Addendum to the 2011 IGA, acknowledging the Basalt Creek Transportation Refinement Plan; and

Whereas, in 2013, Cities began concept planning the Basalt Creek Planning Area; and

Whereas, a disagreement has arisen with respect to what the land use designation should be for the Central Subarea; and

Whereas, Tualatin wants the land use in the Central Subarea to be designated for housing; and

Whereas, Wilsonville wants the land use in the Central Subarea to be designated for employment; and

Whereas, representatives from the Cities jointly met with County representatives in an attempt to identify a process to move forward and complete the Basalt Creek land use Concept Plan map, but were unable to do so; and

Whereas, the governing bodies for the Cities and County agreed to ask Metro to settle the dispute and to make a final, binding, non-appealable decision on the sole issue of designation of the land use for the Central Subarea; and

Whereas, Metro has agreed to accommodate this request, based on the Cities' joint assertion that they cannot agree, with the clear understanding that this is not a role Metro intended, wanted, or asked for itself, but is willing to take on at the request of the Cities and the County;

Now, therefore, incorporating the above Recitals as if fully set forth below, the Cities, County, and Metro agree as follows:

1. FINAL BINDING AND NON-APPEALABLE DECISION BY METRO

Metro will act as the decision-maker to resolve the issue of the land use designation for the area known as the Central Subarea. In that capacity, Metro will have sole discretion to determine what to call this decision making process, where and when to hold the process, who Metro will appoint to make the decision, a briefing schedule, whether or not to hear oral argument, and ground rules that must be adhered to by the Cities and County throughout the process. Metro may require the Cities and County to sign ground rules and decision protocol, as determined solely by Metro. Once designated by Metro, the Parties agree that the Central Subarea will be designated in the final Concept Plans and in the Urban Planning Area Agreement between the Parties, as determined by Metro.

2. CITIES AND COUNTY AGREEMENT

The Cities agree to follow whatever decision-making process and rules are created by Metro, including timelines for submitting evidence and argument. The County may participate and advocate for its preference or may elect to be neutral. Cities and County agree that Metro's decision will be binding and non-appealable by any of them and, once made, all of their respective governing bodies and staff will support the decision to move the Basalt Creek Planning effort to completion without delay and in accordance with the decision of Metro. Each City agrees that it will prepare concept plans for the Basalt Creek Planning Area consistent with Metro's final decision and with Title 11 of Metro's Urban Growth Management Functional Plan. Each City agrees to adopt a resolution accepting the concept plan, reflecting the Metro decision, within 120 days after the date Metro's decision becomes final and effective and finalize their respective comprehensive plans to include that concept plan within one year of the Metro decision. Cities and County further agree that if the designation is appealed by any third party, each will vigorously defend and support the decision and will not support or assist in the

decision and will not support or assist in the appeal of the designation determined by Metro through this process. At the conclusion of Metro's decision, a binding agreement will be signed by all Parties to this effect, with any future disputes or violations with respect to the agreement to be resolved in accordance with the specified requirements of that binding decision. Hereafter the Parties will work in good faith to reach agreement on all other issues so that the final Concept Plans and Urban Planning Area Agreement can be finalized.

This Agreement is effective the 22nd day of January, 2018.

Exhibit 1 – Map

CITY OF WILSONVILLE, OREGON

By: Tim Knapp
Tim Knapp
As Its: Mayor

Date: 12/27/2017

ATTEST:

By: Kimberly Nelly

[Signatures continue on following pages]

CITY OF TUALATIN, OREGON

By: 

Lou Ogden

As Its: Mayor

Date: 12-11-2017

ATTEST:

By: 

[Signatures continue on following pages]

WASHINGTON COUNTY, OREGON

By: Andy Duyck
Andy Duyck
As Its: Chair, Board of County Commissioners

Date: 1-4-2018

ATTEST:

By: A. D. Napf

APPROVED WASHINGTON COUNTY
BOARD OF COMMISSIONERS
MINUTE ORDER # 17-351
DATE 12-19-2017
BY A. D. Napf
CLERK OF THE BOARD

[Signatures continued on following page]

ACCEPTED AND AGREED TO BY METRO:

By:  _____

Martha Bennett

As Its: Chief Operating Officer

Date: 1/22/18

ATTEST:

By:  _____

Exhibit 1: Central Sub Area

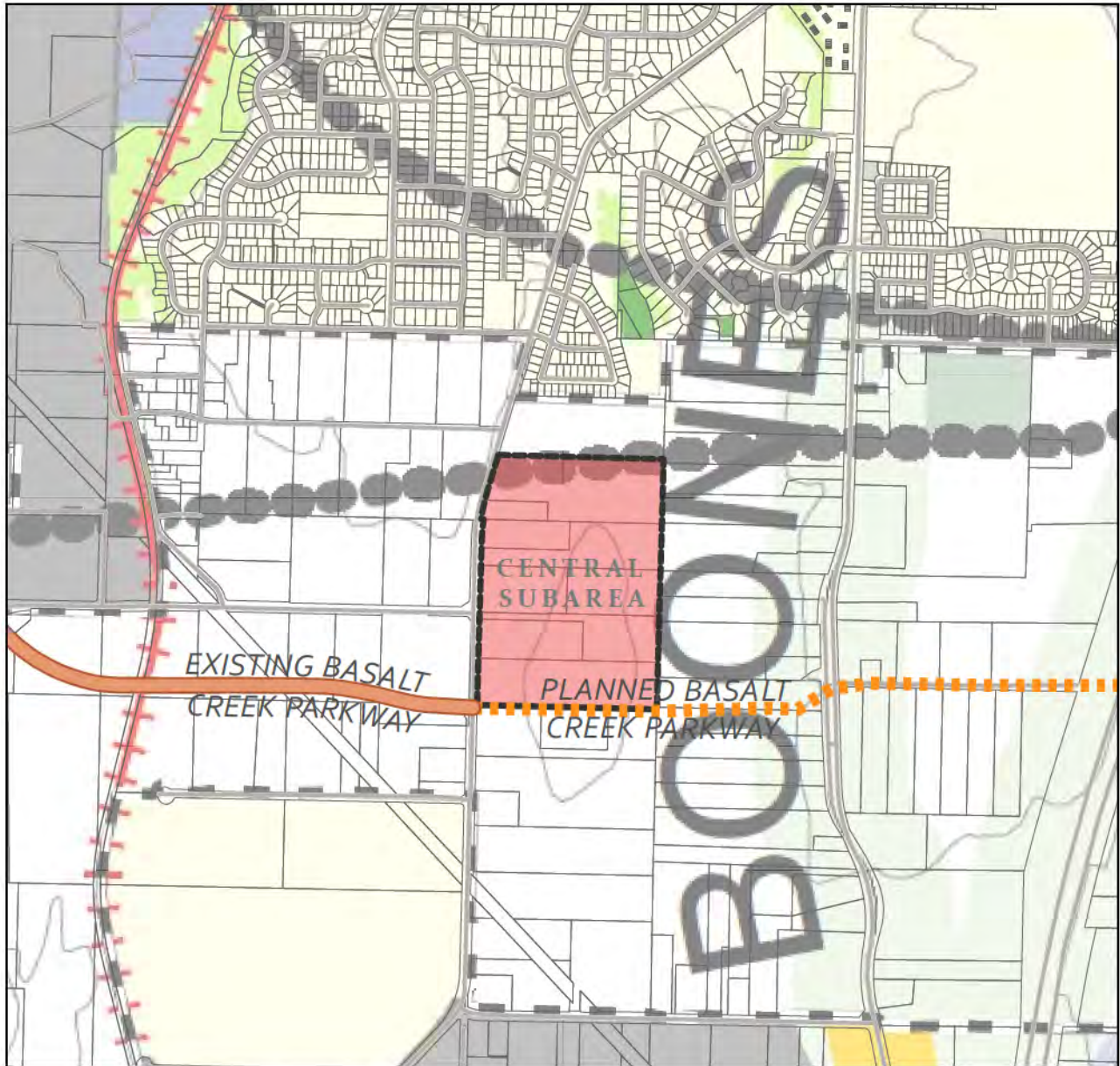


Central Sub Area



This map is derived from various digital database sources. While an attempt has been made to provide an accurate map, the City of Tualatin, OR assumes no responsibility or liability for any errors or omissions in the information. This map is provided "as is".

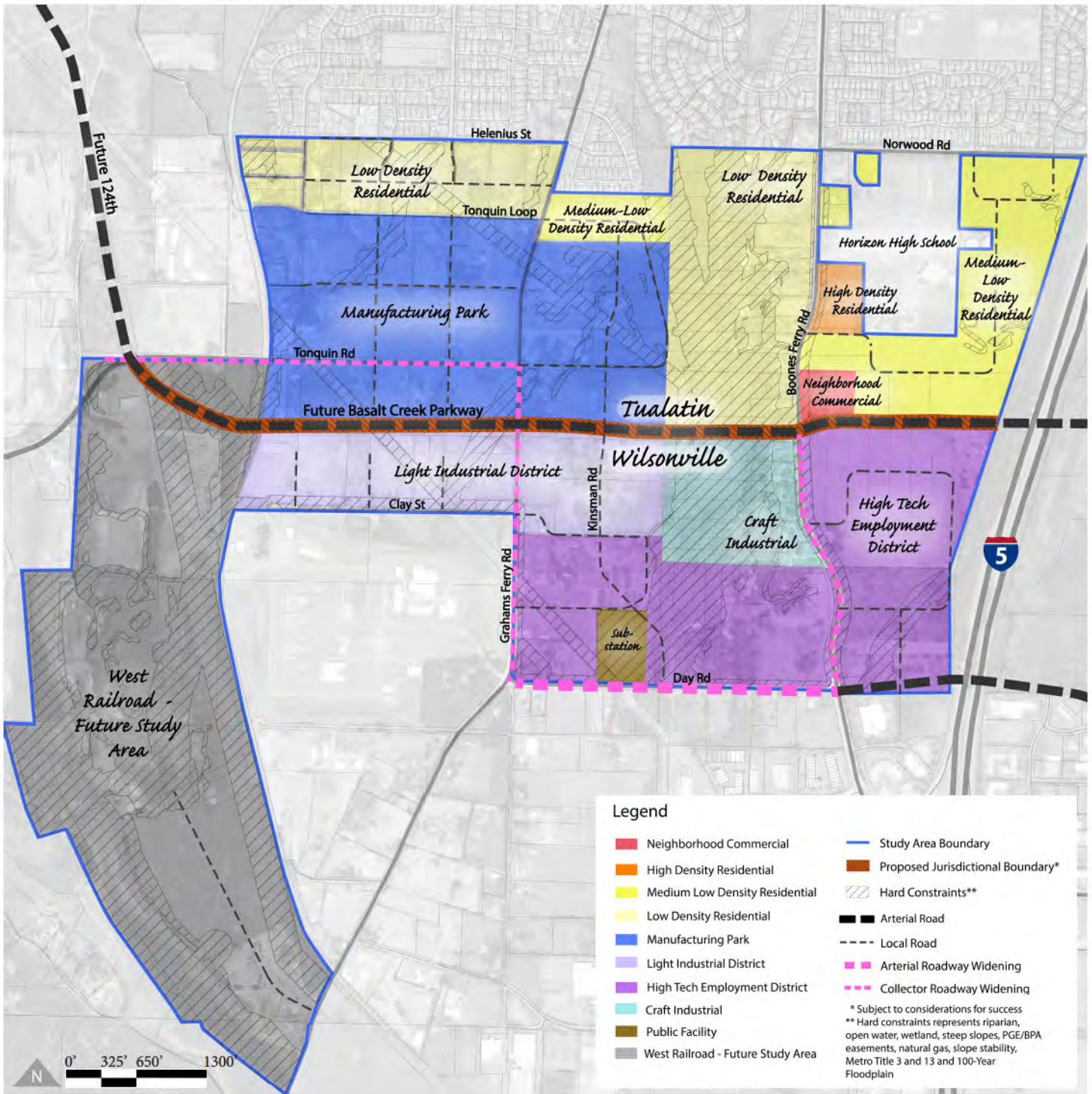
**EXHIBIT A TO RESOLUTION 18-4885
EXHIBIT B**



Central Subarea and Basalt Creek Parkway
overlaid on 2040 Growth Concept Map

EXHIBIT A TO RESOLUTION 18-4885

EXHIBIT C



Basalt Creek Land Use Concept Map

DRAFT September 16, 2016

EXHIBIT A TO RESOLUTION 18-4885

EXHIBIT D



**WASHINGTON COUNTY
OREGON**

October 27, 2016

Mayor Ogden
Tualatin City Council
18880 SW Martinazzi Ave,
Tualatin, OR 97062

Dear Mayor Ogden and Members of the Tualatin City Council:

I am writing to express concerns to the Board of County Commissioners regarding potential increases in the amount of residential units proposed in the Tualatin side of the Basalt Creek Concept Plan.

We believe this area to be prime future industrial land needed to support the regional economy. In 2013, Washington County, City of Tualatin, City of Wilsonville, and Metro acknowledged the Basalt Creek Transportation Refinement Plan. This plan identified transportation infrastructure needed to support this future industrial area. We have moved forward in support of this agreement with construction of the new 124th arterial to leverage future economic development. We believe that eliminating industrial land beyond what the latest concepts show would be a big mistake for the economic health of South County and counter to our agreement.

Our IGA calls for the Cities to coordinate with the County in developing a concept plan for the Basalt Creek area. After the concept plan is complete, we can amend our Urban Planning Area Agreement to include this area, which is necessary for annexations to occur. This area is currently not included in our Urban Planning Area Agreement with Tualatin.

The City needs to be reminded the Basalt Creek Planning area is not currently within our Urban Planning Area Agreements. We believe Washington County is a partner in the planning of this area and would like to weigh in before any decision is made or report accepted that would substitute more residential units for employment areas.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Duyck". The signature is fluid and cursive.

Andy Duyck, Chairman
Washington County Board of Commissioners

c: Andrew Singelakis, Director, Land Use & Transportation

Board of County Commissioners
155 N. First Avenue, Suite 300, MS 22 Hillsboro, OR 97124-3072
Phone: (503) 846-8681 Fax: (503) 846-4545

Basalt Creek Transportation Refinement Plan Recommendations

Introduction

The Basalt Creek transportation planning effort analyzed future transportation conditions and evaluated alternative strategies for phased investments that support regional and local needs.¹ This document reflects the Policy Advisory Group’s unanimous approval of the transportation investments, next steps for policy and plan updates, and potential funding strategies described in this document.

Purpose

The purpose of this refinement plan was to determine the major transportation system connecting Tualatin-Sherwood Road to I-5 in North Wilsonville through the Basalt Creek Planning Area, which is currently an unincorporated urban area of Washington County between the cities of Tualatin to the north, and Wilsonville to the south (see Figure 1). This plan refines recommendations from the I-5/99W Connector Study and the Regional Transportation Plan, setting the stage for land use concept planning and comprehensive plan development for the Basalt Creek area.

Planning Context

The need to plan for the future transportation system in the Basalt Creek area is driven not only by future growth in the Basalt Creek Planning area itself, but by future growth in surrounding areas targeted for industrial development. Basalt Creek currently lacks the multi-modal transportation facilities needed to support economic and urban-level development. Several planning

The Basalt Creek Transportation Refinement Plan was a joint effort involving:

- Washington County
- City of Tualatin
- City of Wilsonville
- Metro
- The Oregon Department of Transportation
- Area Citizens

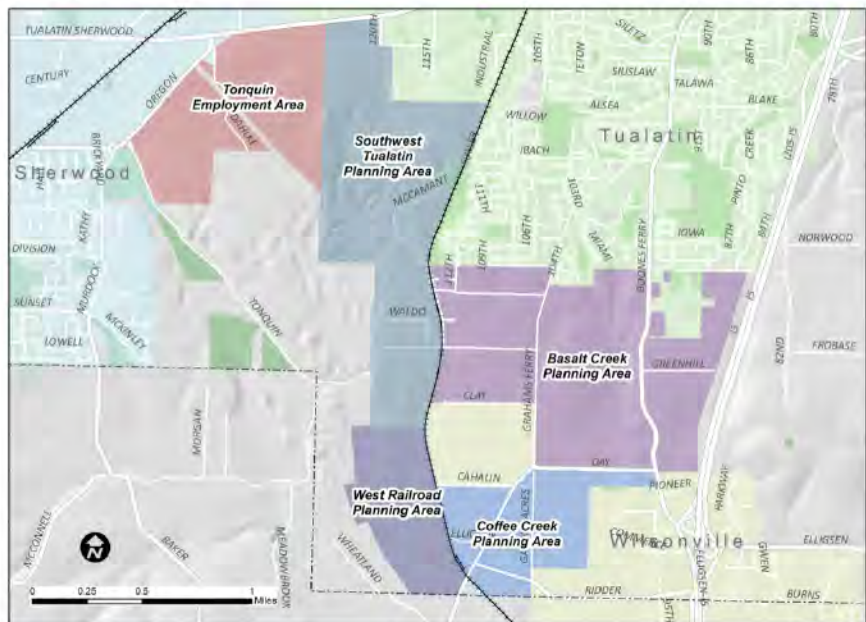


Figure 1: Basalt Creek Planning Area Location

¹ See *Basalt Creek Transportation Refinement Plan Technical Report* for more information.

EXHIBIT A TO RESOLUTION 18-4885 EXHIBIT E

January 2013

efforts, summarized below, provide background and context for the Basalt Creek Transportation Refinement Plan.

- The **I-5/99W Connector Study** recommended an alternative that spreads east-west traffic across three smaller arterials rather than a single expressway. Although specific alignments for these arterials were not defined, the eastern end of the Southern Arterial was generally located within the Basalt Creek Planning Area, south of Tonquin Road. The present planning effort aims to further define the location of the connection between the SW 124th Avenue Extension and the I-5/Elligsen interchange in a manner that does not preclude the future Southern Arterial west of SW 124th.
- The **2035 Regional Transportation Plan (RTP)** calls for detailed project planning and near-term construction of an extension of SW 124th Avenue from Tualatin-Sherwood Road to the I-5/Elligsen Road interchange, supporting industrial access from the Tonquin, Southwest Tualatin, and Basalt Creek Planning Areas. The RTP also calls for the near-term construction of the Tonquin Trail (see below).
- The **Tonquin Employment Area, Southwest Tualatin Concept Planning Area, and Coffee Creek Planning Area** together comprise about 1,000 acres surrounding the Basalt Creek area that are planned primarily for industrial use. These areas are expected to generate growing freight and work-related travel demands on the multi-modal transportation network that runs through the Basalt Creek area.
- The **SW 124th Avenue Extension** Project, currently underway, is planning and designing the corridor described in the RTP from Tualatin-Sherwood Road to Tonquin Road. The present planning effort aims to extend the corridor to I-5 as envisioned in the RTP and ensure consistency with current SW 124th Avenue project.
- Washington County's **Boones Ferry Road** improvement project, also currently underway, provides pedestrian and bicycle improvements and an intermittent center turn lane between Norwood Road and Day Road. It is an assumed improvement for the Basalt Creek area.
- Near-term construction of the **Tonquin Trail** is called for in the RTP. The master plan identifies an alignment for new bicycle and pedestrian connections between Sherwood, Tualatin, and Wilsonville, with connections to the larger regional trail system. The Tonquin Trail will travel through the Southwest Tualatin Concept Plan Area and the Tonquin Employment Concept Plan Area, and is an assumed improvement within the Basalt Creek Transportation Refinement Plan.
- **Transportation System Plan** updates for Washington County, Tualatin, and Wilsonville are currently underway. Washington County will incorporate recommendations from this refinement plan into the County TSP update. The cities of Tualatin and Wilsonville will not incorporate these recommendations into their current TSP updates, but will carry the recommendations into land use concept planning and future TSP updates.

EXHIBIT A TO RESOLUTION 18-4885

EXHIBIT E

January 2013

Facility Considerations and Characteristics

At the outset of this effort, agencies articulated a set of considerations to guide selection of the preferred transportation system as well as preferred characteristics of the primary east-west facility through the area.

- **Guiding considerations** included: ability to fund and phase improvements, level of impacts (environmental, right-of-way, etc.), support for development, consistency with regional policy, and traffic operations performance.
- **Facility characteristics** included: for the primary arterial connection, a 45 mph prevailing speed and access spacing of one-half mile to one mile to improve capacity.

Recommendation

The Policy Advisory Group (PAG), which consists of elected officials and key staff from the project's five partner agencies, recommends the following elements as part of an overall Action Plan (illustrated in Figure 2) for the area.

Roadways

The final recommendation is for a combination of new and improved roadways through the Basalt Creek area. The key new roadway through the area is a five-lane east-west extension of SW 124th Avenue, aligned south of Tonquin Road and extending east to Boones Ferry Road. The recommendation also includes improvements to existing roadways in the area, such as Tonquin Road, Grahams Ferry Road, Boones Ferry Road, and Day Road.

Protection of right-of-way for the new east-west roadway from the 124th Avenue extension to Boones Ferry Road is a key element of this recommendation. Right-of-way protection and purchase will be addressed separately, concurrent with the Basalt Creek land use concept planning.

During the planning process, the City of Wilsonville expressed concern about the structural condition of Day Road (i.e., failing roadway base and resulting pavement deterioration) and its ability to carry freight traffic for further development of industrial lands. While the Basalt Creek Transportation Refinement Plan focused on roadway needs related to capacity, the PAG agreed that the function of the arterial network in the Basalt Creek area includes providing roadways with adequate structural design for regional freight needs. Therefore, the PAG agreed that the project recommendations include a commitment to address the construction, operations, and maintenance of the arterial network through the concept planning process.

Overcrossings

The ability to construct two new I-5 overcrossings, including an off-street multi-use path, should be preserved in order to provide for future circulation and connectivity across the Basalt Creek area and into areas east of I-5. These overcrossings are recommended as long-term improvements and are likely not needed until 2035 or later. Forecasts show that the second overcrossing is not needed unless surrounding urban reserve areas east of I-5 and south of I-205 are developed. This refinement plan is neutral on the timing of urban reserves development, and therefore does not specify the timing and order of overcrossing improvements.

EXHIBIT A TO RESOLUTION 18-4885 EXHIBIT E

January 2013

Active Transportation

All improved roadways in the Action Plan include bike lanes and sidewalks consistent with Washington County urban standards. This recommendation also includes integration of the regional Tonquin Trail into the transportation network. Metro, in close coordination the cities of Tualatin, Wilsonville, Sherwood, and Washington and Clackamas counties, led the master planning effort that identified a preferred alignment that travels through the Basalt Creek Planning Area. Roadway cross-sections and right-of-way purchases for the future east-west facility will consider needs for the Tonquin Trail in the design for the railroad overcrossing and improvements to Tonquin Road between Morgan Road and Tonquin Loop Road. Design for the east-west facility should also consider providing an of-street multi-use path that connects to the Tonquin Trail and extends east of I-5. Details of how this multi-use path will be integrated with the east-west facility design will be refined during later land use concept planning.

Action Plan

The recommended Action Plan consists of 18 transportation investments, shown in Figure 2. Timing of projects was prioritized through an analysis of likely transportation needs in 2020, 2030, and 2035 based on growth assumptions from the adopted Regional Transportation Plan. Because of uncertainty regarding the years during which development in the Basalt Creek Planning Area and surrounding areas will occur, phasing for investments is classified as short-term, medium-term, and long-term. Descriptions of these investments, as well as timing and the funding needed, are shown in Table 1. Cost estimates include right-of-way.

EXHIBIT A TO RESOLUTION 18-4885 EXHIBIT E

January 2013

Table 1: Basalt Creek Action Plan

ID	Project	Short-Term	Medium-Term	Long-Term	Cost (\$2012)
1	124 th Avenue Extension (Tualatin-Sherwood Road to Tonquin Road): Construct three lane road extension with bike lanes and sidewalks	x			\$20,000,000
2	Tonquin Road (124 th Avenue to Grahams Ferry Road): Widen to three lanes with bike lanes and sidewalks, grade separate at railroad, improve geometry at Grahams Ferry Road ¹	x			\$10,500,000
3	Grahams Ferry Road (Tonquin Road to Day Road): Widen to three lanes with bike lanes and sidewalks	x			\$5,400,000
4	Boones Ferry Road (Norwood Road to Day Road): Widen to three lanes with bicycle and pedestrian improvements	x			\$10,800,000
5	124 th Avenue/Tonquin Road Intersection: Signal (may include Tonquin Trail crossing)	x			.2
6	Grahams Ferry Road/Tonquin Road Intersection: Signal	x			\$500,000
7	Boones Ferry Road/Day Road Intersection: Add second southbound through approach lane	x			.3
8	Boones Ferry Road/95 th Avenue Intersection: Construct dual left-turn and right-turn lanes; improve signal synchronization, access management and sight distance	x			\$2,500,000
9a	Tonquin Trail (Clackamas County Line to Tonquin Loop Road): Construct multi-use trail with some segments close to but separated from road	x			\$8,900,000 ⁴
9b	Tonquin Trail (Tonquin Loop Road to Tualatin-Sherwood Road): Construct multi-use trail with some segments close to but separated from road		x		\$7,100,000 ⁴
10	124 th Avenue Extension (Tualatin-Sherwood Road to Tonquin Road): Widen from three to five lanes with bike lanes and sidewalks		x		\$14,000,000
11	East-West Arterial (124 th Avenue to Boones Ferry Road): Construct 5 lane roadway with railroad and creek crossings, integrate segment of Tonquin Trail ⁵		x		\$57,900,000
12	Boones Ferry Road (East-West Arterial to Day Road): Widen to five lanes with bike lanes and sidewalks		x		\$1,100,000
13	Kinsman Road Extension (Ridder Road to Day Street): Construct three lane road extension with bike lanes and sidewalks		x		\$10,400,000
14	Day Road (Kinsman Road to Boones Ferry Road): Widen to five lanes with bike lanes and sidewalks		x		\$5,800,000
15	I-5 Southbound off-ramp at Boones Ferry Road/Elligsen Road: construct second right turn lane		x		\$500,000
16	Boones Ferry Road/95 th Avenue Intersection: Access management		x		.6
17	Day Road Overcrossing: Extend new four lane crossing over I-5 from Boones Ferry Road to Elligsen Road			x	\$33,700,000- \$44,100,000 ⁷
18	East-West Arterial Overcrossing: Extend new four lane crossing over I-5 from Boones Ferry Road to Stafford Road. Integrate multi-use path in corridor that connects to Tonquin Trail			x	\$38,000,000
TOTAL		\$59M	\$97M	\$72-82M	\$228-238M

¹ Grade separation for Tonquin Road is optional. An at-grade crossing would reduce cost by around \$2,000,000

² Cost included in Project 1

³ Coordinate with Project 4. Cost of approach lane included in estimate for Project 12

⁴ Tonquin Trail cost estimated by Metro as part of trail planning effort

⁵ Project 11 can potentially be built in two phases funded separately, west and east of Grahams Ferry Road. However, traffic benefits needed in the medium term (around 2030) will not be realized unless entire project is completed

⁶ Project details to be determined by further coordination between City of Wilsonville and ODOT. Cost expected to be minimal

⁷ Specific alignment approaching Elligsen Road will determine project cost. Alignment to Parkway Center Drive is estimated at \$33,700,000, and alignment to Canyon Creek Road is estimated at \$44,100,000

**EXHIBIT A TO RESOLUTION 18-4885
EXHIBIT E**

January 2013

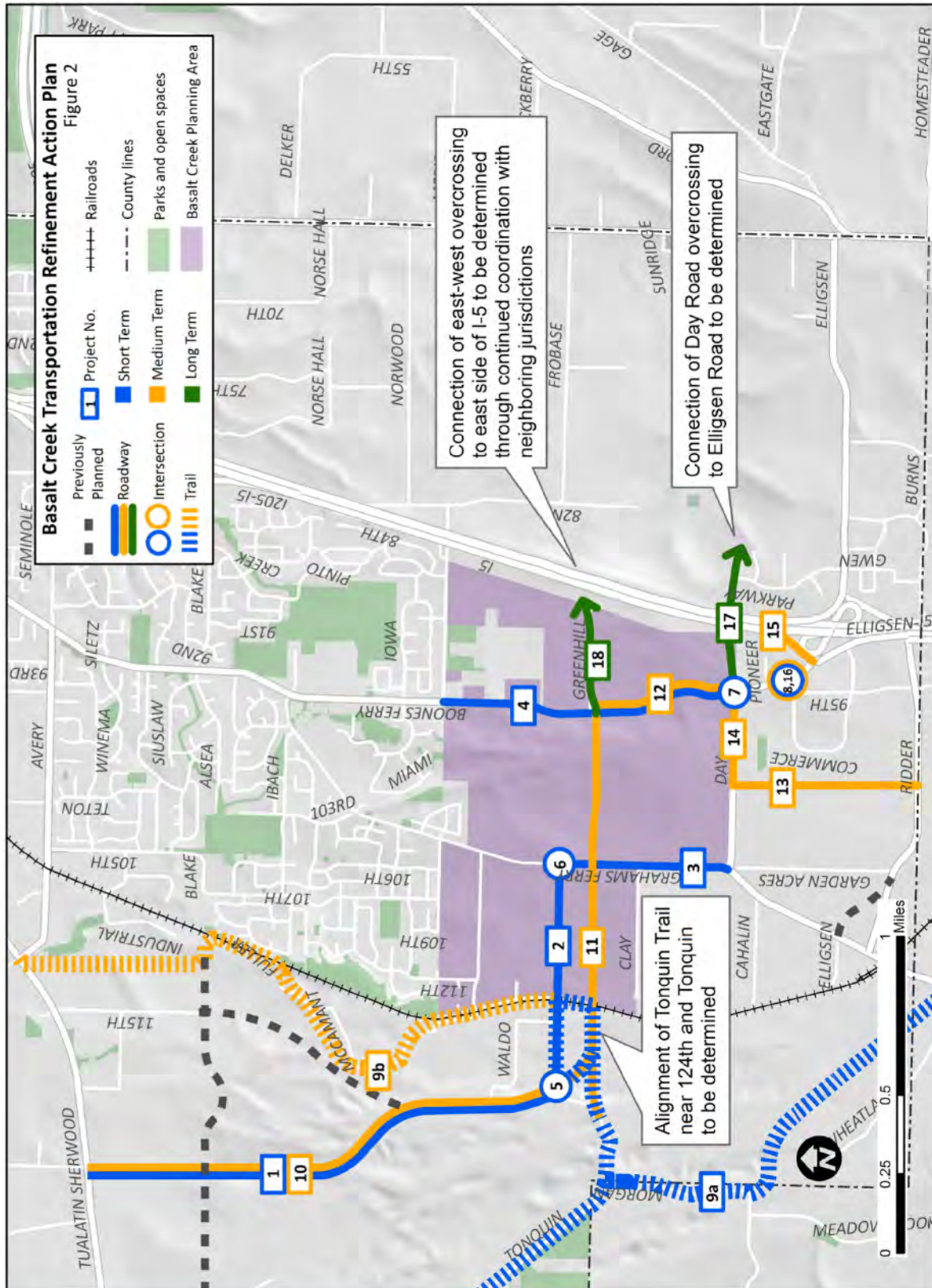


EXHIBIT A TO RESOLUTION 18-4885 EXHIBIT E

January 2013

Each investment adds important improvements to the major transportation system in the Basalt Creek area to support future development, adding new multimodal facilities and upgrading existing facilities to urban standards. Although not shown on the map, it is expected that future concept planning will identify locations for additional, lower-classification roads and other transportation facilities to serve future development as well.

Are these new projects?

While cost estimates for the entire recommendation may total as high as \$238,000,000, all of the 18 projects have some relation to investments already planned in the adopted RTP. Table 2 shows projects from the RTP that have overlap or similarity to projects contained in the Action Plan. **Note that many of these projects are different in scope from those contained in the Action Plan, and will have different cost estimates. Future RTP updates may include updated cost estimates from this study.**

Table 2: Related projects from the Regional Transportation Plan

RTP ID	RTP Project	Related Action Plan Projects	Time Period	Cost (\$2007)
10736	124 th Avenue: Construct new street from Tualatin-Sherwood Road to Tonquin Road: 5 lanes	1,5,10,11	2008-2017	\$82,500,000
10590	Tonquin Road: Realign and widen to three lanes with bike lanes and sidewalks (Oregon Street to Grahams Ferry Road)	2,6	2018-2025	\$28,406,000
10588	Grahams Ferry Road: Widen to three lanes, add bike/pedestrian connections to regional trail system and fix undersized railroad crossing (Helenius Street to Clackamas County line)	3	2008-2017	\$28,000,000
10732	Boones Ferry Road: Widen to five lanes (Norwood Road to Day Road)	4,7,12	2018-2025	\$40,050,000
10852	95 th /Boones Ferry/Commerce Circle Intersection Improvements	8,16	2008-2017	\$2,500,000
10854	Tonquin Trail: Construct multi-use trail with some on-street segments (Tualatin-Sherwood Road to Clackamas County line)	9a,9b	2008-2017	\$3,000,000
10853	Kinsman Road extension with bike lanes and sidewalks (Ridder Road to Day Road)	13	2008-2017	\$6,500,000
11243	Day Road reconstruction to accommodate trucks (Grahams Ferry Road to Boones Ferry Road)	14	2008-2017	\$3,200,000
11342	I-5/99W Connector Southern Arterial/I-5 Interface ¹	15,17,18	2026-2035	\$50,000,000

¹ Construction of projects specifically related to the I-5/99W Connector Southern Arterial, such as the I-5 interface, are contingent on certain project conditions being met. See Regional Transportation Plan for details.

EXHIBIT A TO RESOLUTION 18-4885

EXHIBIT E

January 2013

Policy and Plan Updates

Recommendations in this plan allow new concept planning efforts to move forward and provide guidance for updates of existing transportation plans.

Basalt Creek and West Railroad Area Concept Planning

The transportation system recommended in this plan becomes the framework for more detailed land use concept planning of the Basalt Creek Planning Area and West Railroad Planning Area by the cities of Tualatin and Wilsonville. Key recommendations to be carried forward during concept planning include:

- Protection of the major transportation facility corridors from development encroachment.
- Coordination of the local transportation system with the transportation investments included in this plan (unless amended by the parties of this study). Each roadway in the Basalt Creek area has access spacing standards that protect the safety and operations of the system, and these standards help determine appropriate local street connections. The new east-west facility is limited to accesses at 124th Avenue, Grahams Ferry Road, and Boones Ferry Road.
- Detailed concept planning in the Basalt Creek area should consider multi-use path connections to the Tonquin Trail that emphasize directness and minimize conflicts, enhancing bicycle and pedestrian access to new residential and employment areas. In the West Railroad area, concept planning will also include sections of the Tonquin Trail.

Regional Transportation Plan

In many cases, this transportation refinement plan provides new detail and cost estimates for projects that are already in the adopted RTP. These refined project descriptions, cost estimates, and timing considerations should be considered when projects are forwarded to Metro for the next RTP update. Examples of RTP projects that overlap with projects in this refinement plan include:

- 10590 (Tonquin Road). Action Plan project #2 includes a grade-separated railroad crossing, which is not included in the RTP project description.
- 10852 (95th/Boones Ferry/Commerce). Action Plan projects 8 and 16 will require further coordination with ODOT to determine geometry and timing of intersection improvements.
- 11243 (Day Road). Action Plan project #14, which widens part of Day Road, should also upgrade the roadway structure and pavement conditions to accommodate increasing heavy truck volumes. Although project #14 applies only to the section of Day Road between Kinsman Road and Boones Ferry Road, funding of roadway reconstruction between Kinsman Road and Grahams Ferry Road should also be discussed as part of land use concept planning.
- 10854 (Tonquin Trail). Action Plan projects #2, #5, #11 all need to consider Tonquin Trail in their design, including most recent alignment information and cost estimates from the trail master plan.

Washington County TSP Update

Most of the projects included in the Action Plan are new facilities in unincorporated Washington County or improved facilities already under County jurisdiction. An amendment to update the Washington County TSP will be done in 2013 to incorporate the descriptions, cost estimates, and timing of these projects.

EXHIBIT A TO RESOLUTION 18-4885 EXHIBIT E

January 2013

Tualatin and Wilsonville TSP Updates

The Cities of Tualatin and Wilsonville are also currently updating their transportation system plans. However, because concept planning for Basalt Creek will include agreement on the future city limit boundary between the two cities, as well as more detailed transportation network considerations, the projects included in this plan will not be incorporated as part of the current TSP updates. Future TSP updates may reflect elements from this refinement plan by amending project lists, maps, and funding strategies.

Funding

Funding for some short-term Action Plan projects has already been programmed by Washington County through their Major Streets Transportation Improvement Program (MSTIP). This includes \$16.9 million (\$10.9 million in MSTIP funding and \$6 million from other sources) for an interim two-lane extension of SW 124th Avenue from Tualatin-Sherwood Road to Tonquin Road. It also includes an additional \$10 million for right-of-way purchase or other improvements from the list identified by this Plan. Washington County has also provided \$11 million in funding for the current Boones Ferry Road improvement project.

While this recommendation does not identify a specific overall funding strategy for the Action Plan, there are many existing revenue sources that may be used to fund the recommended investments. **Many are subject to a state or regionally competitive process where success can hinge on having a broadly supported plan in place.**

The revenue sources listed below form the basis of the financially constrained Regional Transportation Plan and related project list, which already contains many of the recommended Basalt Creek investments. The RTP assumes federal, state, and local sources, all of which will be key to funding the Action Plan.

Federal

Based on MAP-21² legislation, sources may include:

- **National Highway Performance Program (NHPP).** These funds are intended for rehabilitation and expansion of principal arterials, especially those with important freight functions.
- **Regional Surface Transportation Program (STP) funds.** These funds may be used for virtually any transportation purpose short of building local residential streets.
- **Congestion Mitigation/Air Quality (CMAQ) funds.** These funds typically support biking, walking, and transit projects, and other projects that help to achieve air quality standards.
- **Transportation Alternatives (TA) funds.** TA takes the place of previous programs such as Transportation Enhancements and Recreational Trails, and may be used to fund a variety of non-motorized projects.

² For more information see <http://www.fhwa.dot.gov/map21/>

EXHIBIT A TO RESOLUTION 18-4885 EXHIBIT E

January 2013

These funds are allocated to projects through a state or regionally managed competitive process for inclusion in the Metropolitan Transportation Improvement Program (MTIP) and the State Transportation Improvement Program (STIP).

State

State sources include the statewide gas tax, vehicle registration fees, and weight-mile taxes on trucks. These funds typically go to road and bridge maintenance projects, but funding for projects of regional significance, such as those provided by Oregon House Bill 2001 Jobs and Transportation Act (JTA), may be made available for modernization. Again, having a plan in place allows projects to access funds when new funding opportunities become available.

Local

A variety of local funding sources are available, although some, such as urban renewal and local improvement districts, are subject to approval. Sources may include:

- Washington County Major Streets Transportation Improvement Program (MSTIP)
- Local portion of State Highway Trust Fund
- Local gas tax
- Transportation System Development Charges (SDCs) or Transportation Development Taxes (TDTs) levied on new development
- Urban renewal funding
- Developer contributions
- Local improvement districts (LIDs)

EXHIBIT A TO RESOLUTION 18-4885

EXHIBIT F

Where Portland region's residents work

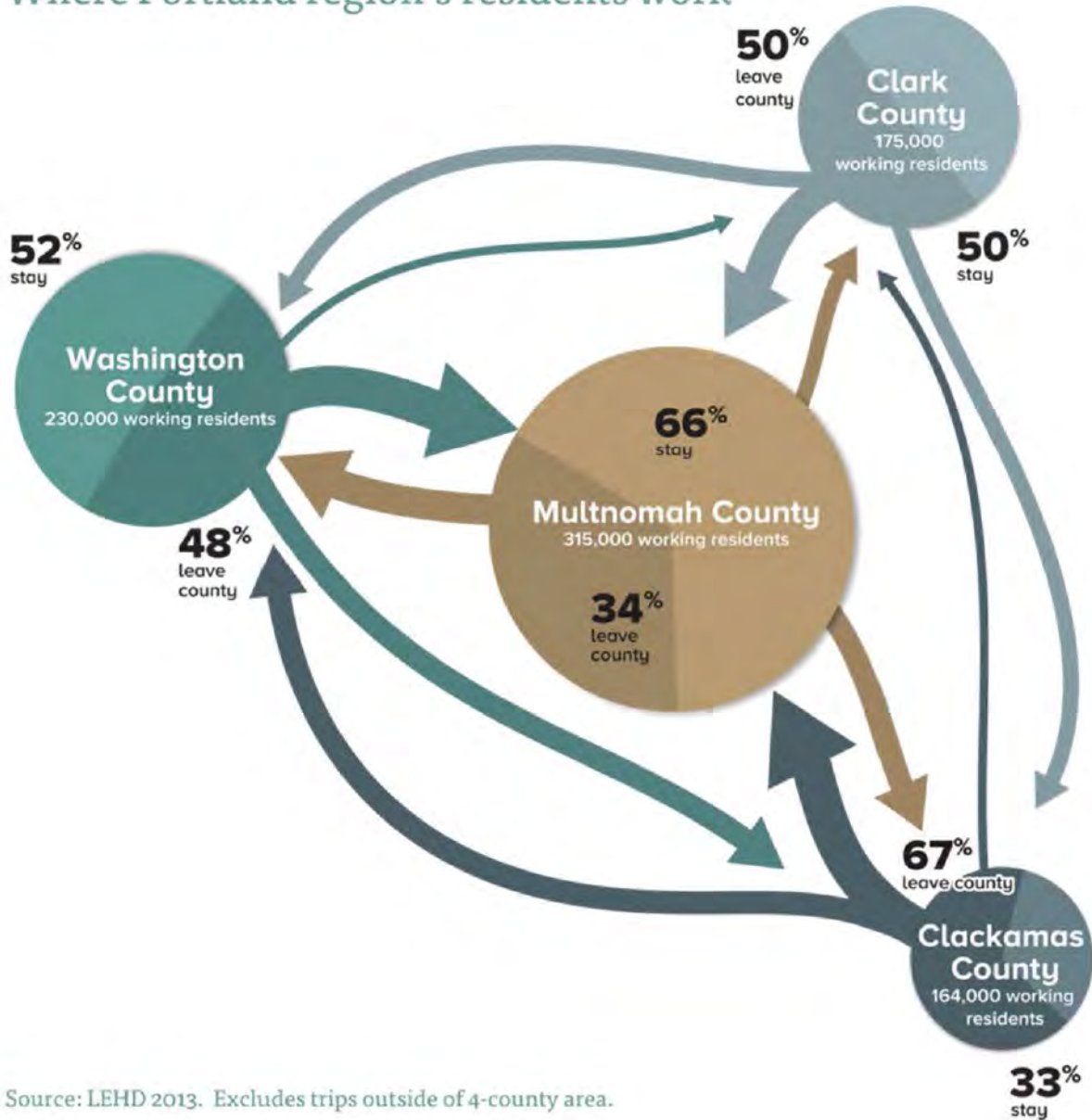


EXHIBIT B TO RESOLUTION 18-4885

Supplemental Findings of the Metro Council In Support of Resolution No. 18-4885 Regarding the Basalt Creek Planning Area

These findings supplement the decision of the Metro Council in Resolution No. 18-4885 regarding its arbitration of the dispute between the City of Tualatin and the City of Wilsonville concerning the concept plan for the Basalt Creek Planning Area. The Metro Council adopts these supplemental findings in support of its decision to adopt the Metro COO Recommendation dated March 26, 2018 regarding the appropriate designation of the Central Subarea.

1. Process and Record

The Intergovernmental Agreement (IGA) among Metro, the two cities, and Washington County dated January 22, 2018 expressly delegates complete authority and discretion to Metro regarding the creation of a process to arbitrate the dispute between the cities. Metro described the process in a letter to the cities and the county dated February 15, 2018. The process calls for a written recommendation to the Metro Council from the Metro Chief Operating Officer (COO) to be made after review of written evidence and argument submitted by the cities and the county during two consecutive open record periods. As stated in that letter, “the Metro Council’s review will be based on the record of written materials submitted by the cities, county, and Metro staff.”

The first open record period closed on March 7, 2018; the second (and final) open record period closed on March 14, 2018. As contemplated by the parties to the IGA, Metro received submittals from the two cities and the county during those time periods. Metro also received emails from two property owners, one from Peter Watts dated March 7, 2018 and another from Herb Koss dated March 8, 2018. Those emails raised objections to the process and requested that the emails and attached exhibits be included in the record. The email from Mr. Watts included references to 12 attached exhibits, but no exhibits were attached. However, the first 11 of the 12 referenced exhibits were attached to the email from Mr. Koss, which forwarded an earlier similar version of the email from Mr. Watts. The first 11 exhibits referenced in the email from Mr. Watts were also included in the exhibits attached to the briefs submitted by the cities on March 7, 2018, and those exhibits are therefore part of the record.

The process created by Metro calls for an “on the record” review of the COO Recommendation by the Metro Council. Accordingly, any evidence or other testimony that was not provided to the Metro COO during the open record period prior to the

EXHIBIT B TO RESOLUTION 18-4885

issuance of her recommendation is not properly before the Metro Council in this proceeding, and is expressly rejected.

The two property owners who submitted emails to the Metro COO raise objections to the process, alleging that Metro's proposal to only accept evidence and argument from the cities and the county violates Statewide Planning Goal 1 and Metro's Public Engagement Guide. As described above, Metro agreed to accept the testimony that was provided via email from the property owners on March 7, 2018 and March 8, 2018 for consideration by the Metro COO in making her recommendation to the Metro Council.

Metro disagrees with the implicit assertion by the property owners that the process created by Metro results in a final land use decision that is subject to Goal 1 and typical land use decision-making procedures. At the request of the cities, Metro agreed to create a unique arbitration process for the limited purpose of resolving their dispute. The purpose and intent of Metro and the cities was solely to resolve a dispute, and not to create a process that would result in a final land use decision.

The Metro Council's adoption of Resolution No. 18-4885 does not result in the adoption or amendment of a concept plan or a comprehensive plan map for the Basalt Creek area, and does not itself have any effects on land use. Metro's decision has no effect until it is implemented by the cities in their own future land use decisions, as described in paragraph 2 of the IGA. Those local land use decisions will need to be supported by substantial evidence in the record, and will be appealable to LUBA.

2. Regional Housing Needs

The March 7, 2018 email from Peter Watts includes a Metro-specific argument regarding regional housing needs that was not previously raised before the cities. The gist of the argument is that the Central Subarea should be designated for residential purposes in order to address an "extreme need" for more housing in the Metro region. Mr. Watts asserts that this need exists by challenging certain growth-related forecasts made by Metro in its most recent Urban Growth Report (UGR), which was adopted by the Metro Council in 2015 and concluded that the region has enough land inside the boundary to meet housing needs for 20 years.

A slightly different version of this argument is addressed in the COO Recommendation in response to arguments made by the City of Tualatin. The COO Recommendation notes that there is broad agreement in the region that there is an immediate need to address the

EXHIBIT B TO RESOLUTION 18-4885

current shortage of *affordable* housing, and building a new residential subdivision on undeveloped land south of Tualatin does not address that shortage.

Metro's most recent UGR in 2015 concluded that, based on peer-reviewed population growth forecasts for the region, there was no need to expand the Urban Growth Boundary because there is a sufficient supply of residentially zoned land in the region to accommodate 20 years of growth. The growth forecasts, buildable land inventory, and legal conclusions in the UGR were adopted by the Metro Council via Ordinance No. 15-1361. That ordinance and the UGR were not challenged by any party, are acknowledged by DLCDC, and are not subject to collateral attack in this proceeding.

Metro planning department staff reviewed the arguments and data provided in the March 7, 2018 email from Mr. Watts and were unable to fully understand the arguments or corroborate the cited data regarding population forecasts and 2016 census figures. For example, there is a reference to U.S. Census estimates showing one-year 2016 population growth of 57,677 in Metro cities with populations over 5,000. Metro staff was unable to identify a census-based source for the 57,677 figure, which is significantly higher than the annual increases shown in U.S. Census data for the entire seven-county Portland Metropolitan Statistical Area (MSA).

The population forecast in Metro's UGR is based in part on census data for the seven-county MSA. Those figures show an average annual increase of just 23,300 people in all seven counties between 2010 and 2015. UGR Appendix 1a, page 9. The UGR forecast for 2020 predicts an average annual increase of 35,300 people in all seven counties. Based in part on the U.S. Census data, the UGR projects that there will be about 400,000 more people in the Metro UGB over the 20-year period ending in 2035, which reflects an average increase of approximately 20,000 people each year – a forecast that is consistent with previous annual averages within the UGB.

Even if the census data could be corroborated, it is empirically misguided to use a single year of estimated population growth in an attempt to disprove the accuracy of a 20-year forecast. Population increases are subject to fairly dramatic fluctuations on a year-to-year basis, and a single year of high growth can be easily offset by much lower growth in subsequent years. It appears that some of the figures cited by Mr. Watts attempt to create an annualized growth projection for individual cities. However, the purpose of the UGR is to assess the adequacy of the regional land supply over a 20-year horizon, not to assess the annual local growth and future land needs for each individual city. The UGR provides a long-term regional forecast regarding the next 20 years that is not intended to capture annual growth fluctuations and/or business cycles in individual jurisdictions.

EXHIBIT B TO RESOLUTION 18-4885

Another argument asserts that the 2015 UGR improperly allocates 27% of future housing to “high rise condos.” The actual figure in the UGR is 26%, and it is not assigned to “high rise condos,” it is assigned to any multifamily dwelling of two units or more. UGR Appendix 4, Table 11. This would include duplexes, rowhouses, one or two-story condos or co-housing developments, and any other form of ownership structure involving at least two attached units.

The housing-related argument is summarized as follows: (1) in the 2015 UGR, Metro incorrectly applied ORS 197.296 and adopted inaccurate future growth projections; (2) because of those errors, there is “an inadequate amount of available unconstrained buildable land in the region” for residential purposes; and (3) therefore, the 52-acre Central Subarea should be planned for residential purposes. First, Metro’s growth management decision in 2015 is not being reviewed in this proceeding. This arbitration does not provide a forum to collaterally attack Metro’s application of ORS 197.296 or Metro’s population forecasts in the 2015 UGR. The conclusions in the UGR were adopted by ordinance, acknowledged by DLCD, and under ORS 195.036 must be applied by Metro and local governments in the region for land use planning purposes until the next UGR is adopted at the end of 2018. Because that process is currently underway, stakeholders who are interested in regional growth issues already have an opportunity this year to comment on any perceived deficiencies in the population-related data and projections that were made in 2015.

Second, even if there was evidence in the record suggesting that actual growth in 2016 outpaced the 2015 forecast, that does not mean there is currently an inadequate amount of buildable land for housing in the Metro region. The Metro Council adopted the UGR a little over two years ago, concluding that there is enough buildable land inside the UGB to provide housing for the next 20 years. Mr. Watts is arguing that the region has already used up 20 years’ worth of its buildable land supply in the last 2.5 years; however, the evidence in the record does not support that conclusion.

The COO Recommendation provides a detailed analysis of the planning goals and expectations of local government stakeholders regarding the Basalt Creek Planning Area and the Central Subarea. As noted in that recommendation, “the planning history of the Central Subarea and the planning expectations of local government stakeholders lean heavily in the direction of an employment designation.” The Metro Council finds that unsubstantiated arguments regarding an inadequate land supply inside the UGB do not provide a compelling basis to reject the COO Recommendation.

STAFF REPORT

CONSIDERATION OF THE METRO COO RECOMMENDATION REGARDING THE BASALT CREEK PLANNING AREA

Date: April 12, 2017

Prepared by: Roger Alfred, Senior Assistant Attorney

PROPOSED ACTION

Consider the Metro Chief Operating Officer's Recommendation to the Metro Council regarding the Basalt Creek Planning Area and deliberate regarding whether to accept or reject the Recommendation.

BACKGROUND

In January, Metro agreed to help the City of Wilsonville and the City of Tualatin resolve their dispute regarding the appropriate planning designation for a 52-acre area between the two cities known as the "Central Subarea." The Central Subarea is part of the larger Basalt Creek Planning Area that Metro added to the UGB as part of an expansion in 2004 for industrial purposes.

The two cities, along with Washington County and Metro, have been working together on land use and transportation planning for the Basalt Creek Planning Area since 2007, when Metro issued the City of Tualatin a \$365,000 CET grant for that purpose. A key component of that work has been the planning and partial construction of the Basalt Creek Parkway, which is a new limited-access arterial that provides a connection extending 124th Avenue south from Tualatin-Sherwood Road to Tonquin Road, then east to Boones Ferry Road, and eventually farther east across Interstate 5. The location of the future Basalt Creek Parkway is shown on the map attached as Exhibit B to the COO Recommendation.

Before the Basalt Creek Planning Area can be annexed and developed, the cities, Metro, and Washington County must agree regarding a concept plan that identifies the jurisdictional boundary between the cities and the planning designations for the area. Because the cities cannot agree, they asked Metro to act as an arbitrator to resolve the dispute, and Metro created this process for that purpose. The City of Wilsonville contends that the Central Subarea should be designated for employment purposes, while the City of Tualatin argues that residential is more appropriate. The cities' arguments are discussed in detail in the COO Recommendation.

The Metro Council's review of the COO Recommendation is "on the record," which means no new evidence may be considered beyond what the COO has already received. The COO Recommendation is based on review of the following materials submitted by the cities, Washington County, and two owners of property within the Central Subarea:

- Letter from Washington County Chair Andy Duyck dated March 5, 2018
- City of Wilsonville Brief dated March 7, 2018 with Exhibits A through I
- City of Tualatin Brief dated March 7, 2018 with Exhibits 101 through 122
- Email from Peter Watts dated March 7, 2018 with attachments 1 through 11
- Email from Herb Koss dated March 8, 2018 with attachments 1 through 11
- City of Wilsonville Reply Brief dated March 14, 2018 with Exhibits A through M
- City of Tualatin Reply Brief dated March 14, 2018 with Exhibits 127 through 131

After reviewing and analyzing all of the evidence and arguments submitted into the record, the COO is recommending that the Metro Council should adopt a resolution concluding that an employment designation is more appropriate for the Central Subarea, and directing that the area should be planned accordingly by the cities.

RECOMMENDED ACTION

The Metro Council should review the COO Recommendation, along with the evidence submitted by the parties, and deliberate at its meeting on April 19, 2018 regarding whether to accept or reject that Recommendation. At the Council's direction, staff will prepare a resolution consistent with the Council discussion for a vote at the Council meeting on May 3, 2018.

Chief Operating Officer Recommendation to the Metro Council Regarding the Basalt Creek Planning Area

This is my recommendation to the Metro Council concerning the appropriate land use designation of a 52-acre portion of the Basalt Creek Planning Area known as the “Central Subarea,” which is identified in Figure 1 below. A decision by Metro on this issue is contemplated by the Intergovernmental Agreement (IGA) among Metro, the City of Tualatin, the City of Wilsonville, and Washington County creating a process for Metro to resolve the dispute between the two cities regarding whether the Central Subarea should be planned for employment or residential use. My recommendation is that the Central Subarea should be designated as an employment area, as shown on the Figure 1 map.

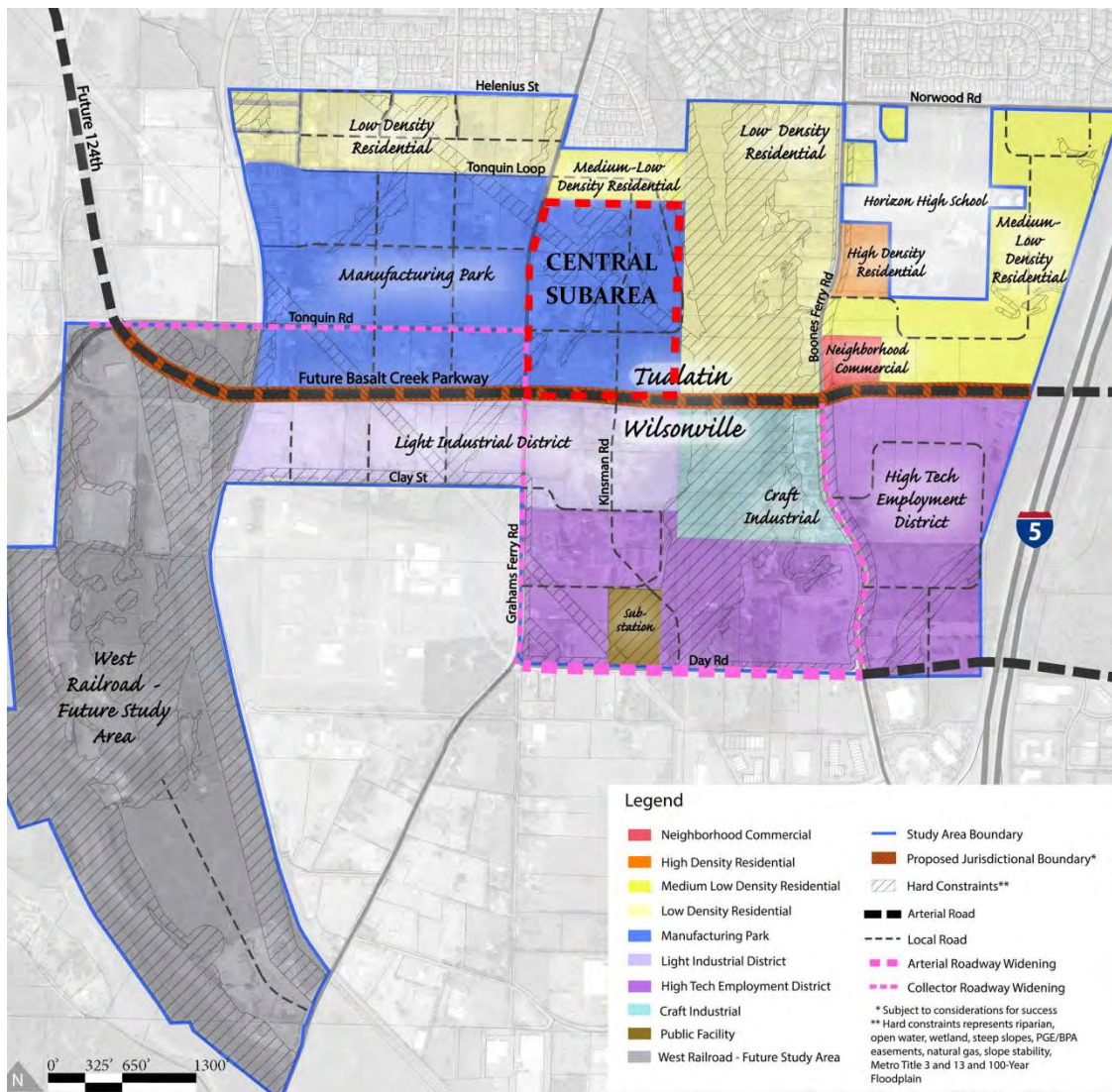


Figure 1: Basalt Creek Land Use Concept Map (Sept. 2016)

A. Process

In 2017 the cities of Wilsonville and Tualatin reached an impasse regarding concept planning for a 52-acre portion of the Basalt Creek Planning Area known as the “Central Subarea” and asked Metro to take on the role of arbitrating their dispute. To that end, the cities, Metro, and Washington County entered into an IGA in January of 2018 that assigns Metro the task of making a final and non-appealable decision regarding the appropriate land use designation for the Central Subarea. The IGA is attached as Exhibit A and provides:

“Metro will have sole discretion to determine what to call this decision making process, where and when to hold the process, who Metro will appoint to make the decision, a briefing schedule, whether or not to hear oral argument, and ground rules that must be adhered to by the cities and county throughout the process.”

The process created by Metro began with the issuance of a staff report to the COO on February 21, 2018, which recommended an employment designation. The cities and the county then had until March 7, 2018 to submit written argument and evidence in support of their positions. The cities and county were provided an additional seven days to submit arguments and evidence in rebuttal to the first round of materials.

In addition to the materials submitted by the cities, Metro received a letter from the Chair of the Washington County Board of Commissioners in support of retaining the employment designation and stating concerns regarding Tualatin’s proposal to add more residential land in an area that has long been planned for industrial and employment use. Metro also received submittals from Herb Koss and Peter Watts, who own property within the Central Subarea and are advocating for a residential designation. Those two submittals include materials that had been provided to the two cities during the concept planning process.

After reviewing all of the documents provided by the parties and relevant regional planning materials, it is my conclusion that an employment designation for the Central Subarea is: (1) more consistent with the planning goals and expectations of the local government stakeholders over the last 14 years; and (2) supported by the greater weight of evidence in the record.

The Metro process calls for the Metro Council to review this recommendation and deliberate to a decision regarding whether to accept, reject, or modify it. The Council’s

review will be based on the record of written materials submitted by the cities, county, and Metro staff. The Council will then adopt a resolution memorializing its decision and directing the cities to prepare concept plans consistent with Metro's final decision and with Title 11 of the Urban Growth Management Functional Plan. In the IGA, the cities agree that they will accept Metro's final decision and adopt corresponding concept plans.

B. Basalt Creek Planning History

1. 2004 UGB Expansion

The Basalt Creek Planning Area was added to the UGB as part of a 2004 expansion for industrial and employment purposes. Metro had previously expanded the UGB in 2002 to add 17,458 acres of land, with 15,047 acres added for residential purposes and 2,411 acres for employment. In the 2002 decision, Metro acknowledged that the amount of land being added for employment purposes was not sufficient to meet the identified 20-year need, and therefore requested that the Land Conservation and Development Commission (LCDC) assign a new work task that would allow Metro to complete its work and accommodate the region's need for industrial land. *See* Exhibit P to Metro Ordinance 02-969B. LCDC approved the majority of the decision, and returned the matter to Metro with instructions to satisfy the unmet 20-year need for industrial land.

Metro responded in 2004 by adopting Ordinance No. 04-1040B, the stated purpose of which was "to increase the capacity of the boundary to accommodate growth in industrial employment." That decision expanded the UGB to include 1,940 acres of land for industrial use, including the 646 acres now known as the Basalt Creek Planning Area between the cities of Tualatin and Wilsonville. The Metro Council adopted the following findings in support of adding the Basalt Creek area to the UGB:

"The Council chose this area because it is exception land (rural residential and rural industrial) with characteristics that make it suitable for industrial use. It lies within two miles of the I-5 corridor and within one mile of an existing industrial area, and portions of the area are relatively flat. These characteristics render it the most suitable exception area under consideration for warehousing and distribution, a significant industrial need facing the region." Metro Ordinance 04-1040B at Exhibit G, page 17.

During the Metro proceedings, the City of Tualatin and some of its residents expressed concerns about compatibility between future industrial uses in the Basalt Creek area and residential neighborhoods at the south end of the city, and about preserving the opportunity to choose an alignment between Tualatin and Wilsonville for the then-

planned connector between Interstate 5 and Highway 99W. In response, the Metro Council adopted the following condition of approval:

“2. Title 11 planning shall incorporate the general location of the projected right of way alignment for the I-5/99W connector and the Tonquin Trail as shown on the 2004 Regional Transportation Plan. If the selected right-of-way for the connector follows the approximate course of the ‘south alignment,’ as shown on the Region 2040 Growth Concept Map, ... the portion of the Tualatin Area that lies north of the right-of-way shall be designated ‘Outer Neighborhood’ on the Growth Concept Map; the portion that lies south shall be designated ‘Industrial.’” Metro Ordinance 04-1040B at Exhibit F, page 3.

A copy of the 2004 version of the 2040 Growth Concept Map showing the two proposed alignments for the I-5/99W connector is attached as Exhibit B. That exhibit also shows the locations of the Central Subarea and the Basalt Creek Parkway. The Metro Council adopted the following findings describing the purpose of the condition:

“Second, the Council states that, so long as the alignment for the Connector falls close to the South Alignment shown on the 2040 Growth Concept Map, it will serve as the buffer between residential development to the north (the portion least suitable for industrial uses) and industrial development to the south (the portion of the area most suitable for industrial use).” Metro Ordinance 04-1040B at Exhibit G, pages 17-18.

2. Local Concept Planning

In 2006, Metro awarded a \$365,000 CET Grant to the cities of Tualatin and Wilsonville to perform concept planning for the Basalt Creek Planning Area. In 2011 the cities, Metro, and Washington County entered into an IGA that outlines the requirements and responsibilities of the parties regarding their coordinated efforts on the Basalt Creek concept plan. The IGA defines a decision-making process that requires all four parties to agree to the final decisions about the jurisdictional boundary between the two cities and the appropriate land use designations for the entire area.

The concept plan was put on hiatus from 2011 to 2013 while transportation planning issues for the larger South County Industrial Area were being resolved via the Basalt Creek Transportation Refinement Plan. The stakeholders concluded that it was important to address transportation issues for the area prior to any industrial development occurring. As part of that transportation planning effort, the Basalt Creek Parkway was one of several options identified as critical to the success of the transportation system. The

Parkway was seen as one of the vital connectors for truck traffic from the Tonquin and Southwest Tualatin Industrial areas to the north down to Interstate 5, in order to mitigate the traffic impacts on Tualatin-Sherwood Road and the Tualatin Town Center.

Upon completion of the Basalt Creek Transportation Refinement Plan in 2013, the cities of Wilsonville and Tualatin resumed their concept planning efforts, utilizing Metro's CET grant funds. In December of 2015, the City Councils of Wilsonville and Tualatin reached an agreement regarding a jurisdictional boundary between the cities, delineated by the Basalt Creek Parkway. Further work between the cities resulted in a "Preferred Basalt Creek Land Use Map" in September of 2016, which designated the majority of the area north of the Basalt Creek Parkway in Tualatin, including the Central Subarea, with a Manufacturing Park zoning classification. Exhibit C.

3. Summary of Dispute

In October of 2016, a property owner in the Central Subarea presented the City of Tualatin with a proposal to change the designation of the subarea from employment to residential. The property owner asserted that the area is not well suited for employment uses due to topography and geologic conditions. In support of this proposal, the property owner submitted a request from OTAK to amend the Preferred Basalt Creek Land Use Map, stating a concern that the Central Subarea would be difficult to develop for employment purposes due in part to the existence of slopes in excess of ten percent. The property owner also submitted letters from other development professionals stating that the site topography is too challenging for industrial development and is better suited for smaller footprint buildings such as housing. Tualatin Brief, Exhibit 108.

At a Tualatin City Council work session on October 10, 2016, the City Council directed planning staff to consider the property owner's request as proposed by OTAK. The matter came back to the City Council on November 28, 2016. The Tualatin planning department staff report for that meeting noted that the OTAK proposal to amend the concept plan "includes substantially more residential land uses in the central subarea" than had been previously discussed, and recommended rejecting the property owner's proposal and retaining the proposed employment designation: "After consideration of OTAK's proposal and all of the above factors together, staff believes the central subarea can be developed for employment over the long-term. While there are some hilly areas, the Manufacturing Park designation can be made flexible enough to include some smaller scale employment uses." Wilsonville Rebuttal Brief, Exhibit G.

In response to the property owner's testimony to the City of Tualatin in October of 2016 regarding the unsuitability of the Central Subarea for employment uses, Washington County hired Mackenzie development group to undertake an independent study regarding the viability of employment uses in that area. The study was completed in January of 2017 and concluded that employment uses are viable in the Central Subarea, specifically for flex business park, office campus, manufacturing, and commercial support services. Wilsonville Brief, Exhibit G.

In February of 2017, the Tualatin City Council directed their staff to proceed with changing the designation of the Central Subarea from employment to residential. In March of 2017, the City of Wilsonville hired the engineering firm KPFF to evaluate the feasibility of development for employment uses in the Central Subarea. The resulting KPFF feasibility study provided three different scenarios for viable employment development, taking into consideration the slope and geologic composition of the site. Wilsonville Brief, Exhibit D.

Under the 2011 IGA regarding concept planning for the Basalt Creek Planning Area, all parties must agree regarding the jurisdictional boundary between the cities and the land use designations. Since the cities cannot agree, the area cannot be planned or annexed by either city. The cities asked Metro to act as an arbitrator and resolve the dispute.

ANALYSIS

A. Planning Goals and Expectations of Local Government Stakeholders

The planning history of the Central Subarea and the planning expectations of local government stakeholders lean heavily in the direction of an employment designation. The area was brought into the UGB by Metro in 2004 as part of an expansion for the purpose of meeting a regional need for industrial land, and the entire Basalt Creek Planning Area is designated on Metro's Title 4 map as a future employment area.

Although the 2004 UGB expansion decision did contemplate that some portions of the Basalt Creek Planning Area could become residential, the relevant condition of approval and findings (quoted above on page 3) drew a line at the location of the south alignment of the proposed I-5/99W connector and stated that areas north of that line, closer to the City of Tualatin boundary, are more appropriate for residential use, while areas south of that line (including the Central Subarea) are more appropriate for industrial use.

As noted by the City of Wilsonville in its brief, the City of Tualatin has already designated a substantial portion of its share of the 2004 UGB expansion area for

residential development. Without removing the employment designation from the Central Subarea, 91 the 194 developable acres in Tualatin's portion of the Basalt Creek Planning Area are designated as residential. Those 91 acres include flat land adjacent to Interstate 5 at the eastern edge of the planning area between Norwood Road and the future Basalt Creek Parkway that appear to be ideal for employment purposes. Wilsonville Brief, Exhibit A. If the Central Subarea designation is changed from employment to residential, Tualatin will have designated 65% of its developable land in the planning area for residential purposes.

Evidence in the record indicates that the City of Tualatin strongly advocated for an employment designation in the Central Subarea during the concept planning process until the end of 2016, when the property owner and OTAK proposed the change to residential. Wilsonville Brief, Exhibit A and Exhibit C at page 6; Wilsonville Rebuttal Brief, Exhibit I. Evidence in the record also shows that the City of Tualatin moved the proposed jurisdictional boundary between the cities farther south in order to provide more employment opportunities for Tualatin. Minutes from the Tualatin City Council work session on August 24, 2015 state:

“Mayor Ogden stated he did not believe the mix of residential and industrial in this option [boundary option 3] is a good value for the people who live in Tualatin. This mix creates more trips in turn creating more congestion. He understands the need for residential capacity but does not believe it should be done at the exclusivity of other options. His recommendation would be to move the boundary line further down to accommodate for job producing land options creating a more balanced growth option.

“Council Bubenik would like to see more land in this option converted to light industrial.

“Council President Beikman expressed dissatisfaction with boundary option three. She stated boundary option three removes all industrial land and converts it to residential leaving no room for job growth.” Wilsonville Rebuttal Brief, Exhibit A.

As a result of this direction from the Tualatin City Council regarding the city's desire for more employment land, Tualatin planning staff generated a new Boundary Option 4, which moved the boundary between the two cities south to Tonquin Road and changed the designation of the Tualatin portion of the Central Subarea from residential to

employment. Wilsonville Rebuttal Brief, Exhibit C. Planning staff then presented Boundary Option 4 at the joint meeting between the two city councils on December 16, 2015. Wilsonville Rebuttal Brief, Exhibit D.

At the December 16, 2015 meeting, the two city councils agreed that the boundary line between the two cities should be moved even farther south, to the future location of the Basalt Creek Parkway. Tualatin Reply Brief, Exhibit 128. The City of Wilsonville argues that there was an express agreement between the cities at the December 16, 2015 joint meeting regarding an employment designation for the Central Subarea. The City of Tualatin disagrees, noting that the stated purpose and outcome of the meeting was limited to the agreement regarding the location of the jurisdictional boundary, and that future land use designations were not included as part of the presentation to the two city councils. Tualatin Reply Brief, Exhibits 128, 129 and 130.

The City of Tualatin appears to be correct that there was no formal agreement or vote taken by the two cities at the December 16, 2015 joint meeting regarding land use designations. However, the evidence, and common sense, support the City of Wilsonville's contention that its agreement regarding the jurisdictional boundary was based in part on the Tualatin City Council's position regarding Tualatin's need for more employment land, and that Wilsonville would not have agreed to cede more land to Tualatin if it was proposed to be residential.

There is no dispute that the Tualatin City Council directed its staff to move the city boundary south to Tonquin Road because it believed Tualatin was not being provided enough employment land for future job growth in the city. That directive resulted in Boundary Option 4, which changed the Tualatin portion of the Central Subarea from residential to employment. At the same December 16, 2015 joint meeting where Tualatin's Boundary Option 4 was presented to the two city councils, the councils reached agreement on a boundary location even farther south, at the Basalt Creek Parkway. Given Tualatin's push to move the boundary south in order to provide itself with more employment land, there was no reason for Wilsonville to think that Tualatin was going to change its proposed employment designation for the Central Subarea to residential. Although there was no vote or other formal action taken at the December 16, 2015 joint meeting regarding land use designations, the evidence supports a finding that Wilsonville's agreement regarding the jurisdictional boundary was premised on its belief that areas north of that boundary would remain in an employment designation as proposed by Tualatin on December 16, 2015. As stated by Wilsonville Mayor Tim Knapp at a city council work session on March 20, 2017, "Our prior offer to set the boundary at the parkway is contingent on the rest of that agreement that has, apparently, disappeared.

So the proposal to put the boundary at the parkway is no longer operative.” Wilsonville Rebuttal Brief, Exhibit I, page 2.

Since 2016, Washington County has objected to changing the employment designation based on the county’s planning expectations and related transportation investments in the Basalt Creek Planning Area. The March 5, 2017 submittal from the Chair of the Washington County Commission states:

“Our position remains consistent with my letter to Mayor Ogden and members of the Tualatin City Council dated October 27, 2016, wherein I expressed the concerns of the Board of County Commissioners regarding potential increases in the amount of residential units proposed in the Tualatin side of the Basalt Creek Concept Plan. The County supports the planned employment uses in this area and has invested over \$65 million in the construction of the new 124th arterial to leverage future economic development in the area.”

A copy of the county’s October 27, 2016 letter is attached as Exhibit D. That letter provides, in relevant part:

“We believe this area to be prime future industrial land needed to support the regional economy. In 2013, Washington County, City of Tualatin, City of Wilsonville, and Metro acknowledged the Basalt Creek Transportation Refinement Plan. This plan identified transportation infrastructure needed to support this future industrial area. We have moved forward in support of this agreement with construction of the new 124th arterial to leverage future economic development. We believe that eliminating industrial land beyond what the latest concepts show would be a big mistake for the economic health of South County and counter to our agreement.”

The Basalt Creek Transportation Refinement Plan Recommendations from 2013, attached as Exhibit E, supports the assertion of Washington County that an important function of the planned Basalt Creek Parkway (also referred to as the SW 124th arterial) is “supporting industrial access from the Tonquin, Southwest Tualatin, and Basalt Creek Planning Areas.” Exhibit E, page 2. This planning objective is also reflected in Metro’s 2014 Regional Transportation Plan (RTP), which describes the recommended alternative to the I-5/99W connector proposal as follows:

“The recommended alternative ... is based upon the principle that it is preferable to spread the traffic across three smaller arterials rather than one

large expressway. The analysis concluded this approach could effectively serve the traffic demand, would provide better service to urban land uses in the Tualatin/Sherwood area, especially industrial lands, and could be built incrementally based upon need to serve growth and revenue availability.”

“* * * * *

“Since completion of the I-5/99W Connector Study, Washington County led the Basalt Creek Transportation Refinement Plan along with Metro, ODOT, and the Cities of Tualatin and Wilsonville. The purpose of this refinement plan was to determine the major transportation system to serve the Basalt Creek Planning Area. The plan sets the stage for land use concept planning and comprehensive plan development for the Basalt Creek area. The need to plan for the future transportation system was driven by future growth in the Basalt Creek area itself as well as almost 1000 acres of future industrial development targeted for surrounding areas.” 2014 RTP, pages 5-21 and 5-22.

The relevant transportation planning documents for the Basalt Creek Planning Area indicate that one reason for abandoning the I-5/99W connector proposal was to create a better plan for transportation connectivity for planned industrial development in the area. As noted by Washington County in its March 5, 2017 letter, a primary purpose of the \$65 million investment in the planning and development of the Basalt Creek Parkway is to support future economic development from planned employment areas in the Basalt Creek Planning Area. The City of Tualatin’s decision to add more residential land to the sizeable areas it has already planned for residential is not consistent with the county’s planning expectations and investment in the Basalt Creek Parkway arising out of the agreement reached by the local governments in the Basalt Creek Transportation Refinement Plan.

B. Consideration of the Cities’ Arguments

1. Consistency with Condition of Approval on 2004 UGB Expansion

The City of Tualatin contends that the Central Subarea must be designated for residential purposes under the condition of approval attached to the 2004 UGB expansion in Metro Ordinance 04-1040B. Tualatin asserts this is because the condition requires all areas north of the Basalt Creek Parkway to be designated “Outer Neighborhood.” However, the condition refers to the south alignment of the proposed I-5/99W connector and not to the Basalt Creek Parkway:

“2. Title 11 planning shall incorporate the general location of the projected right of way alignment for the I-5/99W connector and the Tonquin Trail as shown on the 2004 Regional Transportation Plan. If the selected right-of-way for the connector follows the approximate course of the ‘south alignment,’ as shown on the Region 2040 Growth Concept Map, as amended by the portion of the Tualatin Area that lies north of the right-of-way shall be designated ‘Outer Neighborhood’ on the Growth Concept Map; the portion that lies south shall be designated ‘Industrial.’” Metro Ordinance 04-1040B at Exhibit F, page 3.

The map below (also attached as Exhibit B) shows the location of the Central Subarea and the Basalt Creek Parkway overlaid on the 2040 Growth Concept Map from 2004 with the proposed north and south alignments for the I-5/99W connector. As shown on this map, the south alignment is located along the northern boundary of the Central Subarea.



Figure 2: Central Subarea and Basalt Creek Parkway overlaid on Metro 2040 Growth Concept Map (2004 version)

In reviewing the cities’ arguments on this issue, it is important to note that the I-5/99W connector concept was abandoned by the stakeholders in favor of spreading traffic across three smaller arterials. Therefore the two alternative connector alignments have been removed from the current 2040 Growth Concept Map. As a result, the significance of this condition of approval is limited, since the proposed connector will never exist. Tualatin contends that the Basalt Creek Parkway should be treated as if it were the connector because it “follows the approximate course” of the south alignment, consistent with the condition of approval. Therefore, Tualatin argues, the Parkway must serve as the buffer

between industrial development to the south and residential to the north, as stated in the Metro Council findings explaining the condition of approval:

“Second, the Council states that, so long as the alignment for the Connector falls close to the South Alignment shown on the 2040 Growth Concept Map, it will serve as the buffer between residential development to the north (the portion least suitable for industrial uses) and industrial development to the south (the portion of the area most suitable for industrial use).” Metro Ordinance 04-1040B at Exhibit G, pages 17-18.

However, the Basalt Creek Parkway and the previously proposed I-5/99W connector are not interchangeable facilities. As stated in the above-quoted portion of the 2014 RTP, the recommended alternative to the I-5/99W connector “is based on the principle that it is preferable to spread the traffic across three smaller arterials rather than one large expressway.” 2014 RTP, page 5-21.

More importantly, the location of the Basalt Creek Parkway is sufficiently south of the proposed connector’s south alignment that it cannot reasonably be considered the “approximate course” of that alignment. Tualatin argues that the distance is only approximately 1800 feet, or one-third of a mile. However, shifting the entire length of a proposed roadway project by one-third of a mile is not an insignificant change. Also, as pointed out by Wilsonville in its brief, the amount of acreage that would be changed from industrial to residential as a result of shifting the alignment that far south is significant – the residential acreage would increase from 110 acres to 380 acres. Wilsonville Rebuttal Brief at Exhibit F, page 2.

This highlights a flaw in Tualatin’s argument – if the condition of approval still applies as the city contends, and is interpreted so that the Basalt Creek Parkway is the equivalent of the I-5/99W connector and therefore must separate industrial uses to the south and residential to the north, then 100% of the approximately 200 acres of employment land in Tualatin’s portion of the planning area would need to be converted to residential. Wilsonville Rebuttal Brief at Exhibit H. This is an outcome that has never been contemplated by any party to this decade-long planning process, and would create further obstacles and disputes among the cities, county, and Metro regarding planning for the Basalt Creek area.

The part of the Metro Council’s 2004 UGB expansion findings regarding the location of the proposed south alignment that is more relevant today is that the Council identified the area north of the proposed alignment as being the least suitable for industrial use, and the

area to the south as being the most suitable for industrial use. As shown on the map above (and attached as Exhibit B), the location of that proposed alignment follows the northern boundary of the Central Subarea.

In conclusion, the 2004 condition of approval does not support Tualatin's argument that the Central Subarea must be designated for housing. However, the 2004 Metro Council findings do indicate that Metro's UGB expansion decision identified the area south of the proposed I-5/99W connector, including the Central Subarea, as "the area most suitable for industrial use."

2. Suitability for Industrial/Employment Development

The primary reason stated by the City of Tualatin for changing the Central Subarea planning designation from employment to residential was that the area is too steep and too rocky to be developable for employment purposes. This issue was initially raised in testimony from a property owner in the Central Subarea, who hired OTAK to prepare and submit a request for an amendment to the concept plan that provides a bullet-point list of concerns, along with a slope analysis and a proposal for residential development in the subarea. The three concerns identified in the OTAK document are topography, access, and the fact that the subarea abuts the Basalt Creek Canyon. Tualatin Exhibit 108.

The property owner also submitted four one-page letters from development professionals at Brian Copton Excavating, Real Estate Investment Group, PacTrust, and Ken Leahy Construction stating that development of the Central Subarea for employment purposes would be "very difficult," "very inefficient," "uneconomic," and that the area is generally better suited for residential use due to its topography, rockiness, and access limitations. Wilsonville Brief, Exhibit H.

In response to this testimony, Washington County hired Mackenzie development group to undertake a study regarding the viability of employment uses in the Central Subarea. The study was completed in January of 2017 and provides a slopes map, an estimation of development area acreage for employment purposes, and a conceptual employment use concept plan. The Mackenzie report acknowledges that there are development constraints on the site, noting that nearly a third of the site consists of slopes greater than 10%, which are generally considered undevelopable for employment purposes. The report states that "of the 63 gross acres, approximately half of the site (about 37 acres) may be suitable for employment development, if slopes ranging above 5% to 10% can be mitigated." Wilsonville Brief Exhibit G, page 3. The report provides an employment use concept plan showing 40% developable area and approximately 315,000 square feet of building

area, and goes on to conclude that employment uses are viable in the Central Subarea, specifically for flex business park, office campus, manufacturing, and commercial support services.

The Mackenzie report includes two incorrect assumptions that undercut the evidentiary value of the report's concept plan and conclusions. First, Mackenzie mistakenly included the 11-acre property to the north of the Central Subarea as part of its study, and located two buildings and an access road in that location in its concept plan. That property has been agreed upon as a future residential area and is not part of the dispute between the cities. It also includes some of the flattest terrain in the area, so its inclusion in the Mackenzie study skews the conclusions regarding total developable area. Second, the Mackenzie concept plan shows a public road access point onto the Basalt Creek Parkway, which is not correct due to the limited access nature of that facility. However, the Mackenzie report does have evidentiary value in that it describes land suitability factors for employment development, identifies the locations of the best developable areas within the Central Subarea for employment purposes, and identifies types of employment uses that could be located in those areas.

After the Tualatin City Council directed staff to change the designation of the Central Subarea from employment to residential in February of 2017, the City of Wilsonville hired the engineering firm KPFF to undertake a study evaluating the feasibility of development for employment uses in the Central Subarea. The KPFF study provides a comprehensive evaluation of the site, including environmental constraints, slopes, rock location and excavation, grading, and site access. Based on that evaluation, the KPFF study identifies three different "schemes" for employment development of the Central Subarea. The three schemes offer differing intensities of development, based in part on the level of desired protection of open space areas in the northern portion of the site. Scheme A shows a total building area of 480,000 square feet, Scheme B shows a total building area of 594,800 square feet, and Scheme C shows a total building area of 781,350 square feet. The KPFF study concludes as follows:

"Various employment opportunities can be accommodated on the site from larger industrial facilities such as Building A to smaller craft industrial facilities such as Building E. The slope on the site is conducive to the stepped and smaller buildings such as Buildings E and C. These buildings could provide office space as well as smaller craft facilities that can include breweries, textiles, pottery and metal works. Not only will these facilities increase the employment opportunities in the area but they also fill a need for providing space to support local artists and craft industry. As indicated

in the three schemes there is flexibility on the site to use a variety of building types and footprints. This feasibility study has validated through the test fits that the area can be developed to increase employment opportunities in the region. As a result, other land uses were not analyzed for feasibility since the area is designated as a regional employment area.”

“The site does pose some grading challenges which will require the use of stepped foundations and retaining walls as indicated and discussed. This is not unexpected in the region and the use of retaining walls and stepped footings has been done in other projects locally as indicated by the included images. The cost for accommodating the grade changes is higher than if the project site were completely flat, but it is not out of line with development on similar types of sites. Infrastructure costs such as construction of new roadway and utilities are required for all greenfield sites and would be required to develop the feasibility study site regardless of the intended use.”
Wilsonville Brief, Exhibit D, page 28.

Metro is presented with a situation where there is conflicting evidence in the record regarding the viability of employment uses in the Central Subarea. Metro’s decision on this issue must be based on substantial evidence in the record, which is legally defined as evidence a reasonable person would rely on in making a decision. In reaching that decision, Metro may consider the weight and credibility of the relevant conflicting evidence and decide which evidence it finds to be more persuasive in reaching its decision.

After reviewing all of the relevant evidence in the record, and evaluating its comparative weight and credibility, the greater weight of more credible evidence supports a conclusion that it is feasible to develop the Central Subarea for employment purposes. The evidence indicates that, although the Central Subarea may not be a likely candidate for a large industrial facility, there is sufficient developable area on the site for multiple buildings housing smaller employment uses, as depicted in the Mackenzie and KPFF studies, such as office, flex business park, manufacturing, and craft industrial.

The best evidence in the record regarding the viability of employment uses in the Central Subarea is the KPFF study, which provides an independent and highly credible professional analysis of potential employment uses on the site, and concludes that although there will be some challenges and costs associated with grading and excavation that would not exist if the site were totally flat, those costs are “not out of line with development on similar types of sites.” Wilsonville Brief, Exhibit D, page 28. The KPFF

study also provides photo examples of other projects in the Metro region where grading and retaining walls have been used to allow employment development in similarly sloped areas.

The property owner advocating for a residential designation has not provided a similarly thorough and independent professional study of the site. The OTAK materials provide topographic and slope maps that appear identical to those provided by Mackenzie and KPFF, and state the uncontested fact that the site contains slopes in excess of 10% and 25% that are unlikely to be developable. However, as noted in the Mackenzie study, those portions of the Central Subarea that contain slopes of less than 5% may be readily developed, as well as those areas between 5% and 10% with more significant grading. OTAK expressly agreed with this aspect of the Mackenzie analysis. Wilsonville Brief, Exhibit H, item #9. The Mackenzie and KPFF studies each show those locations where employment-related buildings may be developed, including areas with slopes up to 10%. The OTAK memorandum goes on to make two inconclusive statements regarding access and the presence of the Basalt Creek Canyon, which have little evidentiary value. Tualatin Brief, Exhibit 108.

The record includes four one-page letters from individuals in the construction and real estate professions, written at the request of the property owner, generally stating their opinions that the Central Subarea is not well suited for employment uses due to topography, rockiness, and limited access. None of these letters include or reference the type of detailed and site-specific evidence provided in the analysis undertaken by KPFF. Two of the letters state that large industrial or flex buildings would not be viable due to the size of their footprints, but do not appear to consider the types of smaller employment uses identified by KPFF and Mackenzie. The common theme of the letters is that development of the site for employment purposes will be expensive due to grading and excavation costs, followed by conclusions that those higher costs will make future development “inefficient” or “uneconomic,” but providing little or no direct evidence supporting those opinions.

Taking a step back, the question properly before the cities, and now Metro, is a *planning* question regarding what would be the best type of use in this particular location in the future, given the long-range plan for the area. The question is not whether the Central Subarea will be developed tomorrow, or even in the next three years, for employment purposes. Accordingly, testimony that raises potential concerns about site-specific development issues, and particularly economic feasibility, is necessarily less relevant in reaching a determination as to whether an employment designation is appropriate. In reaching a decision regarding a land use planning designation for future development, a

local government is not required to demonstrate that there is a particular development plan for the property that could occur immediately.

The KPFF study demonstrates that it is feasible for the Central Subarea to be developed for employment uses. The study acknowledges that it will be more challenging (and expensive) than if the area were flat, but states that the resulting costs are not out of line with existing development on similar sites. As noted by the City of Wilsonville in its brief, employment properties in the region that are easy to develop have largely been developed already, requiring developers and local governments to become more innovative and flexible regarding the siting of employment uses. The importance of local government flexibility was recognized by City of Tualatin planning staff when it concluded that the Central Subarea could be developed for employment uses: “While there are some hilly areas, the Manufacturing Park designation can be made flexible enough to include some smaller scale employment uses.” Wilsonville Rebuttal Brief, Exhibit G,

The property owner also submitted three letters from engineering and planning firm CES/NW that are of higher evidentiary value than the other materials relied upon by the City of Tualatin, in that the CES materials include a more objective and evidence-based analysis than letters that primarily state opinion-based conclusions. The first letter, dated February 10, 2017, raises similar issues regarding slopes and access points; however, it is primarily aimed at critiquing the Mackenzie concept plan, which as acknowledged above includes incorrect assumptions regarding access and developable acreage. Those errors are correctly pointed out in the CES letter.

Since the flaws in the Mackenzie plan are now known, and it has been essentially superseded by the more detailed (and accurate) KPFF study, the subsequent CES letter dated May 18, 2017 is more relevant because it provides a direct review of the KPFF study and conceptual development plan. The letter from CES focuses on the preferred Scheme B and makes an estimate regarding the amount of grading that would be required and the associated costs of that grading plus necessary retaining walls. Significantly, one conclusion of the CES letter is that “we feel the proposed grading plan is possible.” Tualatin Brief, Exhibit 113. Thus, the consultants hired by the property owner admit that it is *possible* for the Central Subarea to be graded for employment use. The issue posed by CES is not physical feasibility; it is how much it would cost. The CES letter estimates \$10.5 million for grading and \$1.2 million for retaining walls. However, the letter does not provide any evidence or conclusions regarding whether or why those expenses would render development of the site economically infeasible. This letter has evidentiary value

for the amount of money that could be required to grade the site, but not for a conclusion that grading costs would render development economically infeasible.

The question of economic feasibility is more directly addressed in the next letter from CES, dated July 20, 2017, the primary point of which is to compare residential development to employment development in the Central Subarea given its site constraints. But again, that letter stops short of saying that employment development is not feasible: “Add rock excavation at six to ten times the normal cost of grading to the excessive amount of grading required, and this property *may not be* economically feasible to develop.” Tualatin Brief, Exhibit 114 (emphasis added). This letter provides evidentiary support for the proposition that it will be more expensive to develop the Central Subarea for employment than residential, and that excavation and grading costs *could* make it economically infeasible. But it does not directly support the conclusion asserted by the City of Tualatin that developing the site for employment use “is not economically feasible.” Tualatin Brief, page 6.

In its brief, the City of Tualatin also challenges certain assumptions and conclusions in the KPFF study. Tualatin notes that all three potential development schemes depicted in the KPFF study “have office space as the predominant use, not industrial.” Tualatin Brief, page 11. Office space is an employment use and the debate here is about whether the site is appropriate for employment purposes, which of course could include industrial but are not limited to industrial. Tualatin also argues that the KPFF study concludes that “the area is useful, at best, for ‘split elevation’ office use.” Tualatin Brief, page 5. The City of Wilsonville provided the following response from KPFF engineer Matt Dolan, which more accurately describes the study’s conclusions: “To the contrary, the study suggests that a different building type could be utilized in areas with steeper slopes and does not suggest this approach for the entire area. All of the scenarios and building typologies imagined in the study support employment opportunities within the study area....” Wilsonville Rebuttal Brief, Exhibit K.

Tualatin also notes that the office buildings include “split elevations and access at varying levels to accommodate grade,” and then asserts “[a]s explained by an industrial/employment developer, stepped floors are not desired for industrial/employment development,” citing the PacTrust letter dated November 14, 2016. However, the PacTrust letter does not say anything about stepped floors being undesirable for employment development. The conclusion of the PacTrust letter is that “the topography of your site makes development of industrial or flex buildings uneconomic.” Tualatin Brief, Exhibit 115. Notably, the PacTrust letter does not say that the site topography

renders development infeasible for other smaller employment uses, such as the office or craft industrial buildings that are included in the KPFF development schemes.

Tualatin also contends that the KPFF proposed development schemes do not comply with Oregon Fire Code requirements regarding the allowable grade of an access road and a need for secondary access to the southern development area. These issues are adequately addressed in the response from the KPFF engineer, who notes that applicable TVFR requirements allow grades up to 15%, and that whether and where secondary access will be provided would be determined in consultation with TVFR at the time development is actually proposed. The KPFF memo also includes the following assessment:

“The discussion regarding economic feasibility does not seem pertinent or relevant to the determination of the long range planning goals for the area. If they are to be considered, a much more impartial and holistic approach would need to be applied to some sort of criteria that can equally evaluate long term economics for varying development scenarios. This is well beyond the scope of the feasibility study or any conclusions that could be extrapolated from the report and development scenarios envisioned.”
Wilsonville Rebuttal Brief, Exhibit K.

Tualatin also argues that the KPFF study is “biased” because KPFF purposely ignored the possibility of residential development on the site, and only studied the possibility of employment uses. Tualatin Reply Brief at 6. This argument ignores the statement on the first page of the KPFF report that the purpose of the study is to “ascertain whether the policy objective of employment uses is achievable in this subarea. Only if this investigation determines employment uses not to be feasible on this site will this analysis then consider feasibility of other land uses.” Wilsonville Brief, Exhibit D, page 1.

After reviewing all of the evidence in the record, and evaluating its comparative weight and credibility, the greater weight of more credible evidence supports a conclusion that it is feasible to develop the Central Subarea for employment purposes. Regarding credibility, this analysis cannot overlook the property owners’ monetary incentive to obtain a residential designation, which is more likely to provide a higher investment return than employment.

The evidence indicates that, although the Central Subarea may not be a likely candidate for a large footprint industrial facility, there is sufficient developable area on the site for multiple buildings housing smaller employment uses, as depicted in the Mackenzie and KPFF studies, such as office, flex business park, manufacturing, and craft industrial. This

conclusion is supported by the City of Tualatin staff report to the City Council dated November 28, 2016, which concludes: “After consideration of OTAK’s proposal and all of the above factors together, staff believes the central subarea can be developed for employment over the long-term. While there are some hilly areas, the Manufacturing Park designation can be made flexible enough to include some smaller scale employment uses.” Wilsonville Rebuttal Brief, Exhibit G.

3. Responding to the Housing Crisis

The City of Tualatin contends that changing the planning designation for the Central Subarea to housing is an effective response to the regional housing crisis. Tualatin cites Metro materials that identify an urgent need to provide more affordable housing in the region, including the proposed 2018 affordable housing bond.

The Metro materials relied upon by the city describe an urgent need to address the current shortage of affordable housing in the region. As correctly noted by the City of Wilsonville, there is no evidence to support a conclusion that new homes constructed in the Central Subarea would fit any traditional definition of “affordability.”

More importantly, zoning the Central Subarea for residential use also would not address an immediate need for any type of housing. New residential development in this type of greenfield area takes a very long time, due in part to the need to plan, finance and construct all of the necessary infrastructure. Areas in Washington County that were added to the UGB in 2002 have only recently begun to actually be developed with housing. The long timelines associated with greenfield development do not lend themselves to addressing short-term housing needs. That will require development in existing urban areas that are already served by infrastructure.

Tualatin asserts that it has a shortage of land available for housing, based on its number of estimated dwelling units in Metro’s 2015 Buildable Land Inventory (BLI). However, the BLI is an inventory, not a housing needs analysis. In the absence of any information regarding the city’s projected population growth and corresponding future housing needs, an inventory does not support a conclusion that there is a need for housing. Tualatin’s brief does not refer to a local housing needs analysis under Goal 10, and it is not clear if the city has a current acknowledged housing needs analysis.

Tualatin’s argument that adding housing in the Central Subarea is necessary in order to provide housing for workers in the Basalt Creek area is unsubstantiated. Data gathered by Metro regarding work commutes at the intra-county level suggest that decisions regarding where to live are influenced by many other factors besides proximity to work.

Exhibit F. Locating housing near an employment area does not guarantee that people will choose to live and work in the same area. Also, the high costs of infrastructure for new residential construction in this greenfield area will likely result in home costs exceeding the available income of most individuals working in nearby industrial jobs.

C. Conclusion

Metro identified the Central Subarea as viable industrial and employment land and included it in the UGB for that purpose. It has a regional Employment designation under Title 4 of Metro's functional plan. The area is close to Interstate 5, has good existing and planned transportation infrastructure, including the Basalt Creek Parkway, consists of relatively large parcels, and is in close proximity to other areas planned and developed for employment uses. As described above, the weight of more credible evidence in the record supports a conclusion that an employment designation remains appropriate for the Central Subarea, and that the area should be planned accordingly by the cities.

EXHIBIT A

INTERGOVERNMENTAL AGREEMENT BETWEEN METRO, WASHINGTON COUNTY, AND THE CITIES OF TUALATIN AND WILSONVILLE SEEKING A BINDING NON-APPEALABLE DECISION FROM METRO CONCERNING ONE AREA, THE CENTRAL SUBAREA, OF THE BASALT CREEK PLANNING AREA

This Intergovernmental Agreement (IGA) is entered into by the following parties: Metro, a metropolitan service district organized under the laws of the State of Oregon (hereinafter referred to as "Metro"), Washington County, a political subdivision in the State of Oregon (hereinafter referred to as "County"), and the City of Tualatin ("Tualatin") and City of Wilsonville ("Wilsonville"), incorporated municipalities of the State of Oregon (hereinafter referred to as "Cities").

Whereas, in 2004 the Metro Council added two areas, known as the Basalt Creek and West Railroad Planning Areas, located generally between the Cities, to the Urban Growth Boundary (UGB) via Metro Ordinance No. 04-1040B; and

Whereas, Metro conditioned that these UGB expansion areas undergo Title 11 concept planning, as defined in Metro Code Chapter 3.07, cited as the Urban Growth Management Functional Plan (UGMFP); and

Whereas, County and Cities agreed to consider the Basalt Creek and the West Railroad areas in a single concept planning effort and to refer to the two areas generally as the Basalt Creek Planning Area; and

Whereas, located within the Basalt Creek Planning Area is a distinct subarea consisting of the following parcels identified by Washington County tax lot identification 2S135CB00400, 2S135CB00500, 2S135CC00300, 2S135CC00100, 2S135CC00800, 2S135CC00900, 2S135CC00500, 2S135CC00600, 2S135CC00700, as reflected in Exhibit 1, attached hereto and incorporated by reference herein, which subarea is hereafter referred to as the "Central Subarea"; and

Whereas, in 2011, Metro, County, and Cities entered into an Intergovernmental Agreement (2011 IGA) for concept planning the Basalt Creek Planning Area; and

Whereas, in 2013, Metro, County, and Cities entered into the First Addendum to the 2011 IGA, acknowledging the Basalt Creek Transportation Refinement Plan; and

Whereas, in 2013, Cities began concept planning the Basalt Creek Planning Area; and

Whereas, a disagreement has arisen with respect to what the land use designation should be for the Central Subarea; and

Whereas, Tualatin wants the land use in the Central Subarea to be designated for housing; and

EXHIBIT A

Whereas, Wilsonville wants the land use in the Central Subarea to be designated for employment; and

Whereas, representatives from the Cities jointly met with County representatives in an attempt to identify a process to move forward and complete the Basalt Creek land use Concept Plan map, but were unable to do so; and

Whereas, the governing bodies for the Cities and County agreed to ask Metro to settle the dispute and to make a final, binding, non-appealable decision on the sole issue of designation of the land use for the Central Subarea; and

Whereas, Metro has agreed to accommodate this request, based on the Cities' joint assertion that they cannot agree, with the clear understanding that this is not a role Metro intended, wanted, or asked for itself, but is willing to take on at the request of the Cities and the County;

Now, therefore, incorporating the above Recitals as if fully set forth below, the Cities, County, and Metro agree as follows:

1. FINAL BINDING AND NON-APPEALABLE DECISION BY METRO

Metro will act as the decision-maker to resolve the issue of the land use designation for the area known as the Central Subarea. In that capacity, Metro will have sole discretion to determine what to call this decision making process, where and when to hold the process, who Metro will appoint to make the decision, a briefing schedule, whether or not to hear oral argument, and ground rules that must be adhered to by the Cities and County throughout the process. Metro may require the Cities and County to sign ground rules and decision protocol, as determined solely by Metro. Once designated by Metro, the Parties agree that the Central Subarea will be designated in the final Concept Plans and in the Urban Planning Area Agreement between the Parties, as determined by Metro.

2. CITIES AND COUNTY AGREEMENT

The Cities agree to follow whatever decision-making process and rules are created by Metro, including timelines for submitting evidence and argument. The County may participate and advocate for its preference or may elect to be neutral. Cities and County agree that Metro's decision will be binding and non-appealable by any of them and, once made, all of their respective governing bodies and staff will support the decision to move the Basalt Creek Planning effort to completion without delay and in accordance with the decision of Metro. Each City agrees that it will prepare concept plans for the Basalt Creek Planning Area consistent with Metro's final decision and with Title 11 of Metro's Urban Growth Management Functional Plan. Each City agrees to adopt a resolution accepting the concept plan, reflecting the Metro decision, within 120 days after the date Metro's decision becomes final and effective and finalize their respective comprehensive plans to include that concept plan within one year of the Metro decision. Cities and County further agree that if the designation is appealed by any third party, each will vigorously defend and support the decision and will not support or assist in the

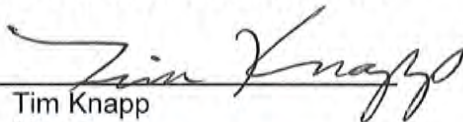
EXHIBIT A

decision and will not support or assist in the appeal of the designation determined by Metro through this process. At the conclusion of Metro's decision, a binding agreement will be signed by all Parties to this effect, with any future disputes or violations with respect to the agreement to be resolved in accordance with the specified requirements of that binding decision. Hereafter the Parties will work in good faith to reach agreement on all other issues so that the final Concept Plans and Urban Planning Area Agreement can be finalized.

This Agreement is effective the 22nd day of January, 2018.

Exhibit 1 – Map

CITY OF WILSONVILLE, OREGON

By: 
Tim Knapp

As Its: Mayor

Date: 12/27/2017

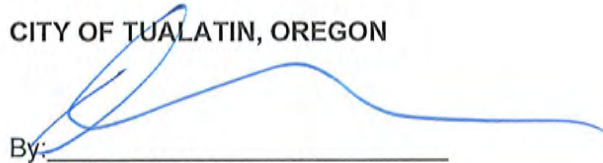
ATTEST:

By: 

[Signatures continue on following pages]

EXHIBIT A

CITY OF TUALATIN, OREGON



By: _____
Lou Ogden
As Its: Mayor

Date: 12-11-2017

ATTEST:

By:  _____

[Signatures continue on following pages]

EXHIBIT A

WASHINGTON COUNTY, OREGON

By: Andy Duyck
Andy Duyck
As Its: Chair, Board of County Commissioners

Date: 1-4-2018

ATTEST:

By: A. D. Napf

APPROVED WASHINGTON COUNTY
BOARD OF COMMISSIONERS

MINUTE ORDER # 17-351
DATE 12-19-2017
BY A. D. Napf
CLERK OF THE BOARD

[Signatures continued on following page]

EXHIBIT A

ACCEPTED AND AGREED TO BY METRO:

By: 
Martha Bennett

As Its: Chief Operating Officer

Date: 4/22/18

ATTEST:

By: 

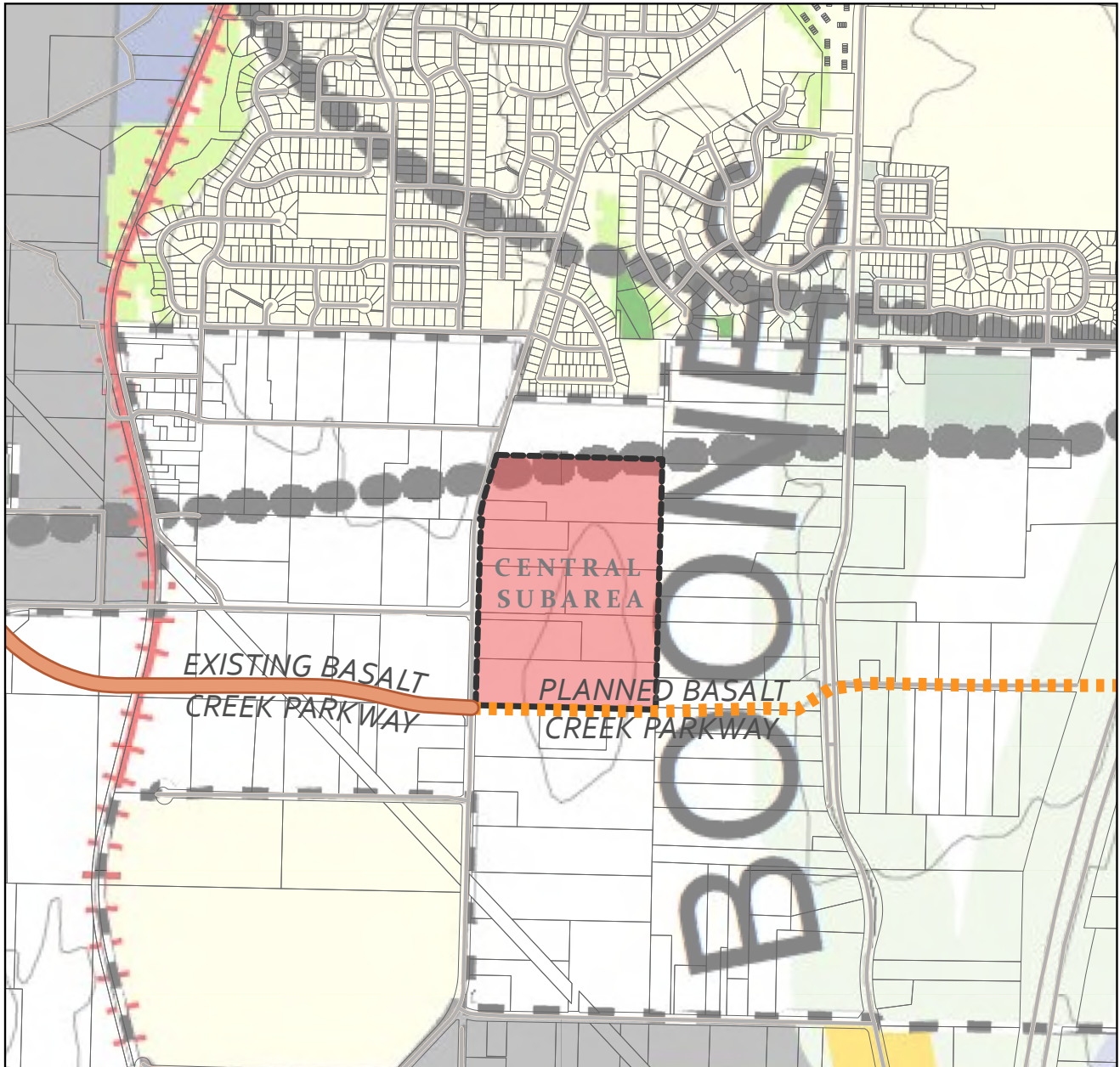
EXHIBIT A

Exhibit 1: Central Sub Area



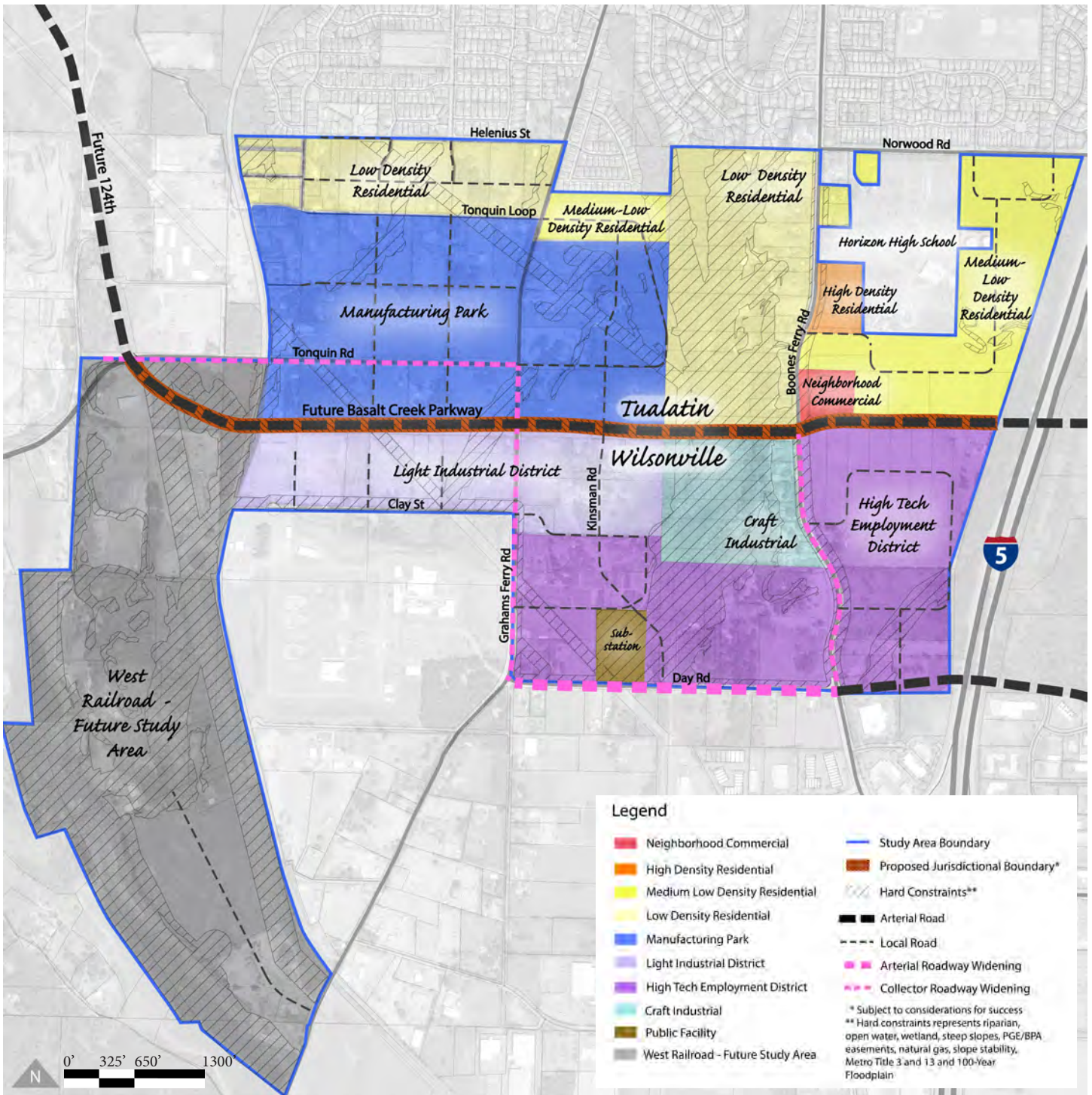
This map is derived from various digital database sources. While an attempt has been made to provide an accurate map, the City of Tualsis, OR, assumes no responsibility or liability for any errors or omissions in the information. This map is provided "as is".

EXHIBIT B



Central Subarea and Basalt Creek Parkway
overlaid on 2040 Growth Concept Map

EXHIBIT C



Basalt Creek Land Use Concept Map

DRAFT September 16, 2016

EXHIBIT D



WASHINGTON COUNTY OREGON

October 27, 2016

Mayor Ogden
Tualatin City Council
18880 SW Martinazzi Ave,
Tualatin, OR 97062

Dear Mayor Ogden and Members of the Tualatin City Council:

I am writing to express concerns to the Board of County Commissioners regarding potential increases in the amount of residential units proposed in the Tualatin side of the Basalt Creek Concept Plan.

We believe this area to be prime future industrial land needed to support the regional economy. In 2013, Washington County, City of Tualatin, City of Wilsonville, and Metro acknowledged the Basalt Creek Transportation Refinement Plan. This plan identified transportation infrastructure needed to support this future industrial area. We have moved forward in support of this agreement with construction of the new 124th arterial to leverage future economic development. We believe that eliminating industrial land beyond what the latest concepts show would be a big mistake for the economic health of South County and counter to our agreement.

Our IGA calls for the Cities to coordinate with the County in developing a concept plan for the Basalt Creek area. After the concept plan is complete, we can amend our Urban Planning Area Agreement to include this area, which is necessary for annexations to occur. This area is currently not included in our Urban Planning Area Agreement with Tualatin.

The City needs to be reminded the Basalt Creek Planning area is not currently within our Urban Planning Area Agreements. We believe Washington County is a partner in the planning of this area and would like to weigh in before any decision is made or report accepted that would substitute more residential units for employment areas.

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Duyck". The signature is fluid and cursive.

Andy Duyck, Chairman
Washington County Board of Commissioners

c: Andrew Singelakis, Director, Land Use & Transportation

Board of County Commissioners
155 N. First Avenue, Suite 300, MS 22 Hillsboro, OR 97124-3072
Phone: (503) 846-8681 Fax: (503) 846-4545

Basalt Creek Transportation Refinement Plan Recommendations

Introduction

The Basalt Creek transportation planning effort analyzed future transportation conditions and evaluated alternative strategies for phased investments that support regional and local needs.¹ This document reflects the Policy Advisory Group’s unanimous approval of the transportation investments, next steps for policy and plan updates, and potential funding strategies described in this document.

Purpose

The purpose of this refinement plan was to determine the major transportation system connecting Tualatin-Sherwood Road to I-5 in North Wilsonville through the Basalt Creek Planning Area, which is currently an unincorporated urban area of Washington County between the cities of Tualatin to the north, and Wilsonville to the south (see Figure 1). This plan refines recommendations from the I-5/99W Connector Study and the Regional Transportation Plan, setting the stage for land use concept planning and comprehensive plan development for the Basalt Creek area.

Planning Context

The need to plan for the future transportation system in the Basalt Creek area is driven not only by future growth in the Basalt Creek Planning area itself, but by future growth in surrounding areas targeted for industrial development. Basalt Creek currently lacks the multi-modal transportation facilities needed to support economic and urban-level development. Several planning

The Basalt Creek Transportation Refinement Plan was a joint effort involving:

- Washington County
- City of Tualatin
- City of Wilsonville
- Metro
- The Oregon Department of Transportation
- Area Citizens

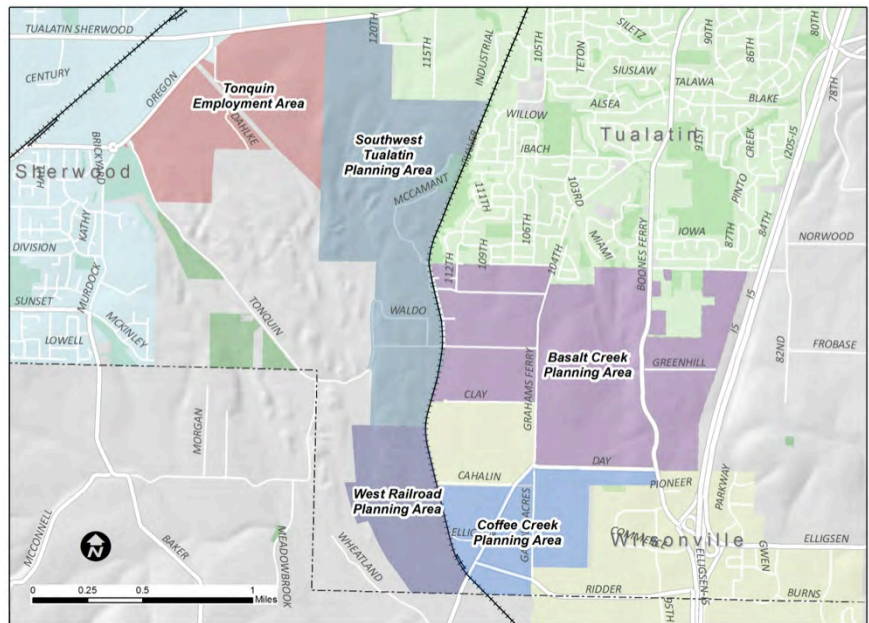


Figure 1: Basalt Creek Planning Area Location

¹ See *Basalt Creek Transportation Refinement Plan Technical Report* for more information.

efforts, summarized below, provide background and context for the Basalt Creek Transportation Refinement Plan.

- The **I-5/99W Connector Study** recommended an alternative that spreads east-west traffic across three smaller arterials rather than a single expressway. Although specific alignments for these arterials were not defined, the eastern end of the Southern Arterial was generally located within the Basalt Creek Planning Area, south of Tonquin Road. The present planning effort aims to further define the location of the connection between the SW 124th Avenue Extension and the I-5/Elligsen interchange in a manner that does not preclude the future Southern Arterial west of SW 124th.
- The **2035 Regional Transportation Plan (RTP)** calls for detailed project planning and near-term construction of an extension of SW 124th Avenue from Tualatin-Sherwood Road to the I-5/Elligsen Road interchange, supporting industrial access from the Tonquin, Southwest Tualatin, and Basalt Creek Planning Areas. The RTP also calls for the near-term construction of the Tonquin Trail (see below).
- The **Tonquin Employment Area, Southwest Tualatin Concept Planning Area, and Coffee Creek Planning Area** together comprise about 1,000 acres surrounding the Basalt Creek area that are planned primarily for industrial use. These areas are expected to generate growing freight and work-related travel demands on the multi-modal transportation network that runs through the Basalt Creek area.
- The **SW 124th Avenue Extension** Project, currently underway, is planning and designing the corridor described in the RTP from Tualatin-Sherwood Road to Tonquin Road. The present planning effort aims to extend the corridor to I-5 as envisioned in the RTP and ensure consistency with current SW 124th Avenue project.
- Washington County's **Boones Ferry Road** improvement project, also currently underway, provides pedestrian and bicycle improvements and an intermittent center turn lane between Norwood Road and Day Road. It is an assumed improvement for the Basalt Creek area.
- Near-term construction of the **Tonquin Trail** is called for in the RTP. The master plan identifies an alignment for new bicycle and pedestrian connections between Sherwood, Tualatin, and Wilsonville, with connections to the larger regional trail system. The Tonquin Trail will travel through the Southwest Tualatin Concept Plan Area and the Tonquin Employment Concept Plan Area, and is an assumed improvement within the Basalt Creek Transportation Refinement Plan.
- **Transportation System Plan** updates for Washington County, Tualatin, and Wilsonville are currently underway. Washington County will incorporate recommendations from this refinement plan into the County TSP update. The cities of Tualatin and Wilsonville will not incorporate these recommendations into their current TSP updates, but will carry the recommendations into land use concept planning and future TSP updates.

EXHIBIT E

January 2013

Facility Considerations and Characteristics

At the outset of this effort, agencies articulated a set of considerations to guide selection of the preferred transportation system as well as preferred characteristics of the primary east-west facility through the area.

- **Guiding considerations** included: ability to fund and phase improvements, level of impacts (environmental, right-of-way, etc.), support for development, consistency with regional policy, and traffic operations performance.
- **Facility characteristics** included: for the primary arterial connection, a 45 mph prevailing speed and access spacing of one-half mile to one mile to improve capacity.

Recommendation

The Policy Advisory Group (PAG), which consists of elected officials and key staff from the project's five partner agencies, recommends the following elements as part of an overall Action Plan (illustrated in Figure 2) for the area.

Roadways

The final recommendation is for a combination of new and improved roadways through the Basalt Creek area. The key new roadway through the area is a five-lane east-west extension of SW 124th Avenue, aligned south of Tonquin Road and extending east to Boones Ferry Road. The recommendation also includes improvements to existing roadways in the area, such as Tonquin Road, Grahams Ferry Road, Boones Ferry Road, and Day Road.

Protection of right-of-way for the new east-west roadway from the 124th Avenue extension to Boones Ferry Road is a key element of this recommendation. Right-of-way protection and purchase will be addressed separately, concurrent with the Basalt Creek land use concept planning.

During the planning process, the City of Wilsonville expressed concern about the structural condition of Day Road (i.e., failing roadway base and resulting pavement deterioration) and its ability to carry freight traffic for further development of industrial lands. While the Basalt Creek Transportation Refinement Plan focused on roadway needs related to capacity, the PAG agreed that the function of the arterial network in the Basalt Creek area includes providing roadways with adequate structural design for regional freight needs. Therefore, the PAG agreed that the project recommendations include a commitment to address the construction, operations, and maintenance of the arterial network through the concept planning process.

Overcrossings

The ability to construct two new I-5 overcrossings, including an off-street multi-use path, should be preserved in order to provide for future circulation and connectivity across the Basalt Creek area and into areas east of I-5. These overcrossings are recommended as long-term improvements and are likely not needed until 2035 or later. Forecasts show that the second overcrossing is not needed unless surrounding urban reserve areas east of I-5 and south of I-205 are developed. This refinement plan is neutral on the timing of urban reserves development, and therefore does not specify the timing and order of overcrossing improvements.

Active Transportation

All improved roadways in the Action Plan include bike lanes and sidewalks consistent with Washington County urban standards. This recommendation also includes integration of the regional Tonquin Trail into the transportation network. Metro, in close coordination the cities of Tualatin, Wilsonville, Sherwood, and Washington and Clackamas counties, led the master planning effort that identified a preferred alignment that travels through the Basalt Creek Planning Area. Roadway cross-sections and right-of-way purchases for the future east-west facility will consider needs for the Tonquin Trail in the design for the railroad overcrossing and improvements to Tonquin Road between Morgan Road and Tonquin Loop Road. Design for the east-west facility should also consider providing an of-street multi-use path that connects to the Tonquin Trail and extends east of I-5. Details of how this multi-use path will be integrated with the east-west facility design will be refined during later land use concept planning.

Action Plan

The recommended Action Plan consists of 18 transportation investments, shown in Figure 2. Timing of projects was prioritized through an analysis of likely transportation needs in 2020, 2030, and 2035 based on growth assumptions from the adopted Regional Transportation Plan. Because of uncertainty regarding the years during which development in the Basalt Creek Planning Area and surrounding areas will occur, phasing for investments is classified as short-term, medium-term, and long-term. Descriptions of these investments, as well as timing and the funding needed, are shown in Table 1. Cost estimates include right-of-way.

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January 2013

Table 1: Basalt Creek Action Plan

ID	Project	Short-Term	Medium-Term	Long-Term	Cost (\$2012)
1	124 th Avenue Extension (Tualatin-Sherwood Road to Tonquin Road): Construct three lane road extension with bike lanes and sidewalks	x			\$20,000,000
2	Tonquin Road (124 th Avenue to Grahams Ferry Road): Widen to three lanes with bike lanes and sidewalks, grade separate at railroad, improve geometry at Grahams Ferry Road ¹	x			\$10,500,000
3	Grahams Ferry Road (Tonquin Road to Day Road): Widen to three lanes with bike lanes and sidewalks	x			\$5,400,000
4	Boones Ferry Road (Norwood Road to Day Road): Widen to three lanes with bicycle and pedestrian improvements	x			\$10,800,000
5	124 th Avenue/Tonquin Road Intersection: Signal (may include Tonquin Trail crossing)	x			-. ²
6	Grahams Ferry Road/Tonquin Road Intersection: Signal	x			\$500,000
7	Boones Ferry Road/Day Road Intersection: Add second southbound through approach lane	x			-. ³
8	Boones Ferry Road/95 th Avenue Intersection: Construct dual left-turn and right-turn lanes; improve signal synchronization, access management and sight distance	x			\$2,500,000
9a	Tonquin Trail (Clackamas County Line to Tonquin Loop Road): Construct multi-use trail with some segments close to but separated from road	x			\$8,900,000 ⁴
9b	Tonquin Trail (Tonquin Loop Road to Tualatin-Sherwood Road): Construct multi-use trail with some segments close to but separated from road		x		\$7,100,000 ⁴
10	124 th Avenue Extension (Tualatin-Sherwood Road to Tonquin Road): Widen from three to five lanes with bike lanes and sidewalks		x		\$14,000,000
11	East-West Arterial (124 th Avenue to Boones Ferry Road): Construct 5 lane roadway with railroad and creek crossings, integrate segment of Tonquin Trail ⁵		x		\$57,900,000
12	Boones Ferry Road (East-West Arterial to Day Road): Widen to five lanes with bike lanes and sidewalks		x		\$1,100,000
13	Kinsman Road Extension (Ridder Road to Day Street): Construct three lane road extension with bike lanes and sidewalks		x		\$10,400,000
14	Day Road (Kinsman Road to Boones Ferry Road): Widen to five lanes with bike lanes and sidewalks		x		\$5,800,000
15	I-5 Southbound off-ramp at Boones Ferry Road/Elligsen Road: construct second right turn lane		x		\$500,000
16	Boones Ferry Road/95 th Avenue Intersection: Access management		x		-. ⁶
17	Day Road Overcrossing: Extend new four lane crossing over I-5 from Boones Ferry Road to Elligsen Road			x	\$33,700,000- \$44,100,000 ⁷
18	East-West Arterial Overcrossing: Extend new four lane crossing over I-5 from Boones Ferry Road to Stafford Road. Integrate multi-use path in corridor that connects to Tonquin Trail			x	\$38,000,000
TOTAL		\$59M	\$97M	\$72-82M	\$228-238M

¹ Grade separation for Tonquin Road is optional. An at-grade crossing would reduce cost by around \$2,000,000

² Cost included in Project 1

³ Coordinate with Project 4. Cost of approach lane included in estimate for Project 12

⁴ Tonquin Trail cost estimated by Metro as part of trail planning effort

⁵ Project 11 can potentially be built in two phases funded separately, west and east of Grahams Ferry Road. However, traffic benefits needed in the medium term (around 2030) will not be realized unless entire project is completed

⁶ Project details to be determined by further coordination between City of Wilsonville and ODOT. Cost expected to be minimal

⁷ Specific alignment approaching Elligsen Road will determine project cost. Alignment to Parkway Center Drive is estimated at \$33,700,000, and alignment to Canyon Creek Road is estimated at \$44,100,000

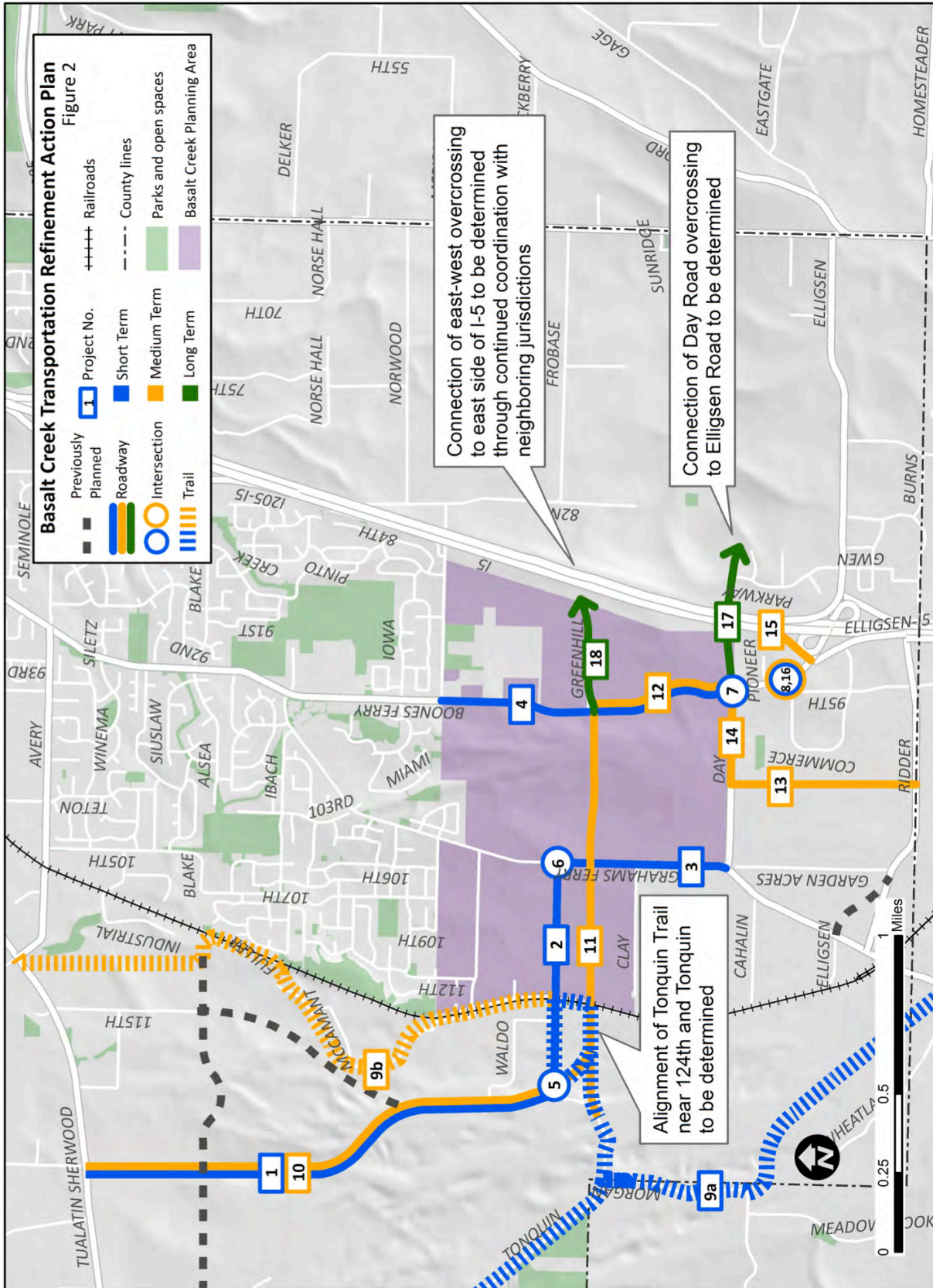


EXHIBIT E

January 2013

Each investment adds important improvements to the major transportation system in the Basalt Creek area to support future development, adding new multimodal facilities and upgrading existing facilities to urban standards. Although not shown on the map, it is expected that future concept planning will identify locations for additional, lower-classification roads and other transportation facilities to serve future development as well.

Are these new projects?

While cost estimates for the entire recommendation may total as high as \$238,000,000, all of the 18 projects have some relation to investments already planned in the adopted RTP. Table 2 shows projects from the RTP that have overlap or similarity to projects contained in the Action Plan. **Note that many of these projects are different in scope from those contained in the Action Plan, and will have different cost estimates. Future RTP updates may include updated cost estimates from this study.**

Table 2: Related projects from the Regional Transportation Plan

RTP ID	RTP Project	Related Action Plan Projects	Time Period	Cost (\$2007)
10736	124 th Avenue: Construct new street from Tualatin-Sherwood Road to Tonquin Road: 5 lanes	1,5,10,11	2008-2017	\$82,500,000
10590	Tonquin Road: Realign and widen to three lanes with bike lanes and sidewalks (Oregon Street to Grahams Ferry Road)	2,6	2018-2025	\$28,406,000
10588	Grahams Ferry Road: Widen to three lanes, add bike/pedestrian connections to regional trail system and fix undersized railroad crossing (Helenius Street to Clackamas County line)	3	2008-2017	\$28,000,000
10732	Boones Ferry Road: Widen to five lanes (Norwood Road to Day Road)	4,7,12	2018-2025	\$40,050,000
10852	95 th /Boones Ferry/Commerce Circle Intersection Improvements	8,16	2008-2017	\$2,500,000
10854	Tonquin Trail: Construct multi-use trail with some on-street segments (Tualatin-Sherwood Road to Clackamas County line)	9a,9b	2008-2017	\$3,000,000
10853	Kinsman Road extension with bike lanes and sidewalks (Ridder Road to Day Road)	13	2008-2017	\$6,500,000
11243	Day Road reconstruction to accommodate trucks (Grahams Ferry Road to Boones Ferry Road)	14	2008-2017	\$3,200,000
11342	I-5/99W Connector Southern Arterial/I-5 Interface ¹	15,17,18	2026-2035	\$50,000,000

¹ Construction of projects specifically related to the I-5/99W Connector Southern Arterial, such as the I-5 interface, are contingent on certain project conditions being met. See Regional Transportation Plan for details.

Policy and Plan Updates

Recommendations in this plan allow new concept planning efforts to move forward and provide guidance for updates of existing transportation plans.

Basalt Creek and West Railroad Area Concept Planning

The transportation system recommended in this plan becomes the framework for more detailed land use concept planning of the Basalt Creek Planning Area and West Railroad Planning Area by the cities of Tualatin and Wilsonville. Key recommendations to be carried forward during concept planning include:

- Protection of the major transportation facility corridors from development encroachment.
- Coordination of the local transportation system with the transportation investments included in this plan (unless amended by the parties of this study). Each roadway in the Basalt Creek area has access spacing standards that protect the safety and operations of the system, and these standards help determine appropriate local street connections. The new east-west facility is limited to accesses at 124th Avenue, Grahams Ferry Road, and Boones Ferry Road.
- Detailed concept planning in the Basalt Creek area should consider multi-use path connections to the Tonquin Trail that emphasize directness and minimize conflicts, enhancing bicycle and pedestrian access to new residential and employment areas. In the West Railroad area, concept planning will also include sections of the Tonquin Trail.

Regional Transportation Plan

In many cases, this transportation refinement plan provides new detail and cost estimates for projects that are already in the adopted RTP. These refined project descriptions, cost estimates, and timing considerations should be considered when projects are forwarded to Metro for the next RTP update. Examples of RTP projects that overlap with projects in this refinement plan include:

- 10590 (Tonquin Road). Action Plan project #2 includes a grade-separated railroad crossing, which is not included in the RTP project description.
- 10852 (95th/Boones Ferry/Commerce). Action Plan projects 8 and 16 will require further coordination with ODOT to determine geometry and timing of intersection improvements.
- 11243 (Day Road). Action Plan project #14, which widens part of Day Road, should also upgrade the roadway structure and pavement conditions to accommodate increasing heavy truck volumes. Although project #14 applies only to the section of Day Road between Kinsman Road and Boones Ferry Road, funding of roadway reconstruction between Kinsman Road and Grahams Ferry Road should also be discussed as part of land use concept planning.
- 10854 (Tonquin Trail). Action Plan projects #2, #5, #11 all need to consider Tonquin Trail in their design, including most recent alignment information and cost estimates from the trail master plan.

Washington County TSP Update

Most of the projects included in the Action Plan are new facilities in unincorporated Washington County or improved facilities already under County jurisdiction. An amendment to update the Washington County TSP will be done in 2013 to incorporate the descriptions, cost estimates, and timing of these projects.

EXHIBIT E

January 2013

Tualatin and Wilsonville TSP Updates

The Cities of Tualatin and Wilsonville are also currently updating their transportation system plans. However, because concept planning for Basalt Creek will include agreement on the future city limit boundary between the two cities, as well as more detailed transportation network considerations, the projects included in this plan will not be incorporated as part of the current TSP updates. Future TSP updates may reflect elements from this refinement plan by amending project lists, maps, and funding strategies.

Funding

Funding for some short-term Action Plan projects has already been programmed by Washington County through their Major Streets Transportation Improvement Program (MSTIP). This includes \$16.9 million (\$10.9 million in MSTIP funding and \$6 million from other sources) for an interim two-lane extension of SW 124th Avenue from Tualatin-Sherwood Road to Tonquin Road. It also includes an additional \$10 million for right-of-way purchase or other improvements from the list identified by this Plan. Washington County has also provided \$11 million in funding for the current Boones Ferry Road improvement project.

While this recommendation does not identify a specific overall funding strategy for the Action Plan, there are many existing revenue sources that may be used to fund the recommended investments. **Many are subject to a state or regionally competitive process where success can hinge on having a broadly supported plan in place.**

The revenue sources listed below form the basis of the financially constrained Regional Transportation Plan and related project list, which already contains many of the recommended Basalt Creek investments. The RTP assumes federal, state, and local sources, all of which will be key to funding the Action Plan.

Federal

Based on MAP-21² legislation, sources may include:

- **National Highway Performance Program (NHPP).** These funds are intended for rehabilitation and expansion of principal arterials, especially those with important freight functions.
- **Regional Surface Transportation Program (STP) funds.** These funds may be used for virtually any transportation purpose short of building local residential streets.
- **Congestion Mitigation/Air Quality (CMAQ) funds.** These funds typically support biking, walking, and transit projects, and other projects that help to achieve air quality standards.
- **Transportation Alternatives (TA) funds.** TA takes the place of previous programs such as Transportation Enhancements and Recreational Trails, and may be used to fund a variety of non-motorized projects.

² For more information see <http://www.fhwa.dot.gov/map21/>

These funds are allocated to projects through a state or regionally managed competitive process for inclusion in the Metropolitan Transportation Improvement Program (MTIP) and the State Transportation Improvement Program (STIP).

State

State sources include the statewide gas tax, vehicle registration fees, and weight-mile taxes on trucks. These funds typically go to road and bridge maintenance projects, but funding for projects of regional significance, such as those provided by Oregon House Bill 2001 Jobs and Transportation Act (JTA), may be made available for modernization. Again, having a plan in place allows projects to access funds when new funding opportunities become available.

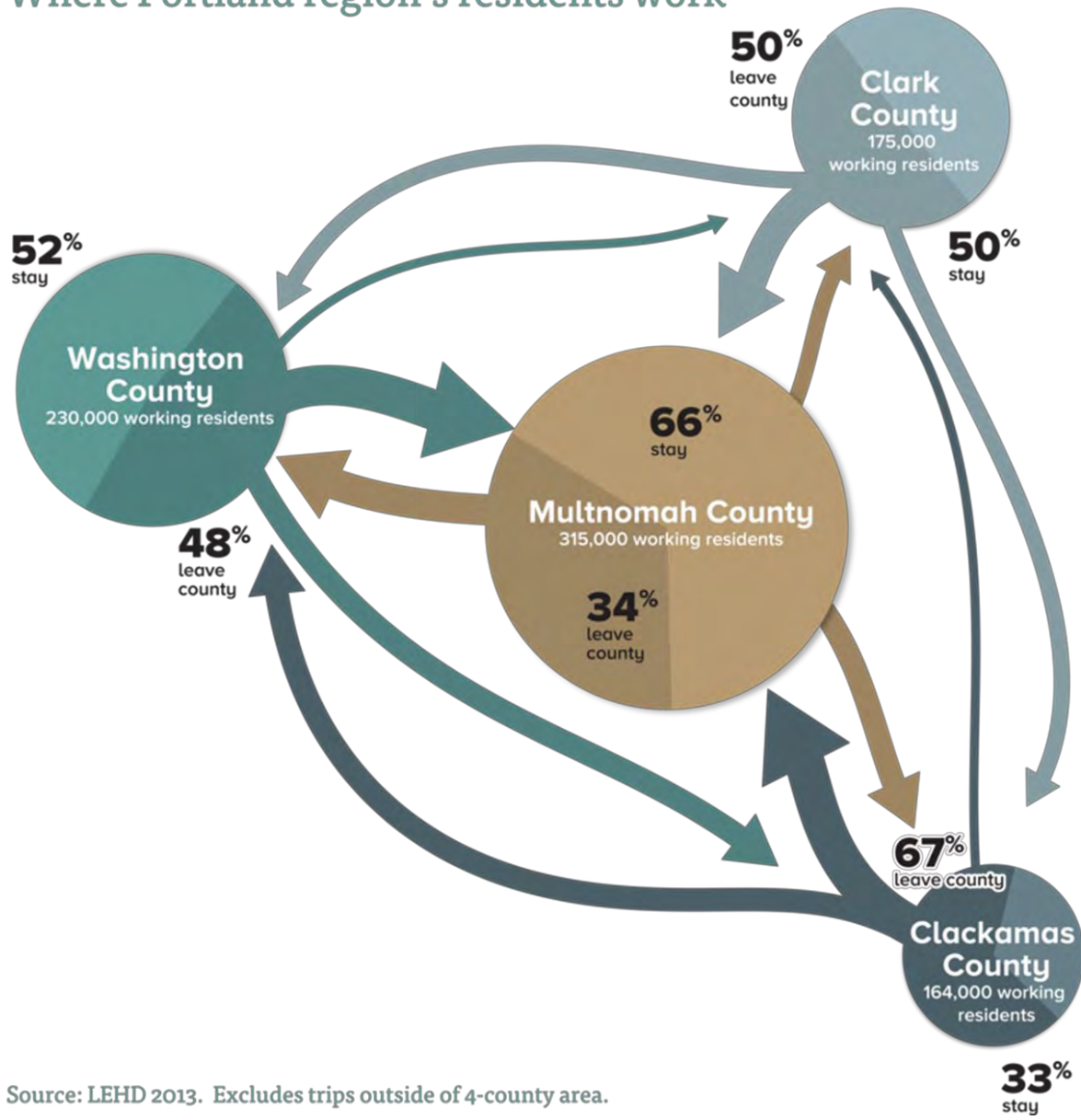
Local

A variety of local funding sources are available, although some, such as urban renewal and local improvement districts, are subject to approval. Sources may include:

- Washington County Major Streets Transportation Improvement Program (MSTIP)
- Local portion of State Highway Trust Fund
- Local gas tax
- Transportation System Development Charges (SDCs) or Transportation Development Taxes (TDTs) levied on new development
- Urban renewal funding
- Developer contributions
- Local improvement districts (LIDs)

EXHIBIT F

Where Portland region's residents work

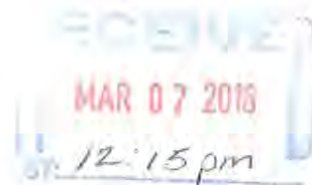




WASHINGTON COUNTY OREGON

March 5, 2018

Martha Bennett,
Chief Operating Officer, Metro
600 NE Grand Ave
Portland Or 97212



Dear Ms. Bennett:

I am writing in response to the February 21, 2018 staff report regarding the Basalt Creek Planning Area. I am in support of the staff recommendation to move forward with the Manufacturing Park designation in the Central Subarea in the Basalt Creek Concept Plan.

Our position remains consistent with my letter to Mayor Ogden and members of the Tualatin City Council dated October 27, 2016, wherein I expressed the concerns of the Board of County Commissioners regarding potential increases in the amount of residential units proposed in the Tualatin side of the Basalt Creek Concept Plan. The County supports the planned employment uses in this area and has invested over \$65 million in the construction of the new 124th arterial to leverage future economic development in the area.

Our position on the employment designation for the central subarea site was supported by the firm Mackenzie, who the County hired to assess site suitability. Despite the environmental constraints on the site, the firm concluded employment uses were viable based on general site development factors. These factors were validated by the study conducted by the City of Wilsonville.

I want to thank you for taking on this responsibility as arbiter of this land use designation issue and look forward to reaching an agreement allowing all parties to move forward to the completion of this planning process and successful development of the Basalt Creek area.

Sincerely

Andy Duyck
Chairman, Washington County Commission

AD/cd/cjj

cc: Washington County Board of Commissioners
Andrew Singelakis, Director, Land Use & Transportation



City of Tualatin

www.tualatinoregon.gov

BASALT CREEK LAND DESIGNATION

The City of Tualatin (“Tualatin”) appreciates Metro’s willingness to assist in deciding the land designation for the Subarea. Tualatin believes the Subarea should be designated for housing, consistent with the original intent of Metro Ordinance No. 04-1040B. Additionally, the Subarea is not economically feasible for industrial/employment development due to topography and costs, whereas housing provides the Subarea a market for development. Moreover, the Metro region is in a housing crisis. Both the City of Tualatin and the Basalt Creek area need housing lands. Designating the Subarea for housing is consistent with Ordinance, consistent with the market, and consistent with the housing goals for the region.

1. The Subarea Must Be Designated for Housing as Required by the Condition of Approval for Metro Ordinance 04-1040B.

Metro Ordinance 04-1040B requires all areas north of the Basalt Creek Parkway to be designated “Outer Neighborhood.” See, Exhibit 101 (Metro Ordinance No. 04-1040B, Exhibit F, page 3). The Subarea is north of the Basalt Creek Parkway and, therefore, must be designated “Outer Neighborhood.”

A. The Parkway Serves as a Buffer Between the Residential Areas to the North and Industrial Areas to the South.

Condition of Approval number C(2) states:

Title 11 planning shall incorporate the general location of the projected right of way alignment for the I-5/99W connector and the Tonquin Trail as shown on the 2004 Regional Transportation Plan. If the selected right-of-way for the connector follows the approximate course of the “South Alignment,” as shown on the Region 2040 Growth Concept Map, as amended by Ordinance No. 03-1014, October 15, 2003, the portion of the Tualatin Area that lies north of the right-of-way shall be designated “Outer Neighborhood” on the Growth Concept Map; the portion that lies south shall be designated “Industrial.”(strikeout and underline omitted) Exhibit 101 (Metro Ordinance 04-1040B, Exhibit F, page 3).

The reason for the condition of approval was for the Parkway to serve as the buffer between the industrial areas south of the Parkway and the residential areas north of the Parkway. This was in direct response to Tualatin’s and local residents’ concerns about compatibility between residential and industrial development. In multiple Metro Council meetings, Tualatin officials,

including Mayor Ogden, Council President Truax, and Community Development Director Rux explained why Tualatin opposed the area for industrial purposes, advocated for residential needs, and raised the problems of compatibility between industrial and residential uses. See, Exhibit 102 (Metro Council Meeting Minutes, November 3, 2003); Exhibit 103 (Metro Council Meeting Minutes, May 27, 2004, p. 2-3); and Exhibit 104 (Metro Council Meeting Minutes, June 10, 2004). Tualatin strongly advocated for balance of land uses in the area. See, Exhibit 102 (Metro Council Meeting Minutes, November 3, 2003); Exhibit 103 (Metro Council Meeting Minutes, May 27, 2004, p. 2-3); and Exhibit 104 (Metro Council Meeting Minutes, June 10, 2004). Mayor Ogden explained in 2004 that Tualatin had the highest percentage of industrial land in the Metro region at 33%, and that adding more industrial areas to Tualatin increased the industrial make-up of Tualatin to 50%. See, Exhibit 105 (Mayor Ogden, Letter to MPAC, May 24, 2004). In direct response to this testimony, Metro Council placed a condition of approval requiring those areas north of the Parkway to be designated “Outer Neighborhood.” As Metro explained in the findings of fact adopted with the Ordinance,

The City of Tualatin and many residents of the area expressed concern about compatibility between industrial use and residential neighborhoods at the south end of the city. They have also worried about preserving an opportunity to choose an alignment between Tualatin and Wilsonville for the I-5/99W Connector; the south alignment for this facility passes through the northern portion of the Tualatin Study Area.

* * *

In response to these concerns,... the Council states that, so long as the alignment for the Connector falls close to the South Alignment shown on the 2040 Growth Concept Map, it will serve as the buffer between residential development to the north (the portion least suitable for industrial uses) and industrial development to the south (the portion of the area most suitable for industrial use).” See, Exhibit 101 (Metro Ordinance No. 04-1040B, Exhibit G).

Recognizing these conflicts, the Metro Council, as advocated by Tualatin, wanted a clear buffer between the residential and industrial uses. The solution was for the Parkway to serve as the buffer.

Consistent with the conditions of approval and findings, Tualatin and Wilsonville recognized the need for housing and employment, as well as a clear buffer in their planning of the area. The Wilsonville and Tualatin *Basalt Creek Guiding Principles and Evaluation Criteria* state: “[w]hile integration of housing and employment can enrich a community, there remains a need for physical separation between uses that might negatively impact one another.” Exhibit 125, p. 2

(Basalt Creek Guiding Principles and Evaluation Criteria). Designating the Subarea for housing and utilizing the Parkway as housing is consistent with Metro Ordinance and the parties' guiding principles.

The Subarea is directly north of the Parkway and is required by the Ordinance to be designated for housing as "Outer Neighborhood." To do otherwise not only violates the conditions of approval and findings of the Ordinance, but causes immeasurable conflicts going forward. One need only consider the recent Bullseye Glass issue in Portland to recognize the need for a buffer between industrial and residential uses. Without a clear buffer set at the Parkway, conflicts between the residential and industrial uses will be inevitable. Metro realized this in 2004 when it adopted the Ordinance with the condition of approval and findings to require the Parkway to serve as a buffer and require areas north of the Parkway to be "Outer Neighborhood." As an area north of the Parkway and its buffer, the Subarea must be designated for housing, consistent with the Ordinance's requirements.

B. Basalt Creek Parkway Follows the Approximate Course of the South Alignment.

As noted above, the area north of the Parkway is to be declared "Outer Neighborhood" "[i]f the selected right-of-way for the connector follows the approximate course of the 'South Alignment,' as shown on the Region 2040 Growth Concept Map." Exhibit 101 (Ordinance 04-1040B, Exhibit F, page 3). The Ordinance's findings further explain the condition:

[S]o long as the alignment for the Connector falls close to the South Alignment shown on the 2040 Growth Concept Map, it will serve as the buffer between residential development to the north (the portion least suitable for industrial uses) and industrial development to the south (the portion of the area most suitable for industrial use)." See, Exhibit 101 (Metro Ordinance No. 04-1040B, Exhibit G) (emphasis added).

In fact, the 2040 Concept Map (Metro Staff, Exhibit B) shows the south alignment going right through the Subarea. The exact location of the Parkway is within 1,800 feet of the broad-stroke drawing on the Metro 2040 Growth Map. See, Exhibit 106 (Wilsonville Measurement of the Parkway and South Alignment). The distance between the location of the Parkway and the broad-stroke drawing on the map is the equivalent of walking from Metro Council's Office to the Convention Center Max station – a 5 minute walk. There is no question that the actual location of the Parkway is "approximate" and "close to" the south alignment depicted on the 2040 Growth Map.

Since the Parkway follows the approximate location of the south alignment, as required by the condition of approval and findings, the area north of the Parkway must be designated as

“Outer Neighborhood.” The Subarea is north of the Parkway and, therefore, must be designated for housing.

C. Designating the Area for Housing is Consistent with Metro’s Goals.

Metro’s goal for the Basalt Creek planning area was 2,500 jobs and 1,200 households based on the modeling assumptions of the 2014 RTP. See, 2014 RTP, Appendix 1.3; TAZ2162: 980,981,982, 2012/35 delta. With the Subarea declared for housing, the Basalt Creek Planning area is projected to have 4,070 jobs and 1,194 households. See, Exhibit 109, p. 1-2 (OTAK Report, Revised November 21, 2016). Declaring the Subarea for housing is consistent with Metro’s goals for housing and still exceeds Metro’s goals for jobs.

2. The Subarea is Not Suitable for Industrial/Employment Development.

The Subarea is not suitable for industrial/employment development. Multiple experts have examined the Subarea to determine its feasibility for industrial/employment development and concluded it is not feasible due to steep slopes and high development costs.

A. The Slopes in the Subarea are Too Extreme for Industrial/Employment Development.

Metro’s own analysis of industrial/employment lands shows that tax lots with slopes over 25% are “deemed unbuildable.” Exhibit 110, p 2 (Appendix 9). Metro also declares properties with slopes over 7% as “an impediment to industrial uses with larger development footprints.” Exhibit 110, p. 2 (Appendix). The Subarea contains slopes in excess of 25% and over one-third of the site is constrained by slopes over 7%. As a result, the Subarea is not feasible as an industrial/employment site and should be designated for housing.

A study by CES/NW examined the feasibility of industrial/employment development within the Subarea. CES/NW found “[t]he plateau area is almost completely surrounded by steeply sloped land. The slopes range from over 10% to over 20%. The over 40 vertical rise need to get from Tonquin Road to the top of the plateau will take 800 feet at 5% not accounting for access to the lower property on either side or the potential impacts to wetlands.” Exhibit 112 (CES/NW Letter, February 10, 2017). CES/NW also found the easiest access would be to the north. However, this would route truck traffic through a residential neighborhood, which is neither reasonable, nor compatible. Exhibit 112 (CES/NW Letter, February 10, 2017) CES/NW concluded “[t]he southerly plateau area is not well suited for employment land. This is due to access constraints, surrounding steep slopes, lack of secondary access and grading costs.” Exhibit 112 (CES/NW Letter, February 10, 2017)

PacTrust, a potential industrial/employment client, had interest in developing the Subarea for light industrial purposes. However, after touring the site, PacTrust determined “[u]nfortunately,

the topography of your site makes development of industrial or flex buildings uneconomic.” Exhibit 115 (PacTrust Letter, November 14, 2016). PacTrust continued, “[i]ndustrial/employment land requires sites to be much more flat due to dramatically larger floor plates, parking requirements, loading areas for trucks and ingress/egress concerns for trucks.” Exhibit 115 (PacTrust Letter, November 14, 2016).

Washington County also commissioned Mackenzie to analyze the feasibility of industrial/employment within the Subarea. The goal of the Washington County study was to show the area feasible for industrial development. However, even that study found the area unsuitable because of slope constraints. Mackenzie found, “[n]early a third of this site, approximately 22 acres, contain slopes greater than 10% or are surrounded by 10% and greater slopes, which is extremely difficult to develop for industrial/employment uses.” See, Exhibit 116, p. 3 (Mackenzie Report) (emphasis added).

Similarly, KPFF, the firm hired by Wilsonville to show the area is suitable for industrial/employment development, concluded the Subarea “has slopes towards the middle and east that are in the 15-25% range. Adjacent to Basalt Creek, the slopes are above 25%.” Exhibit 117, p. 7 (KPFF Report for Wilsonville). KPFF then concludes the area is useful, at best, for “split elevation” office use. Exhibit 117, p. 7 (KPFF Report for Wilsonville). However, a closer look at KPFF’s Report shows that even its analysis is not feasible. All of KPFF’s “schemes” show an internal cul de sac or t-road that traverses slopes from 10% to over 20%. See, Exhibit 117, p. 7, 11, 16, and 20 (KPFF Report). In doing this, KPFF completely ignores the Oregon Fire Code, which specifies the grade of an access road can be no more 10% and buildings in excess of 62,000 square feet must have two fire access roads. See, Oregon Fire Code D103.2 and D104.2. Further, none of KPFF’s site configurations can accommodate a secondary access for fire safety. See Exhibit 116 (CES/NW Letter, February 10, 2017.) KPFF’s analysis completely ignores the need to comply with the Oregon Fire Code, ignores construction costs, and ignores the navigational reality of truck traffic ascending and descending steep slopes. It is fair to say that given the omissions in KPFF’s report, even its “office use” analysis proves the site is not feasible for industrial/employment development.

The expert evidence is that the Subarea contains slopes that are too extreme for industrial/employment development. Even by the rosiest of analyses, the Subarea is “extremely difficult to develop for industrial/employment uses.” See, Exhibit 116, p. 3 (Mackenzie Report). As a result, the Subarea should be designated for housing consistent with the conditions of approval and findings of the Ordinance.

B. Developing the Site for Industrial/Employment Purposes is Not Economically Feasible.

Developing the site for industrial/employment purposes is not economically feasible. The site preparation costs alone will be massive, with the costs of grading reaching at least \$10 million.

Several experts examined the development costs of the Subarea and concluded the costs make the Subarea infeasible for industrial/employment use. Ken Leahy Construction Inc. provided a comprehensive review of the site preparation costs and concluded the cost of site preparation will exceed \$5.00 per foot. See, Exhibit 118 (Ken Leahy Construction Letter, February 10, 2017). CES/NW estimated the cost of grading to be \$10.5 million, with another \$1.5 million needed for retaining walls. Exhibit 114 (CES/NW Letter, July 20, 2017). Similarly, OTAK Engineering looked at the costs of grading provided by CES/NEW and found “[t]he hard costs [provided by CES/NW] are actually on the low side for grading the site based on [] recent experience on similar sites.” See, Exhibit 109 (OTAK Letter, May 19, 2017). In addition, Real Estate Development Group, concluded “[t]he topography of the site is such that developing an industrial project would be very difficult and if done would be at best marginal and very inefficient. Industrial, flex buildings require large foot prints, large drive areas for loading and turning radius. There are better sites in the area for this type of use.” Exhibit 119 (Real Estate Development Group Letter, November 21, 2016). Finally, PacTrust concluded the site could not be feasibly developed for industrial/employment uses. See, Exhibit 115 (Pac Trust Letter, November 14, 2016).

As a result, consistent with the conditions of approval and findings of the Ordinance, the Subarea should be designated for housing. At the time of adoption of the Ordinance, Metro envisioned a residential designation north of the Parkway to provide an orderly transition and buffer from the more suitable industrial to the south. See, Exhibit 101 (Ordinance No. 04-1040B). The constructions costs for the Subarea make the site not suitable for industrial/employment development and more suitable for housing. Declaring the Subarea for housing allows a natural transition of uses and a buffer, consistent with the original intent of the Ordinance.

3. Designating the Subarea for Housing Responds to the Housing Crises.

All government bodies involved in this issue acknowledge the following:

- The Metro Region is in need of housing;
- Development of the Basalt Creek Area increases the need for housing; and
- Housing needs to be designated in the immediate vicinity to account for the jobs created in Basalt Creek.

While industrial lands was the topic in 2004, the political realities of today are the housing needs of the region. Tualatin is attempting to respond to the need for housing by advocating for the Subarea to be declared for housing use, consistent with the intent and findings of Ordinance 04-1040B.

A. There is a Shortage of Housing in the Metro Area.

The Metro area is in a housing crisis. Exhibit 120 (Metro Memo, August 28, 2017). See, Metro Work Session of September 7, 2017.¹ Metro has been active in trying to solve the housing crisis. Metro is currently considering going to the voters with a housing bond and allowing mid-cycle amendments to the UGB to allow for housing construction. See, Metro Work Session of September 7, 2017; Metro Work Session of September 14, 2017.² See, also <https://www.oregonmetro.gov/tools-partners/guides-and-tools/guide-equitable-housing>.

Designating the Subarea for housing adds one piece to help solve the housing crisis. Even Wilsonville, which has some of the highest permit levels of housing in the Metro area sees the need for more housing because of Basalt Creek. See, Exhibit 121 (Metro - Saying they need more housing, Wilsonville leaders look to grow east). Wilsonville is actually using the jobs created by Basalt Creek as a justification for further expanding the UGB. As reported by Metro, “Wilsonville Mayor Tim Knapp says there will be a need for more housing with...the influx of jobs that’s expected to come with the development of the Coffee Creek and Basalt Creek industrial areas.” Exhibit 121 (Metro - Saying they need more housing, Wilsonville leaders look to grow east) (emphasis added). And, Mayor Knapp notes, “[w]e can’t make people live close by, but we can give them an option of finding housing close by to those new jobs.” Exhibit 121 (Metro - Saying they need more housing, Wilsonville leaders look to grow east)

Tualatin believes housing can occur within the Basalt Creek planning area to accompany jobs. Furthermore, Metro has advocated for locating workforce housing close to employment lands to lessen commute time to work. Designating the Subarea for housing is consistent with these goals.

B. There is a Shortage of Housing Land in Tualatin.

Tualatin has a shortage of available housing lands. Tualatin has as many jobs as residents, and by some accounts has more jobs than residents. See, Exhibit 123 (Tualatin City Profile); see also, <https://www.oregonmetro.gov/news/tualatin-businesses-rally-modern-herman-road>, (quote of Linda Moholt of Tualatin Chamber of Commerce, “We have over 30,000 jobs now in Tualatin and there are only 26,000 or 27,000 people that actually live here.”). This is primarily due to Tualatin being zoned industrial. Tualatin has over 700 acres of available industrial land. Exhibit 123 (Tualatin City Profile). While Tualatin is proud to be an economic engine for the region,

¹ Available at <https://oregonmetro.legistar.com/View.ashx?M=A&ID=558674&GUID=113C2A99-537F-496A-9407-80253B7AE9D8> ; <https://www.oregonmetro.gov/tools-partners/guides-and-tools/guide-equitable-housing>.

² Available at <https://oregonmetro.legistar.com/View.ashx?M=A&ID=559404&GUID=0E2ECFC9-53B4-41FA-B92C-2739923677B7>

Tualatin also seeks to be in balance; a place where the people have the opportunity to live near their place of work.

Unfortunately, Tualatin currently has little area available for new housing. Metro's own data bears this out. As of 2014, Tualatin had 539 Developable Units for new housing, with 314 Developable Units of that being infill development. See, Exhibit 111, p. 3 (Appendix 3, Buildable Land Inventory Results (revised as of 10/27/15), 2014 Urban Growth Report). Compare that to Wilsonville, which has 7 times as much available housing, with 3,852 Developable Units of housing and 1,485 of that as infill. Exhibit 111, p. 3 (Appendix 3, Buildable Land Inventory Results (revised as of 10/27/15), 2014 Urban Growth Report). Tualatin has land for a mere 37 single family homes. Exhibit 111, p. 3 (Appendix 3, Buildable Land Inventory Results (revised as of 10/27/15), 2014 Urban Growth Report); see also, Exhibit 122 (You are here: A snapshot of housing affordability in greater Portland).

Tualatin needs housing lands. The Subarea provides a small, but needed, piece of housing for Tualatin. This will allow those already working in Tualatin to have the opportunity to live where they work, and provide housing for the jobs created in the nearby industrial lands of the Southwest Concept Plan and Basalt Creek Concept Plan areas. Making the Subarea available for housing is consistent with the Metro UGB decision, consistent with the Metro goals to provide housing, including workforce housing.

C. The Basalt Creek area Needs Housing.

The Basalt Creek area needs housing to balance the jobs created in Basalt Creek. As Wilsonville Mayor Knapp recently explained to Metro, "there will be a need for more housing with...the influx of jobs that's expected to come with the development of the Coffee Creek and Basalt Creek industrial areas." See, Exhibit 121 (Metro— Saying they need more housing, Wilsonville leaders look to grow east) (emphasis added). While Mayor Knapp was using this statement as a basis to further expand the UGB to allow housing in Wilsonville, the statement is even more relevant for the need to provide housing in Basalt Creek itself. As advocated by Tualatin in 2004, the area needs to balance industrial and residential uses.

Similarly, both Wilsonville and Tualatin recognized the need for housing in Basalt Creek as part of the *Basalt Creek: Guiding Principles and Evaluation Criteria*. In those guiding principles, the parties agreed to look for "integrating residential and employment land uses to create more high quality living and working environments." See, Exhibit 125, p. 2 (Basalt Creek Guiding Principles and Evaluation Criteria). The parties also recognized "[w]hile integration of housing and employment can enrich a community, there remains a need for physical separation between uses that might negatively impact one another." Exhibit 125, p. 2 (Basalt Creek Guiding Principles and Evaluation Criteria).

Designating the Subarea for housing allows for some of those who work in Basalt Creek to live in Basalt Creek and allows for the creation of needed workforce housing. Before expanding the UGB to create housing for Basalt Creek farther to the east, Metro should designate housing in Basalt Creek itself. The Ordinance's conditions of approval and findings envisioned housing north of the Parkway, and this has been a guiding principle of the planning efforts of Wilsonville and Tualatin. As a result, the Subarea should be designated for housing.

D. Tualatin Has Enough Underdeveloped Industrial Lands Immediately Adjacent to the Subarea.

Metro added the Southwest Concept Plan (Accepted by Tualatin in October 2010) as a Metro-designated Regionally Significant Industrial Area (RSIA) under Metro's UGB expansion decisions of December 2002 and June 2004. The Southwest Concept Plan Area was brought into the UGB with Basalt Creek. The Southwest Concept Plan area contains 518 gross acres of industrial land and approximately 352 RSIA acres. Tualatin zoned the Manufacturing Business Park under Tualatin Development Code Chapter 64.

<https://www.tualatinoregon.gov/developmentcode/tdc-chapter-64-manufacturing-business-park-mbp-planning-district>

The Southwest Concept Plan remains significantly underdeveloped at this time. Tualatin does not need more underdeveloped industrial land. As explained above, the Subarea cannot feasibly be developed for industrial/employment use. Declaring the Subarea for industrial/employment development only creates more underdeveloped industrial/employment sites in Tualatin.

The addition of both the Southwest Concept and Basalt Creek lands was done with knowledge of the compatibility and land use balance concerns raised by Tualatin. See, Exhibit 101 (Metro Ordinance No. 04-1040B); Exhibit 102 (Metro Council Meeting Minutes for November 3, 2003); Exhibit 103 (Metro Council Meeting Minutes May 27, 2004); Exhibit 104 (Metro Council Meeting Minutes June 10, 2004); Exhibit 105 (Mayor Ogden Letter to MPAC, May 24, 2004). Metro took into consideration Tualatin's concerns, by including the addition of industrial lands with an explicit promise of housing in Tualatin, as provided by Conditions of Approval C(2). See, Exhibit 101 (Ordinance No. 04-1040B). That condition provides for housing to be declared north of the Parkway. Tualatin accepted a significant amount of industrial /employment lands within its jurisdiction with the expectation housing would be north of the Parkway. Metro should honor the commitment stated in the Ordinance's conditions of approval and findings and to declare the Subarea for housing.

E. The Property Owners want the Subarea Designated for Housing.

Tualatin and Wilsonville received multiple requests from the current property owners to designate the area for housing. See, Exhibit 123 (Herb Koss Letter, November 28, 2016). These

property owners have real concerns, as explained in detail above, about the lack of feasibility of industrial/employment development on their land. Metro should acknowledge these viewpoints and declare the area for housing purposes. This is consistent with the original goal of Ordinance No. 04-1040B and consistent with the ability of these lands to be developed for a marketable use.

4. Tualatin's Response to the Metro Staff Findings and Conclusions.

There are several key problems with the Metro Staff Report's findings and conclusions. There are mistakes of fact and lack of analysis of issues favorable to declaring the Subarea for housing. Below is a discussion of Tualatin's issues with the Metro Staff Report's findings and conclusions.

A. Tualatin Did Not Agree to a Land Use Designation for the Subarea.

First, the Metro Staff Report references an "agreement" in December of 2015 between the four parties regarding the land use designations. The Tualatin City Council never agreed to the land use designation for the Subarea. Tualatin did not pass a resolution or execute an intergovernmental agreement regarding the land use designation for the Subarea, or any area within Basalt Creek for that matter. To say an agreement existed between Tualatin and the other parties is factually and legally false.

What did occur was Tualatin engaged in multiple work sessions in trying to come to agreement on the land use designation. In going through the process, Tualatin reviewed the Ordinance and original intent for the Basalt Creek area. The original intent was to have a balance of housing and industrial lands. Tualatin recognized the Basalt Creek area, as proposed by other parties, was out of balance with the original intent of the Ordinance. Additionally, the housing crises in the Metro region illuminated the need for more housing. Tualatin proposed the need for industrial and residential balance in 2004, the Ordinance required housing north of the Parkway, and Tualatin's position to declare the Subarea for housing is consistent with its, and Metro's, prior actions.

B. The Metro Staff Report Ignores All Information Contrary to the Washington County/Mackenzie and Wilsonville KPFF Studies and Fails to Acknowledge those Reports' Flaws.

Tualatin also takes issue with the Metro Staff Report's complete lack of acknowledgement or reference to any information or studies that contradict or challenge the Washington County/Mackenzie and Wilsonville/KPFF studies. The Metro Staff Report is devoid of any mention of the positions advocated by Tualatin and those residents and property owners that testified in favor of a housing designation for the Subarea. The overwhelming evidence, even including the Washington County/Mackenzie and Wilsonville/KPFF studies, is that the Subarea

is not feasible for industrial/employment development. This is discussed in detail above, and not repeated here for convenience. See, Section 2 of this Brief. Nevertheless, the lack of any analysis of the evidence creates serious doubt as to the reliability of the conclusions in the Metro Staff Report.

The Metro Staff Report also relies heavily on flawed analysis by the Washington County/Mackenzie report. While the Mackenzie analysis was correct regarding the significant problems the Subarea's slopes pose to industrial/employment development – something the Metro Staff Report does not mention – Mackenzie's conclusion that the "site" was feasible is simply wrong. The "site" examined by Mackenzie included flat land, both north and south, outside of the actual Subarea. Additionally, its report was based on a series of assumptions regarding site access, road construction, and zoning on the northern portion of the property that will not occur. See, Exhibit 126 (Peter Watts Email, February 12, 2017). Access to the property from Basalt Creek Parkway will not occur; the north-south Kinsman road will not be built as eliminated by Wilsonville; and the property directly north of the Subarea is residential and cannot handle industrial traffic. Mackenzie was not aware of these realities and Washington County did not authorize Mackenzie to conduct a site visit. See, Exhibit 126 (Peter Watts Email, February 12, 2017). Put simply, the Mackenzie analysis relied on flawed assumptions and insufficient information to accurately assess the property.

The Metro Staff Report also mentions the KPFF study commissioned by Wilsonville as a basis for finding the site feasible for industrial/employment use. However, in reviewing the KPFF study, it is clear the Subarea has significant slope problems. See, Exhibit 117 (Figure 10, p 7, KPFF Study). KPFF uses "alternative building types" and office buildings with "split elevations and access at varying levels to accommodate grade." See, Exhibit 117, p. 7 (KPFF Study). In fact, in all of the schemes developed by KPFF have "office space" as the predominant use, not industrial. See, Exhibit 117 p. 13, 17, 28 (KPFF Study). As explained by an industrial/employment developer, stepped floors are not desired for industrial/employment development. See, Exhibit 115 (PacTrust Letter, November 14, 2016).

Perhaps most troubling, however, is KPFF's lack of analysis with regard to the feasibility of any of its "schemes" given the slopes within the Subarea. All of KPFF's "schemes" show an internal cul de sac or t-road that traverses slopes from 10% to over 20%. See, Exhibit 117, p. 7, 11, 16, and 20 (KPFF Report). KPFF makes no mention of costs or how this feat is accomplished in their analysis. KPFF also completely ignores the Oregon Fire Code, which specifies the grade of an access road can be no more 10% and buildings in excess of 62,000 square feet must have two fire access roads. See, Oregon Fire Code, D103.2 and D104.2. Further, none of KPFF's site configurations can accommodate a secondary access to the plateau area for fire safety. See Exhibit 112 (CES/NW Letter, February 10, 2017.) KPFF's analysis completely ignores the need to comply with the Oregon Fire Code, ignores construction costs, and ignores the navigational

reality of industrial truck traffic ascending and descending steep slopes. The Metro Staff Report completely fails to mention these points. It is fair to say the omissions in KPFF's report shows the site is not feasible for industrial/employment development and the Metro Staff Report's conclusions based upon the KPFF report are wrong.

C. The Metro Staff Conclusions Are Not Supported by the Evidence.

Page 4 of the Metro Staff Report contains four conclusions. Tualatin disagrees with all four. With regard to the first conclusion, the Metro Staff Report seems to equate the lack of a challenge to the area being brought in to the UGB with some sort of consent for the Subarea to be dedicated for industrial purposes; completely contrary to the facts. As discussed in detail above, Tualatin was originally concerned about land use balance and a buffer between residential and industrial uses in 2004 when the Metro Ordinance was adopted. That concern led directly to the addition of the housing/parkway condition of approval. The City did not challenge those findings because it believed housing would be designated north of the Parkway, as specifically outlined in the condition of approval and findings to the Ordinance. The Metro Staff Report is now recommending something different than what was outlined in the Ordinance and its findings. Tualatin sees this as violating both the intent and spirit of the Ordinance.

In the second conclusion, the Metro Staff Report states “[t]he Central subarea is located immediately south of the proposed ‘south alignment.’” and claims this supports an industrial/employment designation. The factual basis for this finding is completely incorrect. The south alignment actually goes directly through the Subarea. See, Exhibit 106 (Wilsonville Map Measuring Parkway Distance to South Alignment). Moreover, the Metro Staff Report ignores the language of the condition of approval regarding alignment being “approximate” and the statement in the findings of fact regarding the alignment being “close to” the south alignment. The Metro Staff Report makes no mention of distance or proximity from the “south alignment” to the current Parkway alignment south of the Subarea. As stated previously, the distance is approximately 1,800 feet, or about the distance between the north and south ends of the Convention Center. The approximate location of the Parkway to the south alignment requires the Subarea to be designated for housing, consistent with the Ordinance and its findings. The Metro Staff Report's conclusion is contrary to the requirements of the Ordinance.

In the third conclusion, the Metro Staff Report claims there will be increased vehicle trips on the Parkway if the land designation of the Subarea is housing. Quantifying trip impacts is outside the scope of the Metro decision process under the IGA, and outside the scope contemplated by the parties. This is because the parties will determine traffic issues once a land designation is made. Tualatin and Wilsonville previously discussed traffic impacts as it relates to land designations and purposely put that issue on hold pending the outcome of the land designation for the Subarea.

The traffic impacts for the Basalt Creek area will not change because of the land designation. The Basalt Creek area has a total trip impact of 1,989 trips. See, 2014 RTP, Appendix 1.3; TAZ2162: 980,981,982, 2012/35 delta. The trip impacts given to the area contemplate both housing and industrial/employment trips. The land designation has zero impact on the vehicle trips designated for the Basalt Creek area, as the total trips remains unchanged regardless of the land designation. Additionally, Metro previously planned for the Basalt Creek Planning Area to have 1,200 households. See, 2014 RTP, Appendix 1.3; Metro's TAZ shapefiles, TAZ2162: 980,981,982, 2012/35 delta. With the Subarea declared for housing, the Basalt Creek Planning area is projected to have 1,194 households, which is less than Metro projected. See, Exhibit 109, p. 1-2 (OTAK Report, Revised November 21, 2016). The traffic impacts of the Subarea designated for housing are consistent with Metro's goals for the Basalt Creek planning area. The Metro Staff Report's conclusion that declaring the Subarea for housing will "negatively impact traffic operations in the area" is beyond the scope of the decision Metro is to make, not based on the evidence, and completely contradicts both the planning goals and trip generation impacts designated for the area.

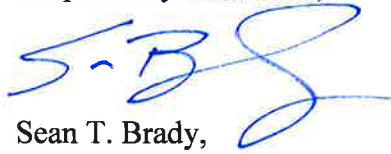
Finally, the Metro Staff Report makes a Fourth Conclusion that placing a residential community in the Subarea creates compatibility issues. Declaring the Subarea for industrial use increases, not decreases, compatibility issues. By declaring the Subarea for industrial use, industrial uses will be immediately adjacent to residential areas and there will be no buffer, as specifically contemplated by the Ordinance. In adopting the Ordinance, Metro recognized compatibility as the reason areas north of the Parkway should be designated for housing. The Ordinance included the condition of approval for the Parkway to serve as the buffer between residential and industrial uses. The Metro Staff Report's conclusion goes completely against compatibility and the intent of the Ordinance. The only way for the area to have compatible uses is to maintain the Ordinance's requirements to have the Parkway serve as the buffer between the residential areas north of the Parkway and the industrial/employment uses south of the Parkway. The Subarea is north of the Parkway. Declaring the Subarea for housing, not industrial/employment, is consistent with the Ordinance's intent.

5. Conclusion

For the reasons stated above, the Subarea must be designated for housing. This is consistent with the original intent of Metro Ordinance No. 04-1040B, its conditions of approval, and its adopted findings. Additionally, the Subarea is not economically feasible for industrial/employment development due to topography and costs. Housing provides a market for development for the Subarea. Furthermore, the Metro region is in a housing crisis. Both the City of Tualatin and the Basalt Creek area need housing lands to accommodate the housing needs of the region and the housing needs within Basalt Creek. Metro should designate the Subarea for

housing as it is consistent with Ordinance, consistent with the market and development constraints of the property, and consistent with the housing goals for the region.

Respectfully Submitted,



Sean T. Brady,
Tualatin City Attorney

CITY OF TUALATIN
BASALT CREEK
EXHIBIT LIST

- Exhibit 101 – Metro Ordinance No. 04-1040B
- Exhibit 102 – Metro Council Meeting Minutes, November 3, 2003
- Exhibit 103 – Metro Council Meeting Minutes, May 27, 2004
- Exhibit 104 - Metro Council Meeting Minutes, June 10, 2004
- Exhibit 105 – Mayor Ogden Letter to MPAC, May 24, 2004
- Exhibit 106 – Wilsonville Map Measuring Parkway Distance to South Alignment
- Exhibit 107 – OTAK Report, November August 24, 2016
- Exhibit 108 – OTAK Report, November 21, 2016
- Exhibit 109 – OTAK Letter, May 19, 2017
- Exhibit 110 – Appendix 9, p. 2, Excerpt of Employment Land Site Characteristics, 2014 Urban Growth Report
- Exhibit 111 – Appendix 3, Buildable Land Inventory Results (revised as of 10/27/15), 2014 Urban Growth Report
- Exhibit 112 – CES/NW Letter, February 10, 2017
- Exhibit 113 – CES/NW Letter, May 18, 2017
- Exhibit 114 – CES/NW Letter, July 20, 2017
- Exhibit 115 – PacTrust Letter, November 14, 2016
- Exhibit 116 – Mackenzie Report
- Exhibit 117 – KPFF Report for City of Wilsonville, June 30, 2017
- Exhibit 118 – Ken Leahy Construction Letter, February 10, 2017
- Exhibit 119 – Real Estate Development Group Letter, November 21, 2016.
- Exhibit 120 – Metro Memo, August 28, 2017.
- Exhibit 121 – Metro - Saying they need more housing, Wilsonville leaders look to grow east
- Exhibit 122 – Metro - You are here: A snapshot of housing affordability in greater Portland

Exhibit 123 – Tualatin City Profile

Exhibit 124 – Herb Koss Letter, November 28, 2016

Exhibit 125 – Basalt Creek Guiding Principles and Evaluation Criteria

Exhibit 126 – Peter Watts Email, February 12, 2017

City of Tualatin

Exhibit No. 101

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF AMENDING THE) ORDINANCE NO. 04-1040B
METRO URBAN GROWTH BOUNDARY, THE)
REGIONAL FRAMEWORK PLAN AND THE)
METRO CODE TO INCREASE THE CAPACITY)
OF THE BOUNDARY TO ACCOMMODATE)
GROWTH IN INDUSTRIAL EMPLOYMENT) Introduced by the Metro Council
)

WHEREAS, by Ordinance No. 02-969B (For The Purpose Of Amending The Urban Growth Boundary, The Regional Framework Plan And The Metro Code In Order To Increase The Capacity Of The Boundary To Accommodate Population Growth To The Year 2022), the Council amended Title 4 (Industrial and Other Employment Areas) of the Urban Growth Management Functional Plan to increase the capacity of industrial land to accommodate industrial jobs; and

WHEREAS, the Metro Council adopted an Employment and Industrial Areas Map as part of Title 4 (Retail in Employment and Industrial Areas) in Ordinance No. 96-647C (For the Purpose of Adopting a Functional Plan for Early Implementation of the 2040 Growth Concept) on November 21, 1996; and

WHEREAS, the Council amended the Regional Framework Plan (RFP) by Exhibit D to Ordinance No. 02-969B (For the Purpose of Amending the Metro Urban Growth Boundary, the Regional Framework Plan and the Metro Code in Order to Increase the Capacity of the Boundary to Accommodate Population Growth to the Year 2022), adopted on December 5, 2002, to establish a new 2040 Growth Concept design type entitled "Regionally Significant Industrial Area" (RSIA) and to add Policies 1.4.1 and 1.4.2 to protect such areas by limiting conflicting uses; and

WHEREAS, by Exhibit F to Ordinance No. 02-969B the Council amended Title 4 (Industrial and Other Employment Areas) of the Urban Growth Management Functional Plan ("UGMFP") to implement Policies 1.4.1 and 1.4.2 of the RFP; and

WHEREAS, by Exhibit E of Ordinance No. 02-969B the Council adopted a "Generalized Map of Regionally Significant Industrial Areas" depicting certain Industrial Areas that lay within the UGB prior to its expansion as part of Task 2 of periodic review as RSIA's; and

City of Tualatin

Exhibit No. 101

WHEREAS, Title 4 calls upon the Council to delineate specific boundaries for RSIA's derived from the "Generalized Map of Regionally Significant Industrial Areas" after consultation with cities and counties; and

WHEREAS, by Ordinance No. 02-969B, the Council added capacity to the UGB but did not add sufficient capacity to accommodate the full need for land for industrial use; and

WHEREAS, the Metro Council submitted Ordinance No. 969B, in combination with other ordinances that increased the capacity of the UGB, to the Land Conservation and Development Commission (LCDC) as part of Metro's periodic review of the capacity of its UGB; and

WHEREAS, on July 7, 2003, LCDC issued its "Partial Approval and Remand Order 03-WKTASK-001524" that approved most of the Council's decisions, but returned the matter to the Council for completion or revision of three tasks: (1) provide complete data on the number, density and mix of housing types and determine the need for housing types over the next 20 years; (2) add capacity to the UGB for the unmet portion of the need for land for industrial use; and (3) either remove tax lots 1300, 1400 and 1500 in Study Area 62 from the UGB or justify their inclusion; and

WHEREAS, the Council completed its analysis of the number, density and mix of housing types and the need for housing over the planning period 2002-2022 and incorporated its conclusions in a revision to its Housing Needs Analysis; and

WHEREAS, the Council increased the capacity of the UGB both by adding land to the UGB and by revising the Regional Framework Plan and Title 4 of the UGMFP to meet the previously unmet portion of the need for land for industrial use; and

WHEREAS, a change in design type designation of a portion of Study Area 12 added to the UGB on December 5, 2002, by Ordinance No. 02-969B from residential to industrial will help the region accommodate the need for industrial use without reducing the region's residential capacity below the region's residential need; and

WHEREAS, the Council decided to remove tax lots 1300, 1400 and 1500 in Study Area 62 from the UGB; and

City of Tualatin

Exhibit No. 101

WHEREAS, the Council consulted its Metropolitan Policy Advisory Committee and the 24 cities and three counties of the metropolitan region and considered comments and suggestions prior to making this decision; and

WHEREAS, prior to making this decision, the Council sent individual mailed notification to more than 100,000 households in the region and held public hearings on Title 4 and the efficient use of industrial land on December 4 and 11, 2003, public workshops at six locations around the region in March, 2004, on possible amendments to the UGB, and public hearings on the entire matter on April 22 and 29, May 6, [May 27](#), and June 10 and 24, 2004; now, therefore

THE METRO COUNCIL HEREBY ORDAINS AS FOLLOWS:

1. Policy 1.12 of the Regional Framework Plan is hereby amended, as indicated in Exhibit A, attached and incorporated into this ordinance, to guide the choice of farmland for addition to the UGB when no higher priority land is available or suitable.
2. Title 4 (Industrial and Other Employment Areas) of the Urban Growth Management Functional Plan is hereby amended, as indicated in Exhibit B, attached and incorporated into this ordinance, to improve implementation of Title 4 by cities and counties in the region.
3. The Employment and Industrial Areas Map is hereby amended, as shown in Exhibit C, attached and incorporated into this ordinance, to depict the boundaries of Regionally Significant Industrial Areas pursuant to Policy 1.4.1 of the Regional Framework Plan in order to ensure more efficient use of the areas for industries reliant upon the movement of freight and to protect the function and capacity of freight routes and connectors in the region.
4. The Revised Housing Needs Analysis, January 24, 2003, is hereby further revised, as indicated in Exhibit D, Addendum to Housing Needs Analysis, April 5, 2004, attached and incorporated into this ordinance, to comply with the first item in LCDC's "Partial Approval and Remand Order 03-WKTASK-001524."
5. The Metro UGB is hereby amended to include all or portions of the Study Areas shown on Exhibit E [with the designated 2040 Growth Concept design type, and more precisely identified in the Industrial Land Alternative Analysis Study, February, 2004, Item \(c\) in Appendix A](#), subject to the conditions set forth in Exhibit F, and to exclude tax lots 1300, 1400 and 1500 in Study Area 62 ~~and the southeast portion of Study Area 9 from the UGB~~, also shown on Exhibit E and more precisely identified in the Staff Report, "In Consideration of Ordinance No. 04-1040, For the Purpose of Amending the Metro Urban Growth Boundary, the Regional Framework Plan and the Metro Code to increase the capacity of the Boundary to Accommodate Growth in Industrial Employment", Item (a) in Appendix A. Exhibits E and F are attached and incorporated into this ordinance to comply with the second and third items in LCDC's "Partial Approval and Remand Order 03-WKTASK-001524."

City of Tualatin

Exhibit No. 101

6. Ordinance No. 02-969B is hereby amended to change the 2040 Growth Concept design type designation for that 90-acre portion of Study Area 12 that projects from the rest of the study area to the southeast along Highway 26 from 'Inner Neighborhood' to 'Regionally Significant Industrial Area.'
67. The Appendix, attached and incorporated into this ordinance, is hereby adopted in support of the amendments to the UGB, the Regional Framework Plan and the Metro Code in sections 1 through 3 of this ordinance. The following documents comprise the Appendix:
- a. Staff Report, 'In Consideration of Ordinance No. 04-1040, For the Purpose of Amending the Metro Urban Growth Boundary, the Regional Framework Plan and the Metro Code to increase the capacity of the Boundary to Accommodate Growth in Industrial Employment', April 5, 2004.
 - b. 2002-2022 Urban Growth Report: An Employment Land Need Analysis, June 24, 2004 Supplement.
 - c. Industrial Land Alternative Analysis Study, February, 2004.
 - d. Measure 26-29 Technical Report: Assessment of the Impacts of the June, 2004, UGB Expansion on Property Owners.
 - e. Industrial Land Expansion Public Comment Report, March, 2004.
 - f. 'An Assessment of Potential Regionally Significant Industrial Areas', memorandum from Mary Weber to Dick Benner, October 21, 2003.
 - g. 'Recommended Factors for Identifying RSIA's', memorandum from Mary Weber to MTAC, June 30, 2003.
 - h. 'Slopes Constraints on Industrial Development', memorandum from Lydia Neill to David Bragdon, November 25, 2003.
 - i. 'Limited Choices: The Protection of Agricultural Lands and the Expansion of the Metro Area Urban Growth Boundary for Industrial Use', prepared by the Metro Agricultural Lands Technical Workgroup, April, 2004.
 - j. 'Technical Assessment of Reducing Lands within Alternatives Analysis Study Areas', memorandum from Lydia Neill to David Bragdon, October 30, 2003.
 - k. Agriculture at the Edge: A Symposium, October 31, 2003, Summary by Kimi Iboshi Sloop, December, 2003.
 - m. 'Industrial Land Aggregation Methodology, Test and Results', memorandum from Lydia Neill to David Bragdon, September 24, 2003.
 - n. 'Industrial Areas Requested by Local Jurisdictions', memorandum from Tim O'Brien to Lydia Neill, July 29, 2003.

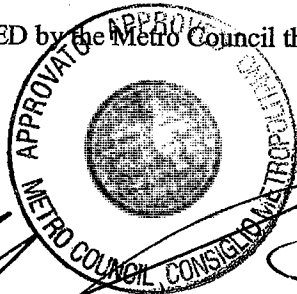
City of Tualatin

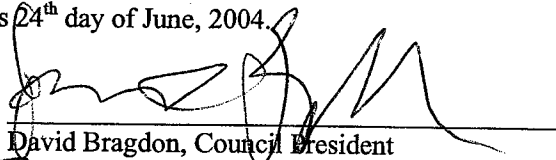
Exhibit No. 101

- o. 'Industrial Land Locational and Siting Factors', memorandum from Lydia Neill to David Bragdon, June 9, 2003.
- p. 'A Review of Information Pertaining to Regional Industrial Lands', memorandum from Dick Benner to David Bragdon, January 26, 2004.
- q. Map of Freight Network and Freight Facilities, Metro, November, 2003.
- r. 'Evaluating the Industrial Land Supply with Projected Demand', memorandum from Lydia Neill to David Bragdon, May 14, 2003.
- s. 'Identifying 2003 Industrial Land Alternatives Analysis Study Areas', memorandum from Tim O'Brien to Lydia Neill, July 9, 2003.
- t. 'For the Purpose of Reducing the Land Under Consideration in the 2002 and 2003 Alternatives Analysis for Meet the Remaining Need for Industrial Land through Urban Growth Boundary Expansion', Staff Report, November 18, 2003.
- u. 'Formation of Industrial Neighborhoods', memorandum from Lydia Neill to David Bragdon, October 24, 2003.
- v. 'Developed Lots 5 Acres and Smaller Outside the UGB', memorandum from Amy Rose to Lydia Neill, November 18, 2003.
- w. 'Employment Land Included in the 2002 Urban Growth Boundary Expansion', memorandum from Andy Cotugno to David Bragdon, March 10, 2003.
- x. 'Identifying Additional Land for Industrial Purposes', memorandum from Tim O'Brien to Lydia Neill, March 7, 2003.
- y. Staff Report, 'In Consideration of Ordinance No. 04-1040B, For the Purpose of Amending the Metro Urban Growth Boundary, the Regional Framework Plan and the Metro Code to increase the Capacity of the Boundary to Accommodate Growth in Industrial Employment', June 21, 2004.

78. The Findings of Fact and Conclusions of Law in Exhibit G, attached and incorporated into this ordinance, explain how this ordinance complies with state law, the Regional Framework Plan and the Metro Code.

ADOPTED by the Metro Council this 24th day of June, 2004.

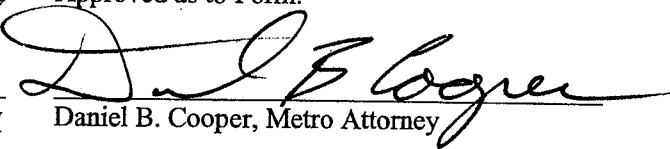



David Bragdon, Council President

Approved as to Form:

ATTEST:


Christina Billington, Recording Secretary


Daniel B. Cooper, Metro Attorney

City of Tualatin

Exhibit No. 101

Exhibit A to Ordinance No. 04-1040B

REGIONAL FRAMEWORK PLAN POLICY 1.12 Protection of Agriculture and Forest Resource Land

~~1.12~~1.12.1 Agricultural and forest land outside the UGB shall be protected from urbanization, and accounted for in regional economic and development plans, consistent with this Plan. However, Metro recognizes that all the statewide goals, including Statewide Goal 10, and Goal 14, Urbanization, are of equal importance to Goals 3 and 4, which protect agriculture and forest resource lands. These goals represent competing and, some times, conflicting policy interests which need to be balanced.

~~1.12.1 Rural Resource Lands~~

~~— Rural resource lands outside the UGB that have significant resource value should actively be protected from urbanization. However, not all land zoned for exclusive farm use is of equal agricultural value.~~

1.12.2 When the Council must choose among agricultural lands of the same soil classification for addition to the UGB, the Council shall choose agricultural land deemed less important to the continuation of commercial agriculture in the region.

~~1.12.2 Urban Expansion~~

~~— Expansion of the UGB shall occur in urban reserves, established consistent with the urban rural transition objective. All urban reserves should be planned for future urbanization even if they contain resource lands.~~

1.12.3 Metro shall enter into agreements with neighboring cities and counties to carry out Council policy on protection of agricultural and forest resource policy through the designation of Rural Reserves and other measures.

~~1.12.3 Farm and Forest Practices~~

~~— Protect and support the ability for farm and forest practices to continue. The designation and management of rural reserves by the Metro Council may help establish this support, consistent with the Growth Concept. Agriculture and forestry require long term certainty of protection from adverse impacts of urbanization in order to promote needed investments.~~

1.12.4 Metro shall work with neighboring counties to provide a high degree of certainty for investment in agriculture in agriculture and forestry and to reduce conflicts between urbanization and agricultural and forest practices.

City of Tualatin

Exhibit No. 101

Exhibit B to Ordinance No. 04-1040B

TITLE 4: INDUSTRIAL AND OTHER EMPLOYMENT AREAS

3.07.410 Purpose and Intent

A. The Regional Framework Plan calls for a strong economic climate. To improve the region's economic climate, **[the plan] Title 4** seeks to **provide and** protect **[the] a** supply of sites for employment by limiting **[incompatible uses within] the types and scale of non-industrial uses in Regionally Significant Industrial Areas (RSIAs)**, Industrial Areas and Employment Areas. **Title 4 also seeks to provide the benefits of "clustering" to those industries that operate more productively and efficiently in proximity to one another than in dispersed locations. Title 4 further seeks [T]to** protect the capacity and efficiency of the region's transportation system for **the** movement of goods and services, and to **[promote the creation of jobs within designated Centers and discourages certain kinds of commercial retail development outside Centers] encourage the location of other types of employment in Centers, Employment Areas, Corridors, Main Streets and Station Communities. [It is the purpose of Title 4 to achieve these policies.] The Metro Council** will **[consider amendments to this title in order to make the title consistent with new policies on economic development adopted] evaluate the effectiveness of Title 4 in achieving these purposes** as part of **its** periodic **[review] analysis of the capacity of the urban growth boundary.**

3.07.420 Protection of Regionally Significant Industrial Areas

A. Regionally Significant Industrial Areas (RSIA) are those areas **[that offer the best opportunities for family-wage industrial jobs] near the region's most significant transportation facilities for the movement of freight and other areas most suitable for movement and storage of goods.** Each city and county with land use planning authority over **[areas] RSIAs** shown on the **[Generalized Map of Regionally Significant Industrial Areas adopted in Ordinance No. 02-969] Employment and Industrial Areas Map** shall derive specific plan designation and zoning district boundaries of **[the areas] RSIAs within its jurisdiction** from the Map, taking into account the location of existing uses that would not conform to the limitations on non-industrial uses in **[subsection C, D and E] this section**, and **[its] the** need **[of individual cities and counties]** to achieve a mix of **[types of]** employment uses.

B. **[Each city and county with land use planning authority over an area designated by Metro on the 2040 Growth Concept Map, as amended by Ordinance No. 02-969, as a Regionally Significant Industrial Area shall, as part of compliance with section 3.07.1120 of the Urban Growth Management Functional Plan, derive plan designation and zoning district boundaries of the areas from the Growth Concept Map] Cities and counties shall review their land use regulations and revise them, if necessary, to include measures to limit the size and location of new buildings for retail commercial uses - such as stores and restaurants - and retail and professional services that cater to daily customers – such as financial, insurance, real estate, legal, medical and dental offices - to ensure that they serve primarily the needs of workers in the area. One such measure shall be that new buildings for stores, branches, agencies or other outlets for these retail uses and services shall not occupy more than 3,000 square feet of sales or service area in a single outlet, or multiple outlets that occupy more than 20,000 square feet of sales or service area in a single building or in multiple buildings that are part of the same development project, with the following exceptions:**

1. Within the boundaries of a public use airport subject to a facilities master plan, customary airport uses, uses that are accessory to the travel-related and freight movement activities of airports, hospitality uses, and retail uses appropriate to serve the needs of the traveling public; and

City of Tualatin

Exhibit No. 101

2. Training facilities whose primary purpose is to provide training to meet industrial needs.

C. [After determining boundaries of Regionally Significant Industrial Areas pursuant to subsections A and B, the city or county] Cities and counties shall [adopt implementing ordinances that limit development in the areas to industrial uses, uses accessory to industrial uses, offices for industrial research and development and large corporate headquarters in compliance with subsection E of this section, utilities, and those non-industrial uses necessary to serve the needs of businesses and employees of the areas] review their land use regulations and revise them, if necessary, to include measures to limit the siting and location of new buildings for the uses described in subsection B and for non-industrial uses that do not cater to daily customers - such as bank or insurance processing centers - to ensure that such uses do not reduce off-peak performance on Main Roadway Routes and Roadway Connectors shown on Metro's Freight Network Map, November, 2003, below standards set in the 2004 Regional Transportation Plan or require added road capacity to prevent falling below the standards.

D. [Notwithstanding subsection C, a city or county shall not approve:

1. A commercial retail use with more that 20,000 square feet of retail sales area in a single building or in multiple buildings that are part of the same development project;
or

2. Commercial retail uses that would occupy more than five percent of the net developable portion of all contiguous Regionally Significant Industrial Areas] No city or county shall amend its land use regulations that apply to lands shown as RSIA on the Employment and Industrial Areas Map to authorize uses described in subsection B that were not authorized prior to July 1, 2004.

E. [As provided in subsection C of this section, a city or county may approve an office for industrial research and development or a large corporate headquarters if:

1. The office is served by public or private transit; and

2. If the office is for a corporate headquarters, it will accommodate for the initial occupant at least 1,000 employees]

[F. A city or county] Cities and counties may allow division of lots or parcels into smaller lots or parcels as follows:

1. Lots or parcels [less] smaller than 50 acres may be divided into any number of smaller lots or parcels[;].

2. Lots or parcels [50 acres or] larger than 50 acres may be divided into smaller lots and parcels pursuant to a master plan approved by the city or county so long as the resulting division yields [the maximum number of lots or parcels of] at least [50 acres] one lot or parcel of at least 50 acres in size[;].

3. Lots or parcels 50 acres or larger, including those created pursuant to paragraph (2) of this subsection, may be divided into any number of smaller lots or parcels pursuant to a master plan approved by the city or county so long as at least 40 percent of the area of the lot or parcel has

City of Tualatin

Exhibit No. 101

been developed with industrial uses or uses accessory to industrial use, and no portion has been developed, or is proposed to be developed, with uses described in subsection B of this section.

4. Notwithstanding paragraphs 2[,] **and** 3 [**and**] of this subsection, any lot or parcel may be divided into smaller lots or parcels or made subject to rights-of-way for the following purposes:

- a. To provide public facilities and services;
- b. To separate a portion of a lot or parcel in order to protect a natural resource, to provide a public amenity, or to implement a remediation plan for a site identified by the Oregon Department of Environmental Quality pursuant to ORS 465.225;
- c. To separate a portion of a lot or parcel containing a nonconforming use from the remainder of the lot or parcel in order to render the remainder more practical for a permitted use; **or**
- d. [**To reconfigure the pattern of lots and parcels pursuant to subsection G or this section**]
[e.] To allow the creation of a lot for financing purposes when the created lot is part of a master planned development.

[G. A city or county may allow reconfiguration of lots or parcels less than 50 acres in area if the reconfiguration would be more conducive to a permitted use and would result in no net increase in the total number of lots and parcels. Lots or parcels 50 acres or greater in area may also be reconfigured so long as the resulting area of any such lot or parcel would not be less than 50 acres.]

[H] F. Notwithstanding subsections [**C and D**] **B** of this section, a city or county may allow the lawful use of any building, structure or land existing at the time of adoption of its ordinance to implement this section to continue and to expand to add up to 20 percent more floor area and 10 percent more land area. Notwithstanding subsection E of this section, a city or county may allow division of lots or parcels pursuant to a master plan approved by the city or county prior to [**December 31, 2003**] **July 1, 2004**.

3.07.430 Protection of Industrial Areas

A. [In Industrial Areas mapped pursuant to Metro Code section 3.07.130 that are not Regionally Significant Industrial Areas, c] Cities and counties shall [limit new and expanded retail commercial uses to those appropriate in type and size to serve the needs of businesses, employees and residents of the Industrial Areas] review their land use regulations and revise them, if necessary, to include measures to limit new buildings for retail commercial uses - such as stores and restaurants - and retail and professional services that cater to daily customers – such as financial, insurance, real estate, legal, medical and dental offices - in order to ensure that they serve primarily the needs of workers in the area. One such measure shall be that new buildings for stores, branches, agencies or other outlets for these retail uses and services shall not occupy more than 5,000 square feet of sales or service area in a single outlet, or multiple outlets that occupy more than 20,000 square feet of sales or service area in a single building or in multiple buildings that are part of the same development project, with the following exceptions:

1. Within the boundaries of a public use airport subject to a facilities master plan, customary airport uses, uses that are accessory to the travel-related and freight movement activities of airports, hospitality uses, and retail uses appropriate to serve the needs of the traveling public; and

City of Tualatin

Exhibit No. 101

2. Training facilities whose primary purpose is to provide training to meet industrial needs.

B. [In an Industrial Area, a city or county shall not approve:

1. A commercial retail use with more than 20,000 square feet of retail sales area in a single building or in multiple buildings that are part of the same development project; or

2. Commercial retail uses that would occupy more than ten percent of the net developable portion of the area or any adjacent Industrial Area] Cities and counties shall review their land use regulations and revise them, if necessary, to include measures to limit new buildings for the uses described in subsection A to ensure that they do not interfere with the efficient movement of freight along Main Roadway Routes and Roadway Connectors shown on Metro's Freight Network Map, November, 2003. Such measures may include, but are not limited to restrictions on access to freight routes and connectors, siting limitations and traffic thresholds. This subsection does not require cities and counties to include such measures to limit new other buildings or uses.

C. No city or county shall amend its land use regulations that apply to lands shown as Industrial Area on the Employment and Industrial Areas Map to authorize uses described in subsection A of this section that were not authorized prior to July 1, 2004.

D. Cities and counties may allow division of lots or parcels into smaller lots or parcels as follows:

1. Lots or parcels smaller than 50 acres may be divided into any number of smaller lots or parcels.

2. Lots or parcels larger than 50 acres may be divided into smaller lots and parcels pursuant to a master plan approved by the city or county so long as the resulting division yields at least one lot or parcel of at least 50 acres in size.

3. Lots or parcels 50 acres or larger, including those created pursuant to paragraph (2) of this subsection, may be divided into any number of smaller lots or parcels pursuant to a master plan approved by the city or county so long as at least 40 percent of the area of the lot or parcel has been developed with industrial uses or uses accessory to industrial use, and no portion has been developed, or is proposed to be developed with uses described in subsection A of this section.

4. Notwithstanding paragraphs 2 and 3 of this subsection, any lot or parcel may be divided into smaller lots or parcels or made subject to rights-of-way for the following purposes:

a. To provide public facilities and services;

b. To separate a portion of a lot or parcel in order to protect a natural resource, to provide a public amenity, or to implement a remediation plan for a site identified by the Oregon Department of Environmental Quality pursuant to ORS 465.225;

c. To separate a portion of a lot or parcel containing a nonconforming use from the remainder of the lot or parcel in order to render the remainder more practical for a permitted use; or

d. To allow the creation of a lot for financing purposes when the created lot is part of a master planned development.

City of Tualatin

Exhibit No. 101

E. Notwithstanding **[subsection B] subsection A** of this section, a city or county may allow the lawful use of any building, structure or land **existing** at the time of **[enactment of an] adoption of its ordinance [adopted pursuant to this section] to implement this section** to continue and to expand to add up to 20 percent more **[floorspace] floor area** and 10 percent more land area. **Notwithstanding subsection D of this section, a city or county may allow division of lots or parcels pursuant to a master plan approved by the city or county prior to July 1, 2004.**

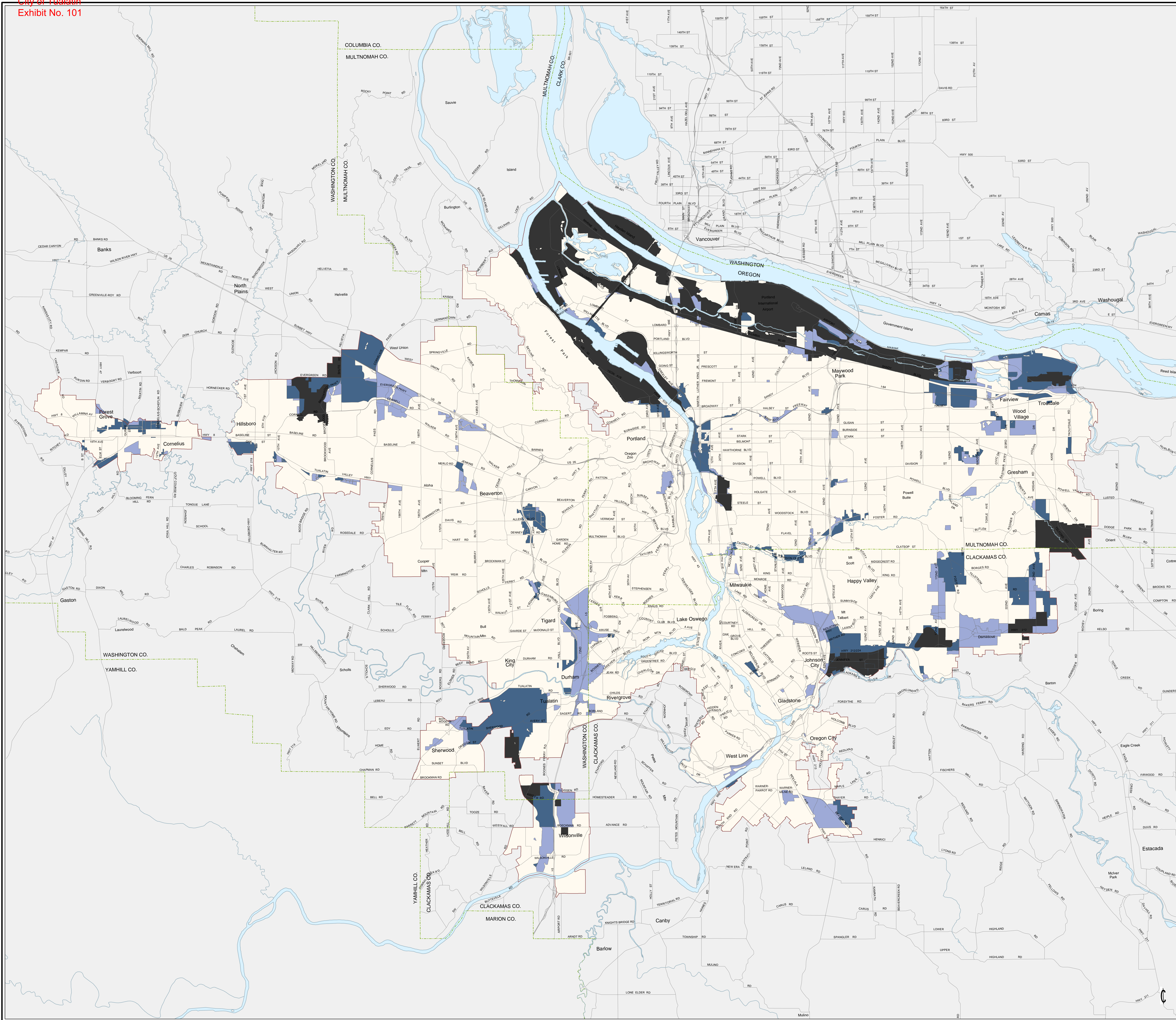
3.07.440 Employment Areas

- A. Except as provided in subsections C, D and E, in Employment Areas mapped pursuant to Metro Code Section 3.07.130, cities and counties shall limit new and expanded retail commercial uses to those appropriate in type and size to serve the needs of businesses, employees and residents of the Employment Areas.
- B. Except as provided in subsections C, D and E, a city or county shall not approve a commercial retail use in an Employment Areas with more than 60,000 square feet of gross leasable area in a single building, or retail commercial uses with a total of more than 60,000 square feet of retail sales area on a single lot or parcel, or on contiguous lots or parcels, including those separated only by transportation right-of-way.
- C. A city or county whose zoning ordinance applies to an Employment Area and is listed on Table 3.07-4 may continue to authorize retail commercial uses with more than 60,000 square feet of gross leasable area in that zone if the ordinance authorized those uses on January 1, 2003.
- D. A city or county whose zoning ordinance applies to an Employment Area and is not listed on Table 3.07-4 may continue to authorize retail commercial uses with more than 60,000 square feet of gross leasable area in that zone if:
 - 1. The ordinance authorized those uses on January 1, 2003;
 - 2. Transportation facilities adequate to serve the retail commercial uses will be in place at the time the uses begin operation; and
 - 3. The comprehensive plan provides for transportation facilities adequate to serve other uses planned for the Employment Area over the planning period.
- E. A city or county may authorize new retail commercial uses with more than 60,000 square feet of gross leasable area in Employment Areas if the uses:
 - 1. Generate no more than a 25 percent increase in site-generated vehicle trips above permitted non-industrial uses; and
 - 2. Meet the Maximum Permitted Parking – Zone A requirements set forth in Table 3.07-2 of Title 2 of the Urban Growth Management Functional Plan.

Title 4 Industrial and Employment Areas

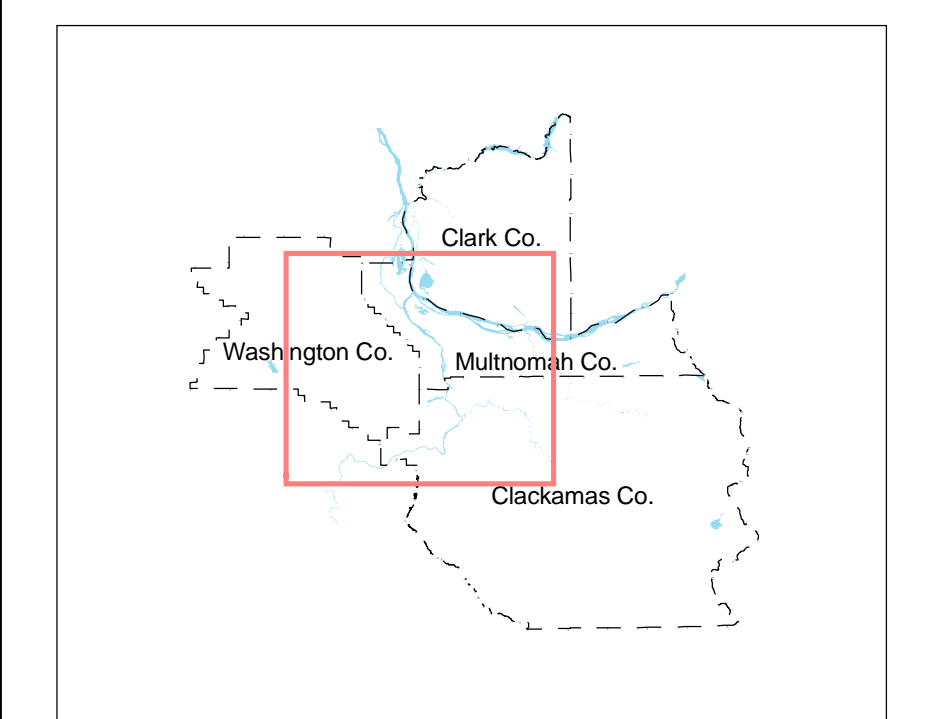
Ordinance No. 04-1040B
Exhibit C
June 24, 2004

-  Employment Land
-  Industrial Land
-  Regionally Significant Industrial Areas



WARNING: Some maps combine data layers of differing map accuracies, e.g. flood plains can be based on tax lots. When this occurs, the map is not reliable to correctly show data at the tax lot level.

The information on this map was derived from digital databases on Metro's GIS. Care was taken in the creation of this map. Metro cannot accept any responsibility for errors, omissions, or positional accuracy. There are no warranties, expressed or implied, including the accuracy of the information or fitness for a particular purpose, accompanying this product. However, notification of any errors will be appreciated.



Location Map



METRO DATA RESOURCE CENTER
600 NORTHEAST GRAND AVENUE PORTLAND, OREGON 97232-2736
TEL: (503) 737-1742 FAX: (503) 737-1909
drc@metro.dsti.or.us www.metro-region.org

City of Tualatin

Exhibit No. 101

Exhibit D to Ordinance No. 04-1040B Addendum to Housing Needs Analysis April 5, 2004

I. INTRODUCTION

The attached three Tables satisfy the requirements of ORS 197.298(5)(a)(E) to provide at least 3 years of data on the number, density and average mix of housing for vacant, partially vacant, redevelopment and infill (refill) and mixed use designated land. Table 5(a)(E) – 1 provides number, density and mix data on refill land for the period 1997 through 2001. Table 5(a)(E) – 2 provides the same data for development on vacant and partially vacant land for the period 1998 through 2001. Table 5(a)(E) – 3 displays the number, density and mix data for development on mixed use land for the period 1998 – 2001.

As noted in the original Housing Needs Analysis submission, the data in the attached Tables are subsets of more aggregated data contained in the original Housing Needs Analysis Report. While interesting and informative, the data in the attached Tables do not contradict the conclusions and actions taken in conjunction with the Urban Growth Report and periodic review. Nor do the data affect the determinations of the overall average density and overall mix of housing types at which residential development must occur in order to meet housing needs through 2022, as depicted in the original Housing Needs Analysis, pages 2 through 7 and Figures 3.1, 3.2, 3.3, 5.1 and 5.3.

The remainder of the report consists of an explanation of methodology and data sources and a synopsis of the data content of each of the tables.

II. METHODOLOGY AND DATA SOURCES

A. Data Sources

In order to retrospectively meet the requirements of State Statute we made maximum use of Metro's RLIS archived data that extend back in some degree to 1995. These data consist of the following elements:

1. Land use data at the tax lot level designating land by vacant, developed and zoning category.
2. County assessor tax lot data showing use, value, sales data, etc.
3. Geo-coded building permit data by building type.
4. Air photos for each year taken approximately in July of each year with a trend of improving resolution level over time.

B. Sampling Approach

We elected to measure the data using a 20% sampling approach so that we could manually audit each of the selected data points to insure accuracy. Machine processing of the data is not possible due to the following sources of measurement error.

1. Building permit geo-coding variability as approximately 70% of building permits actually geo-code exactly to the correct tax lot.

City of Tualatin

Exhibit No. 101

2. Building permit data error due to incomplete reporting, undetected duplicates and inaccurate descriptions of building type, work done and location.
3. Slight registration discrepancies between tax lot maps, air photos and archived land use coverages.
4. Variability between the time a building permit is issued, building takes place and the tax lot is created and enumerated in the County Assessor's tax lot coverage. The practical consequence of this is often that a row house constructed on a 2,500 sq. ft. lot appears to be on a 100,000 sq. ft. plus lot because the subdivision plat is not yet available in the data base.

For multi-family units we modified the 20% sample to include 100% of all building permits for 20 or more units and applied the 20% rate to permits of under 20 units. This avoided the potential sampling errors associated with having a few permits for multi-family of over 100 or more units.

C. Expansion Back to the Population Totals

Because we elected a 100% count of multi-family the sample was not self-weighting. As a consequence after the analysis was complete we used a two phase approach to estimate the building permit population. First, we expanded our sample by building type back to the totals reported in our building permit data base. Secondly, since our building permit data base is incomplete relative to the totals reported to the State and Federal Government, we expanded our building permit data base to match the County totals by building type.

D. Definition of Entities Being Measure

State Statute requires we report on the number and densities by building type of development on "refill", "vacant", "partly vacant" and "mixed use" land. These entities we define and discuss in the context of our RLIS data base and measurement protocols as follows:

1. **Refill**: Housing units developed on land that Metro already considers developed in its data base. Refill is further divided into redevelopment and infill. Redevelopment occurs after an existing building has been removed. Infill is additional building without removal of existing buildings.
 - a. ***Method of Measurement***: We measure refill by counting the number of permits that locate on land Metro considers developed in the next fiscal year. For instance for the year "1998" we would compare the RLIS developed and vacant lands inventory for the year ending June 30, 1998 with all building permits issued beginning July 1, 1998 and ending June 30, 1999. Building permits located on land Metro classed vacant as of June 30, 1998 would be classed as development on vacant land and permits landing on land Metro classed as developed as of June 30, 1998 would be classed as refill.
 - b. ***Measurement Protocols***: As noted earlier we select a 20% sample of all permits for new residential construction from the RLIS data base for the relevant years (with the exception of the 100% of multi-family permits equal to or exceeding 20 units). Each permit is scrutinized manually by a

City of Tualatin

Exhibit No. 101

trained intern using the RLIS data base and air photos to insure it is properly located and that the permit is for valid construction that did occur as the permit indicated. The analyst then determines whether the permit constitutes refill or vacant land development. Beginning with this study the analyst further classifies the permit to “legal – Urban Growth Report” refill and “economic – MetroScope” refill. This distinction results from the fact that RLIS analysts classify some individual lots in developing green field areas as developed prior to actual development occurring and also classify land cleared for urban renewal areas as vacant. In the former case the economic interpretation is development on new and in the latter case the economic interpretation is refill development. However, to be consistent with the RLIS land accounting system on which the Urban Growth Report is based we classify development the way RLIS accounts for it. On the other hand, the MetroScope land use model used for forecasting and policy evaluation counts green field development as vacant land consumption and urban renewal as refill (redevelopment). Consequently, we report refill data for both classifications.

- 2. Vacant and partially vacant: In RLIS tax lots that are “completely vacant” (90% vacant) are classed as totally vacant. If the unoccupied portion of a tax lot with development exceeds ½ acre, the unoccupied portion is classed a partially vacant. Green field sites under development may transition from vacant to partially vacant, back to totally vacant to developed and back again to totally vacant depending on the patterns of tax lot subdivision activity and zone changes. This also is true for urban renewal redevelopment sites. There are also a limited number of partially vacant sites in established residential areas where present zoning would allow further subdivision and development.
 - a. **Method of Measurement**: Using the audited building permit sample we machine processed the permits classed as legally vacant to fully vacant and partially vacant. Due to map registration discrepancies the RLIS developed lands coverage for 1997 could not be used so we dropped 600 observations for that year. In addition, another 1400 observations failed the machine screening in that they could not be conclusively classed as either vacant or partially vacant without manual auditing. The 2000 observations excluded from the vacant and partially vacant analysis resulting in the number of units developed on some type of vacant land dropping from 39,000 to 25,000. Though not relevant to the refill study or overall results, discussions with RLIS analysts indicated that the machine filtering process was more likely to exclude partially vacant than vacant tax lots. The bias, resulting from this procedure was minimized, by restating our inventory totals of vacant and partially vacant land using the same screening procedures.
 - b. **Measurement Protocols**: Once the refill data base was reclassified between vacant and partially vacant, we tabulated all the development on vacant land by the type of vacant land it fell on by building type (multi-family and single family) and by lot size.

City of Tualatin

Exhibit No. 101

3. Mixed use development: In our RLIS data base mixed use development is classed as MUC1, MUC2 and MUC3. From the original audited refill data base we selected all the records of building permits that fell on land classed as MUC1, MUC2 or MUC3 regardless of whether it was refill, vacant or partially vacant. Again matching the RLIS land use inventory for 1997 proved problematic for machine selection procedures and this year was excluded. The resulting selection process produced 402 observations representing over 4,600 units constructed from 1998 through 2001.

E. Years of Data Included in the Retrospective Analysis

We included building permit data from 12/97 through 6/2002 that could be reliably recovered and geo-coded from our existing RLIS data base. This time period allows us to evaluate 5 years of recent history in regard to “refill” and 4 years of history for “vacant”, “partly vacant” and “mixed use” land.

III. SYNOPSIS OF RESULTS

A. Data Table 5E1: Refill Numbers by Type and Density 1997 – 2001

The data displayed on Table 5E1 show the amount of residential development of vacant and refill land that occurred during the period 1997 through 2001. During that period nearly 54,000 dwelling units located within the Metro region.¹ Of the 54,000 dwelling units, 26.5% occurred as refill according to the legal – Urban Growth Report definition. Using the economic-MetroScope definition 30.4% were refill reflecting the increasing importance of redevelopment in urban renewal areas and centers. Nearly 20,000 of the units constructed were multi-family with a legal refill rate of 31.5% and an economic rate of 40.2%. 34,000 units constructed were single family with a legal refill rate of 23.6% and an economic rate of 24.7%. Average lot sizes are also reported for every category.² For multi-family average lot sizes range from 1,800 to 2,000 sq. ft. depending on category. For single family average lot sizes range from 6,600 to 8,400 sq. ft. with refill development generally in the 6,500 – 7,000 sq. ft. range.

B. Table 5E1(a): Median Lot Size Data

This table provides additional and somewhat more meaningful weighted median lot size data. When we compare the average lot sizes in Table 5E1, we observe substantive differences in most cases. In general the median lot sizes are 30% less for vacant single family, 25% more for vacant multi-family, 25% less for refill single family and 30% less for refill multi-family. For all types combined the weighted median is 27% less for vacant and 26% less for refill. Assuming that the present median is a superior measure of long run average lot size, the combined weighted median of 4,417 sq. ft. should be used to determine vacant land consumption. This figure combined with the 39,619 units located on legally vacant land over the 5 year period implies a land consumption of slightly over 4,000 net buildable acres. Using a plausible range of gross to net conversion factors of .55 - .7 yields a gross buildable acre consumption of 1,150 to 1,450 acres per year, within the range estimated in the original Housing Needs Analysis.³

¹ **Real Estate Report for Metropolitan Portland, Oregon**, Spring 2003. Numbers are based on building permits summarized at the County level and only approximate the UGB. This procedure slightly overstates UGB land consumption.

² Average as contrasted to median inflates land consumption as the measure is substantially influenced by a few large lot single family permits on urban land still zoned RRFU that will subsequently be subdivided. RLIS procedure of assuming ½ acre of land consumption for permits on non-subdivided land also inflates average lot size.

³ While appearing precise, attempting to estimate long run densities and land consumption from individual lot sizes involves substantial uncertainties. The most serious of these is the gross to net conversion factor as we only observe

City of Tualatin

Exhibit No. 101

C. Table 5E2: Housing on Fully Vacant and Partially Vacant Land

The accompanying table presents the required data on development on a subcategory of vacant land – fully vacant land and land partially vacant. As noted in the methods section, fully or partially vacant is classified relative to the tax lot existing at the time of the RLIS vacant and developed lands inventory. As also noted in the methods section, due to procedures and quirks of the land development and reporting process land may be fully vacant, partially vacant or developed refill land several times during the development process. In addition as a result of attempting to categorize and measure “partially vacant” we discover that the acreage totals are extremely volatile and sensitive to whatever criteria we use in the machine query process to differ partial from full. Very minor discrepancies between vacant land coverages and assessor’s tax lot coverages can dramatically change the inventories of fully and partially vacant. In the methods section we note that we use the same selection criteria for both the inventory totals and the classification of the refill sample into fully and partially vacant.

Of the over 39,000 legal vacant units located in the Metro Region for the period 1997 – 2001 we were able to reliably classify 25,000 units covering the period 1998 – 2001. Of these 15,500 (62.6%) were on fully vacant land and 9,300 (37.4%) were on partially vacant land. Looking at *Table 5E2(a) Fully Vacant and Partially Vacant Land Inventory 1998 – 2001* (replacing Table 4.1AB in the original Housing Needs Analysis) that on average partially vacant comprised 34.3% of the vacant land inventory. In sum development on partially vacant land overall has been occurring at roughly the same rate as development on fully vacant land and appears to not be materially different.

At the same time we recognize that there are a number of instances where partially vacant land shares a tax lot with a high valued single family home. In order to better understand the likelihood of further development under these circumstances, we used our single family sales price study to estimate the “optimum lot size” by neighborhood and house size. We define optimum lot size as the lot size at which at the loss of value to a homeowner by selling off part of his lot just equals the amount he gains by selling the land. If the homeowner sells more land, the value of his house declines more than he gains by the sale. Conversely, if he sells less land, the land unsold contributes less to the value of his home than the amount he would receive were he to sell it. Making that calculation for Dunthorpe we found that a \$1,000,000 home on 5 acres would have a positive incentive to sell off land down to about 1 – 1.5 acres. By comparison, a \$600,000 home on 1 acre would have an incentive to sell off no more than ½ acre. Significantly, in 2000 the average Dunthorpe selling price was \$590,000 for a 3,100 sq. ft. house on a 22,000 sq. ft. lot, almost exactly the optimum lot size determined from our estimates. On average then we would expect Dunthorpe to have no additional capacity other than that resulting from subdivision of lots at least 1 acre to sizes no smaller than ½ acre. Optimum lot size calculations vary dramatically by neighborhood. For instance, the average house in the Powellhurst-Gilbert neighborhood has a positive incentive to sell off land down to and sometimes below a 5,000 sq. ft. lot minimum. This is more often the case within the Metro region notwithstanding the exceptionally high value areas such as Dunthorpe.

D. Table 5E3: Housing on Mixed Use Designated Land

As required by statute the accompanying table shows development for the period 1998 – 2001 that occurred on land Metro considered at the time of development to be MUC1, MUC2 and MUC3. As pointed out in the methods section, the mixed use inventory includes refill, vacant and partially vacant

net buildable land consumption and cannot measure land lost to streets, parks, schools, freeways, etc. The second drawback is that average lot size measures are always exaggerated by a few large lot placements (often of manufactured homes) done by private individuals that will undoubtedly be further subdivided sometime in the future.

City of Tualatin

Exhibit No. 101

lands. Over the 4 year period we noted 4,600 housing units developed of which 3,000 were multi-family and 1,600 were single family. Average lot size for multi-family was 1,400 sq. ft. and single family lot size was 2,300 sq. ft. Table 5E3(a) depicts the 2040 Plan mixed use capacity as of 8/98. Total mixed use capacity at that time was roughly 23,000 units. Mixed use development constituted about 11% of residential development for the 4 year period 98 – 2001. As of 1998, mixed use capacity of 23,000 units constituted 12% of the capacity 193,000 dwelling unit capacity estimated at the time. As was the case with vacant and partially vacant, this sub-classification of land type seems to produce housing at a rate commensurate with its proportion of the land inventory.

City of Tualatin

Exhibit No. 101

Exhibit 5E1_: Housing on Vacant and Refill Land - Number, Type and Density 1997 Through 2001

Vacant/Refill Status	Year					Grand Total
	1997	1998	1999	2000	2001	
Legal - Urban Growth Report Basis						
Vacant Legal						
Multi Family	4,412	3,761	2,407	1,824	1,274	13,678
Average Lot Size	2,208	2,021	813	1,244	2,502	1,810
Single Family	4,594	5,670	4,814	5,425	5,439	25,941
Average Lot Size	8,516	8,611	10,104	6,292	8,161	8,292
Total All Types	9,005	9,431	7,221	7,249	6,713	39,619
Average Lot Size	5,425	5,983	7,007	5,022	7,087	6,054
Refill Legal						
Multi Family	2,228	1,567	918	503	1,059	6,275
Average Lot Size	2,729	2,042	1,178	1,353	1,499	2,013
Single Family	2,446	1,451	1,994	958	1,170	8,020
Average Lot Size	6,017	7,505	5,787	7,521	9,260	6,882
Total All Types	4,675	3,018	2,912	1,461	2,229	14,295
Average Lot Size	4,450	4,669	4,334	5,397	5,573	4,744
Percent of Development Refill	34.2%	24.2%	28.7%	16.8%	24.9%	26.5%
Economic - MetroScope Basis						
Vacant Economic						
Multi Family	4,300	3,103	1,983	1,484	1,068	11,938
Average Lot Size	2,260	2,124	955	1,245	2,304	1,885
Single Family	5,196	4,962	5,466	4,503	5,455	25,582
Average Lot Size	8,352	9,035	9,614	6,463	8,178	8,384
Total All Types	9,496	8,065	7,449	5,986	6,523	37,520
Average Lot Size	5,593	6,376	7,309	5,169	7,216	6,317
Refill Economic						
Multi Family	2,340	2,225	1,342	843	1,265	8,015
Average Lot Size	2,608	1,894	852	1,309	1,830	1,856
Single Family	1,844	2,159	1,342	1,880	1,154	8,379
Average Lot Size	5,664	6,891	5,686	6,510	9,196	6,660
Total All Types	4,184	4,384	2,684	2,724	2,419	16,394
Average Lot Size	3,955	4,355	3,269	4,899	5,344	4,311
Percent of Development Refill	30.6%	35.2%	26.5%	31.3%	27.0%	30.4%

City of Tualatin

Exhibit No. 101

Exhibit 5E1(a)_: Housing on Vacant and Refill Land - Median Lot Size 1997 - 2001

Year	Legal - Urban Growth Report Basis				2001 Totals	
	1997	1998	1999	2000		
Single Family						
Median Lot Size Vacant	5,936	5,887	6,021	5,268	5,001	5,605
Median Lot Size Refill	5,406	5,628	4,001	5,301	5,047	5,032
Multi Family						
Median Lot Size Vacant	3,550	2,348	352	825	2,377	2,242
Median Lot Size Refill	1,630	2,318	953	408	534	1,384
Total All Types						
Median Lot Size Vacant	4,684	4,480	4,159	4,105	4,562	4,417
Median Lot Size Refill	3,930	3,902	3,003	3,851	2,724	3,506
Economic - MetroScope Basis						
Single Family						
Median Lot Size Vacant	5,955	5,897	6,000	5,277	5,026	5,636
Median Lot Size Refill	5,196	5,569	3,177	5,267	5,001	4,958
Multi Family						
Median Lot Size Vacant	3,562	2,367	385	933	2,377	2,420
Median Lot Size Refill	1,100	2,007	485	404	1,172	1,131
Total All Types						
Median Lot Size Vacant	4,835	4,555	4,628	4,515	4,688	4,660
Median Lot Size Refill	3,031	3,739	1,731	3,218	2,816	2,997

City of Tualatin

Exhibit No. 101

Exhibit 5E3 : Housing on Mixed Use Designated Land by Number, Type and Density 1998 Through 2001

Land Use Class	Year				Grand Total
	1998	1999	2000	2001	
Mixed Use One					
Multi Family	1,116	367	262	321	2,066
Average Lot Size	1,834	1,427	1,437	2,313	1,786
Single Family	226	100	304	737	1,367
Average Lot Size	3,127	4,386	2,482	1,946	2,439
Mixed Use Two					
Multi Family	41	153	132	-	326
Average Lot Size	2,277	252	1,090	-	846
Single Family	40	87	55	25	207
Average Lot Size	1,919	2,159	1,265	1,574	1,803
Mixed Use Three					
Multi Family	133	203	146	107	590
Average Lot Size	1,605	345	250	100	561
Single Family	37	23	21	-	80
Average Lot Size	2,108	1,841	2,144	-	2,043
Total Mixed Use					
Multi Family	1,290	723	541	428	2,982
Average Lot Size	1,824	874	1,032	1,758	1,441
Single Family	303	210	380	763	1,655
Average Lot Size	2,845	3,187	2,287	1,934	2,340
Total All Types	1,593	933	920	1,190	4,637
Average Lot Size	2,018	1,394	1,549	1,870	1,762

City of Tualatin

Exhibit No. 101

Exhibit 5E3(a)_: Mixed Use 2040 Plan Designated Land Capacity 8/98 (Includes Capacity of Vacant, Infill and Redevelopment Land & Areas)

Plan Category	DU Capacity
MUC 1	10,320
MUC 2	7,250
MUC 3	4,650
Total Capacity	22,220

Source: Compiled from Urban Growth Report Addendum, August 1998, page 40.
MUC 1 includes MUEA capacity.

City of Tualatin

Exhibit No. 101

Exhibit 5E2_: Housing on Fully Vacant and Partially Vacant Land - Number, Type and Density 1998 Through 2001

Land Vacancy Class	Year				Grand Total
	1998	1999	2000	2001	
Fully Vacant					
Multi Family	1,012	1,910	714	801	4,438
Average Lot Size	2,383	871	1,720	2,784	1,698
Single Family	2,554	2,894	2,808	2,951	11,206
Average Lot Size	6,517	6,743	5,684	5,327	6,054
Total	3,566	4,804	3,522	3,752	15,644
Average Lot Size	5,344	4,408	4,880	4,784	4,818
Partly Vacant					
Multi Family	2,496	319	271	126	3,213
Average Lot Size	1,847	638	778	1,339	1,617
Single Family	2,219	1,159	1,501	1,244	6,122
Average Lot Size	5,984	7,764	5,624	4,622	5,956
Total	4,715	1,478	1,772	1,370	9,335
Average Lot Size	3,794	6,227	4,882	4,320	4,463
Combined					
Multi Family	3,508	2,229	986	927	7,651
Average Lot Size	2,002	837	1,460	2,588	1,664
Single Family	4,773	4,053	4,309	4,194	17,329
Average Lot Size	6,269	7,035	5,663	5,118	6,019
Total	8,281	6,282	5,295	5,122	24,979
Average Lot Size	4,461	4,836	4,881	4,660	4,685
Percent Units on Fully Vacant:					62.6%
Percent Units on Partly Vacant:					37.4%

City of Tualatin

Exhibit No. 101

Exhibit 5E2(a)_: Housing on Fully Vacant and Partially Vacant Land - Inventory of Fully Vacant and Partially Vacant All Land Classes

Land Vacancy Class	Year				2001 4 Year Average	Percent
	1998	1999	2000			
Fully Vacant	33,422	30,820	28,789	26,631	29,916	65.7%
Partly Vacant	16,678	15,776	15,401	14,738	15,648	34.3%
Total	50,100	46,596	44,190	41,369	45,564	100.0%

Filter Criteria: Full - 90% of year 1 tax lot is vacant

Maybe - Vacant area is <90% of year 1 taxlot and >=5,000 sq. ft. and <1/2 acre

Part - Vacant area is <90% of year 1 taxlot and >= 1/2 acre

Sliver - vacant area is <90% of year 1 taxlot and < 5,000 sq. ft.

2004 UGB Expansion

Ordinance 04-1040B

Exhibit E

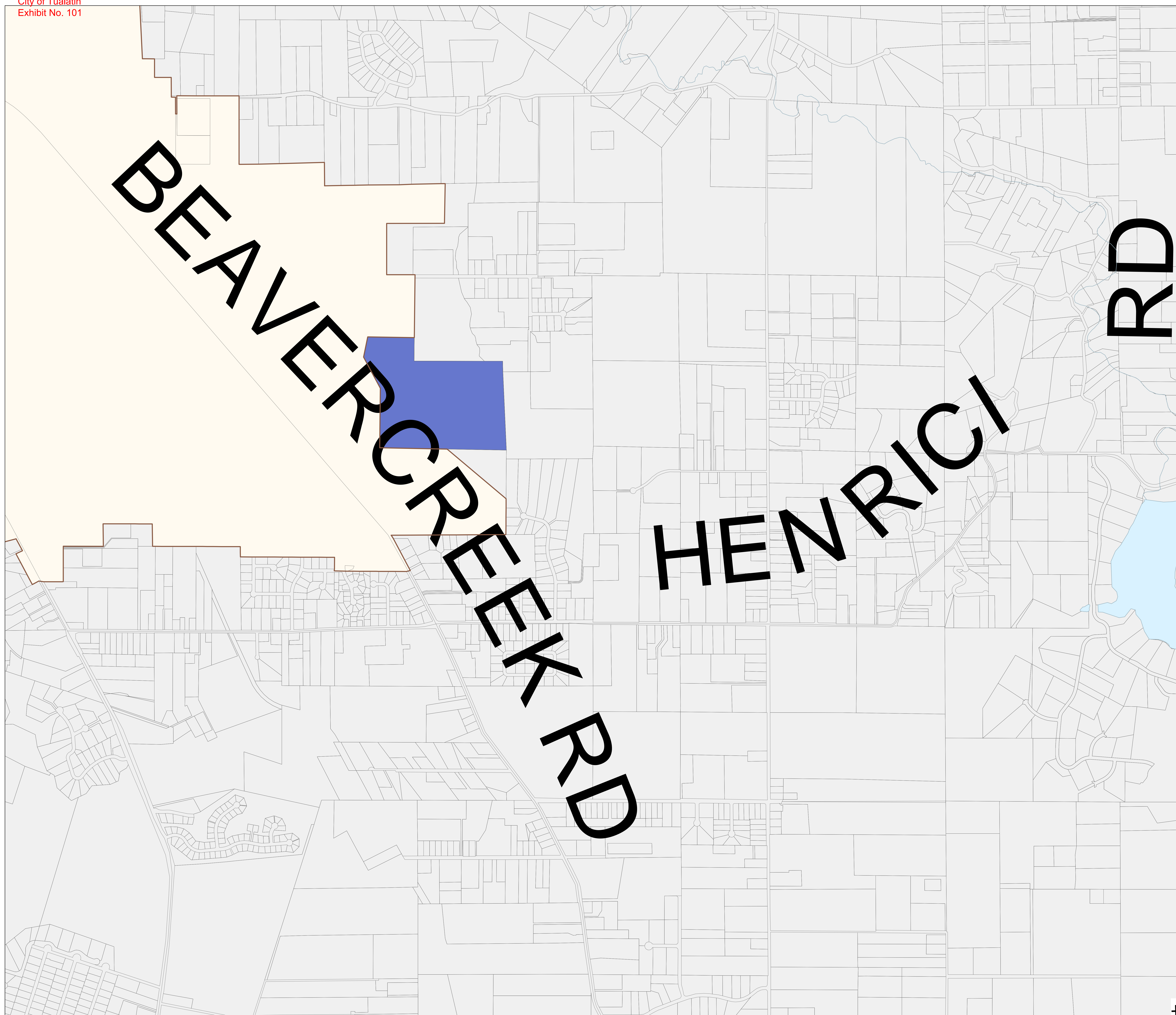
June 24, 2004

2040 Design Type

 Industrial Land

 Urban Growth Boundary

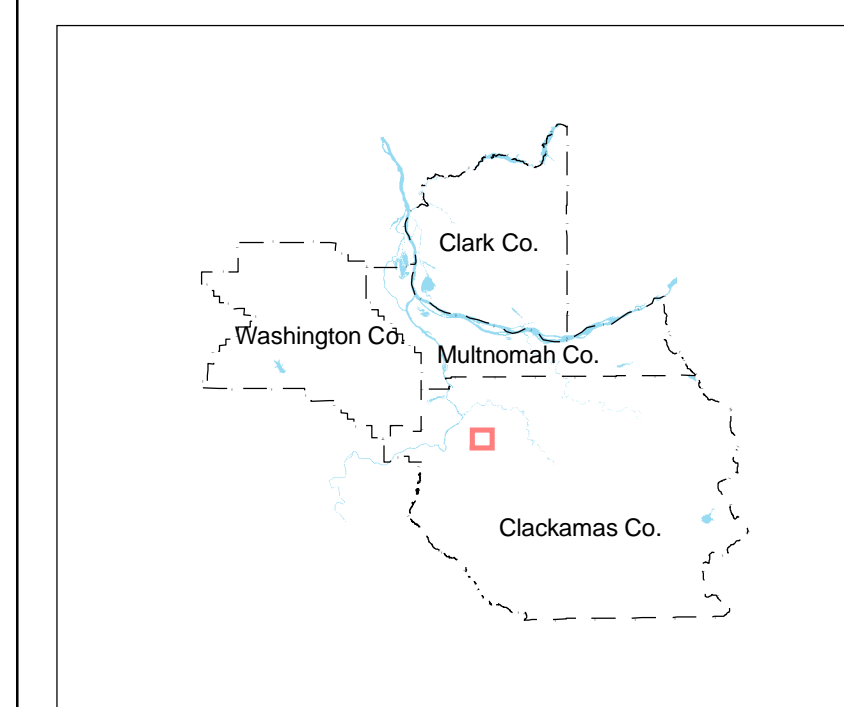
Beaver Creek
Area



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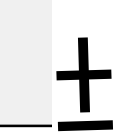
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Location Map



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2040 Design Type
 Industrial Land
 Urban Growth Boundary

Coffee Creek Area

Sherwood

TUALATIN-SHERWOOD ROAD

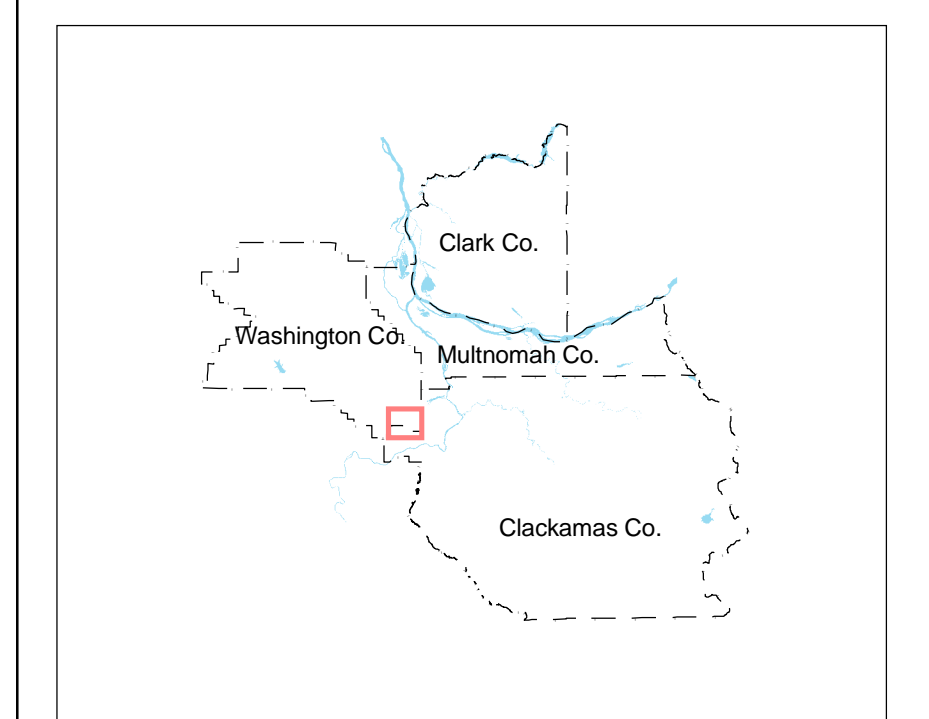
BOONES FERRY RD

WASHINGTON CO.

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Verboort

Forest Grove

Cornelius

Tualatin

River

HWY 8

HWY 17

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Exhibit E

June 24, 2004

2040 Design Type

 RSIA

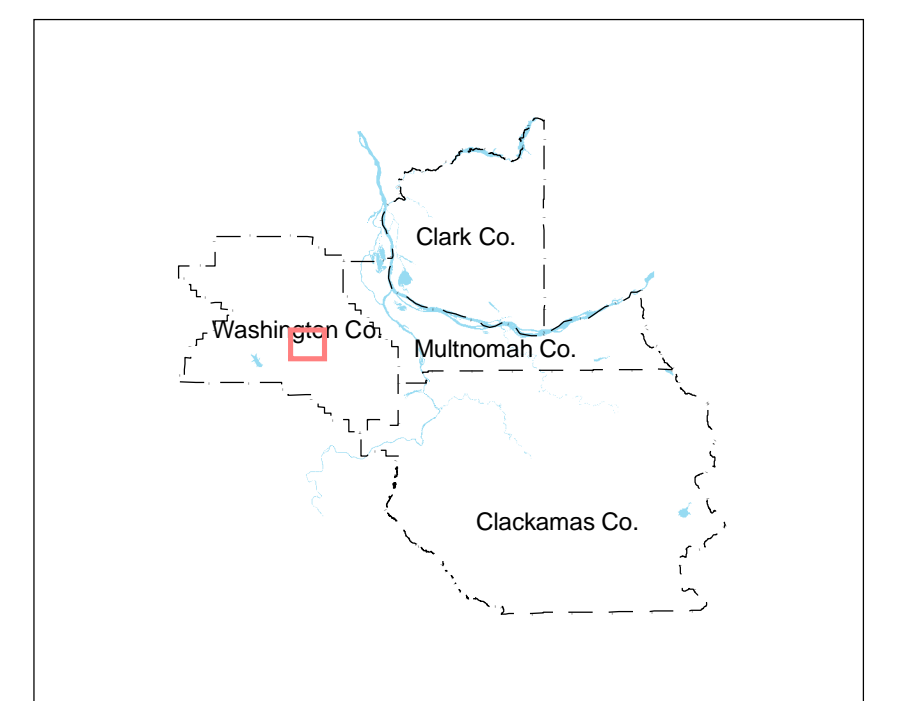
 Urban Growth Boundary

Cornelius Area

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2040 Design Type

 Industrial Land

 Urban Growth Boundary

Damascus West Area

HWY 212

Damascus

Carver

HWY 224

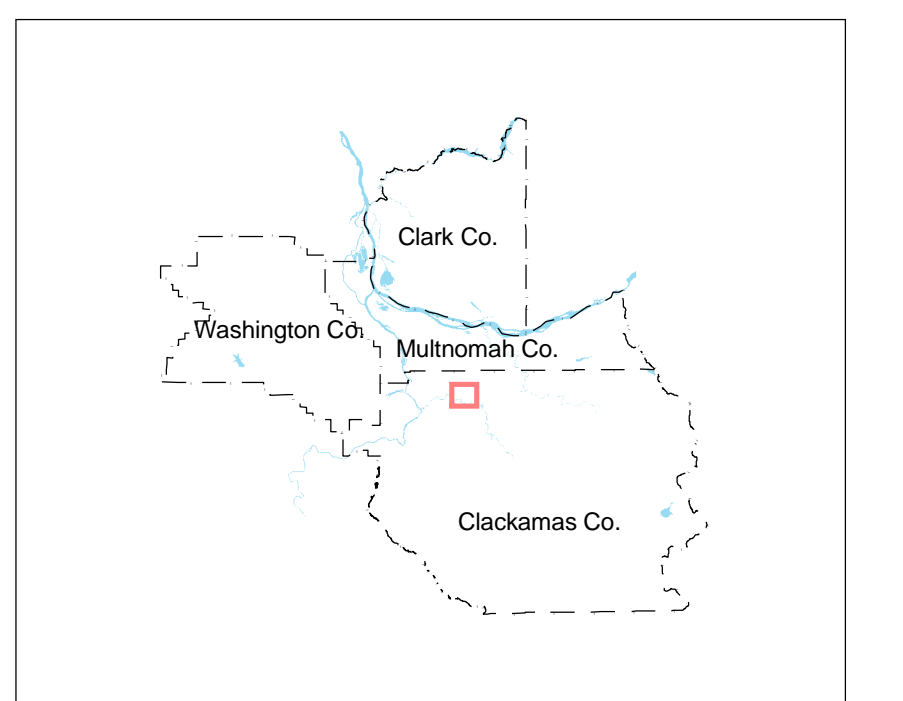
River

Clackamas

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0 0.04 0.08 0.16 Miles



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Helvetia

West Union

SUNSET HWY

RD

PASS

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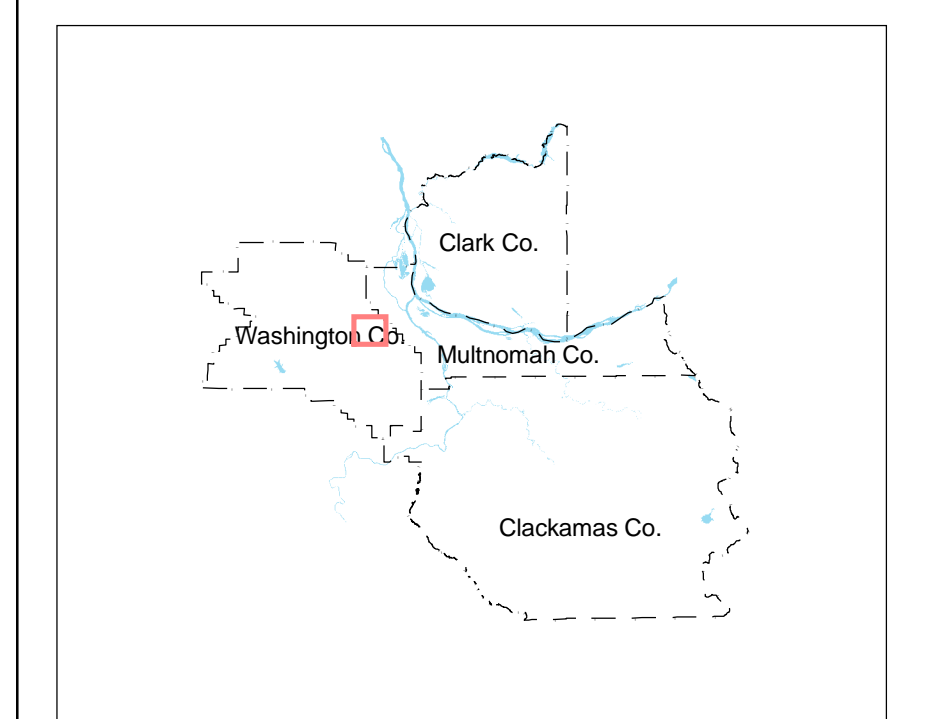
2040 Design Type
■ RSIA Land
— Urban Growth Boundary

Helvetia
Area

WARNING: some maps combine data layers of differing map accuracies, e.g. flood plains can be tied on tax lots. When this occurs, the map is not reliable to correctly show data at the tax lot level.

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1 inch equals 0.1 miles
0 0.05 0.1 0.2 Miles



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2040 Design Type

 RSIA

 Urban Growth Boundary

Orient
Area

Orient

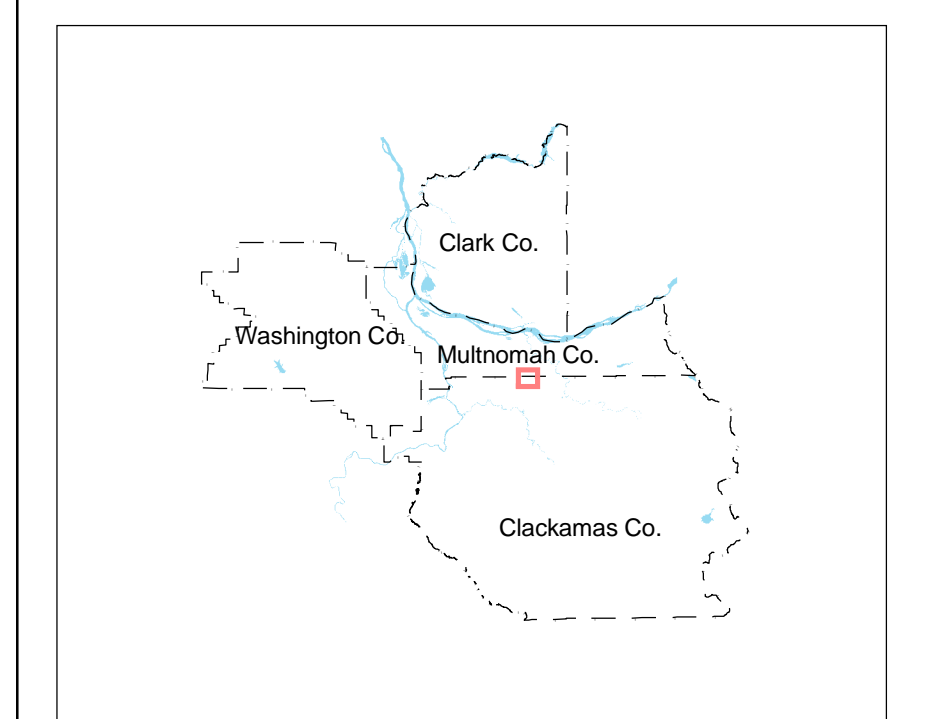
US

26

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1 inch equals 0.1 miles
0 0.03 0.06 0.12 Miles



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2040 Design Type

 Industrial Land

 Urban Growth Boundary

Quarry
Area

Tualatin
TUALATIN-SHERWOOD RD

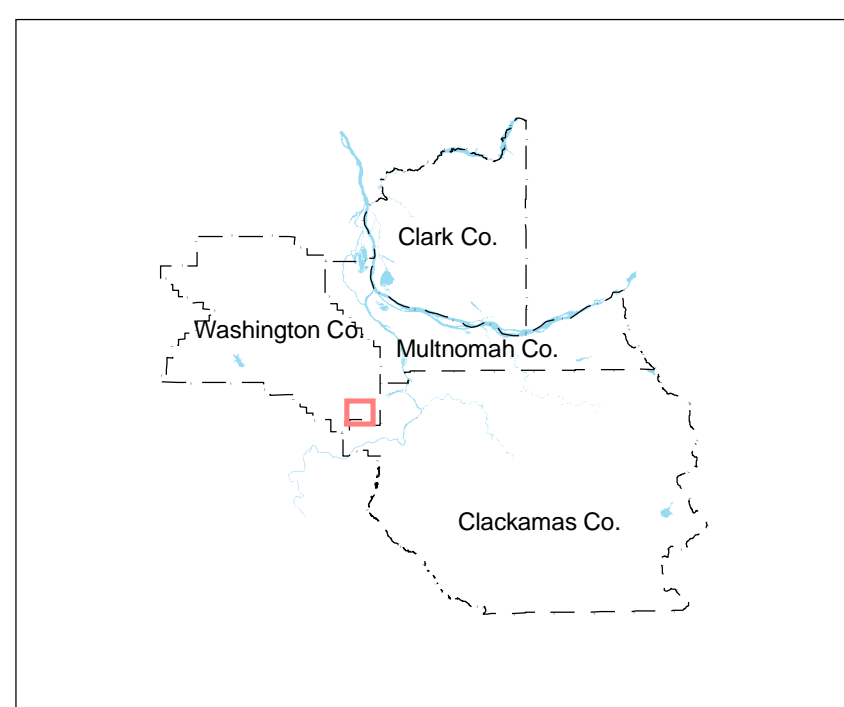
BOONES FERRY RD

Sherwood

WARNING: some maps combine data layers of differing map accuracies, e.g. flood
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1 inch equals 0.1 miles
0 0.045 0.09 0.18 Miles



Location Map



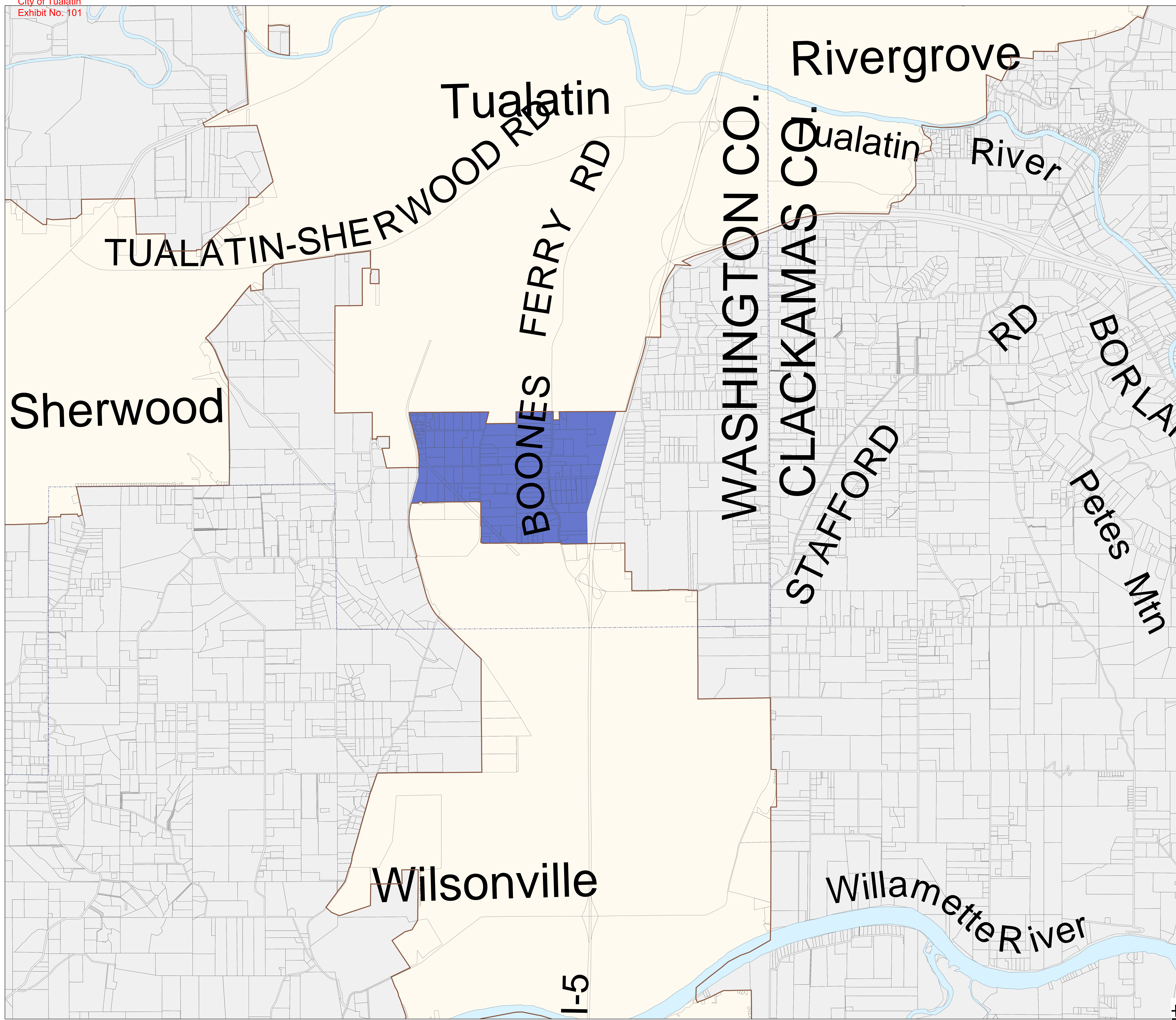
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Exhibit E
June 24, 2004

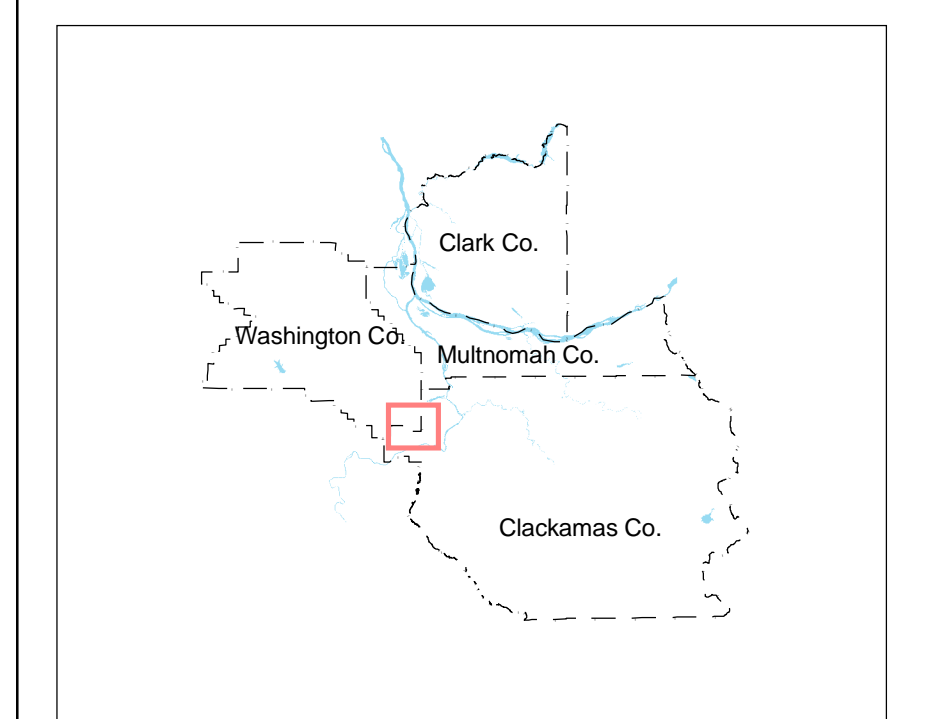
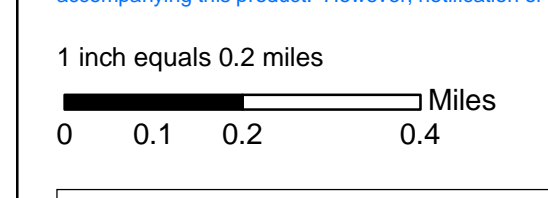
2040 Design Type
 Industrial Land
 Urban Growth Boundary

Tualatin Area



WARNING: Some maps combine data layers of differing map accuracies, e.g. flood plains can be tied on tax lots. When this occurs, the map is not reliable to correctly show data at the tax lot level.

The information on this map was derived from digital databases on Metro's GIS. Care was taken in the creation of this map. Metro cannot accept any responsibility for errors, omissions, or positional accuracy. There are no warranties, expressed or implied, including the accuracy, completeness, or fitness for a particular purpose, accompanying this product. However, notification of any errors will be appreciated.



Location Map



METRO DATA RESOURCE CENTER
600 NORTHEAST GRAND AVENUE | PORTLAND, OREGON 97232-2736
TEL: (503) 737-1742 | FAX: (503) 737-1909
drc@metro.dst.or.us | www.metro-region.org

City of Tualatin

Exhibit No. 101

Exhibit F to Ordinance No. 04-1040B Conditions on Addition of Land to the UGB

I. GENERAL CONDITIONS APPLICABLE TO ALL LANDS ADDED TO THE UGB

A. The city or county with land use planning responsibility for a study area included in the UGB shall complete the planning required by Metro Code Title 11, Urban Growth Management Functional Plan (“UGMFP”), section 3.07.1120 (“Title 11 planning”) for the area. Unless otherwise stated in specific conditions below, the city or county shall complete Title 11 planning within two years after the effective date of this ordinance. Specific conditions below identify the city or county responsible for each study area.

B. The city or county with land use planning responsibility for a study area included in the UGB, as specified below, shall apply the 2040 Growth Concept design types shown on Exhibit E of this ordinance to the planning required by Title 11 for the study area.

C. The city or county with land use planning responsibility for a study area included in the UGB shall apply interim protection standards in Metro Code Title 11, UGMFP, section 3.07.1110, to the study area until the effective date of the comprehensive plan provisions and land use regulations adopted to implement Title 11.

D. In Title 11 planning, each city or county with land use planning responsibility for a study area included in the UGB shall recommend appropriate long-range boundaries for consideration by the Council in future expansions of the UGB or designation of urban reserves pursuant to 660 Oregon Administrative Rules Division 21.

E. Each city or county with land use planning responsibility for an area included in the UGB by this ordinance shall adopt provisions – such as setbacks, buffers and designated lanes for movement of slow-moving farm machinery – in its land use regulations to enhance compatibility between urban uses in the UGB and agricultural practices on adjacent land outside the UGB zoned for farm or forest use.

F. Each city or county with land use planning responsibility for a study area included in the UGB shall apply Title 4 of the UGMFP to those portions of the study area designated Regionally Significant Industrial Area (“RSIA”), Industrial Area or Employment Area on the 2040 Growth Concept Map (Exhibit C). If the Council places a specific condition on a RSIA below, the city or county shall apply the more restrictive condition.

G. In the application of statewide planning Goal 5 (Natural Resources, Scenic and Historic Areas, and Open Spaces) to Title 11 planning, each city and county with land use responsibility for a study area included in the UGB shall comply with those provisions of Title 3 of the UGMFP acknowledged by the Land Conservation and Development Commission (“LCDC”) to comply with Goal 5. If LCDC has not acknowledged those provisions of Title 3 intended to comply with Goal 5 by the deadline for completion of Title 11 planning, the city or county shall consider, in the city or county’s application of Goal 5 to its Title 11 planning, any inventory of regionally significant Goal 5 resources and any preliminary decisions to allow, limit or prohibit conflicting uses of those resources that is adopted by resolution of the Metro Council.

[H. Each city and county shall apply the Transportation Planning Rule \(OAR 660 Div 012\) in the planning required by subsections F \(transportation plan\) and J \(urban growth diagram\) of Title 11.](#)

City of Tualatin

Exhibit No. 101

II. SPECIFIC CONDITIONS FOR PARTICULAR AREAS

A. Damascus Area

1. Clackamas County and Metro shall complete Title 11 planning requirements through the incorporation of this area into the greater Damascus/Boring Concept Plan planning effort currently underway. This planning shall be completed within the same time frame as specified in Ordinance No. 02-969B.
2. In the planning required by Title 11, subsections (A) and (F) of section 3.07.1120, Clackamas County or any future governing body responsible for the area shall provide for annexation of those portions of the area whose planned capacity is sufficient to support transit to the Tri-met District.
3. In the planning required by Title 11, subsections (A) and (F) of section 3.07.1120, Clackamas County or any future governing body responsible for the area shall provide for annexation of those portions of the area whose planned capacity is sufficient to support transit to the Tri-met District.

B. Beavercreek Area

1. Clackamas County or, upon annexation to Oregon City, the city and county, with Metro, shall complete Title 11 planning for the area.
2. This area shall be planned in conjunction with the adjoining tax lot added to the UGB in 2002, under Ordinance No. 02-969B.

~~C. Borland Area North of I-205~~

- ~~1. Clackamas County or, upon annexation to the City of Tualatin, the city and county, in coordination with the Cities of Lake Oswego, Tualatin, and West Linn and Metro, shall complete Title 11 planning within four years following the effective date of Ordinance No. 04-1040. The county and city, in conjunction with Lake Oswego and West Linn and Metro shall recommend long range boundaries in the Stafford Basin and general use designations for consideration by the Council in future expansions of the UGB.~~
- ~~2. Until the effective date of new regulations adopted pursuant to Title 11, the city or county with land use planning responsibility for the area shall not allow the division of a lot or parcel that is 50 acres or larger into lots or parcels smaller than 50 acres.~~

~~DC. Tualatin Area~~

1. Washington County or, upon annexation to the Cities of Tualatin or Wilsonville, the cities, in conjunction with Metro, shall complete Title 11 planning within ~~four~~ two years following the selection of the right-of-way alignment for the I-5/99W Connector, or within seven years of the effective date of Ordinance No. 04-1040, whichever occurs earlier.

City of Tualatin

Exhibit No. 101

2. Title 11 planning shall incorporate the general location of the projected right of way ~~location~~ alignment for the I-5/99W connector and the Tonquin Trail as shown on the 2004 Regional Transportation Plan. If the selected right-of-way for the connector follows the approximate course of the "South Alignment," as shown on the Region 2040 Growth Concept Map, as amended by Ordinance No. 03-1014, October 15, 2003, the portion of the Tualatin Area that lies north of the right-of-way shall be designated "Inner~~Outer~~ Neighborhood" on the Growth Concept Map; the portion that lies south shall be designated "Industrial."
3. The governments responsible for Title 11 planning shall consider using the I-5/99W connector as a boundary between the city limits of the City of Tualatin and the City of Wilsonville in this area.

~~E~~D. Quarry Area

1. Washington County or, upon annexation to the cities of Tualatin or Sherwood, the cities, and Metro shall complete Title 11 planning for the area.
2. Title 11 planning shall, if possible, be coordinated with the adjoining area that was included in the UGB in 2002 under Ordinance No. 02-969B.
3. Until the effective date of new regulations adopted pursuant to Title 11, the city or county with land use planning responsibility for the area shall not allow the division of a lot or parcel that is 50 acres or larger into lots or parcels smaller than 50 acres.
4. Title 11 planning shall incorporate the general location of the projected right-of-way for the Tonquin Trail as shown on the 2004 Regional Transportation Plan.

~~F~~E. Coffee Creek Area

1. Washington and Clackamas Counties or, upon annexation of the area to the ~~City~~ cities of Tualatin or Wilsonville, the city, ~~and in conjunction with~~ Metro, shall complete the Title 11 planning for the area within ~~four~~ two years following the selection of the right-of-way alignment for the I-5/99W Connector, or within seven years of the effective date of Ordinance No. 04-1040B, whichever occurs earlier.
2. ~~The concept~~ Title 11 planning shall incorporate the general location of the projected right of way location for the I-5/99W connector and the Tonquin Trail as shown on the 2004 Regional Transportation Plan.

~~G.~~ Wilsonville East Area

1. ~~Clackamas County or, upon annexation of the area to the City of Wilsonville, the city, and Metro shall complete the Title 11 planning for the area within two years of the effective date of Ordinance No. 04-1040.~~
2. ~~In the planning required by Title 11 a buffer shall be incorporated to mitigate any adverse effects of locating industrial uses adjacent to residential uses located southwest of the area.~~

City of Tualatin

Exhibit No. 101

- ~~3. Until the effective date of new regulations adopted pursuant to Title 11, the city or county with land use planning responsibility for the area shall not allow the division of a lot or parcel that is 50 acres or larger into lots or parcels smaller than 50 acres.~~

~~H~~F. Cornelius Area

1. Washington County, or, upon annexation of the area to the City of Cornelius, the city and Metro shall complete the Title 11 planning for the area.

~~I~~G. Helvetia Area

1. Washington County, or upon annexation of the area to the City of Hillsboro, the city, and Metro shall complete the Title 11 planning for the area.
2. Until the effective date of new regulations adopted pursuant to Title 11, the city or county with land use planning responsibility for the area shall not allow the division of a lot or parcel that is 50 acres or larger into lots or parcels smaller than 50 acres.

City of Tualatin

Exhibit No. 101

Exhibit G to Ordinance No. 04-1040B Findings of Facts, Conclusions of Law

Introduction

The Metro Council adopted Ordinance 04-1040B in response to LCDC Partial Approval and Remand Order 03-WKTASK-001524, entered July 7, 2003. LCDC's order followed its review of seven ordinances (Nos. 02-969B, 02-983B, 02-984A, 02-985A, 02-986A, 02-987A and 02-990A) adopted by the Metro Council as part of Periodic Review Work Task 2. The findings of fact and conclusions of law that explained how those ordinances complied with state planning laws, together with the supplemental findings and conclusions set forth in this exhibit, are part of the explanation how Ordinance No. 04-1040B complies with those laws. These findings also explain how Ordinance No. 04-1040B complies with the three requirements of the remand order.

REQUIREMENT NO. 1:

REMAND ORDER ON SUBTASK 17: COMPLETE THE ACCOMMODATION OF THE NEED FOR THE INDUSTRIAL LAND NEED COMPONENT OF EMPLOYMENT LAND THAT REMAINS APPROVAL OF WORK TASK 2.

I. GENERAL FINDINGS FOR TASK 2 REMAND DECISION ON UGB

A. Coordination with Local Governments

Metro worked closely with the local governments and special districts that comprise the metropolitan region. The Metro Charter provides for a Metropolitan Policy Advisory Committee ("MPAC") composed generally of representatives of local governments, special districts and school districts in the region. MPAC reviewed all elements of this periodic review decision. MPAC made recommendations to the Metro Council on most portions of the decision. All recommendations were forwarded formally to the Council and the Council responded. Metro Councilors and staff held many meetings with local elected officials in the year since LCDC's remand (July 7, 2003).

The record of this decision includes correspondence between local governments and Metro, including Metro's responses to concerns and requests from local governments and local districts related to industrial land.

Metro accommodated the requests and concerns of local governments as much as it could, consistent with state planning laws and its own Regional Framework Plan (Policy 1.11) and Regional Transportation Plan (Policy 2.0).

B. Citizen Involvement

These findings address Goal 1 and Regional Framework Plan Policy 1.13.

To gather public input on this Task 2 remand decision, Metro conducted an extensive citizen involvement effort. The findings for Ordinance No. 02-969B set forth Metro's effort leading to adoption of that ordinance on December 5, 2002. Those findings are incorporated here. Since that time, the Metro notified by mail nearly 75,000 people of the pending decision to expand the UGB for industrial land. Metro also provided individual mailed notice to nearly 5,000 landowners of possible revisions to Title 4 (Industrial and Other Employment Areas) of the Urban Growth Management Functional Plan ("UGMFP"). In March, 2004, Metro held six workshops on industrial land throughout the region, attended by some 1,200 people. Finally, the Council held public hearings on the UGB expansion and Title 4 on December 4 and December 11 of 2003 and April 22 and 29, May 6 and 27, and June 10 and 24 of 2004.

City of Tualatin

Exhibit No. 101

These efforts bring Metro into compliance with Goal 1 and Metro's Regional Framework Plan. More important, this work to involve Metro area citizens has contributed greatly to their understanding of the importance of this set of decisions for the region and have brought Metro invaluable comment on options available to it.

C. Need for Land

These findings address ORS 197.296; ORS 197.732(1)(c)(A); Goal 2, Exceptions, Criterion (c)(1); Oregon Administrative Rules 660-004-0010(1)(c)(B)(i) and 660-004-0020(2)(a); Goal 9 (local plan policies); Goal 10; Goal 14, Factors 1 and 2; Metro Regional Framework Plan ("RFP") Policies 1.2, 1.4, 1.4.1 and 1.4.2; and Metro Code 3.01.020(b)(1) and (2).

The findings for Ordinance No. 02-969B set forth Metro's analysis of the need for land for new jobs through the year 2022. The Urban Growth Report-Employment ("UGR-E") provides the details of that analysis. The analysis indicates that the region will need approximately 14,240 acres to accommodate an additional 355,000 jobs (all employment, commercial and industrial). Based upon new information that came to the Council during hearings on Title 4 revisions and UGB expansion, Metro completed a supplement (Ordinance No. 04-1040B, Appendix A, Item b) to the UGR-E that describes emerging trends in industrial use.

Leading to adoption of the ordinances that expanded the UGB in December, 2002, Metro analyzed the capacity of the existing UGB to accommodate this employment growth. The analysis determined that the UGB contained a surplus of land (759.6 acres) for commercial employment and a deficit of land (5,684.9 acres) for industrial development. The UGR-E provides the details of this analysis.

Following adoption of the December, 2002, ordinances, Metro analyzed the capacity of the expanded UGB. Those ordinances left Metro with a deficit of 1,968 acres of industrial land and a surplus of 393 acres of commercial land. From this analysis, the Council concluded that the UGB, as expanded by ordinances in December, 2002, did not have sufficient capacity to accommodate the remaining unmet need for industrial land. This deficit was one reason for LCDC's July 7, 2003, remand order directing Metro to complete the accommodation of this need for industrial land.

Based upon interviews with industrial developers, brokers and consultants, the Regional Industrial Land Survey ("RILS") and Metro's UGR-E, Metro refined the need for industrial land. Not just any land will satisfy the need for industrial use. Metro defined the need as 1,968 acres of land composed generally of less than 10 percent slope that lies either within two miles of a freeway interchange or within one mile of an existing industrial area. RILS and the UGR-E also calculate the need for parcels of varying sizes by sectors of the industrial economy. Table 13 of the UGR-E shows a need for 14 parcels 50 acres or larger for the warehouse and distribution and tech/flex sectors (page 25).

D. Alternatives: Increase Capacity of the UGB

These findings address ORS 197.732(c)(B); Goal 14, Factors 3 and 4; Goal 2, Exceptions, Criterion 2; OAR 660-004-0010(1)(B)(ii) and 660-004-0020(2)(b); Metro Code 3.01.020(b)(1)(E); and RFP Policies 1.2, 1.3, 1.4, 1.6, 1.7, 1.8 and 1.9.

To address the shortfall in employment capacity, Metro considered measures to increase the efficiency of land use within the UGB designated for employment. Metro's UGMFP Title 4, first adopted in 1996, limited non-employment uses in areas designated Industrial and Employment. Analysis of results of local implementation of Title 4 indicates that commercial uses and other non-industrial uses are converting land designated for industrial use to non-industrial use.

City of Tualatin

Exhibit No. 101

In response to this information, the Metro Council amended the RFP in Ordinance No. 02-969B in December, 2002, to improve the protection of the existing industrial land base. The Council created a new 2040 Growth Concept design type – “Regionally Significant Industrial Land” (“RSIA”) – and revised Title 4 to establish new limitations on commercial office and commercial retail uses in RSIA. Metro estimated that these new measures would reduce the shortfall in industrial land by 1,400 acres by reducing encroachment by commercial uses. The Council counted this “savings” of industrial land in its determination that the deficit of industrial land following the December, 2002, expansion of the UGB was 1,968 net acres.

Following adoption of the December ordinances, the Council began implementation of the new policy and code, including the mapping of RSIA. The process of developing the map with cities and counties in the region uncovered implementation difficulties with the provisions of the new Title 4 that limited commercial retail and office uses. With Ordinance No. 04-1040B, the Council once again revised Title 4 with two objectives: greater flexibility for traded-sector companies and retention of the 1,400-acre “savings” estimated from the December, 2002, revisions. Based upon the analysis of Title 4 revisions in the supplement to the UGR-E (Ordinance No. 04-1040B, Appendix A, Item b), the Council estimates that the revisions, in combination with conditions placed upon areas added to the UGB for industrial use, will continue to “save” 1,400 acres of industrial land from intrusion by commercial uses.

During hearings on the remand from LCDC, the Council received testimony that an increasing number of industrial jobs is finding space in office buildings rather than in traditional industrial buildings. The Council relied upon this testimony to revise Title 4 limitations on offices in industrial areas. The Council also relied upon the testimony to apply the 393-acre surplus of commercial land taken into the UGB by the December, 2002, ordinances to the need for 1,968 acres of industrial land. The Council assumed that offices in the region’s designated Employment Areas, Centers, Corridors, Station Communities and Mains Streets would absorb industrial jobs. This assumption reduced the need for industrial land from 1,968 to 1,575 net acres.

Also during the hearings, the cities of Wilsonville, Oregon City and Fairview brought news of recent plan amendments (adopted after completion of Metro’s inventory of industrial land) adding land to the industrial land supply. The Council concluded that the land added by Wilsonville (127 acres) and Oregon City (74 acres) are actually available for industrial use, subject to timing and infrastructure requirements. The Council concluded that the Fairview land, though designation industrial in the city’s comprehensive plan, is not yet appropriately zoned to make it available for industrial use. These actions reduced the need for industrial land from 1,575 to 1,374 net acres.

The City of Gresham requested a change to the 2040 Growth Concept Map and the Title 4 Employment and Industrial Areas map for a 90-acre tract that is part of Study Area 12 and adjacent to land added to the UGB in December, 2002, for industrial use. The city says further planning work on its part has revealed that some 20 acres of the tract are suitable for industrial use. The Council makes this change in Ordinance No. 04-1040B, reducing the need from 1,374 to 1,354.

In a further effort to accommodate industrial development more efficiently within the UGB, the Council discovered that it had assumed a commercial development refill rate of 50 percent, lower than the most recently observed rate of 52 percent. For the reasons stated above, the Council concludes that this infill and re-development of lands in designated Employment Areas, Centers, Corridors, Station Communities and Mains Streets will accommodate some of the increasing number of industrial jobs that is locating in offices rather than factories or other traditional industrial buildings. Correction of the commercial refill rate assumption reduces the need for industrial land from 1,354 to 1,180 acres.

City of Tualatin

Exhibit No. 101

E. Alternatives: Expand the UGB

These findings address ORS 197.732(c)(B), (C) and (D) and Goal 2, Exceptions; ORS 197.298(1); Goal 11; Goal 14, Factors 3-7; OAR 660-004-0010(1) and 660-004-0020(2); RFP Policies 1.2, 1.3.1, 1.4, 1.4.1, 1.7, 1.7.2, 1.9, 1.12.1, 1.12.2 and 5.1.1; Regional Transportation Plan Policy 3.0 and Metro Code 3.01.020(b)(3) through (7) and 3.01.020(d)

The measures taken by the Council to increase the capacity of the existing UGB for industrial use, described above leave an unmet need for industrial land of 1,180 acres.

Metro began the search for the most appropriate land for inclusion in the UGB by applying the priorities in ORS 197.298(1). Because Metro has not re-designated “urban reserve” land since its 1997 designation was invalidated on appeal, the highest priority for addition of land is exception land.

Metro first included for consideration all exception land that was studied for inclusion in the December, 2002, ordinances, but not included at that time (59,263 acres). Metro then expanded the search to consider all other land, resource land included, that met the siting characteristics that help define the need for industrial land (less than 10 percent slope and within two miles of a freeway interchange or one mile of an existing industrial area (9,071 acres). In all, Metro looked at approximately 68,000 acres to find the most appropriate land.

Once Metro mapped land by its statutory priority, Metro analyzed the suitability of the land for industrial use, considering the locational factors of Goal 14, the consequences and compatibility criteria of the Goal 2 and statutory exceptions process, the policies of the Regional Framework Plan (RFP) and the criteria in the Metro Code that are based upon Goal 14. This analysis is set forth in the Alternatives Analysis Study, Item (c) in Appendix A of Ordinance No. 04-1040B and subsequent staff reports [Appendix A, Items (a) and (y)].

The Alternatives Analysis and testimony from the hearings gave the Council few easy or obvious choices among the lands it considered. The land most suitable for the types of industrial use forecast in the region for the next 20 years is flat land near freeway interchanges or near existing industrial areas. In addition, the region needs parcels 50 acres or larger for the warehouse and distribution and tech/flex sectors. The land most likely to meet these needs at the perimeter of the UGB is agricultural land, the last priority for inclusion under ORS 197.298(1).

The highest priority for inclusion, under the priority statute, where no urban reserves have been designated, is exception land. But the character of most exception areas makes them unable to fill the region’s needs for industrial use. The great majority of exception land outside the UGB is designated for residential use, and most of that is settled with residences. Parcels are generally small (five acres and smaller), the topography is usually rolling and often steep, and streams, small floodplains and wildlife habitat are common. And residents, as evidenced by testimony at Council hearings, are often vigorously opposed to industrial intrusions into what they consider their neighborhoods.

The Council excluded from further consideration those exception lands that lie further than two miles from a freeway interchange and more than one mile from existing industries for the reason that these areas cannot meet the identified need for industrial land. The Staff Report [Appendix A, Item (a)] describes these specific areas in detail at pages 13 to 18.

The Council excluded other study areas (or portions of them) from further consideration even though they could meet the identified need (less than 10 percent slope and either within two miles from a freeway interchange or within one mile from existing industries) because they are unsuitable for industrial use. Further analysis showed that some combination of parcelization, existing development, limitations on use

City of Tualatin

Exhibit No. 101

imposed by Title 3 of the UGMFP (Water Quality, Flood Management and Fish and Wildlife Conservation), poor road access, difficulty in providing public services and negative effects of urbanization on nearby agricultural practices renders the areas unsuitable for industrial use. Portions of the areas contain designated farm or forest land. The Staff Report [Appendix A, Item (a)] describes these specific areas in detail at pages 18 to 25 (and portions of other areas at pages 13 to 18).

The Council also excluded those exception areas that are not contiguous to the UGB, or to areas added to the UGB for industrial use, and do not contain enough suitable land to comprise a minimum of 300 gross acres. Based upon an analysis of industrial areas within the pre-expansion UGB and reasoning set forth in “Formation of Industrial Neighborhoods”, memorandum from Lydia Neill to David Bragdon, October 24, 2003, the Council concludes that these small areas cannot satisfy the need for industrial land.

The Council looked next to resource land, beginning with land of lowest capability. The Council included 354 acres (236 net acres) designated for agriculture in the Quarry Study Area, composed predominantly of the poorest soils (Class VII) in the region. Other land with poor soils in the vicinity were rejected due to steep slopes. The Council included 63 acres (30 net acres) designated for forestry in the Beaver Creek Study Area composed of Class IV and VI soils and 102 acres (69 net acres) of Class III and IV soils in the Damascus West Study Area. No other land with soil capability lower than Class II can meet the need for industrial use identified by the Council.

Finally, the Council turned to the many lands under consideration with predominantly Class II soils. To choose among thousands of acres of this flat farmland near urban industrial areas or near freeway interchanges, the Council considered the locational factors of Goal 14 and policies in its Regional Framework Plan (“RFP”) and Regional Transportation Plan (“RTP”). Further, the Council sought advice from a group of farmers and agriculturalists in the three counties, assembled by the Oregon Department of Agriculture (“ODA”). This group submitted a report to the Council entitled “Limited Choices: The Protection of Agricultural Lands and the Expansion of the Metro Area Urban Growth Boundary for Industrial Use.” [Appendix A, Item (i).] Preliminary guidance from ODA led the Council to consider an amendment to Policy 1.12 of the RFP on agricultural land, adopted and applied in Ordinance No. 04-1040B: “When the Council must choose among agricultural lands of the same soil classification for addition to the UGB, the Council shall choose agricultural land deemed less important to the continuation of commercial agriculture in the region.” (Exhibit A.)

The Council finds that the region will be able to urbanize the lands it has added to the UGB in an efficient and orderly fashion. The Council concludes that the overall consequences of urbanization of these lands are acceptable, especially given the protections in place in the RFP and Metro Code for sensitive resources. Through mitigation measures required by the conditions in Exhibit F, the Council believes it can achieve compatibility between urbanization of the land added to the UGB and adjacent land outside the UGB.

The Council also believes that it is able to maintain separations between communities at the urban fringe sufficient to allow each community to retain a sense of place. The Council chose ridgelines, streams, power lines, roads and property lines to define the boundaries of the UGB in an effort to provide a distinct boundary and a clear transition between urban and rural uses.

The Council also finds that the lands it added to the UGB for industrial use contribute to a compact urban form. The lands are adjacent to the existing UGB. Many involve exception lands that are already partially urbanized and contain some components of public facilities needed to serve urban industrial uses. The Council rejected some areas of exception land that extend far from the UGB and would require long extensions of linear services such as sewer, water and stormwater lines. The Council chose land that adheres closely to siting characteristics needed by the industries likely to grow during the planning period: proximity

City of Tualatin

Exhibit No. 101

to existing industrial areas and accessibility to freeway interchanges. These choices contribute to the region's urban form which, among other things, calls for siting uses with higher densities (commercial and residential) in Centers and other design types served by high-capacity public transit.

Combined with areas added to the UGB for employment in the December, 2002, periodic review ordinances, areas added by Ordinance No. 04-1040B for industrial use are distributed round the region. Most of the jobs land was added to the east side of the region in December, 2002. This ordinance adds industrial land mostly to the south and west sides of the region. In particular, addition of 262 acres north of Cornelius will add jobs, income, investment and tax capacity to a part of the region with disproportionately little of those resources.

F. Water Quality

Each local government responsible for an area added to the UGB must complete the planning requirements of Title 11, Urban Growth Management Functional Plan ("UGMFP"), including compliance with the water quality provisions of Title 3 of the UGMFP.

G. Areas Subject to Natural Disasters and Hazards

The Council has excluded environmentally constrained areas from the inventory of buildable land (see UGRs) and from its calculation of the housing and jobs capacity of each study area (see Alternatives Analysis). Each local government responsible for an area added to the UGB must complete the planning requirements of Title 11, Urban Growth Management Functional Plan ("UGMFP"), including compliance with Title 3 of the UGMFP on floodplains and erosion control.

The Council considered the best information available on known hazards, including earthquake hazard. The study areas with the highest earthquake hazard have been rejected. The are small portions of several study areas with known earthquake hazards added to the UGB. Local governments responsible for Title 11 planning are required by that title (and Goal 7) to take these portions into account in their comprehensive plan amendments.

H. Economic Development

As part of Task 2 of periodic review, Metro reviewed the economic development elements of the comprehensive plans of each of the 24 cities and three counties that comprise the metro area. Metro used the review in its determination of the region's need for employment land and for coordination with local governments of its choices to add land to the UGB for employment purposes.

Revisions to Title 4 (Industrial and Other Employment Areas) of the UGMFP and the conditions placed upon lands added to the UGB (Exhibit F of Ordinance No. 04-1040B and exhibits to December, 2002, ordinances) add significant protection to sites designated for industrial use, both those added to the UGB and those within the UGB prior to expansion, to help ensure their availability for that purpose.

Inclusion of these areas adds 1,920 acres (1,047 net acres) to the UGB for industrial use. Combined with the efficiency measures described in Section D of these Findings (Alternatives: Increase Capacity of the UGB), above, and actions taken in December, 2002, these additions to the UGB accommodate approximately 99 percent of the need for industrial land [identified in the 2002-2022 Urban Growth Report: An Employment Land Need Analysis (9,366 net acres)]. Given the unavoidable imprecision of the many assumptions that underlie the determination of need for industrial land – the population forecast; the employment capture rate; the industrial refill rate; employment density (particularly given changes in building types used by industry over time); the rate of encroachment by non-industrial uses; and the vintage

City of Tualatin

Exhibit No. 101

industrial relocation rate – the Council concludes that its actions in the December, 2002, ordinances and in this Ordinance No. 04-1040B provide a 20-year supply of industrial land for the region and comply with part 2 (periodic review Subtask 17) of LCDC’s Partial Approval and Remand Order 03-WKTASK-001524, July 7, 2003.

II. SPECIFIC FINDINGS FOR PARTICULAR AREAS ADDED TO UGB IN TASK 2 REMAND DECISION

These findings address ORS 197.298; ORS 197.732(1)(c)(B), (C) and (D); Goal 2, Exceptions, Criteria (c)(2), (3) and (4); Oregon Administrative Rules (OAR) 660-004-0010(1)(B)(ii), (iii) and (iv); OAR 660-004-0020(2)(b), (c) and (d); Goal 5; Goal 11; Goal 12; Goal 14, Factors 3 through 7; Metro Code 3.01.020(b)(3) through (7) and 3.01.020(d); Metro RFP Policies 1.2, 1.3, 1.4, 1.6, 1.7, 1.11 and 1.12; and Regional Transportation Plan Policies 2.0, 3.0, 4.0 and 14.0.

A. Damascus West

The Council relies upon the facts and analysis in the Industrial Land Alternative Analysis Study [Appendix A, Item(c) in Ordinance No. 04-1040B, pp. 21-23; 111; A-1 – A-4] and the Staff Report [Appendix A, Item (a), p. 27] to support its conclusion that addition of a portion of Damascus West will provide for an orderly and efficient transition from rural to urban land use. The Council chose this area of resource land because it contains a concentration of larger parcels (five parcels between 10 and 20 acres). Parcels of this range are needed for the types of industries Metro expects will grow during the planning period (UGR-E, p. 25) and are generally unavailable in exception areas. Also, soils in the area are Class III and IV, of lower capability than other resource land under consideration. In addition, the area lies within a ground-water restricted area designated by the Oregon Department of Water Resources. Finally, it occupies a small notch that extends into land within the UGB and is relatively isolated by topography and forested land from other agricultural lands to the south, as noted in the report of the Metro Agricultural Lands Technical Workgroup led by the Oregon Department of Agriculture [“Limited Choices: The Protection of Agricultural Lands and the Expansion of the Metro Area Urban Growth Boundary for Industrial Use”, Appendix A, Item (i)].

1. Orderly Services

The Council relies upon the Study Area Goal 14 Analysis Summary and the Ratings for Transportation Services Feasibility contained in its Alternative Analysis Study (Appendix A, Item 6, pages 111 and Table A-2, respectively) for its determination that these services can be provided to the Damascus West area in an orderly and economic manner by extending services from existing serviced areas. Condition IIA(1) of Exhibit F calls for transportation and public facility and service plans within the same four years allowed for Title 11 planning of the entire Damascus area by Condition IIA(1) of Exhibit M of Ordinance No. 02-969B.

The Alternative Analysis Study (p. 20) sets forth the likely service providers for sewer, water and storm-water services and assigns a serviceability rating for the larger Damascus Study Area. Serviceability generally ranges from “easy” to “difficult” to serve (Table 1, p. 111) and compares favorably with areas not included (such as Borland Road South, Norwood/Stafford and Wilsonville West). Transportation services will be only moderately difficult to provide for reasons set forth in the Alternative Analysis Study, p. 21.

2. Efficiency

The Council relies on the same information on provision of essential services mentioned above for its conclusion that the area can urbanize efficiently, particularly knowing that Damascus West will be planned in conjunction with the greater Damascus area added to the UGB in December, 2002. The Council

City of Tualatin

Exhibit No. 101

also relies upon its findings and conclusions above (part I, General Findings, section D, Alternatives: Increase Capacity of UGB) regarding actions it has taken to increase the efficiency of the use of employment land within the existing UGB.

3. Consequences

The Council relies upon the analysis of the consequences of urbanization on the Damascus West area set forth in the Alternative Analysis Study, pp. 21-22 and Table A-3. The analysis indicates that the consequences will be low, especially considering the requirements of Title 11 of the UGMFP that comprehensive planning and land use regulations for the area protect the portions (streams, wetlands, floodplains and steep slopes) of the area subject to Title 3 of the UGMFP and the conditions in Exhibit F of Ordinance No. 04-1040B.

The Council has placed a condition on comprehensive planning for the area that the local government responsible for planning considered Metro's adopted Goal 5 inventory during its planning (see Condition IG, Exhibit F). The local governments will eventually adopt provisions to implement Metro's Goal 5 program following the Council's adoption of that program, if the local government's ordinance do not already comply.

4. Compatibility

The Agricultural Analysis Consequences shows that urbanization of the Damascus West area would have low adverse consequences for nearby agriculture (Alternative Analysis Study, p. 21; Table A-4). This is, in part, due to the facts that the area occupies a small notch that extends into land within the UGB and is relatively isolated by topography and forested land from other agricultural lands to the south, as noted in the report of the Metro Agricultural Lands Technical Workgroup led by the Oregon Department of Agriculture ["Limited Choices: The Protection of Agricultural Lands and the Expansion of the Metro Area Urban Growth Boundary for Industrial Use", Appendix A, Item (i)]. Ordinance No. 04-1040B, Exhibit F, imposes Condition IE upon urbanization of Damascus West to reduce conflict and improve compatibility between urban use in the area and agricultural use on land to the south.

5. Natural and Cultural Resources

The Alternative Analysis Study addresses Goal 5 and 6 resources in the Damascus West area protected by Clackamas County in its acknowledged comprehensive plan (p. 22). The county will be responsible for protecting these resources in the area when it amends its comprehensive plan and zoning ordinance to implement expansion of the UGB. Condition IG of Exhibit F requires the county to consider Metro's inventory of Goal 5 resources in their application of Goal 5 to the Damascus area. Title 3 (Water Quality, Flood Management and Fish and Wildlife Conservation) of the UGMFP requires Clackamas County to protect water quality and floodplains in the area. Title 11 of the UGMFP, section 3.07.1120G, requires the county to protect fish and wildlife habitat and water quality. Title 11, section 3.07.1110, protects the status quo in the interim period of county planning for the area.

6. Public Utilities and Services

Under statewide Planning Goal 11, Metro is responsible for coordination of the preparation of public facility plans within the district. Metro will fulfill this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits Clackamas County from upzoning and from dividing land into resulting lots or parcels smaller than 20 acres until the county revises its comprehensive plan and zoning ordinances to authorize urbanization of land Metro brings into the UGB; and (2) requires the county to develop public facilities and services plans and urban growth diagrams with the general locations of necessary public

City of Tualatin

Exhibit No. 101

facilities such as sanitary sewers, storm sewers and water lines for the area. Metro and the county began this work with the evaluation of the serviceability of the Damascus area in the Alternative Analysis Study (pages 20-21 and 111).

7. Transportation

Metro shares responsibility to ensure that its Task 2 decision for the Damascus West area does not significantly affect a transportation facility or allow uses that are inconsistent with the identified function, capacity and performance standards of transportation facilities. Metro fulfills this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits Clackamas County from upzoning and from land divisions into resulting lots or parcels smaller than 20 acres in the area until the county revises its comprehensive plans and zoning ordinances to authorize urbanization of land Metro brings into the UGB; and (2) requires the county to develop conceptual transportation plans and urban growth diagrams with the general locations of arterial, collector and essential local streets for the area. Metro and Clackamas County began this work with the evaluation of the serviceability of the area in the Alternative Analysis Study (p. 21 and Table A-2) and consideration of how to provide services as part of the analysis required to satisfy Goal 14, factors 3 and 4.

Metro's 2000 Regional Transportation Plan (RTP) anticipated inclusion of the area within the UGB. The plan's "Priority System" of planned transportation facilities shows improvements planned for the area to serve anticipated growth. Among the improvements is the Sunrise Highway, a likely alignment for which (shown on the 2040 Growth Concept Map) borders the portion of the Damascus West Study Area included by this ordinance. The "Financially Constrained System" includes improvements that will add capacity to East Sunnyside Road near the included area (see discussion of RTP below).

8. Regional Framework Plan

The area lies within ½-mile of Damascus Town Center and will provide additional employment to support the center. The area will not only provide employment opportunities for new residents of the Damascus area, but also improve the ratio between jobs and housing in the east side of the region.

9. Regional Transportation Plan

Through its Joint Policy Advisory Committee on Transportation, Metro has coordinated transportation planning and funding of transportation improvements with local governments in the region. The Regional Transportation Plan adopted a "Priority System" of improvements through the year 2020. The Priority System includes the most critical improvements needed to implement the 2040 Growth Concept. Among the improvements are the "East Multnomah County Transportation Projects" and the "Pleasant Valley and Damascus Transportation Projects" that will provide the basic transportation services to the area (pages 5-49 to 5-57). Figures 1.4, 1.12, 1.16, 1.17, 1.18 and 1.19 of the RTP show how the region's street design, motor vehicle, public transportation, freight, bicycle and pedestrian systems will extend into the Damascus area.

B. Beavercreek

The Council relies upon the facts and analysis in the Alternative Analyses Study [2003 in Appendix A, Item(d) in Ordinance No. 04-1040B, pp. 32-34; 111; A-1 – A-4] and the Staff Report [Appendix A, Item (a), p. 25] to support its conclusion that addition of a portion of the Beavercreek area will provide for an orderly and efficient transition from rural to urban land use. The Council added this single tract, zoned for forest use but occupied by a portion of a larger golf course, in part because the Council included the other half of the golf course in the UGB by Ordinance No. 02-969B in December, 2002 (as part of Task 2), and

City of Tualatin

Exhibit No. 101

designated it for industrial use. The predominant soils on the tract are Class IV and VI. This parcel (63 acres; 30 net acres) helps satisfy the identified need for large parcels (see UGR-E, page 25), particularly in combination with the other part of the golf course included in December, 2002.

1. Orderly Services

The Council relies upon the Study Area Goal 14 Analysis Summary and the Ratings for Transportation Services Feasibility contained in its Alternative Analysis Study (Appendix A, Item 6, pages 111 and Table A-2, respectively) for its determination that these services can be provided to this portion of the Beavercreek area in an orderly and economic manner by extending services from existing serviced areas. Condition IA of Exhibit F calls for transportation and public facility and service plans within two years. Condition IIB(2) specifies that Title 11 planning of the area be done in conjunction with Title 11 planning for the adjoining area added to the UGB by Ordinance No. 02-969B.

The Alternative Analysis Study (p. 32-33) sets forth the likely service providers for sewer, water and storm-water services and assigns a serviceability rating for the larger Beavercreek area. The developable portion of the area included in the UGB adjoins and will be served by the same providers that will serve the area added to the UGB in December, 2002. Serviceability generally ranges from “easy” to “difficult” to serve (Table 1, p. 111) and compares favorably with areas not included (such as Borland Road South, Norwood/Stafford and Wilsonville West). Table A-2 shows transportation services for the larger Beavercreek area to be difficult. However, for the portion of Beavercreek added, transportation services will be the same as those provided to the adjoining property added to the UGB in December, 2002.

2. Efficiency

The Council relies on the same information on provision of essential services mentioned above for its conclusion that the area can urbanize efficiently, particularly knowing that this portion of the Beavercreek area will be planned in conjunction with the portion added to the UGB and designated for industrial use in December, 2002. Both portions can be urbanized more efficiently if the portions are planned and urbanized together.

The Council also relies upon its findings and conclusions above (part I, General Findings, section D, Alternatives: Increase Capacity of UGB) regarding actions it has taken to increase the efficiency of the use of employment land within the existing UGB.

3. Consequences

The Council relies upon the analysis of the consequences of urbanization on this portion of the Beavercreek area set forth in the Industrial Land Alternative Analysis Study, p. 34 and Table A-3). The analysis indicates that the consequences will be high if the Council were to include the entire Beavercreek study area (2,540 acres). But Ordinance No. 04-1040B includes only a single, 63-acre tract, half of a golf course the other half of which was included in the UGB by Ordinance No. 02-969B. Title 11 of the UGMFP requires that comprehensive planning and land use regulations for the area protect the portions (streams, wetlands, floodplains and steep slopes) of the tract subject to Title 3 of the UGMFP and the conditions in Exhibit F of this ordinance.

The Council has placed a condition on comprehensive planning for the area that the local government responsible for planning considered Metro’s adopted Goal 5 inventory during its planning (see Condition IG, Exhibit F). The local governments will eventually adopt provisions to implement Metro’s Goal 5 program following the Council’s adoption of that program, if the local government’s ordinance do not already comply.

City of Tualatin

Exhibit No. 101

4. Compatibility

The Agricultural Analysis Consequences shows that urbanization of the Beaver Creek area would have moderate adverse consequences for nearby agriculture (p. 111). There will be little effect on agriculture from urbanization of this small portion of the area, however, because the tract itself is part of a golf course, and there are no nearby agricultural activities.

5. Natural and Cultural Resources

The Alternative Analysis Study addresses Goal 5 and 6 resources in the larger Beaver Creek area protected by Clackamas County in its acknowledged comprehensive plan (page 34). The single portion of the larger area added to the UGB by this ordinance contains no inventoried Goal 5 sites protected by Clackamas County. Condition IG of Exhibit F requires the county to consider Metro's inventory of Goal 5 resources in their application of Goal 5 to the small portion of the Beaver Creek area included in the UGB. Title 3 (Water Quality, Flood Management and Fish and Wildlife Conservation) of the UGMFP requires Clackamas County to protect water quality and floodplains in the area. Title 11 of the UGMFP, section 3.07.1120G, requires the counties to protect fish and wildlife habitat and water quality. Title 11, section 3.07.1110, protects the status quo in the interim period of county planning for the area.

6. Public Facilities and Services

Under statewide Planning Goal 11, Metro is responsible for coordination of the preparation of public facility plans within the district. Metro will fulfill this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits Clackamas County or Oregon City from upzoning and from dividing land into resulting lots or parcels smaller than 20 acres until the county or city revises its comprehensive plan and zoning ordinances to authorize urbanization of land Metro brings into the UGB; and (2) requires the county or city to develop public facilities and services plans and urban growth diagrams with the general locations of necessary public facilities such as sanitary sewers, storm sewers and water lines for the area. Metro, the county and the city began this work with the evaluation of the serviceability of the Beaver Creek area in the Alternative Analysis Study done as part of Ordinance No.02-969B (pages 108-09; A-9, A-13;) and the Industrial Land Alternative Analysis Study done as part of Ordinance No. 04-1040A (pages 25, 32-33 and 111).

7. Transportation

Metro shares responsibility to ensure that its Task 2 decision for the Beaver Creek area does not significantly affect a transportation facility or allow uses that are inconsistent with the identified function, capacity and performance standards of transportation facilities. Metro fulfills this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits Clackamas County or Oregon City from upzoning and from land divisions into resulting lots or parcels smaller than 20 acres in the area until the county or city revises its comprehensive plan and zoning ordinances to authorize urbanization of land Metro brings into the UGB; and (2) requires the county or city to develop a conceptual transportation plan and urban growth diagram with the general locations of arterial, collector and essential local streets for the area. Metro, the county and the city began this work with the evaluation of the serviceability of the Beaver Creek area in the Alternative Analysis done as part of Ordinance No.02-969B (pages 108-09; A-9, A-15-19) and the Analysis done as part of Ordinance No. 04-1040B (pages 25 and 33 and A-2).

The City of Oregon City indicates that the Beaver Creek area can be provided with transportation services. The small included portion adjoins an area that is more serviceable than other portions of the larger Beaver Creek area considered by the Council. It is contiguous to the city and can be served in an orderly manner.

City of Tualatin

Exhibit No. 101

8. Regional Framework Plan

This small addition of industrial land (63 acres) will be planned in combination with adjoining industrial land added by Ordinance No. 02-969B to comprise a more efficient industrial area. The area will provide employment to support the Oregon City Regional Center.

9. Regional Transportation Plan

Through its Joint Policy Advisory Committee on Transportation, Metro has coordinated transportation planning and funding of transportation improvements with local governments in the region. The Regional Transportation Plan adopted a “Priority System” of improvements through the year 2020. The Priority System includes the most critical improvements needed to implement the 2040 Growth Concept. Among the improvements is the “Highway 213 Corridor Study” to complete a long-term traffic management plan and identify projects to implement the plan (pages 5-59 to 5-61).

C. Quarry (Partial)

The Council relies upon the facts and analysis in the Industrial Land Alternative Analyses Study [Appendix A, Item(c) in Ordinance No. 04-1040B, pp. 64-66; 111; A-1 – A-4] and the Staff Report [Appendix A, Item (a), pp. 26-27] to support its conclusion that addition of a portion of the Quarry Study Area will provide for an orderly and efficient transition from rural to urban land use. The Council chose this area of resource land because it contains a concentration of larger parcels, relatively few of which are developed with residences. Parcels of this range are needed for the types of industries Metro expects will grow during the planning period (UGR-E, p. 25) and are generally unavailable in exception areas. Also, soils in the area are predominantly Class VII, of lower capability than other resource land under consideration. Significant portions are devoted to quarry operations, which have removed soils altogether. There are major quarry operations adjoining this area to the east and elsewhere nearby. There is also significant industrial development and zoning north and east of the Quarry area. See “Perfect for Industry”, prepared by Davis, Wright, Tremaine, LLP, April 29, 2004. The Council included one of the quarry areas in the UGB in Ordinance No. 02-990A for industrial use. Some agricultural activity takes place in the northern section of this area, but it is isolated from other areas devoted to agriculture by quarry operations and other nonfarm activities [Tualatin Valley Sportsmens Club (gun club), for example].

1. Orderly Services

The Council relies upon the Quarry Study Area Goal 14 Analysis Summary and the Ratings for Transportation Services Feasibility contained in its Industrial Land Alternative Analysis Study (Appendix A, Item (c), pages 111 and Table A-2, respectively) for its determination that urban services can be provided to the Quarry area in an orderly and economic manner by extending services from existing serviced areas. Condition IIE(2) of Exhibit F calls for coordination of transportation and public facility and service planning for this area with the adjoining area added to the UGB for industrial use on December 12, 2002.

The Alternatives Analysis (p. 64-65) sets forth the likely service providers for sewer, water and storm-water services and assigns a serviceability rating for the Quarry Study Area. Serviceability ranges from “easy” to “moderately difficult” to serve (Table 1, p. 111) and compares favorably with areas not included (such as Borland Road South, Norwood/Stafford and Wilsonville West). Transportation services would be easy to provide for reasons set forth in the Alternative Analysis Study, p. 65.

City of Tualatin

Exhibit No. 101

2. Efficiency

The Council relies on the same information on provision of essential services mentioned above for its conclusion that the area can urbanize efficiently, particularly knowing that this portion of the Quarry Study Area will be planned in conjunction with the quarry area to the east, added to the UGB and designated for industrial use in December, 2002. This portion lies close to existing services and Tualatin-Sherwood and Oregon Roads. Both portions can be urbanized more efficiently if the portions are planned and urbanized together.

The Council also relies upon its findings and conclusions above (part I, General Findings, section D, Alternatives: Increase Capacity of UGB) regarding actions it has taken to increase the efficiency of the use of employment land within the existing UGB.

3. Consequences

The Council relies upon the analysis of the consequences of urbanization on this portion of the Quarry Study Area set forth in the Alternative Analysis Study, p. 65-66 and Table A-3). The analysis indicates that the environmental consequences will be low. In addition, Title 11 of the UGMFP requires that comprehensive planning and land use regulations for the area protect the portions (streams, wetlands, floodplains and steep slopes) of the area subject to Title 3 of the UGMFP and the conditions in Exhibit F of this ordinance.

The Council has placed a condition on comprehensive planning for the area that the local government responsible for planning considered Metro's adopted Goal 5 inventory during its planning (see Condition I G, Exhibit F). The local governments will eventually adopt provisions to implement Metro's Goal 5 program following the Council's adoption of that program, if the local government's ordinance do not already comply.

4. Compatibility

The Agricultural Analysis Consequences shows that urbanization of the Quarry Study Area would have few adverse consequences for nearby agriculture. The area has the UGB on three sides and quarry operations to the east and southeast. The portion devoted to agriculture is in the northwest portion, isolated from agricultural operations south of the quarries.

5. Natural and Cultural Resources

The Alternative Analysis Study addresses Goal 5 and 6 resources in the Quarry Study Area protected by Washington County in its acknowledged comprehensive plan (page 65-66). Significant portions of the area are identified as aggregate sites in the county's Goal 5 inventory and are protected by aggregate overlays. Under Metro's Title 11, current county land use regulations will remain in place until the county, or one of the cities (Tualatin or Sherwood), adopts new plan provisions and land use regulations to allow industrial uses in the area, at which time the county or city will apply Goal 5 to the area and re-consider the decision to protect the quarries under Goal 5.

Condition IG of Exhibit F requires the county or cities to consider Metro's inventory of Goal 5 resources in its application of Goal 5 to the Quarry area included in the UGB. Title 3 (Water Quality, Flood Management and Fish and Wildlife Conservation) of the UGMFP requires the county to protect water quality and wetlands in the area. Title 11 of the UGMFP, section 3.07.1120G, requires the county to protect fish and wildlife habitat and water quality. Title 11, section 3.07.1110, protects the status quo in the interim period of county or city planning for the area.

City of Tualatin

Exhibit No. 101

6. Public Facilities and Services

Under statewide Planning Goal 11, Metro is responsible for coordination of the preparation of public facility plans within the district. Metro will fulfill this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits Washington County or the City of Sherwood or Tualatin from upzoning and from dividing land into resulting lots or parcels smaller than 20 acres until the county or city revises its comprehensive plan and zoning ordinances to authorize urbanization of land Metro brings into the UGB; and (2) requires the county or city to develop public facilities and services plans and urban growth diagrams with the general locations of necessary public facilities such as sanitary sewers, storm sewers and water lines for the area. Metro, the county and the cities began this work with the evaluation of the serviceability of the Quarry Study Area in the Alternative Analysis done as part of Ordinance No.02-969B (pages 161-63; A-9) and the Analysis done as part of Ordinance No. 04-1040B (pages 64-65 and 111).

7. Transportation

Metro shares responsibility to ensure that its Task 2 decision for the Quarry Study Area does not significantly affect a transportation facility or allow uses that are inconsistent with the identified function, capacity and performance standards of transportation facilities. Metro fulfills this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits Washington County or the City of Sherwood or Tualatin from upzoning and from land divisions into resulting lots or parcels smaller than 20 acres in the area until the county or city revises its comprehensive plan and land use regulations to authorize urbanization of land Metro brings into the UGB; and (2) requires the county or city to develop a conceptual transportation plan and urban growth diagram with the general locations of arterial, collector and essential local streets for the area. Metro and the county and cities began this work with the evaluation of the serviceability of the area in the Alternatives Analysis done as part of Ordinances No.02-969B (pages 108-09; A-9, A-15-19) and 990A and the Analysis done as part of Ordinance No. 04-1040B (pages 64-65 and A-2). The cities indicate a willingness to serve the Quarry area with transportation services pending the determination of service boundaries.

8. Regional Framework Plan

This addition of industrial land will be planned in coordination with adjoining industrial land to the east added by Ordinance No. 02-990A to comprise a more efficient industrial area. The area will provide employment to support the Sherwood and Tualatin Town Centers. The Quarry area runs along the Tualatin-Sherwood Road within two miles of the two centers. Given that the added portion of the Quarry area is suitable for the types of industry likely to grow in the future, the Council includes the area notwithstanding that this part of the region is relatively well-endowed with employment.

By adding the Quarry area to the UGB, following addition of the quarry area to the east, Metro will be bringing a “notch” into the UGB that lies between the two cities of Sherwood and Tualatin. This keeps the form of the region compact and efficient.

9. Regional Transportation Plan

Through its Joint Policy Advisory Committee on Transportation, Metro has coordinated transportation planning and funding of transportation improvements with local governments in the region. The Regional Transportation Plan adopted a “Priority System” of improvements through the year 2020. The Priority System includes the most critical improvements needed to implement the 2040 Growth Concept. Among the improvements are the “The Tualatin-Sherwood Major Investment Study”, to complete environmental design for the I-5 to 99W principal arterial connector, and the “Tualatin-Sherwood

City of Tualatin

Exhibit No. 101

Connector”, to construct the four-lane tollway connection (pages 5-65 to 5-67). Although a final corridor for this facility has not yet been chosen, it is almost certain that it will pass less than a mile from the south border of the Quarry area.

D. Coffee Creek (partial)

The Council relies upon the facts and analysis in the Alternatives Analyses [Appendix A, Item(c) in Ordinance No. 04-1040B, pp. 58-60; 111; A-1 – A-4] and the Staff Report [Appendix A, Item (a), pp. 26] to support its conclusion that addition of a portion of the Coffee Creek Study Area [264 acres (97 net acres) of 442 in the study area] will provide for an orderly and efficient transition from rural to urban land use. The Council chooses this portion because it is almost entirely exception land (there is a 4.6-acre tract of resource at the northern edge), it can be planned in conjunction with land added to the UGB in December, 2002, for industrial use, urban services are available in the vicinity, and urbanization will have no effect on agricultural practices on adjacent land due to its isolation from agricultural activities.

1. Orderly Services

The Council relies upon the Coffee Creek Study Area Goal 14 Analysis Summary and the Ratings for Transportation Services Feasibility contained in its Industrial Land Alternative Analysis Study (Appendix A, Item 6, pages 111 and Table A-2, respectively) for its determination that urban services can be provided to the Quarry area in an orderly and economic manner by extending services from existing serviced areas. Condition IIF(1) of Exhibit F allows four years for Title 11 planning for this area so that planning for urban services can be done in conjunction with such planning for the adjoining area added to the UGB for industrial use on December 5, 2002.

The Alternative Analysis Study sets forth the likely service providers for sewer, water and storm-water services and assigns a serviceability rating for the Coffee Creek area (p. 58-60; Table 1, p. 111). Serviceability ranges from “moderate” to “difficult” to serve and compares favorably with areas not included (such as Borland Road South and Wilsonville West).

2. Efficiency

The Council relies on the same information on provision of essential services mentioned above for its conclusion that the area can urbanize efficiently, knowing that this portion of the Coffee Creek Study Area will be planned in conjunction with the area to the east, added to the UGB and designated for industrial use in December, 2002. The area lies adjacent to a principal north-south rail line that will make industrial use and movement of freight more efficient.

The Council also relies upon its findings and conclusions above (part I, General Findings, section D, Alternatives: Increase Capacity of UGB) regarding actions it has taken to increase the efficiency of the use of employment land within the existing UGB.

3. Consequences

The Council relies upon the analysis of the consequences of urbanization on this portion of the Coffee Creek area set forth in the Alternative Analysis Study, p. 58-60 and Table A-3). Because the Council included only the easternmost portion of the study area – the portion that borders the UGB on the west – the adverse consequences will be reduced. Title 11 of the UGMFP requires that comprehensive planning and land use regulations for the area protect the portions (streams, wetlands, floodplains and steep slopes) of the area subject to Title 3 of the UGMFP and the conditions in Exhibit F of this ordinance.

City of Tualatin

Exhibit No. 101

The Council has placed a condition on comprehensive planning for the area that the local government responsible for planning considered Metro's adopted Goal 5 inventory during its planning (see Condition IG, Exhibit F, Ordinance No. 04-1040B). The local government will eventually adopt provisions to implement Metro's Goal 5 program following the Council's adoption of that program, if the local government's ordinance do not already comply.

4. Compatibility

The Agricultural Analysis Consequences shows that urbanization of the included portion of the Coffee Creek area would have no adverse consequences for nearby agriculture (p. 111). The area has quarry operations nearby and is isolated from commercial agricultural activity by stream drainages.

5. Natural and Cultural Resources

The Alternative Analysis Study addresses Goal 5 and 6 resources in the Coffee Creek Study Area protected by Washington County in its acknowledged comprehensive plan (p. 60). The quarries in the area are protected by aggregate overlays by Washington County. Under Metro's Title 11, current county land use regulations will remain in place until the county, or the City of Wilsonville or Tualatin, adopts new plan provisions and land use regulations to allow industrial uses in the area, at which time the county or city will apply Goal 5 to the area and re-consider the decision to protect the quarries under Goal 5.

Condition IG of Exhibit F requires the county or city to consider Metro's inventory of Goal 5 resources in its application of Goal 5 to the portion of Coffee Creek area included in the UGB. The area contains streams, wetlands and floodplains. Title 3 (Water Quality, Flood Management and Fish and Wildlife Conservation) of the UGMFP requires the county or city to protect water quality and wetlands in the area. Title 11 of the UGMFP, section 3.07.1120G, requires the county or city to protect fish and wildlife habitat and water quality. Title 11, section 3.07.1110, protects the status quo in the interim period of county or city planning for the area.

6. Public Facilities and Services

Under statewide Planning Goal 11, Metro is responsible for coordination of the preparation of public facility plans within the district. Metro will fulfill this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits Washington County or the City of Wilsonville or Tualatin from upzoning and from dividing land into resulting lots or parcels smaller than 20 acres until the county or city revises its comprehensive plan and zoning ordinances to authorize urbanization of the area; and (2) requires the county or city to develop public facilities and services plans and urban growth diagrams with the general locations of necessary public facilities such as sanitary sewers, storm sewers and water lines for the area.

7. Transportation

Metro shares responsibility to ensure that its Task 2 decision for the Coffee Creek Study Area does not significantly affect a transportation facility or allow uses that are inconsistent with the identified function, capacity and performance standards of transportation facilities. Metro fulfills this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits the county or city from upzoning and from land divisions into resulting lots or parcels smaller than 20 acres in the area until the county or city revises its comprehensive plan and zoning ordinance to authorize urbanization of the area; and (2) requires the county or city to develop conceptual transportation plans and urban growth diagrams with the general locations of arterial, collector and essential local streets for the area.

City of Tualatin

Exhibit No. 101

8. Regional Framework Plan

This addition of industrial land will be planned in combination with adjoining industrial land to the east added by Ordinance No. 02-969B to comprise a more efficient industrial area. The Coffee Creek Study Area will provide employment to support the Tualatin and Wilsonville Town Centers, to the north and south respectively. Given that the developable portion of the area is exception land and is suitable for the types of industry likely to grow in the future, the Council includes the Coffee Creek area notwithstanding that this part of the region is relatively well-endowed with employment.

Adding the Coffee Creek area to the UGB, lying between and adjacent to the Cities of Tualatin and Wilsonville, following addition of the area to the east, keeps the form of the region compact and efficient.

9. Regional Transportation Plan

Through its Joint Policy Advisory Committee on Transportation, Metro has coordinated transportation planning and funding of transportation improvements with local governments in the region. The Regional Transportation Plan (“RTP”) adopted a “Priority System” of improvements through the year 2020. The Priority System includes the most critical improvements needed to implement the 2040 Growth Concept. Among the improvements are improvements to Boones Ferry Road from Durham Road in the north to Elligsen Road in the south, east of the Coffee Creek Study Area.

The RTP also includes “The Tualatin-Sherwood Major Investment Study”, to complete environmental design for the I-5 to 99W principal arterial connector, and the “Tualatin-Sherwood Connector”, to construct the four-lane tollway connection (pages 5-65 to 5-67). Although a final corridor for this facility has not yet been chosen, it is almost certain that it will pass through or just to the north of the Coffee Creek area, likely enhancing its access to I-5. Finally, the principal north-south rail line that lies along the eastern boundary of the area will offer an additional mode of transport for movement of freight in the area.

E. Tualatin

The Council relies upon the facts and analysis in the Industrial Land Alternative Analyses Study [Appendix A, Item(c) in Ordinance No. 04-1040B, pp. 61-63; 111; A-1 – A-4] and the Staff Reports [Appendix A, Item (a), pp. 27-28] to support its conclusion that addition of a portion of the Tualatin Study Area will provide for an orderly and efficient transition from rural to urban land use. The Council chose this area because it is exception land (rural residential and rural industrial) with characteristics that make it suitable for industrial use. It lies within two miles of the I-5 corridor and within one mile of an existing industrial area, and portions of the area are relatively flat. These characteristics render it the most suitable exception area under consideration for warehousing and distribution, a significant industrial need facing the region.

The City of Tualatin and many residents of the area expressed concern about compatibility between industrial use and residential neighborhoods at the south end of the city. They have also worried about preserving an opportunity to choose an alignment between Tualatin and Wilsonville for the I-5/99W Connector; the south alignment for this facility passes through the northern portion of the Tualatin Study Area.

In response to these concerns, the Council placed several conditions upon addition of this area to the UGB. First, the Council extended the normal time for Title 11 planning for the area: two years following the identification of a final alignment for the Connector, or seven years after the effective date of Ordinance No. 04-1040B, whichever comes sooner. This allows Title 11 planning by Washington County, the cities of Tualatin and Wilsonville and Metro to accommodate planning for the Connector alignment. Second, the

City of Tualatin

Exhibit No. 101

Council states that, so long as the alignment for the Connector falls close to the South Alignment shown on the 2040 Growth Concept Map, it will serve as the buffer between residential development to the north (the portion least suitable for industrial uses) and industrial development to the south (the portion of the area most suitable for industrial use)

1. Orderly Services

The Council relies upon the Tualatin Study Area Goal 14 Analysis Summary and the Ratings for Transportation Services Feasibility contained in its Industrial Land Alternative Analysis Study (Appendix A, Item (c), pages 111 and Table A-2, respectively) for its determination that urban services can be provided to the area in an orderly and economic manner by extending services from existing serviced areas.

The Alternatives Analysis (pp. 61-62) sets forth the likely service providers for sewer, water and storm-water services and assigns a serviceability rating for the Tualatin Study Area. Serviceability ranges from “easy” to “difficult” to serve (Table 1, p. 111). Throughout Task 2 of periodic review the Council has found, however, that provision of services to almost every exception area is difficult and expensive. The City of Wilsonville anticipates further industrial development in the portion of the study area north and northwest of the existing city, in part due to the siting of the Coffee Creek Correctional Facility, and expects to be the service provider over time. Given the critical need for sites proximate to interchanges on I-5 and the rarity of such sites, the Council has decided to include the Tualatin Study Area notwithstanding.

2. Efficiency

The Council relies on the same information on provision of essential services mentioned above (Orderly Services) for its conclusion that the area can urbanize efficiently. The Council also relies upon its findings and conclusions above (part I, General Findings, section D, Alternatives: Increase Capacity of UGB) regarding actions it has taken to increase the efficiency of the use of employment land within the existing UGB.

This area lies between two cities and among areas added to the UGB for industrial use in December, 2002, making urbanization of the area more efficient than projecting urbanization from the UGB into a rural area. Given the likelihood that the region will build the I-5/99W Connector through this area, industrial development in the area will ensure efficient use of that facility.

3. Consequences

The Council relies upon the analysis of the consequences of urbanization on the Tualatin Study Area set forth in the Alternative Analysis Study, pp. 62-63 and Table A-3). The analysis indicates that the consequences will be low to moderate, especially considering the requirements of Title 11 of the UGMFP that comprehensive planning and land use regulations for the area protect the portions (streams, wetlands, floodplains and steep slopes) of the area subject to Title 3 of the UGMFP and the conditions in Exhibit F of Ordinance No. 04-1040B.

The Council has placed a condition on comprehensive planning for the area that the local government responsible for planning considered Metro’s adopted Goal 5 inventory during its planning (see Condition IG, Exhibit F). The local governments will eventually adopt provisions to implement Metro’s Goal 5 program following the Council’s adoption of that program, if the local government’s ordinance do not already comply.

City of Tualatin

Exhibit No. 101

4. Compatibility

The Agricultural Analysis Consequences shows that urbanization of the Tualatin Study Area would have low adverse consequences for agriculture (Alternative Analysis Study, p. 62; Table A-4). Although there are a few agricultural uses in the study area itself, the area is designated entirely for rural residential and rural industrial uses, pursuant to exceptions from statewide planning Goals 3 and 4. The area is isolated from land designated for agriculture by the UGB, I-5 and mining operations to the west. Hence, it is unlikely that industrial use will conflict with agricultural activities on land designated for agricultural or forest use.

5. Natural and Cultural Resources

The Alternative Analysis Study addresses Goal 5 and 6 resources in the Tualatin Study Area protected by Washington County in its acknowledged comprehensive plan (pp. 62-63). There are aggregate mines in the vicinity; portions of Washington County's Mineral and Aggregate Overlay District B cover small portions of the study area in the northwest and southwest corners and the top central portion.

The county, or the City of Wilsonville or Tualatin upon annexation to one of the cities, will be responsible for protecting these resources when it amends its comprehensive plan and zoning ordinance to implement expansion of the UGB. Condition IG of Exhibit F requires the county or city to consider Metro's inventory of Goal 5 resources in their application of Goal 5 to the Tualatin Study Area. Title 3 (Water Quality, Flood Management and Fish and Wildlife Conservation) of the UGMFP requires the county or city to protect water quality and floodplains in the area. Title 11 of the UGMFP, section 3.07.1120G, requires the county or city to protect fish and wildlife habitat and water quality. Title 11, section 3.07.1110, protects the status quo in the interim period of county or city planning for the area.

6. Public Facilities and Service

Under statewide Planning Goal 11, Metro is responsible for coordination of the preparation of public facility plans within the district. Metro will fulfill this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits Washington County and the cities of Wilsonville and Tualatin from upzoning and from dividing land into resulting lots or parcels smaller than 20 acres until the county or city revises its comprehensive plan and zoning ordinances to authorize urbanization of the area; and (2) requires the county or city to develop public facilities and services plans and urban growth diagrams with the general locations of necessary public facilities such as sanitary sewers, storm sewers and water lines for the area.

7. Transportation

Metro shares responsibility to ensure that its Task 2 decision for the Tualatin Study Area does not significantly affect a transportation facility or allow uses that are inconsistent with the identified function, capacity and performance standards of transportation facilities. Metro fulfills this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits Washington County and the cities of Tualatin and Wilsonville from upzoning and from land divisions into lots or parcels smaller than 20 acres in the area until the county or city revises its comprehensive plan and zoning ordinances to authorize urbanization of land added to the UGB; and (2) requires the county or city to develop conceptual transportation plans and urban growth diagrams with the general locations of arterial, collector and essential local streets for the area. Metro began this work with the evaluation of the serviceability of the area in the Alternative Analysis Study (pp. 61-62 and Table A-2) and consideration of how to provide services as part of the analysis required to satisfy Goal 14, factors 3 and 4.

Table A-2 recognizes that provision of transportation to new industrial uses in the area will be difficult. The Oregon Department of Transportation, Region 1 ("ODOT"), expects the volume-to-capacity ratio on I-5 in the vicinity of the North Wilsonville interchange to be "extremely poor" by 2025, and states

City of Tualatin

Exhibit No. 101

that the interchange “may need to be reviewed for impact” if the Council adds land to the UGB dependent upon the interchange. The “Priority System” in Metro’s RTP calls for improvement to Boones Ferry Road from Durham Road in Tualatin to Elligsen Road in Wilsonville and for construction of a four-lane tollway between I-5 and Highway 99W, the southern and most likely alignment of which passes through the study area. There is no planned improvement to the capacity of the freeway or the interchange in the RTP or either city’s TSP. In 2002, however, a joint ODOT/Wilsonville study concluded that in 2030, widening of I-5 to eight lanes would be required to meet interstate freeway capacity standards set by Metro and ODOT. This study will help Metro, ODOT, Wilsonville and Tualatin understand the improvements needed to accommodate industrial use in the study area. The 2004 Federal RTP also identifies a corridor refinement study for I-5 in the vicinity. These studies will inform Title 11 planning for the study area.

8. Regional Framework Plan

The Tualatin Study Area lies midway between the Tualatin and Wilsonville Town Centers, and is nearly as close to the Sherwood Town Center as to Tualatin and Wilsonville. Industrial development in the study area will provide additional employment to support businesses in those centers. The Council includes this area, notwithstanding that this part of the region is relatively well-endowed with employment, because it has more of the characteristics needed for warehousing and distribution than other areas considered. The Wilsonville South Area has many of the same characteristics. But it lies on the opposite side of the Willamette River and requires a trip on I-5 across the river to gain access to the Wilsonville Town Center. The Council concludes that addition of the north portion of the Tualatin Study Area provides better urban form to the city and the region than adding land on the south side of the Willamette River.

9. Regional Transportation Plan

Through its Joint Policy Advisory Committee on Transportation, Metro has coordinated transportation planning and funding of transportation improvements with local governments in the region. The Regional Transportation Plan adopted a “Priority System” of improvements through the year 2020. The Priority System includes the most critical improvements needed to implement the 2040 Growth Concept. Among the improvements in the vicinity of the Tualatin Study Area are improvement to Boones Ferry Road from Durham Road in Tualatin to Elligsen Road in Wilsonville and construction of a four-lane tollway between I-5 and Highway 99W, the southern and most likely alignment of which passes through the study area.

F. Helvetia (Partial)

The Council relies upon the facts and analysis in the Industrial Land Alternative Analyses Study [Appendix A, Item(c) in Ordinance No. 04-1040B, pp. 104-06; 111; A-1 to A-4] and the Staff Reports [Appendix A, Item (a), p. 28] to support its conclusion that addition of a 249-acre portion of the Helvetia Study Area will provide for an orderly and efficient transition from rural to urban land use. The Council chose this area because it has several characteristics that render it among the most suitable sites under consideration for industrial use: a large parcels; relatively flat land; and proximity to a freeway interchange. The Urban Growth Report-Employment (UGR-E) identifies a specific need for large parcels (50 acres or larger) (Ordinance No. 02-969B, Appendix A, Item 4, page 25). This portion of the Helvetia Study Area contains one parcel between 50 and 100 acres.

Two-thirds of this area (162 acres) is designated for agriculture in Washington County’s comprehensive plan (predominantly Class II soil). The farmland portion lies between the existing UGB (to the south and east) and the exception land portion to the west. West Union Road separates the included farmland from excluded farmland to the north. The Council includes this farmland because the exception land portion (87 acres) contains some land suitable for industrial use. Also, among farmlands considered,

City of Tualatin

Exhibit No. 101

this farmland is already affected by nearby urban and rural residential use. Further, the Council found only two areas designated for agriculture of higher priority (Class IV or III soils) suitable for industrial use (Damascus West and Quarry Study Areas) (see discussion of West Union Study Area, below).

The Council considered including a portion of the Evergreen Study Area, which also contains a combination of exception land and Class II farmland, because it, too, contains several large parcels. The Council favored the Helvetia area because the farmland portion of the Evergreen area that lies between the UGB to the east, the exception land to the west and NW Meek Road to the north includes considerably more farmland than the included portion of the Helvetia Area (478 acres versus 162 acres in Helvetia). Further, unlike the exception land portion of Helvetia, the exception land portion of the Evergreen Study Area does not contain land suitable for industrial use.

The Council also considered inclusion of the West Union Study Area, which contains farmland of Class II and III soils. The Council chose the Helvetia area rather than the West Union area because the portion of the West Union area with higher-priority Class III soils is not suitable for industrial use (slopes greater than 10 percent), and this portion lies to the north of the portion with predominantly Class II soils (adjacent to the UGB). Also, the Council found no good barrier in the West Union area to separate farmland included from farmland excluded until Cornelius Pass Road to the north, which would enclose many more acres of farmland (862 acres) than the 162 acres in the Helvetia area.

The Council also considered Class II farmland in the Wilsonville East Study Area in order to find large parcels suitable for industrial use. The Council chose the Helvetia Study Area over the Wilsonville area because the former will be considerably easier to provide with public facilities and services (p. 111). As a result, inclusion of the Helvetia area has the support of the City of Hillsboro, while the City of Wilsonville opposes inclusion of the Wilsonville East area.

The Council considered two other study areas composed predominantly of Class II soils: the Noyer Creek and South Hillsboro areas. According to the report of the Metro Agricultural Lands Technical Workgroup led by the Oregon Department of Agriculture [“Limited Choices: The Protection of Agricultural Lands and the Expansion of the Metro Area Urban Growth Boundary for Industrial Use”, Appendix A, Item (i)], both areas have higher value for commercial agriculture than the Helvetia area.

Finally, the Council considered Class II farmland south of Wilsonville, near the I-5 corridor on the south side of the Willamette River. The Council rejected this farmland because inclusion would constitute a projection away from the urbanization portion of the metropolitan region, toward Marion County to the south. Industrial development south of the river would also be separated from the services of the City of Wilsonville and the rest of the metropolitan region, connected only by a limited access (interstate highway) bridge across the river. Inclusion of the Helvetia area would better achieve the compact urban form sought by Policies 1 and 1.6 of the RFP and Policy 3 of the Regional Transportation Plan. The Oregon Department of Agriculture urged the Council not to add farmland south of the Willamette River because it would further introduce urban uses into that core area of the Willamette Valley’s commercial agriculture. Although the department also expressed concern about inclusion of the Helvetia area, it placed a higher priority on protection of farmland south of the Willamette River. The Council concludes that inclusion of the Helvetia area rather than the Wilsonville South Study area farmland better achieves Policy 1.12.2 of the RFP.

In short, of the Class II farmlands considered by the Council, this portion of the Helvetia Study Area best meets the identified need for industrial land and is most separated from nearby agricultural lands. Other than the exception lands that are part of this study area, there are no other exception lands that can help the region meet its need for larger parcels for industrial use.

City of Tualatin

Exhibit No. 101

1. Orderly Services

The Council relies upon the Helvetia Study Area Goal 14 Analysis Summary and the Ratings for Transportation Services Feasibility contained in its Industrial Land Alternative Analysis Study (Appendix A, Item (c), pages 111 and Table A-2, respectively) for its determination that urban services can be provided to the area in an orderly and economic manner by extending services from existing serviced areas.

The Alternatives Analysis (pp. 104-05) sets forth the likely service providers for sewer, water and storm-water services and assigns a serviceability rating for the larger Helvetia Study Area. Serviceability ranges from “easy” to “moderate” to serve the entire area (Table 1, p. 111). It will be easier to serve the smaller portion of the study area included by the Council because it is the portion closest to the existing UGB (borders on east and south) and services just to the east.

2. Efficiency

The Council relies on the same information on provision of essential services mentioned above (Orderly Services) for its conclusion that the area can urbanize efficiently. The Council also relies upon its findings and conclusions above (part I, General Findings, section D, Alternatives: Increase Capacity of UGB) regarding actions it has taken to increase the efficiency of the use of employment land within the existing UGB.

This area borders the UGB on two sides, with employment and industrial uses on the urban sides of the UGB, making urbanization of the area for industrial use more efficient than projecting urbanization from the UGB into a rural area.

3. Consequences

The Council relies upon the analysis of the consequences of urbanization on the Helvetia Study Area set forth in the Alternative Analysis Study, pp. 105-06 and Table A-3). The analysis indicates that the consequences will be moderate. The requirements of Title 11 of the UGMFP that comprehensive planning and land use regulations for the area protect the portions (streams, wetlands, floodplains and steep slopes) of the area subject to Title 3 of the UGMFP and the conditions in Exhibit F of Ordinance No. 04-1040B will reduce adverse consequences from urbanization of the area.

The Council has placed a condition on comprehensive planning for the area that the local government responsible for planning consider Metro’s adopted Goal 5 inventory during its planning (see Condition IG, Exhibit F). The local government will eventually adopt provisions to implement Metro’s Goal 5 program following the Council’s adoption of that program, if the local government’s ordinance do not already comply.

4. Compatibility

The Agricultural Analysis Consequences shows that urbanization of the Helvetia Study Area would have high adverse consequences for nearby agriculture (Alternative Analysis Study, pp. 105-06; Table A-4). The analysis, however, is based urbanization of the entire Helvetia Study Area (1,339 acres) rather than just the portion included within the UGB (249 acres). Adverse consequences and incompatibility from urbanization of the included portion will be much reduced, given that the UGB borders this portion on the east and south sides, West Union Road borders the portion on the north side, and much of this portion (87 acres) is exception area lying between the included farmland portion and the excluded farmland portion to the west.

City of Tualatin

Exhibit No. 101

According to the report of the Metro Agricultural Lands Technical Workgroup led by the Oregon Department of Agriculture [“Limited Choices: The Protection of Agricultural Lands and the Expansion of the Metro Area Urban Growth Boundary for Industrial Use”, Appendix A, Item (i)], the included portion of the Helvetia area is less important to commercial agriculture in the region than other agricultural areas under consideration because it lies amid urban and rural residential uses: “However, the workgroup could not ignore the land use pattern both within the area, the location of the area within a small notch of the current urban growth boundary and the two hard edges provided by Helvetia and West Union Roads” (p. 11).

Ordinance No. 04-1040B, Exhibit F, imposes Condition IE upon urbanization of the area to reduce conflict and improve compatibility between urban use in the area and agricultural use on land to the north and west.

5. Natural and Cultural Resources

The Alternative Analysis Study addresses Goal 5 and 6 resources in the Helvetia Study Area protected by Washington County in its acknowledged comprehensive plan (p. 106). The county, or the City of Hillsboro upon annexation to the city, will be responsible for protecting these resources in the area when it amends its comprehensive plan and zoning ordinance to implement expansion of the UGB. Condition IG of Exhibit F requires the county or the City of Hillsboro to consider Metro’s inventory of Goal 5 resources in their application of Goal 5 to the Helvetia area. Title 3 (Water Quality, Flood Management and Fish and Wildlife Conservation) of the UGMFP requires the county or city to protect water quality and floodplains in the area. Title 11 of the UGMFP, section 3.07.1120G, requires the county or city to protect fish and wildlife habitat and water quality. Title 11, section 3.07.1110, protects the status quo in the interim period of county or city planning for the area.

6. Public Facilities and Services

Under statewide Planning Goal 11, Metro is responsible for coordination of the preparation of public facility plans within the district. Metro will fulfill this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits Washington County or the City of Hillsboro from upzoning or from dividing land into resulting lots or parcels smaller than 20 acres until the county or city revises its comprehensive plan and zoning ordinances to authorize urbanization of land Metro brings into the UGB; and (2) requires the county or city to develop public facilities and services plans and urban growth diagrams with the general locations of necessary public facilities such as sanitary sewers, storm sewers and water lines for the area.

7. Transportation

Metro shares responsibility to ensure that its Task 2 decision for the Helvetia Study Area does not significantly affect a transportation facility or allow uses that are inconsistent with the identified function, capacity and performance standards of transportation facilities. Metro fulfills this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits Washington County or the City of Hillsboro from upzoning and from land divisions into resulting lots or parcels smaller than 20 acres in the area until the county or city revises its comprehensive plan and zoning ordinances to authorize urbanization of land Metro brings into the UGB; and (2) requires the county or city to develop conceptual transportation plans and urban growth diagrams with the general locations of arterial, collector and essential local streets for the area. Metro began this work with the evaluation of the serviceability of the area in the Alternative Analysis Study (pp. 104-05 and Table A-2) and consideration of how to provide services as part of the analysis required to satisfy Goal 14, factors 3 and 4.

City of Tualatin

Exhibit No. 101

The Oregon Department of Transportation (“ODOT”), Region 1, notes that the Shute Road interchange on Hwy. 26, to which most of the trips generated by development in the Helvetia area will go, “is already inadequate to accommodate the 2003 Urban Growth Boundary (“UGB”) expansion in this area.” Metro’s 2004 RTP includes an interchange improvement to serve the industrial land added to the UGB for industrial use in December, 2002, with partial funding. The RTP also identifies the need to widen several stretches of Hwy. 26 from four to six lanes. The county or city, together with Metro, will fully assess the effects of development on these facilities during Title 11 planning. Title 11 calls for a conceptual transportation plan as part of amendment of city or county comprehensive plans and land use regulations, to which statewide planning Goal 12 and the Transportation Planning Rule apply.

8. Regional Framework Plan

The Helvetia Study Area lies adjacent to, and will likely become part of the North Hillsboro Industrial Area. This industrial area is the anchor of the high tech cluster that runs from this tract to Wilsonville. It contains the largest concentration of high technology firms in the state. The area supports businesses in the Hillsboro Regional Center, other Centers on the west side of the region, and the Central City. Industrial development in the Helvetia Study Area will provide additional employment to support those centers. The Council includes this area, notwithstanding that this part of the region is relatively well-endowed with employment, because, as noted above, it the characteristics needed for the industrial sectors likely to grow during the planning period.

9. Regional Transportation Plan

Through its Joint Policy Advisory Committee on Transportation, Metro has coordinated transportation planning and funding of transportation improvements with local governments in the region. The Regional Transportation Plan (“RTP”) adopted a “Priority System” of improvements through the year 2020. The Priority System includes the most critical improvements needed to implement the 2040 Growth Concept. Among the improvements in the vicinity of the Helvetia Study Area in Metro’s 2004 RTP is an interchange improvement to serve the industrial land added to the UGB for industrial use in December, 2002, with partial funding.

G. Cornelius

The Council relies upon the facts and analysis in the Industrial Land Alternative Analyses Study [Appendix A, Item(c) in Ordinance No. 04-1040B, pp. 84-87; 111; A-1 to A-4] and the Staff Reports [Appendix A, Item (a), p. 27] to support its conclusion that addition of this 262-acre portion of the Cornelius Study Area will provide for an orderly and efficient transition from rural to urban land use. Slightly more than half (56 percent) of the included portion is designated for agriculture in Washington County’s comprehensive plan (predominantly Class II soil). The farmland portion lies in two tracts separated by an exception area. A second tract of exception land borders the farmland on the east side. Together, these four adjacent tracts comprise the portion of the study area included in the UGB.

The Council chose this portion of the study area because it has characteristics that render it suitable for industrial use: large and mid-sized parcels and relatively flat land. The Urban Growth Report-Employment (UGR-E) identifies a specific need for large parcels (50 acres or larger) (Ordinance No. 02-969B, Appendix A, Item 4, page 25). The included portion of the study area contains one parcel between 50 and 100 acres [Appendix A, Item (a), p.30].

The Council also chose this area to help achieve Policies 1.2, 1.3.1 and 1.4 of the Regional Framework Plan (RFP), which call, among other things, for an equitable and balanced distribution of employment opportunities, income, investment and tax capacity throughout the region. The Council considered the fiscal and equity effects of including this area on the City of Cornelius. Given that the city

City of Tualatin

Exhibit No. 101

has the highest poverty rate, the lowest property tax revenue per capita, the lowest land improvement market value and the longest average commute in the region, the Council concluded that industrial development in this area would help achieve these policies better than inclusion of any other Class II agricultural land.

The Council considered including a portion of the Evergreen Study Area, which also contains a combination of exception land and Class II farmland, because it, too, contains several large parcels. The Council favored the Cornelius area for the reasons stated above, and because the farmland portion of the Evergreen area that lies between the UGB to the east, the exception land to the west and NW Meek Road to the north includes considerably more farmland than the included portion of the Cornelius Study Area (478 acres versus 147 acres in the Cornelius area).

The Council also considered inclusion of the West Union Study Area, which contains farmland of Class II and III soils. The Council chose the Cornelius area rather than the West Union area because the portion of the West Union area with higher-priority Class III soils is not suitable for industrial use (slopes greater than 10 percent), and this portion lies to the north of the portion with predominantly Class II soils (adjacent to the UGB).

The Council also considered Class II farmland in the Wilsonville East Study Area in order to find large parcels suitable for industrial use. The Council chose the Cornelius area over the Wilsonville area for the reasons stated above, and because the former will be considerably easier to provide with public facilities and services (p. 111). As a result, inclusion of the Cornelius area has the support of the City of Cornelius, while the City of Wilsonville opposes inclusion of the Wilsonville East area.

The Council considered two other study areas composed predominantly of Class II soils: the Noyer Creek and South Hillsboro areas. The Cornelius area is easier to provide with public services than either Noyer Creek or South Hillsboro. Inclusion of industrial land in the Cornelius area will better accomplish Policies 1.2, 1.3.1 and 1.4 of the RFP than inclusion of Noyer Creek or South Hillsboro.

Finally, the Council considered Class II farmland south of Wilsonville, near the I-5 corridor on the south side of the Willamette River. The Council rejected this farmland because inclusion would constitute a projection away from the urbanization portion of the metropolitan region, toward Marion County to the south. Industrial development south of the river would also be separated from the services of the City of Wilsonville and the rest of the metropolitan region, connected only by a limited access (interstate highway) bridge across the river. Inclusion of the Cornelius area would better achieve the compact urban form sought by Policies 1 and 1.6 of the RFP and Policy 3 of the Regional Transportation Plan. The Oregon Department of Agriculture urged the Council not to add farmland south of the Willamette River because it would further introduce urban uses into that core area of the Willamette Valley's commercial agriculture. Although the department also expressed concern for expansion of the UGB north of Council Creek in the Cornelius area (part of the included area lies north of Council Creek; part lies south), it placed a higher priority on protection of farmland south of the Willamette River. The Council concludes that inclusion of the Cornelius area rather than the Wilsonville South Study Area farmland better achieves Policy 1.12.2 of the RFP.

1. Orderly Services

The Council relies upon the Cornelius Study Area Goal 14 Analysis Summary and the Ratings for Transportation Services Feasibility contained in its Industrial Land Alternative Analysis Study (Appendix A, Item (c), pages 111 and Table A-2, respectively) for its determination that urban services can be provided to the area in an orderly and economic manner by extending services from the City of Cornelius.

City of Tualatin

Exhibit No. 101

The Alternatives Analysis (pp. 84-85) sets forth the likely service providers for sewer, water and storm-water services and assigns a serviceability rating for the entire Cornelius Study Area. Serviceability ranges from “easy” to “moderate” to serve the entire area (Table 1, p. 111). It will be easier to serve the portion of the study area included by the Council because it is the portion closest to the existing UGB (borders on south) and existing services.

2. Efficiency

The Council relies on the same information on provision of essential services mentioned above (Orderly Services) for its conclusion that the area can urbanize efficiently. The Council also relies upon its findings and conclusions above (part I, General Findings, section D, Alternatives: Increase Capacity of UGB) regarding actions it has taken to increase the efficiency of the use of employment land within the existing UGB.

This area borders the UGB to the south, with employment and industrial uses along a portion of the urban side of the UGB. The included portion also includes two exception area of predominantly rural residential use. Inclusion of the exceptions areas will, over time, lead to more efficient use of the areas.

3. Consequences

The Council relies upon the analysis of the consequences of urbanization on the Cornelius Study Area set forth in the Alternative Analysis Study, pp. 86-87 and Table A-3). The analysis indicates that the consequences will be moderate. The requirements of Title 11 of the UGMFP that comprehensive planning and land use regulations for the area protect the portions (streams, wetlands, floodplains and steep slopes) of the area subject to Title 3 of the UGMFP and the conditions in Exhibit F of Ordinance No. 04-1040B will reduce adverse consequences from urbanization of the area.

The Council has placed a condition on comprehensive planning for the area that the local government responsible for planning consider Metro’s adopted Goal 5 inventory during its planning (see Condition IG, Exhibit F). The local government will eventually adopt provisions to implement Metro’s Goal 5 program following the Council’s adoption of that program, if the local government’s ordinance do not already comply.

4. Compatibility

The Agricultural Analysis Consequences shows that urbanization of the Cornelius Study Area would have high adverse consequences for nearby agriculture (Alternative Analysis Study, pp. 84-85; Table A-4). The analysis, however, is based urbanization of the entire study area (1,154 acres) rather than just the portion included within the UGB (262 acres). Adverse consequences and incompatibility from urbanization of the included portion will be much reduced, given that the UGB borders this portion on the south side, and that the farmland portions of the included area border two exception areas, also included.

Ordinance No. 04-1040B, Exhibit F, imposes Condition IE upon urbanization of the area to reduce conflict and improve compatibility between urban use in the area and agricultural use on land to the north and west.

5. Natural and Cultural Resources

The Alternative Analysis Study addresses Goal 5 and 6 resources in the Cornelius Study Area protected by Washington County in its acknowledged comprehensive plan (p. 86). The county, or the City of Cornelius upon annexation to the city, will be responsible for protecting these resources in the area when it amends its comprehensive plan and zoning ordinances to implement expansion of the UGB. Condition IG of

City of Tualatin

Exhibit No. 101

Exhibit F requires the county or the city to consider Metro's inventory of Goal 5 resources in their application of Goal 5 to the area. Title 3 (Water Quality, Flood Management and Fish and Wildlife Conservation) of the UGMFP requires the county or city to protect water quality and floodplains in the area. Title 11 of the UGMFP, section 3.07.1120G, requires the county or city to protect fish and wildlife habitat and water quality. Title 11, section 3.07.1110, protects the status quo in the interim period of county or city planning for the area.

6. Public Facilities and Services

Under statewide Planning Goal 11, Metro is responsible for coordination of the preparation of public facility plans within the district. Metro will fulfill this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits Washington County or the City of Cornelius from upzoning or from dividing land into resulting lots or parcels smaller than 20 acres until the county or city revises its comprehensive plan and zoning ordinances to authorize urbanization of land Metro brings into the UGB; and (2) requires the county or city to develop public facilities and services plans and urban growth diagrams with the general locations of necessary public facilities such as sanitary sewers, storm sewers and water lines for the area.

7. Transportation

Metro shares responsibility to ensure that its Task 2 decision for the Cornelius Study Area does not significantly affect a transportation facility or allow uses that are inconsistent with the identified function, capacity and performance standards of transportation facilities. Metro fulfills this responsibility through implementation of Title 11 of the UGMFP, which (1) prohibits Washington County or the City of Cornelius from upzoning and from land divisions into resulting lots or parcels smaller than 20 acres in the area until the county or city revises its comprehensive plan and zoning ordinances to authorize urbanization of land Metro brings into the UGB; and (2) requires the county or city to develop conceptual transportation plans and urban growth diagrams with the general locations of arterial, collector and essential local streets for the area. Metro began this work with the evaluation of the serviceability of the area in the Alternative Analysis Study (pp. 85 and Table A-2) and consideration of how to provide services as part of the analysis required to satisfy Goal 14, factors 3 and 4.

The Oregon Department of Transportation ("ODOT"), Region 1, notes that industrial development in the Cornelius area will worsen the level of service on the Tualatin Valley Highway between Cornelius and Hillsboro. The "Financially Constrained" and "Priority System" in Metro's Regional Transportation Plan ("RTP") include several projects that will address congestion in the corridor (Projects 3156, 3164, 3166, 3167, 3168 and 3171). The county or city, together with Metro, will fully assess the effects of development on these facilities during Title 11 planning. Title 11 calls for a conceptual transportation plan as part of amendment of city or county comprehensive plans and land use regulations, to which statewide planning Goal 12 and the Transportation Planning Rule apply.

8. Regional Framework Plan

The included portion of the Cornelius Study Area lies directly north of and adjacent to the City of Cornelius. The area is within one mile of the designated Main Street of Cornelius (there is no designated Town Center). Industrial development in the included area will provide additional employment to support the businesses on Main Street, and provide employment opportunities for the many residents of Cornelius who now travel to other parts of the region for work. As stated above, industrial development in this area will help achieve Policies 1.2, 1.3.1 and 1.4 of the RFP better than inclusion of any other land, including other farmland.

City of Tualatin

Exhibit No. 101

9. Regional Transportation Plan

Through its Joint Policy Advisory Committee on Transportation, Metro has coordinated transportation planning and funding of transportation improvements with local governments in the region. The Regional Transportation Plan (“RTP”) adopted a “Priority System” of improvements through the year 2020. The Priority System includes the most critical improvements needed to implement the 2040 Growth Concept. Among the improvements in the vicinity of the included portion of the Cornelius Study Area in Metro’s RTP are intersection safety improvements on the TV Highway couplet and improved transit service (see list of projects noted in section 8, above).

REQUIREMENT NO. 2:

REMAND ORDER ON SUBTASK 17: EITHER REMOVE TAX LOTS 1300, 1400 AND 1500 FROM THE BOUNDARY OF EXPANSION AREA 62, OR JUSTIFY THEIR INCLUSION UNDER GOAL 14.

Ordinance No. 04-1040A amends the UGB to remove Tax Lots 1300, 1400 and 1500, all in Study Area 62, from the UGB (Exhibit E). The Council concludes that there is no need to include these lots given the small surplus of land for residential use that resulted from expansion of the UGB by Ordinance No. 02-969B.

REQUIREMENT NO. 3:

REMAND ORDER ON SUBTASK 12B: PROVIDE DATA ON THE ACTUAL NUMBER DENSITY AND AVERAGE MIX OF HOUSING TYPES AS REQUIRED BY ORS 197.296(5) AND DETERMINE THE OVERALL AVERAGE DENSITY MUST OCCUR IN ORDER TO MEET HOUSING NEEDS OVER THE NEXT 20 YEARS AS REQUIRED BY ORS 197.296(7)

Ordinance No. 04-1040A further revises the Revised Housing Needs Analysis (“HNA”) to display data required by ORS 197.296(5) (Exhibit D). The data show the number, density and average mix of housing types arranged by type of buildable land (vacant, partially vacant, redevelopment and infill and mixed-use land). These data were subsets of aggregated data in the HNA, but were not displayed in the Revised HNA submitted to LCDC with the Task 2 Submittal on January 24, 2003.

The purpose for collecting the data is to help determine “the overall average density and overall mix of housing types at which residential development of needed housing types must occur in order to meet housing needs over the next 30 years.” ORS 197.296(7). Metro determined the overall density and mix of needed housing types in the Revised HNA submitted on January 24, 2003 (see pages 2-7, Figures 3.1, 3.2, 3.3, 5.1 and 5.3). [add text and explanation from earlier HNA] The data newly displayed in this revision do not affect Metro’s earlier determination.

City of Tualatin

Exhibit No. 101

SUPPLEMENTAL STAFF REPORT

*IN CONSIDERATION OF ORDINANCE
NO. 04-1040B, FOR THE PURPOSE OF
AMENDING THE METRO URBAN GROWTH BOUNDARY,
THE REGIONAL FRAMEWORK PLAN AND THE METRO
CODE TO INCREASE THE CAPACITY OF
THE BOUNDARY TO ACCOMMODATE GROWTH
IN INDUSTRIAL EMPLOYMENT*

ORDINANCE NO. 04-1040B

Date: June 21, 2004

Prepared by: Lydia Neill

INTRODUCTION

This staff report is intended to summarize the deliberations by the Metro Council and the Metropolitan Policy Advisory Committee (MPAC) that have taken place since April 2004. Discussions and recommendations by MPAC are highlighted in italics. This report will also introduce several technical memorandums that address issues raised during testimony at public hearings in May and June 2004. Discussions in this supplemental staff report will address the Metro Council's revision to the Chief Operating Officer's (COO) recommendation. The primary staff report dated April 5, 2004 contains information that formed the basis for the COO recommendation.

BACKGROUND

Metro is required to assess the capacity of the urban growth boundary (UGB) every five years under ORS 197.299(1). Metro is currently in Periodic Review with the Department of Land Conservation and Development (DLCD) under work program approval order #001243. As part of this review Metro is required to forecast and provide a 20-year land supply for residential, commercial and industrial uses inside the UGB. The Metro Council had forecasted a shortage of 38,700 dwelling units, 140 acres of commercial land and 4,285 acres of industrial land for the period 2002 to 2022. In December 2002 the Metro Council added 18,638 acres of land to the UGB that satisfied all of the demand for residential and commercial uses but only a portion of the overall need for industrial land.

A remand work order was issued by the Land Conservation and Development Commission (LCDC) due to the incomplete actions on industrial lands and several other issues. The remand order 03-WK Task 001524 requires Metro to fulfill the industrial land need, complete the Housing Needs Analysis by providing data on the number mix and housing types required by ORS 197.296(5), and either remove tax lots 1300, 1400 and 1500 adjacent to King City or provide a justification for their inclusion in the UGB by June 2004.

The 2002-2022 Urban Growth Report: An Employment Land Need Analysis Updated December 2002 (Employment UGR), identified a demand for 4,285 net acres of industrial land and a demand for 140 net acres of commercial land. The Metro Council's December expansion decision included roughly half of the industrial land need. The 2002 UGB decision added 2,850 net acres of job land to the UGB that is divided among three 2040 design types; 533 net acres of employment land, 818 net acres of industrial land and 1,499 net acres of Regionally Significant Industrial Area (RSIA) land.¹ Thus, within the 2002 UGB expansion there is a current industrial land need of 1,968 net acres and a commercial land surplus of 393 net acres.

¹ RSIA's are a 2040 design type that identifies industrial areas that have regional significance because of their location near the region's most important transportation facilities for the movement of traded sector freight.

City of Tualatin

Exhibit No. 101

The Employment UGR identified the demand for vacant industrial land by employment sector and distributed the demand by parcel size. These sectors represent the industries that are expected to grow over the next 20 years and include their associated demand for land. This demand allocation reflects past demand, development practices and existing land use policies. The general demand for vacant industrial land is distributed as follows:

- 70 percent warehouse and distribution
- 13 percent general industrial
- 17 percent tech/flex²

Fulfilling the Need for Industrial Land

Adopting Efficiency Measures- Title 4

As part of the tasks to complete Periodic Review, Metro examined ways to use land more efficiently and adopted policies to maximize the use of land within the UGB. In 2002, Metro adopted provisions in the Urban Growth Management Functional Plan, Title 4, that limits non-industrial uses in industrial areas. Subsequent to its adoption, local governments and industry representatives have come before the Metro Council to make the case that traditional land use categories are now less relevant to understanding industrial uses because many industrial activities including research and development, office and manufacturing often occur in the same facility. Amendments to Title 4 are intended to preserve land for industrial uses by restricting the amount and types of commercial uses that currently locate on industrial land.

Changes to Title 4 will preserve the transportation capacity for the movement of goods and services and direct other types of employment to centers, employment areas, corridors, main streets and station communities. Both RSIA's and industrial areas place limitations on the size of the retail commercial uses not serving the industrial area. Allowances are made for locating training facilities in industrial areas and commercial uses in airport locations. A discussion of the legislative changes to Title 4 are included on pages 7 and 8.

Impacts of Adopting Title 4 on the UGR

New Title 4 regulations specifically limit the amount and square footage of retail and office uses justify the savings of industrial land discussed in the Employment UGR. The Employment UGR estimates a savings of 1,400 acres of industrial land from implementing new measures and mapping of RSIA lands.³ Table 1 discusses the supply of industrial land and the impact of the Title 4 policy changes to reduce the deficit of industrial land.

Reductions to the Industrial Land Need

Commercial Land Surplus

The Employment UGR identified a commercial land surplus of 393 acres. The surplus is based upon the available supply of land for commercial purposes and an assumption that a percentage of commercial activities would continue to take place on industrially zoned lands. Testimony received during the discussion of revisions to Title 4, argued the traditional building types accommodating office and industrial uses are merging based on the needs of a knowledge-based economy. Approximately 30 percent of the land need identified in the Employment UGR is for tech-flex and general industrial uses. These uses have higher job densities that are consistent with office type buildings. Based on this fact additional

² Tech-flex development is a building type that provides flexible space to accommodate a variety of users from light assembly, product storage and research.

³ Employment UGR, page 46.

City of Tualatin

Exhibit No. 101

flexibility has been incorporated into Title 4 regulations to accommodate the need for industrial office uses. Concurrently, these same types of office, industrial uses, (i.e. software development etc.) could also locate on commercial land in traditional office building types. Therefore, the surplus of commercial land is being applied to help satisfy the overall need for industrial lands.

Adjustments to the Commercial Refill Rate

This adjustment to the refill rate is reflective of the changes taking place in the industrial marketplace. As discussed above the industrial economy is transitioning from traditional manufacturing to more knowledge and information based economy which contains more office type uses and results in higher floor area ratios. A two percent adjustment to the commercial refill rate applied in the Employment UGR reduces the overall need for industrial land by 174 acres and reflects this change in the marketplace. An increase in the refill rate from 50 to 52 percent represents the observed refill rate. The observed rate was obtained from metroScope modeling work completed in 2002.

Table 1. Industrial Land Need Adjustments

Supply of Industrial Land	Net Vacant Acres
Industrial Deficit	1,968
<i>Application of the commercial land surplus</i>	393
<i>Less adjustment based on increasing the commercial refill rate</i>	174
<i>Less adjustments:</i>	
- <i>City of Oregon City (Comprehensive plan industrial)</i>	74
- <i>City of Wilsonville (Comprehensive plan industrial)</i>	127
- <i>Re-instatement of area south of Gresham</i>	20
Remaining Industrial Land Need	1,180

Employment UGR Conversion Rate

It was brought to Metro’s attention by the City of Wilsonville has asserted that Metro has misapplied the commercial conversion rate in the 2002-2022 Employment UGR calculations to determine the need for industrial land. A discussion of the how a rate of 15-20 percent was derived begins on page 16 of the Employment UGR. The rate was developed by performing an analysis of the covered geocodes of commercial uses located on industrially zoned land. The study found that 2 out of 10 jobs in industrial areas had a commercial standard industrial code (SIC). The confusion lies in calculating a conversion rate of 44 percent by including the marginal increases of land instead of all of the industrially zoned land supply to compute the correct rate of 22 percent.

Adjustments Based on Zoning

Both the City of Wilsonville and Oregon City have brought to Metro’s attention that several areas located within the current UGB have comprehensive plan designations of industrial but local zoning that does not reflect the future intent. Both cities use a two map system that anticipate rezoning of property consistent with the comprehensive plan. It is Metro’s practice to assess land based on zoning, not comprehensive plan designation. It was determined that it was appropriate to count these acres as industrially zoned because of the legislative intent. Since Metro has a surplus of housing units based on the 2002 decision, this change does not affect the housing need. The addition of 201 net acres of industrial land shown in Table 1. Industrial Land Need Adjustments.

The area south of the City of Gresham (20 acres) is described as a re-instatement after its recommended removal by the COO. This acreage is part of the Springwater industrial area (designated as an RSIA) that is currently under concept planning. When this area was added to the UGB in 2002 it received a 2040 designation of inner neighborhood. The concept planning for the broader area indicated that this area

City of Tualatin

Exhibit No. 101

should be planned for industrial development and receive a 2040 designation of RSIA. The 20 year housing supply is not affected because Metro had a surplus of 666 net acres of residential land.

Completing Periodic Review

After adjustments the remaining industrial land need is 1,1180 net acres. The Metro Council expanded the UGB by adding 1,047 acres of land to substantially satisfy the need for Industrial land over the next 20 years. These lands area located in the following areas: Damascus West, Tualatin, Beaver creek, Quarry, Coffee Creek, Cornelius and Helvetia. The areas are shown in Table 3. Metro Council UGB Expansion Areas, were chosen because they meet the requirements in Goal 14 in the following order:

- Exception lands that meet the suitability factors identified for warehouse and distribution; general industrial and tech flex uses;
- Successively lowest capability farmlands which meet the suitability factors or;
- Located on lower priority farmland but are necessary to meet specific industry needs.

Specifics of the suitability factors are outlined in the April 5, 2004 staff report. Departure from either the COO recommendation or the MPAC recommendation is discussed below. Careful consideration was paid to the potential impacts on farmland and farm industry operations.

Table 2. Chief Operating Officer's Recommendation

EXPANSION AREAS	Total Acres	Net Acres	Dominant Earthquake Zone ⁴	SUITABILITY FACTORS		
				Access	Proximity	Slope less 10%
<i>Damascus West</i>	102	69	D	✓	✓	✓
<i>Tualatin (MPAC-partial)</i>	646	339	D	✓	✓	✓
<i>Quarry (partial)</i>	354	236	D	✓	✓	✓
<i>Borland Rd N. (partial)</i>	575	164	A	✓	✓	✓
<i>Beaver creek. (partial)</i>	63	30	D	--	✓	✓
<i>Coffee Creek (partial)</i>	264	97	D	✓	✓	✓
<i>Wilsonville East (partial)</i>	641	460	B	✓	✓	✓
<i>Cornelius (partial)</i>	206	91	B	✓	✓	✓
<i>Helvetia (partial)</i>	249	149	A	✓	✓	✓
Additional Areas						
<i>Evergreen</i>	985	730	A	✓	✓	✓
West Union	368	133	A & B	✓	--	✓
TOTAL	3,100	1,635				

*Areas shown in bold/ italics were included in MPAC's June 9th recommendation

Soil Classifications of Areas Under Consideration

Soil classifications of all areas under study. The soils were mapped to facilitate studying and choosing appropriate lands for UGB expansion that conform to Oregon Revised Statute 197.298. ORS 197.298 establishes a hierarchy of lands based on soil quality which is divided into tiers. These tiers establish a priority for urbanizing land with exception land being the first priority followed successively by better quality soils. The tier system used for analysis examined the class of soils in each area and determined which soil class was most prominent. As study area boundaries have changed over the course of the analysis the predominant soil type changed in some cases. Table 3. Metro Council UGB Expansion Areas, shown on page 10 contains the predominant soil type unique to each area. Attachment 1 contains a complete discussion of the soil classes in all areas.

⁴ Based on 1997 Department of Geology and Mineral Study. Rating of A-D with D being the lowest hazard area.

City of Tualatin

Exhibit No. 101

Industrial Land Supply Available to Meet Demand

The need for industrial land is classified by parcel size. The majority of the need for industrial land is contained in the smaller lot size categories that range from under 1 acre up to 25 acres. A need has been identified for large parcels to accommodate warehouse and distribution, general industrial and tech flex uses (25 acres up to 100 acres). Some of the areas under consideration due to their existing lotting patterns fulfill the large lot need better than other areas. Assembly of large lots can be reasonably accomplished if there are adjacent parcels of sufficient size or are under the same ownership. An aggregation study of these areas which is contained in the April 5, 2004 staff report, demonstrated that the need for large parcels can be met in the areas slated for UGB expansion. The best potential for addressing large lot needs can be found in Damascus West, Quarry, Coffee Creek, Helvetia and Cornelius areas.

Assessment of Earthquake Hazards

All of the areas included in the UGB were evaluated for their relative earthquake hazard potential. This evaluation was based on the 1997 Oregon Department of Geology and Minerals Study. The areas were ranked from A through with D being the lowest hazard potential. The western portion of the region that contains the Cornelius, Helvetia areas have the highest hazard potential. The higher hazard potential in these areas will be addressed during Title 11 concept planning by the responsible city or county pursuant to Metro Code 3.07.1120(G) and Statewide planning Goal 7. The hazard potential is shown in Table 2 and a full discussion of this study is included in Attachment 2.

COO Recommendation - Areas Excluded

Assessment of Areas Excluded from Consideration

A full discussion of this analysis of all lands under study that were excluded from consideration is included in the staff report dated April 15, 2004 and in the 2003 Alternatives Analysis and Addendum.

Borland Road Area- North of I-205

The Borland Road area has not been included in the UGB based on additional information contained in the record and further examination by staff. Although this area is composed entirely of exception land, a number of factors make it suitable for industrial use. The area previously under consideration contains 575 gross acres of land with a number of conflicting uses (schools, churches, rural residential uses) and slopes/natural resources and yields only 164 net developable acres of land. The developable land is insufficient to allow formation of a cohesive industrial neighborhood and too small and too far from the existing UGB to justify the extension of urban services (see "Formation of Industrial Neighborhoods", Appendix A, Item (u) of Ordinance No. 04-1040B).

Previous work by staff to reduce the total number of acres under consideration from 68,334 acres of land to a more manageable 29,000 acre study area applied the following decision rules. The decision rules included: 1) non-contiguous to the UGB, 2) predominance of lots under 5 acres in size, 3) large areas of steep slopes and floodplains, 4) less than 300 acres and failure to meet both the proximity to other industry (1 mile) or access requirements (2 miles within an interchange). The Borland Road area has access to I-205 but is not located adjacent to a developed industrial area. Based on possible access to I-205 this area was thought to be suitable for warehouse and distribution uses. A baseline size was established for industrial neighborhoods of 300 acres. This 300 acre threshold was obtained by analyzing metroScope results and comparing the sizes of different industrial areas located within the UGB. The Borland Road area has little chance of forming a 300 acre industrial neighborhood due to the fragmented buildable lands available in this area.

On June 9, 2004 MPAC recommended that this area be removed from consideration for UGB expansion.

City of Tualatin

Exhibit No. 101

Wilsonville East

The Wilsonville East area which contains over 400 net acres was removed from consideration due to servicing concerns raised by the City of Wilsonville and impacts on an existing single family neighborhood located south of the site. This site contains class II agricultural land. The Metro Council chose the Helvetia study area which also contains class II soils and exception lands over the Wilsonville East area due to the serviceability and because the area contained exception lands. The Helvetia area is particularly well suited to satisfy the demand for tech flex or general industrial land.

On June 9, 2004 MPAC recommended that this area be removed from consideration for UGB expansion.

Additional Areas Added to the COO Recommendation

No additional areas were added to the COO recommendation.

On June 9, 2004 MPAC recommended that the Evergreen area be considered by the Metro Council to satisfy the need for industrial land.

The Metro Council considered the inclusion of the Evergreen site to meet the need for industrial land. Deliberations weighed the potential impacts on the farm economy and the issue of establishing logical boundaries between urban and farm uses in this area.

Expansion of the Cornelius Area

The Metro Council expanded the Cornelius area (206 to 262 gross acres) to provide an additional 36 net acres of industrial land. Inclusion of this area will provide for an orderly and efficient transition from rural to urban use. Approximately 56 percent of the area is designated for agricultural use in the Washington County Comprehensive Plan and it contains class II soils. A total of 56 gross acres are isolated from the agricultural lands located north of Council creek. The Council chose this land because a portion of this land is located adjacent to an existing industrial area located south of Council Creek and contains large flat parcels suitable for industry.

The Employment UGR identifies a specific need for large parcels (50 acres or larger) (Ordinance No. 02-969B, Appendix A, Item 4, page 25). The included portion of the study area contains one parcel between 50 and 100 acres (Appendix A, Item (a), p.30).

The Council also chose this area to help achieve Policies 1.2, 1.3.1 and 1.4 of the Regional Framework Plan (RFP), which call, among other things, for an equitable and balanced distribution of employment opportunities, income, investment and tax capacity throughout the region. The Council compared the fiscal and equity effects of including this area on the City of Cornelius. Given that the City of Cornelius has the highest poverty rate, the lowest property tax revenue per capita, the lowest land improvement market value and the longest average commute in the region, the Council concluded that industrial development in this area would help achieve these policies better than inclusion of any other Class II agricultural land.

On June 9, 2004 MPAC recommended that the expanded Cornelius area be considered by the Metro Council to satisfy the need for industrial land.

Other Changes to the COO Recommendation

The COO recommendation called for removal of a small area south of Gresham based upon impacts to the Green Corridor Agreement with the City of Sandy. This area includes 90 gross acres of land that was proposed in the 2002 UGB expansion for residential use. The area will remain in the UGB and be assigned a 2040 designation as RSIA consistent with the area north of the site (Springwater Industrial

City of Tualatin

Exhibit No. 101

Area) which was also added to the UGB in 2002. The area provides approximately 20 net acres of land for industrial purposes.

On June 9, 2004 MPAC did not recommend that this area remain in the UGB.

Assigning 2040 Design Types and Conditions

All areas included in the UGB must be assigned a 2040 design type of either Industrial or RSIA. Concept planning as required in Title 11 of the Functional Plan will determine the location and extent of the boundaries of all of the industrial areas. The 2040 design types are included on maps of all expansion areas in Ordinance No. 04-1040B in Exhibit E and the specific conditions are contained in Exhibit F.

Generalized and specific conditions pertaining to all areas included in the UGB are found in Exhibit F.

The Council added or revised conditions recommended by the COO to address concerns raised in testimony following the April 15, 2004, COO recommendation. New conditions address compatibility between industrial use and nearby residential use, coordination of the timing of comprehensive planning and transportation planning, and improved protection of the future right-of-way for the I-5/99W Connector.

The Oregon Department of Transportation (ODOT) submitted general information about the likely effects of new industrial development on lands added to the UGB on a number of state transportation facilities in the region. Of particular concern to ODOT are areas added in the vicinity of the North Wilsonville interchange on I-5 in Wilsonville and of the Shute Road interchange on U.S. Highway 26 at Hillsboro. ODOT believes that adoption of an “interchange area management plan”(IAMP), as described in the Oregon Highway Plan and outlined in ODOT rules (OAR 734-051-0125), would protect the capacity and function of the interchanges and improve their management. ODOT prefers adoption of an IAMP at the time of Title 11 planning, prior to urban development.

Local governments believe IAMPs are more likely to add value to what statewide planning Goal 12 (Transportation) and the Transportation Planning Rule (TPR) already require if the IAMPs are adopted at the time that plans and commitments are made for improvements to the interchanges. They worry that limitations on industrial development that might be written into an IAMP prior to commitment of funding for improvements to the interchanges might, in light of budgetary constraints, become permanent or long-range limitations, denying the region of the full benefits of industrial development near the interchanges.

The Council shares ODOT’s concern that new industrial development in the region not cause the region’s transportation system to fail or fall below standards. The Council understands that new development, without timely investment in the region’s transportation system, will likely degrade the system. The Council expects, however, that, given the high priority state government places on making industrial sites ready for development, the region (Metro and other local governments), with the aid of state government, will find the resources to make the necessary improvements. In pursuit of those improvements, Metro will encourage and facilitate the adoption of IAMPs in cooperation with local governments at the earliest appropriate time in the process of approval of improvements to the Shute Road and North Wilsonville interchanges.

Policy Changes

Part of Metro’s review of the UGB includes examining ways to obtain more efficient utilization of land currently inside of the UGB. The proposed Title 4 amendments are one way of demonstrating to LCDC that Metro is achieving efficiencies inside of the UGB to meet the need for land in addition to expanding the UGB. The Metro Council adopted new measures to protect and maintain the supply of industrial land for future industrial uses in Ordinance 02-969B, adopted December 5, 2002. Title 4 Industrial and Other

City of Tualatin

Exhibit No. 101

Employment Areas regulations were amended in order to increase the capacity of industrial areas for industrial uses and to encourage non-industrial uses to locate in Centers and other more appropriate 2040 design type areas.

Metro staff, after consulting with cities, counties and other interests, developed a set of factors to consider in the identification of RSIA's. Metro staff worked with cities and counties in the region to apply the proposed factors to designated Industrial Areas within their jurisdictions. Several local governments, Portland, Gresham, Wilsonville and Clackamas County, submitted recommended Industrial Areas for consideration as RSIA's. Striving for region-wide consistency, Metro staff also applied the factors to areas in cities and counties that chose not to submit candidate areas. The factors are:

- *Distribution* - Area serves as support industrial land for major regional transportation facilities such as marine terminals, airports and rail yards;
- *Services* - Availability and access to specialized utilities such as specialty gases, triple redundant power, abundant water, dedicated fire and emergency response services;
- *Access* - Within 3 miles of I-5, I-205, I-84 (within the UGB), State Route 224 (within the UGB);
- *Proximity* - Located within close proximity of existing like uses; and
- *Primary Use* - Predominantly industrial uses.

Considering these factors and much input from local governments, the Metro Council by Ordinance No. 04-1040B (Exhibit C) adopted a generalized map of RSIA areas. Title 4 is amended to include a limitation on retail uses for single users of 5,000 square feet in Industrial areas and 3,000 square feet in RSIA areas, and added a performance based transportation requirement for non-industrial offices. The 3,000 and 5,000 square foot limitations as it relates to commercial eating establishments refers to the size of the seating area and not to kitchen or storage areas. The Title 4 language changes are included in Exhibit B of Ordinance No. 04-1040B. The map depicting RSIA's is included in Attachment 3.

On April 14, 2004 MPAC recommended that Title 4 be amended to limit non-industrial retail uses to a maximum of 5,000 square foot for individual uses and 20,000 square foot for single buildings in both RSIA's and industrial areas. This recommendation was incorporated into ordinance No. 03-1021B for Metro Council consideration. Other provisions were consistent with the language in ordinance No. 04-1040B.

Regional Framework Plan Amendments

The Regional Framework Plan is amended to add policy language to guide UGB decisions and minimize impacts on the agricultural industry. Comments from participants at the symposium called "Agriculture at the Edge" spurred the proposed policy changes. Expansion of the UGB has different impacts on nursery operations, farm related businesses and individual operations. Changes to Chapter 1, Land Use Policy 1.12 provide greater certainty for farmers regarding urbanization and reduce potential conflicts between farm operations and urban uses. The changes the Regional Framework Plan provide the following policy guidance:

- When choosing land among lands with the same soil class, chose land less important for commercial agriculture, and
- Develop agreements with neighboring cities and counties to protect agriculture.

On April 24, 2004 MPAC recommended that the original proposal introduced by Councilor Hostica in Ordinance No. 04-1041 included defining the region's urbanizable area by restricting future urban growth boundary expansions to an area north of the Willamette River and east of Pudding River as well as containing the additional language to address the impacts on the agricultural industry and additional criteria to choose land for urbanization.

City of Tualatin

Exhibit No. 101

The Metro Council considered this recommendation to establish a hard boundary at the Willamette River and chose to defer this issue until a comprehensive region-wide discussion can take place to consider other areas that may be effected by similar circumstances. There are number of areas in the region where a policy of establishing a hard edge could be used effectively. The Metro Council expressed a desire to explore the use of this concept more fully in upcoming work that may take a longer view of planning for the region's growth.

Fulfilling The Remaining Periodic Review Requirements

Housing Needs Analysis

A revised Housing Needs Analysis report was prepared pursuant to the remand work order. The report addresses densities by housing type. The supplemental information provided in this report does not materially change the conclusions found in the UGR. The supplemental study does not change the overall density or mix of housing types needed for the next 20 years. Revised refill rates are in the range of 25-30 percent.

KNOWN OPPOSITION

The selection of lands for inclusion into the UGB has been hotly debated in a number of areas for both inclusion and exclusion from the UGB. Details of the comments received throughout the workshops and public hearing processes are detailed in the Public Comment reports, Volume I and II dated May 2004 and the addendums to the original reports dated June 2004 contain comments up through the final hearing on June 24, 2004.

LEGAL ANTECEDENTS

Title 4 is part of the adopted and acknowledged Urban Growth Management Functional Plan. Authority to amend the 2040 Growth Concept map comes from ORS 268.380 and ORS 268.390(5). UGB evaluation and amendment requirements are found in ORS 197.298 and 197.299.

ANTICIPATED EFFECTS

Adoption of Ordinance No. 04-1040B will result in fulfilling the requirements in Metro code section 3.07.420I, which requires Metro to adopt a map of Regionally Significant Industrial Areas with specific boundaries that is derived from the Generalized Map of Regionally Significant Industrial Areas adopted in Ordinance No. 02-969B. Amendments to Title 4 address implementation issues and provides local governments with clear instructions as to the Metro Council's policy intent on preserving industrial lands. This ordinance also satisfies the three requirements of LCDC's Partial Approval and Remand Order #03-WK Task 001524. The effective date of the new Title 4 regulations is September 24, 2004. Local governments will have two years following LCDC's acknowledgement to adopt a local map and make changes to their codes.

Adoption of amendments to the UGB provide the industrial land necessary for the continued economic growth over the next 20 years.

BUDGET IMPACTS

The UGB and Metro Code amendments become effective September 2004. Any additions to the UGB require FTE for monitoring and minor participation in Title 11 concept planning. Metro has a commitment of 1.43 FTE dedicated to ongoing concept planning in Hillsboro, Damascus, Gresham and the City of Tualatin. Additional FTE and potential grants to local governments may be needed to assist in the concept planning process. Implementation of Metro Code changes requires a corresponding amendment of local planning ordinances to implement the intent of these policies. Compliance monitoring is already included in the 2004/ 2005 budget. Community Development staff currently

City of Tualatin

Exhibit No. 101

monitors all ongoing zone, comprehensive plan and code changes at the jurisdictional level as well as other project responsibilities.

DECISION

The Metro Council expanded the UGB by adding 1,047 acres of land to substantially satisfy the need for Industrial land over the next 20 years. The removal of tax lots 1300, 1400 and 1500 adjacent to King City and the completion of the addendum to the Housing Needs Analysis addresses all of the outstanding issues in LCDC's Partial Approval and Remand Order #03-WK Task 001524.

Table 3. Metro Council UGB Expansion Areas

EXPANSION AREAS	Total Acres	Net Acres	2040 Design Type	Soil Class
Damascus West	102	69	Industrial	class II & III
Tualatin	646	339	Industrial	class IV & III
Quarry (partial)	354	236	Industrial	class VII
Beavercreek	63	30	Industrial	class IV & V
Coffee Creek (partial)	264	97	Industrial	exception land
Cornelius (partial)	262	127	RSIA	class II
Helvetia (partial)	249	149	RSIA	exception land & class II
TOTAL	1,940	1,047		

Attachments:

Attachment 1- Dominant Soil Classification for Proposed UGB Expansion Areas, dated June 15, 2004

Attachment 2- Earthquake Hazard Memorandum, dated June 15, 2004

Attachment 3- Title 4 Map

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City of Tualatin

Exhibit No. 101

Attachment 1
Ordinance No. 04-1040B

M E M O R A N D U M

600 Northeast Grand Avenue
(tel) 503-797-1700

Portland, Oregon
97232-2736
(fax) 503-797-1797



METRO

Date: June 16, 2004

To: Lydia Neill, Principal Regional Planner

From: Amy Rose, Assistant Regional Planner

Re: *Dominant soil classifications for proposed UGB expansion areas*

Background

The Metro Council is currently in the process of selecting land for inclusion in the urban growth boundary (UGB) for industrial use. The selection of appropriate land is dictated largely by Oregon Revised Statute (ORS) 197.298 that sets forth a hierarchical, tier-based system of land categorization, which indicates the order land should be considered for inclusion in the UGB based on comprehensive plan designations.

Resource land is further prioritized on soil classification, which indicates the capability level of the farmland and ultimately its place in the hierarchy of land. The hierarchical tiers of land identified in ORS 197.298 are defined as follows:

- Tier 1 – exception land contiguous to the UGB and non-high value resource land completely surrounded by exception land.
- Tier 1a – exception land not contiguous to the UGB (within the one mile extent of study area boundaries).
- Tier 2 – marginal land, a unique classification of non-resource land in Washington County that allows dwelling units on EFU land.
- Tier 3 – resource land that may be needed to serve exception land.
- Tier 4 – resource land, majority of class III & IV soils, some class I & II soils.
- Tier 5 – resource land, majority class I & II soils, some class III & IV soils.

Purpose

The purpose of this memorandum is to identify the dominant soil classification and resulting tier category under ORS 197.298 for each of the resource land areas proposed for inclusion in the UGB for industrial use. The dominant soil classification has been determined using GIS soil data, displayed on a map dated October 30, 2002 in the record and was only undertaken for study areas identified as resource land. This information is presented in tabular form.

City of Tualatin

Exhibit No. 101

Attachment 1
Ordinance No. 04-1040B

Soil Classifications by study area

Recommended Expansion Areas	Total Acres	Net Acres	Tier	Dominant Soil Classification
Damascus West	102	69	Tier 4	Class 3 & 4
Quarry (p)	354	236	Tier 4	Class 7
Beavercreek (p)	63	30	Tier 4	Class 4 & 6
Wilsonville East (p)	641	460	Tier 5	Class 2
Revised Wilsonville East	412	295	Tier 5	Class 2
Cornelius (p)	206	91	Tier 5	Class 2
Revised Cornelius	56	36	Tier 5	Class 2
Helvetia (p)	249	149	Tier 5	Class 2
West Union (p)	368	133	Tier 5	Class 2
Evergreen	985	730	Tier 5	Class 2
Noyer Creek	381	266	Tier 5	Class 2
Hillsboro South	791	695	Tier 5	Class 2

*Analysis was only undertaken for study areas identified as resource land.

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City of Tualatin

Exhibit No. 101

Attachment 2
Ordinance No. 04-1040B

M E M O R A N D U M

600 Northeast Grand Avenue | Portland, Oregon 97232-2736
(tel) 503-797-1700 | (fax) 503-797-1797



METRO

DATE: June 16, 2004

TO: Dick Benner, Senior Metro Attorney

FR: Tim O'Brien, Senior Regional Planner

RE: ***RELATIVE EARTHQUAKE HAZARD FOR PROPOSED INDUSTRIAL LAND EXPANSION AREAS***

Background

In 1997 the Oregon Department of Geology and Mineral Industries (DOGAMI) produced data on the relative earthquake hazard for land in the Portland metropolitan region including a significant portion of land outside the Urban Growth Boundary (UGB). The information included individual hazard factors of liquefaction, slope instability, and amplification, as well as a composite relative earthquake hazard map based on the individual factors. Metro's Data Resource Center (DRC) mapped the relative earthquake hazard data utilized in this analysis. The map information does not cover all of the potential expansion areas nor has the information been updated since 1997.

Analysis

The relative earthquake hazard composite map is separated into four zones, A, B, C, and D, with A being the highest hazard, and D the lowest hazard. The dominant zone for each of the proposed expansion areas is reported in the table below, along with additional comments.

Relative Earthquake Hazard

Expansion Area	Dominant Zone	Comments
Damascus	D	Small areas of C & B
Beavercreek	D	Significant portion of C and two pockets of B
Borland Road	A	One large area of B southeast of Borland Rd./Stafford Rd. intersection
Wilsonville East	B	Significant portions of C & D
Coffee Creek	D	Areas of A, B & C. No information for southwest corner of expansion area
Tualatin	D	Significant areas of B & C
Quarry	D	Pockets of C and minor area of B
Cornelius	B	A few pockets of A scattered throughout area
Helvetia	A	Two pockets of B, one in the center and one at the very top of the area
Evergreen	A	Some B, no information for northern portion of area
West Union	B & A	Some areas of C, area of A along stream corridor

City of Tualatin

Exhibit No. 101

Attachment 2
Ordinance No. 04-1040B

RELATIVE EARTHQUAKE HAZARD...

June 16, 2004

Page 2

Summary

Information for two of the areas, Evergreen and Coffee Creek, is incomplete. In general the areas are either at the high or low hazard end of the range. The Borland Road North, Helvetia, Evergreen and West Union expansion areas contain the most Zone A classified land and thus have the highest earthquake hazard status. The Damascus, Beaver Creek, Coffee Creek, Tualatin, and Quarry expansion areas contain mostly Zone D classified land and thus have the lowest earthquake hazard status.

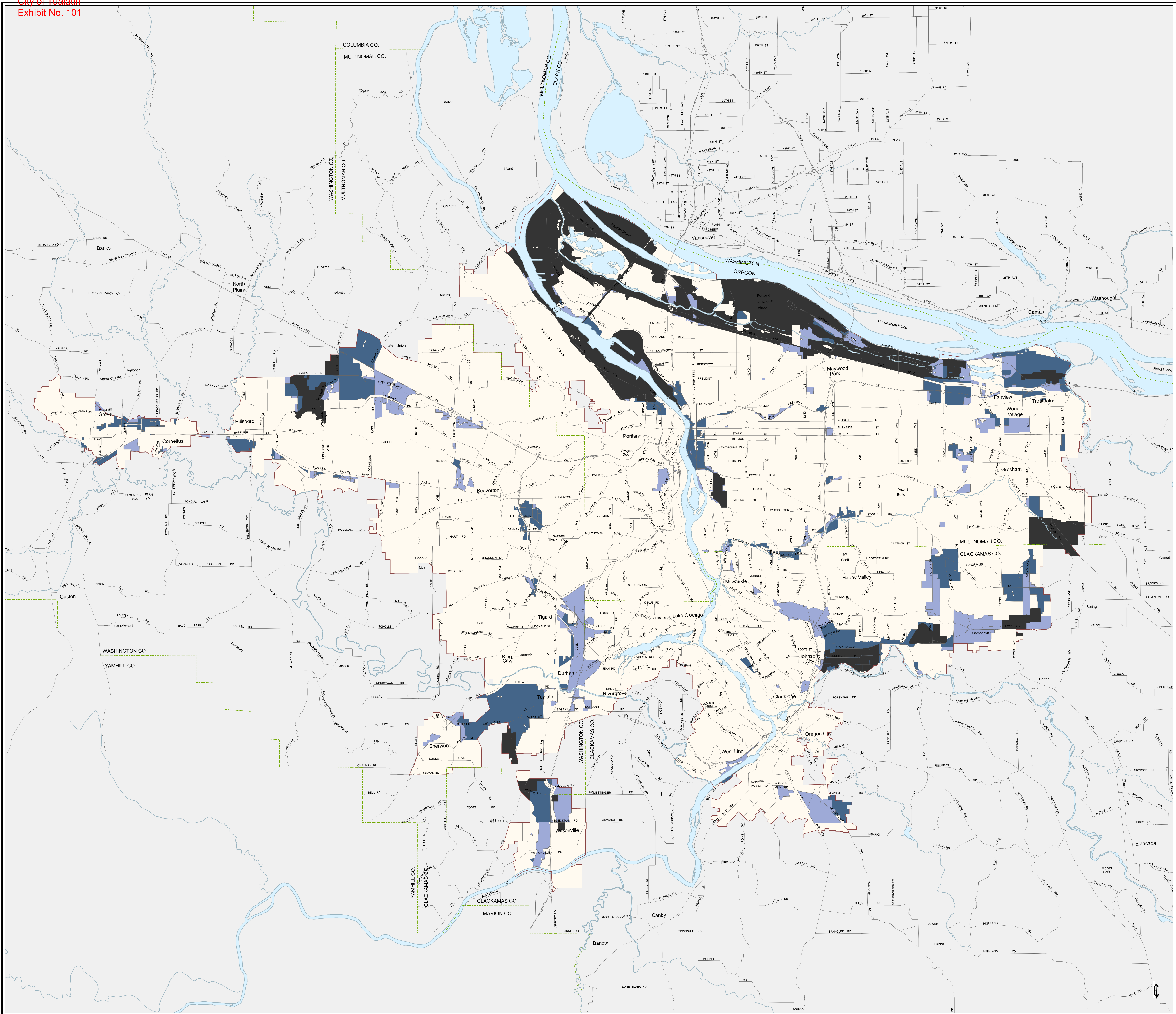
The Council has decided not to include the North Borland, Evergreen or West Union Areas (areas with the highest hazard). The small hazard areas mapped in the Helvetia Area (also high) and other areas included in the UGB will be addressed in Title 11 planning by the responsible city or county, pursuant to Metro Code Section 3.07.1120G and statewide planning Goal 7.

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Title 4 Industrial and Employment Areas

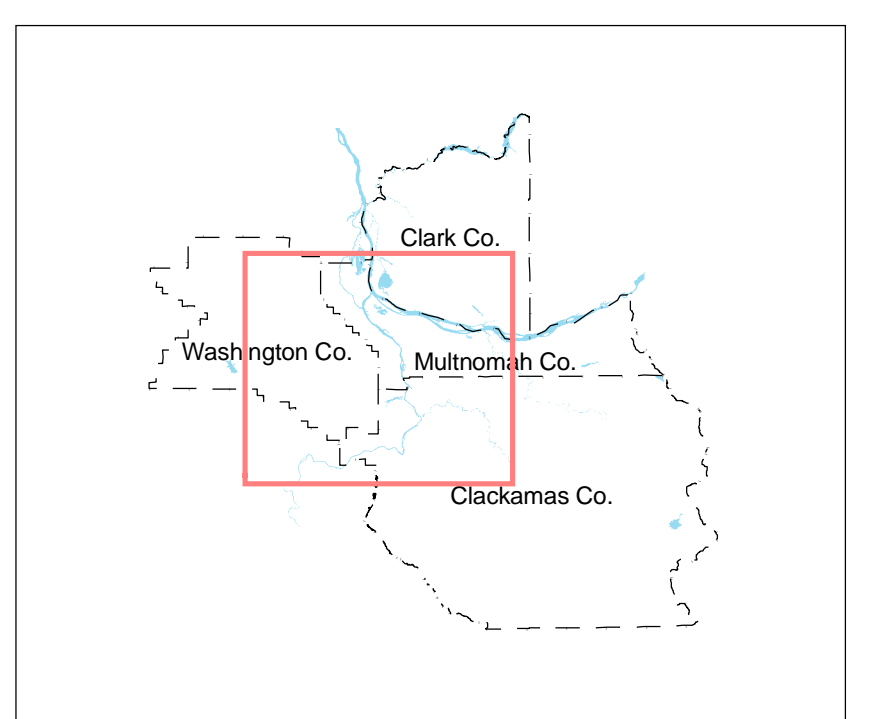
Ordinance No. 04-1040B
Exhibit C
Attachment 3
June 24, 2004

-  Employment Land
-  Industrial Land
-  Regionally Significant Industrial Areas



WARNING: Some maps combine data layers of differing map accuracies, e.g. flood plains can be based on tax lots. When this occurs, the map is not reliable to correctly show data at the tax lot level.

The information on this map was derived from digital databases on Metro's GIS. Care was taken in the creation of this map. Metro cannot accept any responsibility for errors, omissions, or positional accuracy. There are no warranties, expressed or implied, including the accuracy or completeness of the information for a particular purpose, accompanying this product. However, notification of any errors will be appreciated.



Location Map



METRO DATA RESOURCE CENTER
600 NORTHEAST GRAND AVENUE PORTLAND, OREGON 97232-2736
TEL: (503) 737-1742 FAX: (503) 737-1909
drc@metro.dst.or.us www.metro-region.org

City of Tualatin

Exhibit No. 102

MINUTES OF THE METRO COUNCIL MEETING

Thursday, November 13, 2003
Metro Council Chamber

Councilors Present: Rod Park (Deputy Council President), Susan McLain, Brian Newman, Rod Monroe, Rex Burkholder, Carl Hosticka

Councilors Absent: David Bragdon (excused)

Deputy Council President Park convened the Regular Council Meeting at 2:02 p.m.

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

There were none.

3. CONSENT AGENDA

3.1 Consideration of minutes of the October 30, 2003 Regular Council Meetings.

Motion:

Councilor Monroe moved to adopt the meeting minutes of the November 6, 2003, Regular Metro Council meeting.

Vote:

Councilors Burkholder, McLain, Monroe, Hosticka, Newman and Deputy Council President Park voted in support of the motion. The vote was 6 aye, the motion passed.
--

Councilor McLain said she had some questions about Resolution No. 03-3379 and would like it removed from the consent agenda.

3.2 **Resolution No. 03-3379**, For the Purpose of Obtaining the Approval of the Metro Council to Adjust and Write off Certain Accounts Receivable of Christopherson Excavating.

Motion:	Councilor Newman moved to adopt Resolution No. 03-3379.
Seconded:	Councilor Burkholder seconded the motion

Councilor Park spoke to the reason for the resolution. Bill Stringer, Chief Financial Officer, talked about the amount that would be written off. It had been submitted to a collection agency, Metro would receive about 70% of the total if it were collected. Councilors asked about the write off. Deputy Council President Park said this was an appropriate way to handle bad debt. Councilor Burkholder asked about the appropriateness of bringing this before the Council. Mr. Stringer said this was a rare occurrence but was required by Metro Code if it was over \$10,000. He suggested that \$10,000 was probably appropriate to bring to the Council. They did their best to collect on all debt.

Vote:

Councilors Burkholder, McLain, Monroe, Hosticka, Newman and Deputy
--

City of Tualatin

Exhibit No. 102

Council President Park voted in support of the motion. The vote was 6 aye, the motion passed.

4. ORDINANCES – FIRST READING

- 4.1 **Ordinance No. 03-1024**, For the Purpose of adopting the 2004 Regional Transportation Plan as the Regional Transportation System Plan and the Regional Functional Plan for Transportation to meet State Planning Requirements

Deputy Council President Park assigned Ordinance No. 03-1024 to Council.

- 4.2 **Ordinance No. 03-1025**, For the purpose of approving the Transfer Station Franchise Renewal Application of Willamette Resources, Inc., authorizing the Chief Operating Officer to issue a renewed franchise, and declaring an emergency.

Deputy Council President Park assigned Ordinance No. 03-1025 to Council.

- 4.3 **Ordinance No. 03-1026**, For the purpose of approving the Transfer Station Franchise Renewal Application of Pride Recycling Company, authorizing the Chief Operating Officer to issue a renewed franchise, and declaring an emergency.

Deputy Council President Park assigned Ordinance No. 03-1026 to Council.

- 4.4 **Ordinance No. 03-1027**, For the purpose of approving the Transfer Station Franchise Renewal Application of Recycling America, authorizing the Chief Operating Officer to issue a renewed franchise, and declaring an emergency.

Deputy Council President Park assigned Ordinance No. 03-1027 to Council.

Councilor McLain asked about changes in the franchise license. She hoped they would have a thorough discussion of this at a Tuesday Work Session.

5. ORDINANCES – SECOND READING

- 5.1 **Ordinance No. 03-1021**, For the Purpose of Amending Title 4 of the Urban Growth Management Functional Plan to Improve its Protection of Industrial Land and to Make Corrections.

- 5.2 **Ordinance No. 03-1022**, For the Purpose of Amending the Employment and Industrial Areas Map to Add Regionally Significant Industrial Areas in Compliance with Subsection J of Section 3.07.420 of Title 4 (Industrial and Other Employment Areas) of the Urban Growth Management Functional Plan.

Deputy Council President Park opened a public hearing on Ordinance No. 03-1022 and 03-1021 and indicated that this hearing was a continuation from last week.

Doug Rux, City of Tualatin, 18880 SW Martinazzi Tualatin OR 97062 noted a letter from Mayor Lou Ogden, City of Tualatin that he provided for the record. He highlighted some of their concerns (a copy of which is included in the meeting record). Councilor Newman thanked Mr. Rux for summarizing Tualatin's concerns. He felt their letter was very clear. He suggested

City of Tualatin

Exhibit No. 102

Metro Council Meeting
11/13/03
Page 3

discussing factors. Councilor McLain echoed Councilor Newman's comments about the thoroughness of the City's letter. She spoke to the importance of industrial lands and suggested that the City make some recommendations as to appropriate sites. Mr. Rux said they did not have specific recommendations on industrial lands. They felt lands that had good transportation access were essential. For Tualatin, the Tigard Sand and Gravel site, would work if you enhanced the transportation in the area. Councilor McLain asked how many miles the site was from I-5? Mr. Rux said about 2.5 miles. Councilor McLain talked about time and mileage components to industrial sites. She felt Tualatin was doing a great job at protecting industrial lands. Mr. Rux spoke to several sites and their commitment to protecting industrial lands. Councilor Hosticka asked Metro Attorney, Dan Cooper, about the issue of the Measure 56 notice. Dan Cooper, Metro Attorney, said Ballot Measure 56 was amended in the last legislative session. Metro had to comply with the new language of Ballot Measure 56. Currently Metro was required to notify the local jurisdictions. The recent language change would require Metro to notify property owners that might be impacted. New language had not yet been implemented. Councilor Hosticka summarized the basic thrust of the letter. Mr. Rux said they believed that it was inappropriate that the proposed industrial lands in Tualatin be identified as a Regionally Significant Industrial Area (RSIA). They did not believe that there was an industrial lands problem in Tualatin. Councilor Monroe asked about the I-5 connector and if it would change the viability of making the Sand and Gravel site an industrial site. Mr. Rux said yes it would make it more viable. Councilor McLain talked about consistency. Mr. Rux talked about the I-5 connector. Councilor Newman talked about the appropriateness of a RSIA designation. Did he believe that the new lands that had been brought in, in December 2002 could be designated as RSIA's? Mr. Rux said they would have to wait and see. Deputy Council President Park asked about protection of large sites. Mr. Rux said he felt this issue needed to have more discussion.

Dan Slevin, Real Estate Broker, Colliers International, 601 SW Second Avenue, Suite 1500 Portland OR 97204 said he was just made aware of the industrial lands issue from an Oregonian article. He spoke to the 50 acres minimum. He said some of his clients might only need a 30-acre site. If they could not relocate, they would leave the state. He said if this were implemented, due to the 50-acre minimum, his company would leave the state. He said in the last 10 years he could think of the need for only three 50 acres sites. Deputy Council President Park said last year they had heard exactly the opposite. Councilor Burkholder spoke the need for 50 acres sites. The vast majority of lands, that were zoned industrial, were smaller than 50 acres. Therefore, this rule would not apply. He felt that the 50-acre requirement was aimed at a few sites, approximately 5 to 6 sites.

Mark Hush, Real Estate Industrial Broker, Colliers International, 601 SW Second Avenue, Suite 1500, Portland OR 97204 said there was a need for some RSIA's. He was concerned about putting further constraints on a limited land supply. They had brought new lands into the inventory but he was concerned that this rule would drive up prices. He felt the regional government was being heavy handed. He talked about the transition of real estate. They had to allow for change overtime. Deputy Council President Park said last year the private sector was asking for more large lot industrial lands. Councilor McLain thanked both of them for their time. She said they were trying to provide infrastructure for the region to make it easier to do business. Mr. Hush added that a common sense approach to identify lands outside the Urban Growth Boundary (UGB) was to bring in this type of site.

Deputy Council President Park closed the public hearing.

6. CHIEF OPERATING OFFICER COMMUNICATION

City of Tualatin

Exhibit No. 102

Michael Jordan, Chief Operating Officer, reminded the Council that they were trying to schedule retreat dates in December. Yesterday, the senior management staff went on a retreat for the day. It retreat was very productive.

Deputy Council President Park asked Andy Cotugno, Planning Director, and Kim Ellis, Planning Department to explain a draft letter to Stuart Foster, Chair of the Oregon Transportation Commission. Mr. Cotugno presented a draft letter to Oregon Department of Transportation concerning efforts to establish a Special Transportation Areas (STAs) and suggesting specific areas. He spoke to a concern with urban design goal versus freight mobility goal and where there were conflicts (a copy of the letter is included in the meeting record and also includes Special Transportation Area (STA) Candidates for the Metro Region). He said the progress to set STAs was moving forward. Councilor Hosticka asked about the letter. Mr. Cotugno explained the specifics of the letter. It would call for additional freight scrutiny. Councilor Newman asked for clarification on the designation of a STA. Councilor Burkholder talked about state involvement in designation of facilities. The question arose about a regional facility and if it was appropriate for the State to play a role in these designations. He had raised the question about the appropriate level of State involvement. He and Deputy Council President Park would be meeting with the State next Monday to discuss the letter. Mr. Cotugno said the issue of the STA designation only applied to State-owned route. He clarified the freight route issue and the appropriate role of the State. Councilor McLain said her biggest concern was that they do nothing to cause a loss of funding.

Deputy Council President Park clarified the key issues. This letter would allow Metro to participate, where right now we were not able to do so. He asked Council if they supported the letter? Councilor Newman supported the letter and felt Council should move forward. Mr. Cotugno said he felt it was worthwhile to approve the letter in its current form. He added that there ought to be a discussion concerning appropriate designs that ought to apply on regional freight routes. Councilor Hosticka said Joint Policy Advisory Committee on Transportation (JPACT) approved this letter but there was still need for further discussion about this issue. Deputy Council President Park said he would sign the letter in its current form as Deputy and Chair of JPACT.

Motion:	Councilor Burkholder moved to accept JPACT's letter and direct our representative at Oregon Transportation Commission (OTC) to raise the issues that had been discussed and to also present the JPACT letter in its entirety.
Seconded:	Councilor Monroe seconded the motion

Vote:

Councilors Burkholder, McLain, Monroe, Hosticka, Newman and Deputy Council President Park voted in support of the motion. The vote was 6 aye, the motion passed.

7. COUNCILOR COMMUNICATION

Councilor Burkholder said the Bi-State charter was approved by JPACT. This would be coming before Council in December.

Councilor McLain asked about the industrial lands criteria. Mr. Cooper said he couldn't answer the question but would make sure Mr. Benner responded to her question.

8. ADJOURN

City of Tualatin

Exhibit No. 102

Metro Council Meeting
11/13/03
Page 5

There being no further business to come before the Metro Council, Deputy Council President Park adjourned the meeting at 3:14 p.m.

Prepared by

Chris Billington
Clerk of the Council

City of Tualatin

Exhibit No. 102

**ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF NOVEMBER
13, 2003**

Item	Topic	Doc Date	Document Description	Doc. Number
3.1	Minutes	11/6/03	Metro Council Meeting Minutes for November 6, 2003	111303c-01
5.1 & 5.2	Letter	11/13/03	To: Metro Council From: Mayor Lou Ogden, City of Tualatin Re: Regionally Significant Industrial Areas	111303c-02
6	Draft letter	11/13/03	To: Stuart Foster, Chair of Oregon Transportation Commission From Rod Park Deputy Council President and JPACT Chair Re: Special Transportation Areas	111303c-03
6	Attachment	11/13/03	To: To: Stuart Foster, Chair of Oregon Transportation Commission From Rod Park Deputy Council President and JPACT Chair Re: Special Transportation Areas Candidates for the Metro Region	111303c-04

City of Tualatin

Exhibit No. 103

MINUTES OF THE METRO COUNCIL MEETING

Thursday, May 27, 2004
Metro Council Chamber

Councilors Present: David Bragdon (Council President), Susan McLain, Rod Monroe, Rex Burkholder, Rod Park, Brian Newman

Councilors Absent: Carl Hosticka (excused)

Council President Bragdon convened the Regular Council Meeting at 2:01 p.m.

1. INTRODUCTIONS

There were none.

2. CITIZEN COMMUNICATIONS

There were none.

3. ISSUES TO CONSIDER IN IMPLEMENTING A PAY-FOR-PERFORMANCE PROGRAM

Alexis Dow, Metro Auditor, provided a power point presentation on matters to consider on implementing a pay-for-performance program (a copy of which is found in the meeting record). She noted background, success factors, and inhibiting factors.

Councilor Burkholder asked about the value of pay for performance (PFP) if they couldn't offer financial compensation. Ms. Dow said she felt it was good. It was important to identify goals and provide feedback to the employee. You can do these things without having a PFP program. She spoke to motivators beyond money. A good human resource system will have good communication, guidance and regular feedback.

4. CONSENT AGENDA

4.1 Consideration of minutes of the May 20, 2004 Regular Council Meetings.

4.2 **Resolution No. 04-3451**, For the purpose of confirming the appointment of Sarah Barrett to the North Portland Rehabilitation and Enhancement Committee (NPREC).

4.3 **Resolution No. 04-3452**, For the purpose of reappointing Jean Estey-Hoops and Susan Landauer to Metro North Portland Rehabilitation and Enhancement Committee (NPREC).

Motion:

Councilor Newman moved to adopt the meeting minutes of the May 20, 2004, Regular Metro Council and Resolution Nos. 04-3451, 04-3452.

Vote:

Councilors Burkholder, McLain, Monroe, Park, Newman and Council President Bragdon voted in support of the motion. The vote was 6 aye, the motion passed.

City of Tualatin

Exhibit No. 103

Metro Council Meeting
05/27/04
Page 2

5. ORDINANCES – FIRST READING

5.1 **Ordinance No. 04-1053**, For the purpose of Amending the FY 2003-04 Budget and Appropriations Schedule by Transferring \$250,256 from Contingency to Operating Expenses in the Zoo Operating Fund to allow the Zoo to recognize the cost associated with the Simulator and Butterfly exhibits; and declaring an emergency.

Council President Bragdon assigned Ordinance No. 04-1058 to Council.

6. ORDINANCES - SECOND READING

6.1 **Ordinance No. 04-1040**, For the Purpose of Amending the Metro Urban Growth Boundary, The Regional Framework Plan and the Metro Code to Increase the Capacity of the Boundary to Accommodate Growth in Industrial Employment.

6.2 **Ordinance No. 04-1041**, For the Purpose of Amending Metro's Regional Framework Plan to Better Protect the Region's Farm and Forest Land Industries and Land Base; and Declaring an Emergency.

Council President Bragdon explained the process for the public hearing and amendment process. Michael Jordan, Chief Operating Officer, provided a history of the process the staff had gone through to get to his recommendation. He noted the staff report, which he used as an outline for discussing his recommendation, this included background factors including the Urban Growth Report concerning land supply, statewide planning goals, application of Metro Policies, discussion of suitability factors for industry, fulfilling the need for industrial lands, study areas meeting at least one location factor, study areas excluded due to additional analysis, discussion of suitable alternatives analysis areas, additional areas considered for Urban Growth Boundary expansion, meeting Goal 1 requirements, completing periodic review, legal antecedents, anticipated effects, budget impacts and recommended action. Council President Bragdon also noted Metro Policy Advisory Committee (MPAC) recommendation (a copy of which is included in the meeting record).

Council President Bragdon opened a public hearing on Ordinance No. 04-1040.

Lou Ogden, City of Tualatin Mayor, 18880 SW Martinazzi Tualatin OR 97062 provided written testimony which he and his staff summarized. They were opposed to North Borland Road area and Norwood/Stafford (Tualatin South) area as industrial area and east of I-5 if this area were to be recommended. They were willing to support the quarry area with conditions. It was their job to work with the Council to come to a workable solution. He said they have 36% industrial in their incorporated area. He spoke to local control. He urged Council to support their community vision. He spoke to the MPAC recommendation, which supported removal of Tualatin, and also represented a policy shift for classification of soils. Councilor Newman spoke to need numbers and the state law constraints. He extended the opportunity for the Mayor to work with Council.

Ed Truax, Council President, 18880 SW Martinazzi Tualatin OR 97062 spoke to traffic issues, water issues, Goal 14 soils factors, quality of life and livability issues as well as coordination efforts with Metro. He shared Tualatin's vision and asked Council to oppose the inclusion of Tualatin into the Urban Growth Boundary (UGB).

Doug Rux, Community Development Director, City of Tualatin, 18800 SW Martinazzi Tualatin OR 97062 noted that they had submitted both technical and legal information for the record (a

City of Tualatin

Exhibit No. 103

Metro Council Meeting

05/27/04

Page 3

copy of which is found in the record). He talked about traffic, funding, and ability to serve issues. He commented on infrastructure issues as being inadequate. He noted the yield acreage. He addressed fair share issues. They supported the quarry site and he detailed conditions for their support. Councilor Newman said there had been much debate on the need number. He asked Mr. Rux if the Regional Economic Partnership had taken a position. Mr. Rux said they had not taken a position. He spoke to adjusting the need number. He felt that the 1200 acres need would be workable.

Jeff Condit, Miller Nash on behalf of the City of Tualatin 18880 SW Martinazzi Tualatin OR 97062 said he had submitted detailed written comments for the record. He highlighted those for the record. He questioned land that was excluded from the initial alternatives analysis. He felt that the Chief Operating Officer (COO) had done it backwards and explained further why he felt it was backward. He talked about Goal 2 and the Court of Appeals comment. He spoke to the need for partnership. They were willing to work with Metro but couldn't accept all three of the sites. Council President Bragdon talked about local control and the statewide requirements. The implementation lies with local governments and this was why the Council needed to coordinate with the city. Council President Bragdon noted City of Tualatin's partnership.

Councilor Park asked about the Borland Road recommendation and if this was a "not now" or "not ever". If conditions or criteria were different would they be supportive of this area? Mayor Ogden said yes, issues of transportation were the current preventor for development in this area. They wanted to participate in a long-term planning process for that area. They were accepting industrial area for the entire region. Councilor Park said one of the themes in the 2002 UGB decision was focusing on centers. He felt Mayor Ogden had indicated that they would be willing to participate in a longer term planning effort to grow the region.

Councilor McLain asked Mr. Rux about the MPAC package and how the Regional Economic Partners positioned themselves. Mr. Rux said he could not respond to this.

J Clayton Hering, 121 SW Morrison Suite 200 Portland OR 97204 commended the Council for the progress they had made. He spoke to quality rather than quantity. He addressed the development side. He talked about the competitive environment. He felt Council failed if they didn't take into consideration the quality side of the coin because of the lack of funds. They didn't have enough money to take a site that was underserved. The biggest problem they saw with some of the sites was the ability to service them with roads, utilities, etc. Council had to be careful that they took into consideration adjacency to the main thorough fairs and ability to serve. Council President Bragdon said he illustrated part of their dilemma. He said MPAC's recommendation had been to take sites that were not adjacent to thorough fairs and recommend sites that might not be close to highways. Mr. Hering said Council had to look to the future. The market place was very competitive, the closer to major highways the better.

Sparkle Fuller Anderson, 27480 SW Stafford Wilsonville OR 97070 talked about Councilor Newman's amendment. Council President Bragdon explained that these were proposed amendments. Councilor Newman had a proposed amendment to drop the Wilsonville area. Ms. Anderson said the area was not currently in Wilsonville but in Clackamas County. If Wilsonville doesn't want Wilsonville East, they didn't have to take it. She noted Evergreen was farmland. They need to take the land that was ruined first and leave the land that was farmable. She spoke to truck access in the Wilsonville East area. She said Evergreen was not on I-5 or I-205. She felt Wilsonville East met the criteria. Councilor Newman reiterated that his amendment was a proposed amendment. Everything was still in play. He encouraged that she speak to Clackamas County because they were currently opposed to Wilsonville East.

City of Tualatin

Exhibit No. 103

Metro Council Meeting
05/27/04
Page 4

Maureen Larsen, Wilsonville East landowner 259 35 SW Stafford Wilsonville, OR 97070 said this area was not farmland. They owned a retail nursery. Because of the lack of water in Wilsonville they grew their stock in Hillsboro. Hillsboro had wonderful office campuses and quality jobs. The Wilsonville East land was not productive. She urged that this land be banked to create future jobs. Clackamas County was on record saying they needed high tech jobs. She didn't think trucks were an issue; this area was more likely to be high tech. This area could be used for high tech jobs.

Dave Volz, 22530 SW Erin Piper Tualatin OR 97062 provided written testimony and summarized it for the record. He spoke to the grass roots effort to not include the Tualatin area as industrial. He said there were many who did not agree. Councilor Newman commented on his remarks.

Bill Kenny, Coalition to Save the Valley 37535 Arbor Lake Drive Wilsonville OR said he asked Council to restore some language of 1.1-2, Rural Resource Lands. They had deleted a phrase at the end of the paragraph and shall not choose agriculture land south of the Willamette River or Pudding River. He had talked with a lot of planners. For thirty years this had been implicitly understood. The land was never considered to be part of the inventory. They thought that this issue had been significantly vetted in the public record. He urged Council to follow the City's recommendation.

Diane Yates 12995 NW Bishop Hillsboro OR 97124 provided written testimony and summarized her testimony for the record. She did not support including Helvetia as an industrial area.

Michelle Hascall, Helvetia Community Resident, 10219 Helvetia Rd Hillsboro OR 97124 provided written testimony from Dr Shirley Malcolm. She felt Helvetia served a purpose other than industrial use.

Gary Gentemann 11935 SW N Dakota St Tigard OR 97224 said he had spoken of 11 property owners who were supportive the Evergreen parcel and extending that area to the Sunset Highway. He felt it was a reasonable alternative to Tualatin and Helvetia. City of Hillsboro had expressed not going across Hwy 26.

Michael Robinson, Perkins Coie 1120 NW Couch 10th Floor Portland OR 97209 provided a written copy of his testimony. He urged MPAC recommendation on Title 4. He spoke to the principle differences between the Chief Operating Officer's recommendation and MPAC recommendation. He spoke to medical office issues. He spoke to planning processes that worked.

Delna Jones, Providence Health Care 14480 SW Chardonnay Tigard OR 97224 said she had presented a report concerning health care to the staff today. She summarized Dr. William Conerly's report. Councilor Newman said the reason Providence wanted this provision in Title 4 was so they could buy land below market rates. He asked she respond to this. Ms. Jones said the issue for Providence was to find locations that were accessible to patients and find jobs accessibility. They did need to look at costs as well as availability of land.

Council President Bragdon asked Mr. Robinson about access to other industry and which of those attributes were helpful to his industry. Mr. Robinson said transportation accessibility was a factor. They wanted to be near the folks that use medical facilities, near employers, transit, and accessibility. Councilor McLain said some were saying, what about hospitals that were closing? Mr. Robinson said when hospitals closed, there were still patients that needed to be served. Hospitals that closed had to do with management not with the lack of patients. Councilor McLain

City of Tualatin

Exhibit No. 103

Metro Council Meeting
05/27/04
Page 5

asked about the need to have facilities. Ms. Jones responded they were talking about clinics not necessarily hospitals. Clinics needed to be easily accessible to clients. Mr. Robinson said they were trying to maintain status quo.

Paul Lee City of Wilsonville 30000 SW Town Center Loop East Wilsonville OR 97070 provided a written copy of his testimony. The City supported a hard edge.

Kathleen Newcomb 17515 Cheyenne Way Tualatin OR 97062 provided statistics for the record. She spoke to the Borland Road area and South of Tualatin area. She endorsed what others had said about the problems with including those two areas in the UGB. She was neutral about the quarry area. She spoke to the livability: buffers, lack of traffic, percent of land within the city and cost. She gave an example of capital costs for fixing up Borland area streets. Who was supposed to pay for this? This should be added to the criteria. She also mentioned water issues.

Jonathan Schlueter, Westside Economic Alliance 10200 SW Nimbus Portland OR 97223 provided written testimony and summarized that testimony. Council President Bragdon asked if they thought the need number was accurate. Mr. Schlueter said they needed to provide enough acreage to meet the need. Councilor McLain asked him to address the issue of existing clusters, nine of the eleven were on the Westside. Mr. Schlueter said Cornelius lended itself to the nursery industry, food processing sector, timber products businesses and some of the shipping businesses.

Greg Specht 15400 SW Millikan Way Beaverton OR 97006 said he was a commercial real estate developer. You could not tell a user or a tenant what to accept. He urged keep users in mind, when expanding the boundary. Users need large, flat, readily serviceable to transportation areas. He was Chair of the Governor's Industrial Lands Advisory Committee, we identified the 25 shovel ready sites, five were in the Portland area. Significantly, none of them were on the I-5 spine. We came to the conclusion that we needed to consider land south of the Willamette River. As you look at the sites, consider the needs of the tenant and the requirements of the users and then do a cost benefit analysis. Please consider the sites south of the Willamette River. Councilor Burkholder said there was an intense competition for land with good freeway access. Did his committee discuss providing support for governments like Metro to protect land for industrial and not be converted to commercial? How do you keep it from turning into the next super-mall? Mr. Specht said they did not speak about this issue specifically but he talked about the old Burns Bros. site. They coordinated that redevelopment. He spoke to extenuating circumstances. As an industrial developer they had long lamented the conversion of industrial to other uses, the primary culprit was housing demand. There had been an awful lot of conversion in the past. There were provisions that could be placed on property that would prevent it for conversion. Some of the past conversions had extenuating circumstance. If they went south, he felt they could put restrictions on future sites. He was focused on the 100-acre plus sites that would be attractive to the national site selectors. He felt protection could be done in perpetuity with land that was brought in.

Jay Cosnett 1246 SW Borland Rd West Linn OR 97068 provided written testimony opposing the North Borland road expansion.

Jeff Bauman, Public Works Director, City of Wilsonville 30000 SW Town Center Coop Wilsonville OR 97070 said he provided comments at the May 6th meeting on ground water issues in Wilsonville East. He said there was a MTAC conversation about ground water, which he felt that there was some confusion. He referenced a 90-foot water table drop. He provided written testimony clarifying this issue. Councilor Burkholder asked about how much the water table dropped before it began to rise again. Mr. Bauman said in Wilsonville the water table dropped about four feet per year. Once they had the additional water source it had reversed 10 years of

City of Tualatin

Exhibit No. 103

Metro Council Meeting
05/27/04
Page 6

decline. Councilor McLain asked about change in capacity if these tables were coming back up. Mr. Bauman talked about winter and summer usage in the past and the current average. Councilor McLain said they were still using 1 million gallons from the new sources. Mr. Bauman said the old source had been turned off. They were not using the wells. All water usage was from the new source. Councilor Park asked about the Department of Water Resources intent to grant long-term water rights on an ongoing basis, what was the guarantee to farmers from the City of Wilsonville? Mr. Bauman said the properties that currently have water rights could fully use those rights. If you added existing water rights together, they add up to about 1 million gallons a day. Future water rights were the policy question he was asking.

Councilor Park asked Mr. Specht, when did you allow non-industrial uses in industrial sites? Mr. Specht asked if he was referring to medical uses. Mr. Specht said he did not have a problem with medical use because it was not a big user of land. If you were referring to retail or housing, that was not helpful, it did not preserve the land for its intended use.

Hal Keever W & H Pacific 9755 SW Barnes Portland OR 97225 said they were asked to do a detailed cost analysis on specific sites. They looked at the cost associated with eight sites. He spoke to the matrix in the report and noted a package he had submitted for the record. Councilor Burkholder asked about the disparity in the numbers in Mr. Keever's report and numbers submitted previously that were very different from his. As an example he mentioned Mr. Rux's testimony that the cost in Borland Rd. area was 40 million. Mr. Keever spoke to the disparity being dependent upon the assumptions that were made.

David Dodds, Mayor of West Linn 18431 Old River Dr West Linn OR 97068 said they should be in receipt of a letter from the City of West Linn a week ago. City Council and Mayor were opposed to the North Borland Road area. He supported Councilor Newman's proposed amendment and MPAC's recommendation. He spoke to infrastructure difficulties, low capture rates, cut up parcels, conflicting uses and transportation issues. West Linn was concerned with all of these issues but their overriding concern was about livability and quality of life in West Linn. He spoke to rural separation in communities. He urged Metro to work with the communities and reduce the amount of acreage in the needs figures. All three of the communities in the areas were opposed to the Borland area as industrial. He urged that Council follow MPAC recommendation to remove this site from consideration. He spoke to existing vacancy issues and that needs figures did not incorporate this land.

Robert Ruedy, 14185 SW 100th Ave Tigard OR 97224 provided his written testimony for the record but did not testify.

Charlotte Lehan, Mayor of Wilsonville, 29786 SW Lehan Wilsonville OR 97070 provided written testimony for the record. She supported the MPAC's recommendation. She added that she did not think that Donald or Aurora wanted to be annexed. She then spoke to the Burns Bros. truck site, which had always been commercial. It was never industrial. She then addressed the I-5 corridor. She was concerned that we were using this as criteria. The criteria had been "next to a freeway". She then spoke to EFU lands. She was concerned that in the recommendation there was as much EFU as there was. She felt that bringing in EFU should be done rarely and should be done with local support and Metro support. She felt that this was what the MPAC compromise was trying to get to.

Kristina Traffas, Save Frog Pond Community Coalition 28579 SW Wagner St Wilsonville OR 97070 provided written testimony and summarized her testimony for the recorded.

City of Tualatin

Exhibit No. 103

Metro Council Meeting
05/27/04
Page 7

Blaire Anderson 16172 SE Keller Rd Clackamas OR 97015 did not testify.

Doris Wehler 6855 SW Boeckman Wilsonville OR 97070 said with the MPAC recommendation they had a unique opportunity. MPAC compromise supported the jurisdictions. She spoke to the public relations issues. The public was trusting Council to take the comments to heart. She urged removal of North Borland, Tualatin and Frog Pond sites. Councilor McLain said they were listening but they were trying to be fair and equitable to all citizens of the region. They were being asked to make some decision and until the laws were changed, they must comply with those laws.

Greg MackLean, 12995 NW Bishop Rd Hillsboro OR 97124 said he was an owner of a livestock breeding farm in the Helvetia area provided written testimony and summarized that testimony for the record. Councilor Park said he felt that he had well stated some of the problems that this Council was facing. It was a matter of time. It was time for citizens to go to Salem to have a conversation to change the laws. Any pressure they could put on the State representatives to change the situation would be helpful. Mr. MackLean said he understood their dilemma; we can't be all things to everyone. The end result was that Oregon was not the Oregon he grew up with.

Council President Bragdon closed the public hearing. He then asked Councilors to introduce their amendments. It was noted that Councilor Hosticka, although not present, had proposed amendments to bring forward on his return.

Councilor Monroe said Councilor Hosticka would be in support of the MPAC recommendation to delete MPAC's recommended areas. He asked for further details on MPAC's recommendation giving latitude to local governments on what was allowed on industrial lands.

Councilor McLain asked about formal motions. President Bragdon noted formal motions would take place next week; today was simply for introduction and discussion. Councilor McLain went on record to ask staff to take a look at the need number. She suggested that she might have amendments to Cornelius, Evergreen and Tualatin.

Councilor Newman talked about the multitude of public testimony. He noted his proposed amendments. He said the first amendment was the need number. The second amendment had to do with the revised expansion area. He detailed his amendment which reduced the need number and added some area to the Evergreen area but would take out Borland and Wilsonville East. He said they would be working hard to have resolve.

Councilor Burkholder asked about Noyer Creek area. Councilor Newman said it was not on the COO's recommendation but in MPAC's recommendation. He commented that 39% was industrial in his district. Industrial land and jobs were a benefit to the region. He noted the motion about the Urban Growth Report and the assumed redevelopment and infill rate for industrial and commercial land. He felt the need number could go up to 37% for redevelopment and infill for industrial land and commercial land which was currently 50% could get higher efficiency and reuse rates also. He said he wanted to ask the staff to calculate a new need number. It was not an amendment to the COO's recommendation.

Councilor Monroe said he was cautiously nervous about changing the numbers to reduce the need. He wanted to make sure these numbers were justifiable and logical. Councilor Burkholder said he had a discussion with Mr. Yee about the methodology and with legal staff about the strength of support to make that change. They were statistically valid and legally supportable.

City of Tualatin

Exhibit No. 103

Metro Council Meeting
05/27/04
Page 8

Councilor Park said almost everything in the Chief Operating Officer's recommendation was in play, other than the quarry. There was some land in Oregon City and Wilsonville that might need to be rezoned. Council President Bragdon said those were covered under Councilor Newman's amendment. Councilor Park said he would recommend an amendment to leave in the Springwater area. The concept planning that Gresham had done had indicated it was industrial.

Council President Bragdon said Mr. Cooper was looking at some of the original Evergreen conditions. There may be some changes coming forward in terms of electricity or natural gas issues.

President Bragdon noted that Ordinances No. 04-1040 and 04-1041 would be brought forward to the June 3, 2004 at 2:00 p.m.

7. RESOLUTIONS

4.4 **Resolution No. 04-3458**, For the Purpose of Granting an Easement to the City of Cornelius For Non-Park Use Through Metro Property Located at North 29th/Hobbs Road.

Motion:	Councilor McLain moved to adopt Resolution No. 04-3458.
Seconded:	Councilor Newman seconded the motion

Councilor McLain detailed the resolution. She urged support for the easement. Councilor Burkholder said he felt it was a small amount of money. He suggested documenting what we were getting in value in exchange for this. He spoke to the design of the road and storm water issues. They shouldn't allow degradation of the property. He urged using our green streets design. Councilor McLain said she would support this direction. We did buy the property and we should make sure we were following some of our own models, like green streets.

Motion to amend:	Councilor Burkholder moved to amend Resolution No. 04-3458 by adding a condition of granting this easement, a requirement of this project was to not discharge any storm water directly into Council Creek without treatment and recommend use of green street guidance.
Seconded:	Councilor McLain seconded the motion

Councilor Newman asked about the use of swales or other approaches. Councilor Burkholder clarified the main point was not to allow storm water discharge without treatment. Councilor Park asked about treatment in the green street guidelines for peak run off, would there be a metered amount or storage before it went into the system? Councilor Burkholder said he felt this was a guideline and should be added as a friendly amendment. Councilor McLain said it was covered in the original motion.

Councilor McLain felt it was very important to go on record that when we give easements there was value in those easements and we wanted to make sure we were protecting our properties and the uses of our properties. It was important to partner with our neighboring cities and counties. This was a partnering we were doing in good faith.

Vote to amend:

Councilors Burkholder, McLain, Monroe, Park, Newman and Council President Bragdon voted in support of the motion. The vote was 6 aye, the motion passed.
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City of Tualatin

Exhibit No. 103

Metro Council Meeting
05/27/04
Page 9

Vote on the Main
Motion:

Councilors Burkholder, McLain, Monroe, Park, Newman and Council President Bragdon voted in support of the motion. The vote was 6 aye, the motion passed.

7.1 **Resolution No. 04-3455**, For the Purpose of Acknowledging the Regional Solid Waste Management Plan Contingency Plan and Directing Staff to Conduct Additional Outreach and Analysis on Select Contingency Strategies

Motion:	Councilor Park moved to adopt Resolution No. 04-3455.
Seconded:	Councilor Newman seconded the motion

Councilor Park summarized the resolution. Amendments to the Regional Solid Waste Management Plan (RSWMP) in April 2003 established a contingency planning process to evaluate and recommend strategies to reach the 2005 recovery goal of 62 percent if sufficient progress was not being made. As of the end of 2002, the region's recovery rate was 54 percent. Based on past recovery trends, it is highly unlikely the region will meet the 2005 recovery goal without increased efforts. Metro Council directed staff to convene a contingency planning work group to identify recycling policies to increase recovery. The work group set out recommendations - collectively called the Contingency Plan. MPAC and local government feedback supported the further development of Contingency Strategies #1 (C&D load recovery) and #2 (business recycling standards). In addition, Metro Council Solid Waste and Recycling Liaisons recommended further developing Contingency Strategy #3 (dry waste load recovery) in conjunction with Construction and Demolition (C&D) load recovery, for the following reasons: First, it may facilitate the timely phase-out or reduction in the Regional System Fee Credit Program. Second, processing requirements for all dry waste loads would place the same recovery standard on all facilities that accept Metro region waste. Third, it eliminated the potentially confusing process for developing definitions for construction and demolition loads; and result in more consistent methods for monitoring and enforcement. He said passage of this resolution would establish a work group to develop the program details of Strategies #1 & #3. The results of the work group would be presented to Council for consideration in summer/fall 2004. Approval of the resolution would direct staff to work with local governments and stakeholders to develop and evaluate strategies for increased business recycling. With Council approval, any new standards may be incorporated into the updated Regional Solid Waste Management Plan. He urged support.

Councilor Burkholder asked Councilor Park to discuss the discussion on organics. Mike Hoglund, Director of Solid Waste & Recycling, said the contingency plan came up with four recommendations, but they had three before them today. They said stay the course with the current organics program but bring it back in a year and then re-evaluate it to see if there was an opportunity to expand on the program.

Vote:

Councilors Park, Burkholder, McLain, Monroe, Newman and Council President Bragdon voted in support of the motion. The vote was 6 aye, the motion passed.

8. CONTRACT REVIEW BOARD

8.1 **Resolution No. 04-3447**, For the Purpose of Authorizing the Chief Operating Officer to Enter Into an Office Lease Between Metro and the City of Portland, Bureau of General Services, For the Community Policing Center Located at the Metro Regional Center

City of Tualatin

Exhibit No. 103

Metro Council Meeting
05/27/04
Page 10

Motion:	Councilor Burkholder moved to adopt Resolution No. 04-3447 with a change to 2005 (error in the resolution).
Seconded:	Councilor Monroe seconded the motion

Councilor Burkholder explained the resolution. He recommended approval.

Vote: Councilors Park, Newman, Burkholder, McLain, Monroe and Council President Bragdon voted in support of the motion. The vote was 6 aye, the motion passed.

8.2 **Resolution No. 04-3461**, For the Purpose of Entering into Agreements with U.S. Dept of Agriculture and Ducks Unlimited for the Restoration of Open Space Property and Authorizing the Chief Operating Officer to Release a Request for Bids and Execute the Contract.

Motion:	Councilor McLain moved to adopt Resolution No. 04-3461.
Seconded:	Councilor Newman seconded the motion

Councilor McLain talked about the resolution and the leverage of support by working with these partners. She urged support.

Vote: Councilors Park, Newman, Burkholder, McLain, Monroe and Council President Bragdon voted in support of the motion. The vote was 6 aye, the motion passed.

9. CHIEF OPERATING OFFICER COMMUNICATION

Michael Jordan, COO, said Andy Cotugno, Planning Director, offered his help on Councilor amendments. Mr. Cotugno suggested releasing the amendments to the public on Tuesday afternoon. Council President Bragdon asked if they could take these up at the retreat. He suggested having a packet by Wednesday morning. Councilor McLain explained that some of her amendments weren't going to happen without other amendments. She said they needed to know the other amendments. Mr. Jordan said their attempt was to get as many as they knew about ahead of time. He thanked Council for their work at yesterday's retreat.

10. COUNCILOR COMMUNICATION

Councilor Park asked about guidance for the amendments. Council President Bragdon said they would take motions related to the need number first. Councilor Newman asked if his amendment would be better handled as one or three. Dan Cooper, Metro Attorney, said setting the need number and picking the land to meet the need was a good process to follow. He talked about what happened if the need number was out of balance. Council could go back to revisit the need number. Councilor McLain said it was important to have this decision set us up for future decisions. She spoke to centers, what were we doing to make these centers right? She suggested talking to these issues when proposing amendments.

11. ADJOURN

There being no further business to come before the Metro Council, Council President Bragdon adjourned the meeting at 5:15 p.m.

City of Tualatin

Exhibit No. 103

Metro Council Meeting
05/27/04
Page 11
Prepared by

Chris Billington
Clerk of the Council

City of Tualatin

Exhibit No. 103

Metro Council Meeting
05/27/04
Page 12

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF MAY 27, 2004

Item	Topic	Doc Date	Document Description	Doc. Number
3	Power Point Presentation	5/27/04	To: Metro Council From: Alexis Dow, Metro Auditor Re: PFP Program Considerations	052704c-01
4.1	Minutes	5/20/04	Metro Council Regular Meeting Minutes of May 20, 2004	052704c-02
6.1	Amendment	5/27/04	To: Metro Council From: Brian Newman Re: Amendment to Ordinance No. 04-1040	052704c-03
6.1	Testimony	5/27/04	To: Metro Council From: Chris Barhyte, Tualatin City Council Re: Opposition to expansion in Tualatin and Borland Rd. area	052704c-04
6.1	Resolution	5/27/04	To: Metro Council From: City of Wilsonville Re: In the Matter of Proposed Adoption of Metro Ordinance 04-1040 Amending the Urban Growth Boundary to Accommodate Industrial Employment	052704c-05
6.1	Testimony	5/27/04	To: Metro Council From: Sparkle Anderson Re: Opposition to the substitution of the Evergreen area for Wilsonville East	052704c-06
6.1	Memorandum and Testimony	5/27/04	To: Metro Council From: Jeff Bauman, Public Works Director, City of Wilsonville Re: Groundwater in Wilsonville East	052704c-07
6.1	Letter	5/27/04	To: Metro Council From: Jeff Condit, Miller Nash LLP on behalf of the City of Tualatin Re: City's Legal Analysis of the Proposed Amendments	052704c-08
6.1	Testimony	5/27/04	To: Metro Council From: Jay Cosnett Re: 11 Reasons to Remove the Borland Road North from the Urban Growth Boundary	052704c-09
6.1	Testimony	5/27/04	To: Metro Council From: Maureen Larsen Re: Support of inclusion of Wilsonville East into the Urban Growth Boundary	052704c-10
6.1	Testimony	5/27/04	To: Metro Council From: Dr. Shirley S. Malcolm Re: Opposition to inclusion of the Helvetia area into the Urban Growth Boundary	052704c-11
6.1	Memorandum	5/27/04	To: Metro Council From: Lydia Neill, Principal Regional Planner, Metro Re: MPAC Recommendations to the Urban Growth Boundary	052704c-12
6.1	Table	5/27/04	To: Metro Council From: Kathy	052704c-13

City of Tualatin

Exhibit No. 103

Metro Council Meeting
05/27/04
Page 13

			Newcomb, City of Tualatin Re: Fiscal Impact Analysis on Urban Reserve Areas 2, 47, 48 and 49	
6.1	Letter	5/27/04	To: Metro Council From: Michael Robinson, Perkins Coie Re: Title 4 Regulations	052704c-14
6.1	Testimony	5/27/04	To: Metro Council From: Robert Ruedy Re: A comprehensive land use review process	052704c-15
6.1	Testimony	5/27/04	To: Metro Council From: Robert Ruedy Re: Questions and comments from May 6 Public Hearing	052704c-16
6.1	Testimony	5/27/04	To: Metro Council From: Ed Truax, Tualatin City Councilor Re: Opposition to inclusion of Tualatin into the Urban Growth Boundary	052704c-17
6.1	Testimony	5/27/04	To: Metro Council From: Diana Yates Rd: Opposition to inclusion of Helvetia into the Urban Growth Boundary	052704c-18
6.1	Summary Report	5/27/04	To: Metro Council From: William B. Conerly Re: Health Care and the Economy	052704c-19
6.1	Testimony	5/27/04	To: Metro Council From: Charlotte Lehan, Mayor of Wilsonville Re: Support of Metro Policy Advisory Committee Recommendations	052704c-20
6.1	Testimony	5/27/04	To: Metro Council From: Greg Mecklem Re: Opposition to inclusion of Helvetia into the Urban Growth Boundary	052704c-21
6.1	Report and Resolutions	5/27/04	To: Metro Council From: Lou Ogden, Mayor of Tualatin Re: Ordinance No. 04-1040	052704c-22
6.1	Testimony	5/27/04	To: Metro Council From: Jonathan Schlueter, Executive Director, Westside Economic Alliance Re: Business perspective on the recommended sites for the expansion of the Urban Growth Boundary for industrial purposes	052704c-23
6.1	Testimony	5/27/04	To: Metro Council From: Dave Volz Re: Opposition to expansion in Tualatin	052704c-24
6.1	Testimony	5/27/04	To: Metro Council From: Kristina and Gary Traffas Re: Opposition to expansion into Wilsonville East	052704c-25
6.1	Report	5/27/04	To: Metro Council From: Hal Keever, W&H Pacific Re: Infrastructure Cost Analysis for Industrial Lands	052704c-26
6.1	Table	5/27/04	To: Metro Council From: Hal Keever, W&H Pacific Re: Industrial Lands Cost Summary	052704c-27

City of Tualatin Exhibit No. 103

City of Tualatin

Exhibit No. 104

MINUTES OF THE METRO COUNCIL MEETING

Thursday, June 10, 2004
Metro Council Chamber

Councilors Present: Brian Newman (Deputy Council President), Susan McLain, Rod Monroe, Rex Burkholder, Carl Hosticka, Rod Park

Councilors Absent: David Bragdon (excused)

Deputy Council President Newman convened the Regular Council Meeting at 2:02 p.m.

1. INTRODUCTIONS

Deputy Council President Newman introduced Steve Heinrich, Mayor of Cornelius and Amy Scheckla-Cox, City Councilor for Cornelius, Tom Hughes, Mayor of Hillsboro and Chuck Becker, Mayor of Gresham.

Councilor Park introduced Brenda Bernards, Planning Department, who would be leaving Metro. He noted her contributions to Metro. Other Councilors provided thanks to Ms. Bernard for her service at Metro. Ms. Bernards shared that she had enjoyed her time at Metro.

2. CITIZEN COMMUNICATIONS

There were none.

3. CONSENT AGENDA

3.1 Consideration of minutes of the June 3, 2004 Regular Council Meetings.

3.2 **Resolution No. 04-3460**, For the purpose of appointing David Bikman as an at-large member of the Metro Committee for Citizen Involvement (MCCI), accepting the Multnomah County Office of Citizen Involvement nomination of Jeannie (J.C.) Kizak to MCCI, and appointing Kate Schiele from an at-large position to a District 2 position on MCCI.

3.3 **Resolution No. 04-3463**, For the Purpose of Accepting the May 18, 2004 Primary Election Abstract of Votes for Metro.

3.4 **Resolution No. 04-3464**, For the Purpose of Appointing the Following Members and Alternates to the Metro Policy Advisory Committee (MPAC), Ted Wheeler as Multnomah County Citizen Member; Dresden Gregory, Washington County Citizen Alternate; Wilda Parks, Clackamas County Citizen Member; and Ed Gronke, Clackamas County Citizen Alternate.

Motion:

Councilor Park moved to adopt the meeting minutes of the June 3, 2004, Regular Metro Council and Resolution Nos. 04-3460, 04-3463, and 04-3464.

Vote:

Councilors Burkholder, McLain, Monroe, Park, Hosticka and Deputy Council President Newman voted in support of the motion. The vote was 6 aye, the motion passed.

City of Tualatin

Exhibit No. 104

Metro Council Meeting
06/10/04
Page 2

4. ORDINANCES – SECOND READING

4.1 **Ordinance No. 04-1040A**, For the Purpose of Amending the Metro Urban Growth Boundary, The Regional Framework Plan and the Metro Code to Increase the Capacity of the Boundary to Accommodate Growth in Industrial Employment.

4.2 **Ordinance No. 04-1041**, For the Purpose of Amending Metro's Regional Framework Plan to Better Protect the Region's Farm and Forest Land Industries and Land Base; and Declaring an Emergency.

Deputy Council President Newman said in the interest of providing information for the citizens in our viewing audience who might need context to better understand some of the issues discussed on today's agenda, he wanted to take a few moments to provide some background.

In 2002, the Metro Council voted to bring into the urban growth boundary acres. As the official Metropolitan Planning Organization for the 24 cities in the region, the Metro Council administered Oregon land use planning processes. Land use law had two primary objectives: to protect productive farmland and to promote the most efficient use of land for economic development inside the urban growth boundary. Today's agenda was centered on some unfinished business from the 2002 decision. By June 24 he fully expected that the Council would have finally closed the books on the region's requirements to close the books on creating an inventory of land that could be protected for the exclusive use of siting industry.

A couple of months ago Metro's Chief Operating Officer (COO) made his formal recommendation to Council. The recommendation included guidelines on conditional uses of regionally significant industrial lands and it laid out the reasoning, based on years of analyses, behind his recommendation. Even though this final decision in our legally required review of inventoried lands accounts for only about 8%, or about 1,200 acres out of 13,000 that will be converted to new uses as a result of our decision two years ago as well as the decision we will make on the 24th of this month, it was perhaps a more difficult decision to make.

As he said earlier, there were 24 cities within the Metro region boundaries. All of these cities were subject to the same land use laws that the Metro Council used in planning for and controlling the region's growth. These cities and their representatives worked closely with the Council on an ongoing basis to plan for the best and highest uses of land within their city boundaries as well as those unincorporated areas outside city boundaries.

He said he thought he could speak for all the Councilors here today, and for Metro President David Bragdon who could not attend today's meeting, when he said that working through the trade offs associated with the choices for finding industrial lands had been tough. And it had been revealing. The Metro Council didn't just wake up one morning and say, "let's go out and change how land was used in local jurisdictions". He said we ran for office and we were pleased to serve citizens in this capacity because there were some realities that government, especially a regional government, were best suited to achieve on behalf of its citizens.

The fact was that population in our region would increase. How we used land as one tool to accommodate that growth in beneficial ways was central to the economic prosperity of the region. Our responsibility as Metro Councilors was to make the best choices for the best advantage of the region. It was very seductive to lapse into a parochial view of our jobs here as Metro Councilors.

City of Tualatin

Exhibit No. 104

Metro Council Meeting
06/10/04
Page 3

The fact was and every measure available to us confirmed this, the region was the economic unit in our global society. We recruited family wage jobs and sustainable industries because the region was competitive in a long list of factors.

Some things were true whether we believed them or not. It was never our wish to cannibalize the region in any way. Any decision that undermined the welfare of folks in Gresham or Oregon City undermined the way of life for folks as far away as Hillsboro and Sherwood. In that same vein, the economic benefits derived in Lake Oswego accrue North Portland and Carver. Oregon land use law required that governments prepared for the most efficient and effective ways to growth the economy. The same law required that we also ensured that vibrant and sustainable communities were the results of our planning. We also wanted great neighborhoods and capacity to accommodate diverse populations, industries, and life styles.

There was another fact that he thought was relevant to the discussion today and to the weeks in front of us. The fact was that over the years local jurisdictions had carved away at the lands that previous Metro Council's had brought into the UGB, ostensibly, for industrial uses. Many of those acres, which were ideal for keeping our 20-year inventory for the time when business and industry were ready to make investments, have been subjugated to big box retail, strip malls and other uses that offered immediate gratification to local jurisdictions. It was not a condition that we reminded people of very often because it seemed accusatorial. But he thought it was factual to say that if we had done a better job as regional partners to protect those lands from being undervalued and under used, we might not be facing the situation we face today.

Last night some members of the Council attended the Metro Policy Advisory Committee (MPAC). Mayors and staffs of cities and counties within the region attended to respond to the ordinance we were considering today. He wanted to go on record with a few of the folks who were in the Chamber this afternoon and with others who may not be here. He said he was speaking on his own behalf but he was sure his Council colleagues would have their own views that they may wish to offer. He was not unsympathetic to the arguments used by those who were seeking changes to the ordinance. He heard the rational that was presented last night, as he had heard it in many previous advisory committee meetings, at hearings here in the Council chambers and around the region, and at countless small, one-on-one meetings with property owners and elected officials.

He said, for our citizens in Wilsonville – you have made tremendous strides in planning for your community's livability while accommodating the industrial siting that every city needed for jobs and for financing that made a community self-sustaining. In some regard it was true that when the staff looked closely on the ground at all the requirements that industry had for locating in a community, Wilsonville was laudable and easy to recommend for its careful attention to routing trucks, investing in utilities, and otherwise being ready for the opportunities that come when the law said its okay to convert natural resource lands to developable lands.

He closed by saying that as of last night we have asked for a small procedural change in how MPAC presented recommendations to Council. This afternoon and he thought it was a good idea to consider it for all future communications, the MPAC chair or his or her designee would present recommendations to the Council thus we reflected a more authentic representation of the partnership between the Council and MPAC members. He appreciated Mayor Becker's willingness to follow this change in protocol on such short notice.

City of Tualatin

Exhibit No. 104

Metro Council Meeting
06/10/04
Page 4

Chuck Becker, Mayor of Gresham and MPAC Chair, thanked Council for the opportunity to come before the Council. He wanted to preface his comment about the recommendation of MPAC with a statement that when MPAC first heard of the decision of the Metro Council, there were a lot of emails passing back and forth and the members of MPAC handled what could have been a very contentious issue in a very statesmanship manner. He thought it had been a very civil discussion that took place and was very constructive and positive. He felt they had come forward with a very good recommendation to the Metro Council. He spoke to the MPAC process, which included several amendments. He read the motion to the Council, "to recommend to Metro Council to consider their action as amended to recommended to Metro Council to reconsider their action to remove the north portion of Frog Pond in Wilsonville and to add to the Chief Operating Officer's recommendation, the Cornelius portion of 91 acres, to remove the north half of the Tualatin portion and recommend that the Council consider among other areas under consideration parts of the Evergreen area to meet the balance of the need. The motion passed with 11 ayes and 4 nays. They were pleased that they were able to make this recommendation to the Metro Council. They thought it was a recommendation that the entire will benefit. It was good for all sub-regions of the region.

Deputy Council President Newman opened a public hearing on Ordinance No. 04-1040A

Patricia Miller, FARM Horticultural Park Place, 8900 NW Dick Rd Portland OR 97223, provided written testimony and maps for the record and summarized her testimony for the record (a copy of which is found in the record). She said she had served on Metro Committee for Citizen Involvement (MCCI). She felt this property was a win-win property for industrial use. She urged that this property be included in the Urban Growth Boundary. She noted a letter of support from a neighbor.

Councilor McLain asked for clarification on where her property was, was she north of Helvetia? Ms. Miller said it was known as Helvetia study area. She noted the proposed expansion area and where her property was.

Philip Edmunds, 6235 SW Kahle Rd, Wilsonville, OR 97070 provided a letter from his father, Fred Edmunds, and summarized both his own and his remarks for the record (a copy of which is found in the record). He said he ran a rose nursery in the Wilsonville East area. He said, every farmer along the I-5 corridor had sold his or her property for industrial use. He spoke to the history of his land. Several years ago they started having problems with their well. He spoke to the water table dropping. He then moved his production to California. In making the decision to move their operation to California, they decided to continue living on their property in Wilsonville. He believed that Council had made the right decision to include this land as industrial use.

Sparkle Fuller Anderson, 27480 SW Stafford Rd Wilsonville, OR 97070 thanked the Council for their work thus far. She believed the Frog Pond area was a good choice for industrial use. She felt the Bragdon amendment was a good start. She provided written testimony for the record. She urged amending the ordinance to include the southern portion of the Frog Pond area.

Maureen Larsen, 25935 SW Stafford Wilsonville OR 97070 read her testimony into the record. They owned nurseries in Wilsonville and Hillsboro. She said the north Wilsonville area would make a positive addition to industrial lands.

Lise Glancy, Port of Portland, 121 NW Everett Portland OR 97208 provided written testimony for the record and summarized that testimony. She spoke to a Terminal 6 mapping error.

City of Tualatin

Exhibit No. 104

Metro Council Meeting
06/10/04
Page 5

Councilor Burkholder said what he was hearing from Ms. Glancy in terms of the Port's interest in this decision was that lands along the I-5 or I-205 corridors were superior to anything out Hwy 26, toward the west of the region. Ms. Glancy qualified his statement, for distribution and logistics. Councilor Burkholder asked what kind of work does the Port do with its counterpart on the Washington side given that the I-5 corridor goes north too and that lots of lands were being developed in that area including some that have come on recently with warehouse distribution uses? Ms. Glancy responded that they had been very active in the I-5 trade transportation corridor and all jurisdictions involved in that have been concerned about distribution activities and development along the corridor and controlling land uses. Their domain was not in the Washington area but they have continued to be involved in those discussions. However, they have limited jurisdictional influence.

Keith Fishback, Washington County Farm Bureau, 11375 NW Roy Rd Banks, OR 97106 thanked the Council for their support of the Farm Bureau in the past. He said land was their biggest asset. They needed flat land with adequate water. He spoke to City of Cornelius and that Council Creek made a good natural buffer between agricultural land and the City of Cornelius. The agricultural industry needed buffers. He spoke to the lack of transportation in Cornelius area. He also noted the Evergreen area, which had the same issues. The site had no natural buffers. He provided written testimony as well.

Tad VanderZanden, Washington County Farm Bureau President, 2551 NE Nova Ave Hillsboro OR 97124 echoed Mr. Fishback's comments. They opposed expansion onto agricultural land. He spoke to Hillsboro/Evergreen Road area. Their family farm was close to this area. This land was some of the most productive. He urged saving this land. Councilor Burkholder asked about land east of Wilsonville. He said some of this land was compromised according to testimony they had heard. He asked Mr. VanderZanden to comment on this area. Mr. Fishback said if there wasn't enough irrigation water, it would make a good choice for industrial. Councilor Park asked about water rights versus water table. He asked their perspective on water rights. Mr. Fishback said water right was an asset to have on the property. Water rights increased the opportunity to be productive. Councilor Hostiska asked about water rights. He said they needed to be clear about the rights versus use.

Jack Hoffman Lake Oswego City Councilor, 380 A Street, Lake Oswego OR 97034 said he had four points to make; one is Borland, the second was Stafford Triangle, the third was the matter before the Metro Council which was the 2004 Industrial Land expansion, the product and the process and then finally, wrap up with the regional challenges ahead. In terms of the Borland area, he thought it was appropriate that that land not be included in terms of this round of UGB expansion for the reasons stated in their letters to the Council, for the reason stated last Thursday by this Council and for the reason that Councilor Newman state last night at MPAC. It was appropriate and they needed to move on. With respect to Stafford, there was some comments made by some of the Councilors, that there needed to be planning and coordination among the jurisdictions in Stafford. Lake Oswego agreed. They agreed two and a half years ago. But there was an issue of resources and there was an issue of partnership. Metro needed to be at the table to facilitate and partner with the cities that surround the Stafford Basin. He understood that there was an issue in terms of resources and staffing and where were you going to get the money. But if Stafford was to be planned appropriately and carefully, they needed Metro's help. They needed Metro's staffs help and the elected officials help. With respect to the UGB, the product and the process, the product was the last 5% but it was 5% that had caused a lot of angst and concern. He felt that there were some important concepts. One was, whenever the UGB moves, it can't be at the expense of town centers, main streets or corridors because these define our communities.

City of Tualatin

Exhibit No. 104

Metro Council Meeting
06/10/04
Page 6

People have a sense of place, a sense of community. When these senses of places change, people were concerned. People react, resist and revolt. That was something we have to keep in mind both now and for 2007. That was why there was this concern.

With respect to the process, we have to remember that we all represent 1.3 million people in this region. The Metro Council wanted the local jurisdictions to think as regional citizens and when they serve on MPAC that was an appropriate role. He reminded, their neighbors elected the elected officials at MPAC and the neighbors were the ones they had to answer to. He thought the discussion at MPAC last night was one of the best he had attended in the last five years. It was intelligent, thoughtful and obvious that there had been a lot of homework done, a lot of consulting with attorneys, staff, with neighbors and other councilors. There were mayors there who articulated their strongly felt positions but also legally acceptable and well thought out recommendations. MPAC came up with a compromise position. He thought from his perspective that it was a very concerted effort by the mayors of Beaverton, Gresham, Wilsonville, Tualatin, etc to extend the hand of partnership to the seven Metro Councilors to try to meet them half way, to try to get this behind them, to try to get this job done that had been dragging on since 2001. He thought this could be accepted in the terms and method and manner in which it was given that they really were thoughtful. There was still anger and emotion out there but they were willing to work. This was not the time to have our lawyers lob grenades at your lawyers.

In terms of the regional challenges, they had Goal 5, sub-regional, UGB, the son of measure 7, and takings issues facing them. He thought this was the opportunity for Councilors to reach out and accept the hand of partnership that had been extended to Council by the mayors of MPAC and move forward so that we can solve the regional problems that were coming up ahead. Councilor Park said he appreciated inviting the Council into the discussion. They were trying to figure out how you stretched resources. It was constructive to be looking at those spots now and be thinking about it in the future. Council was looking at the concept of urban reserves when you were talking about how to plan these future areas. He reminded that Council had extended their hand as well. He appreciated Councilor Hoffman coming to the meeting.

Amy Scheckla-Cox City Councilor City of Cornelius 1355 N Barlow Cornelius OR 97231 said they would like the council to reconsider their decision for expansion and to reconsider the 91 acres to help maintain a more balanced community. She read a letter from John Groth, which referred to pollution, traffic, and inadequate supply of medium lots in the region. She then read testimony from Jacob Millens, he spoke in favor of the proposal. This UGB expansion was helpful to their area. She asked them to reconsideration the 91 acres in Cornelius.

Bill Bash City of Cornelius, 1355 N Barlow Cornelius OR 97231 read his letter into the record. He said they had included a letter from Ken Martin concerning Cornelius area. He spoke to the issue of hard boundaries.

Steve Heinrich City of Cornelius Mayor 1355 N Barlow Cornelius OR 97231 said he grew up in Washington County. He said he came from a farming background. He provided written for the record.

Dick Kline, City Manager for City of Cornelius 1355 N Barlow Cornelius OR 97231 said he was recently here from Eastern Oregon which was heavily dependent on agriculture. He said they were concerned about the recent request to add an addition of 78 acres to the 91 acres. This was done to a response to an opportunity to straighten out and make full street improvements on Hobbs Road or 29th Avenue. This area was not intended to be a land grab. This was a honest and well-planned approach to make for better infrastructure and transportation access for the future. It

City of Tualatin

Exhibit No. 104

Metro Council Meeting

06/10/04

Page 7

was not intended to be a grope for property. He spoke to an area of 29th Avenue that lay between Hobbs Farms Estates and Natures Rib subdivision south Council Creek. They had an opportunity to make a full street improvement in combination with the Street of New Beginnings, housing development this June. That was a full street improvement along the entire section of roadway from the north railroad line to Council Creek. The City of Cornelius understanding that Metro did not have money for full street improvements, went out on their own and in return for dedication of right-of-way, offered to build that complete roadway. In the future, he wanted Metro to remember that. He urged not to jump to any conclusions or inferences. He urged working cooperatively. This was their intent and in the future they would be working with Metro.

Dave Volz 22930 SW Erio Place Tualatin OR said he was here as a citizen representing his neighbor in South Tualatin area. They were frustrated. They had given ample evidence in previous testimony to support not putting south Tualatin in as industrial land. He said the City of Tualatin had concurred with this recommendation. He said they had an obligation to balance the Goals. He suggested looking at Goal 2 to work with the cities on planning. They had ignored City of Tualatin, citizens and MPAC's recommendation. He felt they had a classic case of bureaucracy that had run amuck. He spoke to Oregon statute, which required them to weigh all of the goals. Councilor Hosticka said there had been a number of proposals concerning this area. Did he have thoughts about MPAC's recommendation or conditions others had suggested which would make this area a residential area. Mr. Volz said he felt the connector would have a huge impact on this area. He suggested keeping all of the area out until the connector was planned. Councilor McLain said if you have a connector wasn't it better to have the opportunity to plan the area to provide protection for the area? Mr. Volz said he didn't have a lot of faith in the outcome of conditions. It appeared to him to be more intelligent, let the connector fall where it was the most appropriate. Councilor Monroe said besides land use decisions and UGB decisions, they also had control over transportation decisions. He had committed to having the new connector have buffers from neighborhoods. The problem with waiting until the connector was sited was they could face litigation. They were trying to do the best thing for their community. Mr. Volz said he felt this decision would be challenged regardless. He believed Council had legal obligations to look at all of the Goals.

Curtis Vice, on behalf of Julian and Sharon Cranford 23320 NW West Union Rd Hillsboro OR 97124, said he was here to support Council's decision in the West Union area. Councilor Burkholder asked if this area was called Helvetia. Mr. Vice said yes it was.

Kristin Greene Cogan Owens and Cogan 813 SW Alder St #320 Portland OR 97205 said they supported inclusion of the Helvetia area. She provided a letter for the record (see Cogan, Owens, Cogan). She had been working with Bob Baker and adjacent property owners.

Bob Baker, 13820 SW 325 Place Hillsboro OR 97123 provided written testimony and summarized that testimony for the record. He said he was representing himself and other property owners in the Helvetia area. He said they saluted Council's decision. He had lived in the area all of his life. They needed land planned. He thanked the Metro Council.

Heidi Juza, 6985 SW Elligsen Tualatin OR 97062 provided written testimony and a map for the record. She spoke against the Frog Pond area zoning as industrial. She talked about traffic issues in the area. Trucks didn't belong in any neighborhood. She asked Council to apply the same compassion as President Bragdon had when he dropped the southern area. Councilor Hosticka asked if the map showed the slopes in the area. She said the City Engineer would be speaking to the slopes in the area. Councilor Park asked if they opposed it for other uses such as residential. Ms. Juza said she trusted their Mayor and City planners in their recommendation for this area.

City of Tualatin

Exhibit No. 104

Metro Council Meeting

06/10/04

Page 8

She said semi-trucks and children weren't a good combination. Councilor Park noted that farmers used trucks as well.

Doug Rux City of Tualatin 18880 SW Martinazzi Tualatin OR 97062 provided a letter for the record from Lou Ogden, Mayor of Tualatin. He suggested that all of the goals must be balanced. He spoke to complete communities, livability, character of the community and dollars for infrastructure. He asked that communities have a local vision, work with their communities. Councilor Newman asked if these areas might be more appropriate for residential versus industrial. Mr. Rux responded that goals must be balanced. He said there was rationale to leave land in or out. He said, concerning Tualatin position for the future, the primary issue was the connector. There were 12 alignments that were being studied for the connector. This decision had to be made before they could plan the area around it. Councilor McLain asked about the 12 alignments and where they were? Mr. Rux explained where the alignments were. Councilor Hosticka asked about complete communities concept. He urged Mr. Rux to help them understand what a complete Tualatin looked like to get an overall vision of what the city's vision was for a complete community. Mr. Rux said Tualatin was a complete community at this time. They felt they were out of balance with the addition of industrial land. They had done community outreach. They felt they needed to do more but they were working on that path now. Councilor Burkholder said they were following the law concerning land. They were trying to balance the various goals. The percentages of lands were a wide range of quality of lands. They weren't following one line of reasoning but were attempting to balance all of the needs.

Steve Clark Community Newspapers 1315 SW Custer Rd Portland OR said despite what Councilor Burkholder said he felt much of the decision was guided by land quality and soil types. He suggested Council be more clear. He provided written testimony for the record. He urged that their decision shape and ensure complete communities or delay their decision. He urged, do the right thing for the right reasons, which might mean a delay in the Council's decision. Councilor Park said he appreciated what Mr. Clark was saying. He wasn't sure that a delay was a good idea. How did we shape this portion of this part of the extension the 2002 decision? He could foresee making the wrong decision with a delay. Which path did you pick? It was very difficult trying to project out ahead. The dilemma they were in was that any decision had an up or down side. Mr. Clark said what was most important was that they were clear on what they expected the outcomes should be. He felt that many of the decisions that Council made he would make in his own business. It was time they articulate and connect with the communities.

Charlie Allcock, Regional Economic Development Partners 121 SW Salmon Portland OR 97204 said there was a clear need for lands to encourage the trade sector. He provided a letter for the record and summarized the letter (Doug Rux also a signature on the letter). He spoke the need for significant infrastructure. As they moved forward, they had to work with the local communities to get these sites shovel ready. There was another step to get these sites ready for industry. Councilor Burkholder reminded the audience that much of this land they were bringing in was for Title 4, existing industrial lands. Councilor Park said we were looking at 20% of the land, 80% was already part of a service area. There were other obstacles to make things happen. Mr. Rux concurred with Councilor Park's comments.

Michael Kohlhoff, City of Wilsonville 30000 Town Center Loop E Wilsonville OR 97070, said Wilsonville respectfully requested that they reconsider the MPAC recommendation. He provided a bound document titled Wilsonville for the record, which included his letter. Councilor McLain suggested that truck route conditions would be part of Wilsonville's planning conditions. Mr. Kohlhoff spoke to truck traffic issues.

City of Tualatin

Exhibit No. 104

Metro Council Meeting
06/10/04
Page 9

John Michael, City of Wilsonville 30000 Town Center Loop E Wilsonville OR 97070 said he was an engineer with City of Wilsonville. He said Mr. Kohlhoff had submitted an engineering analysis of the Frog Pond area. The analysis included cost, slope and other analysis. He spoke to the fact that they didn't have infrastructure for this area. He noted the engineering analysis from Michael Stone, which included south of the Willamette area analysis (a copy of which is included in the record). He spoke to well water issues. Councilor Hosticka said the slope analysis in the Frog Pond area indicated that was parts of that area that were more than 10%. The northern part of the Frog Pond area had well above 10% slopes. The only area that would be the area north of Kali Road, east of Stafford Road area, which was right next to a residential area. Councilor Park asked transit and treatment plant issues. Mr. Michael said they didn't have treatment capacity for the Frog Pond area currently. He said serving this site in Wilsonville was much easier than the Damascus area. Councilor McLain asked for clarification on the treatment issue.

Steve Zandhuisen, 5911 SW Brian Patch Wilsonville OR 97070 spoke to water rights and not being able to use the water. Use of water and right of water were different. He applauded Council for including Frog Pond in their recommendation. He felt they had considered the regional need. A copy of his testimony was included in the record.

Mary Kyle McCurdy, 1000 Friends, 534 SW 3rd Portland OR 97204 said she had submitted written testimony last week and summarized this testimony for the record. Councilor Monroe summarized that 1000 Friends would recommend Frog Pond and Tualatin. Ms. McCurdy said they thought their overall recommendation was sound.

Nancy Allender 7435 SW Frobase Rd Tualatin OR 97062 said she was the fourth largest landowner in the Frobase area. She was also speaking for Mr. Elligsen who could not be here today. She provided pictures of her farm for the Council. She spoke to what kinds of farming they did in the area. They had grade 2 soil. She said they run bio-solids. They must have access to roads. They had to deliver fertilizer and other products with her trucks. Semi-trucks would prohibit this opportunity. She spoke to wildlife in the area also. Councilor Burkholder said he assumed she was opposing the Frog Pond area as industrial land. Ms. Allender said yes. Councilor Park asked if this area could be residential. Ms. Allender said they would have a water problem.

Ralph Elligsen 7485 SW Elligsen Tualatin OR 97062 did not testify.

Charlotte Lehan, Mayor of Wilsonville, 30000 SW Town Center Loop Wilsonville OR 97070 provided her testimony for the record. The dialogue had encouraged her in the last week. She urged their consideration of MPAC's recommendation. Councilor Hosticka asked about the southern area of Tualatin. Mayor Lehan said the Tualatin decision had been difficult. Finding the mix was a sensitive matter between the two cities. They had tried to be supportive of Sherwood and Tualatin in their planning for the connector. They would not be unwilling to serve that area. It was a matter of timing. Councilor Hosticka said they tried to convene meetings on this issue. He then asked about water rights. Mayor Lehan said most of the farmers in the area have water rights. The issue was all of the existing water irrigators all together don't have the capacity to pull the water levels down. There were no restrictions on existing water right holders. Councilor Hosticka talked about water rights and water users. If they had farmers that were senior to Wilsonville would they have the water rights first? Mayor Lehan said yes. Councilor Park stated that he disagreed about water rights. Would this area be preferred as residential or industrial? Mayor Lehan said their preference would be residential. The Frog Pond had yet to be annexed to the city. They felt they had a 20-year supply of residential. They were trying to avoid EFU land for residential or industrial. Councilor McLain said the water debate had been the biggest issue in

City of Tualatin

Exhibit No. 104

Metro Council Meeting
06/10/04
Page 10

Wilsonville East. She said the farmers said they had lost their water rights and were having to reapply for those water rights. She was hopeful that the city addressed the issue of new water rights. Ms. Allender said she was working on a transfer water right. Mayor Lehan added that usually people had lost water right for not using them. You had to abandon your wells five years in order to lose water rights. The City had been cooperative with Water Resources. The only thing they would need the wells for was for backup. Councilor McLain said she believed for insurance purposes, you had to have a back up water system. Her question was what was the scenario as far as a backup system for water? Mayor Lehan said it would be an extreme situation. They had 6 million gallons of water reserve before they would have to use the wells.

Kristina Traffas, Save the Frog Pond Community Coalition 28579 SW Wagner Wilsonville OR 97070 provided written testimony. She had submitted a letter from Judith Jindrich (in the box). She read this letter into the record.

Holly Iberg, Newland Community 16701 SE McGillvary #150 Vancouver, WA provided Hillsboro South Urban Reserve Concept Plan Figure A (a copy of which is included in the record). She talked about the property. She read her letter into the record (a copy of which is included in the record). Councilor Hosticka spoke to the concept plan. This had been done for this area? Ms. Iburg said yes. Councilor McLain asked where this piece was as far as location. Dan Cooper, Metro Attorney, said there was no current litigation.

Keith Aden PO Box 1501 Lake Oswego OR 97035 said he was one of property owners in the Frog Pond area. He was in favor of it being put into the industrial zone. He said he had owned the property for 129 years. He spoke to livability and what had happened to the area. Over the years, the zoning had restricted the use of the property. There had been takings of the use, the water, and property from his facility. He said more recently City of Wilsonville and Don Morrisette had built 200 homes on 40 acres next to him. He was allowed to put 2 homes on his land. There would be more of a negative impact on the area. He understood the idea of traffic, but felt that the professional drivers were far safer than the average driver.

John Hartsock, Committee for Future of Damascus 18510 SE Boser Rd Boring OR 97009 talked about the MPAC meeting of June 9th. He felt it was a good meeting and they came up with some good recommendations. He talked about potential solutions. He supported the MPAC recommendation. Councilor Park asked if there were restrictions on the 2002 decision. Mr. Cooper said that you must not unbalance the residential equation of LCDC. This was something that they would not want to say yes to. Mr. Cooper spoke to Hartsock's idea and wondered about the impact on the residential mix. Councilor Park asked if it was permissible for the Frog Pond area to go residential. Mr. Cooper said if you were adding land for residential, you were looking for resource land. We did not want to get into EFU land for analysis. Councilor Hosticka asked about bringing that land in for residential purposes. Would that change your recommendation? Mr. Cooper said the fact was that we had already drafted language for an undetermined amount for residential. We did not want to over-supply the amount of land for future purposes. Mr. Johnson's report was careful to remind you that their opinion on EFU land should be considered only for that purpose and not for any other.

Jay Cosnett, 1246 SW Borland Rd West Linn OR read his letter into the record. He spoke about Borland Road being a bad choice. He also spoke to why Frog Pond was not a good area for industrial. We needed to look at redeveloping areas already in the UGB.

Tom McConnell, Alpha Engineering Inc 9600 SW Oak St Suite 230 Portland OR 97223 provided written documentation of Shute Road Interchange. He talked about the staff proposal for the

City of Tualatin

Exhibit No. 104

Metro Council Meeting
06/10/04
Page 11

Helvetia property. When bringing in land for industrial use, you had to consider what its conversion for industrial use was. He said the land was highly parcelized. He spoke to site constraints. They recommended an additional three parcels to be included in the Helvetia area. It could be served by the utilities. He spoke to the recommended interchange improvement and utilizing it to its maximum capability.

Mark Greenfield, 2121 SW Broadway Portland OR said he was also representing Mr. Standing. The Industrial Land Task Force created by the Governor included Shute Road and the Nike Property of US 26 Interchange due to immediately adjacency to Hwy 26. The size of ownership was two property owners. Third, these were property owners were willing to sell. Fourth, it was better use of infrastructure and fifth, it met the need for industrial land. This property would be good property to make up the need for those properties that were being taken out.

Jim Standing, 12670 SW 68th #400 Tigard OR 97223 said he had learned what agriculture issues were. He owned the two pieces of property on the northwest corner of Shute Road. They would work diligently with the homeowners in the area to make a hard line between agriculture and industrial uses where appropriate.

Jim Johnson, Oregon Department of Agriculture noted the letter submitted on June 8th. He highlighted the main points in the letter (a copy of which is already in the record). He spoke to specific areas, which were related to following state law. A couple of the areas that were in the COO's recommendation included exception land. He urged that these areas be looked at first. It was important when looking at the list to think about core agriculture capability. The Board of Agriculture strongly supported the work that Metro was doing to identify industrial areas. He spoke to efficient use of industrial lands and commercial lands. He then spoke to the Willamette River and recommended not going south of the river. Councilor Burkholder asked about hard edges. They would be looking for help from the state, LCDC and the agricultural community as to what the hard edge meant. Currently, under state law, there were no hard edges. Councilor Monroe asked about four areas and whether they were supported by the Department of Agriculture. Mr. Johnson responded that they would support areas being brought in, in the order they were included in the agriculture report. Councilor Monroe summarized the one that ought to come in first was the Frog Pond or East Wilsonville. Mr. Johnson said yes. Councilor Park asked about land south of the Willamette. Mr. Johnson said south of the Willamette River had the best of the best farmland in the State. Councilor Park then asked about water rights and the ability of farmers to react. He spoke to the lack of water or suspended water. How did that affect the ability of the farmer to farm? Mr. Johnson said water was a key issue in farming. There was less water in the summer. Irrigation was the farmer opportunity to adapt. Councilor Park asked about the Orient study, an area east of HWY 26, 460 acres, he wanted to make sure that he was not recommending taking this area out.

Councilor McLain noted emails and a letter for the record, Washington County Commissioner Andy Duyke said he was in favor of keeping Cornelius out of the recommendation. She received an email from Kristin Kolberg. They also supported keeping the industrial land out of Cornelius.

Deputy Council President Newman closed the public hearing and announced that these ordinances would be held over until June 24th for consideration of a final decision.

4.3 **Ordinance No. 04-1044A**, For the Purpose of Adopting the Annual Budget For Fiscal-Year 2004-05, Making Appropriations, and Levying Ad Valorem Taxes, and Declaring an Emergency.

Motion:

Councilor Hosticka moved to adopt Ordinance No. 04-1044A.

City of Tualatin

Exhibit No. 104

Metro Council Meeting
06/10/04
Page 12

Seconded:	Councilor Burkholder seconded the motion
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Councilor Hosticka yielded to Deputy Council President Newman. Deputy Council President Newman said they would consider technical amendments and councilors amendments. He asked Casey Short to respond to questions.

Motion to amend:	Councilor Burkholder moved to amend Ordinance No. 04-1044A with the technical amendments and the substantive amendments prepared by Kathy Rutkowski (a copy of which is included in the meeting record).
Seconded:	Councilor Monroe seconded the motion

Councilor Burkholder introduced the amendments. Councilor McLain asked about her amendment and if there was a reason that she couldn't support this package. Mr. Short said they were two independent actions.

Vote to amend:	Councilors Park, Hosticka, Burkholder, McLain, Monroe and Deputy Council President Newman voted in support of the motion. The vote was 6 aye, the motion passed.
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Motion to amend:	Councilor Monroe moved to amend Ordinance No. 04-1044A with Monroe Amendment # 1 concerning neighborhood clean-up grants.
Seconded:	Councilor McLain seconded the motion.

Councilor Monroe spoke to his amendment.

Vote to amend:	Councilors Park, Hosticka, Burkholder, McLain, Monroe and Deputy Council President Newman voted in support of the motion. The vote was 6 aye, the motion passed.
----------------	--

Motion to amend:	Councilor Monroe moved to amend Ordinance No. 04-1044A with Monroe Amendment #2.
Seconded:	Councilor Park seconded the motion

Councilor Monroe explained his amendment and asked that Mike Hogle, Solid Waste & Recycling Director, be available to respond to question. Councilor Park asked for a friendly amendment, expenditure of the final \$150,000 regional system fee credits for FY 04-05, should be based upon an assessment of the need for the credits relative to potential implementation requirements that dry waste be subject to material recovery at a Metro licensed material recovery facility. Councilor Monroe asked if they needed to access these funds, would they have to come back to Council for another vote? Mr. Hogle said the way he intended this to be written was that the monies would be allocated with the extra \$150,000 automatically. When they do the dry waste MRFing and material recovery analysis, and it turned out that they estimate that those facilities can recover the cost through gate increases because there was no dry waste land filling opportunity and therefore reduces the need for the credits, specifically this \$150,000, we would come back with that analysis after going through the whole process of working with the facilities and the public and let Council know what they found and we don't think the \$150,000 was necessary or maybe only part of it would be necessary. Councilor Monroe accepted the friendly amendment. Councilor Burkholder said he was not comfortable with doing it this way. He felt it was more appropriate to bring an amendment next spring. He would not support this now. Councilor McLain said it seemed important to her that industry had a clear idea of what they

City of Tualatin

Exhibit No. 104

Metro Council Meeting
06/10/04
Page 13

expected. Did this language cause any issues with industry? Mr. Hogle said the discussion around these issues had drawn them into this number. He thought this amendment was clear to the industry. There could be changes based on the MRFing. He felt they were aware of this amendment. He would make sure they understood this after the meeting. Councilor Hosticka said he would support this amendment because we should budget our expenditure based on what we know today. The budget note wasn't necessary. Councilor Monroe thanked Councilors Hosticka and Park for their comments and the friendly amendment. He explained the history of the amendment.

Vote to amend:

Councilors Park, Hosticka, McLain, Monroe and Deputy Council President Newman voted in support of the motion. The vote was 5 aye/ 1 nay the motion passed with Councilor Burkholder voting no.
--

Motion to amend:	Councilor McLain moved to amend Ordinance No. 04-1044A with McLain Amendment #3.
Seconded:	Councilor Monroe seconded the motion

Councilor McLain moved her Zoo amendment and further explained what the amendment did. She spoke to the budget note and the appropriateness of the note. She said the Zoo did not know that they were going to be having these dollars put into our general contingency fund. It was an oversight on both of our parts. The Zoo had a lot of replacement and repair needs. She spoke to Code requirements. There were two agencies that may require Metro to make changes, maintenance or replacement programs because of the safety of the Zoo exhibits. This was a routine Zoo accreditation visit. Mr. Short said he felt it was relevant to deal with this amendment now. In most respects it was independent of Ordinance No. 04-1053.

Councilor Park asked for clarification on zoo exhibits relating to excise taxes. Casey Short said yes the 2004-05 was based on the assumption that the Zoo will receive all of the revenues and spend all of the money associated with these two items and others that might be similar and that the excise tax will be levied on it. Councilor Park said this would be a one time only occurrence? Mr. Short said yes.

Councilor Burkholder asked whether they would still have the general fund balance if this money were expended. Mr. Short said yes.

Vote to amend:

Councilors Park, Hosticka, Burkholder, McLain and Deputy Council President Newman voted in support of the motion. The vote was 5 aye, the motion passed with Councilor Monroe absent from the vote.

Deputy Council President Newman opened a public hearing on Ordinance No. 04-1044A No one came forward. Deputy Council President Newman closed the public hearing.

4.4 **Ordinance No. 04-1053**, For the Purpose of Amending the FY 2003-04 Budget and Appropriations Scheduled by transferring \$250,256 from Contingency to Operating Expenses in the Zoo Operating Fund to allow the Zoo to recognize the cost associated with the Simulator and Butterfly exhibits; and declaring an emergency.

Motion:	Councilor Park moved to adopt Ordinance No. 04-1053.
Seconded:	Councilor Monroe seconded the motion

City of Tualatin

Exhibit No. 104

Metro Council Meeting
06/10/04
Page 14

Councilor Park introduced the ordinance. He explained that originally, the Oregon Zoo Foundation recorded the financial activity for the simulator and butterfly exhibits at the Oregon Zoo and net proceeds were transferred to the zoo as a donation. It had been determined that gross revenue and expenditures should have been recorded by the Zoo.

This ordinance was a correcting mechanism to reverse the accounting transactions and add back in the costs associated with these attractions that were never recorded by the Zoo. There will be a corresponding increase in revenue, as the original entries were net of expenses.

While this action itself would not reduce the Zoo's fund balance, it was part of a more comprehensive correction of the accounting processes on these attractions, which included application of excise tax. The tax will result in a reduction of \$55,000 to the Zoo ending fund balance for FY 2003-04. This action would provide the appropriation authority necessary to avoid an over-expenditure situation. He urged support.

Deputy Council President Newman opened a public hearing on Ordinance No. 04-1053.

Phil Prewitt, provided written testimony for the record. He asked the Council to restore the night keeper position.

Deputy Council President Newman closed the public hearing.

Vote:

Councilors Park, Hosticka, McLain, Monroe and Deputy Council President Newman voted in support of the motion. The vote was 5 aye, the motion passed with Councilor Burkholder absent from then vote.
--

5. RESOLUTIONS

5.1 **Resolution No. 04-3450**, For the Purpose of Revising the Transportation Planning Public Involvement Policy to update the policy and to consolidate Metro and Local Government Standards.

Motion:	Councilor McLain moved to adopt Resolution No. 04-3450.
Seconded:	Councilor Monroe seconded the motion

Councilor McLain reviewed the reasoning behind this resolution.

Vote:

Councilors Park, Hosticka, McLain, Monroe and Deputy Council President Newman voted in support of the motion. The vote was 5 aye, the motion passed with Councilor Burkholder absent from the vote.

5.2 **Resolution No. 04-3462**, For the Purpose of Approving the Wilsonville Tract Master Plan and Natural Resources Management Plan.

Motion:	Councilor Hosticka moved to adopt Resolution No. 04-3462.
Seconded:	Councilor McLain seconded the motion

Councilor Hosticka reviewed the resolution. Jim Desmond, Director of Metro Regional Parks and Greenspaces Department, provided background information. Heather Nelson Kent, Regional Parks and Greenspaces Department stated that with the new budget dollars provided, this would be one of the new sites to be developed for public use. It provided connectivity to wildlife, natural

City of Tualatin

Exhibit No. 104

Metro Council Meeting
06/10/04
Page 15

areas and the public. She referred to the master plan map to illustrate the key elements of the plan. The focus will be on being a “gateway” between two public partners, Metro and Wilsonville. She mentioned that the main restoration project would involve land currently being used as farmland. She stated that three open houses were held in Wilsonville that yielded solid support in the community for the project.

Mayor Charlotte Lehan spoke about the partnership between the Metro Greenspaces staff and city officials. She noted that it wasn't a process without controversy. She stated that it was ultimately a project that gained the support of residents. Councilor McLain expressed her thanks to staff and the City of Wilsonville in the design and planning of the master plan project, relating it to other issues involving Goal 5. She recognized Mayor's Lehan's contributions to the process.

Councilor Park stated that it was disappointing that the Oregon Garden could not of been sighted at this location. Nevertheless, he was pleased that this project was underway. Councilor Monroe noted his excitement over the education opportunities of this sight, it was a marvelous opportunity to take students out and provide them with a hands-on opportunity to examine the relationship with man, land, and animals.

Councilor Hosticka expressed his thanks for the good work this project involved.

Vote:

Councilors Park, Hosticka, McLain, Monroe and Deputy Council President Newman voted in support of the motion. The vote was 5 aye, the motion passed with Councilor Burkholder absent from the vote.

6. CHIEF OPERATING OFFICER COMMUNICATION

There were none.

7. COUNCILOR COMMUNICATION

There were none.

8. ADJOURN

There being no further business to come before the Metro Council, Deputy Council President Newman adjourned the meeting at 6:00 p.m.

Prepared by

Chris Billington
Clerk of the Council

City of Tualatin

Exhibit No. 104

Metro Council Meeting
06/10/04
Page 16

ATTACHMENTS TO THE PUBLIC RECORD FOR THE MEETING OF JUNE 10, 2004

Item	Topic	Doc Date	Document Description	Doc. Number
3.3	Exhibit	6/10/04	Exhibit A to Resolution No. 04-3463	061004c-01
4.3	Technical Amendments	5/28/04	Technical Amendments to Ordinance No. 04-1044A	061004c-02
4.3	Amendment	6/9/04	To: Metro Council From: Councilor McLain Re: Proposed amendment and budget note to Ordinance No. 04-1044A	061004c-03
4.3	Amendment	6/10/04	To: Metro Council From: Councilor Monroe Re: Proposed amendment to Ordinance No. 04-1044A	061004c-04
4.3	Amendment	6/10/04	To: Metro Council From: Councilor Monroe Re: Proposed Amendment to Ordinance No. 04-1044A	061004c-05
5.2	Exhibit A to Resolution No. 3462	6/10/04	To: Metro Council From: Parks and Greenspaces Department Re: Wilsonville Tract	061004c-06
4.1	Arial Map	6/10/04	To: Metro Council From: Lydia Neill, Planning Department Re: Cornelius Arial Map	061004c-07
4.1	Arial Map	6/10/04	To: Metro Council From: Lydia Neill, Planning Department Re: Evergreen Arial Map	061004c-08
4.1	Map and Comparison of recommended areas	6/10/04	To: Metro Council From: MPAC Re: MPAC Revised recommendation map and comparison of MPAC recommended areas to Council's recommended area	061004c-09
4.1	Letter	6/10/04	To: Metro Council From: Fred Edmunds Re: Frog Pond area comments	061004c-10
4.1	Comment card	6/10/04	To: Metro Council From: Patricia Miller Re: Public Hearing notice	061004c-11
4.1	Letter and maps	5/5/04	To: Metro Council From: Tom Hughes, Mayor of Hillsboro Re: Ordinance No. 04-104 Exhibit E and Exhibit B	061004c-12
4.1	Letter and Map	6/10/04	To: Metro Council From: Lise Glancy, Port of Portland Re: Letter and Map concerning dock extension to Terminal	061004c-13
4.1	Letter	6/10/04	To: Metro Council From: Tom Hughes, Mayor of Hillsboro Re: Evergreen Road Site	061004c-14
4.1	Letter and maps	6/10/04	To: Metro Council From: Patricia Miller Re: FARM Horticultural Park Place	061004c-15
4.1	Letter, maps and reports	6/10/04	To: Council From: Steve Heinrich, Mayor, City of Cornelius	061004c-16
4.1	Testimony	6/10/04	To: Council From: Heidi Juza Re: Opposition to expansion in Frog Pond	061004c-17
4.1	Letter	6/10/04	To: Council From: Bob Baker and	061004c-18

City of Tualatin

Exhibit No. 104

Metro Council Meeting
06/10/04
Page 17

			Arnold Cogan of Cogan, Owens & Cogan Re: In support including Helvetia sites in expansion	
4.1	Report	6/10/04	To: Council From: Michael Kohlhoff, Wilsonville City Attorney Re: Exclusion of Wilsonville East and South from Industrial Lands	061004c-19
4.1	Letter and Report	6/10/04	To: Council From: Timothy Sercombe of Preston Gates & Ellis LLP on behalf of the City of Hillsboro Re: Legal Objections to Proposed Ordinance 04-1040A	061004c-20
4.1	Letter	6/10/04	To: Council From: John Hammond, City Attorney, City of Sandy Re: City of Sandy's Support for Exclusion of Certain Lands from the UGB	061004c-21
4.1	Letter	6/10/04	To: Council From: Douglas Rux and Charlie Allcock, Portland Regional Partners for Business Re: Amendments to the UGB	061004c-22
4.1	Letter	6/10/04	To: Council From: Mayor Charles Becker, City of Gresham Re: Consideration for 90 acres abutting Telford Rd. in the UGB	061004c-23
4.1	Testimony and Maps	6/10/04	To: Council From: Holly Iberg, City of Hillsboro Re: Hillsboro South Urban Reserve Concept Plan	061004c-24
4.1	Testimony	6/10/04	To: Council From: Sparkle Anderson Re: Support of Frog Pond area into the UGB	061004c-25
4.1	Testimony	6/10/04	To: Council From: Maureen Larsen Re: Support of North Wilsonville into the UGB	061004c-26
4.1	Testimony	6/10/04	To: Council From: Keith Fishback, VP Washington County Farm Bureau Re: Reasons for Exclusion of the Cornelius site	061004c-27
4.1	Letter	6/10/04	To: Council From: Amy Scheckla-Cox, City of Cornelius Re: 91 Buildable Acres in Cornelius for Industrial Use	061004c-28
4.1	Map	6/10/04	To: Council From: Heidi Juza Re: Elligsen and Stafford Roads	061004c-29
4.1	Testimony	6/10/04	To: Council From: Jay Cosnett Re: Reasons to Remove All of the Wilsonville East Area from the UGB expansion	061004c-30
4.1	Letter	6/10/04	To: Council From: Nancy Waller Re: Stafford and Elligsen Roads	061004c-31
4.1	Report	6/10/04	To: Council From: Tom McConnell, Alpha Engineering Re: Shute Road	061004c-32

City of Tualatin

Exhibit No. 104

Metro Council Meeting
06/10/04
Page 18

			Interchange	
4.1	Testimony	6/10/04	To: Council From: Steve Zandhuisen Re: Water Rights vs. Water Usage	061004c-33
4.1	Testimony	6/10/04	To: Council From: Charlotte Lehan, Mayor, City of Wilsonville Re: Expansion for Industrial Lands	061004c-34
4.1	Letter	6/10/04	To: Council From: Mary Kyle McCurdy, Staff Attorney, 1000 Friends of Oregon Re: Regionally Significant Industrial Areas, Medical Facilities	061004c-35
4.1	Report	6/10/04	To: Council From: Port of St. Helens Re: Industrial Lands Advisory Committee Report	061004c-36
4.1	Report	6/10/04	To: Council From: City of Helvetia Re: Helvetia Road Industrial Land Study	061004c-37
4.1	Testimony	6/10/04	To: Council From: Keith Aden Re: Support for Clackamas County to retain and manage the property outside of Wilsonville	061004c-38
4.1	Testimony and Petition	6/10/04	To: Council From: Kristin Kolberg Re: Spiesschaert Road area of Cornelius	061004c-39
4.1	Letter	6/10/04	To: Susan McLain From: Andy Duyck, Washington County Commissioner Re: MPAC Recommendations	061004c-40
4.4	Meeting Minutes	6/10/04	To: Council From: Rovers Area Re: Animal Health	061004c-41
4.1	Letter	6/10/04	To: Council From: Judith Jindrich Re: Removal of Wilsonville East from expansion	061004c-42
4.1	Letter	6/10/04	To: Lane Shetterly From: Nancy Waller Re: Measure 26-29	061004c-43
4.1	Testimony	6/10/04	To: Council From: Krisitina Traffas, President, Save the Frog Pond Coalition Re: Wilsonville East	061004c-44
4.1	Petition	6/10/04	To: Council From: Krisitina Traffas, President, Save the Frog Pond Coalition Re: Wilsonville East	061004c-45
4.1	Letter	6/10/04	To: Brian Newman From: Mayor Rob Drake, City of Beaverton Re: Support of MPAC Recommendations from June 9, 2004	061004c-46



City of Tualatin

Exhibit No. 105

May 24, 2004

MPAC Members

RE: Urban Growth Boundary Recommendations in the Tualatin Area

Dear MPAC Members:

The Chief Operating Officer's recommendation proposes adding hundreds of industrial acres abutting Tualatin. Tualatin asks for your support in recommending the Metro Council not add the Borland/Stafford Area (abutting to the east) or the Tualatin Area (abutting to the south) to the UGB. As you are aware from the May 12 MPAC meeting, the City Council unanimously recommended these two areas not be added at this time for industrial uses.

Additionally, we ask for your support in recommending the Metro Council add the Quarry Area with conditions to identify and fund transportation facilities before or concurrent with development.

The justification for our opposition to the Borland/Stafford and Tualatin Areas is based on good planning principles. Transportation is problematic due to cut-through traffic in single-family neighborhoods in Tualatin, Lake Oswego and West Linn. The region has not had sufficient transportation funding in the past and all indications are that under current legal and funding mechanisms that will continue, thus the implications for more industrial land in our area causes us great concern.

The two areas currently have single-family uses abutting them and have public and private schools and churches in the areas. Industrial uses are not compatible with such uses and, specifically, truck stops and truck terminals with many trucks would not be compatible with the school children and school busses.

Tualatin is a balanced city with a mix of residential, commercial and industrial uses. Currently, we have the highest percentage, 33%, of industrial land in the Metro region. If all the recommended areas are added, our industrial land would be 50% of our area! It would place an unfair burden on Tualatin to meet the region's industrial land needs.

Metro must work with its local government partners because they provide the infrastructure, services and zoning to achieve the 2040 Growth Concept.

Thank you for carefully considering the unanimous positions of the Tualatin City Council.

Sincerely,

/s/

Lou Ogden
Mayor

CC: City Council and City Manager

City of Tualatin
Exhibit No. 106

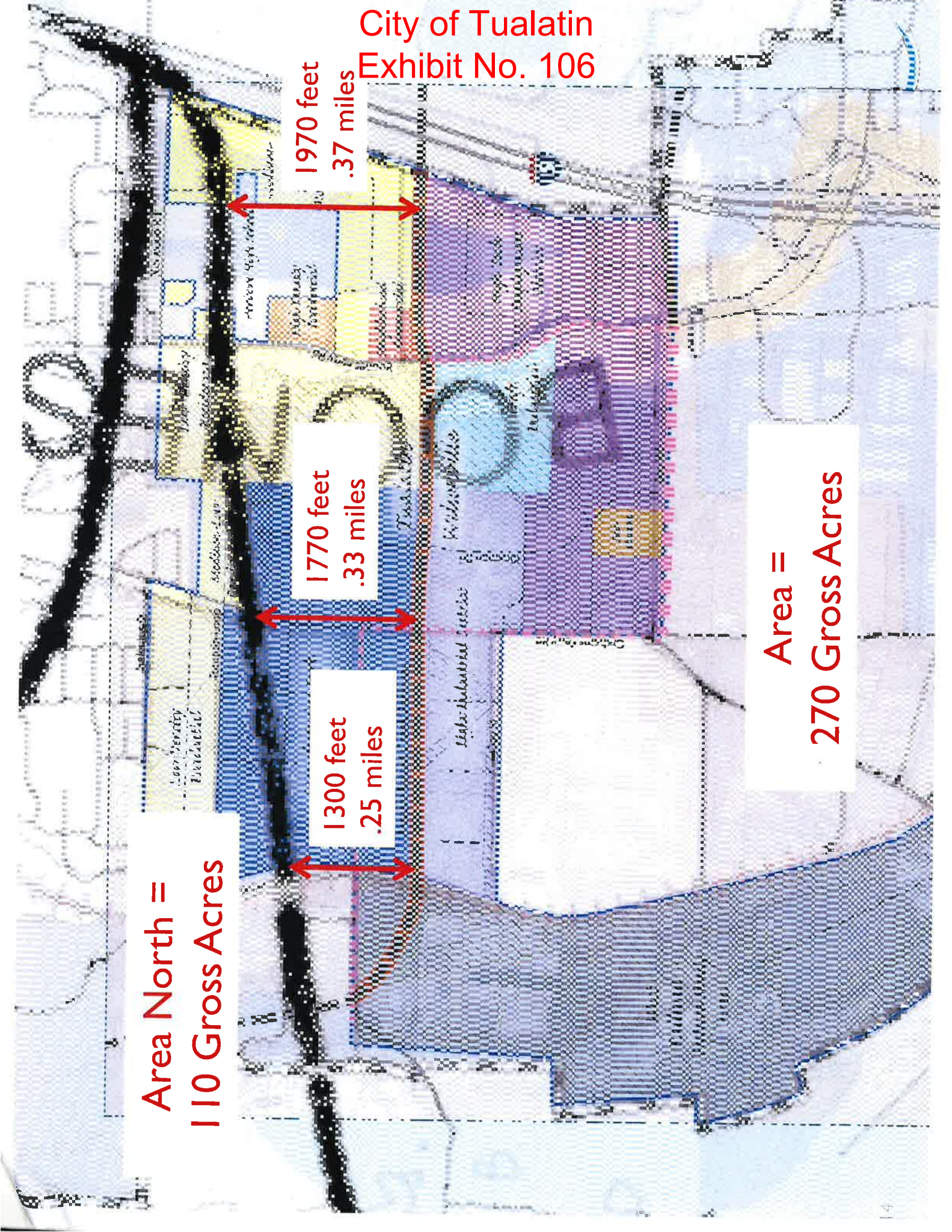
Area North =
110 Gross Acres

1300 feet
.25 miles

1770 feet
.33 miles

1970 feet
.37 miles

Area =
270 Gross Acres



City of Tualatin - Exhibit No. 107



808 sw third avenue, suite 300 • portland, oregon 97204
503.287-6825 • fax 503.415-2304
www.otak.com

BASALT CREEK/TUALATIN CONCEPT PLAN

Amendment Request to the Concept Plan

Tualatin, Oregon

August 23, 2016 Revised August 24, 2016

Introduction

- Otak represents a group of owners who hold 10 acres in the northeast quadrant of the overall district. The property is located near the northeast corner of Grahams Ferry Road and extends over to the Basalt Creek Canyon along the proposed new east-west arterial road.

Project Concerns

- Otak's concern is that the northeast quadrant area is not well suited to industrial zoning proposed by the concept plan.
 - Topography. Much of the site contains slopes in excess of 10% and 25%. It would be extremely difficult to flatten it out to accommodate industrial site development requirements.
 - Access. Vehicular access will be limited to Grahams Ferry Road and extending Tonquin Loop into the site. No access will be permitted on the proposed new east-west arterial road.
 - Basalt Creek Canyon. The industrial land abuts the Basalt Creek Canyon with no transition.

Amended Plan Options

- The attached concept plan options summarize the requested amendment for proposed land uses that fit the site.
- The plans both show building Tonquin Loop as an actual loop with two access points on Grahams Ferry Road. This road extension will provide complete access to the properties.
- Two densities of residential are shown as transition to the neighborhood to the north and canyon to the east and also along the new east-west arterial, which is down 25 feet from the site area.
- A center core area of retail, industrial transition and open space serve as a walkable destination in the neighborhood.
- Property uses can be molded to fit actual site conditions yet still provide ample "jobs" land with the employment transition (ET) designation. Option A is preferred; it best fits the existing topography.

integrated design = smart solutions

City of Tualatin - Exhibit No. 107

*Basalt Creek/Tualatin Concept Plan
Amendment Request to the Concept Plan*

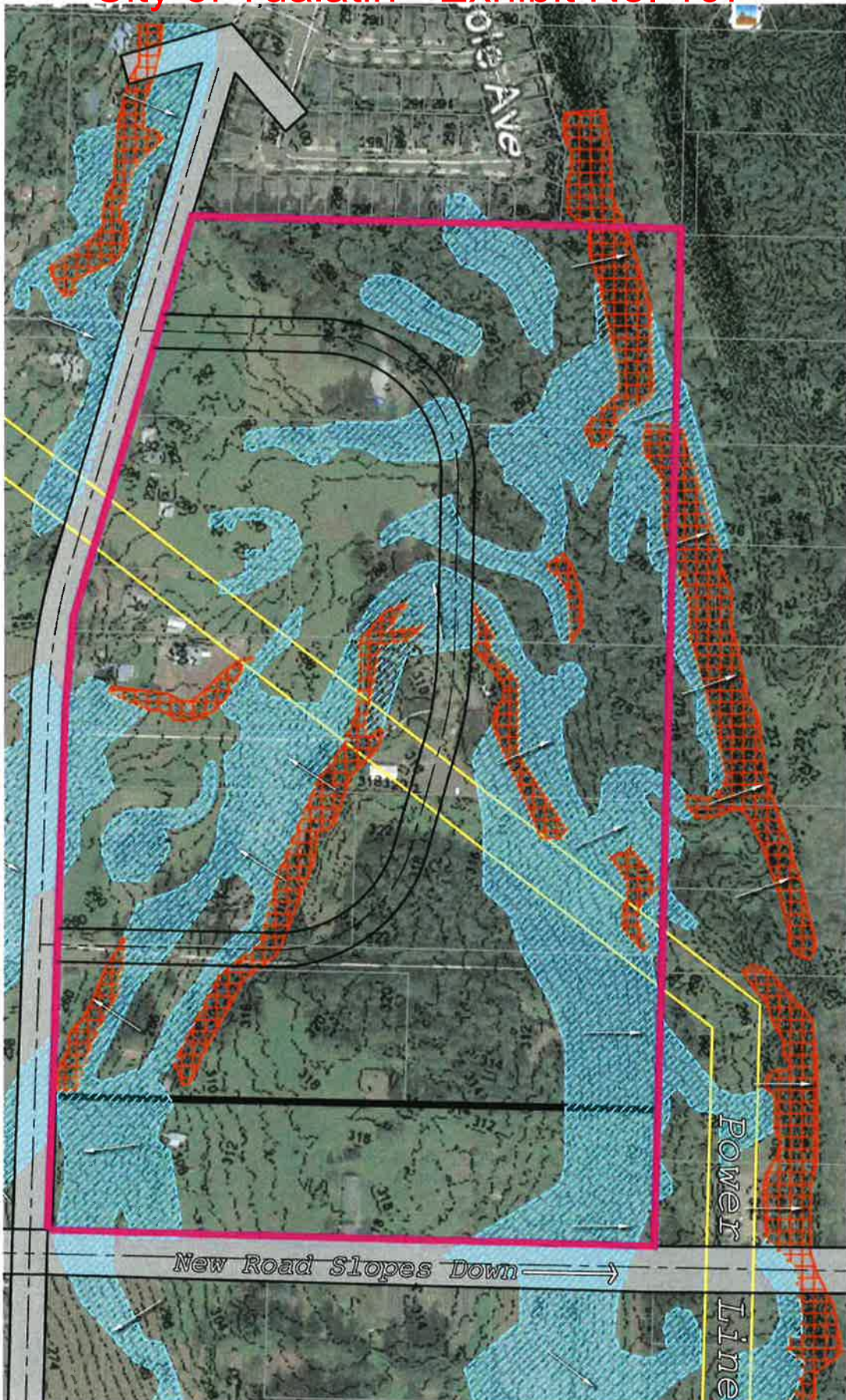
Page 2
~~August 23, 2016~~
Revised August 24, 2014




Benefits

- A walkable neighborhood with appropriate transitions and destinations
- Land uses that are adaptable to actual site conditions. The mix of uses will act as a **catalyst to create activity in the district**. The HDR land provides an excellent opportunity for workforce housing next to employment lands.
- A quality neighborhood for Tualatin

Attachments: Basalt Creek – Site Constraints Diagram
Basalt Creek Concept Plan A
Basalt Creek Concept Plan B

City of Tualatin - Exhibit No. 107



-  Greater than 25% slope area
-  Greater than 10% slope area
-  Slope Direction

Site
Constraints
Diagram






Basalt Creek

6-13-2016

City of Tualatin - Exhibit No. 107

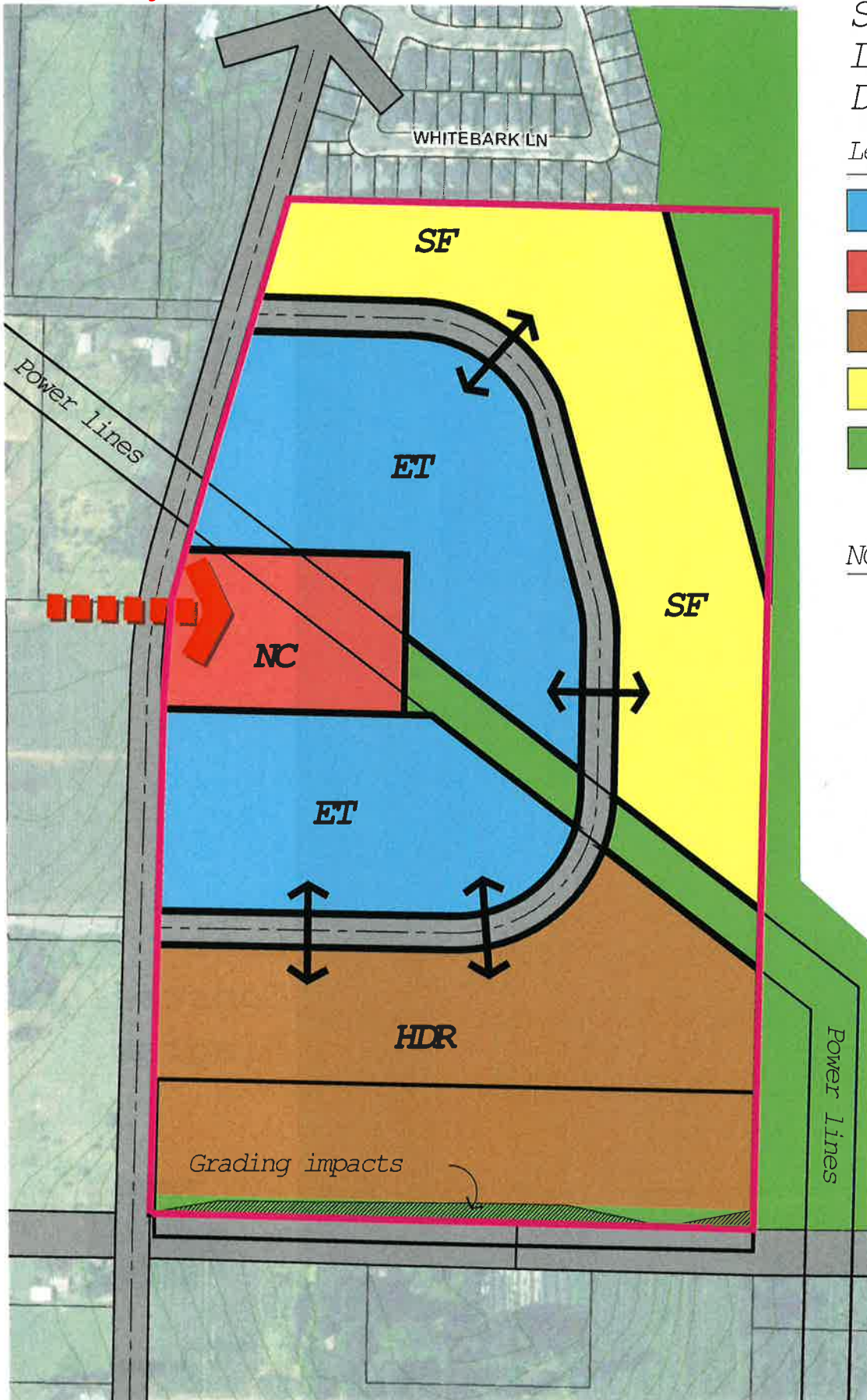
Subdistrict Land Use Diagram

Legend

	Employment transition 17.45 ac
	Neighborhood commercial 3.96 ac
	High density residential 16.98 ac
	Single family residential 13.26 ac
	Open space 5.54 ac

NOTES

- Residential serves as transition against ex. homes and canyon
- Housing is walkable to retail center and jobs
- Employment Transition mixes with the residential sub-district
- Employment Transition maintains on-grade relationship with streets



8-23-2016







Basalt Creek Concept Plan A

City of Tualatin - Exhibit No. 107

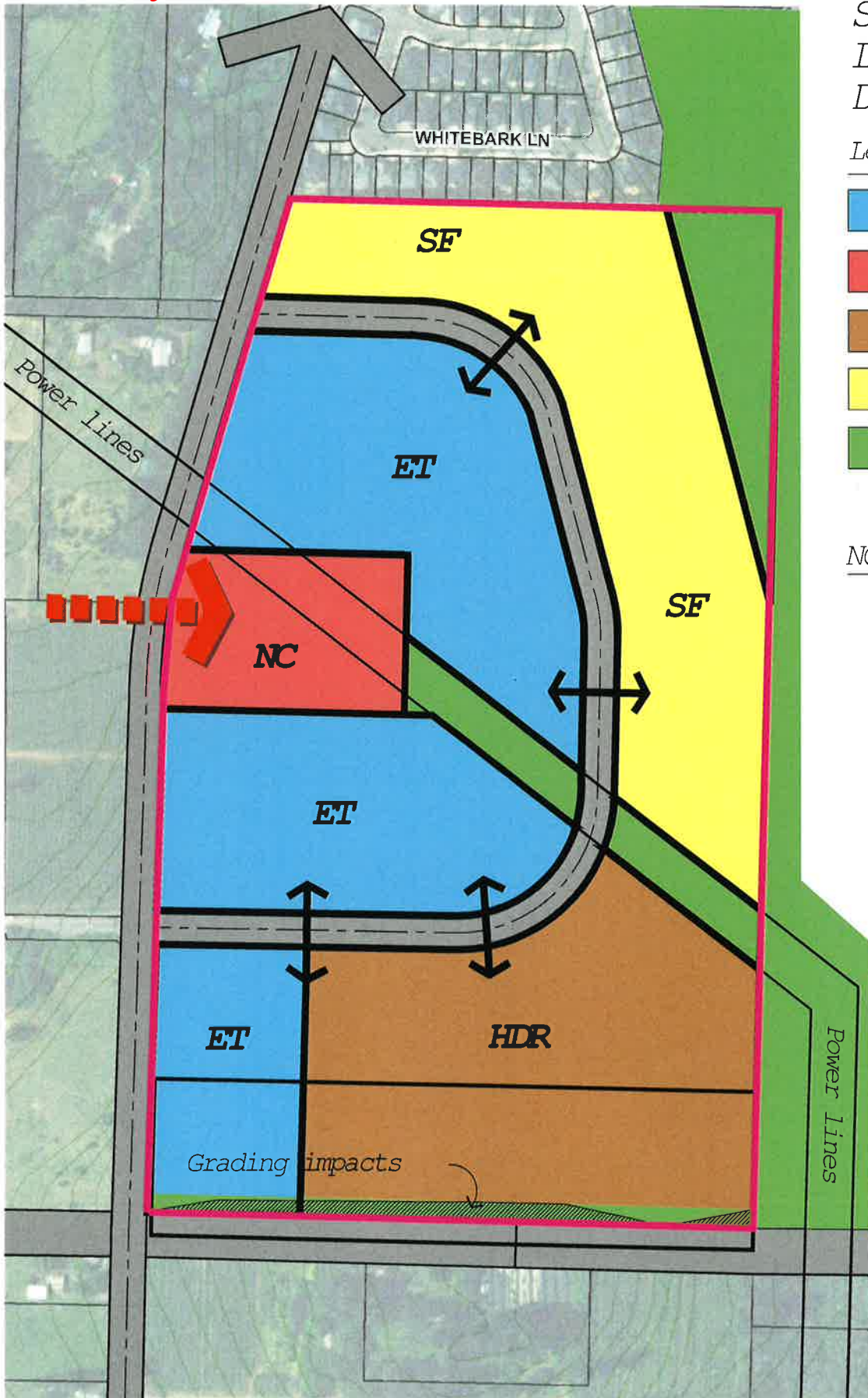
Subdistrict Land Use Diagram

Legend

	Employment transition 21.40 ac
	Neighborhood commercial 3.96 ac
	High density residential 13.09 ac
	Single family residential 13.26 ac
	Open space 5.54 ac

NOTES

- Residential serves as transition against ex. homes and canyon
- Housing is walkable to retail center and jobs
- Employment Transition mixes with the residential sub-district
- Employment Transition maintains on-grade relationship with streets



8-23-2016



Basalt Creek Concept Plan B

City of Tualatin - Exhibit No. 108



Hanmi Global Partner

808 sw third avenue, suite 300 • portland, oregon 97204
503.287-6825 • fax 503.415-2304
www.otak.com

BASALT CREEK/TUALATIN CONCEPT PLAN

Amendment Request to the Concept Plan

Tualatin, Oregon

August 23, 2016, Revised November 21, 2016

Introduction

- Otak Inc. (Otak) represents The Sherwood Grahams Ferry Investors LLC, headed by Herb Koss, who hold 10 acres in the 41 acre northeast quadrant of the overall district. The property is located near the northeast corner of Grahams Ferry Road and extends over to the Basalt Creek Canyon along the proposed new east-west arterial road. This summary of concerns and the amended concept plan lay out our intended direction moving forward.

Project Concerns

- Otak's concern is that the northeast quadrant area is not well suited to industrial zoning or employment transition proposed by the concept plan.
 - **Topography.** Much of the site contains slopes in excess of 10 percent (10%) and 25 percent (25%). The site would be extremely difficult to flatten out to accommodate industrial or employment transition site development requirements. Attached is a topographic map of the South Center project provided to City of Tualatin (City) staff. Otak designed this flex-space project. The topography is half as severe as portions of the 41 acres site. The site would be extremely difficult to develop given today's American with Disabilities Act (ADA) requirements.
 - **Access.** Vehicular access will be limited to Grahams Ferry Road and extending Tonquin Loop into the site. No access will be permitted on the proposed new east-west arterial road.
 - **Basalt Creek Canyon.** The industrial land abuts the Basalt Creek Canyon with no transition.
 - This is not a big change but rather a refinement to the concept plan. It is a defined site area that makes up about 3 to 5 percent (3-5%) of the total Basalt Creek Study Area. Also there are currently 329 acres of undeveloped industrial land within a one mile radius of the study area.

Land Use Context

- The following shows a comparison of Metro's initial goal for the district, the City's current plan, and the proposed amended plan.

Metro	2500 Jobs	1200 Households
City Plan	4500 Jobs	600 Households
Amended Plan	4070 Jobs	1194 Households

The amended plan proposes a more balanced approach that is well within the intended mix proposed by Metro when the land came into the Urban Growth Boundary (UGB).

A group of mayors in our region have gone to Metro and asked Metro for flexibility related to UGB expansions. They have asked Metro to look at lands and appropriate zoning designations on a sub-regional basis. They have asked that Metro consider factors such as slope, and proximity to infrastructure, to help avoid situation like Damascus. We are asking you to do the same. We recognize that the region anticipated that the Basalt Creek area would primarily be zoned employment uses.

It is certainly anticipated that the vast majority of the land will be used for that purpose. But, within the Basalt Creek Planning Area, there are sub-areas that cannot reasonably be developed as employment land because of topographic and other issues. The 41 acres that we have asked the City to zone for residential purposes is one of those sub-areas. There is land to the west and south of this land that is zoned employment, that land is flatter than the subject 41 acres, and it is closer to transportation infrastructure than the subject 41 acres. Neither PacTrust Pacific Realty Associates, LP nor Brian Clopton Excavating believed that an employment designation was possible given the slope and soil quality. Instead of designating the property with a designation that will result in it never developing, we ask that you give it a designation that will make development feasible. If you do not do so, it will sit vacant; counting as developable employment land, just as Damascus has sat vacant, counting as available housing stock. Its designation will prevent further necessary expansions.

There is a housing crisis in our region and the latest modeling has demonstrated the importance of having residential land and employment land in close proximity. This is an opportunity to provide housing, on land which cannot be feasibly developed as employment land.

Amended Plan Options

- The attached concept plan option summarizes the requested amendment for proposed land uses that fit the site and its unique conditions.
- The plan anticipates building Tonquin Loop as an actual loop with two access points on Grahams Ferry Road. This road extension will provide complete access to the properties and also access to property owners east of the site.
- Three densities of residential are shown as transition to the neighborhood to the north and canyon to the east and also along the new east-west arterial, which is down 25 vertical feet from the site area. A center core area of potential retail, high density residential, and open space could serve as a walkable destination in the neighborhood. Also secondary access can be provided to the developable lands to the east above the canyon.
- Property uses can be molded to fit actual site conditions and provide a mix of housing (including workforce housing) close to jobs anticipated to the south and west.
- The programmed development will “be trip cap neutral” compared to the current city concept plan.

City of Tualatin - Exhibit No. 108

*Basalt Creek/Tualatin Concept Plan
Amendment Request to the Concept Plan*

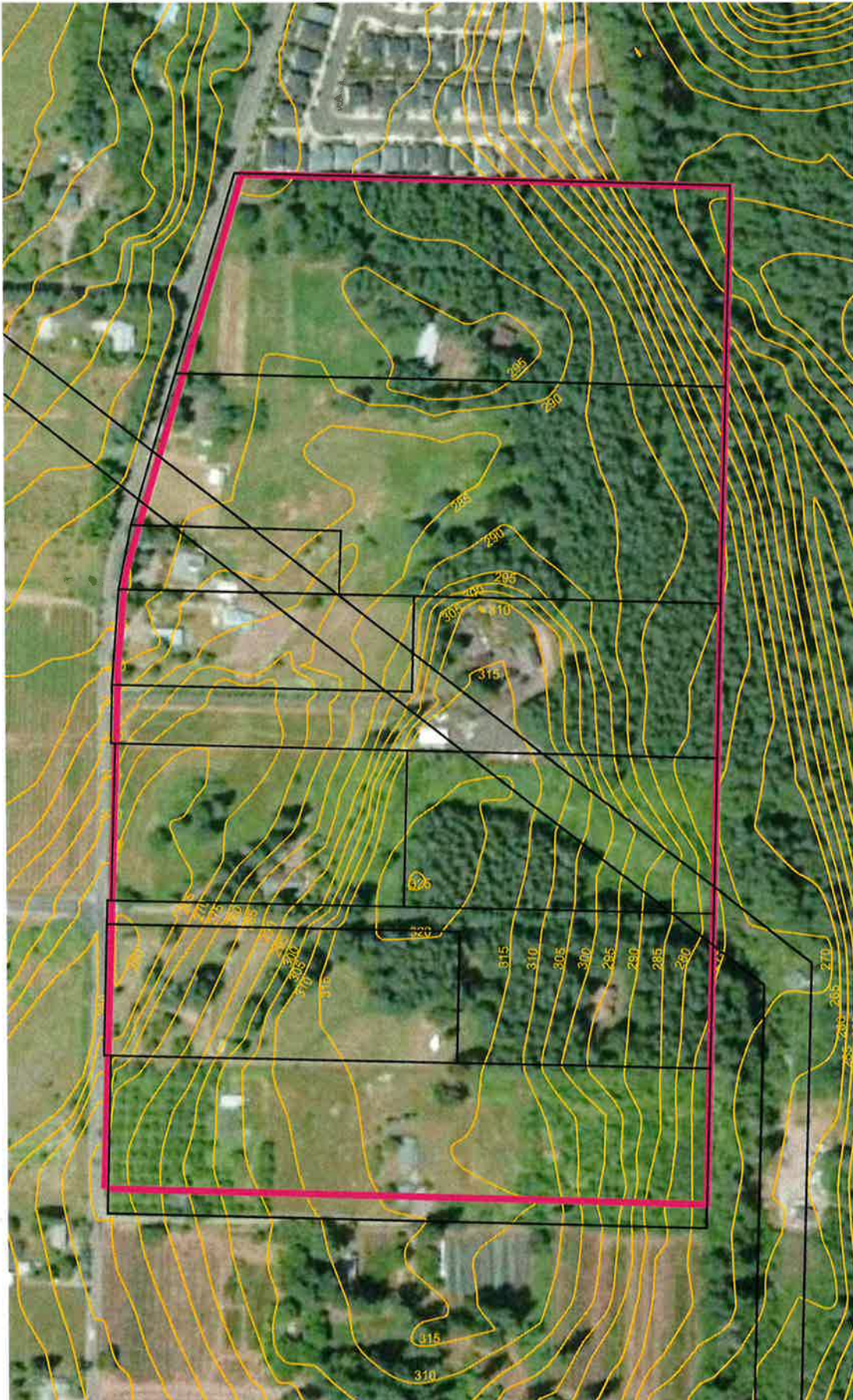
*Page 3
August 23, 2016
Revised November 21, 2016*

Benefits

- A walkable neighborhood with appropriate transitions and destinations
- Land uses that are adaptable to actual site conditions. The mix of uses will act as a **catalyst to create activity in the district**. The high-density residential (HDR) land provides the best opportunity for workforce housing next to employment lands. Residents won't need a car to commute.
- A plan that meets Metro's initial objectives when the land was brought into the UGB.
- A more complete quality neighborhood for the City of Tualatin.

Attachments: Basalt Creek Site Topo
Basalt Creek Slope Analysis
South Center Site Topo (Comparison)
Basalt Creek Land Use Concept
Letter from PacTrust Pacific Realty Associates, L.P.
Letter from Brian Clopton Excavating
Letter from Micheal Diamond, Real Estate Investment Group
Basalt Creek nearby Job Lands Map

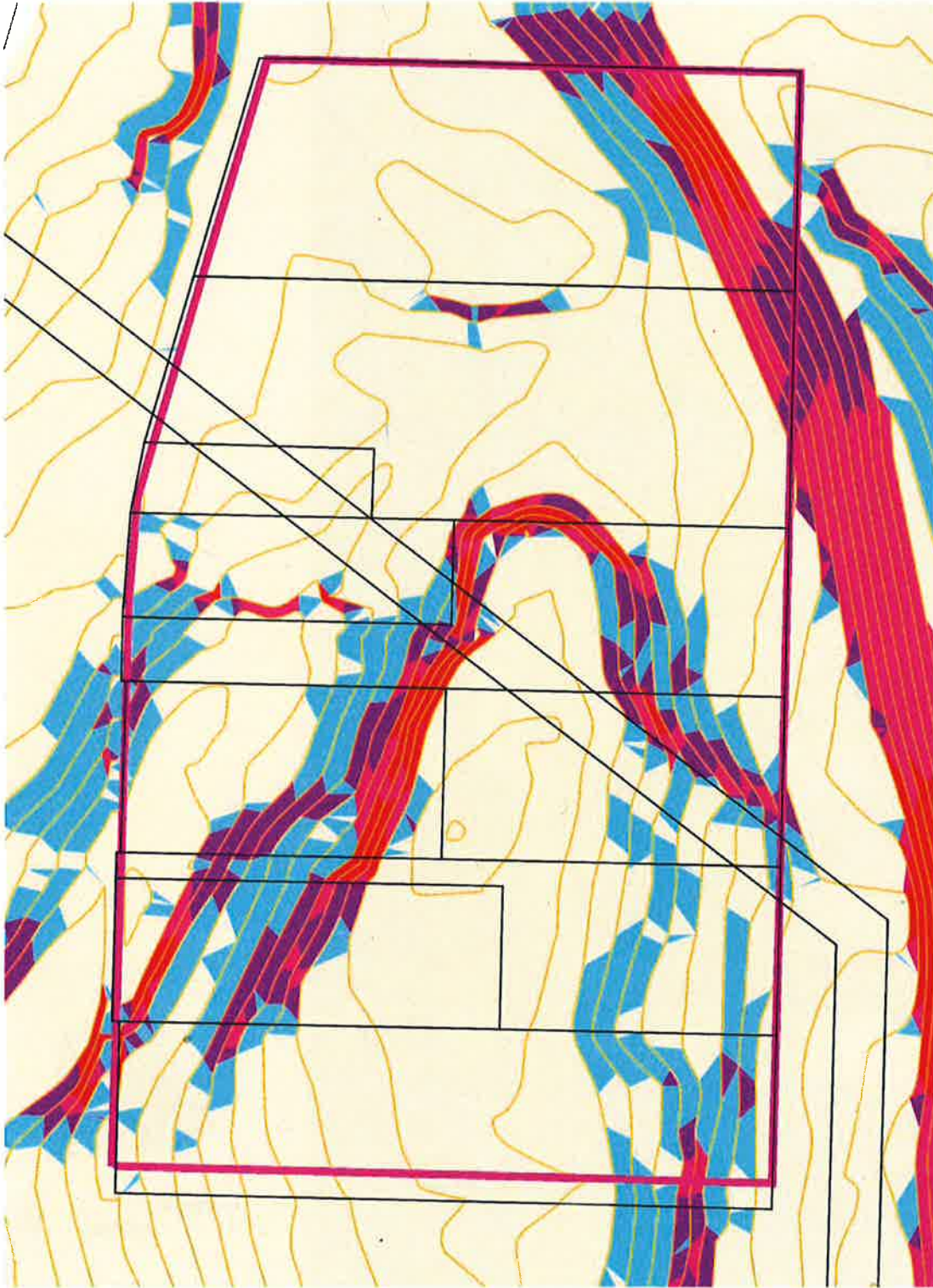
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11-16-2016



BASALT CREEK SITE TOPO



11-16-2016



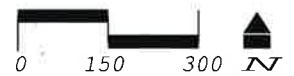
Slopes Table			
Number	Minimum Slope	Maximum Slope	Color
1	0.00%	10.00%	Yellow
2	10.00%	15.00%	Blue
3	15.00%	20.00%	Purple
4	20.00%	25.00%	Red
5	25.00%	357.23%	Dark Red

BASALT CREEK SLOPES ANALYSIS

City of Tualatin - Exhibit No. 108



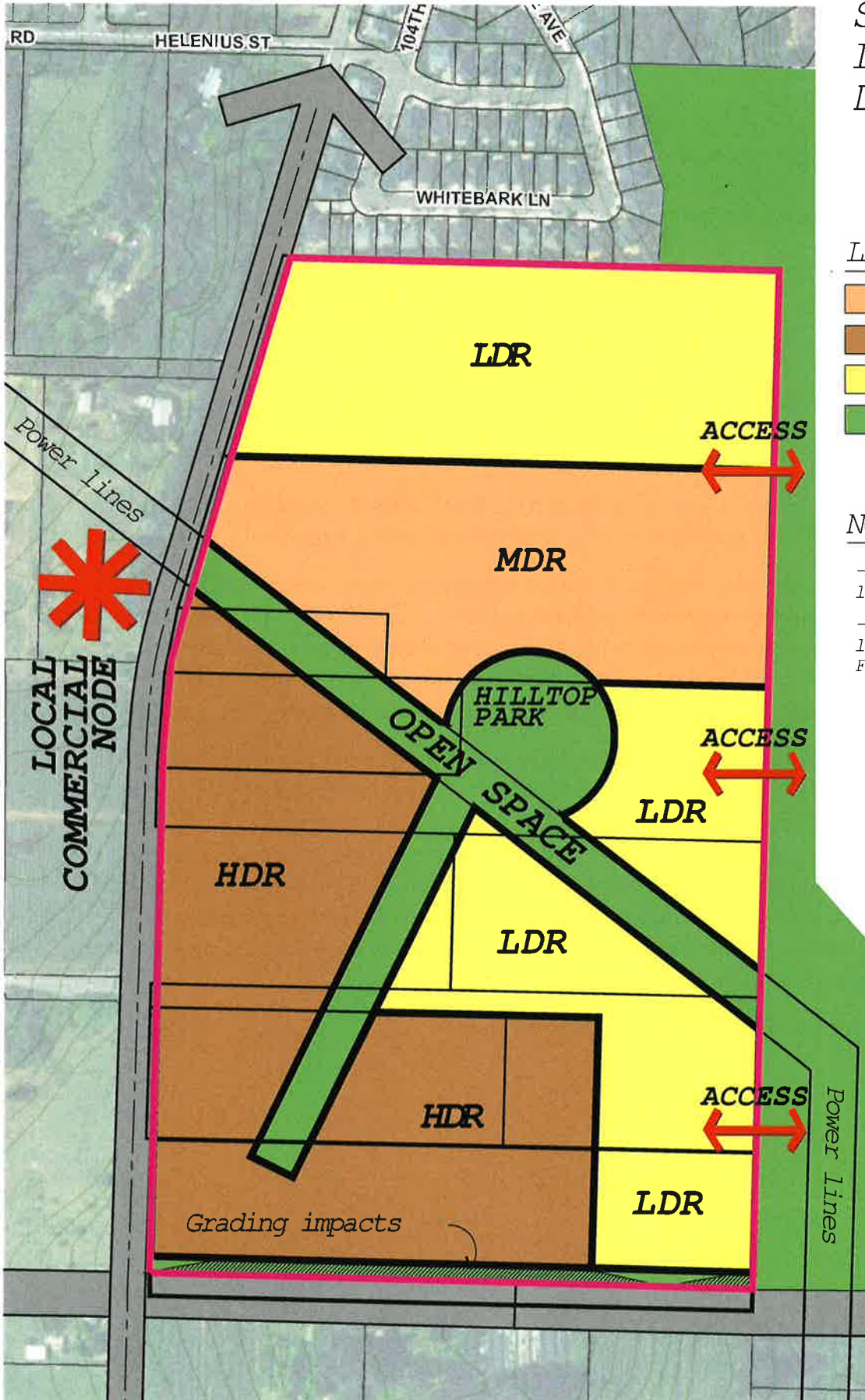
11-16-2016



SOUTH CENTER SITE TOPO

City of Tualatin - Exhibit No. 108

Subdistrict Land Use Diagram



LEGEND

-  Mid Density Residential
-  High Density Residential
-  Low Density Residential
-  Open space

NOTES

- Access provided for landowners to East
- Local commercial node located across Graham's Ferry Road



11-21-2016



Basalt Creek Concept Plan

City of Tualatin - Exhibit No. 108



**BRIAN CLOPTON
EXCAVATING**

PO Box 509
Wilsonville, OR 97070
P: 503-682-0420
F: 503-570-3235
www.cloptonexcavating.com

November 18, 2016

Dear Mr. Koss

You have asked me to visit the 41 acre site located in the Basalt Creek Planning area. Your question was the feasibility of grading this site for employment land vs. a residential zone.

For your information my company has just purchased another four acres next to our Clay Street property. With this acquisition we now have 16 acres of land on Clay Street. I am very familiar with this area and as you know my company has mass graded many sites in the Portland Metro Area. I have been asked many times to inspect potential projects in order to determine problems that may be associated with a developer's site plans --- slopes, access and feasibility.

Thank you for providing me with topography of the site. It was very helpful and to be honest the slopes on the site were more severe then I first thought. The other big issue is the amount of rock that would be encountered with any grading necessary to accommodate any development on this site. This site is far better suited for Residential use since grading for this does not require the same topographic grading in comparison to employment uses. The Basalt Creek area does feature other land that is suited for employment; however the 41 acres you have asked me to visit is not in that category. I was also surprised by the 18 to 20 foot cut in order to accommodate the extension of Basalt Creek Parkway.

If you require any additional information please let me know.

Sincerely

Brian Clopton

President/Owner

City of Tualatin - Exhibit No. 108



November 21, 2016

Herb Koss
2643 South Shore Blvd.
Lake Oswego, Or 97034

VIA: EMAIL

RE: 41-acre Basalt Creek southern boarder 23960 SW Grahams Ferry Rd.

Dear Herb,

I visited the site and spent a considerable amount of time driving the area. It is an exciting development area especially when the Basalt Creek Parkway is completed.

The topography of the site is such that developing an industrial project would be very difficult and if done would be at best marginal and very inefficient. Industrial, flex buildings require large foot prints, large drive areas for loading and turning radius. There are better sites in the area for this type of use.

I also looked at the site for office park use and concluded that due to the steep topography of the site it could have a negative impact on the proximity of the parking that may pose an issue with ADA requirements. I also believe that the extraordinary site cost and small office footprints would not be cost effective and competitive in the office market. Furthermore, the location does not readily lend itself to that use.

This site lends itself to smaller foot print buildings such as housing and multifamily that can be planned around the steep grades and terraced into the topography. It is my opinion that the highest and best use for this site are single family homes buffered along the frontage with multifamily housing.

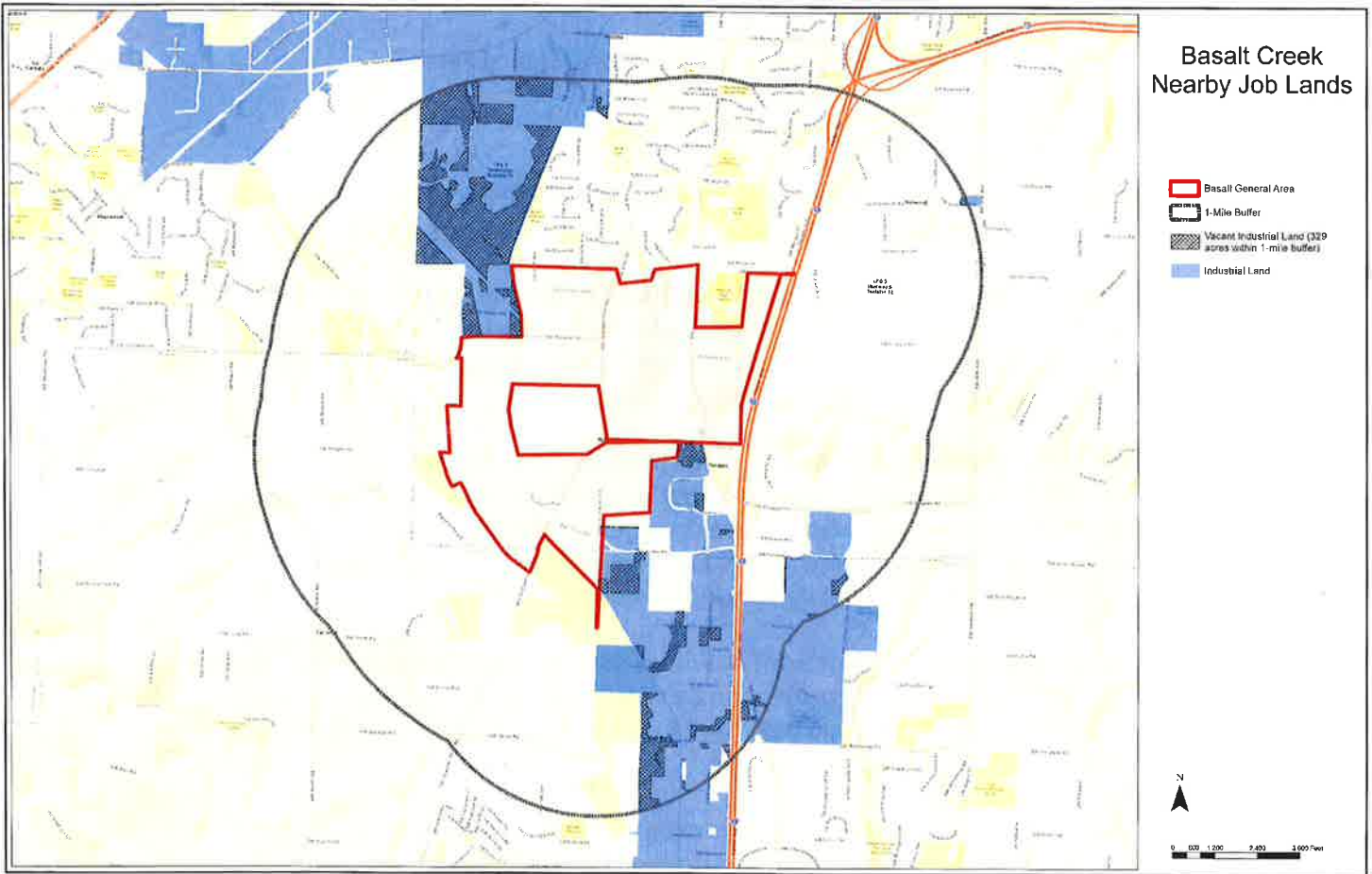
Our office has forty years of experience in commercial real estate and have procured sites for commercial developers such as Gramor, Holland Development LLC and West Hills.

Let me know if you have any questions.



Michael N Diamond
Principal Broker

City of Tualatin - Exhibit No. 108



City of Tualatin

Exhibit No. 109



808 sw third avenue, suite 300 • portland, oregon 97204
503.287-6825 • fax 503.415-2304
www.otak.com

May 19, 2017

Herb Koss
2643 South Shore Blvd
Lake Oswego, OR 97034

RE: Basalt Creek Central Area - KPFF Concept Plan

Hello Herb,

I've read Tony Weller's letter regarding the extra costs required to develop the subject property with employment uses. Tony is a very experienced and capable engineer. He also has very relevant experience in the area.

I agree with Tony's letter and believe it summarizes the situation quite well. The hard costs are actually on the low side for grading the site based on my recent experience on similar sites.

The other concern both Tony and I share is access for cars, trucks and emergency vehicles. A second access point will be extremely difficult to provide.

Please feel free to call with any questions or comments.

Thanks,

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

Don Hanson
Principal
Otak, Inc.

Appendix 9

Employment land site characteristics

Background

Under Division 24 (Urban Growth Boundaries) of the Oregon Administrative Rules, Metro is required to complete an employment land inventory that describes site characteristics of buildable lands inside the urban growth boundary (as described in Division 9, Economic Development). Cities and counties, in the course of their own planning efforts, are responsible for determining whether sites are suitable for particular uses that match their economic development objectives. This is an appropriate approach given the regional scale of this inventory and the desire to not replicate or supplant local efforts.

The approach used for this analysis is also informed by Division 9 (Economic Development) of the Oregon Administrative Rules, that states “The effort necessary to comply... will vary depending on the size of the jurisdiction...” and that “a jurisdiction’s planning effort is adequate if it uses the best available or readily collectible information...” This clause acknowledges that a detailed region-wide analysis of employment sites is not feasible either to complete or interpret in any meaningful fashion.

This analysis uses a general approach that has been developed in consultation with Oregon Department of Land Conservation and Development staff. Table 1 summarizes the site characteristics mentioned in the Administrative Rules and the various data points that have been used to summarize these characteristics. For practical reasons, this report presents regional maps and summary tables. Metro can provide its tax lot level buildable land inventory GIS database on request. Employment land is organized into three categories for this analysis:

- Commercial land
- General industrial land
- Large industrial sites (maps depict dots for each tax lot that comprises a large site; some sites may consist of multiple tax lots)

City of Tualatin

Exhibit No. 110

Table 1: summary of approach for describing site characteristics

OR Administrative Rules Division 9 – Economic Development	Metro employment land inventory approach
Description of minimum acreage or site configuration characteristics including shape and topography	<p>Acreage – summary tables of net buildable acreages are provided. Metro can provide its tax-lot-level buildable land inventory GIS database on request.</p> <p>Shape - site shapes cannot be summarized in any meaningful fashion at the regional scale, but the GIS database includes a visual depiction of the shape of each tax lot in the inventory. Metro can provide its tax-lot-level buildable land inventory GIS database on request.</p> <p>Topography - portions of tax lots with slopes over 25% have been removed from the inventory since they are deemed unbuildable. This report describes, as a site characteristic, the portion of each inventoried tax lot that has a slope between 7-25%. This range was chosen because slopes over 7% are often regarded as an impediment to industrial uses with larger development footprints.</p>
Visibility	This characteristic is taken to mean visibility from a public right of way. For each tax lot in the inventory, distance to the nearest major arterial is computed.
Specific types of public facilities, services or energy infrastructure	<p>Region-wide data to address this site characteristic are not readily available. For public security reasons, Metro does not have access to data on where power and gas transmission lines are. Metro also do not have access to data on where water and sewer facilities are located. The inventory depicts the following:</p> <ul style="list-style-type: none"> -Sewer district name -Water district name -Fire district name -Distance to closest major arterial
Proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes.	<ul style="list-style-type: none"> -Distance to nearest rail terminal -Distance to transshipment facilities -Distance to major arterial -Distance to designated freight route -Distance to airport -Distance to marine terminals -Transit access index rating
Description of any development constraints or infrastructure needs that affect the buildable area of sites in the inventory	<ul style="list-style-type: none"> -Number of environmentally constrained acres (note – these acres are removed from buildable land inventory). -Inside or outside marine use restriction area -Inside or outside an aviation overlay zone -Average volume-to-capacity ratio for traffic in surrounding area -Portion of each tax lot that has a slope between 7-25%

Appendix 3

Buildable land inventory results (revised as of 10/27/15)

This appendix describes the results of the buildable land inventory methods described in Appendix 2. All cities and counties in the region were given over two months to review a preliminary inventory in the fall of 2013. This inventory incorporates edits submitted by local jurisdictions. This buildable land inventory should be understood as a first cut at understanding the growth capacity of the Metro UGB. As described in the 2014 UGR summary and appendices 4 (Housing Needs Analysis) and 6 (Employment Demand Analysis), not all of this inventory may be feasible in the 20-year planning horizon. Additional market feasibility considerations are incorporated into the analyses found in those documents.

This inventory includes revised assumptions about growth capacity in Damascus. Please refer to Appendix 15 for a description of the “Damascus disincorporation” scenario which documents those revised assumptions.

City of Tualatin Exhibit No. 111

Does not include the Hillsboro industrial land added to the UGB by HB 4078
COM capacity includes capacity in COM and MUR zone classes
Unincorp = unincorporated areas inside Metro UGB

2014 Buildable Land Inventory (BLI) - Damascus Disincorporation Capacity Summary by City, Source, and Type Metro Research Center 27-Oct-15

Local Government	TOTAL ACRES	Industrial		Commercial		Commercial on COM		Commercial on MUR		Total Capacity by Land Type			Percent of Capacity by Land Type						
		Vacant	Redev	Vacant	Redev	Vacant	Redev	Vacant	Redev	IND	COM	MUR	% IND	% COM	% MUR				
Clackamas Total	1,982	327	563	413	680	38	209	375	470	889	247	846	1,242	740	1,444	63%	12%	43%	37%
DAMASCUS	297	0	25	152	119	0	50	152	69	25	50	222	144	152	75%	8%	75%	51%	
GLAUSTONE	68	1	57	3	7	3	7	0	0	58	10	0	64	4	4	0%	15%	0%	5%
HAPPY VALLEY	489	127	16	154	191	15	0	140	191	243	15	331	207	281	207	68%	3%	68%	58%
JOHNSON CITY	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%	0%	0%	0%
LAKE OSWEGO	28	2	9	4	13	0	0	4	13	10	1	17	22	6	22	37%	3%	60%	21%
MILWAUKEE	60	9	42	8	9	0	6	8	2	43	7	10	50	10	50	72%	11%	17%	16%
OREGON CITY	308	43	101	50	113	0	19	50	94	145	19	144	215	93	215	47%	6%	47%	30%
RIVERGROVE	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%	0%	0%	0%
WEST LINN	14	1	0	9	4	0	0	9	3	1	1	12	4	10	4	87%	8%	87%	68%
WILSONVILLE	279	57	171	18	33	11	26	7	8	228	36	15	204	75	204	82%	13%	5%	73%
UNINCORP-CLACK	441	95	142	15	189	9	100	6	90	237	108	96	331	110	331	54%	25%	22%	27%
Multnomah Total	4,315	1,507	1,342	329	1,137	132	212	197	925	2,849	344	1,122	2,479	1,637	2,479	66%	8%	26%	43%
FAIRVIEW	165	102	0	32	32	21	28	11	4	102	49	15	32	134	32	62%	29%	9%	81%
GRESHAM	666	364	97	96	108	32	7	65	101	462	39	166	205	461	205	69%	6%	25%	69%
MAYWOOD PARK	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0%	0%	0%	0%
PORTLAND	2,434	649	753	131	901	64	161	67	740	1,402	225	807	1,655	780	1,655	58%	9%	33%	32%
TROUTDALE	328	247	6	42	32	4	6	38	26	253	11	64	290	290	290	77%	3%	20%	88%
WOOD VILLAGE	69	5	31	8	25	1	3	7	22	35	4	29	56	13	56	51%	7%	42%	12%
UNINCORP-MULT	653	140	454	20	39	10	7	10	32	594	17	42	493	160	493	91%	3%	6%	25%
Washington Total	4,139	1,887	1,132	448	672	157	219	290	453	3,019	376	743	1,803	2,335	1,803	73%	9%	18%	56%
BEAVERTON	335	32	72	121	109	3	12	119	98	105	14	216	182	154	182	31%	4%	64%	46%
CORNELIUS	109	35	1	18	54	-8	54	0	0	36	72	0	55	54	55	33%	66%	0%	54%
DURHAM	6	5	1	0	0	0	0	0	0	6	0	0	1	5	1	100%	0%	0%	84%
FOREST GROVE	163	95	0	14	53	1	4	14	49	95	5	63	53	110	53	59%	3%	38%	67%
HILLSBORO	1,623	570	847	107	98	72	31	35	67	1,417	103	102	945	677	945	87%	6%	6%	42%
KING CITY	4	0	0	0	4	0	4	0	0	0	0	0	4	0	4	0%	0%	0%	0%
SHERWOOD	121	83	0	19	19	11	9	8	10	83	20	18	102	102	102	68%	17%	15%	84%
TIGARD	178	25	28	40	40	25	25	22	58	54	44	80	112	66	112	30%	25%	45%	37%
TUALATIN	272	210	7	15	40	15	40	0	0	216	56	0	47	223	47	79%	21%	0%	85%
UNINCORP-WASH	1,328	831	176	112	204	19	39	93	170	1,007	58	263	385	943	385	76%	4%	20%	71%
UGB TOTAL	10,436	3,722	3,056	1,190	2,486	328	640	863	1,848	6,757	967	2,711	5,524	4,912	5,524	65%	9%	26%	47%

This table reflects a necessary correction identified by Metro staff in September 2014. The correction relates to lands added to the urban growth boundary by the Oregon Legislature in March 2014 under House Bill 4078. At the request of the City of Forest Grove, this revised report counts lands added near Forest Grove as industrial, rather than residential with a small amount of commercial. Since these lands are not yet annexed to the city, they appear as unincorporated Washington County.

City of Tualatin Exhibit No. 111

2014 Buildable Land Inventory (BLI) – Damascus Disincorporation Capacity Summary by City, Source, and Type Metro Research Center 27-Oct-15

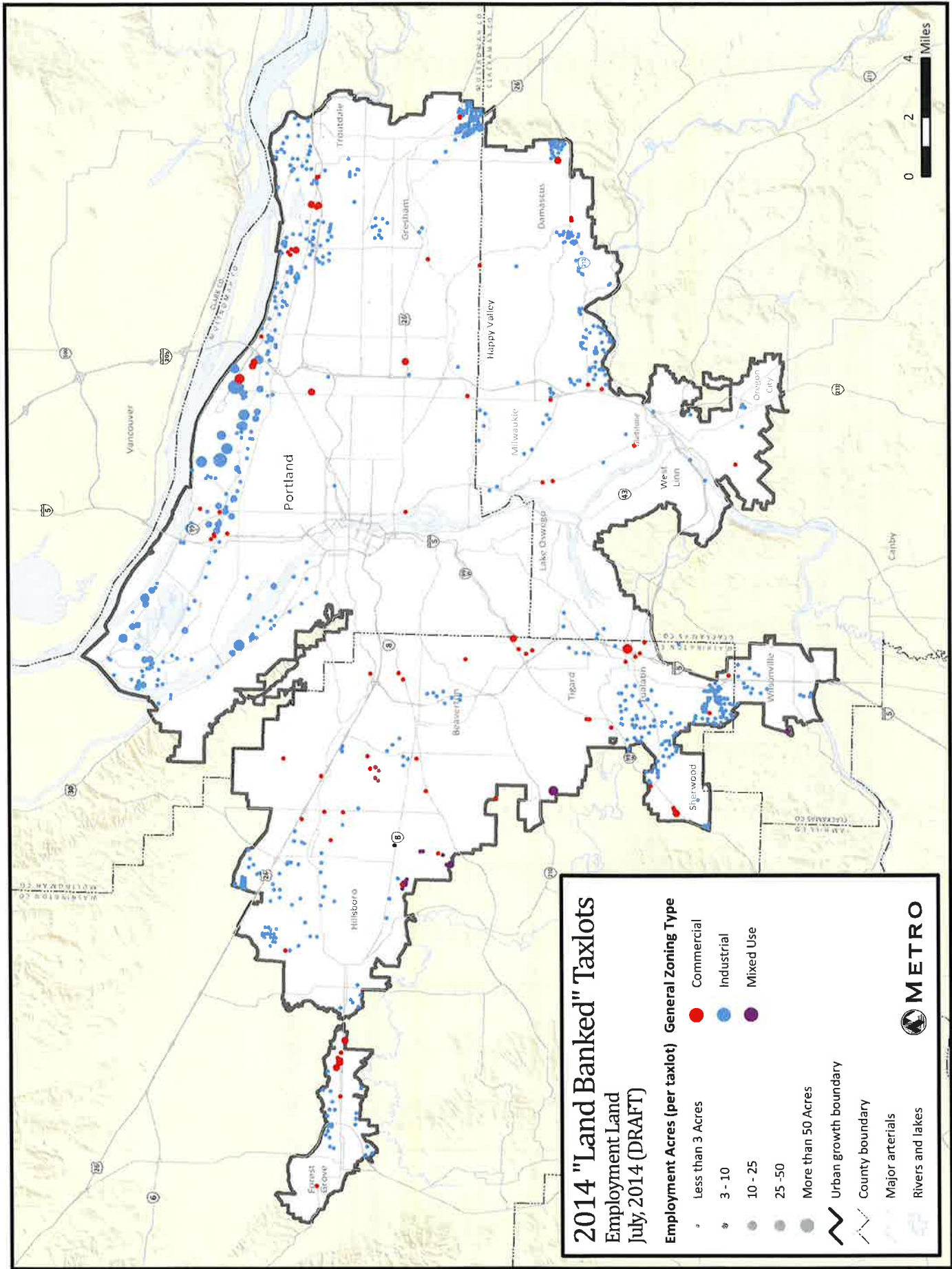
MF capacity includes capacity in MFR and MUR zone classes
"Unincorp" = unincorporated areas inside Metro UGB

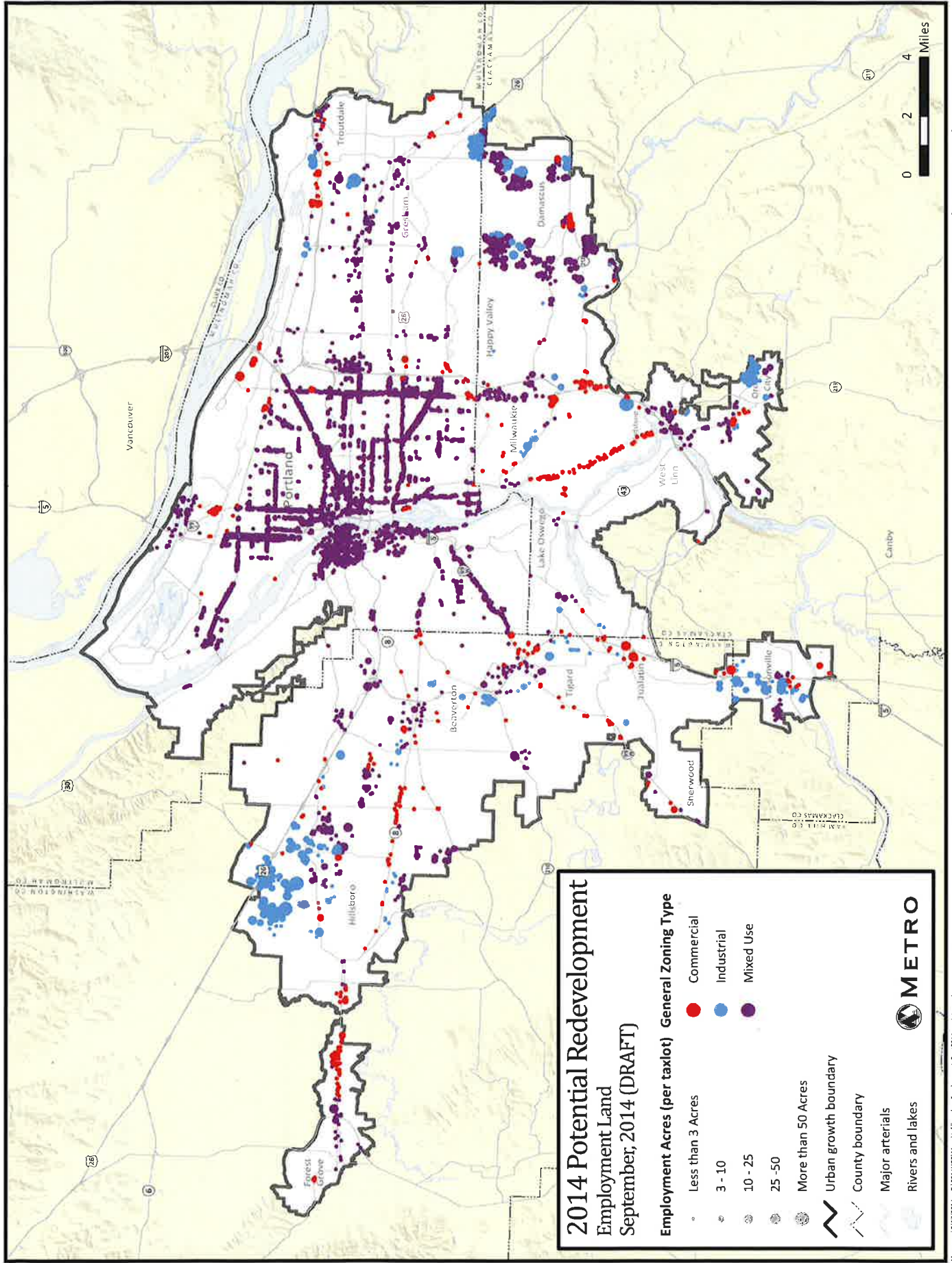
Local Government	TOTAL DU	Single Family (SF)		Multi-Family (MF)		MF - Low (< 75 DU/acre)		MF - High (> 75 DU/acre)		Total Capacity by Building Type				Percent of Capacity by Building Type				
		Vacant	Infill	Vacant	Redev	Vacant	Redev	Vacant	Redev	SF	MF - Low	MF - High	MF - High	% SF	% MF - Low	% MF - High	Vacant Total	% Vacant
Clackamas Total	56,738	15,600	20,043	7,459	13,656	6,238	11,945	1,221	2,091	35,543	17,783	9,312	6%	31%	6%	29,059	41%	59%
DAMASCUS	15,681	5,034	5,837	2,046	2,764	2,046	2,764	0	0	10,871	4,810	0	0%	31%	0%	7,080	45%	55%
GLADSTONE	567	37	199	41	290	0	290	0	0	0	331	0	0%	42%	0%	78	58%	86%
HAPPY VALLEY	10,004	2,615	3,043	2,266	2,042	2,137	2,042	129	38	5,658	4,179	167	2%	42%	2%	4,881	49%	51%
JOHNSON CITY	0	0	0	0	0	0	0	0	0	0	0	0	0%	0%	0%	0	0%	0%
LAKE OSWEGO	1,475	513	497	44	421	44	421	0	0	1,010	465	0	0%	32%	0%	557	38%	62%
MILWAUKIE	1,236	244	933	23	36	23	28	8	8	1,177	51	8	1%	36%	1%	267	22%	78%
OREGON CITY	7,330	1,462	1,173	1,791	2,904	835	1,832	956	1,072	2,653	2,667	2,028	28%	36%	28%	3,253	44%	56%
RIVERGROVE	36	31	5	0	0	0	0	0	0	36	0	0	0%	100%	0%	31	5	14%
WEST LINN	1,048	511	413	51	73	51	73	0	0	924	124	0	0%	88%	0%	562	48%	46%
WILSONVILLE	3,852	1,275	1,485	531	561	531	561	0	0	2,760	1,092	0	0%	28%	0%	1,806	47%	53%
UNINCORP-CLACK	15,509	3,878	6,458	666	4,507	530	3,534	136	973	10,336	4,064	1,109	7%	26%	7%	4,544	29%	71%
Multnomah Total	255,834	9,823	14,709	23,775	207,527	8,678	50,815	15,097	156,712	24,532	59,493	171,809	67%	23%	67%	33,598	13%	87%
FAIRVIEW	1,124	212	209	367	336	367	336	0	0	421	703	0	37%	63%	0%	579	54%	48%
GRESHAM	13,322	1,774	3,034	3,032	7,482	2,865	6,945	169	537	4,808	9,808	706	5%	64%	5%	4,806	31%	69%
MAYWOOD PARK	32	15	17	0	0	0	0	0	0	32	0	0	100%	0%	0%	15	17	53%
PORTLAND	228,426	5,760	9,420	19,037	194,209	4,109	38,034	14,928	156,175	15,180	42,143	171,103	7%	18%	75%	24,797	11%	89%
TROUTDALE	1,515	269	277	433	536	433	536	0	0	546	969	0	36%	64%	0%	702	813	54%
WOOD VILLAGE	620	24	15	64	517	64	517	0	0	39	581	0	6%	94%	0%	88	532	86%
UNINCORP-MULT	8,795	1,769	1,737	842	4,447	842	4,447	0	0	3,506	5,289	0	40%	60%	0%	2,611	6,184	70%
Washington Total	74,880	20,870	32,295	9,224	12,491	8,664	11,563	560	928	53,165	20,227	1,488	71%	27%	2%	30,094	40%	60%
BEAVERTON	8,016	2,010	2,737	2,172	1,035	1,994	1,035	178	62	4,747	3,029	240	59%	38%	3%	4,182	3,834	48%
CORNELIUS	241	23	65	31	112	31	112	0	0	88	153	0	37%	63%	0%	54	187	78%
DURHAM	42	25	17	0	0	0	0	0	0	42	0	0	100%	0%	0%	25	17	40%
FOREST GROVE	5,429	1,473	1,966	532	1,458	532	1,458	0	0	3,439	1,990	0	63%	37%	0%	2,005	3,424	63%
HILLSBORO	9,972	1,736	2,925	1,385	3,926	1,385	3,926	0	0	4,661	5,311	0	47%	53%	0%	3,121	6,851	69%
KING CITY	392	154	69	146	23	146	23	0	0	223	169	0	57%	43%	0%	300	92	23%
SHERWOOD	991	75	397	218	306	218	306	0	0	467	524	0	47%	53%	0%	293	698	70%
TIGARD	8,513	1,892	4,351	955	1,315	952	1,315	3	320	6,243	1,947	323	73%	23%	4%	2,847	5,666	67%
TUALATIN	539	374	314	136	52	136	52	0	0	351	188	0	65%	35%	0%	173	366	68%
UNINCORP-WASH	40,745	13,445	19,459	3,649	4,192	3,270	3,646	379	546	32,904	6,916	925	81%	17%	2%	17,094	23,651	58%
UGB TOTAL	387,452	46,293	67,047	40,458	233,654	23,580	73,923	16,878	159,731	113,340	97,503	176,698	45%	25%	45%	86,751	300,701	78%

This table reflects a necessary correction identified by Metro staff in September 2014. The correction relates to lands added to the urban growth boundary by the Oregon Legislature in March 2014 under House Bill 4078. At the request of the city of Forest Grove, this revised report counts lands added near Forest Grove as industrial, rather than residential with a small amount of commercial. Since these lands are not yet annexed to the city, they appear as unincorporated Washington County.

37 units on vacant land translates to 5.78 acres
6.4 units/acre

City of Tualatin Exhibit No. 111





2014 Potential Redevelopment Employment Land September, 2014 (DRAFT)

Employment Acres (per taxlot)	General Zoning Type
• Less than 3 Acres	Commercial (Red)
• 3 - 10	Industrial (Blue)
• 10 - 25	Mixed Use (Purple)
• 25 - 50	
• More than 50 Acres	

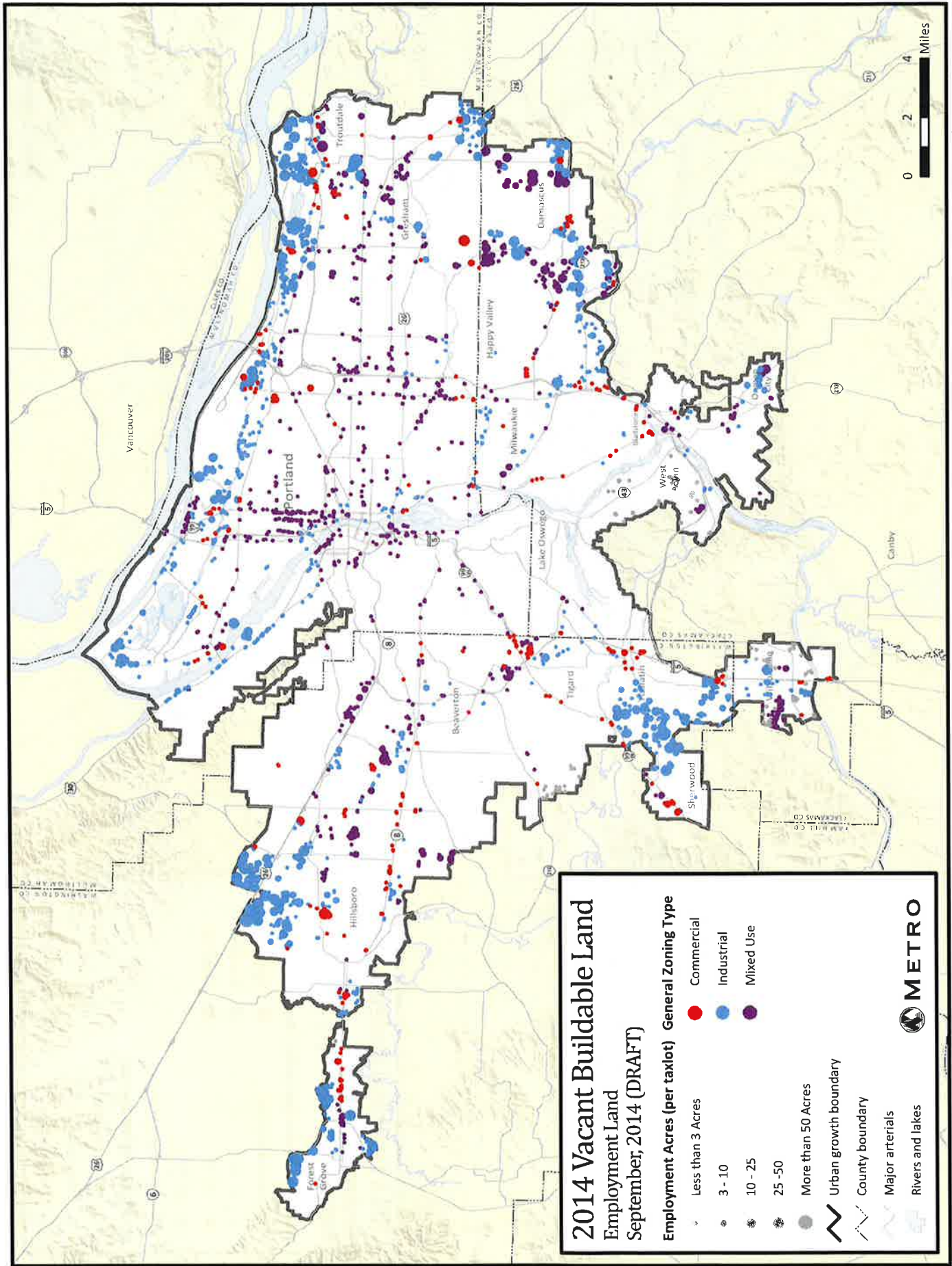
Urban growth boundary (thick black line)
 County boundary (dashed line)
 Major arterials (thick grey line)
 Rivers and lakes (blue area)

METRO

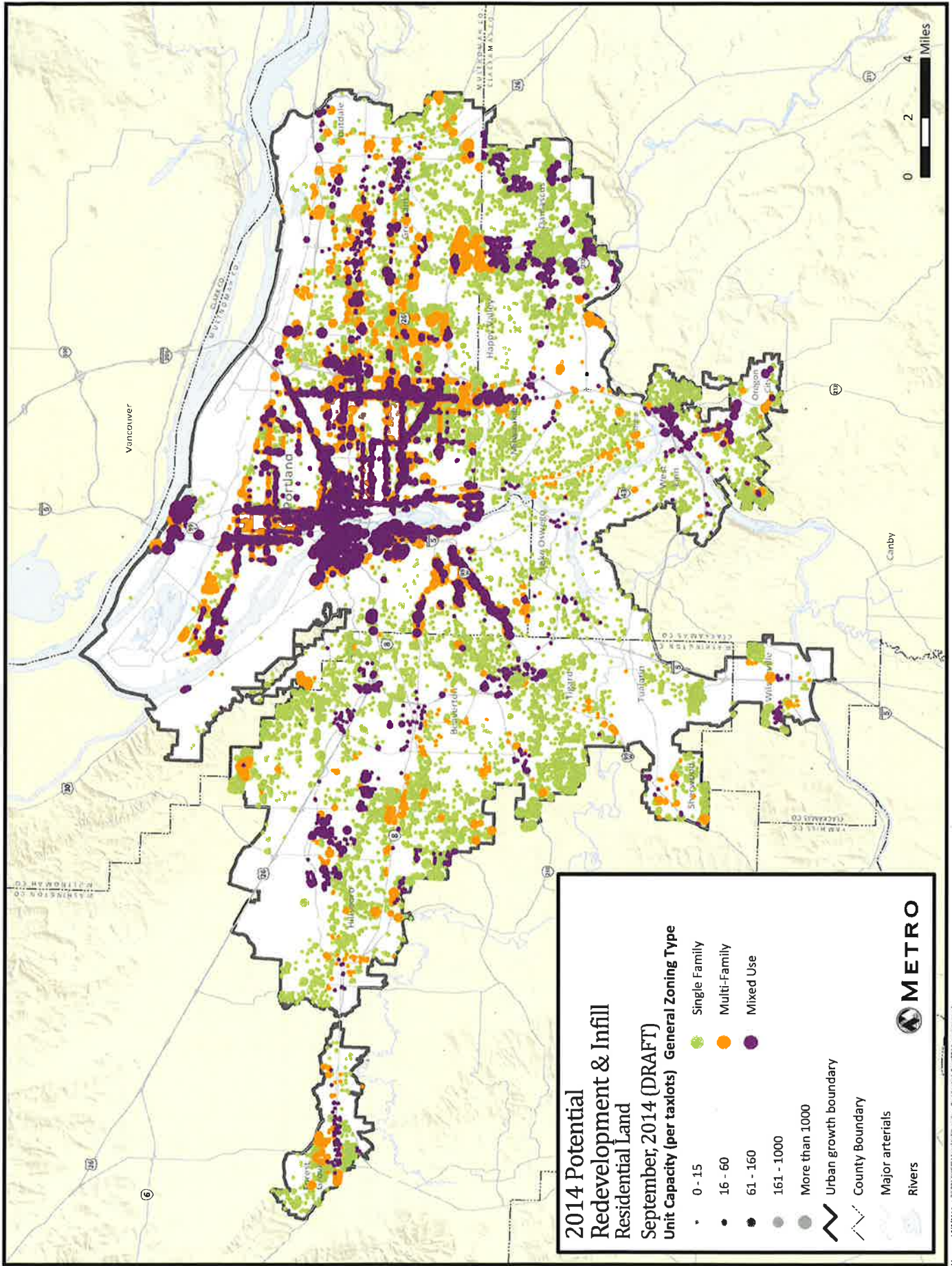


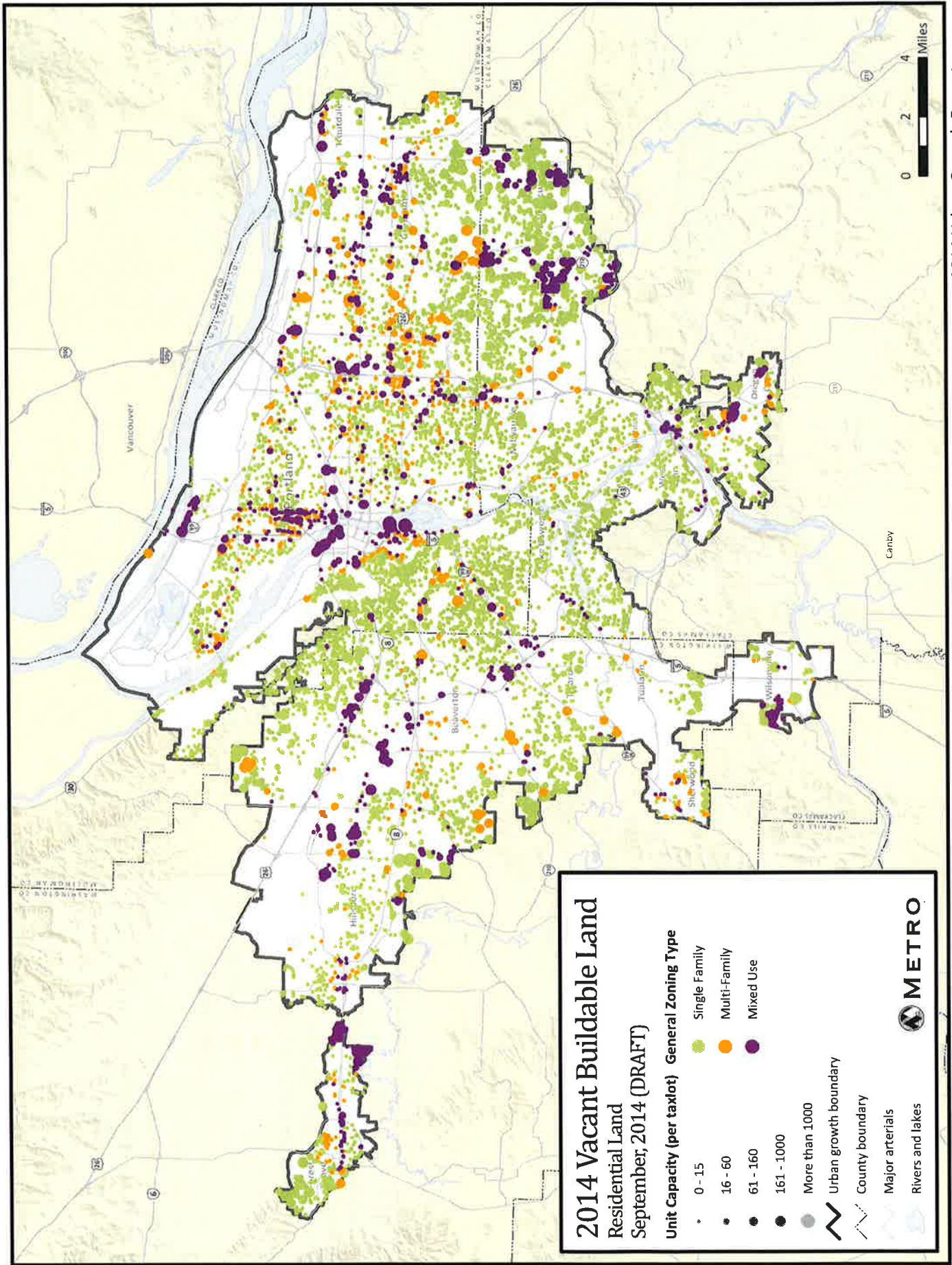
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City of Tualatin Exhibit No. 111



City of Tualatin Exhibit No. 111





City of Tualatin

Exhibit No. 112



February 10, 2017

Mr. Herb Koss
Sherwood Grahams Ferry LLC
22400 Salamo Road, Suite 106
West Linn, Oregon 97068

RE: BASALT CREEK CONCEPT PLAN – (CENTRAL AREA)

Dear Mr. Koss:

In response to your request I have reviewed the Basalt Creek Concept Plan materials with regards to the suitability of employment/light industrial development on the 63 acres north and east of the intersection of Grahams Ferry road and Basalt Creek Parkway. These materials included:

1. Tualatin Staff Reports
2. Mackenzie Study
3. Email from Washington County Basalt Creek Parkway project manager Renus Kelfkens regarding access to Basalt Creek Parkway.
4. DKS preliminary profile of the extension Basalt.
5. OTAK Basalt Creek Concept Plan.

We understand that the City, Metro and Washington County's desire is to zone this area for employment land. Development potential of land for employment uses, as stated in the MacKenzie report, is generally assumed to have less than 5% slopes. This is to allow for larger building footprints, parking, loading areas and truck access.

The two areas that meet that criteria for this property is the northerly 1/3 adjacent Victoria Gardens and the top of the plateau area in the lower middle of the site. The northerly area would be well served with access from Grahams Ferry Road at Tonquin Loop and potentially a secondary access from Tonquin Road at Grahams Ferry Road. These to access points would appear to have good separation and sight distance on Grahams Ferry. The northerly area is very developable as employment land, however the City has set aside approximately 10 acres (almost half) as residential to buffer the Victoria Gardens lots.

The southerly plateau area's best access would come from the southerly property line and Grahams Ferry. However, this is the location of Basalt Creek Parkway which the County will not allow access. We also understand that the County has deleted the proposed Kinsman Road crossing of Basalt Creek Parkway shown on the Tualatin Concept and MacKenzie plans thereby eliminating the only at grade potential access coming from the southerly portion of the site. Therefore any access to the plateau area must come from the north (Tonquin Road or Tonquin

City of Tualatin

Exhibit No. 112

Mr. Herb Koss

BASALT CREEK CONCEPT PLAN – (CENTRAL AREA)

Page 2 of 2

Road Loop). The plateau area is almost completely surrounded by steeply sloped land. The slopes range from over 10% to over 20%. The over 40 vertical rise needed to get from Tonquin Road to the top of the plateau area will take 800 feet at 5% not accounting for access to the lower property on either side or the potential impacts to wetlands.

There is slightly over 25 feet vertical rise from Tonquin Loop to the top of the plateau. This does not account for the low area just north of the plateau that drops down another 15 feet that this road would have to cross. While the grading is more manageable the result would be truck traffic routed through a residential area.

Neither access point can provide a secondary access to the plateau area. This is a negative for both traffic flow patterns and emergency access. In addition as these roads are raised to provide access to the plateau area, the access to land on either side of the road becomes more difficult.

This area is also well known for the hard rock that is very near the surface. We were the design engineers for Victoria Gardens where we had about 2-feet of fill brought into the site to reduce the rock excavation costs. Unfortunately, filling the area does not provide better access.

Employment land requires flatter slopes to serve larger building footprints and then adjacent parking/loading areas. Providing for truck access and typical development footprint will severely limit the development efficiency for this portion of the property. Residential uses are more flexible with access grades and smaller footprints however the site will still be difficult to development without access to the south.

In summary, the northerly one third of the property is well suited to employment land. However, contrary to the MacKenzie report, Tualatin's current plan reserves the northerly 10 acres or so (almost half) of the northerly area for residential to buffer the Victoria Gardens lots. The southerly plateau area is not well suited for employment land. This is due to access constraints, surrounding steep slopes, lack of secondary access and grading costs.

It has also been our experience that if property is forced into a development pattern it is not well suited for, it will end up being one of the last parcels developed and the quality of that development is usually below expectations. If you have any questions in regards to our analysis, please don't hesitate to contact us.

Sincerely,



Anthony R. Weller, P.E., P.L.S.

President

City of Tualatin

Exhibit No. 113



May 18, 2017

Mr. Herb Koss
Sherwood Grahams Ferry LLC
22400 Salamo Road, Suite 106
West Linn, Oregon 97068

RE: BASALT CREEK CENTRAL AREA – KPFF CONCEPT PLAN

Dear Mr. Koss:

In response to your request we have reviewed the Basalt Creek Concept Plans prepared by KPFF with regards to the approximately 50 acres north and east of the intersection of Grahams Ferry road and Basalt Creek Parkway.

The KPFF study outlines three potential development schemes that share similarities between each scheme. Each scheme includes a single access point on Grahams Ferry Road at Tonquin Loop and no secondary or emergency access provided. The study also provides concept finish floor elevations and access road grades for each scheme. The summary shows either Scheme A or B as the higher rated concepts. We chose Scheme B to evaluate as the most highly ranked scheme.

Using the proposed grading plan for Scheme B, we calculated rough grading quantities and costs. Our estimate shows estimated grading totaling about 350,000 cubic yards. We also looked at the existing grades around the proposed parking and building areas for the potential need of retaining walls. The grading plan for this scheme showed some retaining walls but we believe additional walls would be required along the parking areas adjacent to the easterly property line and the downhill sides of Building B and Building D. We estimated the need for approximately 2400 lineal feet of retaining walls for these walls and the ones shown on the plan. We also believe additional smaller walls will likely be required for this plan as it is further developed. We did not provide any allowance for the smaller walls.

Our experience in this area on the site to the north, leads us to expect a significant amount of rock that is very near the surface. The proposed grading plan also includes significant depths of cut and fill. The fill in the south east corner of the site would be about 20-feet and cuts on the site that could be over 10-feet. Rock excavation is not very efficient and therefore more costly. Also to use the excavated rock materials as fill, will require additional processing or it may need to be supplemented with imported materials to accomplish the grading as proposed.

CESNW, INC.
13190 SW 68TH PARKWAY, STE. 150, TIGARD, OR 97223
503.968.6655 TEL 503.968.2595 FAX WWW.CESNW.COM

City of Tualatin

Exhibit No. 113

Mr. Herb Koss

BASALT CREEK CENTRAL AREA – KPFF CONCEPT PLAN

Page 2 of 2

For budgetary purposes, we would estimate \$30 per cubic yard for grading to reflect the rock excavation and potential imported fill needs for this site. This results in an estimated grading cost of \$10,500,000. At the anticipated wall heights, we have estimated \$1,200,000 for the retaining walls.

In summary, we feel the proposed grading plan is possible but it puts parking lot and access way slopes at the near maximums for industrial development. If you were to reduce slopes to improve the usability, it would require even more excavation and the costs would be even higher.

If you have any questions in regards to our analysis, please don't hesitate to contact us.

Sincerely,



Anthony R. Weller, P.E., P.L.S.

President

\\3273_CESNW_KPFF

City of Tualatin

Exhibit No. 114



July 20, 2017

Mr. Herb Koss
Sherwood Grahams Ferry LLC
22400 Salamo Road, Suite 106
West Linn, Oregon 97068

RE: BASALT CREEK CENTRAL AREA – EMPLOYMENT VERSES RESIDENTIAL DEVELOPMENT

Dear Mr. Koss:

In response to your request we have prepared a summary on the differences between development of employment type uses verses residential uses on the central area of Basalt Creek Concept Plans. When we evaluate property for development we look at zoning, transportation/access, utility service availability, topography, environmental constraints, soil conditions and adjacent uses.

The Basalt Creek Central Area faces development constraints that impact any development regardless of use (employment verses residential). These development constraints are:

- Limited access (only from Grahams Ferry Road).
- Wetlands
- Powerline easement that bisects the area
- Significant slope and topography to access the southerly portion.
- Shallow hard rock soil conditions.

The most significant differences between employment development and residential is how they can respond to these constraints. Residential development typically has smaller building footprints and can accept steeper grades for access. In addition attached residential buildings can have split floor elevations and parking underneath, both of which allow this type of building to be more responsive to the topographic and access issues.

Conversely, employment development has larger building footprints, must have flatter access grades for trucks, wider maneuvering areas for turning movements and parking. It is also undesirable to split building floor elevations as that can limit the use or size of tenant. **This flatter and wider footprint requires more grading and retaining walls on property like this than any competitive property without these constraints. Add rock excavation at six to ten times the normal cost of grading to the excessive amount of grading required, and this property may not be economically feasible to develop.**

City of Tualatin

Exhibit No. 114

Mr. Herb Koss

BASALT CREEK CENTRAL AREA

Page 2 of 2

Two residential projects we have been involved in are examples of how residential development can be more responsive to site constraints. Forest Rim apartments on Nyberg Road in Tualatin had wetlands and large rock outcrop in the middle of the site. The access roads and buildings were able to be wrapped around these features that turned them into amenities rather than limitations. A condominium project in Happy Valley, Greystone at Altamont was able to be wrapped around the top of the knoll with parking underneath both the upper and lower side of the units.

Most of the competitive employment land along the I-5 corridor in Tigard and Wilsonville or western Tualatin is relatively flat and/or does not require the rock excavation for development. We prepared rough cost estimates for the grading and retaining walls this property based on the KPFF Option B plan for basic site prep. These costs are in addition to the paving and utility costs that will also be needed for this site. The rough grading and retaining wall costs are:

Grading	350,000 Cubic Yards	\$10,500,000.00 (assumes significant rock excavation)
Retaining Walls	2,400 Lineal Feet	\$ 1,200,000.00

It is important not to overlook the other constraint that impacts this area, Access. The lack of access to the southerly and upper portion of the area increases the amount of grading and rock excavation required to develop the property. If Basalt Creek Parkway had been a local street that would provide at grade access to the upper portion of the area, employment uses could be feasible. Similar to variance criteria, this is not a self-imposed hardship but one that is unique to this portion of the planning area.

Another consideration is how this area relates to the adjacent uses (both existing and future). There is existing single family detached housing to the north. There is also underdeveloped property east of the planning area as well as the creek itself along the northeasterly portion of the area.

The City of Tualatin is proposing additional single family detached adjacent the existing single family housing to the north. Higher density residential provides an excellent transition between lower density residential, commercial and/or industrial uses. Basalt Creek Parkway with its deep cut and wide right of way provides additional transition area to the south.

Per your request, I will be present at the 7/24 work session and will be happy to answer any questions at that time.

Sincerely,



Anthony R. Weller, P.E., P.L.S.

President

City of Tualatin

Exhibit No. 115



15350 S.W. Sequoia Pkwy., Suite 300
Portland, Oregon 97224
503/624-6300 • Facsimile: 503/624-7755

November 14, 2016

VIA EMAIL

Herb Koss
2643 South Shore Boulevard
Lake Oswego, OR 97034

Dear Herb,

At the request of Peter Bechen, I toured your site north of the future Basalt Creek Parkway last week. PacTrust is developing an industrial park several miles north at 115th Avenue and Tualatin-Sherwood Road in Tualatin known as Koch Corporate Center. We are interested in locating a site to develop in the Coffee Creek area for light industrial uses. Unfortunately, the topography of your site makes development of industrial or flex buildings uneconomic. We believe housing would be a more appropriate use for the site. The smaller floor plates for housing enable it to work with slope conditions present on your property. Industrial/employment land requires sites to be much more flat due to dramatically larger floor plates, parking requirements, loading areas for trucks and ingress/egress concerns for trucks. There are several sites in the area that are more appropriate for industrial/employment development.

Let me know if you would like to discuss this further.

Yours very truly,

PACIFIC REALTY ASSOCIATES, L.P.

A handwritten signature in blue ink, appearing to read "Eric A. Sporre".

Eric A. Sporre
Vice President

City of Tualatin
Exhibit No. 116

MACKENZIE.

DESIGN DRIVEN | CLIENT FOCUSED

January 11, 2017

Washington County
Attention: Erin Wardell
Department of Land Use & Transportation
155 N First Ave, Suite 350 MS16
Hillsboro, OR 97124

Re: **Basalt Creek Employment Site Evaluation**
Project Number 2150111.01

Dear Erin:

Washington County contracted with Mackenzie to review the subject site based on Mackenzie's experience with planning and design for development of industrial and employment lands in the Portland region. The goal of this effort is to assist County staff in understanding the likely development opportunities and patterns that might occur on the subject site based on general site development factors including but not limited to potential physical site development constraints.

The 63-acre site (see attached), located within the Basalt Creek planning area is currently planned for future industrial/employment development. We understand there are questions that, given the topography and potential wildlife habitat/wetlands on site, the site may be better suited for uses other than industrial/employment (e.g., residential). This letter summarizes our preliminary opinion on the developability of the subject site for industrial/employment uses from a concept planning level only. Our review is based on limited information regarding existing conditions provided by Washington County on December 20, 2016.

The County's Goal 5 inventory shows the entire subject site as significant natural area and 2.75 acres in the northeast corner as wetland and fish wildlife habitat. In addition, nearly 70% of the subject site is Metro Title 13 Riparian areas with riparian wildlife habitat areas and impact areas. The exact location and classification of these features is unknown at this time and is beyond the scope of this evaluation. It is possible that there are no significant natural features located on the subject site, except for the NE portion of the site which has a ravine with natural resources discussed below. These potential natural features and wildlife habitat must be confirmed prior to development and it is recommended that prior to further master planning and/or zoning this property, a natural feature inventory and/or survey is performed on this site to further refine the net developable acreage. Only after a wetland delineation and/or survey would we will be able to confirm the developable acreage of this site and confirm whether the concept plan in Figure 3 is feasible as it was created using publicly available GIS data only. Therefore, we did not consider Goal 5 or Title 13 as a factor in this effort as there is not enough information at this time to confirm exact feature locations.

Therefore, this memo assumes that the Goal 5 and Title 13 resources are developable at this time, except for the stream and ravine in the most northeastern corner of the site. While we are aware of the potential location of natural resources, physical topography, site size, and site configuration were the largest factors taken into consideration in the conceptual site plan shown in figure 3. In discussion with County staff, Goal 5 and Title 13 are not regulated at the development level. Wetland delineation and surveys are required through the development review process, prior to development, to confirm any potential on site constraints. The Goal 5 designation requires the current or future property owner(s) to conduct a wetland delineation to confirm any potential resources as well as an assessment of



P 503.224.9560 • F 503.228.1285 • W MCKNZE.COM • RiverEast Center, 1515 SE Water Avenue, #100, Portland, OR 97214
ARCHITECTURE • INTERIORS • STRUCTURAL ENGINEERING • CIVIL ENGINEERING • LAND USE PLANNING • TRANSPORTATION PLANNING • LANDSCAPE ARCHITECTURE
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City of Tualatin

Exhibit No. 116

Washington County
Basalt Creek Employment Site Evaluation
Project Number 2150111.01
January 11, 2017
Page 2

those resources. In addition, site development should take into consideration potentially geological challenges related to the Tonquin Scablands, which may impact the subject site and were not reviewed as a part of this analysis.

INDUSTRIAL/EMPLOYMENT LAND SUITABILITY FACTORS

There are several physical factors that are utilized to determine the feasibility for development of industrial and employment uses, but the most critical is the need for generally "flat" land. Flat land in a concept planning analysis for industrial/employment development is commonly assumed to be less than 5% slope. Generally, increased slope results in smaller building footprints, less flexibility in building location and building orientation, and/or increased costs for grading. Although slopes from 5% to 10% can accommodate some employment uses, the site preparation costs and loss of efficiency increase dramatically. These factors in turn translate into a more limited range of potential users, ultimately limiting the marketability and underlying value of the site. Other factors for industrial/employment development include site size and configuration as well as proximity to major transportation corridors and private and public utilities. Market factors such as prevailing lease rates, market vacancy, and market depth may also impact the suitability of a development site.

SITE EVALUATION

Our approach was to "test" the site in two ways and compare the results. First, we reviewed the site from a high-level planning perspective utilizing GIS data and looking at general use and land efficiency factors. The second approach involved evaluation and conceptual site design by a Mackenzie architect who has decades of experience in industrial/employment development projects in the Portland region.

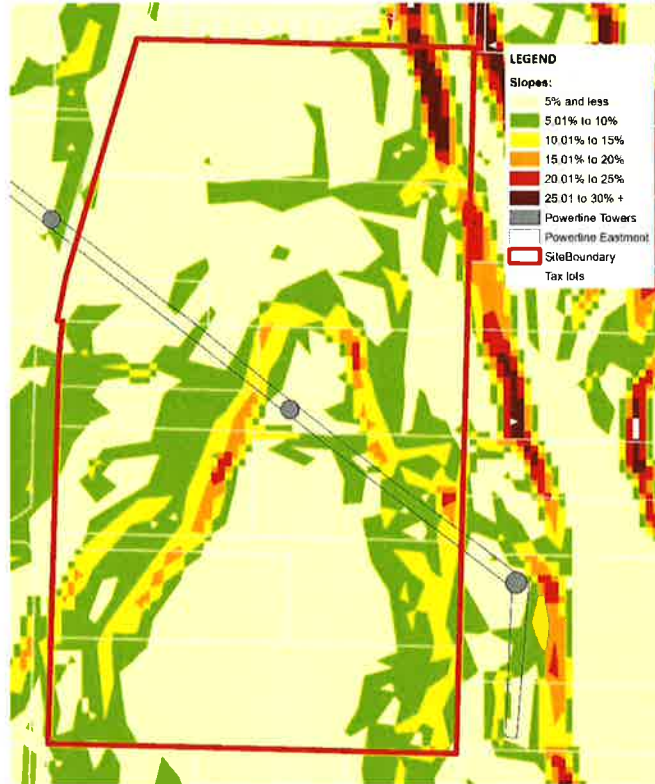
The high-level planning approach was to evaluate the existing slopes on site utilizing GIS data. As indicated below, the topography of the site lends itself to a natural divide into northern and southern development areas. The slope analysis in Figure 1 was completed utilizing the 2-foot contour GIS shapefile as provided by Washington County.

M.

City of Tualatin Exhibit No. 116

Washington County
Basalt Creek Employment Site Evaluation
Project Number 2150111.01
January 11, 2017
Page 3

Figure 1: Slopes Map



The table below identifies potential development areas for two critical slope categories: areas that are slopes 5% and less, and slopes above 5% to 10% slopes. Of the 63 gross acres, approximately half of the site (about 37 acres) may be suitable for employment development, if slopes ranging above 5% to 10% can be mitigated. Less than a third of the property (areas A and C) has slopes less than 5%, which are most suitable for employment development. These areas will still require some cut/fill earthwork for building pads. Areas B and D will require additional and more significant cut/fill balance to acquire the additional development areas.

Nearly a third of this site, approximately 22 acres, contain slopes greater than 10% or are surrounded by 10% and greater slopes, which is extremely difficult to develop for industrial/employment uses. Additionally, approximately 9 acres of the site will be utilized for right-of-way dedication of the future Basalt Creek Parkway alignment. Approximately 5 of these 9 acres have slopes less than 5%. Lastly, the northeastern portion of the site contains a ravine with natural resource conditions making that portion difficult for any development type/use.

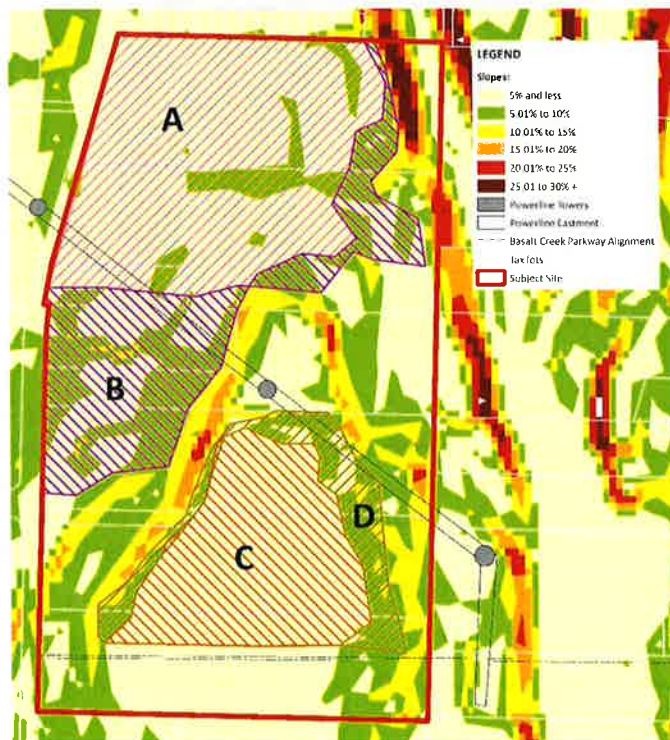


City of Tualatin Exhibit No. 116

Washington County
Basalt Creek Employment Site Evaluation
Project Number 2150111.01
January 11, 2017
Page 4

Table 1: Estimated Development Area			
	Estimated Development Area with Slopes mostly 5% and less	Estimated Development Area with Slopes above 5% to 10%	Total potential development area
Northern Development Area (Areas A and B)	16 acres (Area A)	+ additional 10 acres (Area B)	26 acres
Southern Development Area (Areas C and D)	8 acres (area C)	+ additional 3 acres (area D)	11 acres
Total:	24 acres	+ additional 13 acres	37 acres

Figure 2: Estimated Development Area Acreages and Slopes Map



However, the difficulty with utilizing only the high-level planning approach is that number of acres don't necessarily tell the whole story regarding the developability of the subject site. Size and configuration of sites usually results in less building coverage because buildings are rectangular and physical site conditions are usually not. Therefore, a second approach to testing the site was utilized to provide a better picture of potential for industrial/employment uses. A Mackenzie architect experienced in industrial/employment development evaluated existing site conditions and created a conceptual site plan responding to size, configuration and access considerations. Given the topography challenges, existing power lines and structures, the future Basalt Creek Parkway alignment (and required right-of-way dedications) and access limitations, we determined that the subject site could potentially support approximately 315,000 sf of

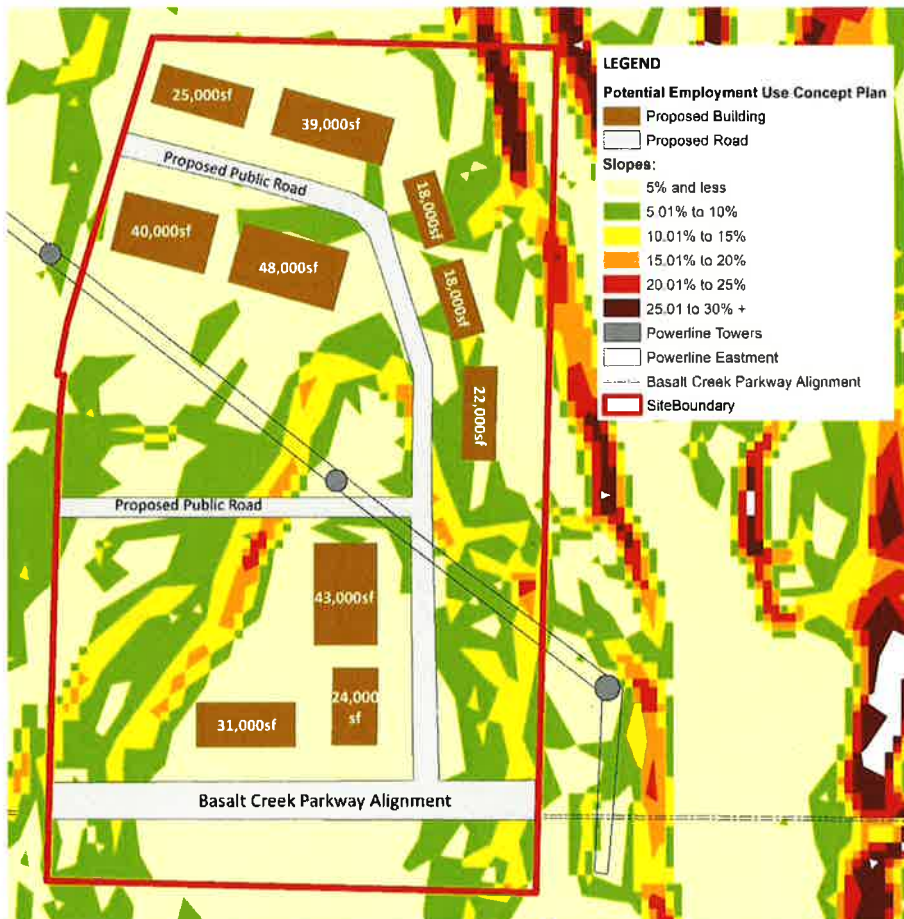


City of Tualatin Exhibit No. 116

Washington County
Basalt Creek Employment Site Evaluation
Project Number 2150111.01
January 11, 2017
Page 5

industrial/employment uses in 10 buildings, ranging in size from 18,000 sf to 43,000 sf. The conceptual plan below results in approximately 40% developable area, which includes the public roads, buildings, and associated parking areas, and is based on a building coverage factor that would result in the potential for approximately 315,000 sf of building area. This conceptual plan is shown in Figure 3 below and Exhibit B.

Figure 3: Conceptual employment use concept plan



OTHER CONSIDERATIONS

When comparing the land use concept of Basalt Creek, as shown on the Basalt Creek Concept Plan website¹ as of April 2016, the plan identifies the majority of the subject site as Employment with some Light Industrial/ Tech Flex and the northern taxlot as Multi-Family Residential. The property directly to the east is identified as the Basalt Creek Canyon, to the south is identified as a Light Industrial District, to the west is identified as Light Industrial/Tech Flex District, and

¹ http://www.basaltcreek.com/wp-content/uploads/2016/04/Basalt-Posters_042816_small.pdf



City of Tualatin

Exhibit No. 116

Washington County
Basalt Creek Employment Site Evaluation
Project Number 2150111.01
January 11, 2017
Page 6

Residential is designated to the north. Proximity to other industrial development will be important for industry synergies and future market growth.

CONCLUSION

The site is certainly feasible for employment, and given the existing site conditions and subject site location, the following employment uses may be suitable for this site:

- Flex business park (health services, professional services, support services, administration/back office support operations, incubator space)
- Office or office campus
- Manufacturing (food processing, metals, chemicals, equipment, machinery, product/components assembly)
- Commercial support services (restaurants, coffee shops, print shops) along the future Basalt Creek Parkway

NEXT STEPS

Significant transportation and utility planning must occur during the concept planning process to identify infrastructure needed to support the development of this site and adjacent uses. Infrastructure needs analysis, transportation analysis, and/or costing are not a part of this effort, however, we caution that this information is necessary along with a geotechnical report and ALTA survey to provide a complete analysis and recommendation.

Lastly, a market study to determine the need for employment uses and others (retail, commercial, residential, etc.) may assist the County and the cities of Wilsonville and Tualatin in determining the appropriate amount of industrial, employment, commercial, retail, and residential land requirements in the Basalt Creek Planning Area. The market study would further bring clarity to the market's ability to execute development across varying uses and determine the highest and best use of the subject property.

Sincerely,



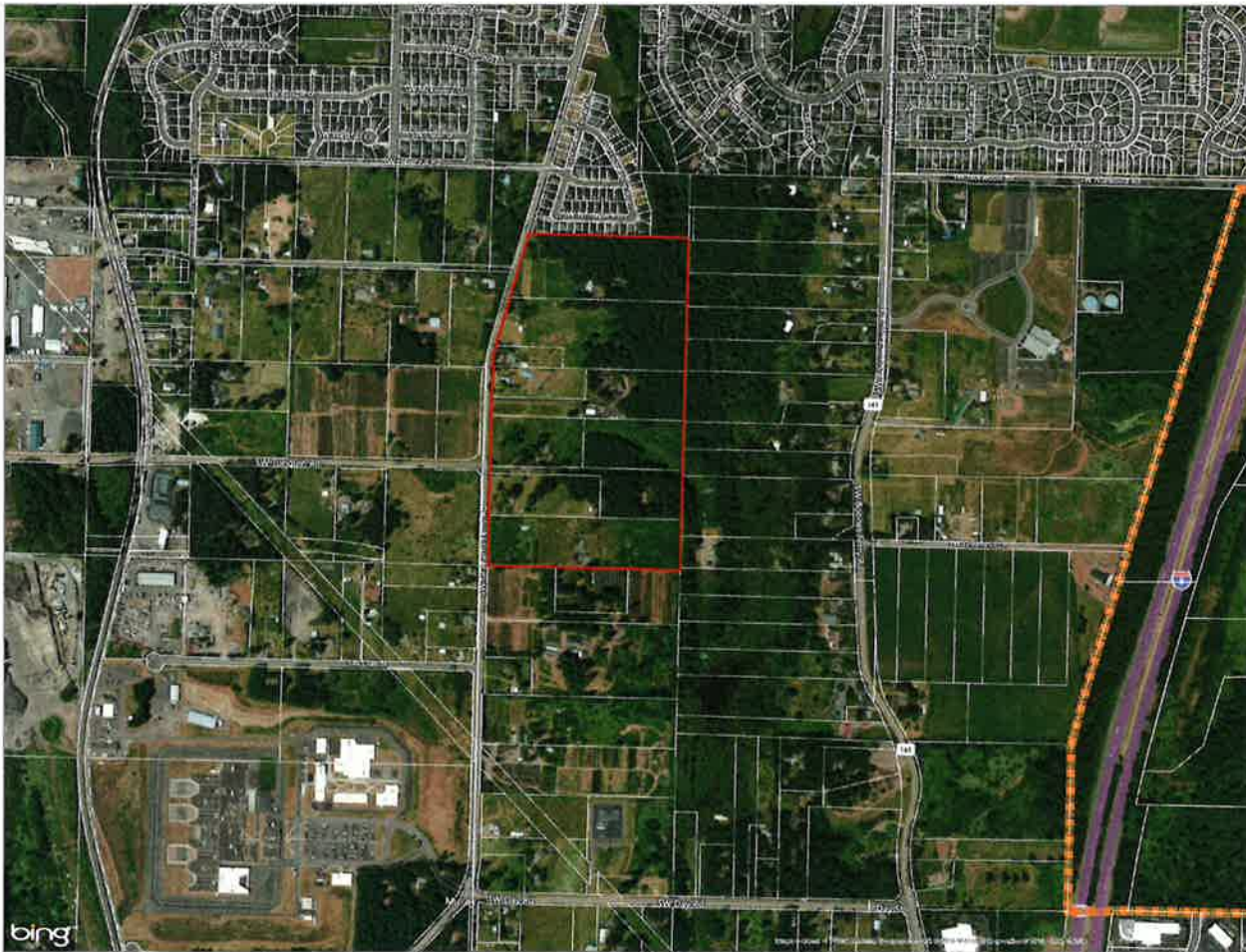
Gabriela Frask
Land Use Planner, Associate
Assistant Department Head

Enclosure(s): Existing conditions map
Concept plan

c: Todd Johnson - Mackenzie



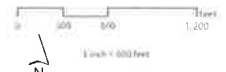
City of Tualatin Exhibit No. 116



Basalt Creek Employment Site Washington County, Oregon

LEGEND

-  Subject Site
-  Tax lots
-  Urban Growth Boundary (UGB)



Source Data: 2010 Aerial Imagery
Map Data: 2010 Aerial Imagery
Map Date: 2010

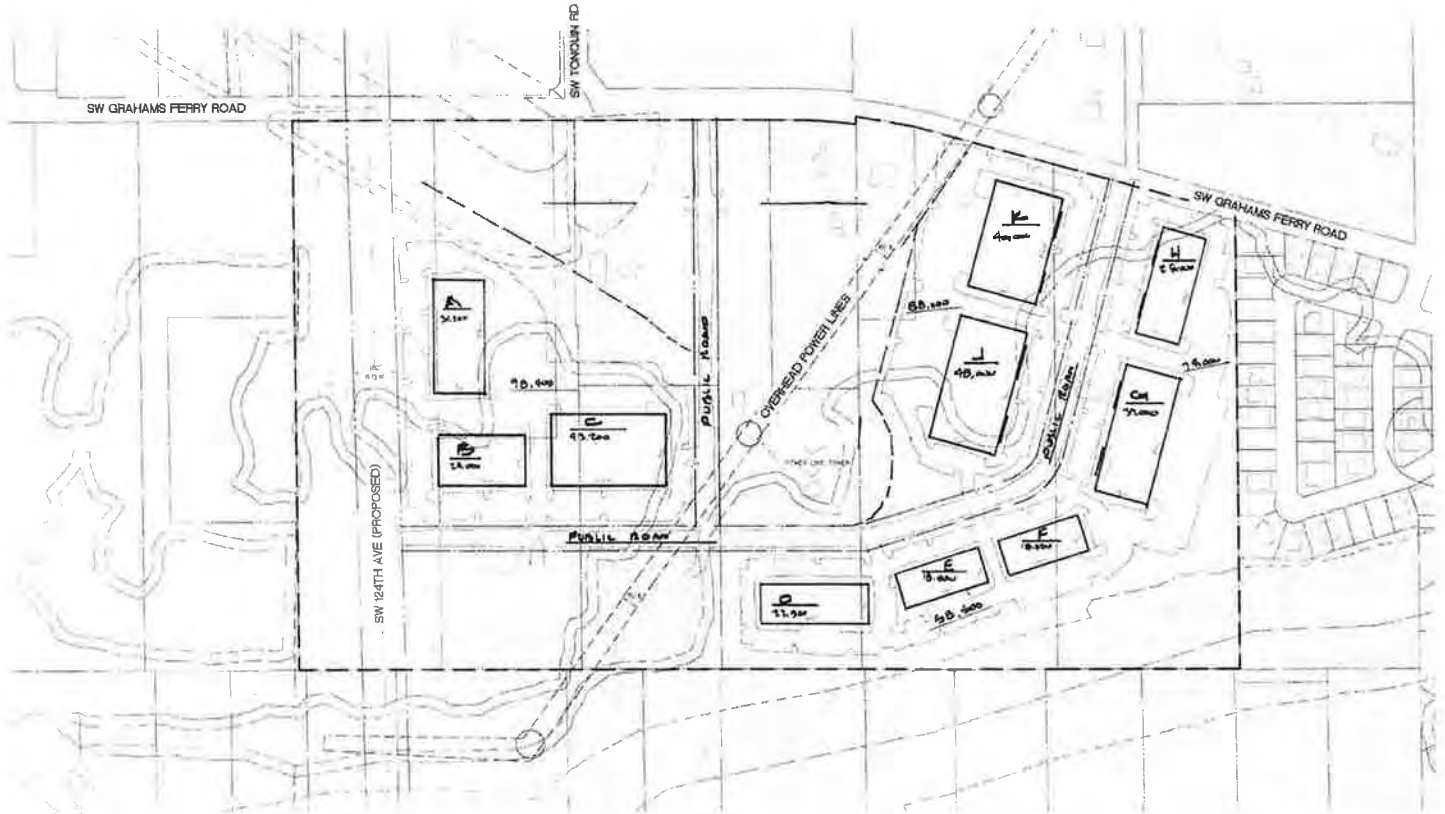
Map Scale: 1 inch = 600 feet
Map Projection: NAD 83
Map Datum: NAD 83
Map Spheroid: GRS 1980
Map Units: Feet



MACKENZIE.

400.228.4100 • 560.249.1889 • 1600.000.0000
www.mackenzie.com

City of Tualatin Exhibit No. 116



SITE XX
BASALT CREEK SITE
SW 124TH AVE
WASHINGTON COUNTY, OREGON

SITE DATA

BUILDING	SITE AREA	BUILDING AREA	PARKING SPACES	PARKING RATIO	EST DEVELOPABLE AREA (SQ FT)
PROPOSED BUILDING	45,000	45,000	1000	2.2	313,500
PROPOSED BUILDING	40,000	40,000	7000	1.75	313,500
PROPOSED BUILDING	18,000	18,000	7000	2.57	313,500
PROPOSED BUILDING	21,900	21,900	7000	3.13	313,500

313,500 SF

LEGEND

Public Road	—
Overhead Power Lines	---
Public Road	---
Public Road	---

OPTION ONE
DEC. 21, 2016
313,500 SF "EMPLOYMENT BUILDINGS"

Portland Vancouver Seattle
503.241.1100 360.585.1111 www.mdx.com
Architecture • Interiors
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City of Tualatin
Exhibit No. 117

CITY OF WILSONVILLE

Basalt Creek Concept
Plan - Feasibility Study

JUNE 30, 2017



kpff

City of Tualatin Exhibit No. 117

Intent

The Basalt Creek Concept Plan Existing Conditions report was prepared in 2014 to look at future development of the 847 acres between the City of Wilsonville and City of Tualatin as part of the Urban Growth Boundary (UGB) inclusion process. In that report, potential land uses were identified for the region based on economic factors, land use compatibility, and projected growth (see Figure 1). The intent of this feasibility study is to take a further look at approximately 60 acres within the Basalt Creek Concept area to evaluate the potential to develop these properties to support increased employment opportunities in the region. This subarea's potential development is important because of its central location in the planning area and on the main intersection of the Basalt Creek Parkway in the future business district.

Uses beyond employment opportunities are not part of this feasibility study. Given the long history of planning and regional infrastructure investments for the Basalt Creek Planning Area as a regional employment area, this study was commissioned to ascertain whether the policy objective of employment uses is achievable in this subarea. Only if this investigation determines employment uses not to be feasible on this site will this analysis then consider feasibility of other land uses.

To evaluate employment opportunities for this site, three schemes have been developed in this feasibility study. The schemes have varying degrees of development to preserve open space and natural habitats on the site. The schemes are:

- Scheme A** – maintains all of the open area in the northern portion of the site and development is primarily on the southern portion of the site (below the PGE easement)
- Scheme B** – maintains open space in the northeast corner of the site but develops more of the site than Scheme A
- Scheme C** – fully develops the site to the maximum extent, feasible and has the least amount of open space

Various building prototypes are used in the schemes from general office buildings to industrial/warehouse facilities. These prototypes are based on local buildings and provide guidance on building footprint sizes and parking counts. Architectural renderings have been developed for 3 building prototypes to provide a graphical representation on how these buildings may fit the overall look and feel of the study area.

Site Overview

KPFF is studying in detail a portion of the Basalt Creek area that is approximately 60 acres in size and located east of Grahams Ferry Road, south of Helenius Road, west of Basalt Creek, and near the intersection of Grahams Ferry Road and Tonquin Road. The current use of the site is agriculture with single family homes and forested area near the creek. To the south is the Chick-A-Dee nursery and to the north of the site there is an open parcel of land and then residential housing. The site is comprised of 9 tax lots varying in size from 1.46 acres to 11.68 acres.

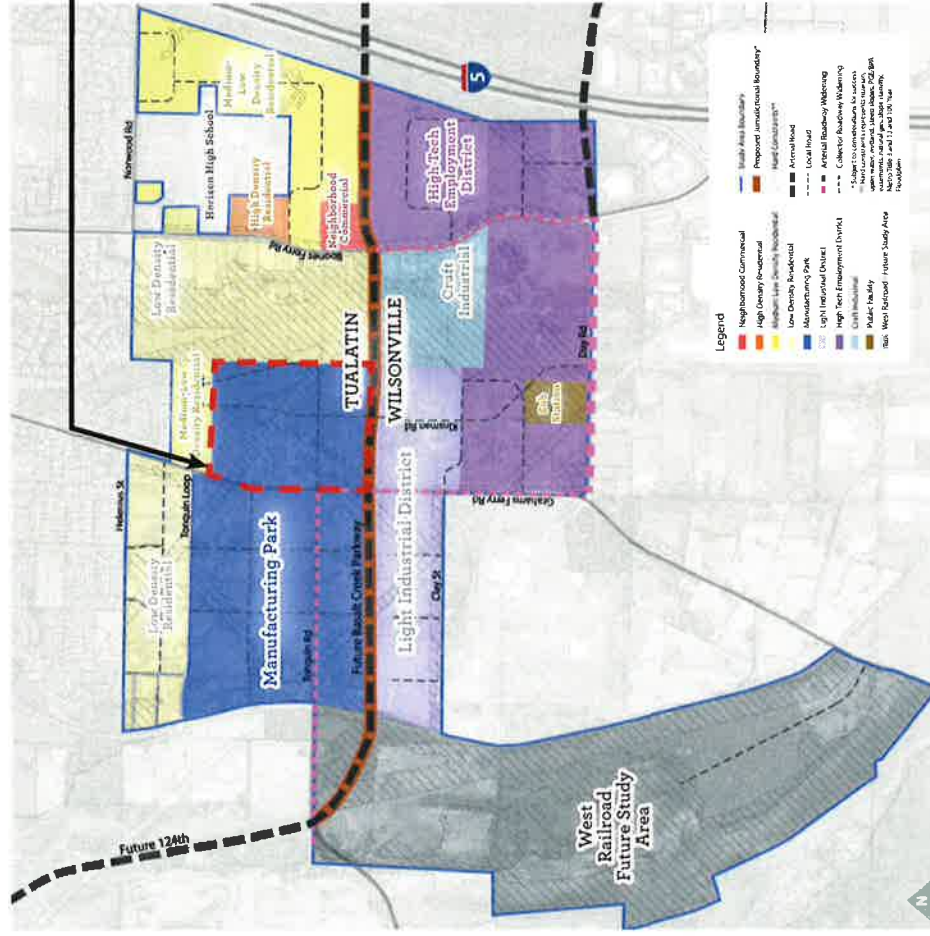
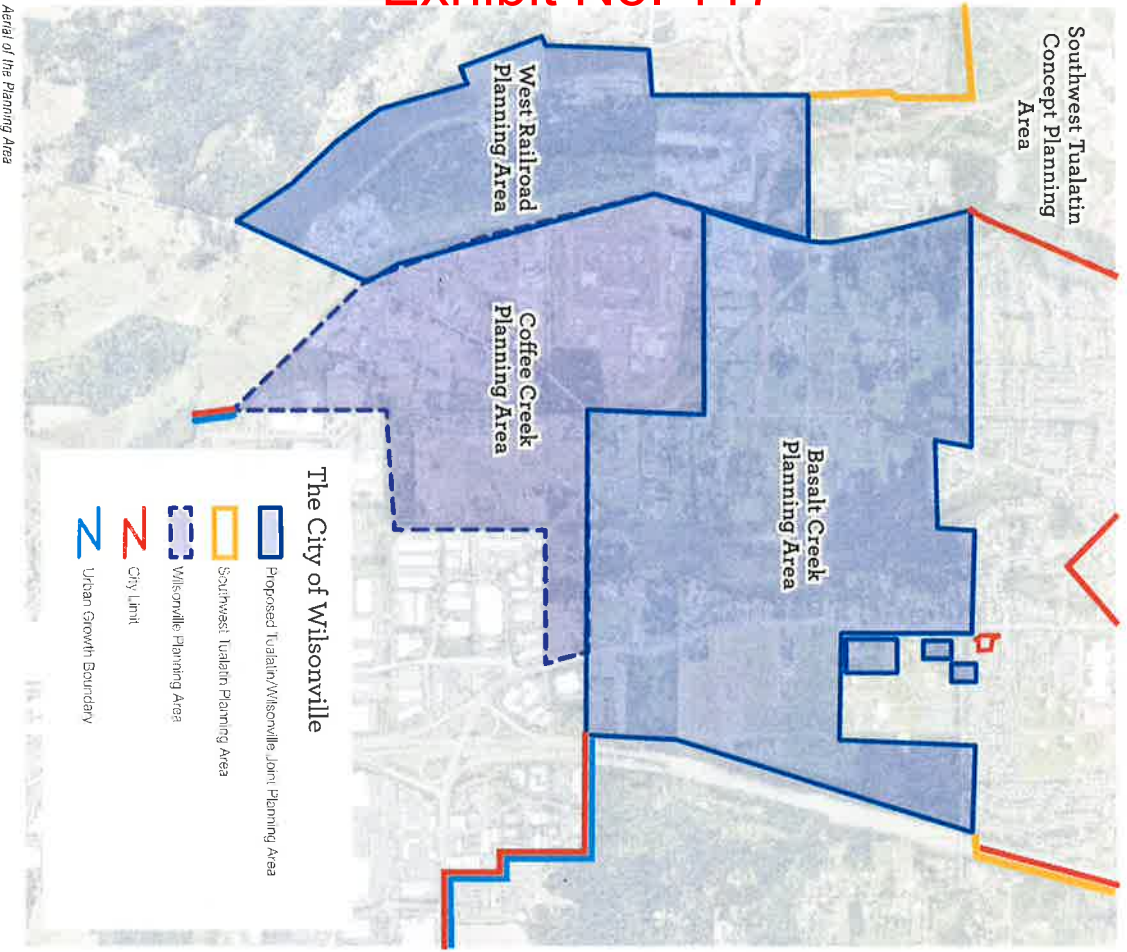


Figure 1 - Preferred Basalt Creek Land Use Concept Map (October 2016)



Figure 2 - Study Area

City of Tualatin Exhibit No. 117



Aerial of the Planning Area



Site Photos

Design Standards

ZONING

The site is currently zoned FD-20 per Washington County. FD-20 covers land added to the Urban Growth Boundary after 1998. This feasibility study is based on the assumption that the building prototypes indicated in the schemes are allowed uses.

BUILDING SETBACK

Building setbacks used to locate the structures on-site are based on a comparison of Washington County, City of Wilsonville and City of Tualatin zoning standards. The building setbacks are 30 feet from lot lines or right-of-way lines. This setback is for the building location only and parking is indicated in the setback.

SITE ACCESS

On-site parking is a key component of an industrial and manufacturing area to promote employee access and commuting. The Basalt Creek area has freeway access to I-5, Hwy 99W, Hwy 217 and I-205. The primary mode of transportation to the site is assumed to be single occupancy vehicles. Construction is currently ongoing to improve SW 124th Ave to provide a freight route and east/west connection through the site from I-5 to Tualatin Sherwood Road. This work includes the expansion of Grahams Ferry Road south of Tonquin Road from a 2-lane rural road to a major collector. The current roadway width is approximately 24 feet with an existing right-of-way that varies from 74 feet south of Tonquin Road to 40 feet north of Tonquin Road. With the SW 124th Ave extension, the ROW is being increased to 74 feet to approximately 225 feet north of the intersection. This is where the 3-lane roadway section finishes its taper to match back into the 2-lane road. Parcels north of the taper will require additional ROW dedication when Grahams Ferry Road improvements continue to the north or when these properties go in for development. The additional ROW dedication that will be required is approximately 17.5 feet along the frontage. Figures 3 and 4 indicate the lots that will be impacted by the additional ROW dedication and the typical street section from Washington County for a collector roadway.

Per Washington County, the future Basalt Creek Parkway along the southern frontage of the study area will be an arterial and will have access restrictions for new driveways. To accommodate this, the schemes have all assumed that access from Basalt Creek Parkway to the site is not feasible and no driveway entrances are shown here.

Public roadways within the site are assumed to have a pavement width of 50 feet and a right-of-way dedication of 64 feet. The City of Wilsonville standards may vary from this but Washington County standards have been used to establish roadway widths in the concept plans as shown in Figure 5. Private access drives for parking lots and buildings are a minimum of 20 feet wide and truck circulation paths around the buildings are 50 feet wide. Loading docks and storage areas are shown to be 50-100 feet wide to allow semi-truck parking and access around the loading bays. At the terminus of the public roadways, either a hammer head or cul-de-sac are provided to allow for fire truck turn-around. These locations are indicated on the concept plans.

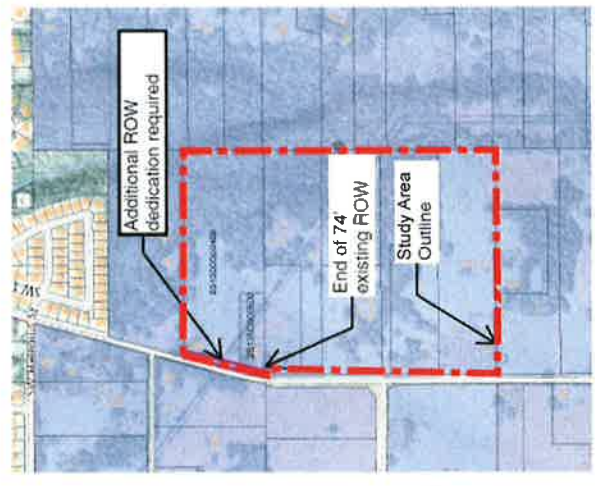


Figure 3 - Additional ROW Dedication Required

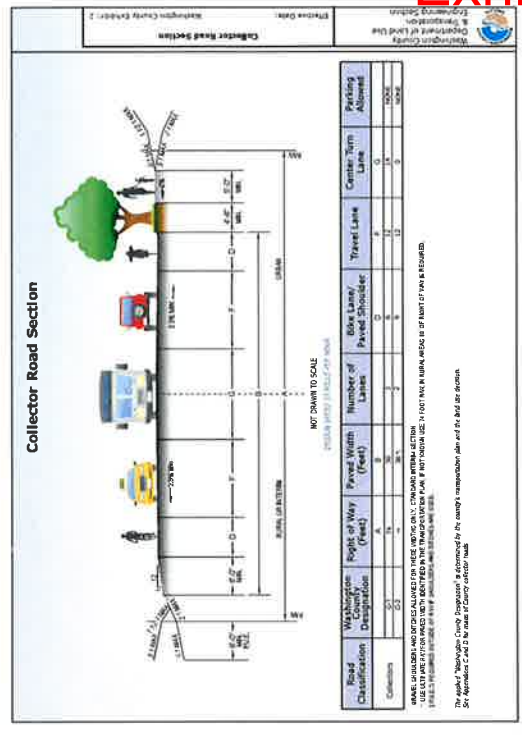


Figure 4 - Washington County Standard Street Section for Collector Roadway

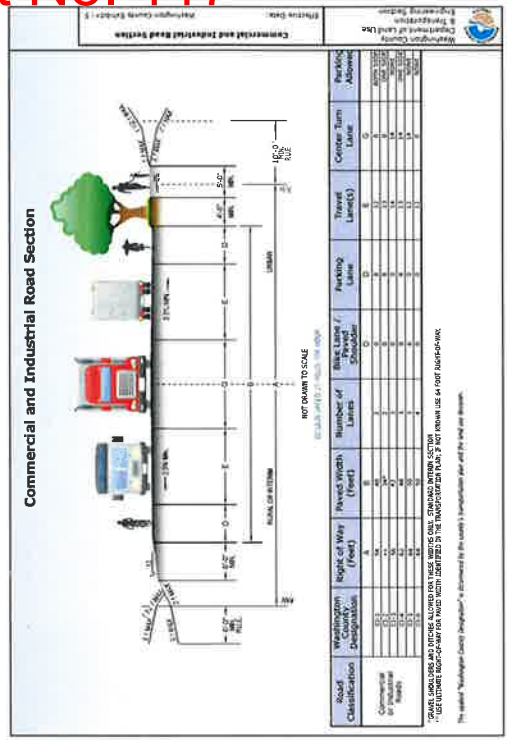


Figure 5 - Commercial and Industrial Road Section

City of Tualatin Exhibit No. 117

Utilities STORMWATER

Parking Requirements

To accommodate the vehicles accessing the site, on-site parking will be required. Based on the City of Wilsonville's zoning code section 4.155, Table 5 and City of Tualatin Community Development Code Section 73.370, the following parking standards are used for the concept plans. The assumption is that larger building footprints shown in the concept plans are manufacturing type facilities and will require less parking and more loading dock/storage space. The office building prototypes will be more general office and medical/dental type of facilities. For these 3 stalls per 1,000 gsf and 4 stalls per 1,000 gsf are used respectively. For the manufacturing type of facilities 1.6 stalls per 1,000 gsf has been used.

City of Wilsonville and City of Tualatin	Parking Requirement	Notes
	1.6 per 1000 sf	Per City of Wilsonville Zoning Code section 4.155, Table 5 for manufacturing establishment and City of Tualatin Development code section 73.370 for industrial manufacturing facility
	2.7 stalls per 1000 sf (min) and 4.1 stalls per 1000 sf (max) 3.9 stalls per 1000 sf (min) and 5.9 stalls per 1000 sf (max)	First requirement is based on other commercial use (not medical/dental) and the second parking requirements are based on medical and dental use, per City of Wilsonville section 4.155, Table 5 and City of Tualatin Development Code Section 73.370.

Table 1 - Parking Requirements

The Basalt Creek Concept Plan and follow-up studies by CH2M indicate that a regional stormwater management facility is not being evaluated for the site and drainage will need to be handled on an individual development basis. The concept plans re-present these two options. One scheme indicates some regional stormwater management ponds that can be used to serve portions of the site while the other schemes assume that stormwater will be treated and detained on an individual development basis. The individual lot systems are not shown on the concept schemes but the systems could be combined with the open space indicated to enhance the natural area while meeting the standards. For smaller lots, subsurface systems may need to be considered due to the limited open area on these properties. Low impact development concepts should be considered in the design since they provide an aesthetic and functional benefit.

Based on the existing studies, drainage from a portion of the site can be conveyed north to the City of Tualatin public system and the remainder will flow to Wilsonville. The City of Tualatin has 12-inch storm drain lines that discharge to Basalt Creek. The City of Wilsonville has storm drain lines to the south that discharge to the Willamette River via the Corral Creek Basin. Now storm drain lines are being installed in Grahams Ferry Road as part of the 124th Ave Extension work per the Washington County construction drawings. These lines are 12-inch and 15-inch pipe which collect the roadway section between Basalt Creek Parkway and north of Tonquin Road. The drainage is collected using catch basins and conveyed to a water quality swale at the intersection of Tonquin Road and Grahams Ferry Road to treat the run-off as shown in Figure 6. A 24-inch and 15-inch culvert are being installed along the feasibility study area in tax lots 2S13SCC00800 and 2S13SCC00800 to collect roadway run-off in this area as the road is sloping towards the site. These culverts cross under Grahams Ferry Road and discharge to the new water quality facility. With the proposed development in this area, these culverts may need to be revised if the grades are modified at the culvert inlets.

The soil types in the area are silty loam and well drained at the surface. This would indicate that infiltration is a feasible option for disposing of storm drainage and would reduce the amount of run-off leaving the project site. The site is not located in a FEMA floodplain.



Wilsonville Creekside Woods Swales

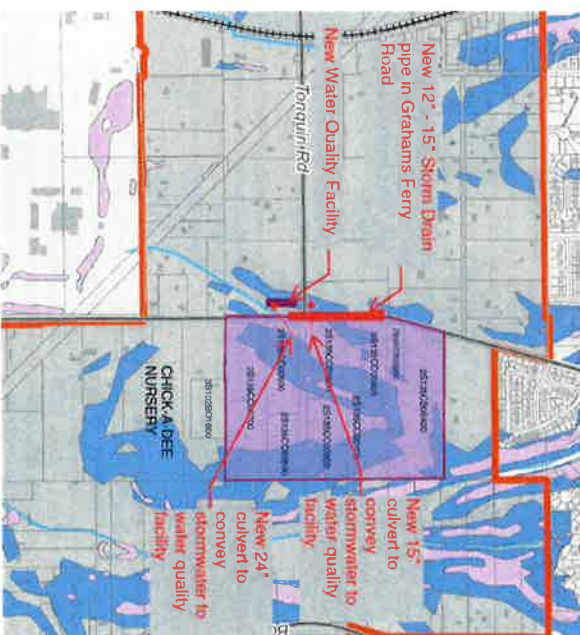


Figure 6 - Storm Drainage

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Utilities

WATER

Currently there is no water service to the site, but the CH2M utility study in 2016 indicated that water can be provided to the site either from the City of Tualatin or the City of Wilsonville. The City of Wilsonville gets their water from City of Wilsonville (Williamette River Water Treatment Plant). The current capacity in the plant is 15 MGD but it can be increased to 70 MGD. The City of Wilsonville water study for the region accounted for 0.75 MGD of water being required for industrial use. The increased water demand for the proposed schemes can be served by the planned improvements in the area. The utility layout for each scheme assumes that water lines are installed in Grahams Ferry Road and these lines are sized for the capacity of the proposed development. The water line installed in the future Basalt Creek Parkway will provide a looped system in the area but the study area will not connect to this line. Water lines will be installed within the public roadway shown on the schemes.

SEWER

There is currently no sewer service to the site but sanitary sewer service connections are available to the north via the City of Tualatin or to the south via the City of Wilsonville. The City of Tualatin sewer lines are conveyed to the CWS Durham Treatment Plant for treatment and the lines are managed by CWS. The City of Wilsonville has a treatment plant south of the site and most flows from the study area can gravity flow to the Wilsonville treatment plant. To connect to the CWS and Tualatin system in the north, a lift station will be required near the intersection of Grahams Ferry Road and Day Road. This station will pump the sewage to the existing main at Grahams Ferry Road and Helenius Street.

Assuming the Grahams Ferry Road pipes are sized to accommodate the proposed development, sewer service is available to the site. Public sewer lines will be installed within the public roadway sections shown on the schemes. Due to the uncertainty regarding utility lines being installed in the future Basalt Creek Parkway and ability to connect, the sewer connections for the study area are shown to Grahams Ferry Road only and no connections are shown to the future Basalt Creek Parkway.

Water reuse strategies should be considered for manufacturing and industrial facilities. These facilities often use a large quantity of water for functions such as cooling towers, air handling units, or process water. This water could be recirculated on-site for non-potable use or a closed loop system could be designed to both help reduce the amount of water required and the sewage flow from the property.



Scheme B Stormwater Pond

City of Tualatin Exhibit No. 117

Site Factors

ENVIRONMENTAL

The Basalt Creek planning area primarily contains agriculture and undeveloped forestland. Basalt Creek runs along the eastern edge of the site and there are multiple wetlands and riparian corridors within the site based on the RUS data provided by the City of Wilsonville and the Basalt Creek Concept Plan Existing Conditions Report. The Land Suitability Study completed in 2015 indicates that the tax lots within the project site are modestly constrained for development since these are medium sized lots that are mostly vacant or undeveloped (see Figure 7). The Environmental Constraints Exhibit (figure 8) in this report indicates the site constraints that will impact the developable area. Per documentation from PGE, restrictions within their easement include the construction of any permanent feature such as a building, planting trees or heavy vegetation that may impact the clear height to the poles, constructing permanent obstructions that may impact their maintenance access, and extensive grading. Parking lots, roads and low height vegetation are allowable uses within the easement.

The Site Constraints table summarizes the setbacks associated with the environmental constraints and lists the implications to the developable area using Clean Water Services standards. The City of Wilsonville standards may vary from these, and some of the environmental constraints noted can be mitigated through the use of mitigation banks or mitigation at other locations. Washington County indicated for the 124th Ave extension work, mitigation for wetland impacts was done by purchasing credits for the Mud Slough Mitigation Bank.

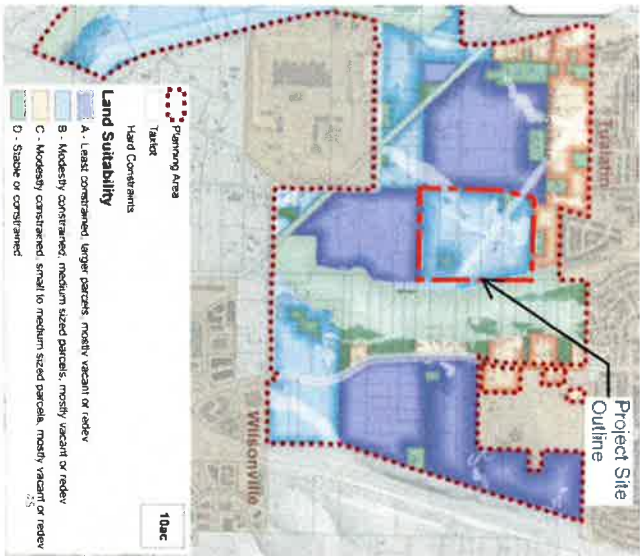


Figure 7

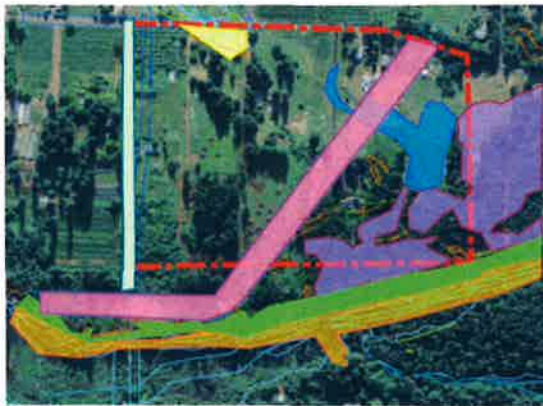


Figure 8

Constraint	Description	Setbacks*	Development Limitations
Title 13 – Class A Upland	Area defined as high value for wildlife habitat		Can do routine maintenance and repair of structures within this zone as long as the upland area is maintained. Design to incorporate minimum impact.
Title 13 – Riparian Class 1 and 2	Supports 1-3 riparian functions	100'	
Basalt Creek	Perennial Creek	50' (per CWS Table 3.1)	
Wetlands	Wetland	50' (per CWS Table 3.1)	
Steep slope	Slopes greater than 25%	The vegetated corridor will extend 35' beyond the break in slope along the creek	Steep slopes are considered unstable and not desirable for development.
PGE Easement	Overhead transmission lines	125' easement	PGE has limitations for use within the ROW including tree locations and permanent structures to allow maintenance of the lines.
Future Roadway Extension	Future Basalt Creek Parkway	90' ROW	Per Washington County TSP Figure 3.10 this is a 4.5-lane arterial.

Table 2 - Site Constraints

* - Vegetated corridors within CWS are measured from edge of the sensitive area and are for each side of the corridor.

Site Constraints

ELEVATIONS AND ROCK EXCAVATION

The project site is currently relatively flat in the southern and northwestern region but has slopes towards the middle and east that are in the 15-25% range. Adjacent to Basalt Creek, the slopes are above 25%. The site slope map (Figure 10) indicates the approximate slopes on the site based on GIS data provided by the City. The steeper slopes can cause challenges for development due to additional cut and fill earthwork that is required to create a level building pad and site. Industrial facilities typically require large, flat areas for the building pad and adjacent storage and loading/unloading zone. As a result, in the schemes the industrial facilities have been set in the flatter portions of the site and alternative building types have been shown in the steeper sections such as office space. Office buildings are more conducive to soil elevations and access at varying levels to accommodate grade. Parking lots can also be used in the sloped portions of the site with retaining walls to create level parking areas. Concept grading schemes have been developed for each of the three schemes to show potential finished floor elevations.

The geotechnical report by GRI dated March 19, 2015 and the CH2M study of this area indicate that rock excavation can be expected in the eastern portion of the site. Moving further west from Basalt Creek and towards Graham Ferry Road, the amount of rock expected to be encountered with construction decreases. The rock in the area is basalt per GRI's findings and it is decomposed rock that is soft to very soft. However, the boring equipment did experience drill chatter while excavating the 2 deep boring holes within the feasibility limits, suggesting the rock does provide resistance to excavation and may require heavier construction equipment to remove or blasting. Based on Figure 9 and the studies completed in 2015, the majority of the proposed development area is located in the lowest concentration of rock excavation. Developers may encounter some rock with deeper excavations during construction but this could be addressed by raising finished grade here to reduce the amount of excavation required. Based on the previous studies completed, grading and site preparation will require some attention in the proposed development area but are not as large of a concern as in some other portions of the Basalt Creek planning area.

Per the SW 124th Ave Extension plans, the intersection of SW Grahams Ferry Road and Tonquin Road will be raised approximately 9 feet from existing grade. To match existing grade on the east side of the roadway (along the project site frontage) a cut/fill slope will extend approximately 20 feet into the site. Per Washington County, the slope easement is a permanent easement. However, if the project development raises grade to match the roadway grade in this area, then the easement can be removed and this land is available for development. The slope easement is shown on the concept site plans for reference.

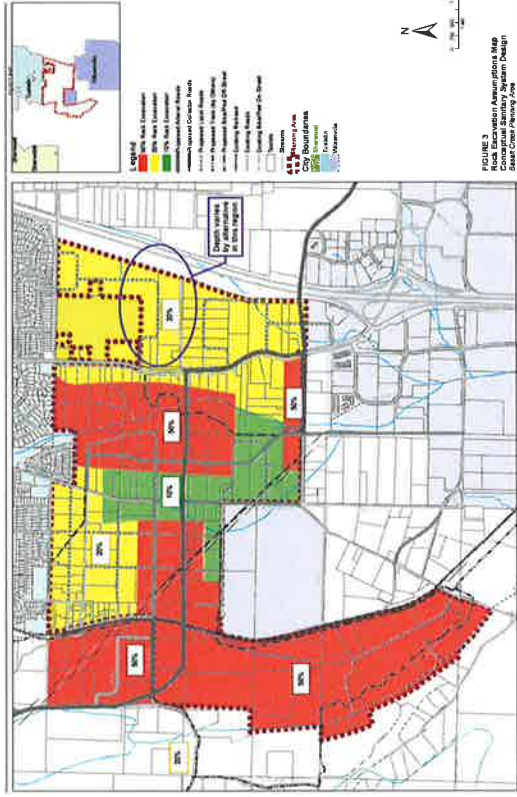


Figure 9 - Rock Map by CH2M

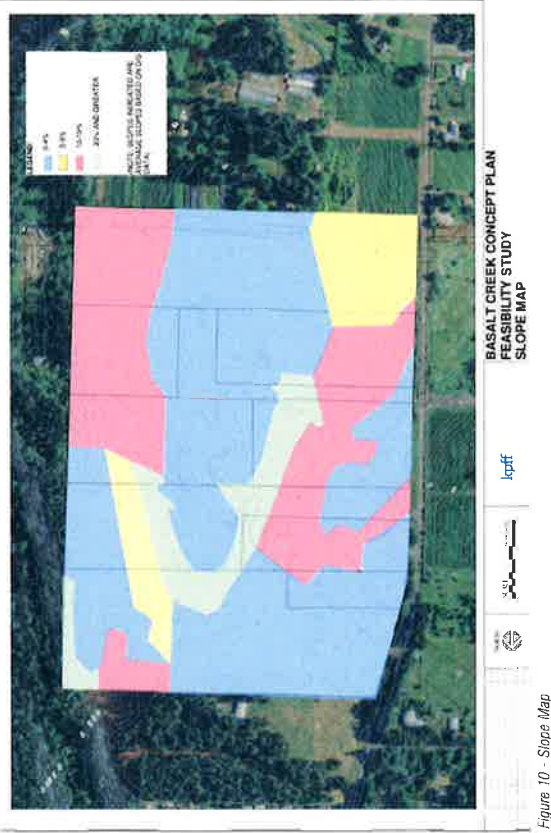


Figure 10 - Slope Map

Schemes



City of Tualatin Exhibit No. 117

Sample Building Designation

Building Prototypes

The building sizes and footprints shown in the concept plans are based on the following building prototypes. These prototypes were chosen based on their location in the local area (so they are representative of local facilities), variation in footprint size, and to provide a variety of building uses. The table to the right corresponds to the letters on the concept plans and in the renderings:

The craft industrial footprint (E1-E4) used in the concept schemes represents a block footprint that can fit within the space available. This footprint, however, can be modified to accommodate smaller buildings to serve more craft industrial type of services such as breweries, pottery or metal works, craft making, or others. Some images for these types of buildings are included to provide a reference for what other footprints may be used to develop the area.

Building Designation	Building Type	General Description	Approx GSF	Similar facility type
A	Office and industrial mixed use	This is the largest of the building footprints and is a combination of office space in the front and manufacturing/industrial in the back.	215,800	Fujimi Corporation
B	Office	Office building (assumed to be 3 stories for the parking count)	120,000	Lewiston Drive office building component shown in image for E1-E4 below
C	Office	Office building with a split bar so can accommodate grade changes (assumed to be 3 stories)	120,000	Providence Bridgeport
C1	Office	Office building with a split bar to accommodate grade changes. This is a slightly smaller footprint than C (200' x 100' vs 200' x 200') to fit the smaller lots (assumed to be 3 stories)	80,000	
D	Manufacturing/Industrial	This building is more of a manufacturing/industrial facility with limited office space and more loading bays and exterior storage.	90,000	Heesler Industries
E1-E4	Craft Industrial	Buildings E1-E4 are craft industrial type of facilities with limited office space and more workshop type of facilities over large manufacturing. These have vehicle access around the site and some storage area but do not require as much yard space as building D.	Varies 10,800 - 82,500	Industrial Park on Lewiston Drive

BUILDING DESIGNATION B



Capitol

BUILDING DESIGNATION C AND C1



Providence Bridgeport

BUILDING DESIGNATION A



Fujimi Corporation

Sample Building Designation

BUILDING DESIGNATION D



Heister Industries

BUILDING DESIGNATION E1-E4



Industrial Park

Sample Craft Industrial Buildings



Schmeer Sheel Metal Works (NW Vaughn St., Portland)



Bull Run Distilling (2250 NW Quimby St., Portland, OR)



Redmond Art Works (6825 176th Ave NE, Redmond, WA)

City of Tualatin Exhibit No. 117

Scheme A

Scheme A – maintains all of the open area in the northern portion of the site and development is primarily on the southern portion of the site (south of the PGE easement)



City of Tualatin Exhibit No. 117

LAYOUT

Scheme A is developed to preserve as much of the open space as feasible on the north side of the site including the upland habitat and wetlands. The development is primarily focused south of the PGE easement and includes building prototypes C, D, B, and E. Building C is located on the southeast corner of the site so it is the face of the development when someone is traveling west on future Basalt Creek Parkway. From here, the site begins to accommodate more of the industrial use by locating buildings D on the flatter portion of the site near the future Basalt Creek Parkway and buildings E1-E4 to the west near the environmental regions and PGE power lines. The lots for buildings E2 and E4 are large to include the open space areas. At the corner of Grahams Ferry Road and future Basalt Creek Parkway, Building B is located to anchor this corner and provide office space and a visual marker. Access to the facilities is via a single public road connection at Tonquin Road. This public road is assumed to be similar to the Washington County industrial/commercial roadway section described previously. The parking lot sizes indicated are based on the assumed parking counts previously indicated for the gross square footage of development. Parking lots and loading areas can be screened in this layout with trees planted along Basalt Creek Parkway, Grahams Ferry Road and along the public roadway within the site. A secondary access point will be required off of Grahams Ferry Road for the E2 building in the northwest corner of the site. Parking for Scheme A is located close to the buildings and there is some parking in the PGE easement, but of all the schemes this has the least amount of parking in the easement.

For Scheme A the total built area is 480,000 sf, the total parking count is 1,230 stalls, and the potential open space is 14 acres.

GRADING

The finished floors indicated represent potential finished floors for the buildings taking into account existing grade and the roadway grading being completed for Grahams Ferry Road at Tonquin Road. Building B in the southwest corner will be a split building to accommodate the slopes in this region. Retaining walls will be required on the west side of this building to meet the roadway grades and the building will be sitting higher than the adjacent roadway. Buildings E1-E4 are set close to existing grade to minimize the earthwork for those structures and to maintain the existing grade at the open space areas. E3 has a split elevation in the east/west direction to accommodate the grade change north of the PGE easement where the site currently slopes down to the upland habitat area. Building D is located near the plateau area on the south side of the site where the grades are relatively flat. This allows for level areas around the building for storage yard and loading bays. Building C in the southeast corner of the site is designed to accommodate the grade change here as the site begins to slope into Basalt Creek. The existing grade change in this area is 40 feet. The design concept shows a 15-foot grade change between the two building bays which would allow access at two different floors. Changes to grade in the parking lot will need to be accommodated by retaining walls in this option. A retaining wall will be required along the eastern property line near building C. Of the three options, Option A works the best with existing grade since improvements north of the PGE easement and east near the creek are limited.



Scheme A Grading

City of Tualatin Exhibit No. 117

Scheme A



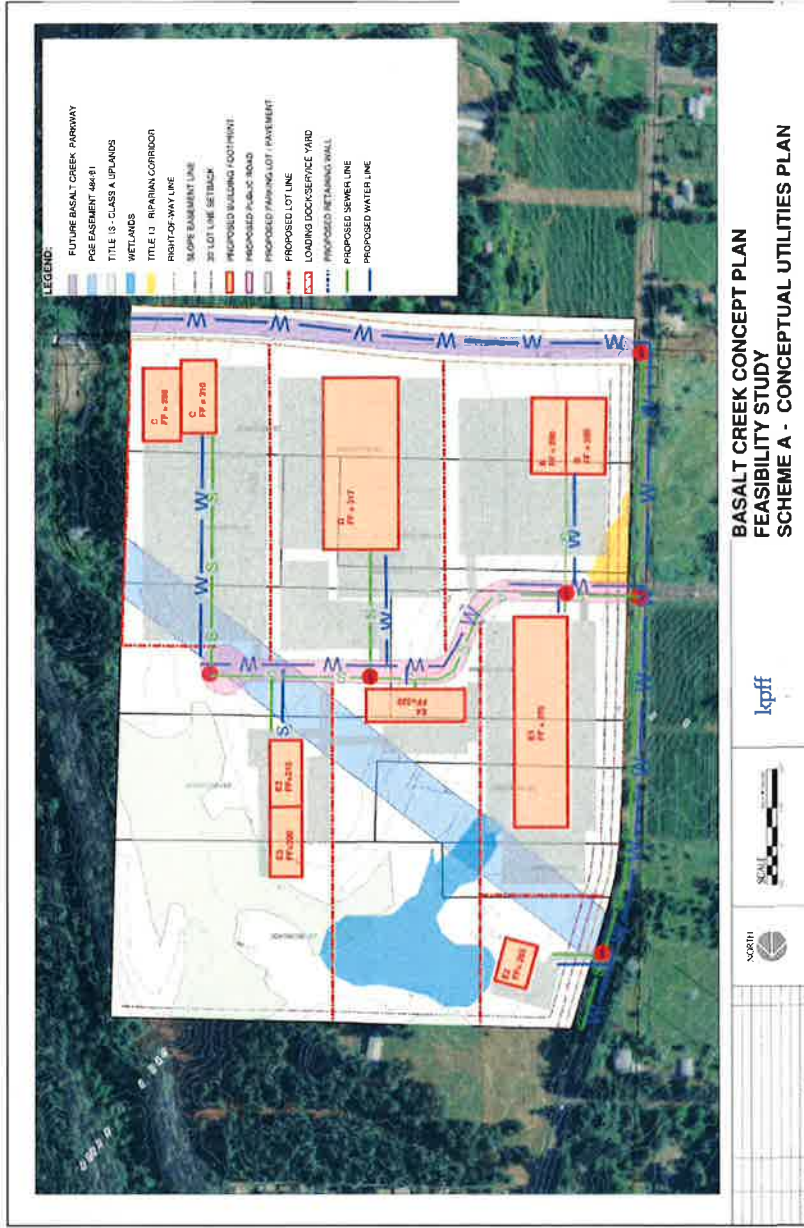
City of Tualatin Exhibit No. 117

UTILITIES

Utilities for Option A will include sewer and water service to the buildings from Grahams Ferry Road and via the public roadway within the site. There is no regional storm drainage concept in this scheme and the intent is for storm drainage to be accommodated on each lot through the use of subsurface or low impact development options. Buildings E1-E4 are either adjacent to or include the open space in their lots which provides the opportunity to incorporate the drainage systems with these areas and to gravity drain down to the open space. The building grades within the site are raised from the roadway grades in Grahams Ferry Road in Scheme A, with the intent to gravity drain the sewer from the site to the public lines. Drainage for the other buildings (B, D, and C) will also be able to gravity drain to Grahams Ferry Road.

ENVIRONMENTAL IMPACTS

Scheme A of the three schemes preserves the most amount of open space and has the least impact on the existing natural resources. This option preserves both the wetland and upland habitat area on the north side. The Title 13 riparian corridor along Grahams Ferry Road is impacted under all 3 schemes and this can be mitigated similar to what the County did for work on 124th as described previously. Based on the condition of the wetland onsite, there is a potential to enhance this area to act as a transition from the development to the residential uses to the north.



Scheme A
Utilities

City of Tualatin Exhibit No. 117

Scheme B

Scheme B - maintains some open space in the northeast corner of the site but develops more of the site than Scheme A



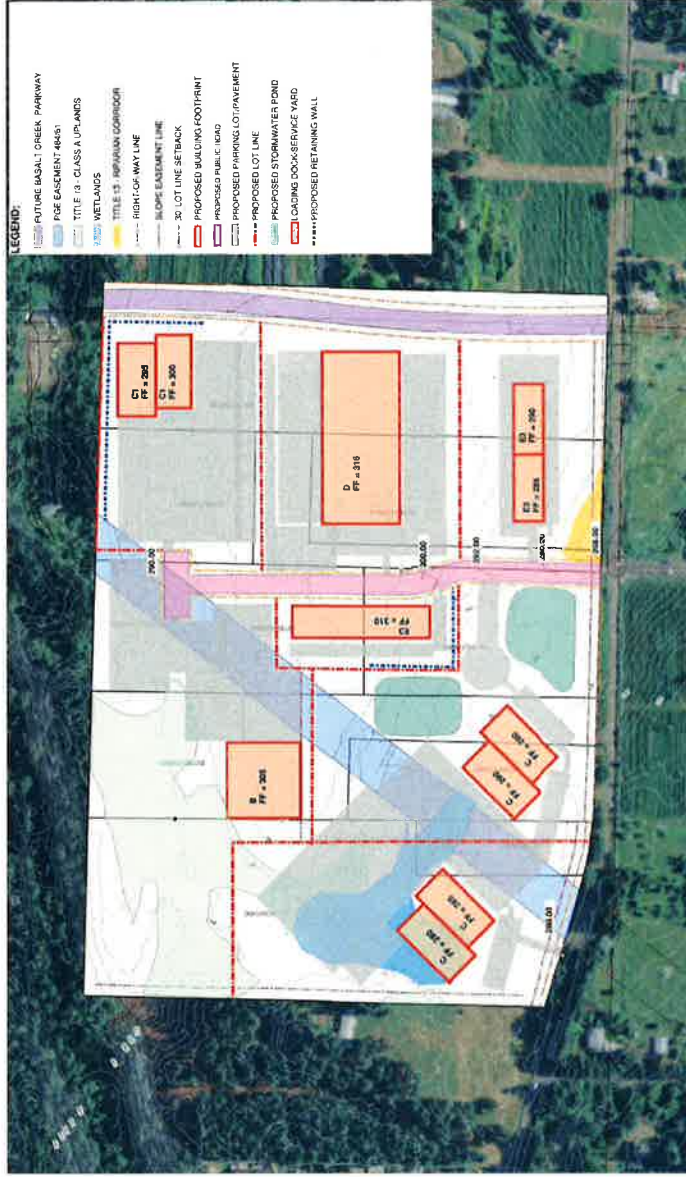
LAYOUT

Scheme B is the moderate scheme between Schemes A and C. It utilizes more of the open space for development than Scheme A but it also maintains some open space unlike Scheme C. Scheme B has a combination of office and manufacturing/warehouse space and has the largest number of office-only buildings (prototypes B and C) of all three schemes. In Scheme B, buildings E and D are located along the future Basalt Creek Parkway in the southern portion of the site. Building D is located on the southwest corner of the site, similar to Scheme A. Building E3 is located in the southwest corner of the site and both parking and vehicle access are provided around all sides of this building. Building C1 is located in the southeast corner as in Scheme A to anchor this location and to provide a visual presence for the site as drivers travel west on the future Basalt Creek Parkway. The C1 footprint was used here to reduce the parking area and to allow Building D to be located on the latter portion of the site. The public roadway heading east from Tonquin Road intersects the site internally both north and south. To the north of this road is a smaller craft industrial building (E3) and then closer to the open space are office Buildings B and C. Building B is adjacent to the upland habitat area and the open space can be incorporated into the building layout and design. The two type-C buildings located on the northwest portion of the site will have a shared parking lot. Access to these buildings is from Grahams Ferry Road and the internal public roadway. Scheme B utilizes the POE easement for parking more than Scheme A. Scheme B is also the only scheme that looks to incorporate regional stormwater systems into the layout. These ponds are shown near the main entrance to the site.

For Scheme B the total built area is 594,800 sf, the total parking count is 1,753 stalls, and the potential open space is 6.3 acres.

GRADING

The finished floors indicated represent potential finished floors for the buildings, taking into account existing grade and the roadway grading being completed for Grahams Ferry Road at Tonquin Road. Building E3 in the SW corner of the site will be split in elevation to accommodate the existing grade here. Retaining walls will be required along the eastern and southern side of these lots to match the roadway grades. Since building E3 will be filling in the slope easement, this easement can be removed providing more developable area between the building and Grahams Ferry Road. Buildings D and C1 are located in similar locations in Scheme A and B. Building D is located near the plateau area on the south side of the site where the grades are relatively flat. This allows for level areas around the building for storage yard and loading bays. Building C1 in the southeast corner of the site is designed to accommodate the grade change here as the site begins to slope into Basalt Creek. The grade change in building C1 is shown as 5 feet and a retaining wall will be required along the eastern property line. Retaining walls will be required in the parking lot for C1 and the adjacent building B to accommodate the slope in this area. Building B is located at the top of the slope near the upland habitat and will require some cut in this area to create a level building pad. Buildings C near the western portion of the site steps down with grade with 5- to 10-foot grade variations between the levels. This is to accommodate the existing slope in this area. Access is also provided from Grahams Ferry Road to these building which impacts the finished floor elevations.



**BASALT CREEK CONCEPT PLAN
FEASIBILITY STUDY
SCHEME B - GRADING PLAN**

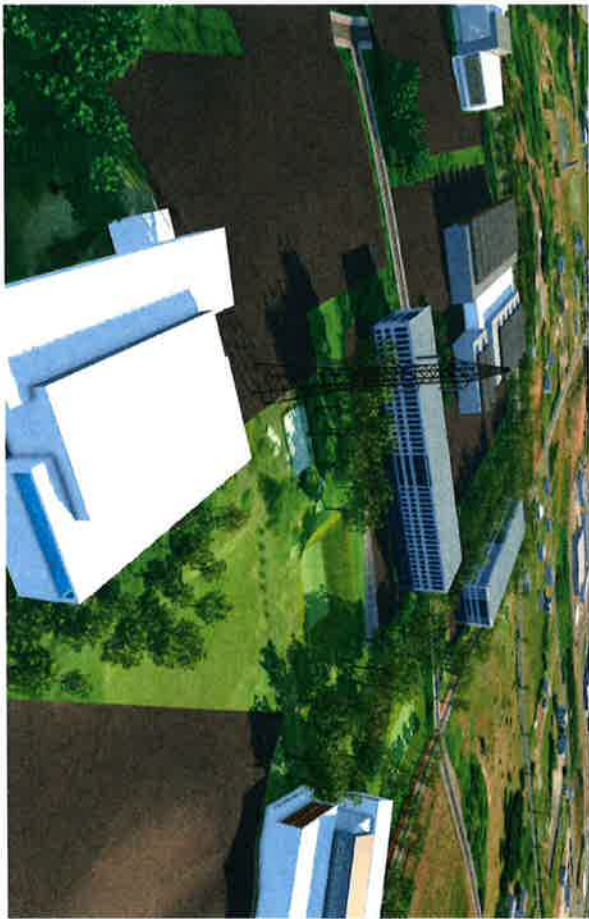




Scheme B Grading

City of Tualatin Exhibit No. 117

Scheme B



City of Tualatin Exhibit No. 117

UTILITIES

Utilities for Scheme B will include sewer and water service to the buildings via the public roadway within the site and Grahams Ferry Road. There are two regional storm drainage ponds shown in this concept that provide approximately 1.6 acres for water quality treatment and detention. To accommodate the full build out of development, this will not provide enough volume and storm drainages will also need to be accommodated on each lot through the use of subsurface or low impact development options. Buildings B and C are either adjacent to or include the open space in their lots which provides the opportunity to incorporate the drainage systems with these areas. The building grades within the site are raised from the roadway grades in Grahams Ferry Road, with the intent to gravity drain the sewer and drainage from the site to the public lines.

ENVIRONMENTAL IMPACTS

Scheme B is the middle ground option for natural resource protection. The upland habitat area in the northeast corner of the site is maintained in this option but the wetland north of the PGE easement is utilized for development. The condition of this wetland will need to be evaluated as the region is developed but visual observations during the site walk of the area indicated this wetland may not be in "good" condition and could be mitigated elsewhere. By utilizing the wetland area it allows the northwest portion of the site to be developed more than in Scheme A providing more building square footage and employment opportunities.



Scheme B Utilities

City of Tualatin Exhibit No. 117

Scheme C

Scheme C – fully develops the site to the maximum extent feasible and has the least amount of open space



**BASALT CREEK CONCEPT PLAN
FEASIBILITY STUDY
SCHEME C - SITE PLAN**

kpff

SCALE: 1" = 20'

NORTH

DATE: 11/11/11

PROJECT: BASALT CREEK CONCEPT PLAN - FEASIBILITY STUDY

20

City of Milwauville | Basalt Creek Concept Plan - Feasibility Study

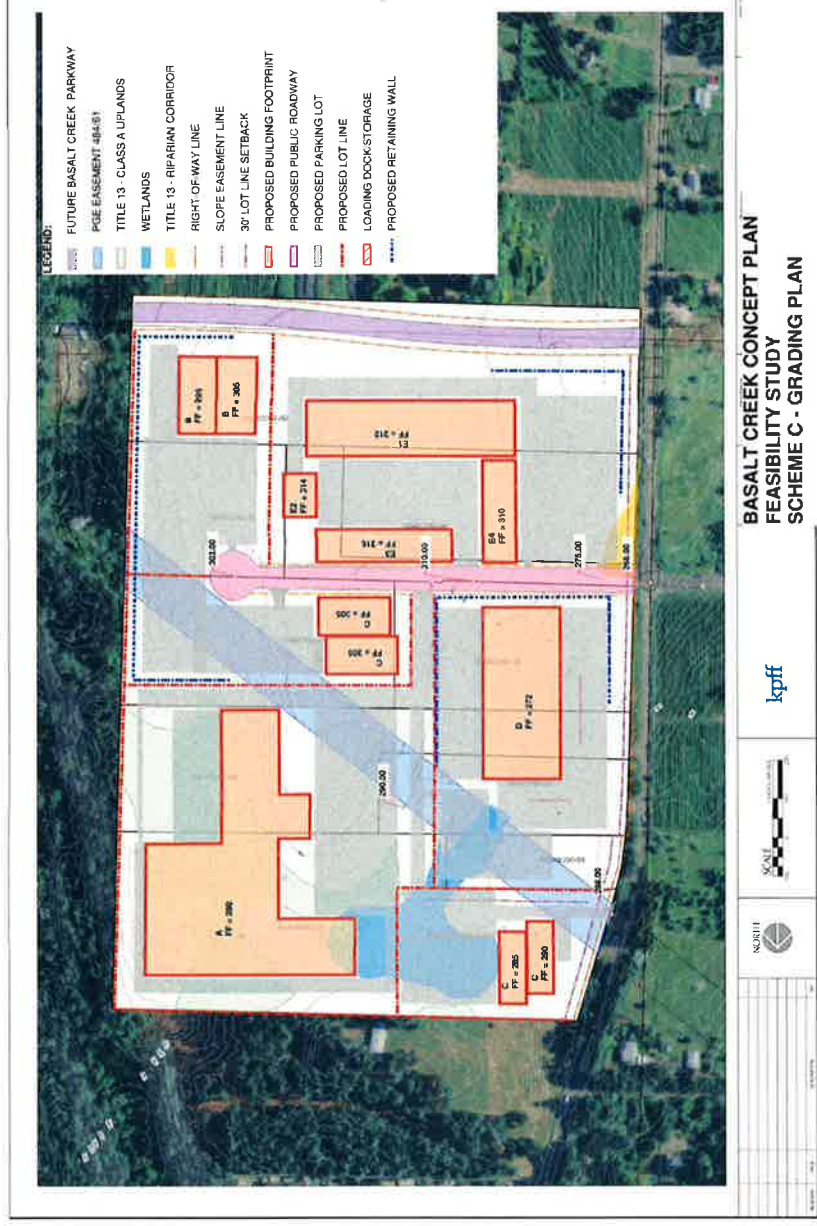
LAYOUT

Scheme C utilizes the most amount of area on the site for development and preserves the least amount of open space of the three schemes. In Scheme C, buildings E1 - E4 are located along the southern portion of the site and have a combined courtyard area to allow for storage, utility yards and other uses that can be screened from the public. Parking for these buildings is combined and located in a lot at the southwest corner of the site. In the southeast corner of the site is Building B. Building B is located further away from the Basalt Creek steep slope in this scheme so it can be closer to the flatter portion of the site. This building still requires a step in the finished floor elevations but there is more room to grade out from the building to the east, which helps to reduce the retaining wall height here. A public roadway is located east of Tonquin Road and provides the north/south split within the site that is common between all three schemes. On the north side is Building C which is accessible from the site public roadway. Building C shares a combined parking lot with Building B. North of the new public roadway is Building D. A second building C is located in the northwest corner of the site, similar to Scheme B. Scheme C is the only one to utilize the Building A footprint since this is the largest of all the building prototypes and requires infilling the natural resource area to accommodate the building. Parking and roadways are located within the PGE easement in Scheme C and this scheme utilizes the PGE easement the most. In Scheme C there is no anchor building at the southeast corner of the site to provide the visual connection from Grahams Ferry Road since this area is utilized for parking.

For Scheme C the total built area is 781,350 sq ft, the total parking count is 1,542 stalls, and the potential open space is negligible. The parking stalls provided is less than the required count by code since the parking lots are shared in Scheme C for Buildings B and C. There is not enough room on the site to meet the parking count for each building individually.

GRADING

The finished floors indicated represent potential finished floors for the buildings taking into account existing grade and the roadway grading being completed for Grahams Ferry Road at Tonquin Road. For Scheme C, buildings E1-E4 are located on the flatter portion of the site near the future Basalt Creek Parkway and the parking lot in the southwest portion of the site will need to be tiered to accommodate the grade difference between the roadway and buildings. Building B is stepped in the southeast corner, similar to buildings C in Schemes A and B to accommodate the grade change here. The combined parking lot for buildings B and C will be located on the slope heading down to the upland habitat area and will require retaining walls to accommodate the grade change. Building C has a constant finished floor in Scheme C and the grades slopes north from Building C to Building A. Building A is located in the lower portion of the site and is at the elevation of the upland habitat area. This allows the building to create level areas on the east and north side for storage and vehicle access. From Building A, the site slopes back up to the west to set the finished floors for buildings D and C. Building D is located on the flatter area near Tonquin Road and Building C is stepped to accommodate the grades to the north. Scheme C will require internal retaining walls to accommodate the grade changes within the site since this scheme has the most amount of impervious area and the least amount of open space to accommodate grade changes in undeveloped areas.



Scheme C Grading

City of Tualatin Exhibit No. 117

Scheme C



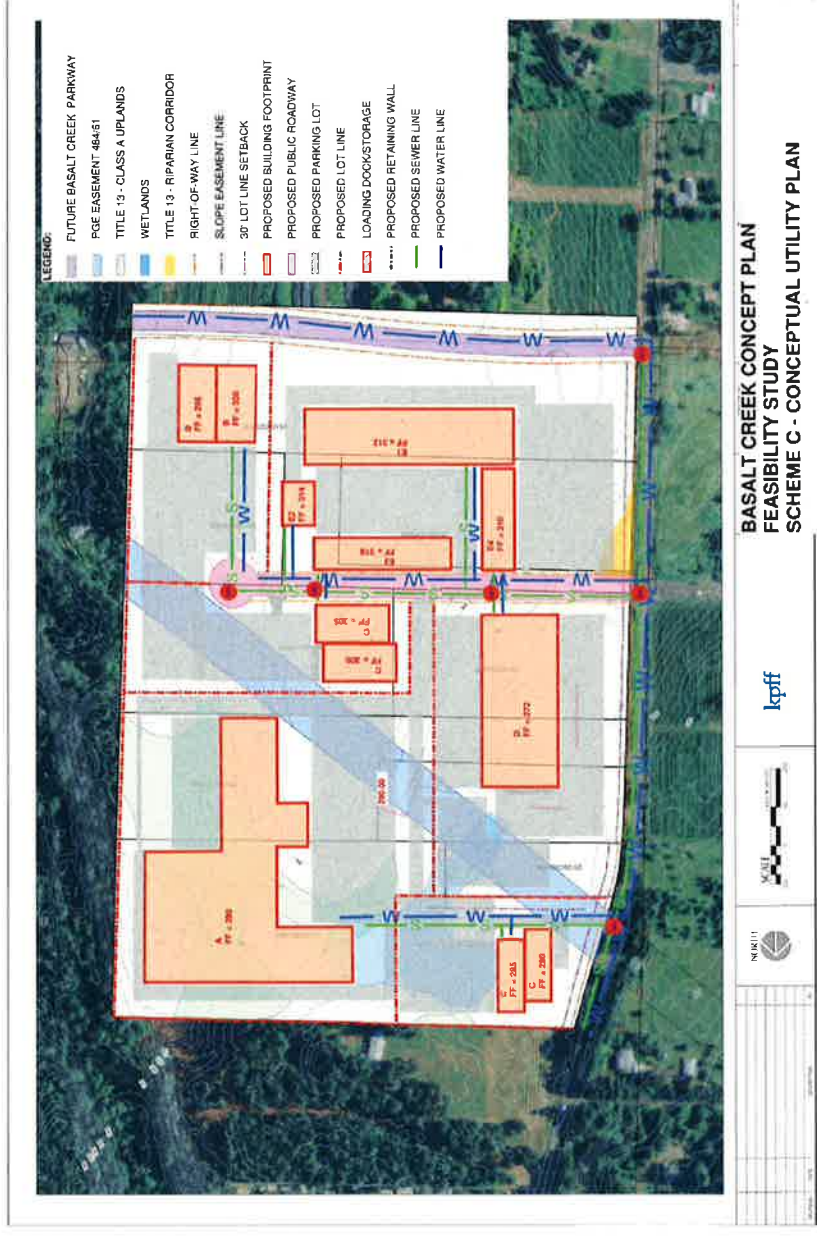
City of Tualatin Exhibit No. 117

UTILITIES

Utilities for Scheme C will include sewer and water service to the buildings from the public roadway within the site and Grahams Ferry Road. This scheme does not show any regional stormwater systems and storm drainage will need to be accommodated on each lot through the use of subsurface or low impact development options. The building grades within the site are raised from the roadway grades in Grahams Ferry Road, with the intent to gravity drain the sewer and drainage from the site to the public lines.

ENVIRONMENTAL IMPACTS

Scheme C has the most impact to the environmental resources on site and preserves none of the upland habitat or wetlands. These areas will need to be mitigated either through mitigation banks or improvements off site.



Scheme C Utilities

City of Tualatin Exhibit No. 117



Building Renderings

Building renderings provided are representative conceptual images of what Buildings B, C, and D could look like

City of Tualatin
Exhibit No. 117

ZGF
ZIMMER GUNDEL FANCA ARCHITECTS LLC

Building B



City of Tualatin Exhibit No. 117

Building C

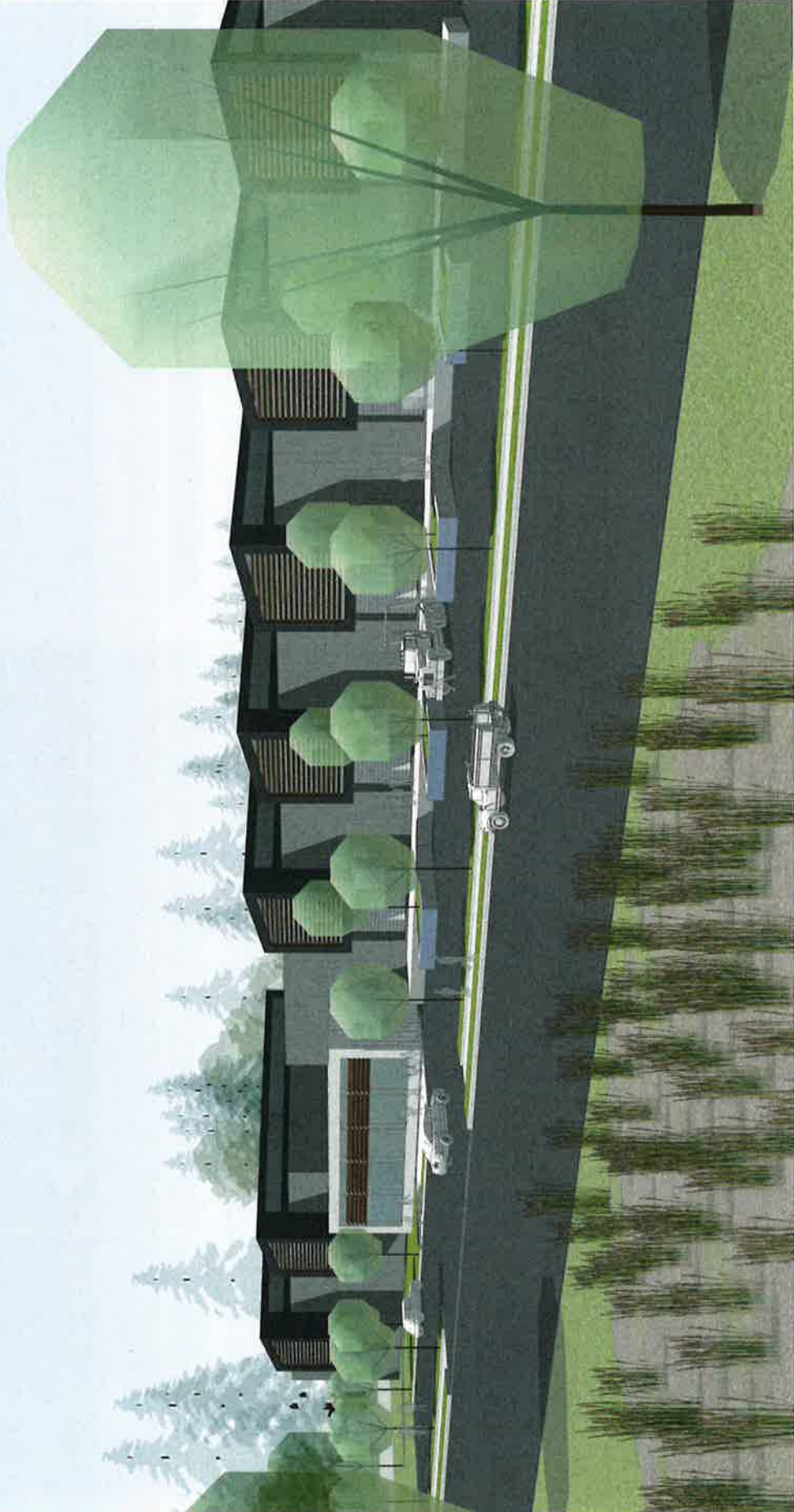


ZGF
ZIMMER GUNSUL FRANK ARCHITECTS

City of Tualatin
Exhibit No. 117

ZGF
ZIMMER GUNSUL HANCO ARCHITECTS LLC

Building D



City of Tualatin Exhibit No. 117

Summary

SCHEMES

Each scheme presented provides unique design opportunities for the region that capitalize on the goal of increasing employment opportunities. The three schemes take different approaches on how to develop the site and provide fast fits for design concepts. The existing grades on the site pose a challenge for development but the concept grading schemes show the grade changes can be accommodated through the use of stepped finished floors and retaining walls. Grades within the parking lots for some of the schemes may require the use of walls and terraced parking to accommodate the slope. The material for the retaining walls can be chosen to be aesthetically pleasing and the walls may be terraced to break up the grade and allow for planting in this area. Consideration should also be given in some of these locations to structured parking which can accommodate grade changes better than surface parking can. The table below is a side by side comparison of the three options to show their similarities and differences. "1" indicates that the scheme is closest to meeting the objective and "3" is least of all schemes to meet the objective.

Objective	Scheme A	Scheme B	Scheme C
Provides the most building square footage	3	2	1
Provides the most number of parking stalls	2	1	3
Meets or exceeds the code parking count based on the assumptions outlined in this study	2	1	3
Provides the most potential for open space	1	2	3
Transition to residential area to the north	1	2	3

CONCLUSION

Various employment opportunities can be accommodated on the site from larger industrial facilities such as Building A to smaller craft industrial facilities such as Buildings E and C. These buildings could provide office space as well as smaller craft facilities that can include breweries, textiles, pottery and metal works. Not only will these facilities increase the employment opportunities in the area but they also fill a need for providing space to support local artists and the craft industry. As indicated in the three schemes there is flexibility on the site to use a variety of building types and footprints. This feasibility study has validated through the fast fits that the area can be developed to increase employment opportunities in the region. As a result, other land uses were not analyzed for feasibility since the area is designated as a regional employment area.

The site does pose some grading challenges which will require the use of stepped foundations and retaining walls as indicated and discussed. This is not unexpected in the region and the use of retaining walls and stepped footings has been done in other projects locally as indicated by the included images. The cost for accommodating the grade change is higher than if the project site were completely flat, but it is not out of line with development on similar types of sites. Infrastructure costs such as construction of new roadways and utilities are required for all greenfield sites and would be required to develop the feasibility study site regardless of the intended use.



City of Tualatin Exhibit No. 117

Sample Projects for Similar Grading and Development Schemes



Office and commercial building near SW 724th Ave and SW Leveton Dr, Tualatin with retaining wall between properties



Mountainside High School (new Beaverton High School) looking from Scholls Ferry Rd, Beaverton



Parking lot retaining wall at Legacy Medical Office Building, Tualatin



Nyberg Woods (terraced retaining walls filled with plants), Tualatin



Parking lot off of SW Barnes Rd, Portland (across from Oregon College of Art & Craft)



Access road and retaining wall in the Portland metro area



City of Tualatin Exhibit No. 118

8



Construction, Inc.

P.O. Box 489 • 915 S 12th Ave • Cornelius, Oregon 97113 • (503) 357-2193 • FAX (503) 357-3649

2/10/17

Subject: The Land South of Victoria Gardens to Basalt Creek Parkway

Dear Mayor Ogden and Tualatin City Councilors:

I am the owner of Ken Leahy Construction Inc., our firm specializes in all aspects of site preparation projects including full site development that require erosion control, clearing, grubbing, stripping, earthwork, cement soil stabilization, storm water detention facilities, bio swales, underground utilities (storm sewer, sanitary sewer, water distribution and franchise utilities), sanitary sewer lift stations and force mains. Our firm is celebrating its 50th year in the business and has been involved in many developments in the Portland Metro area.

At the request of Herb Koss and I toured the site on 2/10/17, to give him an idea of the feasibility of full site development for employment use. I also was given topography site maps detailing the slopes and grades on the property.

I personally have developed sites that contain large volumes of rock. Based on my personal experience I estimate that the cost of land preparation for the land described above would surpass the \$5.00 per foot range.

I looked at site access, and am basing my opinion about access on the understanding that no access will be allowed onto Basalt Creek Parkway. If there is no access from Basalt Creek Parkway, traffic will have to come from the intersection of Tonquin Road and Grahams Ferry Road. There is approximately 50 feet of elevation rise, from that access point, which creates major issues for truck traffic.

Limited access, topography, and the large quantity of basalt rock are all major issues. A single one of them might not prevent the site from being developed as employment land, but the combination of all three cannot be overcome. Mass grading of Basalt Rock is not financially feasible.

Sincerely

A handwritten signature in black ink, appearing to read "Ken Leahy", is written over a printed name. The signature is stylized and cursive.

Ken Leahy

City of Tualatin Exhibit No. 119



November 21, 2016

Herb Koss
2643 South Shore Blvd.
Lake Oswego, Or 97034

VIA: EMAIL

RE: 41-acre Basalt Creek southern boarder 23960 SW Grahams Ferry Rd.

Dear Herb,

I visited the site and spent a considerable amount of time driving the area. It is an exciting development area especially when the Basalt Creek Parkway is completed.

The topography of the site is such that developing an industrial project would be very difficult and if done would be at best marginal and very inefficient. Industrial, flex buildings require large foot prints, large drive areas for loading and turning radius. There are better sites in the area for this type of use.

I also looked at the site for office park use and concluded that due to the steep topography of the site it could have a negative impact on the proximity of the parking that may pose an issue with ADA requirements. I also believe that the extraordinary site cost and small office footprints would not be cost effective and competitive in the office market. Furthermore, the location does not readily lend itself to that use.

This site lends itself to smaller foot print buildings such as housing and multifamily that can be planned around the steep grades and terraced into the topography. It is my opinion that the highest and best use for this site are single family homes buffered along the frontage with multifamily housing.

Our office has forty years of experience in commercial real estate and have procured sites for commercial developers such as Gramor, Holland Development LLC and West Hills.

Let me know if you have any questions.



Michael N Diamond
Principal Broker

City of Tualatin Exhibit No. 120



Memo

Date: August 28, 2017
To: Metro Council
From: Elissa Gertler, Planning and Development Director
CC: Martha Bennett, COO
Megan Gibb, Land Use and Development Manager
Emily Lieb, Equitable Housing Initiative Project Manager
Subject: Regional Equitable Housing Investment Opportunities

Like other regions around the country, the Metro region faces an urgent need to address a critical shortage of affordable housing. Rents are increasing faster than renter incomes, and more than 67,000 renters in our three-county region pay more than half of their income toward housing costs. Metro's Equitable Housing Initiative is working to build our region's capacity and Metro's capacity to respond through a multi-pronged approach that includes the following elements:

- Mitigate displacement and stabilize communities
- Maximize and optimize resources for regulated affordable housing
- Leverage growth for affordability
- Increase and diversify overall housing supply

Financial resources remain the biggest hurdle to ensuring adequate housing for the region's low-income residents. Federal resources for affordable housing have continued to decline, and despite recent expansions in funding at the state level and within the city of Portland, a large funding gap remains to meet the need for housing affordable to households making less than 50% of area median income (AMI). It would cost about \$900 million to construct sufficient new housing to close the region's 11,100-unit deficit of housing affordable to households making 30-50% of AMI, and approximately \$5 billion to fill the 36,300-unit deficit of housing affordable to households making at or less than 30% of AMI.¹

This memo starts from an assumption that there are certain income levels currently not served by the private housing market—hence the need to undertake strategies not only to increase incomes and provide access to affordable transportation options, but also to increase the supply of publicly subsidized, regulated affordable housing. The memo and attachments outline the need for and advantages of a regional approach to address the challenge and lay out the policy and operational considerations that can inform the agency's next steps. As part of the Equitable Housing initiative, we have undertaken a technical analysis to identify the region's most significant areas of housing need, and the strategies

¹ Assuming 4% tax credit leverage for wood frame or podium construction in medium cost areas, per unit gaps of \$60,000 to \$100,000 are achievable for affordability at the 60% of AMI level. Gaps to reach the 30% of AMI level are roughly double that amount. Based on David Rosen & Associates Housing Affordability Gap Analysis, 2017. Housing deficit estimates are from the 2010-2014 Comprehensive Housing Affordability Strategy database (CHAS) produced by the U.S. Department of Housing and Urban Development (HUD) and U.S. Census American Community Survey (ACS).

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Exhibit No. 120

that have been used successfully in other places to address similar challenges. The memo and attachments summarize the benefits and limitations of three potential investment strategies and two potential funding sources that have been informed by this research and additional initial stakeholder input, including feedback from our local city/county staff partners. Finally, the memo includes recommended next steps for partner engagement, application of a racial equity lens, and continued development of programmatic elements.

The Planning department is seeking Council feedback regarding the overall direction and proposed next steps described at the end of this memo.

Advantages of a Regional Approach

Our housing affordability challenges do not know jurisdictional boundaries, yet within our region, resources for investing in affordable housing are overwhelmingly focused within the city of Portland. More than half of our region's severely cost burdened households live outside Portland in the other 23 cities and counties that comprise Metro's jurisdictional boundary; however, only 33% of our region's 41,353 regulated affordable rental housing units are located outside Portland, and only 6% of existing \$149 million of annual funding capacity for investing in affordable housing is focused outside of Portland in the rest of the region.²

Tackling the region's shortage of affordable housing will require new dedicated revenue tools, coordinated investment strategies, and a mix of short- and long-term approaches. While such tools and strategies could be pursued at the local level, our team feels strongly that a regional approach offers several advantages, including the ability to:

- Generate an investment strategy on the scale necessary to have an impact on serving regional needs
- Integrate affordable housing into communities across the region and strategically target investments to locations that offer the best balance of cost efficiency, leverage, outcomes for vulnerable communities and local needs
- Develop a regional housing strategy that responds to regional dynamics of market change and economic displacement
- Connect affordable housing investments to planning and policy related to transportation, natural areas, economic development, and racial equity
- Leverage state and federal resources to support coordinated investment strategies to address a critical regional need
- Spread the burden of revenue generation evenly across the region in a way that does not affect the competitive advantage of one jurisdiction over another
- Capture operational efficiencies of scale

Recommended Strategies

Based on research, analysis, and stakeholder conversations over the past two years, staff have identified promising investment tools recommended for further exploration and development as part of a comprehensive regional investment program. We believe a successful regional program will include multiple components that fall within three strategic approaches:

² 2010-2014 Comprehensive Housing Affordability Strategy database (CHAS), U.S. Department of Housing and Urban Development (HUD) and U.S. Census American Community Survey (ACS); Metro 2015 Regulated Affordable Housing Inventory; David Rosen & Associates Inventory of 2016 Federal and Local Resources for Affordable Housing Investment.

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Exhibit No. 120

- *Strategy #1: Anti-displacement and community stabilization (land/building acquisition).* Land acquisition, acquisition and rehabilitation of existing regulated and unregulated affordable housing, and gap financing to create or preserve housing opportunities for households at 0-80% of AMI in locations with high displacement risk and/or access to transit, opportunities, and amenities.
- *Strategy #2: Flexible gap financing, homelessness prevention and deep affordability.* Flexible gap financing to support traditionally financed projects at 0-60% AMI, which face widening subsidy gaps due to rising construction costs and uncertainty in the tax credit equity market. This strategy could be coordinated with housing authorities' project-based rental assistance vouchers to include some units with deeper affordability to serve households with incomes at 0-30% of AMI.
- *Strategy #3: Mixed income communities and shallow subsidy.* Financial incentives for inclusion of affordable and "below market" units, typically 60-80% AMI, in new private market residential developments. Incentives could be tailored to local community needs.

These three strategies and the program components within them are further described in *Attachment A*. In order to respond to the range of needs and contexts across the region, we anticipate that a regional equitable housing investment program would include multiple programmatic elements targeting different income levels and approaches. Most of these strategies are fairly scalable; however, start-up and overhead costs will vary. A summary of feedback on these strategies from local jurisdiction staff is included on pp. 5-7.

Key policy considerations related to the equity and cost effectiveness that would need to inform the design of a regional investment program include:

- *Who is served?* Households with the lowest income levels have the greatest need for affordable housing, but deeper income targeting requires more subsidy per unit, thereby reducing the number of households that can be served. For example, a strategy targeting households at 80% of AMI will be able to support more units with a shallow subsidy than a strategy serving households at 30% of AMI, which requires a much deeper per unit subsidy. It is worth noting: while our analyses do not show a deficit of rental housing affordable at the 50-80% or 60-80% AMI levels anywhere in the region, the data show that people in those income categories tend to "rent down", putting further pressure on and exacerbating the deficit of housing in the 0-60% AMI range.³
- *Where is housing built?* It's more expensive to produce affordable units in locations with high land costs; however, these locations are often the places that offer better access to transportation, services, and jobs. Focusing investments in low or medium-cost areas with increasing land values could help prevent displacement, ensure income diversity in high-opportunity areas, and capture value created by the real estate market.

³ 2010-2014 Comprehensive Housing Affordability Strategy database (CHAS), U.S. Department of Housing and Urban Development (HUD) and U.S. Census American Community Survey (ACS). A similar conclusion was reached by a Johnson Economics of 2015 data from Axiometrics, ACS, and Metro's 2015 Regulated Affordable Housing Inventory.

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- *What type of housing (new or preserved)?* Acquisition of existing units for preservation as affordable housing is more cost effective than new construction in low- to middle-cost areas; however, this strategy does not increase the overall supply of housing and is limited to locations where existing naturally occurring affordable housing exists. More research is needed to understand specific preservation opportunities across the region and how they would align with different income targeting and location priorities.
- *What revenue tool could be used to support it?* Two funding tools that have been identified as having near term potential include construction excise tax (CET) and general obligation (GO) bonds. These tools have different implications in terms of potential scale, permitted uses and compatibility with identified investment strategies, anticipated geography (region as a whole vs. non-Portland balance of region), implementation requirements (legislative and voter approvals), and who would be impacted (i.e., who pays, who benefits). These considerations are discussed further in the next section. .

Potential Funding Sources

Two revenue tools identified as having near term potential include construction excise tax (CET) and general obligation (GO) bonds. These tools are complementary. While either tool could be pursued and implemented independently, it is anticipated that a regional program supported by both of these funding tools could generate broader stakeholder support and serve a range of housing needs and local market contexts. If the region chose not to pursue either of these funding sources, other potential options include attempting to build a regional housing investment consortium or collective impact approach, pursuing federal or philanthropic grants, or attempting to develop a private funding source. Such strategies would all likely result in a much smaller scale of impact than the two funding sources detailed here.

Considerations	Construction Excise Tax	General Obligation (GO) Bond
Scale	\$10.8 million/ year	Potentially \$500 million or more. For example, Metro’s 2006 Parks bond was \$227 million. The proposed TriMet transportation bond for 2018 will be \$1.7 billion.
Permitted uses	According to the formula laid out in SB 1533, 15% of proceeds are passed to the Oregon Housing and Community Services Department (HSCD) for homebuyer assistance programs, 50% of residential revenues must be used for developer incentives, and the remaining 35% of revenues from a residential CET and all revenues from a commercial CET can be used at local discretion.	Currently, local GO bonds for affordable housing are subject to a requirement that a public agency own and operate the asset until the bond is repaid. These requirements create limitations for the ability to use bond investments to leverage traditional finance tools such as tax credits. However, discussions are underway to pursue a constitutional amendment in 2018 that would modify those requirements to create greater flexibility.
Anticipated geography	Locations where a local CET is not currently in place. (Currently, Portland is the only Metro	The three-county region

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Exhibit No. 120

Considerations	Construction Excise Tax	General Obligation (GO) Bond
	jurisdiction with a local CET, but others are considering it.)	
Approvals required for implementation	State legislative approval is necessary to enable Metro to be authorized to use the CET enabled by SB 1533. Regional voter approval would also be necessary.	Regional voter approval would be required for a GO bond. State voter approval would be required for the constitutional amendment that would provide more flexibility for this strategy.
Who pays?	While it is often assumed that “developers pay” for a CET, it is possible that some or all of these costs may be passed on to tenants in new residential or commercial building.	Costs would be spread across existing property owners throughout the region. Due to Measures 5 and 50, this means that existing inequities in the property tax system would be perpetuated.
Current use for affordable housing	There are currently seven local jurisdictions around the state of Oregon that have adopted a CET for affordable housing under the authorization provided in SB 1533. Currently, Portland is the only jurisdiction in the Metro region with a CET; however, other jurisdictions, including Milwaukie, are considering a CET.	The State’s Local Innovation and Fast Track (LIFT) program is funded by \$40 million GO bond committed by the state legislature in 2015. In 2016, the City of Portland passed a \$258 million bond—the largest housing bond ever passed by Portland voters, with a price point of \$75/voter/year—focused on building or preserving 1,300 units of affordable housing over the next 5-7 years.

Feedback from Local Jurisdiction Staff

In August, Metro Planning staff met with planning, community development, and housing authority directors from across the region to discuss their perspectives on the need for regional approaches to funding and investment in equitable housing, and on the identified investment strategy options.

General themes included:

- There is widespread recognition among staff and elected leaders that housing affordability is a regional challenge that requires regional solutions. Participants expressed general support for Metro to convene a conversation about opportunities.
- Several participants expressed concerns about fair allocation of resources and the need for strong local participation in the design and/or administration of new investment programs. Additional concerns were raised about the need to align new program criteria with existing funding programs to avoid creating another layer of complexity for the already challenging process of lining up multiple funding sources to make affordable housing projects pencil out.
- Across the region, city and county staff are being directed by their councils to identify new policy and funding solutions to address growing local concerns about homelessness, displacement vulnerability for renters, and the need for permanently affordable housing to serve households at a range of income levels—from growing houseless populations to the local workforce.

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Exhibit No. 120

- Smaller jurisdictions feel they lack the technical capacity to facilitate affordable housing development and expressed interest in a regional technical assistance program, whereas several larger jurisdictions felt they had significant staff expertise but lacked the resources and in some cases the staff capacity for implementation.
- Staff from different jurisdictions expressed interest in having a range of program elements included to allow for optimal customization in making investments that serve local needs. Some jurisdictions might be interested in a full range of tools and approaches, while others might only be interested in specific program elements.

Themes related to how the strategies described in Attachment A might relate to identified needs and existing programs or gaps to address them included:

- Nearly everyone we spoke with expressed concerns about the need for new solutions to address growing homelessness challenges. Housing authorities saw an opportunity to combine new gap financing with their existing federal rental assistance vouchers and align investments with social services to develop new permanent supportive housing for service-dependent low-income households.
- Housing authority staff also identified a growing need for flexible funding to fill the widening gap for traditionally financed affordable housing projects at 30-60% AMI. Current projects in the pipeline have been experiencing delays due to rising construction costs and uncertainty among tax credit equity investors.
- City and county staff saw an opportunity for coordination between regional housing and transportation funding discussions. Several participants pointed to opportunities for land acquisition and preservation in the SW Corridor.
- Jurisdictions with a lot of naturally occurring affordable housing expressed interest in a preservation strategy that would improve habitability of units while also protecting affordability.
- Several participants saw an opportunity for developer incentives to support inclusion of 60-80% AMI rental units in new market rate development to support mixed income buildings. Even in locations where most market rate development is currently affordable at 80% AMI or below, staff saw an opportunity to bring more income diversity to neighborhoods while also protecting long-term affordability in the face of anticipated market change.

Participants also identified three areas not included in the strategies summarized in *Attachment A*:

- In addition to general preservation strategies, several participants specifically pointed to the need to stabilize communities in mobile home parks. New state resources have been dedicated to this issue, but several participants felt it merited additional consideration as part of a regional strategy. This is something we would like to further explore in the next phase of this work.
- Several participants talked about the need to broaden access to homeownership both through the development of more modest “missing middle” housing options and through targeted homeownership assistance programs. Such a strategy would be supported to some extent by a CET due to the requirement that 15% of funding be allocated to the state to provide down payment assistance.
- Several participants, particularly in Clackamas County, pointed to the need for new solutions to provide temporary housing for the homeless, and more regional coordination around services for the homeless. We believe there is an opportunity to explore how a regional investment program could support homelessness efforts. With regard to coordination of services, the HUD regional field office could potentially serve as a regional coordinator.

City of Tualatin

Exhibit No. 120

Finally, feedback related to revenue approaches included:

- Some jurisdictions had concerns about the potential impacts of construction excise tax on development, given rising construction costs and already high system development charges (SDCs). At the same time, jurisdictions in Washington County have been fielding increasing inquiries from private developers following adoption of Portland inclusionary housing policy, which may create additional appetite for development outside of Portland.

Based on this feedback, we believe there is general support for the list of strategies described in Attachment A, but recommend continued engagement with city, county, and housing authority staff—as well as with a broader range of stakeholders—to design a program that will serve a wide range of needs and local contexts.

Racial Equity Approach and Proposed Next Steps

Based on the findings presented above and our discussions with internal and external stakeholders, we recommend the following next steps for staff to move forward with developing a draft regional investment program proposal.

Racial Equity Analysis. Over the next several months, staff will work with internal and external partners to identify how efforts to advance regional affordable housing can best align with Metro’s adopted racial equity strategy and provide maximum benefit to residents of color in our region while still complying with federal fair housing law. Strategies designed to increase access to housing for residents with lower incomes do provide some targeted benefit to people of color, who experience disproportionate levels of low income compared to white populations; yet more can and should be done to explore how regional affordable housing revenue and investment strategies can maximize benefit to people of color. We will explore multiple next steps, including engagement, collaborative partner dialogue, and analysis to understand the potential equity impacts of revenue and investment strategy decisions, and to ensure that a racial equity lens approach is applied to these discussions. This information will be used to inform next steps and recommendations and will support existing timelines and program development.

Investment Strategies and Tools. Based on feedback from local jurisdiction staff, we recommend additional consideration of how mobile home park preservation and homeownership assistance might factor into a regional investment approach, and additional consideration for how a regional housing investment program could be aligned with homelessness efforts across the region. More targeted research is also needed to understand the best scale and targeting for a land acquisition and/or acquisition of naturally occurring affordable housing program.

Revenue Options. Further cost-benefit and legal analysis is necessary to understand the impacts of potential revenue tools and their implications for program development. Political feasibility research is also recommended to understand the viability of each of these strategies.

Stakeholder Engagement. On September 13, staff will present an update on this work to the Metro Policy Advisory Council (MPAC). We will also continue to engage city and county planning and community development staff and public housing authority staff, for-profit and non-profit developers, and funders and lenders to better understand their perceptions

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Exhibit No. 120

about how a regional strategy could respond to local needs and align with existing programs. Key stakeholders include:

- City and county community development and housing departments
- Local council and policy staff
- Public housing authorities
- Oregon Housing & Community Services (OHCS)
- Funders and community development finance institutions, including Network of Oregon Affordable Housing, Community Housing Fund, and Enterprise Community Partners
- Foundations, including Meyer Memorial Trust
- Private developers and nonprofit affordable housing developers
- Social service providers
- Advocacy groups and coalitions working on housing and equity issues, including the Welcome Home Coalition and Washington County Thrives Initiative
- Community leaders representing vulnerable communities, including partners on Metro's adopted Equity Strategy
- SW Corridor Equity & Housing Advisory Group

Council Next Steps. While staff is seeking Council direction to proceed with next steps to further research and analyze the most feasible and effective ways for Metro to play a role in addressing our region's affordable housing needs, we are also seeking Council's input on how our efforts at the financial and programmatic level can be best coordinated with the Council's outreach and engagement with key stakeholders across the region on this issue. How can staff's work best support and integrate with the leadership and communication efforts of Council on this issue as well as on related funding issues? Are there key stakeholders that Council wants to share this work with to seek feedback and input? As we work to explore an important new approach to accomplishing the 2040 Vision, staff recognizes how important it will be for Council to set the stage for this work and we want to ensure all of our efforts are coordinated with yours so that we're all more effective.

Saying they need more housing, Wilsonville leaders look to grow east

**By Cristina Rojas**

Feb. 7, 2018 9:25 a.m.

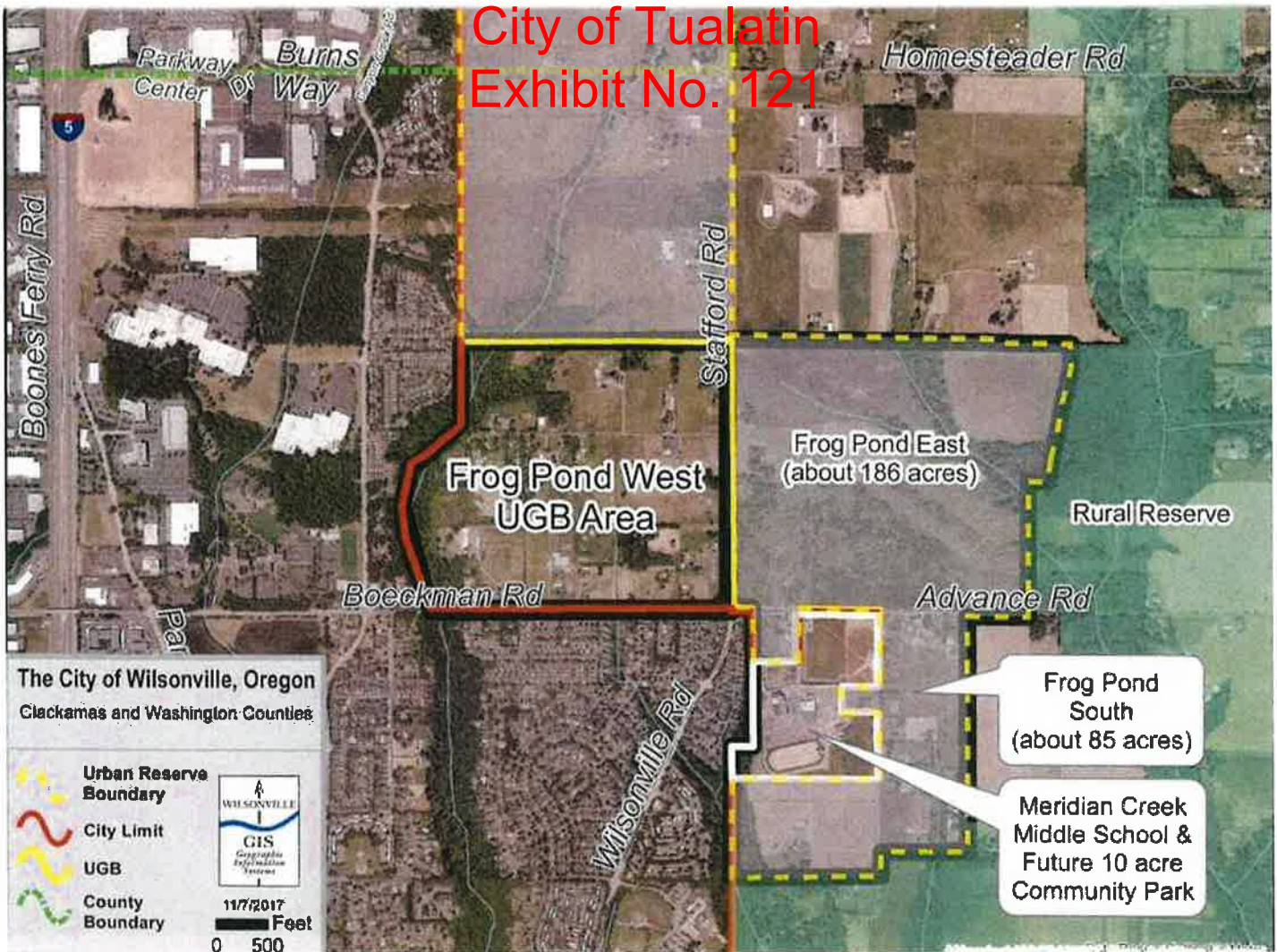
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At the south end of the Portland metro area, the city of Wilsonville has seen its population double since the turn of the century. Now, leaders in this city of 24,000 say they're ready to take on more growth, if the Metro Council agrees to expand the urban growth boundary there.

After two previous attempts and seven years of hearings and revisions over the [county's urban and rural reserves plan](#), city officials believe 2018 may finally be the year that its efforts to add another 271 acres will succeed.

The Wilsonville City Council sent Metro a letter of interest to expand the urban growth boundary on the city's east side, in an area known as Frog Pond.

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A map showing Wilsonville's current boundary and plans for expansion

Wilsonville Mayor Tim Knapp says there will be a need for more housing with the 2,600-unit Villebois neighborhood nearing build-out and the influx of jobs that's expected to come with the development of the Coffee Creek and Basalt Creek industrial areas.

"We can't make people live close by, but we can give them an option of finding housing close by to those new jobs," he said. "We're reaching the end of (Villebois). The question becomes, 'What comes next?' Well, our Frog Pond area is what comes next."

The Metro Council will decide whether to expand the region's urban growth boundary in 2018, after an analysis of the land already in the boundary, and development and demographic trends. Metro is required to keep enough land inside the UGB to handle another 20 years of growth. This year, the council is also looking at whether sites are development-ready, including the ability to pay for the pipes and roads to serve new residents.

The roughly 500-acre Frog Pond area is divided into three neighborhoods: West, East and South. While only one of the three areas is currently in the UGB, Wilsonville has already planned for

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Metro added the 181-acre West neighborhood to the urban growth boundary in 2002. City planning director Chris Neamtzu says it made sense to include the area outside the UGB in the concept planning because 500 acres was a more cost-effective way to plan for land use and infrastructure needs. Both the Villebois and Charbonneau developments were similar in size.

The city council approved a concept plan for the Frog Pond area in November 2015 after an 18-month process that was aided by a \$341,000 Metro grant.

The West neighborhood, which is slated to begin construction this summer, will have as many as 571 single-family homes, part of a concerted effort to get to a 50-50 balance between multifamily and single-family housing. Currently, the city has more multi-family homes than detached.

The West Linn-Wilsonville School District also has plans to build an elementary school on a 10-acre parcel in the neighborhood. Knapp says he hopes it'll become the center of that community, much like Lowrie Primary School has for Villebois and the new Meridian Creek Middle School will for the South neighborhood.

Neamtzu says the East and South neighborhoods would add another 1,325 homes to the area, and include a mix of housing types and prices such as townhomes and cottages.

The East neighborhood would be anchored by the historic Frog Pond Grange and a neighborhood commercial center, while the South neighborhood would be anchored by the middle school that opened in September and a future 10-acre park with sports fields and play areas. The 40-acre school site was added to the UGB in 2013 under a special process that allows non-housing uses to come into the UGB without a region-wide review.

"These are logical extensions to the community," Neamtzu said. "All of our planning around transportation would knit these neighborhoods together into a walkable set of complete neighborhoods."

City officials worked with developers to come up with the best way to share the cost of building the roads, utilities and other infrastructure like parks. A financing plan was adopted as part of the master plan for Frog Pond West in July and Neamtzu expects the same plan to be applied to the East and South neighborhoods.

The city will be responsible for off-site improvements like pump stations and trunk lines, builders will pay the cost of improvements required by their developments and supplemental fees would be levied for each new building permit issued to generate revenue for projects that may be too large and expensive for any single developer to complete.

Neamtzu and Knapp said all the necessary work has been done and they're eager to build on the momentum from the West neighborhood.

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"I think planning proactively is a very responsible way to approach it instead of waiting until we've got major growth that we didn't plan for on our hands and then having to be reactive to that," Knapp said. "We're trying to be on the front end of things and I think we've got good plans."

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Regional Snapshot: Housing

How are we holding on to housing affordability in greater Portland?

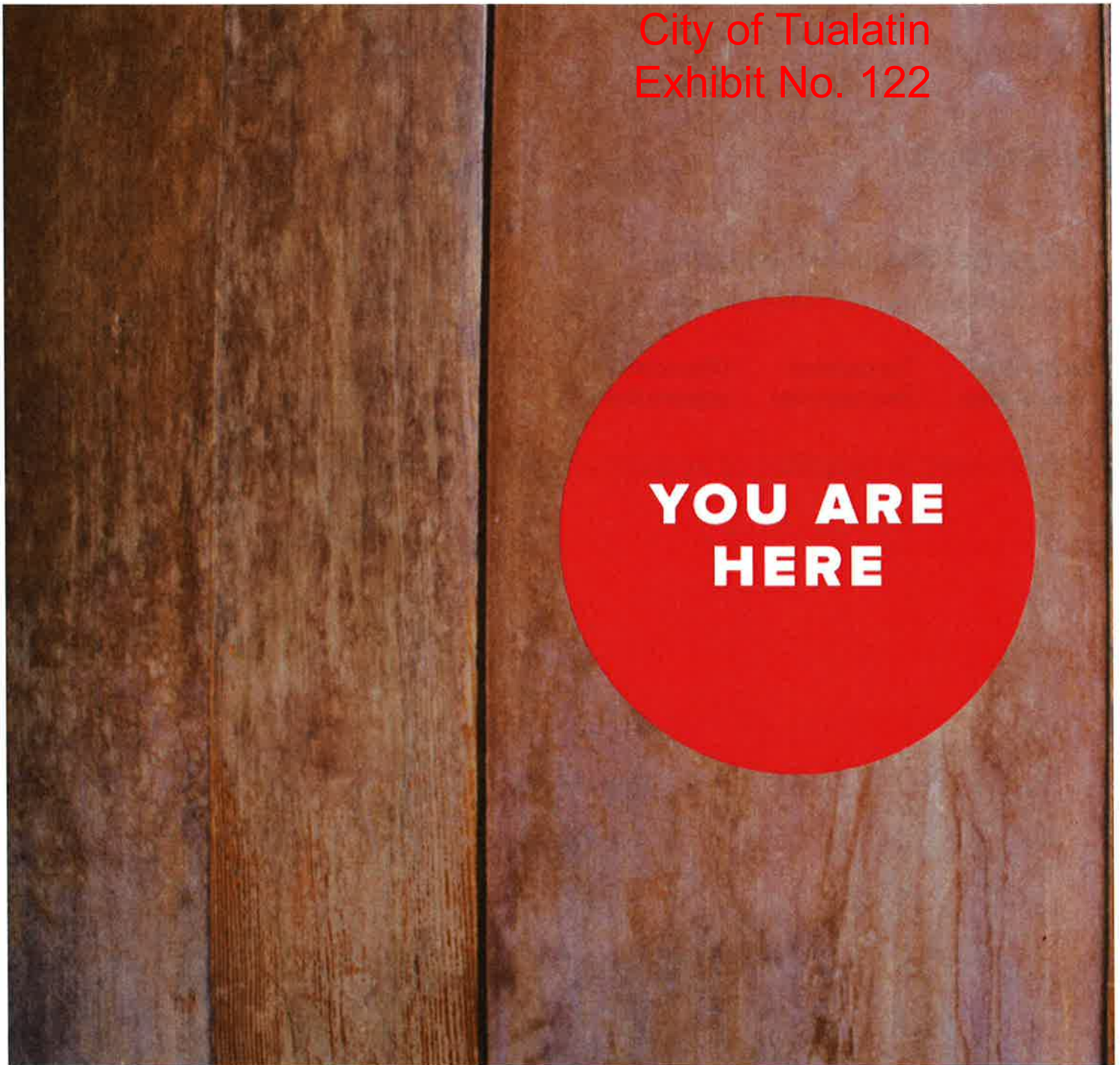
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You are here: A snapshot of housing affordability in greater Portland





By Rebecca Hamilton

Nov. 1, 2017 2:30 p.m.

Rebecca Hamilton is a regional planner at Metro. Stories with a byline do not necessarily represent the opinions of Metro or the Metro Council.

Despite some progress, greater Portland does not have enough affordable homes for everyone who needs them. 7 things to know.

Greater Portland came roaring out of the Great Recession. In less than 10 years, the region grew its economy and added high-wage jobs at higher rates than almost any other large U.S. metro area. Median incomes went up. The poverty rate went down. And thousands of young, educated workers migrated to the region drawn by the high quality of life and the opportunity of a booming economy.

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Regular check-ins on issues that matter to greater Portland: Housing, jobs, transportation and more.

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This influx of new affluence and new people was both a blessing and a curse, changing the dynamics of our housing market and shifting the geography of affordability in a very short period of time.

But longer-term trends also shaped our housing supply and those trends continue to challenge our ability to create housing choices that meet the needs of our changing region.

Here are some things to know about housing affordability in our region – and how we're responding.

1. The good news: the pace of unaffordability is slowing down.

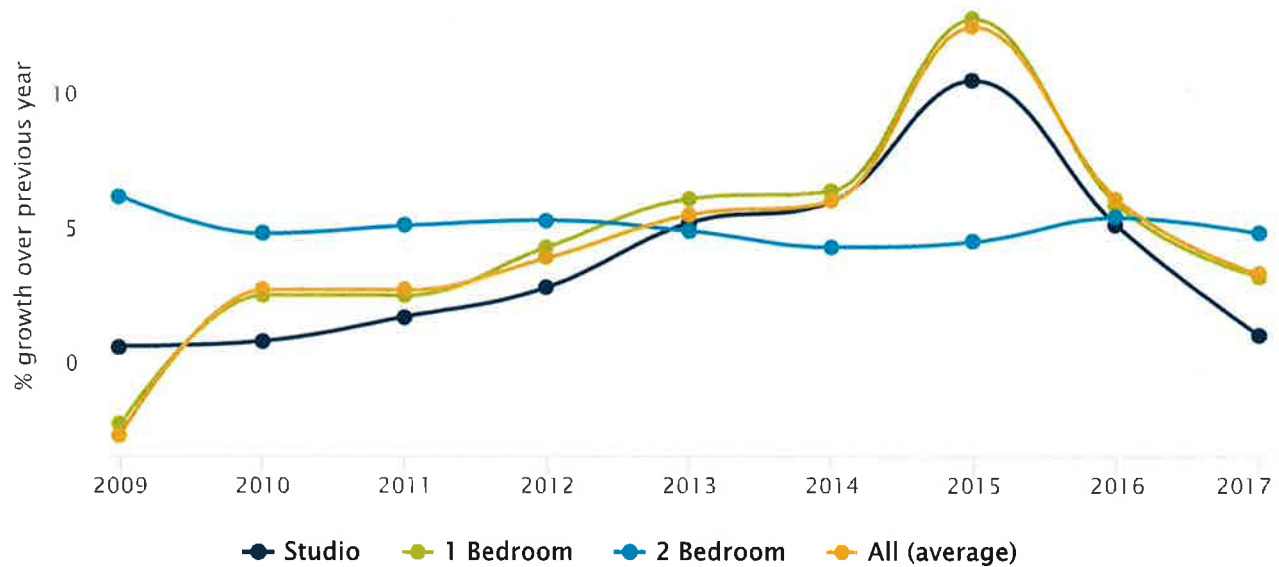
In 2009, Greater Portland had a high quality of life, an economy poised to ascend, and a steady stream of new people flocking to the region in search of both. But it didn't have nearly enough homes to accommodate them.

Housing construction grounded to a halt during the recession but migration into the region proceeded at a steady pace. As the population continued to grow, demand intensified and housing prices rose – slowly at first, but gaining momentum with each passing year. Rent and home price increases were among the highest in the nation; vacancy rates, the share of unoccupied rental units, were among the lowest.

Long-term residents found themselves priced out of their neighborhoods, while would-be homebuyers struggled to save for down payments that seemed to double overnight.

After years of climbing growth rates, the rental market is starting to cool down. **City of Tualatin Exhibit No. 122**

% growth in rental prices, Portland metro area 2009-2017 (year to date)



Data for Portland metro area, courtesy of CoStar commercial real estate company

This good news isn't great news, of course – rents and home prices are not going down. They are still rising, but not as quickly. Portland-area home values this summer were up 7.6 percent over last year, according to the Case-Shiller Index – well above the 5.9 percent national average and the second-highest in the nation behind Seattle. Still, that's better than last year's 12.4 percent spike.

And compared to 2015's staggering 12.5 percent average rental increase, this past year's modest year-over-year 2.9 percent increase, from September 2016 to September 2017, seems like a gift.

Finding home

Our housing stories may be different, but we all share the desire to live in a safe and affordable home.

Six Oregonians share their housing stories at different stages of life. [Learn more. —>](#)

City of Tualatin

Exhibit No. 122

2. New homes are being built – here, there, almost everywhere.

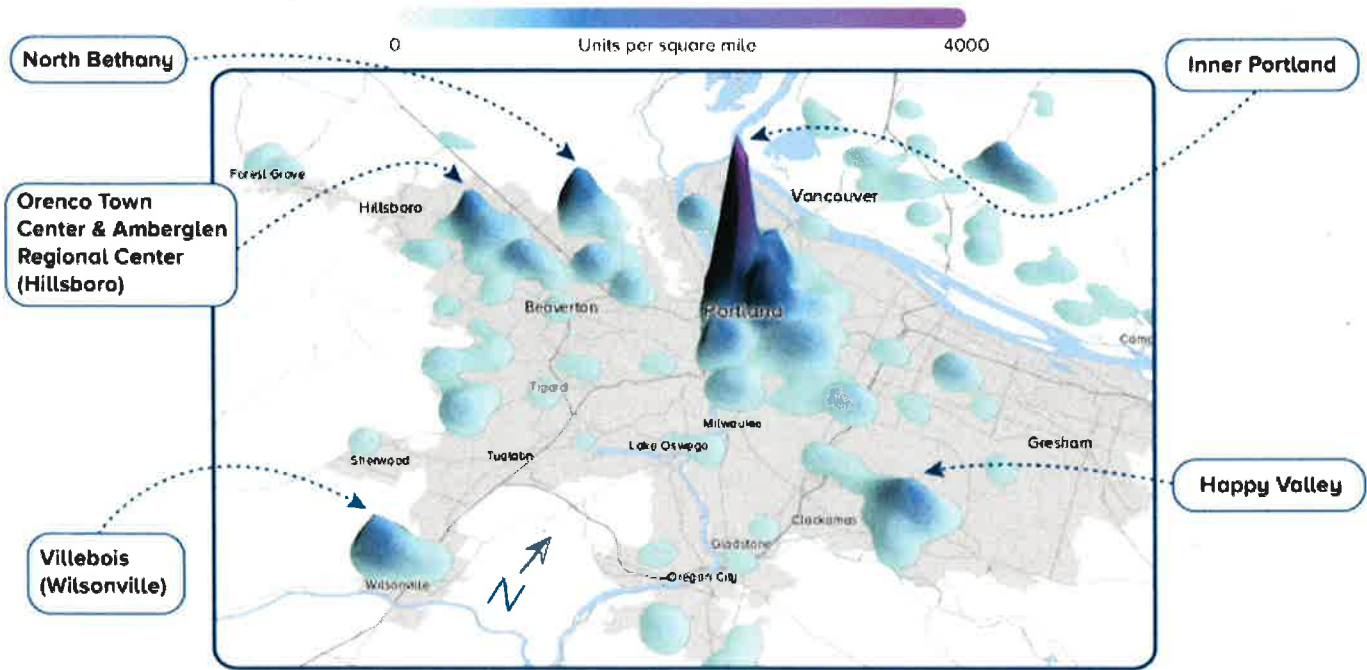
To what do we owe this small relief? To a few factors, but mainly construction. Housing construction is filling the deficit built up during the recession.

The majority of these new homes, particularly apartments and condominiums, are in key town and regional centers as a response to a growing demand for walkable neighborhoods close to amenities.

The majority of new homes have been added in key town and regional centers.

City of Tualatin
Exhibit No. 122

Housing permits in the Portland Metro area, 2009-2017 - units per square mile



Source: Construction Monitor data report Q1 2009 - Q2 2017. Created October 2017

The majority of new homes have been added in key town and regional centers.

1.44 MB Adobe Acrobat PDF | Published Nov 01, 2017

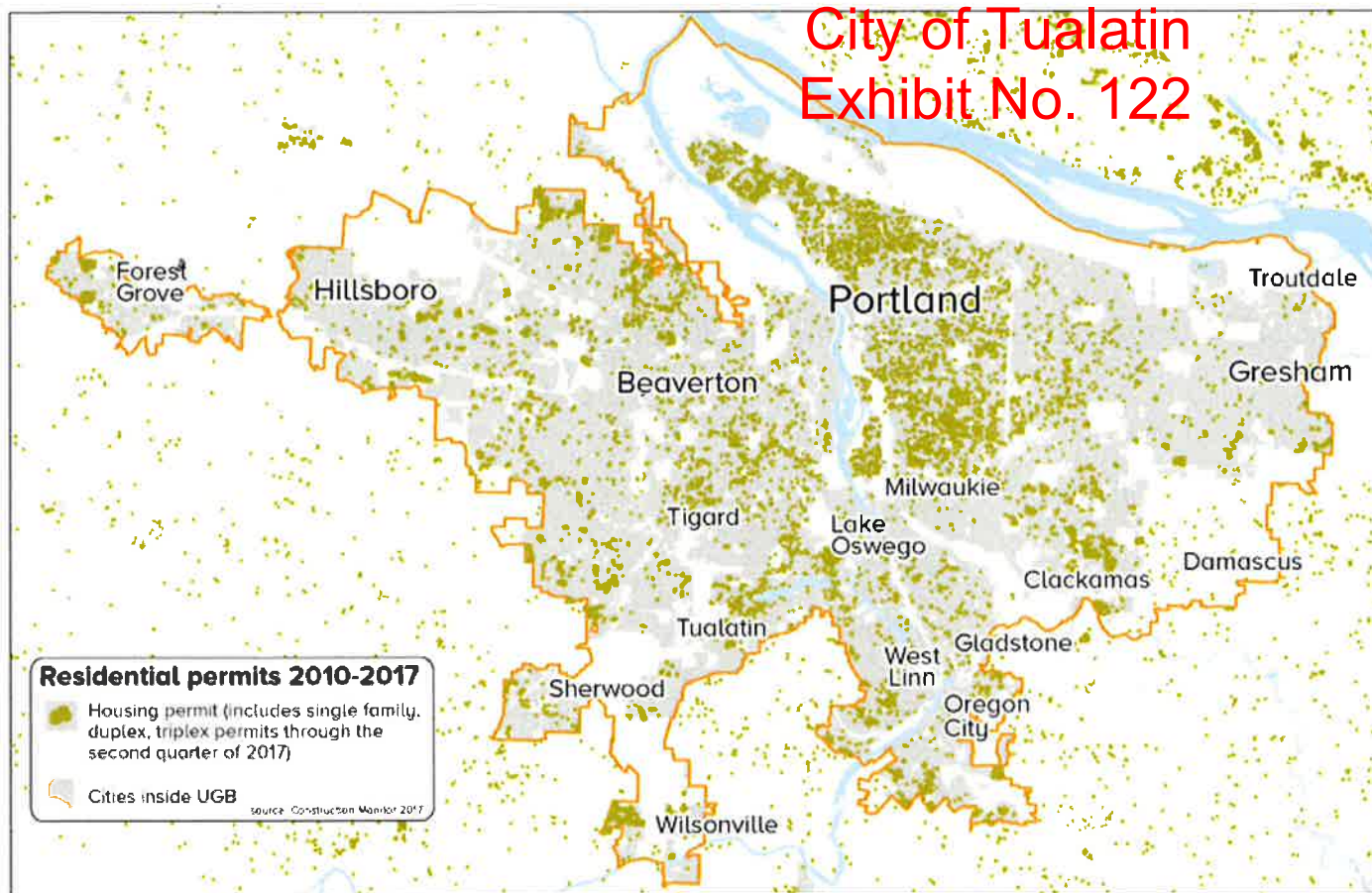
CoStar, a national real estate and marketing research firm, tracked construction of more than 20,000 new units of multifamily housing completed in the Portland metropolitan area since 2010. More than half of those units were built in the past two and a half years.

Data from Construction Monitor indicate that since 2015 developers submitted 25,000 permits for future multifamily buildings in greater Portland, meaning more apartments are in the pipeline.

The increased available supply loosened regional vacancy rates from a tight 4.6 percent in 2014 to a somewhat more comfortable 5.5 percent in 2017's current quarter, according to CoStar. This growing availability of housing gives apartment-seekers more choices, generating competition among property managers who have moderated their asking rents accordingly.

Construction Monitor data also show that nearly 30,000 permits for new single-family units, including duplexes and triplexes, were submitted between 2010 and mid-2017.

Map of residential permits between 2010 and 2017



Residential permits from 2010 to 2017

582.83 KB Adobe Acrobat PDF | Published Nov 01, 2017

Most newer homes have been built as infill development in existing urban areas. But in another positive sign, development is picking up in the urban growth boundary expansion areas.

Those areas make up 42 square miles of undeveloped land on the region's edges. Regional leaders added them to the urban growth boundary over the past 19 years to make room for housing and employment. (For context, that's an area the about the size of two Beavertons, or 420 Oregon Zoos.)

Leaders hope to avoid these kinds of delays in future UGB expansions. Going forward, Metro will focus its attention on only expanding the UGB in urban reserves that have well-considered infrastructure funding strategies in place for funding and building what's needed for a neighborhood.

New construction in these undeveloped expansion areas is a challenge. In addition to overcoming the normal financing and permitting hurdles, a city or developer must first build

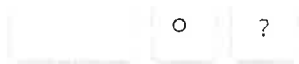
streets, sidewalks, sewers and other basic infrastructure to support a neighborhood. Infrastructure easily costs hundreds of millions of dollars.

City of Tualatin
Exhibit No. 122

Since they were brought into the UGB, these areas have seen fewer than 11,000 approved (or pending) residential permits out of the expected 67,000. A number of areas still sit nearly vacant years after their addition.

Interactive map: Urban Growth Boundary expansion areas

UGB expansion areas



Map by Oregon Metro



Source: Construction Monitor 2017

So it is promising to see development take off in some of these areas, such as the Villebois community in Wilsonville and Washington County's North Bethany area. About 3,500 new units were permitted in UGB expansion areas from early 2015 through 2017's second quarter.

Project entitlements, a preliminary step in the development process, are underway in other areas. That development helps fill in the housing backlog created during the recession.

Finding home

Our housing stories may be different, but we all share the desire to live in a safe and affordable home. Six Oregonians share their housing stories at different stages of life. [Learn more.](#) →

City of Tualatin
Exhibit No. 122

3. New construction is helping, but there's more to the story.

New development helped slow the pace of rising home prices from an all-out sprint back to a steady jog. But business-as-usual building won't be enough to address our affordability challenges even though builders in the region will likely continue to add more housing.

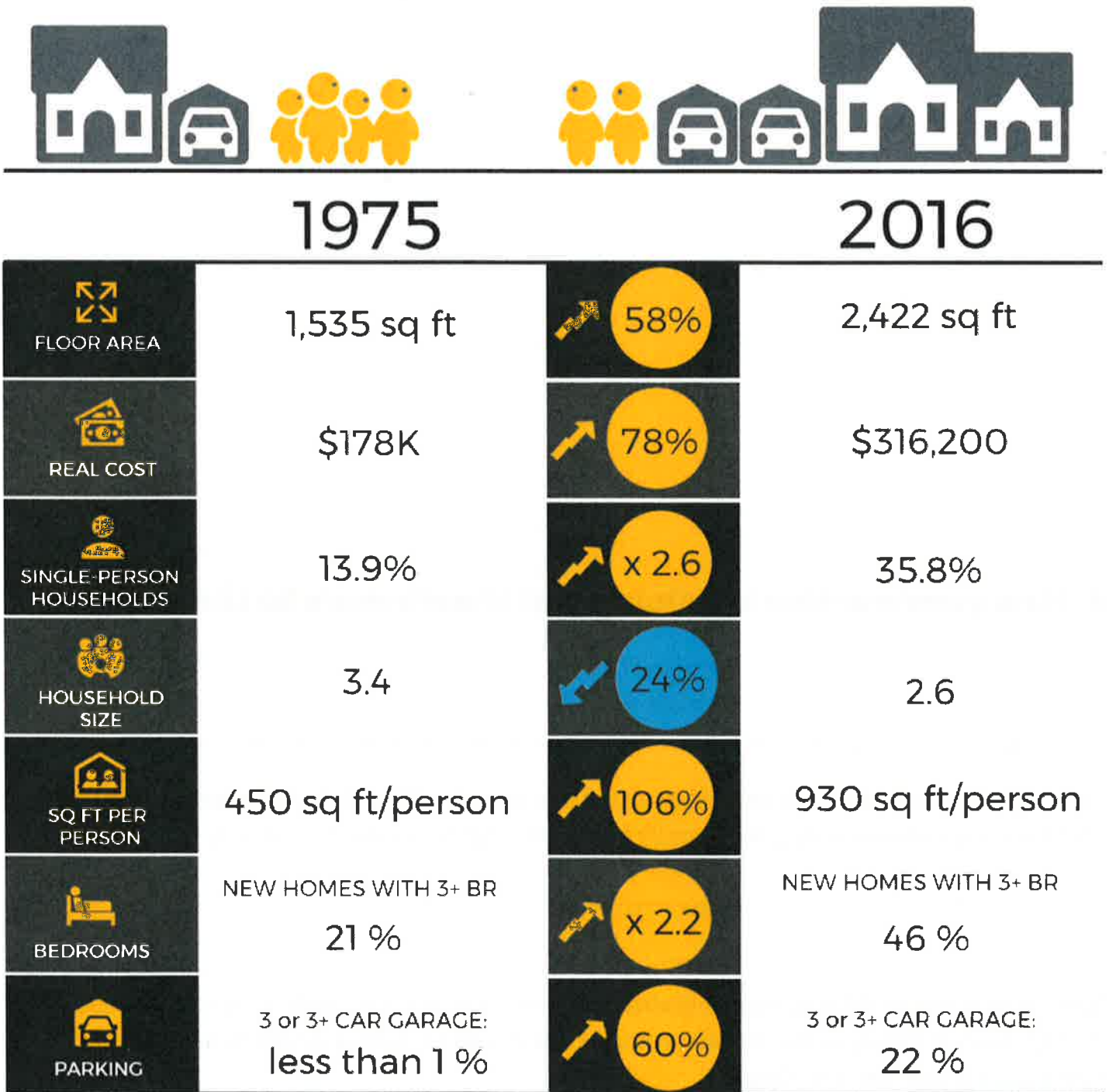
For single-family homes, the general model of market-rate affordability goes something like this: New, expensive housing is generally built with higher-income households in mind. These new units should draw wealthier people away from the slightly older housing stock, freeing up those units for the households in the next-lowest income bracket.

As homes lose value over time, they filter down the market and become affordable to first-time homebuyers and middle-income households. Lower-income households occupy the oldest homes. Adding supply at the top, according to this model, ensures a steady housing pipeline for every income bracket over time.

It's not a perfect pipeline, though. For decades, single-family homes have gotten bigger and bigger, with more square footage, more bedrooms, more bathrooms, and more room for parking. Bigger homes take longer to become more affordable.

SUPERSIZED City of Tualatin Exhibit No. 122

The size of the American Dream has grown - even as the size of the American household has grown smaller.



* Costs adjusted for inflation to 2016 \$USD. Numbers represent median values for new homes in the specified year. Data from US Census/American Housing Survey. Created October 2017.

Problems exist at the other end of this pipeline, too.

Home value isn't determined by the value of the structure alone. Where that structure sits matters tremendously.

City of Tualatin Exhibit No. 122

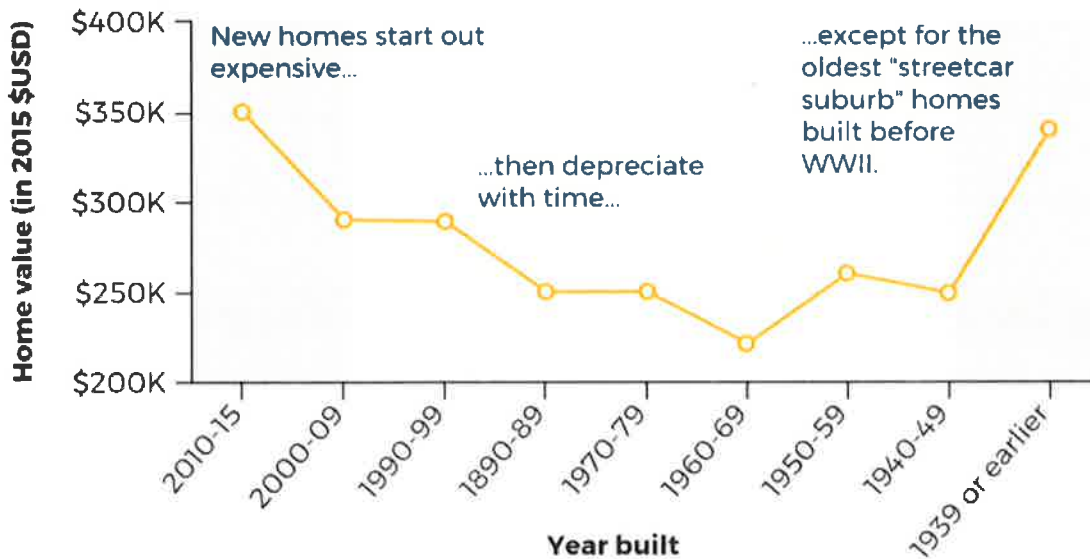
In greater Portland, the oldest housing was built near our urban centers during an era when development was organized around walking and transit. Newer neighborhoods were built increasingly further from the centers, following car-oriented development patterns after World War II.

In recent years the demand for walkable, "complete" neighborhoods surged. Prices in these areas skyrocketed. Larger or more luxurious units replaced some older homes and apartments. Lower-income households, particularly households of color, were pushed to less expensive neighborhoods, many at the edges of the metro area.

As a result, the value of place bent the low end of the housing pipeline into a "U" shape, as many of the oldest neighborhoods that should in theory be sanctuaries of deeply affordable housing are the epicenters of regional demand.

The region's oldest homes are almost as valuable as its newest homes due to their desirable location and historic charm.

Home values by year built, Portland MSA



Source: U.S. Census Bureau, American Housing Survey. Created October 2017.

Brand-new housing is typically expensive due to the value of the home, but much of the Portland metro area's older housing is now expensive due to the value of the place.

In the long term, new home construction won't significantly reduce demand across the income spectrum if it only creates big homes with little chance of filtering downmarket within a

reasonable timeframe. And it won't help ease demand in the short term if we don't create new housing where people want it most.

City of Tualatin Exhibit No. 122

Finding home

Our housing stories may be different, but we all share the desire to live in a safe and affordable home.

Six Oregonians share their housing stories at different stages of life. [Learn more. —>](#)

4. Building for an affordable future? Look to the past.

The good news is that we have strategies to address both of the long- and short-term demands. Building smaller-scale homes may reduce the cost of new housing from the top of the pipeline on down. And building more homes in the highest-demand areas of the region may help relax exorbitant land prices by dividing that cost among more people. Luckily, we have experience doing both.

Earlier in our region's history, developers had more options for what they could build to maximize their profit on a given lot. For example, they could build one large home and sell it for \$100,000 – or they could build several mid-sized units and sell them for \$60,000 apiece, depending on what they thought would sell best in the area.

That's because in most residential areas, small-scale multifamily structures, such as duplexes, triplexes, fourplexes, townhomes, row houses, cottage clusters, and bungalow courts, were legal in addition to single-family structures. This type of "[middle housing](#)" provided a mix of

City of Tualatin Exhibit No. 122

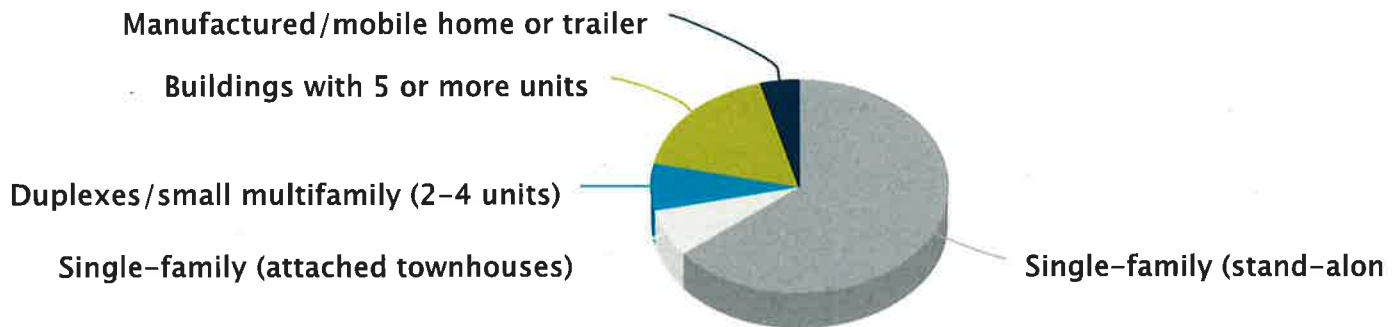
Middle housing enables more people to live in an area while maintaining the look and feel of a residential neighborhood. That, in turn, creates areas with enough people to support more frequent transit and local businesses, such as coffee shops, restaurants, and small grocery stores. It creates the kind of neighborhood where lots of people want to live nowadays.

housing to fit a variety of incomes and household sizes.

But laws changed around the middle of the 20th century. New zoning regulations and code restrictions effectively limited developers to two basic building options in most areas: single-family homes or large, multistory buildings. Today over 70 percent of our region's homes are single-family units.

Single-family homes make up most of the region's housing supply.

Percentage housing units by number of units in structure, Portland MSA, 2015



U.S. Census Bureau, American Housing Survey, 2015
The total number of housing units in the Portland MSA in 2015 is reported as 908,571.

Even in many of the neighborhoods where most people want to live, the zoning restricts housing to allow about six to 15 homes per block.

City of Tualatin

Exhibit No. 122



INITIALIZING

By contrast, a neighborhood with middle housing mixed alongside single-family homes may allow two to three times as many households (about 25 to 50) to live in the same amount of space without considerably changing the neighborhood's character.

Reintroducing this middle housing into our neighborhoods may help meet the region's demand for housing, increasing the supply of available homes where people want it most. And since these housing types tend to be smaller and less expensive, they help make these amenity-rich places accessible to more people.

Changing zoning laws and building codes to allow middle housing won't transform neighborhoods – or housing prices – overnight. The transition to more diverse places to live may take decades. But it is an important step to provide for the region's long-term affordability.

Finding home

Our housing stories may be different, but we all share the desire to live in a safe and affordable home.

Six Oregonians share their housing stories at different stages of life. [Learn more. —>](#)

City of Tualatin Exhibit No. 122

5. The region needs to work towards long-term solutions - but we also need to take action to help people who are struggling right now.

While we work to ensure that people have more access to neighborhoods of their choice, we can't lose sight of the fact that many others are fighting to stay in neighborhoods in which they've lived for years.

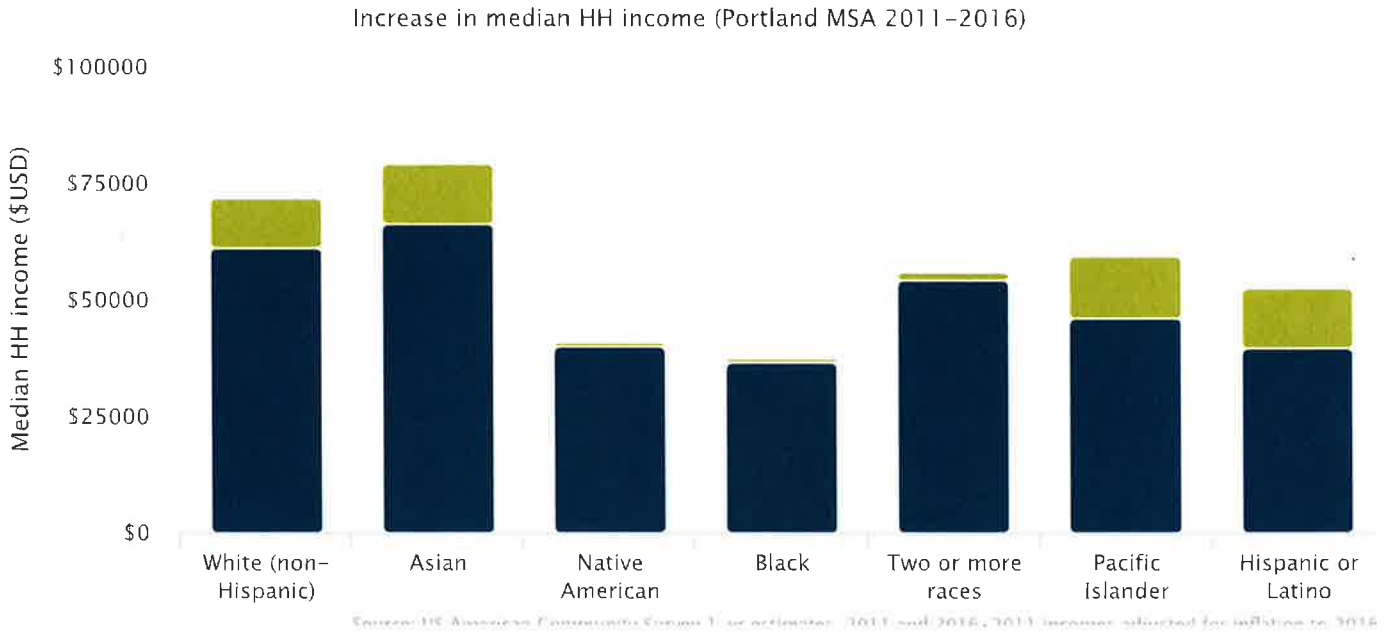
The price surges of previous years left a lot of people in our region feeling left in the dust, with little hope of catching up again. Although local incomes increased in recent years, those increases weren't nearly enough to keep up with housing prices.

Housing prices hit renters the hardest. Between 2010 and 2015, renters saw their median household incomes increase about 12 percent. Native Americans and African-Americans, who had the lowest median incomes, saw income gains of just three and four percent over that same time period, respectively.

City of Tualatin

Exhibit No. 122

Greater Portland's median household income increased by nearly \$10K in the past five years, but Black and Native American households saw only one-tenth of that.

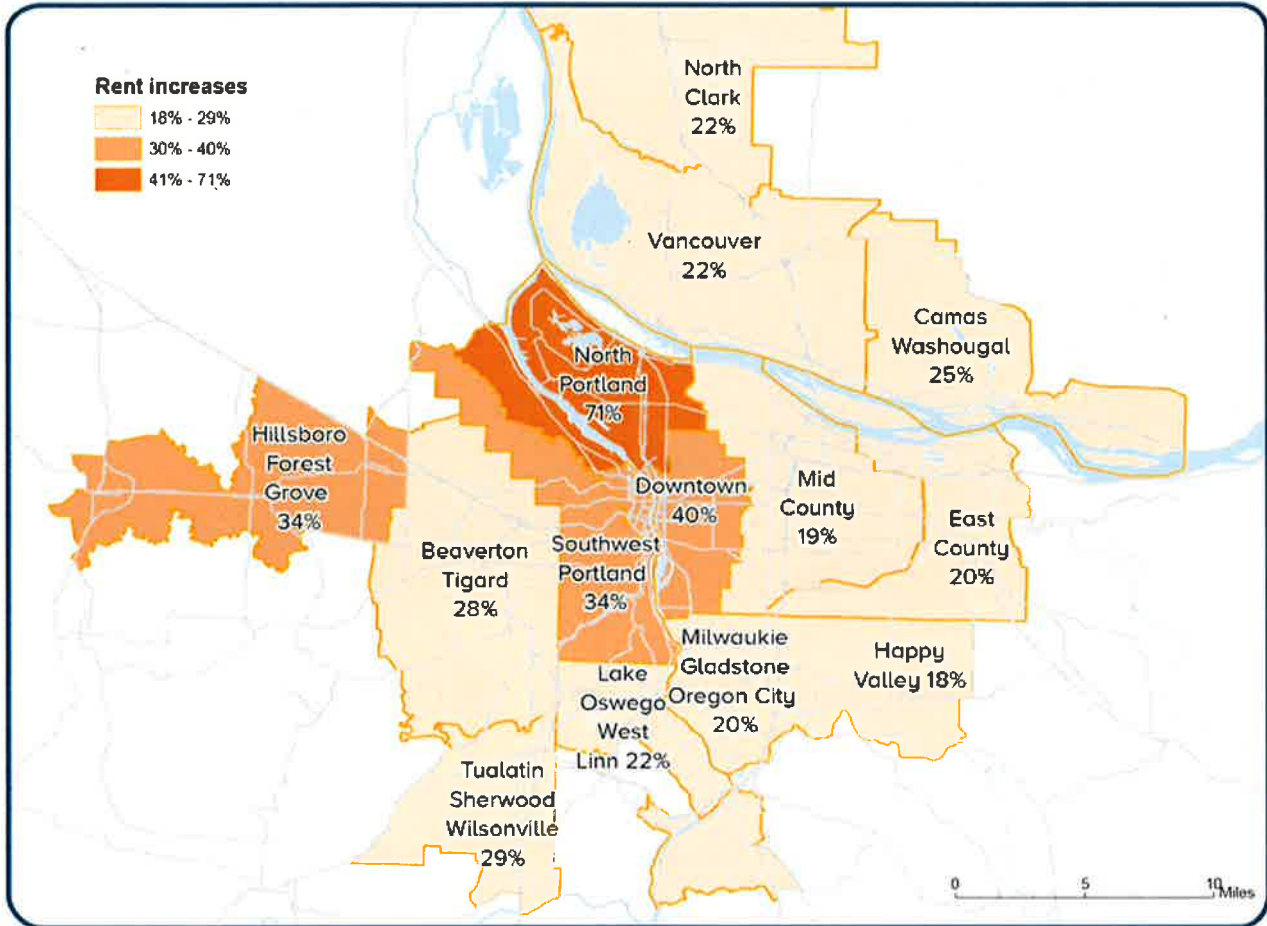


CoStar data for that same time period show the metro area's rental prices increasing by an average of 34 percent. Some areas, however, were affected much harder than others.

Renters in some parts of our region have faced increases of over 70% in just half a decade

City of Tualatin
Exhibit No. 122

Percent change in cost of rental housing, 2011 to 2015



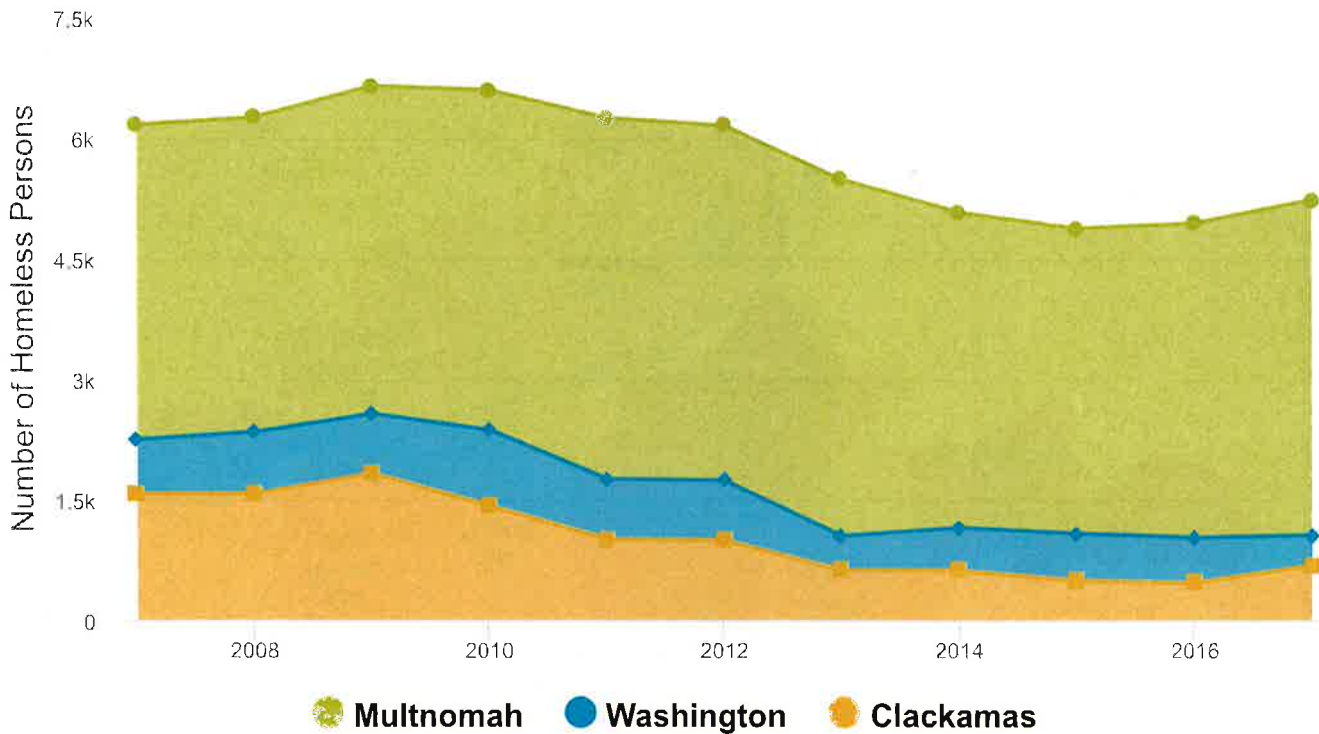
Source: Multifamily NW, Axiometrics, Johnson Economics

Some people may scrimp and save, or find more affordable housing farther out. But the hard truth is that others are not faring well. Multnomah, Clackamas, and Washington Counties' 2016 [Point-In-Time counts](#) recorded the first increase in the number of homeless people in six years.

This year's count shows an even sharper increase. [HUD data](#) indicate that nearly 300 people found themselves newly homeless this past year.

City of Tualatin
Exhibit No. 122

After declining during the first years of the economic recovery, homelessness is on the rise again.



Data from HUD Exchange and Multnomah, Washington, and Clackamas County Annual Point In Time counts. Counts do not include people living in doubled up situations, which would increase totals significantly but are harder to verify.

Homelessness affects children, too. School districts in the tri-county area recorded more than 7,600 children who were either unsheltered or living in shelters, staying in a motel or in doubled-up situations during the 2015-2016 school year. That number of children would fill the Arlene Schnitzer Concert Hall over two and half times.

6. There isn't enough affordable housing for everyone who needs it.

Local governments and nonprofits provide some regulated affordable housing for people who make below the area median income. Often this is made possible through subsidies – for example, a household that makes 60 percent of the area median income might pay 60 percent of the total rent for an apartment and the county would cover the remaining 40 percent.

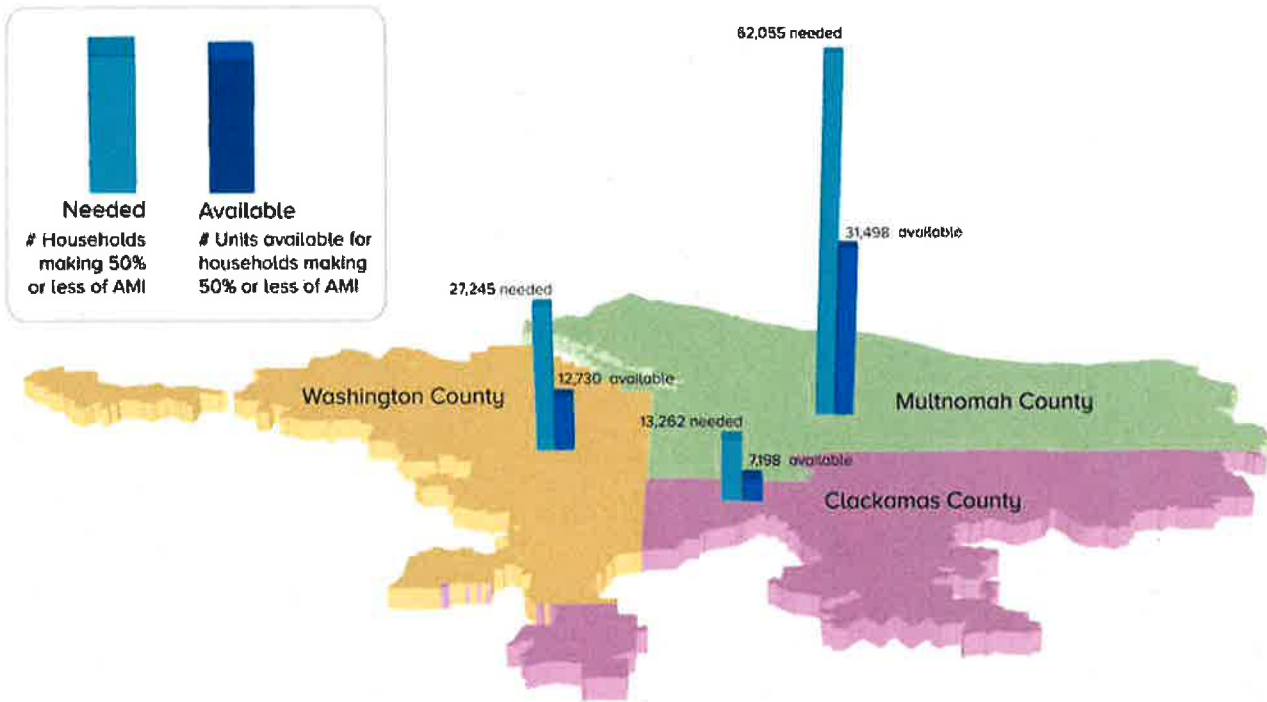
The less income a household brings to the table, the bigger the subsidy needs to be to cover the gap. For this reason, it's especially hard to provide enough regulated housing for people and families with the lowest incomes.

As the Urban Land Institute's [interactive map](#) illustrates, most counties in the nation have a shortage of housing units available to people with extremely low incomes.

There is a shortage of affordable housing relative to need in all three counties of the Portland metro area

City of Tualatin
Exhibit No. 122

Demand vs. supply of units affordable to households making 50% or less of area median income (AMI).



Map of shortage of affordable housing

The Portland metro area has a shortage of affordable housing across all three counties.

1.6 MB Adobe Acrobat PDF | Published Nov 01, 2017

Housing authorities are looking for ways to preserve below-market rate housing that exists in some parts of the region and prevent the displacement of people who have homes there. These areas tend to be farther out from town and regional centers in less amenity-rich, walkable areas.

Still, they provide a sanctuary of affordability for thousands of lower-income households.

7. We're taking action.

The good news is that our region isn't sitting on the sidelines. Through grants from Metro's new Equitable Housing Initiative, cities and counties are developing strategies to address what they see as the most viable solutions for their communities. In addition to city and county initiatives, the regional government is considering the part it should play in making sure that low-income households have access to quality places to live.

Solutions aren't one-size-fits-all.

City of Tualatin
Exhibit No. 122

With grant support from Metro's **Equitable Housing Initiative**, cities and counties are working on housing affordability strategies customized to their community.



Beaverton

Retain market-rate affordable housing in its urban core and seek at-risk properties to convert to regulated affordable housing



Oregon City

Create educational materials to help developers and homeowners construct missing middle housing and ADUs



Milwaukie

Integrate cottage cluster-style housing for senior and workforce housing



Washington County

Modify community plans and codes to eliminate barriers to affordable housing



Tigard/Portland

Mitigate displacement & expand access to opportunity for low income residents as part of the SW Corridor light rail project



Wilsonville

Policy/funding strategies to promote equitable housing based on identified market gaps

Source: Metro Equitable Housing Grants, awarded 2016. ADU = Accessory Dwelling Unit

Greater Portland is on a road that other regions, such as San Francisco and Seattle, have already walked. We face many of the same challenges that these places faced years ago as their economies began upward trajectories that brought rents and home prices with them. But what happens in our future depends on how we respond to these challenges.

Our response is our choice and this is still our story to write.

Cartography by Matthew Hampton, a transportation planner at Metro.

Take the next step

Learn. Learn more about Metro's [Equitable Housing Initiative](#) and its role in housing.

Read our housing overview:

 [Metro's role in housing](#)

1.73 MB Adobe Acrobat PDF | Published Oct 31, 2017

City of Tualatin Exhibit No. 122

Stay informed and speak up. Sign up for [emails from Metro](#) to learn how to share your experiences with leaders to help inform the choices they make about housing.

Continue the conversation. Talk about housing challenges and solutions among friends and family, at a neighborhood association or place of worship, or write a letter or email to an elected official or local media.

Share. Share the Snapshot on [Facebook](#), [Twitter](#), Nextdoor and other social media to help others get involved.

NEXT: PART 2

The rundown: local responses



Greater Portland continues to experience challenges as the region welcomes more residents and transitions from a small to a large metropolitan area. We highlight government-led and grassroots-led responses to a range of housing challenges, from affordability to displacement to homelessness.

SERVICES OF METRO

- Oregon Zoo
- Oregon Convention Center
- Portland Expo Center
- Portland's 5 Centers for the Arts
- Data Resource Center
- Garbage and recycling facilities
- Metro cemeteries

OPPORTUNITIES

- Jobs

City of Tualatin

Exhibit No. 122

- Contracts
- Volunteering
- Grants
- Franchising and licensing

ACCESS




- Know your rights
- Language assistance
- Feedback and questions
- Metro Accountability Hotline
- Request public records
- Directions

LEADERSHIP

- Metro Council
- Metro Auditor
- MERC
- Committees
- Who's my councilor?

Whether your roots in the region run generations deep or you moved to Oregon last week, you have your own reasons for loving this place – and Metro wants to keep it that way. Help shape the future of the greater Portland region and discover tools, services and places that make life better today.

CONTACT METRO

-  503-797-1700
-  503-797-1804 TDD
-  Send a message

CONNECT WITH METRO

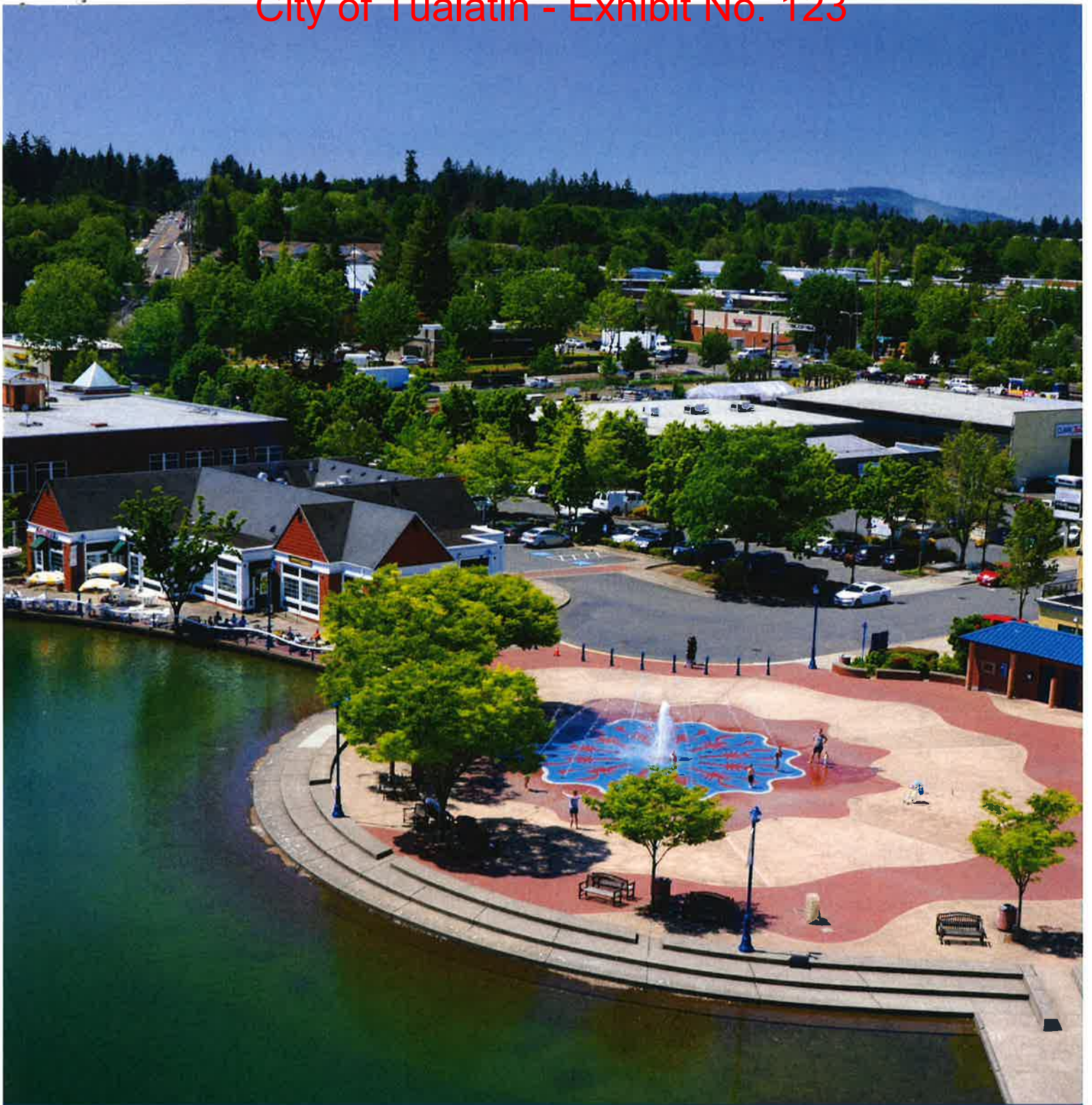
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City of Tualatin

Exhibit No. 122



CITY PROFILE

CITY OF TUALATIN, OREGON
"Dedicated to quality service for our citizens."

City of Tualatin - Exhibit No. 123

WELCOME TO TUALATIN!

The City of Tualatin takes pride in being known as a warm and welcoming community for new businesses, retail shoppers, and residents alike. The community values a high QUALITY OF LIFE and promotes LOCAL PRIDE and a sense of OWNERSHIP, INVOLVEMENT, and BELONGING.

LOCATION

Tualatin is a southern suburb of Portland, Oregon. It is located along Interstate-5 between Interstate-205, Highway 99W, and Highway 217. In addition, the Westside Express Service (WES) commuter rail provides Tualatin residents and visitors access to the greater Portland Metropolitan region. Collectively, these major transportation facilities provide accessible, affordable, and easy movement of goods and people to, from, and within the region.



DISTANCE FROM TUALATIN

Destination	Miles
Cities	
Portland, OR	13
Salem, OR	35
Eugene, OR	100
Seattle, WA	185
Boise, ID	440
San Francisco, CA	625
Airports, Rail Stations, Shipyards	
Portland International Airport	24
Aurora State Airport	10
Hillsboro Airport	21
Portland Union Station	14
Portland Shipyards	17
Recreational Areas	
Oregon Coast	85
Mt. Hood Ski Areas	65
Public Universities	
Oregon Institute of Technology (Metro)	8
Portland State	12
Oregon State University	75
University of Oregon	100

DEMOGRAPHICS

Throughout the last 10 years, the City of Tualatin has been one of the fastest growing cities in Oregon. Unlike many other sprawling regions, Tualatin continues to maintain a high standard of living, yet remains an affordable place to locate a family. Tualatin is also part of a large educated and skilled regional workshed.

LOCAL ATTRIBUTES

- Median Age: **35.1**
- Hispanic or Latino: **19.4%**
- Median Household Income: **\$61,250**
- High School Graduate or Higher: **91.4%**
- Bachelor's Degree or Higher: **41%**

REGIONAL WORKFORCE ATTRIBUTES

- Bachelor degree and higher: **34.1%**
- K-12 graduation rate: **90.5%**
- Regional workforce: **1.02 Million**
- Regional average wages: **\$49,131**
- Regional average manufacturing wages: **\$55,825**

POPULATION GROWTH

	2000 Population	2010 Population	% Growth
City of Tualatin	22,791	26,160	15%
Portland Region	1,927,881	2,226,009	15%
State of Oregon	3,421,399	3,831,074	12%

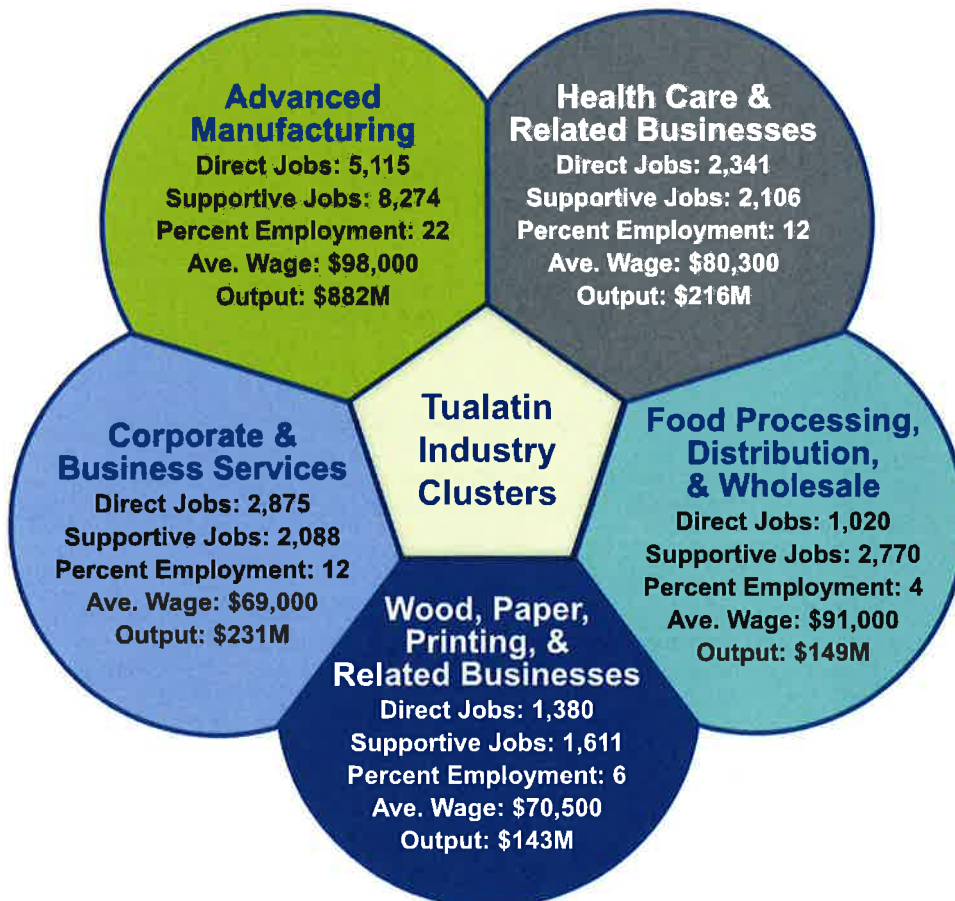


TUALATIN'S ECONOMY

The City of Tualatin recognizes that a fundamental element to the overall quality of life is the health of the local economy. Businesses provide jobs, a strong tax base to support high quality services, and inject wealth into the community. Furthermore, businesses contribute significantly to local charities and sponsor community events. As a result of long-range planning and thoughtful policy-making, Tualatin is evenly split between residential land and commercial/industrial land. Tualatin is home to a vibrant destination retail lifestyle center and state of the art manufacturing and wholesale trade companies.

KEY INDUSTRY CLUSTERS

There are five key industry clusters in Tualatin that provide the majority of employment opportunities and contribute significantly to the local economy. Combined, these clusters represent 57% of local employment and a direct impact of over \$1.6 billion in annual output. These industries also stimulate an additional 16,600 jobs and \$1.5 billion in annual output in supportive companies. Taken together, the average income among jobs in these clusters is \$85,000 compared to a total average of \$50,000.



BY THE NUMBERS

BUSINESS & EMPLOYEES

1,480

Number of Business Licenses

25,879

Number of Employees in Tualatin

\$1.26 BILLION

Total Payroll in Tualatin

5%

Local Unemployment Rate

AVAILABLE LAND

787 ACRES

Available Industrial Land

51 ACRES

Available Commercial Land

INDUSTRY CLUSTERS

57%

Of local jobs in key industry clusters

\$1.6 BILLION

Annual value output from industry clusters

\$85,000

Average wage among industry clusters

\$50,000

Average wage in Tualatin among all industries



**84% OF TUALATIN
RESIDENTS RATED
THE QUALITY OF
LIFE IN TUALATIN AS
“EXCELLENT” OR “GOOD.”**



QUALITY OF LIFE

DOWNTOWN TUALATIN

Downtown Tualatin is not only the center for local commerce and businesses, it also functions as the central meeting place and the community living room. Thus, it is known locally as the Tualatin Commons. The central aspect of the Tualatin Commons is a lake and public plaza. Surrounding the public gathering space is a mix of high-quality residential dwellings, retail, and professional service employment opportunities.

SHOPPING

Tualatin is home to one of the premier destination shopping centers in Oregon. Bridgeport Village is an upscale life-style shopping center that includes over 90 retail stores and restaurants.

SCHOOLS

The public school system in Tualatin is part of the Tigard-Tualatin School District. District wide, student achievement in math, science, and reading consistently outpaces the rest of the State of Oregon. In 2011, the Center for American Progress concluded that the Tigard-Tualatin School District had one of the highest returns on educational investment statewide.

PARKS

There are over 200 acres of well-maintained community parks, trails, and natural areas within the City of Tualatin. Park amenities include sports complexes, shelters, boat docks along the Tualatin River, and vast areas of open space.

RECREATION

The City of Tualatin and other community groups organize regular recreational opportunities that range from canoe rentals and trips to world class festivals. In 2009, the Giant Pumpkin Regatta on the Lake at the Commons was named the best festival in Oregon. Tualatin is also the home of the nation's oldest Crawfish Festival west of the Mississippi River. In addition to these signature festivals, numerous other events are held each year including weekly summer concerts and a local farmers market.

City of Tualatin - Exhibit No. 124

Herb Koss
22400 Salamo Road, Suite 106
West Linn, OR 97068

November 28, 2016

City of Tualatin
18880 SW Martinazzi Avenue
Tualatin, OR 97062

Subject: Zoning for 41 acres (Southern Border – Basalt Creek Parkway / Northern Border Victoria Gardens, West Border Grahams Ferry Road)

Dear Mayor Ogden, City Councilors, and Planning Staff:

I am the managing member of the LLC that owns the southernmost 10 acre parcel within the 41 acres described above. During my career I have been a banker, builder, real estate broker, and developer. Having been involved in many land purchases and developments, I never moved forward to either purchase or develop a parcel without obtaining other professional opinions before acquiring or developing a parcel of land.

As you are aware, I have retained the services of Don Hanson a senior planner with Otak, a well known planning and engineering firm. With Don's assistance we planned and developed a project in the city of West Linn named Cascade Summit. As a part of this project a shopping center and small office park was incorporated into the design. This was my first experience of grading costs and what it took to meet the American with Disabilities Act (ADA) standards. The good news was there was no rock on the site and the site was graded by cuts and fills from dirt within the 100-acre development. The result of the mass grading was successful, but costly since a lot of dirt had to be moved in order to level the site. Fortunately, we did not have to deal with basalt rock on the site. The development known as Cascade Summit is the location of the West Linn City Hall.

In response to the Washington County Road Department we have granted access to our land in order for them to survey and determine the future road grades for the extension of Basalt Creek Parkway. To our surprise I was informed that it will be necessary to lower the grade of the road along a good portion of our southern boundary 18 to 20 feet.

As the Basalt Creek study process has moved forward I have been working with Otak in order to determine the best plan for not only our 10 acres, but the remaining 41 acres, keeping in mind the that our land owners to east will need access to service any development potential of their land. In speaking with Don we decided it would be a good idea to get the opinion of other developers and contractors who have developed business centers.

City of Tualatin - Exhibit No. 124

City of Tualatin
Zoning for 41 Acres

Page 2

I then contacted Peter Bechen the CEO of PacTrust, Brian Clopton of Clopton Excavation, and Mike Diamond a commercial broker in the Portland area with extensive experience. Mr. Bechen assigned one a PacTrust vice president to visit the 41 acres and determine if they may be interested in developing the site. PacTrust as well the other letters pertaining to the 41 acres have been submitted to you and I understand are in your council packets.

Sherman Lietgeb, the property owner on the north end of the 41 acre site, and I have been in contact with all nine of the other owners of land within the 41 acres as well as many of the property owners to the east of the 41 acres. Every one of the land owners do not want an employment zone designation. The site is not in the right location for a professional office business park like Kruse Way or Center Point. Flex warehouse development requires expansive truck turning radius and fairly level topography. The 41 acre site does not meet these requirements. Staff points to the South Center development in Tualatin as an example. Don Hanson designed this site and the topography had far less slope, no basalt rock to deal with, and was built before the current ADA rules were in effect. Don has said that this project would not meet the ADA standards if a development application was applied for today.

In summary a residential zone, which will supply needed housing supply for the surrounding employment land is the highest and best use of this land. A residential zone will also allow for good access for the land owners to the east who need good access to their land. The current concept plan that Otak has prepared more closely meets Metro's job and housing goals and the trip count is neutral.

With all of the property owners desiring a residential zone, the site not conducive to employment zoning due to too many constraints and too much basalt rock a residential zone with a mix of low and high density is the best use of the land.

I would like your support to zone the 41 acres to a residential zone for the reasons that I have listed below:

- Topography- Slopes too steep for employment land
- Basalt rock, which will affect any mass grading- cost and feasibility
- Limited or no market for employment land on this site
- ADA requirements difficult to adhere too
- Provides good access through a residential neighborhood for land owners to the east
- **Metro Ordinance 04 -1040B --- states land north of the bypass should be residential**
"Council states that , so long as the alignment for the Connector falls close to the South Alignment shown on the 2040 Growth Concept map, it will serve as the buffer between residential development to the north (the portion least suitable for industrial uses) and industrial development to the south (the portion of the area most suitable for industrial use)"
- 18 to 20 foot cut on the south end will greatly restrict any land for employment use
- Professionals in the business have stated the 41 acres are not suited for employment
- Transition between residential and existing neighborhoods to the north are far more compatible
- The land owners are 100% in favor of a residential zone versus employment zone
- Metro goals for housing and jobs are in balance more with a residential zone
- Tualatin is , as is the region, very short of land for housing

City of Tualatin - Exhibit No. 124

City of Tualatin
Zoning for 41 Acres

Page 3

- 329 acres (within one mile) of employment land is already available for development without the land proposed within the Basalt Creek Study area. Supportive land for housing is needed for this employment base.
- The request for a residential zone versus the staff recommendation is only a 3 to 5% change in the overall land use mix

Your designation of a residential zone for the 41 acres, which will provide good access for the land owners to the east, is requested for the reasons as outlined above.

Sincerely,

A handwritten signature in black ink, appearing to read 'Herb Koss', written in a cursive style.

On behalf of Herb Koss

MEMORANDUM

Basalt Creek: Guiding Principles and Evaluation Criteria

TO: Basalt Creek Project Management Team (Cities of Tualatin and Wilsonville)

FROM: Leila Aman, Project Lead, Fregonese Associates

DATE: December 29, 2014

RE: Guiding Principles and Evaluation Criteria for the Basalt Creek Concept Plan

Purpose of Guiding Principles

Guiding Principles are intended to represent the collective interests and goals for the Basalt Creek planning area. The guiding principles provide a framework for gathering input and developing transparent and meaningful measures that can help inform the decision making process.

Purpose of Scenario Indicators

Indicators are the outputs of evaluation criteria which are created near the beginning of the scenario planning process. They generally reflect the guiding principles as well as previously adopted community goals. Indicators may also be related to new or emerging community goals or issues: such as transit access, housing costs, or air quality.

The indicators will be used during the development and evaluation of the scenarios within Envision Tomorrow to communicate the benefits, impacts and tradeoffs of different policy choices and investments. Using Envision Tomorrow, alternative scenarios are tested and refined, and then compared and evaluated based on their indicator performance. Indicators enable Envision Tomorrow users to tie the scenario results to the community values and guiding principles.

In practice, this approach not only allows the public to visualize their region's future, final plans created using our scenario planning process will come with a dashboard of indicators so policymakers can monitor their progress and make adjustments along the way, in concert with established guiding principles and long-term vision.

Guiding Principles

Qualitative Guiding Principles

1. Maintain and complement the Cities' unique identities

The cities of Wilsonville and Tualatin each have unique qualities that draw people to live and work there. Those qualities should be maintained and enhanced by development in the Basalt Creek planning area.

2. Capitalize on the area's unique assets and natural location

Development in the planning area should preserve and leverage the natural beauty of Basalt Creek by protecting key natural resources and sensitive areas while minimizing the negative impacts of new development. Recreation opportunities should be made accessible in the area through the creation of new open spaces and trails and integrating them with existing regional networks.

3. Explore creative approaches to integrate jobs and housing

Long distances between centers of employment and residential neighborhoods can cause long travel times, congestion and pollution. Planning for the Basalt Creek area should consider a range of methods (and the feasibility of those methods) for integrating residential and employment land uses to create more high quality living and working environments.

4. Create a uniquely attractive business community unmatched in the metropolitan region

Planning for the Basalt Creek area should capitalize on its unique assets - the location of the planning area near the center of one of the region's largest clusters of employment land, projections for rapid employment growth in the local market, and superior access to major transportation routes (I-5, I-205 and Highway 217) – to facilitate development of high quality employment facilities and opportunities that will benefit both the local and regional economies.

5. Ensure appropriate transitions between land uses

While integration of housing and employment can enrich a community, there remains a need for physical separation between uses that might negatively impact one another. Land uses should be arranged within the study area to minimize these impacts, such as excessive noise, traffic, nighttime light, or air pollution. Use of buffers to mitigate auditory, aesthetic, and safety impacts may include swaths of vegetated land, sound walls, or commercial development (among others).

Quantitative Guiding Principles

Associated measures from Envision Tomorrow and other quantitative analysis that will be conducted as part of the concept planning process are described.

6. Meet regional responsibility for jobs and housing

Population and employment forecast performance

Using output from the Envision Tomorrow scenario modeling tool added jobs and housing units will be compared back to the regional forecast estimate (from Metro's Gamma model) for jobs and households within the planning area.

7. Design cohesive and efficient transportation and utility systems

Evaluation of Wet Infrastructure

Aggregate water and sewer requirements will be developed for each of the three (3) alternatives. A comparison will be provided indicating required capacity and potential infrastructure elements based on each alternative land use plan and the existing systems inventory.

Performance of transportation systems

Motor vehicle transportation system for each of three alternatives will be evaluated including the development of future year 2035 PM peak hour volumes using a focus-area travel demand model. Intersection operation analysis (level of service and v/c ratios) based on the forecasted 2035 PM volumes will be conducted using Synchro.

Internal water consumption and Landscaping water consumption

Water consumption has a major impact both financially and environmentally. Water bills can make up a large proportion of household or business utility costs, and excessive water consumption can put a strain on water supplies and infrastructure, especially in regions with water scarcity. Anticipated domestic and irrigation water consumption by residential households and commercial or industrial businesses will be estimated based on existing usage patterns within Tualatin and Wilsonville."

8. Maximize assessed property value

Building value and local revenue

Adding new housing and employment space to a community brings additional tax revenue that can be used for new infrastructure and services to support new and existing residents and businesses. Different scenarios can produce different amounts of tax

- revenue (property tax, sales tax and transportation impact fee (TIF)) due to the differing values of particular building types and locations. .

9. Incorporate natural resource areas and provide recreational opportunities as community amenities and assets

Percent of Natural Area Protected within the planning area

Types of natural areas to be considered for protection from development include:

- Wetlands and Floodplains
- Metro Title 3 Lands
- Metro Title 13 Lands

Some development may occur in these areas. However, the proportion of total development planned for non-environmentally sensitive areas should be maximized in order to preserve habitat, ecosystem services, open space, and recreation opportunities in the planning area.

Environmentally sensitive lands are identified and described in the Basalt Creek Existing Conditions Report.

Total jobs allocated to prime flat industrial lands within the planning area

The largest proportion possible of new jobs forecasted for the planning area should be allocated to lands identified as suitable for industrial and/or office development, one factor of which is the absence of sensitive environmental features and constraints.

Land suitable for industrial and/or office development is identified and described in the Basalt Creek Existing Conditions Report.

Acres of impervious surface

Impervious surface can have a negative impact on the health of a region's waterways. Instead of soaking in and filtering through the soil, rainwater runs off impervious surfaces, washing many polluting substances such as pesticides and oils into streams and other aqueous habitats. Increasing impervious surface runoff also increases the volume of runoff, and the speed which the water is delivered to streams, resulting in higher peak flows.

City of Tualatin

Exhibit No. 126

Peter Watts

From: Peter Watts
Sent: Sunday, February 12, 2017 12:42 PM
To: 'council@ci.tualatin.or.us'; 'council@tualatin.gov'
Cc: 'slombos@ci.tualatin.or.us'
Subject: Testimony for Monday's Work Session
Attachments: POW-20170211-183942.pdf; POW-20170211-184052.pdf

Dear Mayor Ogden, Members of the Tualatin City Council, and City Staff,

I, along with others, own land North of the planned Basalt Creek Parkway, and East of Grahams Ferry Drive. I am writing this letter solely on my own behalf, specifically to provide background information, address the report provided to Washington County by McKenzie, and also provide information from local experts who have walked the site, so that you can make the best possible determination regarding the most appropriate designation of the land.

Executive Summary

Don Hanson of OTAK, and Tony Weller of CES NW, have both provided letters stating significant reservations with the feasibility of developing this site as employment land, and provided detailed analysis of topographic and access limitations associated with the site, for your review. The letter from Tony Weller succinctly describes the issues with the McKenzie Report and the site in two pages.

Ken Leahy of Ken Leahy Construction, and Brian Clopton of Brian Clopton Excavating, both who have significant experience providing site preparation in the region, have walked the property, and believe that site preparation for the large building footprints required by employment designations, will be cost prohibitive due to the site slope and basalt rock soil.

Eric Sporre of PacTrust believes that there is an inability to develop industrial or flex buildings based on the site topography and soil conditions. Mike Diamond of the Real Estate Investment Group opined that the site was unlikely to develop as industrial or flex space because of the inability to provide large drive access for truck loading and turning radius. He also determined that office park use was not feasible, because the steep topography would have a negative impact on the proximity of parking and could pose an issue with American's Disabilities Act requirements. In short, all of the experts, were in agreement that there were significant issues with ever developing the property as employment land.

Although, McKenzie provided a report to Washington County, that the land could be feasibly developed as employment land, that report was based on a series of assumptions regarding site access, road construction, and zoning on the northern portion of the property, that will not occur under the current plan. Washington County staff has confirmed that the access off Basalt Creek Parkway, and the north south Kinsman road, will not be built. Both, Don Hanson and Tony Weller, have provided letters based on the most recent Washington County data, that contradict the conclusions reached in the McKenzie report.

Despite that the Basalt Creek planning area was brought into the UGB for the primary purpose of providing employment land, Metro has confirmed that there is no prohibition in the findings for non-employment designations. John Fregonese has confirmed that even if the subject property was zoned residential, the employment capacity for the planning area, will still far exceed Metro's estimates by 1,000, or more.

Background Information And Why We Are Here Today

City of Tualatin

Exhibit No. 126

Although, I have significant experience representing both jurisdictions and developers in land use matters, I have never previously experienced the process from the perspective of a land owner, so this has been an eye opening experience. At the time that I decided to invest as a part owner in one of the subject properties, I did due diligence by looking at satellite images, reviewing the plans prepared by the cities and John Fregonese, and driving to the site. I didn't, however, walk the site, because of extremely bad weather.

I believed based on my review of the planning materials that the site would develop as employment land, and am very familiar with the regional needs analysis. In short, I did what everyone else did which was look at it from a bird's eye view, instead of on the ground.

At the time of my ownership, the most pressing issue was the boundary between the two cities. There seemed to be a logical boundary between Tualatin and Wilsonville, at Basalt Creek Parkway. I met with staff from Wilsonville to discuss the boundary, as well as Wilsonville's vision for mirror image zoning, which I believed, at the time, was feasible, and would work.

It was only when winter turned to summer, that I actually walked the property. What was not obvious from satellite imagery, or from the road, was immediately apparent, when I was on the ground. There are significant slope issues with the property and the adjacent properties, and there was very little topsoil, and a lot of rock. I am familiar with the impact of topography and soil conditions through my past representation of the former city of Damascus, and this property did not seem well suited for the large footprints necessary for an employment designation.

After discussions with Herb Koss, we contacted adjacent property owners, and received their permission to have experts look at the parcels of property as a whole, to help determine feasibility. At that time, concerned whether there was a prohibition on non-employment land zoning, I had preliminary discussions with Metro staff regarding whether there had been a requirement that the land be zoned employment, when it was brought into the UGB.

Metro's land use attorney, Roger Alfred, and I, both reviewed the findings and determined that although there was a strong desire for employment land, an orderly transition from residential to employment was contemplated at all times during the process. There is nothing in the findings that prevents a residential designation. This is particularly true if the factors on the ground do not support an employment designation. With that information and the consent of adjacent land owners we moved forward with the process of bringing in experts for site suitability analysis.

Preliminary Analysis From Experts And Washington County's Letter Opinion From McKenzie

Herb Koss arranged for Don Hanson from OTAK to analyze the site for slope issues and potential zoning, and he has previously submitted materials regarding his findings. (*See attachment 1*) Brian Clopton, of Brian Clopton Excavating submitted a letter on November 18, 2016 regarding the soil conditions and topography. (*See attachment 2*) Eric Sporre of PacTrust submitted a letter on November 14, 2016 regarding the inability to develop industrial or flex buildings based on the topography. (*See attachment 3*)

Mike Diamond of the Real Estate Investment Group submitted a letter on November 21, 2016 opining that the site was unlikely to develop as industrial or flex space because of the inability to provide large drive access for truck loading and turning radius. (*See attachment 4*) He also determined that office park use was not feasible because the steep topography would have a negative impact on the proximity of parking and could pose an issue with American's Disabilities Act requirements. In short, all of the experts, were in agreement that there were significant issues with ever developing the property as employment land.

Don Hanson shared Mike Diamond's concerns regarding compliance with ADA standards. He noted that the site that Washington County used as a comp, South Center, which was designed by OTAK had half the slope of the subject site, and could not be built under current ADA standards. (See page 1 of attachment 1)

City of Tualatin

Exhibit No. 126

At the same time, Mayor Ogden, and staff, asked John Fregonese for his opinion. He expressed reservations regarding the employment designation, and believed that it would be better suited as residential land. This, and other data, prompted Washington County to hire McKenzie to provide a letter opinion.

Upon receiving a copy of the McKenzie Letter, I had significant concerns that their report regarding feasibility was predicated on four inaccurate assumptions. Specifically:

1. The McKenzie letter contemplated access off of Basalt Creek Parkway, and did not take into account the 18-20 foot curb cut off of Basalt Creek Parkway (Washington County Project Manager, Renus Kelfkens, confirmed via email on 2/1/17 that the only access onto Basalt Creek Rd., will be from Grahams Ferry Rd., and Boones Ferry Rd., and that there will likely be an 18-20 foot curb cut); (*See Attachment 5*)
2. The McKenzie letter contemplated Kingsman Rd., as a North South connector, allowing truck access to the southern portion of the site (Washington County Planner Erin Wardell confirmed via a phone call to Herb Koss on 2/9/17 that this road had been deleted over a year ago);
3. The McKenzie letter contemplated an Employment designation in the northern quadrant of the property, despite the fact that it has been designated by the city as residential transition;
4. The McKenzie letter did not rely on site specific geotechnical conditions or topography, relying on regional mapping instead (Todd Johnson confirmed that they had not used site specific data via email on 2/10/17) (*See Attachment 6*)

I have had discussions with Gabriela Frask, who prepared the McKenzie report, and learned that she was not provided with the site transportation access information, nor was she aware that the northern portion of the property, which is relatively flat, was planned as residential transition. She was also unaware that Kinsman Rd., was deleted from the area planning approximately a year ago. Additionally, Washington County did not authorize a site visit, within her scope of work, which I believe negatively impacted her ability consider other factors impacting feasibility. Regardless of the skill of an individual planner or agency, their work can only be as accurate as the information that they rely upon, and in this case I believe that Gabriela and McKenzie did not receive sufficiently detailed information to assess the property as accurately as possible.

Expert Opinions and Assessment of the McKenzie Letter

We asked Tony Weller of CES NW, to consider the Tualatin staff reports, McKenzie Study, email from Washington Co., regarding access, the DKS preliminary profile of the extension of Basalt Creek Parkway, and the OTAK Basalt Creek Concept Plan. In a comprehensive letter dated February 10, 2017, he opined that while the northerly third of the site is very developable as employment land, almost half of that property is reserved for residential use. And, that the deletion of the planned Kinsman Road, eliminates the only at grade potential access coming from the southerly portion of the site. The plateau portion of the property is surrounded by steep slopes of over 10% and over 20%. He further opined that neither access point can provide a secondary access to the plateau area which is a negative for both traffic flows and emergency access. (*See Attachment 7*)

Ken Leahy of Ken Leahy Construction Inc., was asked to provide a more comprehensive look at site preparation costs. He provided his opinion, in a letter dated February 10, 2017 that the cost of site preparation will exceed \$5.00 per foot. (*See Attachment 8*)

Don Hanson, of OTAK has provided a letter, and marked-up the McKenzie map based on the actual location of Basalt Creek Parkway, the lack of access off of Basalt Creek, the elimination of Kinsman road, and the residential designation at the top of the property. The result of those additional facts, eliminates a significant portion of the property that McKenzie deemed developable. (*See Attachment 9*)

Additionally, I have included a map that combines the McKenzie Plan with the residential zone and topographic map. (*See Attachment 10*)

City of Tualatin

Exhibit No. 126

Their letters are attached for your review.

A Summary of Relevant Data

With so many different letters from various experts, and communications from owners, neighbors, and other jurisdictions, over the last six months, it can be hard to keep track of the relevant information. So, I would offer the following:

1. Metro's own benchmark for employment land contemplates a slope of less than 10%, with less than 5% preferred. This site has slope in excess of 20% throughout;
2. PacTrust has provided a written opinion that the topography and basalt soil of the site mean it can't be feasibly developed for employment purposes;
3. OTAK has indicated in writing that the comparable property that Washington County used in their analysis, had half as much slope as this site, and could not be built under current American's with Disabilities Act rules/regulations;
4. Site preparation specialists in the area confirm the high cost of site preparation, due to soil conditions. The amount of blasting that can occur on this site is compromised by the high capacity power lines that bisect the site;
5. There is no access off of Basalt Creek road, and the deletion of Kinsman Road directly, and negatively impacts truck circulation on the southern portion of the site;
6. The northern portion of the site, adjacent to the existing neighborhood is currently planned to be zoned residential, contrary to what McKenzie's renderings show, and that designation has a major impact on the large footprint, employment, buildings that can/cannot be constructed. OTAK believes that only 11% of the site can be feasibly constructed as employment;
7. A residential designation and orderly transition to employment/industrial was always contemplated adjacent to the existing residential neighborhood, and is allowed under the findings that brought the Basalt Creek area into the UGB.
8. The county believes that an 18-20 foot curb cut, will be necessary on Basalt Creek Parkway. That curb cut means that the mirror image view that Wilsonville contemplated cannot occur. The view will either be of a graded slope or a 20 foot retaining wall.

Conclusion

Although, the primary purpose of the Basalt Creek UGB expansion was to bring in employment land, the on ground conditions on this property don't support that designation. During the thirteen year period since this land was brought into the UGB, there has been a trend of locating workforce housing close to employment lands to lessen commute time to work, and there are other lands in the Basalt Creek Planning Area that are zoned residential.

John Fregonese was asked if this property was needed for employment capacity. His response was that if the subject property was zoned residential, the employment capacity for the planning area, will still far exceed Metro's estimates by 1,000, or more. In short, this land does not need to be zoned employment in order for the planning area as a whole to exceed Metro's employment capacity estimates.

Thank you for your time and consideration.

Peter

Peter O. Watts |
Jordan Ramis PC | Attorneys at Law
Direct: 503-598-5547 Main: 503-598-7070

CITY OF WILSONVILLE ARBITRATION BRIEF

TO: Arbitrator Martha Bennett, Metro Chief Operating Officer

FROM: Barbara Jacobson, City Attorney for the City of Wilsonville

DATE: March 7, 2018

RE: City of Wilsonville Arbitration Brief
Central Subarea, Basalt Creek Planning Area

Wilsonville appreciates Metro's willingness to resolve the dispute between the City of Wilsonville and the City of Tualatin regarding the appropriate land use designation for an approximately 52 acres of land known as the Central Subarea, located within the Basalt Creek Planning Area.

Issue Before Metro for Arbitration:

As noted by Metro staff member Brian Harper, in his February 21, 2018 Staff Report Regarding Basalt Creek Planning Area ("Metro Staff Report"), the sole issue to be determined by Metro is whether the Central Subarea should be designated as residential land, as it was recently unilaterally re-designated by Tualatin; or should remain designated as Manufacturing Park, as originally designated and agreed upon by Wilsonville, Tualatin, and Washington County. Metro staff recommends staying with the Manufacturing Park land designation. Wilsonville agrees with Metro staff. The map attached hereto as **Exhibit A** illustrates the previously agreed upon land use designations for all of Basalt Creek, including the Central Subarea, which is shown within the Manufacturing Park designation. The map attached hereto as **Exhibit B** illustrates the previously agreed upon land use designation for all of the Basalt Creek Area, except for the Central Subarea, which is marked to show Tualatin's new proposed residential designation.

Arbitration Process:

The arbitration process is set forth in the Metro Staff Report and is agreed to by Wilsonville.

Background Facts:

The Metro Staff Report does an excellent job of summarizing the Basalt Creek Planning process and the work of both cities, the County, and Metro staff to reach agreement on a "Preferred Alternative" for the Basalt Creek Concept Plan, including all of the land use designations and the jurisdictional boundary between the cities. As additional background, a white paper prepared by the City's Community Development Director and City Engineer, entitled Update – Basalt Creek Planning Area, 2000-2017 (August 17, 2017) ("White Paper"), outlines the lengthy planning process that staff from both cities, Metro, and the County went through, looking at five different land use options before unanimously agreeing to Option 5. See **Exhibit C**, attached hereto, for the full report.

After several Joint Council meetings, public open houses, extensive research, and negotiations, agreement was reached in December 2015 at a Joint Tualatin/Wilsonville City Council meeting, based upon an agreed set of Guiding Principles, to move forward with Option 5 as the Preferred Alternative for the Concept Plan, which sets forth the agreed upon land use designations for the Basalt Creek Planning Area, as well as the jurisdictional boundary dividing the land between Wilsonville and Tualatin. While the selected Option 5 reduced the amount of acreage that would have otherwise gone to Wilsonville, it was agreed to by Wilsonville based solely upon Tualatin's appeal for more industrial land because Tualatin had already set aside a substantial amount of the land within its proposed boundary for residential development. A high priority for Wilsonville's City Council was to preserve the complementary clustering of employment lands on both sides of Grahams Ferry Road and the Basalt Creek Parkway, keeping a good distance from residential areas. Had there been any indication from Tualatin that it might try to convert the Central Subarea to residential use, destined to create conflict with the adjoining Wilsonville designated industrial/employment land and the future limited access freight arterial Basalt Creek Parkway, Wilsonville would never have agreed to the Option 5 boundary.

What happened to cause the two cities to go from agreement on the Preferred Alternative to total disagreement over the land use designation for the Central Subarea, requiring Metro to step in to arbitrate the dispute? The answer: a proposal from a single land use developer. In November 2016, a landscape architect consultant from OTAK presented a proposal on behalf of its client, who owned a parcel within the Central Subarea. The proposal suggested that Tualatin should replace the Manufacturing Park designation for the Central Subarea with a more profitable and easy to market residential land use designation, understanding that a residential designation would offer a higher and faster personal return on investment for the landowners. Their arguments for re-designation as residential land, however, were not supported by any form of land use suitability study but rather developer and paid consultant assertions.

As a result of this new, last minute developer-led effort to thwart the agreed upon Option 5 plan and Guiding Principles, Washington County commissioned an independent consultant, MacKenzie, to perform a land use suitability analysis for the Central Subarea in order to further analyze slope and environmental constraints, and to determine whether the land was suitable for industrial/employment uses. This independent professional engineering and geological study concluded that the Central Subarea was, in fact, suitable for industrial/employment uses, including, but not limited to, flex business-park, office, campus, manufacturing, and commercial support services consistent with the City of Tualatin Manufacturing Park zoning classification. The private developer and landowners, however, were not deterred by this report and successfully convinced the Tualatin City Council, at its February 13, 2017 meeting, to direct staff to unilaterally change the Concept Planning partners' unanimously agreed upon Manufacturing Park designation of the Central Subarea to a residential land use designation, without notice to or discussion with Washington County or Wilsonville.

Shortly thereafter, some of the Central Subarea landowners, developers, and consultants attended a Wilsonville City Council meeting in an effort to convince Wilsonville to concede to Tualatin's change to a residential designation. Wilsonville City Councilors listened to property owner concerns about whether industrial development was possible within the Central Subarea, how long it would take, and the fact that industrial land prices are less than residential land prices in the current real estate market. What was lacking from the testimony offered, however, was any reliable, professionally gathered data or analyses. What was presented was landowner assertions that their properties, which have never been zoned anything but agricultural, would be devalued if a residential designation was not applied.

Despite the lack of any credible independent evidence being presented to support their assertions, Wilsonville did hear the citizen concerns and therefore wanted to make sure that the Central Subarea land is suitable for industrial/employment development and, if so, the types of industrial developments it could accommodate. Wilsonville City Council thus directed staff to hire an independent professional engineering and geotechnical firm to study the area in more detail and prepare a full report, including actual renderings and layouts of the types of industrial developments that could be achieved within the Central Subarea, if any.

KPFF Consulting Engineers was retained by Wilsonville to perform a thorough analysis of industrial development viability within the Central Subarea. The KPFF study, entitled *Basalt Creek Concept Plan – Feasibility Study*, attached hereto as **Exhibit D**, determined the land was well suited to a variety of industrial/employment uses and suggested, as examples, three different industrial development scenarios, all three of which, it opined, would be viable for the Central Subarea.

Argument:

As noted above, the City of Wilsonville agrees with the analysis prepared by Metro staff, on page 4 of its memo, outlining four broad reasons why the change to a residential designation for the Central Subarea, as proposed by Tualatin, is problematic. Wilsonville, however, will go a step further and state that the residential designation proposed by Tualatin is more than problematic; rather, the proposed designation threatens the entire outlook for any meaningful industrial development in Basalt Creek and is inconsistent with Metro's Title 4 map goal. Even though Wilsonville is fully committed to designating 100% of the Basalt Creek land within its boundary to industrial/employment development, a residential development in the Central Subarea, that would almost certainly precede industrial development, could cripple or even prevent industrial development potential for the bulk of Basalt Creek, including the lands on the Wilsonville side.

In addition to the above, the following are Wilsonville's primary arguments as to why the Central Subarea must remain classified as industrial/employment land in order to meet Metro's industrial lands and employment goals for the region.

1. Benefit of the Region.

Metro's original intent in bringing the Basalt Creek Planning Area into the Urban Growth Boundary and allowing Washington County, Wilsonville, and Tualatin to bring in the land area for development was to provide for additional industrial/employment land. As indicated in the Metro staff report, all of the Basalt Creek land is designated as an employment area on Metro's Title 4 map and this designation was adopted without legal challenge.

On the other hand, during the above land designation process, there were no goals articulated to provide for additional residential land in the Basalt Creek area. During the concept planning process, however, Tualatin was able to convert arguably the most valuable parcel of flat, highly visible land to residential use, rather than retaining the industrial designation identified by Metro's 2004 Industrial Land Alternative Analysis Study and Urban Growth Boundary (UGB) decision. Because this part of the planning area is separated from the Wilsonville industrial lands, and Tualatin made a commitment to leave the balance of the land bordering Wilsonville designated as manufacturing/employment, Wilsonville, Washington County, and Metro staff did not object to this residential designation by Tualatin. See **Exhibit A**, note the land fronting I-5 marked as Medium-Low Density Residential.

As it now stands, without removing the Manufacturing Park designation from the Central Subarea, Tualatin is already allocating 91 of its 194 Basalt Creek developable acres to residential use, which equates to **47%** of its share of land that was originally intended as industrial/employment land. Not only that, but that acreage designated as residential is the flattest, and most visible to I-5, acreage of the entire Basalt Creek Area and, therefore, the most suitable land for industrial uses. Thus, it is ironic that Tualatin is now arguing the Central Subarea should be converted to residential because it is not well suited to industrial development. If that were the case, why did Tualatin not propose the flat land fronting I-5 for their industrial use, rather than designating it as residential? Trying to now make the Central Subarea a residential designation by claiming it is less suitable for industrial use than the highly suitable employment land they have already designated as residential is inconsistent and disingenuous.

If Tualatin is allowed to also convert the Central Subarea to a residential designation, and the current residential designations are also maintained, Tualatin's percentage of land used for residential purposes in the Basalt Creek Planning Area will be **65%** of all its total allocation of the Basalt Creek land, including a portion of land Wilsonville would have otherwise been entitled to claim for employment uses but for Tualatin's appeal for more industrial land. Again, this is inconsistent with the Title 4 map, the agreed upon Guiding Principles for the Concept Plan, and Wilsonville's only reason for agreeing to give Tualatin more land through Option 5 (the Preferred Alternative).

Wilsonville, on the other hand, has stayed true to Metro's regional goals and has allocated **100%** of its lesser share of Basalt Creek Planning Area acreage to industrial/employment development. Unfortunately, even though Wilsonville has done so, if its share of the land is allowed to be bordered by or in close proximity to residential land, the likelihood of it ever being developed for industrial/employment uses is severely diminished due to incompatibility issues that arise when industrial land and traffic is located in close proximity to residential neighborhoods.

Planners study adjacency to ensure compatible uses and prevent negative consequences. Development patterns that place residential neighborhoods in close proximity to industrial land more often than not result in significant complaints from residents concerning noise, pollution, and safety. What happens across the street, whether it is in the same city or a different city, will have either positive or negative impacts on industrial development. Wilsonville does not support residential uses along the Basalt Creek Parkway and across from its land designated for industrial uses and manufacturing parks.

Adjacency and land use compatibility is of particular issue with a residential designation for the Basalt Creek Central Subarea, as it is adjacent to and one corner of the prime intersection (Grahams Ferry Road and Basalt Creek Parkway) for this Basalt Creek business district. As our region has learned in the past, noise, pollution, and equity concerns should raise serious questions as to why a residential neighborhood would be planned adjacent to a major arterial and freight route.

Wilsonville and Tualatin set out to plan the Basalt Creek Planning Area in a cohesive way and in the regional context as a Regionally Significant Industrial Area (RSIA). The regional, long-term planning associated with new areas added to the Urban Growth Boundary is critical, as it creates predictability for the local jurisdictions, landowners, and others. It is important to acknowledge all of the regional, long-term planning that has preceded this point in the planning process, as outlined in Metro's staff report, and changing directions at this point in the process sets a precedent for the

unpredictable and the ability for parties to argue Metro's land use designations anywhere in Urban Growth Boundary areas.

2. Infrastructure Planning and Investment.

As noted by Metro staff, the Central Subarea is located immediately south of the previously proposed "south alignment," identified by Metro Council findings as serving as the buffer between residential development to the north and industrial development to the south. Wilsonville agrees that land south of the buffer, which would include the Central Subarea, should maintain an industrial/employment land use designation.

Metro staff also discussed the completed Basalt Creek Transportation Plan, which developed a transportation infrastructure plan for the Basalt Creek Planning Area based on the RSIA designation. As noted by Metro staff, extremely expensive infrastructure is planned to create an arterial and freight route through Basalt Creek, along the Basalt Creek Parkway, which directly borders the south end of the Central Subarea. As noted in the Metro staff report, Metro and Washington County estimate that more than 65 million dollars has already been spent on the planning and construction of this regionally important roadway as a limited access arterial, intended to provide a faster more fluid connection for truck traffic to I-5 and relieve the burden currently placed on Tualatin Sherwood Road and Tualatin Town Center. The road was not built for, and was never intended to be compatible with, residential use by families and school buses that would necessarily have to compete with the truck traffic when picking up and dropping off children from the Central Subarea in order to get them to school in Sherwood, which is the only designated school district for the Central Subarea.

3. The Central Subarea Is Not Suited for Residential Development.

Metro, cities, and counties are tasked at looking long-term in order to plan and approve development in a way that ensures a livability for all residents, now and into the future. It is government's responsibility to look out for the welfare of all citizens, not a select few. This remains true as cities contemplate and plan for needed and affordable housing. Allowing a housing development to take place in a planned industrial area, along an arterial built at great expense to the region and specifically designed for truck traffic and in close proximity to a prison, is not a sound decision. Additionally, and importantly, the Central Subarea's designated school district, if residential, is Sherwood, which is a considerable distance from the Central Subarea, involving daily long bus rides or car trips. Such planning is inconsistent with fair housing and environmental justice principles. Locating residential uses in this area raises significant concerns related to potential noise, traffic, vibration, pollution, exposure to emissions, long distance from schools, and other environmental impacts that run counter to recent efforts to restore environmental justice and social equity.

While there are a handful of developers and landowners who could profit from the Central Subarea being designated as residential, in the long run it is the residents who unwittingly buy into a developing industrial area, as well as the region that depends on the creation of jobs and generation of revenue from industry, who will suffer for the short term profit of a few. The landowners in question have no legal right to demand a residential designation, and Metro has an obligation to look at what is best for the region, not a handful of private developers.

Allowing residential development in this area will not only have a detrimental effect on the homeowners who unwittingly invest in a home located in close proximity to a freight route and an area

planned for industrial development, but it will also have a dramatic detrimental impact on the industrial development this Basalt Creek Planning Area was aimed at achieving. As outlined by Metro staff, the insertion of a residential community in the heart of the planned, but yet to be developed, industrial area is almost certain to stall the very industrial development for which this area was planned. While industrial developers are not afraid of working with a slope or some Basalt rock, what they do fear, and try to avoid at all costs, are the outcries of residents who loudly object to the truck traffic and perceived noise, air pollution, and dangers to their children when industrial development attempts to locate in close proximity to residential neighborhoods. Allowing the Central Subarea to be designated as residential will certainly detract from the industrial viability of the entire Basalt Creek area for the region, not to mention the direct loss of industrial/employment acreage within the Central Subarea itself.

4. The Central Subarea Is Well Suited for Industrial/Employment Development.

While nobody disputes the fact that most of the remaining regional industrial land is not the pristine flat land that was once available (excepting the northeast piece Tualatin has already proposed as residential and to which the partners have not objected), industrial developers are well adapted to dealing with the challenges that come from land that is not perfectly flat or rock free. Were industrial developers not able to work on less than perfect sites, many highly successful industrial and employment developments within the region would have never taken place.

The number of successful industrial/employment developments located on challenging sites are too numerous to mention, but here are a few noteworthy examples: Fed Ex, Amazon, and others elected to locate on a Troutdale superfund site with significant water pollution issues, including lack of potable water, as well as frequent weather challenges for truck traffic; the highly successful Bridgeport Village is built over a former rock quarry that obviously needed significant controlled fill, grading, and rock removal; the Nyberg Woods development is located on land that was sloped, of uneven terrain, and replete with giant boulders; there were numerous physical, slope, and environmental challenges to develop the Tigard Triangle, which is now almost fully and successfully developed; the entire OHSU campus is located on a slope so steep it now includes access via a Tram; the new Beaverton High School is located on a site that contained a severe slope and required extraordinary regrading. These successful recent developments are examples that demonstrate the Central Subarea's moderate slopes and geologic conditions do not render it unsuitable for any development, except residential development.

To the contrary, numerous studies have been done by experts, all concluding that the Central Subarea is well suited to industrial development. Those studies include the KPFF study, discussed above and marked as **Exhibit D**; the Land Suitability Analysis completed by Frego, marked as **Exhibit E**; the Basalt Creek Concept Plan Market Analysis prepared by Leland Consulting Group, marked as **Exhibit F**; and the MacKenzie study, discussed above, entitled *Washington County Basalt Creek Employment Site Evaluation (January 2017)*, commissioned by Washington County when efforts to change the Central Subarea to a residential designation were first initiated, which is attached as **Exhibit G**.

On the other side of the argument for residential development and against industrial development is a report by OTAK, the paid consultant of the developer seeking to have the Central Subarea re-designated as residential, which is attached as **Exhibit H**. This report includes letters from a handful of developers, real estate agents, and contractors, prepared at the request of OTAK, effectively stating

a portion of the Central Subarea land has some challenges and that there are several sites in the area more appropriate for industrial development, without naming any of them. In response to that submittal, the City will acknowledge, as noted above, one large format warehouse may not be the ideal industrial development for this location, but large warehouses are not a primary focus for the Basalt Creek area, in that there are already numerous warehouses in the area and they do not tend to create the greater employment numbers and higher paying wages planned for in this area and called for in the adopted Guiding Principles of the Plan. By contrast, please see the industrial campus development options outlined in the KPFF report (**Exhibit D**).

Following receipt of the OTAK submittal and a PacTrust letter (included in OTAK material), Wilsonville staff invited a senior development manager from Trammel Crow, one of the oldest, largest, and most respected developers of and investors in commercial and industrial developments, to tour the Central Subarea with Wilsonville staff. His analysis was that a parcel the size of the Central Subarea in the prime location of the Central Subarea, adjacent to the Basalt Creek Parkway, with the amount of relatively flat land at the upper end of the site is a rare industrial find that more than compensates for the fact that there is slope, as well as rock, at the lower portion of the site that would require more substantial grade and fill work. He asked to be notified when the property becomes available.

5. Lost Sight of Guiding Principles.

All of the parties, including Washington County, have agreed that Tualatin and Wilsonville are at a stalemate on the land use designation that should be applied to the Central Subarea. What Washington County, Tualatin, and Wilsonville did formally agree to, however, early on in this process, were Guiding Principles that were intended to represent the collective interests and goals for the Basalt Creek Planning Area and serve as the foundation for the Basalt Creek Concept Plan. The intent of the Guiding Principles was to provide a framework for gathering the information and input needed to make planning decisions that benefit not only each individual city and the County, but also the region.

While all of the Guiding Principles are important for the optimal development of the Basalt Creek Planning Area as a whole, there is one particularly applicable to the issue before Metro that was ignored by Tualatin when it determined to reverse the previously agreed-upon industrial/employment land designation for the Central Subarea and unilaterally voted to re-designate it as residential. That lost Guiding Principle reads, in pertinent part, as follows: “5. *Ensure appropriate transitions between land uses. While integration of housing and employment can enrich a community, there remains a need for physical separation between uses that might negatively impact one another. Land uses should be arranged within the study area to minimize these impacts, such as excessive noise, traffic, nighttime light, or air pollution....*”

Although Guiding Principle 5 is the one most glaringly at odds with the Tualatin proposal, many others are not supportive of it either. A full list of the Guiding Principles is attached as **Exhibit I**.

Request for Decision:

All of the parties have agreed that, given the inability of the two cities to agree upon a designation for the Central Subarea, Metro is the most appropriate party to make the decision and that both cities and the County agree to abide by Metro’s decision. This is not a case where the cities or the arbitrator can “split the difference” and make it half industrial and half residential. The industrial/employment

designation requires the full acreage to be successfully developed, and a residential designation requires more buffer, not less, from adjoining industrial development.

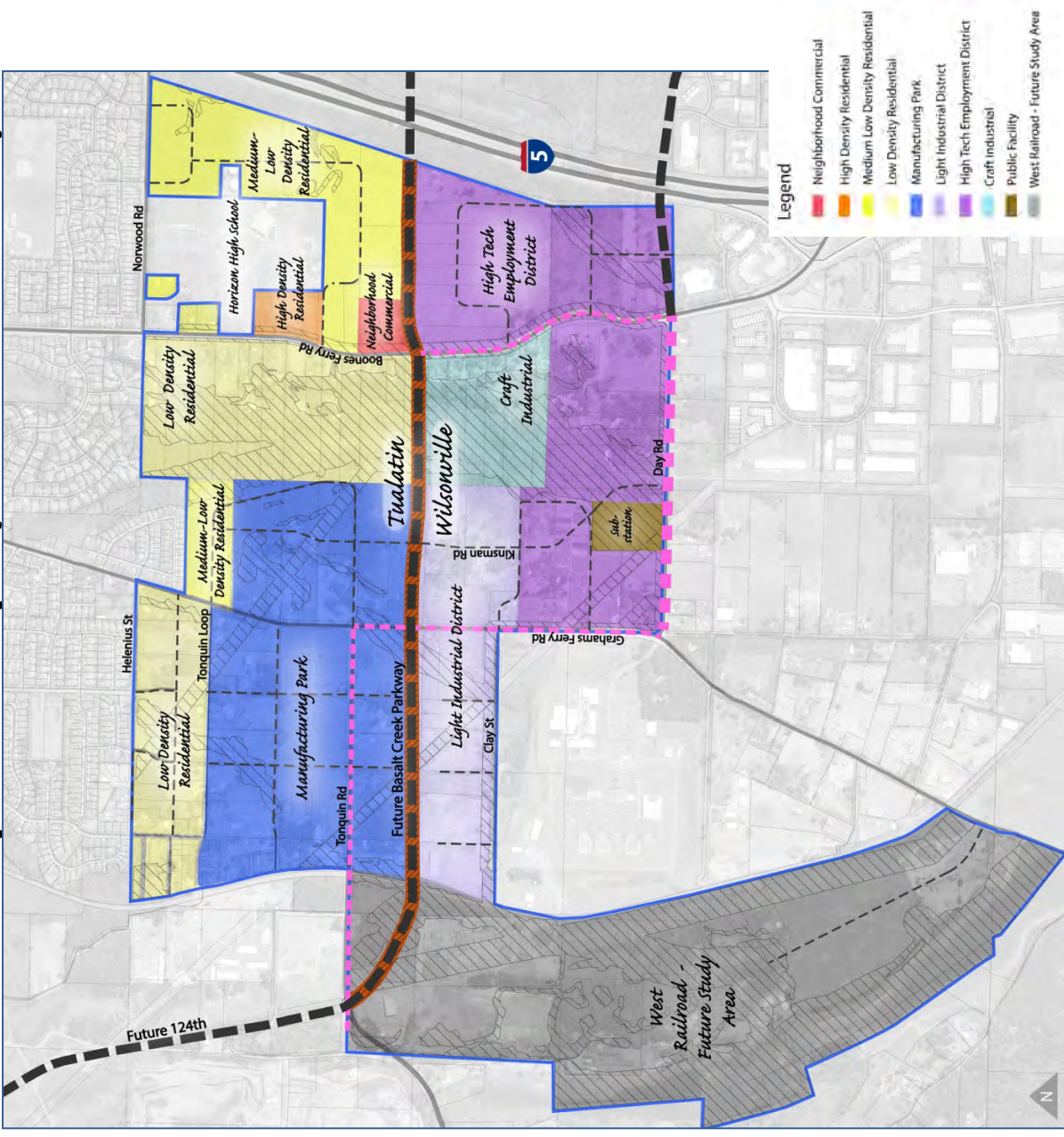
As was made clear by the Court of Appeals decision in *City of Sandy v. Metro*, 200 OR App 481 (2005), a city’s authority to determine location of industrial zones and to enact enabling legislation must yield to Metro’s authority to enact ordinances that require a city to conform to Metro’s direction. *Id.* at 482. Metro enacted such an ordinance when bringing the Basalt Creek Planning Area into the Urban Growth Boundary as part of addressing an industrial land shortage identified through the 2004 Urban Growth Report and designating the land as a “RSIA”- Regionally Significant Industrial Area. In the dispute at hand, Washington County, Wilsonville, and Tualatin have all acknowledged Metro’s authority as the final decision maker for the land use designation of the Central Subarea and have, in fact, asked Metro to step in to resolve the dispute. Furthermore, the County and both cities have agreed to stand by, defend, and implement Metro’s decision with respect to the Central Subarea. *See Intergovernmental Agreement Between Metro, Washington County, And The Cities of Tualatin and Wilsonville Seeking A Binding Non-Appealable Decision From Metro Council Concerning One Area, The Central Subarea, Of The Basalt Creek Planning Area.*

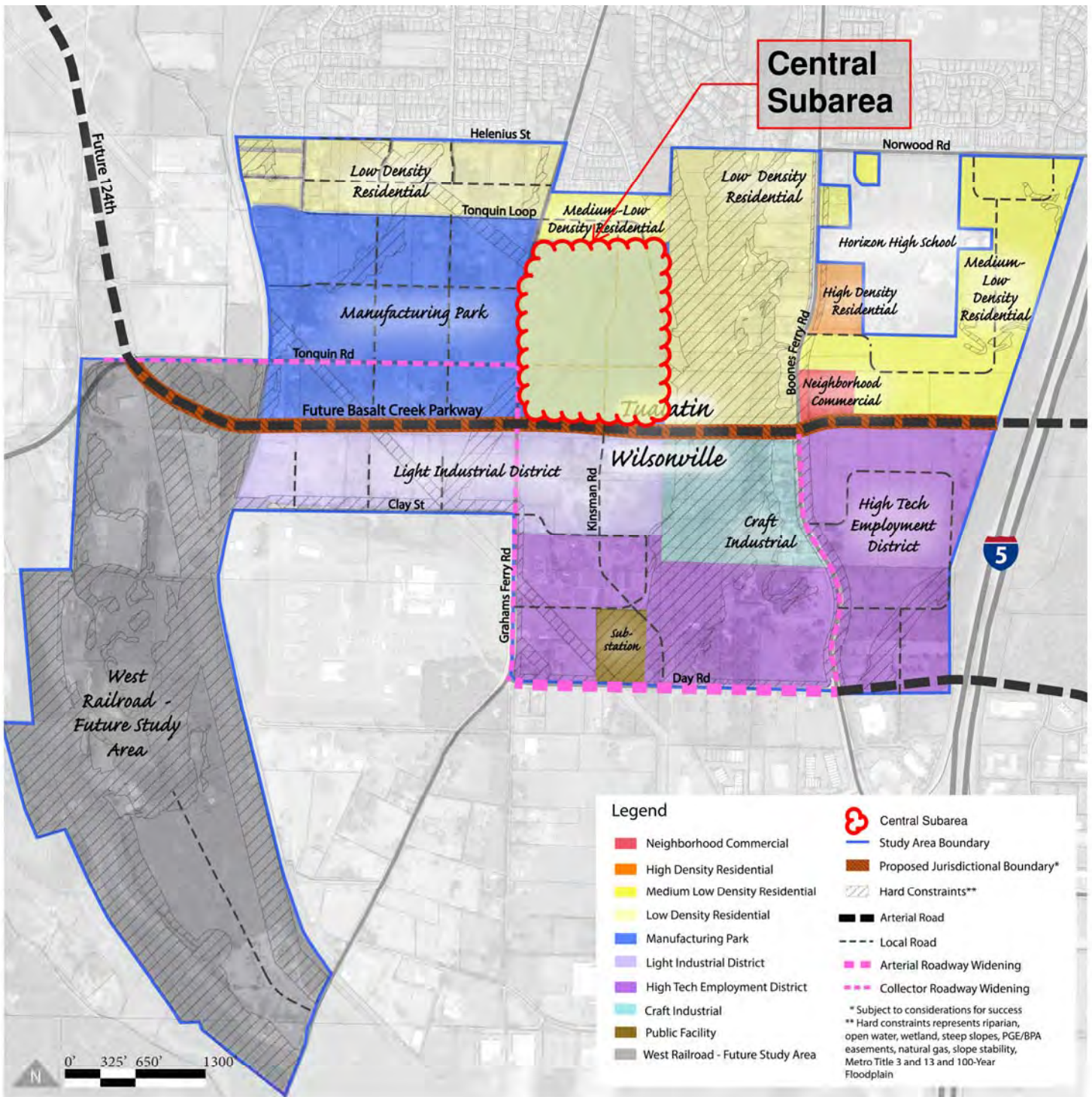
Therefore, based upon all of the foregoing reasons, and as aptly and succinctly recommended by Metro staff in the Metro Staff Report, Metro should determine that “the Central Subarea move forward with the previously agreed upon Manufacturing Park designation.” *Metro Staff Report*, p. 4.

Attachments:

- Exhibit A: Map showing Central Subarea as industrial
- Exhibit B: Map showing Central Subarea as residential
- Exhibit C: White Paper: Update – Basalt Creek Planning Area, 2000-2017
- Exhibit D: KPFF’s Basalt Creek Concept Plan – Feasibility Study
- Exhibit E: Existing Conditions Report, Section 5: Commercial, Industrial & Residential Real Estate Markets, by Fregonese Associates
- Exhibit F: Leland’s Basalt Creek Market Assessment
- Exhibit G: MacKenzie’s Basalt Creek Employment Site Evaluation
- Exhibit H: OTAK’s Report Requesting Amendment to the Concept Plan
- Exhibit I: Guiding Principles

Preferred Basalt Creek Land Use Concept Map (Oct. 2016)





Tualatin's Proposed Redesignation

UPDATE – BASALT CREEK PLANNING AREA, 2000 – 2017

August 17, 2017

Nancy Kraushaar, PE, Community Development Director and Miranda Bateschell, Planning Manager



I. INTRODUCTION

Approximately 2,000 acres has been aggregately planned for this South County Industrial Area since 2000. In 2002 and 2004, the Tonquin, Southwest Tualatin, Coffee Creek and Basalt Creek areas were brought into the Urban Growth Boundary (UGB) to address a regional need for employment land and as such, the Basalt Creek Planning Area was designated a Title 4 Industrial Area on Metro’s 2040 Growth Concept Map. A new limited-access major freight arterial was then planned to link these areas and connect to the regional freight network.

Metro Ordinance (No. 04-1040B) that authorized UGB expansion for the Basalt Creek Planning Area further clarified that while this area was primarily added to the UGB to meet regional need for job growth, a portion of the Tualatin Area could meet residential demand as follows:

‘If the selected right-of-way for the connector follows the approximate course of the “South Alignment,” as shown on the Region 2040 Growth Concept Map, as amended by Ordinance No. 03-1014, October 15, 2003, the portion of the Tualatin Area that lies north of the right-of-way shall be designated “Outer Neighborhood” on the Growth Concept Map; the portion that lies south shall be designated “Industrial”.’ (See Figure 2)

Figure 2 below is the portion of the Region 2040 Growth Concept Map that was attached to the Metro Ordinance. It depicts the “South Alignment” – the area to the north which shall be “Outer Neighborhood” and the area to the south shall be “Industrial.”

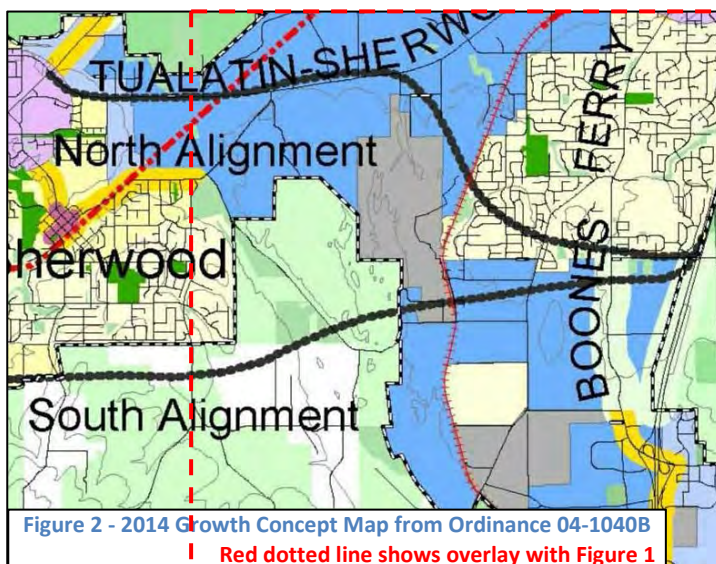
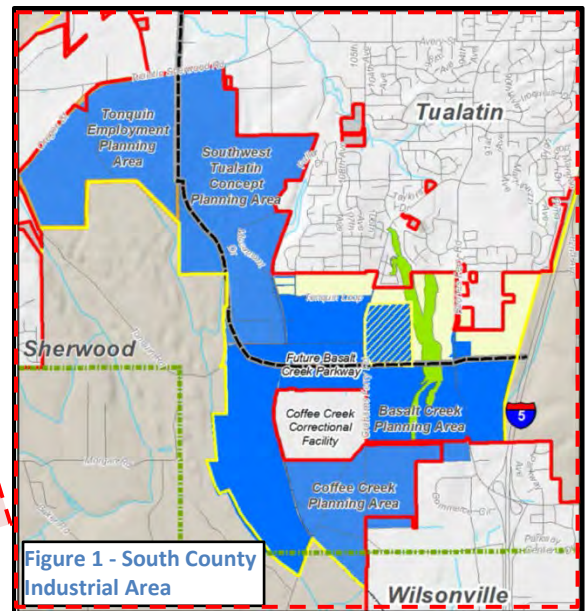


Figure 2 - 2014 Growth Concept Map from Ordinance 04-1040B

Red dotted line shows overlay with Figure 1

Over a three-year period (2010-2013), the cities of Tualatin and Wilsonville worked together with Washington County and Metro to develop the Basalt Creek Transportation Refinement Plan (TRP) for the area. The TRP was based on growth

forecasts and the expected development in Basalt Creek. This included trip targets that if exceeded, the system could fail.

Then in 2013, the concept planning began - starting with a “base case” scenario and evolving into five more options to satisfy the expectations of the planning area and aspirations of the two cities.

Finally in December 2015, at a joint Tualatin-Wilsonville council meeting, agreement was reached on a land use map with a boundary that was based on “10 Considerations of Success” to preserve what both councils had agreed to at that meeting – including the notion that the employment land uses were a priority and would not be altered (Consideration #3). An open house was held with the public in April 2016 after which final clarifying edits were made to develop the preferred land use alternative for the Basalt Creek Concept Plan.

In October 2016, the Tualatin City Council proposed to replace approximately 52 gross acres of the employment acreage with residential uses. This area (see yellow hatched area in Figure 1), located at the northeast corner of Grahams Ferry Road and Basalt Creek Parkway was coined the “central subarea.”



The preferred land use alternative already included residential uses that were located on the periphery of existing Tualatin residential neighborhoods and somewhat isolated from the bulk of the larger industrial area. This 52-acre central subarea is located in the middle of the planning area and industrial land uses, and is an integral part of the four major employment planning areas. Introducing residential uses there changes the dynamic of the South County Industrial area, is not cohesive with the surrounding area, and is contrary to the intent of the Metro Title 4 Industrial designation and regional planning.

In May 2017, the City of Wilsonville retained KPFF to study the feasibility of employment land use in the central subarea.

II. THE CONCEPT PLANNING

An intergovernmental agreement (IGA) among the Cities of Tualatin and Wilsonville, Washington County and Metro is guiding the concept planning for the Basalt Creek area. A \$365,277 Metro CET grant is funding much of the planning effort. From October 2013 through 2016, the Wilsonville and Tualatin City Councils held five joint Council work sessions and two Public Open Houses considering several boundary and land use alternatives for the Basalt Creek Planning Area.

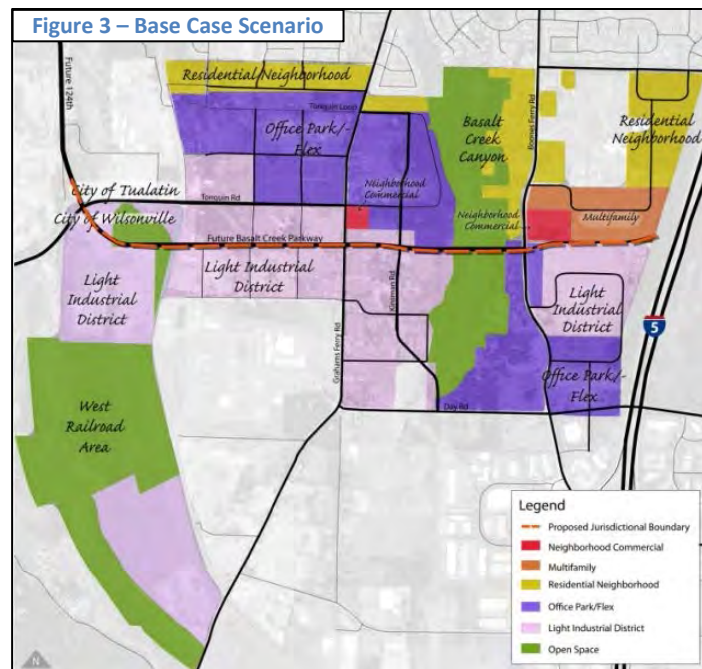
The Base Case

A Base Case Scenario (Figure 3) was established for the area in December 2014.

In the initial scenario a significant portion of the acreage designated for employment uses with residential uses in Tualatin on the east side between Norwood and Greenhill Roads as well buffering existing neighborhoods on the west side of the Basalt Creek Canyon.

At the December 2014 Tualatin-Wilsonville Joint City Council meeting, the project team presented this base-case infrastructure and land use scenario with an initial jurisdictional boundary option along the future east-west connector, Basalt Creek Parkway. The Councils jointly directed both sets of city staffs to:

- Re-evaluate the sanitary sewer system due to concerns regarding the initial design and potential costs for sanitary sewer construction in the planning area.
- Examine additional boundary options that do not necessarily follow the future Basalt Creek Parkway alignment due to a desire for a cohesive set of uses and design along both sides of the future arterial.
- Aim for jurisdictional equity when considering the various key performance indicators altogether.
- Provide more residential capacity in the northern portion of the planning area for the City of Tualatin.
- Propose creative solutions for transitions from employment to housing.



The project team then studied a series of alternatives to the base case scenario. Throughout the process, data was being crunched for each alternative regarding number of households, number of jobs, number of trips, revenues, costs, and how best to serve the area with sewer and water. Table 1 provides a summary of these key performance indicators for the Base Case scenario.

Table 1 – Base Case Scenario Key Performance Indicators

INDICATORS	Tualatin Base Case	Wilsonville Base Case	Total Base Case
Developable Acres	194 ac	137 ac	331 ac
WRR & BCC Acres*	10 ac	6 ac	16 ac
Unconstrained Dev. Acres	184 ac	131 ac	315 ac
Households	640	6	646
Jobs	2,281	2,064	4,345
Trips (TRP trip cap = 1,989)	1,274	781	2,055
Assessed Value	not available	not available	not available

Options 1 and 2

Using the Fregonese & Associates Envision model, Options 1 and 2 were next explored to respond to the Joint Council input on the Base Case Scenario. Option 1, used the Basalt Creek Parkway as a boundary and provided Tualatin jurisdiction over most of the Basalt Creek Canyon. Option 2 moved the boundary to the north, adding industrial land and the canyon area south of Basalt Creek Parkway to Wilsonville.

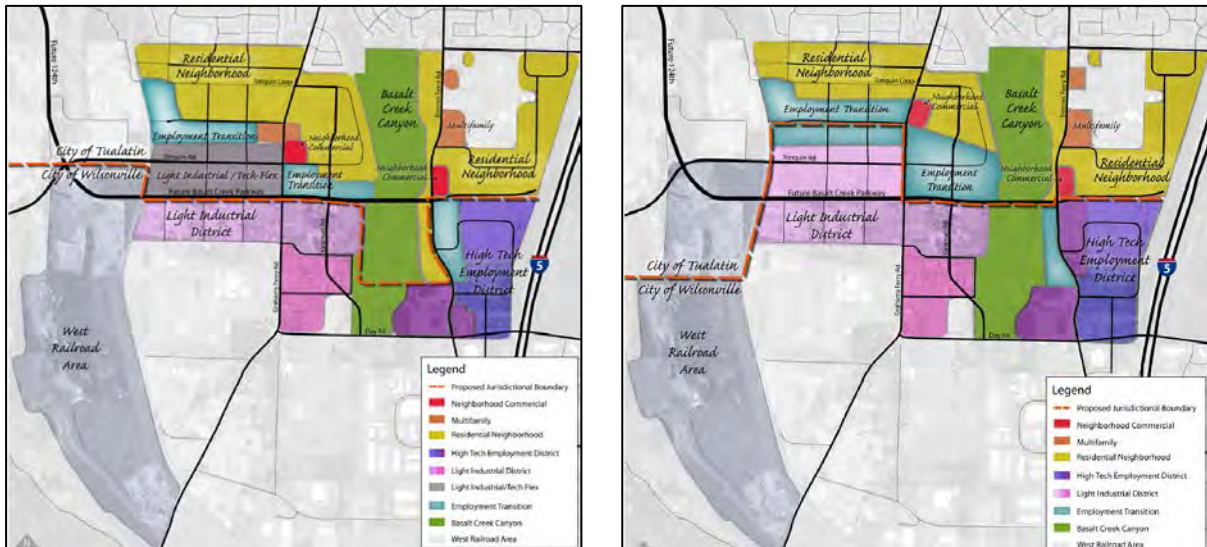


Figure 4 – Option 1 and Option 2 Basalt Creek Concept Plan

Neither Option 1 nor Option 2 quite struck the right balance between the two jurisdictions. On June 17, 2015, there was a Joint Wilsonville-Tualatin City Council meeting to discuss the two alternative land use concept plans. At that meeting, the two Councils discussed the land use types, key indicators (see Table 2) and potential benefits of the two draft boundary options. The Tualatin City Council favored Option 1 while the Wilsonville City Council favored Option 2.

Table 2 – Option 1 and Option 2 Key Performance Indicators

INDICATORS	Tualatin Option 1	Wilsonville Option 1	Total Option 1	Tualatin Option 2	Wilsonville Option 2	Total Option 2
Developable Acres	201 ac	190 ac	391 ac	155 ac	236 ac	391 ac
WRR & BCC Acres*	10 ac	63 ac	73 ac	12 ac	61 ac	73 ac
Unconstrained Dev. Acres	191 ac	127 ac	318 ac	143 ac	175 ac	318 ac
Households	906	36	942	755	75	830
Jobs	1,600	2,000	3,600	1,000	2,800	3,800
Trips (TRP trip cap = 1,989)	1,137	777	1,914	832	1,132	1,964
Assessed Value	\$483 M	\$305 M	\$788 M	\$371 M	\$423 M	\$794 M

In particular, Tualatin Councilors expressed significant interest in designating the land south of the future Basalt Creek Parkway, along Boones Ferry Road and the Basalt Creek Canyon (“the tooth”), as future City of Tualatin residential land in recognition of the existing residential community. City of Wilsonville Councilors expressed concern over Option 1 regarding the disparity in benefits realized by each city (less for the City of Wilsonville across the indicators), a lack of industrial massing near Grahams Ferry Road and Basalt Creek Parkway, and future transportation impacts from the high number of trips from the residential uses. The Councils also discussed the proposed sanitary sewer system, as it differs from the proposed boundary options; how to best serve the area; and how potential financial savings might be shared if Wilsonville handled sanitary sewer from the City of Tualatin resulting in fewer Clean Water Services pump stations.

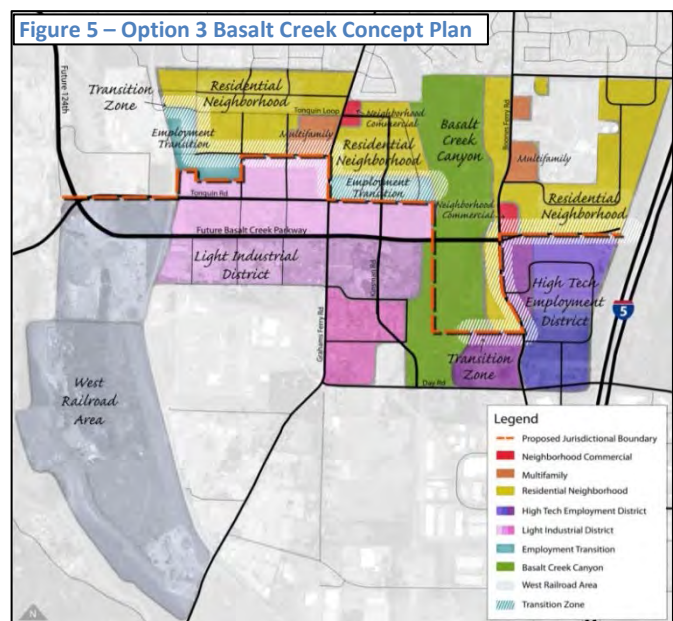
The Wilsonville City Council recognized the “tooth” area was a must-have for the City of Tualatin and compromised despite a desire for “the tooth” to provide a natural resource amenity to adjacent employment uses and trail opportunities for nearby employees, in addition to the fact all stormwater runoff from this area would flow to the City of Wilsonville. The Councils also agreed to work out the boundary on the west end, to the north of the Basalt Creek Parkway, acknowledging Wilsonville’s concerns regarding trips, sewer service for Tualatin users, and additional employment capacity. The councils jointly concluded that it was important for the plan to make sense for both communities, while being fiscally responsible in the end, and that the land for both communities be profitable. As a result of the discussion, the Councils jointly recommended project staff prepare an alternative option.

Option 3

Option 3 attempted to (1) assemble the employment use on both sides of Tonquin Road and at the major intersection of Basalt Creek Parkway / Grahams Ferry Road under one jurisdiction to unify the development code and other standards that would be applied to these areas, and (2) balance out the acreage distribution between the two cities.

Table 3 – Option 3 Key Performance Indicators

INDICATORS	Tualatin Option 3	Wilsonville Option 3	Total Option 3
Developable Acres	144 ac	188 ac	332 ac
WRR & BCC Acres*	13 ac	3 ac	16 ac
Unconstrained Dev. Acres	131 ac	185 ac	316 ac
Households	800	80	880
Jobs	400	2,900	3,300
Trips (TRP trip cap = 1,989)	664	1,178	1,842
Assessed Value	\$338 M	\$420 M	\$758 M



Boundary Option 3 also considered jurisdictional equity through the lens of developable acres, phasing and infrastructure costs, and more balanced property tax returns.

In Option 3, The City of Tualatin will likely see a higher overall return on investment and ability to meet near-term residential demand and development desires. The City of Wilsonville is provided a little more land to offset higher overall infrastructure costs and service to Tualatin development, a delay in return on investment, and the city’s ability to fulfill the employment capacity expectations for the planning area.

Option 4

In preparation for the September 2015 Joint Council meeting, there was a Tualatin City Council Work Session where the Tualatin City Council expressed concerns about the limited employment land opportunities for the City of Tualatin and directed Tualatin city staff to prepare information for a Basalt Creek Concept Plan Option 4, which would follow Tonquin Road west of the Basalt Creek Canyon area (Figure 6).

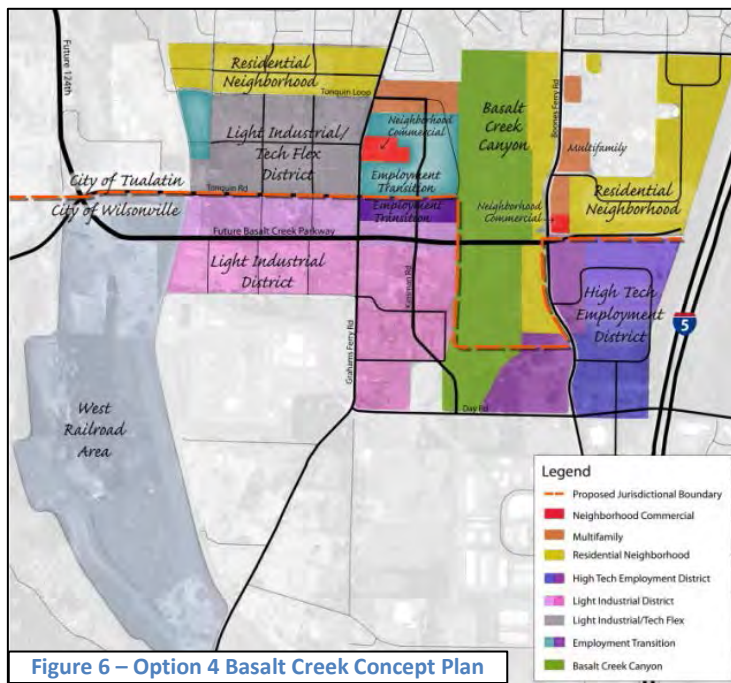


Figure 6 – Option 4 Basalt Creek Concept Plan

Option 4 provided the additional industrial land Tualatin requested and kept the canyon under Tualatin’s jurisdiction.

However, what it missed was a uniform land use development code that would lead to consistent and easy to follow regulations for development along Tonquin Road.

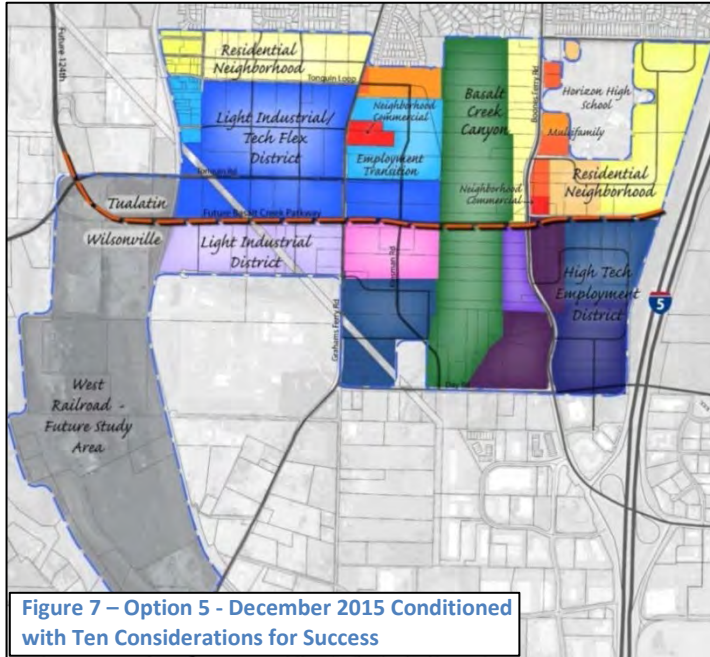
Table 4 below provides a summary of key performance indicators for the boundary Option 4.

Table 4 – Option 4 Key Performance Indicators

INDICATORS	Tualatin Option 4	Wilsonville Option 4	Total Option 4
Developable Acres	168 ac	163 ac	331 ac
WRR & BCC Acres*	13 ac	3 ac	16 ac
Unconstrained Dev. Acres	155 ac	160 ac	315 ac
Households	647	37	683
Jobs	1,576	2,475	4,051
Trips (TRP trip cap = 1,989)	1,008	967	1,975
Assessed Value	not available	not available	not available

Option 5 – December 2015 Joint Council Agreement on Basalt Creek Land Use Map

In December 2015, agreement was reached at a Joint Council meeting on a map with a boundary tied to Ten Considerations of Success and land uses consistent with Option 4. This agreement resulted in boundary Option 5 that was conditioned on the ten considerations.



A very high priority for the Wilsonville Council was to preserve the complementary clustering of employment lands on both sides of Grahams Ferry Road and the Basalt Creek Parkway.

Meanwhile Tualatin Council expressed a priority for additional acreage on the west side of the planning area for more employment acreage.

Members of both Councils expressed the importance of making sure the systems work so the area functions well, including enough contiguous land to appeal to business, getting the value needed related

to transportation and industrial massing, and meeting regional industrial land needs.

Table 5 – Option 5 Key Performance Indicators

INDICATORS	Tualatin Option 5	Wilsonville Option 5	Total Option 5
Developable Acres	194 ac	137 ac	331 ac
WRR & BCC Acres*	10 ac	6 ac	16 ac
Unconstrained Dev. Acres	184 ac	131 ac	315 ac
Households	640	6	646
Jobs	2,085	2,064	4,149
Trips (TRP trip cap = 1,989)	1,199	781	1,980
Assessed Value	\$347 M	\$232 M	\$579 M

While Option 5 reduced acreage for Wilsonville, with the Ten Considerations for Success, remaining issues were resolved for both Councils. The ten considerations related to the functional elements of the Concept Plan: sanitary sewer service, stormwater system design standards, industrial zoning certainty, trip caps, transportation projects and funding, transit service, trails and natural resource protections in the Basalt Creek Canyon area. It was intended those considerations would guide development of a preferred alternative for the Basalt Creek Concept Plan as well as outline

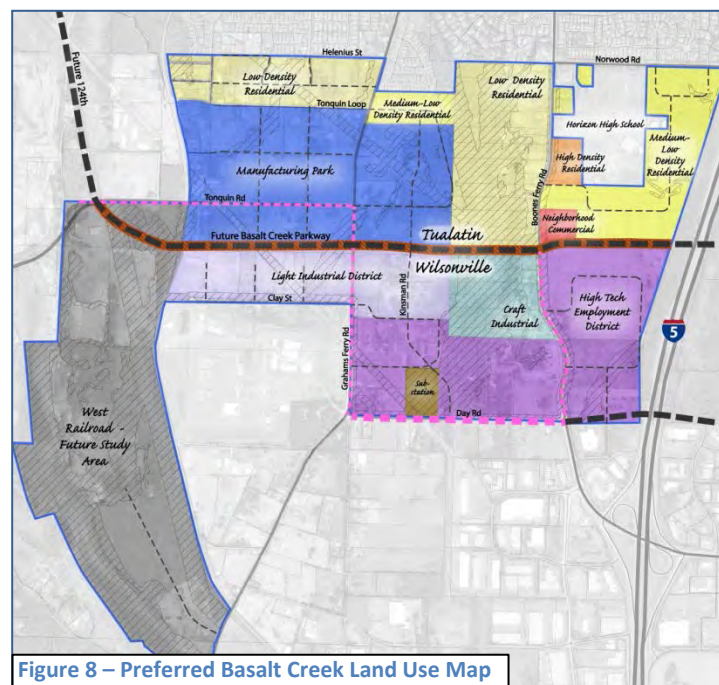
implementation measures for success. Careful consideration was also given to a thoughtful transition from existing residential in Tualatin to the employment areas and clustering the employment land uses around these roads.

The project team advanced work on the ten considerations and developed the preferred Basalt Creek Land Use Concept Map (Option 5) for a public open house on April 28, 2016 (Figure 7). Land uses were consistent with what was presented in the Tualatin-proposed Option 4, but with a proposed boundary along the Basalt Creek Parkway.

September 2016 – Preferred Basalt Creek Land Use Map

With positive feedback from the public open house, staff from both cities further refined the preferred Basalt Creek Land Use Concept Map to fix errors and align map designations with existing city comprehensive plan designations and zoning classifications. The Preferred Basalt Creek Land Use Map reflects these refinements based on feedback from the public open house, both Councils, and the IGA partners.

The draft, dated September 16, 2016, was prepared for presentation at individual Council work sessions in October in order to move toward finalization of the Basalt Creek Concept Plan and a final Joint Council work session approving the Concept Plan. In addition, staff continued work to refine implementation measures into the Concept Plan to address the ten considerations.



III. CENTRAL SUBAREA – PROPERTY OWNER PROPOSAL FOR MORE RESIDENTIAL

When the plan went to the Tualatin City Council in October, the civil engineering consultant, OTAK, presented a proposal (Figure 9) on behalf of an owner of property located between Grahams Ferry Road and the canyon and north of the future Basalt Creek Parkway. The proposal was to replace the Manufacturing Park land use with Residential uses in the area they referred to as the central subarea. A variety of residential types were proposed to replace Manufacturing Park. The primary argument for the change is that employment land uses are not feasible as the land is too steep and rocky to grade for employment use (large buildings and parking lots) and development other than residential would be far too expensive.



Figure 9 – OTAK Property Owner Proposal

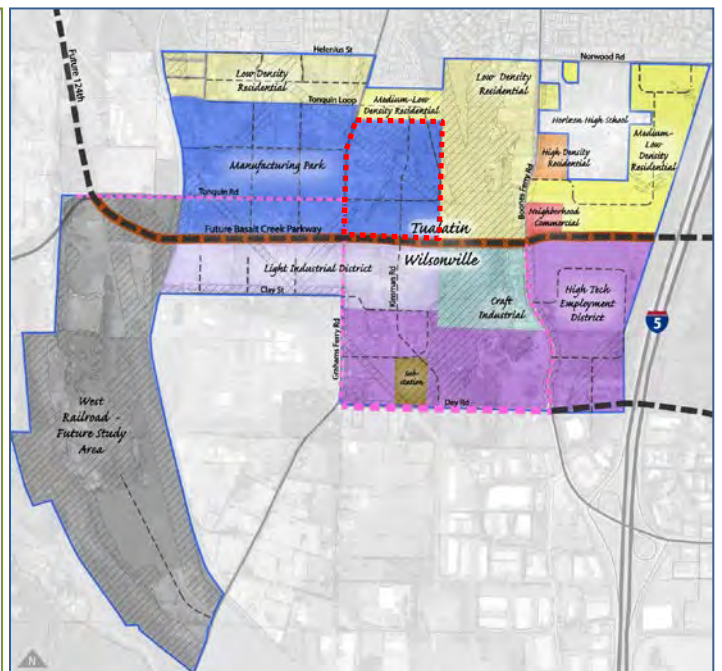


Figure 10 – Preferred Basalt Creek Land Use Plan with Central Subarea Shown

Based on this public input from property owners and residents at the October City of Tualatin Work Session meeting, Washington County commissioned a land suitability analysis from the firm Mackenzie for the central subarea to analyze slope and determine whether the land was in fact suitable for employment uses.

The study concluded the central subarea is feasible for employment including flex business park, office campus, manufacturing, and commercial support services consistent with the City of Tualatin Manufacturing Park zoning classification. This information was shared with the cities in January 2017.

On February 13, 2017, the Tualatin City Council, at a council work session, provided Tualatin city staff with direction to modify the previously agreed upon preferred Basalt Creek Land Use Concept

Plan to show the Basalt Creek central subarea as residential on the Tualatin side of the proposed conditional jurisdictional boundary.

The property owner and OTAK have since presented additional information from contractors, real estate managers and brokers, and a civil engineering firm that designs residential development that reiterates the claim that the land will be better developed as residential land due to the costs of grading for industrial development.

However, the Concept Plan aspired to creative building sizes and layouts as expressed by two of the Guiding Principles for the plan:

- “Capitalize on the area’s unique assets and natural location” and
- “Create a uniquely attractive business community unmatched in the metropolitan region.”

IV. EMPLOYMENT USE FEASIBILITY STUDY

Wilsonville staff reviewed the Tualatin City Council proposal against the prior planning efforts (Metro Ordinance, TRP), freight network investments, the project’s guiding principles, and previous concerns and priorities of the councils, and found the new proposal to be inconsistent with these. Wilsonville City Council voiced a number of reservations related to these items as well as others at a March 2017 Council Work Session. Committed to providing a cohesive business district that accommodates successful industrial employment growth to meet regional needs, the Wilsonville City Council directed staff to further assess the central subarea.

The City of Wilsonville contracted with the civil engineering consultant, KPFF to evaluate the feasibility of development for employment uses in the central subarea ([July 10, 2017 Basalt Creek Concept Plan – Feasibility Report](#)). The intent of this feasibility study was to take a further look at these 52 gross acres within the Basalt Creek planning area and assess their potential to support increased employment opportunities in the region. The central subarea’s potential development is important because of its central location in the planning area and on the main intersection of the Basalt Creek Parkway in the future business district. Uses beyond employment opportunities are not part of this feasibility study.

Given the long history of planning and regional infrastructure investments for the Basalt Creek Planning Area as a regional employment area, this study was commissioned to ascertain whether the policy objective of employment uses is achievable in this subarea.

The study:

- Reviewed the existing conditions, market analysis, land suitability analysis and geotechnical work completed through the concept planning process;
- Considered various building prototypes ranging from office buildings to industrial and warehouse facilities;

- Used local building footprints and parking counts;
- Accounted for slopes and natural area constraints;

KPFF’s analysis determined what employment uses, if any, could be developed in that area. The study describes feasible options not development proposals.



Figure 11 – One Business Park Development Scenario and a Building Prototype from the KPFF Feasibility Analysis

The study was not intended to:

- Look at feasibility for residential uses.
- To re-start planning or analysis for Basalt Creek; this area has been planned and invested in for employment and a freight network.
- Look at what is easier, cheaper or highest and best use.

The City recognized that employment would rarely ever win in that situation. Employment land needs to be available when the right user comes along, and sometimes that timing is quick and sometimes it takes patience. This issue and the development of employment areas into other commercial and non-commercial uses is one of the instigating factors for Title 4 of the Regional Function Plan. As a Title 4 employment area, it is important to fulfill that policy objective and maintain employment land for future business development needs.

City of Wilsonville Conclusions

At the May 1, 2017 Wilsonville City Council work session, the results of the KPFF study were presented, and the council discussed their concerns about the proposal to replace the manufacturing land use with residential.

Specifically, the council concluded that the proposal does not support:

- What the two cities, Washington County, and Metro have been planning for the past 16 years.
- A cohesive Parkway or business district.

- Industrial massing near Grahams Ferry Road and the Basalt Creek Parkway, the main intersection of the Basalt Creek Concept Plan area.
- The Joint Council's vision for an economically viable employment district.
- Creative solutions for transitions from employment to residential.
- Positive compatibility between land use and transportation; homes are incompatible with the Basalt Creek Parkway freight route due to noise, traffic, air quality, and overall livability.

The Wilsonville City Council also concluded that the lack of compatibility can impact the success of the plan for both cities; the residential adjacency is likely to curtail high quality industrial or residential development making it difficult to create the successful employment district the two cities, the county, and the region were envisioning this place to be.

The Wilsonville Council has continually expressed great concern about carving away more 2040 Title 4 employment land for housing than was intended when the Basalt Creek planning area was brought into the UGB. This final proposal for additional residential land use would be contrary to the December 2015 Conditional Jurisdictional Boundary agreement and as expressly included in the Ten Considerations for Success.

The Preferred Basalt Creek Land Use Map provided the City of Tualatin 91 residential acres out of 194 developable acres or 47 percent. Converting the central subarea from manufacturing to residential changes that to 125.4 acres or 65 percent of the developable acreage in Tualatin. Looking at this from the jobs side, the employment acreage in the overall Basalt Creek planning area drops from 224 acres or 68% of the 331 developable acres to 190 acres or 57%.

The City of Wilsonville is confident employment development is possible in the central subarea and the City has the resources and where-with-all to deliver employment development in that area. As such, Wilsonville City Council proposed an alternative: adjust the boundary north of Tonquin Road along parcel lines between Tonquin Road and Tonquin Loop and north of the area of the central subarea and maintain employment land use designations.

Finally, the feasibility study was presented to the Tualatin City Council at their July 24, 2017 Work Session. Wilsonville staff and KPFF explained the entire study and its findings, answered questions, and participated in a discussion amongst the City Council. The Wilsonville presentation was followed by one from OTAK on behalf of the property owners desiring the central subarea to be concept planned for residential use.



CITY OF WILSONVILLE

Basalt Creek Concept Plan - Feasibility Study

JUNE 30, 2017

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Intent

The Basalt Creek Concept Plan Existing Conditions report was prepared in 2014 to look at future development of the 847 acres between the City of Wilsonville and City of Tualatin as part of the Urban Growth Boundary (UGB) inclusion process. In that report, potential land uses were identified for the region based on economic factors, land use compatibility, and projected growth (see Figure 1). The intent of this feasibility study is to take a further look at approximately 60 acres within the Basalt Creek Concept area to evaluate the potential to develop these properties to support increased employment opportunities in the region. This subarea's potential development is important because of its central location in the planning area and on the main intersection of the Basalt Creek Parkway in the future business district.

Uses beyond employment opportunities are not part of this feasibility study. Given the long history of planning and regional infrastructure investments for the Basalt Creek Planning Area as a regional employment area, this study was commissioned to ascertain whether the policy objective of employment uses is achievable in this subarea. Only if this investigation determines employment uses not to be feasible on this site will this analysis then consider feasibility of other land uses.

To evaluate employment opportunities for this site, three schemes have been developed in this feasibility study. The schemes have varying degrees of development to preserve open space and natural habitats on the site. The schemes are:

- Scheme A** – maintains all of the open area in the northern portion of the site and development is primarily on the southern portion of the site (below the PGE easement)
- Scheme B** – maintains some open space in the northeast corner of the site but develops more of the site than Scheme A
- Scheme C** – fully develops the site to the maximum extent feasible and has the least amount of open space

Various building prototypes are used in the schemes from general office buildings to industrial/warehouse facilities. These prototypes are based on local buildings and provide guidance on building footprint sizes and parking counts. Architectural renderings have been developed for 3 building prototypes to provide a graphical representation on how these buildings may fit the overall look and feel of the study area.

Site Overview

KPFF is studying in detail a portion of the Basalt Creek area that is approximately 60 acres in size and located east of Grahams Ferry Road, south of Helenius Road, west of Basalt Creek, and near the intersection of Grahams Ferry Road and Tonquin Road. The current use of the site is agriculture with single family homes and forested area near the creek. To the south is the Chick-A-Dee nursery and to the north of the site there is an open parcel of land and then residential housing. The site is comprised of 9 tax lots varying in size from 1.46 acres to 11.68 acres.

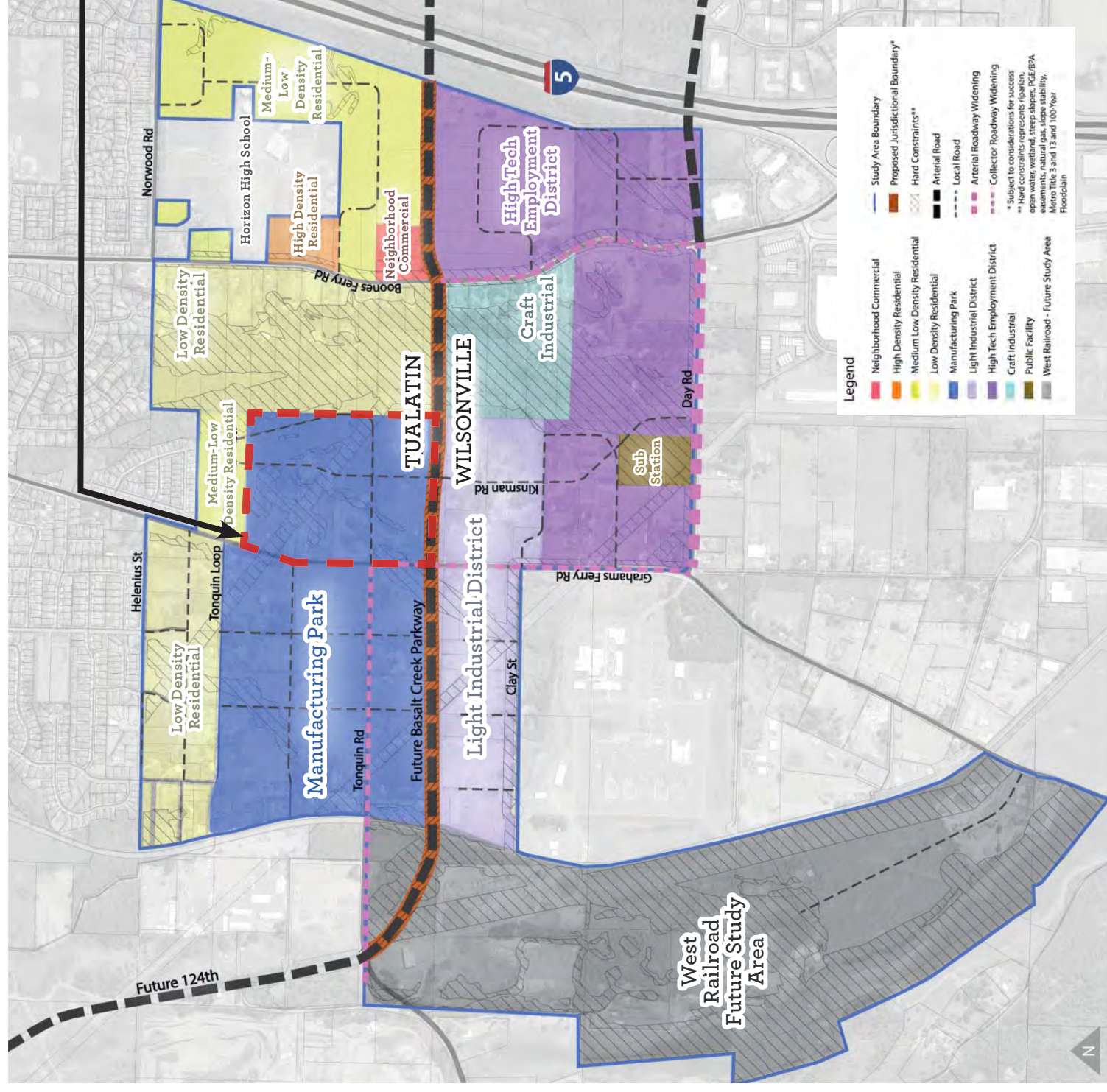
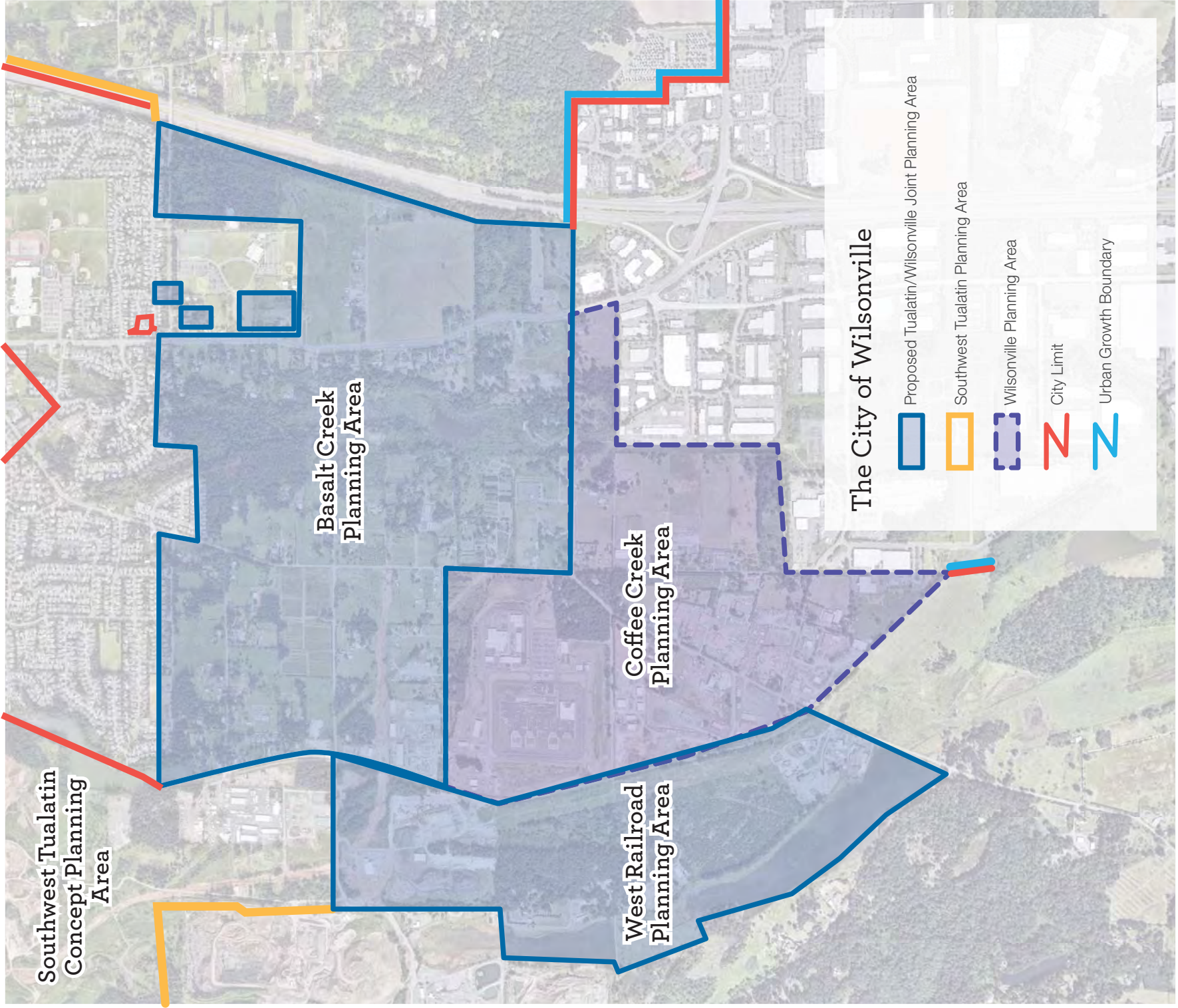


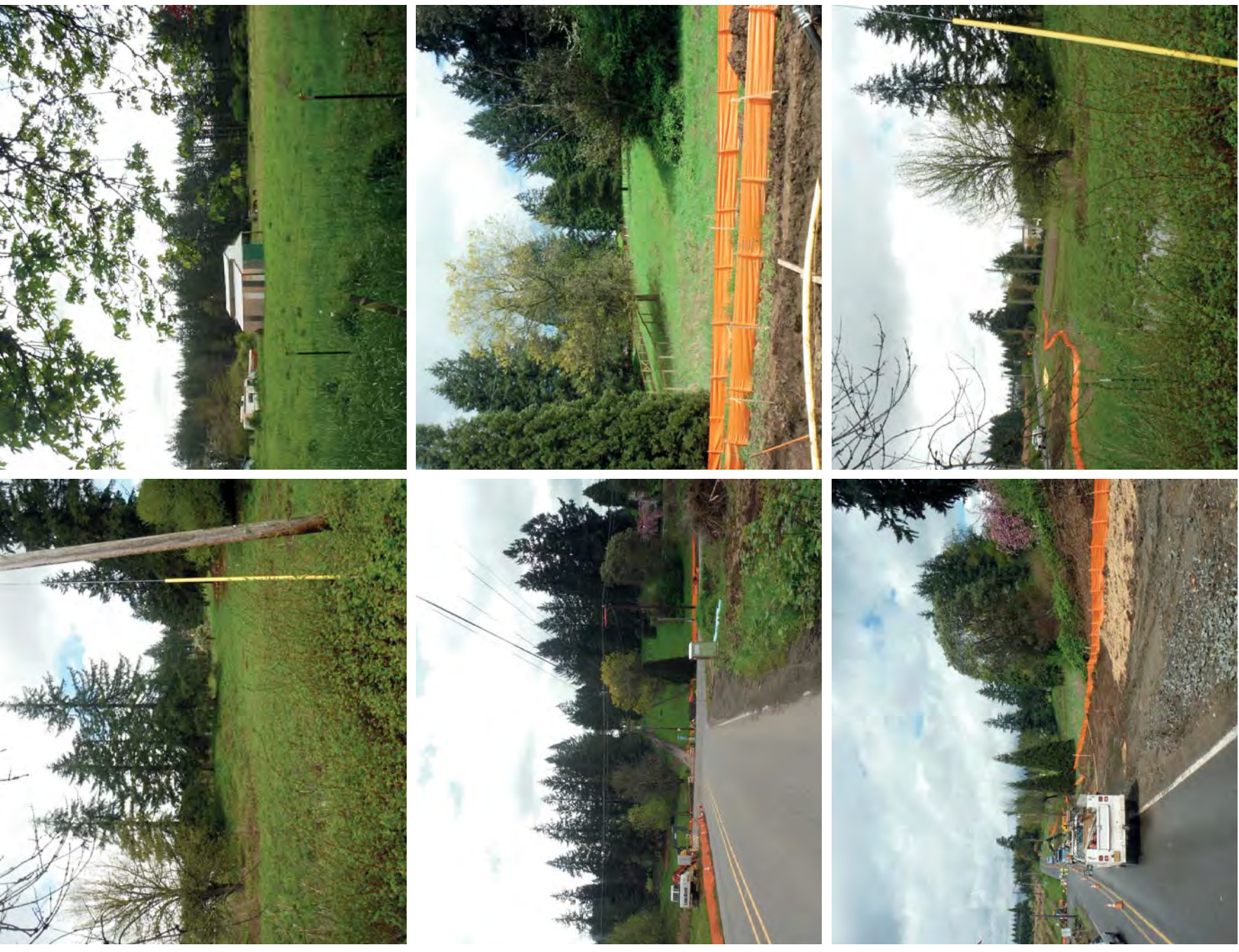
Figure 1 - Preferred Basalt Creek Land Use Concept Map (October 2016)



Figure 2 - Study Area



Aerial of the Planning Area



Design Standards

ZONING

The site is currently zoned FD-20 per Washington County. FD-20 covers land added to the Urban Growth Boundary after 1998. This feasibility study is based on the assumption that the building prototypes indicated in the schemes are allowed uses.

BUILDING SETBACK

Building setbacks used to locate the structures on-site are based on a comparison of Washington County, City of Wilsonville and City of Tualatin zoning standards. The building setbacks are 30 feet from lot lines or right-of-way lines. This setback is for the building location only and parking is indicated in the setback.

SITE ACCESS

On-site parking is a key component of an industrial and manufacturing area to promote employee access and commuting. The Basalt Creek area has freeway access to I-5, Hwy 99W, Hwy 217 and I-205. The primary mode of transportation to the site is assumed to be single occupancy vehicles. Construction is currently ongoing to improve SW 124th Ave to provide a freight route and east/west connection through the site from I-5 to Tualatin Sherwood Road. This work includes the expansion of Grahams Ferry Road south of Tonquin Road from a 2-lane rural road to a major collector. The current roadway width is approximately 24 feet with an existing right-of-way that varies from 74 feet south of Tonquin Road to 40 feet north of Tonquin Road. With the SW 124th Ave extension, the ROW is being increased to 74 feet to approximately 225 feet north of the intersection. This is where the 3-lane roadway section finishes its taper to match back into the 2-lane road. Parcels north of the taper will require additional ROW dedication when Grahams Ferry Road improvements continue to the north or when these properties go in for development. The additional ROW dedication that will be required is approximately 17.5 feet along the frontage. Figures 3 and 4 indicate the lots that will be impacted by the additional ROW dedication and the typical street section from Washington County for a collector roadway.

Per Washington County, the future Basalt Creek Parkway along the southern frontage of the study area will be an arterial and will have access restrictions for new driveways. To accommodate this, the schemes have all assumed that access from Basalt Creek Parkway to the site is not feasible and no driveway entrances are shown here.

Public roadways within the site are assumed to have a pavement width of 50 feet and a right-of-way dedication of 64 feet. The City of Wilsonville standard may vary from this but Washington County standards have been used to establish roadway widths in the concept plans as shown in Figure 5. Private access drives for parking lots and buildings are a minimum of 20 feet wide and truck circulation paths around the buildings are 50 feet wide. Loading docks and storage areas are shown to be 50-100 feet wide to allow semi-truck parking and access around the loading bays. At the terminus of the public roadways, either a hammer head or cul-de-sac are provided to allow for fire truck turn-around. These locations are indicated on the concept plans.

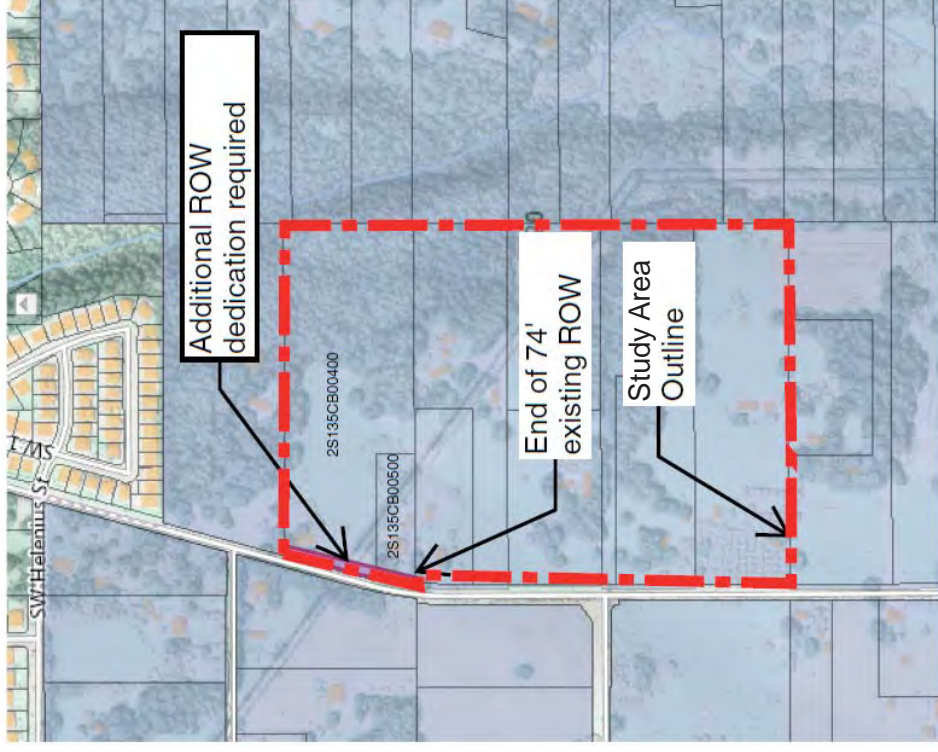


Figure 3 - Additional ROW Dedication Required

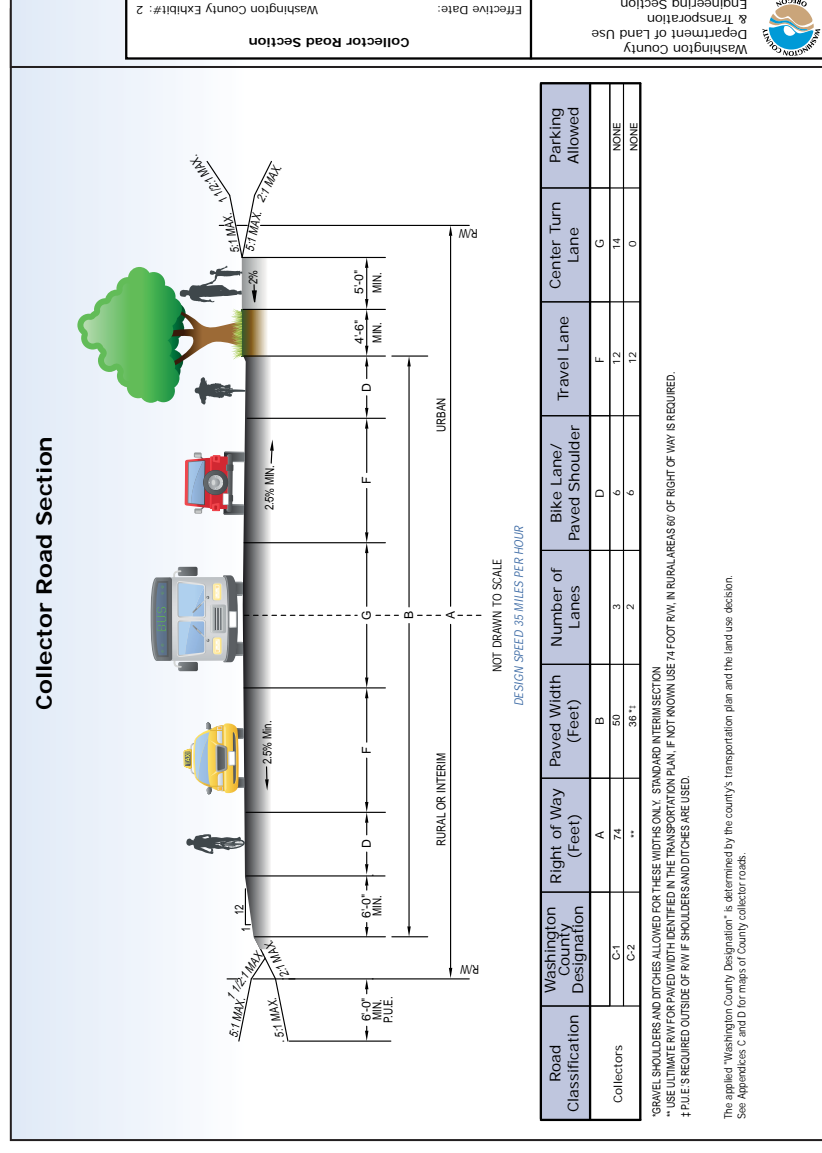


Figure 4 - Washington County Standard Street Section for Collector Roadway

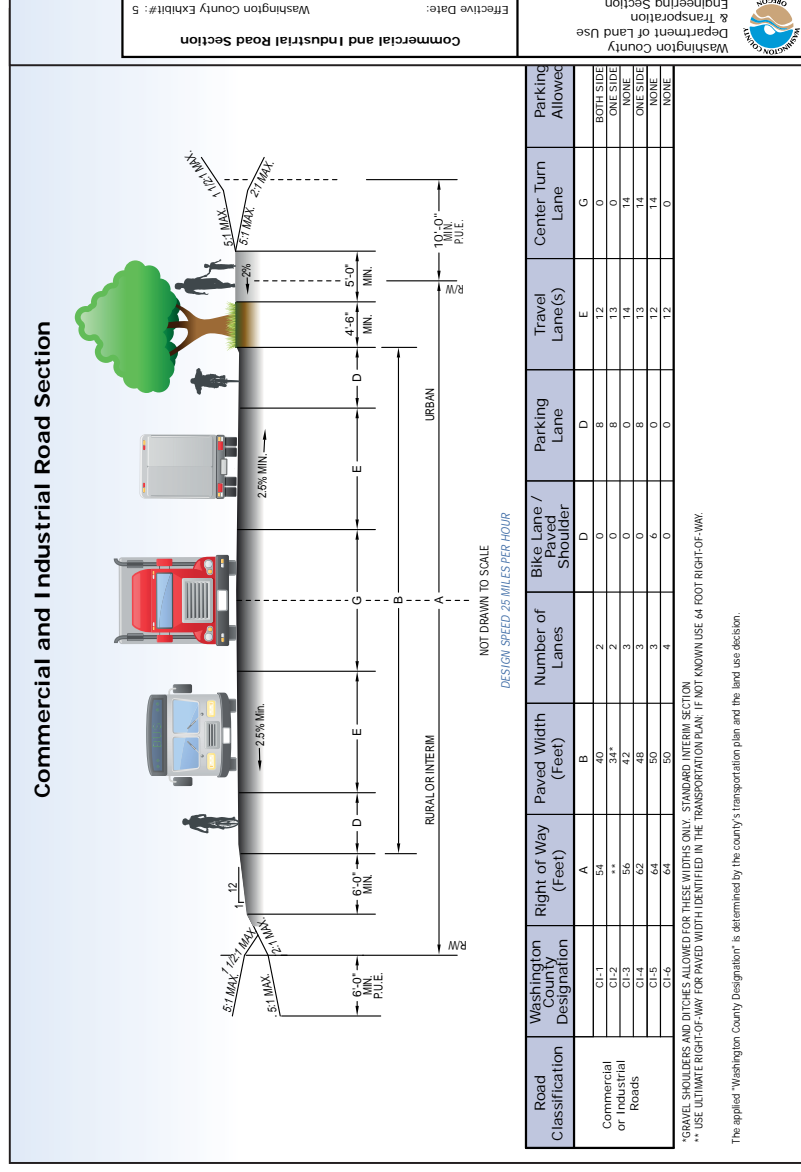


Figure 5 - Commercial and Industrial Road Section

Parking Requirements

To accommodate the vehicles accessing the site, on-site parking will be required. Based on the City of Wilsonville's zoning code section 4.155 Table 5 and City of Tualatin Community Development Code Section 73.370, the following parking standards are used for the concept plans. The assumption is that larger building footprints shown in the concept plans are manufacturing type facilities and will require less parking and more loading dock/storage space. The office building prototypes will be more general office and medical/dental type of facilities. For these 3 stalls per 1,000 gsf and 4 stalls per 1,000 gsf are used respectively. For the manufacturing type of facilities 1.6 stalls per 1,000 gsf has been used.

Utilities

STORMWATER

The Basalt Creek Concept Plan and follow-up studies by CH2M indicate that a regional stormwater management facility is not being evaluated for the site and drainage will need to be handled on an individual development basis. The concept plans represent these two options. One scheme indicates some regional stormwater management ponds that can be used to serve portions of the site while the other schemes assume that stormwater will be treated and detained on an individual development basis. The individual lot systems are not shown on the concept schemes but the systems could be combined with the open space indicated to enhance the natural area while meeting the standards. For smaller lots, subsurface systems may need to be considered due to the limited open area on these properties. Low impact development concepts should be considered in the design since they provide an aesthetic and functional benefit.

Based on the existing studies, drainage from a portion of the site can be conveyed north to the City of Tualatin public system and the remainder will flow to Wilsonville. The City of Tualatin has 12-inch storm drain lines that discharge to Basalt Creek. The City of Wilsonville has storm drain lines to the south that discharge to the Willamette River via the Coffee Creek Basin. New storm drain lines are being installed in Grahams Ferry Road as part of the 124th Ave Extension work per the Washington County construction drawings. These lines are 12-inch and 15-inch pipe which collects the roadway section between Basalt Creek Parkway and north of Tonquin Road. The drainage is collected using catch basins and conveyed to a water quality swale at the intersection of Tonquin Road and Grahams Ferry Road to treat the run-off as shown in Figure 6. A 24-inch and 15-inch culvert are being installed along the feasibility study area in tax lots 2S135CC00600 and 2S135CC00800 to collect roadway run-off in this area as the road is sloping towards the site. These culverts cross under Grahams Ferry Road and discharge to the new water quality facility. With the proposed development in this area, these culverts may need to be revised if the grades are modified at the culvert inlets.

The soil types in the area are silty loam and well drained at the surface. This would indicate that infiltration is a feasible option for disposing of storm drainage and would reduce the amount of run-off leaving the project site. The site is not located in a FEMA floodplain.

City of Wilsonville and City of Tualatin	Parking Requirement	Notes
	1.6 per 1000 sf	Per City of Wilsonville Zoning Code section 4.155, Table 5 for manufacturing establishment and City of Tualatin Development code section 73.370 for industrial manufacturing facility
	2.7 stallsper 1000 sf (min) and 4.1 stalls per 1000 sf (max) 3.9 stalls per 1000 sf (min) and 5.9 stalls per 1000 sf (max)	First requirement is based on other commercial use (not medical/dental) and the second parking requirements are based on medical and dental use, per City of Wilsonville section 4.155, Table 5 and City of Tualatin Development Code Section 73.370.

Table 1 - Parking Requirements



Wilsonville Creekside Woods Swales

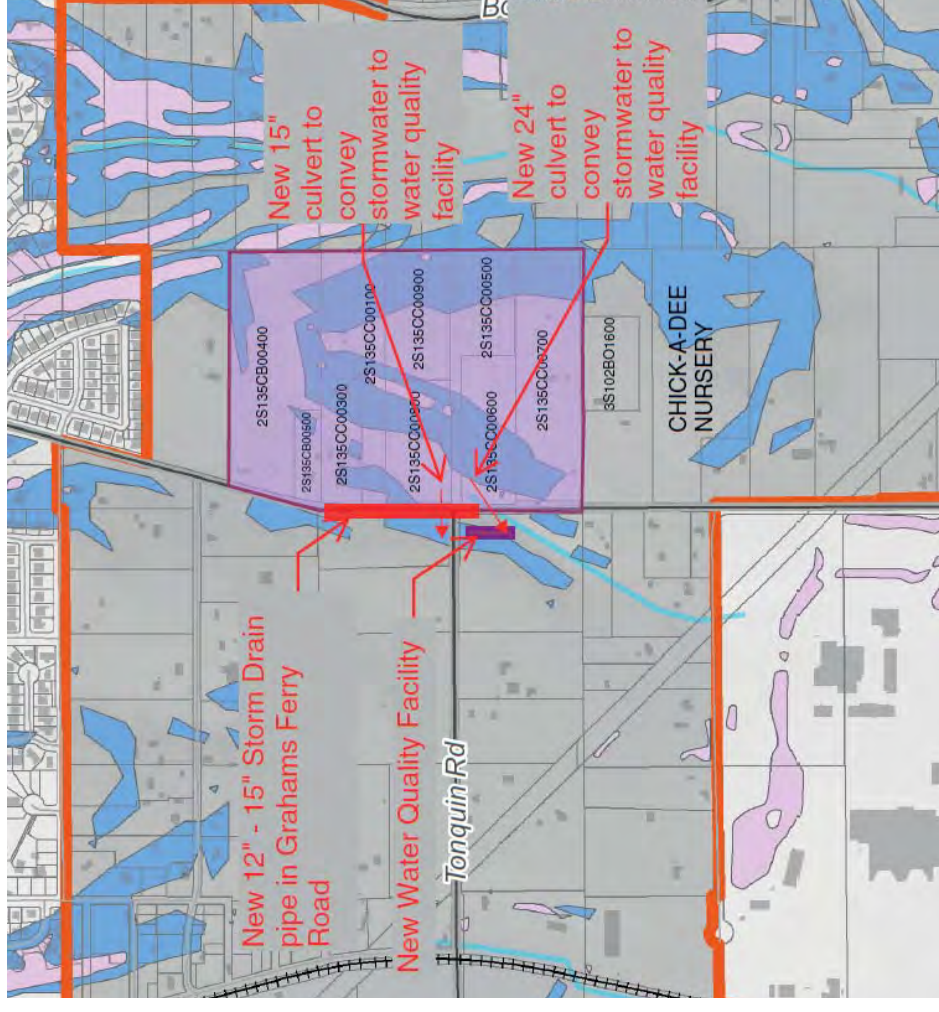


Figure 6 - Storm Drainage

Utilities

WATER

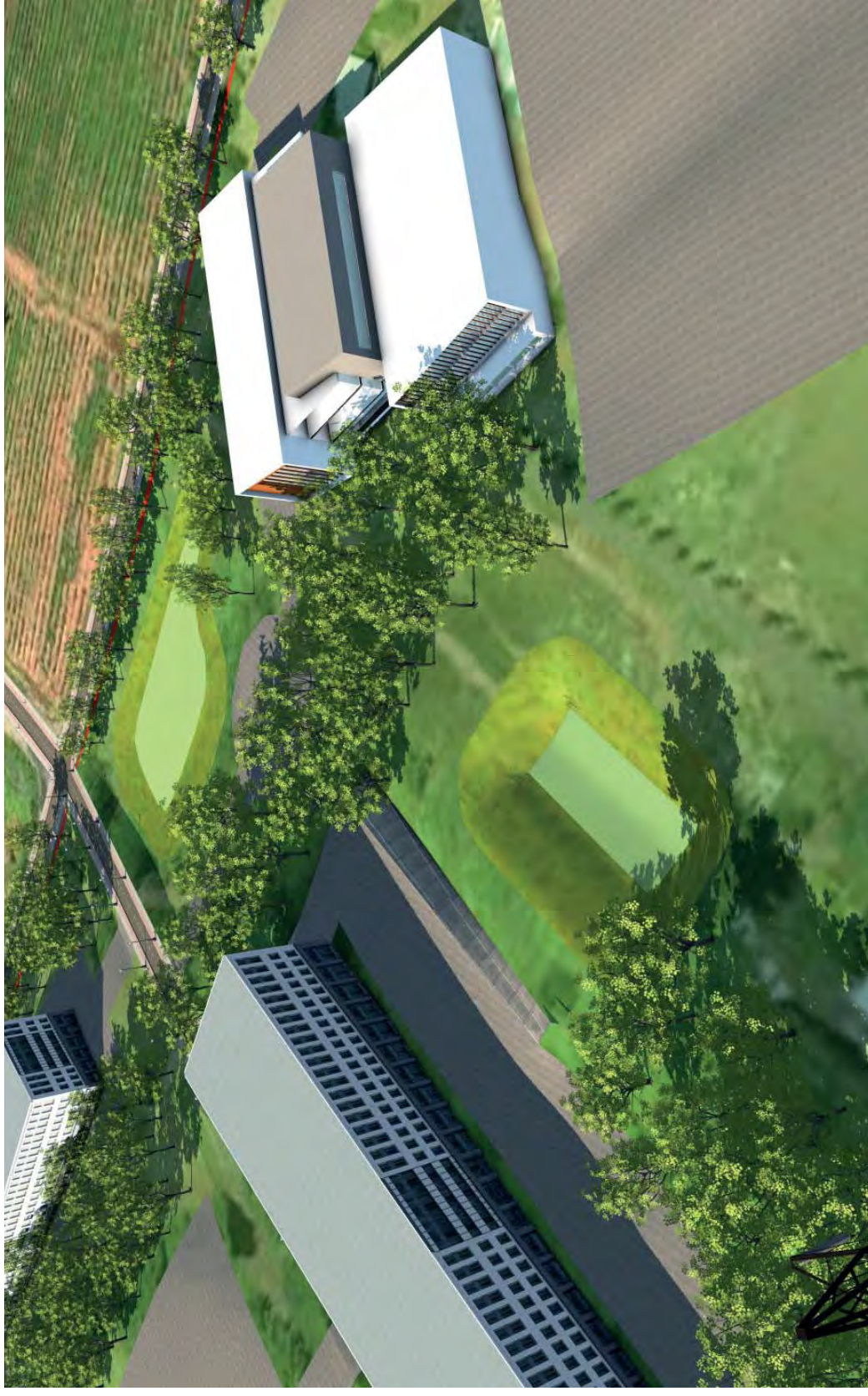
Currently there is no water service to the site, but the CH2M utility study in 2016 indicated that water can be provided to the site either from the City of Tualatin or the City of Wilsonville. The City of Wilsonville gets their water from City of Wilsonville (Willamette River Water Treatment Plant). The current capacity in the plant is 15 MGD but it can be increased to 70 MGD. The City of Wilsonville water study for the region accounted for 0.75 MGD of water being required for industrial use. The increased water demand for the proposed schemes can be served by the planned improvements in the area. The utility layout for each scheme assumes that water lines are installed in Grahams Ferry Road and these lines are sized for the capacity of the proposed development. The water line installed in the future Basalt Creek Parkway will provide a looped system in the area but the study area will not connect to this line. Water lines will be installed within the public roadway shown on the schemes.

SEWER

There is currently no sewer service to the site but sanitary sewer service connections are available to the north via the City of Tualatin or to the south via the City of Wilsonville. The City of Tualatin sewer lines are conveyed to the CWS Durham Treatment Plant for treatment and the lines are managed by CWS. The City of Wilsonville has a treatment plant south of the site and most flows from the study area can gravity flow to the Wilsonville treatment plant. To connect to the CWS and Tualatin system in the north, a lift station will be required near the intersection of Grahams Ferry Road and Day Road. This will pump the sewage to the existing main at Grahams Ferry Road and Helenius Street.

Assuming the Grahams Ferry Road pipes are sized to accommodate the proposed development, sewer service is available to the site. Public sewer lines will be installed within the public roadway sections shown on the schemes. Due to the uncertainty regarding utility lines being installed in the future Basalt Creek Parkway and ability to connect; the sewer connections for the study area are shown to Grahams Ferry Road only and no connections are shown to the future Basalt Creek Parkway.

Water reuse strategies should be considered for manufacturing and industrial facilities. These facilities often use a large quantity of water for functions such as cooling towers, air handling units, or process water. This water could be recirculated on-site for non-potable use or a closed loop system could be designed to both help reduce the amount of water required and the sewage flow from the property.



Scheme B Stormwater Pond

Site Factors

ENVIRONMENTAL

The Basalt Creek planning area primarily contains agriculture and undeveloped forest land. Basalt Creek runs along the eastern edge of the site and there are multiple wetlands and riparian corridors within the site based on the RLIS data provided by the City of Wilsonville and the Basalt Creek Concept Plan Existing Conditions Report. The Land Suitability Study completed in 2015 indicates that the tax lots within the project site are modestly constrained for development since these are medium sized lots that are mostly vacant or undeveloped (see Figure 7). The Environmental Constraints Exhibit (Figure 8) in this report indicates the site constraints that will impact the developable area. Per documentation from PGE, restrictions within their easement include the construction of any permanent feature such as a building, planting trees or heavy vegetation that may impact the clear height to the poles, constructing permanent obstructions that may impact their maintenance access, and extensive grading. Parking lots, roads and low height vegetation are allowable uses within the easement.

The Site Constraints table summarizes the setbacks associated with the environmental constraints and lists the implications to the developable area using Clean Water Services standards. The City of Wilsonville standards may vary from these, and some of the environmental constraints noted can be mitigated through the use of mitigation banks or mitigation at other locations. Washington County indicated for the 124th Ave extension work, mitigation for wetland impacts was done by purchasing credits for the Mud Slough Mitigation Bank.

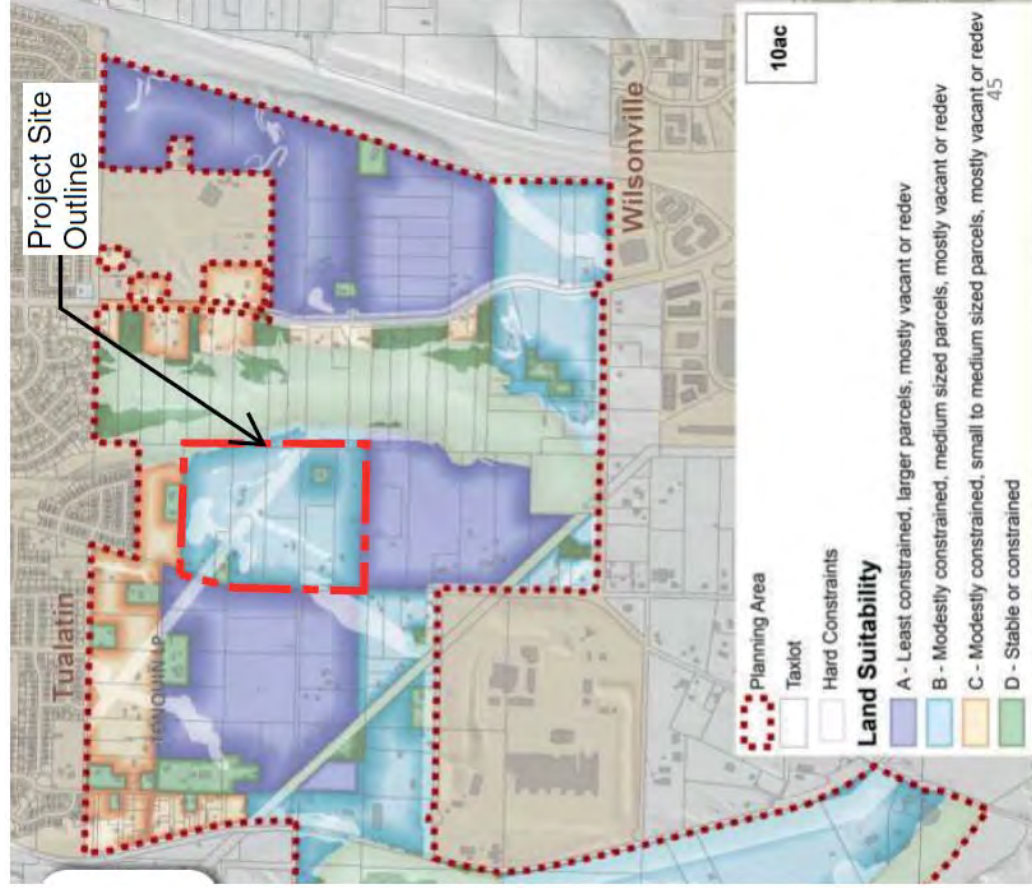


Figure 7

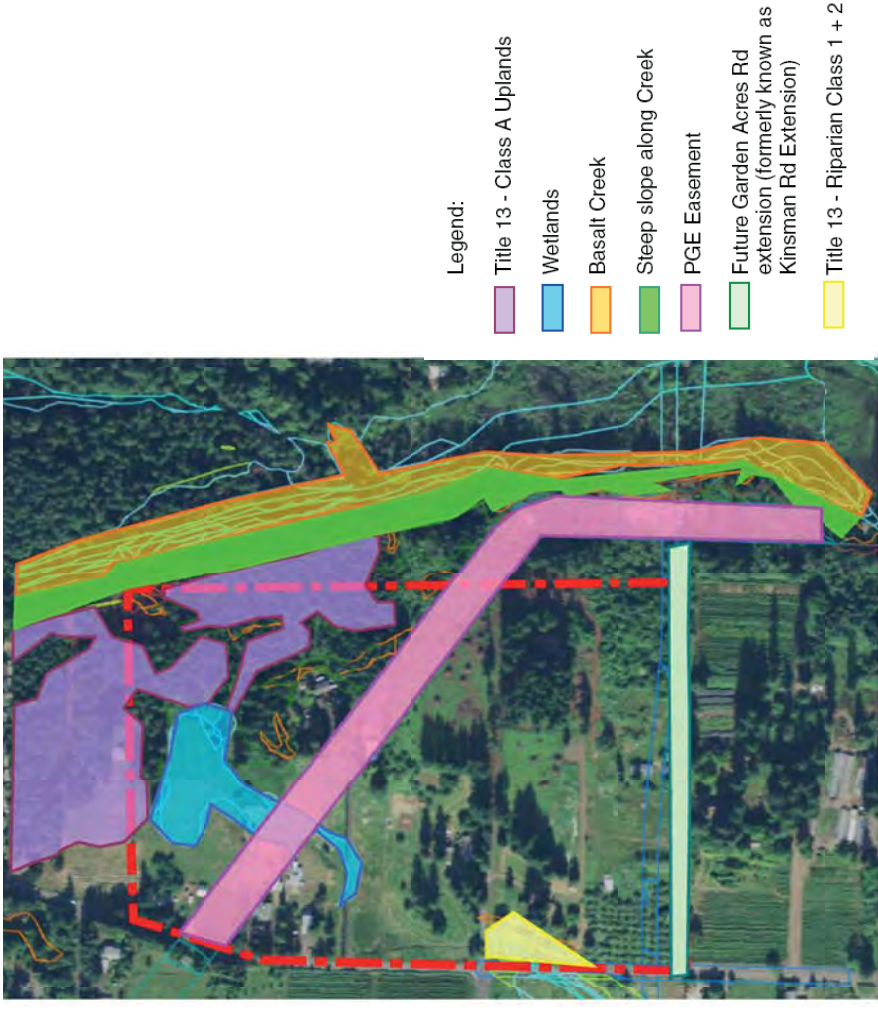


Figure 8

Constraint	Description	Setbacks*	Development Limitations
Title 13 – Class A Upland	Area defined as high value for wildlife habitat		Can do routine maintenance and repair of structures within this zone as long as the upland area is maintained. Design to incorporate minimum impact.
Title 13 – Riparian Class 1 and 2	Supports 1-3 riparian functions	100'	
Basalt Creek	Perennial Creek	50' (per CWS Table 3.1)	
Wetlands	Wetland	50' (per CWS table 3.1)	
Steep slope	Slopes greater than 25%	The vegetated corridor will extend 35' beyond the break in slope along the creek	Steep slopes are considered unstable and not desirable for development.
PGE Easement	Overhead transmission lines	125' easement	PGE has limitations for use within the ROW including tree locations and permanent structures to allow maintenance of the lines.
Future Roadway Extension	Future Basalt Creek Parkway	90' ROW	Per Washington County TSP Figure 3.10 this is a 4-5 lane arterial.

Table 2 - Site Constraints

* - Vegetated corridors within CWS are measured from edge of the sensitive area and are for each side of the corridor.

Site Constraints

ELEVATIONS AND ROCK EXCAVATION

The project site is currently relatively flat in the southern and northwestern region but has slopes towards the middle and east that are in the 15-25% range. Adjacent to Basalt Creek, the slopes are above 25%. The site slope map (Figure 10) indicates the approximate slopes on the site based on GIS data provided by the City. The steeper slopes can cause challenges for development due to additional cut and fill earthwork that is required to create a level building pad and site. Industrial facilities typically require large, flat areas for the building pad and adjacent storage and loading/unloading zone. As a result, in the schemes the industrial facilities have been set in the flatter portions of the site and alternative building types have been shown in the steeper sections such as office space. Office buildings are more conducive to split elevations and access at varying levels to accommodate grade. Parking lots can also be used in the sloped portions of the site with retaining walls to create level parking areas. Concept grading schemes have been developed for each of the three schemes to show potential finished floor elevations.

The geotechnical report by GRI dated March 19, 2015 and the CH2M study of this area indicate that rock excavation can be expected in the eastern portion of the site. Moving further west from Basalt Creek and towards Graham Ferry Road, the amount of rock expected to be encountered with construction decreases. The rock in the area is basalt per GRI's findings and it is decomposed rock that is soft to very soft. However, the boring equipment did experience drill chatter while excavating the 2 deep boring holes within the feasibility limits, suggesting the rock does provide resistance to excavation and may require heavier construction equipment to remove or blasting. Based on Figure 9 and the studies completed in 2015, the majority of the proposed development area is located in the lowest concentrations of rock excavation. Developers may encounter some rock with deeper excavations during construction but this could be addressed by raising finished grade here to reduce the amount of excavation required. Based on the previous studies completed, grading and site preparation will require some attention in the proposed development area but are not as large of a concern as in some other portions of the Basalt Creek planning area.

Per the SW 124th Ave Extension plans, the intersection of SW Grahams Ferry Road and Tonquin Road will be raised approximately 9 feet from existing grade. To match existing grade on the east side of the roadway (along the project site frontage) a cut/fill slope will extend approximately 20 feet into the site. Per Washington County, the slope easement is a permanent easement. However, if the project development raises grade to match the roadway grade in this area, then the easement can be removed and this land is available for development. The slope easement is shown on the concept site plans for reference.

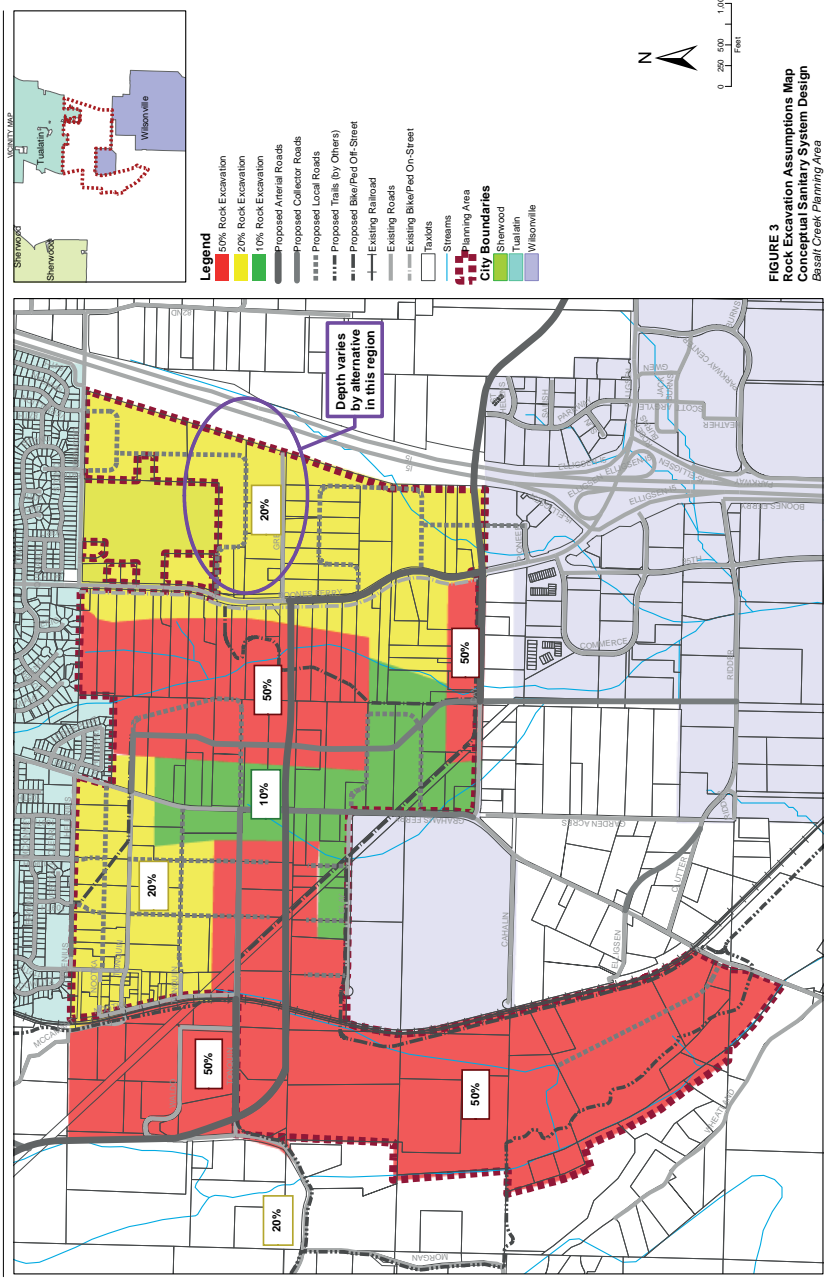


Figure 9 - Rock Map by CH2M

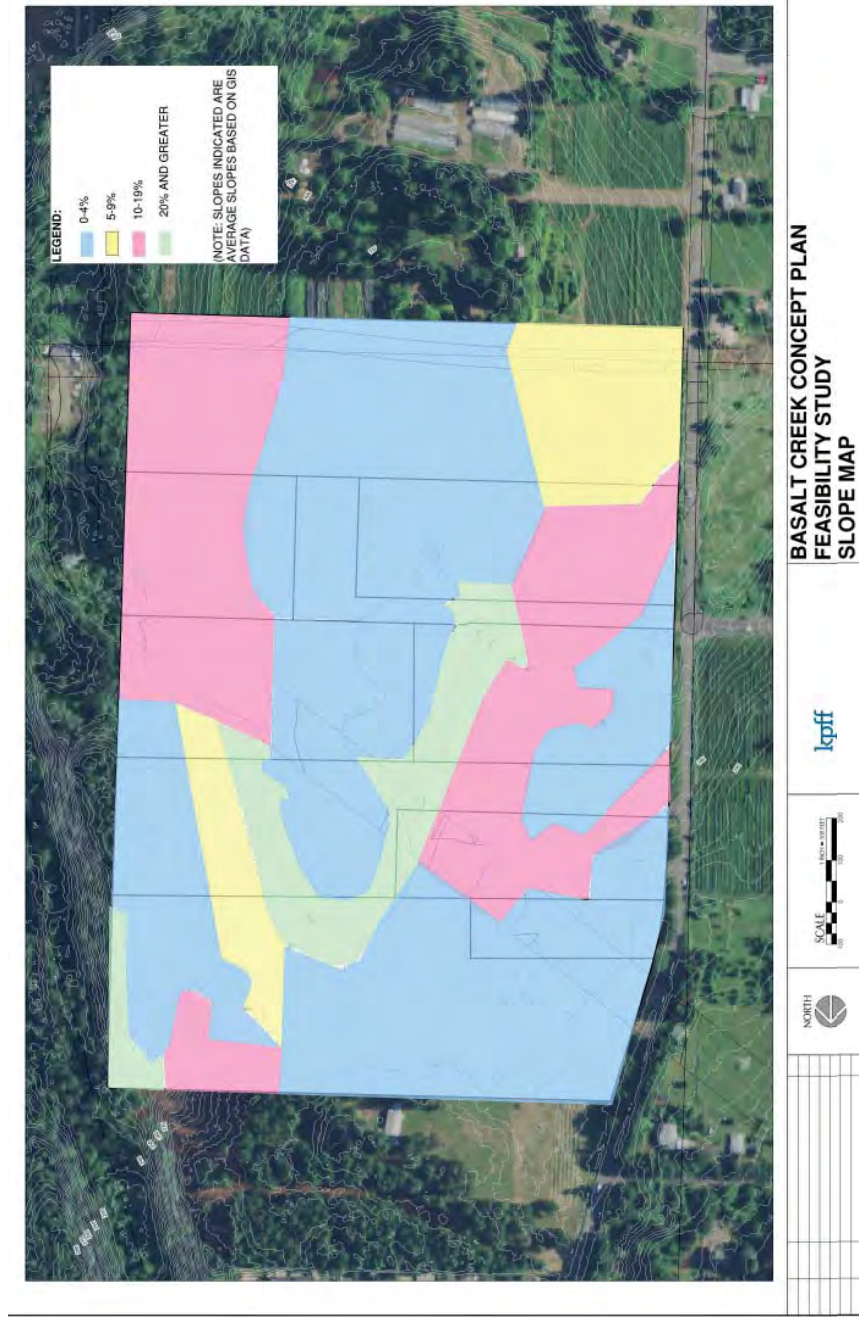


Figure 10 - Slope Map

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Schemes



Building Prototypes

The building sizes and footprints shown in the concept plans are based on the following building prototypes. These prototypes were chosen based on their location in the local area (so they are representative of local facilities), variation in footprint size, and to provide a variety of building uses. The table to the right corresponds to the letters on the concept plans and in the renderings:

The craft industrial footprint (E1-E4) used in the concept schemes represents a block footprint that can fit within the space available. This footprint, however, can be modified to accommodate smaller buildings to serve more craft industrial type of services such as breweries, pottery or metal works, craft making, or others. Some images for these types of buildings are included to provide a reference for what other footprints may be used to develop the area.

Sample Building Designation

BUILDING DESIGNATION A



Fujimi Corporation

BUILDING DESIGNATION B



Caption

BUILDING DESIGNATION C AND C1



Providence Bridgeport

Building Designation	Building Type	General Description	Approx GSF	Similar facility type
A	Office and industrial mixed use	This is the largest of the building footprints and is a combination of office space in the front and manufacturing/industrial in the back.	215,800	Fujimi Corporation
B	Office	Office building (assumed to be 3 stories for the parking count)	120,000	Levetron Drive office building component shown in image for E1-E4 below
C	Office	Office building with a split bar so can accommodate grade changes (assumed to be 3 stories)	120,000	Providence Bridgeport
C1	Office	Office building with a split bar to accommodate grade changes. This is a slightly smaller footprint than C (200' x 100' vs 200' x 200') to fit the smaller lots (assumed to be 3 stories)	80,000	
D	Manufacturing/Industrial	This building is more of a manufacturing/industrial facility with limited office space and more loading bays and exterior storage.	90,000	Hesler Industries
E1-E4	Craft Industrial	Buildings E1-E4 are craft industrial type of facilities with limited office space and more workshop type of facilities over large manufacturing. These have vehicle access around the site and some storage area but do not require as much yard space as building D.	Varies 10,800 – 82,500	Industrial Park on Leveton Drive

Sample Building Designation

BUILDING DESIGNATION D



Helsler Industries

BUILDING DESIGNATION E1-E4



Industrial Park

Sample Craft Industrial Buildings



Schmeer Sheet Metal Works (NW Vaughn St, Portland)



Bull Run Distilling (2250 NW Quimby St, Portland, OR)



Redmond Art Works (6825 176th Ave NE, Redmond, WA)

LAYOUT

Scheme A is developed to preserve as much of the open space as feasible on the north side of the site including the upland habitat and wetlands. The development is primarily focused south of the PGE easement and includes building prototypes C, D, B, and E. Building C is located on the southeast corner of the site so it is the face of the development when someone is traveling west on future Basalt Creek Parkway. From here, the site begins to accommodate more of the industrial use by locating building D on the flatter portion of the site near the future Basalt Creek Parkway and buildings E1-E4 to the west near the environmental regions and PGE power lines. The lots for buildings E3 and E4 are large to include the open space areas. At the corner of Grahams Ferry Road and future Basalt Creek Parkway, Building B is located to anchor this corner and provide office space and a visual marker. Access to the facilities is via a single public road connection at Tonquin Road. This public road is assumed to be similar to the Washington County industrial/commercial roadway section described previously. The parking lot sizes indicated are based on the assumed parking counts previously indicated for the gross square footage of development. Parking lots and loading areas can be screened in this layout with trees planted along Basalt Creek Parkway, Grahams Ferry Road and along the public roadway within the site. A secondary access point will be required off of Grahams Ferry Road for the E2 building in the northwest corner of the site. Parking for Scheme A is located close to the buildings and there is some parking in the PGE easement, but of all the schemes this has the least amount of parking in the easement.

For Scheme A the total built area is 480,000 sf, the total parking count is 1,230 stalls, and the potential open space is 14 acres.

GRADING

The finished floors indicated represent potential finished floors for the buildings taking into account existing grade and the roadway grading being completed for Grahams Ferry Road at Tonquin Road. Building B in the southwest corner will be a split building to accommodate the slopes in this region. Retaining walls will be required on the west side of this building to meet the roadway grades and the building will be sitting higher than the adjacent roadway. Buildings E1-E4 are set close to existing grade to minimize the earthwork for these structures and to maintain the existing grade at the open space areas. E3 has a split elevation in the east/west direction to accommodate the grade change north of the PGE easement where the site currently slopes down to the upland habitat area. Building D is located near the plateau area on the south side of the site where the grades are relatively flat. This allows for level areas around the building for storage yard and loading bays. Building C in the southeast corner of the site is designed to accommodate the grade change here as the site begins to slope into Basalt Creek. The existing grade change in this area is 40 feet. The design concept shows a 15-foot grade change between the two building bays which would allow access at two different floors. Changes to grade in the parking lot will need to be accommodated by retaining walls in this option. A retaining wall will be required along the eastern property line near building C. Of the three options, Option A works the best with existing grade since improvements north of the PGE easement and east near the creek are limited.

Scheme A Grading



Scheme A



UTILITIES

Utilities for Option A will include sewer and water service to the buildings from Grahams Ferry Road and via the public roadway within the site. There is no regional storm drainage concept in this scheme and the intent is for storm drainage to be accommodated on each lot through the use of subsurface or low impact development options. Buildings E1-E4 are either adjacent to or include the open space in their lots which provides the opportunity to incorporate the drainage systems with these areas and to gravity drain down to the open space. The building grades within the site are raised from the roadway grades in Grahams Ferry Road in Scheme A, with the intent to gravity drain the sewer from the site to the public lines. Drainage for the other buildings (B, D, and C) will also be able to gravity drain to Grahams Ferry Road.

ENVIRONMENTAL IMPACTS

Scheme A of the three schemes preserves the most amount of open space and has the least impact on the existing natural resources. This option preserves both the wetland and upland habitat area on the north side. The Title 13 riparian corridor along Grahams Ferry Road is impacted under all 3 schemes and this can be mitigated similar to what the County did for work on 124th as described previously. Based on the condition of the wetland onsite, there is a potential to enhance this area to act as a transition from the development to the residential uses to the north.



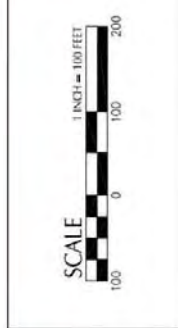
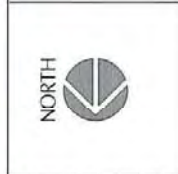
Scheme A Utilities

Scheme B

Scheme B – maintains some open space in the northeast corner of the site but develops more of the site than Scheme A



DATE	DESCRIPTION	BY



BASALT CREEK CONCEPT PLAN FEASIBILITY STUDY SCHEME B - SITE PLAN

LAYOUT

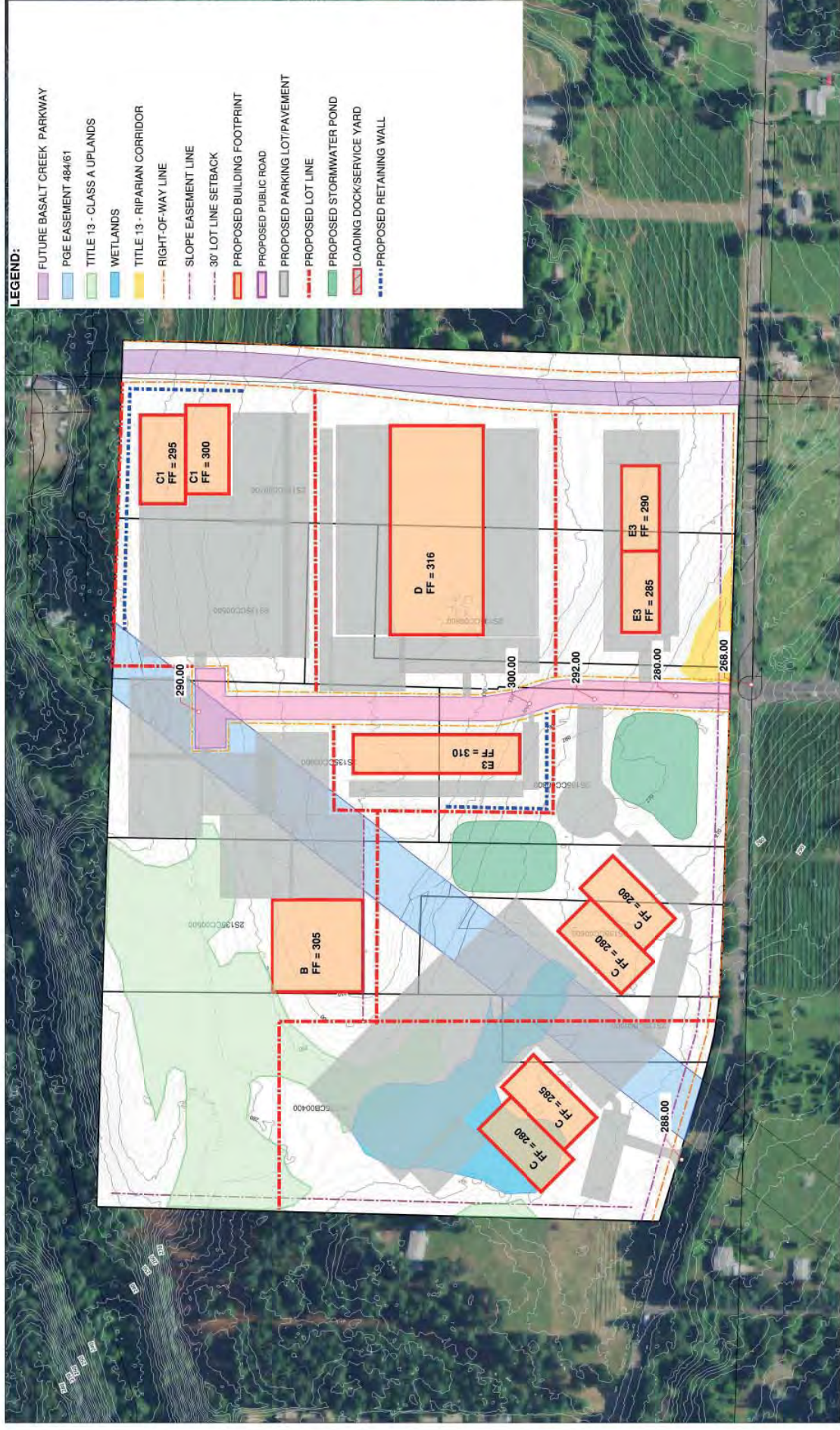
Scheme B is the moderate scheme between Schemes A and C. It utilizes more of the open space for development than Scheme A but it also maintains some open space unlike Scheme C. Scheme B has a combination of office and manufacturing/warehouse space and has the largest number of office-only buildings (prototypes B and C) of all three schemes. In Scheme B, buildings E and D are located along the future Basalt Creek Parkway in the southern portion of the site. Building D is located on the flatter portion of the site, similar to Scheme A. Building E3 is located in the southwest corner of the site and both parking and vehicle access are provided around all sides of this building. Building C1 is located in the southeast corner as in Scheme A to anchor this location and to provide a visual presence for the site as drivers travel west on the future Basalt Creek Parkway. The C1 footprint was used here to reduce the parking area and to allow Building D to be located on the flatter portion of the site. The public roadway heading east from Tonquin Road intersects the site internally both north and south. To the north of this road is a smaller craft industrial building (E3) and then closer to the open space are office Buildings B and C. Building B is adjacent to the upland habitat area and the open space can be incorporated into the building layout and design. The two type-C buildings located on the northwest portion of the site will have a shared parking lot. Access to these buildings is from Grahams Ferry Road and the internal public roadway. Scheme B utilizes the PGE easement for parking more than Scheme A. Scheme B is also the only scheme that looks to incorporate regional stormwater systems into the layout. These ponds are shown near the main entrance to the site.

For Scheme B the total built area is 594,800 sf, the total parking count is 1,753 stalls, and the potential open space is 6.3 acres.

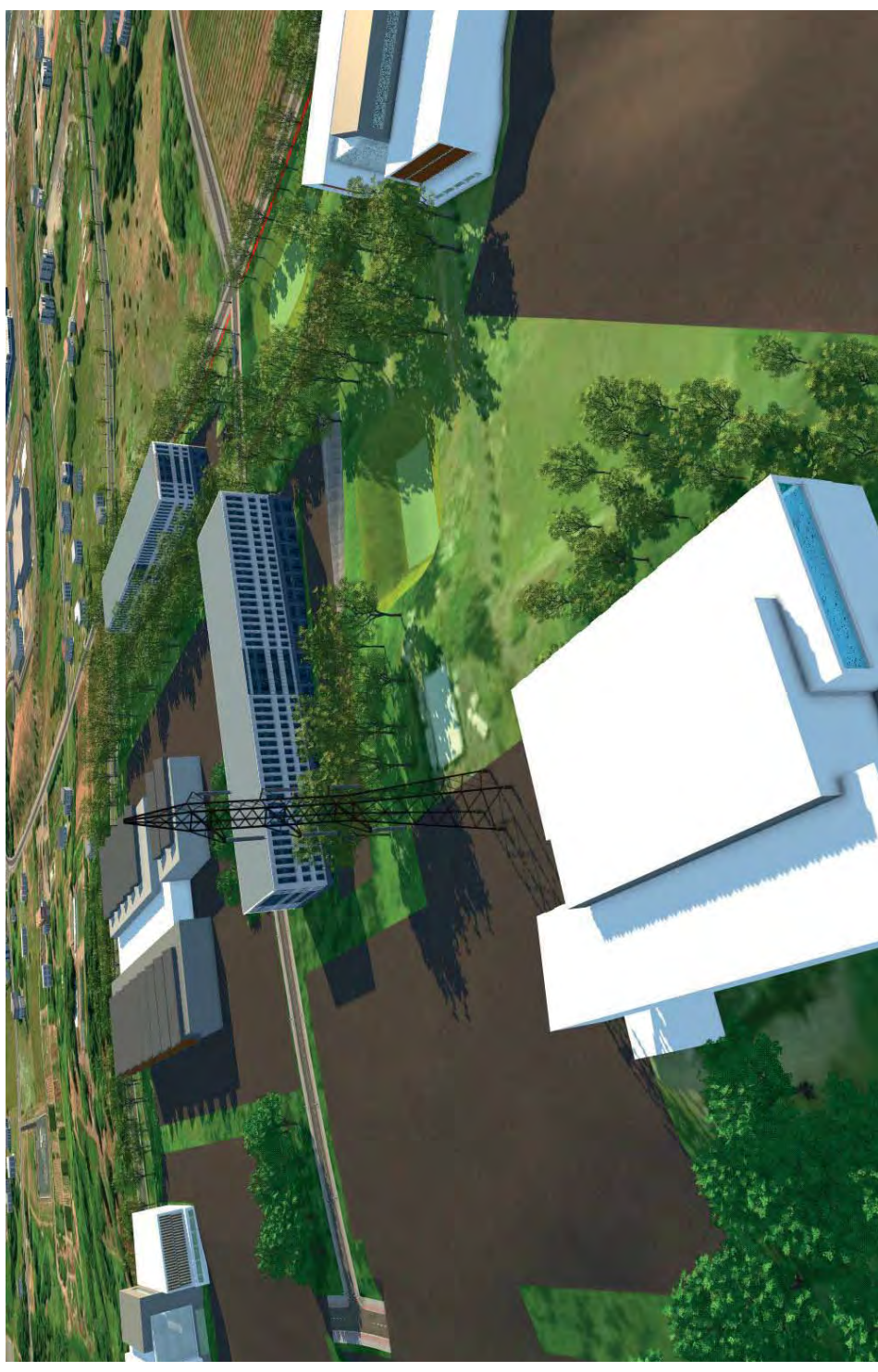
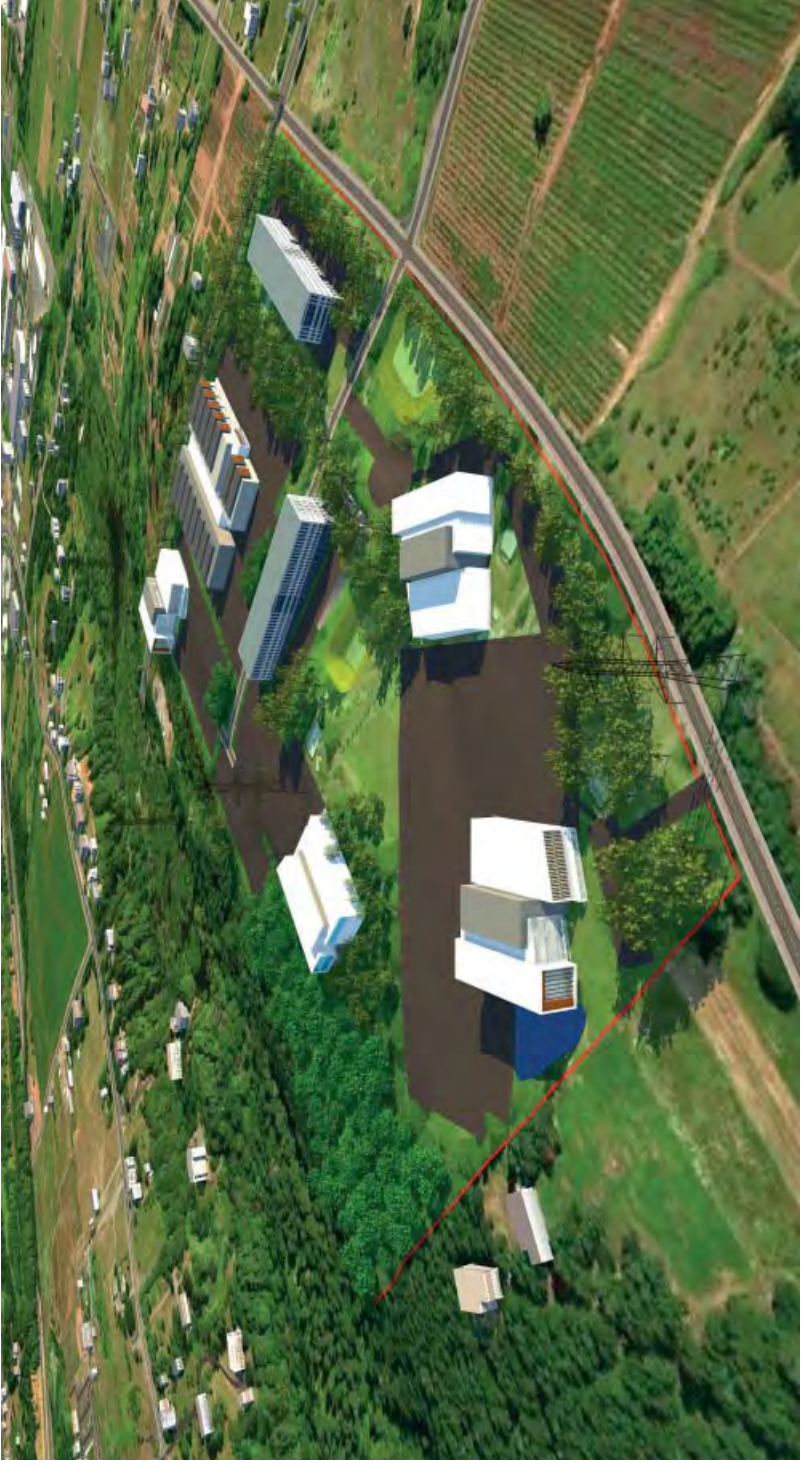
GRADING

The finished floors indicated represent potential finished floors for the buildings, taking into account existing grade and the roadway grading being completed for Grahams Ferry Road at Tonquin Road. Building E3 in the SW corner of the site will be split in elevation to accommodate the existing grade here. Retaining walls will be required along the eastern and southern side of these lots to match the roadway grades. Since building E3 will be filling in the slope easement, this easement can be removed providing more developable area between the building and Grahams Ferry Road. Buildings D and C1 are located in similar locations in Scheme A and B. Building D is located near the plateau area on the south side of the site where the grades are relatively flat. This allows for level areas around the building for storage yard and loading bays. Building C1 in the southeast corner of the site is designed to accommodate the grade change here as the site begins to slope into Basalt Creek. The grade change in building C1 is shown as 5 feet and a retaining wall will be required along the eastern property line. Retaining walls will be required in the parking lot for C1 and the adjacent building B to accommodate the slope in this area. Building B is located at the top of the slope near the upland habitat and will require some cut in this area to create a level building pad. Buildings C near the western portion of the site steps down with grade with 5- to 10-foot grade variations between the levels. This is to accommodate the existing slope in this area. Access is also provided from Grahams Ferry Road to these building which impacts the finished floor elevations.

Scheme B Grading



Scheme B



UTILITIES

Utilities for Scheme B will include sewer and water service to the buildings via the public roadway within the site and Grahams Ferry Road. There are two regional storm drainage ponds shown in this concept that provide approximately 1.6 acres for water quality treatment and detention. To accommodate the full build out of development, this will not provide enough volume and storm drainage will also need to be accommodated on each lot through the use of subsurface or low impact development options. Buildings B and C are either adjacent to or include the open space in their lots which provides the opportunity to incorporate the drainage systems with these areas. The building grades within the site are raised from the roadway grades in Grahams Ferry Road, with the intent to gravity drain the sewer and drainage from the site to the public lines.

ENVIRONMENTAL IMPACTS

Scheme B is the middle ground option for natural resource protection. The upland habitat area in the northeast corner of the site is maintained in this option but the wetland north of the PGE easement is utilized for development. The condition of this wetland will need to be evaluated as the region is developed but visual observations during the site walk of the area indicated this wetland may not be in "good" condition and could be mitigated elsewhere. By utilizing the wetland area it allows the northwest portion of the site to be developed more than in Scheme A providing more building square footage and employment opportunities.



Scheme B Utilities

Scheme C

Scheme C – fully develops the site to the maximum extent feasible and has the least amount of open space



NO.	DATE	DESCRIPTION	BY

LAYOUT

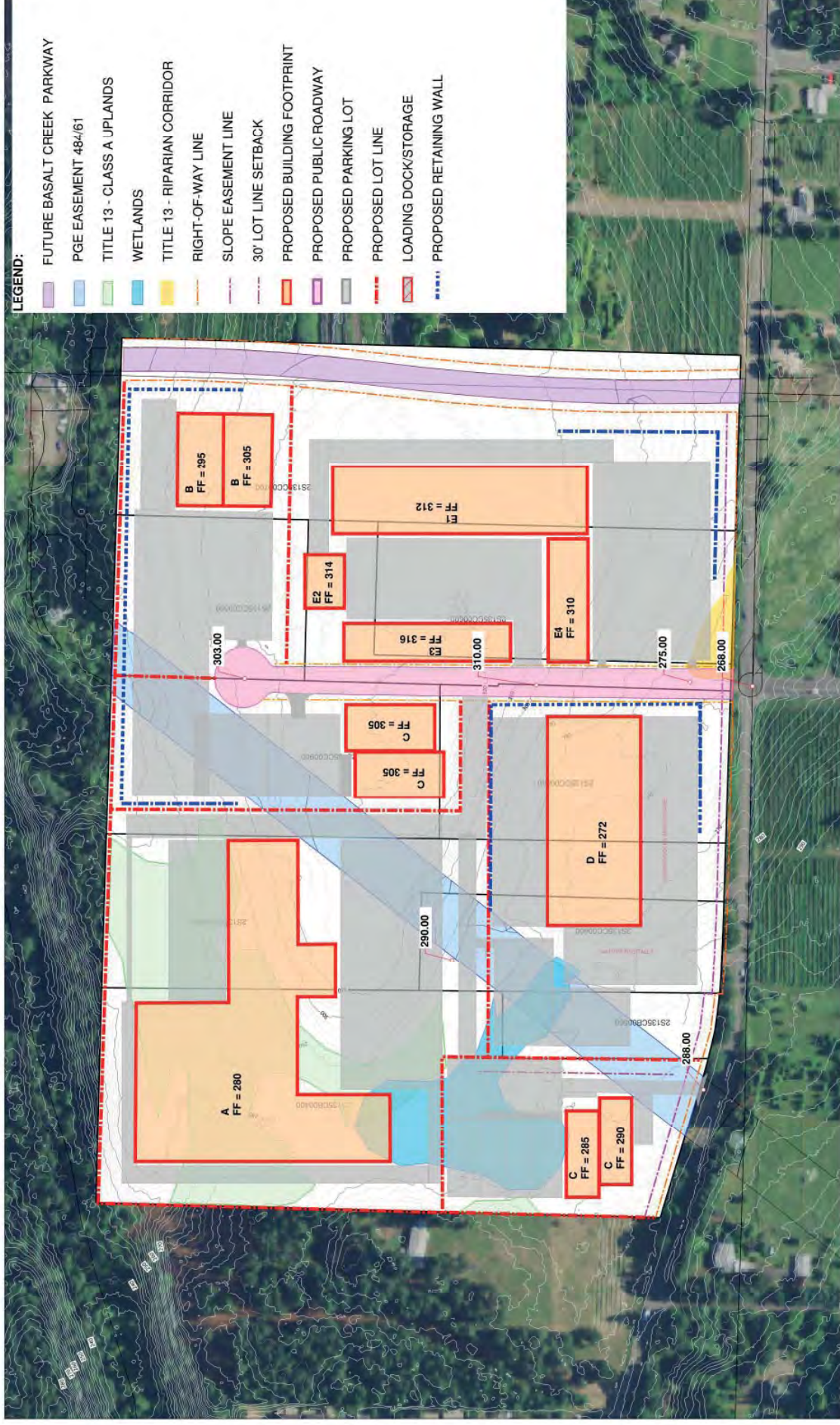
Scheme C utilizes the most amount of area on the site for development and preserves the least amount of open space of the three schemes. In Scheme C, buildings E1 – E4 are located along the southern portion of the site and have a combined courtyard area to allow for storage, utility yards and other uses that can be screened from the public. Parking for these buildings is combined and located in a lot at the southwest corner of the site. In the southeast corner of the site is Building B. Building B is located further away from the Basalt Creek steep slope in this scheme so it can be closer to the flatter portion of the site. This building still requires a step in the finished floor elevations but there is more room to grade out from the building to the east, which helps to reduce the retaining wall height here. A public roadway is located east of Tonquin Road and provides the north/south split within the site that is common between all three schemes. On the north side is Building C which is accessible from the site public roadway. Building C shares a combined parking lot with Building B. North of the new public roadway is Building D. A second building C is located in the northwest corner of the site, similar to Scheme B. Scheme C is the only one to utilize the Building A footprint since this is the largest of all the building prototypes and requires infilling the natural resource area to accommodate the building. Parking and roadways are located within the PGE easement in Scheme C and this scheme utilizes the PGE easement the most. In Scheme C there is no anchor building at the southeast corner of the site to provide the visual connection from Grahams Ferry Road since this area is utilized for parking.

For Scheme C the total built area is 781,350 sf, the total parking count is 1,542 stalls, and the potential open space is negligible. The parking stalls provided is less than the required count by code since the parking lots are shared in Scheme C for Buildings B and C. There is not enough room on the site to meet the parking count for each building individually.

GRADING

The finished floors indicated represent potential finished floors for the buildings taking into account existing grade and the roadway grading being completed for Grahams Ferry Road at Tonquin Road. For Scheme C, buildings E1-E4 are located on the flatter portion of the site near the future Basalt Creek Parkway and the parking lot in the southwest portion of the site will need to be tiered to accommodate the grade difference between the roadway and buildings. Building B is stepped in the southeast corner similar to buildings C in Schemes A and B to accommodate the grade change here. The combined parking lot for buildings B and C will be located on the slope heading down to the upland habitat area and will require retaining walls to accommodate the grade change. Building C has a constant finished floor in Scheme C and the grades slopes north from Building C to Building A. Building A is located in the lower portion of the site and is at the elevation of the upland habitat area. This allows the building to create level areas on the east and north side for storage and vehicle access. From Building A, the site slopes back up to the west to set the finished floors for buildings D and C. Building D is located on the flatter area near Tonquin Road and Building C is stepped to accommodate the grades to the north. Scheme C will require internal retaining walls to accommodate the grade changes within the site since this scheme has the most amount of impervious area and the least amount of open space to accommodate grade changes in undeveloped areas.

Scheme C Grading



Scheme C

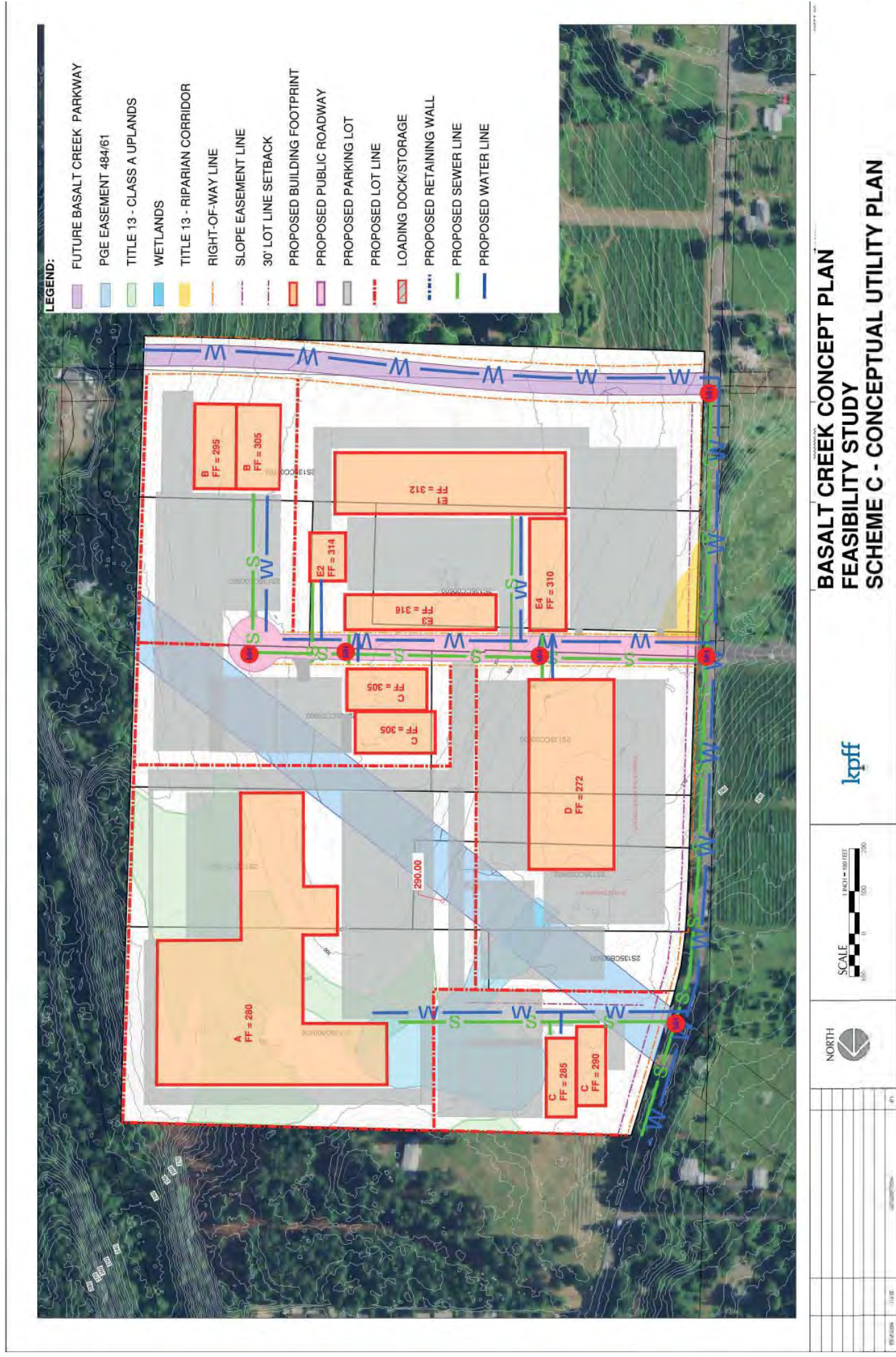


UTILITIES

Utilities for Scheme C will include sewer and water service to the buildings from the public roadway within the site and Grahams Ferry Road. This scheme does not show any regional stormwater systems and storm drainage will need to be accommodated on each lot through the use of subsurface or low impact development options. The building grades within the site are raised from the roadway grades in Grahams Ferry Road, with the intent to gravity drain the sewer and drainage from the site to the public lines.

ENVIRONMENTAL IMPACTS

Scheme C has the most impact to the environmental resources on site and preserves none of the upland habitat or wetlands. These areas will need to be mitigated either through mitigation banks or improvements off site.



Scheme C Utilities

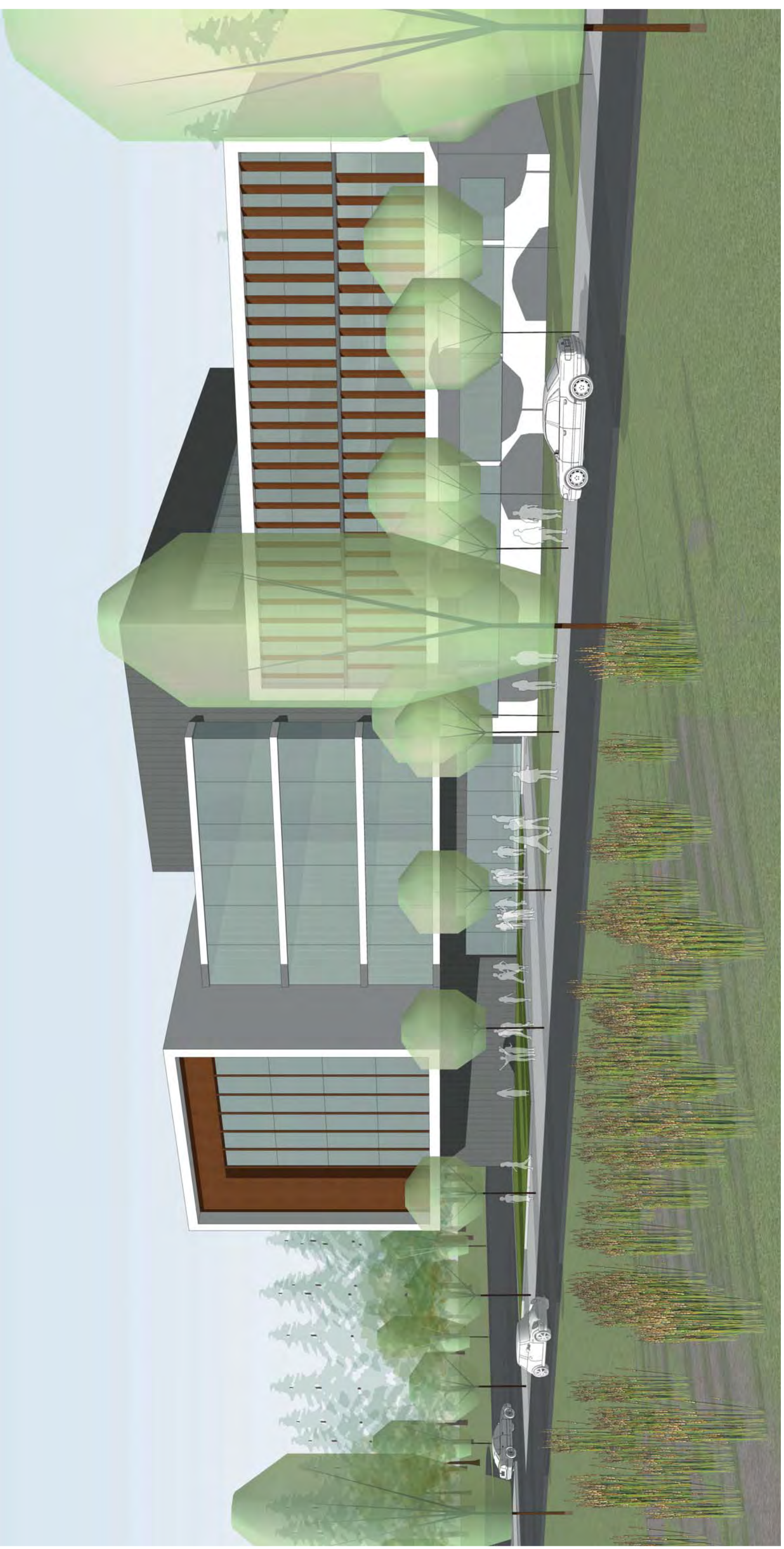


Building Renderings

Building renderings provided are representative conceptual images of what Buildings B, C, and D could look like

Building B

ZGF
ZIMMER GUNSUL FRASCA ARCHITECTS LLC



Building C



Building D

ZGF
ZIMMER GUNSUL FRASCA ARCHITECTS LLC



Summary

SCHEMES

Each scheme presented provides unique design opportunities for the region that capitalize on the goal of increasing employment opportunities. The three schemes take different approaches on how to develop the site and provide test fits for design concepts. The existing grades on the site pose a challenge for development but the concept grading schemes show the grade changes can be accommodated through the use of stepped finished floors and retaining walls. Grades within the parking lots for some of the schemes may require the use of walls and terraced parking to accommodate the slope. The material for the retaining walls can be chosen to be aesthetically pleasing and the walls may be terraced to break up the grade and allow for planting in this area. Consideration should also be given in some of these locations to structured parking which can accommodate grade changes better than surface parking can. The table below is a side by side comparison of the three options to show their similarities and differences. “1” indicates that the scheme is closest to meeting the objective and “3” is least of all schemes to meet the objective.

Objective	Scheme A	Scheme B	Scheme C
Provides the most building square footage	3	2	1
Provides the most number of parking stalls	2	1	3
Meets or exceeds the code parking count based on the assumptions outlined in this study	2	1	3
Provides the most potential for open space	1	2	3
Transition to residential area to the north	1	2	3

CONCLUSION

Various employment opportunities can be accommodated on the site from larger industrial facilities such as Building A to smaller craft industrial facilities such as Buildings E. The slope on the site is conducive to the stepped and smaller buildings such as Buildings E and C. These buildings could provide office space as well as smaller craft facilities that can include breweries, textiles, pottery and metal works. Not only will these facilities increase the employment opportunities in the area but they also fill a need for providing space to support local artists and the craft industry. As indicated in the three schemes there is flexibility on the site to use a variety of building types and footprints. This feasibility study has validated through the test fits that the area can be developed to increase employment opportunities in the region. As a result, other land uses were not analyzed for feasibility since the area is designated as a regional employment area.

The site does pose some grading challenges which will require the use of stepped foundations and retaining walls as indicated and discussed. This is not unexpected in the region and the use of retaining walls and stepped footings has been done in other projects locally as indicated by the included images. The cost for accommodating the grade change is higher than if the project site were completely flat, but it is not out of line with development on similar types of sites. Infrastructure costs such as construction of new roadways and utilities are required for all greenfield sites and would be required to develop the feasibility study site regardless of the intended use.



Sample Projects for Similar Grading and Development Schemes



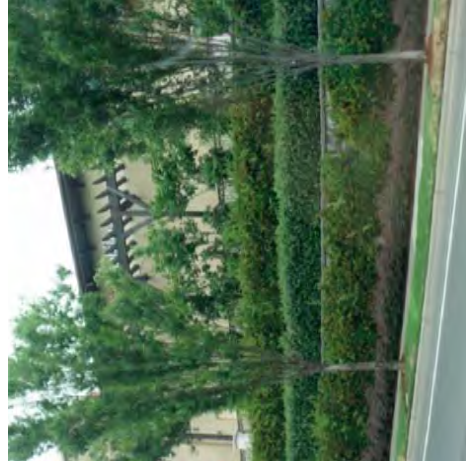
Office and commercial building near SW 124th Ave and SW Leveton Dr, Tualatin with retaining wall between properties



Mountainside High School (new Beaverton High School) looking from Scholls Ferry Rd, Beaverton



Parking lot retaining wall at Legacy Medical Office Building, Tualatin



Nyberg Woods (terraced retaining walls filled with plants), Tualatin



Parking lot off of SW Barnes Rd, Portland (across from Oregon College of Art & Craft)



Access road and retaining wall in the Portland metro area





Existing Conditions Report

Basalt Creek Planning Area

October 2014

V. Commercial, Industrial & Residential Real Estate Markets

The purpose of this section is to provide a picture of existing real estate market conditions and the outlook for office, residential, and retail development in Basalt Creek and adjacent areas.



Figure 23 Photo of planning area: Grahams Ferry Road, looking north into the Basalt Creek planning area. Source: Leland Consulting Group 2014.

Industrial and Office Market

Basalt Creek is located near the center of one of the region’s largest clusters of employment land, which includes existing developed areas in the cities of Tualatin, Wilsonville, and Sherwood, as well as the planned future employment areas of Southwest Tualatin, Tonquin, and Coffee Creek). A market area was defined for this report so results can be compared with future analysis (Figure 24). The market area includes the cities of Tualatin, Wilsonville, and Sherwood, as well as some surrounding areas.

The Metro Regional Government projects rapid employment growth of 2.3% annually for the market area through 2035—about 40% faster than the employment growth in the overall region (1.7 %). This pattern indicates that ongoing business expansion and job creation is expected for these three cities, comprising a large portion of the southwestern metropolitan area.

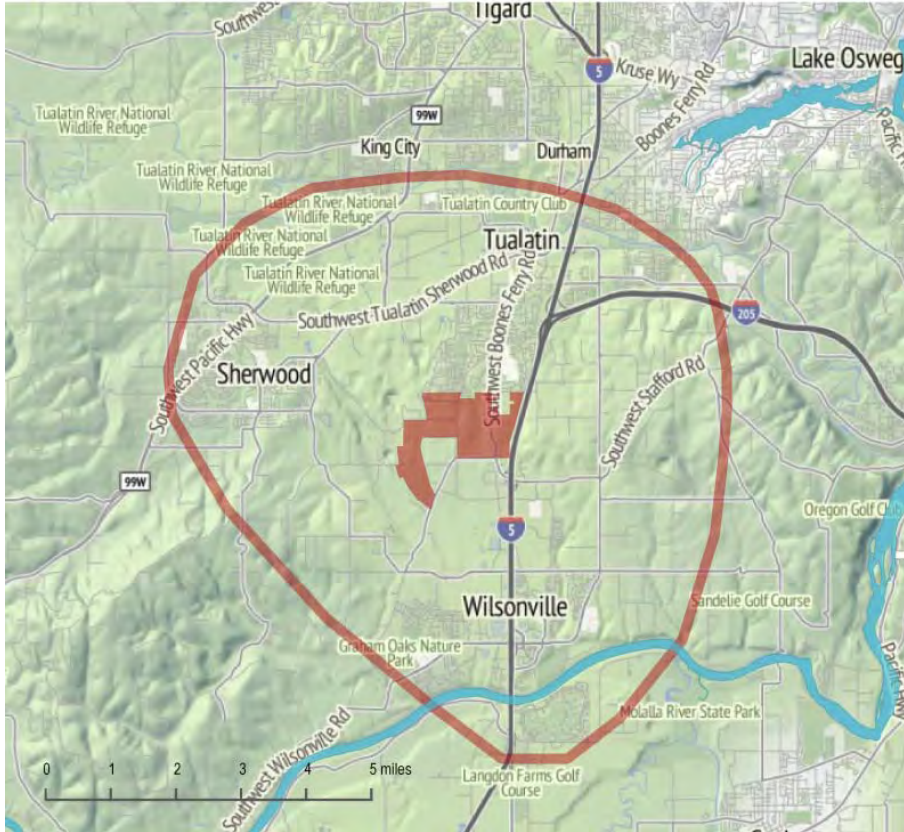


Figure 24 Market Analysis Area for the Basalt Creek area. Source: Leland Consulting Group, 2014.

Tualatin and Wilsonville have independently identified a series of industry clusters in which the two cities are already highly competitive, and in which they expect future significant business and job growth. These include advanced manufacturing, corporate and professional services, health care and related fields, and other specific industrial clusters such as food processing and light manufacturing. Leading organizations within these clusters include Lam Research, Legacy Meridian Park Medical Center, the Oregon Institute of Technology, Mentor Graphics, and Xerox Corporation. Businesses in these categories would be well-suited to locate in the Basalt Creek planning area.

Both Tualatin and Wilsonville have seen significant industrial and office development during the past three decades. Development peaked during the 1990's and has slowed following the recession; however, industrial development in particular is expected to resume and accelerate in coming years due to a desire to “onshore” jobs (bring employment back from overseas), shorten supply chains, and take advantage of lower domestic costs in some industries. Between 1980 and 2014, the cities of Tualatin and Wilsonville saw on average over 400,000 square feet of industrial and office building development annually, and 56.6 acres of industrial and office land development annually. The amount of industrial development (including warehousing, production, flexible office/industrial space, etc.) in both cities is significantly larger (more than seven times) than the amount of office development. This general dynamic is expected to persist for the foreseeable future.

Building types vary significantly within the market area: some industrial facilities contain more than 200,000 square feet of building area, while many other small office and industrial flex spaces are less than 20,000 square feet in size. The floor area ratio (FAR) of most buildings, however, generally falls within the range of 0.2 to 0.4, which generally indicates one- to three-story buildings with large areas for parking and/or freight movement. A small number of office buildings have higher FARs up to about 1.0, which indicates more dense buildings and some structured parking.

Going forward, employment development in the Basalt Creek area will benefit from a number of competitive advantages. These include its direct access to I-5, superior to other employment areas in the region; access to I-205, Highway 217, arterial roads, and transit service; a growing and educated workforce; and established and expanding industry clusters.

Housing Market

Basalt Creek's location is also an asset for residential development for housing: the planning area is immediately south of several South Tualatin residential neighborhoods, which contain attractive parks, street trees, and schools. The market area's current demographics are encouraging for new housing development. When compared to the Portland Metropolitan Area overall, this market area has a higher percentage of family households, larger households, higher household and per capita incomes, residents with college degrees, and residents who work in white collar jobs.

Retail/Commercial Market

There are already several major regional and sub-regional retail nodes located to the north and south of the planning area—at Bridgeport Village, central Tualatin, and in Wilsonville. Thus any commercial space built in Basalt Creek will most likely serve primarily local residents and employees. These larger centers are located at I-5 interchanges. Retail in the Basalt Creek area would not have this same advantage. Whereas regional retail is anchored by fashion, consumer electronics, entertainment, and furniture/household goods, neighborhood retail is typically anchored by grocery stores, pharmacies and restaurants, and supplemented by other local goods and services.

Industrial and Office Market Conditions

Regional Employment Context

As discussed in *Section I: Local and Regional Planning Context*, Basalt Creek is contiguous with a number of other employment and industrial areas in the southwestern part of the Portland Metropolitan Region, including those in the cities of Tualatin, Wilsonville, and Sherwood. Viewed together, these areas comprise one of the largest industrial and employment clusters in the region, comparable in size to the agglomeration in northern Hillsboro (though smaller than the employment lands near Portland International Airport).

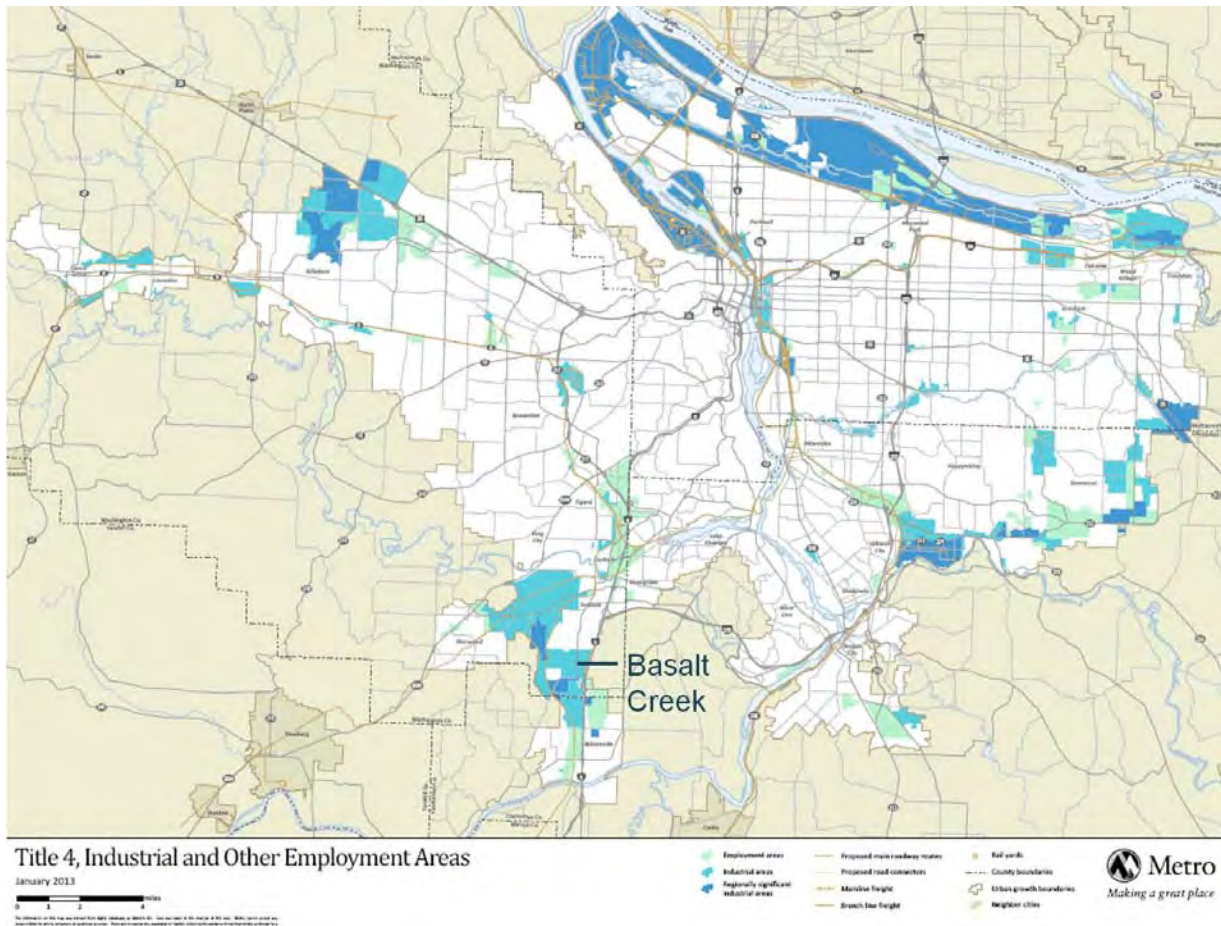


Figure 25 Title 4 Industrial and Other Employment Areas in Portland Metro Area. Source: Metro 2014.

A major feature and competitive advantage of this “Southwest Metro” employment cluster in general--and the Basalt Creek area in particular--is its immediate access to I-5, the west coast’s most important transportation route (Figure 25). Via I-5, the Basalt Creek area is closely connected to downtown Portland, numerous Willamette Valley communities, and major metropolitan areas in Washington and California. Interstate-205 and Highway 217 are also close by and easily accessible from the area. These freeway connections are a major benefit for industrial users (for whom distribution is an important site selection factor) and office-based businesses (which require access for their clients, suppliers, workforce, and collaborators).

Industrial and Office Development, 1980 to 2014

Figure 26 and Figure 27 below show the pace of industrial and office development in the cities of Tualatin and Wilsonville beginning in 1980. The vertical columns represent the building area (square feet) of development within each of the two cities in a given year, while the dashed line is a longer-term trend line, showing a five-year rolling average of built area for both cities combined. These historical

development trends are one data set that shapes expectations for future employment development in both cities and the Basalt Creek planning area.

Since 1980, both cities have seen considerably more industrial development than office development. Over this 34-year period, an average of 340,000 square feet of industrial space and 67,000 square feet of office space has been built in the two cities combined. Thus, the amount of industrial development has been about five times as great as office development.

Industrial Development, Tualatin and Wilsonville, 1980 - 2014

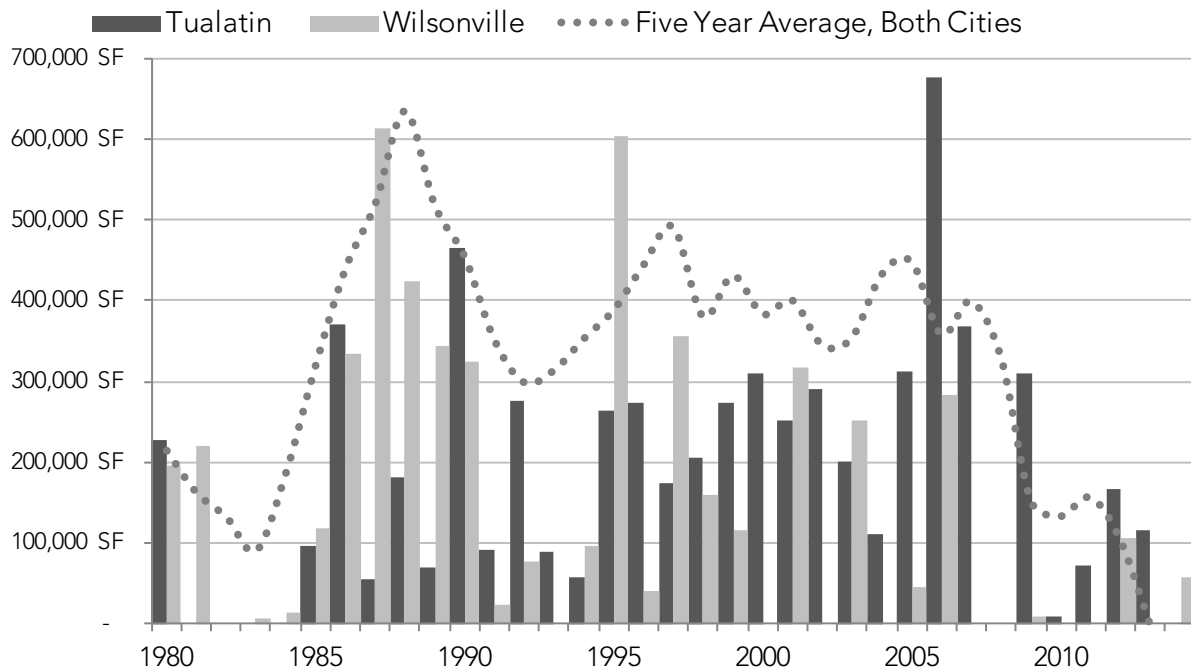


Figure 26 Industrial Development, Tualatin and Wilsonville, 1980 to 2014. Source: CoStar, Leland Consulting Group, 2014.

Office Development, Tualatin and Wilsonville, 1980 - 2014

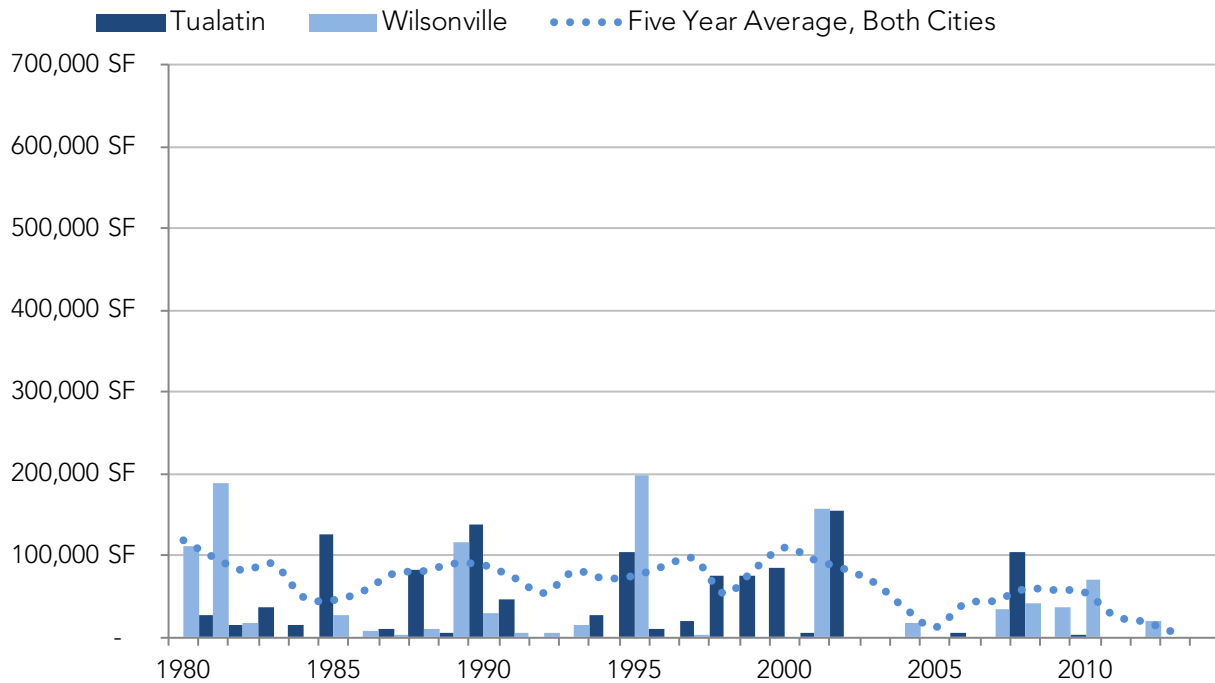


Figure 27 Office Development, Tualatin and Wilsonville, 1980 to 2014. Source: CoStar, Leland Consulting Group, 2014.

The past decade has been a slow period for both industrial and office development. The recession slowed industrial development beginning in 2008, particularly in Wilsonville. The pace of recent industrial development has been about half of development during the 1990s and early 2000s—considered to be a time of robust activity for industrial developers (see Figure 26). Office development has also slowed, although this trend began in 2003, before the recession. Office development in the past decade has also taken place at about half the pace of office development in the 1990s (Figure 27). Clearly, both industrial and office development go through significant peaks and troughs. By focusing on the five-year rolling-average trend line, however, a somewhat more consistent pattern of development can be seen.

Employment Building and Site Attributes

Table 5 shows some key attributes of industrial and office development in Tualatin and Wilsonville. From looking at these attributes, it can be determined that:

- On average, 43.1 acres of industrial land and 13.6 acres of office land per year have been developed in both cities combined. Wilsonville has seen about 25 acres of employment land development per year, 16.3 acres of industrial land, and 8.3 acres of office land. Tualatin has seen about 32 acres of employment land development per year, 26.8 acres of industrial land, and 5.3 acres of office land. Employment land in Basalt Creek is likely to develop more slowly than this pace because there is less

developable land in the study area than the cities as a whole. However, development in Tualatin and Wilsonville can be used to gauge the rate of employment land development in Basalt Creek.

- Average industrial building sites (9.1 and 6.5 acres in Tualatin and Wilsonville respectively) tend to be larger than office building sites. Industrial buildings also tend to be larger than office buildings. Floor area ratios (FAR) are helpful to understanding the physical form of buildings on their sites. Most industrial buildings have a FAR of 0.2 to 0.4. Most office buildings have FARs between 0.3 and 0.5; however, there are some newer office buildings in Tualatin that feature structured parking and FARs up to 1.0. These FARs are consistent with Metro’s analysis and future projections.

Table 5 Attributes of Industrial and Office Development in Tualatin and Wilsonville. Source: CoStar, Leland Consulting Group 2014. SF: Square feet; FAR: Floor area ratio, the ratio of a building’s size in square feet (or gross building area) to the size of the piece of land upon which it is built.

	Industrial			Office		
	Tualatin	Wilsonville	Total	Tualatin	Wilsonville	Total
Total Area (SF)	10,470,000	8,390,000	18,860,000	1,260,000	1,250,000	2,510,000
Av. Annual Development, 1980 - 2014						
<i>Square Feet</i>	186,960	150,980	337,940	34,632	32,985	67,617
<i>Acres</i>	26.8	16.3	43.1	5.3	8.3	13.6
Building Averages, 2000 - 2014						
<i>Square Feet</i>	60,224	80,000	-	31,807	35,000	-
<i>Acres</i>	9.1	6.5	-	4.2	2.0	-
Typical Floor Area Ratios (FAR)	0.2 to 0.4	0.2 to 0.4	-	0.4 to 1.0	0.3 to 0.5	-

It is of note that, while the averages shown here are useful for high-level planning purposes, both industrial and office buildings vary considerably in size, scale, and purpose. For example, the industrial building category includes flex buildings, which can often be divided into 5,000 square foot tenant spaces and feature significant amounts of office and showroom space. The industrial category also includes distribution and warehouse buildings, which can be hundreds of thousands of square feet in size. Sample industrial and office buildings are pictured below in Figures Figure 28, Figure 29 and Figure 30.

Typical Industrial Buildings: Office/Distribution and Flex

The first building pictured below (Figure 28) is located in the Wilsonville Business Center west of I-5 and contains a mix of office space (left foreground) and warehouse/distribution space, where freight trucks are parked. The second building pictured below (Figure 29) is a typical flex industrial building located in the Tualatin Industrial Center, which features high ceiling heights, freight loading, and small, flexible spaces that can serve as a combination of office, showroom, and/or industrial.



Figure 28 Example of typical building with a mix of office space and warehouse/distribution space.



Figure 29 Example of typical flex industrial building, located in Tualatin.

Headquarters Office Building (Mentor Graphics)

The Mentor Graphics building (Figure 30) is located east of I-5 between the Elligsen Road and Wilsonville Road interchanges. Despite its size and height, the FAR of the building is similar to other buildings in the area because of its extensive campus, landscaped areas, and surface parking.



Figure 30 Mentor Graphics Headquarters Office Building in Wilsonville.

Office Development Outlook

Office development—nationally and regionally—is not expected to bounce back from the recession with the same resiliency as industrial space. Office development in the short- and long-term faces several challenges. In the short-term, the Portland region’s employment levels have just recovered in 2014 to their pre-recession (2008) levels. While office vacancies are far lower than several years ago, there is not yet market pressure for new development. As Table 6 shows, the region is expected to add just 288,000 square feet of office in 2014, or 0.6% of the total regional inventory of nearly 47 million square feet. Tualatin’s current vacancy rate of 20.5% suggests a soft market, though that space will be occupied in the long term. The market is expected to improve as the region and nation continue to recover from the recession, and businesses grow and add jobs. However, office development is not expected to return to levels seen in the 1990s without a major upturn in the economy.

Table 6 Current Office Market Summary, Portland Metro Region. Source: CoStar, Leland 2014.

Market	Existing Inventory		Vacancy	YTD Net	Under Const. &	Class A
	# Blds	Total RBA	%	Absorption	Complete YTD	Rates
Portland CBD	374	26,309,983	10.0%	(36,157)	288,000	\$25.58
Lake Oswego/West Linn	142	1,144,080	8.5%	13,170	0	\$25.50
North Beaverton	151	3,246,113	6.7%	37,420	0	\$26.33
Sunset Corridor/Hillsboro	359	10,374,721	6.2%	111,442	0	\$21.53
Tigard	226	3,313,116	10.4%	35,859	0	\$24.27
Tualatin	68	1,263,266	20.5%	10,099	0	\$22.28
Wilsonville	59	1,252,446	7.1%	9,476	0	\$20.50
Totals	1,379	46,903,725		181,309	288,000	

Tualatin and Wilsonville’s Economic Positioning and Goals

The Cities of Tualatin and Wilsonville are proactively pursuing economic development in order to provide high paying jobs for their residents, strengthen their tax bases, offer quality public services, and enable general prosperity in the communities. The two Cities’ main economic development plans relevant to Basalt Creek are shown in Table 7 below.

Table 7 Relevant Economic Development Plans. Source: Cities of Tualatin and Wilsonville.

Tualatin	Wilsonville
<ul style="list-style-type: none"> • Economic Development Strategic Plan (2014) • Industry Cluster Analysis (2014) • Linking Tualatin Market Study (2012) • Southwest Tualatin Concept Plan (2010) 	<ul style="list-style-type: none"> • Economic Development Strategy (2012) • Coffee Creek Master Plan (2007)



Target Industry Clusters

Tualatin and Wilsonville have both identified a series of targeted industry clusters. According to Tualatin's Industry Cluster Analysis, a cluster is an agglomeration of similar and related businesses and industries that are mutually supportive, regionally competitive, attract capital investment, encourage entrepreneurship, and create jobs. For example, 57% of Tualatin's jobs fall within its five key industry clusters, which also provide wages that are on average 70% (\$35,000) higher than those in all other industries.

Clusters reflect a community's strengths and competitive advantages, suggest which sectors of the economy are most likely to generate jobs in the future, and provide policy makers with guidance about the types of land, buildings, infrastructure improvements, and other actions needed to grow jobs in the future.²³

Both Tualatin and Wilsonville have determined that they excel in the following three industry clusters²⁴:

Advanced Manufacturing (and related activities)

This cluster is a significant driver of both cities' economies. It is Tualatin's largest cluster, accounting for 22% of jobs in the city. It accounts for a significant portion of Wilsonville's economy; computer and electronic product manufacturing was Wilsonville's largest industry sector as of 2012, and includes several of the city's largest employers such as Xerox, TE Connectivity, and Rockwell Collins.

The Oregon Institute of Technology (OIT), now educating students in the engineering, technology, management, and health sciences fields from its Wilsonville campus, is an important anchor institution for the Southwest Metro economy. The Cities are looking for ways to capitalize on OIT's presence and to strengthen partnerships between the school and private businesses.

Growth in this cluster will result in ongoing demand for industrial land and buildings in Basalt Creek and other areas. Freeway access, freight mobility, and access to a skilled workforce will be important to this cluster's continued success.

Corporate and Professional Services

This cluster accounts for 12% of Tualatin's jobs, and was the second-largest industry sector in Wilsonville as of 2012. Major employers include: Portland General Electric (PGE) and Express Employment Professionals in Tualatin, and Mentor Graphics in Wilsonville. Growth in this cluster will result in ongoing demand for office land and buildings in Basalt Creek and other areas. A variety of locational factors tend to be important to corporate and professional service firms, including: a

²³ Wilsonville's EOA uses the term industry "sectors." The terms cluster and sector are used interchangeably here

²⁴ The economic figures included below are drawn from the Cities' economic development plans.

skilled workforce, available land or office space, transportation connections, and nearby restaurants and commercial services.

Health Care and Medical-Related.

This cluster is important in both cities: it is the third-largest in Tualatin and fourth largest in Wilsonville. Tualatin's health care cluster is anchored by Legacy Meridian Park Medical Center (among Tualatin's largest employers), and also includes associated industries such as clinics, laboratories, physician offices, and assisted living centers. Wilsonville's largest health care-related employers (as of completion of the 2012 Economic Development Strategy) were Infinity Rehab and Avamere, both ambulatory (outpatient) service providers. Wages in this cluster are well above average.

Because of the diversity of health care businesses, firms in this cluster can operate in health care-specific zones (such as Tualatin's Medical Center zone), or general employment zones (such as Wilsonville's Planned Development Industrial zone). In some cases, health care firms that serve smaller, more localized populations can locate in retail/commercial zones.

In addition to the three clusters described above that have been identified as targets for both cities, Tualatin and Wilsonville have also identified these industry clusters:

Other Industrial Clusters.

Both Cities have identified additional industrial target clusters that could locate in the Basalt Creek area. Tualatin has identified two other industry clusters likely to generate demand for industrial land and buildings: food processing and distribution, and wood, paper, printing, and related industrial activities. Wilsonville identified a number of other industrial business types: light manufacturing and warehouse/showroom operations; specialty contractors and construction firms; sustainable product manufacturing and distribution; miscellaneous manufacturing; and wholesale trade.

Growth in these clusters will result in ongoing demand for industrial land and buildings in Basalt Creek and other areas. Freeway access, freight mobility, and access to a skilled workforce will be important to these clusters' ongoing success.

Other Professional and Commercial Services.

Wilsonville's 2012 Economic Development Strategy also identifies creative services (such as transportation logistics, legal services, management consulting, and accounting) as a target cluster. Similar to corporate and professional services, growth in this cluster should result in demand for office land and buildings in Basalt Creek and other areas.



Figure 31 Lam Research Facility, Tualatin. Photo credit: Tualatin Chamber.

Sub-Regional Context

Transportation is fundamentally important to these employment areas, and transportation connectivity has the potential to make a whole that is greater than the sum of its parts by enabling firms to trade goods and services easily. I-5 is the most important single transportation corridor. The 124th Avenue Extension and East-West Connector will also be very important in knitting the employment areas together. Regional connectivity will be challenged due to the limited access nature of the East-West Connector. This large agglomeration of employment areas has the potential to create economic momentum, and also the potential to be a source of competition for the Basalt Creek area. This is because the areas can project a powerful combined brand, while also competing for individual employers who are looking for sites.

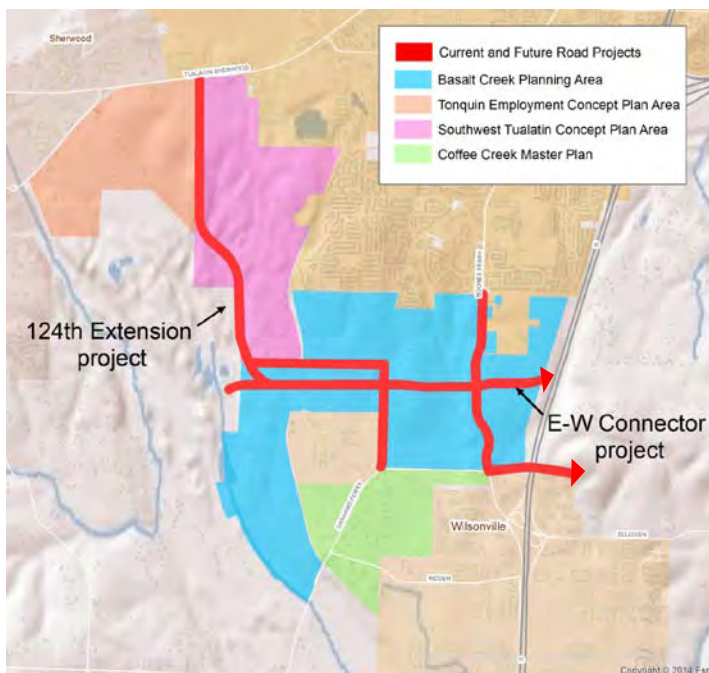


Figure 32 Major TRP road projects in relationship to the Basalt Creek planning area and planned areas nearby Source: Fregonese Associates 2014.

Established Employment Areas

The Tualatin and Wilsonville employment areas have capacity for additional businesses and jobs. To the west of I-5, Wilsonville's employment area tends to contain more industrial, manufacturing, distribution, and flex businesses and buildings; to the east of I-5, a larger share of businesses are office-based professional service firms, such as Mentor Graphics and Xerox Corporation. However, the zoning is the same (Planned Development Industrial) throughout the entire Wilsonville employment area.

Planned Employment Areas

Southwest Tualatin, Tonquin Employment Area, and Coffee Creek are planned employment areas located within the UGB that have yet to be served by infrastructure or see new private development. Annexation and development in the areas are property-owner initiated. The following summarizes the current activity in each of the planning areas.

- The Southwest Tualatin concept plan area: Most of the area remains an active quarry; the City expects this use to continue for an indeterminate period.
- The Coffee Creek industrial area: No development or annexation has taken place in Coffee Creek since the adoption of the master plan; land assemblage challenges, and lack of City services and a financing plan to build those services are the primary obstacles to development here.
- The Tonquin employment area is a 300-gross-acre area located in the City of Sherwood. It is planned for light industrial development with a small amount of ancillary retail/commercial services.

Employment Strengths and Challenges

Basalt Creek's primary strengths/competitive advantages and challenges vis-à-vis industrial and office development are as follows:

Strengths and Competitive Advantages

- Tualatin and Wilsonville's established and successful industry clusters in advanced manufacturing, professional services, and a variety of other industrial and office-based employment categories. Large contiguous cluster of existing and planned employment areas.
- Excellent access to I-5, as well as I-205 and Highway 217. Additional transportation strengths include existing and planned arterial roads, and local and regional transit service provided by TriMet, WES Commuter Rail, and SMART.
- Educated workforce
- Market success of recent industrial, office, and retail developments

Challenges

- Vision and regulation. This Concept Plan and subsequent Comprehensive Plan and zoning amendments need to be in place prior to development.
- Planning, financing, and construction of new infrastructure. This is because roads, water, sanitary sewer, and other infrastructure for urban expansion areas are expensive. Cities are often focused on maintaining and improving existing infrastructure and therefore do not budget to make extensive extensions. Developers of individual sites typically cannot afford to build out a comprehensive set of infrastructure to serve multiple properties.
- Lot sizes and property aggregation. There is a mix of large and small lots throughout the Basalt Creek area. The time and cost required to secure properties from multiple parties in order to aggregate developable industrial or office properties of adequate size can be a significant deterrent to developers.
- Natural features including wetlands and slopes. Basalt Creek and its surrounding slopes and wetland areas run north-south through the planning area, dividing it into east and west sections.
- The market for new office development continues to be slow. However, the planning area will not be ready for private development for several years, which may allow enough time for this market to recover.

Housing Market Analysis

Demographic Context

The City of Tualatin, compared to the Portland Metropolitan Statistical Area (MSA), has a higher percentage of family households (two or more related people), larger average households, higher household incomes, and higher per capita incomes. A larger share of residents has college degrees (42.3%) and is employed in white collar jobs (67.5%) compared to the region. Tables Table 8, Table 9 and Table 10 provide additional perspective on the demographics of the subject cities compared to the Portland MSA.

Wilsonville, compared to the Portland MSA, has a higher percentage of family households and smaller households--likely because the city has a higher share of young households (in the 25-34 age category) and seniors, Baby Boomers, and retirees. Each age group has different housing preferences. Wilsonville also has a larger share of residents with college degrees (39.3%) and white collar jobs (70.1%).²⁵

While the Basalt Creek market area includes both Tualatin and Wilsonville, its demographics are generally more similar to those in Tualatin. When compared to the Portland MSA, the market area has a

²⁵ Data shows information about *jobs held by residents of the given geographical areas*, not the jobs within those areas

higher percentage of family households, larger households, higher household and per capita incomes, more residents with college degrees, and more residents who work in white collar jobs. In general, these demographics are favorable to housing development in the Basalt Creek area; they also reflect the types of residents most likely to locate in the planning area.

Table 8 Demographic Summary of the Basalt Creek planning area. Source: ESRI Business Analyst, Leland Consulting Group. 2014 Data except where noted.

	Tualatin	Wilsonville	Basalt Creek
Comparison to Portland MSA:	<ul style="list-style-type: none"> • More families • Larger HHs • Higher HH Income • Higher PC Income • More college degrees • More white collar emp. 	<ul style="list-style-type: none"> • Fewer families • Smaller HHs • More Gen Y • More Boomers • More low-income HHs • More college degrees • More white collar emp. 	<ul style="list-style-type: none"> • More families • Larger HHs • Higher HH incomes • Higher PC incomes • More college degrees • More white collar emp.

Table 9 Demographic Summary of the Basalt Creek planning area (Continued). Source: ESRI Business Analyst, Leland Consulting Group. 2014 Data except where noted.

Demographic Attribute	Tualatin	Wilsonville	Basalt Creek	Portland MSA
Population	26,520	21,235	73,786	2,296,285
Number of Households	10,170	8,638	28,121	896,982
Family Households (2010 Census)	68%	59%	68%	64%
Household Size (Average)	2.60	2.32	2.57	2.52
Household by Size (2010 Census)				
1 and 2 person	57%	68%	58%	61%
3 and 4 person	33%	25%	32%	29%
5 + person	10%	7%	10%	10%
Median Household Income	\$64,324	\$59,812	\$70,256	\$57,441
Per Capita Income	\$32,672	\$31,995	\$33,336	\$30,135
Population By Age				
0 to 24	35%	31%	34%	32%
25 - 34	14%	16%	13%	15%
35 - 44	15%	14%	15%	14%
45 to 54	14%	13%	14%	14%
55 to 64	13%	11%	12%	13%
65 +	9%	15%	11%	13%
Median Age	35.7	37.0	36.6	37.5

Key:  Low High

Table 10 Demographic Summary of the Basalt Creek planning area (Continued). Source: ESRI, Leland Consulting Group. 2014 data except where noted.

Demographic Attribute	City of Tualatin	City of Wilsonville	Basalt Creek Market Area	Portland MSA
Education and Employment				
Less than High School	9.7%	8.0%	8.0%	9.4%
High School or Equivalent	16.5%	20.4%	18.2%	22.1%
Associate's or some college	31.5%	32.3%	32.5%	34.2%
Bachelor's or Advanced Degree	42.3%	39.3%	41.3%	34.3%
Occupation				
"White Collar"	67.5%	70.1%	69.3%	63.1%
"Blue Collar"	11.3%	14.1%	13.5%	19.5%
Housing				
Median Home Value	\$331,190	\$349,927	\$337,289	\$275,516
Housing Tenure				
Owner Occupied Housing Units	51.9%	43.4%	55.0%	56.2%
Renter Occupied Housing Units	42.6%	50.5%	39.8%	37.7%

Key: Low High

Finally, the South Tualatin residential neighborhoods immediately to the north of Basalt Creek reflect many of the demographic attributes typical of Tualatin’s population. The neighborhoods—including low volume local roads, street trees, parks, and schools—create a positive environment for residential development within the Basalt Creek area, particularly along the northern edge.

Recent Housing Development

Table 11 below shows the recent residential permitting trends in the cities of Tualatin and Wilsonville, and in Villebois, a master-planned community in Wilsonville. Villebois is shown here because: it is the largest master planned community (482 acres) that has been developed recently in the Southwest Metro area; it is a defined area that has been planned to include a range of housing, parks, and commercial services; due to its success in the marketplace in recent years, housing absorption has been relatively rapid (adjusting for the recession), and many houses sell for a premium when compared to the competition in other areas. Naturally, recent housing built in these areas provides one benchmark from which to estimate future demand.

As Table 11 shows, the housing types that have been permitted and built in these areas correlate closely to the types of people and households who live there; the housing types also likely reflect zoning and other regulatory and market forces. Recent housing permitted in Tualatin is composed largely of large- and medium-lot single-family housing. No small lot single-family housing (lots smaller than 4,000 square feet) or attached single-family housing has been permitted since 2004. About 20% of the recently permitted housing in Tualatin is multifamily—market rate and affordable apartments, condominiums,

and senior housing. Very little existing multifamily housing is located in the neighborhoods immediately north of Basalt Creek; most of Tualatin’s multifamily housing is clustered further north near downtown Tualatin, between Tualatin-Sherwood Road and Avery Street, and the Bridgeport Village area. The majority were built prior to 2000, although the 367-unit Eddyline at Bridgeport (under construction) is a notable exception. Historically, this multifamily share is relatively typical; multifamily has comprised about 20% of total housing in many communities during the past five decades.

Wilsonville’s housing is more diverse and features a significantly higher percentage of small lot single-family and multifamily housing, and much less large- and medium-lot single-family housing. Again, this is likely to due to market, demographic, and regulatory reasons. The broad housing mix reflects the presence and growth of the four “S groups” in Wilsonville: seniors, singles, single-parent households, and starter households. The large multifamily share (66%) is partially due to the large number of new 20- and 30-something households recently formed, which will slow in coming years. Villebois’ housing mix is similar to that in Wilsonville overall. However, during the time period surveyed (2000 to 2012) a larger percentage of small-lot single-family homes, townhouses and duplexes were built in Villebois, along with a smaller percentage of multifamily housing. Villebois’ developers and National Association of Realtors (NAR) surveys show that most American households, Baby Boomers included, prefer single-family homes over multifamily homes, but that they are quite open to smaller lot and home sizes, especially when the surrounding neighborhood is attractive and walkable.

Table 11 Residential Development in Tualatin and Wilsonville by Housing Type. Sources: HUD; City of Wilsonville, New Home Trends, Leland Consulting Group. Due to data availability, Table 12 shows housing built in Tualatin between 2004 and 2014; and permits issued in Wilsonville between 2000 and 2012.

Housing Type	Tualatin	Wilsonville	Villebois
	Recent Permits	Recent Permits	Recent Permits
Large Lot Single Family	44%	9%	8%
Medium Lot Single Family	36%	10%	8%
Small Lot Single Family	0%	12%	35%
Attached Single Family	0%	2%	6%
Multifamily	20%	66%	43%
Total	100%	100%	100%

Retail/Commercial Market Analysis

In addition to new residents and employees that may locate in the Basalt Creek area, the residents of the Tualatin neighborhoods located immediately to the north are important sources of support for retail. Residents spend more of their retail dollars locally than employees or passersby, and therefore are generally a more important source of demand for retail goods and services. Approximately 4,000

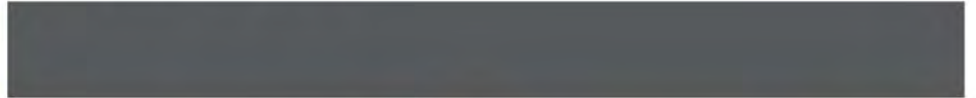
households live in the area between Norwood Road and Tualatin-Sherwood Road. These households already have other places to shop, particularly on and near Tualatin-Sherwood Road. However, based on existing traffic counts and interviews with residents and developers, it is clear that some of these residents are already accustomed to driving south through the Basalt Creek area to access I-5 or other destinations.

Retailers also look at traffic counts as an important demand indicator, since retail relies on pass-by traffic for support. Boones Ferry Road carries average daily traffic (ADT) of about 15,000 in 2014²⁶, which is high enough to suggest that it will be a good retail location in the future. Traffic counts on Grahams Ferry Road are below 6,000 ADT, and therefore it is likely to be a less desirable retail location. Traffic counts such as these likely reflect trips being made by residents and employees of the Southwest Metro area and beyond. The 124th Avenue Extension, which will be built to the western edge of the study area, and the planned East-West Connector Road that will run across the study area, are also important transportation arterials along which retail will seek to locate. A prime location for retail may be at the intersection of Boones Ferry Road and the East-West Connector Road.

²⁶ Source: ESRI Business Analyst, 2014



BASALT CREEK CONCEPT PLAN



MARKET ANALYSIS DRAFT

PREPARED FOR



PREPARED BY



Contents

Executive Summary	33
Industrial and Office Market Analysis	66
Regional Employment Context.....	66
Industrial and Office Development, 1980 to 2014	77
Employment Outlook.....	1040
Tualatin and Wilsonville’s Economic Positioning and Goals	1545
Subregional Context.....	1848
Employment Strengths and Challenges.....	1949
Absorption and Build Out	2020
Housing Market Analysis.....	2124
Demographic Context.....	2124
Regional and National Demographic Trends Affecting Housing	2525
Community Preferences.....	2828
Housing Types	2929
Recent Housing Development.....	3030
Basalt Creek Housing Scenarios.....	3134
Retail Market Analysis.....	3333

Executive Summary

Located between Tualatin’s residential neighborhoods to the north and Wilsonville’s employment center to the south, Basalt Creek is currently a relatively rural area that is positioned for significant change and urbanization due to its prime location within the growing Portland metropolitan region. Leland Consulting Group (LCG) has prepared this market analysis as one component of the Basalt Creek Concept Plan. Its purpose is to provide Basalt Creek stakeholders with information regarding the outlook for industrial, office, residential, and retail development in Basalt Creek and adjacent areas, and to inform the Concept Plan as this process moves forward. This executive summary condenses the key points of the analysis; details are explained in the body of the report. The key findings and recommendations of this market analysis are:

Industrial and Office Market. Basalt Creek is located near the center of one of the region’s largest clusters of employment land, which includes existing developed areas in the cities of Tualatin, Wilsonville, and Sherwood, as well as the planned future employment areas of Southwest Tualatin, Tonquin, and Coffee Creek. A market area—including the cities of Tualatin, Wilsonville, and Sherwood and some surrounding areas—was defined for this market analysis in order to provide a baseline to estimate future subregional employment and population growth.

The Metro regional government projects rapid employment growth of 2.3 percent annually for the market area through 2035, about 40 percent faster than the employment growth in the region (1.7 percent), indicating that ongoing business expansion and job creation is expected for these three cities in the southwestern metropolitan area.



Tualatin and Wilsonville have independently identified a series of industry clusters in which the two cities are already highly competitive, and in which they expect future significant business and job growth. These include advanced manufacturing, corporate and professional services, health care and related fields, and other specific industrial clusters such as food processing and light manufacturing. Leading organizations within these clusters include Lam Research, Legacy Meridian Park Medical Center, the Oregon Institute of Technology, Mentor Graphics, and Xerox Corporation. Businesses in these categories are well suited to locate at Basalt Creek.

Both Tualatin and Wilsonville have seen significant industrial and office development during the past three decades. Development peaked during the 1990s and has slowed following the recession; however, industrial development in particular is expected to resume and accelerate in coming years due to a desire to “onshore,” shorten supply chains, and take advantage of lower domestic costs in some industries. Between 1980 and 2014, the cities of Tualatin and Wilsonville saw on average over 400,000 square feet of industrial and office building development annually, and 56.6 acres of industrial and office land development annually. The amount of industrial development in both cities is significantly larger (more than seven times) than the amount of office development, and this general dynamic is expected to persist for the foreseeable future.

Building types vary significantly within the market area: some industrial facilities contain more than 200,000 square feet of building area, while many other small office and industrial flex spaces are less than 20,000 square feet in size. The floor area ratio (FAR) of most buildings, however, generally falls within the range of 0.2 to 0.4, which generally indicates one to three-story buildings with large areas for parking and/or freight movement. A small number of office buildings have higher FARs to about 1.0, which indicates more dense buildings and some structured parking.

Going forward, employment development in Basalt Creek will benefit from a number of competitive advantages. These include its direct access to I-5, superior to other employment areas in the region; access to I-205, Highway 217, arterial roads, and transit; a growing and educated workforce; and established and expanding industry clusters.

Based on past industrial and office development, and future growth projections, LCG absorption projects employment land at Basalt Creek to develop at a rate of eight to 10 net acres per year. However, the pace of build out will depend on economic conditions, the availability of employment land in other nearby areas, infrastructure such as roads and sewer, and other factors. Building and site sizes should vary widely, and FARs will remain consistent with those seen in the past.

Housing Market. Significant population growth is anticipated for Tualatin, Wilsonville, and the Portland metropolitan region over the next two decades. Metro's gamma population model shows that Tualatin and Wilsonville will add 1,170 and 3,649 households respectively between 2010 and 2035. Metro projects that the market area will add about 10,900 households during this time period, an increase of 39 percent. These population increases will result in demand for housing at Basalt Creek through 2035, assuming that the area can compete effectively with other potential residential locations.

Basalt Creek's location is also a positive: the study area is immediately south of several South Tualatin residential neighborhoods, which contain attractive parks, street trees, and schools. It should be noted, however, that Basalt Creek is located in the Sherwood School District rather than the Tigard-Tualatin School District, and therefore school-age children will head west rather than north for school. The market area's current demographics are encouraging for new housing development. When compared to the Portland metropolitan area, the market area has a higher percentage of family households, larger households, higher household and per capita incomes, more residents with college degrees, and more residents who work in white collar jobs.

However, housing demand is expected to shift somewhat in the future because of decreasing housing sizes, an aging population, the popularity of walkable communities, and other factors. By combining current and future housing demand indicators, this market analysis provides three different housing development scenarios, all of which assume a mix of single-family detached, single-family attached, and multifamily housing. Housing diversity and flexibility (the opportunity to adjust the housing mix) is important to developers in any large area, since they need to be able to build for many different household types, and respond to changing market conditions. This report does not propose a specific number of households in the study area, since residents and decision makers have yet to define precisely which areas will be set aside for residential development.

Retail/Commercial Market. The likely amount and location of retail in Basalt Creek will need to be revisited later in the concept planning process, after more specific programs for employment and residential development are established. It is often said that “retail follows rooftops” and jobs, and without more confidence about the number of homes and jobs that will be in the area, it is difficult to project retail demand.

With that said, some generalizations can be made. Because there are several major regional and subregional retail nodes located to the north and south of the study area—at Bridgeport Village, central Tualatin, and in Wilsonville—any commercial space built in Basalt Creek is most likely to primarily serve local residents and employees. These larger centers are located at I-5 interchanges, whereas retail at Basalt Creek would be further from interchanges. Whereas regional retail is anchored by fashion, consumer electronics, entertainment, and furniture/household goods, neighborhood retail is typically anchored by grocery stores, pharmacies, and restaurants, supplemented by other local goods and services.

Retail is likely to be located at key intersections on either Boones Ferry or Grahams Ferry Roads, the major north-south arterials in Basalt Creek, and potentially along the planned East-West connector, which will also carry considerable traffic and afford high visibility to retailers.

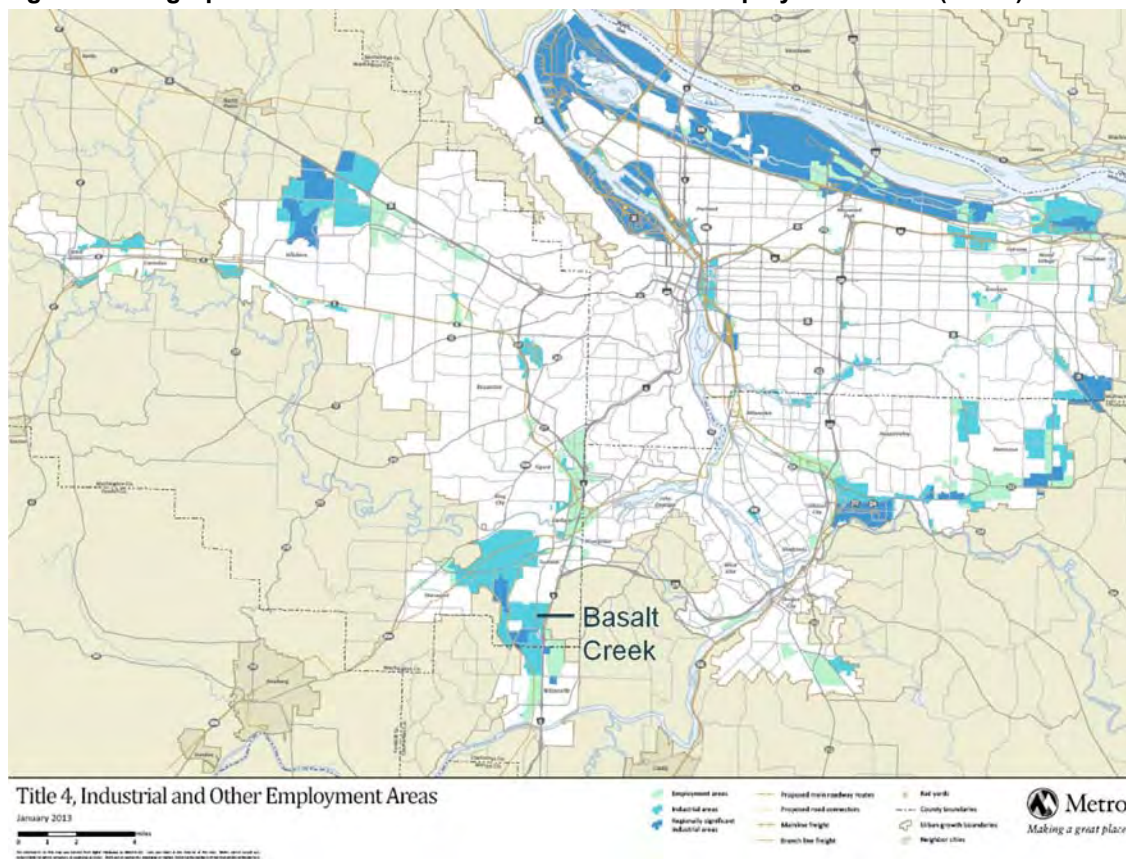
Industrial and Office Market Analysis

Regional Employment Context

As shown in Figure 1, Basalt Creek is contiguous with a number of other employment and industrial areas in the southwestern part of the Portland metropolitan region, including areas in the cities of Tualatin, Wilsonville, and Sherwood. Viewed together, these areas comprise one of the largest industrial and employment clusters in the region, comparable in size to the agglomeration in northern Hillsboro, though smaller than the employment lands near PDX Airport.

A major feature and competitive advantage of this “Southwestern Metro” employment cluster in general, and Basalt Creek in particular, is its immediate access to I-5, the West Coast’s most important transportation route. Via I-5, Basalt Creek is closely connected to downtown Portland, numerous Willamette Valley communities, and major metropolitan areas in Washington and California. I-205 and Highway 217 are also close by and easily accessible. These freeway connections are a major benefit for industrial—for whom distribution is an important site selection factor—and office-based businesses—which require access for their clients, suppliers, workforce, and collaborators.

Figure 1. Geographic Context: Title 4 Industrial and Other Employment Areas (Metro)



Source: Metro.

Industrial and Office Development, 1980 to 2014

The figures below show the pace of industrial and office development in the cities of Tualatin and Wilsonville, beginning in 1980. The bars represent the building area (square feet) of development within each of the two cities in a given year, while the dashed line is a longer-term trend line, showing a five-year rolling average of built area for both cities combined. These historical development trends are one data set that shapes expectations for future employment development in both cities and Basalt Creek.

Since 1980, both cities have seen considerably more industrial development than office development. Over this 34-year period, an average of 340,000 square feet of industrial space and 67,000 square feet of office space has been built in the two cities combined. Thus, the amount of industrial development has been about five times as great as office development.

Figure 2. Industrial Development, Tualatin and Wilsonville, 1980 to 2014

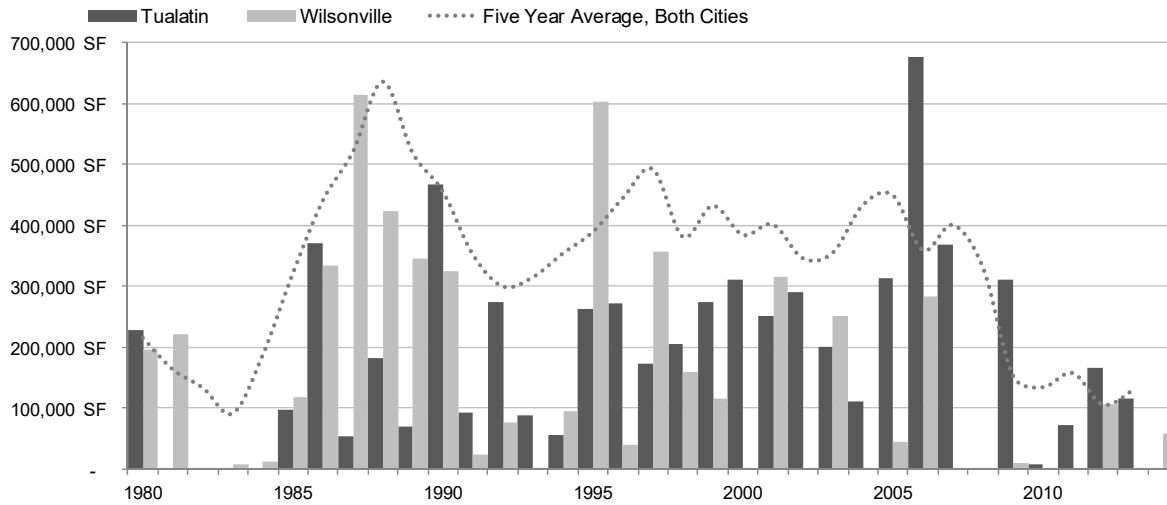
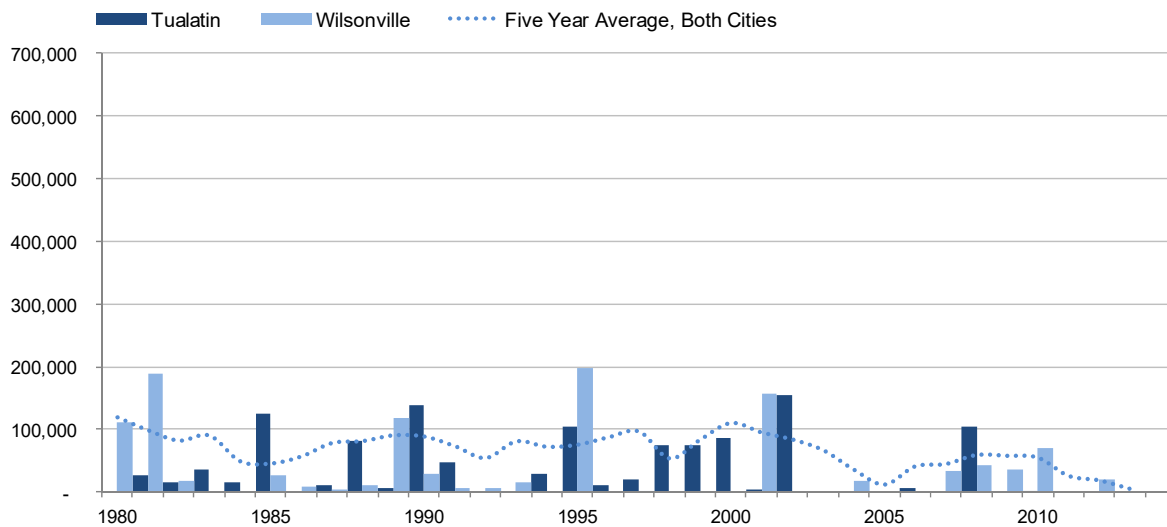


Figure 3. Office Development, Tualatin and Wilsonville, 1980 to 2014



Source, both figures: CoStar, Leland Consulting Group.

The past decade has been a slow period for both industrial and office development. The recession slowed industrial development beginning in 2008, particularly in Wilsonville. The pace of recent industrial development has been about half of development during the 1990s and early 2000s—considered to be a time of robust activity for industrial developers. Office development has also slowed, although this trend began in 2003, before the recession. Office development in the past decade has also taken place at about half the pace of office development in the 1990s.

Clearly, both industrial and office development go through significant peaks and troughs. By focusing on the five-year rolling-average trend line, however, a somewhat more consistent pattern of development can be seen.

Employment Building and Site Attributes

Table 1 below shows some key attributes of industrial and office development in Tualatin and Wilsonville.

- On average, 43.1 acres of industrial land and 13.6 acres of office land per year have been developed in both cities combined. Wilsonville has seen about 25 acres of employment land development per year, 16.3 acres of industrial land, and 8.3 acres of office land, which provides a good benchmark for total demand in Wilsonville, including Basalt Creek, going forward.
- Average industrial building sites (9.1 and 6.5 acres in Tualatin and Wilsonville respectively) tend to be larger than office building sites. Industrial buildings also tend to be larger than office buildings.
- Floor area ratios (FAR) are helpful to understanding the physical form of buildings on their sites. Most industrial buildings have a FAR of 0.2 to 0.4. Most office buildings have FARs between 0.3 and 0.5; however, there are some newer office buildings in Tualatin that feature structured parking and FARs up to 1.0. These FARs are consistent with Metro’s analysis and future projections.

Table 1. Attributes of Industrial and Office Development in Tualatin and Wilsonville

	Industrial			Office		
	Tualatin	Wilsonville	Total	Tualatin	Wilsonville	Total
Total Area (SF)	10,470,000	8,390,000	18,860,000	1,260,000	1,250,000	2,510,000
Av. Annual Development, 1980 - 2014						
Annual Building Development (SF)	186,960	150,980	337,940	34,632	32,985	67,617
Annual Land Development (Acres)	26.8	16.3	43.1	5.3	8.3	13.6
Building Averages, 2000 - 2014						
Average Building Size (SF)	60,224	80,000	-	31,807	35,000	-
Average Site Size (Acres)	9.1	6.5	-	4.2	2.0	-
Typical Floor Area Ratios (FAR)	0.2 to 0.4	0.2 to 0.4	-	0.4 to 1.0	0.3 to 0.5	-

Source: CoStar, Leland Consulting Group. SF: Square feet; FAR: Floor area ratio, the ratio of a building’s size in square feet (or gross building area) to the size of the piece of land upon which it is built.

Note that, while the averages shown here are useful for high-level planning purposes, both industrial and office buildings vary considerably in size, scale, and purpose. For example, the industrial building category includes flex buildings, which can often be divided into 5,000 square foot tenant spaces and feature significant amounts of office and showroom space. The industrial category also includes

distribution and warehouse buildings, which can be hundreds of thousands of square feet in size. Sample industrial and office buildings are pictured below in Figure 4 and Figure 5.

Figure 4. Typical Industrial Buildings: Office/Distribution and Flex

The first building pictured below is located in the Wilsonville Business Center west of I-5 and contains a mix of office space (left foreground) and warehouse/distribution space, where freight trucks are parked. The second building pictured below is a typical flex industrial building located in the Tualatin Industrial Center, which features high ceiling heights, freight loading, and small, flexible spaces that can serve as a combination of office, showroom, and/or industrial.



Figure 5. Headquarters Office Building (Mentor Graphics)

The Mentor Graphics building is located east of I-5 between the Elligsen Road and Wilsonville Road interchanges. Despite its size and height, the FAR of the building is similar to other buildings in the area because of its extensive campus, landscaped areas, and surface parking.



Employment Outlook

Table 2 below shows Metro’s gamma employment forecast for the 2010 to 2035 time period. Key aspects of this forecast that are relevant to Basalt Creek are:

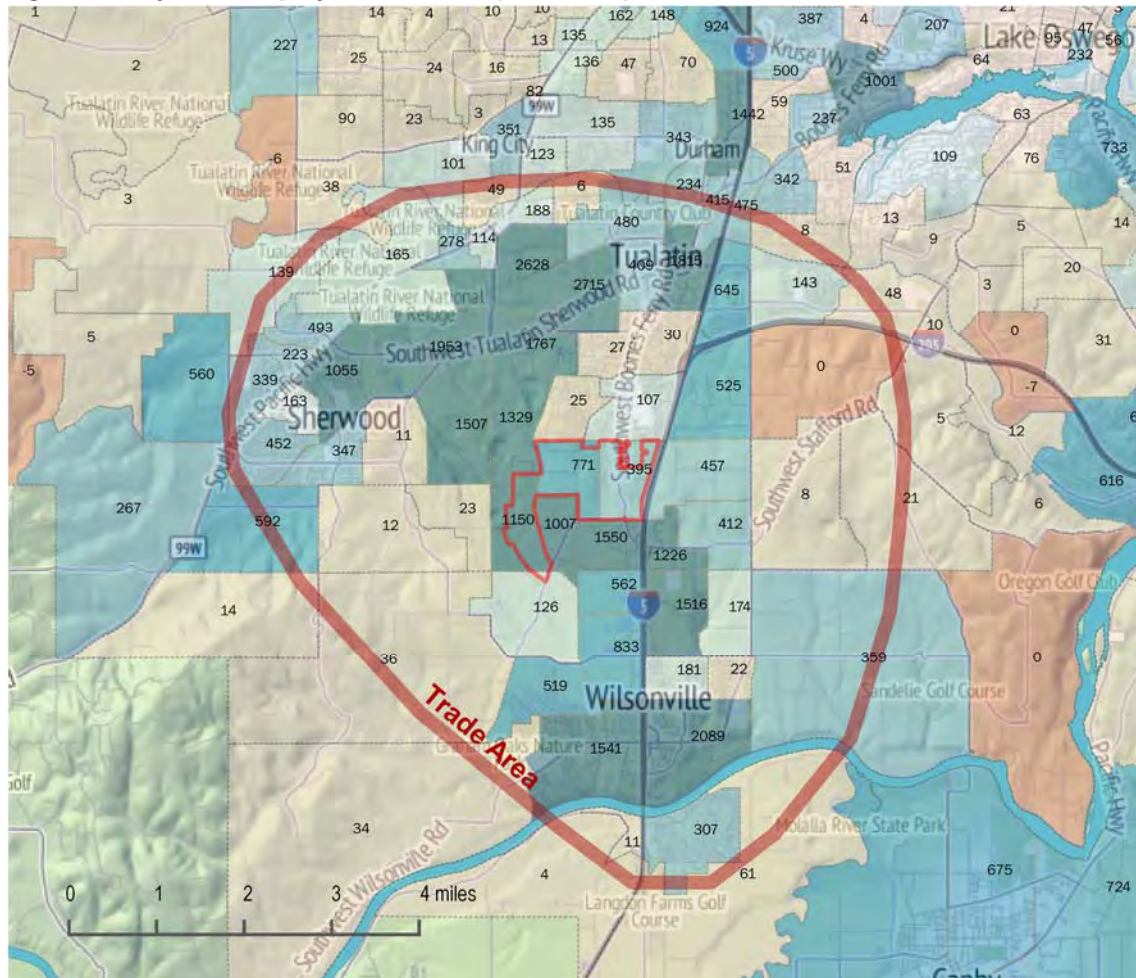
- Employment in the Basalt Creek market area is expected to grow at 2.3 percent annually between 2010 and 2035, about 40 percent faster than the three-county metro area rate (1.7 percent). Employment in all three cities within the market area is expected to grow relatively rapidly—at a higher annual rate than their populations, and a higher rate than regional population growth (see Table 6 for population growth projections).
- Tualatin and Wilsonville are expected add 12,267 and 10,346 jobs respectively over the 25-year Metro forecast period. In total, the market area is expected to add 36,786 jobs, an increase of 78 percent over the 47,005 jobs currently in the market area.
- This significant growth can be expected to drive consistent demand for employment land and buildings, including industrial, office, and commercial space, both in Basalt Creek and in other employment areas in the market area over the 2010 to 2035 time period.

Table 2. Metro Employment Forecast, 2010 to 2035

Jurisdiction	Employment			
	2010	2035	Change	CAGR
City of Tualatin	22,972	35,239	12,267	1.7%
City of Wilsonville	17,073	27,419	10,346	1.9%
City of Sherwood	4,216	9,252	5,036	3.2%
Basalt Creek Market Area	47,005	83,791	36,786	2.3%
Clackamas County	137,946	210,444	72,498	1.7%
Multnomah County	419,164	597,331	178,167	1.4%
Washington County	232,019	382,812	150,793	2.0%
Three County Total	789,129	1,190,587	401,458	1.7%

Source: MetroScope Gamma Forecasts, Published Feb 07, 2013, <http://www.oregonmetro.gov/regional-2035-forecast-distribution>.

Figure 6. Projected Employment Growth (2010-2035)



Source: Metro Gamma Forecast; Leland Consulting Group.

Table 3 shows Metro's analysis of past and future employment growth in the Metropolitan Statistical Area (MSA), completed for the Draft 2014 Urban Growth Report. This data shows employment changes for a larger area—the seven-county MSA—than the three-county data above.

Table 3. Employment: Past Growth and Future Projections, Seven-County MSA

Time Period	Annual Growth Rate
1960 - 1980	3.74%
1980 - 2000	2.60%
2000 - 2020	1.17%
2020 - 2040	1.24%

Source: Metro, *Mid Range projection, Draft 2014 Urban Growth Report, Appendix 1a.*

A key take away from this data is that while employment in the region will continue to grow, it will grow more slowly during the build out period for Basalt Creek (likely largely during the 2020 to 2040 time period) than during the most rapid periods of employment growth (1960 to 2000). Based on this projection and conversations with area brokers, LCG projects that employment land absorption during Basalt Creek's build out period should be faster than 2000 to 2014 (which includes the recession and its aftermath), but slower than during the rapid growth period of 1980 to 2000, and the 1990s in particular.

Industrial Development Outlook

Private sector analysis of the demand for industrial space is consistent with Metro's projections in that most observers expect a resurgence of demand as the economy recovers from the recession. Nationwide, industrial development is anticipated to accelerate due to increased long-term demand for industrial properties from firms whose businesses involve research and development, advanced manufacturing, general manufacturing, and warehousing. While private sector development forecasts are often focused on a short to medium-term (e.g., one to five years) time frame, rather than the long-term (20-year) time frame for this plan, the dynamics described below are significant and are supportive of industrial development at Basalt Creek. According to the Urban Land Institute's 2014 *Emerging Trends in Real Estate*:

Industrial. Industrial real estate will get a boost in 2014 as the U.S. economy continues to improve and as retailers and manufacturers have made the shortening of the supply chain their top priority for the foreseeable future. Warehousing stands out as the strongest prospect in both investment and development in 2014—not only among industrial subsectors and niche markets, but across all types of subsectors and niche markets... Warehousing is a clear favorite when survey respondents recommended action... The strength of warehousing reflects the expanding influence of e-commerce distribution networks...

The Return of Manufacturing. "Manufacturing is coming back to the U.S., and it's coming back faster than we thought. Back in 2011, no one thought we would see anything until 2015. Now, we are seeing dozens of companies moving back to the U.S. because the economics are shifting," says a labor economist. "A key driver of this trend is that labor costs in China are rising, with wages increasing by about 15 to 20 percent a year and the steady appreciation of the Chinese yuan against the dollar. Manufacturers are seeing very long supply chains, and there are increasing concerns about intellectual property."

Portland's industrial market is heating up in response to these trends. In late 2013 and early 2014, a number of new industrial projects have been announced totaling about 1.5 million square feet; one is the 800,000-square-foot PDX Logistics Center (18.3-acre building) to be built near PDX Airport. A speculative investment of this magnitude shows significant confidence in the Portland market. Eight additional major projects are reportedly in the planning pipeline. Industrial brokers at Kidder Matthews report an "industrial land shortage" and that the "greatest demand is seen in the I-5 corridor," a submarket that includes Wilsonville and Tualatin.

Office Development Outlook

Office development nationally and regionally is not expected to bounce back with the same resiliency as industrial space. Office development in the short and long term faces several challenges. In the short term, the Portland region's employment levels have only just recovered this year to their 2008 pre-recession levels. While office vacancies are far lower than they were several years ago, there is not yet pressure for new development. As Table 4 shows, the region is expected to add just 288,000 square feet of office in 2014, or 0.6 percent of the total regional inventory of nearly 47 million square feet. Tualatin's current vacancy rate of 20.5 percent suggests a soft market, though that space will be occupied in the long term.

Table 4. Current Office Market Summary, Portland Metro Region

Market	Existing Inventory		Vacancy	YTD Net	Under Const. &	Class A
	# Blds	Total RBA	%	Absorption	Complete YTD	Rates
Portland CBD	374	26,309,983	10.0%	(36,157)	288,000	\$25.58
Lake Oswego/West Linn	142	1,144,080	8.5%	13,170	0	\$25.50
North Beaverton	151	3,246,113	6.7%	37,420	0	\$26.33
Sunset Corridor/Hillsboro	359	10,374,721	6.2%	111,442	0	\$21.53
Tigard	226	3,313,116	10.4%	35,859	0	\$24.27
Tualatin	68	1,263,266	20.5%	10,099	0	\$22.28
Wilsonville	59	1,252,446	7.1%	9,476	0	\$20.50
Totals	1,379	46,903,725		181,309	288,000	

Source: CoStar, Leland Consulting Group.

Of more concern for new office development at Basalt Creek are several long-term trends. Companies are becoming much more efficient than ever before with their office space, and thus, requiring less of it. Greater efficiencies are being achieved through smaller dedicated desk spaces; employees who work out of the office on the road, from home, or other locations; and less storage for fewer paper files. In addition, companies have gotten more reluctant to take on long-term obligations such as expanded leases. These trends are expected to continue, and in some cases accelerate in the future, and therefore, demand for office space as a function of total employment is likely to be less in the future.

In conclusion, in the near and potentially long term, office development is likely to be slower than industrial development throughout the Portland region. As shown in Figure 2 and 4, much more industrial development than office development has taken place in Tualatin and Wilsonville in recent decades, and LCG expects this trend to continue at Basalt Creek.

Tualatin and Wilsonville’s Economic Positioning and Goals

The Cities of Tualatin and Wilsonville are proactively pursuing economic development in order to provide high paying jobs for their residents, strengthen their tax bases, offer quality public services, and enable general prosperity in the communities. The two Cities’ main economic development plans relevant to Basalt Creek are shown below.

Table 5. Relevant Economic Development Plans

Tualatin	Wilsonville
<ul style="list-style-type: none"> • Economic Development Strategic Plan (2014) • Industry Cluster Analysis (2014) • Southwest Tualatin Concept Plan (2010) 	<ul style="list-style-type: none"> • Economic Opportunities Analysis (EOA) Update (Final Draft, 2012) • Coffee Creek Master Plan (2007)

Target Industry Clusters

Tualatin and Wilsonville have both identified a series of targeted industry clusters. According to Tualatin’s Industry Cluster Analysis, a cluster is an agglomeration of similar and related businesses and industries that are mutually supportive, regionally competitive, attract capital investment, encourage entrepreneurship, and create jobs. For example, 57 percent of Tualatin’s jobs fall within its five key industry clusters, which also provide wages that are on average 70 percent (\$35,000) higher than those in all other industries.

Clusters reflect the community’s strengths and competitive advantages, suggest which sectors of the economy are most likely to generate jobs in the future, and provide policy makers with guidance about the types of land, buildings, infrastructure improvements, and other actions needed to grow jobs in the future. (Wilsonville’s EOA uses the term industry “sectors.” The terms cluster and sector are used interchangeably here.)

Both Tualatin and Wilsonville have determined that they excel in the following three industry clusters. The economic figures included below are drawn from the Cities’ economic development plans.

- **Advanced Manufacturing and Related.** This cluster is a significant driver of both cities’ economies. It is Tualatin’s largest cluster, accounting for 22 percent of jobs in the city. It accounts for a significant portion of Wilsonville’s economy; computer and electronic product manufacturing was Wilsonville’s largest industry sector as of 2012, and includes several of the city’s largest employers such as Xerox, TE Connectivity, and Rockwell Collins.

The Oregon Institute of Technology (OIT), now educating students in the engineering, technology, management, and health sciences fields from its Wilsonville campus, is an important anchor institution for the southwest metro economy. The Cities are looking for ways to capitalize on OIT’s presence and to strengthen partnerships between the school and private business.

Growth in this cluster will result in ongoing demand for industrial land and buildings in Basalt Creek and other areas. Freeway access, freight mobility, and access to a skilled workforce will be important to this cluster’s ongoing success.

- **Corporate and Professional Services.** This cluster accounts for 12 percent of Tualatin's jobs, and was the second largest industry sector in Wilsonville as of 2012. Major employers include Portland General Electric and Express Employment Professionals in Tualatin, and Mentor Graphics in Wilsonville. Growth in this cluster will result in ongoing demand for office land and buildings in Basalt Creek and other areas. A variety of locational factors tend to be important to corporate and professional service firms, including skilled workforce, available land or office space, transportation connections, and nearby restaurants and commercial services.
- **Health Care and Medical Related.** This cluster is important in both cities: it is the third largest in Tualatin and fourth largest in Wilsonville. Tualatin's health care cluster is anchored by Legacy Meridian Park Medical Center, among Tualatin's largest employers, and also includes associated industries such as clinics, laboratories, physician offices, and assisted living centers. Wilsonville's largest health care employers as of completion of the EOA were Infinity Rehab and Avamere, both ambulatory (outpatient) service providers. Wages in this cluster are well above average.

Because of the diversity of health care businesses, firms in this cluster can operate in health care-specific zones (such as Tualatin's Medical Commercial zone), or general employment zones (such as Wilsonville's Planned Development Industrial zone). In some cases, health care firms that serve smaller, more localized populations can locate in retail/commercial zones.

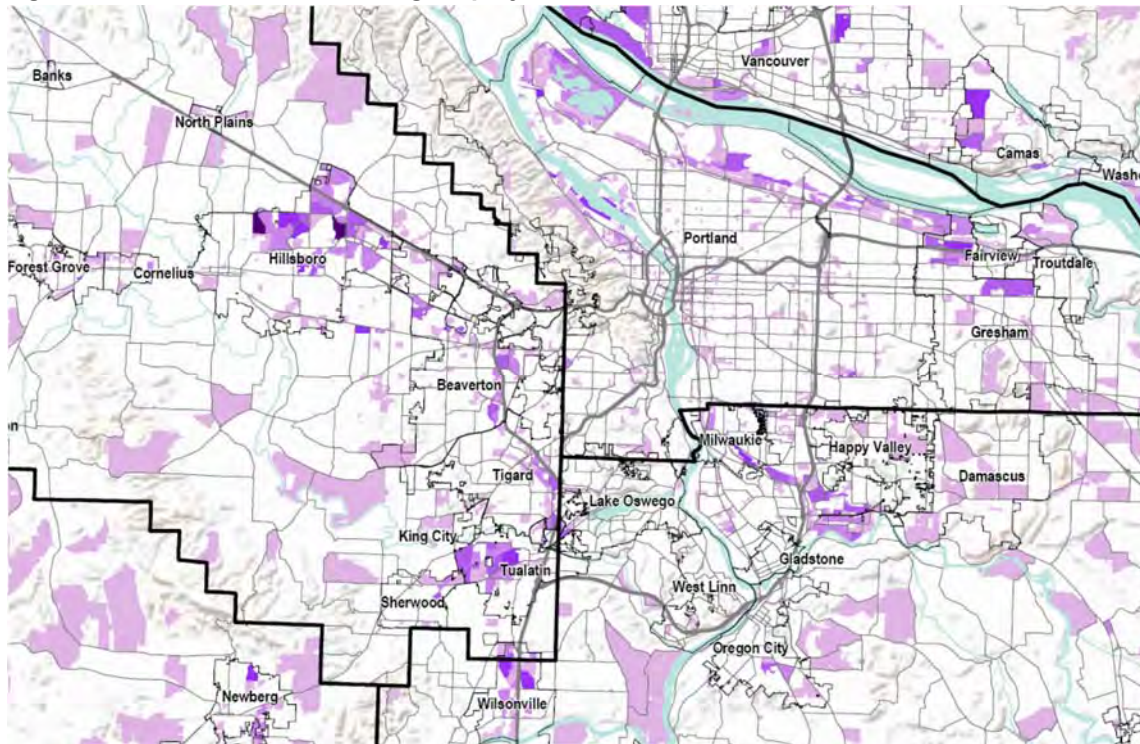
In addition to the three clusters described above that have been identified as targets for both cities, Tualatin and Wilsonville have also identified these industry clusters:

- **Other Industrial Clusters.** Both Cities have identified additional industrial target clusters that could locate in Basalt Creek. Tualatin has identified two other industry clusters likely to generate demand for industrial land and buildings: Food Processing and Distribution, and Wood, Paper, Printing, and Related. Wilsonville identified a number of other industrial business types: Light Manufacturing and Warehouse/Showroom Operations; Specialty Contractors and Construction Firms; Sustainable Product Manufacturing and Distribution; Miscellaneous Manufacturing, and Wholesale Trade.

Growth in these clusters will result in ongoing demand for industrial land and buildings in Basalt Creek and other areas. Freeway access, freight mobility, and access to a skilled workforce will be important to these clusters' ongoing success.

- **Other Professional and Commercial Services.** Wilsonville's EOA also identifies Creative Services (such as transportation logistics, legal services, management consulting, and accounting) as a target cluster. Similar to Corporate and Professional Services, growth in this cluster should result in demand for office land and buildings in Basalt Creek and other areas.
- **Other Clusters.** Some clusters may or may not be a good fit for inclusion at Basalt Creek, depending on the Concept Plan. An example is Tourism and Recreation, which was identified by Wilsonville.

Figure 7. Number of Manufacturing Employees



Source: Institute for Metropolitan Studies, Portland State University.

Figure 8. Lam Research Facility, Tualatin

The semiconductor equipment manufacturer is the city's largest private employer, and a leader in the city's advanced manufacturing cluster.



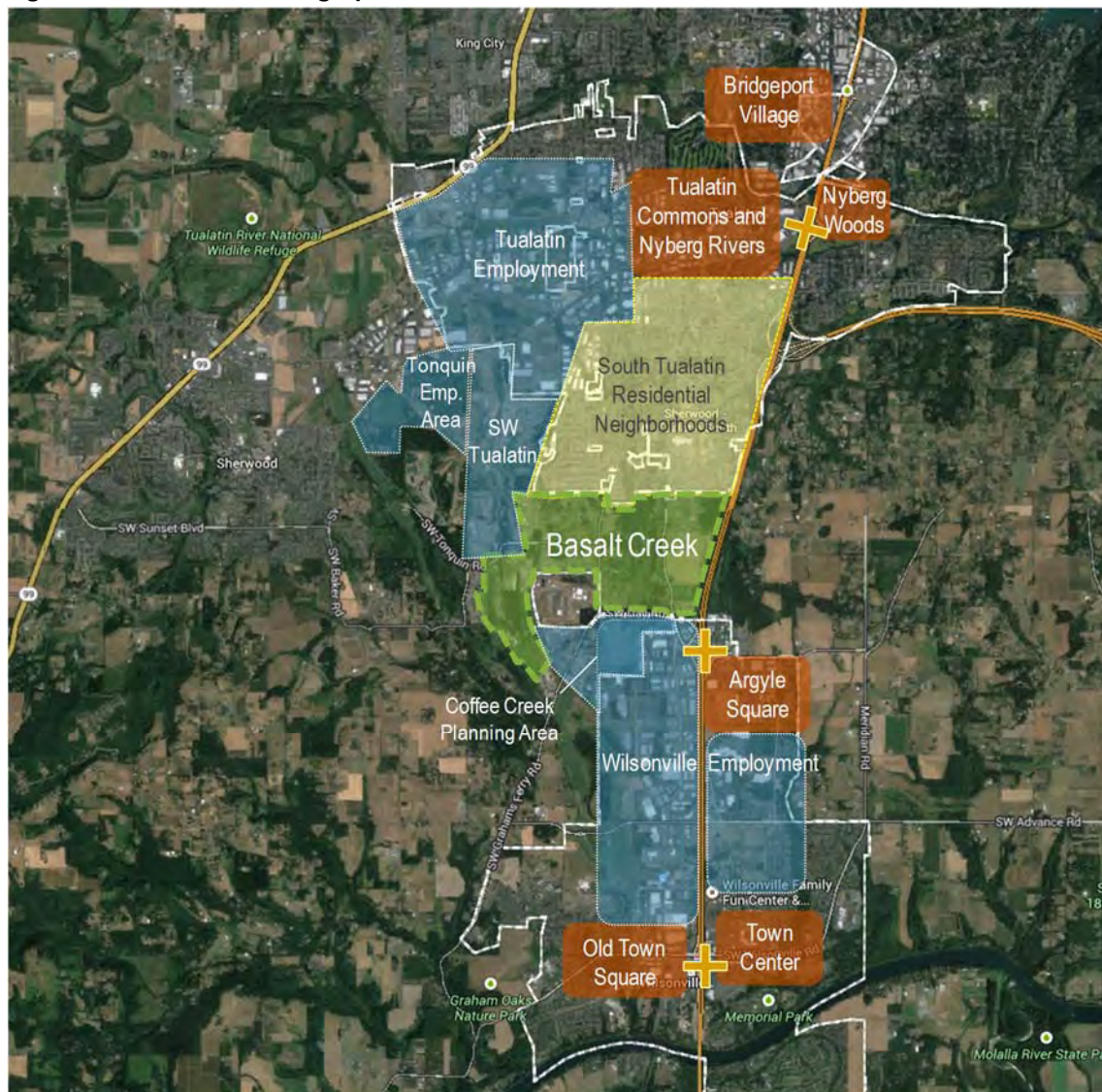
Photo credit: Tualatin Chamber.

Subregional Context

Figure 9 below shows the Basalt Creek study area and the key employment, commercial, and residential areas nearby, along with three I-5 freeway interchanges. This map shows that Basalt Creek is located at the heart of a large, contiguous series of employment areas, which will provide Tualatin and Wilsonville with the land area to build on and expand their advanced manufacturing, corporate services, and other key industry clusters.

Transportation is fundamentally important to these employment areas, and transportation connectivity has the potential to make a whole that is greater than the sum of its parts by enabling firms to trade goods and services easily. I-5 is the most important single transportation corridor. The 124th Avenue Extension and East-West Connector will also be very important in knitting the employment areas together. This large agglomeration of employment areas creates momentum, and will also be a source of competition for Basalt Creek.

Figure 9. Basalt Creek Geographic Context



Source: Leland Consulting Group. **Note:** Employment, commercial, and residential area boundaries are approximate.

Established Employment Areas. The Tualatin and Wilsonville employment areas are developed areas that have capacity to continue to add businesses and jobs. To the west of I-5, Wilsonville's employment area tends to contain more industrial, manufacturing, distribution, and flex businesses and buildings; to the east of I-5, a larger share of businesses are office-based professional service firms, such as Mentor Graphics and Xerox Corporation. However, the zoning is the same (Planned Development Industrial) throughout the entire Wilsonville employment area.

The City of Wilsonville is currently at work developing a Light Industrial Form Based Code (FBC) intended to streamline approval of light industrial and office employment, while at the same time ensuring high-quality urban design. The FBC will apply to the Coffee Creek industrial area, but could also apply to Basalt Creek Creek and other areas.

Planned Employment Areas. Southwest Tualatin, Tonquin, and Coffee Creek are planned employment areas located within the UGB that have yet to be served by infrastructure or see new private development. Annexation and development in the areas are property owner initiated.

- The Southwest Tualatin Concept Plan Area is approximately 614 gross acres and is planned for a mix of light industrial, high tech, and campus employment users. Most of the area remains an active quarry; the City expects this use to continue for an indeterminate period.
- The Coffee Creek industrial area is a 225-gross-acre area that was master planned by the City of Wilsonville in 2007. It is adjacent to Basalt Creek on the south side of Day Road. In addition to industrial development throughout the area, the City's vision includes the development of an office corridor on Day Road (the dividing line between the Coffee Creek and Basalt Creek areas). No development or annexation has taken place in Coffee Creek since the adoption of the master plan; land assemblage challenges, and lack of City services and financing plan to build those services are the primary obstacles to development here.
- The Tonquin employment area is a 300-gross-acre area located in the City of Sherwood. It is planned for light industrial development with a small amount of ancillary retail/commercial services.

Employment Strengths and Challenges

Basalt Creek's primary strengths/competitive advantages and challenges vis-à-vis the industrial and office development are as follows:

Strengths and Competitive Advantages

- Tualatin and Wilsonville's established and successful industry clusters in advanced manufacturing, professional services, and a variety of other industrial and office-based employment categories. Large contiguous cluster of existing and planned employment areas.
- Long-term growth projections for employment and population in the southwest Portland metro area.
- Excellent access to I-5, as well as I-205 and Highway 217. Additional transportation strengths include existing and planned arterial roads, and local and regional transit service provided by TriMet, WES Commuter Rail, and SMART.
- Educated workforce.

- Market success of recent industrial, office, and retail developments.

Challenges

- Vision and regulation: This Concept Plan, and subsequent Comprehensive Plan and zoning amendments, need to be in place prior to development.
- Planning, financing, and construction of new infrastructure.
- Lot sizes and property aggregation. There is a mix of large and small lots throughout Basalt Creek. The time and cost required to secure properties from multiple parties in order to aggregate developable industrial or office properties of adequate size can be a significant deterrent to developers.
- Natural features including wetlands and slopes. Basalt Creek and its surrounding slopes and wetland areas run north-south through the study area and divide the area into east and west sections.
- The market for new office development continues to be slow. However, the study area will not be ready for private development for several years, which may allow enough time for this market to recover.

Absorption and Build Out

Employment development—including industrial and office land development—is expected to take place in Basalt Creek at a pace of about eight to 10 buildable acres annually, assuming zoning is in place and urban infrastructure (roads, sanitary sewer, and water) are available. The pace of development will depend on economic conditions at the time of development, the location of transportation and other improvements, and the number of other nearby employment areas also available for development, among other factors. This represents a 30 to 40 percent capture rate of Wilsonville’s annual average of 25 acres of employment land development (see Table 1) and is reasonable given that employment development can also be expected to take place at Coffee Creek and “infill” within existing urbanized parts of the city. The projection is also consistent with the estimates provided by developers interviewed for this project. If development at Coffee Creek and on infill sites is highly constrained, then development at Basalt Creek could accelerate.

Buildings in Basalt Creek are expected to range widely in terms of site and building sizes. However, the FARs for most buildings should fall between 0.2 and 0.4 FARs and be surface parked. Higher density buildings with some structured parking may be feasible at special locations, or in later years after the market has matured.

Housing Market Analysis

Demographic Context

Table 6 summarizes Metro's 2010 to 2035 gamma projections of household growth for the cities of Tualatin and Wilsonville, and other geographies relevant to Basalt Creek. Some key take aways are:

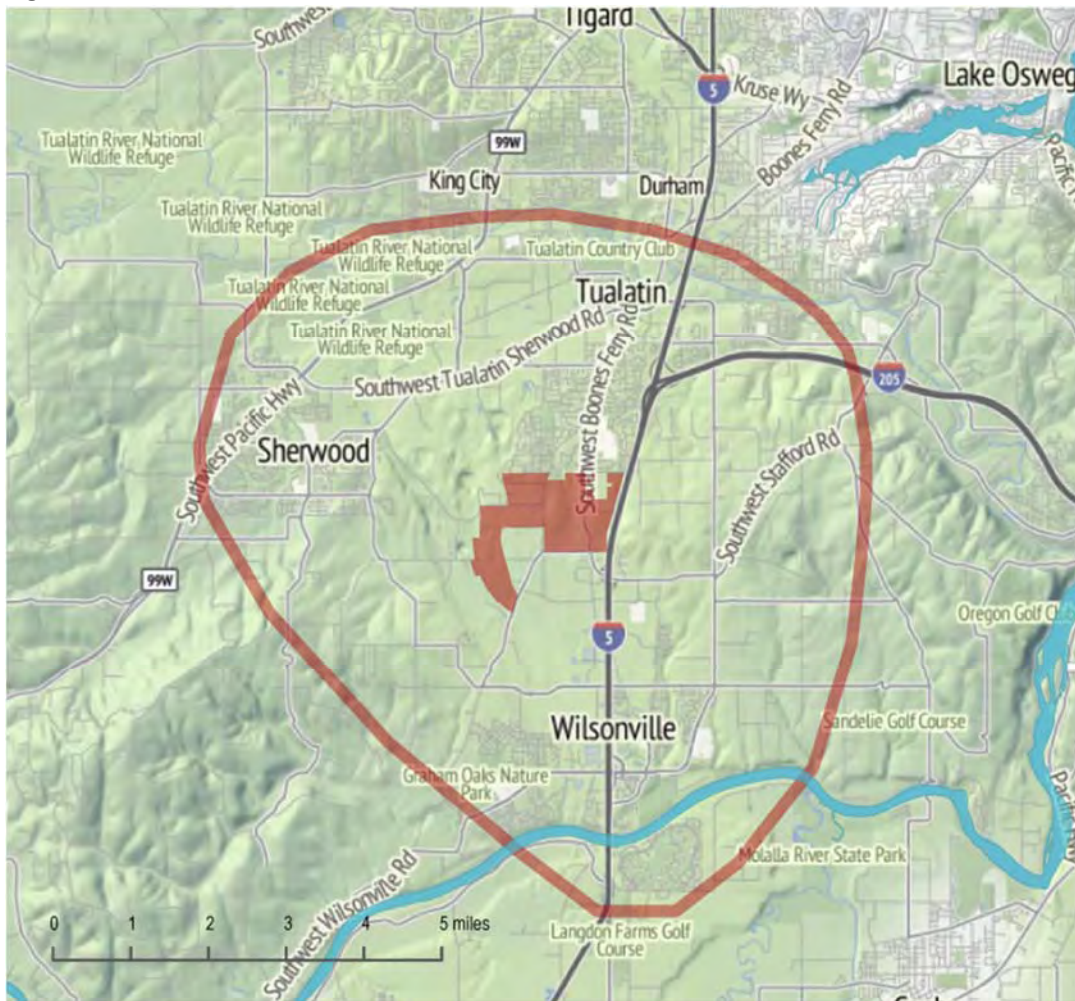
- The number of households in the three-county Metro area is expected to grow relatively quickly, at a 1.5 percent Compound Annual Growth Rate (CAGR), between 2010 and 2035, and thus add more than 11,000 households per year.
- Metro forecasts that Tualatin and Wilsonville will grow throughout the forecast period, with the number of households in Wilsonville projected to grow at a faster rate (1.5 percent) than Tualatin (0.4 percent). According to Metro, in 2010, Tualatin's average household size (2.61 persons) was slightly larger than Wilsonville's average (2.48 persons). Metro projects this difference will essentially remain through 2035, though Tualatin's household size will decrease somewhat (to 2.55 persons).
- The Basalt Creek market area (see Figure 10) was also defined in order to evaluate demographic trends that cross city and county boundaries. The market area includes the cities of Tualatin, Wilsonville, and Sherwood, as well as some surrounding areas. This market area is the area from which new residents of Basalt Creek are most likely to come, based on Leland Consulting Group's market research.
- The consistent projected household growth in the region, market area, and subject cities suggest that there will be demand for new homes within the market area generally and Basalt Creek specifically through 2035, assuming that Basalt Creek is effectively planned and made available for development.

Table 6. Demographic Forecasts for Market Area and and Metro Region

Jurisdiction	Households			
	2010	2035	Change	CAGR
City of Tualatin	10,000	11,170	1,170	0.4%
City of Wilsonville	7,859	11,508	3,649	1.5%
City of Sherwood	6,316	7,269	953	0.6%
Basalt Creek Market Area	27,825	38,704	10,879	1.3%
Clackamas County	146,324	208,437	62,113	1.4%
Multnomah County	304,649	442,546	137,897	1.5%
Washington County	202,647	289,592	86,945	1.4%
Three County Total	653,620	940,575	286,955	1.5%

Source: Metroscope Gamma Forecasts, Published Feb 07, 2013, <http://www.oregonmetro.gov/regional-2035-forecast-distribution>.

Figure 10. Basalt Creek Market Area



Source: Fregonese Associates, Leland Consulting Group.

Table 7 below and Table 8 on the following page provide additional perspective on the demographics of the subject cities when compared to the Portland MSA.

The City of Tualatin, when compared to the Portland MSA, has a higher percentage of family households (two or more related people), larger average households, higher household incomes, and higher capita incomes. A larger share of residents have college degrees (43 percent) and are employed in white collar jobs (67.4 percent) compared to the region.

Wilsonville, when compared to the Portland MSA, has a higher percentage of family households and smaller households. This is likely because the city has a higher share of young households (in the 25 to 34 age category) and seniors, Baby Boomers, and retirees (65+ category). Each of these age groups has different housing preferences. Like Tualatin, Wilsonville has a larger share of residents with college degrees (43 percent) and white collar jobs (67.4 percent) than the region. (The data below shows information about *jobs held by residents of the given geographical areas*, not the jobs within those areas.)

Table 7. Demographic Summary

Key: Low High 2014 data except where noted.

Demographic Attribute	City of Tualatin	City of Wilsonville	Basalt Creek Market Area	Portland MSA
Comparison to Portland MSA:	More families Larger HHs Higher HH Incomes Higher PC Incomes More college degrees More white collar emp.	Fewer families Smaller HHs More Gen Y More Boomers More low-income HHs More college degrees More white collar emp.	More families Larger HHs Higher HH incomes Higher PC incomes More college degrees More white collar emp.	
Population	26,520	21,235	73,786	2,296,285
Number of Households	10,170	8,638	28,121	896,982
Family Households (2010 Census)	68%	59%	68%	64%
Household Size (Average)	2.60	2.32	2.57	2.52
Household by Size (2010 Census)				
1 and 2 person households	57%	68%	58%	61%
3 and 4 person households	33%	25%	32%	29%
5 + person households	10%	7%	10%	10%
Median Household Income	\$64,324	\$59,812	\$70,256	\$57,441
Per Capita Income	\$32,672	\$31,995	\$33,336	\$30,135
Population By Age				
0 to 24	35%	31%	34%	32%
25 - 34	14%	16%	13%	15%
35 - 44	15%	14%	15%	14%
45 to 54	14%	13%	14%	14%
55 to 64	13%	11%	12%	13%
65 +	9%	15%	11%	13%
Median Age	35.7	37.0	36.6	37.5

Source: ESRI Business Analyst, Leland Consulting Group.

The Basalt Creek market area is similar to Tualatin in many ways. When compared to the Portland MSA, the market area has a higher percentage of family households, larger households, higher household and per capita incomes, more residents with college degrees, and more residents who work in white collar jobs.

Table 8. Demographic Summary (Continued)

Key: Low High 2014 data except where noted.

Demographic Attribute	City of Tualatin	City of Wilsonville	SW Metro Market Area	Portland MSA
Education and Employment				
Less than High School	9.7%	8.0%	8.0%	9.4%
High School or Equivalent	16.5%	20.4%	18.2%	22.1%
Associate's or some college	31.5%	32.3%	32.5%	34.2%
Bachelor's or Advanced Degree	42.3%	39.3%	41.3%	34.3%
Occupation				
"White Collar"	67.5%	70.1%	69.3%	63.1%
"Blue Collar"	11.3%	14.1%	13.5%	19.5%
Housing				
Median Home Value	\$331,190	\$349,927	\$337,289	\$275,516
Housing Tenure				
Owner Occupied Housing Units	51.9%	43.4%	55.0%	56.2%
Renter Occupied Housing Units	42.6%	50.5%	39.8%	37.7%

Source: ESRI, Leland Consulting Group. 2013 data except where noted.

In general, these demographics are favorable to housing development in Basalt Creek; they also reflect the types of residents most likely to locate in Basalt Creek.

Finally, the South Tualatin residential neighborhoods immediately to the north of Basalt Creek reflect many of the demographic attributes typical of Tualatin's population. The neighborhoods—including roads, street trees, parks, and schools—create a positive environment for residential development within Basalt Creek, particularly along the northern edge. It should be noted, however, that Basalt Creek is located in the Sherwood School District, not the Tigard-Tualatin School District, and therefore, school age children in Basalt Creek would need to travel west to Sherwood, rather than north, for classes.

Regional and National Demographic Trends Affecting Housing

It is important to note that over the coming decades the metropolitan region's demographics are expected to become more like Wilsonville's demographics today, and somewhat less like Tualatin. Table 9 compares the age group split in the cities of Tualatin and Wilsonville today with Washington County's demographics in 2010 and projected demographics in 2035. The biggest change is that older households are expected to comprise a larger share of the total population, with a smaller share in the 35 to 64 age category. Household sizes are also expected to decrease. Washington County is used here as a proxy for the age groups and household types most likely to live in the Basalt Creek market area in coming years, and because Metro and the State of Oregon both produce long-range estimates for the County.

Table 9. Demographic Comparison of Subject Cities in 2013 and Washington County 2035 Projection

Age Group	City of Tualatin 2013	Washington County 2010	City of Wilsonville 2013	Washington County 2035
0 - 19	35%	34%	31%	30%
20 - 34	15%	15%	17%	14%
35 - 64	42%	40%	38%	38%
65+	8%	10%	15%	19%
Total	100%	100%	100%	100%

Source: Office of Economic Analysis, State of Oregon; ESRI Business Analyst, Leland Consulting Group.

The figures below further emphasize the demographic trend that is referred to as the aging of the Baby Boomers or the “silver tsunami,” which is expected to have a significant impact on housing demand. As Baby Boomers, those born between 1946 and 1964, retire and begin to consider selling their homes and relocating, they are expected to have a major impact on housing markets. Many will be selling medium and large size single-family homes and looking for smaller homes with lower maintenance and upkeep, and the freedom to “lock and leave” home to visit family and friends, and vacation elsewhere. Many will also keep their homes.

Figure 11 highlights several points. The population of all age categories is growing between 2015 and 2035—the period during which Basalt Creek is expected to build out—and there should be demand for housing that meets the needs of all of these groups. The 65+ population will grow the most. The effect of this growth will be even more pronounced since these are relatively small households and thus more housing units are needed to serve the same population. The population of the 35 to 64 age category, and their children, under 19, will also grow significantly. This group is likely to re-occupy many of the single-family homes now in the market area, and new homes in Basalt Creek. The size of the 20 to 34 age group is not expected to increase much. This is because Generation Y / Millennials, now in their 20s and early 30s, is a large age cohort, and the age cohort behind them is expected to be smaller. Generation Y is driving the apartment boom now taking place in urban and mixed-use areas throughout the metro region.

Figure 11. Net Population Change by Age Group, 2015 to 2035, Washington County

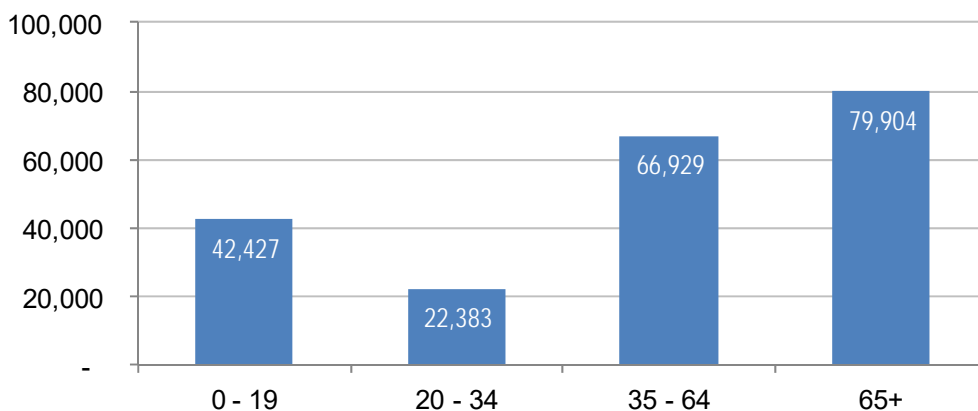
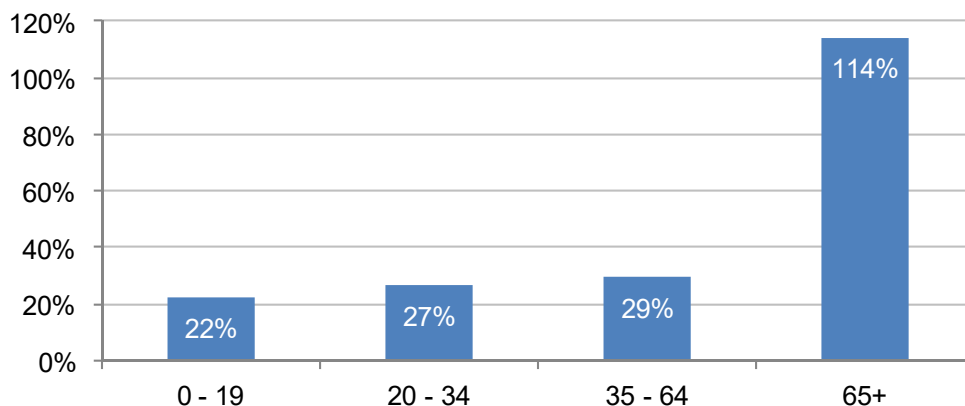


Figure 12. Percent Population Increase by Age Group, 2015 to 2035, Washington County, Oregon



Source: Office of Economic Analysis, State of Oregon; Leland Consulting Group.

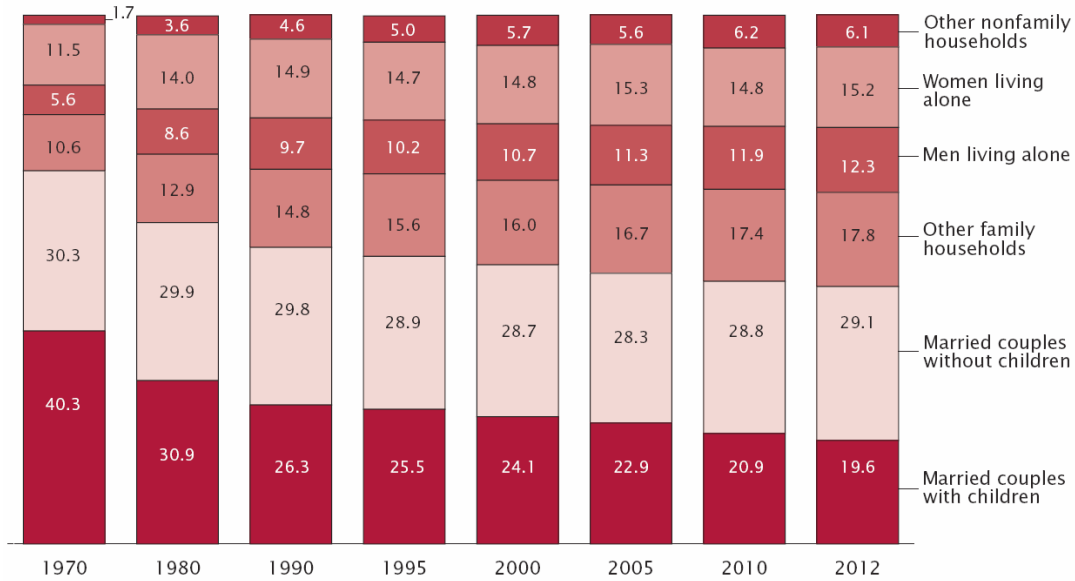
Figure 12 shows that, as a percentage of the current population, the growth in the 65+ age group will be far greater than growth in the other age groups. While the numerical increase (shown in Figure 11) is only slightly greater than the increase in other population groups, the percent increase is far greater. Therefore, our perception of this change, and its impact—on housing, health care, and other parts of society—is likely to be greater.

Some urban planners have identified four demographic groups that have seen the highest rate of growth in recent decades and are expected to continue growing in the coming decades. These are the “four S groups:”

- Seniors
- Singles
- Single-parent households
- Starter households

The growth in these groups nationwide is shown in Figure 13 below, along with the significant decrease in married couples with children as a share of all households. This strongly suggests that future housing demand, and the housing mix in residential neighborhoods, will continue to shift from single-family homes to a broader mix of housing types.

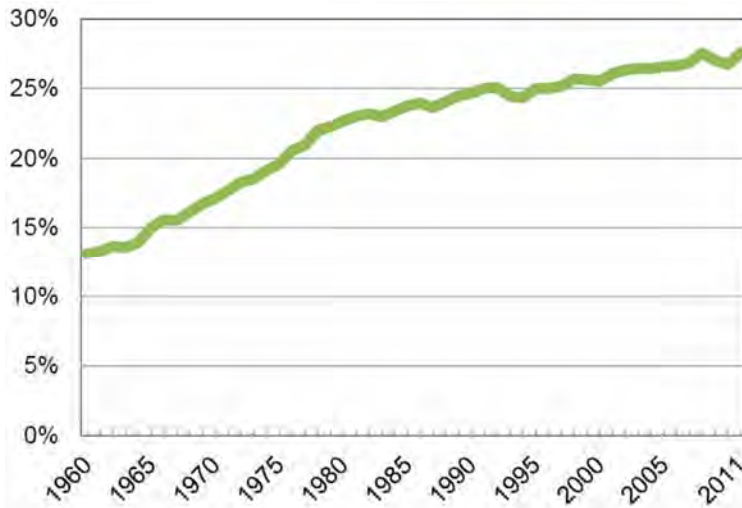
Figure 13. Households by Type, United States



Source: US Census Bureau.

Figure 14 shows the growth in the percent of households nationwide with one person. The share of one-person households doubled between 1960 and 2011. Two-person households are also making up a larger share of the national and regional population. Sixty percent of households in the market area, and 68 percent of Wilsonville’s households, are one or two-person households. These households are the core drivers of demand for housing types such as small lot single-family homes, attached single-family homes (townhouses and duplexes), and multifamily housing (apartments, condominiums, and senior housing).

Figure 14. Percent of Households with One Person, United States



Source: US Census Bureau.

Community Preferences

Of course, real estate and home buying is all about “location, location, location”—in other words, the community, city, or neighborhood in which a given home is located. Since 2004, the National Association of Realtors (NAR) has conducted a nationwide poll to better understand what Americans are looking for in their future homes and communities. This is the most robust, widely-applicable survey instrument available to suggest how housing demand is evolving. One important focus of this poll is testing Americans’ interest in the features of what are variously called “walkable communities,” “complete communities,” or “traditional neighborhood development.” Such communities tend to be pedestrian friendly—parks, schools, shops and businesses are located within walking distance of homes—and contain a range of different housing types where households of different ages and sizes can live (single-family homes, townhouses, and multifamily housing).

Figure 15 shows how people responded when asked, “Do you think there is too much, too little, or the right amount of each of the following in the area close to where you live?” Respondents most often felt that there are too few features such as safe routes for walking and biking, public transit, a diversity of housing, and shops and restaurants within an easy walk.

Figure 15. Which Neighborhood Amenities are in Demand?

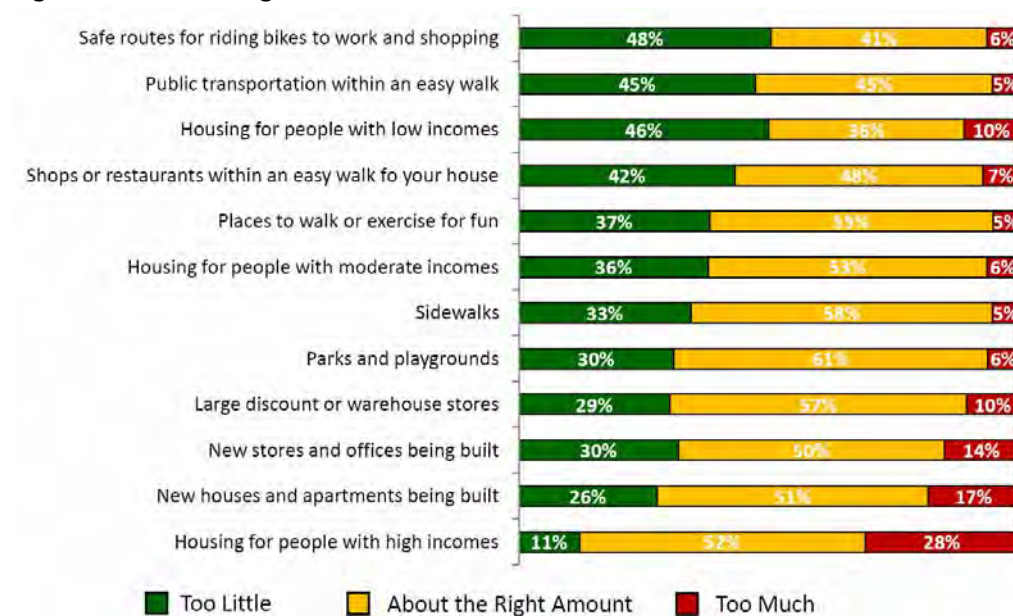


Figure 16 shows how people responded when asked to select the house where they would prefer to live when provided with two community options. By nearly a two-to-one margin, Americans prefer a neighborhood where they can walk to stores and businesses. The preference is significantly more pronounced among those who recently purchased a home or are currently in the market.

Figure 16. Community Preferences



Source, both figures: National Community Preference Survey, National Association of Realtors, October 2013.

Housing Types

Table 10 and the images that follow show categories of housing that are used to estimate demand in the Basalt Creek area. While there are many different categories and subcategories of housing, these five housing types are representative of the vast majority of housing being built now and in the recent past in the Portland metropolitan region, and in the market area in particular. The net density (number of housing units that can be accommodated on buildable land) of various housing types will vary depending on conditions such as slope, wetlands and environmental constraints, property ownership, streetscape features such as sidewalks and parking strips, and other factors; the net densities shown below are based on the average density of numerous built and planned projects.

Table 10. Housing Types

Housing Type	Lot Size			Net Density
	Low	Average	High	
Large Lot Single Family	6,000	7,500	8,500	6.0
Medium Lot Single Family	4,000	5,000	6,000	7.5
Small Lot Single Family	2,500	3,500	4,000	11.0
Attached Single Family: Townhomes and Duplexes	1,000	2,250	2,500	16.0
Multifamily: Apts, Condos, and Senior Housing	NA	NA	NA	25.0

Large Lot Single-Family



Medium Lot Single-Family



Small Lot Single-Family



Single-Family Attached



Multifamily



Recent Housing Development

Table 11 shows the recent residential permitting trends in the cities of Tualatin and Wilsonville, and in Villebois, a master planned community in Wilsonville. Villebois is shown here because: it is the largest master planned community (482 acres) that has been developed recently in the Southwest Metro area; it is a defined area that has been planned to include a range of housing, parks, and commercial services; and due to its success in the marketplace in recent years, housing absorption has been relatively rapid (adjusting for the recession), and many houses sell for a premium when compared to the competition in other areas. Naturally, recent housing built in these areas provides one benchmark from which to estimate future demand.

As Table 11 shows, the housing types that have been permitted and built in these areas correlate closely to the types of people and households who live there; the housing types also likely reflect zoning and other regulatory and market forces. Recent housing permitted in Tualatin is composed largely of large and medium lot single-family housing. No small lot single-family housing (lots smaller than 4,000 square feet) or attached single-family housing has been permitted since 2004. About 20 percent of the recently permitted housing in Tualatin is multifamily—market rate and affordable apartments, condominiums, and senior housing. Very little existing multifamily housing is located in the neighborhoods immediately north of Basalt Creek; most of Tualatin's multifamily housing is clustered further north near the Tualatin Town Center, Tualatin-Sherwood Road, and Bridgeport Village. The majority were built prior to 2000, although the 367-unit Eddyline at Bridgeport, completed in 2013, is a notable exception. Historically, this multifamily share is relatively typical; multifamily has comprised about 20 percent of total housing in many communities during the past five decades.

Wilsonville's housing is more diverse and features a significantly higher percentage of small lot single-family and multifamily housing, and much less large and medium lot single-family housing. Again, this is likely to be due to market, demographic, and regulatory reasons. The broad housing mix reflects the presence and growth of the four S groups in Wilsonville: seniors, singles, single-parent households, and starter households. The large multifamily share (66 percent) is partially due to the large number of new 20 and 30-something households recently formed, which will slow in coming years. Villebois' housing mix is similar to that in Wilsonville overall; however, during the time period surveyed (2000 to 2012) a larger percentage of small lot single-family homes, townhouses and duplexes were built in Villebois, along with a smaller percentage of multifamily housing. Villebois' developers and NAR surveys show that most American households, Baby Boomers included, prefer single-family homes over multifamily homes, but that they are quite open to smaller lot and homes sizes, especially when the surrounding neighborhood is attractive and walkable.

Table 11. Residential Development in Tualatin and Wilsonville by Housing Type

Housing Type	Tualatin	Wilsonville	Villebois
	Recent Permits	Recent Permits	Recent Permits
Large Lot Single Family	44%	9%	8%
Medium Lot Single Family	36%	10%	8%
Small Lot Single Family	0%	12%	35%
Attached Single Family	0%	2%	6%
Multifamily	20%	66%	43%
Total	100%	100%	100%

Sources: HUD; City of Wilsonville, *New Home Trends*, Leland Consulting Group. Due to data availability, Table 11 shows housing built in Tualatin between 2004 and 2014; and permits issued in Wilsonville between 2000 and 2012.

Basalt Creek Housing Scenarios

Table 12 shows the residential development scenarios developed by Leland Consulting Group for Basalt Creek. Rather than a single recommendation, these scenarios represent a continuum of options for the area. Typically, there is no single residential land use program that is “correct” in the marketplace, especially because of the significant growth in all households projected to occur in the market area. Rather, public policy, community aspirations, the vision of developers and land owners, and the type of multidisciplinary planning now taking place in this Concept Plan can help to shape the type of community expected, and the proper housing markets to pursue. An average net density (across all housing products) for each scenario is shown below. The density of each product type is shown in Table 10 on page 2929.

Scenario 1 can be thought of as reflecting the “status quo”—a housing mix similar to what has been built in Tualatin between 2004 and 2014. This is used as a status quo benchmark since Tualatin’s residential neighborhoods are in closest proximity to Basalt Creek. Eighty percent of the homes in this scenario are either large lot or medium lot single-family homes. While these homes are likely to appeal to families with children and many smaller households, this scenario may have an undersupply of small lot and attached single-family homes which will appeal to the growth in 65+ households and one and two-person households. There is less housing diversity in this scenario than other scenarios, and the predominance of large lot homes is likely to make it more challenging to create the type of walkable neighborhoods that 60 percent of those polled by the National Association of Realtors prefer.

Scenario 2 largely relies on the housing preferences expressed in the 2013 Realtors Survey. The one exception is that the 20 percent multifamily share was maintained from Scenario 1 to reflect historical multifamily construction patterns in Tualatin and Wilsonville. This scenario reflects the demand for small lot single-family, attached single-family, and multifamily expressed in the survey, and also greater share of these products in Wilsonville. Nonetheless, 75 percent of the housing remains single-family detached housing. The average density is just under 10 dwelling units per net buildable acre. This scenario contains a broader diversity of housing products and will be more suitable for a walkable community than Scenario 1.

Table 12. Residential Development Scenarios

	Scenario 1	Scenario 2	Scenario 3
Percent of Units by Type			
Large Lot Single Family	44%	10%	5%
Medium Lot Single Family	36%	41%	23%
Small Lot Single Family	0%	24%	43%
Attached Single Family	0%	5%	9%
Multifamily	20%	20%	20%
Total	100%	100%	100%
Net Density	7.7	9.6	10.9

Source: Leland Consulting Group.

Scenario 3 is similar to Scenario 2 but attempts to make several adjustments for changing housing demand. First, more demand is shifted to towards small lot single-family homes in response to stated preferences for such homes when they are located in a neighborhood where businesses and other amenities are located in close walking distance. Second, slightly higher demand for attached housing (duplexes, clustered cottage homes, and townhouses) is assumed because of the significant increase in 65+ aged households, and because of preferences for smaller homes in walkable communities. The multifamily share remains the same. Seventy percent of all housing remains single-family detached housing.

Retail Market Analysis

Retail, commercial services, and commercial office space (e.g., medical and dental offices) may be feasible in Basalt Creek. However, the market for these goods and services cannot be determined without first establishing one or more land use alternatives for employment, housing, and other uses in Basalt Creek. Nearby residents and employees generate the main demand for retail and since the amount and location of these are unknown at this time, the amount and location of retail cannot be determined.

Despite these significant unknowns, the following observations can be made about retail in Basalt Creek.

Market

In addition to new residents and employees that may locate in Basalt Creek, the residents of the Tualatin neighborhoods located immediately to the north are an important source of support for retail. Residents spend more of their retail dollars locally than employees or passersby, and therefore are generally a more important source of demand for retail goods and services. Approximately 4,000 households live in the area between Norwood Road and Tualatin-Sherwood Road. These households already have other places to shop, particularly on and near Tualatin-Sherwood Road. However, based on existing traffic counts and interviews with residents and developers, it is clear that some of these residents are already accustomed to driving south through Basalt Creek to access I-5 or other destinations.

Retailers also look at traffic counts as an important demand indicator, since retail relies on passby traffic for support. Boones Ferry Road carries average daily traffic (ADT) of about 15,000 today according to ESRI Business Analyst, which is high enough to suggest that it will be a good retail location in the future. Traffic counts on Grahams Ferry Road are below 6,000 ADT, and therefore it is likely to be a less desirable retail location. Traffic counts such as these likely reflect trips being made by residents and employees of the Southwest metro area and beyond. The 124th Avenue Extension, now being built to the western edge of the study area, and the planned East-West Connector Road that will run across the study area are also important transportation arterials along which retail will seek to locate. A prime location for retail may be at the intersection of Boones Ferry Road and the East-West Connector Road.

These demand factors should be taken into account along with housing and employment projections for the study area in order to estimate the total amount of supportable retail.

Types of Retail Centers

Retail in Basalt Creek is likely to be built in the formats shown in Table 13: corner store, convenience centers, and/or neighborhood centers. These types of retail generally serve residents and employees within a one-half mile to three-mile radius, and are usually located on arterial roads such as Boones Ferry and Grahams Ferry Roads.

Neighborhood centers are typically anchored by a grocery store and usually include five to 15 smaller in-line tenants which may include pharmacy, food/restaurant, bakery, beauty, technology, financial services, and other tenants. Convenience centers and corner stores are smaller retail nodes that serve their immediate surroundings; they may be anchored by a convenience store (e.g., 7 Eleven) or simply include four to 10 tenants similar to those listed above.

Larger retail formats, such as community centers, regional shopping malls, and lifestyle centers, typically require immediate access to and visibility from a major freeway interchange or other major transportation infrastructure (e.g., high-capacity transit in downtown Portland); a large existing population base; and minimal immediate competition. There is already a series of established major retail clusters located around the freeway interchanges to the north and south. These clusters serve subregional and/or regional shoppers who sometimes travel a half hour or more to shop there. Each has very good access to and visibility from I-5. It is highly unlikely that retail at Basalt Creek could effectively compete against these centers for a share of the regional retail market, because the competition is well established and its freeway access is generally superior.

Table 13. Types of Retail Centers

Retail Center Type	Gross Retail Area	Dwellings Necessary To Support	Average Trade Area	Anchor Tenants
Corner Store	1,500 - 3,000	1,000	Neighborhood	Corner store
Convenience Center	10,000 - 30,000	2,000	1 mile radius	Specialty food or pharmacy
Neighborhood Center	60,000 - 90,000	6 - 8,000	2 mile radius	Supermarket and pharmacy
Community Center	100,000 - 400,000	20,000+	5 mile radius	Junior department store

Sources: *Urban Land Institute, Leland Consulting Group.*

Timing

“Retail follows rooftops.” In other words, in most cases, residential (and employment) development come first, and then retail follows, simply because retail needs local shoppers in order to survive. Any retail space in Basalt Creek is likely to be built following significant residential and employment development. Details will depend on the concept plan prepared for the study area.

MACKENZIE.

DESIGN DRIVEN | CLIENT FOCUSED

January 11, 2017

Washington County
Attention: Erin Wardell
Department of Land Use & Transportation
155 N First Ave, Suite 350 MS16
Hillsboro, OR 97124

Re: **Basalt Creek Employment Site Evaluation**
Project Number 2150111.01

Dear Erin:

Washington County contracted with Mackenzie to review the subject site based on Mackenzie's experience with planning and design for development of industrial and employment lands in the Portland region. The goal of this effort is to assist County staff in understanding the likely development opportunities and patterns that might occur on the subject site based on general site development factors including but not limited to potential physical site development constraints.

The 63-acre site (see attached), located within the Basalt Creek planning area is currently planned for future industrial/employment development. We understand there are questions that, given the topography and potential wildlife habitat/wetlands on site, the site may be better suited for uses other than industrial/employment (e.g., residential). This letter summarizes our preliminary opinion on the developability of the subject site for industrial/employment uses from a concept planning level only. Our review is based on limited information regarding existing conditions provided by Washington County on December 20, 2016.

The County's Goal 5 inventory shows the entire subject site as significant natural area and 2.75 acres in the northeast corner as wetland and fish wildlife habitat. In addition, nearly 70% of the subject site is Metro Title 13 Riparian areas with riparian wildlife habitat areas and impact areas. The exact location and classification of these features is unknown at this time and is beyond the scope of this evaluation. It is possible that there are no significant natural features located on the subject site, except for the NE portion of the site which has a ravine with natural resources discussed below. These potential natural features and wildlife habitat must be confirmed prior to development and it is recommended that prior to further master planning and/or zoning this property, a natural feature inventory and/or survey is performed on this site to further refine the net developable acreage. Only after a wetland delineation and/or survey would we will be able to confirm the developable acreage of this site and confirm whether the concept plan in Figure 3 is feasible as it was created using publicly available GIS data only. Therefore, we did not consider Goal 5 or Title 13 as a factor in this effort as there is not enough information at this time to confirm exact feature locations.

Therefore, this memo assumes that the Goal 5 and Title 13 resources are developable at this time, except for the stream and ravine in the most northeastern corner of the site. While we are aware of the potential location of natural resources, physical topography, site size, and site configuration were the largest factors taken into consideration in the conceptual site plan shown in figure 3. In discussion with County staff, Goal 5 and Title 13 are not regulated at the development level. Wetland delineation and surveys are required through the development review process, prior to development, to confirm any potential on site constraints. The Goal 5 designation requires the current or future property owner(s) to conduct a wetland delineation to confirm any potential resources as well as an assessment of



P 503.224.9560 ■ F 503.228.1285 ■ W MCKNZE.COM ■ RiverEast Center, 1515 SE Water Avenue, #100, Portland, OR 97214
ARCHITECTURE ■ INTERIORS ■ STRUCTURAL ENGINEERING ■ CIVIL ENGINEERING ■ LAND USE PLANNING ■ TRANSPORTATION PLANNING ■ LANDSCAPE ARCHITECTURE
Portland, Oregon ■ Vancouver, Washington ■ Seattle, Washington

those resources. In addition, site development should take into consideration potentially geological challenges related to the Tonquin Scablands, which may impact the subject site and were not reviewed as a part of this analysis.

INDUSTRIAL/EMPLOYMENT LAND SUITABILITY FACTORS

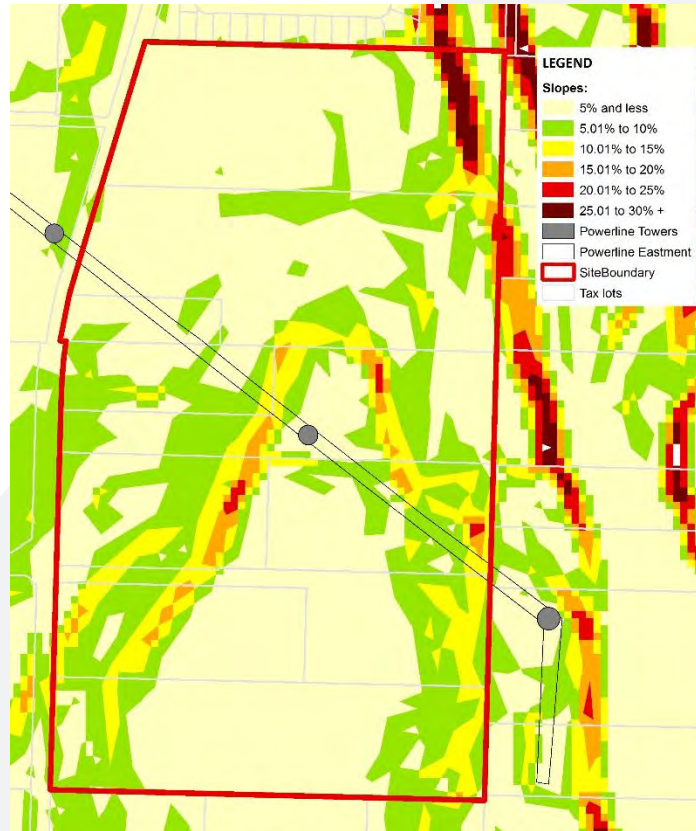
There are several physical factors that are utilized to determine the feasibility for development of industrial and employment uses, but the most critical is the need for generally “flat” land. Flat land in a concept planning analysis for industrial/employment development is commonly assumed to be less than 5% slope. Generally, increased slope results in smaller building footprints, less flexibility in building location and building orientation, and/or increased costs for grading. Although slopes from 5% to 10% can accommodate some employment uses, the site preparation costs and loss of efficiency increase dramatically. These factors in turn translate into a more limited range of potential users, ultimately limiting the marketability and underlying value of the site. Other factors for industrial/employment development include site size and configuration as well as proximity to major transportation corridors and private and public utilities. Market factors such as prevailing lease rates, market vacancy, and market depth may also impact the suitability of a development site.

SITE EVALUATION

Our approach was to “test” the site in two ways and compare the results. First, we reviewed the site from a high-level planning perspective utilizing GIS data and looking at general use and land efficiency factors. The second approach involved evaluation and conceptual site design by a Mackenzie architect who has decades of experience in industrial/employment development projects in the Portland region.

The high-level planning approach was to evaluate the existing slopes on site utilizing GIS data. As indicated below, the topography of the site lends itself to a natural divide into northern and southern development areas. The slope analysis in Figure 1 was completed utilizing the 2-foot contour GIS shapefile as provided by Washington County.

Figure 1: Slopes Map



The table below identifies potential development areas for two critical slope categories: areas that are slopes 5% and less, and slopes above 5% to 10% slopes. Of the 63 gross acres, approximately half of the site (about 37 acres) may be suitable for employment development, if slopes ranging above 5% to 10% can be mitigated. Less than a third of the property (areas A and C) has slopes less than 5%, which are most suitable for employment development. These areas will still require some cut/fill earthwork for building pads. Areas B and D will require additional and more significant cut/fill balance to acquire the additional development areas.

Nearly a third of this site, approximately 22 acres, contain slopes greater than 10% or are surrounded by 10% and greater slopes, which is extremely difficult to develop for industrial/employment uses. Additionally, approximately 9 acres of the site will be utilized for right-of-way dedication of the future Basalt Creek Parkway alignment. Approximately 5 of these 9 acres have slopes less than 5%. Lastly, the northeastern portion of the site contains a ravine with natural resource conditions making that portion difficult for any development type/use.