TUALATIN CITY COUNCIL MEETING



MONDAY, OCTOBER 28, 2019 JUANITA POHL CENTER 8513 SW TUALATIN ROAD TUALATIN, OR 97062

Mayor Frank Bubenik
Council President Nancy Grimes
Councilor Paul Morrison Councilor Robert Kellogg
Councilor Bridget Brooks Councilor Maria Reyes
Councilor Valerie Pratt

5:00 PM WORK SESSION

- 5:00 p.m. (50 min) Urban Renewal Education Series Part III. This session will focus on the process and steps of amending each urban renewal districts' plans and closing down each district. In efforts to effectively close down each district, the remaining district revenues must be properly utilized.
- 5:50 p.m. (60 min) Tualatin 2040 Update. Tonight's update will include a synopsis of the stakeholder feedback to date and information on the various components of Tualatin 2040 (Housing Needs Analysis & Policy Strategies, and the Economic Opportunities Analysis & Policy Strategies).
- 3. 6:50 p.m. (10 min) Council Meeting Agenda Review, Communications & Roundtable. Council will review the agenda for the October 28th City Council meeting and brief the Council on issues of mutual interest.

7:00 P.M. CITY COUNCIL MEETING

Call to Order

Pledge of Allegiance

Announcements

- 1. Proclamation Declaring November 3-11, 2019 as Veteran's Appreciation Week
- 2. Oregon Recreation and Park Association- Parks and Recreation Award
- 3. New Employee Introduction- Joanna Caputo, Public Works Office Coordinator
- 4. New Employee Introduction- Megan George, Assistant to the City Manager

Public Comment

This section of the agenda allows anyone to address the Council regarding any issue not on the agenda, or to request to have an item removed from the consent agenda. The duration for each individual speaking is limited to 3 minutes. Matters requiring further investigation or detailed answers will be referred to City staff for follow-up and report at a future meeting.

Consent Agenda

The Consent Agenda will be enacted with one vote. The Mayor will ask Councilors if there is anyone who wishes to remove any item from the Consent Agenda for discussion and consideration. If you wish to request an item to be removed from the consent agenda you should do so during the Citizen Comment section of the agenda.

- 1. Consideration of Approval of the Work Session and Regular Minutes of October 14, 2019
- Consideration of <u>Resolution No. 5465-19</u> Adopting a Supplemental Budget to Authorize Changes to the FY 2019-2020 Adopted Budget
- 3. Consideration of Resolution No. 5476-19 Authorizing the Purchase and Installation of Playground Equipment and Surfaces through an Interstate Cooperative Procurement

Special Reports

- 1. Juanita Pohl Center Advisory Committee Annual Report
- 2. Tualatin Moving Forward Second Annual Report & Neighborhood Safety Projects

General Business

If you wish to speak on a general business item please fill out a Speaker Request Form and you will be called forward during the appropriate item. The duration for each individual speaking is limited to 3 minutes. Matters requiring further investigation or detailed answers will be referred to City staff for follow-up and report at a future meeting.

1. Presentation on City Marijuana Regulations and State Law

Council Communications

1. Proclamation Request- Small Business Saturday

Items Removed from Consent Agenda

Items removed from the Consent Agenda will be discussed individually at this time. The Mayor may impose a time limit on speakers addressing these issues.

Adjournment

Meeting materials, including agendas, packets, public hearing and public comment guidelines, and Mayor and Councilor bios are available at www.tualatinoregon.gov/council.

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In compliance with the Americans with Disabilities Act, this meeting location is accessible to persons with disabilities. To request accommodations, please contact the City Manager's Office at 503.691.3011 36 hours in advance of the meeting.



CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Jonathan Taylor, Economic Development Manager

DATE: October 28, 2019

SUBJECT:

Tualatin Urban Renewal Education Series Part III. Discussion on the proposed uses for the remaining funds in the Leveton Tax Increment District and Central Urban Renewal District.

EXECUTIVE SUMMARY:

Session III Purpose

Session III will focus on the process and steps of amending each urban renewal districts' plans and closing down each district. In efforts to effectively close down each district, the remaining district revenues must be properly utilized.

Background:

In 2010, the City of Tualatin began the official process of closing down its two urban renewal areas: Central Urban Renewal District (CURD) and Leveton Tax Increment Finance District (LTID) with the City ceasing tax increment finance (TIF) collection from both Districts. These two districts were formed for very different purposes, and each were successful in their own development. The CURD was intended to alleviate blight in the downtown area of Tualatin. Implementation of Tualatin Commons is one of CURD's greatest accomplishments. LTID was created to open up new green fields and lands for employment and industry, and over the last 26 year of active zones, it had accommodated 35 new employers, bringing in 2,200 jobs to the City. These two district's assessed value increased over \$435.5 million since 1975.

Series Purpose:

The Urban Renewal Education series is a three-part session focused on urban renewal basics for the Tualatin Development Commission/City Council. With over \$4 million dollars in cash assets and remaining actions for the Tualatin Development Commission to complete for the closure of CURD and LTID, the sessions will provide overview of Oregon Law regarding Urban Renewal, the history and accomplishments of each districts, roles and responsibilities of the Tualatin Development Commission, and next steps and goals for remaining funds and assets, and steps of officially shutting down each area.

Recap of Session 1 - URA Basics

On April 28th, the Tualatin City Council/Tualatin Development Commission was presented with Session 1 of the Urban Renewal Education Series by our consultant Elaine Howard, Howard Consulting. The session

focused on the general overview of what urban renewal is, how it is funded through tax increment financing (TIF), and how TIF is collected by the authority and its effect on property owners and area taxing entities.

Recap of Session 2 – Overview of Tualatin Urban Renewal Districts

On June 24th, the Tualatin City Council/Tualatin Development Commission was presented with Session 2 of the Urban Renewal Education Series by our consultant Elaine Howard, Howard Consulting. The session focused on the general overview and history of the Tualatin Urban Renewal Areas – Central Urban Renewal District and Leveton Tax Increment District, and the current remaining assets of each district, and the next steps of disposition of cash and land assets to officially close down each district.

Overview of Districts:

Central Urban Renewal District

CURD was established in 1975 with originally 310 acres, with amending over time to include 327 acres. Upon formation, the total assessed value of the area was \$14,067,089. Most of CURD was zoned for Central Commercial and Commercial Office, with small portions for high-density residential and light manufacturing. The purpose of the CURD was "to alleviate conditions of blight and to create a sense of place downtown." The overall goal of the CURD was "to strength the social and economic development of central Tualatin by stabilizing and improving property values, eliminating existing blight, and preventing future blight." Upon completion of the District's plan, the assessed value of the District had increased by \$194 million dollars (FY 09/10).

Noted Accomplishments:

- Tualatin Commons Project. This large-scale mixed-use redevelopment is a key feature. The area includes 80 residential units, 160,000 square feet of commercial space, 500 parking spots. The project cost \$7.9 million for land acquisition and site preparation. The current combined value is over \$30 million.
- Nyberg Street/ I-5 Interchange.
- Land Acquisition for Police Services Building.

Leveton Tax Increment District

The LTID was established in 1985 with 377 acres, expanding to include a total of 380.8 acres. At the time, the total assessed value of the district was \$3,660,924. Establishment of the district was integral to the City's economic development efforts to diversify and internationalize the local economy. Virtually the entire district is zoned for manufacturing. The LTID was established to provide infrastructure and services to support industrial development, and to eliminate mining operations, which were considered to be detrimental to other industries. The overall goal of the district was to facilitate the full industrial development of the area by removing blighting influences and by providing public improvements. The assessed value of the district increased by \$255.5 million (FY 09/10).

Noted Accomplishments:

- Reconstruction of SW 124th Ave/Pacific Hwy/SW Tualatin Road intersection
- Construction of 118th Ave
- SW Leveton Drive
- Herman Road

Next Steps:

Upon identifying options and priorities for closing down the Central Urban Renewal and Leveton Urban Renewal District, closure process map, project plans, and plan amendments will be presented to the Tualatin Development Commission for consideration at a later date.

ATTACHMENTS:

Attachment A - Session III PowerPoint

Attachment B - Central Urban Renewal District Plan Document

Attachment C – Leveton Tax Increment Finance District Plan Document

Attachment D - Tualatin Development Commission Final Report

Attachment E - Session I

Attachment F - Session II





Purpose

Discuss the process for closing Tualatin's two urban renewal districts, Central Urban Renewal District and Leveton Tax Increment District.

RECAP

Session I

Overview of Oregon Urban Renewal Law, Tax Increment Finance, and roles of District Commissions and City Council

Session II

Overview of the Tualatin Urban Renewal Districts, history, and current assets.

Tualatin Development Commission Decisions

What are TDC's options or priorities/focus areas for the remaining funds?



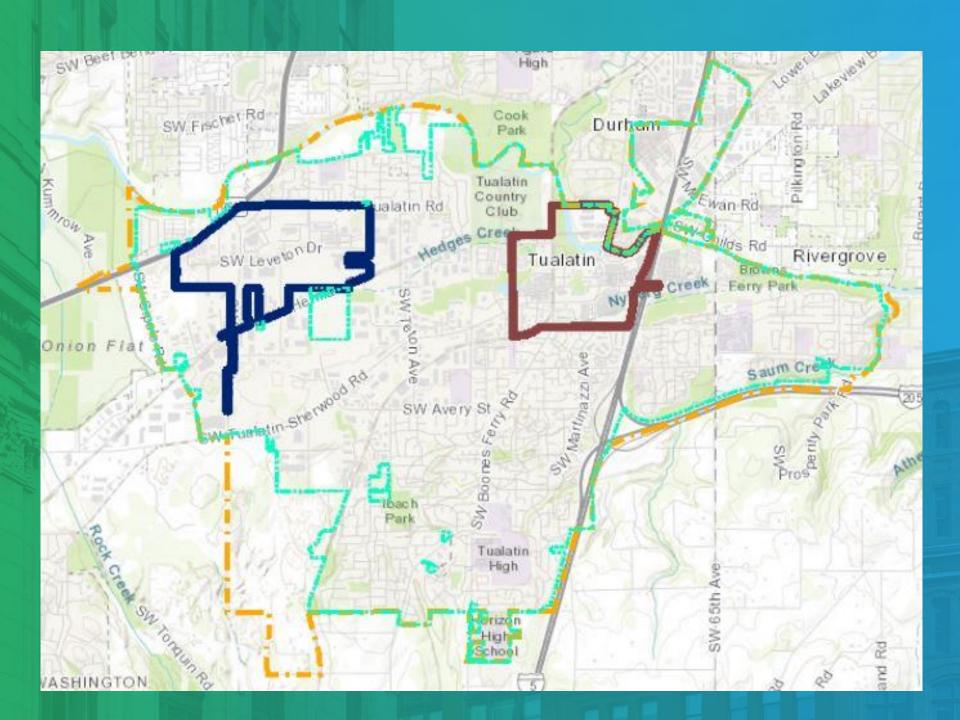
Process

- Amend the Plan
 - Determine Priorities

WE ARE HERE

- Identify NEW projects (minor or major amendments)
- TDC Actions
- Council Actions
- Spend Funds
 - Allocate resources to identify projects in districts.
- Close Down District
 - TDC Actions
 - TDC-owned properties Decisions
 - Council Actions





Central Urban Renewal

DISTRICT PURPOSE:

"To alleviate conditions of blight and to create a sense of place downtown."



* GOAL

"To strengthen the social and economic development of central Tualatin by stabilizing and improving property values, eliminating existing blight, and preventing future blight.

11 subgoals



ASSETS/FINANCIAL STATUS

Current cash and investments:

\$121,430 (6.30.19)

Recommendation: Be QUICK and STRATEGIC

Potential Options - CURD

OPTION 1: FUTURE URA PLANNING AND FEASIBILITY

- Transfer all monies to an administrative fund for future use.
 - Future use of funds will be dedicated to the feasibility studies of future URA areas.
- Transfer all properties to City ownership.
 - Properties can be transferred back to TDC for future development in a new district.

OPTION 1 Timeline

- Identify Option (Oct 2019)
 - Resolutions (Dec 2019)
- Close District (Dec 2019)

Potential Options - CURD

OPTION 2: CURD ENHANCEMENTS

- Tree Grate Replacements Tri-Met Bus Stop
- Lighting
- Hannigan Lot Paving Nyberg Widening
- Sweek Drive Sidewalks

- Common's Signage ONA Pedestrian Crossing
 - Trail Connections

OPTION 2 Timeline

- Identify Option (Winter 2020)
 - ❖ Amend Plans to include projects TDC and City Council action likely
 - Reduce District to Project Areas (Spring 2020)
 - Complete Projects (Spring 2021)
- Close District (After Project(s) Completion)



LEVETON TAX INCREMENT DISTRICT

DISTRICT PURPOSE:

"To provide infrastructure and services to support industrial development."

GOAL

"To facilitate the full industrial development of the area by removing blighting influences and by providing public improvements."

4 subgoals





ASSETS/FINANCIAL STATUS

Current cash and investments: \$3,699,565 (6.30.19)

Recommendation: Be *Targeted* to *Enhance*

Potential Priorities - LTID

- Transportation
 - Park and Ride
 - Traffic Signals
- Parks, Trails, Beautification (requires new goal)
 - Signage
 - Tonquin Trail System
 - New Parks

Next Steps

Timeline

- Identify projects
 - Amend Plans to include projects TDC and City Council action likely
 - Reduce District to Project Areas
 - Complete Projects
- Close District





Fountain/Plaza at Tualatin Commons



Tualatin Commons & Hayden's Restaurant



North Commons



Pedestrian Crossing Boones Ferry Road

CENTRAL URBAN RENEWAL PLAN-OCTOBER 2009



Lake of the Commons Looking West



Lake of the Commons Looking East



"White" Parking Lot



Aspen Place – Boones Ferry Road

CENTRAL URBAN RENEWAL PLAN

October 2009

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URBAN RENEWAL PLAN

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CENTRAL URBAN RENEWAL PLAN

ADOPTION

Resolution **Number**

Purpose Date

30-75 Jan. 27, 1975 Adoption of the Central Urban Renewal District Plan by the Tualatin City Council

AMENDMENTS

Amendment <u>Number</u>	<u>Date</u>	Amendment <u>Type</u>	<u>Purpose</u>
1 (Res.106-76)	Feb. 23, 1976	Substantial	Designated a site for a "Civic Center" on the east side of Martinazzi Avenue.
2 (Res. 281-77)	Oct. 10, 1977	Minor	Adopted the results of a major planning effort conducted with the Urban Renewal Advisory Committee including a completely rewritten plan and technical appendix.
3 (TDC Res. 23-78 City Res. 333-78)	Feb. 27, 1978	Minor	Added provisions which allowed limited land acquisition, relocation, land disposition and redevelopment.
4 (TDC Res. 38-79 City Res. 528-79)	April 23, 1979	Minor	Incorporated minor revisions to the Plan's parking and circulation plan for acquisition of land for future parking lots north of Boones Ferry Road and for revision of the location of a lot North of Seneca Street.
5 (Ord. No. 491-79)	Oct. 22, 1979 Repealed by 590-83	Minor	Adopted the Tualatin Community Plan which resulted in changes to names of Planning Districts and other amendments.
6 (TDC Res. 74-83)	December 12, 1983	Minor	Amended to reflect the major conclusions of the "Review and Update," primarily that the Commission should pursue the Village Square Redevelopment Project. The amendment did not address the Village Square Project in sufficient detail to authorize the necessary actions.
7 (Ord. No. 651-84)	Dec. 10, 1984	Substantial	Amended "substantially" in order to pursue implementation of the Village Square Redevelopment Project and to expand the Tualatin Central Urban Renewal Area Boundary.
8 (TDC Res. 117-86)	Aug. 11, 1986	Minor	Amended to pursue acquisition of Tax Lot 2S1-24BC-04800, owned by the Tualatin Rural Fire Protection District.

Amendment <u>Number</u>	<u>Date</u>	Amendment <u>Type</u>	<u>Purpose</u>
9 TDC Res. 121-86)	Nov. 24, 1986	Minor	Amended to authorize intersection improvements on Martinazzi Avenue.
10 (TDC Res. 131-87)	April 27, 1987	Minor	Established design standards and guidelines for the Central Design District and established master-planning requirements for development on Block 13.
11 (Ord. No. 730-87)	Sept. 14, 1987	Substantial	Amended "substantially" in order to pursue implementation of the Block 13 Redevelopment Project.
12 (TDC Res. 145-88)	Jan. 11, 1988	Minor	Amended to prohibit take-out restaurants in Blocks 28 and 29.
13 (TDC Res. 152-88)	Aug. 8, 1988	Minor	Amended to amend the planned location of a part of the Loop Road Project.
14 (TDC Res. 174-90)	May 29, 1990	Minor	Reauthorized acquisition of Tax Lot 2S1-24BC-04800.
15 (TDC Res.183-91)	Sept. 9, 1991	Minor	Amended plan to conform with new statutory language and add an estimated final date for sale of bonds.
16 (Ord. No. 881-92)	November 9, 1992	Substantial	"Substantial" amendment to expand land uses in the Tualatin Commons Redevelopment Project to include a major water feature, City Hall facilities, a community center, and a retail postal facility. "Village Square and Block 13 Redevelopment Projects" were combined and renamed "Tualatin Commons Redevelopment Project", to reflect the name change by the Commission in January, 1990. Additionally, the plan was updated to reflect previous changes in the Tualatin Community Plan.
17 (TDC Res. 206-93)	June 28, 1993	Minor	Amended Plan to reduce minimum lot sizes in Block 13 from 25,000 square feet to 10,000 square feet.
18 (Ord. No. 996-98)	March 23, 1998	Substantial	Amended Plan to establish a maximum level of indebtedness limit of \$27,705,384.
19 (TDC Res. 317-98)	October 26, 1998	Minor	Amended Plan to allow acquisition of a 4.42 acre property located at Tualatin Road and Sweek Drive for construction of a police facility as well as to update historical information.
20	December 10, 2001	Minor	Amended Plan modifying the Future Amendment Process.
(TDC Res. 389-01)			

Amendment Number	Date	Amendment Type	Purpose
21 (TDC Res. 398-02)	March 11, 2002	Minor	Amended Plan and Report to establish the Central Design District Enhancement Project, bring the Plan into compliance with
(Ord. No. 1108-02)	April 22, 2002	Council Approved	elements of the Community Plan, updated the Plan based on the Transportation System Plan, expanded the Urban Renewal Area boundary.
22 (Ord. 1213-06) (TDC. Res. 526-06)	July 10, 2006 June 26, 2006	Council Approved	Amended Plan and Report to amend Section 11.730 and Section 30.010 of the Tualatin Development Code and update Transportation chapter of the CURP as they relate to the expansion of the Tualatin Public Library.
23 TDC (Res. 578-09) (Ord. 1290-09)	September 28, 2009 October 12, 2009	Council Approved	Amend Plan and Report to amend Section 30.010 as it relates to transit and train horn noise mitigation.

SECTION I: URBAN RENEWAL PLAN

A. <u>INTRODUCTION</u>

This Urban Renewal Plan and Report governs the activities of the Tualatin Development Commission (the Urban Renewal Agency of the City of Tualatin) within Tualatin's Central Urban Renewal Area. The Plan and Report reflect amendments to the initial Urban Renewal Plan originally adopted on January 27, 1975.

The Plan (Section I):

- Describes the history of urban renewal activities in the Area;
- States the Commission's overall goals and objectives;
- Outlines the activities anticipated within the Area;
- Describes in detail the real property acquisition and disposition authorized within the Area, and states how the relocation of existing occupants is to be treated;
- Describes how land use is regulated within the Area; and
- States how changes to the Plan are to be accomplished.

The Report (Section II) provides background information on economic, social, and environmental conditions in the Urban Renewal Area and includes the financial plan for accomplishing the Plan's activities.

The Plan and Report together contain the information required by Oregon Revised Statutes (ORS) 457.085.

1. DEFINITIONS

The following definitions will govern this Plan unless the context otherwise requires:

"Blight" or "Blighted Areas" means conditions or areas as defined in ORS 457.010.

"Block 13 Redevelopment Project" means the parcels of the Tualatin Commons Redevelopment Project that were included as a part of the project by Amendment No. 9 to this plan. Amendment No. 14 combined this project and the Village Square Redevelopment Project and renamed them the "Tualatin Commons Redevelopment Project."

"Central Design District Enhancement Project" means the area within the Central Design District identified for public improvements such as, but not limited to, streetscape enhancements such as sidewalks, pedestrian lighting, street trees, pedestrian furniture, banner poles; roadway improvements; intersection improvements; sewer, water and storm drainage improvements; public art and landscape enhancements.

- "<u>City Hall</u>" or "<u>City Hall Facilities</u>" means development activities related to the feasibility, siting, design, and construction of City of Tualatin government facilities, including, but not limited to, council chambers, staff offices, police offices, and on-site parking facilities.
- "Commission" or "Tualatin Development Commission" means the City of Tualatin Development Commission, the Urban Renewal Agency of the City of Tualatin.
- "Community Center" means development activities related to the feasibility, siting, design, and construction of facilities designed to support social aspects of residents and businesses of Tualatin.
- "<u>Development Code</u>" means the City of Tualatin Development Code, containing the Tualatin Community Plan, the Central Urban Renewal Plan and Report, and Planning District Standards.
- "ORS" means Oregon Revised Statutes.
- "Plan" or "Urban Renewal Plan" means the Urban Renewal Plan for the Tualatin Central Urban Renewal Area as approved and modified by the Tualatin Development Commission and adopted by the Tualatin City Council pursuant to ORS 457.085 and 457.095.
- "<u>Public Facilities</u>" means all on-site and off-site improvements and related accessories to be accepted for ownership, maintenance and operation by a public agency, including, but not limited to, sanitary sewers and pump stations, water lines including related reservoirs, pump stations, pressure reading stations and hydrants, storm drain systems, greenways, bike paths, and streets including alleys, street lights, street name signs, traffic control systems and devices.
- "Project" or "Project Activity" means any work or undertaking carried out under ORS 457.170 in an Urban Renewal Area.
- "Report" means the Urban Renewal Report accompanying the Plan pursuant to ORS 457.085.
- "Retail Postal Facility" or "Postal Facility" means development to house a postal facility that is primarily designed to support the community's over-the-counter postal needs. This facility is not a major mail sorting/processing facility.
- "<u>Tualatin Commons Redevelopment Project</u>" means all Project activities related to the project called for in Goal 1, Objective (a.) including land acquisition and disposition and development of public improvements.
- "<u>Tualatin Commons Redevelopment Project Area</u>" means the area in which land will be acquired and disposed of for redevelopment and public improvements for the Tualatin Commons Redevelopment Project.
- "Transportation System Plan" means the Transportation System Plan adopted by the City Council by Resolution No. 3878-01, July 9, 2001.

"<u>Urban Renewal Area</u>" or "<u>Area</u>" means the blighted area established as the Tualatin Central Urban Renewal Area.

"<u>Village Square Redevelopment Project</u>" means the part of the Tualatin Commons Redevelopment Project that was originally implemented by Amendment No. 5. The Tualatin Commons Redevelopment Project consists of the Block 13 and Village Square Redevelopment Projects.

"<u>Village Square Redevelopment Project Area</u>" means the area in which land was acquired for the Tualatin Commons Redevelopment Project before the Hervin Pet Food facility was acquired and included in the redevelopment project.

"<u>Water Feature</u>", "<u>Major Water Feature</u>" or "<u>Lake</u>" means a body of water, fountains and other water-related items to be planned, designed and constructed by the Tualatin Development Commission in conjunction with the Tualatin Commons Redevelopment Project.

[Section A1 amended by Ordinance 881-92, passed November 9, 1992, and by TDC Resolution 398-02, adopted March 11, 2002]

2. HISTORY OF ADOPTION AND AMENDMENT

The Urban Renewal Plan (the "Plan") for the Tualatin Central Urban Renewal Project was adopted by the Tualatin City Council on January 27, 1975. The Plan established an Urban Renewal Area which the City Council found to be blighted and deteriorated because of conditions including:

- deleterious land uses,
- the lack of flood protection,
- the lack of adequate drainage facilities and public rights of way,
- the traffic congestion and railroad/motor vehicle conflicts and the public safety hazards resulting therefrom, and
- the inaccessibility and inadequacy of public facilities and services.

(A map and legal description of the 1975 Urban Renewal Area are included in Appendix A of the Report.)

With the adoption of the Plan, the Tualatin Development Commission (the "Commission") was established as the Urban Renewal Agency of the City. The Plan indicated that further revisions were anticipated.

In January, 1976, the Plan was amended (Amendment No. 1) to designate a site for a "Civic Center" on the east side of Martinazzi Avenue (80th Avenue).

In July 1976, the Commission retained the consulting team of Broome, Oringdulph, O'Toole and Rudolph; CH2M Hill; Larry Smith and Company, LTD; and McArthur/Gardner Partnership to refine the January 1975 Plan. The Urban Renewal Advisory Committee (URAC) was established at this time to assist in the development of Plan revisions.

The work of the consultant team resulted in a proposed plan amendment which:

- (1) further documented several of the conditions which contributed to blight and deterioration within the Urban Renewal Area,
- (2) established additional objectives of the Plan,
- (3) outlined alternative actions to be taken in the areas of flood control and transportation, and
- (4) contained a list of anticipated projects.

The proposed Plan amendment also contained detailed land use recommendations and requirements for sub-areas of the Urban Renewal Area, designated as "blocks," and more general "design guidelines" to be applied by the City's Architectural Review Board in evaluating development proposals. A technical appendix included background analyses and minutes of Urban Renewal Advisory Committee meetings.

In October 1977, the Plan was amended (Amendment No. 2) to adopt and incorporate the amendments and technical appendix; the new Plan was titled "Urban Renewal Plan, dated October 10, 1977."

In February 1978, Amendment No. 3 added provisions which allowed limited land acquisition, relocation, land disposition and redevelopment. These provisions were added to allow implementation of parking and street improvement projects listed in the Plan's work program.

In April 1979, Amendment No. 4 was adopted which incorporated minor revisions to the Plan's parking and circulation plan. These called for acquisition of land for future parking lots north of SW Boones Ferry Road and for revision of the location of a lot north of SW Seneca Street.

In October 1979, the City Council adopted a significantly new Community Plan which, among other things, replaced the then-existing system of zoning with a system of "Planning Districts." This necessitated revision of the land use section of the Urban Renewal Plan (Amendment No. 5) to reflect the changes in designations. The changes were almost exclusively related to the names of the districts; actual land use policies were essentially the same.

In 1982, the Commission undertook an extensive review and update of the Plan. In July, the Commission retained Mitchell and Nelson Associates, Inc. to lead a consultant team to review the Plan. This consisted of re-evaluating the Plan's assumptions and

conclusions regarding land use, urban design, parking, circulation, economics and market conditions. The consultant team included Associated Transportation Engineering and Planning (ATEP), Pacific Economica, Inc. and Mel Kroker Architects.

The review process was directed by URAC. Citizens were provided opportunities for involvement at over 20 URAC meetings and work sessions.

A final report entitled "Review and Update of the Urban Renewal Plan" was completed in March 1983. After further revisions and corrections, and a joint work session of URAC and the Commission, the report was adopted on September 12, 1983.

The report essentially confirmed the continued validity of the Plan's assumptions and conclusions but went on to recommend that the Commission play a more aggressive role in redevelopment of the central area. Recommended actions included acquisition of land for reconveyance to a private developer for development into retail uses, and development of a public square and pedestrian ways. This redevelopment project, titled the "Village Square," would include parking facilities.

In December 1983, the Plan was amended (Amendment No. 6) to reflect the major conclusions of the "Review and Update," primarily that the Commission should pursue the Village Square Redevelopment Project. The transportation and flood control sections were revised to reflect projects that were completed and to acknowledge that transportation improvements are governed by the transportation element of the Community Plan. The amendment, however, did not address the Village Square Project in sufficient detail to authorize the necessary actions.

In December 1984 the Plan was "substantially" amended (Amendment No. 7) in order to pursue implementation of the Village Square Redevelopment Project and to expand the Tualatin Central Urban Renewal Area Boundary.

In August 1986 the Plan was amended (Amendment No. 8) to pursue acquisition of Tax Lot 2S1 24BC 4800, owned by the Tualatin Rural Fire Protection District.

The Plan was amended in November 1986 (Amendment No. 9) to authorize intersection improvements on Martinazzi Avenue adjacent to the Fred Meyer Shopping Center and Martinazzi Square driveways.

In April 1987 the Plan was amended (Amendment No. 10) to establish design standards and guidelines for the Central Design District and establish master-planning requirements for development on Block 13.

Amendment No. 11 was initiated by the Commission in order to pursue implementation of the Block 13 Redevelopment Project. This project enabled the Commission to purchase the then-closed Hervin pet food manufacturing facility and develop it in a manner consistent with the Village Square Redevelopment Project.

The plan was amended in January 1988 (Amendment No. 12) to prohibit take-out restaurants in Blocks 28 and 29.

It was again amended in August 1988 by Amendment No. 13 to amend the planned location of a part of the Loop Road Project.

Amendment No. 14 was initiated in May 1990 after the Tualatin Valley Fire and Rescue Station moved. The amendment reauthorized the Agency to acquire Tax Lot 2S1 24BC 04800, as the date of the original agreement expired.

Amendment 15 was a minor amendment dated September 9, 1991 to conform with new statutory language and add an estimated final date for sale of bonds.

Amendment No. 16 was initiated on November 9, 1992 to change land uses within the Tualatin Commons Redevelopment Project (formerly referred to as the Village Square and Block 13 Redevelopment Projects). To reduce confusion, the amendment also combined the two project names into one name - the Tualatin Commons Redevelopment Project that reflected the name selected by the Commission in February 1990. The change in land uses includes objectives to plan and develop a major water feature and to locate a City Hall facility and community center within the Tualatin Commons Project Area. It also includes an objective to work with the U. S. Postal Service to locate a retail postal facility in the Tualatin Commons Project Area. Because significant land use changes were proposed, this amendment was considered "substantial," as per ORS 457.220.

Amendment No. 17, a minor amendment, was adopted on June 23, 1993 by the Tualatin Development Commission. The amendment would have reduced the minimum lot size on Block 13 of the urban renewal area from 25,000 square feet to 10,000 square feet. Although this minor amendment was approved by the Tualatin Development Commission and is part of this Urban Renewal Plan, the corresponding action by the Tualatin City Council to change the Tualatin Development Code was never made.

Amendment No. 18, a substantial amendment, was adopted on March 23, 1998 to establish a maximum level of indebtedness under the Plan, consistent with ORS 457.190.

Amendment No. 19, a minor amendment, was adopted on October 26, 1998 by the Tualatin Development Commission. The amendment authorized the acquisition of Tax Map 2S1 23D, Tax Lot 500 for a Police Facility, as defined under "City Hall" or "City Hall Facilities" in this Plan. Excess land will either be developed or disposed of in accordance with the Plan.

Amendment No. 20, a minor amendment, was adopted on December 10, 2001 by the Tualatin Development Commission modifying the Future Amendment Process.

Amendment No. 21, a minor amendment, was adopted on March 11, 2002 by the Tualatin Development Commission to establish the Central Design District Enhancement Project, bring the Plan into compliance with elements of the Community Plan, update the Plan based on the Transportation System Plan of 2001 and expand the Urban Renewal Area boundary less than 1 percent. The Council adopted, through the Council Approval Process on April 22, 2002, adding Central Design District Enhancement Projects to the Plan.

Amendment 22, a Council Approved Amendment, was adopted July 10, 2006 by the City Council incorporating library expansion as a project, deleting or listing as projects if funding is available for Boones Ferry Road – Martinazzi to Lower Boones Ferry Road, Loop Road/Eastside Downtown, Commons Landmark, Green Lot Expansion, Façade Improvement Program and Sculpture Garden.

Amendment 23, a Council Approved Amendment, was adopted October 12, 2009 by the City Council incorporating train horn noise mitigation as a project and modifying the East Commons project as a project if funding is available.

[Section A-2 amended by Resolution No. 74-83 adopted December 12, 1983; Ordinance 730-87, passed September 14, 1987; Ordinance 881-92, passed November 9, 1992; TDC Resolution 317-98, adopted October 26, 1998; TDC Resolution 398-02, adopted March 11, 2002; Ordinance 1213-06 passed July 10, 2006; and Ordinance 1290-09 passed October 12, 2009.]

3. CITIZEN INVOLVEMENT PROCESS

Beginning with the first significant revision of the Plan in July 1976, revisions of plan policies, activities and projects have been developed under the advisement of the Urban Renewal Advisory Committee. This citizen's committee meets quarterly or on a monthly basis, as needed, to discuss and make recommendations to the Tualatin Development Commission regarding urban renewal issues. These meetings are open to the public and are advertised in the local media.

Plan amendments are approved by the Commission and adopted by the City Council at public meetings which are noticed in conformance with state law.

[This section was amended by TDC Resolution 398-02, adopted March 11, 2002]

B. **GOALS AND OBJECTIVES**

1. GOALS AND OBJECTIVES OF THE URBAN RENEWAL PLAN

THE OVERALL GOAL OF THE PLAN IS:

To strengthen the social and economic development of central Tualatin by stabilizing and improving property values, eliminating existing blight, and preventing future blight; and to encourage and facilitate land uses, private and public, that result in activity during all business hours, evenings, nights, and weekends; and to encourage indoor and outdoor uses.

LAND USE

Objective:

Implement the Tualatin Commons Redevelopment Project and Central Design District Enhancement Project to provide an appropriate environment which encourages private development within the Project area' and surrounding properties that support the overall goal. A major water feature may be included in the Tualatin Commons Redevelopment Project. Both projects will be oriented to pedestrians with connections to the Tualatin Community Park and to

other public and private developments in the town center area.

The projects will be implemented as a series of public/private partnerships. The role of the Commission includes acquiring and packaging development sites; conveying, by sale or lease, portions of the sites to private developers; and contributing towards construction of public facilities and improvements. These public facilities may include but are not limited to a water feature, community facilities, pedestrian facilities, streetscape enhancements, art and parking facilities. Development of all commercial and residential space will be a private sector responsibility.

Goal 1: Commercial Development

To encourage and facilitate commercial development in the Urban Renewal Area with an emphasis on establishing a visible and viable central business district that encourages community and business activity on weekdays, evenings and weekends.

Objectives: a.

- Implement the "Tualatin Commons Redevelopment Project." The project is envisioned as a public and private mixed-use development that encourages activity during business hours, evenings, nights, and weekends; and indoor and outdoor uses. Commercial uses that are encouraged include restaurants, limited specialty retail, theaters, private athletic facilities, lodging, and offices.
- b. Implement the "Central Design District Enhancement Project." The project is envisioned as a public improvement addressing transportation, pedestrian circulation, streetscape enhancements and art to further encourage activity during business hours, evenings, nights, and weekends; and indoor and outdoor uses within the central downtown area.
- c. Encourage the development of existing Central Commercial designated land before re-designating other land within the Urban Renewal Area as Central Commercial.
- d. Support Central Commercial designated land for development by assisting in the marketing and promotion of central Tualatin as a place to visit, shop, and conduct business.

Goal 2: Housing

To encourage multi-family housing in the Urban Renewal Area as supportive of commercial development.

Objective: a. Review and revise land use requirements and planning district designations, where necessary, to focus housing efforts on those areas most suitable.

b. Implement the "Tualatin Commons Redevelopment Project" and Central Design District Enhancement Project. Housing types allowed in the CC and RH planning districts, including common wall single family attached housing, are uses that support commercial and social objectives of increasing the evening, night, and weekend use in the Project Area's and increase the value of the land.

Goal 3: <u>Industrial Development</u>

To promote new industrial development in the southwestern sub-area of the Urban Renewal Area which is compatible with existing development and to encourage retention and expansion of existing industries in the northern and southwestern sub-areas of the Urban Renewal Area.

Objective:

Where appropriate, assist in provision of public facilities and services to support development of the southwestern industrial sub-area of the Urban Renewal Area.

Goal 4: <u>Civic Development</u>

To promote civic facilities, including community gathering spaces and other pedestrian amenities, a community center, library expansion and a City Hall in the Urban Renewal Area, which is supportive of other civic and private uses in the area.

Objectives: a.

- Implement the "Tualatin Commons Redevelopment Project." Portions of the project will be dedicated to public use. The role of the Development Commission is to assist the City of Tualatin in the planning and design of public uses. Some of these uses may include City Hall, library expansion, community buildings, pedestrian-oriented facilities, major water facilities, landmark and parking facilities. This list is not all inclusive.
- b. Work with the City of Tualatin to identify a site and facilitate development of City Hall facilities within the Tualatin Commons Redevelopment Project or other areas within the Urban Renewal District which provides central access to the entire City.
- c. Plan, design and construct a water feature in the Tualatin Commons Redevelopment Project. The water feature is envisioned to serve as a focal point to encourage pedestrian-oriented, activity-oriented businesses and public uses in the Tualatin Commons Redevelopment Area. It will also add value to the overall development.
- d. Where appropriate, assist in planning and development of a retail postal facility within the Tualatin Commons Redevelopment Project.
- e. Implement the "Central Design District Enhancement Project."

Portions of the project will be dedicated to public use. The role of the Development Commission is to implement capital improvement projects and to assist the City of Tualatin in the planning and design of development which may include partnering on an interim community building.

f. Assist the City financially in expanding the public library to promote private development opportunities.

IMPROVED TRAFFIC AND TRANSPORTATION

Goal 5: <u>Transportation</u>

To provide transportation access and circulation which is supportive of central area development.

Objectives: a.

- a. Assist in and encourage opportunities to share parking between compatible developments. Such opportunities may include providing public parking for shared use for public and private entities in the Tualatin Commons Redevelopment Project Area and Central Design District Enhancement Project Area.
- b. Support the implementation of transportation improvements described in the Transportation Element of the Tualatin Community Plan and Transportation System Plan.
- c. Work toward solutions to minimize railroad noise and traffic conflicts along SW Boones Ferry Road, including assistance in relocating the maintenance building to another location in Tualatin.

Goal 6: Pedestrian and Bikeways

To develop a pedestrian/bicycle system linking the Urban Renewal Area to residential areas, parks, natural areas, and to link the business district on the south side of SW Boones Ferry Road to the future business district on the north side of SW Boones Ferry Road.

Objectives: a.

- a. Create pedestrian ways and bikeways to link the downtown area to the Community Park and to connect development on the north and south sides of SW Boones Ferry Road.
- b. Provide sidewalks and lighting in the Urban Renewal Area where appropriate to encourage and support pedestrian-oriented activities in the downtown area. Provide rain protection where feasible.
- c. Create attractive pedestrian streetscapes in the downtown area (central sub-area).

Goal 7: Transit

To support the development of the metropolitan transportation system (Tri-Met) in order to provide alternative transportation modes for the residential and employment population of the Urban Renewal Area.

Objectives: a. Assist Tri-Met in locating park-and-ride facilities in outlying areas in the community, and assist in locating other transit-related facilities in the Urban Renewal Area.

- b. Encourage design of private and public developments which integrate transit provisions.
- c. Assist in locating commuter rail transit near the downtown area and mitigating impacts of train horn noise.

PUBLIC UTILITIES

Goal 8: <u>Utilities</u>

To assist in providing public utilities in the Urban Renewal Area as needed to facilitate growth and aesthetic quality.

Objectives: a. Assist in improving, developing and relocating water, sewer, storm drainage and road systems within the Urban Renewal Area.

b. Underground overhead electric, cable, and telephone lines in the downtown area and in all new development in the Urban Renewal Area. The Tualatin Commons Project Area and Central Design District Enhancement Project Area are the highest priority for undergrounding of utilities, to enhance the aesthetic value of the downtown.

RECREATIONAL AND COMMUNITY FACILITIES

Goal 9: Parks

To provide a high-quality park and recreation system to offset the environmental effect of large areas of commercial and industrial development.

Objectives: a. Create green and open spaces centered around the Tualatin River, Nyberg Creek, Hedges Creek, and significant stands of trees.

- b. Preserve the Sweek marsh (Hedges Creek Wetlands) as designated in the Tualatin Development Code, Wetlands Protection District.
- c. Link the downtown area to the Community Park with a system of pedestrian ways and bikeways.
- d. Preserve the natural value of the Tualatin River as a scenic, recreational and open space asset. Seek limitation of river use in

FLOOD CONTROL AND OTHER PUBLIC IMPROVEMENTS

Goal 10: Flood Protection

To promote the public health, safety, and general welfare, and to minimize public and private losses due to flood conditions.

Objectives: a. Provide flood protection for the Urban Renewal Area by participating in federal, state, and local flood control projects.

- b. Provide for the sound use and development of special flood hazard areas by utilizing special construction standards in the floodplain within the Urban Renewal Area. The Tualatin Development Code establishes standards for floodplain construction whereby structures must either be elevated above the floodplain or be made flood-proof.
- c. Provide for the use of fill within the Tualatin Commons Redevelopment Project to elevate structures above the floodplain.

Goal 11: Design Considerations

To create an atmosphere in the Urban Renewal Area which is aesthetically pleasing in order to promote the desirability of investment and occupancy in properties.

Objectives: a. Utilize appropriate development review procedures to guide development in the Central Design District.

- b. Create design guidelines for the Central Design District to facilitate design compatibility and to establish the uniqueness of the area.
- c. Provide attractive and functional street and walkway lighting for public safety and convenience in the Urban Renewal Area.
- d. Preserve designated historic structures or sites in the Urban Renewal Area through public purchase or encouragement of compatible reuse. Landmark structures shall be preserved as required in Chapter 68 of the Tualatin Development Code.

[Section B-1 amended by Ordinance 730-87, passed September 14, 1987; Ordinance 881-92, passed November 9, 1992; TDC Resolution 317-98, adopted October 26, 1998; TDC Resolution 398-02 adopted March 11, 2002; Ordinance 1108-02 passed April 22, 2002; Ordinance 1213-06 passed July 10, 2006; and Ordinance 1290-09 passed October 12, 2009]

2. RELATIONSHIP TO LOCAL OBJECTIVES

The Tualatin Central Urban Renewal Plan exists to implement local objectives for central

Tualatin, as they are expressed in the Tualatin Community Plan. The Urban Renewal Plan is a part of the Community Plan. The Community Plan and Planning District Standards together comprise the Tualatin Development Code.

The goals and objectives of the Urban Renewal Plan are based upon those in the Community Plan, as they relate to the Urban Renewal Area. The Urban Renewal Plan serves to further define local objectives as follows:

a. Land Use

The Plan calls for the promotion and support of Commercial (Goal 1), Residential (Goal 2), Industrial (Goal 3), and Civic (Goal 4) Development within the Urban Renewal Area. In particular, the Tualatin Commons Redevelopment Project and Central Design District Enhancement Project serve to further the local objective of establishing a socially and economically viable center in the community.

b. <u>Improved Traffic and Transportation</u>

Goals 5 (Transportation), 6 (Pedestrian and Bikeways) and 7 (Transit) directly address objectives of the Transportation Element of the Community Plan and the Transportation System Plan. In particular, the plan calls for funding and construction of street improvements, pedestrian and bicycle facilities; for cooperation with Tri-Met in the placement of park-and-ride lots in outlying areas of the community, to encourage other facilities within the Urban Renewal Area; and to ensure adequate parking is provided within the redevelopment area.

c. <u>Public Utilities</u>

Goal 8 (Public Utilities) calls for Urban Renewal participation in design and construction of public utilities within the Urban Renewal Area. Such improvements are done in conformance with the Water and Sewer Service elements of the Community Plan and other applicable standards.

d. Recreational and Community Facilities

Goal 4 (Civic Development) includes an objective to participate in developing a community center and expansion of the public library. Goal 4 also includes an objective to develop a water feature in the Tualatin Commons Redevelopment Project as a way to encourage community-related private and public uses within the area. Goal 9 (Parks) includes objectives regarding linking the central area to the Community Park and preserving the scenic value of the Tualatin River, Hedges Creek and Nyberg Creek.

e. Flood Control and Other Public Improvements

The Plan has as a major activity implementation of flood control projects (Goal 10). The Plan anticipates Urban Renewal participation in additional projects which will serve to supplement the city's regulatory efforts described in the Tualatin Development Code, Flood Plain District Standards.

[Section B-2 amended by Ordinance 881-92, passed November 9, 1992, by TDC Resolution 398-02 adopted March 11, 2002; Ordinance 1108-02, passed April 22, 2002; and Ordinance 1213-06 passed July 10, 2006]

C. <u>DESCRIPTION OF PROJECT</u>

The Tualatin Central Urban Renewal Plan details activities (outlined in detail in Section D.) which focus on alleviating the causes of blight and deterioration in the Urban Renewal Area. At the time of its establishment, the Urban Renewal Area was characterized by severe underdevelopment. Obstacles to development included periodic flooding, traffic congestion, irregular platting and lack of public facilities and utilities. The Project's activities, therefore, include:

- Flood control, including participation with the Army Corps of Engineers in design and construction of flood control projects;
- Street, road and utility improvements, including participation in federally and state funded projects;
- Acquisition and packaging of development sites of a sufficient size to facilitate appropriate development of the downtown (the Tualatin Commons Redevelopment Project and Central Design District Enhancement Project);
- Design and construction of public facilities, some of which may include a water feature, pedestrian spaces and walkways, architectural focal points, art, streetscape enhancements and parking facilities. Inclusion on this list is not intended to mean the Commission will provide all of the mentioned facilities or similar public facilities.
- Working with the City of Tualatin on location, design, and construction of a community center or partnering with a property owner to utilize an existing building;
- Working with the City of Tualatin to establish a site for a City Hall facility. Urban Renewal funds will not be used to fund design and/or construction of a City Hall facility.
- Participation in the coordination and regulation of development within the Urban Renewal Area.
- Working with the City of Tualatin to expand the public library. Urban Renewal funds will be used to assist in funding design and/or construction of a library expansion.
- Working with the City of Tualatin on mitigating impacts of train horn noise from commuter rail.

The December 1984 Plan amendment incorporated specific information related to the Tualatin Commons Redevelopment Project, which will include several project activities. The Tualatin Commons Redevelopment Project consists of the acquisition of a development site in the Central Design District; demolition and relocation of existing buildings, businesses and residences; redevelopment of the site by means of disposition and development agreements with developers for private development; design and construction of a major water feature;

coordination with the City of Tualatin for development of City Hall facilities; coordination with the City of Tualatin and participation in the location, design and construction of a community center, coordination with U. S. Postal Service on placement of a retail postal facility, design and construction of public facilities; and other activities necessary to facilitate the project. Such public facilities may include parking facilities, community gathering spaces, other pedestrian amenities, infrastructure improvements, and a major water feature.

The Central Design District Enhancement Project consists of construction of street improvements, streetscape enhancements, pedestrian lighting, pedestrian amenities, art and design and construction of public facilities. The project may also consist of the acquisition of a development sites in the Central Design District; demolition and relocation of existing buildings, businesses and residences and redevelopment of the sites by means of disposition and development agreements with developers for private development.

[Section C amended by Ordinance 730-87, passed September 14, 1987; Ordinance 881-92, passed November 9, 1992; Ordinance No. 1108-02 passed April 22, 2002; Ordinance 1213-06 passed July 10, 2006: and Ordinance 1290-09 passed October 12, 2009]

D. OUTLINE OF PROJECT ACTIVITIES

1. PUBLIC IMPROVEMENTS

a. Flood Control

Alternative methods of flood control have been examined in detail, including increasing channel capacity, erecting flood water barriers, constructing alternative flood water channels, and removing or modifying constrictions to the passage of flood waters (Appendix D). In 1976, the general alternative judged most feasible involved removal of rock reefs downstream in the Tualatin River, construction of a new dam near the Lake Oswego diversion dam, minor channel improvements in other locations, the building of low berms in parts of the Urban Renewal Area, and construction of flood gates and pump stations at the mouth of Nyberg Creek and Hedges Creek.

Prior to completion of any of these actions, the City of Tualatin began to participate in the United States Department of Housing and Urban Development (HUD) Flood Insurance Program. In return for federally subsidized flood insurance, the program requires the city to adopt regulations controlling development within the 100-year floodplain and floodway. The City's Flood Protection District contains these regulations.

In 1984, the Commission provided local share funds for an Army Corps of Engineers project which resulted in removal of the rock reefs downstream in the Tualatin River (see Map 2). This project in itself resulted in the removal of the floodway designation, and allows development to occur utilizing solid fill to the level of the 100-year flood. The area of the 100-year floodplain remains unchanged.

The Plan contemplates additional flood control actions, primarily in connection with

replacing the Lake Oswego diversion dam, also known as the Oregon Iron and Steel Dam (see Map 2). A new dam would allow greater release of flood waters while retaining sufficient control of the level of water in the Lake Oswego.

Specific Project Activities, Flood Control: The Commission's involvement in flood control is proposed to be in the form of participating, along with other benefited communities, in the local share of a state and/or federally funded project. The Commission proposes to assume the role of initiating pre-planning activities and coordinating local government participation. In addition, fill will be utilized in the Tualatin Commons Redevelopment Project to minimize flood risk to the project.

b. Roads and Streets

The Transportation Study included in the 1977 plan amendments and the additional work included in the Review and Update of the Urban Renewal Plan and the City's Transportation System Plan 2001 have recommended revisions to the street and road system within the Urban Renewal Area. Transportation planning in Tualatin occurs within the context of the Transportation Element of the Community Plan. As a result of these studies, revisions were made to the Transportation Element.

The Transportation Element currently calls for the following improvements (displayed on Map 3, "Transportation") to be implemented within the Urban Renewal Area:

SW Tualatin-Sherwood Road

This street is the main avenue for east/west traffic through the City and functions a major arterial and should be developed as a four-lane roadway with center left turn lane or medians. From SW Nyberg Street to SW 90th Avenue the roadway should be developed as a four-lane boulevard with left turn lane pockets and bike lanes with traffic signals at SW Tualatin-Sherwood Road/SW Martinazzi, SW Tualatin-Sherwood Road/Commons Access, SW Tualatin-Sherwood Road/SW Boones Ferry Road, SW Tualatin-Sherwood Road/SW 89th Avenue and pedestrian amenities. The section west of SW 89th Avenue to SW Teton Avenue was widened to four travel lanes in 1991, and the remainder of the road to Highway 99 should be improved to increase the efficiency of the roadway.

SW Nyberg Street

This street will function as a major arterial between SW Tualatin-Sherwood Road on the west and SW 65th Avenue on the east. West of SW Tualatin-Sherwood Road bypass, SW Nyberg Street will function as a minor collector primarily as a main access point into the downtown area.

At the east end of the bridge, a loop ramp to accommodate the eastbound to northbound traffic was completed in the fall of 1991. This loop ramp was

necessary because of the heavy left turn demand which required a double left turn lane. The existing bridge is not wide enough to accommodate two travel lanes in each direction and a double left turn lane, making the loop necessary. A free right turn onto westbound SW Nyberg Road from southbound I-5 is necessary to more effectively accommodate heavy travel movements to the employment centers.

Additional improvements are identified to the interchange due to significant congestion levels in the Urban Renewal Area. These include widening the southbound off ramp, widening the roadway from the K-Mart/Fred Meyer signal east which includes the over-crossing to accommodate two west bound lanes, west bound to south bound turn lane and four east bound lanes, turn lanes and pedestrian improvements.

Improvement of SW Nyberg Street from the K-Mart driveway to SW Martinazzi Avenue including road widening and pedestrian improvements may be necessary to serve the land use of the Tualatin Commons Redevelopment Area, Central Design District Project Area and other developments in the central and east sub-areas of the Urban Renewal area.

SW Nyberg Street, from SW Martinazzi to SW Boones Ferry Road will function as a local downtown street and should be developed with two travel lanes and on-street parking. Portions may be closed, realigned, or rebuilt depending on the location of the major water feature in the Tualatin Commons Redevelopment Project or the Central Design District Enhancement Project. Closure will require specific authorization from the City Council. The status of this segment will be addressed during site planning efforts related to the Tualatin Commons Redevelopment Project.

SW Boones Ferry Road

Between SW Lower Boones Ferry Road and SW Martinazzi Avenue, the roadway will function as a major arterial and be developed as a boulevard with a special four-lane section with a traffic signal at SW Martinazzi Avenue. A new street intersection as part of the Loop Road, with a possible traffic signal, may be constructed between the Tualatin River and SW Martinazzi Avenue.

Between SW Martinazzi Avenue and SW Tualatin-Sherwood Road, the roadway will function as a minor arterial (downtown) and be developed as a three-lane boulevard with wide pedestrian sidewalks, lighting and widened to accommodate left turn lane pockets and bike lanes with traffic signals at SW Tualatin Road, SW Nyberg Street and SW Tualatin-Sherwood Road. Driveway accesses are to be consolidated consistent with the City's access management policies and standards.

South of SW Tualatin-Sherwood Road to the edge of the Urban Renewal Area, the roadway will function as a major arterial (downtown) and will be developed as a four-lane boulevard with left turn lane pockets and bike

lanes with a traffic signal at SW Warm Springs Street.

SW Martinazzi Avenue

This roadway will function as a minor arterial from SW Tualatin-Sherwood Road to SW Nyberg and should be widened to accommodate two lanes of traffic, center left turn lanes, bike lanes and a signal at SW Seneca Street. From SW Nyberg Street to the southern edge of the District the roadway will function as a major arterial and should be widened to accommodate four lanes of traffic, a center turn lane or medians and pedestrian amenities.

SW Tualatin Road

This road will function as a minor arterial from SW Boones Ferry Road to the east/west railroad crossing and should be developed with two travel lanes, continuous left turn lane, bike lanes and sidewalks. A traffic signal may be required at SW Tualatin Road and SW Sweek Drive. There is no plan to straighten the curves in the near future and through truck traffic is discouraged.

The section from the railroad tracks east to Lower Boones Ferry Road will function as a minor arterial.

SW Hall Boulevard

This roadway is identified as a minor arterial and will extend north from SW Tualatin Road across the Tualatin River to Hall Boulevard in Tigard. The roadway is to be developed with two travel lanes, center left turn lane, bike lanes and sidewalks. There may be a traffic signal at the intersection with the Lower Boones Ferry Road extension.

SW Lower Boones Ferry Road Extension

This roadway is identified as a minor arterial extending from the Lower Boones Ferry Road/Upper Boones Ferry Road intersection to Tualatin Road. The roadway is to be developed with two travel lanes, center left turn lane, bike lanes and sidewalks. There may be a traffic signal at the intersection with Hall Boulevard.

SW Tonka/Warm Springs

SW Warm Springs is identified as a minor collector street. SW Tonka Street is identified as a local commercial industrial street. Both roadways begin at SW Boones Ferry Road, converge, with SW Warm Springs extending east and intersecting with SW Mohawk Street.

Loop Road

This street is identified as a minor collector and will have two travel lanes and a center left turn lane. The roadway alignment generally is from Nyberg Street in the private SW 72nd alignment. At the northern edge of the K-Mart property the street will turn west, moving generally along the north K-Mart property line until it reaches a point between Safeway and the City Office Building. At this point the road will turn south and generally run parallel to the City Center Building. At a point near perpendicular to SW Seneca Street, the street will then turn west until it intersects with SW Seneca Street and SW Martinazzi Avenue. A connection to SW Boones Ferry Road may be provided between the Tualatin River and SW Martinazzi Avenue. This entire street will be a special section, but will generally follow Street Section Cb and be modified as specific areas warrant.

SW Seneca Street

SW Seneca Street, from SW Martinazzi to SW 84th Avenue will function as a local downtown street and should be developed with two travel lanes and on-street parking. Portions may be closed, realigned, or rebuilt depending on the location of the major water feature in the Tualatin Commons Redevelopment Project. Closure will require specific authorization from the City Council. The status of this segment will be addressed during site planning efforts related to the Tualatin Commons Redevelopment Project.

SW Seneca Street from SW 84th Avenue to SW Boones Ferry Road should be developed to two travel lanes and on-street parking and may be rebuilt in conjunction with the Tualatin Commons Redevelopment Project or Central Design District Enhancement Project.

SW 84th Avenue

SW 84th Avenue as a local downtown street and should be developed with two travel lanes and on-street parking.

SW Sweek Drive

This roadway is identified as a residential collector. The roadway is to be developed with two travel lanes, on-street parking and sidewalks.

Other Local Streets

SW 86th Avenue, SW Cherokee Street, SW Old Tualatin-Sherwood Road and SW Mohave Court are identified as local streets.

An interconnected signal system will be constructed, where feasible, throughout the Urban Renewal Area due to the close proximity of signals on SW Boones Ferry Road, SW Tualatin-Sherwood Road, SW Martinazzi Avenue, SW Seneca Street, and SW Nyberg Street.

Completed Project Activities: Projects completed are as follows:

Completed Road Improvements:

- Participation in the costs of design and construction of the Tualatin-Sherwood Road Bypass.
- Improvements of SW Tualatin-Sherwood Road Bypass from SW Boones Ferry Road to the City of Sherwood, a Washington County project.
- Full funding of the design and construction of the Warm Springs/Tonka Couplet.
- Completion of Nyberg Street/I-5 interchange improvements by the State of Oregon. Improvements included loop ramp to I-5 northbound and an added travel lane from I-205 northbound to I-5, including ramp improvements, and an added travel lane southbound on I-5 from Exit 290 to I-205.
- Partial improvements to SW Boones Ferry Road from SW Martinazzi Avenue to SW 84th Avenue.
- Improvements to SW Nyberg Street from SW Martinazzi Avenue to Lake of Commons and Lake of Commons to SW Boones Ferry Road.
- Partial improvements to SW Seneca Street from SW Martinazzi Avenue to Lake of Commons and Lake of Commons to SW Boones Ferry Road.
- Partial improvements to SW 84th Avenue from SW Boones Ferry Road to Nyberg Street.

Completed Intersection Improvements:

- Full funding of the design and construction of the SW Boones Ferry Road/Martinazzi Avenue traffic signal.
- Full funding of the design and construction of the SW Boones Ferry Road/Tualatin Road traffic signal.
- Participation in the design and construction of the traffic signal on SW Martinazzi Avenue with Fred Meyer and Martinazzi Square.

<u>Specific Project Activities, Road and Street Improvements</u>: The Plan proposes to participate in the following improvements to the road and street system within the Urban Renewal Area:

Intersection Improvements:

 Access to Tualatin Commons Redevelopment Project from SW Tualatin-Sherwood Road. Actual placement and intersection requirements will be addressed during site planning efforts in conjunction with the Tualatin Commons Redevelopment Project.

Other intersection improvements as found necessary.

Road Improvements:

- SW Boones Ferry Road between SW Lower Boones Ferry Road and SW Martinazzi Avenue. Improvements include reconstruction and widening of roadway, turn lanes, widening or replacement of bridge, intersection improvements, installation of landscape medians, sidewalks, street trees and other pedestrian amenities (if funding is available).
- SW Boones Ferry Road between SW Martinazzi Avenue and SW Tualatin-Sherwood Road. Improvements include reconstruction and widening of roadway, turn lanes, intersection improvements, installation of landscape medians, sidewalks, street trees and other pedestrian amenities.
- SW Martinazzi Avenue between SW Boones Ferry Road and SW Tualatin-Sherwood Road. Improvements include reconstruction and widening of roadway, intersection improvements, installation of landscape median, sidewalks, street trees and other pedestrian amenities (if funding is available).
- Loop Road/Eastside Downtown (north half); segments to be determined (if funding is available).
- SW Nyberg Street west of K-Mart to SW Martinazzi Avenue. Improve-ments
 may be constructed in conjunction with the Tualatin Commons
 Redevelopment Project or Central Design District Enhancement Project,
 including rebuilding and widening of road and pedestrian improvements.
- SW Nyberg Street, between SW Martinazzi Avenue and SW Boones Ferry Road. After receiving specific authorization from the City Council, this section may be partially or wholly closed, demolished, and/or relocated depending on the design of the major water feature in the Tualatin Commons Redevelopment Project. Parcels that are accessed by SW Nyberg Street will be provided access through other routes. The status of this segment will be addressed during site planning efforts related to the Tualatin Commons Redevelopment Project. Central Design District Enhancement Project improvements include reconstruction and widening of roadway, intersection improvements, bump-outs and pedestrian improvements (if funding is available).

SW Nyberg Street from SW Tualatin-Sherwood Road east will be improved by the construction of additional travel lanes, on/off ramps, and pedestrian improvements.

SW Seneca Street, between SW Martinazzi Avenue and SW 84th Avenue.
 After receiving specific authorization from the City Council, this section may

be partially or wholly closed, demolished, and/or relocated depending on the design of the major water feature in the Tualatin Commons Redevelopment Project. Parcels that are accessed by Seneca will be provided access through other routes. The status of this segment will be addressed during site planning efforts related to the Tualatin Commons Redevelopment Project. Improvements include reconstruction and widening of roadway, intersection improvement, bump-outs and pedestrian improvements.

- SW Seneca Street, between SW 84th Avenue and SW Boones Ferry Road.
 Improvements include reconstruction of roadway, bump-outs and pedestrian improvements to standards to be determined.
- SW 84th Avenue, between SW Nyberg Street and SW Boones Ferry Road.
 Improvements include reconstruction of roadway, bump-outs and pedestrian improvements to standards to be determined.
- Other road and street improvements as found necessary.

c. <u>Utilities</u>

Improvements in sanitary sewer, storm sewer, water supply, and electricity systems have been Plan activities since the establishment of the Urban Renewal Area. The Report (Section B.1.) describes the original and current conditions of these systems. The Water Service and Sewer Service Elements of the Community Plan state the city's policies and procedures regarding system improvements. The improvements within the Urban Renewal Area are shown on Maps 13-18 of the Report.

Specific Project Activities, Utilities:

- <u>Tualatin Commons Redevelopment Project</u>: The Commission will
 participate in the funding of utility improvements necessitated by the
 Tualatin Commons Redevelopment Project and, where appropriate, will
 incorporate utility improvements within road, street or other public
 improvement projects funded by the Commission.
- <u>Central Design District Enhancement Project</u>: The Commission will
 participate in the funding of utility improvements necessitated by the Central
 Design District Enhancement Project and, where appropriate, will
 incorporate utility improvements within road, street or other public
 improvement projects funded by the Commission.

d. Parking Facilities

Historically, one result of the pattern of platting in the downtown core area has been the difficulty in providing on-site parking for commercial buildings. Until land was acquired for the then Village Square Redevelopment Project (1985-86), the majority of the lots in this area were too small to support commercial buildings with

parking. The Plan amendment of 1977 discussed alternatives for providing sufficient parking. In 1979, one of these alternatives was implemented, with adoption of the Core Area Parking District (CAPD). Within the CAPD, until 1994 there were no requirements for on-site parking. Parking was provided in public lots, with spaces available for customers and employees. In 1994 the program was changed requiring private development to supply a portion of parking. The provisions are listed in the Tualatin Development Code.

The CAPD is supported by a tax on activities (primarily businesses) occurring within CAPD boundaries. Capital costs of parking facility construction have been funded in part by an "impact fee" on new construction in a parking space buy down program. The largest part of the costs of land acquisition and development of the CAPD lots has been borne by the Commission. Map 4, "Core Area Parking District," displays the public parking lots within the CAPD which have been, or may be, developed by the Commission.

Acquisition of the majority of small parcels in the District as well as the acquisition of the property on Block 13 for the Tualatin Commons Redevelopment Project provides more parking options to support redevelopment. It may be appropriate for the Commission to assist in providing public parking lots to some or all of the public and private developments in the Project Area, but it also may be appropriate for private and public uses to provide on-site parking.

Specific Project Activities, Parking Facilities:

- <u>Tualatin Commons Redevelopment Project</u>: Construction of new parking facilities may be part of the Tualatin Commons Redevelopment Project. The inclusion of public parking facilities, and their specific scale and location will be determined during the course of site planning and negotiations with developers.
- White Parking Lot: Expand parking lot on SW Boones Ferry Road located between Boones Ferry Road and Seneca Street.
- Yellow Parking Lot: Construct parking lot east of SW 84th Avenue, south of Seneca Street and north of Nyberg Street.
- <u>Red Parking Lot</u>: Construct parking lot at the southeast corner of SW Boones Ferry Road and SW Seneca Street.
- <u>Blue Parking Lot</u>: Construct parking lot on SW Boones Ferry Road.
- Green Parking Lot: Expand parking lot on SW Boones Ferry Road (if funding is available).
- <u>Public Parking Lots:</u> Construct signage appropriate for identification of all public parking lots.

e. Pedestrian Facilities

Improving pedestrian circulation within the Urban Renewal Area has been a primary objective of the Plan. Plan activities in this regard have included construction of sidewalks, design of improvements to the triangular park site at the entrance to the city, and development of design guidelines for private pedestrian walkways and street furniture.

Specific Project Activities, Pedestrian Facilities:

- <u>Tualatin Commons Redevelopment Project</u>: Pedestrian spaces, including sidewalks, and outdoor pedestrian activity areas are planned to be a major component of the Tualatin Commons Redevelopment Project. The Tualatin Commons Project will include community gathering spaces, pedestrian walkways and connections, both within the development and as links to the Community Park, the City Library, and to other neighboring public and private properties. The design and location of pedestrian ways and spaces will be addressed during site planning of the project.
- <u>Central Design District Enhancement Project</u>: Pedestrian spaces, including sidewalks, street furniture, pedestrian lighting and way-finding system are planned to be a component of the Central Design District Enhancement Project. The Central Design District Enhancement Project will include pedestrian walkways, sidewalks and connections as links to the Community Park, the City Library, Tualatin Commons Redevelopment Project and to other neighboring public and private properties. The design and location of pedestrian facilities and way-finding system will be addressed during planning of the project.

f. <u>Civic Facilities</u>

Improving civic facilities has been a goal and objective the Plan. Plan activities in this regard have included pedestrian oriented facilities, major features of Tualatin Commons (water feature and landmark), site acquisition for police facility, library expansion and participating in design discussion for a community building.

Specific Project Activities, Civic Facilities:

- <u>Community Building</u>: Working with the City to develop a community building or identify an existing building in the central downtown area to upgrade as an interim community facility until a permanent building can be constructed by the City.
- <u>Tualatin Commons Landmark</u>: Construction of a focal element at the center of the Tualatin Commons Project area (if funding is available).
- Tualatin Library: Expansion of the public library.
- g. <u>Transit Facilities</u>

Improving transit facilities has been a goal and objective the Plan. Plan activities in this regard have included assisting Tri-Met in locating park-and-ride facilities and encouraging private development to integrate transit provisions.

Specific Project Activities, Transit Facilities:

- <u>Commuter Rail Station</u>: Working with the Washington County commuter rail project to upgrade the design of the Tualatin commuter rail station for design compatibility with downtown development.
- <u>Train Horn Noise Mitigation</u>: Working with the City of Tualatin to mitigate the impacts of commuter rail train horn noise on businesses and residents.

[Section D-1 amended by Resolution 121-86 adopted November 24, 1986; Ordinance 730-87 passed September 14, 1987; Resolution 152-88, adopted August 8, 1988; Ordinance 881-92, passed November 9, 1992; TDC Resolution 398-02 adopted March 11, 2002; Ordinance 1108-02, passed April 22, 2002; Ordinance 1213-06 passed July 10, 2006; Ordinance 1290-09 passed October 12, 2009]

2. LAND ACQUISITION AND CLEARANCE

Land acquisition, land clearance, and relocation of existing residences and businesses have been Plan activities since 1978. The Commission has acquired land for public parking lots, street improvements and utilities. Land was acquired for the Tualatin Commons Redevelopment Project in fiscal years 84/85, 85/86, 86/87, 87/88, and 89/90. A list of these properties is shown in Table 1.

• Tualatin Commons Redevelopment Project. The focus of Amendment No. 7 was to authorize acquisition of land for a development site for the Village Square Redevelopment Project. Land acquisition for this project was necessitated by the irregular and inefficient platting pattern in the downtown core, a pattern which hinders private redevelopment. The focus of Amendment No. 11 was to authorize the acquisition of land for a development site for the Block 13 Redevelopment Project. Land acquisition for this project ensures that the parcel is developed in a manner compatible with the City's redevelopment efforts. Obtaining ownership of the property was the most direct way to achieve redevelopment consistent with the objectives of the plan. Amendment 16 renames the Village Square and Block 13 Redevelopment projects as the Tualatin Commons Redevelopment Project, which was renamed by the Commission in January, 1990.

Specific Project Activities, Land Acquisition and Clearance:

Tualatin Commons Property Acquisition

The Commission acquired properties indicated on Map 5 "Tualatin Commons Property Acquisition." The Commission will also acquire real property where it is determined that acquisition is necessary for the construction of the Tualatin Commons Redevelopment Project.

Where appropriate, the Plan contemplates acquisition of partial interests in real

property in connection with the Tualatin Commons Redevelopment Project. Such interests may include leasehold interests and purchase or lease options.

• Tualatin Development Commission Property Acquisition

The Commission acquired properties indicated on Map 6. The properties are for public parking lots or future parking lots.

Where appropriate, the Plan contemplates acquisition of partial interests in real property. Such interests may include leasehold interests and purchase or lease options.

• <u>Property Acquisition to Eliminate Blight or Construct Street or Other Public Infrastructure Improvements</u>

The Commission will also acquire real property, or interests therein, where it is determined that acquisition is necessary to remove blighting influence, or for construction of street, sewer, water, storm drainage and pedestrian improvements.

Property Acquisition for Police Facility

The Commission will acquire property identified as 2S1 23D, Tax Lot 500, consistent with Goal 4 of this Plan to promote civic facilities in the Central Urban Renewal Area. A portion of the site will be developed as a Police Facility and conveyed to the City of Tualatin. The remainder of the site will be used for purposes consistent with this Plan or disposed of in accordance with this Plan.

Central Design District Enhancement Project Property Acquisition

The Commission will also acquire real property where it is determined that acquisition is necessary for the construction of the Central Design District Enhancement Project.

Where appropriate, the Plan contemplates acquisition of partial interests in real property in connection with the Central Design District Enhancement Project. Such interests may include leasehold interests and purchase or lease options.

[Section D-2 amended by City Resolution 333-78 adopted February 27, 1978; Ordinance 651-84, passed December 10, 1984; Ordinance 730-87 passed September 14, 1987; Ordinance 881-92, passed November 9, 1992; TDC Resolution 317-98 adopted October 26, 1998; TDC Resolution 398-02 adopted March 11, 2002; and Ordinance 1108-02, passed April 22, 2002]

3. <u>LAND DISPOSITION, DEVELOPMENT AND REDEVELOPMENT</u>

• <u>Tualatin Commons Redevelopment Project</u>. The primary intent of the December 1984 plan amendment was to facilitate the redevelopment of the Village Square Project Area (currently the Tualatin Commons Project Area as combined with the Block 13 Project Area). As is documented in the Report, Section B, this portion of the Urban Renewal Area was severely underdeveloped. Although the blighting influences of flooding and traffic congestion had been largely corrected, the impediments to development

posed by the inefficient platting still remained. The acquisition and packaging of a project site of approximately six acres was seen to facilitate the development of a planned mixed-use development, with a pedestrian orientation and of a sufficient scale to provide a "central business district" environment.

The intent of Amendment No. 11 was to facilitate the redevelopment of Block 13. Prior to Amendment 11, as is documented in the Report, Section B, this portion of the Urban Renewal Area was occupied by a non-conforming land use (The Hervin Company pet food manufacturing facility). In 1988, the pet food manufacturing plant became non-operational. This occurrence provided an opportunity to permanently eliminate the non-conforming use. The acquisition of a project site of approximately nine acres facilitated the development of a planned central commercial development, with a pedestrian-orientation that would enhance the "central business district" environment of the Central Design District.

The primary intent of Amendment No. 16 is to amend the land use of the Tualatin Commons Redevelopment Project to allow more civic uses (City Hall facilities, community gathering areas, and a community center), and thus to enhance the community activities in the Central Urban Renewal Area. This action was in response to community support for less intensive retail development and more uses that are active in the weekdays, evening, nights, and weekends. In addition, the Block 13 and Village Square Redevelopment Projects and project areas were combined and renamed "Tualatin Commons Redevelopment Project." The acquisition and packaging of a project site of approximately 20 acres will facilitate the development of a planned mixed-use development (office, restaurant, limited retail, residential, civic uses), with a pedestrian orientation of a sufficient scale to provide an active private and public environment.

Specific Project Activities, Land Disposition, Development, and Redevelopment:

The Commission will dispose of property acquired within the Tualatin Commons Redevelopment Project Area and other property acquired by the Commission for redevelopment for uses permitted within the Central Commercial Planning District, and especially for those uses appropriate to an active leisure and pedestrian environment. Property shall be disposed of according to the terms of Disposition and Development Agreements. Such agreements will specify the respective obligations of the Commission and the redeveloper in regard to scale, uses, design, public facilities, approvals and permits, schedules of development and other issues related to the objectives of the Plan.

Disposition of properties acquired by the Development Commission may include the following:

 Redevelopment by private redevelopers for the mix of uses found desirable and feasible, in accordance with a negotiated Disposition and Development Agreement.

- Redevelopment of certain parcels within the urban renewal area by the City of Tualatin for City Hall facilities.
- Redevelopment of certain parcels within the project area by the City of Tualatin and Tualatin Development Commission for a community center.
- Redevelopment by the U.S. Postal Service for a retail postal facilities within the project area.
- Construction of public facilities that may include water feature(s), pedestrian facilities, and parking facilities.
- Road, street and utility improvements.

[Section D-3 amended by City Resolution 333-78 adopted February 27, 1978; Ordinance 730-87 passed September 14, 1987; Ordinance 881-92, passed November 9, 1992; TDC Resolution 317-98, adopted October 26, 1998; and TDC Resolution 3098-02 adopted March 11, 2002]

4. REHABILITATION AND CONSERVATION

The Plan encourages the rehabilitation and conservation of those existing buildings which have historic merit or buildings which can be economically rehabilitated. Although no specific programs for Urban Renewal participation in the costs of rehabilitation are contemplated, the Commission may appropriately assist in rehabilitation and conservation efforts.

Specific Project activities, Rehabilitation and Conservation:

- A matching grant façade improvement program for buildings within the Central Design District.
- The Commission may appropriately assist in rehabilitation and conservation efforts outside of the Central Design District.

[Section D-4 amended by Ordinance 881-92 passed November 9, 1992 and by TDC Resolution 398-02 adopted March 11, 2002]

E. REAL PROPERTY ACQUISITION, DISPOSITION: ESTIMATED SCHEDULE

1. REAL PROPERTY ACQUISITION

<u>Tualatin Commons Redevelopment Project</u>: As discussed in Section D, "Outline of Project Activities", the plan proposes to acquire land within the Tualatin Commons Project Area and other property within the Urban Renewal Area, and to dispose of such land for private and public redevelopment and for development of public facilities.

Map 5, "Tualatin Commons Property Acquisition," displays land which has been acquired to build present parking lots within the Tualatin Commons

Redevelopment Project by the Development Commission. The map also shows which properties were acquired for the Tualatin Commons Redevelopment Project. Table 1, "Properties Acquired", lists the parcels that were acquired and the square footage of each parcel.

Map 6, "Property Acquisition," displays land that has been acquired outside of the Tualatin Commons Redevelopment Project within the Urban Renewal Area to build parking lots and other public facilities by the Development Commission. Table 2, "Properties Acquired," lists the parcels that were acquired and the square footage of each parcel.

Real property acquisition was accomplished in accordance with all applicable State Statutes. (Relocation of existing residences, businesses, and other uses is discussed in Section G below.) Any further real property acquisition will be accomplished in accordance with all applicable State Statutes.

Where appropriate, the Commission seeks to acquire limited interests in the above parcels as an alternative to fee simple interest. Such limited interests may include leasehold interests, options, conditional acquisition agreements, and any other limited right to use or possession.

Table 1 <u>Properties Acquired - Tualatin Commons</u>

Tax Map	Tax Map	Square Feet
2S1-24BC	1501	16,117
2S1-24BC	1600	4,792
2S1-24BC	1690	4,792
2S1-24BC	1700	4,792
2S1-24BC	1702*	15,246
2S1-24BC	1703*	15,246
2S1-24BC	1704	13,939
2S1-24BC	1800	11,710
2S1-24BC	1900	10,225
2S1-24BC	2000	5,400
2S1-24BC	2100	20,147
2S1-24BC	2200	10,377
2S1-24BC	2300	17,655
2S1-24BC	2400	14,827
2S1-24BC	2500	23,800
2S1-24BC	2501	5,950
2S1-24BC	2600	11,160
2S1-24BC	2601	6,960
2S1-24BC	2703*	26,572
2S1-24BC	4500*	20,704
2S1-24BC	4600*	23,750
2S1-24BC	4800	8,859
2S1-24BC	5100	11,875

2S1-24BC	5190	17,575	
2S1-24BC	5202	16,328	
2S1-24CB	100	12,632	
2S1-24CB	200	271,379	
2S1-24CB	300	111,514	
TOTALS:	28	734,323	

Source: Washington County Department of Assessment and Taxation, October 20, 1983.

Note: Parcels with an asterisk (*) were purchased prior to the Tualatin Commons Redevelopment Project for the Core Area Parking District. The identified parcels are included as a part of the Redevelopment Project.

Table 2 Properties Acquired – Outside of Tualatin Commons

Tax Map	Tax Map	Square Feet
2S1-24BC	500	34,848
2S1-24BC	1000	8,276
2S1-24BC	1001	9,148
2S1-24BC	1100	15,682
2S1-24BC	1200	3,504
2S1-24BC	3800	10,890
2S1-24BC	4000	5,227
2S1-24BC	4900	8,859
2S1-24BC	5000	1,781
2S1-23A	1500	140,698
2S1-23A	1600	52,272
TOTALS:	11	291,185

Source: Washington County Department of Assessment and Taxation 2001.

Additional land may be acquired to remove blighting influences or, for road, pedestrian and street improvements.

Schedule

The Commission acquired interests in real property for the Tualatin Commons Redevelopment Project during Fiscal Years 1984/85, 1985/86, 1986/87, 1987/88, and 1989/90.

The Commission acquired interests in other real property for development during Fiscal Years 1982/83 through 98/99.

[Section E-1 amended by Resolution 333-78 adopted February 27, 1978, Resolution 117-86, adopted August 11, 1986; Ordinance 730-87, passed September 14, 1987; Resolution 174-90, adopted May 29, 1990; Ordinance 881-92, passed November 9, 1992; and TDC Resolution 398-02, adopted March 11, 2002]

2. REAL PROPERTY DISPOSITION

<u>Tualatin Commons Redevelopment Project:</u> Land acquired for the Tualatin Commons Redevelopment Project will be subject to disposition as follows:

- Retention for Development as Public Facilities: Land will be retained by the Commission and developed as public facilities. Such facilities may include a water feature(s), pedestrian spaces and walkways, parking facilities, and open spaces.
- Conveyance to the City of Tualatin by sale, lease or other manner for development of civic uses including a City Hall facility and community center.
- Conveyance to the U. S. Postal Service by sale, lease or other manner for development of retail postal center in the Tualatin Commons Redevelopment Area.
- Conveyance to Developers by sale, lease or other manner for development of commercial uses in accordance with the objectives of the Tualatin Commons Redevelopment Project: Such conveyances shall be governed by Disposition and Development Agreements. Land shall be conveyed at a value determined by the Commission to be its fair reuse value, which represents the value, whether expressed in terms of rental or capital price, at which time the Commission, in its discretion, determines such land should be made available in order that it may be developed, redeveloped or otherwise used for the purposes specified in the Plan.

Conveyance shall be subject to an agreement by the purchaser or lessee to use the land for purposes designated in the Plan and to begin the development or redevelopment within a reasonable period of time, as determined by the Commission. The specific disposition of each parcel will be determined during a process of site planning and negotiation with developers.

Additional land acquired may be subject to disposition for road and street improvements.

Schedule

The Commission intends to dispose of real property interests within the Tualatin Commons Redevelopment Project during the Fiscal Years 1992/93, 1993/94, 1994/95, 1995/96, 1996/97, 1997/98, 1998/99.

Other Commission Acquired Property: Land acquired for parking lots, civic facilities and other properties will be subject to disposition as follows:

• Retention for Development as Public Facilities: Land will be retained by the Commission and developed as public facilities. Such facilities may include

pedestrian spaces and walkways, parking facilities, and open spaces.

- Conveyance to the City of Tualatin by sale, lease or other manner for development of civic uses including a City Hall facility and community center.
- Conveyance to developers by sale, lease or other manner for development of commercial uses in accordance with the objectives of the Central Urban Renewal Plan. Such conveyances shall be governed by Disposition and Development Agreements. Land shall be conveyed at a value determined by the Commission to be its fair reuse value which represents the value, whether expressed in terms of rental or capital price, at which the Commission in its discretion determines such land should be made available in order that it may be developed, redeveloped or otherwise used for the purposes specified in the Plan.
- Conveyance shall be subject to an agreement by the purchaser or lessee to use the land for purposes designated in the Plan and to begin the development or redevelopment within a reasonable period of time, as determined by the Commission. The specific disposition of each parcel will be determined during a process of site planning and negotiation with developers.

Additional land acquired may be subject to disposition for road, street and pedestrian improvements.

<u>Schedule</u>

The Commission intends to dispose of real property interests within the Central Design District Enhancement Project during Fiscal Years 2000/01 through 2009/10.

[Section E2 amended by Ordinance 881-92, passed November 9, 1992, and TDC Resolution 398-02, adopted March 11, 2002]

F. LAND USE

Land use within the Urban Renewal Area is governed by the Planning District Standards contained in the Tualatin Development Code. The Urban Renewal Area contains the following Planning District Designations:

- Central Commercial
- Office Commercial
- General Commercial
- General Manufacturing
- Light Manufacturing
- High Density Residential/High Rise
- High Density Residential

The regulations governing development within these districts are summarized in Table 2 and Map 7, "Planning Districts and Blocks," displays the Planning District designations within the Urban Renewal Area.

In some cases, the Plan calls for additional considerations to be applied to land uses within the Urban Renewal Area. These apply to specific "blocks" as shown on the Planning Districts Map (Map 7). These considerations pertain to permitted land uses, minimum lot sizes, and requirements for "Master Planning" of entire blocks or groups of blocks.

[Section F amended by Ordinance 881-92, passed November 9, 1992, and TDC Resolution 398-02 adopted March 11, 2002]

Table 3 Summary of Planning District Standards in the Urban Renewal Area

<u>Planning Districts</u>

Permitted Uses

Central Commercial (CC)

Retail, professional and service uses of the kind usually found in downtown areas patronized by pedestrians. This district serves to implement the City's Central Urban Renewal Plan. The District provides areas suitable for civic, social and cultural functions serving the general community. Multi-family dwellings are also appropriate uses in certain blocks within the District.

Office Commercial (CO)

Office development ranging from small buildings with one or two tenants to large complexes housing business headquarters. Development design in this district shall be sensitive to the preservation of significant natural resources and shall provide extensive perimeter landscaping, especially adjacent to residential areas and streets.

General Commercial (CG)

A full range of commercial uses, including those uses that are inappropriate for neighborhood, office, or central commercial areas. This district is particularly suitable for businesses needing direct automobile access to the freeway and the arterial streets leading to the freeway.

Light Manufacturing (ML)

Industrial uses that are compatible with adjacent commercial and residential uses. The district serves to buffer heavy industrial uses from commercial and residential areas. The district is suitable for warehousing, wholesaling, and light manufacturing processes that are not hazardous and that do not create undue amounts of noise, dust, odor, vibration or smoke. The district is also suitable, with appropriate restrictions, for retail sale of the products not allowed

for sale in the General Commercial Planning Districts.

General Manufacturing (MG)

Light industrial uses and a wide range of heavier manufacturing and processing activities. These uses are expected to be more unsightly and have more adverse environmental effects than the uses allowed in the Light Industrial Planning District.

High Density Residential (RH)

High density garden apartment and condominiums development. Within the Central Urban Renewal Area uses permitted may be mixed with uses permitted in the Central Commercial Planning District.

High Density Residential/ High Rise (RH/HR) High density apartments or condominium towers.

NOTE: Sections F- (1), (2), and (3) of the Plan and Map 6 contain block-specific Urban Renewal standards and minimum lot sizes. See also the Tualatin Development Code for further information.

[Table 3 amended by TDC Resolution 398-02 adopted March 11, 2002]

Summary of Planning Districts Uses

1. PERMITTED USES

In addition to the uses normally permitted within the relevant Planning District, the Planning District Standards allow the following additional permitted and conditional uses in the areas listed:

Permitted uses:

- a. General Commercial uses, except for those permitted within the Central Commercial Planning District, are allowed on Blocks 28 and 29. Notwithstanding the preceding sentence, limited use of take-out restaurants smaller than 1,500 square feet and with a seating capacity of 50 or less, will be allowed on Blocks 28 and 29. No drive-up windows will be allowed. No portion of such restaurant shall be closer than 200 feet from any public street right-of-way, unless the right-of-way is separated from the restaurant by railroad right-of-way, in which case the restaurant shall be no closer to the public street right-of-way than 100 feet. The restaurant must be intended to serve primarily the employees and customers of uses in the immediate vicinity. Retail uses permitted in the General Commercial Planning District, excluding any use permitted in the Central Commercial Planning District, are permitted to be greater than 60,000 square feet of gross floor area in areas designated Employment Area or Industrial Area.
- b. General Commercial uses are allowed on Block 30.

- c. Uses permitted in the Residential High Density District on Block 1.
- d. Multi-family uses and single-family common-wall residential units are allowed on Blocks 2, 3, 15, 16, 17, 18, 19, 20, 22 and 23.
- e. Architectural Focal Element for Blocks 14, 17, 18 and 20.

Conditional Uses:

- In the Central Design District bank drive-up uses and other drive-up uses, unless otherwise prohibited by provisions of the Tualatin Development Code.
- b. Uses permitted in the Central Commercial Planning District on Block 1.

[Section F-1 amended by TDC Resolution 145-88, adopted January 11, 1988; Ordinance 881-92, passed November 9, 1992; and TDC Resolution 398-02 adopted March 11, 2002]

2. STRUCTURE HEIGHT

The following structure heights are permitted within the relevant Planning Districts and Blocks:

- a. Buildings constructed on Block 13 can be a maximum of 75 feet in height.
- b. Buildings constructed on Blocks 1, 2, 3, 5, 14, 15, 16, 17, 18, 19, and 22 can be a maximum of 60 feet in height.
- c. 35 feet between the Tualatin Commons central water feature and the primary pedestrian corridor, except for architectural focal elements.
- d. 75 feet for Architectural Focal Elements for Blocks 14, 17, 18 and 20.

[Section F-2 added by TDC Resolution 398-02 adopted March 11, 2002.]

3. MINIMUM LOT SIZES

Within the Urban Renewal Area, the Planning District Standards allow for minimum lot sizes that are generally in excess of the normal Planning District requirements. This is to allow for development which can incorporate a greater number of design features, e.g. landscaping, to achieve the design objectives of the Plan. The following minimum lot sizes shall apply to the creation of new lots by partition, subdivision or lot line adjustment in the Planning Districts and Blocks listed:

- a. Unless otherwise noted, minimum lot sizes within the Urban Renewal Area are 25,000 square feet.
- Minimum lot sizes within the Core Area Parking District are 5,000 square feet.

- c. Minimum lot sizes within Blocks 25, 31, and 33 are 40,000 square feet.
- d. Minimum lot sizes within Block 28 are 20,000 square feet.
- e. When Residential High Density permitted uses are mixed with uses permitted in the Central Commercial District, the lot sizes for mixed uses are as determined through the Architectural Review process.

[Section F-3 (formerly F-2) amended by TDC Resolution 74-83 adopted December 12, 1983; Ordinance 881-92, passed November 9, 1992; TDC Resolution 206-93, adopted June 28, 1993; and TDC Resolution 398-02 adopted March 11, 2002]

4. <u>REQUIREMENTS FOR MASTER PLANNING</u>

Prior to approval of applications for development projects within Blocks 1, 2, 3, 4, 5, 13, 25, 26, 27, 31, 32, and 33, applicants will be required to submit and gain City approval of a master plan governing development within the Block(s). Such master plan shall contain sufficient information, as determined by the City, to ensure that development meets the objectives of the Plan. Master plans may include, but are not limited to, treatment of such issues as access, transportation, sewer, water storm drainage, internal circulation, building location, building design and materials, parking, landscaping and pedestrian facilities.

Master plans for Blocks 1, 2, 3, 4, 5, 13, 25, 26, 27, 31, 32, 33, as well as subsequent modifications to those plans, must be approved by the City Council at a public hearing. The public hearing shall be called and conducted in the manner provided for in Section 1.031 of the Tualatin Development Code. In approving a master plan, the City Council may attach conditions that it finds necessary to achieve the objectives of the Urban Renewal Plan.

For blocks within which land is under multiple ownerships, and where special conditions exist, the Commission may initiate master plans to govern development. Block 23, because of its unusual platting pattern and the difficulty of providing street access may require such master planning.

Plans developed by the Commission for those purposes will be referenced within the Development Code.

[Section F-4 (formerly F-3) amended by TDC Resolution 131-87, adopted April 27, 1987; Ordinance 881-92, passed November 9, 1992; and TDC Resolution 398-02 adopted March 11, 2002]

5. CENTRAL DESIGN DISTRICT DESIGN GUIDELINES

The Central Design District is bounded by SW Martinazzi Avenue on the east, SW Tualatin-Sherwood Road on the south, SW Boones Ferry Road on the west and the Tualatin Community Park and Tualatin River on the north (Map 8). The area is designated in the Tualatin Community Plan as Central Commercial. The purpose of the Planning District is:

"To provide areas of the City that are suitable for a full range of retail, professional and

service uses of the kind usually found in downtown areas patronized by pedestrians. The district also provides area suitable for civic, social and cultural functions serving the general community. The district serves to implement the City's Urban Renewal Plan and, consequently, multi-family dwellings are also an appropriate use in certain portions of the district, as specified by the Urban Renewal Plan."

Though the District does not include all the area designated as Central Commercial, the area outside the District has developed in an auto-oriented manner (K-Mart/Safeway, Fred Meyer, Martinazzi Square, Hedges Greene Retail Center). Within the District, however, the opportunity still exists to achieve pedestrian-oriented development.

The most direct means of achieving a true pedestrian orientation is by the use of design guidelines. Such guidelines are referred to in Chapter 73 of the Tualatin Development Code. The design guidelines contained in Appendix G are intended to assist in developing a pedestrian-oriented downtown with a mix of commercial and residential activities that are compatible with one another.

[Section F-5 added by TDC Resolution 398-02, adopted March 11, 2002]

G. RELOCATION PLAN

The Plan anticipates the acquisition and redevelopment of property which may result in the displacement of residents and businesses. Prior to any displacement, the Commission will establish a Relocation Policy that will call for the Commission's assistance to those residents and businesses displaced. Such assistance may include providing information regarding suitable locations, payment of moving expenses, and other payments as deemed necessary.

All relocation activities will be undertaken and payments made in accordance with the requirements of ORS 281.045 - 281.105 and any other applicable laws or regulations. Relocation payments will be made as provided in ORS 281.060

[Section G amended by City Resolution 333-78 adopted February 27, 1978]

H. METHODS OF FINANCING PROJECT ACTIVITIES

1. GENERAL DESCRIPTION OF FINANCING METHODS

The Tualatin Development Commission will consider all possible sources of funding in carrying out this Plan. The Commission may borrow and accept advances, loans, grants, and any other form of financial assistance from the federal government, state, city, county or other public body or from any other sources, public or private, including lease or sale of properties to developers for the purpose of undertaking and carrying out this Plan. In addition, the Tualatin Development Commission may obtain financing as authorized under ORS Chapter 457 or any applicable statutes.

Upon request of the Commission, the City Council of the City of Tualatin may as necessary to achieve plan objectives, seek general obligation or issue revenue bonds, certificates, notes, improvement warrants, or form local improvement or special assessment districts to assist in financing the Plan.

The funds obtained by the Commission shall be used to pay or repay any cost, expense, advances, or any other indebtedness incurred in planning or undertaking the Plan or in otherwise exercising any of the powers granted by ORS 457.

2. SELF-LIQUIDATION OF COST OF PROJECTS

The Commission proposes to finance the Plan, and the projects undertaken with respect to the Plan, through tax increment financing as authorized by Article IX, Section 1c of the Oregon Constitution and ORS 457.420 through 457.460. This Plan authorizes the division of ad valorem taxes pursuant to ORS 457.420 through 457.460. Such financing is authorized by the statute when the plan contains the following provisions: the ad valorem taxes, if any, levied by a taxing district in which all or a portion of an urban renewal area is located, shall be divided by rates as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440.

The maximum indebtedness pursuant to ORS 457.190 which may be incurred under this Plan is \$27,705,384. Nothing in this section is intended to inhibit the ability of the Commission to refinance or refund existing bonded indebtedness that may be issued under the Plan.

[Section H-2 amended by TDC Resolution 183-91, adopted September 9, 1991, and by Ordinance No. 996-98, passed March 23, 1998]

3. <u>COMPLETION OF PROJECTS</u>

Upon completion of the projects identified in this Plan or subsequent amendments to this Plan, and the satisfaction of all outstanding indebtedness, the division of taxes under ORS 457.420 - 457.450 shall cease as provided by ORS 457.450.

I. FUTURE AMENDMENT PROCESS

This Plan may be reviewed and analyzed periodically and will continue to evolve during the course of the project implementation and ongoing planning. The Plan may be amended or changed as needed. All amendments or changes to the Plan will be made in writing and will be approved by the Commission, the Tualatin City Council, or both. The amendments or changes may be substantial amendments, Council approved amendments or minor amendments. Minor amendments to the Plan shall be approved by the Commission by resolution. Council approved amendments to the Plan shall be approved by the Tualatin City Council through a hearing process and adopted by ordinance. Substantial amendments to the Plan shall be approved by the Tualatin City Council by non-emergency ordinance pursuant to ORS 457.095 and 457.220 after public notice and hearing. Presentation of any amendment to the Commission or Council shall be accompanied by the recommendation of the Urban Renewal Advisory Committee.

Minor Amendments

Minor amendments include but are not limited to the following:

- 1. Amending the Plan for consistency with the Tualatin Community Plan and Development Code.
- 2. Including design standards and guidelines to this Plan.
- 3. Revising the schedule of the Tualatin Commons Redevelopment Project.
- 4. Adding to the list of parcels to be acquired for the Tualatin Commons Redevelopment Project, which would not result in an increase of more than 15% of the land area of the existing parcels to be acquired.
- 5. Development Commission participation in the design and construction of a community center in conjunction with the Tualatin Commons Redevelopment project.

Council Approved Amendments

- 1. Addition of less than 1% land area to the urban renewal area as authorized by statute.
- 2. Extending the date after which no bonded indebtedness shall be issued with respect to the Plan or any project undertaken or to be undertaken under the Plan.
- 3. Adding a new project, activity or program which:
 - (a) Serves or performs a substantially different function from any project, activity or program specified in this Plan; and
 - (b) Is estimated to cost (excluding administrative costs) in excess of \$500,000 adjusted annually from 1991 at a rate equal to inflation.
- 4. Making other changes in the Plan which alter the major assumptions, purposes and objectives underlying this plan.

Substantial Amendments

- 1. Adding land to the urban renewal area (except such minor additions of land as may be authorized by statute as not constituting a substantial amendment).
- 2. Increasing the maximum amount of bonded indebtedness excluding bonded indebtedness issued to refinance or refund existing bonded indebtedness issued or to be issued under the Plan

From time to time during the implementation of this Plan, the Tualatin City Council may officially approve amendments or modifications to the City's Comprehensive Plan and implementing ordinances. Furthermore, the Tualatin City Council may from time to time amend or approve new codes, regulations or ordinances which affect the implementation of this Plan. When such amendments, modifications or approvals which affect the provisions of this Plan shall be deemed minor amendments to the Plan and shall, by reference, become a part of this Plan.

[Section I amended by TDC Resolution 183-91, adopted September 9, 1991; Ordinance 881-92, passed November 9, 1992; and TDC Resolution 389-01, adopted December 10, 2001]

J. MAP AND LEGAL DESCRIPTION

The Urban Renewal Area amendment includes land within the area described below and shown on Map 1, "Tualatin Central Urban Renewal Boundary." The Urban Renewal Area contains 327.48 acres.

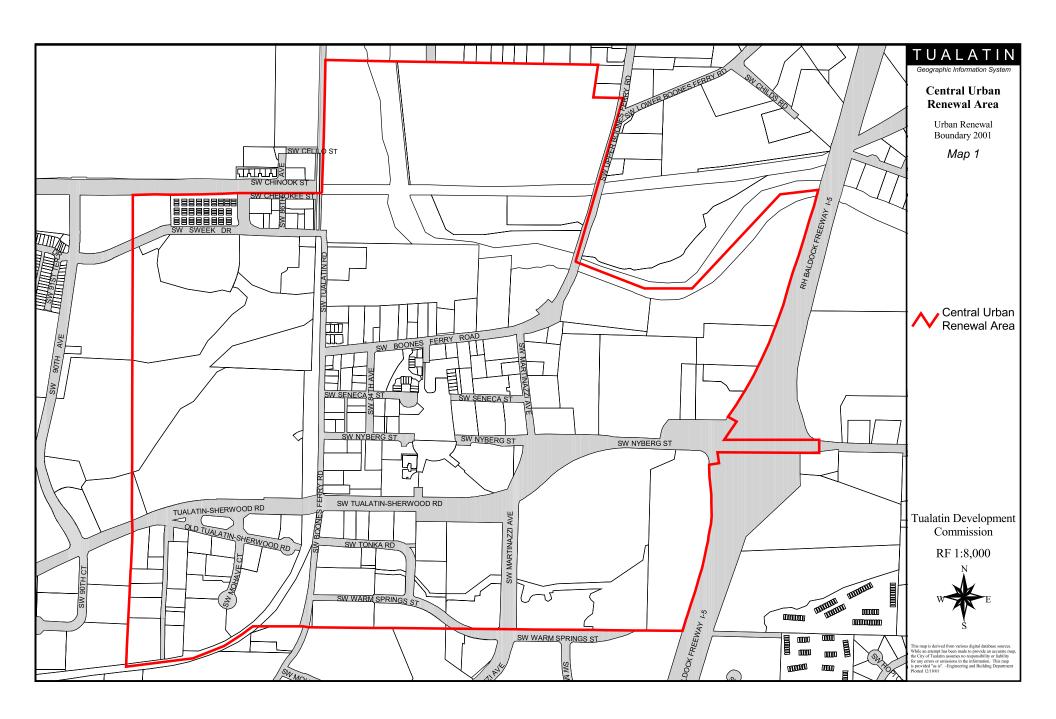
LEGAL DESCRIPTION

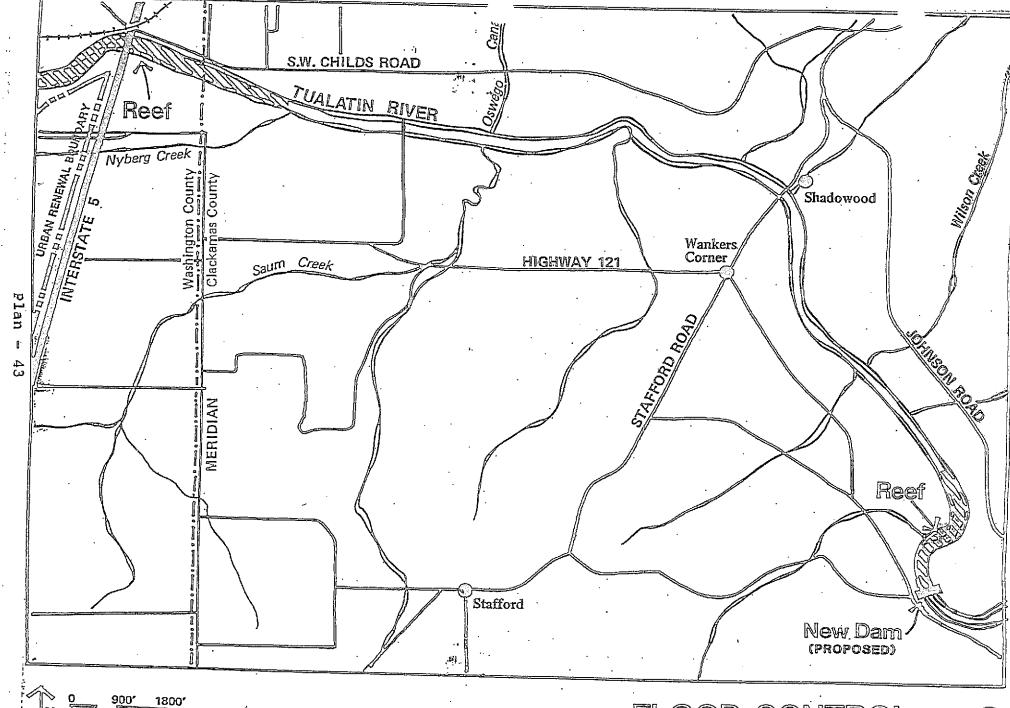
TUALATIN CENTRAL URBAN RENEWAL PROJECT AREA

A portion of Sections 23 and 24 of Township 2 South, Range 1 West, Willamette Meridian, Washington County, Oregon, more particularly described as follows:

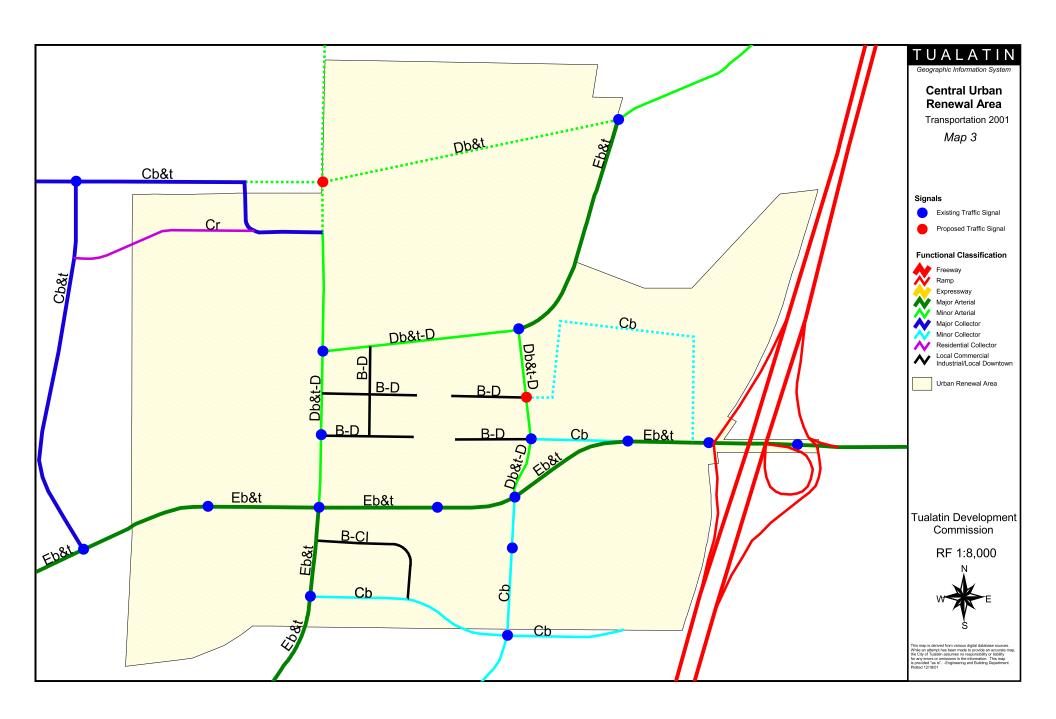
Beginning at the Northwest section corner of Section 24; thence easterly along the North line of Section 24 to a point located South 89°32' West 200 feet from the centerline of SW Upper Boones Ferry Road (State Highway No. 141); thence South 07°28' West 225 feet; thence North 89°32' East 200 feet to the centerline of said Upper Boones Ferry Road; thence South 07°28' West 131.1 feet along said centerline; thence South 15°11' West along the centerline of Boones Ferry Road (also State Highway No. 141) to the centerline of the Southern Pacific Railroad: thence continuing South 15°11' West 540 feet, more or less, to the centerline of the Tualatin River; thence southeasterly and northeasterly along the centerline of said river to the westerly right of way line of the R.H. Baldock Freeway (Interstate 5); thence southerly along the westerly right of way line of said freeway to a point that is North 296.58 feet, and West 2406.18 feet from the guarter corner on the East line of Section 24; thence perpendicular to said right of way line, South 57°23'09" East 120.0 feet; thence parallel with said right of way line, South 32°36'51" West 152.94 feet; thence parallel with and 60.0 feet North of the North line of the South half of Section 24, South 88°57'59" East 663.23 feet; thence South 1°02'01" West 120.0 feet; thence parallel with and 60.0 feet South of the North line of the South half of Section 24, North 88°57'59" West 740.22 feet; thence parallel with said right of way line, South 3°53'44" East 142.51 feet; thence perpendicular to said right of way line. South 86°06'16" West 145.0 feet to a point that is South 167.54 feet and West 2601.64 feet from the quarter corner on the East line of Section 24 and on the westerly right of way line of the R.H. Baldock Freeway (Interstate 5); thence southerly along said westerly right of way line to a point on the North line of the South 1/2 of the South 1/2 of Section 24; thence westerly along said North line 2535 feet, more or less, to the Northwest corner of the Southwest 1/4 of said Section 24; thence South 89°32'30" West 420 feet, more or less, to the northerly right of way line of the Oregon Electric Railroad; thence southwesterly along said northerly railroad right of way line to a point located North 0°52' East 1051.8 feet and North 89°13' East 1466.92 feet from the guarter corner on the South line of Section 23; thence South 81°38' West 116.1 feet along said northerly railroad right of way line; thence North 1°01'30" East 913.3 feet to the southerly line of the Tualatin-Sherwood Road (County Road No. 492); thence continuing North 1°01'30" East 2360 feet, more or less, to the South right of way line of the Southern Pacific Railroad; thence easterly along said railroad right of way 1300 feet, more or less, to the West line of Section 24; thence northerly along said West line of Section 24 to the point of beginning.

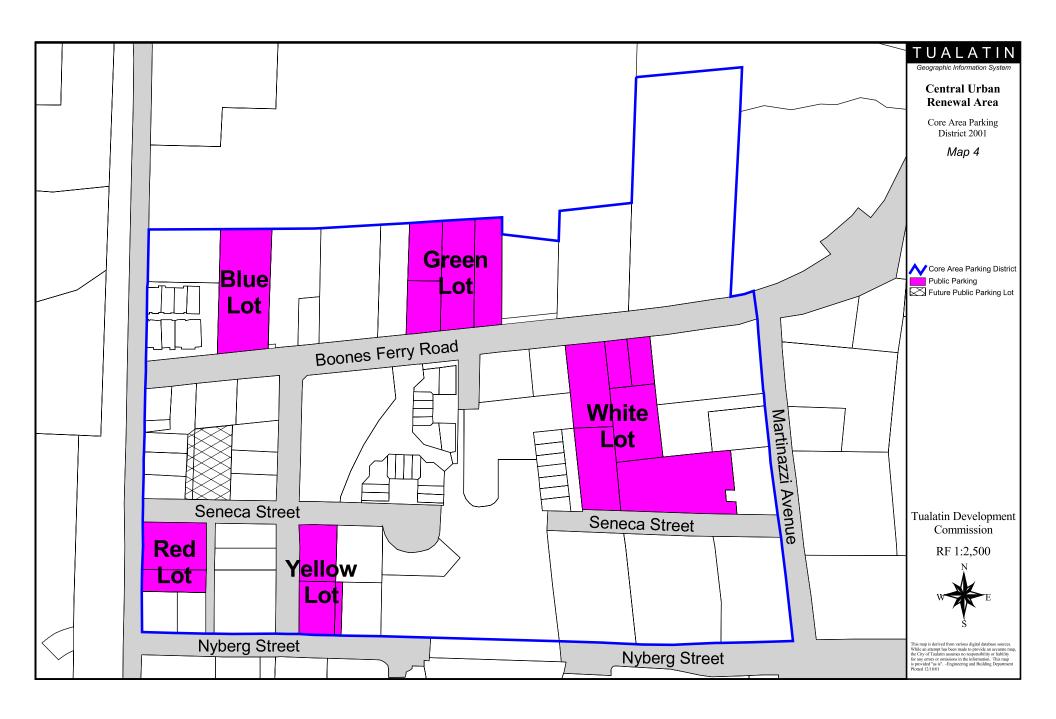
[Section J (formerly Section I) amended by Ordinance 730-87, passed September 14, 1987, and by Ordinance 1108-02, passed April 22, 2002]

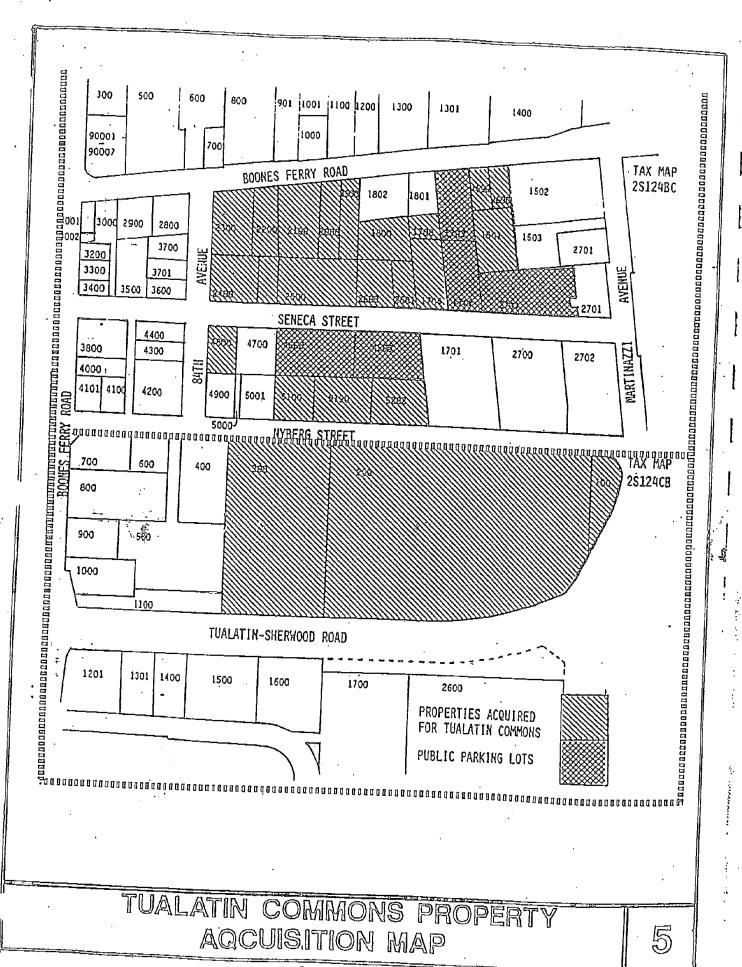


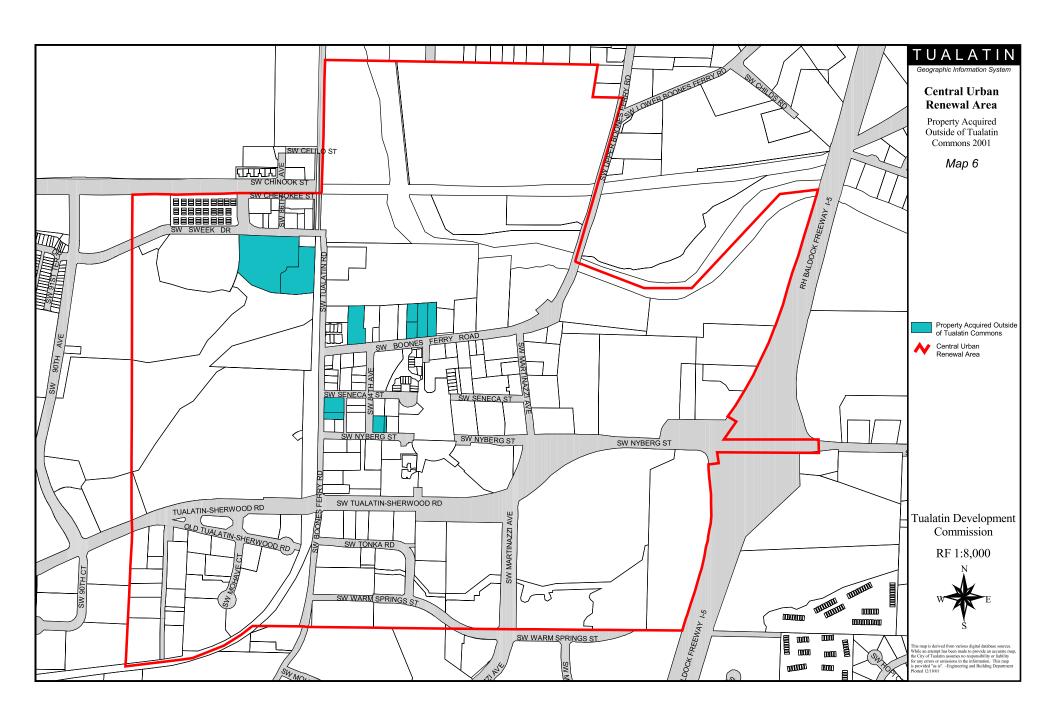


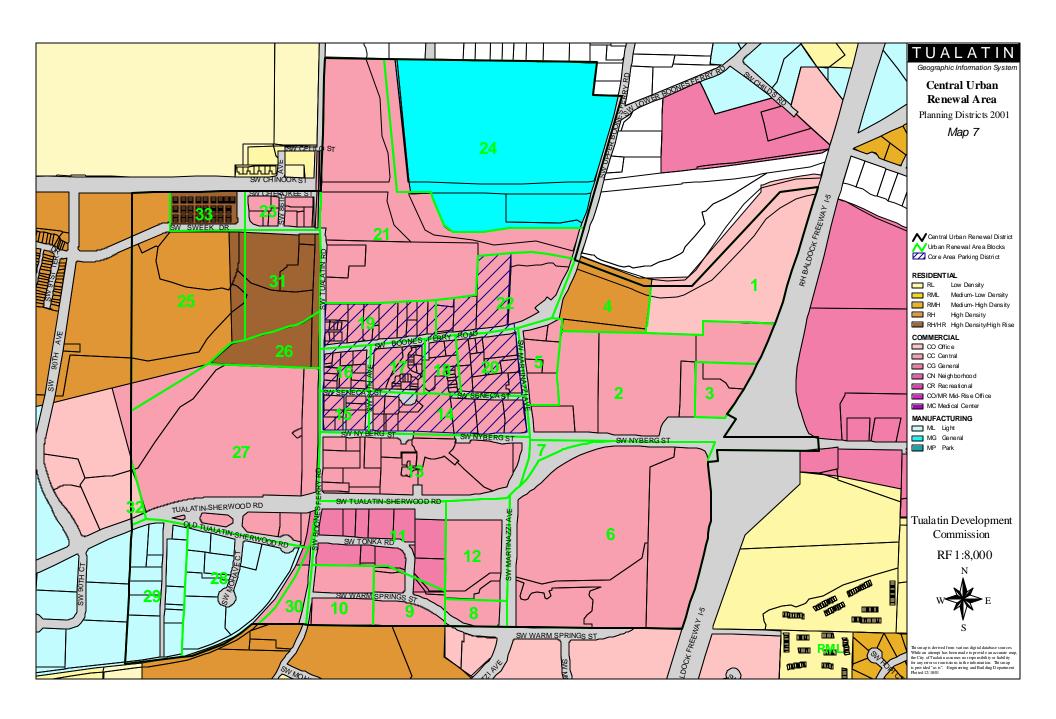
FLOOD CONTROL

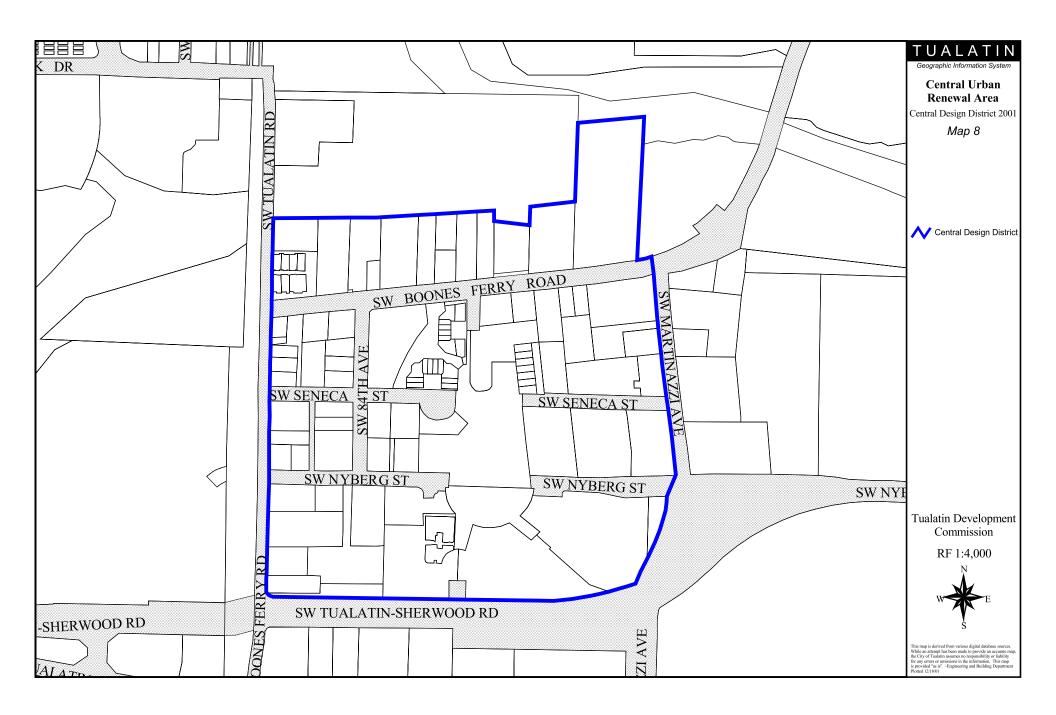












SECTION II: URBAN RENEWAL REPORT

A. <u>INTRODUCTION</u>

Oregon Revised Statute (ORS) 457.095-(3) requires that an Urban Renewal Plan be accompanied by a Report. This document shall constitute the required report for the Tualatin Central Urban Renewal Plan.

The purpose of the report is to describe existing conditions in the Urban Renewal Area at the time the plan was established (1975) and to provide updated information for future planning. The report also contains projected fiscal impacts, detailed project cost and completion estimates, and a financial feasibility analysis.

The report was first written in 1975. Major updates of the plan were completed in 1977 and 1984. The Report was revisited as a part of the 1992 plan amendment. As a part of the 1992 amendment, this report was updated to correspond to the changes in the plan. The effort exerted in the 1992 report was intense in areas that are pertinent to the changes noted in the Plan and less intensive in areas that are not affected by the 1992 changes in the Plan.

The 2002 update corresponds to changes in the Plan. The report has intensive updates where necessary and less intensive updates to areas not affected by the 2002 Plan update.

The 2009 update corresponds to changes in the 2009 Plan.

[Section A amended by Ordinance 881-92, passed November 9, 1992, by TDC Resolution 398-02 adopted March 11, 2002; and Ordinance 1290-09, passed October 12, 2009.]

B. EXISTING CONDITIONS

The original Tualatin Central Urban Renewal Plan was adopted by the Tualatin City Council (Resolution No. 30-75) on January 27, 1975 (Appendix A). Existing conditions were found by this resolution to constitute blight as defined by ORS Chapter 457. Original conditions are reviewed herein to comply with ORS 457 as amended. Conditions as of 1992 are described in this Report as well as conditions as of 2002 as part of the updating process. 1984 and 1992 conditions remain as a part of the report to show the changes that have occurred over the years.

[Section B amended by Ordinance 881-92, passed November 9, 1992, and by TDC Resolution 398-02 adopted March 11, 2002.]

1. **Physical Conditions**

a. LAND USE

Original Conditions

The Urban Renewal Area in 1975 was comprised of 310.8 acres of mixed land uses, centered around the downtown Tualatin business district. The developed area was characterized by a diversity of residential, commercial and industrial uses as portrayed in Map 1, "Existing Land Use (1975)." Vacant land constituted approximately 160 acres of the total, or 51% of the Urban Renewal Area. Original conditions are discussed in more detail by sub-area as follows. Several roads have been either added or their names have been changed since 1975. The current names are used in the discussion below with the changed names following in parentheses after the first time it is used.

- The northern portion of the Urban Renewal Area includes land north of the Tualatin River and west of SW Boones Ferry Road. A mix of industrial uses and vacant land typified this portion in 1975. (Map 2, "Urban Renewal Sub-Areas")
- The western portion is located west of the Portland and Western (Burlington Northern) railroad tracks and SW Boones Ferry Road. In 1975, it consisted of a large tract of vacant land which contained a wetlands area, the historic Sweek House, a small residential/commercial area north of SW Tualatin Road, and an area of industrial and vacant land south of SW Tualatin-Sherwood Road. (Map 2)
- The southern portion is located south of SW Nyberg Street (formerly "Nyberg Road") where over half of the land was undeveloped in 1975. There was a pet food manufacturing plant (The Hervin Company), City Hall, and some commercial uses on the south side of SW Nyberg Street. A mix of commercial, industrial and residential uses were located along SW Tonka Street. SW Tualatin-Sherwood Road was not yet constructed. SW Nyberg Street from K-Mart to SW Boones Ferry Road was renamed "Nyberg Street" after the construction of the SW Tualatin-Sherwood Road bypass. (Map 2)

The Hervin plant occupied nearly nine acres of commercial land at the northwest corner of SW Martinazzi Avenue and SW Nyberg Street. A railroad spur which crossed SW Boones Ferry Road served the plant. As a manufacturing industry, Hervin constituted a major non-conforming use in a commercial district. Problems which the Hervin plant posed to downtown development included strong odors, noise, and traffic conflicts associated with the railroad spur.

• The eastern portion is located between Interstate 5 and SW Martinazzi Avenue (known as "80th Avenue" in 1975), bordered on the north by SW Boones Ferry Road and the Tualatin River and on the south by SW Nyberg Street. In 1975, it contained a large, vacant tract in the northeast corner and the historic Nyberg home in the southeast corner. A K-Mart store and its parking lot dominated the

developed area. An apartment complex was located next to the river (behind K-Mart), and the City Hall Annex Building stood among mostly vacant parcels on the east side of SW Martinazzi Avenue. (Map 2)

• The central portion is bounded on the north by the Tualatin River and includes the Community Park. It is bounded by SW Nyberg Street on the south, SW Boones Ferry Road on the west, and SW Martinazzi Avenue on the east. The 1975 plan recognized this area as the City's intended commercial core which was never fully developed. Spotted throughout the area were deteriorating homes, industrial uses, public uses, and commercial uses of varying age and quality. Parcel sizes varied widely and were divided among numerous ownerships which made it difficult to develop medium or large-scale develop-ment. (Map 2)

The original Plan summarized overall conditions in the Urban Renewal Area as follows:

"The Project Area is characterized by disorganized, inefficient and confusing traffic patterns; extreme pedestrian, vehicular and railroad conflicts and congestion; a disorganized and inefficient pattern of land uses; obsolete and deteriorating buildings and structures; tracts of vacant land which are physically and economically undevelopable under present conditions and which are subject to flooding. The physical conditions present substantial problems in providing essential public services such as police, fire, emergency services and public utilities. Urban Renewal action within the Project Area is essential to combat existing blight and deterioration and to prevent expansion of such blight and deterioration." (Section 102)

1992 Conditions

The Urban Renewal Area in 1992 consisted of 324.31 acres of land, of which 13.51 acres were added in 1984 to include portions of the SW Nyberg Street interchange area west of I-5.

Many physical changes have occurred in the Urban Renewal Area since 1975. Although major strides have been taken publicly and privately to redevelop blighted areas of the area, other areas are still in need of redevelopment efforts. Vacant land in 1975 comprised approximately 50% of the Urban Renewal Area, and now comprises approximately 40% (includes 4% wetlands) of the Urban Renewal Area, attesting to a steady growth in development. New commercial development has replaced many parcels which were formerly vacant, and some commercial redevelopment in the central business district has also occurred. In addition, many of the parcels acquired for the Tualatin Commons Redevelopment Project had buildings on them in 1975 but have since been demolished in preparation for the project. Many of these buildings were identified as irreparable in the 1984 report. In addition, the former Hervin pet food manufacturing facility was demolished, which was a major non-conforming use and a source of odor, noise and traffic problems.

New commercial development has included a Fred Meyer retail store, a community shopping center (Martinazzi Square), a convenience oriented shopping center, retail pads, banks, small mixed-use buildings, small office buildings, medical offices, auto related retail uses, paint stores, and a self-storage facility.

The public sector has contributed to downtown development with a new post office, the Library/City office building, and four public parking lots (C, F, G and H).

Park improvements have included refurbishing houses into public centers and constructing and adding onto a Senior Center. These have occurred in the northern sub-area of the Urban Renewal Area. In addition, the Development Commission constructed an entryway project on SW Tualatin-Sherwood Road (Tualatin Commons Entryway Project).

Commercial redevelopment has also been significant, as a number of residences along SW Boones Ferry Road and SW Tualatin Road have converted to commercial uses.

Industrial development and redevelopment has been less intensive, but significant in the northern sub-area of the district across the Tualatin River with the construction of two office/warehouse complexes and redevelopment of another.

A master planning effort in the western sub-area of the Urban Renewal Area affected the vacant 53.98 acres of land known as the ZIAN ("Zidell") property (entire property is 135.6 acres, of which 53.98 acres are within the Urban Renewal Area). The result of this master planning effort included planning district changes of ML to CC (25.08 acres), ML to CO (1.41 acres) and RH/HR to RH (20.05 acres)

Table 1, "Existing Planning Districts: - 1992," illustrates the number of parcels and acres in each planning district in the Urban Renewal Area. The largest portion of the area (49.6%) is designated Central Commercial (CC), followed by General Manufacturing (MG)(12.4%) and Residential High Density (RH)(8.7%).

TABLE 1

EXISTING PLANNING DISTRICTS: 1992

DISTRICT	NUMBER OF PARCELS	ACRE S	PERCENT OF TOTAL
Central Commercial (CC)	124	135.63	49.6%
General Commercial (CG)	11	9.41	3.4%
Office Commercial (CO)	2	11.69	4.3%
Light Manufacturing (ML)	1	.42	.2%
Light Manufacturing with CG Overlay (ML/CG)	23	17.6	6.4%
General Manufacturing (MG)	4	33.8	12.4%
Residential High Density RH)	2	23.8	8.7%
Residential High Density/High Rise (RH/HR)	3	13.04	4.8%
CC,CG,RH,RH/HR with Parks and Greenways Overlay	6	27.83	10.2%
TOTAL	173	273.27	100%

Source: City of Tualatin

Notes: Totals do not include street and railroad rights-of-ways not identified as tax lots. The 1991/92 Washington County tax records identify 173 separate tax parcels within the Central Urban Renewal Area. The "Number of Parcels" column totals 176. This number is different than the total number of parcels because Map 2S123 Lot 100 is broken into four separate planning districts within the boundary of the Urban Renewal Area (CC, CO, RH, RH/HR).

Acreage includes boundary expansion in 1984 of 13.51 acres.

Table 2, "Existing Land Use: 1992," shows a total of 324.31 acres of land within the Urban Renewal Area with 173 individual land parcels. Developed land comprises 66.8% of the total, while vacant land comprises about one-third (33.2%) of the area. The large, 53.98-acre parcel in the western sub-area of the Urban Renewal Area contains nearly half of the vacant land totals.

Of the developed land, commercial and industrial uses are most prevalent. Combined commercial uses comprise 21.2% of the area, and industrial uses comprise 11.8% of the area. Streets and railroad rights-of-way account for 16.1% of the area. Public uses (including parks, structures, and parking lots) comprise 11.2% of the developed land.

TABLE 2
EXISTING LAND USE: 1992

USE	NUMBER OF PARCELS	ACRES	PERCENT OF TOTAL
Commercial Retail	48	62.65	19.3%
Commercial Office	19	3.43	1.1%
Commercial Mixed Use	4	2.52	.8%
Industrial Warehouse	2	.8	.2%
Industrial	8	37.46	11.6%
Manufacturing			
Public (includes parks)	14	32.02	9.9%
Quasi-Public	4	1.10	.3%
Residential – Single	12	12.46	3.8%
Family			
Residential – Multi-	3	6.81	2.1%
Family			
Vacant	43	107.76	33.2%
Streets & Railroads	3	52.24	16.1%
R.O.W.			
Private Parking Lot	5	1.03	.3%
Public Parking Lot	9	4.15	1.3%
TOTAL	173	324.31	100.0%

Source: City of Tualatin

Notes: Four tax lots are identified as private or public streets or railroad rights-of-way. These four tax lots account for only 1.26 acres. The remainder is right-of-way not listed on tax maps.

Acreage includes boundary expansion in 1984 of 13.51 acres.

Table 3, "Commercial Land Use: 1992," shows in more detail the composition of commercial uses within the Central Urban Renewal Area. Retail commercial is the dominant commercial use, comprising 65.0% of the total, followed by commercial services, which comprise 21.9% of the total. Commercial office space (for general purpose and medical/dental combined), accounts for a total of only 5.0% of all commercial space. Restaurant uses account for 4.4% of the commercial space, while mixed commercial accounts for 3.7% of the total.

TABLE 3
COMMERCIAL LAND USE: 1992

USE	NUMBER OF	ACRES	PERCENT OF
	PARCELS		TOTAL
Commercial Retail	19	44.55	65.0%
Commercial Services	22	15.01	21.9%
Commercial Mixed	4	2.52	3.7%
Use			
Commercial Office	5	1.32	1.9%
(General Purpose)			
Commercial Office	14	2.11	3.1%
(Medical/Dental)			
TOTAL	70	68.54	100.0%

Source: City of Tualatin

Notes: Acreage includes boundary expansion in 1984 of 13.51 acres.

Table 4, "Size of Parcels," illustrates the size distribution of parcels in the Urban Renewal Area and in the Core Area Parking District. Most parcels (76%) are smaller than 40,000 square feet, or roughly less than one acre in size (1 acre equals 43,560 square feet).

In the Core Area Parking District, where part of the Tualatin Commons Redevelopment Project is to be located, parcels of less than 40,000 square feet comprise 96 percent of the area, while only three parcels are at least 40,000 square feet in size. Twenty-one Core Area parcels are less than 5,000 square feet, which makes them difficult to develop under Tualatin Development Code standards.

TABLE 4 SIZE OF PARCELS: 1992

PARCEL SIZE	NUMBER OF	WITHIN CORE
(Square Feet)	PARCELS	AREA PARKING
		DISTRICT
Less than 5,000	25	21
5,000- 25,000	90	48
25,000 - 40,000	16	6
40,000 and above	42	3
TOTAL	173	78

Source: City of Tualatin

Notes: Acreage includes boundary expansion in 1984 of 13.51 acres.

2001 CONDITIONS

The Urban Renewal Area in 2001 consists of 327.48 acres of land, of which 3.17 acres were added in 2001 to include portions of the SW Nyberg Street/I-5 interchange area. Map 3, "Existing Land Use 2001," shows the diverse mix of uses in the Urban Renewal Area.

Numerous physical changes have occurred in the Urban Renewal Area since 1992. Although major strides have been taken publicly and privately to redevelop blighted areas of the area, other areas are still in need of redevelopment efforts. Vacant land in 1992 comprised approximately 33.2% of the Urban Renewal Area and now comprises approximately 7.63% attesting to a continued steady growth in development. New commercial development has replaced many parcels which were formerly vacant, and commercial redevelopment in the central business district has also occurred. In addition, all of the parcels acquired for the Tualatin Commons Redevelopment Project that were vacant in 1992 have been developed.

New commercial development has included twenty projects that include the Tualatin Commons Redevelopment Project: Lakeside Center office building, Century Hotel and Hayden's Lakefront Grill, Ben Lake Building, Tualatin Commons Eatery, Tualatin Mews I and Tualatin Mews II. Other commercial development in the Urban Renewal Area includes Hedges Green Retail Center (Phase 1, Carl's Jr., Outback Restaurant, Phase 2 – two pad buildings), Schuck's Auto Parts, Pizza Hut, Elks Lodge, Hawthorne Suites Inn, Nyberg Creek Retail Center, Bushwackers, Tualatin Transmission, Nabco office/retail, Tualatin Drycleaners, and Aspen Place.

In addition to the new commercial development, there were thirty-eight expansion, remodel/facade improvement developments since 1992 of which nine were facade improvements funded in part by the Tualatin Development Commission.

Residential development has occurred since 1992 with the Villas on The Lake, Phases I-III, and Hedges Greene Apartments.

Additionally, mixed-use development of residential and commercial have occurred with the Tualatin Mews Phase I & II project.

The public sector has continued contributing to downtown development with a new post office, Tualatin Police Facility, demolition of one parking lot and construction of one new parking lot (Red, formerly A), expansion of a second lot (Yellow, formerly F) and expansion and reconstruction of a third public parking lot (White, formerly C).

Park improvements have included construction of the public portions of Tualatin Commons (Lake of the Commons, public plaza, restrooms, promenade) and the Tualatin Skate Park.

No new industrial development or redevelopment has occurred in the southwestern or north sub-areas of the Urban Renewal Area. In the southwestern sub-area, two commercial service uses (auto oriented) have been developed in the Light Manufacturing Planning District area under the commercial overlay provisions.

Table 5, "Planning Districts - 2001," illustrates the number of parcels and acres in each planning district in the Urban Renewal Area. (District boundaries are also shown on Map 6 of the Plan.) The largest portion of the area (61.26%) is designated Central Commercial (CC), followed by General Manufacturing (MG) (12.15%), and Residential High Density (RH) (7.73%).

TABLE 5

EXISTING PLANNING DISTRICTS: 2001

DISTRICT	NUMBER OF PARCELS	ACRES	PERCENT OF TOTAL
Central Commercial (CC)	156	166.36	61.26
General Commercial (CG)	15	7.76	2.86
Office Commercial (CO)	2	11.23	4.14
Light Manufacturing (ML)	0	0	0
Light Manufacturing with CG Overlay (ML/CG)	23	33	12.15
General Manufacturing (MG)	3	17.45	6.43
Residential High Density (RH)	6	20.98	7.73
Residential High Density/High Rise (RH/HR)	80	14.78	5.44
			_
TOTAL	285	271.56	100%

Source: City of Tualatin

Notes: Totals do not include street and railroad rights-of-ways not identified as tax lots.

The total acreage for 2001 is lower than what was shown for 1992. The new numbers were generated from a Geographic Information System, which may have some small inaccuracies that would account for the difference.

Acreage includes boundary expansion in 2002 of 3.17 acres.

Table 6, "Existing Land Use: 2001," shows a total of 313.73 acres of land within the Urban Renewal Area with 285 individual land parcels. Developed land (excluding right-of-way) comprises 79.015% of the total, while vacant land comprises 7.55% of the area. Of the developed land, commercial and industrial uses are most prevalent. Combined

commercial uses comprise 38.03% of the area, and industrial uses comprise 11.97% of the area. Streets and railroad rights-of-way account for 13.446% of the area. Public uses (including parks, structures, and parking lots) comprise 17.96% of the developed land.

TABLE 6
EXISTING LAND USE: 2001

USE	NUMBER OF PARCELS	ACRES	PERCENT OF TOTAL
Commercial Retail	54	96.35	30.71
Commercial Office	24	7.19	2.29
Commercial Mixed Use	13	14.68	4.68
Comm./Res. Mixed Use	9	1.09	0.35
Industrial Warehouse	3	8.15	2.60
Industrial Manufacturing	4	29.40	9.37
Wholesale	2	2.27	.72
Quasi-Public	4	2.50	.80
Residential – Single Family	28	9.76	3.11
Residential – Multi-Family	81	17.60	5.61
Vacant	18	23.70	7.55
Streets & Railroads R.O.W.	N/a	42.17	13.44
Private Parking Lot	7	2.50	0.80
Public Parking Lot	14	4.39	1.40
Parks/Greenway	16	45.37	14.46
Water Quality	1	0.29	0.09
Public	7	6.32	2.01
TOTAL	285	313.73	100.0%

Source: City of Tualatin

Notes: Two tax lots are identified as private or public.

The total acreage for 2001 is lower than what was shown for 1992. The new numbers were generated from a Geographic Information System, which may have some small inaccuracies that would account for the difference.

Acreage includes boundary expansion in 2002 of 3.17 acres.

Table 7, "Commercial Land Use: 2001," shows in more detail the composition of commercial uses within the Central Urban Renewal Area. Retail commercial is the dominant commercial use, comprising 47.69% of the total, followed by commercial mixed use, which comprises 32% of the total and commercial services at 11%. Commercial office space (for general purpose and medical/dental combined), accounts for a total of only 8.43% of all commercial acreage.

TABLE 7

COMMERCIAL LAND USE: 2001

USE	NUMBER OF	ACRES	PERCENT OF
	PARCELS		TOTAL
Commercial Retail	27	59.55	47.69
Commercial Services	24	13.74	11.00
Commercial Mixed Use	19	39.96	32.00
Comm./Res. Mixed Use	9	1.09	0.87
Commercial Office (General	16	9.24	7.40
Purpose)			
Commercial Office	12	1.28	1.03
(Medical/Dental)			
TOTAL	107	124.86	100.0%

Source: City of Tualatin

Note: Acreage does not include rights-of-way.

The total acreage for 2001 is lower than what was shown for 1992. The new numbers were generated from a Geographic Information System, which may have some small inaccuracies that would account for the difference.

Table 8, "Size of Parcels: 2001," illustrates the size distribution of parcels in the Urban Renewal Area and in the Core Area Parking District. Most parcels (81%) are smaller than 40,000 square feet, or roughly less than one acre in size (1 acre equals 43,560 square feet).

In the Core Area Parking District, where part of the Tualatin Commons Redevelopment Project is located, parcels of less than 40,000 square feet comprise 95 percent of the area, while five parcels are at least 40,000 square feet in size. (see Map 4 of the Plan.) 124 parcels are less than 5,000 square feet. Seventy-five of these parcels are associated with a residential condominium project. Forty-one of the parcels are within the Core Area Parking District of which 25 are residential or mixed-use components of the Tualatin Commons Project. Undeveloped or redevelopable parcels less than 5,000 square feet make them difficult to develop under Tualatin Development Code Standards.

TABLE 8
SIZE OF PARCELS: 2001

PARCEL SIZE (Square Feet)	NUMBER OF PARCELS	WITHIN CORE AREA PARKING DISTRICT
Less than 5,000	124	41
5,000- 25,000	83	40
25,000 – 40,000	23	7
40,000 and above	55	5
TOTAL	285	93

Source: City of Tualatin

b. BUILDING CONDITIONS

Intensive building condition inventories were taken in 1976 and 1984, and although different rating systems were used, the results are comparable. A less intensive inventory was taken in 1992 to show the general condition of the building stock in the area. A similar evaluation was conducted in 2001 as was conducted in 1992.

1976 Building Conditions

The consultant team of Broome, Oringdulph, O'Toole, Rudolph and Associates (BOORA) surveyed existing structures in the Urban Renewal Area in October, 1976, with the assistance of the District Fire Marshal. (See Appendix B, "Existing Structures Survey (1976).") Map 4, "Existing Buildings (1976)," shows those structures that were surveyed. In the rating system used, a composite score is assigned to each building. Scores range from 0 to 20 based on four factors, each worth a maximum of five points:

- Age
- 2. Condition (actual or probable code violations, structural soundness, and appearance)
- 3. Accessibility (to pedestrians, parking)
- 4. Adaptability (capacity for expansion, reuse)

Results from the "1984 Structures Survey" are summarized as follows: Structures with a score of 0 are evaluated as being in "Good Existing Condition." Structures with a score of six or less are evaluated as having "Minor Problems," and are deemed suitable for rehabilitation and reuse. Structures with a score of seven or more are considered as "Major Problems," less suitable for rehabilitation and reuse. Of the 102 structures inventoried in 1984, 83 were evaluated as "Good Existing Condition" to "Minor Problems," and 19 were evaluated as "Major Problems."

1984 Building Conditions

Urban Renewal Staff surveyed existing structures in the Urban Renewal Area on May 8, 1984, with the assistance of the Tualatin Fire District Battalion Chief. The structures surveyed are portrayed in Map 5, "Existing Buildings (1984)." The rating system used was descriptive rather than numeric and is described briefly as follows: (See Appendix C for complete description).

New: New within past five years.

<u>Standard</u>: Good condition, no problems.

<u>Minor Repair</u>: Maintenance or aesthetic items, not code or safety related - a little peeling paint, loose trim, a few roof shingles missing, etc.

Major Repair: Major repair needed to preserve or maintain use of structure.

<u>Irreparable</u>: So badly rundown or in need of repair as to cause the structure to be questionable as to feasibility of retaining it.

Results of the Building Inventory are summarized in Table 9. Condition ratings for individual buildings are identified by tax lot in Appendix C, "The 1984 Building Condition Inventory."

TABLE 9

BUILDING CONDITIONS: 1984

<u>Rating</u>	Number of Buildings
New (within past 5 years)	19
` '	
Standard (good condition, no	61
problems)	
Minor Repair	12
Major Repair	2
Irreparable	14
TOTAL	108

A total of 108 structures were identified in 1984 as being located within the Urban Renewal Area, 16 of which were in need of major repair or were deemed irreparable. Nineteen new buildings were built between 1975 and 1984, and 73 structures were in standard condition or in need of only minor repairs.

In 1976 there were 19 structures in the "Major Repair/Irreparable" category. In 1984, 16 structures were identified in this category. Although a number of older structures were demolished, other structures were noted to have slipped from the "Minor Repair" to the "Major Repair" category as the building stock aged. Older residences were noted as dominating this category.

At the same time, there was significant construction during the period between 1975 and 1984, with the addition of 19 buildings of five years old or less. In 1976 there were 102 structures in the Urban Renewal Area, and in 1984 there were 108 structures. While some of the older buildings aged more in this period, the building stock improved over all with the new construction.

1992 Conditions

A less intensive survey of buildings was conducted in 1992. Of the 16 buildings identified in 1984 as "Major Repair/Irreparable," 11 had been demolished either publicly or privately. Although more new buildings (less than 5 years old) were identified in 1992 than 1984, more of the building stock is in standard/minor repair and significantly fewer buildings are classified as "Major Repair/Irreparable." The buildings left that were categorized as "Major Repair/Irreparable" are three residences (being considered for historic preservation), the VFW Hall, and the barn-like structure where United Rentals (formerly Anderson Rental) is located. Table 10 is a comparison of the 1984 study and the 1992 quick study.

TABLE 10

COMPARISON OF THE 1984 AND 1992 BUILDING CONDITIONS

Building Condition	1984	1992
New	19 (18%)	5 (5%)
Standard/Minor Repair	73 (67%)	91 (86%)
Major Repair/Irreparable	16 (15%)	5 (9%)
TOTAL STRUCTURES	108	105

2001 CONDITIONS

A survey of buildings was conducted in 2001 by the City of Tualatin Building Official. The structures surveyed are portrayed in Map 6, "Existing Buildings 2001." Five buildings have been demolished since 1992 (three residences and two commercial structures.) Twenty-eight new buildings were constructed in the past five years. Although more new buildings (less than 5 years old) were identified in 2001 than in 1992 or 1984, more of the building stock is in standard/minor repair and slight increase of buildings classified as "Major Repair/Irreparable." No buildings were identified as

irreparable. The buildings left that were categorized as "Major Repair/Irreparable" are three residences and four commercial buildings. Table 11 is a comparison of the 2001 and 1992 studies.

TABLE 11

COMPARISON OF THE 1992 AND 2001 BUILDING CONDITIONS

Building Condition	1992	2001
New	5	28
Standard/Minor Repair	91	219
Major Repair/Irreparable	5	7
TOTAL STRUCTURES	105	254

Note: Included in the number of buildings are condominium developments that appear as one building, but considered as separate buildings. This includes three buildings (Ben Lake Building, Tualatin Plaza, Tualatin Greene Condominiums).

c. HISTORIC STRUCTURES

Original Conditions

Buildings having historic merit include the Sweek House (which is on the National Register of Historic Places), the building that contains Rich's Kitchen, the old City Hall on SW Boones Ferry Road, the Victorian House at 18650 SW Boones Ferry Road, and the Nyberg House on SW Nyberg Road.

1984 Conditions

Structures considered to have historic merit are listed in the Tualatin Development Code, Chapter 73.140. Included were the Sweek House (on the National Register of Historic Places) and the Smith/Boone House on the same property, the brick building containing Rich's Kitchen, the Klothes Seller building (old Methodist Church), and the Nyberg House. Any alteration of historic structures must conform to Development Code standards.

1992 Conditions

Structures which are considered to have historic merit are listed in the Tualatin Development Code, Chapter 73.430. Included at present are the Sweek House (on the National Register of Historic Places) and the Smith/Boone House on the same property, the brick building containing Rich's Kitchen (Robinson Store), the old Methodist Church building, and the Nyberg House. Any alteration of historic structures must conform to Development Code standards.

Several other buildings in the Urban Renewal Area are currently being considered for inclusion for landmark designation. These buildings are as follows:

Tax Map	and Lot	Name or Location of Building
1S23	300	Sweek House
1S23AA	1500	Little White House
1S23AA	1601	Wesch House
1S24BC	1400	House 18615 S.W. Boones Ferry Road
1S24BC	2502	Nyberg House
1S24BC	4100	Smith Row House
1S24BC	4700	Winona Grange #271

2001 Conditions

Structures that have historic merit are listed in the Tualatin Development Code, Chapter 68. Any alteration or demolition of historic structures must conform to Tualatin Development Code standards. The following list comprises structures within the Urban Renewal Area:

Tax Map and Lot		Name or Location of Building
2S123	300	Sweek House
2S123AA	1500	Little White House
2S123AA	1601	Wesch House
2S123	300	Smith/Boone House
2S124A	2502	Nyberg House
2S124BC	3001	Robinson Store
2S124CB	900	Methodist Church
2S124BC	4700	Winona Grange #271

d. NATURAL FEATURES

Original Conditions

The most significant natural features of the City are related to the City's rivers and streams: the Tualatin River, which passes through the northern part of the Urban Renewal Area; Hedges Creek, which drains the west-central portion of the Urban Renewal Area; and Nyberg Creek, which drains the southern portion of the Urban Renewal Area (Map 7 "Natural Areas and Wetlands"). The relatively flat topography creates conditions of high ground water and surface water ponding. This has created the marsh area near the Sweek House, and the swampy area along Nyberg Creek near Interstate 5. The Tualatin River is a constant flood threat to the downtown area and the solution to this problem has been a major task of the Plan.

Within the Central Business District, there are three significant tree masses: The group of trees between SW Boones Ferry Road and SW Seneca Street about midway between SW Martinazzi and SW 84th Avenues, the single large fir tree near the corner of SW Boones Ferry Road and SW Tualatin Road, and a grouping of fir trees just east of the Hervin plant.

1992 Conditions

Natural features of the Urban Renewal Area have been very well preserved over fifteen years of development. All of the significant tree masses remain. The fir trees between SW Tualatin-Sherwood Road, SW Nyberg Street and SW Martinazzi Avenue were, in part, preserved as a part of the Tualatin Commons Entryway Project. The large grove of trees directly to the west of SW Martinazzi Avenue in this area have been identified in the Tualatin Development Code as heritage trees.

The marsh area surrounding the Sweek House is in the Wetlands Protection District and is protected by specific development standards in the Tualatin Development Code. Hedges Creek has been carefully incorporated into the design of the Community Park, and Nyberg Creek still flows through the developing south-central area. Both Hedges Creek and Nyberg Creek are protected under the City's Greenway and Riverbank Protection District.

A wetlands management agreement was entered into by Zidell Corporation (owners of Tax Lot 100, Tax Map 2S123) to assist in the preservation of wetlands habitat in the Wetlands Protection District.

2001 Conditions

The City completed a comprehensive update of natural areas in 1995. Within the Urban Renewal Area, the Tualatin River, Hedges Creek in the west and central sub-areas, Nyberg Creek in the south sub-area, and Hedges Creek Wetland Protection District and Sweek Pond Management Area in the west sub-area, have been identified as significant resources (Map 8 "Natural Areas and Wetlands 2001"). Significant tree groves have also been identified such as Sweek Pond Management Area, Community Park and along the Tualatin River, Hedges Creek and Nyberg Creek. Chapter 72, Greenway Protection Overlay District (GPO) and Natural Areas of the Tualatin Development Code, contain the standards for these natural areas.

Of the significant tree masses identified in 1975 and 1992, several have been removed including the trees along SW Seneca Street, SW Nyberg Street and SW 84th Avenue for the Tualatin Commons Project; the single large fir near corner of SW Boones Ferry and SW Tualatin Road fell during the 1995 wind storm; trees in the northwest corner of the west sub-area for development of Hedges Green Apartments; and trees west of SW Martinazzi Avenue and north of SW Warm Springs Street. Remaining significant tree masses are identified on Map 9.

The 1995 Wetland and Natural Area work also identified wetlands within the Urban Renewal area. These include the Hedges Creek Wetland Protection District, Hedges Creek from Tualatin Road to the confluence with the Tualatin River, and Nyberg Creek from the Portland & Western Railroad tracks to Interstate 5. The total acreage of wetlands has increased over the original plan due to the level of accuracy of the new data.

Clean Water Services adopted regulations in 1991 addressing buffer areas adjacent to wetlands. These regulations have created additional open space adjacent to wetlands that encompass many of the significant tree groves within the Urban Renewal Area. Metro, through its Goal 5 process, is evaluating the appropriate amount of buffer areas adjacent to wetlands which could expand natural areas within the Urban Renewal Area.

e. GEOLOGIC LIMITATIONS

Original Conditions

As part of the Urban Renewal Plan Amendment of 1977, the firm of CH2M Hill examined geologic limitations in the Urban Renewal Area. The following discussion is taken from Memorandum Number 6 of that plan, December 28, 1976.

Soils

Most soils in the Urban Renewal Area have low-bearing capacity. A large percentage of the area also has soils that are soft and compressible. Because of this, sites for buildings of two stories or more should have a soils and foundation investigation to insure satisfactory building performance. The investigation and analysis should add no more than 3 to 5 percent to the cost of two-story buildings, less for higher buildings.

Ground Water

Most of the Urban Renewal Area has a ground water table that is less than five feet from the surface at certain times of the year. Because of this, basements in buildings will require extra design effort and are likely to be uneconomical.

Surface Water

Apart from flooding by the Tualatin River which is discussed elsewhere, surface drainage in much of the area is poor. This is the result of a combination of flat lying terrain and low soil permeability. Large, flat surface areas such as parking lots will have to be carefully graded to avoid puddles during the rainy season. Storm sewers will be at minimum grade and may require pump stations.

Seismic Considerations

The City of Tualatin lies in the Uniform Building Code Seismic Risk Area 2. No geologic features are mapped by the U. S. Geological Survey which would indicate that this is an incorrect zone designation. Designing buildings to meet Zone 2 criteria should be adequate to minimize seismic risks. Due to the discovery of data that indicates the metropolitan area is at a higher risk to earthquakes than previously thought, changing the zone to a higher criteria is being considered by federal authorities.

1992 Conditions

Soil, ground water, and seismic conditions remain the same in the Urban Renewal Area. To avoid impoundment of surface water, parking lots in the Urban Renewal Area have been constructed with slopes according to Development Code requirements. In addition, storm sewer drains have been installed in SW Martinazzi Avenue and SW Seneca Street.

2001 Conditions

Soil and ground water conditions remain the same in the Urban Renewal Area. Seismic conditions have remained relatively the same, except that the seismic risk area category has been raised to Level 3.

f. FLOODING

Original Conditions

A major source of the difficulty with redeveloping downtown Tualatin and a major blighting influence is the recurring flooding of the Tualatin River. Map 10 shows the 100-year floodplain in Tualatin. In 1977 the 100-year flood level in downtown Tualatin was 124.6 feet at the SW Boones Ferry Road bridge, which meant that much of the downtown was flooded at these times. During the 100-year flood, the Tualatin River leaves its banks near the City Park and sends about 8,000 cubic feet per second of water southerly through the center of town to Nyberg Creek which drains under the freeway back into the Tualatin River.

The Tualatin River is susceptible to floods because of the characteristics of the valley it passes through. The Tualatin drains 711 square miles before entering the Willamette River with watershed boundaries that nearly match the political boundaries of Washington County. The river originates on the eastern slope of the coast range at an elevation of 3,400 feet before dropping quickly into the flat, broad Tualatin Valley. The watershed averages 40 miles long (east-west) and 25 miles wide (north-south). About one-half of the watershed is on the valley floor, where the streams are flat with wide (1 to 1.5 mile) floodplains.

The last 3 miles of the Tualatin River flow through a narrow gorge and has a vertical drop of nearly 40 feet. In comparison, the total drop in elevation from river mile 6 to river mile 60 (near Forest Grove) is 50 feet. The gorge and natural reefs at river mile 3 (about 5 1/2 miles downstream from Tualatin) seriously limit the capacity of the river channel to pass flood flows. The gorge and its natural reefs act like a retention dam and the Tualatin Valley serves as a reservoir. For damaging floods to occur, large volumes of water must be present. Unlike most Oregon streams, the flat, wide Tualatin Valley floodplains store large amounts of water during flood periods. The coastal streams of Oregon reach peak flood flows in a matter of hours but recede within a day. The large volume floods of the Tualatin River, however, may take two days to reach peak flow and remain above flood stage for more than 10 days. Flood velocities are relatively low (4 to 6 feet per second).

Flood History

Flooding has been severe in the Tualatin Valley. Major flooding was reported shortly after settlement of the valley. The worst reported flood occurred in 1890 and was probably in excess of the 100-year flow. Between 1896 and 1914, four floods occurred that were close to the 100-year flood.

Stream-flow measurements started in 1928. During the period of 1940 to 1966, measurements of the U. S. Geological Survey stream gauge near Farmington showed that the Tualatin River exceeded flood stage 26 times.

Note: Flooding information is taken largely from CH2M Hill Memorandum Number 2, December 17, 1976, "The Urban Renewal Plan Update."

Flooding usually takes place between mid-November and mid-February as a result of high volume rainfalls and snow melt. Although melting snow contributes to flooding, it is not a necessary factor, as established by the 1933 flood, the worst flood in recorded history.

On January 18, 1974, a significant flood affected Tualatin. Photographs retained by the City show the extent of flooding in the Urban Renewal Area, most of which was inundated. Buildings constructed after the 1974 flood were built on fill or on raised foundations, which raises their ground floor level above the 100-year floodplain.

The most recent flood occurred in February 1996. Documentation retained by the City shows the extent of flooding in the Urban Renewal Area, which was largely inundated. Recently constructed buildings have either been built on fill or on raised foundations which raises their ground floor level at or above the 100-year flood plain.

Flood Control Alternatives

In 1976, alternative methods of flood control were examined in detail by the firm of CH2M Hill (Appendix D). These included increasing channel capacity, erecting flood

water barriers, constructing alternative flood water channels, and removing or modifying constrictions to the passage of flood waters. In 1976, the general alternative judged most feasible involved removal of rock reefs in the Tualatin River, construction of a new dam near the Lake Oswego diversion dam, minor channel improvements in other locations, the building of low berms in parts of the Urban Renewal Area, and construction of flood gates and pump stations at the mouth of Nyberg Creek and Hedges Creek.

In 1981, prior to completion of any of these actions, the City of Tualatin began to participate in the United States Department of Housing and Urban Development (HUD) Flood Insurance Program. HUD designated zones to define the Floodway, the 100-year Floodplain, and areas with separate insurance requirements. The City adopted Floodplain District regulations governing development within these areas to meet its obligations under the Flood Insurance Program.

1992 Conditions

Through participation in flood control projects on the Tualatin River, the Commission has made significant progress toward the original goal of providing flood protection for the downtown area.

In 1983-84, the Commission provided local share funds for an Army Corps of Engineers project which resulted in removal of the rock reefs downstream on the Tualatin (Map 2 of the Plan). This project in itself resulted in the removal of the "Floodway" designation in the Urban Renewal Area, allowing development to occur utilizing solid fill to the level of the 100-year flood. The area of the 100-year Floodplain remains unchanged.

A continuing flood control program is a major objective of this Plan. Further flood control improvements are now focused on replacement of the Lake Oswego Diversion Dam, as outlined in the Urban Renewal Plan, Section D (1a.), "Outline of Project Activities."

2001 Conditions

Development in the Urban Renewal Area, based on the City's Floodplain District regulations has allowed fill activities to occur. The City experienced a flood in February 1996 that significantly impacted the Urban Renewal Area. Subsequent to this flood, the City modified its floodplain regulations and now requires that the finished floor elevation be one foot above the designated base flood elevation in conformance with Chapter 70, Flood Plain District, of the Tualatin Development Code.

Clean Water Services, in conjunction with FEMA, is evaluating the flood plain for the Tualatin River. This evaluation could affect the boundary of the 100-year flood plain in the Urban Renewal Area as well as development regulations.

g. TRANSPORTATION

Original Conditions

The original conditions of the transportation system were described in the report as follows:

"Tualatin is well served by the regional rail and highway transportation network. This is a source of its recent rapid growth as well as many of its downtown problems. The Urban Renewal Area is bordered on the east by Interstate 5, and State Highway 212 (Nyberg/Tualatin-Sherwood Roads) passes east-west through the Renewal Area. SW Boones Ferry Road serves as an arterial through the Core (see Map 11, "Transportation").

The Burlington Northern railroad passes north-south through the western edge of the Central Business District and the Southern Pacific railroad passes along the northerly boundary of the Urban Renewal Area. Most of the traffic on this transportation network passes through Tualatin to and from major employment centers around the City.

Improving the transportation system is a key to solving the problems which confront downtown development. The transportation system -- streets, parking, pedestrian-ways, public transit -- has received close attention during the development of previous plans. The City retained Carl Buttke, a transportation consultant, to investigate the transportation problem in the Urban Renewal Area in 1977. His complete report is contained in Appendix E. The transportation system was again examined as part of the 1983 Plan Review and Update by the consulting firm of Associated Transportation Engineering and Planning, Inc. The conclusions of that study (Appendix F) were reviewed and, as appropriate, incorporated within the City of Tualatin Community Plan, Chapter 11. Transportation improvements within the Urban Renewal Area are thus treated within the context of the City's transportation process."

1992 Conditions

Transportation conditions in the Urban Renewal Area have been vastly improved since the adoption of the original Plan. The goal of relieving through-traffic congestion in central Tualatin has been furthered with the construction of the Tualatin-Sherwood Bypass in 1983. Other improvements include:

- Interchange work at SW Nyberg Road and I-5 to allow for better access to and from the northbound I-5 lanes from SW Nyberg Road;
- Traffic signals at SW Boones Ferry Road & SW Tualatin Road, SW Boones Ferry Road and SW Martinazzi Avenue, SW Upper and Lower

Boones Ferry Road, SW Martinazzi Avenue at Fred Meyer and Martinazzi Square, as well as those developed in conjunction with the construction of the Tualatin-Sherwood Bypass.

- Construction of the southern extension of SW Martinazzi Avenue;
- Construction of initial segment of the SW Tonka/Warm Springs loop;
- Removal of rail lines crossing SW Boones Ferry Road that served industrial uses on Block 13; and
- Construction of four public parking lots in the Core Area Parking District.

The Development Commission was involved in the funding of most of these projects, and the efforts have improved the traffic problems noted in the original plan.

As a part of the Zidell (ZIAN) master planning effort, the Development Commission participated in funding a study of future transportation improvements within the District. The options were studied as part of an overall traffic study conducted by the City of Tualatin.

2001 Conditions

Transportation conditions in the Urban Renewal Area have been improved since 1992, but remain a critical concern within the Urban Renewal Area. A number of improvements have been made since 1992 that include:

- Traffic signal coordination system;
- Traffic signals at SW Boones Ferry Road and SW Nyberg Street, SW Boones Ferry Road and SW Warm Springs Street, SW Tualatin-Sherwood Road at the Tualatin Commons main access, SW Tualatin Road and Sweek Drive:
- Reconstruction of SW Nyberg Street, SW Seneca Street, SW 84th Avenue, SW Tualatin Road and widening of SW Boones Ferry Road from SW Martinazzi Ave to SW 84th Avenue;
- Pedestrian crossings on SW Boones Ferry Road and SW Tualatin Road;
- Pedestrian sidewalks and walkways; and
- Construction of two public parking lots (Yellow and Red) and expansion of a third public parking lot (White) in the Core Area Parking District.

The Development Commission was involved in the funding of several of these projects, and the efforts have improved the traffic and pedestrian problems noted in the original plan and subsequent updates.

The City completed a Transportation System Plan in July 2001 that identified significant existing and future congestion on SW Tualatin-Sherwood Road, SW Boones Ferry Road, SW Martinazzi Avenue and at the SW Nyberg Street/I-5 interchange that impedes the removal of blighted conditions in the Urban Renewal Area. Map 12, "Transportation 2001," identifies the functional classification for the transportation system within the Urban Renewal Area. The classifications identified generally carry high volumes of traffic as the major transportation corridors pass through the downtown area in either a north/south or east/west orientation. The Urban Renewal Area is also identified as a pedestrian area in the Regional Transportation Plan.

The Transportation System Plan identifies a number of transportation projects in the Urban Renewal Area to relieve congestion and enhance pedestrian circulation, such as:

- a. Development of commuter rail and a commuter rail station;
- b. Double left-turn lane on SW Tualatin-Sherwood Road west bound to SW Boones Ferry Road southbound;
- c. Widening of SW Boones Ferry Road from SW Lower Boones Ferry Road to SW Tualatin-Sherwood Road including turn lanes, bike lanes, sidewalks:
- d. SW Nyberg Street/I-5 Interchange improvements;
- e. Signal interconnect projects on SW Boones Ferry Road and SW Tualatin-Sherwood Road;
- f. Driveway restrictions on SW Boones Ferry Road and SW Martinazzi Avenue;
- g. SW Hall Boulevard extension;
- h. SW Tualatin-Sherwood Road bike lanes;
- i. Loop Road (north half);
- j. Tualatin River pathway;
- k. Nyberg Creek pathway:
- I. SW Lower Boones Ferry Road extension across Tualatin River;
- m. Central Design District pedestrian street enhancements; and
- n. SW Nyberg Street widening from SW Martinazzi Avenue to I-5.

Improving the transportation system is critical to addressing congestion problems within the Urban Renewal Area by implementing the various transportation improvements identified in the Transportation System Plan.

The east sub-area that contains the north half of the Loop Road has preliminarily been identified as an area needing additional analysis for transportation improvements such as street and pedestrian connectivity. The Development Commission and Nyberg

Limited Partnership, the majority property owner in the area, entered into a Memorandum of Understanding on February 26, 2001, to collaboratively work on a redevelopment concept that includes evaluating the transportation system.

h. INFRASTRUCTURE

Sanitary Sewer - Original Conditions

Until 1978, the Urban Renewal Area was served by the City sewage treatment plant located west of the intersection of SW Martinazzi Avenue and SW Tualatin-Sherwood Road.

At this time, the treatment system had reached its capacity. Instead of expanding the plant, the City joined the Unified Sewerage Agency of Washington County (USA). The City sewage treatment plant was removed in 1978 when the lower Tualatin interceptor was constructed. This interceptor conveys sewage from the location of the old plant north through the Urban Renewal Area and across the Tualatin River to the Durham treatment facility.

<u>Sanitary Sewer – 1992 Conditions</u>

The Urban Renewal Area is currently well served by the existing sanitary sewer system. Map 13 outlines the existing sanitary sewer lines in the Urban Renewal Area. The area south of SW Tualatin-Sherwood Road drains by gravity to a point west of the intersection of SW Martinazzi Avenue and SW Tualatin-Sherwood Road. This is the site where the City of Tualatin's sewage treatment plant was located.

The portion of the Urban Renewal Area located north of SW Tualatin-Sherwood Road and south of SW Boones Ferry Road also drains to the old sewage treatment plant site by gravity. There is a line that crosses through the Hervin property between SW Nyberg Street and SW Tualatin-Sherwood Road that connects into the old sewage treatment plant.

The area north of SW Boones Ferry Road drains to a pump station located at the intersection of SW Boones Ferry Road and SW Martinazzi Avenue. This pump station pumps sanitary sewage to the intersection of SW Martinazzi Avenue and SW Seneca Street where it drains by gravity to the old sewerage treatment plant site and then north through the lower Tualatin interceptor to the Durham treatment facility.

The only large un-sewered property in the Urban Renewal Area is the Zidell (ZIAN) property located west of SW Boones Ferry Road. This property is bisected by the Bluff-Cipole sanitary sewer interceptor. In addition, there is a small un-sewered area immediately east of SW Boones Ferry Road between SW Nyberg Street and SW Tualatin-Sherwood Road, which contains the old Methodist Church, a commercial building, and the old city hall site. The Urban Renewal Plan, Section D. (1-c.) outlines sanitary sewer improvement activities which address these areas, shown also in Map

2001 Conditions

The area north of SW Boones Ferry Road was modified in 1991 by Clean Water Services (formerly Unified Sewerage Agency) and removed a pump station. The area now drains by gravity in the Hedges Creek corridor and connects to the Lower Tualatin Interceptor extending to the Durham treatment facility.

The large un-sewered ZIAN property described in 1992 has been developed and sanitary sewer service constructed by the developer. The area immediately east of SW Boones Ferry Road between SW Nyberg Street and SW Tualatin-Sherwood Road, which contains the old Methodist Church, a commercial building, and the old city hall site still remains un-sewered.

The sewer line between SW Tualatin-Sherwood Road and SW Boones Ferry Road was upsized in 1994 by Clean Water Services to accommodate flows within the south and central sub-areas. The section of this line between SW Boones Ferry Road and Hedges Creek has been identified for upsizing and to be relocated to address capacity issues and to facilitate development north of SW Boones Ferry Road.

The east sub-area has preliminarily been identified as an area that needs additional analysis for sanitary sewer improvements. The Commission and Nyberg Limited Partnership, the majority property owner in the area, entered into a Memorandum of Understanding on February 26, 2001 to collaboratively work on a redevelopment concept that includes sanitary sewer.

The Urban Renewal Plan, Section D. (1-c.) outlines sanitary sewer improvement activities which address these areas, shown also in Map 14.

Storm Sewer - Original Conditions

In 1975, the Urban Renewal Area was served very poorly by storm sewers. The only existing storm drains were those in the K-Mart parking lot and an old, 12-inch line extending from Hedges Creek to Nyberg Creek under the Hervin plant. Standing water in roadways and parking lots was a continual problem in the Urban Renewal Area.

A major project undertaking of the Urban Renewal Agency has been the installation of storm sewer drains in SW Martinazzi Avenue and SW Seneca Street in 1979. Drainage has also been installed in conjunction with the Tualatin-Sherwood Bypass and SW Tonka/Warm Springs Road improvements and as part of the public parking lots which have been constructed.

<u>Storm Sewer – 1992 Conditions</u>

Currently all parts of the Urban Renewal Area are served by the storm sewer system, and the overall master plan of the City of Tualatin's storm drainage system has been almost entirely implemented in this area.

Storm drainage in the Urban Renewal Area is disposed of in several different locations, as shown on Map 15. The property located west of SW Boones Ferry Road drains into the Hedges Creek Wetlands and then proceeds east in Hedges Creek to the Tualatin River. The property north of SW Boones Ferry Road drains directly into Hedges Creek. The property north of SW Nyberg Street and east of SW Martinazzi Avenue drains directly into the Tualatin River. The property between SW Boones Ferry Road and SW Nyberg Street drains down SW Martinazzi Avenue into Nyberg Creek south of Fred Meyer. The property between SW Nyberg Street, SW Boones Ferry Road, and SW Martinazzi Avenue drains into Nyberg Creek and then crosses under SW Martinazzi Avenue and heads east in Nyberg Creek to the Tualatin River.

Storm sewer projects in 1992 which are in need of completion are outlined in the Urban Renewal Plan, Section D. (1-c.), and are shown in Map 15.

2001 Conditions

A number of modifications have been made to the storm sewer system as part of the Tualatin Commons Redevelopment Project. Map 16 identifies the current storm drain system. The project, in part, changed the route of storm sewer lines in the downtown area due to the construction of the Lake of the Commons that required the vacation of portions of SW Nyberg Street and SW Seneca Street.

In addition to these changes, Clean Water Services implemented new water quality requirements in 1991. The regulations were modified in 2000. Today water quality facilities are required to treat new impervious surface areas and natural area buffers are required adjacent to wetlands, streams and rivers within the Urban Renewal Area.

Clean Water Services in 1995 also adopted the Hedges Creek Sub-Basin Plan that affects Hedges Creek running east/west through the Urban Renewal Area. This plan calls for enhancements to the storm drain system to address storm flows discharging into the Tualatin River.

The east sub-area has preliminarily been identified as an area that needs additional analysis for storm sewer improvements. The Development Commission and Nyberg Limited Partnership, the majority property owner in the area, entered into a Memorandum of Understanding on February 26, 2001, to collaboratively work on a redevelopment concept that includes storm sewer.

Water Lines - Original Conditions

In 1975, water was available in the Urban Renewal Area through the City's connection to the City of Portland water supply. However, some additional water lines and improvements to existing lines were needed to further development in the Urban Renewal Area. New water lines have since been installed to serve Fred Meyer, the Tonka/Warm Springs area, SW Mohave Court, the Community Park and Tualatin Road business area, and businesses adjacent to Parking Lot C (see Map 17). SW Nyberg Street has had a two-inch water line replaced with an eight-inch line, and sections of SW Seneca Street have been upgraded to an eight-inch line. In addition, a pumping station has been constructed near SW Martinazzi Avenue and SW Warm Springs Street.

Water Lines – 1992 Conditions

The Urban Renewal Area is served by service level "A" of the City of Tualatin Water System, shown in Map 17. The City of Tualatin receives water through its 36-inch transmission line from the City of Portland Water System. There is a pressure reducing station in the Tualatin City Park where water enters the service level "A" system from the transmission main.

All properties in the Urban Renewal Area are served with water service. As properties develop, some lines may need to be extended or upgraded depending on the fire flow requirements of developments in the Urban Renewal Area. Water project activities in 1992 are outlined in Section D. (1-c.) of the Urban Renewal Plan, and are shown in Map 17.

2001 Conditions

As part of the Tualatin Commons Redevelopment Project, water lines in SW Nyberg Street and SW Seneca Street were replaced with new lines.

The water line in SW Boones Ferry Road and SW Tualatin Road was augmented with a new 24-inch line in 1996/97 by the City.

All properties in the Urban Renewal Area are served with water service. As properties develop or redevelop, some lines may need to be extended or upgraded depending on the fire flow requirements of developments in the Urban Renewal Area. Water project activities are outlined in Section D. (1-c.) of the Urban Renewal Plan, and are shown in Map 18.

The east sub-area has preliminarily been identified as an area that needs additional analysis for water system improvements. The Development Commission and Nyberg Limited Partnership, the majority property owner in the area, entered into a Memorandum of Understanding on February 26, 2001, to collaboratively work on a redevelopment concept that includes water system improvements.

Street Lights - Original Conditions

In 1975, only a minimum of public street lighting was provided on SW Nyberg, SW Tualatin-Sherwood, and SW Boones Ferry Roads.

<u>Street Lights – 1992 Conditions</u>

Installation of a safe, attractive street lighting system throughout the Central Business District has been a major task of the Tualatin Development Commission. Street lights have been installed as a part of road improvements to the Tualatin-Sherwood Bypass, SW Martinazzi Avenue, and SW Seneca Street. Street lighting has also been provided for all of the public parking lots which have been built. Future street lighting improvements will be made, as above, in conjunction with street, parking lot, and public space construction.

2001 Conditions

Installation of street lighting in the Central Business District has occurred in the form of lights on utility poles, new street lights as part of road improvements, and in lights in public parking lots. There still remain areas which have inadequate illumination in various areas of the Urban Renewal Area and lighting is not uniform in the type of lights provided. Future lighting improvements will need to be made in conjunction with street, parking lot, and public space construction.

Overhead Utility Lines -2001 Conditions

Overhead utility lines continue to diminish the emerging character of the central downtown area. As transportation projects have been implemented, the overhead lines have been placed underground to improve the area's aesthetics. Several lines remain to be under grounded along SW Boones Ferry Road from the Tualatin River to Tualatin Road and from SW Tualatin Road to SW Tualatin-Sherwood Road and in the Black Parking Lot. Future overhead utility under grounding should be made in conjunction with street, parking lot and public space construction.

[Section B-1 amended by Ordinance 881-92, passed November 9, 1992, and by TDC Resolution 398-02 adopted March 11, 2002]

2. Social Conditions

Original Conditions

Original social conditions may be discussed generally in terms of housing and population characteristics. There has never been a large residential population in the Urban Renewal Area. The 1975 estimated population was 326 persons in 132 residential housing units as follows¹:

80 multi-family dwelling units 52 single-family dwelling units 132 total dwelling units

The Riverview Apartment complex on SW Boones Ferry Road accounted for approximately 180 persons within 73 dwelling units. There was only one other seven-unit apartment, and single-family homes were located mostly on SW Boones Ferry Road, the central business district, SW Tualatin Road, and SW Tonka Street.

The general appearance of the Central Business District in 1975 was one of many blighted and rundown residences mixed in among a few sound homes and some new businesses.

¹ Population estimates for 1975 and 1984 were derived from 1980 Block Group #1 statistics for Tualatin, which gives the average household size as 2.47 persons per unit.

1992 Conditions

Social conditions in the Urban Renewal Area have changed somewhat since the adoption of the original Urban Renewal Plan, most noticeably within the Central Business District, where residences have been converted to or redeveloped as commercial uses.

With the addition of the high-density apartments built in the northwest section, the vast majority of populace living in the Urban Renewal Area live in apartment complexes. Many of the older single-family residences have been converted to businesses or acquired and demolished by the Development Commission or the private sector. Population estimates in the Urban Renewal Area have not been accomplished in conjunction with the 1992 amendment effort.

One of the goals of the Tualatin Commons Redevelopment Project is to create living units within and surrounding the Project.

2001 Conditions

Social conditions in the Urban Renewal Area have changed significantly since the adoption of the original Urban Renewal Plan, most noticeably within the central subarea within the Tualatin Commons Redevelopment Project, where single family and multifamily residences have been constructed and in the west sub-area north of the Hedges Creek Wetland Protected Area with multifamily housing. Only a few older single-family residences remain in the Urban Renewal Area.

The 2000 estimated population is 1,264 persons in 486 residential housing units as follows²:

451 multi-family dwelling units
35 single-family dwelling units
486 total dwelling units

[Section B-2 amended by Ordinance 881-92, passed November 9, 1992, and by TDC Resolution 398-02, adopted March 11, 2002]

3. Economic Conditions

Original Conditions

Original economic conditions in the Urban Renewal Area have been documented in several studies, including the Economic Study produced for the 1977 Renewal Plan, the Pacific Economica Report from the 1983 Review and Update, and the Village Square Market Analysis for the present update. The earlier studies are summarized briefly, followed by a synopsis of the Village Square Market Analysis, which was the focus of the Plan.

a. THE 1977 ECONOMIC AND MARKET ANALYSIS

As part of the amended 1977 Plan, the Larry Smith Company produced a comprehensive study of the potential demand for commercial outlets, office space and housing in the downtown core. Economic conditions in the downtown core were described as follows: "The central business district . . . lacks a strong statement of those types of activities which normally constitute a central business district. The major commercial enterprises lie to the east of SW 80th adjacent to I-5. The scattered businesses within the Central Business District, while urban-oriented, are as readily found in suburban locales . . . "

The study projected that by 1995 the City would need an additional 250,000 square feet of commercial space and about 41,000 square feet of office space. The greatest potential for development in the Central Business District was judged to be multi-family housing.

The study found that in spite of the underdeveloped state of the Central Business District, economic growth was expected to expand in accordance with the healthy population growth rate of Tualatin and its surrounding cities.

b. THE 1983 PACIFIC ECONOMICA REPORT

As part of the Review and Update of the Urban Renewal Plan, Pacific Economica undertook extensive shopper and business person surveys in Tualatin. The firm also

²Population estimates for 2000 were derived from 2000 Census information for Tualatin, which gives the average household size as 2.6 persons per unit.

analyzed population trends, the business climate and income characteristics, as well as other economic indicators.

The consultants found that in 1983 there was a market for an additional 150,000 to 200,000 square feet of leasable retail floor area in Tualatin. They concluded that "... A downtown redevelopment project could be supported and is viable from a market, land use, and circulation and parking standpoint."

It was recommended that Tualatin develop the downtown area into a full-service community shopping center.

c. THE 1984 VILLAGE SQUARE MARKET ANALYSIS

The staff of the Development Commission, assisted by LeBlanc & Company Economic Planning and Development Consultants, conducted a market analysis in 1984 for the Village Square project. The study concluded that the Village Square trade area consisted of a primary area of approximately 22,000 people and a secondary area of approximately 52,000 people.

LeBlanc & Company recommended a project consisting of 80,000 to 100,000 square feet of retailing and personal services with additional office space to the extent it could be accommodated on the site. The development was not an "anchored" center, but had more of a specialty or services focus. It was noted that such an atypical center would require an aggressive marketing effort.

d. THE 1992 TUALATIN COMMONS MARKET ANALYSIS

Following unsuccessful attempts by two major developers to construct the Village Square project during the late 1980s, the Development Commission returned to the community for input on how to proceed with this project. Community members sent a strong message to continue seeking a pedestrian-oriented downtown with a strong civic focus.

The project was renamed from Village Square to Tualatin Commons. Working with citizen objectives for the area and an updated market analysis, a concept plan was created featuring a 3+ acre lake surrounded by a mix of restaurants, office buildings, housing, open space, and possible public buildings. This concept was adopted by the Development Commission on July 27, 1992.

The following information is summarized from the Market Analysis for Tualatin Commons prepared by Leland Consulting Group:

PLAN OBJECTIVES

The concept plan prepared for the Tualatin Commons was designed to respond to the City's directives and to create a "downtown" - a place to gather and a symbol of the spirit of the community. Development of a "downtown" will set Tualatin apart from other communities in the region, send a message of pride out to the region, and provide a base for future development to follow over the next 50 years.

One of the community objectives for Tualatin Commons is to retain its retail market share within the Tualatin community. Tualatin Commons is located in close proximity to the Fred Meyer Shopping Center, Martinazzi Square Shopping Center, and K-Mart/Safeway Shopping Center. In addition, the Zidell property, located to the west of Tualatin Commons, is scheduled for additional strip center development. One of the strong recommendations given by the public during the public forum in 1990, was the desire to not create another strip center in the heart of downtown. In fact, the development of the Zidell property for additional shopping facilities provides the opportunity to retain the retail market share in downtown and do so without having to compete with Tualatin Commons.

Throughout the planning process, the City staff and consultant team has consistently attempted to build a plan which meets the needs of the citizens of Tualatin for a central place in the heart of the community and, at the same time, attract tax and employment-generating businesses and land use components that might not otherwise locate in the City of Tualatin. Development of the lake serves as both an amenity to serve the public as well as to attract private sector capital into the community.

This combination of uses around a central water feature accomplishes several strategic objectives:

- The plan is divisible into a number of smaller projects by independent developers. This reduces the City's dependence on having to negotiate with a single developer who would do the whole project.
- The project can be phased, allowing some components to be developed immediately followed by other project elements as soon as financing becomes available.
- Uses are introduced into the downtown that might not otherwise locate in Tualatin - regional and national restaurants, a small business hotel and freestanding office buildings.
- These uses are activity generators, create employment opportunities, generate taxes, help pay for an array of public facilities and amenities and help to bring a vitality to the center of the City.

MARKET OPPORTUNITIES

The proposed land use components are responsive to each of the City's directives and are particularly representative of market opportunities - individually and in combination with each other. Today's real estate market is in a state of tremendous transition. Lending requirements for commercial developments have become extremely restrictive.

However, discussions with representatives of the local and national lending community reflect an attitude which recognizes a condition of near pent-up demand and anticipates a responsiveness to this demand within the next several years.

HOUSING

Market trends and existing zoning designations within the City of Tualatin support an upward shift in the number of multi-family housing units into the next decade. Future single-family (home ownership) developments will include both detached and attached housing products (row housing, town homes, zero lot line, patio homes, etc.). In addition to the traditional demand for detached single-family homes, market trends and changes in the demographics of the resident population are influencing the demand for alternative and affordable types of housing such as rental multi-family and attached owner-occupied units. Some of the major factors are rising housing costs, a desire for low maintenance ownership housing options, an increase in the number of single-parent households, and an increase in the number of self-employed workers operating their businesses from their homes.

Housing growth projections prepared by the City and the Metropolitan Service District (Metro) for Tualatin anticipate that an additional 3,548 multi-family and 2,199 single-family units will enter the market during the present decade. Based on construction completed since 1990, this represents an additional 418 multi-family and 265 single-family units each year. Less the number of housing units currently proposed for the market, demand will be met through 1992 and 1993 for multi-family and single-family respectively.

OFFICE

Market trends such as employers relocating their operations to less expensive locations outside the Portland Central Business Core and consolidation of facilities will continue to provide opportunities for properties such as Tualatin Commons. Based on projections of growth among office workers within the Southwest Suburban Market Area, and assuming a 15 to 20 percent market share, annual demand for office space within the Tualatin market is estimated to be approximately 49,000 to 67,000 square feet between 1992 and 1995. Given limited space for multi-tenant users, the office product proposed for the Commons is Class B+ space - quality space, but not as expensive as the Class

A corporate space such as found on Kruse Way.

RESTAURANTS

An under supply of national and regional chain restaurants serving the market makes the Tualatin Commons an extremely competitive location for development of new restaurant space. Demand for restaurants is generated by two principle sources - office workers and the resident population. The factor most favoring future growth of restaurant space within the Tualatin market will be residential growth. Total support for restaurant space from employees and households within the immediate market equals approximately 11,100 square feet or three to four, national and/or regional properties.

HOTEL

There are currently 2,048 guest rooms with the southwest suburban market, with an average market occupancy of 74 percent. Industry standards indicate that a stable market experiences an occupancy of 70 percent. By these standards, there are 22,323 room nights in excess of stabilization or 87 rooms which the subject property could compete for.

Demand for lodging room nights is generated principally by office and industrial employees within specific industry classifications. Existing and projected employment within the southwest market could be expected to generate annual demand for an additional 6,780 room nights from 1992 to 1995. Demand from leisure travelers, small groups and business patrons represent approximately 30 percent of the market. Given the unique character of the site and the proposed amenities, the Tualatin Commons property could be expected to capture 15 to 20 percent of the existing leisure market share, or 16,500 to 22,000 room nights of demand.

[Section B-3 amended by Ordinance 881-92, passed November 9, 1992, and by TDC Resolution 398-02 adopted March 11, 2002]

4. Plan Impacts

Development within the Area will be accompanied by the expected impacts of development. Residential development will result in population growth and will require higher levels of services such as water, sewer, schools, police and fire protection. Commercial and industrial development will place additional demands on the transportation system. However, these impacts can be seen as resulting from the implementation of the Tualatin Community Plan and the corresponding land use designations and planning district standards. The Tualatin Central Urban Renewal Plan exists primarily to implement the Community Plan and in itself results in little intensification of land use within the Area. Exceptions to this include instances where (1) minimum lot sizes within certain Blocks of the area are smaller than for similar uses

outside the area, and (2) more intensive uses are allowed within certain Blocks. The impacts of these instances where the Plan may in itself result in greater intensity of development on the overall environment of city of Tualatin or on the ability of the City or other jurisdictions to provide adequate services at a reasonable cost are not seen as significant.

C. REASONS FOR SELECTION OF THE URBAN RENEWAL AREA

Resolutions 74-21 and 30-75 of the City of Tualatin declared the need for a Renewal Agency and adopted the Urban Renewal Plan in conformance with ORS 457. These resolutions establish the existence of blight and the necessity for establishing an Urban Renewal Area as per ORS 457.010 and 457.020, and are contained in Appendix A.

The land area added to the Urban Renewal Area in 1984 is characterized by similar conditions of flooding and lack of adequate services.

The land area added to the Urban Renewal Area in 2002 is characterized by similar conditions previously identified and by conditions of inadequate transportation infrastructure.

Land Area and Assessed Value Qualifications

The Urban Renewal Area as amended by this Plan is in conformance with ORS 457.420-2.b, which states that the land area and assessed value of all urban renewal areas within a city (population less than 50,000) may not exceed 25% of the total land area and assessed value of the city.

In 1984 the Central Urban Renewal Area contained 324.31 acres or 7.8% of the 4,146 acres within the City of Tualatin. In 1985 the Leveton Tax Increment District was created. In 1992, Tualatin's two urban renewal districts totaled 734.8 acres, or 13.7% of the 5,363 acres within the City at the beginning of 1992.

In 2001/02 the Central Urban Renewal Area contained 327.48 acres or 6.61% of the 4,951.95 acres within the City of Tualatin. In 2001/02, Tualatin's two urban renewal districts totaled 707.78 acres, or 14.29% of the 4,951.95 acres within the City.

Total assessed value of the Central Urban Renewal District in 1983/84 was \$58,399,157, or 14.8% of the \$394,167,470 value of the City. By 1991/92 the percentage of assessed value dropped slightly to 14.6% even with the addition of the Leveton Tax Increment District. The combined assessed value of the two urban renewal districts in 1991/92 was \$116,352,981 which includes both base values and increment. Total assessed value of the City of Tualatin in 1991/92, less the urban renewal base and increment, was \$793,985,631.

In 2001/02 the total assessed value of the Central Urban Renewal District was

\$149,015,313 or 7.59% of the \$1,962,476,195 value of the City. Combined with the assessed value of the Leveton Tax Increment District, the total was \$258,424,652, which includes both base values and increment, or 13.17% of the assessed value of the City. Total assessed value of the City of Tualatin in 2001/02, less the urban renewal base and increment, was \$1,704,051,543.

[Section C amended by Ordinance 881-92, passed November 9, 1992, and by TDC Resolution 398-02, adopted March 11, 2002]

D. RELATIONSHIP BETWEEN PROJECTS AND CONDITIONS IN THE URBAN RENEWAL AREA

The blighted conditions of the Urban Renewal Area are well documented and legally recognized by Resolutions 74-21 and 30-75 of the City of Tualatin which declare the area as blighted and adopt the Urban Renewal Plan. Projects described in Section D. (1) of the Plan are designed to correct the conditions described in the above listed resolutions. Adverse conditions which remain may be described generally as follows:

- The central business district is underdeveloped and contains blighted areas.
- 58% of the Renewal Area lies in the floodplain.
- Transportation access, circulation, and parking problems hinder the full development of the Urban Renewal Area.

The major projects proposed in this Plan are the Tualatin Commons Redevelopment Project and the Central Design District Enhancement Project. The major goal is "to encourage and facilitate commercial development in the Urban Renewal Area with an emphasis on establishing a visible and viable central business district." (Goals and Objectives of the Urban Renewal Area, Goal 1).

Expansion of the Tualatin public library has been identified as essential to establishing a viable central business district. As outlined in the Physical Conditions and Social Conditions of this report, increased employment, housing and population have occurred within the Plan Area increasing the demand for civic facilities. Expansion of the library is necessary to meet the growing demands as additional development occurs (Goals and Objectives of the Urban Renewal Area, Goal 4).

Specific transportation improvement projects are scheduled yearly by the Tualatin Development Commission. Major improvement projects planned are the construction of street improvements as part of the Tualatin Commons Project, Central Design District Enhancement Project (streetscape enhancements, SW Boones Ferry Road and SW Martinazzi Avenue widening, street intersection improvements), pedestrian facilities, widening of the I-5/Nyberg Street interchange and construction of the north half of the Loop Road. Other planned improvements are documented in the Transportation

Element of the Tualatin Development Code.

[Section D amended by Ordinance 881-92, passed November 9, 1992, and by TDC Resolution 398-02, adopted March 11, 2002, and Ordinance No.1213-06 passed July 10, 2006]

E. ESTIMATED PROJECT COST AND REVENUE SOURCES

Revenues for the urban renewal projects called for in the Plan are shown in Table 12. The primary source of revenue is the proceeds of tax increment bonds. The proceeds of bonds issued prior to FY 2001/2002 account for much of the beginning balance shown in Table 12. Short-term bonds issued and repaid within one year are the primary source of revenues from FY 2001/2002 through FY 2010/2011, when projects are anticipated to be complete.

The costs of the projects called for in the Plan include materials and services and capital outlays. A reimbursement to the Administration Fund covers the administrative costs of the Plan.

The Shilo Inn case issued in December 2001 by the Oregon Supreme Court may affect project revenues identified in Table 12. Once resolution is reached on the impacts of revenues for urban renewal, the financial information should be updated.

[Section E amended by Ordinance 881-92, passed November 9, 1992, TDC Resolution 398-02, adopted March 11, 2002, Ordinance No.1213-06 passed July 10, 2006; and Ordinance No.1290-09 passed October 12, 2009]

F. ANTICIPATED PROJECT START AND COMPLETION DATES

Table 12 also shows the years in which the projects are started and completed. All projects are anticipated to be completed by the end of FY 2010/2011.

[Section F amended by Ordinance 881-92, passed November 9, 1992; by TDC Resolution 398-02, adopted March 11, 2002; Ordinance No. 1213-06 passed July 10, 2006; and Ordinance No. 1290-09 passed October 12, 2009]

REVENUES		Budgeted	Estimated	Projected	Projected	Projected
REVERUES		08/09	08/09	09/10	10/11	11/12
Beginning Balance		3,026,775	3,232,308	4,425,696	512,806	74,482
Reimb From Admin Fund		0	0	0	0	0
Comm Incent Fund Grant		0	0	0	0	0
Interest Income		94,737	93,000	44,257	10,256	1,490
Land Sale Financing		0	0	0	0	0
Grants/Donations - Art Miscellaneous Income		0	0	0	0	0
Transfer from Road SDC Fund		0	0	0	0	0
Transfer from Core Area		0	0	0	0	0
Sale of Land		0	0	0	0	0
Bond Proceeds		2,003,703	2,003,703	620,628	0	0
Other Spec Interm. Fin	_	0	0	0	0	0
TOTAL REVENUES		5,125,215	5,329,011	5,090,581	523,062	75,972
COSTS		n i i i	P. C.	D • • • •	D	D
MATERIALS & SERVICES		Budgeted 08/09	Estimated 08/09	Projected 09/10	Projected 10/11	Projected 11/12
Materials & Supplies		11,000	11,000	100,000	0	0
Consultant Services		170,000	30,000	110,000	0	0
Property Management Costs		0	0	0	0	0
Bond Issuance Costs		0	0	0	0	0
Bond Registration & Expense		0	0	0	0	0
Grounds & Landscaping		562	562	1,000	580	580
Commons Utilities	-	0	0	0	0	0
CAPITAL OUTLAYS	Subtotal	181,562	41,562	211,000	580	580
Land Acquisition		0	0	0	0	0
TC: Site Improvements		0	0	0	0	0
Facade Loan Program		0	0	0	0	0
Public Art Program		0	0	0	0	0
Boones Ferry Rd Ped. Improvement		0	0	0	0	0
Community Sign		0	0	0	0	0
Parking Lot A Construction		0	0	0	0	0
Loop Road/Eastside Downtown Boones Ferry Rd. Utility Underground		0	0	150,000 0	0	0
Parking Lot C		0	0	0	0	0
Commons Landmark (Clock/Bell Tower)		13,000	28,695	0	30,000	0
Green Parking Lot Expansion		0	1,000	0	0	0
Boones Ferry Rd. Mart./LBFR		0	0	0	50,000	0
Boones Ferry Rd. TualTual/Sher		50,000	85,000	100,000	0	0
Tualatin Commons East		2,100,000	0	0	300,000	0
Tualatin Commons West		7,000	1,300	0	0	0
Tualatin-Sherwood Road Landscaping		0	0	0	0	0
Sculpture Garden The Walk		0	0	0	0	0
Tualatin-Sherwood Road		1,800,000	50,758	2.549.000	5,000	5,000
Commuter Rail		171,670	440,000	0	0	0
Train Horn Noise Mitigation		0	0	1,300,000	0	0
	Subtotal	4,141,670	606,753	4,099,000	385,000	5,000
Transfer General Fund		0	0	0	0	0
Transfer Road/SDC Fund		0	0	0	0	0
Transfer Library Const. Fund		0	0	0	0	0
Transfer Park Development Fund Reimburse Admin Fund		255,000	255,000	267,775	63,000	0
Project Reserve		300,000	300,000	100,000	03,000	0
General Account Reserve		246,983	4,125,696	412,806	74,482	70,391
Reserves Future Projects General Account R	_	0	0	0	0	0
	Subtotal	801,983	4,680,696	780,581	137,482	70,391
TOTAL COSTS		5,125,215	5,329,011	5,090,581	523,062	75,971

G. ESTIMATED TAX INCREMENT REVENUE REQUIREMENTS AND ANTICIPATED YEAR OF DEBT RETIREMENT

Table 13 shows the estimated annual tax increment revenues and the use of those revenues for payment of debt service on existing long-term and future short-term bonds. A total of \$9,747,577 (estimated) in tax increment revenues are projected to be collected, with \$414,192 (estimated) to be refunded to taxing districts at the close of FY 2010/2011, at which time all debt is estimated to be retired.

[Section G amended by Ordinance 881-92, passed November 9, 1992 by TDC Resolution 398-02, adopted March 11, 2002, Ordinance No. 1213-06 passed July 10, 2006; and Ordinance No. 1290-09 passed October 12, 2009]

TABLE 13: ESTIMATED TAX INCREMENT REVENUE REQUIREMENTS AND ANTICIPATED YEAR OF DEBT RETIREMENT					
REVENUES	Budgeted 08/09	Estimated 08/09	Projected 09/10	Projected 10/11	Projected 11/12
Working Capital Carryover	317,293	469,309	433,693	2,073,767	0
Current Year Property Taxes	2,191,402	2,191,402	2,500,000	0	0
Prior Year Property Taxes	40,000	40,000	40,000	0	0
Interest on Investments	11,105	18,000	4,377	0	0
Miscellaneous	2,800	3,050	2,800	0	0
TOTAL REVENUES	2,562,600	2,721,761	2,980,870	2,073,767	0
COSTS	Projected 08/09	Estimated 08/09	Projected 09/10	Projected 10/11	Projected 11/12
Bond Reg & Related Expense	7,200	7,200	7,200	0	0
Debt Service	2,282,368	2,280,868	899,863	0	0
General Account Reserve	273,032	433,693	2,073,767	2,073,767	0
Bond Reserve Series 87 & 88	0	0	0	0	0
Bond Rebate Account	0	0	0	0	0
TOTAL COSTS	2,562,600	2,721,761	2,980,830	2,073,767	0

H. FINANCIAL FEASIBILITY ANALYSIS

The financial feasibility of the Plan hinges on the reasonable expectations that projected revenues will cover anticipated project costs. To the extent that tax increment revenues are projected as sufficient for debt service on the debt undertaken by the Commission, the projections of the amounts of tax increment revenues must be reasonable.

The project costs shown in Section E have been estimated to the best ability of the Commission. The revenue projections shown are similarly believed to be reasonable, and are sufficient to cover project costs.

[Section H amended by Ordinance 881-92, passed November 9, 1992 and by TDC Resolution 398-02, adopted March 11, 2002]

I. FISCAL IMPACTS ON TAXING JURISDICTIONS

The passage of Ballot Measure 50 in 1997 resulted in substantial changes to Oregon's property tax system, and these changes affect the fiscal impacts of tax increment financing. The property tax system is now primarily a "rate-based" system, in which taxing districts have been granted taxing authority in the form of maximum property tax rates. The amount of funds these districts levy in any one year is a function of their property tax rate and the assessed value within the district, not counting the incremental assessed value in urban renewal areas located therein.

The fiscal impacts are the foregoing of property tax revenues on the incremental assessed value. Table 14 shows the estimated impacts on overlapping taxing districts, both during and after indebtedness is being retired. (These figures assume that all the growth in assessed value within the urban renewal area would have occurred without the urban renewal plan, which overestimates the actual impact.) The table also shows that within four years of the estimated termination of tax increment financing, the taxing districts will have received greater revenue gains than the amounts foregone during the period from FY 2001/2002 through FY 2009/2010.

[Section I amended by Ordinance 881-92, passed November 9, 1992 and by TDC Resolution 398-02, adopted March 11, 2002]

TABLE 14: FISCAL IMPACT:	S ON TAXING JURISDIC	CTIONS			""""" 	1				1	
					***************************************	Growth in	Increment Sin	ce FY 97/98		1	
	Incremental AV in		,		~-			1			
	FY 97/98	2002	2003	2004	2005	2006	2007	2008	2009	2010	
Washington County	88,743,730	46,209,040	50,493,727	59,777,100	63,841,798	70,958,477	75,302,709	80,103,330	96,640,587	104,430,985	
Tualatin Valley Fire & Rescue	88,743,730	46,209,040	50,493,727	59,777,100	63,841,798	70,958,477	75,302,709	80,103,330	96,640,587	104,430,985	
Port of Portland	88,743,730	46,209,040	50,493,727	59,777,100	63,841,798	70,958,477	75,302,709	80,103,330	96,640,587	104,430,985	
City of Tualatin	88,743,730	46,209,040	50,493,727	59,777,100	63,841,798	70,958,477	75,302,709	80,103,330	96,640,587	104,430,985	·
Metro Service District	88,743,730	46,209,040	50,493,727	59,777,100	63,841,798	70,958,477	75,302,709	80,103,330	96,640,587	104,430,985	
NW Regional ESD	88,743,730	46,209,040	50,493,727	59,777,100	63,841,798	70,958,477	75,302,709	80,103,330	96,640,587	104,430,985	
Portland Community College	88,743,730	46,209,040	50,493,727	59,777,100	63,841,798		75,302,709	80,103,330	96,640,587	104,430,985	
									7 0,0 .0,20 7	101,100,000	
				Revenues Foregone							
		2002	2003	2004	2005	2006	2007	2008	2009	2010	Totale
•	Permanent Rate	46,209,040	50,493,727	59,777,100	63,841,798	70,958,477	75,302,709	80,103,330	96,640,587	104,430,985	TOMS
Washington County	2,5425	117,486	128,380	151,983	162,318	180,412	191,457	203,663	245,709	265,516	1,646,924
Tualatin Valley Fire & Rescue	1.5563	71,915	78,583	93,031	99,357	110,433	117,194	124,665	150,402	162,526	1,008,105
Port of Portland	0.0753	3,480	3,802	4,501	4,807	5,343	5,670	6,032	7,277	7,864	48.776
City of Tualatin	3.1552	145,799	159,318	188,609	201,434	223,888	237,595	252,742	304,920	329,501	2,043,805
Metro Service District	0.3282	15,166	16,572	19,619	20,953	23,289	24,714	26,290	31,717	34,274	212,594
NW Regional ESD	0.1538	7,107	7,766	9,194	9,819	10,913	11,582	12,320	14.863	16,061	99,625
Portland Community College	0.3600	16,635	. 18,178	21,520	22,983	25,545	27,109	28,837	34,791	37,595	233,193
			Revenues G		····						
	Permanent Rate	2011	2012	2013	2014	Totals					
Washington County	2.5425	507,440	523,737	540,522	557,810	2,129,512	~				
Tualatin Valley Fire & Rescue	1,5563	310,611	320,587	330,861	341,444	1,303,504					
Port of Portland	0.0753	15,029	15,511	16,008	16,520	63,069					
City of Tualatin	3.1552	629,725	649,948	670,778	692,233	2,642,688					
Metro Service District	0.3282	65,503	67,607	69,774	72,005	274,889					
NW Regional ESD	0.1538	30,696	31,682	32,697	33,743	128.818					
Portland Community College	0,3600	71,850	74,157	76,534	78,982	301,524					

J. RELOCATION REPORT

1. Relocation Analysis

As a result of the proposed Tualatin Commons Redevelopment Project (formerly "Village Square Redevelopment Project,") the following properties will be required to relocate:

TABLE 15

Properties that Received Relocation Assistance

Residential Properties		Commercial	<u>Properties</u>
Тах Мар	Tax Lot	Тах Мар	Tax Lot
2S1-24BC 2S1-24BC	2000 2100*	2S1-24BC 2S1-24BC 2S1-24BC 2S1-24BC 2S1-24BC 2S1-24BC 2S1-24BC	1501 1600 1690 2501 5100 5190 5202

^{*}Tax Lot 2100 was a mixed-commercial/residential use.

Source: Washington County Department of Assessment and Taxation, October 20, 1983.

[Section J-1 amended by Ordinance 881-92, passed November 9, 1992, and by TDC Resolution 398-02, adopted March 11, 2002]

2. Relocation Methods

The Plan anticipates the acquisition and redevelopment of property which may result in the displacement of residents and businesses. The Commission intends to establish a Relocation Policy which will call for the Commission's assistance to those residents and businesses displaced. Such assistance may include providing information regarding suitable locations, payment of moving expenses, and other payments as deemed necessary.

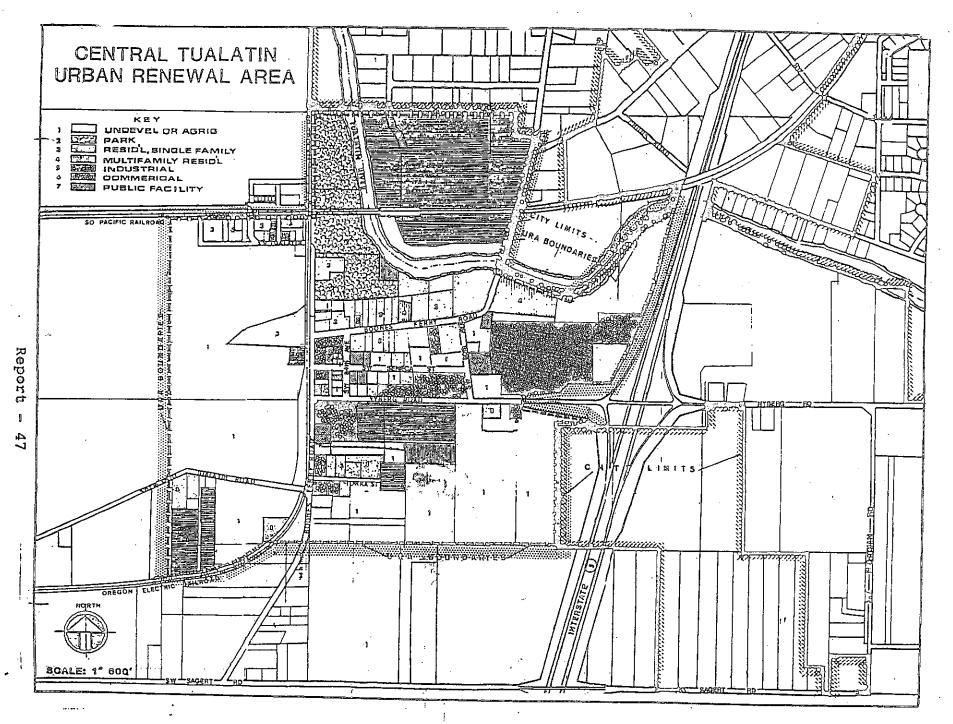
All relocation activities will be undertaken and payments made in accordance with the requirements of ORS 281.045 - 281.105 and any other applicable laws or regulations. Relocation payments will be made as provided in ORS 281.060.

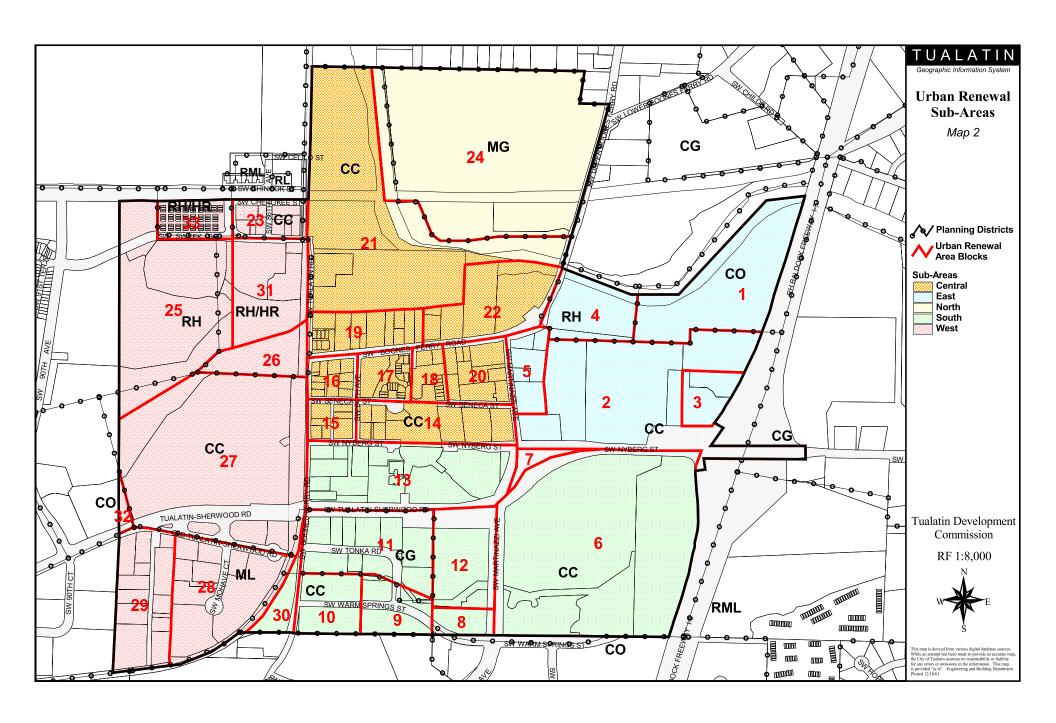
3. <u>Cost Enumeration</u>

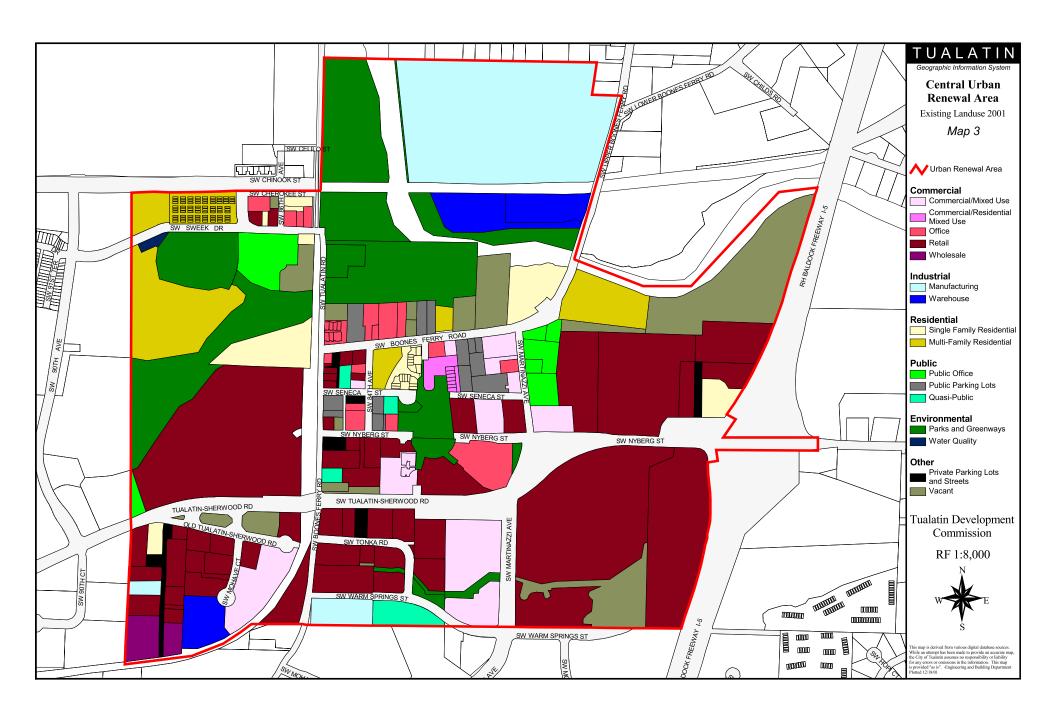
Two single-family residential units, one of which was also a commercial business, were acquired by the Development Commission. The 1985/86 assessed building value of these two units determined by the Washington County Department of Assessment and Taxation was as follows:

Tax Lot	Assessed Building Value
2000	\$ 100
2100	\$11,300

[Section J-3 amended by Ordinance 881-92, passed November 9, 1992]



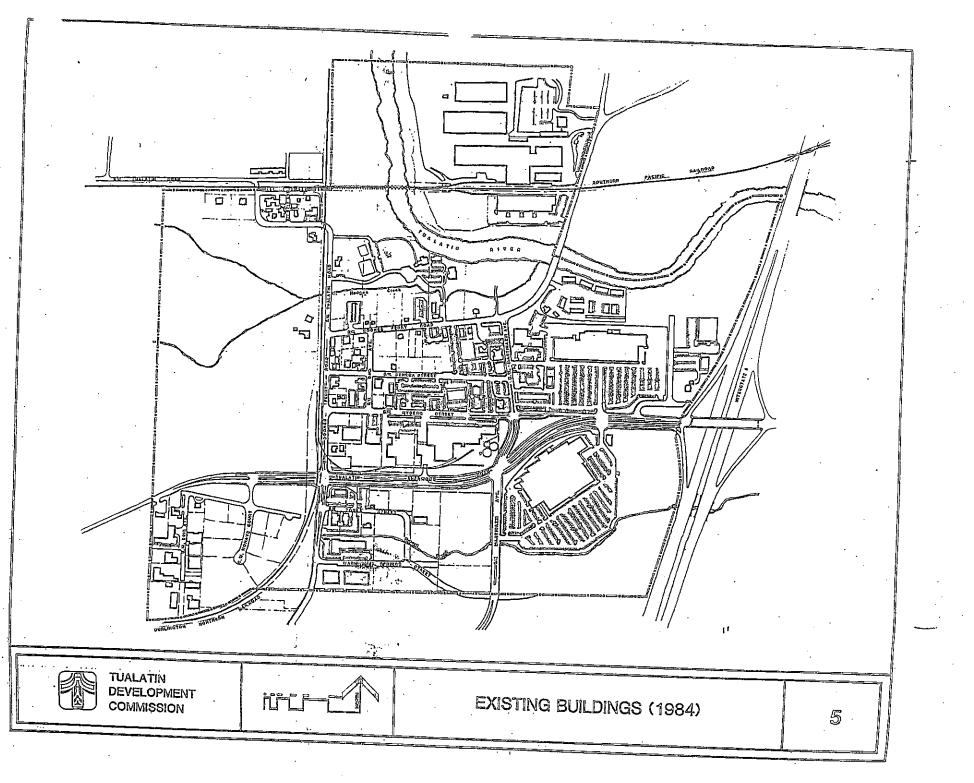


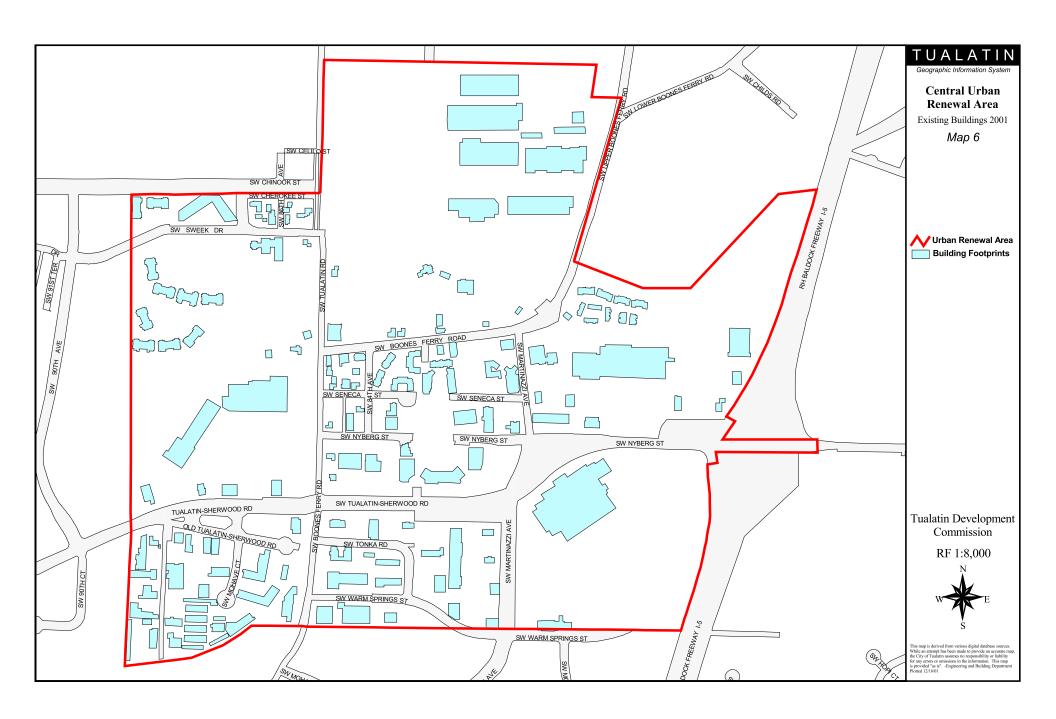


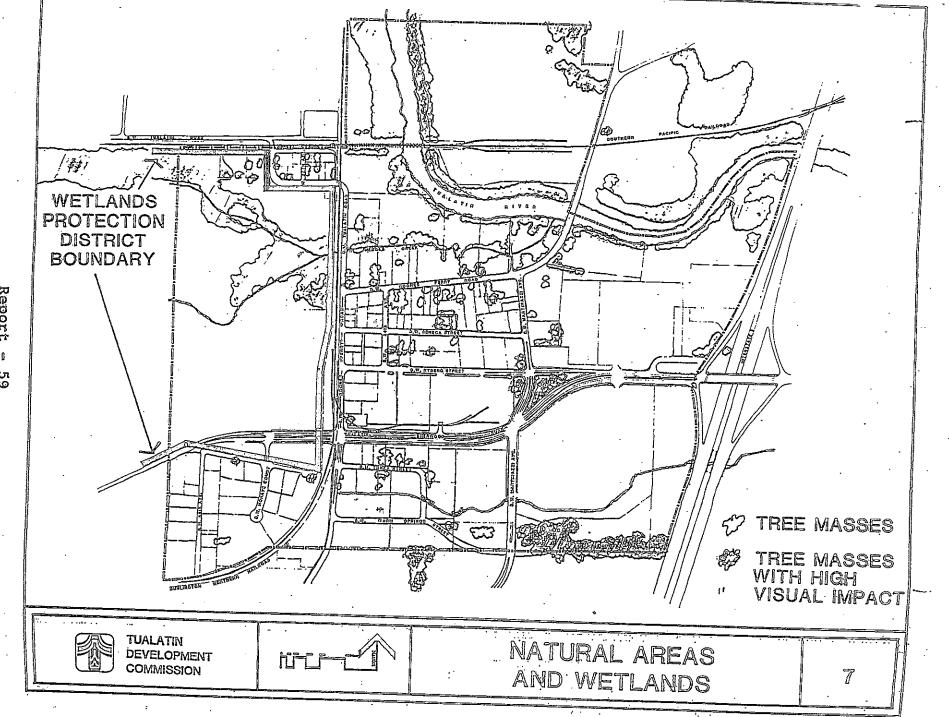
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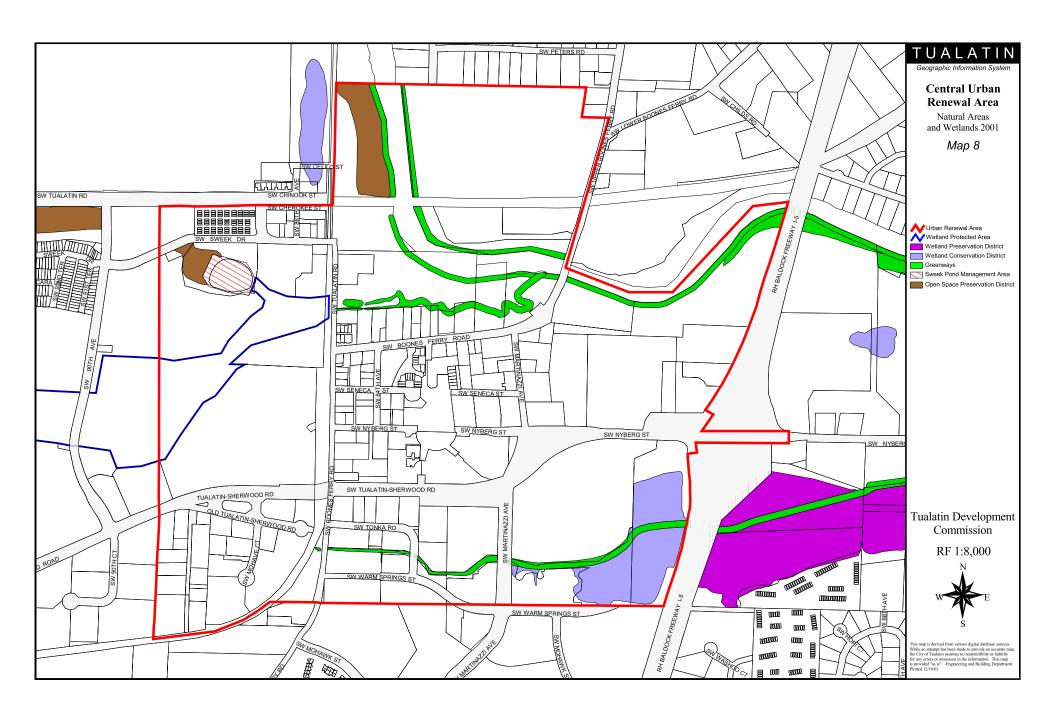
EXISTING BUILDINGS (1976)

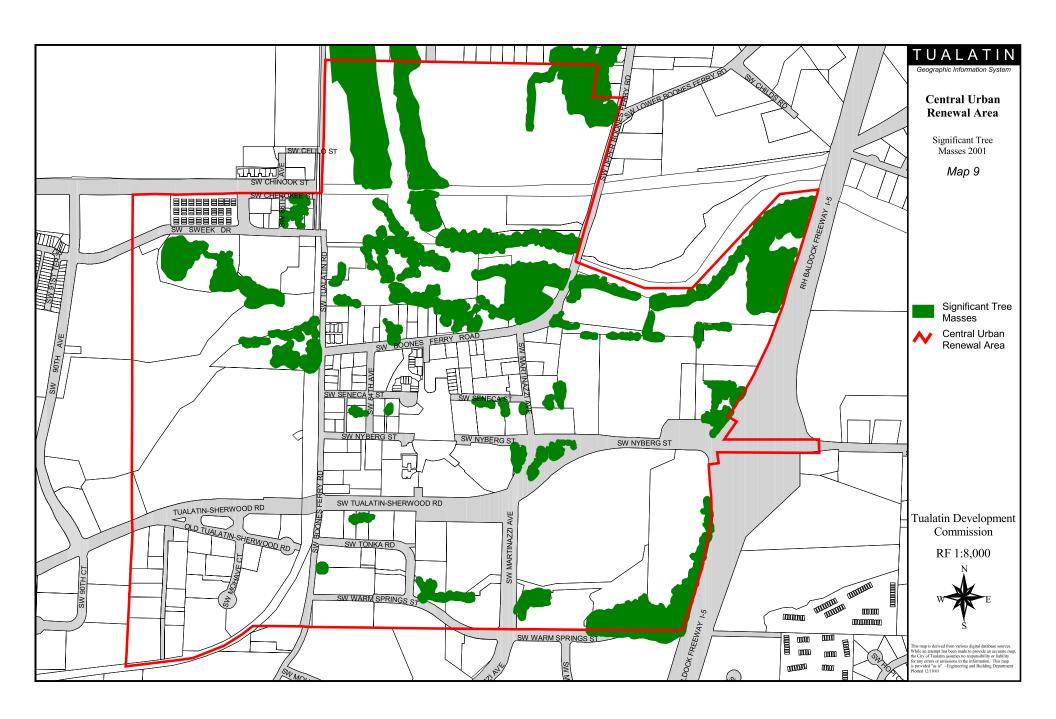
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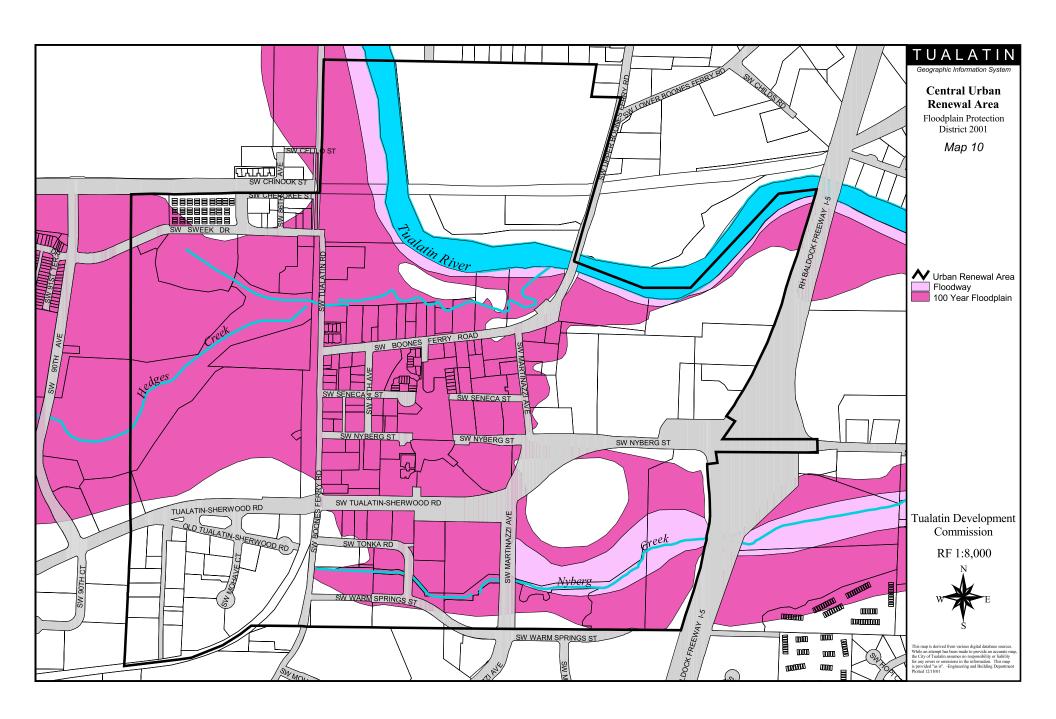




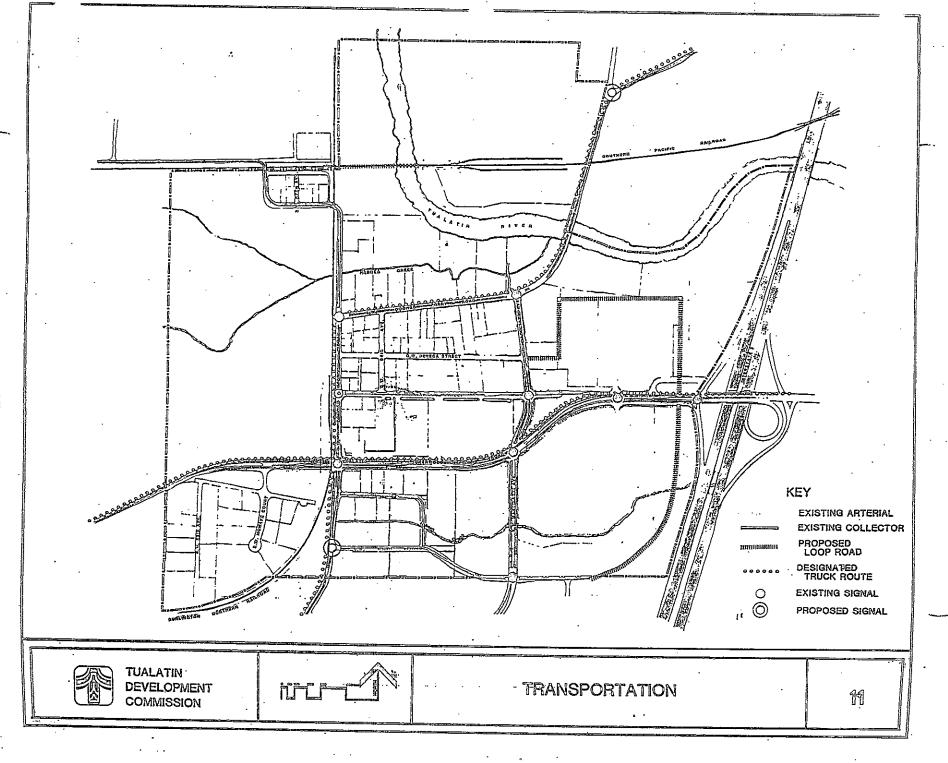


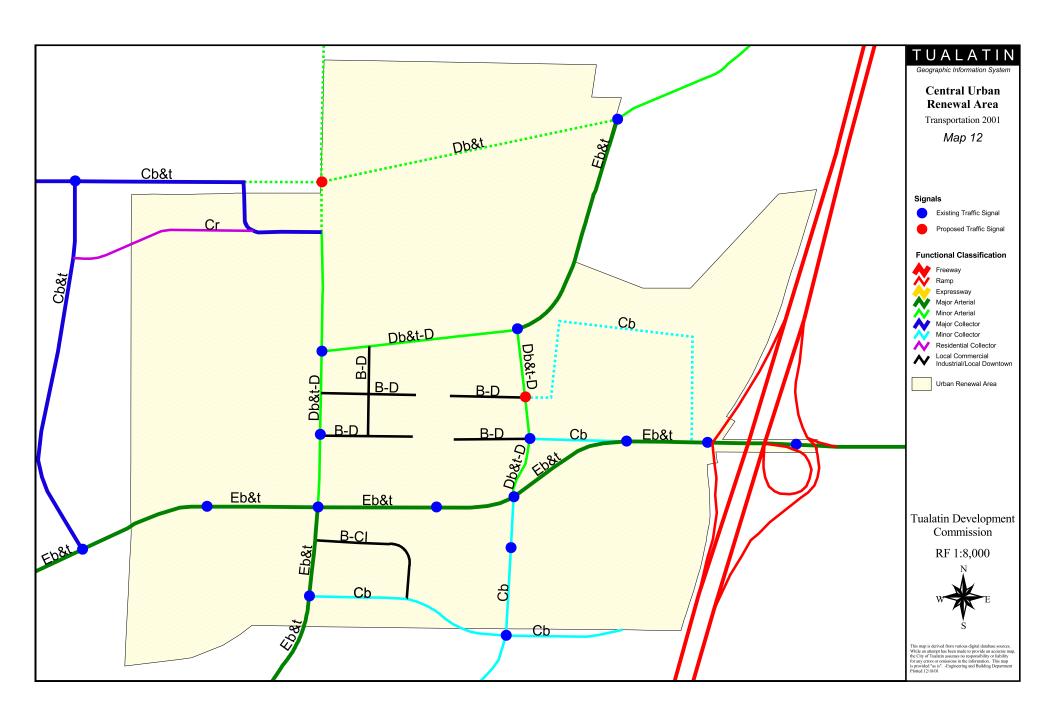






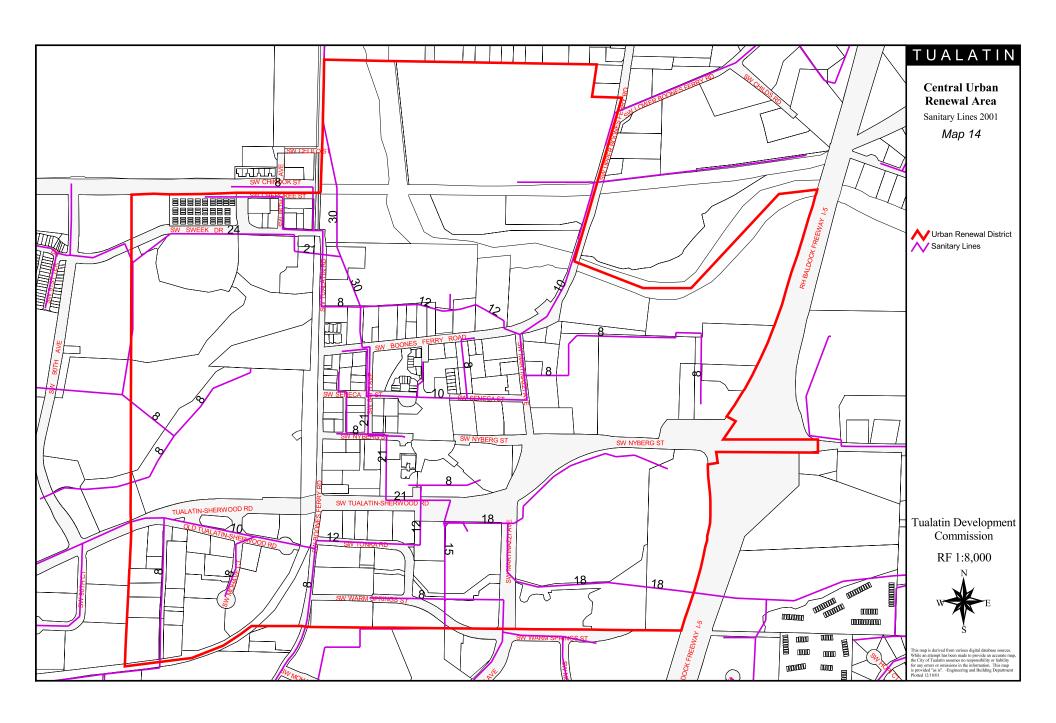
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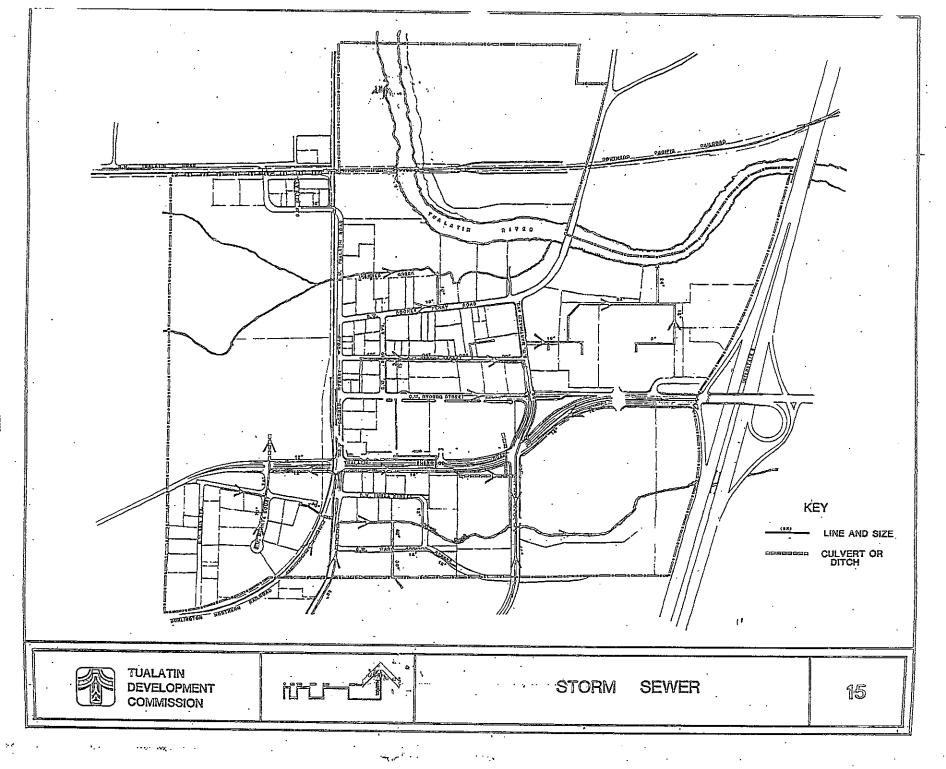


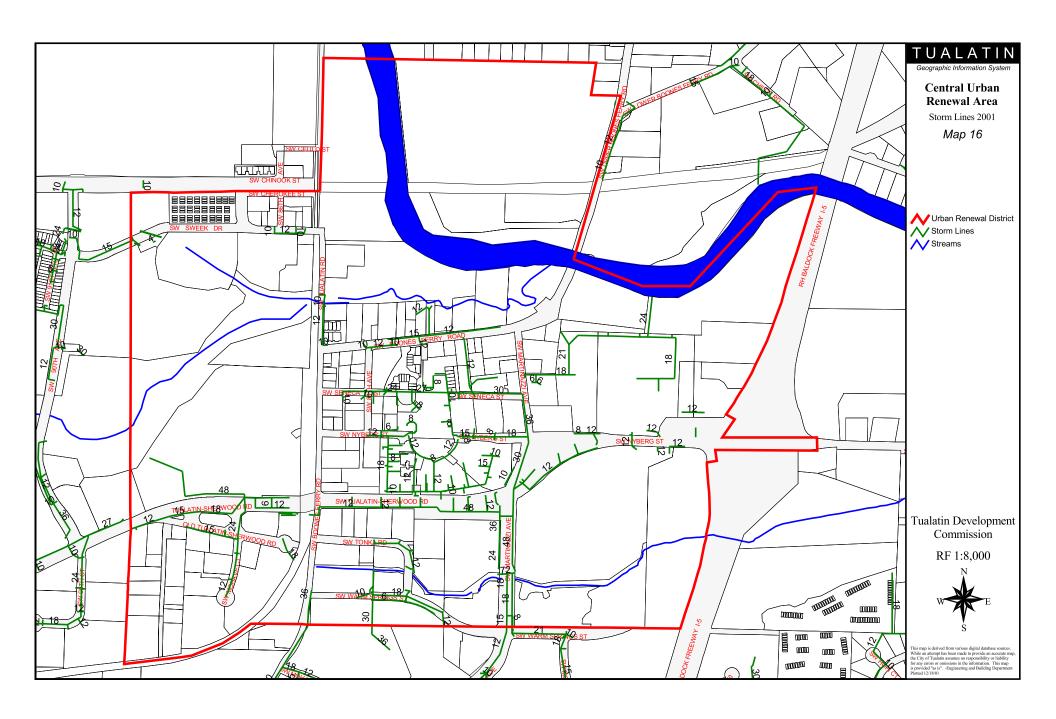


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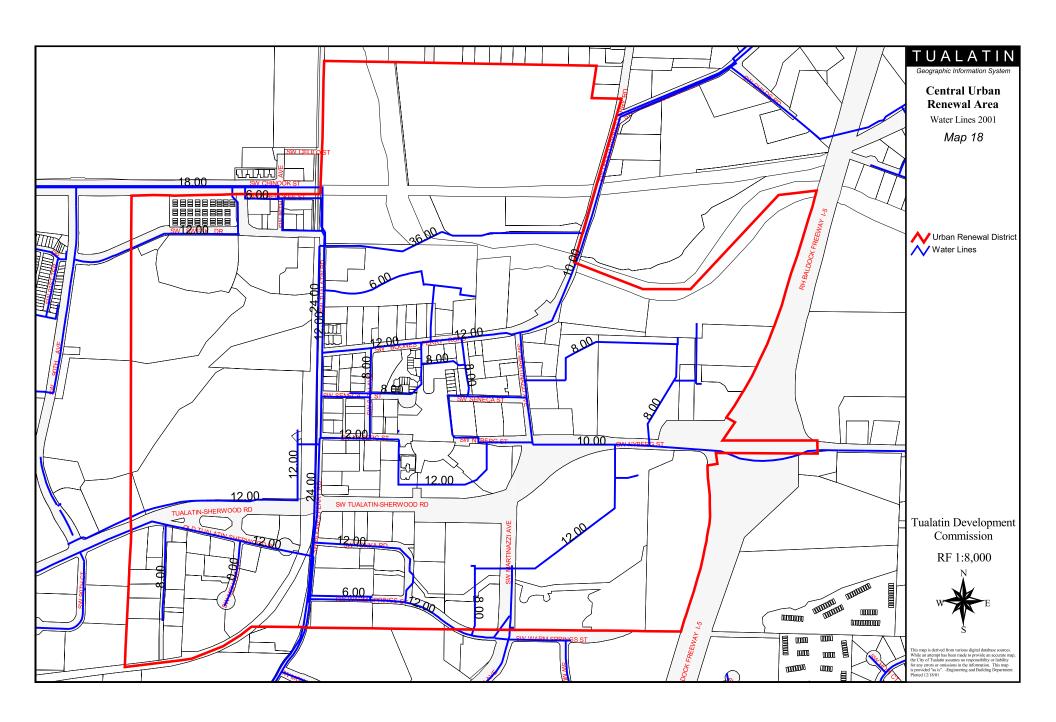
and a record of a







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Novellus Systems Inc. - Leveton Drive



Interlogix – Leveton Drive/124th Ave.



Eurobest Food Industries Inc. - Leveton Drive/124th Ave.



124th Ave./Tualatin Rd. Intersection

LEVETON TAX INCREMENT PLAN - APRIL 2002



Successful Money Management Seminars – Tualatin Road



Fujimi America – Leveton Drive



Leveton Drive



JAE - Leveton Drive

LEVETON TAX INCREMENT PLAN

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LEVETON TAX INCREMENT PLAN

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[Maps 1A – 7A amended by Resolution No. 397-02 adopted March 11, 2002.]

[Map 4A amended by Ordinance No. 1105-02 passed April 8. 2002.]

ADOPTION

Resolution No.	Date	Purpose		
96-85	August 12, 1985	Adoption of Leveton Tax Increment Plan and Report by the Development Commission.		
Ordinance No.	Date	Purpose		
674-85	August 12, 1985	Incorporation of Leveton Tax Increment Plan into the Tualatin Development Code by reference.		
<u>AMENDMENTS</u>				

Resolution No.	Date	Purpose
144-88	Jan. 11, 1988	Amended to show a new alignment for a collector street and related utilities in the quarry area of the Leveton Tax Increment District.
156-88	Nov. 1, 1988	Amended to allow limited acquisition and disposition of real property.
184-91	Sept. 9, 1991	Amended to conform to new statutory language and to add a final date for sale of bonds.
397-02	March 11, 2002	Amended to adopt minor amendments to the Plan and Report.
Ordinance No.	Date	Purpose
777-89	June 26, 1989	Amended to add 33.5 acres of property located to the east of Leveton parcel into district and to add additional project activities.
935-94	Dec. 12, 1994	Amended the Leveton Tax Increment Plan by adopting objectives and implementation guide lines for industrial master plans, governing industrial land subdivisions within the MP (Manufacturing Park) Planning District; and providing for future rezoning of a 7.20-acre parcel adjacent to Pacific Highway 99W from MP and MG (General Manufacturing) to CG (General Commercial).

AMENDMENTS (Cont.)

Ordinance No.	Date	Purpose
998-98	March 23, 1998	Amended to establish a maximum indebtedness level of \$36,424,338.
1036-99	Nov. 22, 1999	Amended to add specific application requirements and review and approval criteria for Industrial Master Plan's (IMP) within the MP Planning District; reduced minimum lot size north of SW Leveton Drive from a 40-acre minimum to a 15-acre minimum pursuant to an approved IMP; changed 20 acres of a larger 58-acre parcel from Light Manufacturing (ML) to Manufacturing Park (MP).
390-01	Dec. 10, 2001	Amended the Future Amendment Process according to ORS 457.085, which was revised in 1997. This revision now defines the two actions that are considered a substantial amendment to an urban renewal plan. Additionally, the process includes minor amendments, council approved amendments and substantial amendments.
1105-02	April 8, 2002	Amended the Plan by adding SW Cummins Street, SW 128 th Avenue, and SW 130 th Avenue to the project list.

LEVETON PLAN

A. <u>INTRODUCTION</u>

1. <u>DEFINITIONS</u>

The following definitions will govern this Plan unless the context otherwise requires:

Blight or Blighted Areas means conditions or areas as defined in ORS 457.010.

<u>Commission or Tualatin Development Commission</u> means the City of Tualatin Development Commission, the Urban Renewal Agency of the City.

<u>Development Code</u> means the City of Tualatin Development Code, containing the Tualatin Community Plan and Planning District Standards.

District means the Leveton Tax Increment District.

"Industrial Master Plan" - A plan, approved by the Tualatin City Council, that guides development within the boundaries of an Industrial Master Plan Area defined by that plan and located within the Manufacturing Park Planning District.

"Industrial Master Plan Area" - The area within the boundaries of an Industrial Master Plan.

<u>Leveton Parcel</u> means Tax Lot 100, Map 2S1-22, Washington County.

Leveton Sector means Tax Lot 100, Map 2S1-22, Tax Lots 1200, 1300, 1301, 1400, 1600, 1700, 1800, 1900, Map 2S1-22A, Tax Lots 300, 400, 401, 402, 500, 602, 800, Map 2S1-22C, Washington County; SW 124th Avenue right-of-way from southern border of quarry sector to southern city limits; SW Herman Road right-of-way within the district; SW 108th Avenue right-of-way within the district; and SW 108th Avenue right-of-way within the district.

<u>Leveton Tax Increment District</u> means the Urban Renewal Area, which is a blighted area, established by this Plan, as shown in Map 3, "Leveton Tax Increment District Boundary" and as described in Section J, "Map and Legal Description."

ORS means Oregon Revised Statutes.

<u>Plan or Leveton Tax Increment Plan</u> means the Urban Renewal Plan for the Leveton Tax Increment District and subsequent amendments to the plan as approved by the Tualatin Development Commission and adopted by the Tualatin City Council pursuant to ORS 457.085 and 457.095.

Project or Project Activity means any work or undertaking carried out under ORS 457.170 in an Urban Renewal Area.

Quarry Sector means Tax Lots 2100, 2200, 2201, 2202, 2203, 2300, 2400, 2500, 2501, 2600, Map 2S1-21A, Washington County.

Report or Tax Increment Report means the Urban Renewal Report accompanying the Plan pursuant to ORS 457.085.

<u>Tualatin Central Urban Renewal Area</u> means the area established in accordance with ORS 457 by the Tualatin Urban Renewal Plan, 1984, as amended.

[Section A-1 amended by Ordinance No. 777-89, passed June 26, 1989; by Ordinance No. 935-94, passed December 12, 1994; and Ordinance No. 1036-99, passed November 22, 1999.]

2. HISTORY OF ADOPTION AND AMENDMENT

In 1982, the City of Tualatin annexed a large area of previously unincorporated land to the west of the existing City limits. The purpose of the annexation was to better provide the level of infrastructure and services necessary to support appropriate industrial development.

The area annexed was characterized by underdevelopment and faced a variety of physical and economic obstacles to its future use. Sanitary sewer and water services were generally unavailable, the arterial roads serving the area were below standard, internal access roads were nonexistent, and several types of non-conforming and substandard land uses (notably, abandoned sand quarries) inhibited further development.

The area's assets, however, made further action desirable. On a regional scale, the location of the area is convenient to the Sunset and I-5 Corridors, and the nearby connection to I-205 provides access to Portland International Airport, and Clackamas and East Multnomah Counties. Within the area, the presence of a large (217 acre), relatively level site under single ownership presented a significant opportunity for the planned, campus-like industrial development which has been proven to be increasingly in demand. Finally, the area fronting upon Pacific Highway presented an opportunity to provide additional land for the general and light industrial development occurring in that corridor.

In view of these potentials, the City has taken several actions to transform the area into a productive industrial district. In 1983, the City established the Manufacturing Park (MP) Planning District for the 217-acre tract (the "Leveton Property"). This planning district was designed to promote and support modern, large-scale manufacturing, related uses, and research facilities, by providing for an aesthetically attractive, campus-like working environment.

In 1984, the City initiated and approved two Local Improvement Districts (LIDs) to provide major sewer and water trunk lines to serve the general area.

The City has also pursued transportation improvements, including implementation of a truck route system to divert commercial and industrial truck traffic from residential areas. Additionally, many years of effort to pursue the planning of a major connecting route between I-5 and the Sunset Corridor were rewarded when Washington County listed the "Western Bypass" as a proposed regional transportation project.

Nonetheless, in comparison to other sites and areas attracting the level of development for which this area has been planned, many obstacles remain. Arterial roads remain below City standards, and connections to SW Tualatin-Sherwood Road and to I-5 are still severely inadequate. While major sewer and water trunk lines have been brought to the general area, the lines do not serve the interior of the Leveton parcel or the adjacent parcels fronting on Highway 99W. The costs of extending these services are prohibitive to any one private developer or user. Additionally, the existing storm drainage system is inadequate for any significant industrial development. Finally, the presence of the abandoned sand quarries, and the possibility of further mining thereof are a source of significant concern to potential users of the Leveton parcel.

In view of these remaining blighting influences on the area, the Tualatin City Council on April 8, 1985, approved a study of the feasibility of establishing a tax increment district encompassing the Leveton parcel and the adjacent quarry properties. This Tax Increment Plan and its accompanying Report are the result of that study, and contain the City's policies and proposed activities within the Leveton Tax Increment District.

The Plan and Report have been developed in conformance with the requirements of Oregon Revised Statutes, Chapter 457. The District will be administered by the Tualatin Development Commission, the Urban Renewal Agency of the City, which was established in 1974 to administer the City's Central Urban Renewal Area. Funds for the Leveton Tax Increment District and for the Central Urban Renewal Area will be segregated as is required by state law.

The Plan and Report were adopted by Tualatin Development Commission Resolution Number 96-85 on August 12, 1985, and incorporated into the Tualatin Development Code by reference by City Ordinance Number 674-85, passed August 12, 1985.

In January 1988 the plan was amended to show a new alignment for a collector street and related utilities in the quarry area of the Leveton Tax Increment District. The amendment was not substantial in nature.

In November 1988 the plan was amended to allow limited acquisition and disposition of real property by means of purchase options. The amendment was not substantial in nature.

In June 1989 the plan was amended to add in 33.5 acres of land between the eastern boundary of the Leveton parcel and SW 108th Avenue, and to specify additional improvement projects. This action was found to be a substantial amendment.

On November 28, 1994, the Plan was amended by the addition of approval guidelines for Industrial Master Plans in the MP District, and the addition of language recommending a change in the planning district designation of a 7.20-acre parcel adjacent to Pacific Highway, SW 124th Avenue and SW Tualatin Road, from MP/MG to CG. This action was found to be a substantial amendment. The same action also resolved a minor conflict between the Plan and TDC concerning bicycle paths within the District, by deleting Leveton Plan language that was inconsistent with the City's Bikeway Plan (adopted in 1993).

On March 23, 1998, the Plan was amended in conjunction with Measure 50's requirement to implement legislation that requires that in order to be considered an existing plan, a maximum level of indebtedness must be included by substantial plan amendment. The good faith estimate of projects remaining to be completed in the district is \$36,424,338.

On November 8, 1999, the Plan was amended by the addition of approval criteria for Industrial Master Plans in the MP Planning District and the addition of language recommending a change in the planning district designation of an approximately 20-acre parcel bounded by SW Tualatin Road, SW 108th Avenue, and SW Leveton Drive from ML to MP. This action was found to be a substantial amendment to comply with the Tualatin Development Code Standards.

On December 10, 2001, the Plan was amended for the future amendment process and amending the boundary of the district in the vicinity of 124th Ave. The future amendment process was amended to include a three tiered amendment process, which now includes a Council approved process. The boundary of the district in the vicinity of 124th Ave. was amended to include 3.3 acres to the district. The original boundary did not include the full right-of-way width for 124th Ave.

On March 25, 2002 the Plan was amended to reflect conditions as they existed at the time. Additionally, the amendments included adding updated maps, updated infrastructure information, updated project activities, land use changes that occurred and changes to the future amendment process.

[Section A-2 amended by Ordinance No. 777-89, passed June 26, 1989; by Ordinance No. 935-94, passed December 12, 1994; Ordinance 998-98, passed March 23, 1998; Ordinance No. 1036-99, passed November 22, 1999, and Resolution No. 397-02 adopted March 11, 2002.]

3. CITIZEN INVOLVEMENT PROCESS

The goals, policies and projects in this Plan have been developed under the advisement of the Urban Renewal Advisory Committee (URAC). This citizens committee meets on a monthly basis to discuss and make recommendations to the Development Commission regarding urban renewal and tax increment issues. These meetings are open to the public and are advertised in the local media. The URAC meetings are intended to provide a public forum for discussion of issues related to the Central Tualatin Urban Renewal Area and the Leveton Tax Increment District.

Public input is solicited for all significant issues facing the Commission. In addition, plan amendments are approved by the Commission and adopted by the City Council at public meetings for which public notice is provided in conformance with state law.

[Section A amended by Ordinance No. 777-89, passed June 26, 1989 and by Ordinance No. 1036-99 passed November 22, 1999.]

B. GOALS AND OBJECTIVES

1. GOALS AND OBJECTIVES OF THE LEVETON TAX INCREMENT PLAN

The purpose of the Leveton Tax Increment Plan is to implement goals and objectives of the Tualatin Community Plan which relate to development of this portion of the Western Industrial District. Specific goals and objectives for the Leveton District are listed below. They are divided into three areas: Land Use, Traffic and Transportation, and Public Utilities.

The overall goal of the Leveton Tax Increment Plan is to facilitate the full industrial development of the District by removing blighting influences and by providing public improvements.

LAND USE

GOAL 1: INDUSTRIAL DEVELOPMENT

To stimulate industrial development in the District.

Objectives:

- a. Assist in the financing and provision of public transportation and utility improvements identified in this Plan.
- b. Cooperate with industrial brokers, local and regional development agencies, and the State Department of Economic Development in marketing properties within the District.

- c. Acquire properties as necessary for reassembly and resale. Create new parcels which conform to the physical characteristics of the terrain and to the proposed public improvements.
- d. Facilitate additional development opportunities within the MP Planning Districts through changes in Planning District designations and the utilization of Industrial Master Plans in the MP Planning District as provided in the TDC.

GOAL 2: ENVIRONMENT

To achieve industrial growth within the framework of high environmental standards.

Objectives:

- a. Implement a land reclamation program in the quarry area.
- b. Preserve the stand of mature trees along SW Tualatin Road by designing appropriate street improvements. Protect other stands of trees identified on Report Map 2, "Natural Features," where feasible.
- c. Protect the Hedges Creek Wetlands from the adverse impacts of storm water runoff from development within the District, by constructing alternative drainage routes.
- d. Protect the groundwater in the quarry area from pollutants and nitrate infiltration by using clean fill when the site is regraded.

TRAFFIC AND TRANSPORTATION

GOAL 3: IMPROVED TRAFFIC AND TRANSPORTATION

To improve traffic access to Interstate 5 and Pacific Highway 99W and within the project area.

Objectives:

- Construct road and intersection improvements as necessary to provide adequate access to and within the District, including SW 124th Avenue from SW Tualatin-Sherwood Road to SW Tualatin Road.
- b. Provide bike paths as appropriate within the District.
- c. Provide shared driveways and limited access to arterial streets, as called for in the Tualatin Access Management Plan.

PUBLIC UTILITIES

GOAL 4: PROVIDE PUBLIC UTILITIES

To provide sewer, water, and storm drainage utility lines adjacent to and within the District which will enable the area to be developed fully and rapidly.

Objectives:

- a. Design and construct water, sanitary sewer, storm drain and other drainage improvements as necessary to serve anticipated development within the District.
- b. Participate in the cost of off-site improvements necessary to serve anticipated development within the District. Where appropriate, costs expended for work outside the District are to be recovered from benefited property owners outside the district.
- c. Construct storm drainage lines in all roads and to serve parking lots. Construct a north-south drainage line from the Leveton parcel to Hedges Creek, and participate in improvements to the Hedges Creek drainage channel.

[Section B-1 amended by Ordinance No. 777-89, passed June 26, 1989; Ordinance 1036-99 passed November 22, 1999, and Resolution No. 397-02 adopted March 11, 2002.]

2. RELATIONSHIP TO LOCAL OBJECTIVES

The Leveton Tax Increment District exists to implement local objectives as they are expressed in the Tualatin Community Plan. (The Community Plan and Planning District Standards together comprise the Tualatin Development Code.) The Plan also responds to many of the objectives of the City's Economic Development Action Plan. The Plan serves to further local objectives as follows:

a. Land Use

Goal 1 of the Plan is the stimulation of industrial development through public improvements. This furthers industrial Planning District objectives in the Community Plan (Chapter 7.030) which call for the following:

- 7.030 (1) Encouraging new industrial development.
- 7.030 (2) Making the Western Industrial District a major regional employment center.
- 7.030 (6) Fully developing the Western Industrial District, providing full transportation, water, and sewer services prior to, or as development occurs.

Goal 2 of the Plan is to achieve industrial growth within the framework of high environmental standards. This furthers industrial objectives as follows:

- 7.030 (12) Protection of residential, commercial and sensitive industrial uses from adverse environmental impacts of industrial uses.
- 7.030 (14) Protection of the Hedges Creek Wetlands from adverse impacts of adjacent development.
- 7.030 (17) Protection of wooded areas.

[Section B.2.a. amended by Resolution No. 397-02 adopted March 11, 2002.]

b. <u>Traffic and Transportation</u>

Goal 3 of the Plan is to improve traffic access to Interstate 5 and Pacific Highway 99W and within the District. Industrial Planning District objectives which relate to this goal are:

- 7.030 (6) Fully developing the Western Industrial District, providing full transportation, water, and sewer services prior to or as development occurs.
- 7.030 (9) Construction of a north-south major arterial street between SW Tualatin Road and SW Tualatin-Sherwood Road in the SW 124th Avenue alignment.
- 7.030 (10) Rebuilding the SW Tualatin Road/Pacific Highway intersection to allow for substantially greater traffic flows.

Transportation improvements proposed in the Plan have been developed in accordance with objectives of the Transportation Plan and Access Management Plan, which comprise Chapters 11 and 75 of the Tualatin Development Code.

c. <u>Public Utilities</u>

Goal 4 of the Plan is to provide sewer, water and storm drainage adjacent to and within the project area to enable the area to be developed fully and rapidly. Industrial objectives furthered by this goal are as follows:

7.030 (6) Fully developing the Western Industrial District, providing full transportation, water, and sewer services prior to, or as development occurs.

Utility objectives and proposed improvements have been developed in accordance with the Water Service and Sewer Service Plans which comprise Chapters 12 and 13 of the Community Plan. They are also in

accordance with the Tualatin Storm Drainage Master Plan and the Wetlands Protection District Drainage Plan.

C. DESCRIPTION OF PROJECT

The Leveton Tax Increment District (LTID) is characterized by conditions of blight, notably the inadequacy of access and public utilities and the presence of deleterious land uses such as abandoned or marginally-used sand quarries. The LTID plan calls for project activities aimed at alleviating these causes of blight, and preventing future blighting influences.

The Plan thus consists of a program of providing necessary transportation and infrastructure improvements, and for removing the inhibiting influence of the quarries. (Proposed project activities are described in more detail in Section D below.)

Specifically, the Plan addresses the following factors which result in blight and underdevelopment of the two sectors comprising the District:

LEVETON SECTOR

1. <u>Transportation Access</u>

Although the Leveton sector is located only two miles from Interstate 5 and interchanges with Interstate 205 and State Highway 217 are nearby, access to the freeways is underdeveloped. There is no major thoroughfare, which can quickly disperse traffic in all directions. All of the surrounding roads, which connect to SW Tualatin-Sherwood Road (the major arterial connections to I-5) are still developed to rural standards. (These include SW Tualatin Road, SW Herman Road and SW 108th Avenue.)

Access to Highway 217 by way of Pacific Highway is possible but impractical for large trucks. The intersection at SW Tualatin Road is narrow and unsignalized, and trucks must pass through a highly congested commercial strip to access Highway 217 through Tigard.

The most desirable freeway connection is to Interstate 5 by way of SW Tualatin-Sherwood Road, a major east-west arterial in Tualatin. Currently, the route to SW Tualatin-Sherwood Road from the Leveton sector is circuitous and cumbersome, along several roads which do not meet industrial width standards. Trucks leaving the Leveton sector would currently take SW Tualatin Road to SW Teton Avenue to reach SW Tualatin-Sherwood Road. Of these, only SW Teton is improved to industrial arterial standards. (See Map 4, "Proposed Road and Storm Drainage Improvements.")

2. Exposure

Visual exposure to a major thoroughfare is considered to be highly desirable for industrial parks. The exposure of the Leveton sector is far from ideal because it

has minimal frontage along Pacific Highway, and because it is not surrounded by homogeneous uses as typified by industrial sites in the Sunset Corridor or other desirable industrial park locations. The presence of the sand quarry adjacent to the western property line is detrimental to exposure of the site along Pacific Highway.

3. <u>Incompatible Uses</u>

The presence of a periodically mined quarry adjacent to the Leveton parcel poses a hazard to "high-tech" development. Dust and vibration from potential future mining are incompatible with high tech manufacturing, which utilizes sensitive, sophisticated equipment.

4. Lack of On-Site Utilities and Roads

Although water and sewer lines have recently been constructed adjacent to the Leveton sector, there are no on-site utilities; SW 108th Avenue, SW Tualatin Road, and SW Herman Road are unimproved; and there is only a rudimentary dirt road serving the residence. A fully developable industrial site requires on-site utilities and roads in place prior to development.

5. Cost of Improvements

Because of the low level of existing roads and services, the initial development of the Leveton parcel would bear an inordinately high burden of on-site and off-site improvement costs. With a large industrial site, off-site road improvements would be necessary, and on-site roads would have to be constructed such that they will serve the entire interior. Fully-looped water and extensive sewer lines would have to be provided. In addition, storm drainage facilities will be needed both on-site, and off-site in the Hedges Creek drainage basin. This need for substantial up-front improvements adds considerably to the cost of the land, and inhibits its development.

QUARRY SECTOR

1. <u>Topography</u>

The quarry sector has severe topographical constraints. Due to past mining activities, many parcels now have a "split-level" configuration with an average drop of about 50 feet between the upper ledge and the lower bowl. For these parcels, only the upper or lower ground level may be usable for an individual development.

2. Parcel Configuration

The present configuration of most of the quarry sector parcels hinders both the current use and redevelopment of the land. As described above, lot lines do

not correspond to physical characteristics of the terrain. (See Report Map 2, "Natural Features.")

In addition, interior parcels have been laid out without the provision of public roads. This currently poses development problems for individual property owners who must provide access to their land on public rights-of-way.

Recent redevelopment plans for the quarry sector have not been successful. In one case, a metal manufacturing plant planned to locate in the quarry but backed away because of the cost of installing roads, water, and sewer.

A major hindrance to quarry sector development has been infrastructure costs that are too high for an individual user to bear. Redevelopment on a large scale would require reparcelization, which would be difficult since the area is under multiple ownership.

3. Lack of On-Site Utilities and Roads

Streets and utilities are grossly inadequate within the quarry sector. Several parcels are effectively "land-locked" because their only access to Pacific Highway is through a privately owned dirt road. The absence of internal streets is a serious situation for these parcels because this limits their development to lower value industrial uses, which do not require improved roads. Water and sewer lines are located adjacent to Pacific Highway and SW 124th Ave., but these have not been adequately extended to serve the interior of the quarry sector.

As a whole, the quarry sector is underutilized and minimally valuable for high level industrial manufacturing uses. The existing topography, parcel configuration, and lack of infrastructure will continue to hinder this area from reaching its maximum industrial development potential.

[Section C.3 amended by Resolution No. 397-02 adopted March 11, 2002.]

SUMMARY

While the nature of limiting factors differs for the two sectors of the District, lack of adequate transportation facilities seriously impairs development of the entire District. The entire area would benefit substantially by the construction of SW 124th Avenue, a major north-south industrial collector which would provide direct access to Pacific Highway and SW Tualatin-Sherwood Road. The widening of existing roads and the provision of on-site roads and utilities would also make the area more competitive with other industrial sites in the region.

It is crucial that quarrying operations be discontinued and that reclamation of the mined land takes place. For the quarry itself, this would bring the site up to standard for more intensive, better income-producing industrial uses. For the Leveton parcel, an improvement in appearance and the placement of compatible industrial uses along

Pacific Highway would greatly improve its exposure and would eliminate undesirable vibrations, dust and noise.

In order to accomplish the rehabilitation of the quarry sector, to construct a major industrial arterial, and install sewers and roads, there is a need for public assistance in the District. Through a joint public-private redevelopment effort, the Leveton parcel can be brought into its highest and best use as a premier industrial park as envisioned in the Tualatin Community Plan, and the quarry can be restored to appropriate industrial use. The Plan thus calls for project activities within the following categories:

1. <u>Transportation and Infrastructure</u>

Transportation projects will include improvements to the arterial system serving the District (such as widening, construction of turn lanes, intersection improvements, signalization and signage) and construction of access roads to and within the Leveton parcel and the quarry area. Where appropriate, facilities in support of transit and alternative forms of transportation may be pursued.

Infrastructure projects will include extension of water and sanitary sewer lines from existing trunk lines to within the District, and in particular, within the Leveton sector. In addition, drainage facilities for both storm water and for industrial water dischargeable to storm drain systems will be developed.

2. Acquisition and Reclamation of Quarry Sector

Though current regulations of the Oregon Department of Geology and Mineral Industries require reclamation of land from which material has been mined, much of the quarrying of sand which occurred within the quarry area preceded such regulation or has otherwise been exempted. As a result, the area is characterized by abandoned quarry pits, unvegetated and unstable slopes, and undevelopable topography.

In addition, although the Tualatin Development Code does not consider quarrying to be a permitted use in any Planning District, the possibility exists that some quarrying activity might conceivably be allowed to continue or begin. The vibration and noise from such activities would present a severe problem for many of the manufacturing uses anticipated for the Leveton parcel.

The Plan thus calls for considering the acquisition and reclamation of properties most severely impacted by previous quarrying activity. Such properties would be reparcelized and sold for redevelopment into more appropriate industrial uses. Reclamation will take place with the guidance of the Oregon Department of Geology and Mineral Industries.

The Plan also calls for initiating revisions to the Planning District Objectives and Standards regarding the quarry sector. These are discussed in Section F, "Land Use."

[Section C amended by Ordinance No. 777-89, passed June 26, 1989.]

D. OUTLINE OF PROJECT ACTIVITIES

The project activities anticipated under this Plan include public improvements, planning for land acquisition and land reclamation, and land disposition. Specific projects are outlined below as they are anticipated at the time of plan adoption, but are subject to change. Revisions in project specifications, such as alignments, right-of-way widths, capacities and locations shall be considered as being in conformance with the Plan, provided they conform to the goals and objectives of the Plan and do not constitute a change to its basic planning principles.

1. PUBLIC IMPROVEMENTS

a. Road Improvements

As noted in Section C, "Description of Project," (and as described in detail in Section B.1(c) of the Report), roads and streets within the District are inadequate. The Plan calls for the acquisition of right-of-way for, and the design and construction of, the following road improvements, as shown on Map 4A "Proposed Road System Improvements 2002". (In some cases, the road improvements extend beyond the boundaries of the District. In these cases, the Commission shall initiate Agreements by which adjacent properties benefited by the road improvements will pay the district for any funds expended):

SW Tualatin Road and SW Herman Road

Widen to 74 - 78 foot right-of-way, 50 foot paved width, which includes two travel lanes, continuous left turn lane, and bike lanes. Planter strips and sidewalks are also included within the right-of-way.

SW 124th Avenue

Design and construct, to connect SW Tualatin-Sherwood Road to Pacific Highway 99W. Reconstruct the intersection of SW 124th Avenue/Pacific Highway/SW Tualatin Road. The roadway should include a right-of-way width of 98-102 feet, a paved width of 74 feet, which includes four travel lanes, a continuous center turn lane or landscaped median and bike lanes. Planter strips and sidewalks are also included within the right-of-way.

SW 108th Avenue

Widen to 64-foot right-of-way, with two lanes and continuous left turn lane.

Local Access Roads

SW Leveton Drive will be constructed as an east/west local access road which connects SW 124th Avenue and SW 108th Avenue. Right-of-way width will be 60 feet.

SW 118th Avenue will be designed and constructed as a north-south connector joining SW Leveton Drive to SW Herman Road. Right-of-way width will be 60 feet.

Leveton Drive will be extended to the west to a point where 130th Ave. turns north. 130th Avenue connects to the Leveton Drive extension and extends to the north to intersect with Pacific Highway 99W at a proposed signal. 125th Avenue will travel north from its connection with the Leveton Drive extension. 128th Avenue will travel south to the proposed Cummins Street. Cummins Street will extend from its connection with 128th Avenue to the west to its intersection with Cipole Road and future signal. All of these proposed roadways are classified as a Local Commercial/Industrial and include a right-of-way width of 60 feet, a paved width of 40 feet, which includes two travel lanes and a center turn lane. Additionally, planter strips and sidewalks are included within the right-of-way. (See Map 4A, "Proposed Road System Improvements 2002")

Traffic Signals

Design and construct traffic signals at the following locations: 108th Avenue/Herman Road, 118th Avenue/Herman Road, 124th Avenue/Herman Road, 124th Avenue/Leveton Drive, 124th Avenue/Tualatin Road, 124th Avenue /Highway 99W, 124th Avenue/Tualatin Sherwood Road, 108th Avenue /Leveton Drive, 108th Avenue/Tualatin Road, and 130th/ Highway 99W.

b. Water Lines

The Plan calls for the acquisition of easements, if necessary, and the design and construction of the following improvements to the domestic water supply system, as shown on Map 5A "Proposed Water Improvements 2002":

 Installation of lines within the rights-of-way of SW Leveton Drive and SW 118th Avenue.

- Installation of a line within the SW 108th Avenue right-of-way.
- Installation of a High Capacity line extending from Herman Rd. in the 108th Ave right-of-way to Leveton Drive where it turn west and terminates approximately mid-way between 124th Ave. and 108th Ave.

c. Sanitary Sewer Lines

The Plan calls for the acquisition of easements, if necessary, and the design and construction of the following improvements to the sanitary sewer system, as shown on Map 6A "Proposed Sewer Improvements".

• There are two options for new sewer capacity in the area as follows: (1) Installation of a sewer line extending from 130th Ave. east along the southern boundary to Hedges Creek then along Hedges Creek (See Map 6A). (2) Extend a sewer line north in 118th Ave and then west in Leveton Drive and then north along the west side of the Novellus property and connect to the main Clean Water Services trunk line (See Map 6A).

d. Storm Drainage Facilities

The Plan calls for the acquisition of easements, if necessary, and the design and construction of the following storm drainage facilities. (See Map 4B, "Proposed Storm Improvements 2002.") In the case of improvements, which extend beyond the boundaries of the District, the Commission shall initiate agreements by which adjacent benefited property owners will pay the District for any funds expended.

- Construction of a storm drain line along the east boundary of the Leveton parcel to SW Herman Road.
- Construction of improvements to Hedges Creek, in accordance with the City of Tualatin's Drainage Master Plan, and the Wetlands Protection District Drainage Plan.
- Construction of storm drainage improvements to serve the quarry sector.
- Construction of storm drains within road rights-of-way.
- Construction of storm water detention and treatment facilities, including a detention area at the southeast corner of the Leveton parcel.

[Section D.1.amended by Resolution No. 397-02 adopted March 11, 2002 and by Ordinance 1105-02 passed

2. LAND ACQUISITION. RECLAMATION AND REDEVELOPMENT

The Plan calls for the consideration of the acquisition of the properties in the quarry sector, and for their reclamation and disposition for redevelopment in conformance with the objectives of the Plan. The Plan also calls for acquisition of rights-of-way including easements, for the road and utility projects described in the Plan. These project activities are described more fully in Section E, "Real Property Acquisition and Disposition."

[Section D amended by Ordinance No. 777-89, passed June 26, 1989.]

E. COMPLETED PROJECT ACTIVITIES

1. PUBLIC IMPROVEMENTS

a. Road Improvements

The following improvements to the transportation system were made as shown on Map 4A:

- SW Leveton Drive 108th Ave. to 124th Ave.
- SW Tualatin Road
- SW 108th Avenue
- SW 118th Avenue
- SW 124th Avenue Hwy. 99W to Leveton Drive
- Reconstruction of intersection of SW 124th Avenue/Pacific Highway /SW Tualatin Road.

b. <u>Water Improvements</u>

The following improvements to the water system were made as shown on Map 5A:

- Installation of lines within the rights-of-way of SW Leveton Drive, SW Tualatin Road, 108th Avenue, 118th Avenue, 124th Avenue.
- Installation of a High Capacity line extending from Herman Rd. in the 108th Avenue right-of-way to Leveton Drive where it turns west and terminates approximately mid-way between 118th and 108th Avenue.

c. Sanitary Sewer Improvements

The following improvements to the sanitary sewer system were made as shown on Map 6A:

 Installation of lines within the rights-of-way of SW Leveton Drive, 108th Avenue, 118th Avenue, 124th Avenue.

d. Storm Drainage Improvements

The following improvements to the storm drainage system were made as

shown on Map 4B:

- Construction of a storm drain line along the east boundary of the Leveton parcel to SW Herman Road.
- Construction of storm drains within road rights-of-way for Leveton Drive, Tualatin Road, 108th Avenue, 118th Avenue, 124th Avenue.
- Construction of storm water detention and treatment facilities, including a detention area at the southeast corner of the Leveton parcel, and the Leveton Wetland Mitigation Project.

[Section E amended by Resolution No. 397-02 adopted March 11, 2002.]

F. REAL PROPERTY ACQUISITION AND DISPOSITION

1. <u>OPTIONS</u>

The Commission may obtain options on property in the District and transfer such property to developers for development in accordance with this Plan at a purchase price substantially equal to the purchase price provided in the option. Such action may be taken by the Commission without further amendment to this Plan. In connection with any such transaction, the Commission may temporarily take title to the property for purposes of requiring the developer to purchase, develop and use the property in accordance with the Plan pursuant to a Disposition and Development Agreement.

2. QUARRY SECTOR

As is described in Section C of the Plan, Project Description, and Section B of the Report, the quarry sector is blighted by its severe topography, fragmented ownership patterns, platting, and lack of services and access. In response to these factors, the renewal of the area requires that the Commission consider the acquisition of the impacted properties and plan for their reclamation and redevelopment. When the Commission has approved an acquisition plan and schedule, such plan and schedule will be added to the Plan as a substantial amendment.

The Commission will further plan for the specific provision of access and services to the quarry area, and carry out the necessary improvements as required to support the redevelopment of the area. Disposition of the property will occur as is feasible, for the public improvements described in the Plan, and for appropriate industrial uses which are in conformance with the Tualatin Development Code, and this Plan. As is discussed in Section F, "Land Use," the Plan calls for a combination of map and text amendments to the Development Code to encourage a range of industrial uses more compatible with the adjacent MP, Manufacturing Park Planning District. These uses will be facilitated by improvement of the area, and the terms of disposition will further encourage such development.

3. ACQUISITION PROCEDURES

Real property shall be acquired in accordance with all applicable State statutes, and specific declarations of necessity for the property shall be adopted by resolution by the Commission, prior to actual acquisition. The Commission shall offer fair market value for the property, as determined by an independent appraisal process. Occupants of the properties will be entitled to relocation assistance, as discussed in Section G, "Relocation Assistance." Property acquired for development shall, except as permitted by Subsection E.1 hereof, be identified by an amendment to the Plan.

4. <u>DISPOSITION</u>

Property disposition for redevelopment shall be governed by Disposition and Development Agreements, and would be at a value determined by the Commission to be its fair reuse value, which represents the value, whether expressed in terms of rental or capital price, at which the Commission in its discretion determined such land should be made available in order that it may be developed, redeveloped or otherwise used for the purposes specified in this Plan. Conveyance shall be subject to an agreement by the purchaser or lessee to use the land for purposes designated in the Plan and to begin the development or redevelopment within a reasonable period of time, as determined by the Commission.

5. LESS THAN FEE SIMPLE TITLE

The Plan also calls for the acquisition of rights-of-way, including easements or other acquisition of less than fee simple title, for the public improvement projects described in Section D.1. Such rights-of-way and partial interests shall be conveyed to the City of Tualatin upon property completion. The City shall accept these improvements and the maintenance thereof.

[Section F amended by Resolution No. 156-88, S1, adopted November 1, 1988 and Resolution No. 397-02 adopted March 11, 2002.]

G. LAND USE

Land use within the Leveton Tax Increment District is governed by the Planning District Standards contained in the Development code. Within the District, land is currently designated as MP, Manufacturing Park, ML, Light Manufacturing, and MG, General Manufacturing. A change to CG, General Commercial, is recommended for a 7.20-acre parcel bounded by SW Pacific Highway 99W, SW 124th Avenue, and SW Tualatin Road (straight and realigned sections). A further change to MP, Manufacturing Park, is recommended for approximately 20 acres of a larger 58-acre parcel bounded by SW Tualatin Road, SW 108th Avenue, and SW Leveton Drive.

Manufacturing Park Planning District (MP)

The Development Code describes the objectives of the MP Planning District as follows:

- (a) The purpose of this district is to provide an environment exclusively for and conducive to the development and protection of modern, large-scale specialized manufacturing and related uses and research facilities. Such permitted uses shall not cause objectionable noise, smoke, odor, dust, noxious gases, vibration, glare, heat, fire hazard or other wastes emanating from the property. The district is to provide for an aesthetically attractive working environment with park or campus-like grounds, attractive buildings, ample employee parking and other amenities appropriate to an employee oriented activity.
- (b) It also is to protect existing and future sites for such uses by maintaining large lot configurations including lots not less than 15 acres pursuant to an approved Industrial Master Plan and limiting uses to those that are of a nature so as to not conflict with other industrial uses or surrounding residential areas.
- (c) It also is intended to provide for a limited amount of commercial uses designed for the employees of the primary uses. The MP Planning District standards describe permitted uses, minimum lots sizes and other requirements. These are contained in Chapter 62 of the Tualatin Development Code.

Industrial Master Plan

Chapter 37 of the Tualatin Development Code provides for certain aspects of site design to be determined by an Industrial Master Plan reviewed and approved by the Tualatin City Council. In order to create an integrated, campus-like setting rather than the impression of isolated, discrete industrial lots, an Industrial Master Plan allows the attachment of special requirements to individual developments within an Industrial Master Plan Area defined by that plan.

In general, an Industrial Master Plan should seek to achieve the following objectives:

- (a) Preserve a spacious, open park-like character along public street frontages, emphasizing views of front offices, main entry doors, and special landscape features.
- (b) Minimize views of automobile and truck circulation, parking and loading, and outdoor storage areas, from the public right-of-way.
- (c) Encourage the siting of buildings so as to create the impression of large-

scale developments and to avoid unusable empty spaces between buildings (e.g. narrow side yards, etc.). Where practicable, smaller buildings should be located very close together in order to create the impression of a single large facility surrounded by open space.

- (d) Encourage the sharing of access to internal and public roadways, utilities through easements and parking and circulation areas, especially in locations screened from view from the public right-of-way by buildings, landscaping and topography.
- (e) Emphasize and preserve a high-quality environment by requiring the use of quality materials and building techniques.

The following means shall be used in furtherance of the above objectives:

- (a) Setbacks for buildings and for parking and circulation areas may be determined for the Industrial Master Plan Area as a whole, or specified for each lot within it. Setbacks can be used to define the placement and massing of buildings, as well as the location of parking and circulation areas.
- (b) A limited set of building materials, colors, and landscape materials may be specified.
- (c) The location of building elements, such as front offices, main entry doors, and truck loading facilities, may be specified in order to determine the general orientations of buildings throughout the Industrial Master Plan Area.
- (d) Individual lot sizes shall be not less than 15 acres on the north side of SW Leveton Drive pursuant to an approved IMP.

General Manufacturing Planning District (MG)

The Development Code describes the objectives of the MG Planning District as follows:

- (a) Suitable for light industrial uses and also for a wide range of heavier manufacturing and processing activities. These uses are expected to be more unsightly and to have more adverse environmental effects than the uses allowed in the Light Manufacturing Planning District.
- (b) Railroad access and open storage will be allowed in this district, conforming to defined architectural, landscape and environmental design standards.
- (c) The heaviest industrial uses that are environmentally adverse or pose a

hazard to life and safety shall be prohibited. The MG Planning District standards describe permitted uses, minimum lot sizes and other requirements. These are contained in Chapter 61 of the Tualatin Development Code.

(d) The purpose is also to allow the retail sale of products manufactured, assembled, packaged or wholesaled on the site provided the retail sale area, including the showroom area, is no more than 5% of the gross floor area of the building not to exceed 1,500 square feet.

Light Manufacturing Planning District (ML)

The Development Code describes the objectives of the ML Planning District as follows:

- (a) The purpose of this district is to provide areas of the City that are suitable for industrial uses that are compatible with adjacent commercial and residential uses. The district serves to buffer heavy industrial uses from commercial and residential areas. The district is suitable for warehousing, wholesaling, and light manufacturing processes that are not hazardous and that do not create undue amounts of noise, dust, odor, vibration or smoke.
- (b) The district is also suitable for retail sale of products manufactured, assembled, packaged or wholesaled on the site provided the retail sale area, including the showroom area, is no more than 5% of the gross floor area of the building not to exceed 1,500 square feet and, with appropriate restrictions, for retail sale of products not allowed for sale in General Commercial Planning Districts, and office commercial uses where any portion of a legally created lot is within 60 feet of a CO Planning District boundary.
- (c) Certain heavier manufacturing uses may be allowed as conditional uses.
- (d) Land extensive commercial uses such as automobile, truck and equipment sales and rentals are appropriate uses in this district, subject to approval of a conditional use permit.
- (e) Railroad access and open storage will be allowed in this district, conforming to defined architectural, landscape and environmental design standards.

General Commercial Planning District (CG)

The Development Code described the purpose of the CG Planning District as follows:

- (a) The purpose of this district is to provide areas of the city that are suitable for a full range of commercial uses, including those uses that are inappropriate for the neighborhood, office, or central commercial areas.
- (b) This district is particularly suitable for businesses needing direct automobile access to the freeway and the arterial streets leading to the freeway. Such uses are motels, drive-in restaurants, automobile service stations, and car washes. Other suitable automobile-related businesses are automobile upholstery shop or automobile tire shop. Automotive uses that use large amounts of land, such as automotive truck and machinery sales and rental, are not appropriate uses in this district.

High Density Residential

The Development Code describes the purpose of the RH Planning District as follows:

(a) To provide areas of the City suitable for townhouses, high density garden apartment and condominium developments.

Proposed Plan Map and Text Amendments 1985

It is the intent of this Plan to initiate applications for Plan Map and Text Amendments to accomplish the following:

- Redesignate land within the quarry sector from MG, General Manufacturing to ML, Light Manufacturing. (See Map 7, "Land Use Plan.")
- Redesignate a 7.20-acre parcel of land bounded by SW Pacific Highway 99W, SW 124th Avenue and SW Tualatin Road from MP/MG to CG (General Commercial). (See Map 7, "Land Use Plan.")

The amendments proposed by the Plan will be initiated utilizing the application process called for in the Development Code, and will be the subject of duly noticed public hearings.

[Section G amended by Ordinance No. 777-89, passed June 26, 1989; Ordinance No. 935-94, passed December 12, 1994; Ordinance No. 1036-99, passed November 22, 1999, and Resolution No. 397-02 adopted March 11, 2002.]

H. RELOCATION

The acquisition and redevelopment of real property within the Quarry Sector may result in the displacement of residents and businesses. The Commission, in April 1985, adopted Relocation Regulations which govern the eligibility requirements and benefits which would be available to displaced persons or businesses. These regulations conform to the requirements of ORS 281.045 - 281.105 and to applicable sections of the Federal Uniform Relocation Assistance and Real Property Acquisition Policy Act of 1970.

[Section H amended by Ordinance No. 777-89, passed June 26, 1989, and by Resolution No. 397-02 adopted March 11, 2002.]

I. METHODS OF FINANCING THE PLAN

GENERAL DESCRIPTION OF THE PROPOSED FINANCING METHODS.

The Commission may borrow money and accept advances, loans, grants and any other form of financial assistance form the Federal Government, the State, City, County, or other public body, or from any sources, public or private, for the purposes of undertaking and carrying out this Plan, or may otherwise obtain financing as authorized by ORS Chapter 457.

The funds obtained by the Commission shall be used to pay or repay any costs, expenses, advancements and indebtedness incurred in planning or undertaking project activities or in otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

2. SELF-LIQUIDATION OF COSTS OF PROJECT

The Commission proposes to finance the Plan, and the projects undertaken with respect to the Plan, through tax increment financing as authorized by Article IX, Section 1c of the Oregon Constitution and ORS 457.420 through 457.460. This Plan authorizes the division of ad valorem taxes pursuant to ORS 457.420 through 457.460. Such financing is authorized by the statute when the plan contains the following provisions: the ad valorem taxes, if any, levied by a taxing district in which all or a portion of an urban renewal area is located, shall be divided by rates as provided in Section 1c, Article IX of the Oregon Constitution and ORS 457.440.

The maximum indebtedness pursuant to ORS 457.190 which may be incurred under this Plan is \$36,424,338. Nothing in this section is intended to inhibit the ability of the Commission to refinance or refund existing bonded indebtedness that may be issued under the Plan.

[Section I-2 amended by Ordinance No. 777-89, passed June 26, 1989.]

3. PRIOR INDEBTEDNESS

Any indebtedness permitted by law and incurred by the Commission or the City in connection with preplanning for this Urban Renewal Plan shall be repaid from tax increments from the District when and if such funds are available.

J. FUTURE AMENDMENT PROCESS

This plan may be reviewed and analyzed periodically and will continue to evolve during the course of the project implementation and ongoing planning. The Plan may be amended or changed as needed. All amendments or changes to the Plan will be made in writing and will be approved by the Commission, the Tualatin City Council, or both. The amendments or changes may be substantial amendments, Council approved amendments or minor amendments. Minor amendment to the Plan shall be approved by the Commission by resolution. Council approved amendments to the Plan shall be approved by the Tualatin City Council through a hearing process and adopted by ordinance. Substantial amendments to the Plan shall be approved by the Tualatin City Council by non-emergency ordinance pursuant to ORS 457.095 and 457.220 after public notice and hearing. Presentation of any amendment to the Commission or Council shall be accompanied by the recommendation of the Urban Renewal Advisory Committee

Minor Amendments

- 1. Amending the plan for consistency with the Tualatin Community Plan and Development Code.
- 2. All amendments or changes in this Plan, which are not substantial or Council approved amendments as specified below, shall be considered minor amendments. Minor amendments shall include identification of property for acquisition pursuant to projects, activities or programs specified in this Plan for public use or for private redevelopment.

Council Approved Amendments

- 1. Addition of less than 1% land area to the urban renewal area as authorized by statute.
- 2. Extending the date after which no bonded indebtedness shall be issued with respect to the Plan or any project undertaken or to be undertaken by the Plan.
- 3. Adding a new project, activity, or program which:
 - (a) Serves or performs a substantially different function from any project, activity, or program specified in this Plan; and
 - (b) Is estimated to cost (excluding administrative costs) in excess of \$500,000 adjusted annually from 1991 at a rate equal to inflation.
- 4. Making other changes in the Plan, which alter the major assumptions, purposes, and objectives underlying this Plan.

Substantial Amendment

- 1. Adding land to the urban renewal area (except such minor additions of land as may be authorized by statute as not constituting a substantial amendment).
- 2. Increasing the maximum amount of bonded indebtedness excluding bonded indebtedness issued to refinance or refund existing bonded indebtedness issued or to be issued under the Plan.

From time to time during the implementation of this Plan, the Tualatin City Council may officially approve amendments or modifications to the City's Comprehensive Plan and implementing ordinances. Furthermore, the Tualatin City Council may from time to time amend or approve new codes, regulations or ordinances, which affect the implementation of this Plan. When such amendments, modifications, or approvals have been officially enacted by the City Council, such amendments, modifications or approvals, which affect the provisions of this Plan shall be deemed minor amendments to the Plan and shall, by reference, become a part of this Plan.

[Section J amended by Ordinance No. 777-89, passed June 26, 1989; and by Resolution 184-91 adopted September 9, 1991. Section I amended by Resolution No. 390-01, adopted December 10, 2001, and Resolution No. 397-02 adopted March 11, 2002.]

K. LEGAL DESCRIPTION FOR THE CITY OF TUALATIN LEVETON TAX INCREMENT DISTRICT

A portion of Section 15, 21, 22, 27, and 28, Township 2 South, Range 1 West, Willamette Meridian, Washington County, Oregon, said portion being more particularly described as follows:

Beginning at the intersection of the Easterly right-of-way line of SW Pacific Highway (Oregon State Highway 99W) and the Northerly right-of-way line of SW Tualatin Road (County Road No. 1063) which bears South 89°52' East, 471.9 feet and North 00°08' East, 30.00 feet from the Southwest corner of said Section 15;

Thence South 89°52' East along the Northerly right-of-way line of said SW Tualatin Road, parallel with and 30.00 feet North of the South line of said Section 15, and along the Southerly lines of those certain tracts of land described in deeds to, and recorded in the Washington County, Oregon deed records as follows:

Leland Ariss and Martha Louis Arris, Book 803, Page 293, Clay Dorsey and Honerhea Dorsey, Book 487, Page 380; Robert F. Livingston and Josephine Livingston, Document No. 82-13813; James Van Sickle and Joan Van Sickle, Book 1181, Pages 441, 440 and 439; Lombard F. Brown and Sherley G. Brown, also known as Shirley G. Brown, Document No. 83-8863; James P. Harmon and Christina M. Harmon, Document No. 80-6349; Douglas Slaughter and Irene Slaughter, Document No.80-46947; Robert E. Livingston and Grace W. Livingston, Document No. 79-50737; Kenneth R. Dickson and Rosa Lee Dickson, Book 487, Page 380; Richard J. Hanegan

and Debra Hanegan, Reel 913, Page 525; Victor J. Hanegan and Murnice M. Hanegan, Book 426, Page 500; State of Oregon, Department of Veterans Affairs, Document No. 89-2926; Charles L. Roberts and Florence Roberts, Book 465, Page 213; and Craig E. Fritz, Document No. 83-34389, 4,150.1 feet, more or less, to the Southwest corner of Winchester Estates as recorded in Book 48, Page 23, Records of Town Plats;

Thence North 0°08'30" West, along the West line of said Winchester Estates, 3.50 feet to the Southwest corner of Lot 19 in said subdivision;

Thence South 89°33'44" East, along the South line of Lots 19 and 18 in said Winchester Estates, 20.55 feet, more or less, to a point on the Northerly projection of the East right-of-way line of SW 108th Avenue (County Road No. 1278);

Thence South, along said East right-of-way line of SW 108th Avenue (County Road No. 1278), 1,650.50 feet to a point on the Easterly projection of the North line of a tract of land conveyed to James E. Harrison and Jean T. Harrison by deed recorded in Book 251, Page 665, Deed Records;

Thence North 89°28' West, along said Easterly projection and along the North line of said Harrison tract, 679.38 feet to the Northwest corner thereof;

Thence South, along the West line of said Harrison tract, 297.00 feet to the Southwest corner thereof:

Thence South 89°28' East, along the South line of said Harrison tract and the Easterly projection thereof, 679.38 feet to the East right-of-way line of SW 108th Avenue (County Road No. 1278);

Thence South, along said East right-of-way line, 327.2 feet, more or less, to the Northerly right-of-way line of the Southern Pacific Railroad, being also the Southerly right-of-way line of SW Herman Road (County Road No. 489);

Thence South 67°33' West, along said Southerly right-of-way line, 735.05 feet, more or less, to the East line of a tract of land conveyed to William Leveton by deed recorded in Book 1000, Page 713, Deed Records;

Thence South, along said East line, 123.5 feet, more or less, to the Southeast corner of said Leveton tract;

Thence, along the Southerly line thereof and the East-West centerline of the aforesaid Section 22, South 89°48' West, 1949.18 feet to the Northwest corner of that certain tract of land described in deed to Delmar A. Walgraeve, recorded as Document No. 82-8873, said deed records, said point also being the Northwest corner of Lot 2, Eddy Acres, a plat of record in Washington County, Oregon;

Thence, along the Westerly line of said Walgraeve tract, South, 690.82 feet to the Northerly right-of-way line of the Southern Pacific Railroad being also the Southerly

right-of-way line of SW Herman Road (County Road No. 489);

Thence, along said Southerly right-of-way line, South 67°19' West, 1057.04 feet to the intersection with the Easterly line of that certain tract of land described in deed to Albina Fuel Company, an Oregon corporation, recorded in Book 1047, Page 65 said deed records;

Thence, along the Easterly line of said Albina Fuel Company tract, North 1095.90 feet to the Northeast corner thereof;

Thence, along the Northerly line thereof and the East-West centerline of said Section 22, South 89°48' West, 371.34 feet to the Northwest corner thereof;

Thence, along the Westerly line of said Albina Fuel Company tract, South 1049.44 feet to the Northwest corner of that certain tract of land described in deed to Charles P. Breidenbach and Carol A. Breidenbach, recorded in Book 1167, Page 8, said deed records:

Thence, along the Northerly line of said Breidenbach tract, North 89°48' East, 83.02 feet to the Northeast corner thereof;

Thence, along the Easterly line of said Breidenbach tract, South 165.72 feet to the Southerly right-of-way of the aforesaid SW Herman Road;

Thence, along said Southerly right-of-way, South 67°19' West, 549.23 feet;

Thence, parallel with and 226.00 feet Easterly of the West line of said Section 22, South 00°22' West, 91.39 feet;

Thence, perpendicular to said West Section line, North 89°38' West, 11.00 feet;

Thence, parallel with and 215.00 feet Easterly of the West line of said Section 22, South 00°22' West, 137.00 feet;

Thence, perpendicular to said West Section line, North 89°38' West, 1.00 feet to the Easterly line of that certain tract of land described in that dedication deed to City of Tualatin, recorded as Document No. 97-102857, said deed records;

Thence, along the Easterly line of said City of Tualatin tract and parallel with and 214.00 feet Easterly of the West line of said Section 22, South 00°22' West, 445.90 feet:

Thence, South 44°51'57" East, 57.70 feet;

Thence, South 00°04'08" West, 7.00 feet to the Northerly line of that certain tract of land described in that dedication deed to City of Tualatin, recorded as Document No. 84-27454, said deed records;

Thence, South 17°55'47" East, 48.89 feet to the South right-of-way line of SW Myslony Street (County Road No. 1137), a 33-foot-wide road;

Thence, South 44°18' 34" West, 79.76 feet;

Thence, North 89°37′ 59″ West, 30.00 feet to the East right-of-way line of SW 124th Avenue (County Road Number 489), a 40-foot-wide road;

Thence, along the East line of said SW 124th Avenue, South 00°22' West, 409.26 feet to an angle point of said right-of-way line;

Thence, along said right-of-way line, South 89°52' West, 185.00 feet to an angle point on said right-of-way line;

Thence, along said right-of-way line and parallel with and 20.00 feet East of the line common to the aforesaid Section 27 and 28, South 00°27' West, 1300.50 feet to a point on the South line of the Westerly tract of land described as Parcel 2 in that deed to Jessie E. Wager recorded in Book 455, Page 216, said deed records;

Thence, along the Southerly line thereof, South 89°51' West, 20.00 feet to a point on the East line of said Section 27;

Thence, along the South line of that certain tract of land described in that memorandum of agreement between Nettie Cole, Mary Cole, Walter E. Cole, Madge W. Cole, Frank G. Cole, Neva Cole, Clarence T. Cole and Bernie Adams Reid recorded as Document No. 79021082 said deed records, North 89°43' West, 20.00 feet:

Thence, parallel with and 20.00 feet West of the East line of said Section 28, along the West right-of-way line of said County Road No. 489, North 00°27' East 1340.50 feet to an angle point in said right-of-way line;

Thence, along said right-of-way line, North 89°52' East, 185.00 feet to an angle point in said right-of-way line;

Thence, parallel with and 145.00 feet Easterly of the West line of Section 22, along the West right-of-way line of said County Road No. 489, North 00°22' East, 370.00 feet:

Thence, perpendicular to said West Section line, North 89°38' West, 29.15 feet;

Thence, North 00°51'59" East, 17.47 feet to a point that is 116.00 feet Easterly, when measured at a right angle to, the West line of Section 22;

Thence, parallel with and 116.00 feet Easterly of the West line of Section 22, North 00°22' East, 480.54 feet;

Thence, leaving said parallel line, North 00°46'48" West, 154.05 feet;

Thence, North 22°24'12" West, 115.68 feet to the Southerly right-of-way line of the aforesaid SW Herman Road:

Thence, 74.62 feet Southwesterly along said right-of-way line, along a curve taper, the chord of which bears South 66°20'03" West, 74.60 feet, to the West line of Section 22;

Thence, along said West Line, North 00°22' East, 11.00 feet;

Thence, Southwesterly, along said right-of-way line, 219.24 feet, along a 2871.26 foot radius curve to the left, through a central angle of 4°22'30", the long chord of which bears South 63°33'17" West, 219.19 feet;

Thence, North 39°00'51" West, 54.84 feet to the Northerly line of that certain tract of land described in that dedication deed to City of Tualatin, recorded as Document No. 85-26521, said deed records;

Thence, along the Northerly line of said City of Tualatin tract, 43.72 feet, along a 50.00 foot radius curve to the left, through a central angle of 50°06'06", the long chord of which bears North 36°05'05" East, 42.34 feet;

Thence, North 62°51'38" East, 92.18 feet to the Easterly line of that certain tract of land described as the "Portland Chain Building" in deed to Jean Venture, LLC, an Oregon Limited Liability Company, recorded in Document No. 98-20945, said deed records;

Thence, leaving said line, South 89°40'34" East, 23.10 feet;

Thence, parallel with and 8.00 feet Northwesterly of the Southeasterly line of said tract, 105.83 feet, along a 2933.26 foot radius curve to the right, through a central angle of 02°04'02", the long chord of which bears North 65°05'49 East, 105.83 feet;

Thence, continuing parallel, North 67°06'45" East, 93.65 feet;

Thence, leaving said parallel line, North 35°58'22" East, 60.36 feet;

Thence, parallel with and 17.00 feet Westerly of the East line of said tract, North 00°25'41" East, 408.00 feet to the North line of said tract;

Thence, along said North line, North 82°57'08" East, 4.03 feet to the Southwest corner of that certain tract of land described in that dedication deed to City of Tualatin, recorded as Document No. 2000-57179, said deed records;

Thence, along the West line of said City of Tualatin Tract, North 00°25'41" East, 205.06 feet to the Northwest corner of said tract;

Thence, along the North line of that certain tract of land described in that special warranty deed to Northwest Investment recorded as Document No. 90-59543 said

deed records, South 83°19'38" West, 4.03 feet to the Southwest corner of that certain tract of land described in that dedication deed to City of Tualatin, recorded as Document No. 94-27889, said deed records;

Thence, along the West line of said City of Tualatin Tract, North 00°25'41" East, 262.02 feet to the Northwest corner of said tract, said point also being the Southwest corner of that certain tract of land described in that dedication deed to City of Tualatin, recorded as Document No. 97-104476, said deed records;

Thence, along the West line of said City of Tualatin Tract and its Northerly prolongation, North 00°25'41" East, 487.82 feet to the East-West centerline of Section 22;

Thence, along the East-West centerline of the aforesaid Section 22, South 89°48' West, 117.44 feet to the West ¼ corner of said Section 22 and the East ¼ of the aforesaid Section 21;

Thence, along the East-West centerline of said Section 21, and along the South line of that certain tract of land described in that assignment of contract to Claude Brinegar and Esthere M. Albertson recorded as Document No. 80-20047 in said deed records, South 89°37' West, 1679.80 feet to the Southeast corner of that certain tract of land described in deed to Vernon E. Anderson and Jacqueline M. Anderson recorded as Document No. 82-17104 said deed records;

Thence, along the Easterly line thereof, North 00°24' West, 512.66 feet;

Thence, continuing along said Easterly line, North 89°36' East, 69.84 feet;

Thence, continuing along said Easterly line, North 00°24' West, 72.70 feet;

Thence, continuing along said Easterly line, South 89°36' West, 69.84 feet;

Thence, continuing along said Easterly line, North 00°24' West, 580.02 feet to a point on the Southeasterly right-of-way line of the aforesaid SW Pacific Highway;

Thence, along said right-of-way line, parallel with and 50.00 feet from a centerline spiral to the left (total spiral length = 400 feet, S = $4^{\circ}00'$, a = 0.5) 273 feet, more or less, to a point of curve to spiral (Engineer's Station 288 + 64.03 P.C.S.);

Thence, along the arc of a 2914.79 foot radius curve to the left, through a central angle of 8°18'00", 422.24 feet (the long chord of which bears North 59°51' East, 421.87 feet) to a point of spiral to curve (Engineer's Station 284 + 49.03 P.S.C.);

Thence, parallel with and 50.00 feet from a 400 foot long centerline spiral ($S = 4^{\circ}00'$, a = 0.5), 403.49 feet, (the long chord of which bears North 50°21'37" East, 403.41 feet to a point of tangency (Engineer's Station 280 + 49.03 P.S.);

Thence, along said right-of-way line, North 51°42' East, 590 feet, more or less, to a

point on the West line of that certain tract of land described in deed to Lawrence J. Blum and Marion S. Blum recorded in Book 509, Page 113, said deed records, and an angle point in the aforesaid right-of-way line;

Thence, along the said West line South 00°24' West, 12.81 feet to an angle point in said right-of-way line;

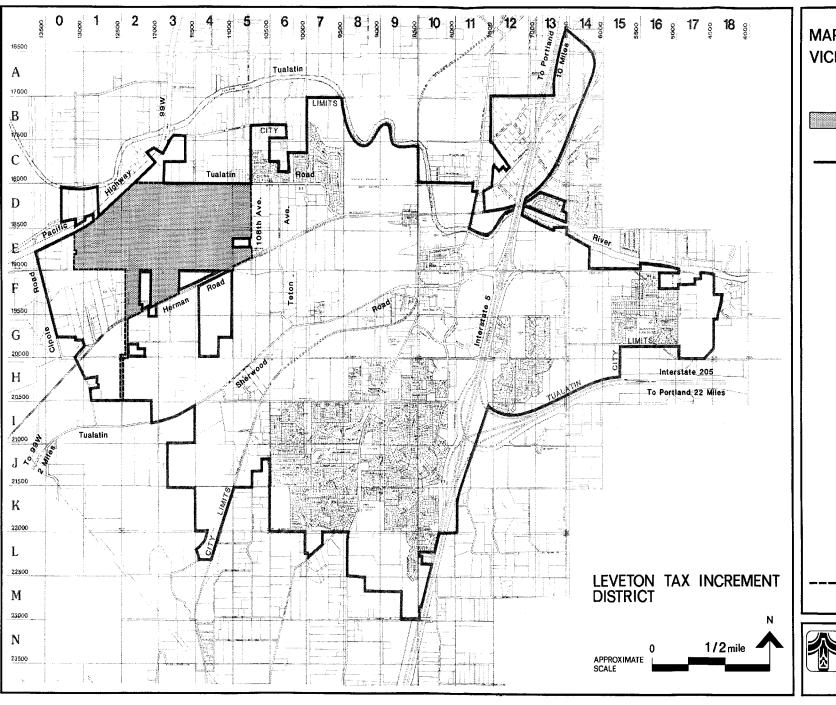
Thence, continuing along said right-of-way line, North 51°42' East, 458.6 feet to an angle point in said right-of-way line;

Thence, North 00°24' East, 12.81 feet to an angle point in said right-of-way line;

Thence, continuing along said right-of-way line, North 51°42' East, 515 feet, more or less, to the point of beginning.

Containing 380.3 acres.

[Section K amended by Ordinance No. 777-89, passed June 26, 1989, Resolution No. 390-01, adopted December 10, 2001, and Resolution No. 397-02 adopted March 11, 2002.]



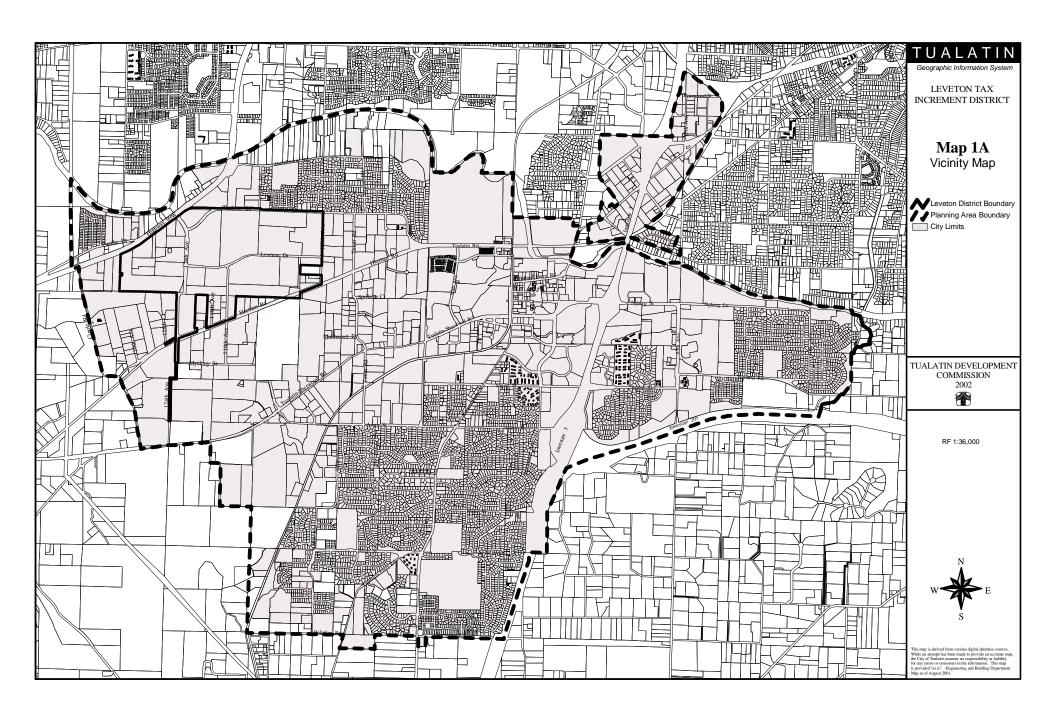
MAP 1 VICINITY MAP

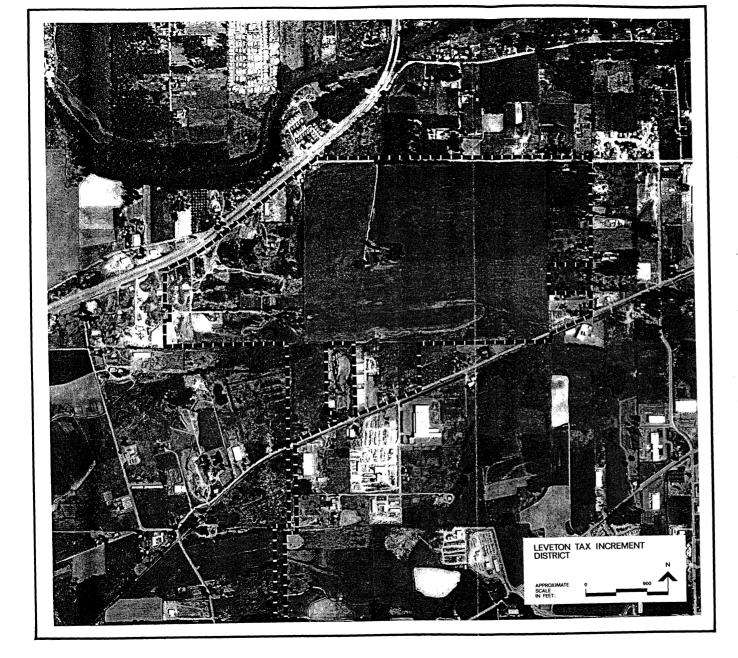
SITE

CITY LIMITS

__ District
Boundary



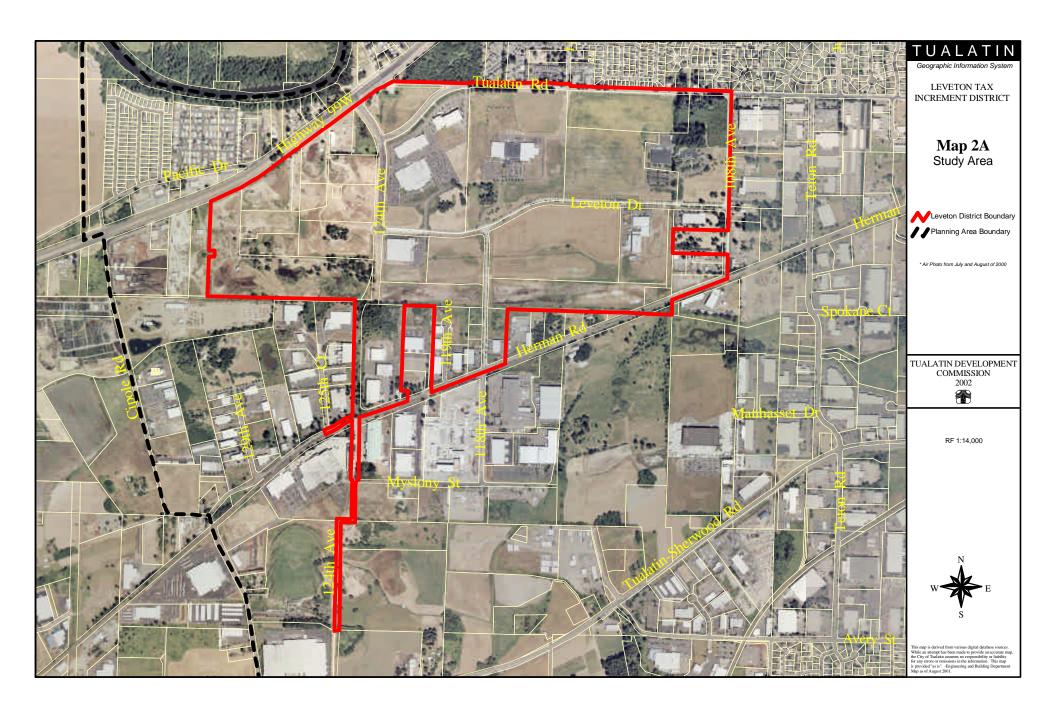


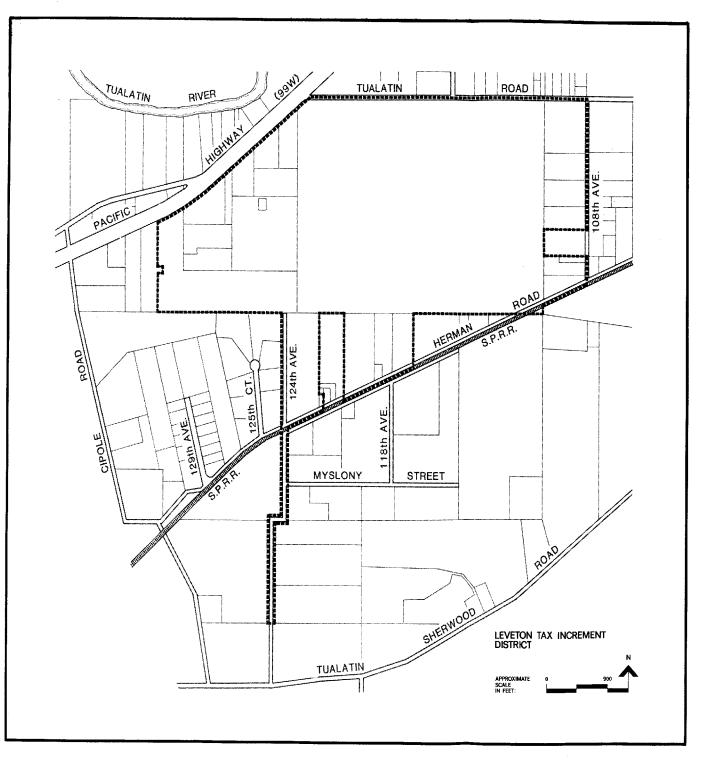


MAP 2 STUDY AREA

BOUNDARY



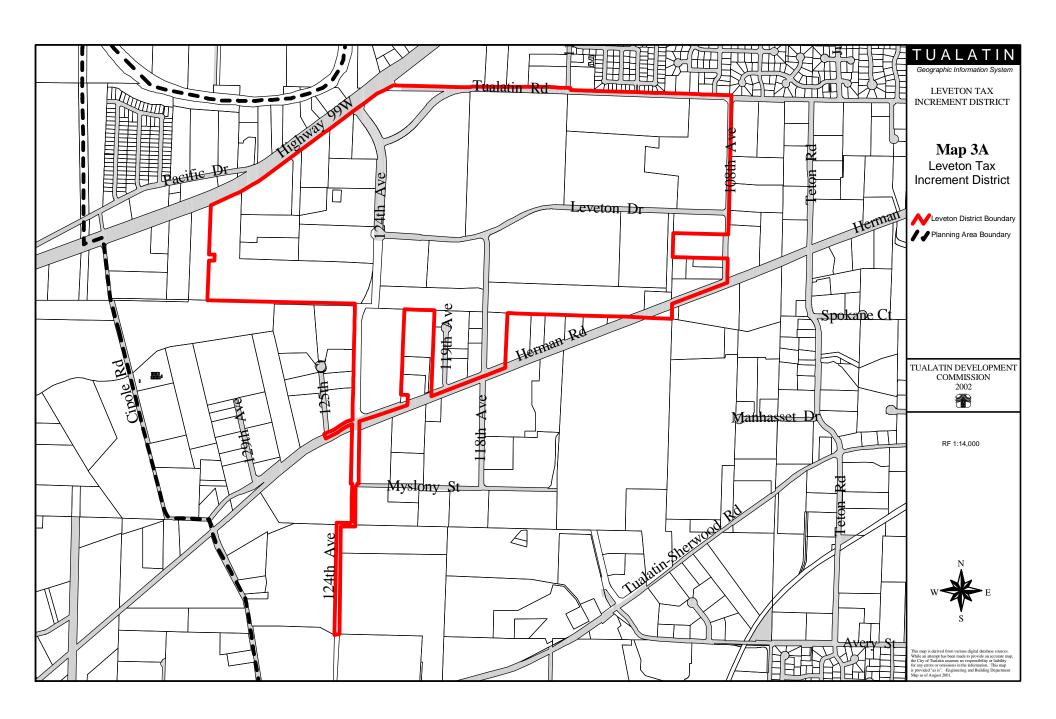


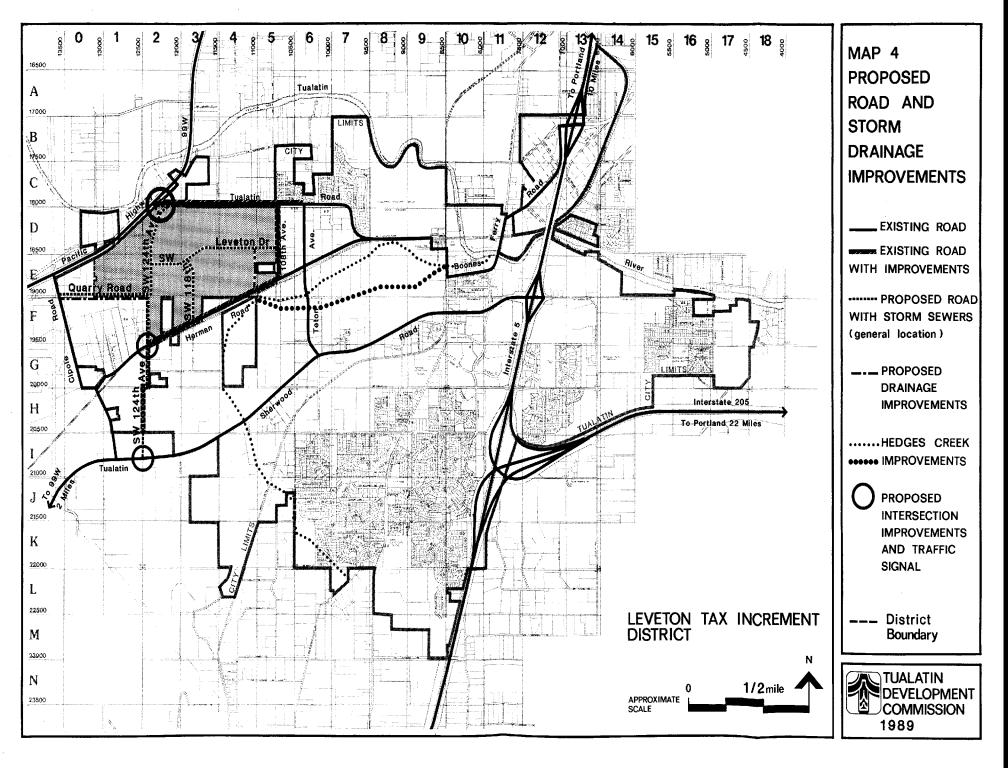


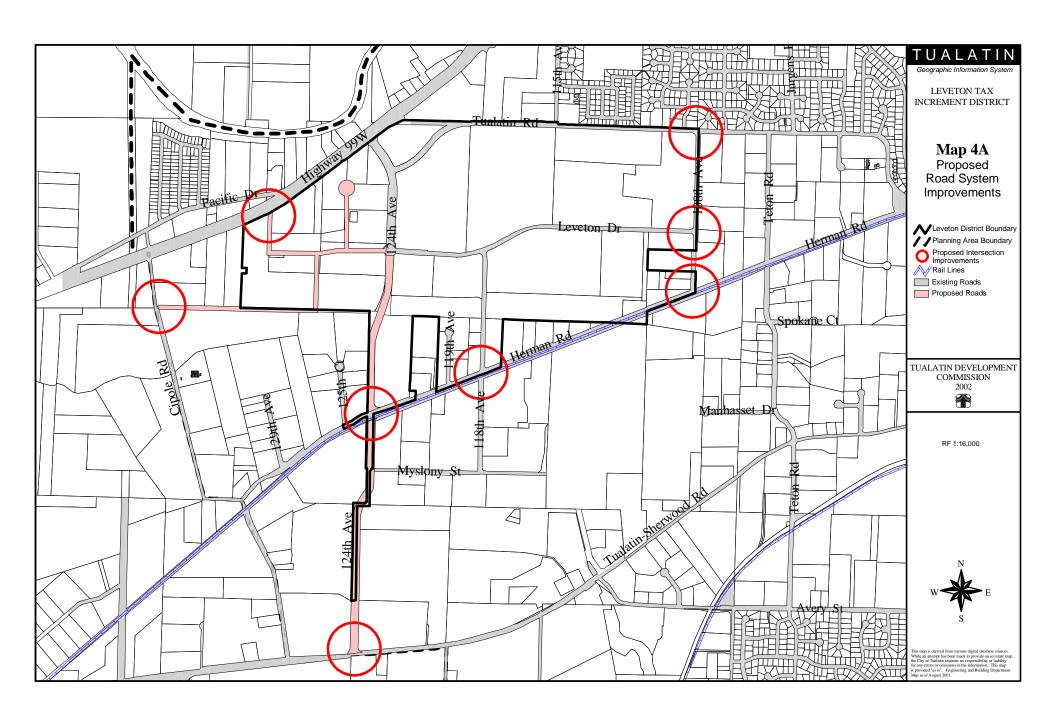
MAP 3
LEVETON TAX
INCREMENT
DISTRICT

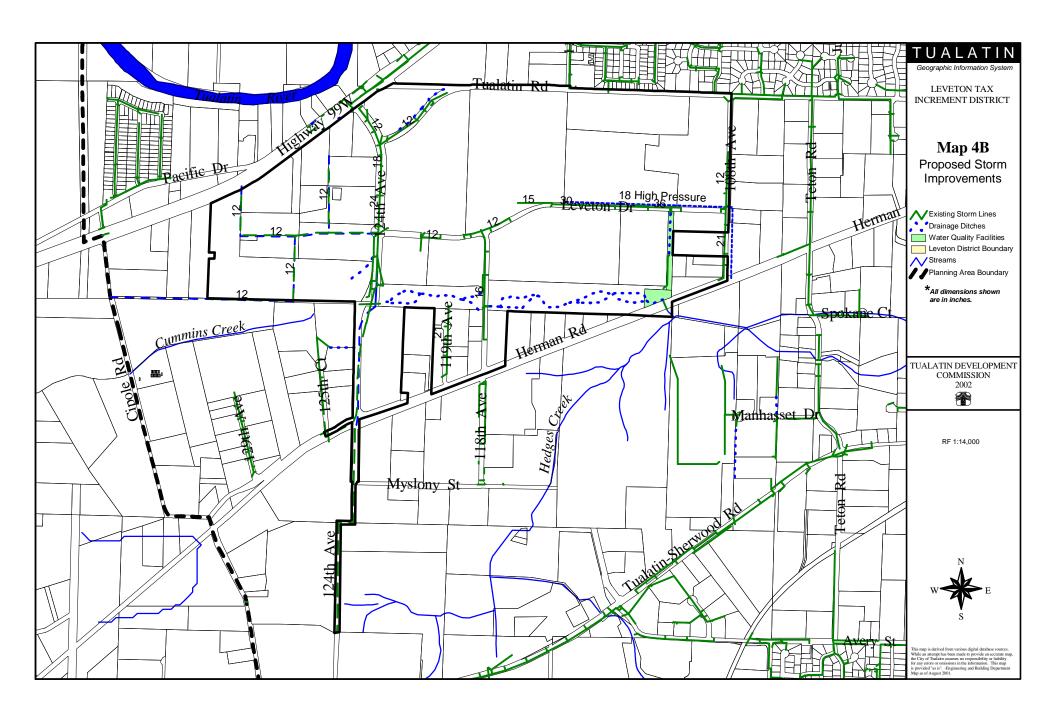
BOUNDARY

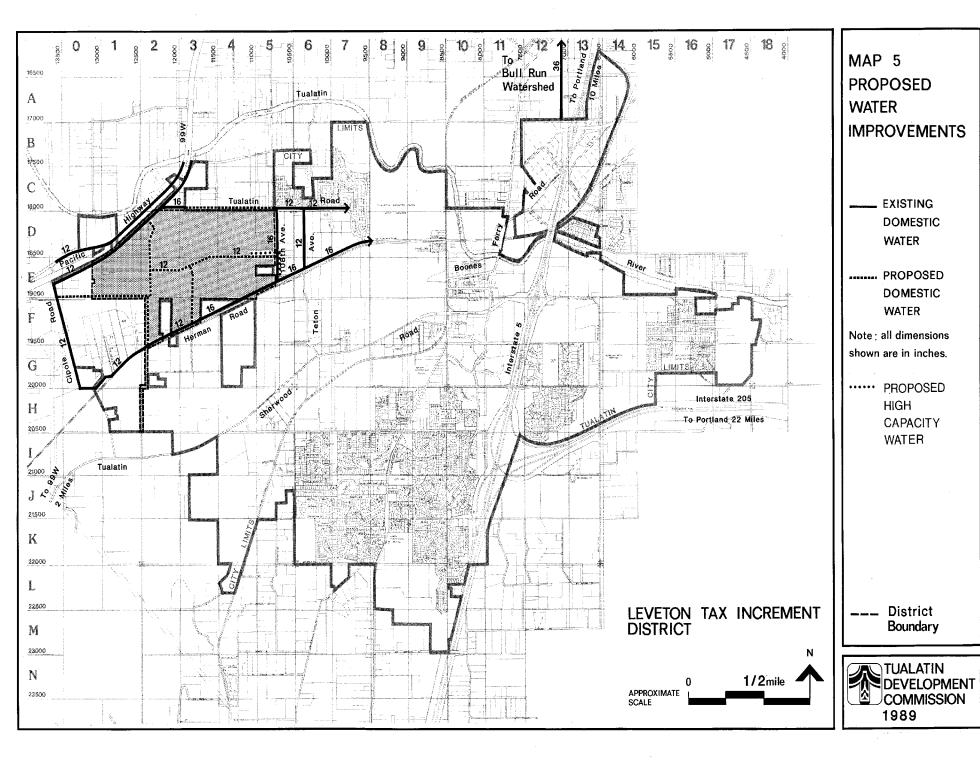


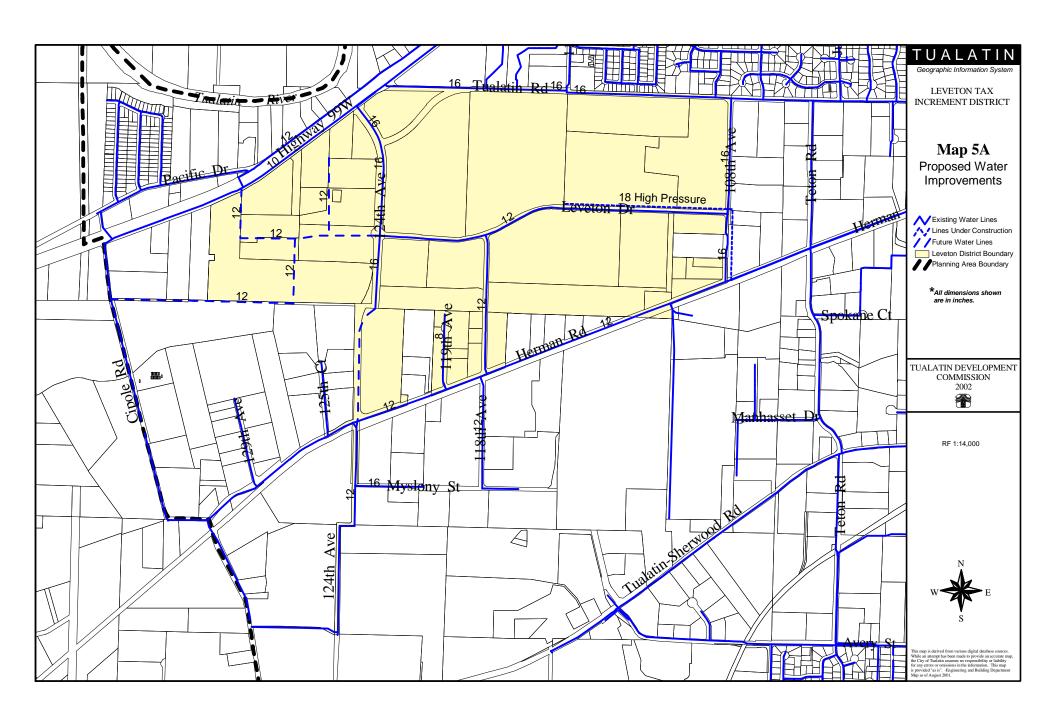


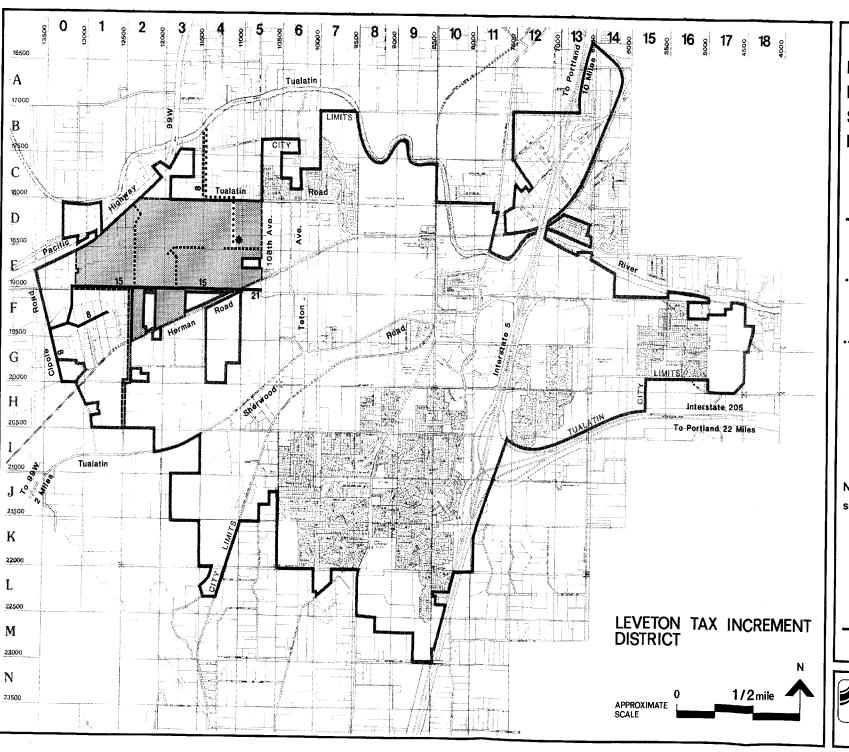












MAP 6 PROPOSED SEWER IMPROVEMENTS

DOMESTIC
SEWER

PROPOSED DOMESTIC SEWER

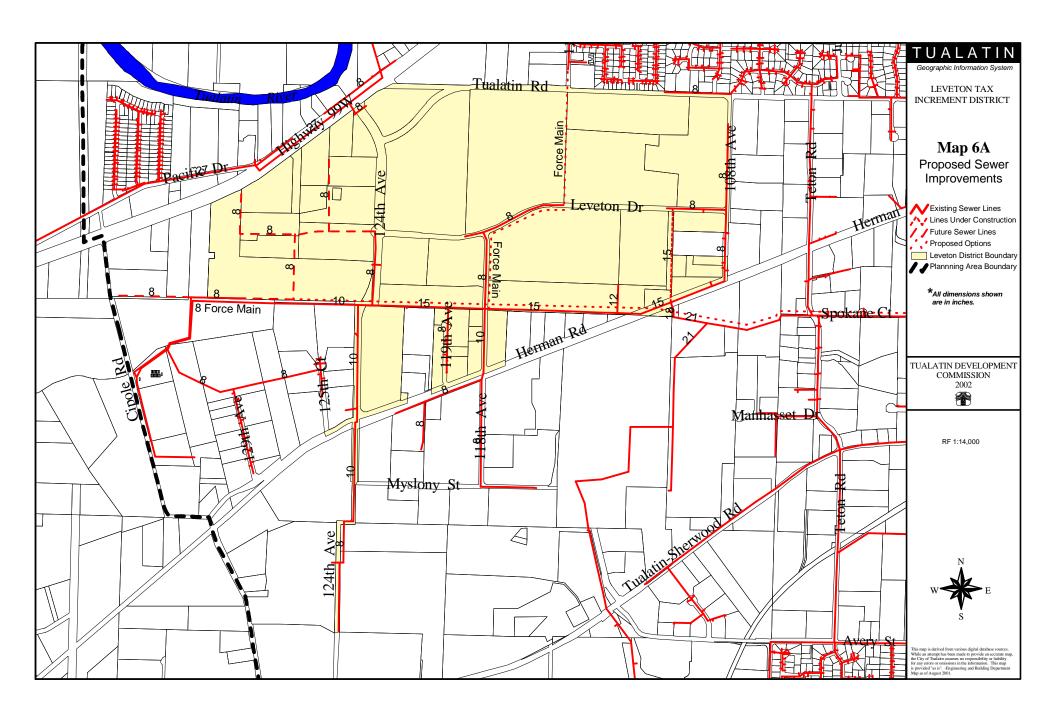
PROPOSED
INDUSTRIAL
SEWER

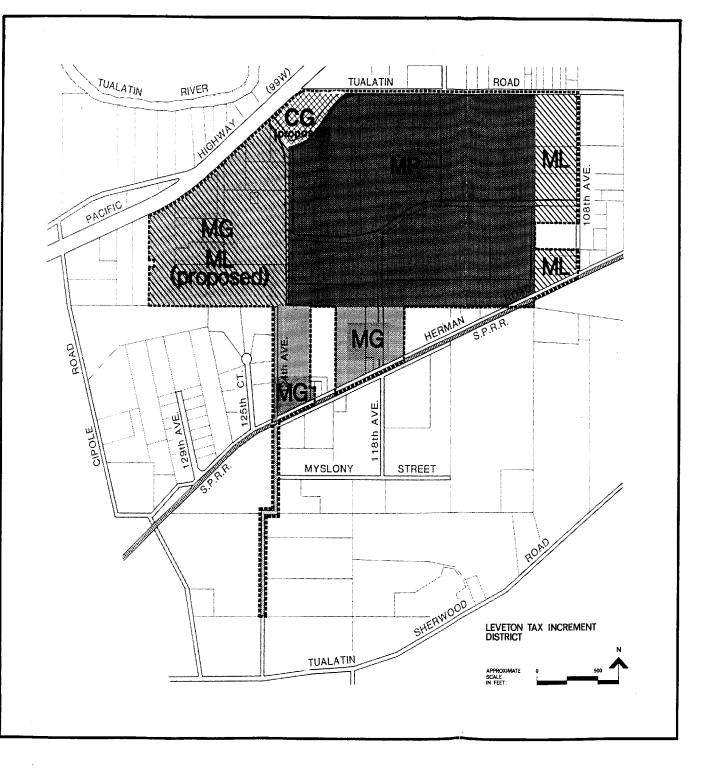
* PUMP STATION

Note: all dimensions shown are in inches.

--- District
Boundary







MAP 7 LAND USE PLAN

MANUFACTURING:







LIGHT (proposed)

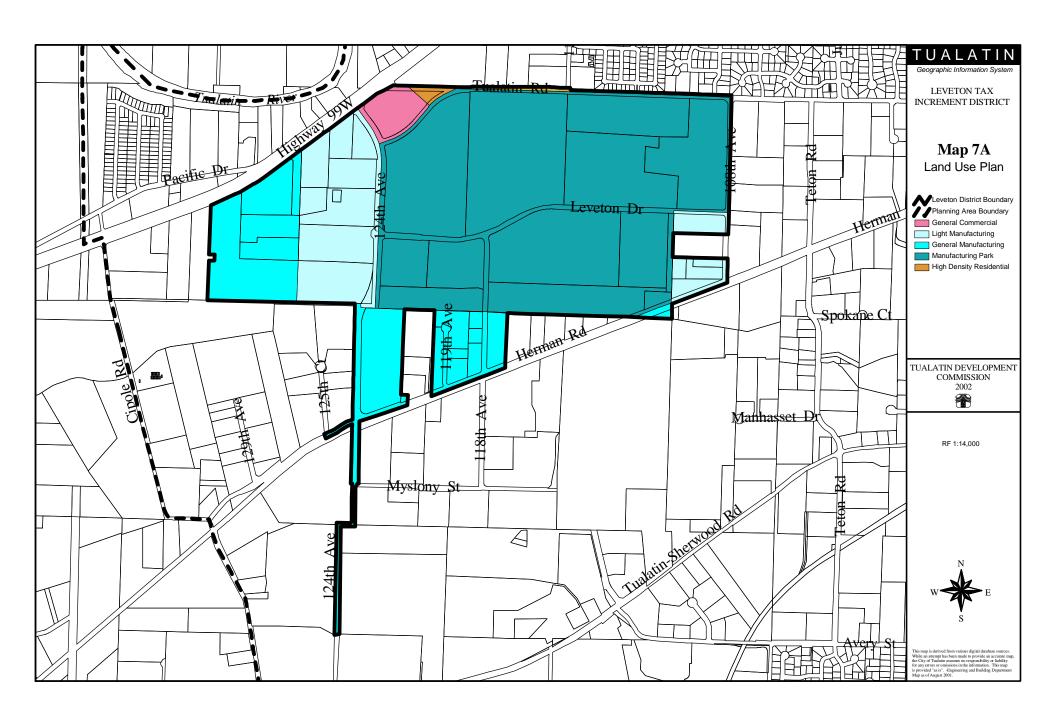


COMMERCIAL:



GENERAL (proposed)





LEVETON TAX INCREMENT REPORT

April 2002

LEVETON TAX INCREMENT REPORT

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LEVETON TAX INCREMENT REPORT

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LEVETON REPORT

A. INTRODUCTION

Oregon Revised Statute (ORS) 457.095(3) requires that the Leveton Tax Increment Plan be accompanied by a Report. This document shall constitute the required report. Its purpose is to describe existing conditions, to explain reasons for forming a tax increment district, to present a detailed financial analysis, and to describe relocation plans.

The purpose of the report is to describe existing conditions in the Urban Renewal Area at the time the plan was established (1985) and to provide updated information for future planning. The report also contains projected fiscal impacts, detailed project cost and completion estimates, and a financial feasibility analysis.

The report was first written in 1985. There has not been a major update since the adoption. The 2002 Report update corresponds to the changes in the Plan. The report has intensive updates where necessary and less intensive updates to areas not affected by the 2002 Plan update.

[Section A amended by Resolution 397-02 adopted March 11, 2002.]

B. **EXISTING CONDITIONS**

1. PHYSICAL CONDITIONS

a. Land Use 1985

The Leveton Tax Increment District is comprised of 377 acres of land in the western industrial area of Tualatin. The site is located between SW Tualatin Road, Pacific Highway (99W), SW 108th Avenue, and SW Herman Road. (Map 1 in the Plan, "Vicinity Map.")

The District consists of two different sectors, (Map 1, "Existing Land Use"). The eastern sector of the District includes the Leveton property, 217 acres currently in farm use. This is the only parcel with an MP (Manufacturing Park) Planning District designation in Tualatin. This sector also includes 34 acres of MG-designated land under multiple ownership along SW Herman Road, and 31 acres of ML-designated land under multiple ownership along SW 108th Avenue.

The western sector of the District is in an MG (General Manufacturing) District, and consists of 83 acres under multiple

ownership. The most prominent use of land in this sector is an inactive sand quarry. Other land uses in the quarry are industrial manufacturing, warehousing, and commercial/residential uses. Also included in the District boundary is the right-of-way strip for SW 124th Avenue, between the Leveton parcel the southern city boundary near SW Tualatin-Sherwood Road. This strip consists of 14 acres which passes through farm and industrial land which is under multiple ownership.

Land uses surrounding the District are a mixture of industrial, commercial, agricultural, residential and vacant land. Industrial development is located along SW Tualatin Road, SW Herman Road, and SW Tualatin-Sherwood Road. Industrial development is of a mixed character, with old and new business centers, warehousing and light manufacturing.

Rural single-family homes are intermixed with industrial uses along SW Herman Road, SW 108th Avenue, and on SW Tualatin Road. A strip of commercial uses, consisting mostly of mobile home sales and car repair businesses, is located on the west side of Highway 99W.

Existing land uses 1985 for the District are portrayed in Table 1.

Land Use 2002

There is a General Commercial (CG) planned property at the northeast corner of Pacific Highway 99W and 124th Ave. This designation occurred based on earlier plan provisions to change the planning district designation from MG/MP. In 2001 a corner of the CG was approved for the RH Planning District designation.

There are two planning districts within the "Quarry Sector", MG (General Manufacturing) and ML (Light Manufacturing). The MG district is on the western side and the ML is on the eastern portion of the Quarry Sector. The Planning Districts were created based on earlier plan provisions for the change that occurred in 1999. (See Plan Map 7A)

Existing land uses 2002 for the District are portrayed in Table 2. (See Report Map 1A)

b. <u>Natural Features 1985</u>

The Leveton parcel is a rectangular site with moderately sloping topography, currently in agricultural use (Map 2, "Natural Features"). The northern portion of the site is at a higher elevation (170 - 190 feet) than the south (130 - 140 feet). The property is divided through the center by a bank of 10 - 12 percent slope which trends east to west, forming two effectively level plateaus. A row of mature fir trees runs along SW Tualatin Road on the north boundary of the property. There is also a cluster of trees located near the center of the property, and a row of trees bordering the southern property line.

Parcels near SW Herman Road are on level ground with trees around the existing residences. At the northern end of the industrial park is a square-shaped pond.

Parcels along SW 108th Avenue are generally rectangular in shape with moderately sloping topography. The northern parcels are at a higher elevation (170 -180 feet) than the southern parcels (130 - 140 feet). Tax lot 1800 of Washington County Tax Map 2S1 22A effectively divides the higher and lower plateaus with a band of 10 - 12 percent slope which trends east to west. Filbert orchards occupy the majority of tax lots 1800 and 1900. Some of lot 1900 is undeveloped and dominated by area of natural vegetation. Stands of mature fir trees are located throughout this section, including a row of trees that border with the Leveton parcel. Dormant agricultural lands and areas of thick underbrush are numerous in this section.

Mining for sand in the quarry sector started in the early 1960's and substantial sand mining operations have not occurred since 1981. However, land reclamation has not taken place, and the land remains heavily scarred by deep cuts and barren mounds of earth. Certain older portions of the pit are becoming vegetated with grasses, weeds, and small trees. Several large ponds have formed where cuts were made below the water table (Map 2, "Natural Features").

A ledge parallels Highway 99 on the western edge of the quarry sector. It varies from a width of approximately 30 feet on the southern end to approximately 500 feet on the northern end. The drop from ledge to bottom is approximately 55 feet. Most of the businesses in the quarry sector are located along this ledge next to Highway 99.

East of the ledge formation is a large depressed bowl where mining has occurred. The only access to the lower bowl is by way of a steep dirt road from Highway 99 which runs southward into the site. Along the eastern edge of the quarry sector is a north-south trending ledge which separates it from the Leveton parcel.

South of the quarried area, the land is relatively flat and undisturbed, except for the remains of a motor-cross track. There are mature trees and grass in the relatively flat southeast corner of the area.

Soils in the western industrial area of the city are predominantly in the Woodburn-Aloha-Willamette Association. This group is composed of moderately well-drained silt loam over silty clay loam soils, which pose no special building limitations. When the quarry area has been graded and filled, soil tests should be made in filled areas for stability prior to building.

The Leveton parcel drains into the Hedges Creek drainage basin across the southeast corner of the property. At this point, the drainage crosses under SW Herman Road and the Southern Pacific Railroad tracks, and enters into Hedges Creek. Hedges Creek flows east from this point approximately 1.5 miles to the Tualatin River. The Hedges Creek Drainage Basin contains approximately 2,500 acres. Approximately 1,700 acres are upstream of the point where the southeast corner of the Leveton parcel drains into the Hedges Creek Basin. This drainage basin encompasses a large portion of the City of Tualatin.

In 1984, the City Council adopted the Wetlands Protection District Drainage Plan, which calls for improvements of Hedges Creek between the southeast corner of the Leveton parcel and the Tualatin River.

This improvement would involve deepening and widening the creek at certain locations to increase the hydraulic capability of the creek. Drainage in the quarry sector is mostly interior, toward the lower bowl, and to the south.

The Leveton Tax Increment District is not within a 100-year floodplain hazard area.

Natural Features 2002

The former Leveton parcel has been parcelized over the years. There are currently 10 parcels that made up the former Leveton parcel. The sites still have moderately sloping topography. The northern portion of the site is at a higher elevation (170 - 190 feet) than the south (130 - 140 feet). The land has been graded for various building sites over the years and has created a terraced effect. A row of mature fir trees runs along SW Tualatin Road on the north boundary of the property. There is also a cluster of trees located on the JAE property. Along the south portion of the former Leveton parcel is approximately a 24-acre wetland that was restored and additional mitigation efforts undertaken. (See Map 2A)

The Quarry Sector has seen many modifications overtime. Property owners have placed fill and have graded their sites to create pad locations for future development. The general topography slopes from the north to the south with terraced areas throughout.

c. <u>Transportation 1985</u>

The Leveton District has excellent development potential because of its proximity to Highway 99, SW Tualatin-Sherwood Road, Interstates 5 and 205, and the planned Western Bypass. Yet, an underdeveloped road system connecting to these vital arterials places the District in a secondary position to other industrial areas.

The roads which directly serve the Leveton District are Pacific Highway, SW Tualatin Road, SW 108th Avenue, and SW Herman Road.

Transportation 2002

The roads that directly serve the Leveton District are Pacific Highway, SW Tualatin Road, SW Herman Road, SW Leveton Drive, SW 108th Avenue, SW 118th Avenue, SW 119th Avenue, and SW 124th Avenue.

Pacific Highway 1985: Pacific Highway (99W) is a major arterial road with four lanes, which is one of the main roads used by Portland area residents to reach the Oregon coast. Through Tualatin, however, it is built only to rural standards with gravel shoulders and drainage ditches.

The forked intersection at SW Tualatin Road and Pacific Highway is narrow and is not angled properly for left-turn movements onto SW Tualatin Road. The median configuration additionally limits left-turn movements to quarry sector businesses because turnouts do not match existing driveway locations. This forces southbound traffic on Pacific Highway to turn around at SW Cipole Road and back track to reach Quarry Sector businesses.

Direct access to Pacific Highway is limited by both the Tualatin Access Management Plan, and by the State of Oregon Department of Transportation (ODOT). City access management policies allow existing driveways onto arterials to remain, but new accesses will only be granted on an interim basis before the completion of the planned frontage road. Any redevelopment will be required to consolidate driveway accesses to a minimum amount.

Access to Pacific Highway is additionally encumbered by ODOT, which owns access rights to the highway. While existing driveways are allowed to remain, any grant of new access would have to be negotiated with ODOT. A major change in use of properties with existing driveways would also prompt ODOT involvement. In either case, property owners must gain permission from ODOT for access to Pacific Highway, and must purchase right-of-way in accordance with current assessed land values.

Pacific Highway 2002: The intersection at 124th Avenue and Pacific Highway has been constructed with a signal and turn lanes and the old Tualatin Road / Highway 99W intersection abandoned.

In 1999 the Quarry Sector Study recommended removing the frontage road from Cipole Rd. to 124th Avenue south of Pacific Highway. The City adopted a Transportation Plan Amendment implementing the recommendation.

SW Tualatin Road 1985: SW Tualatin Road is a residential street located between the downtown area and Pacific Highway. It is intended to serve as a major residential collector, but has not been widened to collector standards at this time. The potential use of SW Tualatin Road as a truck route to serve industrial uses is deemphasized in order to protect residential uses on its north side and potential high technology industrial uses on its south side.

SW Tualatin Road 2002: SW Tualatin Road was improved in the year 2000 to the Major Collector standard through Washington

County's Major Streets and Transportation Improvement Program 3.

SW Herman Road 1985: SW Herman Road is located between SW Tualatin Road and SW Cipole Road, and is one of the few east-west roads which bisects the western industrial area. It is intended to serve as an industrial collector street throughout its length, but has not yet been widened to industrial collector standards.

SW Herman Road 2002: SW Herman Road has not been improved to the major collector standard.

SW 108th Avenue 1985: SW 108th Avenue is located on the eastern boundary of the Leveton Tax Increment District. It is a north-south collector street that connects SW Tualatin Road to SW Herman Road. It is intended to serve as an industrial collector street, but has not yet been widened to industrial collector standards.

SW 108th Avenue 2002: SW 108th Avenue was constructed in 1991 to the minor collector street standard.

SW 118th Avenue 2002: SW 118th Avenue was constructed in 1991 to the minor collector street standard.

SW 124th Avenue 2002: SW 124th Avenue was constructed from Pacific Highway to SW Tualatin Road in 1999. Additionally, the section from SW Tualatin Road to SW Leveton Drive was completed in 2000.

SW Leveton Drive 2002: SW Leveton Drive was constructed between 1991 - 2000 to the minor collector street standard.

d. Infrastructure 1985

In 1984, two Local Improvement Districts were formed to provide water and sewer to the western industrial district. Water lines were completed in spring of 1985, and sewer lines were completed by fall of 1985. These lines are adjacent to the Leveton District, but do not serve the area directly.

Infrastructure 2002

The Leveton Sector of the District is largely serviced by sewer, water and storm drainage. The Quarry Sector is lacking infrastructure as is 124th Avenue and Herman Road. Inadequate sewer, water, and storm drainage capacities continue to be an issue. The sewer, water and storm drainage plans illustrate how the area will be serviced upon development (See Plan Maps 4B-6A).

Water 1985: The District is currently served by a 16-inch water line along SW Tualatin Road, a 16-inch water line along SW 108th Avenue, by a 10-inch line along Pacific Highway, and by a 12-inch line along SW Herman Road. Water lines which connect to this system are also located in SW Cipole Road. (See Plan Map 5 "Proposed Water Improvements.")

Water is provided through the Washington County Supply Line by way of the Tualatin-Portland water line. The City-owned Tualatin-Portland water line receives its water from the Bull Run watershed. It has an operating capacity of 14.2 MGD (million gallons per day) and its current use is 2.0 MGD. The City also has connections to the City of Lake Oswego and Tigard Water Districts which can be activated in case of emergency.

Water 2002: In addition to the water lines that were in place in 1989, the following water lines were added to the system: a 16-inch line in 124th Avenue; a 12-inch line in Leveton Drive; a 12-inch line in 118th Avenue; and an 18-inch high pressure line in Leveton Drive and 108th Avenue. (See Plan Map 5A "Proposed Water Improvements.")

The City's water maximum operating capacity is 10.8 MGD (million gallons per day) and its current average daily use for the year is 4.12 MGD. The City also has connections to the City of Lake Oswego and Tigard Water Districts, which can be activated in case of emergency.

Sewer 1985: At the time the District was established, the only sanitary sewer line serving the Leveton and Quarry Sectors was a 15-inch line adjacent to the southern Leveton parcel boundary. This is a gravity system connected by an 8-inch line to a pump station on SW Cipole Road. (See Plan Map 6, "Proposed Sewer Improvements.")

The source of sewage treatment is Unified Sewerage Agency of Washington County (USA), with the collection system owned and operated by the City. The main USA line to which the Leveton parcel would discharge is located approximately 3/4 of a mile north of SW Tualatin Road. This 42-inch line has a flow capacity of 14.5 MGD, and is currently operating at 2.0 MGD. At present there is no connection between this line and the Leveton site. Capacity at the USA Durham treatment plan is 20 MGD, and the current use is 15 MGD.

Sewer 2002: The District is served by a 10 – 21-inch main trunk line that runs east-west in the southern portion of the District. Additionally, the area is serviced by 8-inch lines in 108th Avenue, 118th Avenue, 119th Avenue, 124th Avenue, and Leveton Drive. There is also a 10-inch line in 124th Avenue that extends north and south of Herman Road. There is a 15-inch line under construction that extends from Leveton Drive to the main east-west trunk line. (See Plan Map 6A, "Proposed Sewer Improvements.")

Capacity at the Clean Water Services Durham treatment plan is 80 MGD, and the current use is 22 MGD.

Storm Drainage 1985: At the time the District was established, there were no storm drainage facilities in existence. Storm drainage is addressed by two documents in Tualatin, the Storm Drainage Master Plan and the Wetlands Protection District Drainage Plan. The Storm Drainage Master Plan requires that drainage facilities be installed to accommodate development in the Tualatin drainage basin. As the District develops, on-site storm drainage will need to be provided.

The Wetlands Protection District is within a major drainage basin for Hedges Creek, and the Leveton parcel drains into this basin toward the southeast. The Wetlands Plan calls for improvements to the Hedges Creek drainage channel to convey anticipated flows from developed properties. Off-site improvements to Hedges Creek will be needed to provide for storm water drainage from the Leveton parcel.

Storm Drainage 2002: There are existing public storm lines in 108th Avenue, 118th Avenue, 119th Avenue, 124th Avenue, Pacific Highway 99W, Leveton Drive and SW Tualatin Road.

In 1995, the City Council adopted the Hedges Creek Sub-basin Plan, which calls for improvements of Hedges Creek between the southeast corner of the Leveton parcel and the Tualatin River. Areas of the District that drain to Hedges Creek are required to provide storm drainage detention. This improvement would involve deepening and widening the creek at certain locations to increase the hydraulic capability of the creek. Drainage in the quarry sector is mostly interior, toward the lower bowl, and to the south.

A storm drainage ditch was constructed that extends form Leveton Drive to Herman Road. Additionally a detention facility was constructed near Herman Road.

A significant wetlands mitigation project occurred within the Leveton Wetlands where the design also functions as a detention facility.

In 1991 new Water Quality Treatment requirements were adopted by the Unified Sewerage Agency, which is now called Clean Water Services. New development is required to provide water quality treatment prior to discharge.

[Section B-I amended by Ordinance No. 777-89, passed June 26, 1989.]

2. SOCIAL CONDITIONS 1985

Social conditions are defined as housing and environmental surroundings which affect residents of the District. There are few residents living within the Leveton District. While social conditions are acceptable for residents of the Leveton parcel, SW 108th Avenue sector, and SW Herman Road sector, social conditions for people living in the quarry sector are below standard.

Living conditions in the quarry sector are considered to be substandard and unsuitable because homes are adjacent to heavy industrial and are unprotected from those uses. Residents are subject to heavy truck traffic, blowing dust, noise and vibration. Ponds formed by mining remain uncovered and unfenced, posing a potential danger to children, a breeding ground for vectors, and a possible groundwater pollution source.

Roads in the quarry area are unpaved and deeply rutted, and there are no sewer or water lines serving the area. In some cases, electricity and telephone lines have been provided in a makeshift manner with exterior wiring exposed to the elements. Residences located as such cannot meet fire or building code standards, nor do they conform to requirements of the Tualatin Development Code.

SOCIAL CONDITIONS 2002

Within the Leveton Sector significant development has occurred and there are currently no residential units within the area.

Within the Quarry Sector conditions are similar to what they were in 1985 when this report was first created. There are still several residences within the area that have substandard living conditions.

[Section B-2 amended by Ordinance No. 777-89, passed June 26, 1989.]

3. ECONOMIC CONDITIONS

The economic viability of the District is affected by physical and social conditions, and by the character of existing development. This section describes the character of buildings and business activities, and the configuration of parcels in the District.

a. Buildings and Businesses 1985

In the area adjacent to SW Herman Road, there is one industrial business park with four businesses which are engaged in storage and distribution activities. These are located in three metal warehouse buildings of recent construction. It is estimated that 12 to 20 people are employed by these businesses.

In the area adjacent to SW 108th Avenue, there are two businesses; a portable toilet distribution facility and a metal fabricating business. These businesses utilize the parcels for extensive outside storage use, but they both support office and metal warehouse-type of buildings. It is estimated that 30 people are employed by these businesses.

Businesses in the quarry sector tend to be land extensive industrial-commercial and warehouse uses such as bark dust operations and equipment storage. These are low-level industrial uses which require minimal capital investment and which generate low taxable values. There is only one industrial manufacturing use. Of the eight non-residential structures in the quarry sector, five have metal exteriors and one is a plastic covered greenhouse. There are eleven businesses in all, three of which have no service building on site.

Since sewer and water services have not yet been extended within the District, septic tanks and well water are used by building occupants. It is estimated that there are fewer than 30 people employed in quarry sector businesses.

The physical disruption of the land comprising the quarry sector is a serious impediment to the establishment of productive economic activities. Although it is located in an MG (General Manufacturing) Planning District, the area is economically stagnant, containing few businesses and a number of non-conforming, possibly illegal residential uses. (See Section 1, "Physical Conditions.")

The quarry has been mined intermittently for over 20 years, since at least 1963, and the sand resource is nearing depletion. Substantial mining has not occurred in the area since 1981, and the last mining permit issued in 1983 has expired. There is no overall reclamation plan for the quarry pits since they were in existence prior to the 1972 Oregon Mined Lands Reclamation Act.

The Washington County Plan Resource Document (Volume I, 1982) recommends that this quarry site should be converted to manufacturing use before its deposits are exhausted. In addition, the sand quarries were identified by the City of Tualatin as a non-significant resource in the Industrial Area Planning Amendment of 1983 as follows:

"THE SAND QUARRIES HAVE BEEN DETERMINED TO NOT BE SIGNIFICANT, OUTSTANDING OR NEEDED. THERE ARE ALTERNATIVE SITES IN THE COUNTY FOR PRODUCING SAND, INCLUDING OUTSIDE OF THE METRO URBAN GROWTH BOUNDARY. THE SAND OPERATION PRESENTS A POTENTIAL NEGATIVE FACTOR IN ATTRACTING OTHER INDUSTRIAL USES TO THE AREA DUE TO NOISE, DUST, AND HEAVY TRUCK TRAFFIC. THEIR LOCATION IMMEDIATELY ADJACENT TO THE MANUFACTURING PARK PLANNING DISTRICT GREATLY COMPOUNDS THEIR POTENTIAL NEGATIVE AFFECT. IT APPEARS THAT THE QUARRY OPERATIONS WILL CONTINUE UNTIL LAND VALUES AND DEMAND ARE SUCH THAT ANOTHER MORE SUITABLE TYPE OF INDUSTRIAL USE WILL LOCATE ON THE PROPERTIES INVOLVED." (TUALATIN DEVELOPMENT CODE - TECHNICAL MEMORANDUM, PAGE TM.19, 1983.)

It is apparent that mining activities have been and continue to be a detrimental influence on the economic character of the District.

Buildings and Businesses 2002

Business development within the Leveton Sector has been significant since the plan was adopted. There are numerous manufacturing and warehousing facilities located within the sector. Businesses such as Novellus Systems Inc., Fujimi America, JAE Oregon, Tofle USA, and Interlogix have all located within the sector.

Within the Quarry Sector, conditions have not changed significantly from when this report was first created.

b. <u>Parcel Configuration 1985</u>

Parcels adjacent to the Leveton parcel have generally been laid out in consideration of existing roads and topography, and are of a developable size. Exceptions to this are two sites of less than one-half acre along SW Herman Road, which do not meet the minimum lot size of 20,000 square feet in a General Manufacturing Planning District.

In the Quarry Sector, all but one of the parcels are of a developable size. However, the current parcel configuration is not suited to physical characteristics of the terrain, which has been greatly altered by sand mining. As shown in Map 2, "Natural Features," most of the parcels with frontage on Pacific Highway have been undercut and have a split-level configuration. The drop between the upper ledge and the lower bowl of the quarry is approximately 50 feet.

In addition, parcels in the interior of the quarry were platted without the provision of public roads, which are required in current subdivision practices. Any new lots formed through subdivision will be required to abut a public street to meet City Development Code standards.

Parcels along SW 108th Avenue are all larger than the minimum 20,000 square feet required in the ML Planning District. With the exception of Tax Lot 1200 of Washington County Tax Map 2S1 22A, all parcels are rectangular in shape. Tax Lot 1200 is triangular shaped, as SW Herman Road runs southwesterly to northeasterly along the southern property line.

Parcel Configuration 2002

Parcel configuration within the Leveton Sector has been modified significantly since the report was adopted. The Leveton Sector has been parcelized through the years to create parcels of a developable size in conformance with the Tualatin Development Code.

Parcel configuration within the Quarry Sector has not changed significantly since the report was adopted.

[Section B-3 amended by Ordinance No. 777-89, passed June 26, 1989, and Resolution 397-02 adopted March 11, 2002.]

Table 1								
EXISTING LAND USE 1989								
LAND USE NUMBER OF ACRES PERCENT USE PARCELS OF TOTAL								
Agricultural 1, 2, 3	3	230.91	61.3%					
Single Family Residential	9	58.95	15.6%					
Industrial Commercial 4	2	9.13	2.4%					
Industrial Manufacturing	3	5.44	1.4%					
Industrial Warehousing	3	18.58	4.9%					
Mixed Single Family Res./	3	39.01	10.4%					
Industrial /Commercial								
Vacant	1	1.98	0.5%					
Right-of-Way	N/a	12.71	3.4%					
TOTAL	24	376.71	100%					

Notes:

- 1. A commercial business occupies a small portion of the northwest corner of the Leveton parcel. The use is predominantly agricultural.
- 2. A single family residence occupies a portion of Tax Map 2S122A, Tax Lot 1900. The use is predominantly agricultural.
- 3. A single family residence occupies a portion of Tax Map 2S122A, Tax Lot 1800. The use is predominantly agricultural.
- 4. Industrial Commercial uses are land extensive commercial uses such as bark dust operations.

Table 2								
EXISTING LAND USE 2002								
LAND USE NUMBER OF ACRES PERCENT US								
	PARCELS		OF TOTAL					
Single Family Residential	1	9.17	2.4%					
Commercial	1	4.54	1.2%					
Manufacturing	16	178.88	47.3%					
Warehousing	2	7.58	2%					
Single Family Res./Comm.	2	29.46	7.8%					
Vacant	12	81.31	21.5%					
Wetlands	6	32.42	8.6%					
Water Quality	2	2.59	.7%					
Right-of-Way	n/a	34.35	8.5%					
TOTAL	42	380.30*	100%					

^{*}The total acreage figure for 2002 is slightly higher than what was shown for 1989. The acreage of the district changed with an addition in 2001.

[Table 1 amended by Ordinance No. 777-89, passed June 26, 1989.]

C. FISCAL IMPACTS ON TAXING JURISDICTIONS

This section, along with sections F., "Estimated Project Cost and Revenue Sources," G., "Anticipated Project Completion Dates," H., "Total Expenditure Estimates and Anticipated Year of Debt Retirement" and I. "Financial Feasibility Analysis," comprises the financial analysis of the Leveton Tax Increment Plan. For the purposes of financial analysis, assumptions must be made regarding the timing and value of development, which is anticipated to occur as a result of the Plan. These are only assumptions, and no certainty is implied. In addition, the improvement projects listed in the Plan will be undertaken only when such improvements are required to support significant development within the District.

Since the passage of Ballot Measure 50, the impacts of tax increment financing fall primarily on the taxing districts that levy taxes within the urban renewal area. In FY 1997/98, the taxing districts levies all the property tax revenues they were entitled to, and there was no impact of urban renewal, except on Measure 5 compression. Since FY 1997/98, the taxing districts forego tax revenues on the increases in Assessed Value (AV) within the District.

Property Tax Impacts

The Leveton Tax Increment District encompasses two tax codes, 23-07 and 88-07. Ten jurisdictions currently levy taxes within the District. They are:

- Washington County
- Portland Community College
- Port of Portland
- •Tualatin Valley Fire & Rescue
- •Clean Water Services
- City of Tualatin
- Metropolitan Service District
- School District #23
- Northwest Regional ESD
- School District #88

All non-school jurisdictions levy taxes in both tax code areas.

Table 3 shows the projected revenues foregone by taxing districts, based on their permanent rates and the projected increases in AV (See Section G. for a discussion of projected increases in AV.). Table 4 shows the revenues gained after the termination of tax increment financing. Within three years, the increases in revenue exceed the foregone revenues of the prior years in nominal dollars (not accounting for the time value of money).

Impact on Local Services

Because the Plan calls for funding of major infrastructure improvements to serve the Leveton Tax Increment District, the impacts of development within the District upon local services and utilities are expected to be manageable.

The capital costs of utilities such as sewer, water and storm drainage will be funded through tax increment financing, and will not result in any appreciable increase in costs to the City of Tualatin, other than the overall property tax impacts discussed above. Costs associated with "system development fees" will be recovered by the normal imposition of those fees.

Road improvements within the District will also be funded through tax increment financing. Development of the District may accelerate City of Tualatin Transportation Plan improvement projects outside of the District.

[Section C amended by Ordinance No. 777-89, passed June 26, 1989 and by Resolution 397-02 adopted March 11, 2002.]

Table 3

PROJECTED REVENUES FOREGONE BY TAXING DISTRICTS

		AV in FY 97/98	Increased AV in FY ending	_		_	_	_
Taxing District		1998	1999	2000	2001	2002	2003	2004
	Perm. Rate	7,200,287	7,200,287	12,975,253	20,929,875	20,929,875	18,195,092	181,440,775
Wash Co.	2.5425		18,307	32,990	53,214	53,214	46,261	461,313
TVF&R	1.5563		11,206	20,193	32,573	32,573	28,317	282,376
Port of Portland	0.0753		542	977	1,576	1,576	1,370	13,662
City of Tualatin	3.1552		22,718	40,940	66,038	66,038	57,409	572,482
Metro Service Dist.	0.3282		2,363	4,258	6,869	6,869	5,972	59,549
NW Regional ESD	0.1538		1,107	1,996	3,219	3,219	2,798	27,906
PCC	0.3600		2,592	4,671	7,535	7,535	6,550	65,319

REVENUES FOREGONE BY TAXING DISTRICTS

Taxing District		2005	2006	2007	2008	2009	Total
	Perm. Rate	184,761,394	169,167,576	236,182,649	232,323,858	225,871,807	
Wash Co.	2.5425	469,756	430,109	600,494	590,683	574,279	3,330,620
TVF&R	1.5563	287,544	263,275	367,571	361,566	351,524	2,038,719
Port of Portland	0.0753	13,913	12,738	17,785	17,494	17,008	98,641
City of Tualatin	3.1552	582,959	533,758	745,203	733,028	712,671	4,133,244
Metro Service Dist.	0.3282	60,639	55,521	77,515	76,249	74,131	429,935
NW Regional ESD	0.1538	28,416	26,018	36,325	35,731	34,739	201,475
PCC	0.3600	66,514	60,900	85,026	83,637	81,314	471,592

Table 4								
REVENUES GAINED AFTER TERMINATION OF TAX INCREMENT COLLECTION								
		2010	2011	2012	Total			
	Perm. Rate	510,081,718	513,343,651	528,853,788				
Wash Co.	2.5425	1,296,883	1,305,176	1,344,611	3,946,670			
TVF&R	1.5563	793,840	798,917	823,055	2,415,812			
Port of Portland	0.0753	38,409	38,655	39,823	116,887			
City of Tualatin	3.1552	1,609,410	1,619,702	1,668,639	4,897,751			
Metro Service Dist	0.3282	167,409	168,479	173,570	509,458			
NW Regional ESD	0.1538	78,451	78,952	81,338	238,741			
PCC	0.3600	183,629	184,804	190,387	558,820			

D. REASONS FOR SELECTION OF THE TAX INCREMENT DISTRICT

The District has been selected as a tax increment district because of the need to provide infrastructure and services to support industrial development, and because of the need to eliminate mining operations which are detrimental to other industrial uses. The selection of the District is also based on the need to prevent future blight and to provide land for industrial development.

The District is characterized by the following conditions of blight as defined by ORS 457.010, and as described in this Report:

- Inadequate Facilities
- Deleterious Use of Land
- Laying Out of Property in Disregard to Terrain
- Lack of Proper Utilization of Areas

These conditions are described in detail in Section B, and justify the creation of a tax increment district.

1. LAND AREA AND ASSESSED VALUE QUALIFICATIONS 1985

The Leveton Tax Increment District is the second urban renewal area in the City of Tualatin. This addition is in conformance with ORS 457.420-2.b, which states that the land area and assessed value of all urban renewal areas within a city (population less than 50,000) may not exceed 25% of the total land area and assessed value of the city.

Table 5 shows how these qualifications are met. The total amount of land within urban renewal areas in Tualatin is 701.81 acres, with a total acreage of 4,324.54 acres valued at \$471,528,647. Urban renewal areas therefore constitute 16.23% of the city land area and 15.9% of total assessed value.

2. LAND AREA AND ASSESSED VALUE QUALIFICATIONS 2002

Table 6 shows how the urban renewal district is in conformance with ORS 457.420-2.b. The total amount of land within urban renewal areas in Tualatin is 707.78 acres, with a total assessed value of \$258,424,652. The total amount of acres with Tualatin is 4951.95 and has a value of \$1,962,476,195. Urban renewal areas therefore constitute 14.29% of the city land area and 13.17% of total assessed value.

[Section D amended by Ordinance No. 777-89, passed June 26, 1989 and Resolution 397-02 adopted March 11, 2002.]

Table 5									
ASSESSED VALUE AND ACREAGE QUALIFICATIONS 1989									
LAND AREA	ASSESSED VALUE	ACRES							
Leveton Existing	\$4,107,988	344.00							
Leveton Additions	\$932,000	33.50							
Leveton Sub Total	\$5,039,988	377.50							
Tualatin Central, Existing	\$69,926,003	324.31							
Total, Urban Renewal	\$74,965,991	701.81							
Total, City of Tualatin	\$471,528,647	4,324.54							
Percent Urban Renewal	15.90%	16.23%							
Maximum Allowed %	25.00%	25.00%							

Table 6									
ASSESSED VALUE AND ACREAGE QUALIFICATIONS 2002									
LAND AREA	ASSESSED VALUE	ACRES							
Leveton Existing	\$109,409,339	344.00							
Leveton Additions 1989	0	33.00							
Leveton Addition 2001	0	3.30							
Leveton Sub Total	\$109,409,339	380.30							
Tualatin Central, Existing	\$149,015,313	327.48							
Total, Urban Renewal	\$258,424,652	707.78							
Total, City of Tualatin	\$1,962,476,195	4951.95							
Percent Urban Renewal	Percent Urban Renewal 13.17% 14.29%								
Maximum Allowed %	25.00%	25.00%							

E. RELATIONSHIP BETWEEN PROJECTS AND CONDITIONS IN THE LEVETON TAX INCREMENT DISTRICT

Projects described in Section D. (1) of the Plan are designed to correct blighted conditions within the District described in Sections B and D of the Report. The projects to be undertaken are directly related to the existing conditions in the tax increment district.

The Leveton property is an agricultural parcel which lacks infrastructure and transportation facilities and which is adversely affected by the presence of the sand quarry. The projects described in the Plan are designed to stimulate the full development of these properties as industrial uses through the provision of roads, water, sewer and storm drainage improvements.

The quarry sector contains an inactive sand mine with topographic, parcel configuration, road and infrastructure constraints which seriously limit industrial redevelopment. Projects proposed in the Plan are designed to reclaim the quarry for productive industrial uses which are compatible with manufacturing park uses. Projects include reclamation of land and the provision of roads, water, sewer and storm drainage improvements.

[Section E amended by Resolution 397-02 adopted March 11, 2002.]

F. ESTIMATED PROJECT COST AND REVENUE SOURCES

Table 7 shows the actual project costs and sources of project funds for FY 1988/89 through 1999/2000 in year of expenditure dollars.

Table 8 shows the projected annual project costs (capital outlays plus materials and services) for the Plan from FY 2000/01 through FY 2010/11 in year of expenditure dollars. The total is \$21,817,719.

Table 8 shows the projected revenue sources for the same period, which include the proceeds of one long-term tax exempt bond issue and three short-term "taxable bond" issues. Other revenue sources include interest income and miscellaneous income.

[Section F amended by Ordinance No. 777-89, passed June 26, 1989 and Resolution 397-02 adopted March 11, 2002.]

Table 7

ACTUAL COSTS OF PROJECTS & SOURCES OF PROJECT FUNDS

REVENUES	Jul-Jun 87/88	Jul-Jun 88/89	Jul-Jun 89/90	Jul-Jun 90/91	Jul-Jun 91/92	Jul-Jun 92/93	Jul-Jun 93/94
Beginning Balance	0	0	506,828	1,947,933	164,737	55,821	(4,619)
From Sinking Fund	0	0	0	0	0	0	0
Bond Sale	0	0	2,200,000	0	0	150,000	156,000
Land Sale Proceeds	0	0	0	0	0	0	166,894
Interest Income	0	25,064	79,888	72,479	6,921	777	3,662
Miscellaneous Income	0	0	1,000,000	0	0	43,750	0
TOTAL REVENUES	0	25,064	3,786,716	2,020,412	171,658	250,348	321,937
REVENUES	Jul-Jun 94/95	Jul-Jun 95/96	Jul-Jun 96/97	Jul-Jun 97/98	Jul-Jun 98/99	Jul-Jun 99/00	
Beginning Balance	73,984	29,349	3,415,700	2,775,584	3,070,752	1,230,854	
Bond Sale	0	300,000	922,688	850,000	7000,000	2,065,000	
Land Sale Proceeds	0	32,392	0	0	0	0	
Interest Income	2,606	1,097	5,497	61,704	137,952	7,765	
Miscellaneous Income	11	0	0	25,088	0	125,561	
TOTAL REVENUES	76,601	362,838	4,343,885	3,712,376	3,908,704	3,429,180	
EXPENDITURES	Jul-Jun 87/88	Jul-Jun 88/89	Jul-Jun 89/90	Jul-Jun 90/91	Jul-Jun 91/92	Jul-Jun 92/93	Jul-Jun 93/94
Material & Services							
Printing & Postage	0	0	0	0	0	0	17
Operating Materials	0	0	0	0	759	6,120	3,264
Consultant Services	0	0	0	11,997	2,873	12,266	24,760
Leveton Property Option	0	0	0	0	0	0	20,000
Reimb. to Gen Fund	0	0	0	19,580	22,805	2,103	2,185
Reimb. to Eng Fund	0	5,485	5,877	16,036	1,101	2,569	1,073
Reimb. to Sewer Fund	0	0	0	0	0	0	156,000
Bond Insurance Costs	0	0	70,447	0	0	0	47
Set up expense	0	0	0	50,000	70,000	27,470	0
Total Mat. & Services	0	5,485	76,324	97,613	97,538	50,528	207,346
EXPENDITURES	Jul-Jun 94/95	Jul-Jun 95/96	Jul-Jun 96/97	Jul-Jun 97/98	Jul-Jun 98/99	Jul-Jun 99/00	
Material & Services							
Operating Materials	0	21	0	0	0	0	
Consultant Services	9,921	7,209	11,108	9,603	1,862	5,293	
Reimb. to Gen Fund	354	543	10,386	0	564	0	
Reimb. to Eng Fund	502	465	0	9,773	0	0	
Utilities – Leveton Projects	0	0	0	0	0	730	
Bond Insurance Costs	0	90	0	0	0	0	
Set up expense	10,000	5,000	0	0	0	0	
Total Mat. & Services	20,777	13,328	21,494	19,376	2,426	6,023	

		Tah	le 7 (Co	nt \			
		I an	100	· · · · · ·			
CAPITAL OUTLAYS	Jul-Jun 87/88	Jul-Jun 88/89	Jul-Jun 89/90	Jul-Jun 90/91	Jul-Jun 91/92	Jul-Jun 92/93	Jul-Jun 93/94
Water Tual-108 th	0	28	3,524	0	0	0	0
Sanitary Sewer	0	8,487	120,864	0	0	0	0
Leveton Dr Imp.	0	111,848	814,712	627,193	0	0	30,525
124 th Ave.	0	0	1,913	0	0	0	0
Tualatin Rd Imp.	0	15,864	121,785	0	0	0	0
Tual. Rd/Hwy 99 Signal	0	0	0	0	7,435	194,004	83
118 th Ave Imp.	0	144,130	151,974	537,455	0	0	0
108 th Ave. Imp.	0	0	305,771	474,409	0	0	0
Utility Conduits Vaults	0	8,096	96,420	0	0	0	0
Herman Rd Imp.	0	5,380	905	0	0	0	0
36" Storm Drain	0	10,843	34,590	86,786	6262	0	0
Wetland Mitigation	0	0	0	0	600	434	0
Total Capital Outlays	0	304,676	1,652,458	1,726,843	14,297	194,438	30,608
		·				·	
TRANSFERS	Jul-Jun 87/88	Jul-Jun 88/89	Jul-Jun 89/90	Jul-Jun 90/91	Jul-Jun 91/92	Jul-Jun 92/93	Jul-Jun 93/94
Tran LTID Bond Fund	0	208,075	100,000	0	0	0	0
Tran CURD Admin Fund	0	0	10,000	31,219	10,000	10,000	10,000
Total Transfers	0	208,075	110,000	31,219	10,000	10,000	10,000
Total Expenditures	0	518,236	1,838,782	1,855,675	121,835	254,966	247,954
CAPITAL OUTLAYS	Jul-Jun 94/95	Jul-Jun 95/96	Jul-Jun 96/97	Jul-Jun 97/98	Jul-Jun 98/99	Jul-Jun 99/00	1
124 th Ave. Ext.	0	0	0	182,601	211,672	1,296,128	
124 Ave. Ext. 124 th : 99W/Tual. Rd. Int.	0	7.378	0	0	0	0	
	0	0	0	0	0	388,171	
124 th Leveton/Myslony	1,475	3.744	(3,193)	35.752	3,051	381.590	
Wetland Mitigation	1,475	11,122	(3,193)	218,353	214,723	2,065,889	
Total Capital Outlays	1,475	11,122	(3,193)	210,353	214,723	2,065,669	
TRANSFERS	Jul-Jun 94/95	Jul-Jun 95/96	Jul-Jun 96/97	Jul-Jun 97/98	Jul-Jun 98/99	Jul-Jun 99/00	
Tran LTID Bond Fund	0	0	1,000,000	0	2,276,000	0	
Transfer to Admin Fund	0	0	,,	100,000	175,000	185,000	
Tran CURD Admin Fund	25,000	200,000	200,000	0	0	0	
Trans Road Dev Fund	0	0	350,000	300,000	0	0	
Total Transfers	25,000	200,000	1,550,000	400,000	2,451,000	185,000	
10(0) 1101131013			.,,	,	_,,	,	
Total Expenditures	47,252	224,450	1,574,687	637,729	2,668,149	2,256,912	

The Shilo Inn case issued in December 2001 by the Oregon Supreme Court may affect project revenues identified in Table 8. Once resolution is reached on the impacts of revenues for urban renewal, the financial information will be updated.

Table 8									
I able 0									
PROJECTED	COSTS	OF PRO	JECTS &	SOURCE	ES OF PR	ROJECT	FUNDS		
REVENUES	Jul-Jun 00/01	Jul-Jun 01/02	Jul-Jun 02/03	Jul-Jun 03/04	Jul-Jun 04/05	Jul-Jun 05/06	Jul-Jun 06/07		
Beginning Balance	1,172,269	1,058,837	6,276,892	785,244	287,761	2,466,161	2,926,065		
Du Jour Bond Sale	1,500,000	0	0	0	3,100,000	5,000,000	3,000,000		
Interest Income	38,000	31,765	188,307	23,557	8,633	73,985	87,182		
Miscellaneous Income	91,400	20,000	157,000	9,713	9,396	7,500	0		
Bond 1	0	6,116,000	0	0	0	0	0		
TOTAL REVENUES	2,801,669	7,226,602	6,622,199	818,515	3,405,790	7,547,646	5,993,246		
REVENUES	Jun-Jul 07/08	Jun-Jul 08/09	Jun-Jul 09/10	Jun-Jul 10/11					
Beginning Balance	4,457,634	8,361,637	4,976,469	3,983,266					
Du Jour Bond Sale	4,400,000	0	0	0					
Interest Income	133,729	250,849	149,294	119,498					
TOTAL REVENUES	8,991,363	8,612,486	5,125,764	4,102,764					
EXPENDITURES	Jul-Jun 00/01	Jul-Jun 01/02	Jul-Jun 02/03	Jul-Jun 03/04	Jul-Jun 04/05	Jul-Jun 05/06	Jul-Jun 06/07		
Reimb. to Eng Fund	10,000	10,000	10,000	10,000	15,000	15,000	15,000		
Consultant Services	20,000	0	0	0	0	0	0		
Utilities	10,000	10,000	7,000	7,000	7,000	0	0		
Bond Issuance Costs	0	183,480	0	0	15,500	25,000	15,000		
Total Mat. & Services	40,000	203,480	17,000	17,000	22,000	40,000	30,000		
EXPENDITURES	Jun-Jul 07/08	Jun-Jul 08/09	Jun-Jul 09/10	Jun-Jul 10/11					
Reimb. to Eng Fund	20,000	20,000	20,000	20,000					
Utilities	0	0	0	0					
Bond Issuance Costs	22,000	0	0	0					
Total Mat. & Services	20,000	20,000	20,000	20,000					

Table 8 (Cont.)									
	T 1 1 1 20/04	T	T 1 1 1 00/00	1111 00/04	Jul-Jun 04/05	T + + + 05/00	T + + + 00/07		
CAPITAL OUTLAY	Jul-Jun 00/01	Jul-Jun 01 / 02	Jul-Jun 02/03	Jul-Jun 03/04		Jul-Jun 05/06	Jul-Jun 06/07		
Wetlands Mitigation	50,000	60,000	30,000	20,000	20,000	0	0		
124 th Ave Phase 3	1,500,000	500,000	5,500,000	0	0	0	0		
124 th Ave Phase 4	0	0	0	0	700,000	4,200,000	0		
124 th /99W	0	0	100,000	300,000	0	0	0		
Herman Road	0	0	0	0	0	0	0		
Quarry Road	0	0	0	0	0	0	0		
Sanitary Pump St. Gravity	0	0	0	0	0	200,000	1,300,000		
Sub Total Capital Outlay	1,550,000	560,000	5,630,000	320,000	720,000	4,400,000	1,300,000		
Trans CURD Admin Fund	0	186,230	189,955	193,754	197,629	201,581	205,613		
Contingency	328,000	100,000	350,000	50,000	150,000	200,000	300,000		
General Acct. Reserve	733,669	6,176,892	435,244	237,761	2,316,161	2,706,065	4,157,634		
Total Expenditures	2,801,669	7,226,602	6,622,199	818,515	3,405,790	7,547,646	5,993,246		
CAPITAL OUTLAY	Jul-Jun 07/08	Jul-Jun 08/09	Jul-Jun 09/10	Jul-Jun 10/11					
Herman Road	400,000	3,400,000	0	0					
Quarry Roads	0	0	600,000	3,703,592					
130 th /99W Signal				150,000					
108 th /Tualatin Signal			100,000						
108 th /Leveton Signal			200,000						
Sub Total Capital Outlay	400,000	3,400,000	900,000	3,853,592					
Trans CURD Admin Fund	209,725	216,017	222,497	229,172					
Contingency	200,000	500,000	200,000	0					
General Acct Reserve	8,161,637	4,476,469	3,783,266	0					
Total Expenditures	8,991,363	8,612,486	5,125,764	4,102,764					

G. <u>ANTICIPATED PROJECT COMPLETION DATES</u>

Table 8 also shows the projected completion dates of the projects, with all projects anticipated to be complete by FY 2010/2011.

[Section G amended by Ordinance No. 777-89, passed June 26, 1989 and Resolution 397-02 adopted March 11, 2002.]

H. <u>ESTIMATED USE OF TAX INCREMENT REVENUES AND THE ANTICIPATED YEAR OF DEBT RETIREMENT</u>

Table 9 shows the actual expenditures and revenues for the Leveton Tax Increment District Bond fund for the period of 1986/1987 through 1999/2000.

Table 10 shows the projected expenditures and revenues of the Leveton Tax Increment District Bond fund, which accounts for the receipt and expenditure of tax increment revenues. The projections cover the period from FY 2001/2002 through FY 2010/2011. The anticipated date of debt retirement is June 30, 2009.

The maximum indebtedness of the Plan is \$36,424, 338. Table 11 shows the projected issuance of debt from FY 2001/2002, together with principal payments on debt between FY 1996/1997 and FY 2000/2001, relative to the maximum indebtedness:

[Section H amended by Ordinance No. 777-89, passed June 26, 1989 and Resolution 397-02 adopted March 11, 2002.]

Table 9

ACTUAL SOURCES & DISPOSITION OF DISTRICT FUNDS (BOND FUND)

REVENUES Beginning Balance					Jul-Jun 90/91	Jul-Jun 91/92	Jul-Jun 92/93
	0	546	10,628	247,949	442,296	484,344	832,311
Taxes – Current Year	546	9,560	26,184	67,676	171,631	799,849	712,707
Taxes – Prior Years	0	30	542	1,750	3,290	7,269	33,038
Bond Sale	0	0	0	0	0	0	1,770,000
Interest Income	0	493	2,520	24,921	35,451	50,949	36,840
Trans from Projects Fund	0	0	208,075	100,000	0	0	0
TOTAL REVENUES	546	10,629	247,949	442,296	652,668	1,342,411	3,384,896
REVENUES	Jul-Jun 93/94	Jul-Jun 94/95	Jul-Jun 95/96	Jul-Jun 96/97	Jul-Jun 97/98	Jul-Jun 98/99	Jul-Jun 99/00
Beginning Balance	695,698	975,165	1,622,870	2,094,139	3,027,942	2,959,265	2,337,475
Taxes – Current Year	719,162	936,980	996,518	1,170,585	1,138,397	1,353,224	1,410,951
Taxes – Prior Years	33,564	25,770	35,666	18,187	41,507	25,628	30,581
Interest Income	30,547	59,896	115,649	268,869	160,152	185,324	213,033
Trans from Projects Fund	0	0	0	1,000,000	0	2,276,000	0
Miscellaneous Income	0	0	0	0	1	0	0
TOTAL REVENUES	1,478,971	1,997,811	2,770,703	4,551,780	4,367,996	6,799,441	3,992,040
	, ,	, ,	, ,	, ,	, ,	, ,	I
EXPENDITURES	Jul-Jun 86/87	Jul-Jun 87/88	Jul-Jun 88/89	Jul-Jun 89/90	Jul-Jun 90/91	Jul-Jun 91/92	Jul-Jun 92/93
MATERIAL & SERVICES							
Bond Insurance Costs	0	0	0	0	0	0	59,379
Bond Reg. & Expenses	0	0	0	0	0	1,514	885
DEBT SERVICE							
Bonds							
Series A Bonds Principal	0	0	0	0	0	0	2,200,000
Series A Bonds Interest	0	0	0	0	113,333	170,000	228,750
Loans							
Loan (SPWF) Principal	0	0	0	0	28,232	238,157	108,128
Loan (SPWF) Interest	0	0	0	0	26,758	100,428	92,056
SPECIAL PAYMENTS							
Total Expenses	0	0	0	0	168,323	510,099	2,689,198
EXPENDITURES	Jul-Jun 93/94	Jul-Jun 94/95	Jul-Jun 95/96	Jul-Jun 96/97	Jul-Jun 97/98	Jul-Jun 98/99	Jul-Jun 99/00
MATERIAL & SERVICES							
Bond Insurance Costs	0	0	0	0	0	2,682	4,130
Bond Reg. & Expenses	1,376	690	837	19,712	3,509	0	884
DEBT SERVICE							
Bonds							
Series B Bond Principal	85,000	85,000	90,000	95,000	95,000	100,000	105,000
Series B Bond Interest	61,220	89,068	85,880	80,261	76,105	71,592	66,593
Loans							
Loan (SPWF) Principal	113,602	119,353	125,395	131,743	138,413	149,056	156,602
Loan (SPWF) Interest	86,582	80,830	74,789	68,441	61,771	51,128	43,582
U.S. Bank 96 Principal	0	0	0	0	0	3,200,000	0
U.S. Bank 96 Interest	0	0	0	0	183,333	187,207	0
Taxable Bonds							
Taxable Bonds Principal	156,000	0	300,000	1,000,000	850,000	700,000	2,065,000
Taxable Bonds Interest	26	0	69	87,581	602	301	516
SPECIAL PAYMENTS							
General Acct Reserve	0	0	1,851,910	0	0	0	0
Total Expenses	503,806	374,941	2,528,880	1,482,738	1,408,733	4,461,966	2,442,307

TABLE 10

PROJECTED BOND FUND REVENUES

Fiscal Year Ending June 30	01/02	02/03	03/04	04/05	05/06
Beginning Fund Balance	1,232,428	1,627,998	1,957,000	4,534,644	4,323,925
Property Taxes					
Taxes - Current Year	1,446,524	1,363,090	3,606,358	3,636,488	3,412,197
Taxes – Prior Year	78,158	77,770	73,284	193,890	195,510
Interest Earned	49,297	65,120	78,280	181,386	172,957
GRAND TOTAL REVENUES	2,806,407	3,133,978	5,714,922	8,546,408	8,104,589

PROJECTED BOND FUND REVENUES

Fiscal Year Ending June 30	06/07	07/08	08/09	09/10	10/11
Beginning Fund Balance	2,124,403	2,493,736	1,428,805	5,912,236	6,148,725
Property Taxes					
Taxes - Current Year	4,082,173	3,987,843	6,476,674	0	0
Taxes – Prior Year	183,451	219,472	214,400	0	0
Interest Earned	84,976	99,749	57,152	236,489	245,949
GRAND TOTAL REVENUES	6,475,003	6,800,800	8,177,032	6,148,725	6,394,674

TABLE 10 (Cont.)								
PROJECTED BOND FUND EXPENDITURES								
			ı	T				
Fiscal Year Ending June 30	01/02	02/03	03/04	04/05	05/06			
MATERIAL & SERVICES								
Bond Regis & Related Exp	8,531	8,702	8,876	9,053	9,235			
Principal								
93 Series B Bond	120,000	125,000	135,000	140,000	150,000			
Taxable Bonds Principal	0	0	0	3,100,000	5,000,000			
Loan SPWF Principal	168,643	177,180	186,150	140,490	0			
Series 2002 Bond								
Interest								
Int 7/93 Series B Bond	57,643	51,043	44,168	36,270	28,080			
Loan SPWF Interest	31,541	23,004	14,034	4,620	0			
Taxable Bonds Interest	0	0	0	0	822			
Future Bond Debt Service								
Bond1	792,050	792,050	792,050	792,050	792,050			
Defease Bond 1	0	0	0	0	0			
Reserves								
Bond Reserve	969,693	968,093	971,218	968,320	970,130			
Tax Rate Stabilization Acct	376,227	379,352	321,380	178,080	179,305			
General Account Reserve	282,078	609,555	3,242,046	3,177,525	974,968			
Sub Total Reserves	282,078	609,555	3,242,046	3,177,525	974,968			
GRAND TOTAL	2,806,407	3,133,978	5,714,922	8,546,408	8,104,589			
PROJECTE	ı		l	ı	T			
Fiscal Year Ending June 30	06/07	07/08	08/09	09/10	10/11			
MATERIAL & SERVICES								
Bond Regis & Related Exp	9,419	0	0	0	0			
Principal								
93 Series B Bond	160,000	170,000	0	0	0			
Taxable Bonds Principal	3,000,000	4,400,000	0	0	0			
Loan SPWF Principal	0	0	0	0	0			
Series 2002 Bond								
Interest								
Int 7/93 Series B Bond	19,305	9,945	0	0	0			
Loan SPWF Interest	0	0	0	0	0			
Taxable Bonds Interest	493	0	0	0	0			
Future Bond Debt Service								
Bond1	792,050	792,050	792,050	0	0			
Defease Bond 1	0	0	1,472,746	0	0			
Reserves								
Bond Reserve	971,355	971,995	0	0	0			
Tax Rate Stabilization Acct	179,945	0	0	0	0			
General Account Reserve	1,342,436	456,810	5,912,236	6,148,725	6,394,674			
Sub Total Reserves	1,342,436	456,810	5,912,236	6,148,725	6,394,674			
GRAND TOTAL	6,475,003	6,800,800	8,177,032	6,148,725	6,394,674			

TABLE 11							
PROJECTED ISSUANCE OF DEBT FY 00/01							
Series 93 Bonds	\$1,510,000						
SPWF Loan	\$1,408,794						
US Bank 96 Note	\$3,200,000						
Series 2002 Bonds	\$8,890,639						
Taxable Bonds	\$19,615,000						
Total \$34,624,433							

I. FINANCIAL FEASIBILITY ANALYSIS

The information in Sections G. through I. show that projected tax increment revenues are sufficient to support the issuance of debt that in turn is sufficient to cover projected expenditures for capital outlays and materials and services. The projections of tax increment revenues are based on the anticipated development on properties within the District, which includes both expansion of existing industrial uses and projected development of vacant parcels. The effects of the rapid depreciation of the taxable value of high tech equipment have been estimated and taken into account. The projections are intended to be reasonable and to represent the "likely case" of development within the District.

[Section I amended by Ordinance No. 777-89, passed June 26, 1989 and Resolution 397-02 adopted March 11, 2002.]

J. RELOCATION REPORT

1. RELOCATION ANALYSIS

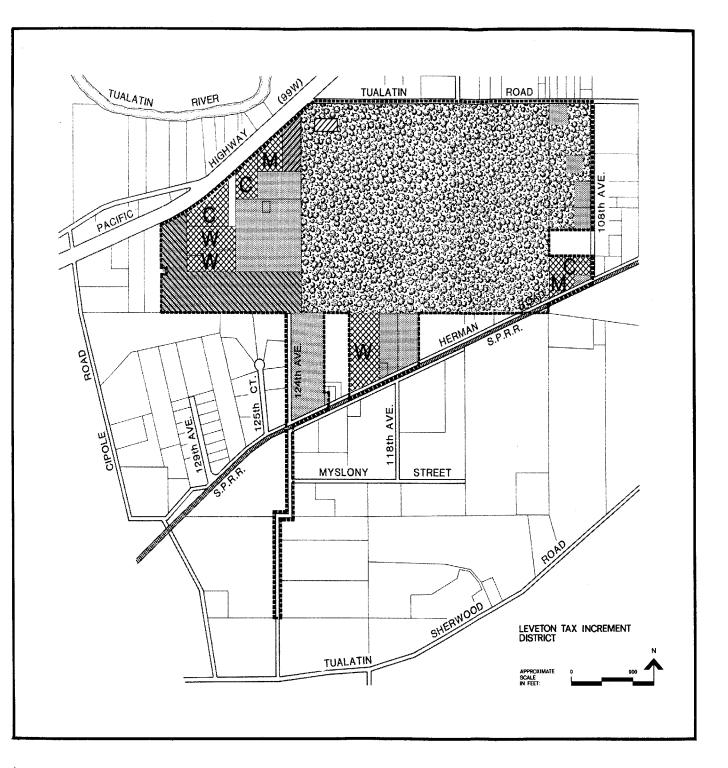
Specific properties which may be subject to acquisition have not been identified. Any person (or business) displaced by projects done under this Plan will be subject to the Commission's Relocation Regulations.

2. RELOCATION METHODS

The Plan calls for further study of acquisition and redevelopment of property which may result in the displacement of residents and businesses. The Tualatin Development Commission has adopted Relocation Regulations which govern the eligibility requirements and benefits available to displaced persons or businesses.

All relocation activities will be undertaken and payments made in accordance with the requirements of ORS 281.045-281.105 and any other applicable laws or regulations. Relocation payments will be made as provided in ORS 281.060.

[Section J amended by Resolution 397-02 adopted March 11, 2002.]



MAP 1 **EXISTING LAND USE**



SINGLE FAMILY RESIDENTIAL



SINGLE FAMILY RESIDENTIAL-COMMERCIAL



INDUSTRIAL:





MANUFACTURING



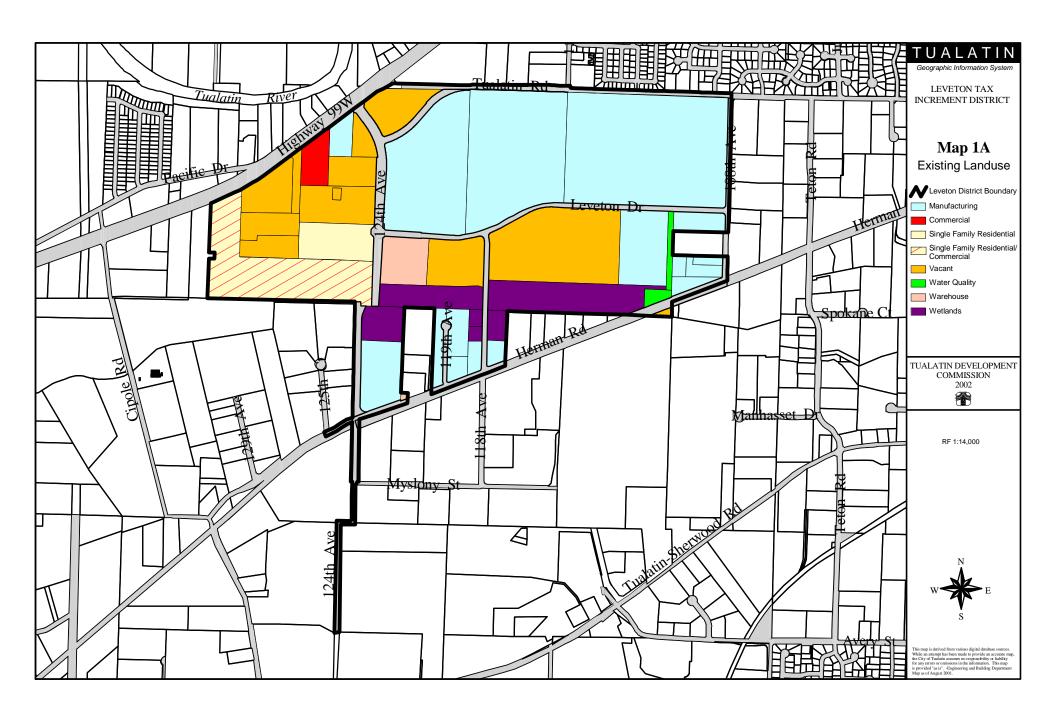


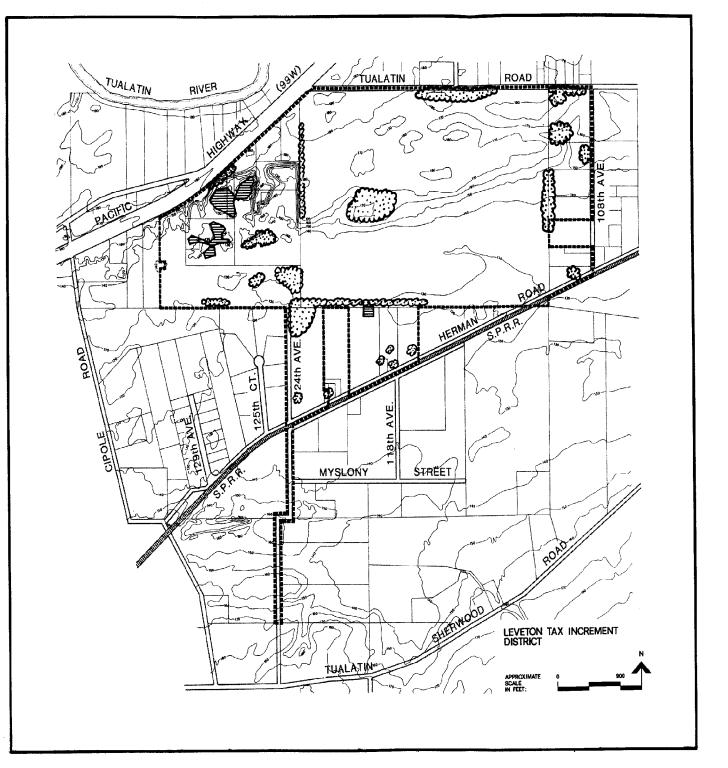
AGRICULTURAL



VACANT







MAP 2 NATURAL FEATURES



POND - Approximate Location

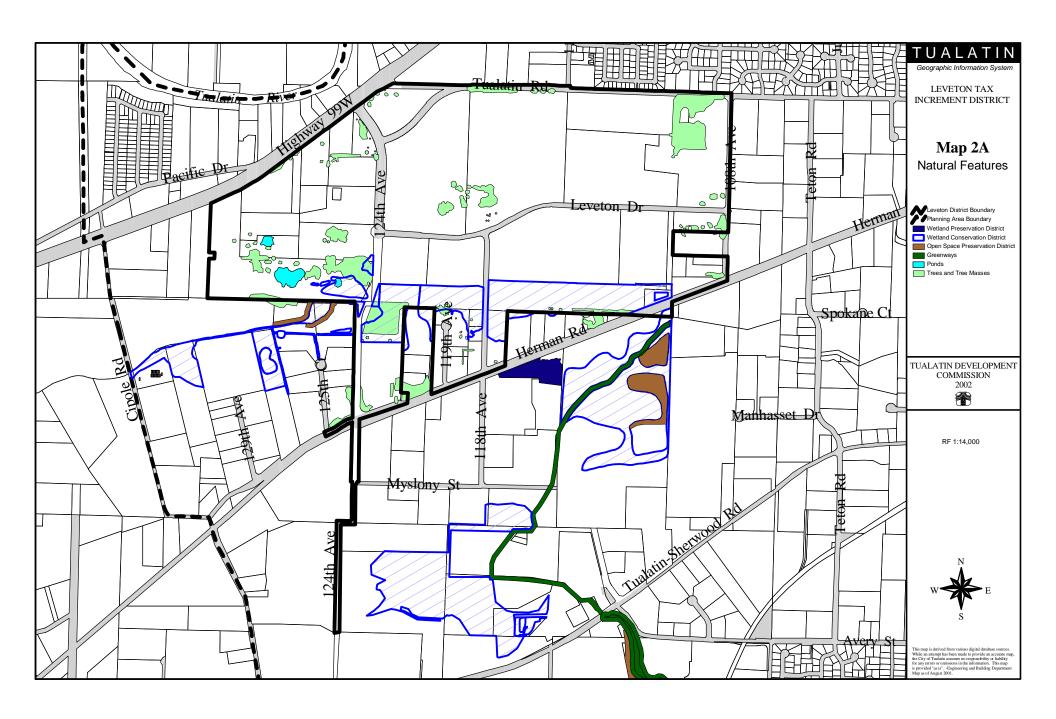


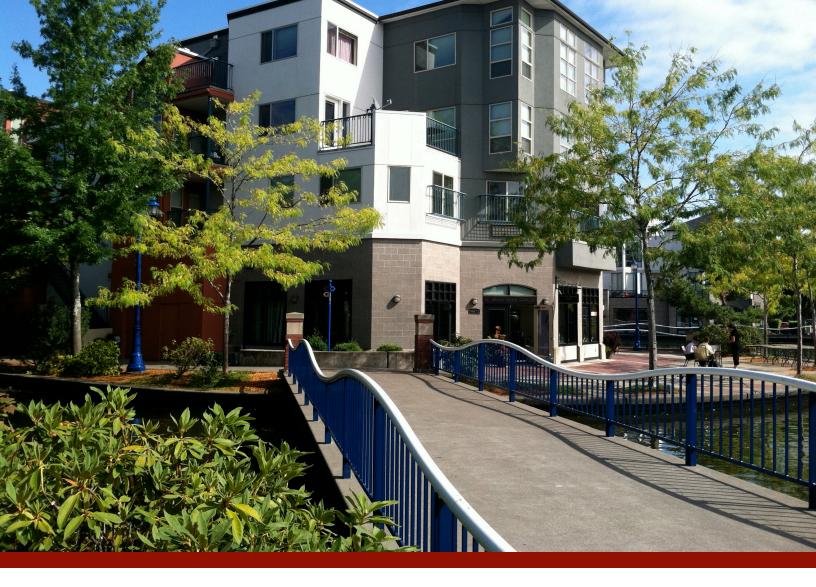
TREE MASSES Approximate Location



CONTOUR LINES (Elevation)







Evaluation of Urban Renewal in Tualatin

April 2012



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3. Remaining Resources	12
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1. Introduction

The City of Tualatin (City) and the Tualatin Development Commission have a long and successful history of fostering economic growth and community redevelopment. Since 1980, the City of Tualatin has grown from a rural suburb with a population of 7,483 to a thriving urban city that supports over 20,000 jobs and 26,160 residents. A significant portion of this growth has occurred in the City's urban renewal districts. The City has used Tax Increment Financing (TIF) to fund critical public infrastructure projects that have paved the way for millions of dollars of private investment and have spurred continued job growth in the City. Urban renewal and tax increment financing have been valuable tools for implementing the City's value statement:

"We value a high quality of life for our community and will promote actions, which increase community spirit and pride, and a sense of ownership, involvement and belonging in the community. We recognize the strengths, which come from our heritage and background, our social and economic conditions, and our natural resources. We will manage growth in a manner that will build on these strengths, while fostering a sense of place and a unique identify for the City."

After more than three decades of financing community redevelopment projects, the City is closing down its two urban renewal districts: the Central Urban Renewal District (CURD) and Leveton Tax Increment District (LTID). These two districts were formed for very different purposes, and each was successful in its own way. The CURD was intended to alleviate blight in downtown Tualatin, providing a sense of place, and a more vibrant urban setting. Implementation of Tualatin Commons is one of CURD's greatest accomplishments. LTID was created to open up new lands for employment and industry, and over the last 26 years, it has accommodated 35 new employers, bringing 2,200 jobs to the City of Tualatin.

While each district was formed for different purposes, they shared a common result – increased property value. The assessed value of the CURD increased by \$180 million between 1975 and 2010. Likewise, the assessed value of the LTID increased by \$255.5 million between 1985 and 2010. As a result, the close down of the urban renewal districts returned thousands of dollars to other important services such as schools and fire.

1

This report tells the story of the Central and Leveton urban renewal districts, highlighting their successes, acknowledging their ongoing needs, and providing the City with options for investing the areas' remaining resources. This report is organized into four sections:

- Introduction
- Accomplishments
- Remaining Resources
- Conclusions

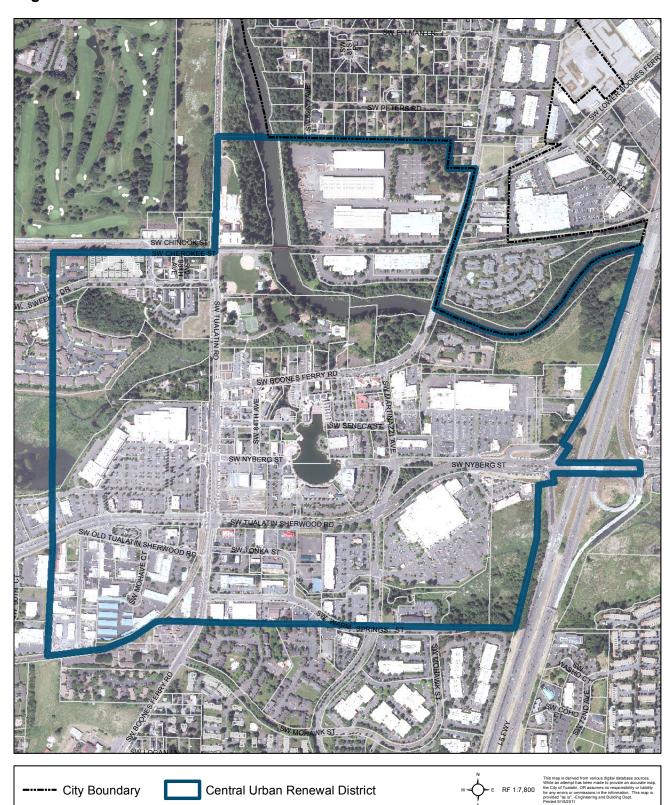
In the remainder of this section, we describe key characteristics of the CURD and LTID, including their purposes, visions, and goals. In subsequent sections of this report, we describe specific projects that were critical in the successful redevelopment of these areas, and the potential for continued redevelopment in these areas.

1.1 Central Urban Renewal District

The Central Urban Renewal District was established in 1975. The CURD originally included 310 acres and was amended over time to include a total of 327 acres west of I-5 and centered on SW Nyberg St. and SW Boones Ferry Rd. At the time, the total assessed value of the district was \$14,067,089. Most of the CURD was zoned for commercial use (CC and CO), with smaller portions of the District also zoned for high-density residential and manufacturing (light and general). **Figure 1** shows a map of the CURD.



Figure 1. Central Urban Renewal District



Source: City of Tualatin, 2011.

Founded in 1975, the purpose of the CURD was to alleviate conditions of blight and create a sense of place for downtown Tualatin. Specific conditions of blight mentioned in the Plan include:

- Deleterious land uses
- Lack of flood protection
- Lack of adequate drainage facilities
- Lack of public rights of way
- Traffic congestion and potential transportation conflicts and hazards
- Inaccessible and inadequate public facilities and services

The overall goal of the CURD Plan was to strengthen the social and economic development of central Tualatin by stabilizing and improving property values, eliminating existing blight, and preventing future blight; and to encourage and facilitate land uses, private and public, that result in activity during all business hours, evenings, nights, and weekends; and to encourage indoor and outdoor uses. The vision of the CURD was to:

- Include a mixed-use living, working and playing environment.
- Be oriented to and integrate the Tualatin River and other natural features to activate uses.
- Have a distinctive feel with strong, interesting and unique design standards, elements and features.
- Include civic, social, commercial and cultural functions as a full-service community within walking distance.
- Encourage safe bike and pedestrian activity and integrate transit opportunities.
- Be a destination for local business activities and not a pass through location for freight traffic.
- Integrate seamlessly with the rest of Tualatin in all directions.

When the District was founded in 1975, one of the biggest challenges to accomplishing these goals was the presence of the Hervin Company, a pet food manufacturer, which was a non-conforming use in a commercial district. Odors emanating from the Hervin Company proved to be a significant obstacle to attracting other commercial, residential, or retail development to the District. Although the Hervin Company was a particularly visible obstacle to redevelopment, it was just one of many parcels in the District, and blight was prevalent throughout the area.

Specific conditions of blight identified in the District include:

- Inadequate facilities
- Deleterious use of land
- Laying out of property in disregard to terrain
- Lack of proper utilization of areas

1.2 Leveton Tax Increment District

The Leveton Tax Increment District (LTID) was established in 1985, encompassing 377 acres, and was later expanded to include a total of 380.3 acres. At the time, the total assessed value of the district was \$3,660,924. Establishment of the District was integral to the City's economic development efforts to diversify and internationalize the local economy. The general boundary of the District includes Highway 99W and Tualatin Rd. to the north, 108th Ave. to the east, Herman Rd. to the south, and roughly 129th Ave. to the west.1 Virtually the entire District is zoned for manufacturing, including light (ML), general (MG) and manufacturing park (MP). A small portion of the site at the intersection of Highway 99W and Tualatin Rd. is zoned for general commercial (CG). Figure 2 shows a map of the LTID.

The LTID was established to provide infrastructure and services to support industrial development, and to eliminate mining operations, which were detrimental to other industrial uses.

The overall goal of the LTID was to facilitate the full industrial development of the District by removing blighting influences and by providing public improvements.



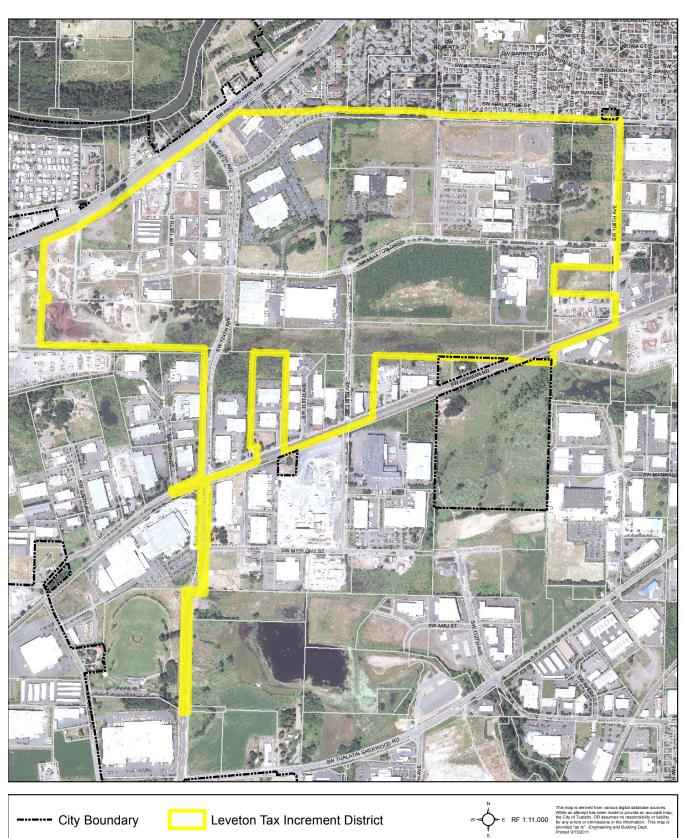
Novellus is one of the many successful businesses located in Tualatin thanks, in part, to the Leveton Tax Increment District.

1 The official boundary also extends South in a narrow strip along 124th Ave.

The purpose of the LTID was to implement goals and objectives of the Tualatin Community Plan, which relate to development of this portion of the Western Industrial District. Specific goals for the LTID include:

- To stimulate industrial development in the District.
- To achieve industrial growth within the framework of high environmental standards.
- To improve traffic access to Interstate 5 and Pacific Highway 99W and within the project area.
- To provide sewer, water, and storm drainage utility lines adjacent to and within the District, which will enable the area to be developed fully and rapidly.

Figure 2. Leveton Urban Renewal District



Source: City of Tualatin, 2011.

2. Accomplishments

This section describes the past projects undertaken by the Tualatin Development Commission (TDC) in the Central and Leveton urban renewal districts, including key public investments that were made.

2.1. Central Urban Renewal District

To accomplish the goals identified in the CURD Plan in a manner consistent with the vision for the CURD, the Plan identified over 60 specific projects to be funded in part with Tax Increment Financing (TIF) over the life of the District. Dozens of these projects were completed in the CURD over the past four decades. A complete list of these projects is included in Attachment A. Below we describe some of the projects that had a significant impact on the redevelopment of the CURD.

• Tualatin Commons Project: This large-scale mixed-used redevelopment is a key feature or the core of downtown. The area includes 80 residential units, 160,000 square feet of commercial space (office, restaurants, and a hotel), 500 parking spaces, as well as public and civic spaces. The combined real market value of the development is over \$30 million. The Tualatin Commons helped forge a unique community identity. The services offered in the Commons provide a draw for community activities. The project cost \$10.8 million for land acquisition and site preparation, though proceeds from sale of the land to private developers reduced the total net public cost to \$7.9 million.





The Tualatin Commons
Project received numerous
awards, including the
Governor's Livability Award
(1998), and an American
Planning Association Award
for Professional
Achievement in Planning
(1999).



Through these important investments, the assessed value of the district increased from \$14 million to \$194 million.

- *Eliminated Downtown Floodway Designation:* Through the removal of reefs from within the Tualatin River the downtown floodway designation was removed and facilitated development. This project enabled developers to design buildings in downtown without the hassle of special measures required for building in a floodplain.
- *Tualatin-Sherwood Road bypass:* This transportation improvement was a critical component for downtown development. The CURD could not have done the Tualatin Commons/Lake project without the bypass project, which facilitates traffic and straightened out access to I-5.
- Nyberg Street/I-5 Interchange: Facilitated traffic flow into the City and reduced traffic congestion. The project consisted of a southbound offramp widening, northbound on-ramp construction, a second phase of southbound off-ramp widening, and widening the deck of the bridge for eastbound traffic. These transportation infrastructure investments made the City easily accessible for residents, visitors and commerce.
- Core Area street project and parking facilities: The Core Area Parking District was established in 1979. TIF revenues, in conjunction with impact fees, were used to purchase land to create five surface parking lots. These lots opened up downtown, and facilitated economic development. The facilities continue to provide convenience for patrons, as well as enhanced safety for pedestrians (e.g., sidewalks, lighting, bike lanes, cross walks).
- *Library:* The Tualatin Library, on average, serves over 900 patrons a day, an anchor for the District and a draw to downtown. The library aptly serves the needs of the community as a cultural and educational asset. Additionally, the library supports local retailers, by drawing nearly 1,000 people a day into the heart of downtown Tualatin, providing exposure for local businesses.
- Land acquisition for Police Services Building: Purchased the land for the site of the Police Services Building, consistent with CURD Plan goals to provide civic facilities in the URD.
- **Façade improvement program:** Several property owners in the District took advantage of this program, resulting in enhanced aesthetics of downtown buildings and storefronts.

The combination of these projects supported major redevelopment of Central Tualatin. The Area is truly a vibrant, mixed-use hub that provides a clear sense of place for downtown Tualatin. Tualatin Commons, at the heart of the Area, offers restaurants, office space, townhomes and apartments, and a hotel. These commercial and residential uses all benefit from the amenity of a man-made lake,

and great accessibility provided by the numerous transportation improvement projects that have been funded in part with TIF. Through these important investments, the assessed value of the district increased from \$14 million to \$194 million.

2.2 Leveton Tax Increment District

The LTID Plan identified 20 specific projects to be funded in part with TIF to accomplish the goals of the LTID Plan. Over the life of the LTID, 14 of these projects were completed, paving the way for significant redevelopment of the Area. A complete list of these projects is included in Attachment A. Below we describe some of the projects that had a significant impact on the redevelopment of the LTID.

- *Land assembly:* TIF from LTID was used by the Tualatin Development Commission to purchase land in the area to be resold for private redevelopment.
- Numerous transportation improvements: Businesses in the area would have been perimeter businesses. Interior businesses only exist, because of the investments in transportation infrastructure in the area that facilitate industrial traffic and improve accessibility. Specific transportation projects include:
 - Reconstruction of SW 124th Ave./Pacific Highway/SW Tualatin Rd. intersection
 - Construction of 118th Ave
 - Design and construct SW 124th Ave. to connect Tualatin-Sherwood Rd. with Hwy 99W





Through these important investments, the assessed value of the district increased from \$3.5 million to \$259 million.

- SW Leveton Drive east/west to connect 124th Ave. and 108th Ave
- Herman Road
- *Installation of utilities in all streets in LTID:* Development in the district could not occur without proper utilities. TIF revenue was used to provide sewer, water, and storm drainage adjacent to and within the project area to enable the area to be developed fully and rapidly.

The culmination of these projects is a thriving industrial park providing jobs for residents of Tualatin and the Portland metropolitan region. The transportation improvements funded in part by urban renewal literally paved the way for industrial development in the interior of the District. The Leveton Tax Increment District is now home to 35 individual businesses, providing over 2,200 industrial jobs, predominantly in the sectors of manufacturing, distributing, and general contracting. Through these important investments, the assessed value of the district increased from \$3.5 million to \$259 million.



Investment in public infrastructure in LTID has paved the way for dozens of businesses and thousands of employees. More vacant land remains in LTID to accommodate future growth.

3. Remaining Resources

In the previous section, we described accomplishments of the Central and Leveton urban renewal districts. While urban renewal has been a powerful and successful tool for the redevelopment of Tualatin, there is still capacity for continued redevelopment, and many projects identified in the urban renewal plans remain incomplete. In addition, there may be other opportunities to spend the remaining resources. In this section, we describe the resources needed to fund current projects and outline the remaining resources for the two urban renewal districts.

3.1. Remaining Financial Capacity

Both districts stopped collecting TIF revenues FY 2010-11. Other than modest interest earnings, the only resources available for these districts is the remaining fund balance in their project funds. **Table 1** shows the estimated remaining resources at the end of the current fiscal year.

Table 1. Remaining Resources, CURD and LTID, FY 2011-12.

Estimated Remaining Resources		
Fund		End FY 2011/12
CURD	\$	781,238
LTID	\$	4,772,727
Total	\$	5,553,965

3.2. Budgeted Expenditures

The two districts have a combined \$5.5M of resources. **Table 2** shows the proposed budgeted expenditures from each district project fund in FY 2012-13.

Table 2. CURD and LTID. Proposed FY 2012-13 Budget.

Description	Amount		
CURD			
Materials & Services	\$	-	
Transfers	\$	31,960	
Capital Outlay	\$	300,000	
Total	\$	331,960	
LTID			
Materials & Services	\$	30,000	
Transfers	\$	156,000	
Capital Outlay	\$	1,470,000	
Total	\$	1,656,000	

The proposed budget in Table 2, include a couple of important projects to continue to improve the redevelopment potential of the CURD and LTID. In the CURD, funds have been budgeted to finish the construction of the gateway and landscape portions of the Tualatin-Sherwood Road beautification project. In the LTID, the capital outlay funds have been budgeted for the extension of Leveton Drive. The materials and services funds have been allocated for wetland migration.

Given the proposed budge, **Table 3** shows the projected remaining resources at the end of fiscal year 2012-13.

Table 3. Projected Remaining Resources After FY 2012-13.

Fund	Amount
CURD	
2011-12 Remaining Resources	\$ 781,238
2012-13 Proposed Budget	\$ (331,960)
Total	\$ 449,278
LTID	
2011-12 Remaining Resources	\$ 4,772,727
2012-13 Proposed Budget	\$ (1,656,000)
Total	\$ 3,116,727

Starting with the estimated remaining resources identified at the end of FY 2011-12 (Table 1), and subtracting the budgeted expenditures for FY 2012-13 (Table 2), we are able to calculate the remaining resources (Table 3). As Table 3 shows, CURD will have an estimated remaining balance of \$449,278. The LTID will have an estimated remaining balance of \$3.1 million. These unallocated funds can be used for a multitude of projects within each district.

4. Conclusions

Urban Renewal has been a powerful tool for redevelopment in the City of Tualatin. Below are key conclusions from this report:

- The Leveton Tax Increment District and the Central Urban Renewal
 District were established for two very different reasons, and each was
 very successful in accomplishing its goals. The CURD established a
 vibrant City center, creating a true sense of place in downtown Tualatin.
 The LTID was a tremendous engine for economic development, paving
 the way for more than 2,200 permanent industrial jobs in Tualatin.
- Tax Increment Financing through urban renewal was a critical funding source for dozens of infrastructure projects that helped ensure the success of these urban renewal districts. Tualatin Commons, the Tualatin Library, the Police Services Building, and numerous road construction, reconstruction, and widening projects are a few of the major projects that helped transform Tualatin thanks in large part to TIF.
- Redevelopment efforts in the CURD and LTID continue. Although both
 districts have great success stories, there is still more work to be done.
 Both districts are no longer collecting TIF revenues, but the remaining
 fund balances will be used to support public infrastructure projects,
 including numerous transportation projects in the coming years.
- Although the City of Tualatin has no active urban renewal districts at this
 time (i.e., districts collecting TIF revenues), urban renewal remains a
 viable option for the City to use to address blighted areas, and pursue
 economic development in the future. The City should remember the
 challenges and successes of the LTID and CURD as it contemplates the
 potential use of urban renewal in the future.

Attachment A: List of Projects

Central Urban Renewal District

	provements
	d Control
Χ	Removal of reefs within the Tualatin River
	Participating in the local share of a state and/or federally funded project.
	Fill utilized in the Tualatin Commons Redevelopment Project to minimize flood risk to
	project.
Roac	ds and Streets
	Road Improvements
Χ	Tualatin-Sherwood Road Bypass
Χ	Warm Springs/Tonka couplet, full funding of the design and construction
Χ	Nyberg Street/I-5 interchange.
Χ	Widening of SW Nyberg Street east of SW Tualatin-Sherwood Road
	Improvements to SW Boones Ferry Road from SW Martinazzi Avenue to SW Tualatin-
Χ	Sherwood Road
	Partial improvements to SW Nyberg Street from SW Martinazzi Avenue to Lake of the
Χ	Commons.
	Partial improvements to SW Seneca Street from SW Martinazzi Avenue to Lake of the
Χ	Commons
	Improvements to SW Seneca Street, between SW 84th Avenue and SW Boones Ferry
Χ	Road.
Χ	Improvements to SW 84th Avenue from SW Boones Ferry Road to Nyberg Street
	Loop Road/Eastside Downtown (north half)
Χ	Widen SW Martinazzi Avenue
	SW Boones Ferry Road between SW Lower Boones Ferry Road and SW Martinazzi Ave
	Pac Trust Roadway west of the Lower Boones Ferry/Upper Boones Ferry intersection.
Χ	NW Nyberg Street between SW Martinazzi Avenue and SW Boones Ferry Road.
	Intersection Improvements
Χ	SW Boones Ferry Road/Martinazzi Avenue traffic signal.
Χ	Traffic signal on SW Martinazzi Avenue with Fred Meyer and Martinazzi Square.
Х	SW Boones Ferry Road/Tualatin Road traffic signal.
Χ	Access to Tualatin Commons Redevelopment Project from SW Tualatin-Sherwood Roa
	Traffic signal coordination and interconnection throughout the District
Х	SW Boones Ferry Road Pedesrian Refuges
Х	Landscaping Tualatin-Sherwood/Boones Ferry Intersection
	Tualatin-Sherwood Road Landscape and Pedestrian enhancedmentproject with gatew
Х	feature (in progress)
Utilit	
X	Tualatin Commons Redevelopment Project
Х	Central Design District Enhancement Project
	East Sub-area (Eastside Downtown) Project
	North Sub-area
	1

Park	ing facilities
	Tualatin Commons Redevelopment Project (Tualatin Commons Site improvements,
X	including sewer relocations)
X	White Parking Lot expansion
X	Yellow Parking Lot construction
half	Red Parking Lot partial completion
X	Blue Parking Lot construction
X	Green Parking Lot expansion
^	East Sub-area (Eastside Downtown)
Pede	estrian facilities
X	Tualatin Commons Redevelopment Project
^	Central Design District Enhancement Project
	East Sub-area (Eastside Downtown)
	North Sub-area
Ci. da	South Sub-area
CIVIC	Facilities
	Community building
	Tualatin Commons Landmark
X	Tualatin Library
	sit Facilities
X	Commuter rail station
X	Train horn noise mitigation
nd Acq	uisition and Clearance
X	Tualatin Commons Property Acquisition
X	Tualatin Development Commission Property Acquisition
	Property Acquisition to Eliminate Blight or Construct Street or Other Public Infrastructure
X	Improvements
X	Property Acquisition for Police Facility
	Central Design District Enhancement Project Property Acquisition
	Parking Garages
nd Disp	osition, Development and Redevelopment
Х	Redevelopment by private redevelopers for the mix of uses
X	Redevelopment of certain parcels within the Urban Renewal Area
	Redevelopment of certain parcels within the Area by the City of Tualatin and Tualatin
X	Development Commission for a community center
	Construction of public facilities that may include water feature(s), pedestrian facilities,
X	and parking facilities.
X	Road, street and utility improvements.
ehabilit	ation and Conservation
1	A matching grant façade improvement program for buildings within the Central Design
l x	District.
^`	The Commission may appropriately assist in rehabilitation and conservation efforts
	outside of the Central Design District.
 arkatin	g and Promotion
iai ketiN	Marketing and promotion activities to assist in attracting private development
	1
X	investment.
centive	
	Assist in the cost of impact fees attributed to private development.

 $[\]hbox{*Note: X indicates completed projects.}$

16

Leveton Tax Increment Plan

Public Improvements Road Improvements SW Leveton Drive will be constructed as an east/west local access road which connects SW 124th Avenue and SW 108th Avenue. Widen SW Tualatin Road to 74-78 foot right-of-way, 50 foot paved width, including two travel lanes, continuous left turn lane, and bike lanes. Widen SW 108th Avenue to 64-foot right-of-way, with two lanes and continuous left turn Χ lane. SW 118th Avenue will be design and constructed as a north-south connector joining SW Leveton Drive to SW Herman Road. Design and construct SW 124th Avenue, to connect SW Tualatin-Sherwood Road to Pacific Highway 99W. Reconstruction of intersection of SW 124th Avenue/Pacific Highway/SW Tualatin Road Widen SW Herman to 74-78 foot right-of-way, 50 foot paved width, including two travel lanes, continuous left turn lane, and bike lanes. Design and construct traffic signals at a number of locations Leveton Drive Extension Project with construction of SW 128th and SW 130th to 99W (in progress) Water improvements Installation of lines within the rights-of-way of SW Leveton Drive, SW Tualatin Road, 108th Avenue, 118th Avenue and 124th Avenue Installation of a High Capacity line extending from Herman Road. Sanitary Sewer Improvements Installation of a sewer line extending from 130th Ave east along the southern boundary to Hedges Creek then along Hedges Creek Installation of lines within the rights-of-way of SW Leveton Drive, 108th Avenue, 118th Avenue, 124th Avenue. **Storm Drainage Improvements** Construction of a storm drain line along the east boundary of the Leveton parcel to SW Construction of storm drains within road rights-of-way for Leveton Drive, Tualatin Road, 108th Avenue, 118th Avenue, 124th Avenue. Construction of storm water detention and treatment facilities, including a detention area at the SE corner of the Leveton parcel, and the Leveton Wetland Mitigation Project. Construction of improvements to Hedges Creek, in accordance with the City of Tualatin's Drainage Master Plan, and the Wetlands Protection District Drainage Plan. Construction of storm drainage improvements to serve the guarry sector. Land Acquisition, Reclamation and Redevelopment Acquisition of the properties in the quarry sector, and for their reclamation and disposition for redevelopment. Acquisition of rights-of-way including easements, for the road and utility projects described in the Plan.

^{*}Note: X indicates completed projects.





TERMINOLOGY

- 1. UR Urban Renewal
- 2. URA Urban Renewal Area
- 3. URD Urban Renewal District
- 4. TIF Tax Increment Funds or Tax Increment Financing
- 5. MI Maximum Indebtedness
- 6. AV Assessed Value
- 7. TDC Tualatin Development Commission









Many opportunities for improvements and redevelopment in cities that need funding - Infrastructure

Plans that need to be implemented

Housing Needs

City general funds typically lack the funds to contribute to these opportunities Urban Renewal provides an additional tool to the city's toolbox - funding source to bridge the gap

CRASH COURSE | UR 101





CRASH COURSE | UR 101



1. 3% Appreciation
2. Substantial Improvements

PROPERTY TAX REVENUE



CRASH COURSE | UR 101

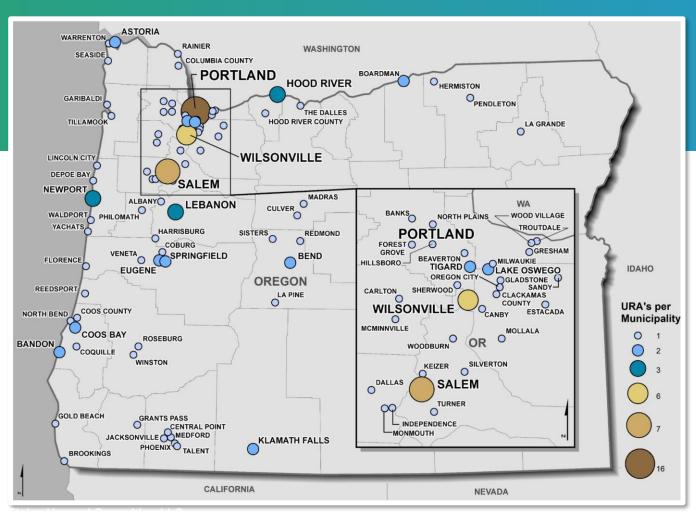


CITY



- Economic development tool
- Unique in that it is a financing tool, but also a plan with projects
- Used to address "blighting" influences in specific areas
- Functions on increases in property tax revenues in "Urban Renewal Areas"
- Used all over Oregon (Map on next slide)

CITIES WITH URBAN RENEWAL



WHAT IS BLIGHT?

- Blight is a precondition to any Urban Renewal Area
- Specific criteria defined by state statue, generally covers:
 - Underdevelopment or underutilization of property
 - Poor condition of buildings
 - Inadequacy of infrastructure including streets and utilities

HOW DOES AN URBAN RENEWAL AREA FUNCTION?

1. Income Source

Yearly property tax collections based on growth within Boundary (more detail on mechanism in later slide)

2. Expenses

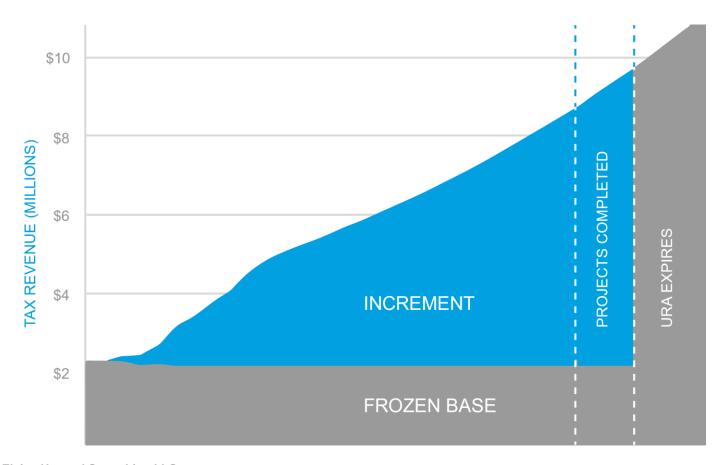
Projects, programs, and administration

3. Spending Limit

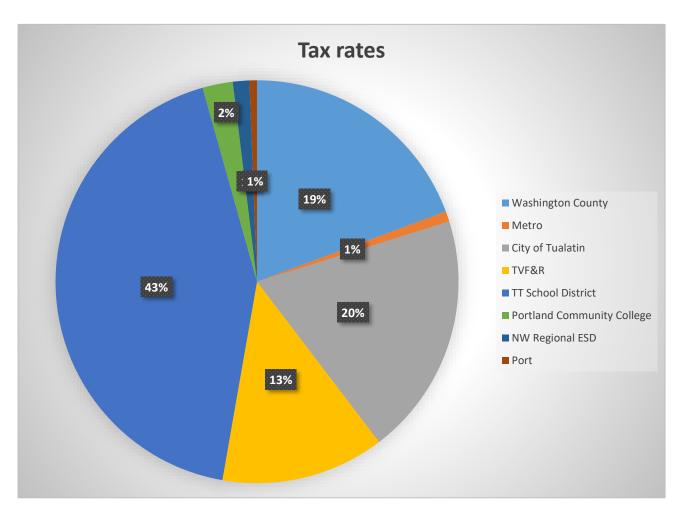
- Capped by Maximum Indebtedness (MI):
 - The total amount of money that can be spent over the life of the district on projects, programs, and administration.



HOW DOES URBAN RENEWAL FINANCING WORK?



LEVERAGING CITY TAX RATE



A HYPOTHETICAL PROPERTY TAX BILL

Taxing District	Rate	Property Value
Property Value		\$100,000
Washington County	\$ 2.2484	\$224.84
Metro	\$ 0.0966	\$9.66
City of Tualatin	\$ 2.2665	\$226.65
TVF&R	\$ 1.5252	\$152.52
TT School District	\$ 4.9892	\$498.92
Portland Community College	\$ 0.2828	\$28.28
NW Regional ESD	\$ 0.1538	\$15.38
Port	\$ 0.0701	\$7.01
Tigard Tualatin Acquatic	\$ 0.0900	\$9.00
Tualatin Soil and Water	\$ 0.0691	\$6.91
Urban Renewal		
Total	\$ 11.7917	\$1,179.17

A HYPOTHETICAL PROPERTY TAX BILL

Taxing District Property Value	Rate	Property Value \$100,000	Property Value without UR \$103,000.00
Washington County	\$ 2.2484	\$224.84	\$231.59
Metro	\$ 0.0966	\$9.66	\$9.95
City of Tualatin	\$ 2.2665	\$226.65	\$233.45
TVF&R	\$ 1.5252	\$152.52	\$157.10
TT School District	\$ 4.9892	\$498.92	\$513.89
Portland Community College	\$ 0.2828	\$28.28	\$29.13
NW Regional ESD	\$ 0.1538	\$15.38	\$15.84
Port	\$ 0.0701	\$7.01	\$7.22
Tigard Tualatin Acquatic	\$ 0.0900	\$9.00	\$9.27
Tualatin Soil and Water	\$ 0.0691	\$6.91	\$7.12
Urban Renewal			
Total	\$ 11.7917	\$1,179.17	\$1,198.16

A HYPOTHETICAL PROPERTY TAX BILL

Taxing District Property Value	Rate	Property Value \$100,000	Property Value F without UR \$103,000.00	Property Value With UR \$103,000.00
Washington County	\$ 2.2484	\$224.84	\$231.59	\$224.84
Metro	\$ 0.0966	\$9.66	\$9.95	\$9.66
City of Tualatin	\$ 2.2665	\$226.65	\$233.45	\$226.65
TVF&R	\$ 1.5252	\$152.52	\$157.10	\$152.52
TT School District	\$ 4.9892	\$498.92	\$513.89	\$498.92
Portland Community College	\$ 0.2828	\$28.28	\$29.13	\$28.28
NW Regional ESD	\$ 0.1538	\$15.38	\$15.84	\$15.38
Port	\$ 0.0701	\$7.01	\$7.22	\$7.01
Tigard Tualatin Acquatic	\$ 0.0900	\$9.00	\$9.27	\$9.00
Tualatin Soil and Water	\$ 0.0691	\$6.91	\$7.12	\$6.91
Urban Renewal				\$18.99
_Total	\$ 11.7917	\$1,179.17	\$1,198.16	\$1,198.16

PROPERTY TAXES AND URBAN RENEWAL

- Urban Renewals Division of Taxes does not increase property taxes, it uses increases in property taxes that were already happening
- Urban Renewal is a line item on your property tax bill
- The Assessor must go through the following steps when distributing Urban Renewal Taxes:
 - 1. "Calculation" of TIF to be collected
 - 2. "Distribution" of TIF Citywide to property tax payers
 - 3. "Collection" of property tax revenues

URBAN RENEWAL UTOPIA

The following slides detail in a conceptual manner the steps an Assessor goes through to distribute TIF revenues to an Urban Renewal Agency:

- 1.) Calculation
- 2. Distribution
- 3.) Collection

HYPOTHETICAL CITY

Houses in City

40

Total AV 1st Year

\$4,000,000



FORMATION OF URA

Houses in City

40

Total AV 1st Year

\$4,000,000

25% First Year

\$1,000,000

Houses in URA

10

















































































"CALCULATION"

Houses in City 40

Total AV 1st Year **\$4,000,000**

25% First Year

\$1,000,000

Houses in URA

10



"DISTRIBUTION"

Houses in City

40

Total AV 1st Year

\$4,000,000

25% First Year

\$1,000,000

Houses in URA

10

















































































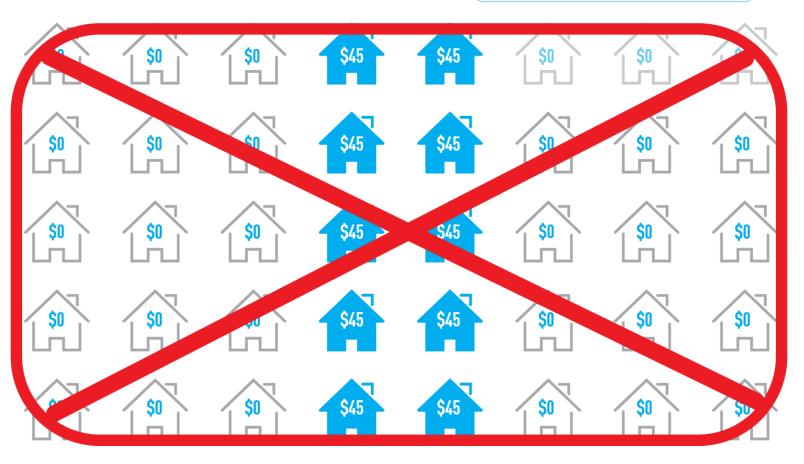
"DISTRIBUTION"

Houses in City 40

Total AV 1st Year **\$4,000,000**

25% First Year **\$1,000,000**

Houses in URA 10



"DISTRIBUTION" + "COLLECTION"

Houses in City 40

Total AV 1st Year **\$4,000,000**

25% First Year **\$1,000,000**

Houses in URA

10

\$12.25





- No new taxes due to the division of taxes from Urban Renewal
- Schools are indirectly impacted by urban renewal
- There will be a line item for Urban Renewal on your property tax bill if this Plan is adopted
- There are no bonds or local option levies impacted by the proposed urban renewal plan unless bonds issued prior to 2001

IMPACTS TO TAXING DISTRICTS

- Urban Renewal does not provide new money
 - Diverts funds that would go to other property tax districts
- Continue receiving taxes on frozen base
- Temporarily forego taxes on any growth in Urban Renewal area
- Growth may not have occurred but not for urban renewal



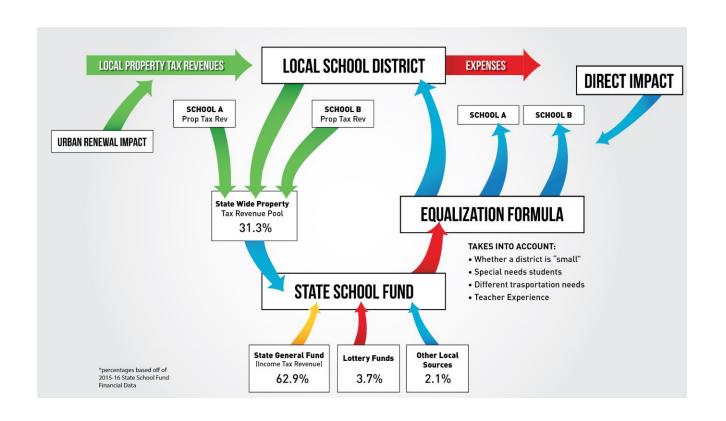
URBAN RENEWAL AND LOCAL SCHOOL DISTRICTS

An Indirect Impact

URBAN RENEWAL IMPACT Regular Taxing District



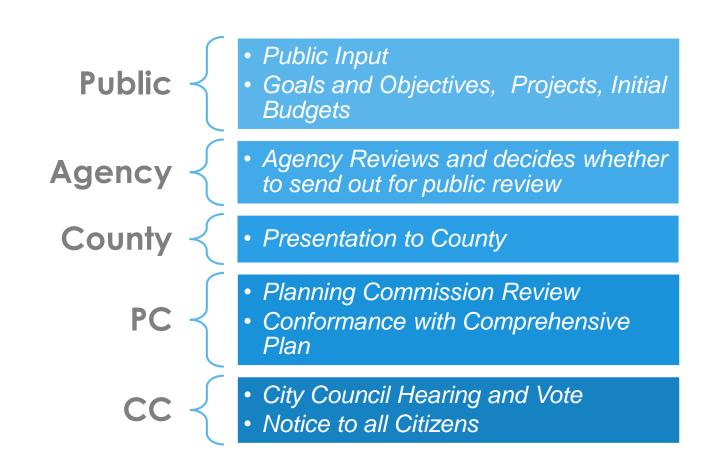
URBAN RENEWAL IMPACT Local Schools



STATE LIMITATIONS ON URBAN RENEWAL

- Population under 50,000
 - 25% of Assessed Value of Property in City
 - 25% of Acreage of City
- Existing Plan limitations:
 - Can not be increased in size by more than 20% of original Plan acreage
 - Maximum Indebtedness (MI) can not increase by more than 20% of original MI, indexing
 - May increase MI above 20% as adjusted only with concurrence from 75% of other taxing districts

HOW IS A PLAN ADOPTED?



TIME FRAME FOR A NEW URBAN RENEWAL AREA

- Depends on what preparation work has been completed
 - Projects identified
 - General community input and education is there a desire for the projects and is urban renewal the right tool?
- 2. If the projects are identified 6 8 months

2019 LEGISLATIVE ISSUES

- 1. Public buildings
- 2. Annual Reports
- 3. Clean up confusing issues



Tualatin Central

• Frozen base: \$14,067,089

AV at closing: \$194,288,400

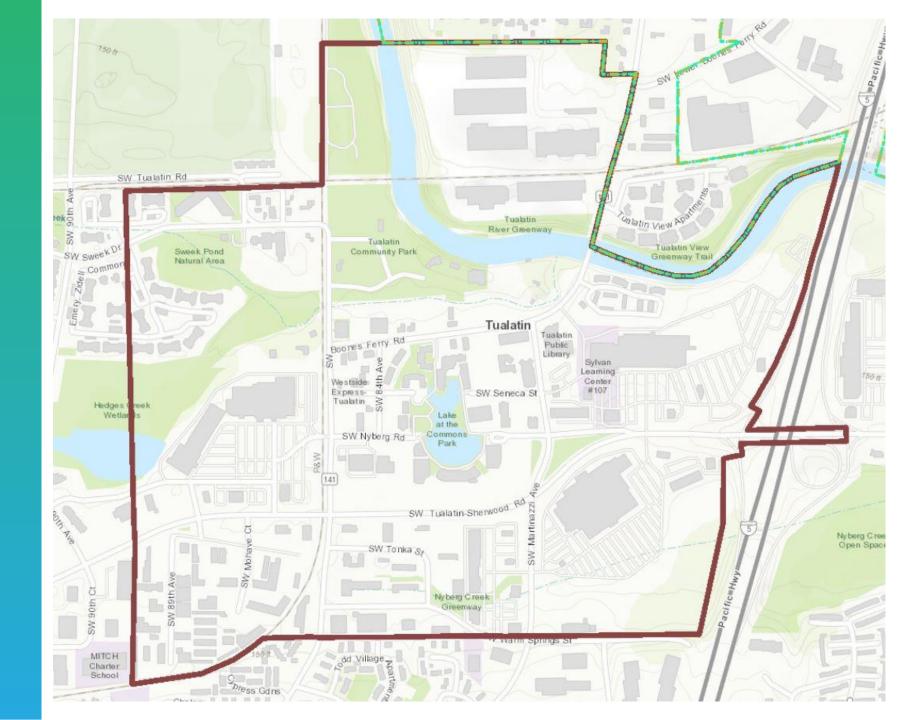
MI \$27,705,384

Established 1975

- Projects
 - Tualatin Commons
 - Tualatin Sherwood Road bypass
 - Nyberg Street and I-5 Interchange
 - Surface parking
 - □ Local street improvements





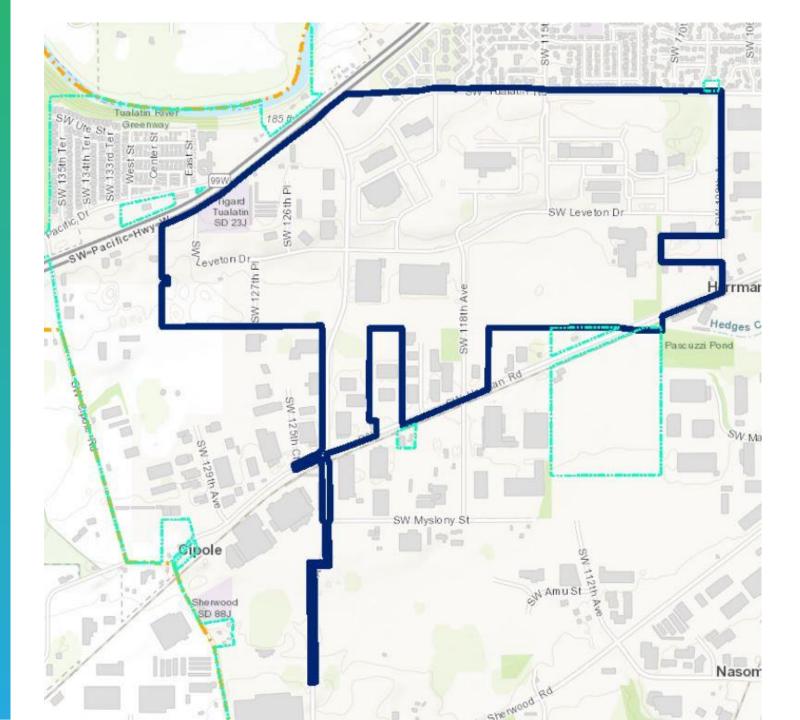


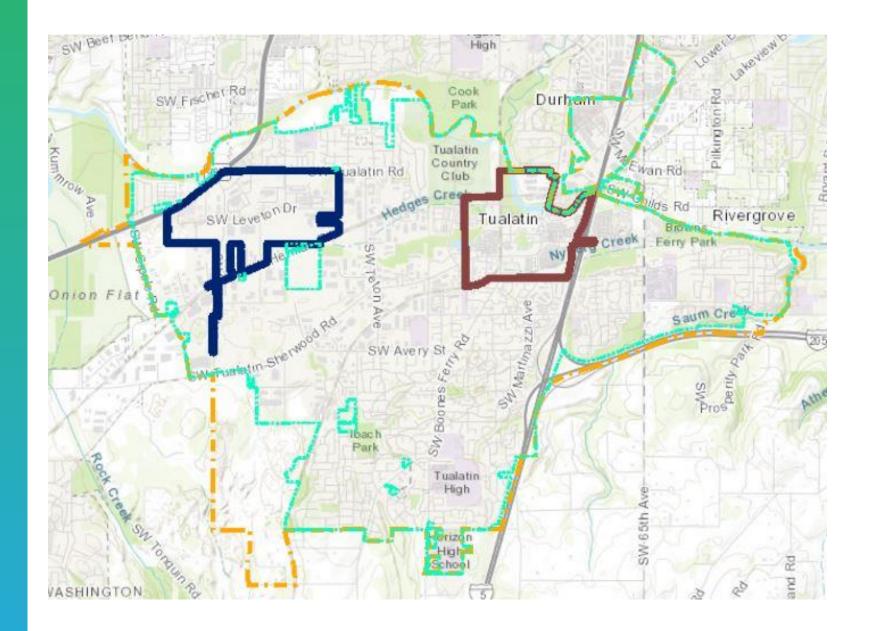
TUALATIN LEVETON

- Open new lands for employment and industry
- Increased in value by \$255.5M between 1985-2010
- Projects included improvements to
- Transportation
- Water
- Sanitary Sewer
- Storm Drainage

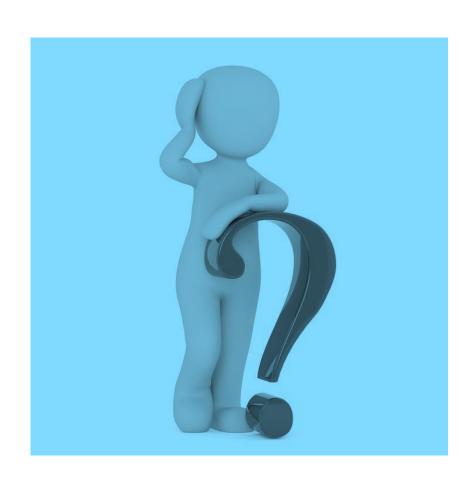








Questions?



NEXT STEPS - Meeting 2

- What is the Tualatin Development Commission and how does it operate?
 - Role of TDC versus City Council
- Status of existing URAs
 - Financial
 - Projects
 - Assets
 - How to close down a URA

NEXT STEPS - Meeting 3

- What are needs in Tualatin that can be addressed by UR? – Meeting 3 if desired
 - Address goals of city
 - Projects that need financing
 - Areas of city that need infrastructure
 - Property to develop
 - Housing issues to address







ROLE OF TUALATIN DEVELOPMENT COMMISSION (TDC)

- 1. Separate entity
- 2. Budgets, financial statements, annual reports
- 3. Carry out projects in urban renewal area
- 4. Amend existing plans by minor amendments
- Plan for future role in new urban renewal areas advisory only

STATE LIMITATIONS ON URBAN RENEWAL

- Population under 50,000
 - 25% of Assessed Value of Property in City
 - 25% of Acreage of City
- Existing Plan limitations:
 - Can not be increased in size by more than 20% of original Plan acreage
 - Maximum Indebtedness (MI) can not increase by more than 20% of original MI, indexing
 - May increase MI above 20% as adjusted only with concurrence from 75% of other taxing districts

URBAN RENEWAL IN TUALATIN AND ORS 457 RESTRICTIONS

Area	Acreage	AV
City	5,264	\$4,017,083,745
Central	326	
Leveton	382	
% in UR	13.44%	
25 % of City	1,316	\$1,004,270,936

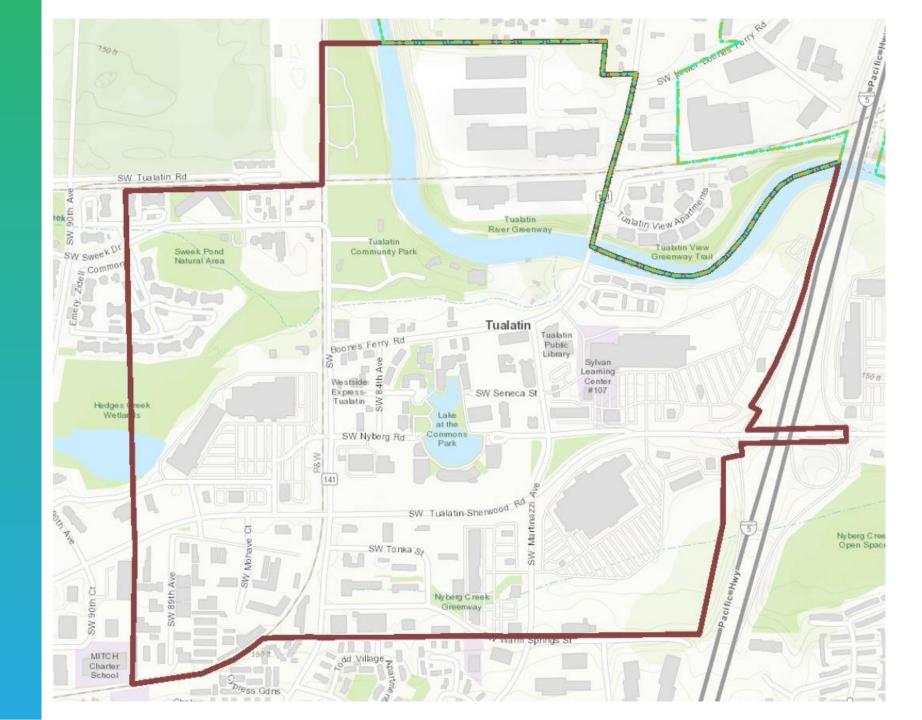


Central Urban Renewal

- Established 1975
- Established to alleviate blight in Downtown and to provide a vibrant urban setting.
- Increased in value by \$180 million dollars from 1975-2010
- MI \$27,705,384
- Projects
 - Tualatin Commons
 - ☐ Tualatin Sherwood Road bypass
 - Nyberg Street and I-5 Interchange
 - Surface parking
 - Local street improvements







REMAINING PROJECTS

In Plan and scheduled: Community Building

Tualatin Commons Landmark

Parking Garages

Pedestrian Facilities

Potential: Community desires

new entry point signage

ASSETS/FINANCIAL STATUS

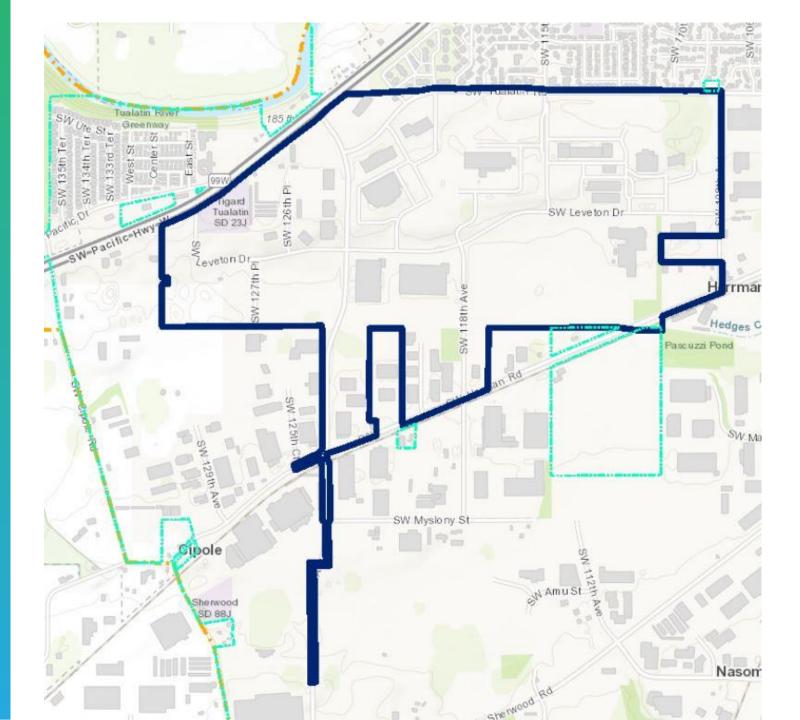
Current cash and investments: \$123,695

Leveton Tax Increment District

- Established in 1985.
- Open new lands for employment and industry
- Increased in value by \$255.5M between 1985-2010
- Projects included improvements to
 - Transportation
 - Water
 - Sanitary Sewer
 - Storm Drainage







REMAINING PROJECTS

In Plan and scheduled: Signal Light on intersection of

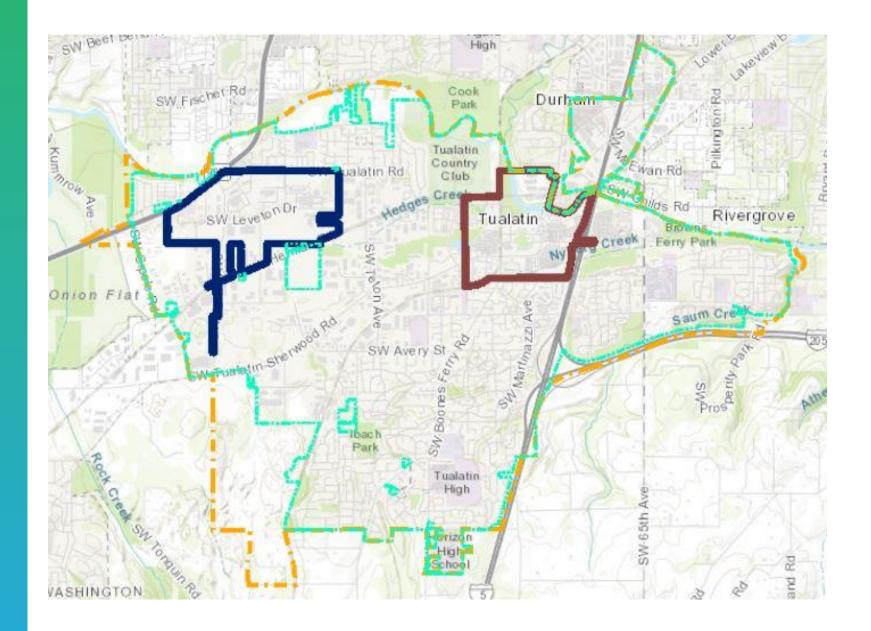
108th Ave/Tualatin Road. It is not

reflected in our TSP from 2014.

Potential:

ASSETS/FINANCIAL STATUS

Current cash and investments: \$3,704,655



TUALATIN DEVELOPMENT COMMISSION ASSETS

Land \$ 8,757,200

Improvements \$ 12,969,110

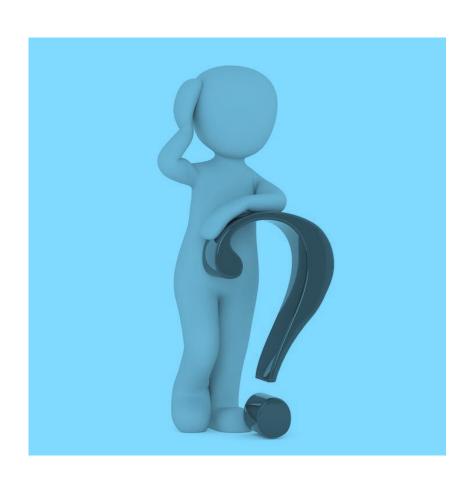
Infrastructure \$ 6,574,635

Total \$ 28,300,945

Next Steps for Districts

- Termination of tax increment collections done
- Identify new projects for remaining funds, amend plan, and spend
- OR -
- Distribution of assets ORS 457.450
- -AND-
- Resolution by TDC to terminate urban renewal area
 Best Practices Document Section 7
- 4. Program Income p 80 Best Practices

Questions?



NEXT STEPS - Meeting 3

- What are needs in Tualatin that can be addressed by UR? – Meeting 3 if desired
 - Address goals of city
 - Projects that need financing
 - Areas of city that need infrastructure
 - Property to develop
 - Housing issues to address



CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Karen Perl Fox, Senior Long Range Planner

Jonathan Taylor, Economic Development Manager

Steve Koper, Planning Manager

Aquilla Hurd-Ravich, Community Development Director

DATE: October 28, 2019

SUBJECT:

Tualatin 2040 Project Update

EXECUTIVE SUMMARY:

This item is a continuation of the Tualatin 2040 Project Update presentation from September 23, 2019.

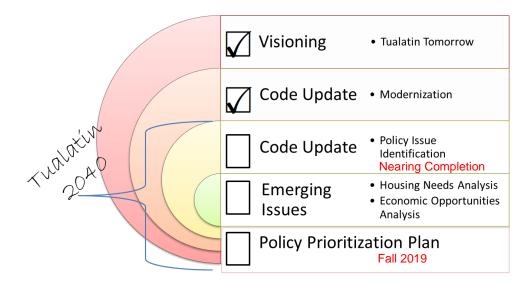
Project Background

In late 2018, the City of Tualatin completed a modernization project to update the Development Code and made it easier to read and use. However, this update did not address outdated policies, many of which are from the original code adopted in the early 1980s. In January 2019, in response to the need to update Development Code policies, and Council and community interest in updating the City's housing and economic policies, the Tualatin 2040 project was launched.

In order to accomplish these goals, the Tualatin 2040 project includes the following parts:

- A Housing Needs Analysis and Housing Strategy
- An Economic Opportunities Analysis and Economic Strategy
- Policy Identification and Prioritization (Housing, Economy, Community, and Livability policies)

To date, final drafts of the Housing Needs Analysis, Housing Strategy, Economic Opportunities Analysis, and Economic Strategy have been completed and are available on the project website, www.tualatin2040.com. From October 14, 2019 to October 28, 2019, a draft of a Policy Prioritization Plan, which includes both the policy identification and a policy prioritization, based on previous community feedback, is available for public comment. These project components are discussed in greater detail below under the heading: *Housing Needs Analysis, Economic Opportunities Analysis, and Policy Prioritization Plan in Brief.*



Where We've Been

One of the key elements of the Tualatin 2040 project has been community engagement. At the outset of the project, a website was developed (www.tualatin2040.com), which has been regularly updated to provide the public with information about the project and important dates, as well as a project library with all related documents. Regular email updates to interested parties and others have also been made. Lastly, in order to help ensure engagement with the entire Tualatin Community, many project documents have been translated in Spanish, and events included an available translator.

Recognizing the importance of housing and economic issues to the Council and community, in January 2019, EcoNorthwest, was hired to conduct a Housing Needs Analysis, Housing Strategy, Economic Opportunity Analysis, and Economic Strategy for Tualatin. Drafts of these documents are included with this report in Attachments B-E. To get community feedback on these documents, a 16-member Community Advisory Committee, representing a broad spectrum of backgrounds and points of view, was formed in March 2019. A companion Technical Advisory Committee was formed in April 2019, made up of representatives from City Departments, as well as partner agencies, organizations, and other experts. The Community Advisory Committee met seven times from March to September of 2019. The Technical Advisory Committee met four times from April to September of 2019.

In April 2019, Angelo Planning Group, as part of its work on policy identification and overall policy prioritization for the project, helped to get community feedback by working with City staff to hold a series of individual and group stakeholder interviews. Additional community outreach efforts included staff-hosted tables at events and activities on the Commons in July and an online open house. In September a second open house, "Under One Roof", was held at the Marquis Café, which included presentations by the Tualatin 2040 project consultants on housing, economic development, as well as other policy areas affecting community and livability. In addition, a panel of experts from housing-related nonprofits and government discussed and answered questions related to housing and how to help address issues facing the more than 25% of renters in Tualatin that pay more than 30% of their income on housing.

Where We're Going

- Draft Prioritization Plan available for public review (October 14-28, 2019)
- City Council Work Session (October 28, 2019): Continuation of Tualatin 2040 project update.
- **Planning Commission Meeting** (November 21, 2019): Consideration of a recommendation to Council on the Draft Prioritization Plan.
- **City Council Meeting** (November 25, 2019): Consideration of Planning Commission recommendation; opportunity to give feedback on Draft Prioritization Plan.
- City Council Meeting (December 9, 2019): Consider adoption of Final Prioritization Plan.

HOUSING NEEDS ANALYSIS, ECONOMIC OPPORUNITIES ANALYSIS AND POLICY PRIORITIZATION PLAN IN BRIEF:

Summary of Tualatin's Housing Needs Analysis

Tualatin's Housing Needs Analysis covers the period from 2020 to 2040 and is required to be developed consistent with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing) and OAR 660 Division 8. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996). It provides Tualatin with a factual basis to update the City's Comprehensive Plan and Development Code, and to support future planning efforts related to housing and options for addressing unmet housing needs in Tualatin. This analysis will help decision makers understand whether Tualatin has enough land to accommodate growth over the next 20 years. See Attachment B for the full report *Tualatin HNA Report*.

Historical and Recent Development Trends in Tualatin

• Existing Housing Mix

Single-family housing accounted for the majority of new housing growth in Tualatin between 2000 and 2017. Sixty percent of new housing built between 2000 and 2017 was single-family housing (detached and attached).

Existing housing stock:

- 53% single-family detached housing
- 41% multifamily
- 6% attached single-family housing such as townhouses, rowhouses, and duplexes.

Trends in Density

Between 2000 and 2017, Tualatin permitted 1,996 new dwelling units. Of the 1,996 new units, 1,207 units were single-family (60%) and 789 units were multifamily (40%). During this time, housing in Tualatin developed at an average net density of 8.7 dwelling units per net acre.

Trends in Housing Tenure

Homeownership in Tualatin is lower than Washington County's and Oregon's rate. About 55% of Tualatin's households own their own home. In comparison, 61% of Washington County households and 60% of Oregon households.

- Homeownership rates in Tualatin stayed about the same between 2000 and 2017;
- 88% of Tualatin homeowners live in single-family detached housing;
- 82% of Tualatin renters live in multifamily housing.

Residential Vacancy Rates

Vacancy rates are a measure of housing that is available to prospective renters and buyers or a measure of unutilized housing stock.

- Tualatin's vacancy rate was 4.3%, compared to 4.8% in Washington County and 5.5% in the Portland Region.
- The rate declined between 2000 from 6.2% to 4.3% in 2013-2017.

Demographics and Other Factors Affecting Residential Development in Tualatin

Demographic trends are important for a thorough understanding of the dynamics of the Tualatin housing market. Tualatin exists in a regional economy; trends in the region impact the local housing market. See Chapter 4 of the Housing Needs Assessment (Attachment B) which documents demographic, socioeconomic, and other trends relevant to Tualatin at the national, state, and regional levels.

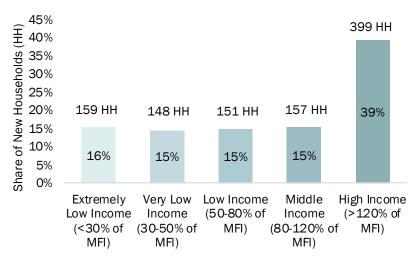
Housing Need in Tualatin

Needed Housing by Income Level

The HNA develops an estimate of needed housing by income type. The exhibit listed below is an excerpt from page 85 of the HNA. It shows a breakdown of household by Median Family Income. About 46% of households in Tualatin are considered low income while 15% are considered middle income and 39% considered high income.

Exhibit 1. Future (New) Households, by Median Family Income (MFI) for Washington County (\$69,600), Tualatin Planning Area, 2018





Metro's Forecast for Growth of New Dwelling Units

The forecast for housing growth is the foundation for estimating needed new dwelling units. ECONorthwest based Tualatin's 20 year growth potential on Metro's 2040 Household distributed forecast and the Metro's 2040 TAZ (Transportation Analysis Zone) forecast for households.

• Tualatin is forecast to grow from 10,994 households to 12,008 or an increase of 1,014 dwelling units over the 20-year period.

Residential Buildable Land Inventory

The buildable land inventory is based on land inside the City limits and Basalt Creek which total 322 total buildable acres. Any buildable land parcels smaller than 4,000 square feet were not included in the total, which is about 0.58 acres. The break down by zone follows:

- 162 acres Low Density
- 142 acres Medium-Low Density
- 1-acre Medium High Density
- 17 acres of High Density
- 0 acres of High Density/High Rise

Residential Land Sufficiency

Housing Capacity

The HNA shows that Tualatin city limits and Basalt Creek's buildable land has capacity to accommodate approximately 1,915 dwelling units which is more than the forecasted amount of dwelling units at 1,014.

Land Sufficiency

The HNA shows a **deficit** of land in Medium High Density, 7 acres, and High Density/High Rise, 4 acres. It also shows a **surplus** of land in Low Density, 16 acres, and Medium Low Density, 85 acres.

Draft Conclusions of the Housing Needs Analysis

Growth in housing will be driven by growth in households. Households in Tualatin's city limits is forecast to grow from 10,791 households to 11,362 households, an increase of 571 households between 2020 and 2040. In that same time, households in Basalt Creek are forecast to grow from 203 households to 646 households, an increase of 443 households.

To accommodate households in Tualatin city limits and Basalt Creek, Tualatin is planning for 1,014 new dwelling units. To accommodate the 1,014 dwelling units over the 20-year planning period, Tualatin will average 51 new dwelling units annually.

Tualatin will plan for more single-family attached dwelling units in the future to meet the City's housing needs. Historically, about 53% of Tualatin's housing was single-family detached. New housing in Tualatin is forecast to be 40% single-family detached, 15% single-family attached, and 45% multifamily.

Summary of Tualatin's Economic Opportunities Analysis

This report presents an Economic Opportunities Analysis consistent with the requirements of statewide planning Goal 9 and the associated administrative rule (OAR 660-009). Goal 9 describes the EOA as "an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends" and states that "a principal determinant in planning for major industrial and commercial developments should be the competitive advantage of the region within which the developments would be located." See Attachment C for the full report *Tualatin EOA Report*.

Employment Growth and Site Needs

Cities are required to prepare an estimate of the amount of commercial and industrial land that will be needed over a 20-year planning period. The estimate of employment land need and site characteristics for Tualatin is based on expected employment and growth and the types of firms that are likely to locate in Tualatin.

Projecting demand for employment land has four major steps:

- 1. Establish base employment for the projection
- 2. Project total employment
- 3. Allocate employment
- 4. Estimate land demand

1. 2017 Employment Base

Tualatin had an estimated 38,838 total employees in 2017

2. 2020-2040 Employment Projection

- This analysis assumes that the City will grow at Metro's growth forecast rate of 1.4% average annual growth rate. Between the years 2000-2017 Tualatin grew at a substantially faster rate of 2.9% per year. However, for this analysis we chose Metro's more conservative rate.
- In 2040 Tualatin is estimated to have 53,332 employees, a 32% increase of 12,850 employees.

3. Allocate Employment Land

• Firms in Tualatin were grouped into four broad categories of land use: industrial, retail commercial, office and commercial services, and government. For each land use type an assumption was made that the share of total employment would stay the same.

Exhibit 2. Forecast of employment growth by land use type, Tualatin Planning Area, 2020–2040 Source: ECONorthwest. Note: The shaded percentages denote an assumption about the future share of employment (as a percent of total) by land use type. It assumes that the share of employment by land use type will remain the same.

Land Use Type	2020		2040		Change
Land Ose Type	Employment	% of Total	Employment	% of Total	2020 to 2040
Industrial	18,218	45%	24,004	45%	5,786
Retail Commercial	3,050	8%	4,018	8%	968
Office & Commercial Services	18,382	45%	24,219	45%	5,837
Government	829	2%	1,092	2%	263
Total	40,478	100%	53,332	100%	12,854

4. Estimate Land Demand

- Converting employment growth to land demand requires some assumptions about future employment density. Existing sites and employment counts in Tualatin were used to inform this analysis.
- New employees will result in a demand for 424 acres of industrial land, 53 acres of retail commercial and 200 acres of office and commercial services.
 Government employees were assumed in the Institutional zone.

Employment Buildable Land Inventory

The buildable land inventory is based on land inside the City limits and Basalt Creek which total 385 total buildable acres. About 28% or 105 buildable acres are located in Basalt Creek. Buildable employment acres have the following breakdown:

- Industrial 374 buildable acres
- Commercial 11 buildable acres

Land Sufficiency

A deficit in both industrial and commercial land, including retail and office, were identified based on comparing the estimated land demand for 2040 and the buildable land inventory as of June 2019.

- Industrial 74 acres (deficit)
- Commercial 175 acres (deficit)

Exhibit 3. Comparison of the Capacity of Unconstrained Vacant and Potentially Redevelopable Land with Employment Land Demand by Land Use Type, Tualatin Planning Area, 2020—2040

Source: ECONorthwest. Note: Employment demand requires an additional 42 gross acres on land in residential plan designations and one gross acre on land in an institutional (public) plan designation.

General Plan Designation	Land Supply (Suitable Gross Acres)	Land Demand (Gross Acres)	Land Sufficiency (Deficit)
Industrial	374	448	(74)
Commercial (incl Retail and Office)	11	186	(175)

Conclusions of the Economic Opportunity Analysis:

- Tualatin is forecast to grow by about 12,850 new employees over the 2020 to 2040 period, with about 5,800 new industrial employees, about 6,800 new employees in retail, office, and commercial services, with the remaining employees in government.
- Tualatin has a deficit of land to accommodate new employment growth. Tualatin has a
 deficit of about 74 acres of land in industrial plan designations and 175 acres of employment
 in commercial plan designations to accommodate employment. Tualatin will need to
 consider policies to increase the efficiency of employment land use within the City, such as
 policies to encourage denser employment development and redevelopment that results in
 higher density development.
- Tualatin's comparative advantages for economic development are its location along the I-5 corridor and proximity to urban and cultural amenities/services in the Portland Region making Tualatin an attractive place for businesses to locate. Tualatin is also

advantaged by its access to the regional labor market and the region's growing labor force comprising diverse skill sets.

• Tualatin will need to address transportation capacity issues to accommodate growth.

What we heard

Excerpts from Tualatin's Housing Strategy

The broad goal of the Tualatin housing strategy is to help the City manage the land within the Tualatin planning area to meet current and future housing needs while maintaining the character and quality of life in Tualatin and protecting public interests such as housing affordability, health, safety, and municipal revenues. See Attachment D for the full report *Tualatin Housing Strategy*.

Key Findings

The recommendations from the Community Advisory Committee and Technical Advisory Committee in this strategy consider key findings from the HNA, such as the following examples.

- The City has a long-term deficit of residential land.
- The housing market is not building enough housing that is affordable to households with annual incomes less than \$35,000 based on U.S. Census American Community Survey data.
- The housing market in Tualatin also has a deficit of housing affordable to households earning more than \$150,000.1
- The composition of Tualatin's population is becoming older and more diverse.

Strategic Actions

Actions to address key findings can be summarized in these broad strategic categories:

- 1. Ensure an adequate supply of land that is available and serviceable
- 2. Encourage development of a wider variety of housing types
- 3. Support development and preservation of housing that is affordable for all households
- 4. Identify funding tools to support residential development
- 5. Identify redevelopment opportunities
- 6. Ensure there are connections between planning for housing and other community planning (such as infrastructure and economic development planning)

The Housing Strategy presents a comprehensive approach to a variety of opportunities to meet the housing needs of Tualatin's residents at all income levels. Many of the actions described in the Tualatin Housing Strategy will require legislative amendments to the City's comprehensive plan and/or development code. After the housing needs analysis is completed, the Planning Commission and City Council will prioritize the actions suggested in this memorandum, along with other actions suggested for Tualatin 2040. Implementation of high priority actions will begin in 2020, based on City Council direction.

¹ This analysis is based on Exhibit 79 in the Tualatin Housing Needs Analysis.

Excerpts from Tualatin's Economic Development Strategy

The broad goal of the Tualatin economic development strategy is to help the City manage the land within the Tualatin planning area to support and manage economic growth while maintaining the character and quality of life in Tualatin and protecting public interests such as health, safety, and municipal revenues. See Attachment E for full report *Tualatin Economic Development Strategy*.

Key Findings

The Community Advisory Committee and Technical Advisory Committee considered key findings from the EOA, such as the following examples.

- The City has a long-term deficit of commercial and industrial land for growth over the 2019 to 2040 period.
- There is a need to develop a comprehensive strategy that provides a variety of policies to support business retention, growth, and attraction in Tualatin.

Strategic Actions

The Economic Development Strategies suggested to address the key findings are:

- 1. Ensure an adequate supply of land that is available and serviceable
- 2. Identify redevelopment opportunities
- 3. Support business retention, growth and attraction
- 4. Ensure there are connections between planning for economic development and other community planning (such as housing and infrastructure planning)

Many of the actions described in the Tualatin Economic Development Strategy will require legislative amendments to the City's comprehensive plan and/or development code. After the economic opportunities analysis is completed, the Planning Commission and City Council will prioritize the actions suggested in this memorandum, along with other actions suggested for Tualatin 2040. Implementation of high priority actions will begin in 2020, based on City Council direction.

Policy Prioritization Plan

Tualatin Development Code Audit

In conjunction with the 2018 code modernization project, a preliminary audit identifying potential updates to policies within the Community Plan and the Development Code was completed by Angelo Planning Group.

Community Engagement

In order to balance the technical work of the code audit with the need for community feedback on future efforts to update the code, City staff and Angelo Planning group planned a series of stakeholder interviews. Participants did not need to have knowledge of the Development Code, but were given the opportunity to share their thoughts about topics that were of interest to them. In April 2019, a total of 15 people and one large group on May 13, 2019 (Tualatin's Aging Task Force) participated in these interviews that were typically one hour in length. The participants represented a diverse group of stakeholders including residents, home owners, renters, business owners, developers, parents with young children, seniors, and persons with disabilities.

Additionally, last spring staff presented a brief summary of Tualatin 2040 project and held a Q&A with the following organizations:

- Representative from the: Planning Commission, Architectural Review Board, Parks Advisory Committee, Arts Advisory Committee and the Youth Advisory Council
- Six Citizen Involvement Organizations
- Library Advisory Committee
- Diversity Task Force

Participants touched on a variety of topics and issues. Feedback was captured in a stakeholder summary document, and grouped into the following topic areas:

- Housing and Livability
- Transportation and Parking
- Civic Identity and Downtown
- Employment and Industrial Development
- Parks, Open Space and the Environment
- Community Engagement
- Equity, Diversity and Inclusion

While all of the topics were discussed the first two – **Housing and Livability and Transportation and Parking** -- were the top priorities for most of the stakeholders. The draft Policy Prioritization Plan will incorporate this feedback along with the feedback of the Community Advisory Committee members as well as the larger public.

ATTACHMENTS:

- Attachment B: Tualatin HNA Draft Report, August 2019
- Attachment C: Tualatin EOA Draft Report August 2019

- Attachment D: Tualatin Housing Strategy Draft July 31, 2019
 Attachment E: Tualatin Economic Development Strategy, August 14, 2019
 Attachment F: Presentation to Council for October 28, 2019 Tualatin 2040 Update

City of Tualatin

Housing Needs Analysis

August 2019

Prepared for:

City of Tualatin

Draft REPORT



KOIN Center 222 SW Columbia Street Suite 1600 Portland, OR 97201 503.222.6060 This page intentionally blank

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Acknowledgements

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1. Introduction

This report presents Tualatin's Housing Needs Analysis for the 2020 to 2040 period. It is intended to comply with statewide planning policies that govern planning for housing and residential development, including Goal 10 (Housing) and OAR 660 Division 8. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

Tualatin has changed considerably in the last two decades. Tualatin grew from 22,791 people in 2000 to 27,135 people in the 2013-2017 period. This is an addition of 4,344 people or 19% growth. In this time, rates of housing cost burden increased from 26% to 37%, with renter cost burdened rates increasing from 30% to 56%. Median gross rents increased by \$386 (from \$768 in 2000 to \$1,154 in 2013-2017) and median home values increased by \$83,168 (from \$282,532 in 2000 to \$365,700 in 2013-2017).

This report provides Tualatin with a factual basis to update the Housing Element of the City's Comprehensive Plan and development code, and to support future planning efforts related to housing and options for addressing unmet housing needs in Tualatin. This report provides information that informs future planning efforts, including development and redevelopment. It provides the City with information about the housing market in Tualatin and describes the factors that will affect future housing demand in Tualatin, such as changing demographics. This analysis will help decision makers understand whether Tualatin has enough land to accommodate growth over the next 20 years.

Framework for a Housing Needs Analysis

Economists view housing as a bundle of services for which people are willing to pay: shelter certainly, but also proximity to other attractions (job, shopping, parks and recreation), amenities (type and quality of fixtures and appliances, landscaping, views), prestige, and access to a range of services (i.e. medical, transportation) including public services (i.e. quality of schools). Because it is impossible to maximize all these services and simultaneously minimize costs, households must, and do, make tradeoffs. What they can get for their money is influenced both by economic forces and government policy. Moreover, different households will value what they can get differently. They will have different preferences, which in turn are a function of many factors like income, age of head of household, number of people and children in the household, number of workers and job locations, number of transportation vehicles, and so on.

Thus, housing choices of individual households are influenced in complex ways by dozens of factors. The housing market in Washington County and Tualatin are the result of the individual decisions of thousands of households. These points help to underscore the complexity of projecting what types of housing will be built in Tualatin between 2020 and 2040.

The complex nature of the housing market, demonstrated by the unprecedented boom and bust during the past decade, does not eliminate the need for some type of forecast of future housing

demand and need. This includes resulting implications for land demand and consumption. Such forecasts are inherently uncertain. Their usefulness for public policy often derives more from the explanation of their underlying assumptions about the dynamics of markets and policies than from the specific estimates of future demand and need. Thus, we start our housing analysis with a framework for thinking about housing and residential markets, and how public policy affects those markets.

Statewide Planning Goal 10

The passage of the Oregon Land Use Planning Act of 1974 (ORS Chapter 197) established the Land Conservation and Development Commission (LCDC) and the Department of Land Conservation and Development (DLCD). The Act required the Commission to develop and adopt a set of statewide planning goals. Goal 10 addresses housing in Oregon and provides guidelines for local governments to follow in developing their local comprehensive land use plans and implementing policies.

At a minimum, local housing policies must meet the requirements of Goal 10 and the statutes and administrative rules that implement it (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008). Goal 10 requires incorporated cities to complete an inventory of buildable residential lands. Goal 10 also requires cities to encourage the numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households. Jurisdictions located in the Metro UGB are also required to comply with Metropolitan Housing in OAR 660-007 and Title 7 of Metro's Urban Growth Management Functional Plan in the Metro Code (3.07 Title 7).

Goal 10 defines needed housing types as "all housing on land zoned for residential use or mixed residential and commercial use that is determined to meet the need shown for housing within an urban growth boundary at price ranges and rent levels that are affordable to households within the city with a variety of incomes, including but not limited to households with low incomes, very low incomes and extremely low incomes." ORS 197.303 defines needed housing types:

- (a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy.
- (b) Government assisted housing.2
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490.
- (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.
- (e) Housing for farmworkers.

¹ ORS 197.296 only applies to cities with populations over 25,000.

² Government assisted housing can be any housing type listed in ORS 197.303 (a), (c), or (d).

DLCD provides guidance on conducting a housing needs analysis in the document *Planning for Residential Growth: A Workbook for Oregon's Urban Areas*, referred to as the Workbook.

Tualatin must identify needs for all of the housing types listed above as well as adopt policies that increase the likelihood that needed housing types will be developed. This housing needs analysis was developed to meet the requirements of Goal 10 and its implementing administrative rules and statutes.

The Metropolitan Housing Rule

OAR 660-007 (the Metropolitan Housing rule) is designed to "assure opportunity for the provision of adequate numbers of needed housing units and the efficient use of land within the Metropolitan Portland (Metro) urban growth boundary." OAR 660-0070-005(12) provides a Metro-specific definition of needed housing:

"Needed Housing" defined. Until the beginning of the first periodic review of a local government's acknowledged comprehensive plan, "needed housing" means housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels.

The Metropolitan Housing Rule also requires cities to develop residential plan designations:

(1) Plan designations that allow or require residential uses shall be assigned to all buildable land. Such designations may allow nonresidential uses as well as residential uses. Such designations may be considered to be "residential plan designations" for the purposes of this division. The plan designations assigned to buildable land shall be specific so as to accommodate the varying housing types and densities identified in OAR 660-007-0030 through 660-007-0037.

OAR 660-007 also specifies the mix and density of new residential construction for cities within the Metro Urban Growth Boundary (UGB):

"Provide the <u>opportunity</u> for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternative percentage based on changing circumstances" (OAR 660-007-0030 (1).

OAR 660-007-0035 sets specific density targets for cities in the Metro UGB. Tualatin's average density target is eight dwelling units per net buildable acre.³

Metro Urban Growth Management Functional Plan

The Metro Urban Growth Management Functional Plan describes the policies that guide development for cities within the Metro UGB to implement the goals in the Metro 2040 Plan.

³ OAR 660-024-0010(6) defines Net Buildable Acres as follows: "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads.

Title 1: Housing Capacity

Title 1 of Metro's Urban Growth Management Functional Plan is intended to promote efficient land use within the Metro UGB by increasing the capacity to accommodate housing capacity. Each city is required to determine its housing capacity based on the minimum number of dwelling units allowed in each zoning district that allows residential development and maintain this capacity.

Title 1 requires that a city adopt minimum residential development density standards by March 2011. If the jurisdiction did not adopt a minimum density by March 2011, the jurisdiction must adopt a minimum density that is at least 80% of the maximum density.

Title 1 provides measures to decrease development capacity in selected areas by transferring the capacity to other areas of the community. This may be approved as long as the community's overall capacity is not reduced.

Metro's 2017 Compliance Report concludes that Tualatin is in compliance for the City's Title 1 responsibilities.

Title 7: Housing Choice

Title 7 of Metro's Urban Growth Management Functional Plan is designed to ensure the production of affordable housing in the Metro UGB. Each city and county within the Metro region is encouraged to voluntarily adopt an affordable housing production goal.

Each jurisdiction within the Metro region is required to ensure that their comprehensive plans and implementing ordinances include strategies to:

- Ensure the production of a diverse range of housing types,
- Maintain the existing supply of affordable housing, increase opportunities for new affordable housing dispersed throughout their boundaries, and
- Increase opportunities for households of all income levels to live in affordable housing (3.07.730)

Metro's 2017 Compliance Report concludes that Tualatin is in compliance for the City's Title 7 responsibilities.

Title 11: Planning for New Urban Areas

Title 11 of Metro's Urban Growth Management Functional Plan provides guidance on the conversion of land from rural to urban uses. Land brought into the Metro UGB is subject to the provisions of section 3.07.1130 of the Metro Code, which requires lands to be maintained at rural densities until the completion of a concept plan and annexation into the municipal boundary.

The concept plan requirements directly related to residential development are to prepare a plan that includes:

- (1) A mix and intensity of uses that make efficient use of public systems and facilities,
- (2) A range of housing for different types, tenure, and prices that addresses the housing needs of the governing city, and
- (3) Identify goals and strategies to meet the housing needs for the governing city in the expansion area.

Organization of this Report

The rest of this document is organized as follows:

- Chapter 2. Residential Buildable Lands Inventory presents the methodology and results of Tualatin's inventory of residential land.
- Chapter 3. Historical and Recent Development Trends summarizes the state, regional, and local housing market trends affecting Tualatin's housing market.
- Chapter 4. Demographic and Other Factors Affecting Residential Development in Tualatin presents factors that affect housing need in Tualatin, focusing on the key determinants of housing need: age, income, and household composition. This chapter also describes housing affordability in Tualatin relative to the larger region.
- Chapter 5. Housing Need in Tualatin presents the forecast for housing growth in Tualatin, describing housing need by density ranges and income levels.
- Chapter 6. Residential Land Sufficiency within Tualatin estimates Tualatin's residential land sufficiency needed to accommodate expected growth over the planning period.

2. Residential Buildable Lands Inventory

This chapter provides a summary of the residential buildable lands inventory (BLI) for the Tualatin Planning Area. This buildable lands inventory analysis complies with statewide planning Goal 10 policies that govern planning for residential uses. The detailed methodology used to complete the buildable lands inventory completed is presented in Appendix A.

First, the analysis established the residential land base (parcels or portion of parcels with appropriate zoning), classified parcels by buildable status, identified/deducted environmental constraints, and lastly summarized total buildable area by Plan Designation.

Definitions

ECONorthwest developed the buildable lands inventory with a tax lot database from Metro Regional Land Information Systems (RLIS). Maps produced for the buildable lands inventory used a combination of GIS data based on the Metro BLI for the 2018 Urban Growth Report, adopted maps, and visual verification to verify the accuracy of Metro data. The tax lot database is current as of 2016, accounting for changes and development updates through April 2019. The inventory builds from the database to estimate buildable land per plan designations that allow residential uses. The following definitions were used to identify buildable land for inclusion in the inventory:

- Vacant land. Tax lots designated as vacant by Metro based on the following criteria: (1) fully vacant based on Metro aerial photo; (2) tax lots with less than 2,000 square feet developed and developed area is less than 10% of lot; (3) lots 95% or more vacant from GIS vacant land inventory.
- Partially vacant land. Single-family tax lots that are 2.5 times larger than the minimum lot size and a building value less than \$300,000, or lots that are 5 times larger than the minimum lots size (no threshold for building value). These lots are considered to still have residential capacity. For this analysis, we classified these lots as Partially Vacant, and we assumed that 0.25 acres of the lot was developed, and the remaining land is available for development, less constraints.
- Public or exempt land. Lands in public or semi-public ownership are considered unavailable for residential development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches and other semi-public organizations and properties with conservation easements. These lands are identified using the Metro's definitions and categories.
- Developed land. Lands not classified as vacant, partially vacant, or public/exempt are
 considered developed. Developed land includes lots with redevelopment capacity,
 which are also included in BLI. The unit capacity of developed but redevelopable
 lots is based on Metro's estimates.

Development Constraints

Consistent with state guidance on buildable lands inventories, ECONorthwest deducted the following constraints from the buildable lands inventory and classified those portions of tax lots that fall within the following areas as constrained, unbuildable land:

- Lands within floodplains. Flood Insurance Rate Maps from the Federal Emergency
 Management Agency (FEMA) were used to identify lands in floodways and 100-year
 floodplains, as well as lands identified in Metro's Title 3 Stream and Floodplain
 Protection Plan.
- Land within natural resource protection areas. The Locally Significant Wetlands shapefile was used to identify areas within wetlands. Riparian corridors and other natural resource areas identified in Tualatin's Natural Resource Protection Overlay District were all considered undevelopable. These areas are consistent with the City's Development Code Chapter 72.
- Land with slopes over 25%. Lands with slopes over 25% are considered unsuitable for residential development.

Buildable Lands Inventory Results

Land Base

Exhibit 1 shows residential land in Tualatin by classification (development status). The results show that the Tualatin Planning Area has 2,556 total acres in residential plan designations. (This includes the areas of the Mixed-Use Commercial Overlay Zone and Central Tualatin Overlay Zone that allow residential uses). Of these 2,556 acres, about 2,109 acres (82%) are classified as Developed or Public (or Exempt) and do not have development capacity, and the remaining 447 acres (18%) are Vacant or Partially Vacant and have development capacity (not including development constraints).⁴

⁴ The buildable lands inventory results in Exhibit 1 does not account for development constraints (yet). Land with development constraints are not classified as buildable; we remove development constraints in Exhibit 2 and we present final buildable land results in Exhibit 3.

Exhibit 1. Residential acres by classification and Plan Designation, Tualatin Planning Area, 2019 Source: Metro BLI, ECONorthwest Analysis. Note: The numbers in the table may not sum to the total as a result of rounding.

Generalized Plan Designation	Vacant	Partially Vacant	Developed	Public or Exempt	Total Acres	Percent of Total
Residential						
Low Density Residential	28	144	1,055	510	1,737	68%
Medium Low Density Residential	-	78	92	68	238	9%
Medium High Density Residential	1	-	125	31	158	6%
High Density High Rise Residential	-	-	6	9	15	1%
High Density Residential	15	-	117	21	153	6%
Commercial						
Mixed-Use Commercial Overlay Zone	-	-	25	-	25	1%
Central Tualatin Overlay Zone	3	-	29	6	37	1%
Basalt Creek Planning Area						
Low Density Residential	2	99	11	-	113	4%
Medium Low Density Residential	49	23	-	-	72	3%
High Density Residential	-	5	-	-	5	0%
Neighborhood Commercial	-	1	4	-	4	0%
Total	98	349	1,464	645	2,556	100%

Exhibit 2 shows land in all residential plan designations by development and constraint status. After development constraints have been applied, about 65% of Tualatin's total residential land (1,668 acres) has no development capacity (i.e., committed), 22% (566 acres) is constrained, and 13% (322 acres) are unconstrained and buildable.

Exhibit 2. Residential land by comprehensive Plan Designation and constraint status, Tualatin Planning Area, 2019

Source: Metro BLI, ECONorthwest Analysis. Note: The numbers in the table may not sum to the total as a result of rounding.

Generalized Plan Designation	Total acres	Committed	Constrained	Buildable
Generalized Flan Designation	Total acres	acres	acres	acres
Residential				
Low Density Residential	1,737	1,286	365	86
Medium Low Density Residential	238	118	47	73
Medium High Density Residential	158	128	29	1
High Density High Rise Residential	15	4	11	0
High Density Residential	153	77	64	12
Commercial				
Mixed-Use Commercial Overlay Zone	25	20	5	0
Central Tualatin Overlay Zone	37	16	21	0
Basalt Creek Planning Area				
Low Density Residential	113	13	23	76
Medium Low Density Residential	72	2	1	69
High Density Residential	5	0	0	5
Neighborhood Commercial	4	4	0	0
Total	2,556	1,668	566	322

Vacant Buildable Land

Exhibit 3 shows buildable acres (e.g., acres in tax lots after constraints are deducted) for vacant and partially vacant land by plan designation. Of Tualatin's 322 unconstrained buildable residential acres, about 24% are in tax lots classified as vacant, and 76% are in tax lots classified as partially vacant. About 27% of Tualatin's buildable residential land is in the Low Density Residential plan designation and about 47% of Tualatin's buildable residential land is located in the Basalt Creek Planning Area.

Exhibit 3. Buildable acres in vacant and partially vacant tax lots by plan designation and zoning, Tualatin Planning Area, 2019

Source: Metro BLI, ECONorthwest Analysis. Note: The numbers in the table may not sum to the total as a result of rounding.

Generalized Plan Designation	Total buildable acres	Buildable acres on vacant lots	Buildable acres on partially vacant lots
Residential			
Low Density Residential	86	13	72
Medium Low Density Residential	73	0	73
Medium High Density Residential	1	1	0
High Density High Rise Residential	0	0	0
High Density Residential	12	12	0
Commercial			
Mixed-Use Commercial Overlay Zone	0	0	0
Central Tualatin Overlay Zone	0	0	0
Basalt Creek Planning Area			
Low Density Residential	76	2	74
Medium Low Density Residential	69	49	20
High Density Residential	5	0	5
Neighborhood Commercial	0	0	0
Total	322	78	244

Exhibit 4 and 5 (upcoming pages) show the results of Tualatin's residential BLI.

Exhibit 4. Residential Land by Development Status with Constraints, Tualatin Planning Area, 2019

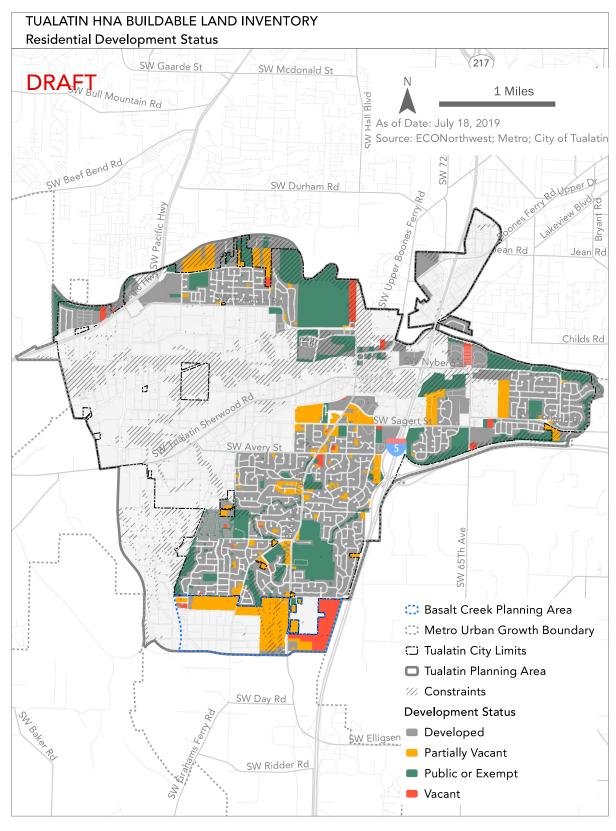
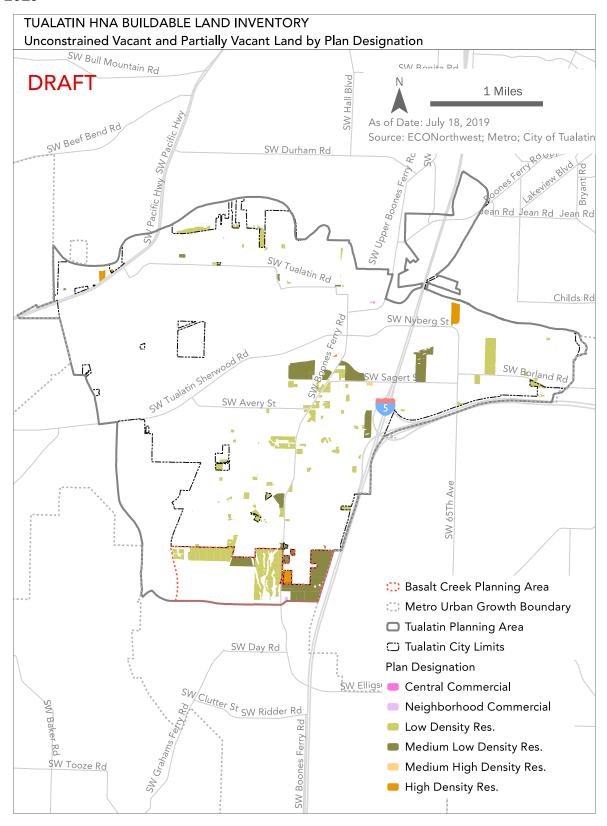


Exhibit 5. Unconstrained Vacant and Partially Vacant Residential Land, Tualatin Planning Area, 2019



Redevelopment Potential

Over the 20-year study period a share of developed lots are likely to redevelop with new buildings. To account for the development capacity on these developed lots, Metro identifies a subset of developed lots as "redevelopable". Metro has created two "filters" to identify lots with the potential to redevelop.5

- Threshold Method. This method identifies lots where redevelopment would result in a net increase of 50% more than the current number of units on the site. The method uses property value thresholds where it is economically viable to for a lot to redevelop at this intensity. For suburban areas in the regional UGB the threshold is \$10 per square foot of property value for multifamily structures and \$12 per square foot for mixed use structures. If a lots current property value is below these thresholds, it is assumed to have the potential to redevelop.
- Historic Probability Method. This method determines the probability of lot redevelopment based on a statistical analysis of lots that historically redeveloped within the region. The probability for each lot is multiplied by the total zoned capacity of the lot to determine the likely future residential capacity.

For the Tualatin BLI, ECONorthwest used the estimate of redevelopable units on developed lots, as identified based on the Threshold method, which is based on discussion with Metro staff.

Note, the capacity of partially vacant lots (where the lot could be further developed under current development standards without demolishing existing structures) is accounted for in the unconstrained buildable acres.

Metro's analysis shows potential for redevelopment to add about 400 new dwelling units, in areas such as Low Density Residential, High Density Residential, and High Density / High Rise Residential. However, little redevelopment has occurred in Tualatin over the last decade or so. Given the age of some of Tualatin's housing and the on-going changes in the housing market in Tualatin and the Portland Region, Tualatin may see more redevelopment over the next 20 years than in the past decade. The City may need to actively plan for redevelopment through identifying opportunity areas for redevelopment and support redevelopment through use of tools such as Urban Renewal funding, density bonuses, and tax exemptions.

⁵ Oregon Metro. Appendix 2: Buildable Lands Inventory. November 21, 2018. https://www.oregonmetro.gov/sites/default/files/2018/12/03/Appendix2-BuildableLandsInventory_12032018.pdf

3. Historical and Recent Development Trends

Analysis of historical development trends in Tualatin provides insight into the functioning of the local housing market. The mix of housing types and densities, in particular, are key variables in forecasting the capacity of residential land to accommodate new housing and to forecast future land need. The specific steps are described in Task 2 of the DLCD *Planning for Residential Lands Workbook* as:

- 1. Determine the time period for which the data will be analyzed.
- 2. Identify types of housing to address (all needed housing types).
- 3. Evaluate permit/subdivision data to calculate the actual mix, average actual gross density, and average actual net density of all housing types.

This Housing Needs Analysis examines changes in Tualatin's housing market from 2000 to 2017, as well as residential development from 2002 to 2017. We selected this time period because (1) the period provides information about Tualatin's housing market before and after the national housing market bubble's growth, deflation, and the more recent increase in housing costs and (2) data about Tualatin's housing market during this period is readily available from sources such as the Census and RLIS.

The Housing Needs Analysis presents information about residential development by housing type. There are multiple ways that housing types can be grouped. For example, they can be grouped by:

- 1. Structure type (e.g., single-family detached, apartments, etc.).
- 2. Tenure (e.g., distinguishing unit type by owner or renter units).
- 3. Housing affordability (e.g., subsidized housing or units affordable at given income levels).
- 4. Some combination of these categories.

For the purposes of this study, we grouped housing types based on: (1) whether the structure is stand-alone or attached to another structure and (2) the number of dwelling units in each structure. The housing types used in this analysis are consistent with needed housing types as defined in ORS 197.303:

- **Single-family detached** includes single-family detached units, manufactured homes on lots and in mobile home parks, and accessory dwelling units.
- **Single-family attached** is all structures with a common wall where each dwelling unit occupies a separate lot, such as row houses or townhouses.
- Multifamily is all attached structures (e.g., duplexes, tri-plexes, quad-plexes, and structures with five or more units) other than single-family detached units, manufactured units, or single-family attached units.

In Tualatin, government-assisted housing (ORS 197.303(b)) and housing for farmworkers (ORS 197.303(e)) can be any of the housing types listed above.

Data Used in this Analysis

Throughout this analysis (including the subsequent Chapter 4), we used data from multiple sources, choosing data from well-recognized and reliable data sources. One of the key sources for housing and household data is the U.S. Census. This report primarily uses data from two Census sources, the Decennial and the American Community Survey:

- The **Decennial Census**, which is completed every ten years and is a survey of all households in the U.S. The Decennial Census is considered the best available data for information such as demographics (e.g., number of people, age distribution, or ethnic or racial composition), household characteristics (e.g., household size and composition), and housing occupancy characteristics. As of 2010, the Decennial Census does not collect more detailed household information, such as income, housing costs, housing characteristics, and other important household information. Decennial Census data is available for 2000 and 2010.
- The American Community Survey (ACS), which is completed every year and is a sample of households in the U.S. From 2013 to 2017, the ACS sampled an average of 3.5 million households per year, or about 2.9% of the households in the nation. The ACS collects detailed information about households, including demographics (e.g., number of people, age distribution, ethnic or racial composition, country of origin, language spoken at home, and educational attainment), household characteristics (e.g., household size and composition), housing characteristics (e.g., type of housing unit, year unit built, or number of bedrooms), housing costs (e.g., rent, mortgage, utility, and insurance), housing value, income, and other characteristics.

This report uses data from the 2013-2017 ACS for Tualatin. Where information is available and relevant, we report information from the 2000 and 2010 Decennial Census. Among other data points, this report includes population, income, and housing price data from Redfin, the Bureau of Labor Services, and the United States Department of Housing and Urban Development. It uses the Oregon Department of Housing and Community Services affordable housing inventory and Oregon's Manufactured Dwelling Park inventory. It uses Metro's Regional Land Information System (RLIS) database, which provides tax lot data for jurisdictions within the three-county Metro Area (Clackamas County, Multnomah County, and Washington County).6

The foundation of the housing needs analysis is the population forecast for Tualatin from Metro's 2040 Household Distributed Forecast.

⁶ We use RLIS tax lot data as a proxy for building permit data for Tualatin. The analysis period is 2000-2017, unless otherwise noted.

It is worth commenting on the methods used for the American Community Survey. The American Community Survey (ACS) is a national survey that uses continuous measurement methods. It uses a sample of about 3.54 million households to produce annually updated estimates for the same small areas (census tracts and block groups) formerly surveyed via the decennial census long-form sample. It is also important to keep in mind that all ACS data are estimates that are subject to sample variability. This variability is referred to as "sampling error" and is expressed as a band or "margin of error" (MOE) around the estimate.

This report uses Census and ACS data because, despite the inherent methodological limits, they represent the most thorough and accurate data available to assess housing needs. We consider these limitations in making interpretations of the data and have strived not to draw conclusions beyond the quality of the data.

Trends in Housing Mix

This section provides an overview of changes in the mix of housing types in Tualatin and compares Tualatin to Washington County and to Oregon. These trends demonstrate the types of housing developed in Tualatin historically. Unless otherwise noted, this chapter and the next chapter uses data from the 2000 and 2010 Decennial Census and the 2013-2017 American Community Survey 5-Year Estimates.

This section shows the following trends in housing mix in Tualatin:

- About half (53%) of Tualatin's housing stock is single-family detached housing units. Forty-one percent of Tualatin's housing stock is multifamily and 6% is single-family attached (e.g., townhouses, rowhouses, duplexes).
- Since 2000, Tualatin's housing mix has remained relatively static. Tualatin's housing stock grew by about 23% (about 2,112 new units) between 2000 and the 2013-2017 period.
- Single-family housing accounted for the majority of new housing growth in Tualatin between 2000 and 2017. Sixty percent of new housing built between 2000 and 2017 was single-family housing (detached and attached).

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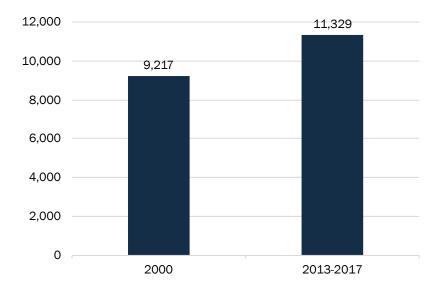
⁷ A thorough description of the ACS can be found in the Census Bureau's publication "What Local Governments Need to Know." https://www.census.gov/library/publications/2009/acs/state-and-local.html

Housing Mix

The total number of dwelling units in Tualatin increased by 23% from 2000 to 2013-2017.

Tualatin added 2,112 units since 2000.

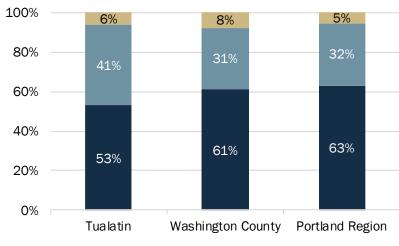
Exhibit 6. Total Dwelling Units, Tualatin, 2000 and 2013-2017 Source: U.S. Census Bureau, 2000 Decennial Census, SF3 Table H030, and 2013-2017 ACS Table B25024.



Tualatin had a smaller share of single-family detached housing and a larger share of multifamily housing than Washington County and the Portland Region.

Exhibit 7. Housing Mix, Tualatin, Washington County, Portland Region, 2013-2017

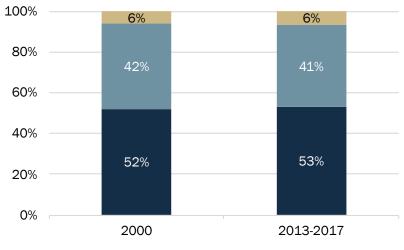
Source: U.S. Census Bureau, 2013-2017 ACS Table B25024.



■ Single-Family Detached ■ Multifamily ■ Single-Family Attached

From 2000 to 2013-2017, Tualatin's housing mix stayed about the same.

Exhibit 8. Change in Housing Mix, Tualatin, 2000 and 2013-2017 Source: U.S. Census Bureau, 2000 Decennial Census, SF3 Table H030, and 2013-2017 ACS Table B25024.



■ Single-Family Detached ■ Multifamily ■ Single-Family Attached

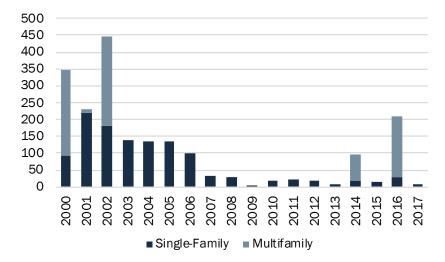
Dwelling Units Built

Over the 2000 to 2017 period, Tualatin added 1,996 dwelling units, with an annual average of 111 dwelling units.

Of these 1,996 units, about 60% were single-family units and 40% were multifamily units.

Exhibit 9. Units Built by Year and Type of Unit, Tualatin, 2000 through 2017

Source: RLIS.



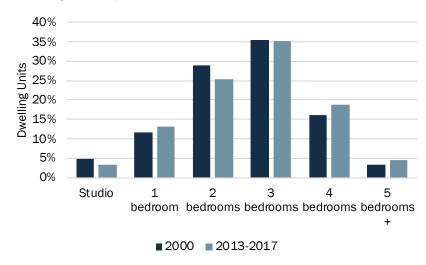
Size of Units

This section provides an overview of dwelling unit size in Tualatin.

In 2000, a larger share of dwelling units in Tualatin were three-bedroom units. As of the 2013-2017 period, this trend continues to persist.

Exhibit 10. Share of Units by Number of Bedrooms, Tualatin, 2000 and 2013-2017

Source: U.S. Census Bureau, 2000 Decennial Census, SF3 Table H041, and 2013-2017 ACS Table B25041. Note: The total number of units in 2000 is 9,217; the total number of units in the 2013-17 period is 11,329.

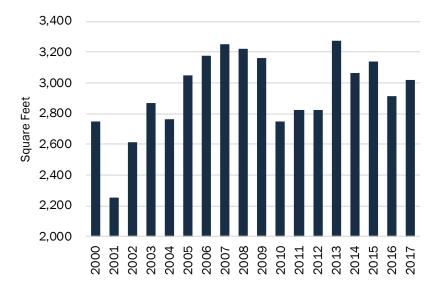


Single-family units built in Tualatin since 2000, averaged 2,773 sq. ft. per unit.

Single-family units built in Tualatin since 2014, averaged 3,015 sq. ft. per unit.

Exhibit 11. Average Size of Single-Family Units Built by Year, Tualatin, 2010 through 2017

Source: RLIS. Note: Single-family units include single-family detached and attached units.



Based on historical trends, condominiums in Tualatin were slightly smaller than single-family dwellings (Error! Reference source n ot found.) and slightly larger than apartments.

Exhibit 12. Average Size of Multifamily Units Built by Year (including housing description), Tualatin, 2000, 2001, 2002, 2014, and 2016 Source: RLIS, Costar, and Washington County Assessor.

2000: 1,172 Sq. Ft.

Condominium

2001: 1,562 Sq. Ft.

Condominium

2002: 892 Sq. Ft.

Apartment

2014: 1,322 Sq. Ft.

Retirement Facility

2016: 977 Sq. Ft.

Apartment

On average, a 2-bedroom multifamily unit in Tualatin is about 928 sq. ft.

Exhibit 13. Average Square Feet of Multifamily Units, Tualatin, 2019 Source: Costar. Note: "All Beds" represent the aggregate of multifamily units in Tualatin (recognizing that bedroom counts are unknown for some units).

Multifamily Unit by	Average Sq. Ft.	Inventory
Bedroom Count	(2019)	(Units)
All Beds	856	3,905
Studio	445	249
1-Bedroom	649	1,206
2-Bedrooms	928	1,739
3-Bedrooms	1,144	608
4+ Bedrooms	1,255	4

Trends in Housing Density

Housing density is the density of housing by structure type, expressed in dwelling units per net or gross acre. The U.S. Census does not track residential development density thus, this study analyzes housing density based on Metro's RLIS database for development between 2000 and 2017.

Between 2000 and 2017, Tualatin permitted 1,996 new dwelling units. Of the 1,996 new units, 1,207 units were single-family (60%) and 789 units were multifamily (40%). During this time, housing in Tualatin developed at an average net density of 8.7 dwelling units per net acre. Exhibit 14 shows average net residential development by structure type for the historical analysis period. Single-family housing (detached and attached) developed at 6.4 units per net acre and multifamily housing developed at 19.9 units per net acre.

Exhibit 14. Net Density by Unit Type and Zone, Tualatin, 2000 through 2017

Source: RLIS.

Note: Single-family includes single-family detached and single-family attached units because RLIS data does not distinguish between the type of single-family unit.

	Single-family (Detached and Attached)		ſ	VIultifam	ily	Tota	al, combi	ined	
	Units	Acres	Net Density	Units	Acres	Net Density	Units	Acres	Net Density
Low Density Residential	976	172	5.7				976	172	5.7
Medium Low Density Residential	79	10	8.0	90	5	19.5	169	14	11.7
High Density Residential	152	6	23.4	699	35	19.9	851	42	20.5
Total	1,207	189	6.4	789	40	19.9	1,996	228	8.7

Trends in Tenure

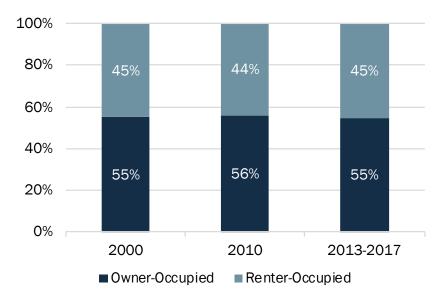
Housing tenure describes whether a dwelling unit is owner- or renter-occupied. This section shows:

- Homeownership in Tualatin is lower than Washington County's and Oregon's rate. About 55% of Tualatin's households own their own home. In comparison, 61% of Washington County households and 60% of Oregon households are homeowners.
- Homeownership in Tualatin stayed about the same between 2000 and 2013-2017. Homeownership hovered around 55% in 2000, 2010, and the 2013-2017 period.
- Most of Tualatin homeowners (88%) live in single-family detached housing, while most of Tualatin's renters (82%) live in multifamily housing.

The homeownership rate in Tualatin stayed about the same since 2000.

Exhibit 15. Tenure, Occupied Units, Tualatin, 2000, 2010, and 2013-2017

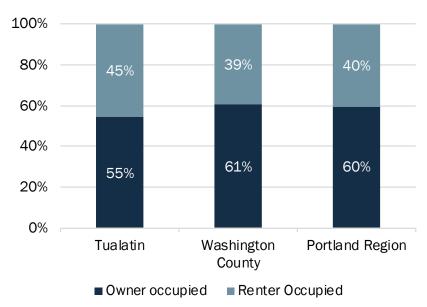
Source: U.S. Census Bureau, 2000 Decennial Census SF1 Table H004, 2010 Decennial Census SF1 Table H4, 2013-2017 ACS Table B24003.



Tualatin had a lower homeownership rate than Washington County and the Portland Region.

Exhibit 16. Tenure, Occupied Units, Tualatin, Washington County, and Portland Region, 2013-2017

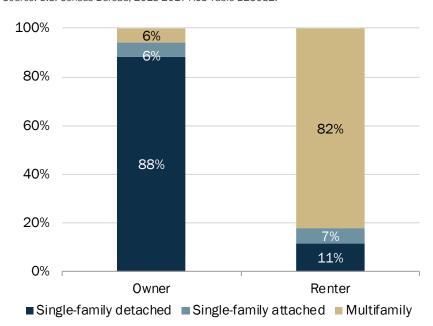
Source: U.S. Census Bureau, 2013-2017 ACS 5-Year Estimates, Table B24003.



Most of Tualatin homeowners (88%) lived in single-family detached housing.

In comparison, most of Tualatin renters lived in multifamily housing.

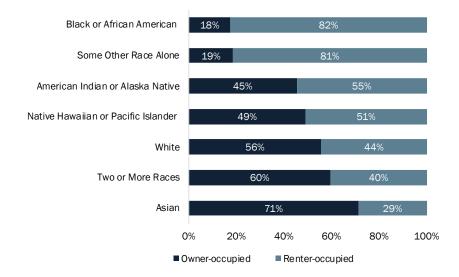
Exhibit 17. Housing Units by Type and Tenure, Tualatin, 2013-2017 Source: U.S. Census Bureau, 2013-2017 ACS Table B25032.



A proportionately smaller share of households with an African American head of household were homeowners.

Exhibit 18. Tenure by Race of the Head of Household, Tualatin, 2013-2017

Source: U.S. Census Bureau, 2013-2017 ACS Table B25003A-G.



Most households with a Latinx head of household were renters.

Exhibit 19. Tenure by Latinx Head of Household, Tualatin, 2013-2017

Source: U.S. Census Bureau, 2013-2017 ACS Table B250031.

Latinx Head 18% 82% of Household Homeowners Renters

Vacancy Rates

Housing vacancy is a measure of housing that is available to prospective renters and buyers. It is also a measure of unutilized housing stock. The Census defines vacancy as: "Unoccupied housing units...determined by the terms under which the unit may be occupied, e.g., for rent, for sale, or for seasonal use only." The 2010 Census identified vacancy through an enumeration, separate from (but related to) the survey of households. Enumerators are obtained using information from property owners and managers, neighbors, rental agents, and others.

According to the 2013-2017 Census, the vacancy rate in Tualatin was 4.3%, compared to 4.8% for Washington County and 5.5% for the Portland Region.

Tualatin's vacancy rate declined from 2000 to the 2013-2017 period.

Exhibit 20. Vacancy Rate, Tualatin, 2000 and 2013-2017

Source: U.S. Census Bureau, 2000 Decennial Census SF1 Table H005, 2013-2017 ACS Table B25004.

2000 6.2%

Of Total Dwelling Units

2013-2017 4.3%

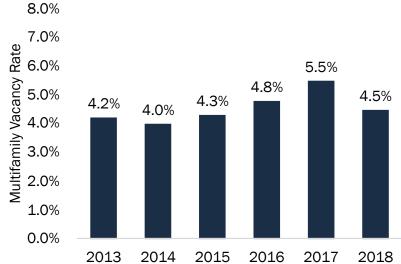
Of Total Dwelling Units

Tualatin's average multifamily vacancy rate dipped to a low of 4% in 2014. In 2018, Tualatin's multifamily vacancy rate was 4.5%.

Exhibit 21. Average Multifamily Vacancy Rate, Tualatin, 2013 through 2018

Source: CoStar.

8.0%



As of 2013-2017, less than half a percent of Tualatin's dwelling units were vacant for seasonal, recreational, or occasional use (e.g. short-term rentals or vacation homes).

Exhibit 22. Vacancy for Seasonal, Recreational, or Occasional Use, Tualatin, 2000 and 2013-2017

Source: U.S. Census Bureau, 2000 Decennial Census SF1 Table H005, 2013-2017 ACS Table B25004.

Share of Total Dwelling Units

2013-2017 44 Units 0.4%

Share of Total Dwelling Units

Government-Assisted Housing

Governmental agencies offer subsidies to support housing development for low- and moderate-income households. Tualatin has three government-assisted housing developments, with 604 subsidized units.

Exhibit 23. Government-Assisted Housing, Tualatin, March 2019

Source: Oregon Housing and Community Services. (March 2019). Affordable Housing Inventory in Oregon.

Housing Developments	Total Units	Affordable Units	Population Served	Government Subsidy Type	Affordability Contract Expiration
Terrace View	100	100	Family	LIHTC 4%	1/1/28
Tualatin Meadows	240	240	Family	LIHTC 4%	9/1/30
Woodridge	264	264	Family	OHCS Grants	3/1/49
Total	604	604			

Note to reviewer: If data can be made available, we will include information about the number of Housing Choice Vouchers used in Tualatin in a future version of the report.

Manufactured Homes

Manufactured homes provide a source of affordable housing in Tualatin. They provide a form of homeownership that can be made available to low- and moderate-income households. Cities are required to plan for manufactured homes—both on lots and in parks (ORS 197.475-492).

Generally, manufactured homes in parks are owned by the occupants who pay rent for the space. Monthly housing costs are typically lower for a homeowner in a manufactured home park for several reasons, including the fact that property taxes levied on the value of the land are paid by the property owner, rather than the manufactured home owner. The value of the manufactured home generally does not appreciate in the way a conventional home would, however. Manufactured homeowners in parks are also subject to the mercy of the property owner in terms of rent rates and increases. It is generally not within the means of a manufactured homeowner to relocate to another manufactured home to escape rent increases. Homeowners living in a park is desirable to some because it can provide a more secure community with on-site managers and amenities, such as laundry and recreation facilities.

OAR 197.480(4) requires cities to inventory the mobile home or manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high-density residential development.⁸ Exhibit 24 presents the inventory of mobile and manufactured home parks within Tualatin as of early 2019.

Tualatin has two manufactured housing parks, with a total of 178 spaces within its city limits.

Exhibit 24. Inventory of Mobile/Manufactured Home Parks, Tualatin city limits, March 2019

Source: Oregon Manufactured Dwelling Park Directory.

Name	Location	Туре	Total Spaces	Vacant Spaces	Plan Designation
Angel Haven	18485 SW Pacific Dr	Senior	129	2	RML
Willow Glen	9700 SW Tualatin Rd	Family	49	1	RML
Total			178	3	

⁸ ORS 90.645 regulates rules about closure of manufactured dwelling parks. It requires that the landlord must do the following for manufactured dwelling park tenants before closure of the park: give at least one year's notice of park closure, pay the tenant between \$5,000 to \$9,000 for each manufactured dwelling park space, and cannot charge tenants for demolition costs of abandoned manufactured homes.

4. Demographic and Other Factors Affecting Residential Development in Tualatin

Demographic trends are important for a thorough understanding of the dynamics of the Tualatin housing market. Tualatin exists in a regional economy; trends in the region impact the local housing market. This chapter documents demographic, socioeconomic, and other trends relevant to Tualatin at the national, state, and regional levels.

Demographic trends provide a context for growth in a region; factors such as age, income, migration, and other trends show how communities have grown and how they will shape future growth. To provide context, we compare Tualatin to Washington County and Oregon. We also compare Tualatin to nearby cities where appropriate. Characteristics such as age and ethnicity are indicators of how the population has grown in the past and provide insight into factors that may affect future growth.

A recommended approach to conducting a housing needs analysis is described in *Planning for Residential Growth: A Workbook for Oregon's Urban Areas*, the Department of Land Conservation and Development's guidebook on local housing needs studies. As described in the workbook, the specific steps in the housing needs analysis are:

- 1. Project the number of new housing units needed in the next 20 years.
- 2. Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.
- 3. Describe the demographic characteristics of the population and, if possible, the housing trends that relate to demand for different types of housing.
- 4. Determine the types of housing that are likely to be affordable to the projected households based on household income.
- 5. Determine the needed housing mix and density ranges for each plan designation and the average needed net density for all structure types.
- 6. Estimate the number of additional needed units by structure type.

This chapter presents data to address steps 2, 3, and 4 in this list. Chapter 5 presents data to address steps 1, 5, and 6 in this list.

Demographic and Socioeconomic Factors Affecting Housing Choice⁹

Analysts typically describe housing demand as the *preferences* for different types of housing (e.g., single-family detached or apartment), and *the ability to pay* for that housing (the ability to exercise those preferences in a housing market by purchasing or renting housing; in other words, income or wealth).

Many demographic and socioeconomic variables affect housing choice. However, the literature about housing markets finds that age of the householder, size of the household, and income are most strongly correlated with housing choice.

- Age of householder is the age of the person identified (in the Census) as the head of household. Households make different housing choices at different stages of life. This chapter discusses generational trends, such as housing preferences of Baby Boomers, people born from about 1946 to 1964, and Millennials, people born from about 1980 to 2000.
- Size of household is the number of people living in the household. Younger and older people are more likely to live in single-person households. People in their middle years are more likely to live in multiple person households (often with children).
- **Household income** is the household income. Income is probably the most important determinant of housing choice. Income is strongly related to the type of housing a household chooses (e.g., single-family detached, duplex, tri-plex, quad-plex, or a building with more than five units) and to household tenure (e.g., rent or own).

⁹ The research in this chapter is based on numerous articles and sources of information about housing, including:

Davis, Hibbits, & Midghal Research, "Metro Residential Preference Survey," May 2014.

D. Myers and S. Ryu, *Aging Baby Boomers and the Generational Housing Bubble*, Journal of the American Planning Association, Winter 2008.

George Galster. People Versus Place, People and Place, or More? New Directions for Housing Policy, Housing Policy Debate, 2017.

Herbert, Christopher and Hrabchak Molinsky. "Meeting the Housing Needs of an Aging Population," 2015.

J. McIlwain, Housing in America: The New Decade, Urban Land Institute, 2010.

L. Lachman and D. Brett, Generation Y: America's New Housing Wave, Urban Land Institute, 2010.

Schuetz, Jenny. Who is the new face of American homeownership? Brookings, 2017.

The American Planning Association, "Investing in Place; Two generations' view on the future of communities," 2014.

Transportation for America, "Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows," 2014.

This chapter focuses on these factors, presenting data that suggests how changes to these factors may affect housing need in Tualatin over the next 20 years.

National Trends¹⁰

This brief summary on national housing trends builds on previous work by ECONorthwest, the Urban Land Institute (ULI) reports, and conclusions from *The State of the Nation's Housing*, 2018 report from the Joint Center for Housing Studies of Harvard University. The Harvard report summarizes the national housing outlook as follows:

"By many metrics, the housing market is on sound footing. With the economy near full employment, household incomes are increasing and boosting housing demand. On the supply side, a decade of historically low single-family construction has left room for expansion of this important sector of the economy. Although multifamily construction appears to be slowing, vacancy rates are still low enough to support additional rentals. In fact, to the extent that growth in supply outpaces demand, a slowdown in rent growth should help to ease affordability concerns."

However, challenges to a strong domestic housing market remain. High mortgage rates make housing unaffordable for many Americans, especially younger Americans. In addition to rising housing costs, wages have also failed to keep pace, worsening affordability pressures. Single-family and multifamily housing supplies remain tight, which compound affordability issues. *The State of the Nation's Housing* report emphasizes the importance of government assistance and intervention to keep housing affordable moving forward. Several challenges and trends shaping the housing market are summarized below:

- Moderate new construction and tight housing supply, particularly for affordable housing. New construction experienced its eighth year of gains in 2017 with 1.2 million units added to the national stock. Estimates for multifamily starts range between 350,000 to 400,000 (2017). The supply of for sale homes in 2017 averaged 3.9 months, below what is considered balanced (six months) and lower-cost homes are considered especially scarce. The State of the Nation's Housing report cites lack of skilled labor, higher building costs, scarce developable land, and the cost of local zoning and regulation as impediments to new construction.
- **Demand shift from renting to owning.** After years of decline, the national homeownership rate increased from a 50-year low of 62.9% in 2016 (Q2) to 63.7% in 2017 (Q2). Trends suggest homeownership among householders aged 65 and older have remained strong and homeownership rates among young adults have begun stabilizing after years of decline.
- **Housing affordability.** In 2016, almost one-third of American households spent more than 30% of their income on housing. This figure is down from the prior year,

¹⁰ These trends are based on information from: (1) The Joint Center for Housing Studies of Harvard University's publication "The State of the Nation's Housing 2018," (2) Urban Land Institute, "2018 Emerging Trends in Real Estate," and (3) the U.S. Census.

bolstered by a considerable drop in the owner share of cost-burdened households. Low-income households face an especially dire hurdle to afford housing. With such a large share of households exceeding the traditional standards for affordability, policymakers are focusing efforts on the severely cost-burdened. Among those earning less than \$15,000, more than 70% of households paid more than half of their income on housing.

- Long-term growth and housing demand. The Joint Center for Housing Studies forecasts that nationally, demand for new homes could total as many as 12 million units between 2017 and 2027. Much of the demand will come from Baby Boomers, Millennials,¹¹ and immigrants. The Urban Land Institute cites the trouble of overbuilding in the luxury sector while demand is in mid-priced single-family houses affordable to a larger buyer pool.
- Growth in rehabilitation market. Aging housing stock and poor housing conditions are growing concerns for jurisdictions across the United States. With almost 80% of the nation's housing stock at least 20 years old (40% at least 50 years old), Americans are spending in excess of \$400 billion per year on residential renovations and repairs. As housing rehabilitation becomes the go-to solution to address housing conditions, the home remodeling market has grown more than 50% since the recession ended generating 2.2% of national economic activity (in 2017).

Despite trends suggesting growth in the rehabilitation market, rising construction costs and complex regulatory requirements pose barriers to rehabilitation. Lower-income households or households on fixed-incomes may defer maintenance for years due to limited financial means, escalating rehabilitation costs. At a certain point, the cost of improvements may outweigh the value of the structure, which may necessitate new responses such as demolition or redevelopment.

- Changes in housing preference. Housing preference will be affected by changes in demographics; most notably, the aging of the Baby Boomers, housing demand from Millennials, and growth of immigrants.
 - Baby Boomers. The housing market will be affected by continued aging of the Baby Boomers, the oldest of whom were in their seventies in 2018 and the youngest of whom were in their fifties in 2018. Baby Boomers' housing choices will affect housing preference and homeownership. Addressing housing needs for those moving through their 60s, 70s, and 80s (and beyond) will require a

¹¹ According to the Pew Research Center, Millennials were born between the years of 1981 to 1996 (inclusive). Read more about generations and their definitions here: http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-end-and-post-millennials-begin/.

To generalize, and because there is no official generation of millennial, we define this cohort as individuals born between 1980 and 2000.

¹² These findings are copied from: Joint Center for Housing Studies. (2019). Improving America's Housing, Harvard University. https://www.jchs.harvard.edu/sites/default/files/Harvard_JCHS_Improving_Americas_Housing_2019.pdf

range of housing opportunities. For example, "the 82-to-86-year-old cohort dominates the assisted living and more intensive care sector" while new or near-retirees may prefer aging in place or active, age-targeted communities. Characteristics like immigration and ethnicity play a role too as "older Asians and Hispanics are more likely than whites or blacks to live in multigenerational households." Senior households earning different incomes may make distinctive housing choices. For instance, low-income seniors may not have the financial resources to live out their years in a nursing home and may instead choose to downsize to smaller, more affordable units. Seniors living in close proximity to relatives may also choose to live in multigenerational households.

Research shows that "older people in western countries prefer to live in their own familiar environment as long as possible," but aging in place does not only mean growing old in their own homes. ¹⁵ A broader definition exists which explains that aging in place also means "remaining in the current community and living in the residence of one's choice." ¹⁶ Therefore, some Boomers are likely to stay in their home as long as they are able, and some will prefer to move into other housing products, such as multifamily housing or age-restricted housing developments, before they move into to a dependent living facility or into a familial home. Moreover, "the aging of the U.S. population, [including] the continued growth in the percentage of single-person households, and the demand for a wider range of housing choices in communities across the country is fueling interest in new forms of residential development, including tiny houses." ¹⁷

Millennials. Over the last several decades, young adults increasingly lived in multi-generational housing – and increasingly more so than older demographics. Despite this trend, as Millennials age over the next 20 years, they will be forming households and families. In 2018, the oldest Millennials were in their late-30s and the youngest were in their late-teens. By 2040, Millennials will be between 40 and 60 years old.

At the beginning of the 2007-2009 recession Millennials only started forming their own households. Today, Millennials are driving much of the growth in new households, albeit at slower rates than previous generations. From 2012 to 2017,

¹³ Urban Land Institute. Emerging Trends in Real Estate, United States and Canada. 2018.

¹⁴ Herbert, Christopher and Hrabchak Molinsky (2015). Meeting the Housing Needs of an Aging Population. https://shelterforce.org/2015/05/30/meeting_the_housing_needs_of_an_aging_population/

¹⁵ Vanleerberghe, Patricia, et al. The quality of life of older people aging in place: a literature review. 2017.

¹⁶ Ibid.

¹⁷ American Planning Association. Making Space for Tiny Houses, Quick Notes.

¹⁸ According to the Pew Research Center, in 1980, just 11% of adults aged 25 to 34 lived in a multi-generational family household and by 2008, 20% did (82% change). Comparatively, 17% of adults aged 65 and older lived in a multi-generational family household and by 2008, 20% did (18% change).

millennials formed an average of 2.1 million net new households each year. Twenty-six percent of Millennials aged 25 to 34 lived with their parents (or other relatives) in 2017.

Millennials' average wealth may remain far below Boomers and Gen Xers and student loan debt will continue to hinder consumer behavior and affect retirement savings. As of 2015, Millennial's comprised 28% of active home buyers, while Gen Xers comprised 32% and Boomers 31%. ¹⁹ That said, "over the next 15 years, nearly \$24 trillion will be transferred in bequests," presenting new opportunities for Millennials (as well as Gen Xers).

- *Immigrants*. Research on foreign-born populations find that immigrants, more than native-born populations, prefer to live in multi-generational housing. Still, immigration and increased homeownership among minorities could also play a key role in accelerating household growth over the next 10 years. Current Population Survey estimates indicate that the number of foreign-born households rose by nearly 400,000 annually between 2001 and 2007, and they accounted for nearly 30% of overall household growth. Beginning in 2008, the influx of immigrants was staunched by the effects of the Great Recession. After a period of declines, however, the foreign born are again contributing to household growth. The Census Bureau's estimates of net immigration in 2017-2018 indicate that 1.2 million immigrants moved to the U.S. from abroad, down from 1.3 million immigrants in 2016-2017 but higher than the average annual pace of 850,000 during the period of 2009–2011. However, if recent Federal policies about immigration are successful, growth in undocumented and documented immigration could slow and cause a drag on household growth in the coming years.
- Diversity. The growing diversity of American households will have a large impact on the domestic housing markets. Over the coming decade, minorities will make up a larger share of young households and constitute an important source of demand for both rental housing and small homes. The growing gap in homeownership rates between whites and blacks, as well as the larger share of minority households that are cost burdened warrants consideration. Since 1994, the difference in homeownership rates between whites and blacks rose by 1.9 percentage points to 29.2% in 2017. Alternatively, the gap between white and Latinx homeownership rates and white and Asian homeownership rates both decreased during this period but remained sizable at 26.1 and 16.5 percentage points, respectively. Although homeownership rates are increasing for some minorities, large shares of minority households are more likely to live in high-cost metro areas. This, combined with lower incomes than white households,

¹⁹ Srinivas, Val and Goradia, Urval (2015). The future of wealth in the United States, Deloitte Insights. https://www2.deloitte.com/insights/us/en/industry/investment-management/us-generational-wealth-trends.html

- leads to higher rates of cost burden for minorities—47% for blacks, 44% for Latinx, 37% for Asians/others, and 28% for whites in 2015.
- Changes in housing characteristics. The U.S. Census Bureau's Characteristics of New Housing Report (2017) presents data that show trends in the characteristics of new housing for the nation, state, and local areas. Several long-term trends in the characteristics of housing are evident from the New Housing Report:²⁰
 - Larger single-family units on smaller lots. Between 1999 and 2017, the median size of new single-family dwellings increased by 20% nationally, from 2,028 sq. ft. to 2,426 sq. ft., and 20% in the western region from 2,001 sq. ft. in 1999 to 2,398 sq. ft in 2017. Moreover, the percentage of new units smaller than 1,400 sq. ft. nationally, decreased by more than half, from 15% in 1999 to 6% in 2017. The percentage of units greater than 3,000 sq. ft. increased from 17% in 1999 to 25% of new one-family homes completed in 2017. In addition to larger homes, a move towards smaller lot sizes is seen nationally. Between 2009 and 2017, the percentage of lots less than 7,000 sq. ft. increased from 25% to 31% of lots.
 - o *Larger multifamily units*. Between 1999 and 2017, the median size of new multiple family dwelling units increased by 5.3% nationally and 2.4% in the Western region. Nationally, the percentage of new multifamily units with more than 1,200 sq. ft. increased from 28% in 1999 to 33% in 2017 and increased from 25% to 28% in the Western region.
 - o *Household amenities*. Across the U.S. and since 2013, an increasing number of new units had air-conditioning (fluctuating year by year at over 90% for both new single-family and multi-family units). In 2000, 93% of new single-family houses had two or more bathrooms, compared to 97% in 2017. The share of new multifamily units with two or more bathrooms decreased from 55% of new multifamily units to 45%. As of 2017, 65% of new single-family houses in the U.S. had one or more garages (from 69% in 2000).
 - O Shared amenities. Housing with shared amenities are growing in popularity as it may improve space efficiencies and reduce per-unit costs / maintenance costs. Single-Room Occupancies (SROs)²¹, Cottage Clusters, co-housing developments, and multifamily products are common housing types that take advantage of this trend. Shared amenities may take many forms and include shared: bathrooms; kitchens and other home appliances (e.g. laundry facilities, outdoor grills);

²⁰ U.S. Census Bureau, Highlights of Annual 2017 Characteristics of New Housing. Retrieved from: https://www.census.gov/construction/chars/highlights.html.

²¹ Single-room occupancies are residential properties with multiple single room dwelling units occupied by a single individual. From: U.S. Department of Housing and Urban Development. (2001). *Understanding SRO*. https://www.hudexchange.info/resources/documents/Understanding-SRO.pdf

security systems; outdoor areas (e.g. green space, pathways, gardens, rooftop lounges); fitness rooms, swimming pools, and tennis courts; and free parking.²²

State Trends

Oregon's 2016-2020 Consolidated Plan includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide. The plan concludes that "a growing gap between the number of Oregonians who need affordable housing and the availability of affordable homes has given rise to destabilizing rent increases, an alarming number of evictions of low- and fixed- income people, increasing homelessness, and serious housing instability throughout Oregon."

It identified the following issues that describe housing need statewide:²³

- For housing to be considered affordable, a household should pay up to one-third of their income toward rent, leaving money left over for food, utilities, transportation, medicine, and other basic necessities. Today, one in two Oregon households pays more than one-third of their income toward rent, and one in three pays more than half of their income toward rent.
- More school children are experiencing housing instability and homelessness. The rate of K-12 homeless children increased by 12% from the 2013-2014 school year to the 2014–2015 school year.
- Oregon has 28,500 rental units that are affordable and available to renters with extremely low-incomes. There are about 131,000 households that need those apartments, leaving a gap of 102,500 units.
- Housing instability is fueled by an unsteady, low-opportunity employment market. Over 400,000 Oregonians are employed in low-wage work. Low-wage work is a growing share of Oregon's economy. When wages are set far below the cost needed to raise a family, the demand for public services grows to record heights.
- Women are more likely than men to end up in low-wage jobs. Low wages, irregular hours, and part-time work compound issues.

²² Urbsworks. (n.d.). Housing Choices Guide Book: A Visual Guide to Compact Housing Types in Northwest Oregon. https://www.oregon.gov/lcd/Publications/Housing-Choices-Booklet_DIGITAL.pdf

Saiz, Albert and Salazar, Arianna. (n.d.). Real Trends: The Future of Real Estate in the United States. Center for Real Estate, Urban Economics Lab.

²³ These conclusions are copied directly from the report: Oregon's 2016-2020 Consolidated Plan http://www.oregon.gov/ohcs/docs/Consolidated-Plan/2016-2020-Consolidated-Plan-Amendment.pdf.

- People of color historically constitute a disproportionate share of the low-wage work force. About 45% of Latinx, and 50% of African Americans, are employed in lowwage industries.
- The majority of low-wage workers are adults over the age of 20, many of whom have earned a college degree, or some level of higher education.
- In 2019, minimum wage in Oregon²⁴ was \$11.25, \$12.50 in the Portland Metro, and \$11.00 for non-urban counties.

Oregon's 2018 Statewide Housing Plan identified six housing priorities to address in communities across the State over 2019 to 2023, summarized below. It includes relevant data to help illustrate the rationale for each priority. The 2018 Statewide Housing Plan describes the Oregon Housing and Community Services' (OHCS) goals and implementation strategies for achieving the goals.²⁵

- **Equity and Racial Justice.** Advance equity and racial justice by identifying and addressing institutional and systemic barriers that have created and perpetuated patterns of disparity in housing and economic prosperity.
 - Summary of the issue: In Oregon, 26% of people of color live below the poverty line in Oregon, compared to 15% of the White population.
 - 2019-2023 Goal: Communities of color will experience increased access to OHCS resources and achieve greater parity in housing stability, self-sufficiency and homeownership. OHCS will collaborate with its partners and stakeholders to create a shared understanding of racial equity and overcome systemic injustices faced by communities of color in housing discrimination, access to housing and economic prosperity.
- **Homelessness.** Build a coordinated and concerted statewide effort to prevent and end homelessness, with a focus on ending unsheltered homelessness of Oregon's children and veterans.
 - Summary of the issue: According to the Point-in-Time count, approximately 14,000 Oregonians experienced homelessness in 2017, an increase of nearly 6% since 2015. Oregon's unsheltered population increased faster than the sheltered population, and the state's rate of unsheltered homelessness is the third highest in the nation at 57%. The state's rate of unsheltered homelessness among people in families with children is the second highest in the nation at 52%.

ECONorthwest

²⁴ The 2016 Oregon Legislature, Senate Bill 1532, established a series of annual minimum wage rate increases beginning July 1, 2016 through July 1, 2022. https://www.oregon.gov/boli/whd/omw/pages/minimum-wage-rate-summary.aspx

²⁵ Priorities and factoids are copied directly from the report: Oregon Housing and Community Services (November 2018). Breaking New Ground, Oregon's Statewide Housing Plan, Draft. https://www.oregon.gov/ohcs/DO/shp/OregonStatewideHousingPlan-PublicReviewDraft-Web.pdf

- O 2019-2023 Goal: OHCS will drive toward impactful homelessness interventions by increasing the percentage of people who are able to retain permanent housing for at least six months after receiving homeless services to at least 85 percent. We will also collaborate with partners to end veterans' homelessness in Oregon and build a system in which every child has a safe and stable place to call home.
- **Permanent Supportive Housing.** *Invest in permanent supportive housing, a proven strategy to reduce chronic homelessness and reduce barriers to housing stability.*
 - Summary of the issue: Oregon needs about 12,388 units of permanent supportive housing to serve individuals and families with a range of needs and challenges.
 - 2019-2023 Goal: OHCS will increase our commitment to permanent supportive housing by funding the creation of 1,000 or more additional permanent supportive housing units to improve the future long-term housing stability for vulnerable Oregonians.
- **Affordable Rental Housing.** Work to close the affordable rental housing gap and reduce housing cost burden for low-income Oregonians.
 - Summary of the issue: Statewide, over 85,000 new units are needed to house those households earning below 30% of Median Family Income (MFI) in units affordable to them. The gap is even larger when accounting for the more than 16,000 units affordable at 30% of MFI, which are occupied by households at other income levels.
 - 2019-2023 Goal: OHCS will triple the existing pipeline of affordable rental housing — up to 25,000 homes in the development pipeline by 2023. Residents of affordable rental housing funded by OHCS will have reduced cost burden and more opportunities for prosperity and self-sufficiency.
- **Homeownership.** *Provide more low- and moderate-income Oregonians with the tools to successfully achieve and maintain homeownership, particularly in communities of color.*
 - Summary of the issue: In Oregon, homeownership rates for all categories of people of color are lower than for white Oregonians. For White non-Latinx Oregonians, the home ownership rate is 63%. For Latinx and non-White Oregonians, it is 42%. For many, homeownership rates have fallen between 2005 and 2016.
 - O 2019-2023 Goal: OHCS will assist at least 6,500 households in becoming successful homeowners through mortgage lending products while sustaining efforts to help existing homeowners retain their homes. OHCS will increase the number of homebuyers of color in our homeownership programs by 50% as part of a concerted effort to bridge the homeownership gap for communities of color while building pathways to prosperity.
- **Rural Communities.** Change the way OHCS does business in small towns and rural communities to be responsive to the unique housing and service needs and unlock the opportunities for housing development.

- Summary of the issue: While housing costs may be lower in rural areas, incomes are lower as well: median family income is \$42,750 for rural counties versus \$54,420 for urban counties. Additionally, the median home values in rural Oregon are 30% higher than in the rural United States and median rents are 16% higher.
- 2019-2023 Goal: OHCS will collaborate with small towns and rural communities to increase the supply of affordable and market-rate housing. As a result of tailored services, partnerships among housing and service providers, private industry and local governments will flourish, leading to improved capacity, leveraging of resources and a doubling of the housing development pipeline.

Regional and Local Demographic Trends that may affect housing need in Tualatin.

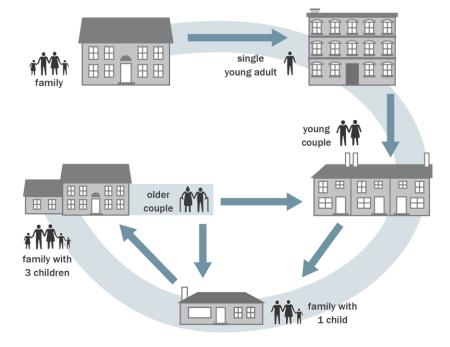
Demographic trends that might affect the key assumptions used in the baseline analysis of housing need are: (1) the aging population, (2) changes in household size and composition, and (3) increases in diversity.

An individual's housing needs change throughout their life, with changes in income, family composition, and age. The types of housing needed by a 20-year-old college student differ from the needs of a 40-year-old parent with children, or an 80-year-old single adult. As Tualatin's population ages, different types of housing will be needed to accommodate older residents. The housing characteristics by age data below reveal this cycle in action in Tualatin.

Housing needs and preferences change in predictable ways over time, such as with changes in marital status and size of family.

Families of different sizes need different types of housing.

Exhibit 25. Effect of demographic changes on housing need Source: ECONorthwest, adapted from Clark, William A.V. and Frans M. Dieleman. 1996. Households and Housing. New Brunswick, NJ: Center for Urban Policy Research.



Growing Population

Tualatin's population growth will drive future demand for housing in the City over the planning period. The population forecast in Exhibit 27 is Tualatin's official population forecast, from the Oregon Population Forecast Program. Tualatin must use this forecast as the basis for forecasting housing growth over the 2020 to 2040 period.

Tualatin's population grew by 81% between 1990 and the 2013-2017 period. Tualatin added 12,122 new residents, at an average annual growth rate of 2.2%.

Exhibit 26. Population Growth and Change, Tualatin, Washington County, Portland Region, Oregon, and the United States, 1990, 2000, 2010, and 2013-2017

Source: U.S. Decennial Census 1990, 2000, 2010 and ACS 2013-2017. Note: the Portland Region is the aggregate of Clackamas, Multnomah, and Washington County.

				Change 1990 to 2013-2017			
	1990	2000	2010	2013-2017	Number	Percent	Growth Rate
U.S.	248,709,873	281,421,906	308,745,538	321,004,407	72,294,534	29%	0.9%
Oregon	2,842,321	3,421,399	3,831,074	4,025,127	1,182,806	42%	1.3%
Portland Region	1,174,291	1,444,219	1,641,036	1,760,492	586,201	50%	1.5%
Washington County	311,554	445,342	529,710	572,071	260,517	84%	2.3%
Tualatin	15,013	22,791	26,054	27,135	12,122	81%	2.2%

Tualatin city limits is projected to grow by 627 people between 2020 and 2040, at an average annual growth rate of 0.12%.²⁶

Tualatin's Basalt Creek is project to grow by 1,080 people between 2020 and 2040, at an average annual growth rate of 5.68%²⁷

Exhibit 27. Forecast of Population Growth, Tualatin city limits, 2020 to 2040

Source: Metro 2040 Population Distributed Forecast, Exhibit A. July 12, 2016.

 26,745
 27,372
 627
 2.3% increase

 Residents in 2020
 Residents in 2040
 New residents 2020 to 2040
 0.12% Growth Rate 2020 to 2040

Exhibit 28. Forecast of Population Growth, Basalt Creek, 2020 to 2040

Source: Metro 2040 TAZ Forecast, Population Estimates (TAZ 980 and 981). November 6, 2015.

 535
 1,616
 1,080
 202% increase

 Residents in 2020
 Residents in 2040
 New residents 2020 to 2040
 5.68% Growth Rate 2020 to 2040

²⁶ This forecast of population growth is based on Tualatin's (city limits) official population forecast from Metro 2040 Population Distributed Forecast (2016). ECONorthwest extrapolated the population forecast for 2015 (to 2020) using an average annual growth rate.

²⁷ This forecast of population growth is based on Basalt Creek's official population forecast from Metro 2040 TAZ Population Forecast (2015). ECONorthwest extrapolated the population forecast for 2015 (to 2020) using an average annual growth rate.

Aging Population

This section shows two key characteristics of Tualatin's population, with implications for future housing demand in Tualatin:

• Seniors. Tualatin currently has a smaller share of people over 60 years old than Washington County. As Tualatin's senior population grows, it will have increasing demand for housing that is suitable for older demographics.

Demand for housing for seniors will grow over the planning period, as the Baby Boomers continue to age and retire. The Washington County forecast share of residents aged 60 years and older will account for 24% of its population in 2040, compared to around 18% in the 2013-2017 period.

The impact of growth in seniors in Tualatin will depend, in part, on whether older people already living in Tualatin continue to reside there as they retire. National surveys show that, in general, most retirees prefer to age in place by continuing to live in their current home and community as long as possible.²⁸ Tualatin may be attractive to newly retiring seniors because of its location within the Portland Metro region.

Growth in the number of seniors will result in demand for housing types specific to seniors, such as small and easy-to-maintain dwellings, assisted living facilities, or age-restricted developments. Senior households will make a variety of housing choices, including: remaining in their homes as long as they are able, downsizing to smaller single-family homes (detached and attached) or multifamily units, moving in with family, or moving into group housing (such as assisted living facilities or nursing homes), as their health declines. The challenges aging seniors face in continuing to live in their community include changes in healthcare needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.²⁹

■ Tualatin has a slightly larger share of younger people than the Portland Region.

About 26% of Tualatin's population and Washington County's population is under 20 years old, compared to 24% of the Portland Region's population. The forecast for population growth in Washington County shows the percent of people under 20 years staying static at 24% of the population in 2013-2017 to 2040.

People currently aged 20 to 40 are referred to as the Millennial generation and account for the largest share of population in Oregon.³⁰ By 2040, they will be about 40 to 60 years of age. The forecast for Washington County shows a slight shift in Millennials from about 29% of the population in 2020 to about 25% of the population in 2040.

²⁸ A survey conducted by the AARP indicates that 90% of people 50 years and older want to stay in their current home and community as they age. See http://www.aarp.org/research.

²⁹ "Aging in Place: A toolkit for Local Governments" by M. Scott Ball.

³⁰ Pew Research Center. (March 2018). "Defining generations: Where Millennials end and post-Millennials begin" by Michael Dimock. Retrieved from: http://www.pewresearch.org/fact-tank/2018/03/01/defining-generations-where-millennials-begin/.

Tualatin's ability to attract people in this age group will depend, in large part, on whether the city has opportunities for housing that both appeals to and is affordable to Millennials. Again, Tualatin is attractive because of the amenities of the Portland Metro region.

The long-term housing preference of Millennials is uncertain. Research suggests that Millennials' housing preferences may be similar to the Baby Boomers, with a preference for smaller, less costly units. Recent surveys about housing preference suggest that Millennials want affordable single-family homes in areas that offer transportation alternatives to cars, such as suburbs or small cities with walkable neighborhoods.³¹

A recent survey of people living in the Portland region shows that Millennials prefer single-family detached housing. The survey finds that housing price is the most important factor in choosing housing for younger residents.³² The survey results suggest Millennials are more likely than other groups to prefer housing in an urban neighborhood or town center.

Growth in Millennials in Tualatin will result in increased demand for both affordable single-family detached housing (such as small single-family detached units like cottages), as well as increased demand for affordable townhouses and multifamily housing. Growth in this population will result in increased demand for both ownership and rental opportunities, with an emphasis on housing that is comparatively affordable.

³¹ The American Planning Association, "Investing in Place; Two generations' view on the future of communities." 2014.

[&]quot;Access to Public Transportation a Top Criterion for Millennials When Deciding Where to Live, New Survey Shows," Transportation for America.

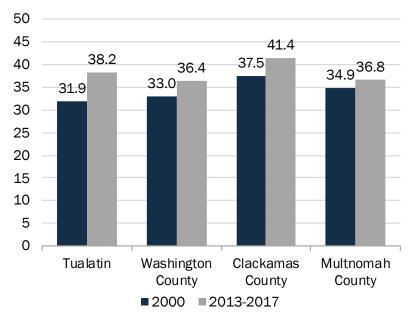
[&]quot;Survey Says: Home Trends and Buyer Preferences," National Association of Home Builders International Builders

³² Davis, Hibbits, & Midghal Research, "Metro Residential Preference Survey," May 2014.

From 2000 to 2013-2017, Tualatin's population grew older on average.

Exhibit 29. Median Age, Tualatin, Washington County, Clackamas County, and Multnomah County, 2000 and 2013-2017

Source: U.S. Census Bureau, 2000 Decennial Census Table B01002, 2013-2017 ACS, Table B01002.

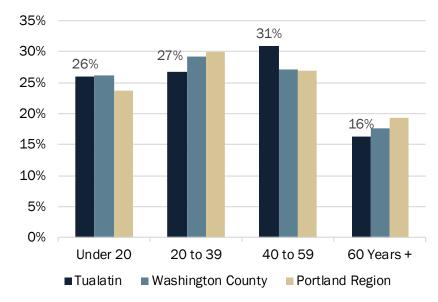


In the 2013-2017 period, about 58% of Tualatin's residents were between the ages of 20 and 59 years.

Tualatin had a slightly smaller share of people over the age of 60 than Washington County and Portland Region.

Exhibit 30. Population Distribution by Age, Tualatin, Washington County, and Portland Region, 2013-2017

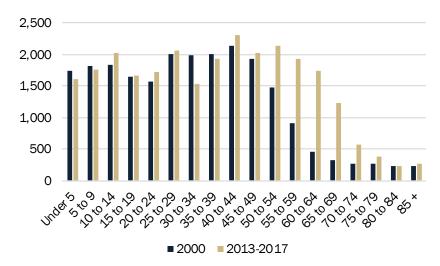
Source: U.S. Census Bureau, 2013-2017 ACS, Table B01001.



The number of senior residents in Tualatin grew between 2000 and the 2013-2017 period.

Exhibit 31. Population Distribution by Age, Tualatin, 2013-2017

Source: U.S. Census Bureau, 2000 Decennial Census Table P012 and 2013-2017 ACS, Table B01001.



Between 2000 and 2013-2017, the share of Tualatin's population aged 60 years and older doubled.

Tualatin's population aged 60 years and older grew by 2,643 people between 2000 and 2013-2017.

This increase can be explained in part through aging of the Baby Boomers across the Portland Region.
Development of senior housing in Tualatin likely attracted seniors to Tualatin, increasing the percentage of people over 60 years old in the city.

Between 2020 and 2040, Washington County's population over 60 years old is forecast to grow the fastest, by 62%.

Exhibit 32. Population Composition by Age, Tualatin, 2000 and 2013-2017

Source: U.S. Census Bureau, 2000 Decennial Census Table P012 and 2013-2017 ACS, Table B01001.

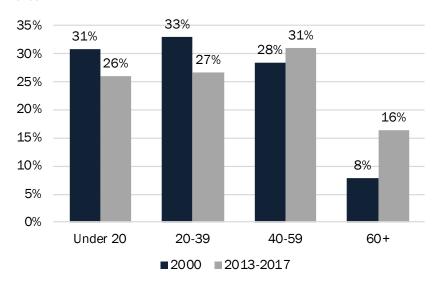


Exhibit 33. Fastest-growing Age Groups, Washington County, 2020 to 2040

Source: Portland State University, Population Research Center, Washington County Forecast, June 2017.

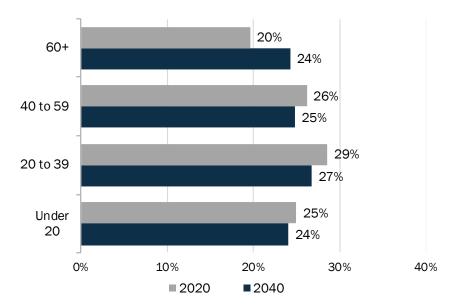
Under 20	20-39 Yrs	40-59 Yrs	60+ Yrs
People	People	People	People
36,773	40,023	38,953	75,217
23%	23%	24%	62%

Between 2020 and 2040, the share of Washington County residents over the age of 40 will make up 49% of the county's total population.

Of the age cohorts shown in Exhibit 34, the share of residents over 60 years of age will increase by 2040, while the share of all other age cohorts will decrease.

Exhibit 34. Population Growth by Age Group, Washington County, 2020 to 2040

Source: Portland State University, Population Research Center, Washington County Forecast, June 2017.



Increased Ethnic Diversity

Tualatin is becoming more ethnically diverse. The Latinx population grew from 12% of Tualatin's population in 2000 to 16% of the population in the 2013-2017 period, adding about 1,774 new Latinx residents. Tualatin is more ethnically diverse than the Portland Region.

The U.S. Census Bureau forecasts that at the national level, the Latinx population will continue growing faster than most other non-Latinx population between 2020 and 2040. The Census forecasts that the Latinx population will increase 93% from 2016 to 2060 and foreign-born Latinx population will increase by about 40% in that same time.³³

Continued growth in the Latinx population will affect Tualatin's housing needs in a variety of ways.³⁴ Growth in first and, to a lesser extent, second and third generation Latinx immigrants, will increase demand for larger dwelling units to accommodate the, on average, larger household sizes for these households. Foreign-born households, including Latinx immigrants, are more likely to include multiple generations, requiring more space than smaller household

³³ U.S. Census Bureau, *Demographic Turning Points for the United States: Population Projections for* 2020 to 2060, pg. 7, https://www.census.gov/content/dam/Census/library/publications/2018/demo/P25_1144.pdf

³⁴ Pew Research Center. *Second-Generation Americans: A Portrait of the Adult Children of Immigrants*, February 7, 2013, Appendix 8, http://www.pewsocialtrends.org/2013/02/07/appendix-1-detailed-demographic-tables/. National Association of Hispanic Real Estate Professionals. *2017 State of Hispanic Homeownership Report*, 2017.

sizes. As Latinx households integrate over generations, household size typically decreases, and housing needs become similar to housing needs for all households.

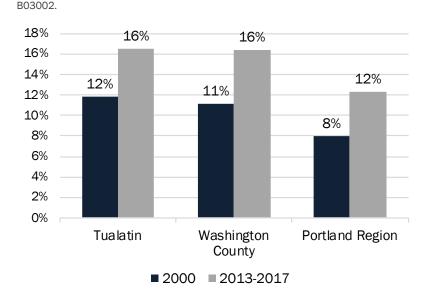
According to the *State of Hispanic Homeownership* report from the National Association of Hispanic Real Estate Professionals³⁵, Latinx accounted for 28.6% of the nation's household formation in 2017. Household formations, for Latinx homeowners specifically, accounted for 15% of the nation's net homeownership growth. The rate of homeownership for Latinx increased from 45.4% in 2014³⁶ to 46.2% in 2017. The only demographic that increased their rate of homeownership from 2016 to 2017 was for Latinx households.

The *State of Hispanic Homeownership* report also cites the lack of affordable housing products as a substantial barrier to homeownership. The report finds that Latinx households are more likely than non-Latinx households to be nuclear households, comprised of married couples with children, and multiple-generation households in the same home, such as parents and adult children living together. These housing preferences—affordability and larger household size—will influence the housing market as the Latinx population continues to grow.³⁷ Accordingly, growth in Latinx households will result in increased demand for housing of all types, both for ownership and rentals, with an emphasis on housing that is comparatively affordable.

The share of Tualatin's population that is Latinx increased by 4% (1,774 people) from 2000 to 2013-2017.

Tualatin was more ethnically diverse than the Portland Region.

Exhibit 35. Latinx Population as a Percent of the Total Population, Tualatin, Washington County, Portland Region, 2000, 2013-2017 Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2013-2017 ACS Table



³⁵ National Association of Hispanic Real Estate Professionals (2017). 2017 State of Hispanic Homeownership Report.

³⁶ Ibid.

³⁷ Ibid.

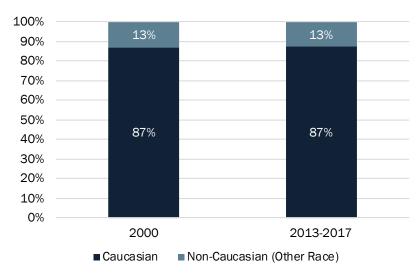
Racial Diversity³⁸

The non-Caucasian population is defined as the share of the population that identifies as another race other than "White alone" according to Census definitions. Racial diversity in Tualatin did not increase between 2000 and the 2013-2017 period and. In the 2013-2017 period, Tualatin was less racially diverse than both the county and region.

The share of the non-white population in Tualatin stayed the same from 2000 to 2013-2017.

Exhibit 36. Non-Caucasian Population as a Percent of Total Population, Tualatin, 2000 and 2013-2017

Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2013-2017 ACS Table B02001.

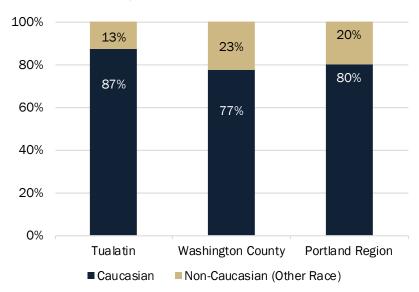


³⁸ The US Census Bureau considers race and ethnicity as two distinct concepts. The Census applies two categories for ethnicity, which are Hispanic or Latino (i.e., Latinx) and Not Hispanic or Latino (i.e., Non-Latinx). Latinx is an ethnicity and not a race, meaning individuals who identify as Latinx may be of any race. The share of the population that identifies as Latinx should not be added to percentages for racial categories.

In the 2013-2017 period, Tualatin was less racially diverse than Washington County and the Portland Region.

Exhibit 37. Non-Caucasian Population as a Percent of Total Population, Tualatin, Washington County, and the Portland Region 2013-2017

Source: U.S. Census Bureau, 2013-2017 ACS Table B02001.



Homelessness

Washington County's pointin-time homeless count decreased by about 4% (22 people) from 2017 to 2018. Exhibit 38. Number of Persons Homeless, Washington County, Point-in-Time Count, 2017 and 2018

Source: Washington County, Point in Time Count, January 2017, 2018

544 Persons 522 Persons 2017 2018

Between 2015 and 2018, individuals who were homeless (and sheltered) decreased 17%. Individuals who were homeless (and unsheltered) decreased 9%.

Exhibit 39. Number of Persons Homeless by Living Situation, Washington County, Point-in-Time Count, 2015 through 2018

Source: Washington County, Point in Time Count, January 2015, 2016, 2017, 2018



Household Size and Composition

Tualatin's households are smaller than Washington County's households. Tualatin's household composition shows that households in Tualatin are similar to Washington County and Portland Region averages.

Tualatin's average household size was smaller than Washington County's and Clackamas County's, but larger than Multnomah County's.

Exhibit 40. Average Household Size, Tualatin, Washington County, Clackamas County, Multnomah County, 2013-2017

Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table B25010.

2.49 Persons
Tualatin
2.42 Persons

2.66 Persons
Washington County
2.58 Persons
Clackamas County

Multnomah County

According to the two most recent Decennial Censuses, Tualatin's average household size

average household size (for householder identifying as Latinx) decreased by 0.27 person. Exhibit 41. Average Household Size for Latinx Householder, Tualatin, 2000 and 2010

Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table B25010.

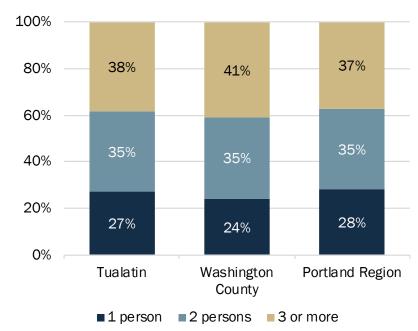
3.75 Persons
Tualatin, 2010

4.02 Persons
Tualatin, 2000

About 62% of Tualatin's households were 1- or 2-person households, compared to 59% of Washington County's and 63% of the Portland Region's households.

Exhibit 42. Household Size, Tualatin, Washington County, and Portland Region, 2013-2017

Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table B25010.

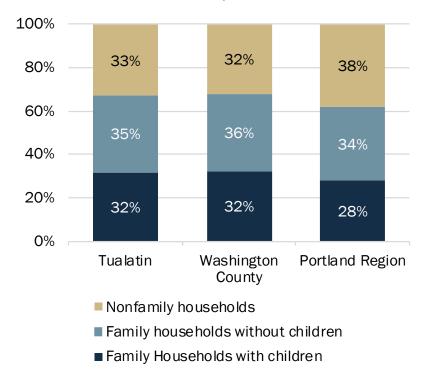


Tualatin had a similar household composition to Washington County.
Compared to the Portland Region, Tualatin had a smaller share of nonfamily households and a larger share of family households with children.

About a third of Tualatin's households were non-family households (i.e. 1-person households and households composed of roommates).

Exhibit 43. Household Composition, Tualatin, Washington County, and Portland Region, 2013-2017

Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table DP02.



Households, with a Latinx head of household, were more likely to have more than one occupant per room in the 2013-2017 period, compared to all households and households with a Caucasian head of household.

Exhibit 44. Occupants per Room, Tualatin, 2013-2017

Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table B25014.

2.2%

All Households

1.8%

Households, with White (alone) head of household

11.3%

Households, with Latinx head of household

Income of Tualatin Residents

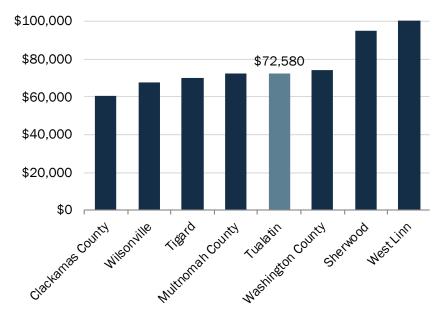
Income is one of the key determinants in housing choice and households' ability to afford housing. Income for residents living in Tualatin was lower than the Washington County median income and the states.

Over the 2013-2017 period, Tualatin's median household income (MHI) was below that of Washington County's.

Tualatin's MHI was \$1,453 lower than Washington County's MHI (\$74,033).

Exhibit 45. Median Household Income, Tualatin, Washington County, and Comparison regions, 2013-2017

Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table B25119.



Tualatin had a larger share of higher-earning households.

About 38% of Tualatin's households earned more than \$100,000 per year, compared to 35% of Washington County households and 31% of the Portland Region's households.

About 36% of Tualatin's households earned \$50,000 or less per year, compared to 33% of Washington County's households and 37% of the Portland Region's households.

After adjusting for inflation, Tualatin's median household income (MHI) decreased by 12%, from \$82,488 in 2000 to \$72,580 in 2013-2017.

In this same time, Washington County's MHI decreased by 4%, Clackamas County's MHI decreased by 1%, and Multnomah County's MHI decreased by 5%.

Exhibit 46. Household Income, Tualatin, Washington County, and Portland Region, 2013-2017

Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table B19001.

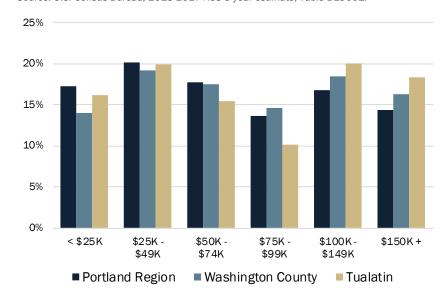
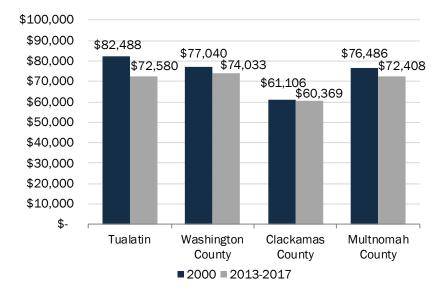


Exhibit 47. Change in Median Household Income (Inflation-adjusted 2017 dollars), Tualatin, Washington County, Clackamas County, and Multnomah County, 2000 and 2013-2017

Source: U.S. Census Bureau, 2000 Decennial Census, Table HCT012; 2013-2017 ACS 5-year estimate, Table B25119; Bureau of Labor Statistics Inflation Calculator.



The median household income for a 4-person household was 3x the median household income for a 1-person household.

Exhibit 48. Median Household Income by Household Size, Tualatin, 2013-2017

Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table B25119.

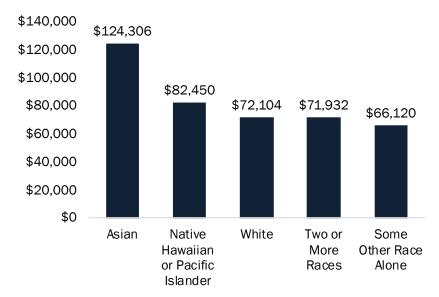


1-person 2-person 3-person 4-person 5-person 6-person

Median household income. of households with an Asian head of household, were proportionately higher in Tualatin.

Exhibit 49. Median Household Income by Race of the Head of Household, Tualatin, 2013-2017

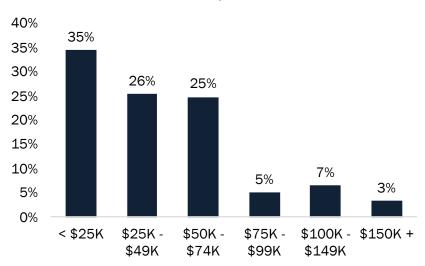
Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table B19013A-G. Note: data was not available for heads of households identifying as a Black / African American or as American Indian and Alaska Native.



Most households with a Latinx head of household earned less than \$50,000 per year.

Exhibit 50. Household Income by Latinx Head of Household, Tualatin, 2013-2017

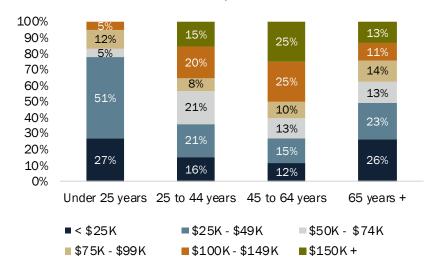
Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table B19001l.



In the 2013-2017 period, 78% of households with a householder 25 and younger and 49% of households with a householder 65 years and older earned less than \$50,000 per year.

Exhibit 51. Household Income by Age of Householder, Tualatin, 2013-2017

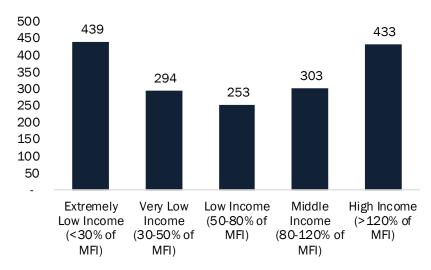
Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table B19037.



About a quarter of households with a householder aged 65 years and older) were extremely low income in the 2013-2017 period. About a quarter of those households were high income.

Exhibit 52. Median Family Income (\$81,400) by Age of Householder (Aged 65 Years and Older), Tualatin, 2013-2017

Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table XXXX. Note: Median Family Income for Washington County was \$81,400 (U.S. Department of Housing and Urban Development).



Commuting Trends

Tualatin is part of the complex, interconnected economy of the Portland Region. Of the more than 23,800 people who work in Tualatin, 93% of workers commute into Tualatin from other areas, most notably Portland, Tigard, Beaverton, and Hillsboro. Almost 11,000 residents of Tualatin commute out of the city for work, many of them to Portland.

Tualatin is part of an interconnected regional economy.

More than 22,000 people commuted into Tualatin for work, and nearly 11,000 people living in Tualatin commuted out of the city for work.

Exhibit 53. Commuting Flows, Tualatin, 2015

Source: U.S. Census Bureau, Census On the Map.



About 7% of people who worked at businesses located in Tualatin also lived in Tualatin.

The remainder commuted from Portland and other parts of the Region.

About 27% of Tualatin residents worked in Portland.

A little over 12% of Tualatin residents lived and worked in Tualatin.

Exhibit 54. Places Where Workers at Businesses in Tualatin Live, 2015

Source: U.S. Census Bureau, Census On the Map.

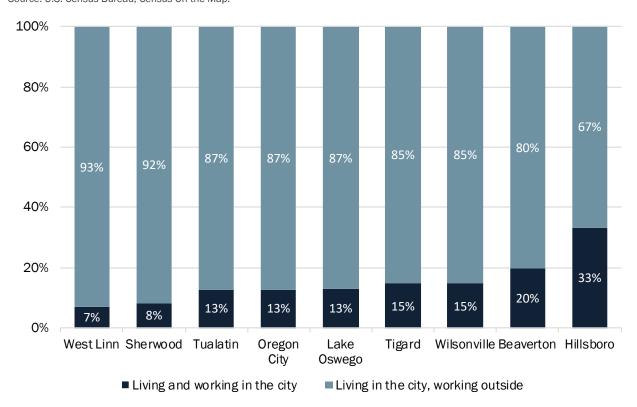
15%7%6%5 %4%PortlandTualatinTigardBeavertonHillsboro

Exhibit 55. Places Where Tualatin Residents were Employed, 2015

Source: U.S. Census Bureau, Census On the Map.

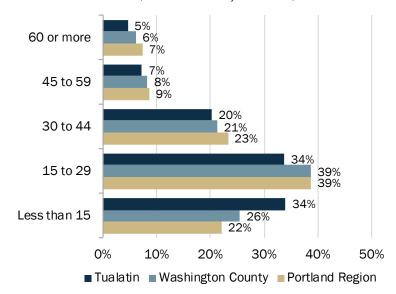
27% 13% 9% 7% 6%
Portland Tualatin Tigard Beaverton Wilsonville

Exhibit 56. Commuting Flows of Residents, Tualatin Relative to Comparison Geographies, 2015 Source: U.S. Census Bureau, Census On the Map.



Most of Tualatin residents (68%) had a commute time that took less than 30 minutes.

Exhibit 57. Commute Time by Place of Residence, Tualatin, Washington County, and Portland Region, 2013-2017 Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table B08303.



Regional and Local Trends Affecting Affordability in Tualatin

This section describes changes in sales prices, rents, and housing affordability in Tualatin. It uses cities in the region, as well as Washington County and Oregon, as comparisons.

Changes in Housing Costs

With a median sale price of \$480,000 in February 2019, Tualatin's housing sales were slightly higher than some comparison cities in this analysis, but below sale prices of other cities. Tualatin's housing prices grew along with comparison cities over the January 2015 to February 2019 analysis period.

Tualatin's median home sale price was within range of comparison cities.

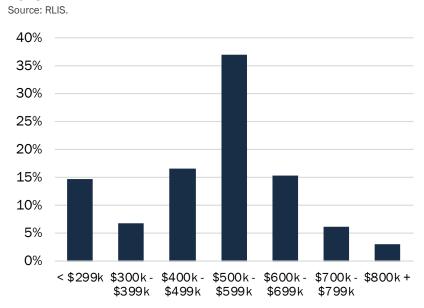
Exhibit 58. Median Home Sale Price, Tualatin and Comparison Cities, February 2019

Source: Redfin.



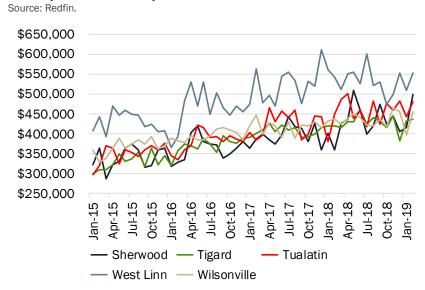
In 2017 through 2018, more than half of the homes (62%) in Tualatin sold for more than \$500,000.

Exhibit 59. Distribution of Home Sale Prices, Tualatin, 2017—2018



Between January 2015 and February 2019, home sale prices in Tualatin followed similar trends to other nearby cities (with West Linn as an outlier).

Exhibit 60. Median Sale Price, Tualatin and Comparison Cities, January 2016–February 2019



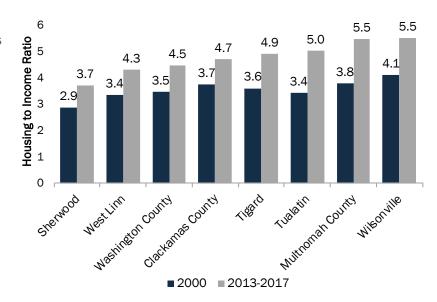
Since 2000, housing costs in Tualatin increased faster than incomes.

The household reported median value of a house in Tualatin was 3.4 times the median household income (MHI) in 2000 and 5.0 times MHI in 2016.

The decline of housing affordability was more extreme than in Washington County overall.

Exhibit 61. Ratio of Median Housing Value to Median Household Income, Tualatin, Washington County, and Comparison Jurisdictions, 2000 to 2013–2017³⁹

Source: U.S. Census Bureau, 2000 Decennial Census, Tables HCT012 and H085, and 2012-2016 ACS, Tables B19013 and B25077.



³⁹ This ratio compares the median value of housing in Tualatin (and other places) to the median household income. Inflation-adjusted median owner values in Tualatin increased from \$282,532 in 2000 to \$365,700 in 2013–2017. Over the same period, inflation-adjusted median income decreased from \$82,488 to \$72,580.

Rental Costs

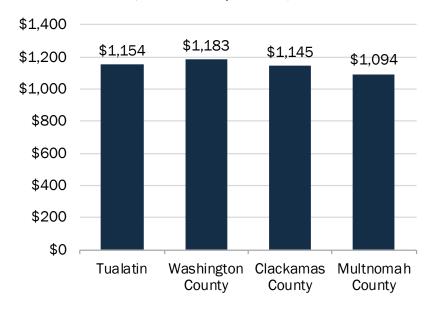
Median multifamily rents in Tualatin and Washington County are about \$1,200. The following charts show gross rent (which includes the cost of rent plus utilities) for Tualatin in comparison to Washington County and the Portland Region.

The median gross rent in Tualatin was \$1,154 in the 2013-2017 period.

Rent in Tualatin was comparable to that of comparison regions.

Exhibit 62. Median Gross Rent, Tualatin, Washington County, Clackamas County, and Multnomah County, 2013-2017

Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table B25064.

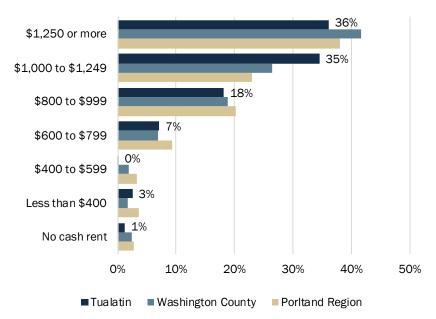


Most renters in Tualatin paid more than \$1,000 per month in rent.

About 36% of Tualatin's renters paid \$1,250 or more in gross rent per month, a smaller share than renters across Washington County (42%) and the Portland Region (38%).

Exhibit 63. Gross Rent, Tualatin, Washington County, and Portland Region, 2013-2017

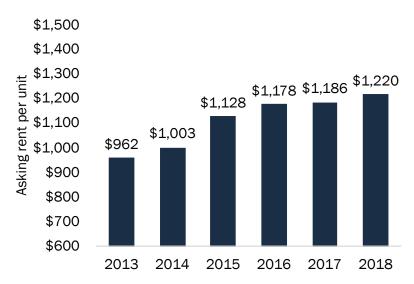
Source: U.S. Census Bureau, 2013-2017 ACS Table B25063.



Tualatin's average asking multifamily rent per unit increased by \$372, from \$848 in 2010 to \$1,220 in 2018.

Exhibit 64. Average Asking Multifamily Rent Per Unit, Tualatin, 2013 through 2018

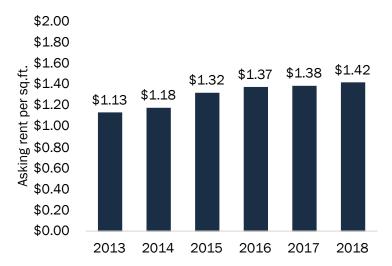
Source: CoStar.



Tualatin's average asking multifamily rent per square foot had increased since 2013.

Exhibit 65. Average Asking Multifamily Rent per Square Foot, Tualatin, 2013 through 2018

Source: CoStar.



Housing Affordability

A typical standard used to determine housing affordability is that a household should pay no more than a certain percentage of household income for housing, including payments and interest or rent, utilities, and insurance. The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden." Using cost burden as an indicator is one method of determining how well a city is meeting the Goal 10 requirement to provide housing that is affordable to all households in a community.

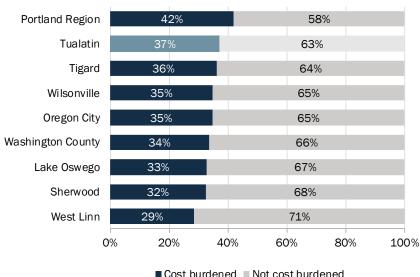
About 37% of Tualatin's households (renters and homeowners) are cost burdened, of which 16% are severely cost burdened. About 56% of renter households (households who rent) are cost burdened, compared with 22% of homeowners (households who own their own home). Twenty-five percent of households in Tualatin are rent burdened households. 40 Overall, Tualatin has a slightly larger share of cost-burdened households than Washington County but a lower share of cost-burdened households that the Portland Region.

Overall, about 37% of all households in Tualatin were cost burdened.

In the 2013-2017 period, Tualatin had one of the highest rates of cost burdened households relative to other comparison areas.

Exhibit 66. Housing Cost Burden, Tualatin, Washington County, and Comparison Areas, 2013-2017

Source: U.S. Census Bureau, 2013-2017 ACS Tables B25091 and B25070.



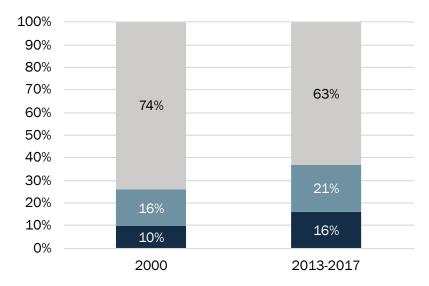
[■] Cost burdened ■ Not cost burdened

⁴⁰ Cities with populations >10,000 are required, per HB 4006, to assess "rent burden" if more than 50% of renters are cost burdened. In Tualatin as of the 2013-2017 period, 56% of total renter households were cost burdened. Upon further assessment, we find that a quarter (25%) of Tualatin's households (renters and homeowners) were cost burdened renters (households that rent housing and pay more than 30% of their income on housing).

From 2000 to the 2013-2017 period, the share of cost burdened and severely cost burdened households in Tualatin grew by 11%.

Exhibit 67. Change in Housing Cost Burden, Tualatin, 2000 to 2013-2017

Source: U.S. Census Bureau, 2000 Decennial Census, Tables H069 and H094 and 2013-2017 ACS Tables B25091 and B25070.

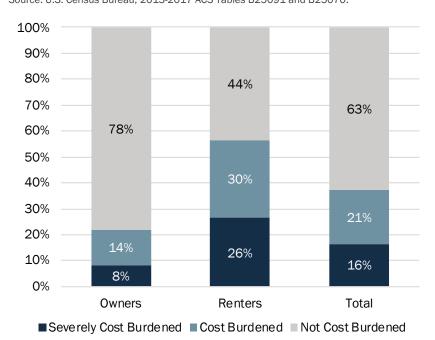


■ Severely Cost Burdened ■ Cost Burdened ■ Not Cost Burdened

Renters were more likely to be cost burdened than homeowners.

In the 2013-2017 period, about 56% of Tualatin's renters were cost burdened or severely cost burdened, compared to 22% of homeowners.

Exhibit 68. Housing Cost Burden by Tenure, Tualatin, 2013-2017 Source: U.S. Census Bureau, 2013-2017 ACS Tables B25091 and B25070.

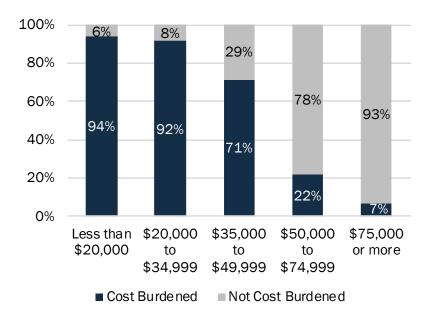


Nearly all renter households earning less than \$35,000 per year were cost burdened.

Most households earning between \$35,000 and \$50,000 per year were cost burdened.

Exhibit 69. Cost Burdened Renter Households, by Household Income, Tualatin, 2013-2017

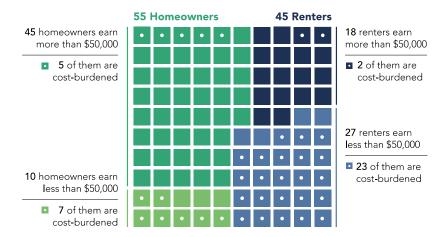
Source: U.S. Census Bureau, 2013-2017 ACS Table B25074.



If all of Tualatin's households were 100 residents, 27 households would be renters earning \$50,000 or less per year; 23 of these households (85%) would be cost burdened.

Exhibit 70. Illustration of Cost Burden: If all of Tualatin's Households were 100 Residents

Source: U.S. Census Bureau, 2013-2017 ACS Table S2503.



Another measure of cost burden is considering housing costs plus transportation costs. When examining housing and transportation cost burden, a household is considered cost burdened if they spend more than 45% of gross income on housing <u>and</u> transportation costs combined. Metro's 2014 Metro Urban Growth Report contains extensive of housing and transportation cost burden.

Tualatin residents spend between 34% and 40% of their income on housing plus transportation costs.

Compared to the Metro Region, Tualatin residents spend a similar percentage of their income on housing and transportation costs.

Exhibit 71. Average Cost of Transportation and Housing as a Percent of Income, Tualatin and the Metro Region, 2010 and 2035⁴¹

Source: 2014 Metro Urban Growth Report, Appendix 12.

2010	40% \$2,541 per month Tualatin	39% \$2,300 per month Metro UGB			
2035	34% \$2,723 per month Tualatin	35% \$2,050 per year Metro UGB			

Using Metro's definition for cost burdened, about 15% of households in Tualatin are forecast to be cost burdened by 2035, comparable with the region.

Exhibit 72. Percent of Households with Housing and Transportation Cost Burden, Tualatin and the Metro Region, 2010 and 2035

Source: 2015 Metro Urban Growth Report, Appendix 12.

2010	20% 2,046 households Tualatin	17% 104,100 households Metro UGB
2035	15% 1,838 households Tualatin	15% 119,300 households Metro UGB

⁴¹ 2035 estimates use Metro's Medium Growth forecast.

While cost burden is a common measure of housing affordability, it does have some limitations. Two important limitations are:

- A household is defined as cost burdened if the housing costs exceed 30% of their income, regardless of actual income. The remaining 70% of income is expected to be spent on non-discretionary expenses, such as food or medical care, and on discretionary expenses. Households with higher incomes may be able to pay more than 30% of their income on housing without impacting the household's ability to pay for necessary non-discretionary expenses.
- Cost burden compares income to housing costs and does not account for accumulated wealth. As a result, the estimate of how much a household can afford to pay for housing does not include the impact of a household's accumulated wealth. For example, a household of retired people may have relatively low income but may have accumulated assets (such as profits from selling another house) that allow them to purchase a house that would be considered unaffordable to them based on the cost burden indicator.

Another way of exploring the issue of financial need is to review housing affordability at varying levels of household income.

Fair Market Rent for a 2-bedroom apartment in Washington County was \$1,330 in 2018.

Exhibit 73. HUD Fair Market Rent (FMR) by Unit Type, Washington County, 2018

Source: U.S. Department of Housing and Urban Development.

\$1,026 \$1,132 \$1,330 \$1,935 \$2,343 Studio 1-Bedroom 2-Bedroom 3-Bedroom 4-Bedroom

A household must earn at least \$25.58 per hour to afford a two-bedroom unit at Fair Market Rent (\$1,330) in Washington County.

Exhibit 74. Affordable Housing Wage, Washington County, 2018 Source: U.S. Department of Housing and Urban Development; Oregon Bureau of Labor and

Source: U.S. Department of Housing and Urban Development; Oregon Bureau of Labor and Industries.

\$25.58 per hour

Affordable Housing Wage for two-bedroom Unit in Washington County

Illustrated in Exhibit 75, a household earning median family income in Washington County (about \$81,000 per year) can afford a monthly rent of about \$2,025 or a home roughly valued between \$284,000 and \$324,000.

Exhibit 75. Financially Attainable Housing, by Median Family Income (MFI) for Washington County (\$81,400), Tualatin, 2018

Source: U.S. Department of Housing and Urban Development, Washington, 2018. Bureau of Labor Services, 2017, for Portland MSA.



About 26% of Tualatin's households had incomes less than \$41,000 and cannot afford a two-bedroom apartment at Washington County's Fair Market Rent (FMR) of \$1,330.

Exhibit 76. Share of Households, by Median Family Income (MFI) for Washington County (\$81,400), Tualatin, 2018

Source: U.S. Department of Housing and Urban Development, Washington County, 2018. U.S. Census Bureau, 2013-2017 ACS Table 19001.

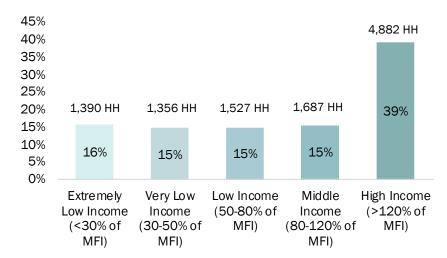
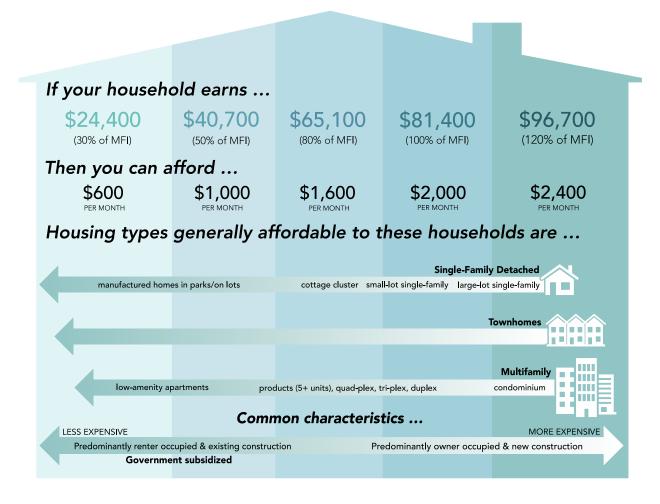


Exhibit 77 illustrates the types of financially attainable housing by income level in Washington County. Generally speaking, lower-income households will be renters occupying existing housing. Newly built housing will be a combination of renters (most likely in multifamily housing) and homeowners. The types of housing affordable for the lowest income households is limited to subsidized housing, manufactured housing, lower-cost single-family housing, and multifamily housing (apartments). The range of financially attainable housing increases with increased income.

Exhibit 77. Types of Financially Attainable Housing by Median Family Income (MFI) for Washington County (\$81,400), Tualatin, 2018

Source: U.S. Department of Housing and Urban Development, Washington County, 2018.



While Exhibit 59 presented a distribution of home sale prices in Tualatin from homes sold in 2017—2018, Exhibit 78 presents a distribution of home sale prices by affordability range for Tualatin in 2016—2018. Most housing sold in Tualatin in 2016, 2017, 2018 these years were affordable to households earning between 150% and 200% of the Median Family Income (MFI), or a household income of about \$122,100 to \$162,800. If housing prices continue to rise as they have in Exhibit 78, Tualatin may need to consider policies to support development of housing affordable for homeownership for households earning 80% to 150% of MFI, such as allowing smaller lot and smaller unit single-family detached housing or townhouses or policies to lower the costs of housing development such as SDC waivers or other financial support for development of housing affordable for homeownership.

Exhibit 78. Distribution of Home Sale Prices by Affordability Range, Tualatin, 2016, 2017, 2018 Source: RLIS. Note: 2018 data is through September 2018.

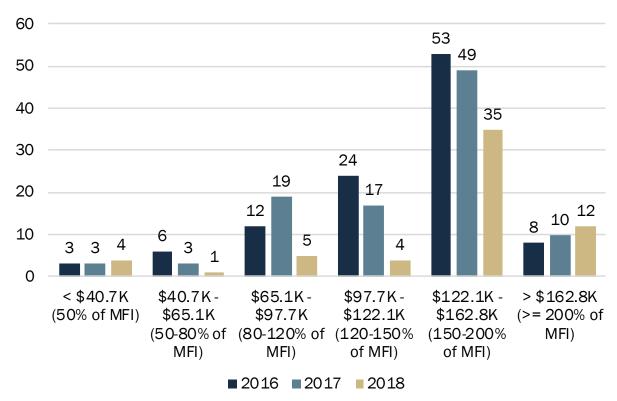
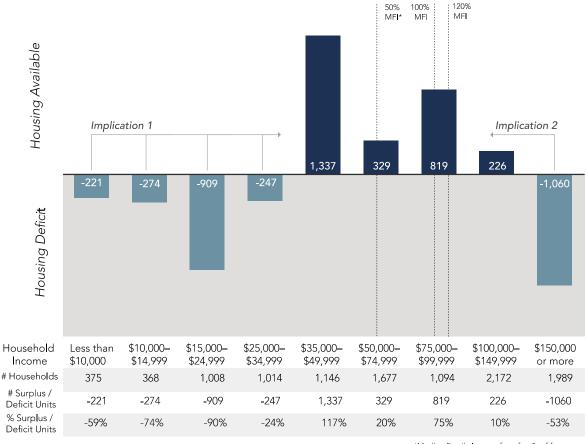


Exhibit 79 compares the number of households by income with the number of units affordable to those households in Tualatin. Tualatin currently has a deficit of housing affordable to households earning less than \$35,000. The types of housing that Tualatin has a deficit of are more affordable housing types such as: government-subsidized housing, multifamily products, and more affordable single-family homes (e.g. tiny homes, cottages, manufactured housing). Tualatin also shows a need for higher amenity housing types for households earning more than \$150,000 per year or more. Higher amenity housing types include single-family detached housing, single-family attached housing (e.g. townhomes and rowhouses), and higher-end multifamily products (including condominiums).

Exhibit 79. Affordable Housing Costs and Units by Income Level, Tualatin, 2018

Source: U.S. Census Bureau, 2013-2017 ACS. Note: MFI is Median Family Income, determined by HUD for the Portland MSA. Portland MSA's MFI in 2018 was \$81,400.



Implication 1

Some lower-income households live in housing that is more expensive than they can afford because affordable housing is not available. These households are cost burdened.

*Median Family Income for a family of four.

Implication 2

Some higher-income households choose housing that costs less than they can afford. This may be the result of the household's preference or it may be the result of a lack of higher-cost and higher-amenity housing that would better suit their preferences.

Exhibit 54 shows that 7% of the people who work in Tualatin also live in Tualatin. One of the key questions for Tualatin is whether people who work at businesses in Tualatin can afford housing in Tualatin.

Tualatin has 0.7 residents for every job (Exhibit 80).⁴² In comparison, Washington County has 1.6 residents for every job and the Portland Region (Clackamas, Multnomah, and Washington County) has 1.4 residents for every job. The large number of jobs relative to the number of residents in Tualatin was an important part of the discussion in the development of the Housing Needs Analysis, with concerns focusing on the impacts of commuting on Tualatin's transportation system and negative impacts on quality of life in Tualatin (such as heavy traffic congestion).

Tualatin has more jobs per capita than Washington County and the Portland Region.

Exhibit 80. Ratio of Residents to Jobs, Tualatin, 2017
Source: Bureau of Labor Services, Quarterly Census of Employment and Wages.

	Employees	Residents	Residents for every Job
Tualatin	38,838	26,960	0.7
Washington County	595,860	337,127	1.6
Portland Region	1,811,860	1,259,773	1.4

Exhibit 81 shows affordable housing costs for workers at businesses in Tualatin. For example, a household with one individual employed in furniture manufacturing (earning about \$39,000 per year) can afford neither the average multifamily rents in Tualatin (\$1,220 per month) nor the median housing sale price in Tualatin (about \$480,000 as of February 2019) is affordable.

However, Exhibit 81 reflects housing affordability costs for one worker per household. This analysis recognizes that most multi-person households have more than one person employed, and many have dual incomes. According to Census data, Washington County and Tualatin both about 1.4 jobs per household, including both full-time and part-time jobs. This shows that most multi-person households in Tualatin have more than one worker. It is not necessarily reasonable to expect one worker to be able to afford housing costs in Tualatin alone (or any other city in the Portland region), given the prevalence of dual-income households.

ECONorthwest

⁴² Ratios rely on population estimates from Portland State University's Population Research Center (2017) and Bureau of Economic Analysis (2017).

Exhibit 81. Housing affordability for workers at existing jobs in Tualatin, 2017
Source: Oregon Employment Department. Note: Average multifamily rent in Tualatin is \$1,220 (Costar, 2018) and median housing price is \$480,000 (Redfin, February 2019).

Industry / Sector	Average Wage per Employee (Tualatin)	Affordable Average Monthly Rent	Can a person in this industry afford average multifamily rent in Tualatin?	Affordable Housing Price (Approximate)	Can a person in this industry afford the median housing price in Tualatin?
Agriculture, Forestry, & Mining	\$58,960	\$1,474	Yes	\$206,359	No
Construction	\$67,726	\$1,693	Yes	\$237,039	No
Manufacturing (Mfg.)	\$76,654	\$1,916	Yes	\$268,287	No
Food, Beverage, & Apparel Mfg.	\$105,489	\$2,637	Yes	\$369,211	No
Wood, Paper, & Material Product Mfg.	\$55,784	\$1,395	Yes	\$195,242	No
Metal Mfg.	\$51,311	\$1,283	Yes	\$179,587	No
Machinery Mfg.	\$105,837	\$2,646	Yes	\$370,430	No
Computer & Electronic Product Mfg.	\$60,545	\$1,514	Yes	\$211,908	No
Electrical Equipment, Appliance, & Component Mfg.	\$70,665	\$1,767	Yes	\$247,328	No
Transportation Equipment Mfg.	\$69,047	\$1,726	Yes	\$241,665	No
Furniture & Related Product Mfg.	\$39,324	\$983	No	\$137,634	No
Miscellaneous Mfg.	\$59,538	\$1,488	Yes	\$208,384	No
Wholesale Trade	\$60,767	\$1,519	Yes	\$212,683	No
Retail Trade	\$28,260	\$707	No	\$98,911	No
Transportation, Warehousing & Utilities	\$61,459	\$1,536	Yes	\$215,108	No
Information	\$93,233	\$2,331	Yes	\$326,315	No
Finance & Insurance	\$79,155	\$1,979	Yes	\$277,042	No
Real Estate, Rental & Leasing	\$52,102	\$1,303	Yes	\$182,357	No
Professional, Scientific, & Technical Services	\$66,277	\$1,657	Yes	\$231,969	No
Management of Companies & Enterprises	\$73,374	\$1,834	Yes	\$256,808	No
Administrative & Waste Management Services	\$34,561	\$864	No	\$120,964	No
Private Educational Services	\$24,952	\$624	No	\$87,334	No
Health Care & Social Assistance	\$62,746	\$1,569	Yes	\$219,610	No
Arts, Entertainment, & Recreation	\$18,144	\$454	No	\$63,504	No
Accommodation & Food Services	\$20,334	\$508	No	\$71,170	No
Other Services, Except Public Administration	\$40,441	\$1,011	No	\$141,543	No
Government	\$55,058	\$1,376	Yes	\$192,703	No

Exhibit 82 displays housing affordability of workers in Tualatin's current target industries. Tualatin's target industries were identified in their Economic Opportunities Analysis (2019). These industries may change at the Economic Opportunities Analysis is revised.

Exhibit 82. Housing Affordability for workers at target industries in Washington County, 2017

Source: Oregon Employment Department. Note1: Average multifamily rent in Tualatin is \$1,220 (Costar, 2018) and median housing price is \$480,000 (Redfin, February 2019). Note2: Advanced manufacturing uses the average wage for all manufacturing subsectors and Distribution and Electric Commerce uses the average wage for the transportation, warehousing, and utilities sector.

Industry / Sector	Average Wage per Employee (Washington County)	Affordable Average Monthly Rent	Can a person in this industry afford average multifamily rent in Tualatin?	Affordable	Can a person in this industry afford the median housing price in Tualatin?
Food Processing & Manufacturing	\$66,166	\$1,654	Yes	\$231,581	No
Furniture Manufacturing	\$44,797	\$1,120	No	\$156,790	No
Plastics Manufacturing	\$50,725	\$1,268	Yes	\$177,538	No
Information Technology & Analytical Instruments	\$95,907	\$2,398	Yes	\$335,675	No
Distribution and Electronic Commerce	\$50,314	\$1,258	Yes	\$176,099	No
Advanced Manufacturing	\$110,756	\$2,769	Yes	\$387,646	No
Business Services	\$89,380	\$2,235	Yes	\$312,830	No

Summary of the Factors Affecting Tualatin's Housing Needs

The purpose of the analysis thus far has been to provide background on the kinds of factors that influence housing choice. While the number and interrelationships among these factors ensure that generalizations about housing choice are difficult to make and prone to inaccuracies, it is a crucial step to informing the types of housing that will be needed in the future.

There is no question that age affects housing type and tenure. Mobility, the ability to move freely and easily from one community to another, is substantially higher for people aged 20 to 34. People in that age group will also have, on average, less income than people who are older and they are less likely to have children. These factors mean that younger households are much more likely to be renters, and renters are more likely to be in multifamily housing.

The data illustrates what more detailed research has shown and what most people understand intuitively: life cycle and housing choice interact in ways that are predictable in the aggregate; age of the household head is correlated with household size and income; household size and age of household head affect housing preferences; and income affects the ability of a household to afford a preferred housing type. The connection between socioeconomic and demographic factors and housing choice is often described informally by giving names to households with certain combinations of characteristics: the "traditional family," the "never-marrieds," the "dinks" (dual-income, no kids), and the "empty-nesters." Thus, simply looking at the long wave of demographic trends can provide good information for estimating future housing demand.

⁴³ See Planning for Residential Growth: A Workbook for Oregon's Urban Areas (June 1997).

Still, one is ultimately left with the need to make a qualitative assessment of the future housing market. The following is a discussion of how demographic and housing trends are likely to affect housing in Tualatin over the next 20 years:

- Growth in housing will be driven by growth in households. Households in Tualatin's city limits is forecast to grow from 10,791 households to 11,362 households, an increase of 571 households between 2020 and 2040.⁴⁴ In that same time, households in Basalt Creek are forecast to grow from 203 households to 646 households, an increase of 443 households. Together, Tualatin city limits and Basalt Creek will grow by 1,014 households between 2020 and 2040. Tualatin is planning for 1,014 new dwelling units to meet the needs of its forecasted new households.
- Housing affordability is a growing challenge in Tualatin. It is a challenge in most of the region in general, and Tualatin is affected by these regional trends. Housing prices are increasing faster than incomes in Tualatin and Washington County, which is consistent with state and national challenges. Tualatin has a large share of multifamily housing (about 41% of the City's housing stock), but over half of renter households are cost burdened. Tualatin's key challenge over the next 20 years is providing opportunities for development of relatively affordable housing of all types, such as lower-cost single-family housing, townhouses and duplexes, market-rate multifamily housing, and government-subsidized affordable housing.
- Without substantial changes in housing policy, on average, future housing will look a lot like past housing. That is the assumption that underlies any trend forecast, and one that is important when trying to address demand for new housing.
 - The City's residential policies can impact the amount of change in Tualatin's housing market, to some degree. If the City adopts policies to increase opportunities to build smaller-scale single-family and multifamily housing types (particularly single-family attached that is comparatively affordable to moderate-income households), a larger percentage of new housing developed over the next 20 years in Tualatin may begin to address the city's needs. Examples of policies that the City could adopt to achieve this outcome include: allowing a wider range of housing types (e.g., duplex or townhouses) in single-family zones, ensuring that there is sufficient land zoned to allow single-family attached and multifamily housing development, supporting development of government-assisted affordable housing, and encouraging multifamily residential development in downtown. The degree of change in Tualatin's housing market, however, will depend on market demand for these types of housing in Washington County.
- If the future differs from the past, it is likely to move in the direction, on average, of smaller units and more diverse housing types. Most of the evidence suggests that the bulk of the change will be in the direction of smaller average house and lot sizes for

⁴⁴ This forecast is based on Metro's 2040 *Population Distributed Forecast* (2016) for Tualatin from 2015 (extrapolated to 2020) to 2040 period, shown in Exhibit 27.

single-family housing. This includes providing opportunities for development of smaller single-family detached homes, townhomes, and multifamily housing. Key demographic and economic trends that will affect Tualatin's future housing needs are: (1) the aging of the Baby Boomers, (2) the aging of the Millennials, and (3) the continued growth in Latinx population.

- o The Baby Boomer's population is continuing to age. By 2040, people 60 years and older will account for 24% of the population in Washington County (up from 20% in 2020). The changes that affect Tualatin's housing demand as the population ages are that household sizes and homeownership rates decrease. The majority of Baby Boomers are expected to remain in their homes as long as possible, downsizing or moving when illness or other issues cause them to move. Demand for specialized senior housing, such as age-restricted housing or housing in a continuum of care from independent living to nursing home care, may grow in Tualatin.
- Millennials will continue to form households and make a variety of housing choices. As Millennials age and form households, generally speaking, their household sizes will increase, and their homeownership rates will peak by about age 55. Between 2020 and 2040, Millennials (and the generation after) will be a key driver in demand for housing for families with children. The ability to attract Millennials will depend on the City's availability of affordable renter and ownership housing. It will also depend on the location of new housing in Tualatin as many Millennials prefer to live in more urban environments.⁴⁵ The decline in homeownership among the Millennial generation has more to do with financial barriers rather than the preference to rent.⁴⁶
- Latinx population will continue to grow. The U.S. Census projects that by about 2040, the Latinx population will account for one-quarter of the nation's population. The share of Latinx population in the Western U.S. is likely to be higher. The Latinx population currently accounts for about 16% of Tualatin's population. In addition, the Latinx population is generally younger than the U.S. average, with many Latinx people belonging to the Millennial generation.

The Latinx population growth will be an important driver in growth of housing demand, both for owner- and renter-occupied housing. Growth in the Latinx population will drive demand for housing for families with children. Given the lower income for Latinx households, especially first-generation immigrants,

46 Ibid.

⁴⁵ Choi, Hyun June; Zhu, Jun; Goodman, Laurie; Ganesh, Bhargavi; Strochak, Sarah. (2018). Millennial Homeownership, Why is it So Low, and How Can We Increase It? Urban Institute. https://www.urban.org/research/publication/millennial-homeownership/view/full_report

growth in this group will also drive demand for affordable housing, both for ownership and renting. ⁴⁷

In summary, an aging population, increasing housing costs (although lower than the Region), housing affordability concerns for Millennials and the Latinx populations, and other variables are factors that support the conclusion of need for a broader array of housing choices. Growth of retirees will drive demand for small single-family detached houses and townhomes for homeownership, townhome and multifamily rentals, agerestricted housing, and assisted-living facilities. Growth in Millennials, Latinx populations will drive demand for affordable housing types, including demand for affordable single-family units (many of which may be ownership units), for affordable multifamily units (many of which may be rental units), and for dwellings with a larger number of bedrooms.

No amount of analysis is likely to make the distant future completely certain: the purpose of the housing forecasting in this study is to get an approximate idea about the future (so policy choices can be made today). Economic forecasters regard any economic forecast more than three (or at most five) years out as highly speculative. At one year, one is protected from being disastrously wrong by the sheer inertia of the economic machine. A variety of factors or events could, however, cause growth forecasts to be substantially different.

Pew Research Center. Second-Generation Americans: A Portrait of the Adult Children of Immigrants, February 7, 2012.

National Association of Hispanic Real Estate Professionals. 2014 State of Hispanic Homeownership Report, 2014.

⁴⁷ The following articles describe housing preferences and household income trends for Latinx families, including differences in income levels for first, second, and third generation households. In short, Latinx households have lower median income than the national averages. First and second generation Latinx households have median incomes below the average for all Latinx households. Latinx households have a strong preference for homeownership, but availability of mortgages and availability of affordable housing are key barriers to homeownership for this group.

5. Housing Need in Tualatin

Project New Housing Units Needed in the Next 20 Years

The results of the housing needs analysis are based on: (1) Metro's official household forecast for growth in Tualatin over the 20-year planning period, (2) information about Tualatin's housing market relative to Washington County and the Portland Region, and (3) the demographic composition of Tualatin's existing population and expected long-term changes in the demographics of Washington County.

Forecast for Housing Growth

A 20-year household forecast (in this instance for 2020 to 2040) is the foundation for estimating needed new dwelling units. The forecast for Tualatin is based on Metro's 2040 Household Distributed Forecast, 2016 and Metro's 2040 TAZ Forecast for households, 2015. Tualatin city limits will grow from 10,994 households in 2020⁴⁸ to 12,008 households in 2040, an increase of 1,014 households.⁴⁹

To accommodate new households, Exhibit 83 shows that Tualatin will have demand for 1,014 new dwelling units over the 20-year period, with an annual average of 51 dwelling units.

Exhibit 83. Forecast of demand for new dwelling units, Tualatin Planning Area (city limits and Basalt Creek), 2020 to 2040

Source: Metro's 2040 Household Distributed Forecast, July 12, 2016. Metro's 2040 TAZ Forecast for households, November 6, 2015. Calculations by ECONorthwest. Note: DU is dwelling unit.

Variable	New DU City Limits	New DU Basalt Creek	New DU Tualatin Planning Area	
Household Forecast 2020	10,791	203	10,994	
Household Forecast 2040	11,362	646	12,008	
Total New Dwelling Units (2020-2040)	571	443	1,014	
Annual Average of New Dwelling Units	29	22	51	

⁴⁸ Metro's 2040 Household Distributed Forecast shows that in 2015 the Tualatin city limits had 10,653 households. The Metro forecast shows Tualatin growing to 11,362 households in 2040, an average annual growth rate of 0.26% for the 25-year period. Using this growth rate, ECONorthwest extrapolated the forecast to 2020 (10,791 households).

In addition, ECONorthwest included the forecast for new households in the Basalt Creek Planning Area. The forecast for households in Basalt Creek derive from Metro's 2040 TAZ Forecast for households (TAZ 980 and 981). The Metro forecast shows Basalt Creek growing to 646 households in 2040, an average annual growth rate of 5.96% for the 25-year period. Using this growth rate, ECONorthwest extrapolated the forecast from 2015 (152 households) to 2020 (203 households).

⁴⁹ This forecast is based on Tualatin city limits' official household forecast from Metro for the 2020 to 2040 period.

Housing Units Needed Over the Next 20 Years

Exhibit 83 presents a forecast of new housing in Tualatin for the 2020 to 2040 period. This section determines the needed mix and density for the development of new housing developed over this 20-year period in Tualatin.

Exhibit 85 shows that over the next 20-years, the need for new housing developed in Tualatin will generally include a wider range of housing types across the affordability spectrum. This conclusion is consistent with housing need in other in the Portland Region and most cities across the State. This conclusion is based on the following information, found in Chapter 3 and 4 of this report.

- Tualatin's housing mix is predominately single-family detached and multifamily. In the 2013-2017 period, 53% of Tualatin's housing was single-family detached, 41% was multifamily, and 6% was single-family attached. In comparison, the mix of housing for the entire Portland Region was 63% single-family detached, 32% multifamily, and 5% single-family attached.
- Demographic changes across the Portland Region (and in Tualatin) suggest increases in demand for single-family attached housing and multifamily housing. The key demographic trends that will affect Tualatin's future housing needs are the aging of the Baby Boomers, household formation of Millennial households, and growth of Latinx households.
- Tualatin households have incomes about the same as those for the Portland Region. Tualatin's median household income was \$72,580 about \$1,500 lower than Washington County's median. Approximately 36% of Tualatin households earn less than \$50,000 per year, compared to 33% in Washington County and 37% in the Portland Region.
- About 38% of Tualatin's households are cost burdened (paying 30% or more of their household income on housing costs), compared to 42% of households in the Portland Region and 34% in Washington County.⁵⁰ About 56% of Tualatin's renters are cost burdened and about 22% of Tualatin's homeowners are cost burdened.
- About 45% of Tualatin's households are renters, 82% of whom live in multifamily housing. Median rents in Tualatin are \$1,154 per month, compared to the \$1,183 median rent for Washington County as a whole.

A household earning 60% of Tualatin's median household income (\$43,548) could afford about \$1,089 per month in rent. A household with median income in Tualatin (\$72,580) could afford \$1,815 rent per month, compared with the median gross rent of \$1,154. About 41% of Tualatin's housing stock is multifamily, compared to 32% of the housing in the Portland Region.

⁵⁰ The Department of Housing and Urban Development's guidelines indicate that households paying more than 30% of their income on housing experience "cost burden," and households paying more than 50% of their income on housing experience "severe cost burden."

- Housing sales prices increased in Tualatin over the last four years. From February 2015 to February 2019, the median housing sale price increased by \$160,000 (50%), from \$320,000 to \$480,000. A household would need to earn \$120,000 to \$160,000 to afford the median sales price in Tualatin. About 36% of Tualatin's households have incomes at or above this amount.
- Tualatin needs more affordable housing types for homeowners and renters. A household earning 100% of Tualatin's median household income of \$72,580 could afford about \$1,815 per month in rent, compared with the median gross rent of about \$1,154. This household could afford to own a home roughly valued between \$254,000 and \$290,000, which is less than the median home sales price of about \$480,000 in Tualatin.⁵¹ While a household could begin to afford Tualatin's median rents at about 65% of Tualatin's median household income, the rates of cost burden among renters suggest

that Tualatin does not have a sufficient number of affordable rental units. A household can start to afford median home sale prices at about 190% of Tualatin's median household income.

These factors suggest that Tualatin needs a broader range of housing types with a wider range of price points than are currently available in Tualatin's housing stock. This includes providing

of price points than are currently available in Tualatin's housing stock. This includes providing opportunity for development of housing types such as: single-family detached housing (e.g., small homes like cottages or small-lot detached units, traditional detached homes, and high-amenity detached homes), townhouses, and multifamily products (duplexes, triplexes, quadplexes, and apartments and condominiums).

Tualatin evaluated several scenarios to forecast housing growth (Exhibit 84). The scenario selected, and described below, was a combination between Scenario 2 and Scenario 3 (referred to here as Scenario 4). Scenario 4 was 40% single-family detached, 15% multifamily, and 45% multifamily.

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⁵¹ In 2016, 2017, and 2018, 19 homes in Tualatin sold within the \$254,000 and \$290,000 price range (out of 268 homes).

Exhibit 84. Forecast of demand for new dwelling units, Tualatin Planning Area (city limits and Basalt Creek), 2020 to 2040

Source: Calculations by ECONorthwest. Note: DU is dwelling unit.

	Mix of New Dwelling Units (2020-2040)						
Variable	Scenario 1	Scenario 2	Scenario 3	Scenairo 4			
Needed new dwelling units (2020-2040)	1,014	1,014	1,014	1,014			
Dwelling units by structure type							
Single-family detached							
Percent single-family detached DU	50%	45%	35%	40%			
equals Total new single-family detached DU	507	456	355	406			
Single-family attached							
Percent single-family attached DU	9%	10%	15%	15%			
equals Total new single-family attached DU	91	102	152	152			
Multifamily							
Percent multifamily	41%	45%	50%	45%			
Total new multifamily	416	456	507	456			
equals Total new dwelling units (2020-2040)	1,014	1,014	1,014	1,014			

Exhibit 85 shows the final forecast for housing growth in the Tualatin city limits during the 2020 to 2040 period. The projection is based on the following assumptions:

- Tualatin's official forecast for population growth shows that the city will add 1,014 households over the 20-year period. Exhibit 85 shows Metro's forecast for growth of 1,014 new dwelling units over the 20-year planning period.
- The assumptions about the mix of housing in Exhibit 85 are consistent with the requirements of OAR 660-007⁵²:
 - About 40% of new housing will be single-family detached, a category which includes manufactured housing. In 2013-2017, 53% of Tualatin's housing was single-family detached.
 - Nearly 15% of new housing will be single-family attached. In 2013-2017, 6% of Tualatin's housing was single-family attached.
 - About 45% of new housing will be multifamily. In 2013-2017, 41% of Tualatin's housing was multifamily.

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⁵² OAR 660-007-0030(1) requires that most Metro cities "...provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing..."

Tualatin will have demand for 1,014 new dwelling units over the 20-year period, 40% of which will be single-family detached housing.

Exhibit 85. Forecast of demand for new dwelling units, Tualatin Planning Area, 2020 to 2040

Source: Calculations by ECONorthwest.

Variable	Mix of New Dwelling Units (2020-2040)
Needed new dwelling units (2020-2040)	1,014
Dwelling units by structure type	
Single-family detached	
Percent single-family detached DU	40%
equals Total new single-family detached DU	406
Single-family attached	
Percent single-family attached DU	15%
equals Total new single-family attached DU	152
Multifamily	
Percent multifamily	45%
Total new multifamily	456
equals Total new dwelling units (2020-2040)	1,014

The forecast of new units does not include dwellings that will be demolished and replaced. This analysis does not factor those units in; however, it assumes they will be replaced at the same site and will not create additional demand for residential land.

Exhibit 86 allocates needed housing to plan designations in Tualatin. The allocation is based, in part, on the types of housing allowed in the zoning designations in each plan designation.

Note to reviewers: House Bill 2001 requires cities in the Metro UGB or with more than 25,000 people to allow the following middle housing types in areas zoned for residential use that allow for the development of single-family detached housing: duplexes, triplexes, quadplexes, cottage clusters, and townhouses. This analysis assumes that Tualatin will comply with the requirements of House Bill 2001.

Exhibit 86 shows:

- Low Residential (RL) land will accommodate single-family detached housing, including manufactured houses. Low density will also accommodate duplexes, triplexes, quadplexes, cottage clusters, and townhouses based on the requirements of House Bill 2001.
- Medium Low Residential (RML) land will accommodate duplexes, townhomes (or rowhouses), and manufactured homes in manufactured housing parks. For consistency with the housing types allowed in Low Residential, this analysis assumes that RML will also allow triplexes and quadplexes.
- Medium High Residential (RMH) land will accommodate duplexes, townhomes (or rowhouses), and multifamily housing.
- **High Density Residential (RH)** land will accommodate duplexes, townhomes (or rowhouses), and multifamily housing.

 High Density High Rise Residential (RH-HR) land will accommodate duplexes, townhomes (or rowhouses), and multifamily housing.

Exhibit 86. Allocation of needed housing by housing type and plan designation, Tualatin Planning Area. 2020 to 2040

Source: ECONorthwest.

	Residential Plan Designations						
Housing Type	Low Density	Medium Low Density	Medium High Density	High Density	High High-Rise	Total	
Dwelling Units							
Single-family detached	406	-	-	-	-	406	
Single-family attached	30	41	19	61	-	151	
Multifamily	30	30	101	193	101	455	
Total	466	71	120	254	101	1,012	
Percent of Units							
Single-family detached	40%	0%	0%	0%	0%	40%	
Single-family attached	3%	4%	2%	6%	0%	15%	
Multifamily	3%	3%	10%	19%	10%	45%	
Total	46%	7%	12%	25%	10%	100%	

Exhibit 87 presents assumptions about future housing density based on historical densities in Tualatin shown in Exhibit 14. Exhibit 87 converts between net acres and gross acres⁵³ to account for land needed for rights-of-way by plan designation in Tualatin, based on Metro's methodology of existing rights-of-way.⁵⁴

- Low Residential (RL): Average density in this Plan Designation was historically 5.7 dwelling units per gross acre in tax lots smaller than 0.38 acres and no land is needed for rights-of-ways based on Metro's assumptions. For lots between 0.38 and 1.0 acres the future density will be 5.1 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 4.6 dwelling units per gross acre.
- Medium Low Residential (RML): Average density in this Plan Designation was historically 11.7 dwelling units per gross acre in tax lots smaller than 0.38 acres and no land is needed for rights-of-ways based on Metro's assumptions. For lots between 0.38 and 1.0 acres the future density will be 10.5 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 9.5 dwelling units per gross acre.
- Medium High Residential (RMH): Average density in this Plan Designation was historically 16.1 dwelling units per gross acre in tax lots smaller than 0.38 acres and no

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⁵³ OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" "…consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads." While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

⁵⁴ Metro's methodology about net-to-gross assumptions are that: (1) tax lots under 3/8 acre assume 0% set aside for future streets; (2) tax lots between 3/8 acre and 1 acre assume a 10% set aside for future streets; and (3) tax lots greater than an acre assumes an 18.5% set aside for future streets. The analysis assumes an 18.5% assumption for future streets.

land is needed for rights-of-ways based on Metro's assumptions. For lots between 0.38 and 1.0 acres the future density will be 14.5 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 13.1 dwelling units per gross acre.

- **High Density Residential (RH):** Average density in this Plan Designation was historically 20.5 dwelling units per gross acre in tax lots smaller than 0.38 acres and no land is needed for rights-of-ways based on Metro's assumptions. For lots between 0.38 and 1.0 acres the future density will be 18.4 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 16.7 dwelling units per gross acre.
- High Density High Rise Residential (RH-HR): Average density in this Plan Designation was historically 28.0 dwelling units per gross acre in tax lots smaller than 0.38 acres and no land is needed for rights-of-ways based on Metro's assumptions. For lots between 0.38 and 1.0 acres the future density will be 15.2 dwelling units per gross acre and for lots larger than 1.0 acres the future density will be 22.8 dwelling units per gross acre.

Exhibit 87. Assumed future density of housing built in the Tualatin Planning Area, 2020 to 2040 Source: ECONorthwest. *Note: DU is dwelling unit.*

	Tax Lots 9	Smaller than ().38 acre	Tax Lots	Tax Lots > 0.38 and < 1.0 acre			Tax Lots larger than 1.0 acre			
Residential Plan Designations	Net Density (DU/net acre)	% for Rights-of- Way	Gross Density (DU/gross acre)	Net Density (DU/net acre)	% for Rights-of- Way	Gross Density (DU/gross acre)	Net Density (DU/net acre)	% for Rights-of- Way	Gross Density (DU/gross acre)		
Low Density	5.7	0%	5.7	5.7	10%	5.1	5.7	18.5%	4.6		
Medium Low Density	11.7	0%	11.7	11.7	10%	10.5	11.7	18.5%	9.5		
Medium High Density	16.1	0%	16.1	16.1	10%	14.5	16.1	18.5%	13.1		
High Density	20.5	0%	20.5	20.5	10%	18.4	20.5	18.5%	16.7		
High Density / High-Rise	28.0	0%	28.0	28.0	10%	25.2	28.0	18.5%	22.8		

Through the Housing Strategy, Tualatin may consider increasing densities in specific zones. For example, the City may consider increasing the allowed densities in High Density / High-Rise (and adjusting related zoning standards, such as building heights) to allow higher density multifamily housing than is currently allowed in Tualatin.

Needed Housing by Income Level

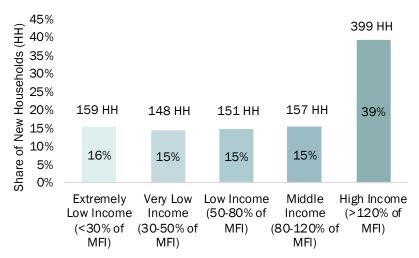
The next step in the housing needs analysis is to develop an estimate of need for housing by income and housing type. This analysis requires an estimate of the income distribution of current and future households in the community. Estimates presented in this section are based on (1) secondary data from the Census, and (2) analysis by ECONorthwest.

The analysis in Exhibit 88 is based on American Community Survey data about income levels for existing households in Tualatin. Income is categorized into market segments consistent with HUD income level categories, using Washington County's 2018 Median Family Income (MFI) of \$81,400. The Exhibit is based on existing household income distribution, assuming that approximately the same percentage of households will be in each market segment in the future.

About a third of Tualatin's future households are forecast to be extremely or very low income and nearly 40% are forecast to have high incomes.

Exhibit 88. Future (New) Households, by Median Family Income (MFI) for Washington County (\$69,600), Tualatin Planning Area, 2018

Source: U.S. Department of Housing and Urban Development, Washington County, 2018. U.S. Census Bureau, 2013-2017 ACS Table 19001.



Need for Government-Assisted and Manufactured Housing

ORS 197.303, 197.307, 197.312, and 197.314 requires cities to plan for government-assisted housing, manufactured housing on lots, and manufactured housing in parks.

- Government-assisted housing. Government subsidies can apply to all housing types (e.g., single family detached, apartments, etc.). Tualatin allows development of government-assisted housing in all residential plan designations, with the same development standards for market-rate housing. This analysis assumes that Tualatin will continue to allow government housing in all of its residential plan designations. Because government assisted housing is similar in character to other housing (with the exception being the subsidies), it is not necessary to develop separate forecasts for government-subsidized housing.
- Farmworker housing. Farmworker housing can apply to all housing types and the City allows development of farmworker housing in all residential plan designations, with the same development standards as market-rate housing. This analysis assumes that Tualatin will continue to allow this housing in all of its residential plan designations. Because it is similar in character to other housing (with the possible exception of government subsidies, if population restricted), it is not necessary to develop separate forecasts for farmworker housing.
- Manufactured housing on lots. Tualatin allows manufactured homes on lots in Low Density Residential zones.
- Manufactured housing in parks. Tualatin allows manufactured homes in parks in Medium Low Density zones. According to the Oregon Housing and Community Services' Manufactured Dwelling Park Directory,⁵⁵ Tualatin has two manufactured home parks with 178 spaces.
- ORS 197.480(2) requires Tualatin to project need for mobile home or manufactured dwelling parks based on: (1) population projections, (2) household income levels, (3) housing market trends, and (4) an inventory of manufactured dwelling parks sited in areas planned and zoned or generally used for commercial, industrial, or high density residential.
 - Exhibit 83 shows that Tualatin will grow by 1,014 dwelling units over the 2020 to 2040 period.
 - Analysis of housing affordability shows that about 31% of Tualatin's new households will be considered very-low or extremely-low income, earning 50% or less of the region's median family income. One type of housing affordable to these households is manufactured housing.

⁵⁵ Oregon Housing and Community Services, Oregon Manufactured Dwelling Park Directory, http://o.hcs.state.or.us/MDPCRParks/ParkDirQuery.jsp

- Manufactured homes in manufactured housing parks accounts for about 2% (about 178 dwelling units) of Tualatin's current housing stock.
- National, state, and regional trends since 2000 showed that manufactured housing parks are closing, rather than being created. For example, between 2000 and 2015, Oregon had 68 manufactured parks close, with more than 2,700 spaces. Discussions with several stakeholders familiar with manufactured home park trends suggest that over the same period, few to no new manufactured home parks have opened in Oregon.
- The households most likely to live in manufactured homes in parks are those with incomes between \$24,420 and \$40,700 (30% to 50% of MFI), which include 15% of Tualatin's households. However, households in other income categories may live in manufactured homes in parks.

Manufactured home subdivision development is an allowed use in the Medium Low Density plan designation. The national and state trends of closure of manufactured home parks, and the fact that no new manufactured home parks have opened in Oregon in over the last 15 years, demonstrate that development of new manufactured home parks or subdivisions in Tualatin is unlikely.

Our conclusion from this analysis is that development of new manufactured home parks or subdivisions in Tualatin over the 2020 to 2040 planning period is unlikely, although manufactured homes may continue to locate on lots in the Low Density plan designation. The forecast of housing assumes that no new manufactured home parks will be opened in Tualatin over the 2020 to 2040 period. The forecast for new dwelling units includes new manufactured homes on lots in the category of single-family detached housing.

 Over the next 20 years (or longer) one or both of Tualatin's manufactured housing parks may close. This may be a result of the manufactured home park landowners selling or redeveloping their land for uses with higher rates of return, rather than lack of demand for spaces in manufactured home parks.
 Manufactured home parks contribute to the supply of low-cost affordable housing options, especially for affordable homeownership.

While there is statewide regulation of the closure of manufactured home parks designed to lessen the financial difficulties of this closure for park residents,⁵⁶ the City has a role to play in ensuring that there are opportunities for housing for the displaced residents. The City's primary roles are to ensure that there is sufficient land zoned for new multifamily housing and to reduce barriers to residential

⁵⁶ ORS 90.645 regulates rules about closure of manufactured dwelling parks. It requires that the landlord must do the following for manufactured dwelling park tenants before closure of the park: give at least one year's notice of park closure, pay the tenant between \$5,000 to \$9,000 for each manufactured dwelling park space, and cannot charge tenants for demolition costs of abandoned manufactured homes.

development to allow for development of new, relatively affordable housing (i.e. housing affordable to households earning less than 80% of MFI and especially those earning less than 60% of MFI). The City may use a range of policies to encourage development of relatively affordable housing, such as allowing a wider range of moderate density housing (e.g., duplexes or cottages) in Low Density plan designation, removing barriers to multifamily housing development, using tax credits to support affordable housing production, developing an inclusionary zoning policy, or partnering with a developer of government-subsidized affordable housing.

Residential Land Sufficiency within Tualatin

This chapter presents an evaluation of the sufficiency of vacant residential land in Tualatin to accommodate expected residential growth over the 2020 to 2040 period. This chapter includes an estimate of residential development capacity (measured in new dwelling units) and an estimate of Tualatin's ability to accommodate needed new housing units for the 2020 to 2040 period, based on the analysis in the housing needs analysis. The chapter ends with a discussion of the conclusions and recommendations for the housing needs analysis.

Capacity Analysis

The buildable lands inventory summarized in Chapter 2 (and presented in full in Appendix A) provides a *supply* analysis (buildable land by type), and Chapter 5 provided a *demand* analysis (population and growth leading to demand for more residential development). The comparison of supply and demand allows the determination of land sufficiency.

There are two ways to calculate estimates of supply and demand into common units of measurement to allow their comparison: (1) housing demand can be converted into acres, or (2) residential land supply can be converted into dwelling units. A complication of either approach is that not all land has the same characteristics. Factors such as zone, slope, parcel size, and shape can affect the ability of land to accommodate housing. Methods that recognize this fact are more robust and produce more realistic results. This analysis uses the second approach: it estimates the ability of vacant residential lands within the UGB to accommodate new housing. This analysis, sometimes called a "capacity analysis," can be used to evaluate different ways that vacant residential land may build out by applying different assumptions.

⁵⁷ There is ambiguity in the term *capacity analysis*. It would not be unreasonable for one to say that the "capacity" of vacant land is the maximum number of dwellings that could be built based on density limits defined legally by plan designation or zoning, and that development usually occurs—for physical and market reasons—at something less than full capacity. For that reason, we have used the longer phrase to describe our analysis: "estimating how many new dwelling units the vacant residential land in the UGB is likely to accommodate." That phrase is, however, cumbersome, and it is common in Oregon and elsewhere to refer to that type of analysis as "capacity analysis," so we use that shorthand occasionally in this memorandum.

Tualatin Capacity Analysis Results

The capacity analysis estimates the development potential of vacant residential land to accommodate new housing, based on the needed densities shown in **Error! Reference source n ot found.**

Exhibit 91 shows that **Tualatin city limit's** (Exhibit 89) **and Basalt Creek's** (Exhibit 90) **buildable land has capacity to accommodate approximately 1,915 new dwelling units**, based on the following assumptions:

- Buildable residential land. The capacity estimates start with the number of buildable acres in residential plan designations, per the buildable lands inventory, for city limits. It starts with the number of buildable acres in residential plan designations, per the Basalt Creek Concept Plan, for Basalt Creek.
- Needed densities. The capacity analysis assumes development will occur at assumed future densities. Those densities were derived from the densities shown in Exhibit 87.
- Average net density. Exhibit 91 shows capacity and densities in gross acres. OAR 660-007 requires that Tualatin provide opportunity for development of housing at an overall average density of eight dwelling units per net acre. The average net density of dwelling units in Exhibit 91 is approximately 9.4 dwelling units per net acres and 7.8 dwelling units per gross acre.

Exhibit 89. Estimate of residential capacity on unconstrained vacant and partially vacant buildable land, Tualatin City Limits, 2018

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: DU is dwelling unit.

	Tax Lots	Smaller than 0.3	38 acre	Tax Lots > 0.38 and < 1.0 acre			Tax Lots	larger than 1.	Total, combined		
Residential Plan Designations	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Buildable Acres	Density Assumption (DU/gross acre)	Capacity (Dwelling Units)	Buildable Acres	Capacity (Dwelling Units)
Low Density	18	5.7	103	17	5.1	85	51	4.6	233	86	421
Medium Low Density	1	11.7	9	3	10.5	26	69	9.5	658	73	693
Medium High Density	0	16.1	-	0	14.5	-	1	13.1	13	1	13
High Density	0	20.5	6	0	18.4	7	12	16.7	200	13	213
High High-Rise	0	28.0	-	0	25.2	-	0	22.8	-	0	-
Total	19	-	118	20	-	118	133	-	1,104	172	1,340

Exhibit 90. Estimate of residential capacity on unconstrained vacant and partially vacant buildable land, Basalt Creek, 2018

Source: Basalt Creek Concept Plan. Note: this table uses the Basalt Creek Concept Plan's estimate for capacity; it does not rely on historic net densities by plan designation to calculate capacity on buildable lands. Historic net densities in Basalt Creek were not increased as they were in the estimate of capacity for Tualatin city limits.

Residential Plan Designations	Dwelling Units	Buildable Acres from Basalt Creek Concept Plan	Density Assumption (DU per Gross Acre)
Low Density	134	3.4	5.4
Medium Low Density	374	59.8	6.3
High Density	67	24.8	19.9
Total	575	88	6.5

Exhibit 91. Estimate of residential capacity on unconstrained vacant and partially vacant buildable land, Tualatin Planning Area, 2018

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: DU is dwelling unit.

_	Dwelling Units		
Residential	Capacity	Capacity	Capacity
Plan Designations	(in City Limits)	(in Basalt Creek)	(Total)
Low Density	421	134	555
Medium Low Density	693	374	1,067
Medium High Density	13	-	13
High Density	213	67	280
High Density / High-Rise	-	-	-
Total	1,340	575	1,915

Residential Land Sufficiency

The next step in the analysis of the sufficiency of residential land within Tualatin is to compare the demand for housing by Plan Designation (Exhibit 86) with the capacity of land by Plan Designation (Exhibit 91).

Exhibit 92 shows that Tualatin has sufficient land to accommodate development in the Low Density Plan Designation, Medium Low Density Plan Designation, and High Density Plan Designation – with a surplus of capacity for 89, 996, and 26 dwelling units respectively. Tualatin has a deficit of capacity for 107 dwelling units in the Medium High Plan Designation and a deficit of capacity for 101 dwelling units in the High Density High-Rise Plan Designation.

The deficits in Exhibit 92 shows may be addressed in multiple ways, such as re-zoning land, increasing densities allowed in designations with deficits, or through surpluses in other designations.

Exhibit 92. Comparison of capacity of existing residential land with demand for new dwelling units and land surplus or deficit, Tualatin City Limits and Basalt Creek, 2020 to 2040

Source: Buildable Lands Inventory; Calculations by ECONorthwest. Note: DU is dwelling unit.

Residential Plan Designations	Capacity (Dwelling Units)	Demand for New Housing	Remaining Capacity (Supply minus Demand)	Land Surplus or (Deficit) Gross Acres
Low Density	555	466	89	16
Medium Low Density	1,067	71	996	85
Medium High Density	13	120	(107)	(7)
High Density	280	254	26	1
High Density High-Rise	-	101	(101)	(4)

Tualatin's surplus of Low Density Residential capacity (89 dwelling units) means that the City has an approximate surplus of 16 gross acres of Low Density land (at 5.7 dwelling units per gross acre). Tualatin's surplus of Medium Low Density Residential capacity (996 dwelling units) means that the City has an approximate surplus of 85 gross acres of Medium Low Density land

(at 11.7 dwelling units per gross acre). Tualatin's surplus of High Density Residential capacity (26 dwelling units) means that the City has an approximate surplus of one gross acre of High Density Land (at 20.5 dwelling units per gross acre). Additionally, Tualatin has residential redevelopment potential of about 400 dwelling units.

Conclusions

The key findings of the Tualatin Housing Needs Analysis are that:

- Growth in housing will be driven by growth in households. Households in Tualatin's city limits is forecast to grow from 10,791 households to 11,362 households, an increase of 571 households between 2020 and 2040. In that same time, households in Basalt Creek are forecast to grow from 203 households to 646 households, an increase of 443 households.
- To accommodate households in Tualatin city limits and Basalt Creek, Tualatin is planning for 1,014 new dwelling units. To accommodate the 1,014 dwelling units over the 20-year planning period, Tualatin will average 51 new dwelling units annually.
- Tualatin will plan for more single-family attached dwelling units in the future to meet the City's housing needs. Historically, about 53% of Tualatin's housing was single-family detached. New housing in Tualatin is forecast to be 40% single-family detached, 15% single-family attached, and 45% multifamily.
 - The factors driving the shift in types of housing needed in Tualatin include changes in demographics and decreases in housing affordability. The aging of senior populations and the household formation of young adults will drive demand for renter- and owner-occupied housing, such as small single-family detached housing, townhouses, duplexes, and apartments / condominiums. Both groups may prefer housing in walkable neighborhoods, with access to services.
 - Tualatin's existing deficit of housing affordable for low- and high-income households indicates a need for a wider range of housing types, for renters and homeowners. About 37% of Tualatin's households have affordability problems, including a cost burden rate of 56% for renter households.
 - Without diversification of housing types, lack of affordability will continue to be a problem, possibly growing in the future if incomes continue to grow at a slower rate than housing costs. Under the current conditions, 307 of the forecasted new households will have incomes of \$40,700 (in 2018 dollars) or less (50% of MFI income or less). These households cannot afford market rate housing without government subsidy. Another 151 new households will have incomes between \$40,700 and \$65,120 (50% to 80% of MFI). These households will all need access to affordable housing, such as the housing types described above.

Note to reviewers: The final version of the HNA will include more detailed conclusions, including conclusions related to the housing strategy.

Appendix A – Residential Buildable Lands Inventory

The general structure of the standard method BLI analysis is based on the DLCD HB 2709 workbook "*Planning for Residential Growth – A Workbook for Oregon's Urban Areas,*" which specifically addresses residential lands.⁵⁸ The steps and sub-steps in the supply inventory are:

- 1. Calculate the gross vacant acres by plan designation, including fully vacant and partially vacant parcels.
- 2. Calculate gross buildable vacant acres by plan designation by subtracting unbuildable acres from total acres.
- 3. Calculate net buildable acres by plan designation, subtracting land for future public facilities from gross buildable vacant acres.
- 4. Calculate total net buildable acres by plan designation by adding redevelopable acres to net buildable acres.

The methods used for this study are consistent with many others completed by ECONorthwest that have been acknowledged by DLCD and LCDC.

Overview of the Methodology

The BLI for Tualatin is based on the data and methods used by Metro. In addition, ECONorthwest's approach updated Metro's results to account for new development (the Metro 2018 UGR is based on 2016 data) and other potential local conditions, such as unique environmental constraints.

Study Area

The BLI for Tualatin includes all residential land designated in the comprehensive plans within city limits and designated planning areas (referred to as Tualatin Planning Area). ECONorthwest used the most recent tax lot shapefile from Metro's Regional Land Information System (RLIS) for the analysis.

Inventory Steps

The BLI consisted of several steps:

- 1. Generating UGB "land base"
- 2. Classifying land by development status

⁵⁸ We note that Newberg is not required to comply with ORS 197.296.

- 3. Identify constraints
- 4. Verify inventory results
- 5. Tabulate and map results

Step 1: Generate "land base."

Per Goal 10 this involves selecting all of the tax lots with residential and other non-employment plan designations where residential uses are planned for and allowed by the implementing zones. The City provided ECO with their comprehensive plan GIS files and indicated what designations should be included within the inventory.

Exhibit 93 (on the following page) shows comprehensive plan designations for the City of Tualatin. This BLI includes lands in the Low Density Residential, Medium Low Density Residential, Medium High Density Residential, High Density Residential, and High Density High Rise Residential plan designations. The BLI also includes areas that allow residential use in the Basalt Creek Planning Area, Mixed-Use Commercial Overlay Zone, and Central Tualatin Overlay.

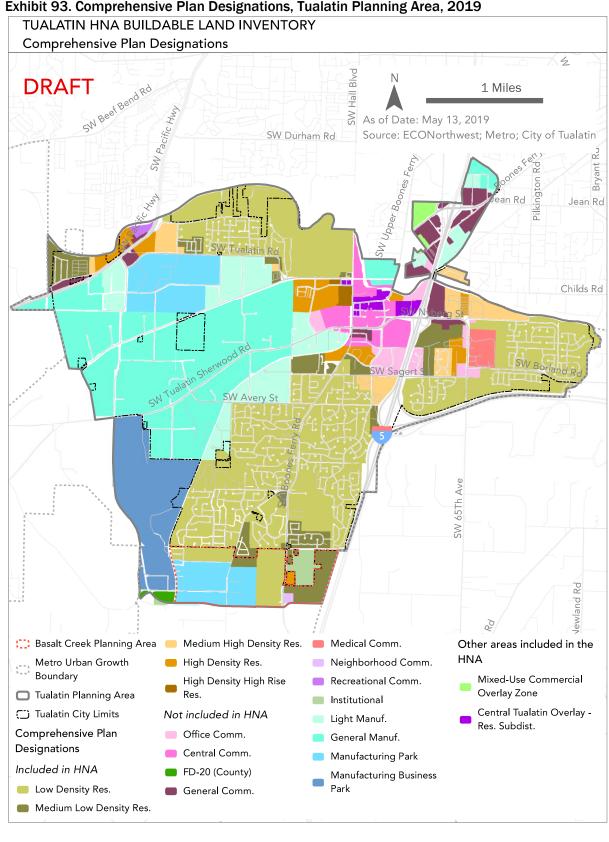


Exhibit 93. Comprehensive Plan Designations, Tualatin Planning Area, 2019

Step 2: Classify lands.

In this step, ECONorthwest classified each tax lot with a plan designation that allow residential uses into one of four mutually exclusive categories based on development status:

- Vacant
- Partially Vacant
- Public or Exempt
- Developed

ECONorthwest used the classification determined through Metro's model: Vacant, Ignore, and Developed. In addition, ECO included a new classification for partially vacant lots. The definitions for each classification are listed below.

Development Status	Definition	Statutory Authority
Vacant	Tax lots designated as vacant by Metro based on the following criteria: 1) Fully vacant based on Metro aerial photo 2) Tax lots with less than 2,000 square feet developed AND developed area is less than 10% of lot 3) Lots 95% or more vacant from GIS vacant land inventory	OAR 660-008-0006(2) "Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses.
Partially Vacant	Single-family tax lots that are 2.5 times larger than the minimum lot size and a building value less than \$300,000 or lots that are 5 times larger than the minimum lots size (no threshold for building value). These lots are considered to still have residential capacity. For this analysis, we are classifying these lots as Partially Vacant. We assume that 0.25 acres of the lot is developed, and the remaining land is available for development, less constraints.	OAR 660-008-0006(2)
Ignore (Public or Exempt uses)	Lands in public or semi-public ownership are considered unavailable for residential development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches and other semi-public organizations and properties with conservation easements. These lands are identified using the Metro's definitions and categories.	OAR 660-008-0005(2) - Publicly owned land is generally not considered available for residential uses.
Developed	Lands not classified as vacant, partially vacant, or public/exempt are considered developed. Developed land includes lots with redevelopment capacity, which are also included in BLI. The unit capacity of developed but redevelopable lots is based on Metro's estimates.	OAR 660-008-0006(2) "Buildable Land" means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses.

Step 3: Identify constraints

Consistent with OAR 660-008-0005(2) guidance on residential buildable lands inventories, ECO deducted certain lands with development constraints from vacant lands. We used some of the constraints established in Metro's methodology, with modifications to fit local considerations in Tualatin. These constraints are summarized in the table below.

Constraint	Statutory Authority	Threshold		
Goal 5 Natural Resource Constraints	Goal 5 Natural Resource Constraints			
Natural Resources Protection Overlay District	OAR 660-008-0005(2)	Areas in the NRPOD		
Riparian Corridors	OAR 660-015-0000(5)	Areas protected by the Stream and Floodplain Plan		
Wetlands				
Natural Hazard Constraints				
100 Year Floodplain	OAR 660-008-0005(2	Lands within FEMA FIRM 100-year floodplain		
Steep Slopes	OAR 660-008-0005(2	Slopes greater than 25%		

The lack of access to water, sewer, power, road or other key infrastructure cannot be considered a prohibitive constraint unless it is an extreme condition. This is because tax lots that are currently unserviced could potentially become serviced over the 20-year planning period.

Exhibit 94 maps the development constraints used for the residential BLI.

TUALATIN HNA BUILDABLE LAND INVENTORY Residential Land Constraints SW Bonita Rd SW Bull Mountain Rd **DRAFT** 1 Miles SW Hall Blvd SW Beef Bend Rd As of Date: May 13, 2019 Source: ECONorthwest; Metro; City of Tualatin SW Durham Rd Jean Rd SW Tualatin Rd Childs Rd SW Nyberg St SW Borland Rd SW SagertiSt SW Avery St SW Tualatin She SW Newland Rd Basalt Creek Planning Area Metro Urban Growth Boundary SW Day Rd ☐ Tualatin City Limits Tualatin Planning Area Slope greater than 25% SW Ridder Rd Natural Resources Protection Overlay District Wetlands Title 3 SW Tooze Rd Floodplains SW

Exhibit 94. Development Constraints, Tualatin Planning Area, 2019

Step 4: Verification

ECO used a multi-step verification process. The first verification step will included a "rapid visual assessment" of land classifications using GIS and recent aerial photos. The rapid visual assessment involves reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. ECO reviewed all tax lots included in the inventory using the rapid visual assessment methodology. The second round of verification involved City staff verifying the rapid visual assessment output. ECO amended the BLI based on City staff review and comments, particularly related to vacant land developed since 2016.

Step 5: Tabulation and mapping

The results are presented in tabular and map format. The Tualatin Residential BLI includes all residential land designated in the comprehensive plan within the Tualatin Planning Area. From a practical perspective, this means that ECONorthwest inventoried all lands within tax lots identified by Metro that fall within the Tualatin Planning Area. The inventory then builds from the tax lot-level database to estimates of buildable land by plan designation.

City of Tualatin

Economic Opportunities Analysis

August 2019

Prepared for:

City of Tualatin

DRAFT REPORT



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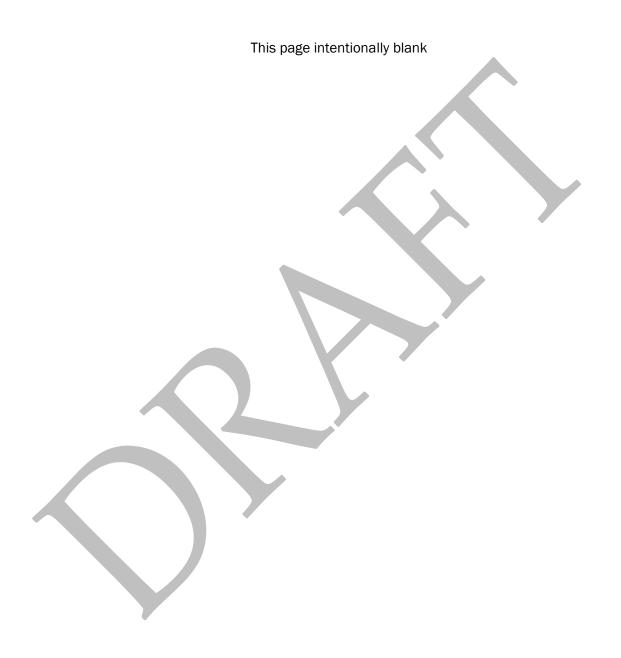


Executive Summary

This report presents an economic opportunities analysis consistent with the requirements of statewide planning Goal 9 and the Goal 9 administrative rule (OAR 660-009). Goal 9 describes the EOA as "an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends" and states that "a principal determinant in planning for major industrial and commercial developments should be the competitive advantage of the region within which the developments would be located."

Note to reviewers: The final version of the EOA will include an executive summary





1. Introduction

This report presents an Economic Opportunities Analysis (EOA) for the City of Tualatin. The purpose of an EOA is to develop information as a basis for policies that capitalize on Tualatin opportunities and help address the City's challenges. The EOA includes technical analysis to address a range of questions that Tualatin faces in managing its commercial and industrial land. For example, the EOA includes an employment forecast that describes how much growth Tualatin should plan for over the 2020 to 2040 period and identifies the amount and type of employment land necessary to accommodate growth in Tualatin over that period. The EOA also includes an inventory of commercial and industrial land within Tualatin's Planning Area to provide information about the amount of land available to accommodate employment growth.

This EOA complies with the requirements of statewide planning Goal 9, the Goal 9 administrative rules (OAR 660 Division 9), and the court decisions that have interpreted them. Goal 9 requires cities to state objectives for economic development (OAR 660-009-0020(1)(a)) and to identify the characteristics of sites needed to accommodate industrial and other employment uses (OAR 660-009-0025(1)) over the 20-year planning period. This approach could be characterized as a *site-based* approach that projects land need based on the forecast for employment growth, the City's economic development objectives, and the specific needs of target industries.

Background

Tualatin last evaluated economic trends in a 2014 update to the City's Economic Development Strategic Plan. Around that same time, Greater Portland Inc. completed a five-year economic development strategy, Greater Portland 2020, for the Portland region in 2015 which defined emerging industry clusters and policies for economic development in the region. In 2018, Tualatin also completed a concept plan for the Basalt Creek Planning Area which allocated substantial land as a Manufacturing Park, expected to accommodate 1,897 new jobs.

The purpose of this project was to develop a factual base to provide the City with information about current economic conditions. This factual basis, presented in this report, provides information necessary for updating the City's economic development Comprehensive Plan policies. This report identifies opportunities to meet the City's economic development objectives and develop Comprehensive Plan policies and implementation strategies that capitalize on the City's comparative advantages and address areas of economic weakness.

The EOA provides information that the City can use to identify and capitalize on its economic opportunities. It also provides information essential to addressing the City's challenges in managing economic development, such as a lack of commercial sites to support growth of businesses that require office space, underutilized industrial and commercial land, and a lack of policy direction to address these issues.

The EOA draws on information from numerous data sources, such as the Oregon Employment Department, U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics, and the U.S. Census.

Framework for an Economic Opportunities Analysis

The content of this report is designed to meet the requirements of Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The analysis in this report is designed to conform to the requirements for an Economic Opportunities Analysis in OAR 660-009 as follows.

- 1. Economic Opportunities Analysis (OAR 660-009-0015). The Economic Opportunities Analysis (EOA) requires communities to identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends; identify the number of sites by type reasonably expected to be needed to accommodate projected employment growth based on the site characteristics typical of expected uses; include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. Local governments are also encouraged to assess community economic development potential through a visioning or some other public input-based process in conjunction with state agencies.
- 2. Industrial and commercial development policies (OAR 660-009-0020). Cities are required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the city or county to designate an adequate number of employment sites of suitable sizes, types and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area. Tualatin's draft economic development policies will be in the Tualatin Economic Development Strategy memorandum, which will accompany this report.
- 3. Designation of lands for industrial and commercial uses (OAR 660-009-0025). Cities and counties must adopt measures to implement policies adopted pursuant to OAR 660-009-0020. Appropriate implementation measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage and characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies and must designate serviceable land suitable to meet identified site needs.

Organization of this Report

This report is organized as follows:

- Chapter 2. Factors Affecting Future Economic Growth summarizes historic economic trends that affect current and future economic conditions in Tualatin as well as Tualatin's competitive advantages for economic development.
- Chapter 3. Employment Growth and Site Needs presents a forecast for employment growth in Tualatin and describes the City's target industries and site needs for potential growth in industries.
- Chapter 4. Buildable Lands Inventory presents a summary of the inventory of employment lands.
- Chapter 5. Land Sufficiency and Conclusions compares the supply of and demand for buildable lands and presents key concluding recommendations for Tualatin.

This report also includes two appendices:

- Appendix A. National, State, and Regional and Local Trends
- Appendix B. Buildable Lands Inventory Methodology



2. Factors Affecting Future Economic Growth

Tualatin exists as part of the economy of the Portland Region. While Portland is the economic center of the region, providing urban amenities (such as stores, medical services, or personal financial services) to residents, Tualatin also provides similar amenities to its residents and visitors.

This chapter describes the factors affecting economic growth in Tualatin within the context of national and regional economic trends. The analysis presents the City's competitive advantages for growing and attracting businesses, which forms the basis for identifying potential growth industries in Tualatin.

Factors that Affect Economic Development¹

The fundamental purpose of Goal 9 is to make sure that a local government plans for economic development. The planning literature provides many definitions of economic development, both broad and narrow. Broadly,

"Economic development is the process of improving a community's well-being through job creation, business growth, and income growth (factors that are typical and reasonable focus of economic development policy), as well as through improvements to the wider social and natural environment that strengthen the economy."²

That definition acknowledges that a community's wellbeing depends in part on narrower measures of economic wellbeing (e.g., jobs and income) and on other aspects of quality of life (e.g., the social and natural environment). In practice, cities and regions trying to prepare an economic development strategy typically use a narrower definition of economic development; they take it to mean business development, job growth, and job opportunity. The assumptions are that:

- Business and job growth are contributors to and consistent with economic development, increased income, and increased economic welfare. From the municipal point of view, investment and resulting increases in property tax are important outcomes of economic development.
- The evaluation of tradeoffs and balancing of policies to decide whether such growth is likely to lead to overall gains in wellbeing (on average and across all citizens and

¹ The information in this section is based on previous Goal 9 studies conducted by ECONorthwest and the following publication: *An Economic Development Toolbox: Strategies and Methods*, Terry Moore, Stuart Meck, and James Ebenhoh, American Planning Association, Planning Advisory Service Report Number 541, October 2006.

² An Economic Development Toolbox: Strategies and Methods, Terry Moore, Stuart Meck, and James Ebenhoh, American Planning Association, Planning Advisory Service Report Number 541, October 2006.

businesses in a jurisdiction, and all aspects of wellbeing) is something that decision makers do after an economic strategy has been presented to them for consideration.

That logic is consistent with the tenet of the Oregon land-use planning program: all goals matter, no goal dominates, and the challenge is to find a balance of conservation and development that is acceptable to a local government and state. Goal 9 does not dominate, but it legitimizes and requires that a local government focus on the narrower view of economic development that focuses on economic variables.

In that context, a major part of local economic development policy is about local support for business development and job growth; that growth comes from the creation of new firms, the expansion of existing firms, and the relocation or retention of existing firms. Specifically, new, small businesses are accounting for a larger share of the job growth in the United States.³ This shift toward a focus on entrepreneurship, innovation, and small businesses presents additional options for local support for economic development beyond firm attraction and retention. Thus, a key question for economic development policy is, What are the factors that influence business and job growth, and what is the relative importance of each? This document addresses that question in depth.

What Factors Matter?

Why do firms locate where they do? There is no single answer—different firms choose their locations for different reasons. Key determinants of a location decision are a firm's *factors of production*. For example, a firm that spends a large portion of total costs on unskilled labor will be drawn to locations where labor is relatively inexpensive. A firm with large energy demands will give more weight to locations where energy is relatively inexpensive. In general, firms choose locations they believe will allow them to maximize net revenues: if demand for goods and services are held roughly constant, then revenue maximization is approximated by cost minimization.

The typical categories that economists use to describe a firm's production function are:

- Labor. Labor is often the most important factor of production. Other things equal, firms look at productivity—labor output per dollar. Productivity can decrease if certain types of labor are in short supply, which increases the costs by requiring either more pay to acquire the labor that is available, the recruiting of labor from other areas, or the use of the less productive labor that is available locally.
- Land. Demand for land depends on the type of firm. Manufacturing firms need more space and tend to prefer suburban locations where land is relatively less expensive and

ECONorthwest

³ According to the 2018 Small Business Profile from the US Small Business Office of Advocacy, small businesses account for over 99 percent of total businesses in the United States, and their employees account for nearly 50% of American workers. https://www.sba.gov/sites/default/files/advocacy/2018-Small-Business-Profiles-US.pdf

- less difficult to develop. Warehousing and distribution firms need to locate close to interstate highways.
- Local infrastructure. An important role of government is to increase economic capacity by improving quality and efficiency of infrastructure and facilities, such as roads, bridges, water and sewer systems, airport and cargo facilities, energy systems, and telecommunications.
- Access to markets. Though part of infrastructure, transportation merits special attention.
 Firms need to move their product, either goods or services, to the market, and they rely on access to different modes of transportation to do this.
- Materials. Firms producing goods, and even firms producing services, need various
 materials to develop products that they can sell. Some firms need natural resources (i.e.,
 raw lumber) and others may need intermediate materials (i.e., dimensioned lumber).
- Entrepreneurship. This input to production may be thought of as good management, or even more broadly as a spirit of innovation, optimism, and ambition that distinguishes one firm from another even though most of their other factor inputs may be quite similar. Entrepreneurial activity, even when unsuccessful, can offer information about the local market that other entrepreneurs can use in starting a new firm. Entrepreneurs are typically willing to take on more risk in uncertain markets, and a strengthened entrepreneurial environment can help to reduce that risk and uncertainty. ⁴ Entrepreneurs also tend to have more mobility than larger firms, and are more likely to locate in areas with a strong entrepreneurial environment. ⁵ To some degree, local governments can promote the high-quality of life in an area to attract entrepreneurs, in addition to adopting regulations with minimal barriers—or at least, clear guidelines—for new, small businesses.

The supply, cost, and quality of any of these factors obviously depend on market factors: on conditions of supply and demand locally, nationally, and even globally. But they also depend on public policy. In general, public policy can affect these factors of production through:

- Regulation. Regulations protect the health and safety of a community and help maintain the quality of life. Overly burdensome regulations, however, can be disincentives for businesses to locate in a community. Simplified bureaucracies and straightforward regulations can reduce the burden on businesses and help them react quickly in a competitive marketplace.
- **Taxes**. Firms tend to seek locations where they can optimize their after-tax profits. Tax rates are not a primary location factor—they matter only after businesses have made decisions based on labor, transportation, raw materials, and capital costs. The costs of these production factors are usually similar within a region. Therefore, differences in tax

⁴ Tessa Conroy and Stephan Weiler "Local and Social: Entrepreneurs, Information Network Effects, and Economic Growth" (2017). https://redi.colostate.edu/wp-content/uploads/sites/50/2017/05/gender_gia_Jun2017-2.pdf

⁵ Emil E. Malizia and Edward J. Feser. *Understanding Local Economic Development*. (1999).

- levels across communities within a region are more important in the location decision than are differences in tax levels between regions.
- **Financial incentives**. Governments can offer firms incentives to encourage growth. Most types of financial incentives have had little significant effect on firm location between regions. For manufacturing industries with significant equipment costs, however, property or investment tax credit or abatement incentives can play a significant role in location decisions. Incentives are more effective at redirecting growth within a region than they are at providing a competitive advantage between regions.

This discussion may make it appear that a location decision is based entirely on a straight-forward accounting of costs, with the best location being the one with the lowest level of overall costs. Studies of economic development, however, have shown that location decisions depend on a variety of other factors that indirectly affect costs of production. These indirect factors include agglomerative economies (also known as industry clusters), quality of life, and innovative capacity.

- **Industry clusters**. Firms with similar business activities can realize operational savings when they congregate in a single location or region. Clustering can reduce costs by creating economies of scale for suppliers. For this reason, firms tend to locate in areas where there is already a presence of other firms engaged in similar or related activities.
- Quality of life. A community that features many quality amenities, such as access to recreational opportunities, culture, low crime, good schools, affordable housing, and a clean environment can attract people simply because it is a nice place to be. A region's quality of life can attract skilled workers, and if the amenities lure enough potential workers to the region, the excess labor supply pushes their wages down so that firms in the region can find skilled labor for a relatively low cost. The characteristics of local communities can affect the distribution of economic development within a region, with different communities appealing to different types of workers and business owners. Sometimes location decisions by business owners are based on an emotional or historical attachment to a place or set of amenities, without much regard for the cost of other factors of production.
- Innovative capacity. Increasing evidence suggests that a culture promoting innovation, creativity, flexibility, and adaptability is essential to keeping U.S. cities economically vital and internationally competitive. Innovation is particularly important in industries that require an educated workforce. High-tech companies need to have access to new ideas typically associated with a university or research institute. In addition to innovations in research and development within firms or research institutions, firms may also draw on the innovative capacity of entrepreneurs in an area. These entrepreneurs may be former employees of the larger firm or businesses that relocated to an area because of the proximity to an industry cluster. Strong networks and communication between firms, research institutions, and entrepreneurs are key

components to leveraging innovative capacity in an area.⁶ Local governments are well-equipped to help foster these networks through supporting economic development tools such as small business assistance centers or incubation centers. Government can also be a key part of a community's innovative culture, through the provision of services and regulation of development and business activities that are responsive to the changing needs of business.

How Important Are These Factors?

To understand how changes in public policies affect local job growth, economists have attempted to identify the importance for firms of different locational factors. They have used statistical models, surveys, and case studies to examine detailed data on the key factors that enter the business location decision.

Economic theory says that firms locate where they can reduce the costs of their factors of production (assuming demand for products and any other factors are held constant). Firms locate in regions where they have access to inputs that meet their quality standards, at a relatively low cost. Because firms are different, the relative importance of different factors of production varies both across industries and, even more importantly, across firms.

No empirical analysis can completely quantify firm location factors because numerous methodological problems make any analysis difficult. For example, some would argue simplistically that firms would prefer locating in a region with a low tax rate to reduce tax expenses. However, the real issue is the value provided by the community for the taxes collected. Because taxes fund public infrastructure that firms need, such as roads, water, and sewer systems, regions with low tax rates may end up with poor infrastructure, making it less attractive to firms. When competing jurisdictions have roughly comparable public services (type, cost, and quality) and quality of life, then tax rates (and tax breaks) can make a difference.

Further complicating any analysis is the fact that many researchers have used public expenditures as a proxy for infrastructure quality. But large expenditures on roads do not necessarily equal a quality road system. It is possible that the money has been spent ineffectively and the road system is in poor condition.

An important aspect of this discussion is that the business function at a location matters more than a firm's industry. A single company may have offices spread across cities, with headquarters located in a cosmopolitan metropolitan area, the research and development divisions located near a concentration of universities, the back office in a suburban location, and manufacturing and distribution located in areas with cheap land and good interstate access.

The location decisions of businesses are primarily based on the availability and cost of labor, transportation, raw materials, and capital. The availability and cost of these production factors are usually similar within a region. Most economic development strategies available to local

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⁶ Nancey Green Leigh and Edward Blakely. *Planning Local Economic Development: Theory and Practice*. 2013.

governments, however, only indirectly affect the cost of these primary location factors. Local governments can most easily affect tax rates, public services, and regulatory policies. Economists generally agree that these factors do affect economic development, but the effects on economic development are modest. Thus, most of the strategies available to local governments have only a modest effect on the level and type of economic development in the community.

Local governments can provide support for new and existing small businesses through policies and programs that support entrepreneurship and innovation. The National League of Cities suggests strategies for local governments including strong leadership from elected officials; better communication with entrepreneurs, especially about the regulatory environment for businesses in the community; and partnerships with colleges, universities, small business development centers, mentorship programs, community groups, businesses groups, and financial institutions.⁷

Local governments in Oregon also play a central role in the provision of buildable land through inclusion of lands in the Urban Growth Boundary, as well as through determination of plan designations and zoning, and through provision of public services. Obviously, businesses need buildable land to locate or expand in a community. Providing buildable land alone is not sufficient to guarantee economic development in a community — market conditions must create demand for this land, and local factors of production must be favorable for business activity. In the context of expected economic growth and the perception of a constrained land supply in Tualatin, the provision of buildable land has the potential to strongly influence the level and type of economic development in the City. The provision of buildable land is one of the most direct ways that Tualatin can affect the level and type of economic development in the community.

⁷ National League of Cities "Supporting Entrepreneurs and Small Businesses" (2012). https://www.nlc.org/supporting-entrepreneurs-and-small-business

Summary of the Effect of National, State, and Regional Trends on Economic Development in Tualatin

This section presents a summary and the implications of national, state, and regional economic trends on economic growth in Tualatin, which are presented in Appendix A. Employment growth in Tualatin is closely related to trends that affect economic growth in Washington County and the broader Portland region.

- **Recovery from the national recession.** Incomes grew faster in Washington County than Oregon since 2001 and the unemployment rate in Washington County was lower than the statewide average.
 - o The unemployment rate in Washington County declined since the recession, consistent with trends in the U.S. and Oregon. In 2018, the unemployment rate was 3.5% in Washington County, 4.2% in Oregon, and 3.9% in the U.S. Comparatively, in 2009, unemployment was 9.5% in Washington County, 11.3% in Oregon, and 9.3% in the U.S. As of 2018, the unemployment rates for Washington County is similar to its 2000 rate.
 - Employment increased in Washington County since 2001, with a gain of about 66,799 employees between 2001 and 2018. The largest increases were in professional / business services and health care / social assistance, while the largest decreases were in wholesale trade and information. Tualatin accounts for about 11% of employment in Washington County.
- Growth in manufacturing and health care / social assistance sectors. Employment in manufacturing and the health care / social assistance sectors accounted for about 37% of employment in Tualatin in 2017. In 2007, employment in these industries accounted for about 36% of the employment in Tualatin, an increase of about 3,299 employees between 2007 and 2017. Employment in both of these sectors support above average wages.
 - In Washington County, employment in manufacturing and the health care / social assistance sectors accounted for 23% of employment in 2017, down from 24% in 2007. While the overall share of employment decreased, total employment increased by about 9,809 employees between 2007 and 2017.
- Availability of trained and skilled labor. Availability of labor depends, in part, on population growth and in-migration. Tualatin's population increased by 4,344 people between 2000 and the 2013-2017 period, at an average growth rate of 1.0%. In comparison, Oregon's population also grew at an average rate of 1.0%, between 2000 and 2017, with 66% of population coming from in-migration.
 - The current labor force participation rate is another important consideration in the availability of labor. The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work. The labor force includes both the employed and unemployed. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force. According to the 2013-

2017 American Community Survey, Tualatin had about 15,643 people in its labor force and Washington County had over 310,400. The labor force participation rate in Tualatin (73%) was higher than Washington County (69%) and the Portland Region (68%) in the 2013-2017 period. A higher concentration of older residents in an area or a mismatch of the types of jobs available in an area and the types of skills of the labor force can contribute to low labor force participation rates.

Businesses in Tualatin draw employees from across Washington County as well as Multnomah and Clackamas Counties. Relative to Washington County and the Portland Region, Tualatin residents have a slightly higher level of educational attainment.

- Aging of the population. Tualatin has a smaller percentage of residents 60 years and older relative Washington County and the Portland Region. Tualatin's median age, which was 31.9 in 2000, increased to 38.2 by the 2013-2017 period. In comparison, Washington County's median age was 36.4 in the 2013-2017 period.
 - Washington County's population is expected to continue to age, with people 60 years and older forecast to grow from 20% of the population in 2020 to 24% of the population in 2040, consistent with Statewide trends. Tualatin may continue to attract mid-life and older workers over the planning period. People in this age group may provide sources of skilled labor, as people continue to work until later in life. These skilled workers may provide opportunities to support business growth in Tualatin.
- Increases in racial and ethnic diversity. Overall, the nation and Oregon are becoming more racially and ethnically diverse. Between 2000 and 2013-2017, the Latinx population in Oregon increased from 8% to 13%, and the Latinx population in Tualatin increased from 12% to 16% in that same time. Growth in the Latinx community will continue to drive economic development in Oregon. The share of Oregon's non-Caucasian population increased from 13% to 15% and stayed static in Tualatin at 13%. Tualatin is less racially diverse but more ethnically diverse than Oregon.
- Importance of small businesses in Oregon's economy. Small business, those with 100 or fewer employees, account for 66% of private-sector employment in Oregon. The average size for a private business in Tualatin is 18 employees per business, compared to the State average of 11 employees per private business. Businesses with five or fewer employees in Tualatin account for 64% of private employment and businesses with fewer than 20 employees account for 89% of private employment. Only 3% of private businesses in Tualatin have more than 100 employees, accounting for 39% of the jobs in Tualatin.
- Increases in energy prices. In 2018, lower energy prices have decreased the costs of commuting. Over the long-term, if energy prices increase, these higher prices will likely affect the mode of commuting before affecting workers' willingness to commute. For example, commuters may choose to purchase a more energy-efficient car or carpool. Very large increases in energy prices may affect workers' willingness to commute, especially workers living the furthest from Tualatin or workers with lower paying jobs. In addition, very large increases in energy prices may make shipping freight long

- distances less economically feasible, resulting in a slow-down or reversal of off-shore manufacturing, especially of large, bulky goods.
- Increases in remote workers. Working from home has increased in Oregon in both urban and rural areas. Firms that allow workers to work remotely cover a variety of industries, allowing their employees to continue working for that firm but enjoy the quality of life and amenities of the location that the workers prefer to live. While data on remote workers is difficult to obtain, about 6% of workers in Tualatin reported that they work from home in the 2013-2017 period (according to Census data), up from 4.6% in 2000. In comparison, 6.0% of workers in Washington County worked from home in 2013-2017.

Employment Trends in Tualatin, Clackamas County, and Washington County

The economy of the nation changed substantially between 1980 and 2018. These changes affected the composition of Oregon's economy, including Tualatin's economy. At the national level, the most striking change was the shift from manufacturing employment to service-sector employment. The most important shift in Oregon during this period has been the shift from a timber-based economy to a more diverse economy, with the greatest employment in services.

This section focuses on changes in the economy in Clackamas and Washington County since 2001 and in Tualatin since 2007.

Exhibit 1 shows covered employment⁸ in Washington County for 2001 and 2018. Employment increased by 66,799 jobs, at an average annual growth rate (AAGR) of 1.5% over this period. The sectors with the largest increases in numbers of employees were professional and businesses services, healthcare and social assistance, and accommodation and food services. The average annual wage for employment in Washington County in 2018 was about \$70,308.



⁸ **Covered** employment includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as "1099 employees"), or some railroad workers. Covered employment data is from the Oregon Employment Department.

Exhibit 1. Covered Employment by Industry, Washington County, 2001 and 2018 Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2001 and 2018. Note: AAGR is Average Annual Growth Rate.

Contar	2001	2019	Change 2001 to 2018			
Sector	2001	2018	Difference	Percent	AAGR	
Natural Resources and Mining	3,607	3,090	-517	-14%	-0.9%	
Construction	12,611	16,629	4,018	32%	1.6%	
Manufacturing	50,872	51,028	156	0%	0.0%	
Wholesale trade	14,476	13,131	-1,345	-9%	-0.6%	
Retail trade	26,850	32,092	5,242	20%	1.1%	
Trade, Transportation, and Utilities	4,501	5,253	752	17%	0.9%	
Information	8,688	7,543	-1,145	-13%	-0.8%	
Financial Activities	13,181	14,874	1,693	13%	0.7%	
Professional and Business Services	34,275	54,220	19,945	58%	2.7%	
Educational Services	3,598	5,723	2,125	59%	2.8%	
Health care and social assistance	15,616	31,405	15,789	101%	4.2%	
Arts, entertainment, and recreation	2,372	4,749	2,377	100%	4.2%	
Accommodation and food services	14,253	22,691	8,438	59%	2.8%	
Other Services	7,151	10,468	3,317	46%	2.3%	
Unclassified	78	108	30	38%	1.9%	
Government	16,517	22,441	5,924	36%	1.8%	
Total	228,646	295,445	66,799	29%	1.5%	



Exhibit 2 shows covered employment and average wage for the 10 largest industries in Washington County. Jobs in professional and business services, as well as manufacturing, each account for about 18% of the county's covered employment, and these sectors pay more per year than the county average (\$91,027 and \$113,297, respectively). Jobs in wholesale trade and information also pay more per year than the county average, but account for a smaller share of covered employment in the County.

Exhibit 2. Covered Employment and Average Pay by Sector, 10 Largest Sectors Washington County, 2018

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2018. Note: largest sectors are defined by number of employees.

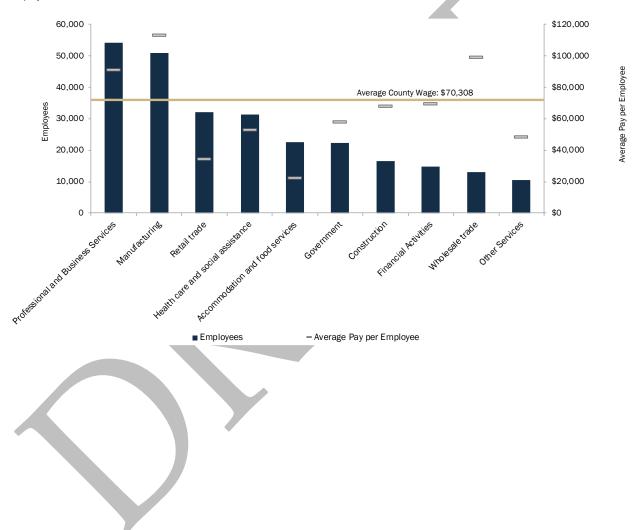


Exhibit 3 shows covered employment in Clackamas County for 2001 and 2018. Employment increased by 31,975 jobs, at an average annual growth rate (AAGR) of 1.3% over this period. The sectors with the largest increases in numbers of employees were health care and social assistance, professional and business services, accommodation and food services, and construction. The average annual wage for employment in Clackamas County in 2018 was about \$53,326.

Exhibit 3. Covered Employment by Industry, Clackamas County, 2001 and 2018

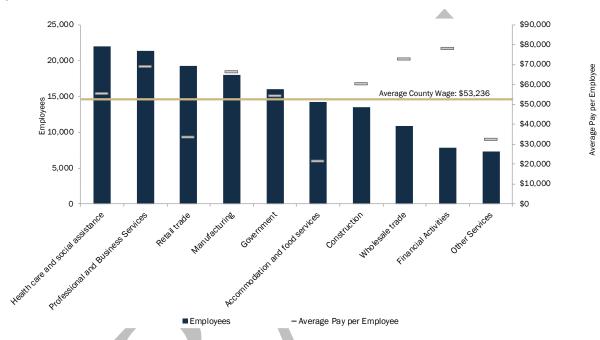
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2001 and 2018. Note: AAGR is Average Annual Growth Rate.

Sector	2001	2018	Change 2001 to 2018			
Sector	2001	2018	Difference	Percent	AAGR	
Natural Resources and Mining	4,164	4,825	661	16%	0.9%	
Construction	9,327	13,515	4,188	45%	2.2%	
Manufacturing	18,172	18,026	-146	-1%	0.0%	
Wholesale trade	10,391	10,875	484	5%	0.3%	
Retail trade	17,628	19,224	1,596	9%	0.5%	
Trade, Transportation, and Utilities	4,439	3,983	-456	-10%	-0.6%	
Information	1,728	2,057	329	19%	1.0%	
Financial Activities	8,294	7,874	-420	-5%	-0.3%	
Professional and Business Services	13,301	21,339	8,038	60%	2.8%	
Educational Services	1,112	2,111	999	90%	3.8%	
Health care and social assistance	12,038	21,976	9,938	83%	3.6%	
Arts, entertainment, and recreation	1,680	2,596	916	55%	2.6%	
Accommodation and food services	9,832	14,242	4,410	45%	2.2%	
Other Services	5,422	7,281	1,859	34%	1.7%	
Unclassified	77	128	51	66%	3.0%	
Government	16,497	16,025	-472	-3%	-0.2%	
Total	134,102	166,077	31,975	24%	1.3%	

Exhibit 4 shows covered employment and average wage for the 10 largest industries in Clackamas County. Jobs in health care and social assistance as well as professional and business services, each account for about 13% of the county's covered employment, and these sectors pay more per year than the county average (\$55,217 and \$68,652, respectively).

Exhibit 4. Covered Employment and Average Pay by Sector, 10 Largest Sectors Clackamas County, 2018

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 2018. Note: largest sectors are defined by number of employees.



Employment in Tualatin accounts for about 11% of employment in Washington County. Exhibit 5 shows a summary of covered employment data for the Tualatin Planning Area in 2017. The sectors with the largest number of employees in Tualatin were manufacturing (27%), health care and social assistance (11%), and wholesale trade (10%). These sectors accounted for 14,897 jobs or 48% of Tualatin's employment.

Exhibit 5. Covered Employment and Average Pay by Sector, Tualatin Planning Area, 2017⁹ Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2017.

Construction 142 2.3 Construction of Buildings 45 5 Heavy and Civil Engineering Construction 9 5 Specialty Trade Contractors 88 1.5 Manufacturing 150 8.3 Food, Beverage, and Apparel Manufacturing 22 8 Wood, Paper, and Other Material Product Manufacturing 34 1,1 Metal Manufacturing 19 2,8 Computer and Electronic Product Manufacturing 10 5 Electrical Equipment, Appliance, and Component Manufacturing 6 5 Transportation Equipment Manufacturing 10 7 Furniture and Related Product Manufacturing 10 7 Miscellaneous Manufacturing 6 1 Wholesale Trade 262 32 Retail Trade 262 32 Retail Trade 108 2,4 Building Material and Garden Equipment and Supplies Dealers 13 2 Food and Beverage Stores 11 1 Gasoline Stations 5 1	s Payroll	Average Pay / Employee
Construction of Buildings Heavy and Civil Engineering Construction Specialty Trade Contractors Food, Beverage, and Apparel Manufacturing Food, Beverage, and Other Material Product Manufacturing Specialty Metal Manufacturing Metal Manufacturing Machinery Manufacturing Specialty Machinery Manufacturing Computer and Electronic Product Manufacturing Specialty Special	62 \$9,551,47	3 \$58,960
Heavy and Civil Engineering Construction Specialty Trade Contractors Manufacturing Food, Beverage, and Apparel Manufacturing Food, Beverage, and Other Material Product Manufacturing Food Machinery Manufacturing Food Machinery Food Manufacturing Food Machinery Food Manufacturing Food Machinery Food Machinery Food Machinery Food Manufacturing Food Machinery Food	84 \$161,457,60	9 \$67,726
Specialty Trade Contractors Manufacturing Food, Beverage, and Apparel Manufacturing Wood, Paper, and Other Material Product Manufacturing Metal Manufacturing Machinery Manufacturing Machinery Manufacturing Computer and Electronic Product Manufacturing Electrical Equipment, Appliance, and Component Manufacturing Furniture and Related Product Manufacturing Furniture and Re	29 \$33,683,73	1 \$63,674
Manufacturing 150 8,3 Food, Bewerage, and Apparel Manufacturing 22 8 Wood, Paper, and Other Material Product Manufacturing 34 1,1 Metal Manufacturing 19 2,8 Machinery Manufacturing 19 2,8 Computer and Electronic Product Manufacturing 10 5 Electrical Equipment, Appliance, and Component Manufacturing 6 5 Transportation Equipment Manufacturing 10 7 Furniture and Related Product Manufacturing 10 7 Miscellaneous Manufacturing 6 1 Wholesale Trade 262 3,2 Retall Trade 108 2,4 Building Material and Garden Equipment and Supplies Dealers 13 2 Food and Beverage Stores 8 4 Health and Personal Care Stores 11 1 Gasoline Stations 5 5 Clothing and Clothing Accessories Stores 35 4 Other Retailers 36 1,0 Transportation and Warehousing and Utilities 37 <td>89 \$29,245,67</td> <td>4 \$101,196</td>	89 \$29,245,67	4 \$101,196
Food, Beverage, and Apparel Manufacturing Wood, Paper, and Other Material Product Manufacturing Metal Manufacturing Machinery Manufacturing Momputer and Electronic Product Manufacturing Electrical Equipment, Appliance, and Component Manufacturing Furniture and Related Product Manufacturing Miscellaneous Manufacturing Miscellaneous Manufacturing Miscellaneous Manufacturing Miscellaneous Manufacturing Momputer and Electronic Product Manufacturing Miscellaneous Manufacturi	66 \$98,528,20	4 \$62,917
Wood, Paper, and Other Material Product Manufacturing341,1Metal Manufacturing381,5Machinery Manufacturing192,8Computer and Electronic Product Manufacturing105Electrical Equipment, Appliance, and Component Manufacturing65Transportation Equipment Manufacturing55Furniture and Related Product Manufacturing107Miscellaneous Manufacturing61Wholesale Trade2623,2Retail Trade1082,4Building Material and Garden Equipment and Supplies Dealers132Food and Beverage Stores84Health and Personal Care Stores111Gasoline Stations54Clothing and Clothing Accessories Stores354Other Retaillers361,0Transportation and Warehousing and Utilities371,3Information391Finance and Insurance753Real Estate and Rental and Leasing742Professional and Technical Services1751,0Management of Companies147Administrative / Support; Waste Mngmt/ Remediation1012,3Private Education Services112Health Care and Social Assistance1783,2Health Care and Social Assistance357Accommodation and Food Services1032,0Accommodation and Food Services and Drinking Places2128	71 \$641,666,66	4 \$76,654
Metal Manufacturing381,5Machinery Manufacturing192,8Computer and Electronic Product Manufacturing105Electrical Equipment, Appliance, and Component Manufacturing55Transportation Equipment Manufacturing57Furniture and Related Product Manufacturing107Miscellaneous Manufacturing61Wholesale Trade2623,2Retall Trade1082,4Building Material and Garden Equipment and Supplies Dealers132Food and Beverage Stores84Health and Personal Care Stores111Gasoline Stations54Clothing and Clothing Accessories Stores354Other Retailers361,0Transportation and Warehousing and Utilities371,3Information391Finance and Insurance753Real Estate and Rental and Leasing742Professional and Technical Services1751,0Management of Companies147Administrative / Support; Waste Mngmt/ Remediation1012,3Private Education Services112Health Care1432,5Social Assistance357Ats, Entertainment, and Recreation238Accommodation and Food Services1032,0Cher Services and Drinking Places2128Other Services2128Other Services2	56 \$90,298,57	2 \$105,489
Machinery Manufacturing Computer and Electronic Product Manufacturing Electrical Equipment, Appliance, and Component Manufacturing Electrical Equipment Manufacturing Furniture and Related Product Manufacturing Furniture and Related Product Manufacturing Furniture and Related Product Manufacturing Miscellaneous Manufacturing 6 Mholesale Trade 262 3,2 Retail Trade 262 Building Material and Garden Equipment and Supplies Dealers Food and Beverage Stores Health and Personal Care Stores 11 12 Gasoline Stations Clothing and Clothing Accessories Stores Other Retailers Other Retailers Transportation and Warehousing and Utilities Information Transportation and Warehousing and Utilities Information Finance and Insurance 75 Real Estate and Rental and Leasing 74 29 Professional and Technical Services 115 Administrative / Support; Waste Mngmt / Remediation Private Education Services Health Care and Social Assistance Health Care Social Assistance Ats, Entertainment, and Recreation Accommodation and Food Services 10 Other Services and Drinking Places Other Services 121 8 Government 14 7 Composition Services 16 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	91 \$66,438,14	9 \$55,784
Computer and Electronic Product Manufacturing Electrical Equipment, Appliance, and Component Manufacturing Electrical Equipment, Appliance, and Component Manufacturing Transportation Equipment Manufacturing Furniture and Related Product Manufacturing Miscellaneous Manufacturing 6 Mholesale Trade 262 3,2 Retail Trade Building Material and Garden Equipment and Supplies Dealers Building Material and Garden Equipment and Supplies Dealers Food and Beverage Stores Health and Personal Care Stores 11 12 13 14 14 15 16 16 17 17 18 18 19 18 18 19 19 19 19 19 19 19 19 19 19 19 19 19	20 \$77,992,17	2 \$51,311
Electrical Equipment, Appliance, and Component Manufacturing Transportation Equipment Manufacturing Furniture and Related Product Manufacturing Miscellaneous Manufacturing Wholesale Trade Retail Trade Retail Trade Retail Trade Building Material and Garden Equipment and Supplies Dealers Food and Beverage Stores Health and Personal Care Stores Health and Personal Care Stores Clothing and Clothing Accessories Stores Other Retailers Transportation and Warehousing and Utilities Information Transportation and Warehousing and Utilities Finance and Insurance Finance and Insurance Transportation and Technical Services Health Care and Social Assistance Health Care and Social Assistance Accommodation and Feod Services Accommodation Food Services and Drinking Places Other Services Social Services So	01 \$296,449,66	3 \$105,837
Transportation Equipment Manufacturing Furniture and Related Product Manufacturing Miscellaneous Manufacturing Miscellaneous Manufacturing Mholesale Trade Retail Trade Retail Trade Redail Trade Building Material and Garden Equipment and Supplies Dealers Food and Beverage Stores Health and Personal Care Stores Gasoline Stations Clothing and Clothing Accessories Stores Other Retailers Transportation and Warehousing and Utilities Transportation and Warehousing and Utilities Finance and Insurance Finance and Insurance Finance and Rental and Leasing Professional and Technical Services Management of Companies Health Care and Social Assistance Health Care Social Assistance Accommodation Food Services and Drinking Places Other Services 100 Cother Services 110 Cother Services 111 Cother Services 112 Redownment 114 Cother Services 115 Cother Services 116 Cother Services Cothe	06 \$30,635,84	\$60,545
Furniture and Related Product Manufacturing Miscellaneous Manufacturing 6 10 Wholesale Trade Retail Trade 108 2,4 Building Material and Garden Equipment and Supplies Dealers Food and Beverage Stores 8 Health and Personal Care Stores 11 12 Gasoline Stations 5 Clothing and Clothing Accessories Stores 35 Other Retailers 36 10,0 Transportation and Warehousing and Utilities 17 Finance and Insurance Real Estate and Rental and Leasing 74 Professional and Technical Services 175 Administrative / Support; Waste Mngmt/ Remediation 101 2,3 Private Education Services 178 Accommodation Accommodation Food Services and Drinking Places 19 Other Services 212 8 Government 10 8 10 7 7 7 8 8 10 10 10 10 10 10 10 10	14 \$36,321,86	7 \$70,665
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Wholesale Trade 262 3,2 Retail Trade 108 2,4 Building Material and Garden Equipment and Supplies Dealers 13 2 Food and Beverage Stores 8 4 Health and Personal Care Stores 11 1 Gasoline Stations 5 1 Clothing and Clothing Accessories Stores 35 4 Other Retailers 36 1,0 Transportation and Warehousing and Utilities 37 1,3 Information 39 1 Finance and Insurance 75 3 Real Estate and Rental and Leasing 74 2 Professional and Technical Services 175 1,0 Management of Companies 14 7 Administrative / Support; Waste Mngmt/ Remediation 101 2,3 Private Education Services 11 2 Health Care 143 2,5 Social Assistance 178 3,2 Health Care 143 2,5 Social Assistance 18 4 <td>87 \$30,948,04</td> <td>8 \$39,324</td>	87 \$30,948,04	8 \$39,324
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Health and Personal Care Stores 11 11 Gasoline Stations 5 5 Clothing and Clothing Accessories Stores 35 4 Other Retailers 36 1,0 Transportation and Warehousing and Utilities 37 1,3 Information 39 1 Finance and Insurance 75 3 Real Estate and Rental and Leasing 74 2 Professional and Technical Services 175 1,0 Management of Companies 14 7 Administrative / Support; Waste Mngmt/ Remediation 101 2,3 Private Education Services 11 2 Health Care and Social Assistance 178 3,2 Health Care and Social Assistance 178 3,2 Health Care 143 2,5 Social Assistance 35 7 Arts, Entertainment, and Recreation 23 8 Accommodation 5 1 Food Services and Drinking Places 98 1,9 Other Services 212 8 Government 14 7 <td>55 \$13,882,17</td> <td>8 \$54,440</td>	55 \$13,882,17	8 \$54,440
Gasoline Stations5Clothing and Clothing Accessories Stores354Other Retailers361,0Transportation and Warehousing and Utilities371,3Information391Finance and Insurance753Real Estate and Rental and Leasing742Professional and Technical Services1751,0Management of Companies147Administrative / Support; Waste Mngmt/ Remediation1012,3Private Education Services112Health Care and Social Assistance1783,2Health Care1432,5Social Assistance357Arts, Entertainment, and Recreation238Accommodation and Food Services1032,0Accommodation55Food Services and Drinking Places981,9Other Services2128Government147	54 \$12,722,71	\$28,024
Clothing and Clothing Accessories Stores Other Retailers Other Retailers 36 1,0 Transportation and Warehousing and Utilities Information Finance and Insurance Finance and Insurance Real Estate and Rental and Leasing Professional and Technical Services 175 1,0 Management of Companies 14 74 Administrative / Support; Waste Mngmt/ Remediation Private Education Services 11 22 Health Care and Social Assistance 178 Accommodation Accommodation Food Services and Drinking Places Other Services 212 8 Government 14 7 6 6 7 7 7 7 7 8 7 8 7 8 7 8 7 8 8 7 9 8 9 8	99 \$7,360,23	1 \$36,986
Other Retailers 36 1,0 Transportation and Warehousing and Utilities 37 1,3 Information 39 1 Finance and Insurance 75 3 Real Estate and Rental and Leasing 74 2 Professional and Technical Services 175 1,0 Management of Companies 14 7 Administrative / Support; Waste Mngmt/ Remediation 101 2,3 Private Education Services 11 2 Health Care and Social Assistance 178 3,2 Health Care 143 2,5 Social Assistance 35 7 Arts, Entertainment, and Recreation 23 8 Accommodation and Food Services 103 2,0 Accommodation 5 5 Food Services and Drinking Places 212 8 Government 14 7	68 \$1,476,44	1 \$21,712
Transportation and Warehousing and Utilities 37 1,3 Information 39 1 Finance and Insurance 75 3 Real Estate and Rental and Leasing 74 2 Professional and Technical Services 175 1,0 Management of Companies 14 7 Administrative / Support; Waste Mngmt/ Remediation 101 2,3 Private Education Services 11 2 Health Care and Social Assistance 178 3,2 Health Care 143 2,5 Social Assistance 35 7 Arts, Entertainment, and Recreation 23 8 Accommodation and Food Services 103 2,0 Accommodation 5 5 Food Services and Drinking Places 98 1,9 Other Services 212 8 Government 14 7	48 \$8,657,76	9 \$19,325
Information 39 1 Finance and Insurance 75 3 Real Estate and Rental and Leasing 74 2 Professional and Technical Services 175 1,0 Management of Companies 14 7 Administrative / Support; Waste Mngmt/ Remediation 101 2,3 Private Education Services 11 2 Health Care and Social Assistance 178 3,2 Health Care 143 2,5 Social Assistance 35 7 Arts, Entertainment, and Recreation 23 8 Accommodation and Food Services 103 2,0 Accommodation 5 5 Food Services and Drinking Places 98 1,9 Other Services 212 8 Government 14 7	05 \$24,544,62	9 \$24,423
Information 39 1 Finance and Insurance 75 3 Real Estate and Rental and Leasing 74 2 Professional and Technical Services 175 1,0 Management of Companies 14 7 Administrative / Support; Waste Mngmt/ Remediation 101 2,3 Private Education Services 11 2 Health Care and Social Assistance 178 3,2 Health Care 143 2,5 Social Assistance 35 7 Arts, Entertainment, and Recreation 23 8 Accommodation and Food Services 103 2,0 Accommodation 5 5 Food Services and Drinking Places 98 1,9 Other Services 212 8 Government 14 7	37 \$82,171,09	1 \$61,459
Real Estate and Rental and Leasing 74 2 Professional and Technical Services 175 1,0 Management of Companies 14 7 Administrative / Support; Waste Mngmt/ Remediation 101 2,3 Private Education Services 11 2 Health Care and Social Assistance 178 3,2 Health Care 143 2,5 Social Assistance 35 7 Arts, Entertainment, and Recreation 23 8 Accommodation and Food Services 103 2,0 Accommodation 5 5 Food Services and Drinking Places 98 1,9 Other Services 212 8 Government 14 7	95 \$18,180,40	
Professional and Technical Services 175 1,0 Management of Companies 14 7 Administrative / Support; Waste Mngmt/ Remediation 101 2,3 Private Education Services 11 2 Health Care and Social Assistance 178 3,2 Health Care 143 2,5 Social Assistance 35 7 Arts, Entertainment, and Recreation 23 8 Accommodation and Food Services 103 2,0 Accommodation 5 5 Food Services and Drinking Places 98 1,9 Other Services 212 8 Government 14 7	80 \$30,078,81	
Professional and Technical Services 175 1,0 Management of Companies 14 7 Administrative / Support; Waste Mngmt/ Remediation 101 2,3 Private Education Services 11 2 Health Care and Social Assistance 178 3,2 Health Care 143 2,5 Social Assistance 35 7 Arts, Entertainment, and Recreation 23 8 Accommodation and Food Services 103 2,0 Accommodation 5 5 Food Services and Drinking Places 98 1,9 Other Services 212 8 Government 14 7	94 \$15,317,96	
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Private Education Services 11 2 Health Care and Social Assistance 178 3,2 Health Care 143 2,5 Social Assistance 35 7 Arts, Entertainment, and Recreation 23 8 Accommodation and Food Services 103 2,0 Accommodation 5 5 Food Services and Drinking Places 98 1,9 Other Services 212 8 Government 14 7		. ,
Health Care and Social Assistance 178 3,2 Health Care 143 2,5 Social Assistance 35 7 Arts, Entertainment, and Recreation 23 8 Accommodation and Food Services 103 2,0 Accommodation 5 5 Food Services and Drinking Places 98 1,9 Other Services 212 8 Government 14 7	96 \$7,385,92	
Health Care 143 2,5 Social Assistance 35 7 Arts, Entertainment, and Recreation 23 8 Accommodation and Food Services 103 2,0 Accommodation 5 5 Food Services and Drinking Places 98 1,9 Other Services 212 8 Government 14 7		
Social Assistance 35 7 Arts, Entertainment, and Recreation 23 8 Accommodation and Food Services 103 2,0 Accommodation 5 5 Food Services and Drinking Places 98 1,9 Other Services 212 8 Government 14 7		
Arts, Entertainment, and Recreation 23 8 Accommodation and Food Services 103 2,0 Accommodation 5 5 Food Services and Drinking Places 98 1,9 Other Services 212 8 Government 14 7	56 \$20,811,26	
Accommodation and Food Services 103 2,0 Accommodation 5 5 Food Services and Drinking Places 98 1,9 Other Services 212 8 Government 14 7	46 \$15,349,72	
Accommodation 5 5 Food Services and Drinking Places 98 1,9 Other Services 212 8 Government 14 7	- , -,,	
Food Services and Drinking Places981,9Other Services2128Government147	97 \$2,320,01	
Other Services 212 8 Government 14 73		
Government 14 7	79 \$35,547,51	
	87 \$43,330,60	
Federal 3	74 \$4,661,59	
	94 \$6,666,13	
	19 \$32,002,87	
	93 \$18,859,47	
Total 1,725 31,1		

⁹ The following sectors were combined due to confidentiality of QCEW data: Utilities, Transportation and Warehousing; Manufacturing and Wholesale Trade; Finance and Insurance, Real Estate and Rental and Leasing; Health Care and Social Assistance and Private Education; Arts, Entertainment and Recreation and Accommodation and Food Services.

Exhibit 6 shows the employment and average pay per employee for sectors in Tualatin. Average pay for all employees (\$57,283) is shown as a light brown line across the graph and average pay for individual sectors are shown as short red lines. The exhibit shows that Tualatin's retail, administrative/waste management, and accommodations / food service sectors have below average wages. The highest wages are in manufacturing (Exhibit 7).

Exhibit 6. Covered Employment and Average Pay by Sector, Tualatin, 2017

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2017.

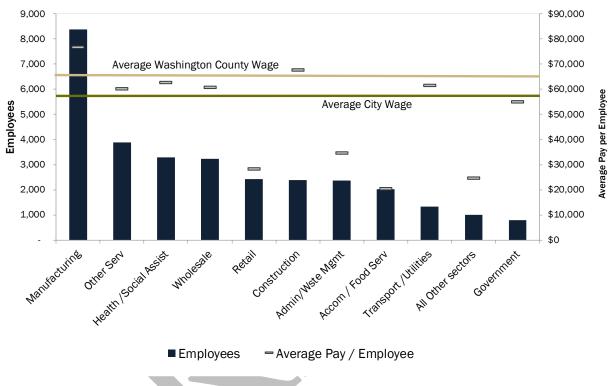




Exhibit 7. Covered Employment and Average Pay by Manufacturing Sub-Sector, Tualatin, 2017

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2017.

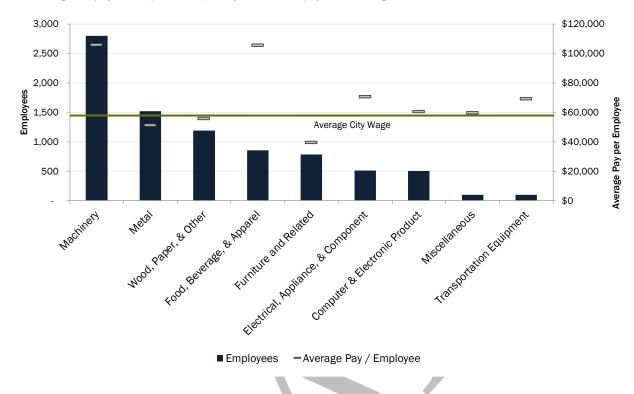


Exhibit 8 shows that employment in Tualatin grew by nearly 7,800 employees between 2007 and 2017 at an average annual growth rate of 2.9%. All sectors grew in employment, with three exceptions: (1) agriculture, forestry, and mining; (2) finance and insurance, and (3) private education services. The sectors with the largest growth were manufacturing, health care and social assistance, and administrative support/waste management and remediation services.

Exhibit 8. Change in Covered Employment, Tualatin, 2007—2017

Source: Oregon Employment Department, Quarterly Census of Employment and Wages, 2007 and 2017. Note: AAGR is Average Annual Growth Rate.

Ct	Establish ments		Employees		Change in Employment 2007-2017		
Sector -	2007	2017	2007	2017	Number	Percent	AAGR
Agriculture, Forestry, & Mining	5	7	199	162	(37)	-19%	-2%
Construction	145	142	1,707	2,384	677	40%	3%
Manufacturing	139	150	6,332	8,371	2,039	32%	3%
Wholesale Trade	213	262	2,909	3,235	326	11%	1%
Retail Trade	141	108	2,348	2,429	81	3%	0%
Transportation, Warehousing & Utilities	27	37	926	1,337	411	44%	4%
Information	20	39	87	195	108	124%	8%
Finance & Insurance	81	75	435	380	(55)	-13%	-1%
Real Estate, Rental, & Leasing	59	74	258	294	36	14%	1%
Professional &Technical Services	112	175	581	1,044	463	80%	6%
Management of Companies	14	14	574	789	215	37%	3%
Admin. & Support / Waste Mgmt & Remediation Serv.	83	101	1,400	2,366	966	69%	5%
Private Education Services	16	11	299	296	(3)	-1%	0%
Health Care & Social Assistance	141	178	2,031	3,291	1,260	62%	5%
Arts, Entertainment, & Recreation	10	23	490	846	356	73%	6%
Accommodation & Food Services	92	103	1,352	2,017	665	49%	4%
Other Services	163	212	655	879	224	34%	3%
Government	13	14	743	787	44	6%	1%
Total Non-Farm Employment	1,474	1,725	23,326	31,102	7,776	33%	2.9%



Outlook for growth in Washington County

Exhibit 9 shows the Oregon Employment Department's forecast for employment growth by industry for the Portland Region (Clackamas, Multnomah, and Washington Counties) over the 2017 to 2027 period. Employment in the region is forecasted to grow at an average annual growth rate of 1.2%.

The sectors that will lead employment in the region for the 10-year period are: professional and business services (adding 28,100 jobs); private education and health services (adding 27,300 jobs); trade, transportation, and utilities (adding 21,400); and leisure and hospitality (adding 13,800 jobs). In sum, these sectors are expected to add 90,600 new jobs or about 74% of employment growth in the Portland Region. As of 2017, Washington County accounts for about 36% of employment in these three counties (the Portland Region), and Tualatin accounts for about 10% of the County's employment.

Exhibit 9. Regional Employment Projections, Portland Region (Clackamas, Multnomah, and Washington County), 2017 and 2027

Source: Oregon Employment Department. Employment Projections by Industry 2017-2027. Note: AAGR is average annual growth rate.

Industry Costor	2017	2027	Change 2017 - 2027			
Industry Sector	2017	2027	Number	Percent	AAGR	
Total private	856,800	971,800	115,000	13%	1.3%	
Natural resources and mining	9,800	10,600	800	8%	0.8%	
Mining and logging	700	700	0	0%	0.0%	
Construction	50,500	59,100	8,600	17%	1.6%	
Manufacturing	101,100	106,000	4,900	5%	0.5%	
Durable goods	76,300	79,200	2,900	4%	0.4%	
Nondurable goods	24,800	26,700	1,900	8%	0.7%	
Trade, transportation, and utilities	176,900	198,300	21,400	12%	1.1%	
Wholesale trade	48,000	51,800	3,800	8%	0.8%	
Retail trade	95,000	104,900	9,900	10%	1.0%	
Transportation, warehousing, and utilities	33,900	41,600	7,700	23%	2.1%	
Information	21,700	24,300	2,600	12%	1.1%	
Financial activities	60,000	63,400	3,400	6%	0.6%	
Professional and business services	155,500	183,600	28,100	18%	1.7%	
Private educational and health services	140,800	168,100	27,300	19%	1.8%	
Health care and social assistance	118,000	141,500	23,500	20%	1.8%	
Leisure and hospitality	101,100	114,900	13,800	14%	1.3%	
Arts, entertainment, and recreation	14,800	17,200	2,400	16%	1.5%	
Accommodation and food services	86,300	97,800	11,500	13%	1.3%	
Other services and private households	39,400	43,500	4,100	10%	1.0%	
Government	114,100	122,000	7,900	7%	0.7%	
Federal government	14,200	14,900	700	5%	0.5%	
State government	7,600	8,200	600	8%	0.8%	
Local government	92,300	98,900	6,600	7%	0.7%	
Local education	47,200	51,500	4,300	9%	0.9%	
Total payroll employment	970,900	1,093,800	122,900	13%	1.2%	

Infrastructure Capacity

This section outlines details about Tualatin's infrastructure capacity (including water, wastewater, stormwater, and transportation, and transit infrastructure). Findings derive from an interview conducted with the Tualatin Public Works Department.

Water

Tualatin purchases its water from the City of Portland. Tualatin's water system, which extends past Bridgeport Village, is City-owned (and water becomes City-owned once it enters city limits). Its water supply derives from the Bull Run Watershed and Columbia South Shore Well Field. In the summer months, Tualatin uses about 10m gallons of water per day and in the winter months, Tualatin uses about 4.4m gallons of water per day. The maximum water delivery to Tualatin is 14.1m gallons per day. Tualatin's 10-year water contract expires in 2026.

While Tualatin is closer to capacity in the summer, its water system currently accommodates all existing needs. From an economic development perspective, however, some types of businesses that use significant amounts of water (i.e., 1m gallons of water per day) may not locate in Tualatin because of the available water in the city. For example, Business Oregon was pursuing potential sites for a business looking to locate somewhere in the Greater Portland area—where they could access about 2m gallons of water per day. Tualatin turned this opportunity down.

Currently, Tualatin is helping to pay for a water treatment plant (*expected delivery is 2026*) that serves the Portland region. In addition, Tualatin is updating its Water Master Plan (*expected delivery is summer 2019*), developing its Water Emergency Supply Plan (*expected delivery is fall 2019*), and developing its Water Supply Strategy (*expected delivery spring 2020*).

On the horizon, Tualatin does not have big plans to expand its system per its Water Master Plan update. Core strategic priorities, per its Water Supply Strategy, are to find ways to access water from other water supplies and to evaluate removing a policy that prohibits Tualatin from accessing water from the Willamette River. The City's water systems are in good repair. The most significant upgrade to water infrastructure is in Basalt Creek, which may need an additional reservoir depending on how fast the sub-area builds out.

Wastewater

Tualatin's wastewater collection system is serviced by Clean Water Services. Clean Water Services treats the wastewater and manages several of Tualatin's pump stations, which are Cityowned. Its effluent discharge is typically 2.4m gallons per day (dry peak) and 4 million gallons per day (wet peak). While Tualatin has some issues with inflow to manhole lids is does not have significant issues with infiltration.

Tualatin is not concerned about its water treatment capacity as Clean Water Services is continuously improving and expanding its facilities. It is likely that as Basalt Creek grows, however, Tualatin will need to replace its piping and add five new pump stations. Despite growing population and jobs, Tualatin is not concerned with future wastewater capacity.

Tualatin recently finished an update to their Sewer Master Plan (which went to council in August 2019).

Stormwater

Tualatin staff do not think that stormwater management or treatment is a barrier to supporting new business growth. As new development occurs, developers are required to address stormwater issues on a property by property basis.

Transportation Services

This analysis looked at connections and capacity to I-5, regional connectors, and local roadways. Transportation access is both a significant advantage for economic development (because Tualatin is located directly on I-5) and a significant disadvantage because of increasing congestion on I-5 and other major roads.

- Connection and capacity to I-5. ODOT finished an auxiliary lanes project last year which made a notable difference in easing capacity and reducing congestion (particularly from Carmen to Nyberg and the 205 on-ramps). I-5's (regional) pinch points are the Rose Quarter and Boones Bridge. Generally speaking, congestion issues around I-5 are less about Tualatin's interchanges and ramps and more about regional conditions on I-5.
- Regional connector roads. Over the last decade and longer, major roads connecting Tualatin to nearby cities have become increasingly congested. Major regional connectors include Tualatin Sherwood Road, Boones Ferry Road N-S, Hwy 99 W, Borland Road E-W, and 124th Avenue. The following provides more information:
 - Tualatin Sherwood Road. Washington County plans to complete a road widening project in 2023. The project will widen Tualatin Sherwood Road from three lanes to five lanes. It will include bicycle facilities.
 - O 124th Avenue. New improvements on this road are currently being underused. The City's long-term plan is to implement more signage to direct vehicles onto this currently underutilized roadway (offsetting traffic on other roadways). This road was built with three-lanes but was planned for five-lanes, allowing for future expansions of the road. Because few people know about (or use) this road, not much traffic exists. It is likely that as this road becomes more used, traffic pressure on Boones Ferry and Tualatin Sherwood Road will be relieved somewhat.
 - o *Boones Ferry Road N-S*. Despite congestion near Tualatin Sherwood Road, the City has no plans for expansion at this time.
 - Highway 99 W. As this connector is located on toward the north portion of Tualatin, this connector is not as extensive of an issue for traffic within the City of Tualatin. The City is, however, looking to develop a funding plan to improve Sherwood through King City and Tigard.

- o *65th Avenue*. Running north to south, this road is becoming a by-pass to get around 205 and I-5. While it is not considered a regional connector, it is a road likely to be looked at in the next Transportation System Plan update.
- Mary Borland Road. Tualatin recently took possession of Borland Road from Washington County. From Lake Oswego to Stafford, the City plans to make pavement improvements and conduct maintenance to make more pleasant place to drive. While there are no current plans for expansion, the City will likely look at this ear in their next Transportation System Plan update.
- Local roadways. Tualatin's road network is well-built and fairly new. As new development occurs, developers will be required to pay for transportation improvements that will support upgrading local and other roads. Tualatin is working to complete a cyclist pathway across I-5 and is working to increase multimodal pathways to T-S road (developed as part of the T-S Road widening project; expected delivery 2023). A \$20m general obligation bond passed last year to implement transportation capital projects to improve safety and relieve congestion at key intersections and locations.

Transit

Tualatin has three Tri-Met bus routes that serve the community (the 76, 96 and 97 routes) and the WES commuter rail that connects Tualatin to Beaverton. In addition, Ride Connection, which is funded through a Tri-met grant, offers two fixed, on-call lines that serve the business community on a regular schedule. Development of a 12-mile TriMet MAX line (the Southwest Corridor) between southwest Portland and Bridgeport Village in Tualatin is also on the horizon. To date, the City has not participated in discussions about implementing a local transit agency.



Tualatin's Strengths, Weaknesses, Opportunities and, Threats

OAR 660-009-0015(4) requires that cities conduct an assessment of community economic development potential, as part of the EOA. This assessment considers: market factors, infrastructure and public facility availability and access, labor, proximity to suppliers and other necessary business services, regulations, and access to job training. The local factors that form Tualatin's competitive advantage are summarized in the subsections below.

Note to CAC: We will update this section with more input, as we gather it.

Strengths

- Location. Tualatin is located in Washington County, about 13 miles south of Portland and about 36 miles north of Salem, along the I-5 corridor. Tualatin is located about midway between Hillsboro and Gresham. Other nearby and relatively large cities include Tigard, Lake Oswego, and Wilsonville. These locational aspects allow both goods and workers to move in and out of Tualatin relatively efficiently. Tualatin's location is an advantage, especially for freight transportation and households composed of workers that commute to different cities for work.
 - Due to Tualatin's prime location along the I-5 corridor, about 93% of employees who work in Tualatin commute into Tualatin from other areas. This reality is advantageous for Tualatin as they can attract workers (at a range of skill sets) from around the region.
- Availability of transportation. All firms are heavily dependent upon surface transportation for efficient movement of goods, customers, and workers. Access to an adequate highway and arterial roadway network is needed for all industries. Close proximity to a highway or arterial roadway is critical for firms that generate a large volume of truck or auto trips as well as firms that rely on visibility from passing traffic to help generate business.
 - Businesses and residents in Tualatin have access to a variety of modes of transportation: automotive (I-5, 99W, and local roads); commuter train (West Side Express Service (WES)); light rail (Metropolitan Area Express (MAX) connection to WES at Lombard); bus (TriMet lines 76, 96, and 97); and air (Portland Airport and Hillsboro Airport). These options provide options for residents and workers in Tualatin to commute in and out of the city, though traffic congestion is a growing concern. Additionally, Tualatin's easy access to I-5 is an advantage for attracting many types of businesses, such as warehouse and distribution or manufacturers that need close access to I-5 for heavy freight
- Quality of life. Tualatin residents' value the city's many urban services and amenities available to residents, while maintaining a small-town character. Tualatin residents and workers have access to numerous local businesses, high-quality school system, access to retail shopping opportunities, and parks system (which includes 90 park sites, 60 miles of trails, and 1,500 acres of natural area). Tualatin also provides access to medical care services through the Kaiser Permanente Tualatin Medical Office, Legacy Meridian Park

- Medical Center, Providence Bridgeport, and other medical and dental offices. Tualatin is also a relatively safe community; in 2018, criminal citations, traffic citations, total arrests, and traffic crashes (activities) each amounted to less than 0.1 activity per capita.¹⁰
- Support for local businesses. Successful local economic development is often a result of effective collaboration among governments, business owners, and community members. To support new and existing small businesses in Tualatin, the City and Chamber of Commerce have developed a small business toolkit. The toolkit helps business owners with permitting their business in Tualatin.¹¹
- Existing businesses. Tualatin has several key sectors (e.g. manufacturing, health care, social assistance) which present key opportunities for the creation of local clusters. These sectors may build off of regional clusters on the westside of the Metro region. Tualatin also has many small businesses in a range of industries, including those listed above. Tualatin's existing businesses provide a base to build upon and expand.
- Access to workers. Tualatin pulls workers from across the Portland Metropolitan Area. The types of jobs available at businesses in Tualatin range from highly skilled professional and technical service jobs to service-sector jobs, such as retail services. These jobs require a range of educational background or specialized training.
- Access to education and training. Tualatin is also close to higher education facilities, including Clackamas Community College in Wilsonville, Portland Community College (Sylvania), Portland State University, Lewis and Clark, Oregon Institute of Technology, and Reed College. Businesses in Tualatin are able to attract workers from these schools.
- Infrastructure capacity. Tualatin has plans for expansion of water, wastewater, and stormwater systems to meet business needs as the city grows. The City recently updated its plans (and planning is on-going) to address growing demands in the Basalt Creek sub-area.

Weaknesses

- Traffic congestion. Tualatin's location along the I-5 corridor within the southern part of the Portland region results in significant congestion within the city, particularly during peak travel hours. Addressing these congestion issues will require addressing regional congestion issues on I-5, as well as expansion of connector roads with neighboring cities, as described in the section above. Part of the resolution of traffic congestion issues is increases in public transit and expansion of bicycling and pedestrian facilities.
- Limited access to transit. Tualatin residents and commuters have access to TriMet bus lines 76, 96 and 97; the WES commuter rail line; and the Tualatin Shuttle operated by

¹⁰ City of Tualatin. (2018). Tualatin Police Annual Report.

 $https://www.tualatinoregon.gov/sites/default/files/fileattachments/police/page/4885/2018_annual_report.pdf$

¹¹ Tualatin's Small Business Toolkit:

 $www.tual at in oregon. gov/sites/default/files/file attachments/economic_development/page/4725/small_business_toolkit_final_draft_webpdf.pdf$

- Ride Connection. These alternative modes of transportation are important, but do not meet the scale of the community's public transportation needs. More public transit routes, that are more convenient and accessible, is desired by the community to reduce congestion and to allow employees to get to work more efficiently.
- Commuting trends. While employee commuting trends in Tualatin has its advantages (ability to attract a workforce from across the region), it also presents disadvantages. As Tualatin's population grows and as employment in Tualatin grows, it is likely that the number of employees commuting in and out of Tualatin will grow too. Commuting increases road congestion, and with limited access to transit to alleviate this problem, Tualatin's transportation infrastructure will become overloaded.
- Affordable housing for workers. A significant concern among Tualatin leaders and community members is the lack of affordable and available housing for people who work at businesses in Tualatin. The cost of housing does not align with the existing salaries of the workforce which may prevent households from living and working in Tualatin.
- Need for Replacement Workers. The population across the region is aging, prompting a need for replacement workers. As workers in Tualatin retire, the need for skilled, educated workers will increase. This trend is consistent with workforce issues common to Oregon's cities.
- Downtown area that looks dated and has limited draw for residents and visitors. A perception that Tualatin lacks urban design standards, architectural variety, and amenities in close proximity has resulted in many community members feeling that Tualatin looks dated. Specifically, community members note a need for a refined downtown center to draw visitors to Tualatin from I-5. Potential improvements to the physical appearance of the built environment in the city include increases to allowed building heights in specific areas, more mixed-use development, and improved connectivity to increase walkability.
- Availability of high-wage jobs. The average wage in Tualatin is \$57,283, while the average wage in Washington County is \$70,308. The largest sector of employment in Tualatin is in manufacturing industries, which pay higher-than-average wages. Tualatin also has many service-sector jobs, which tend to provide lower-than-average wages. Tualatin's location and cluster of manufacturing industries may help to attract more businesses with high wages, which may allow more workers in Tualatin to afford to also live in the City.
- Retention of businesses. Tualatin's Business Outreach Survey uncovered several issues that may make keeping businesses in Tualatin difficult. Issues include: a poor perception of public safety (issues around the interstate and rail line and the perception of rising crime), the lack of transportation and freight access, inconvenient public transit,

perceived slowness on part of the City to modify the Development Code,¹² and lack of incentives for development. In addition, businesses cited a mismatch between business needs and workforce skillsets.

Opportunities

- Public transportation. Tualatin may work with Tri-Met to expand public transportation to promote connectivity, reduce reliance on cars thereby reducing congestion, and to encourage alternative modes of transportation. While local jurisdictions are not mandated to offer transit services, public transit is essential to the households that need it to access services or to get to work. Connections to the Southwest Corridor transit line will be key to connecting Tualatin within the Portland region. Local transit will be necessary to allow riders to get from the Southwest Corridor station to employment centers in Tualatin.
- **Improvements to regional connectors.** Regional transportation corridors, connecting Tualatin to nearby cities, are congested. Plans for road expansions, as well as road expansions completed in the recent past, may improve existing conditions and support further growth.
- Redevelopment and infill development. Community members noted the lack of a downtown center of Tualatin to draw visitors. Along with improvements to the physical appearance and urban form of commercial areas in Tualatin, the City can continue to attract small businesses to locate in Tualatin, especially those that would attract visitors and residents to a core area. One potential area for this type of development would be the redevelopment of The Commons, to create a more pedestrian-oriented center.
- Small business retention and growth. Issues with business retention have created vacant storefronts. The City could develop and promote initiatives that encourage use of currently vacant storefronts through continued support for small businesses and entrepreneurs.

Threats

- Environmental and climate change risks. Environmental factors, including climate change, can threaten the success of a variety of industries that rely on key infrastructure that may not be adapted to growing environmental pressures (e.g. flooding, seismic hazards, or powerful storms). The risk of these natural hazards is likely to increase as a result of climate change. Forest fires and urban heat islands also cause poor air quality, which can decrease quality of life for residents and impact their health.
- Potential for decline in the state and national economies. Changes in the state and national economies are beyond local control and directly affect Tualatin's economy.

¹² Tualatin updated its Development Code in 2018 through a project known as the Tualatin Development Code Improvement Project (TDCIP) Phase 1.

¹³ Oregon Climate Change Research Institute. Fourth Oregon Climate Assessment Report. January 2019.

National recessions generally have a greater effect on Oregon, with higher job losses and longer recovery periods than the national average.



Summary of Tualatin's Competitive and Comparative Advantages

The prior sections presented the Tualatin's strengths, weaknesses, opportunities, and threats for economic development. Based on this, Tualatin's competitive and comparative advantages are:

Location. Tualatin is located along a major transportation corridor (the I-5 corridor) and is 13 miles from downtown Portland. While Tualatin is not an especially large city, it is in close proximity to all of the urban amenities and services one would expect in a large metropolitan area. Residents of Tualatin have access to cultural activities such as concerts and events (like the West Coast Giant Pumpkin Regatta) at the Tualatin Commons and museums, markets, and concert halls in Portland. Residents also have access to outdoor recreational activities such as many park amenities offered by the City and the Tualatin River National Wildlife Refuge in Sherwood. These locational aspects are attractive to businesses who prioritize quality of life for their employees.

Additionally, most of Tualatin's workers commute to the city from other areas. Businesses that need access to or want to attract customers across the Portland Region may locate in Tualatin. Tualatin's location will impact the area's future economic development.

- Regional Labor Market. The availability of labor is critical for economic development. Availability of labor depends not only on the number of workers available but the quality, skills, and experience of available workers. Businesses in Tualatin have access to workers in Tualatin and from neighboring communities. Businesses need access to reliable skilled workers, both with and without higher education. The multitude of higher education institutions located in and around the Portland Metro area, means that Tualatin has sufficient access to skilled workers.
- Existing Businesses. Tualatin's existing businesses provide an opportunity for development of new businesses within the city. The existing business base is an advantage for economic development in numerous ways: as a source of future economic expansion, for attracting skilled workers, and for provision of goods and services to other businesses in Tualatin.
- On-going Planning Projects. The City is revising its Comprehensive Plan (the Tualatin 2040 process), which will result in on-going planning work that is necessary to support economic growth. This work may include: revisions to the City's economic development strategy, additional planning for housing to provide more opportunities for workers to live in Tualatin, updating the Transportation System Plan, on-going planning for transit services, area planning for redevelopment that may result from this and the housing needs analysis project, and other on-going planning projects.

Target Industries

The characteristics of Tualatin will affect the types of businesses most likely to locate in the city. Tualatin's attributes that may attract firms are Tualatin's access to industrial land, access to workers, and its location along the I-5 corridor.

Tualatin's industry concentrations with a potential competitive advantage are defined in Exhibit 10. Tualatin has categorized its existing businesses into four main categories, based on analysis of location quotients (i.e., highly specialized industries), differential shift (i.e., competitive advantage compared to the national level), and critical concentration (i.e., with at least five establishments in a defined cluster). These four categories are: Growing Base, Emerging Clusters, Mature Clusters, and Transformation Clusters. Exhibit 10 and Exhibit 11 list the specific industries by each category.

Exhibit 10. Concentration of Industries and Employment, Tualatin, 2017

Source: City of Tualatin, Economic Development Department using data from EMSI and Oregon Department of Employment (QECW data). Note: not pictured is "Food Processing and Manufacturing," with an LQ of 2.73 and DS 142%. "Automotive" is also not displayed, with an LQ of 0.51 and DS of -62%.

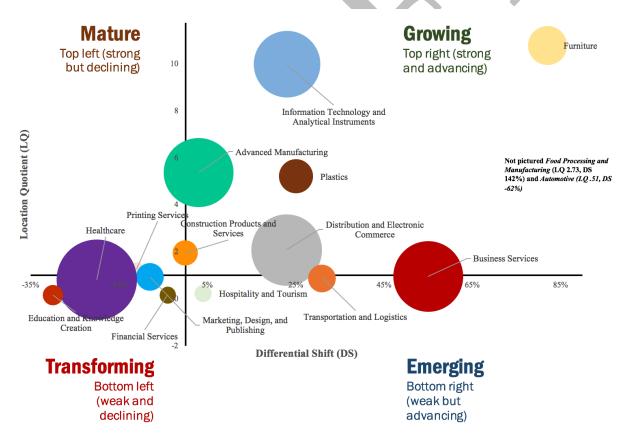


Exhibit 11. Industries Ranked Based on Differential Shift and Location Quotient

Source: City of Tualatin, Economic Development department using EMSI data (2018).

Rank	Cluster	Location Quotient (LQ)	Cluster Employment, 2017	Number of Establishments, 2016	Differential Shift (DS)				
	GROWING BASE								
1	Food Processing and Manufacturing	2.73	564	6	142%				
2	Furniture	10.79	776	6	82%				
3	Plastics	5.21	587	10	25%				
4	Information Technology and Analytical Instruments	9.99	2,270	37	23%				
5	Distribution and Electronic Commerce	2.08	2,535	193	23%				
6	Advanced Manufacturing	5.38	2,433	46	3%				
	EMERG	ING CLUS	TERS						
7	Business Services	0.96	2,506	131	55%				
8	Transportation and Logistics	0.88	378	16	31%				
9	Hospitality and Tourism	0.22	144	8	4%				
	MATU	RE CLUST	ERS						
10	Construction Products and Services	1.96	331	7	-0.4%				
11	Printing Services	1.26	110	11	-11%				
	TRANSFOR	MATION C	LUSTERS						
12	Financial Services	0.17	141	35	-4%				
13	Marketing, Design, and Publishing	0.93	385	28	-8%				
14	Healthcare	0.82	3,279	153	-20%				
15	Education and Knowledge Creation	0.16	199	16	-30%				

The potential growth industries in Tualatin will draw from existing industry concentration in the City, Washington County, and the Portland Region, along with the City's economic development policies that align with changing or emerging industries and result in employment growth in Tualatin. Tualatin may also have opportunities for employment growth in industries without a concentration of employment or a high location quotient.

Potential Growth Industries

An analysis of growth industries in Tualatin should address two main questions: (1) Which industries are most likely to be attracted to Tualatin? and (2) Which industries best meet Tualatin's economic development goals? The selection of target industries is based on Tualatin's goals for economic development, economic conditions in Tualatin and Washington County, and the City's competitive advantages.

Given the current employment base, which is composed of small- and mid-sized businesses, it is reasonable to assume that much of the city's business growth will come from small- and mid-sized businesses. This growth will either come from businesses already in Tualatin or new businesses that start or relocate to Tualatin from within the Portland Region or from outside of the region.

The industries identified as having potential for growth in Tualatin are outlined below. This section primarily draws from the City of Tualatin's cluster analysis and reports developed for the Portland Region.

- Manufacturing. Tualatin's manufacturing sector accounts for 27% of the city's employment base. Greater Portland, Inc. (GPI) described Portland as a hotspot for manufacturing growth for key sub clusters (footwear, apparel, knives, and sporting; machinery; and medical devices). 14 Tualatin's potential growth industries in manufacturing are:
 - Advanced manufacturing. This industry is an internally preferred grouping of five independent traded clusters: (1) Downstream Metal Products, (2) Lighting and Electrical Equipment, (3) Metalworking Technology, (4) Production Technology and Heavy Machinery, and (5) Upstream Metal Manufacturing. In a report by the U.S. sub-committee on advanced manufacturing, this industry is challenged by "a shortage of Americans with the science, technology, engineering, and mathematics knowledge and technical skills needed for advanced manufacturing jobs." Tualatin has a larger share of highly educated residents, compared to Washington County and the Portland Region, alleviating some concerns related to not having sufficient levels of skilled workers.

Greater Portland Global (GPG), in its latest Investment Plan, ¹⁶ states that: "[t]he region is rich with firms in legacy industries such as metals manufacturing and wood processing that use advanced processes and possess a highly skilled labor pool, [motor vehicle manufacturing, and computers and electronics]." While GPG indicates that there is "a limited economic development role to play,"

¹⁴ Greater Portland, Inc. (n.d.). Regional Trends in Greater Portland's Target Clusters. Greater Portland 2020.

¹⁵ The United States, Subcommittee on Advanced Manufacturing. *Strategy for American Leadership in Advanced Manufacturing*. Office of the President, Committee on Technology of the National Science and Technology Council.

¹⁶ Greater Portland Global. (n.d.). *Global Trade and Investment Plan.* Global Cities Initiative, A Join Project of Brookings and JPMorgan Chase.

- Tualatin has substantial access to labor talent and may continue to support expansions of existing advanced metals manufacturing, family-owned operations, and wood products manufacturing.
- Food processing and manufacturing. The Bureau of Labor Statistics describes this industry cluster as one that takes livestock and agricultural products (raw food materials) and transforms them into products for intermediate or final consumption (sold to wholesalers or retailers for distribution). Tualatin's food processing and manufacturing cluster is its fastest growing industry (projected to grow 64% from 2017 to 2028). GPG cites the region's food processing sector as an established sector, requiring support in the form of industrial lands readiness and continued recruitment.
- Furniture. The furniture industry cluster comprises establishments that manufacture furniture, cabinets, shelving, and manufactured homes using products made of wood, metal, plastic, or textiles. While the furniture cluster provides the lowest annual wage of \$38,911 per year (almost \$19,000 less than the city average), it is the most concentrated cluster in Tualatin (with an LQ of 10.79).
- Plastics. Wages in the plastics industry cluster (comprising establishments that manufacture plastic materials and other plastic components / products) grew 14% from 2012 to 2017. As the fourth most concentrated cluster in Tualatin (with an LQ of 5.21), this industry presents objective growth potential for lower skilled workers.
- Consumer products. Per a 2019 discussion with GPI, the consumer products sector was described as an important industry target for Oregon, particularly for food and beverage products but also apparel, outdoor wear, and footwear as well as health and beauty products, home accessories, and pet products. Consumer products consists of convenience, shopping, specialty, or unsought products (e.g. final goods). BuiltOregon, purposed to make Oregon the leader in consumer product innovation and development, launched the United States first non-profit consumer product accelerator in Oregon. Tualatin may support efforts to connect consumer product businesses with BuiltOregon to encourage growth in its manufacturing target industries (e.g. advanced manufacturing, food processing, furniture manufacturing, etc.).
- Information technology and analytical systems. This industry cluster comprises establishments that work in computers, software, audio visual equipment, laboratory instruments, and medical apparatus development (e.g. standard and precision electronics like circuit boards and semiconductors). As of 2017, employees working in this industry cluster maintain an average wage of \$109,832 (about \$52,000 above the city's average) representing the highest, average-waged industry in Tualatin. Tualatin's Information Technology and Analytical System industry has however, grown slower (17%) than the nation.

- Distribution and e-commerce. This cluster consists primarily of traditional wholesalers, mail order houses, and electronic merchants. Establishments comprising this industry cluster buy, hold, and distribute a wide range of products from apparel and food to chemicals, gases, and minerals to farm materials, machinery, and other merchandise. This industry also contains establishments that support distribution and electronic commerce operations, including packaging, labeling, and equipment rental / leasing. This industry is forecast for job growth (26% change in jobs from 2017 to 2028).
- Business services. Business services establishments including corporate headquarters and other professional services (e.g. consulting, back office services, financial services / legal services, facilities support, computer services, etc.). In Tualatin, this industry is expected to see the largest growth in total jobs and had the largest growth in average wage.



3. Employment Growth and Site Needs

Goal 9 requires cities to prepare an estimate of the amount of commercial and industrial land that will be needed over a 20-year planning period. The estimate of employment land need and site characteristics for Tualatin is based on expected employment growth and the types of firms that are likely to locate in Tualatin over the 20-year period. This section presents an employment forecast and analysis of target industries that build from recent economic trends.

Forecast of Employment Growth and Commercial and Industrial Land Demand

Demand for industrial and non-retail commercial land will be driven by the expansion and relocation of existing businesses and by the growth of new businesses in Tualatin. This employment land demand is driven by local growth independent of broader economic opportunities, including the growth of target industries.

The employment projections in this section build off of Tualatin's existing employment base, assuming future growth is similar to the Portland Region's long-term historical employment growth rates. The employment forecast does not take into account a major change in employment that could result from the location (or relocation) of one or more large employers in the community during the planning period. Such a major change in the community's employment would exceed the growth anticipated by the city's employment forecast and its implied land needs (for employment, but also for housing, parks, and other uses). Major economic events, such as the successful recruitment of a very large employer, are difficult to include in a study of this nature. The implications, however, are relatively predictable: more demand for land (of all types) and public services.

Projecting demand for industrial and non-retail commercial land has four major steps:

- 1. **Establish base employment for the projection.** We start with the estimate of covered employment in Tualatin presented in Exhibit 5. Covered employment does not include all workers, so we adjust covered employment to reflect total employment in the City.
- 2. **Project total employment.** The projection of total employment considers forecasts and factors that may affect employment growth in Tualatin over the 20-year planning period.
- 3. **Allocate employment.** This step involves allocating types of employment to different land-use types.
- 4. **Estimate land demand.** This step estimates general employment land demand based on employment growth and assumptions about future employment densities.

The remainder of this section follows this outline to estimate employment growth and commercial and industrial land demand for Tualatin.

Employment Base for Projection

The purpose of the employment projection is to model future employment land need for general employment growth. The forecast of employment growth in Tualatin starts with a base of employment growth on which to build the forecast.

Exhibit 12 shows ECONorthwest's estimate of total employment in Tualatin in 2017. Tualatin had an estimated 38,838 *total* employees in 2017.

To develop the figures, ECONorthwest started with estimated covered employment in the Tualatin from confidential Quarterly Census of Employment and Wages (QCEW) data provided by the Oregon Employment Department. Based on this information, Tualatin had about 31,102 covered employees in 2017.

Covered employment, however, does not include all workers in an economy. Most notably, covered employment does not include sole proprietors. Analysis of data shows that *covered* employment reported by the Oregon Employment Department for Washington County is only about 77% of *total* employment reported by the U.S. Department of Commerce.¹⁷ We evaluated this ratio for each industrial sector for Washington County and used the resulting ratios to determine the number of non-covered employees. This allowed us to determine the total employment in Tualatin.

Total employment includes all workers based on date from the U.S. Department of Commerce. Total employment includes all covered employees, plus sole proprietors and other non-covered workers.

¹⁷ **Covered employment** includes employees covered by unemployment insurance. Examples of workers not included in covered employment are sole proprietors, some types of contractors (often referred to as "1099 employees"), or some railroad workers. Covered employment data is from the Oregon Employment Department.

Exhibit 12. Estimated total employment by sector, Tualatin Planning Area, 2017

Source: 2017 covered employment from confidential Quarterly Census of Employment and Wage (QCEW) data provided by the Oregon Employment Department.

Sector	Covered Employment	Estimated Total Employment	Covered % of Total
Agriculture, Forestry, & Mining	162	162	100%
Construction	2,384	3,018	79%
Manufacturing	8,371	8,761	96%
Wholesale Trade	3,235	3,805	85%
Retail Trade	2,429	2,926	83%
Transportation, Warehousing & Utilities	1,337	1,734	77%
Information	195	235	83%
Finance & Insurance	380	675	56%
Real Estate, Rental, & Leasing	294	1,175	25%
Professional &Technical Services	1,044	1,821	57%
Management of Companies	789	827	95%
Admin. & Support / Waste Mgmt & Remediation Serv.	2,366	2,942	80%
Private Education Services	296	552	54%
Health Care & Social Assistance	3,291	4,019	82%
Arts, Entertainment, & Recreation	846	1,658	51%
Accommodation & Food Services	2,017	2,201	92%
Other Services	879	1,532	57%
Government	787	795	99%
Total Non-Farm Employment	31,102	38,838	77%

Exhibit 13 shows that industrial employment (i.e., manufacturing, warehousing, or construction) is predominantly located in Industrial plan designations, with small amounts of employment located in Commercial plan designations (such as contractors and delivery or transportation logistics services) and in Residential plan designations (such as contractors, plumbers, electricians, contractors, and delivery or transportation logistics services).

In contrast, about one-fifth of commercial employment (i.e., retail, health care, financial services, and other commercial uses) are located in Industrial plan designations (such as gas stations, auto body shops, storage facilities, and professional or technical-service businesses) and 12% are located in Residential plan designations (such as financial institutions, property management or real estate offices, cafes, restaurants, and professional or technical-service businesses).

In the future, it is reasonable to expect that employment in Tualatin will continue to mix within existing plan designations, with substantial amounts of commercial employment locating in Industrial and Residential plan designations. Existing commercial and industrial employment in residential plan designations (Exhibit 13) consists of construction businesses, some wholesale and retail, as well as financial and real estate businesses.

Exhibit 13. Location of Employment by Plan Designation, Tualatin Planning Area, 2017

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wage, summarized by ECONorthwest. Note: Data is organized by 2-digit NAICS and ONLY includes employment at businesses with private ownership.

General Plan	Industrial en	nployment	Commercial employment		Total	
Designation	Employees	Percent	Employees	Percent	Employees	Percent
Industrial	13,985	94%	3,090	20%	17,075	56%
Commercial	547	4%	10,352	67%	10,899	36%
Residential	382	3%	1,881	12%	2,263	7%
Institutional	-	0%	78	1%	78	0%
Total	14,914	100%	15,401	100%	30,315	100%

Employment Projection

The employment forecast covers the 2020 to 2040 period, requiring an estimate of total employment for Tualatin in 2020. Tualatin does not have an existing employment forecast, and there is no required method for employment forecasting. OAR 660-024-0040(9) sets out some optional "safe harbors" that allow a city to determine employment land need.

ECONorthwest modeled four scenarios of employment growth. The employment growth assumption and basis for the scenarios are outlined below and in Exhibit 14:

- Metro's Household Growth Rate for Tualatin: The growth rate of 0.44% based on Tualatin's household growth forecast for the 2020-2040 period. This rate is consistent with the household forecast used in Tualatin's Housing Needs Analysis (2020-2040). Use of this growth rate is consistent with the safe harbor in OAR 660-024-0040(9)(a).
- OED's Employment Growth Rate for the Tri-County Region: The growth rate of 1.2% based on Oregon Employment Departments' (OEDs') forecast for employment growth for the Portland Region (Clackamas County, Multnomah County, and Washington County). Use of this growth rate is consistent with the safe harbor in OAR 660-024-0040(9)(a).
- **Metro's Employment Growth Rate for Tualatin:** The growth rate of 1.4% based on Metro's employment forecast for Tualatin for the 2015 to 2040 period.
- **Tualatin's Historic Employment Growth Rate:** The growth rate of 2.9% based on Tualatin's employment growth for the 2007 to 2017 period.

Exhibit 14. Employment Growth Scenarios, Tualatin Planning Area, 2020—2040

Source: (1) Metro's 2040 Household Distributed Forecast, July 12, 2016. Metro's 2040 TAZ Forecast for households, November 6, 2015. Calculations by ECONorthwest. (2) State of Oregon Employment Department, Employment Projections by Industry, 2017-2027. (3) Metro's 2040 Employment Distributed Forecast, July 12, 2016. (4) Bureau of Labor Statistics, Quarterly Census of Employment and Wage, 2007 and 2017. Note: "HH" is household and "Emp." Is employment.

	Total Emplyment Scenarios						
Year	Metro's HH Growth for Tualatin	OED's Emp. Growth for Tri-County Region	Metro's Emp. Growth for Tualatin	Historic Emp. Growth for Tualatin			
2020	39,355	40,252	40,478	42,339			
2040	42,985	51,089	53,332	75,272			
Change 2020 to	2040						
Employees	3,630	10,837	12,854	32,933			
Percent	9%	27%	32%	78%			
AAGR	0.44%	1.20%	1.39%	2.92%			

Tualatin is assuming that the City will grow at the rate forecast by Metro, 1.4% average annual growth rate. This assumption is based on the fact that Tualatin grew at a substantially faster rate over the 2007 to 2017 period (2.9% average annual growth rates), as well as Tualatin's key comparative advantages such as the city's location along I-5 and land base of industrial land.

Exhibit 15 shows employment growth Tualatin between 2020 and 2040, based on the assumption that the City will grow at an average annual growth rate of 1.4%. Tualatin will have 53,332 employees by 2040, which is an increase of 12,854 employees (32%) between 2020 and 2040.

Tualatin is forecast to have 12,854 new employees over the 20-year period.

Exhibit 15. Forecast of Employment Growth, Tualatin Planning Area, 2020–2040

Source: ECONorthwest.

Year	Total Employment
2020	40,478
2040	53,332
Change in Emplo (2020 to 2040)	yees
Employees	12,854
Percent	32%
AAGR	1.39%

Allocate Employment to Different Land Use Types

The next step in forecasting employment is to allocate future employment to broad categories of land use. Firms wanting to expand or locate in Tualatin will look for a variety of site characteristics, depending on the industry and specific circumstances. We grouped employment into four broad categories of land use based on North American Industrial Classification System (NAICS): industrial, retail commercial, office and commercial services, and government.

Exhibit 16 shows the expected share of employment by land-use type in 2020 and the forecast of employment growth by land-use type in 2040 in Tualatin. For each land-use type, we assumed that the share of total employment will stay the same.

Exhibit 16. Forecast of employment growth by land use type, Tualatin Planning Area, 2020–2040Source: ECONorthwest. Note: The shaded percentages denote an assumption about the future share of employment (as a percent of total) by land use type. It assumes that the share of employment by land use type will remain the same.

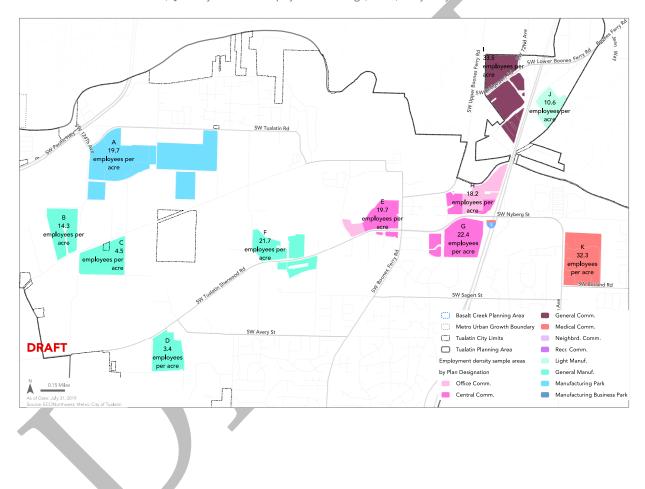
Land Has Type	202	2020		0	Change
Land Use Type	Employment	Employment % of Total Employment % or		% of Total	2020 to 2040
Industrial	18,218	45%	24,004	45%	5,786
Retail Commercial	3,050	8%	4,018	8%	968
Office & Commercial Services	18,382	45%	24,219	45%	5,837
Government	829	2%	1,092	2%	263
Total	40,478	100%	53,332	100%	12,854

Estimate of Demand for Commercial and Industrial Land

Converting from employment growth to land need (in acres) requires assumptions about future employment densities. Employees per acre is a measure of employment density based on the ratio of the number of employees per acre of employment land that is developed for employment uses. Exhibit 17 displays sample sites that informed ECONorthwest's analysis of employment densities for businesses and at sites in Tualatin based on existing employment. Results of the employment density analysis are summarized in Exhibit 18.

Exhibit 17. Employment Densities in Tualatin, Tualatin Sample Sites, 2019

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wage, 2017; analysis by ECONorthwest.



Based on a sampling of sites in Tualatin, Industrial areas average about 15 employees per acre (EPA) and Commercial areas average about 27 EPA.

Exhibit 18. Summary of Employment Average Employment Densities, Tualatin Planning Area, 2018

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wage; summarized by ECONorthwest. Note1: Area names (A through K) correspond to areas mapped in Exhibit 17. Note2: "EPA" is employees per acre.

Land Use Type/ Area Name on Map	Type of Use	Average density (EPA)
Industrial		15
Α	Manufacturing Park	20
В	General Manufacturing	14
С	General Manufacturing	5
D	General Manufacturing	3
F	General Manufacturing	22
J	Light Manufacturing	11
Commercial and Retain	il	27
E	Office/Central Commercial	20
G	Central Commercial	22
Н	Office/Central Commercial	18
I	General Commercial	34
K	Medical Commercial	32

Exhibit 19 shows demand for vacant (including partially vacant) land in Tualatin over the 20-year period. ECONorthwest uses two assumptions in Exhibit 19: (1) employment density and (2) net-to-gross conversion factor.

• Employment density. Exhibit 19 displays the density assumptions as net employees per acre (EPA) for use in the analysis of employment land demand assumes: Industrial will have an average of 15 EPA, Retail Commercial will have an average of 25 EPA, and Office Commercial will have an average of 40 EPA.

These employment densities are consistent with Tualatin's historic densities and employment densities in Oregon cities of a similar size as Tualatin. Some types of employment will have higher employment densities (e.g., a multi-story office building), and some will have lower employment densities (e.g., a convenience store with a large parking lot).

This analysis assumes 15 EPA for industrial uses as it is consistent with the EPA weighted average of industrial sample sites. This analysis assumes 25 EPA for retail as it is consistent with the weighted average of sample site G, H, and I. This analysis assumes 40 EPA for office based on the assumption that Tualatin will encourage more two- and three-story office buildings over the 20-year planning period (meaning we assume a higher employment density than historical).

• Conversion from net-to-gross acres. The data about employment density is in *net* acres, which does not include land for public right-of-way. Future land need for employment should include land in tax lots needed for employment plus land needed for public right-of-way. One way to estimate the amount of land needed for employment, including public right-of-way, is to convert from *net* to *gross* acres based on assumptions about the amount of land needed for public right-of-way.¹⁸ A net-to-gross conversion is expressed as a percentage of gross acres that are in public right-of-way.

Based on empirical evaluation of Tualatin's existing net-to-gross ratios, ECONorthwest uses a net-to-gross conversion factor of 9% for industrial and 27% for commercial.

Using these assumptions, the forecasted growth of 12,854 new employees. Exhibit 19 displays and accounts for 12,591 new employees as government employees (263 employees) were deducted from the analysis of land demand. Tualatin will accommodate new government employees in Institutional plan designations. The 12,591 new employees will result in the following demand for vacant (and partially vacant) employment land: 424 gross acres of industrial land, 53 gross acres of retail commercial land, and 200 gross acres of office and commercial services land.

Exhibit 19. Demand for Vacant Land to Accommodate Employment Growth, Tualatin Planning Area, 2020–2040

Source: ECONorthwest.

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	5,786	15	386	424
Retail Commercial	968	25	39	53
Office & Commercial Services	5,837	40	146	200
Total	12,591	-	570	677

Exhibit 20 shows land demand by general plan designation based on the existing distribution of employment in Exhibit 13. For example, Exhibit 20 assumes that 94% of growth in industrial employment (demand for 424 acres shown in Exhibit 19) will occur in industrial plan designations, with 4% in commercial plan designations and 3% in residential plan designations.

¹⁸ OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

Exhibit 20. Demand for Vacant Land to Accommodate Employment Growth by Generalized Plan Designation, Tualatin Planning Area, 2020—2040

Source: ECONorthwest.

Land Usa Type		Total (Acre)			
Land Use Type -	Industrial	Commercial	Residential	Institutional	Total (Acre)
Industrial	397	16	11	-	424
Retail, Office, & Com Services	51	170	31	1	253
Total (Acres)	448	186	42	1	677

Site Needs for Potential Growth Industries

Note to reviewers: We will add more to this section after discussions with CAC and other stakeholders.

OAR 660-009-0015(2) requires the EOA to "identify the number of sites by type reasonably expected to be needed to accommodate the expected [20-year] employment growth based on the site characteristics typical of expected uses." The Goal 9 rule does not specify how jurisdictions conduct and organize this analysis.

The rule, OAR 660-009-0015(2), does state that "[i]ndustrial or other employment uses with compatible site characteristics may be grouped together into common site categories." The rule suggests, but does not require, that the city "examine existing firms in the planning area to identify the types of sites that may be needed." For example, site types can be described by: (1) plan designation (e.g., heavy or light industrial), (2) general size categories that are defined locally (e.g., small, medium, or large sites), or (3) industry or use (e.g., manufacturing sites or distribution sites). For purposes of the EOA, Tualatin groups its future employment uses into categories based on their need for land with a particular plan designation (i.e., industrial or commercial) and by their need for sites of a particular size.

Based on the forecast of employment growth in Exhibit 16 and the average business size of business in Tualatin in 2017 (using analysis of Quarterly Census of Employment and Wage data), employment growth in Tualatin will require:

- Industrial employment will grow by 5,785 employees, with 5,785 employees requiring vacant land. The average site of industrial employers in Tualatin in 2017 was 26 employees per business. At that average size, Tualatin will need 223 industrial sites. Exhibit 26 (in Chapter 4) shows that Tualatin has 697 sites for industrial development (with a total of 374 vacant buildable acres of land). The majority of these sites (626 sites) are smaller than 0.5 acres. Tualatin has seven industrial sites between 10 and 20 acres and 2 industrial sites larger than 20 acres. These sites provide a range of sizes that may be needed by future industrial businesses in Tualatin.
- Commercial employment will grow by 6,805 employees, with 6,805 employees requiring vacant land. The average site of commercial employers in Tualatin in 2017 was 13 employees per business. At that average size, Tualatin will need 511 commercial sites. Exhibit 26 (in Chapter 4) shows that Tualatin has 149 sites for commercial development (with a total of 10.5 vacant buildable acres of land). The majority of these sites (143 sites)

are smaller than 0.5 acres. Tualatin has four commercial sites between 0.5 and 1 acre, 1.0 commercial between 1 and 2 acres, and one commercial site between 2 and 5 acres. Limited available sites will affect commercial development in Tualatin.

The potential growth industries described in the prior section are a mixture of business sizes, from small businesses to larger businesses. For the most part, Tualatin's potential growth industries need relatively flat sites, especially for industrial or manufacturing businesses, with access to arterial roads to connect with I-5 or key employment centers in Beaverton, Hillsboro, and Portland.

Manufacturing and other industrial businesses that are likely to locate in Tualatin will have a range of space needs:

- Small-scale manufacturing spaces. Businesses would be located in an industrial building with many other users.
- Space in flex-service buildings. These businesses may locate in a building that includes other industrial businesses, as well as commercial businesses that prefer to locate in flex space buildings. Per a 2019 discussion with GPI, we find that vacancy rates in flex-service buildings are exceptionally low, compared to more traditional employment spaces.
- **Mid-sized manufacturing**. Businesses would be located potentially in a building with a few other businesses. Between 2015 and 2019, Greater Portland Inc. (GPI) reported manufacturing projects in its pipeline that requested an average square footage between 35,000 square feet (approximately two to four-acre sites) and 118,000 square feet (approximately eight to 10-acre sites). Average space needs (per square foot) have increased each year, between 2015 and 2019.

Retail, Office, and Commercial Service businesses have a range of space needs, ranging from:

- **Small-sized or mid-sized space**. Between 2015 and 2019, on average, GPI reported office projects seeking sites that range from about 14,045 square feet to about 39,000.
- Space in a building dominated by one firm or in a building with many other businesses. Some commercial employment will locate in a newly constructed building with other commercial businesses of all types. This could potentially be with other commercial (or light industrial) uses in the building. Other businesses may require or desire their own space.
- Land for construction of a building designed for the firm. However, in the case where the business needs to build a building, they are typically seeking existing space rather than land to build a new facility.

¹⁹ Greater Portland Inc. (May 2019). "Almost Mid-Year Pipeline Analysis."

Overall, of the businesses included in GPI's 2019 pipeline analysis—both office and manufacturing projects—consistently requested existing space over "greenfield" space for their facility. In 2019, about 33% requested either greenfield space specifically (12%) or existing *or* greenfield space (21%), up from 21% in 2017.



4. Buildable Lands Inventory

This chapter provides a summary of the commercial and industrial buildable lands inventory (BLI) for the Tualatin Planning Area. The buildable lands inventory analysis complies with statewide planning Goal 9 policies that govern planning for employment uses. The detailed methodology used to complete the buildable lands inventory completed is presented in Appendix B.

First, the analysis established the employment land base (parcels or portion of parcels with appropriate zoning), classified parcels by buildable status, identified/deducted environmental constraints, and lastly summarized total buildable area by plan designation.

Definitions

ECONorthwest developed the buildable lands inventory with a tax lot database from Metro Regional Land Information Systems (RLIS). Maps produced for the buildable lands inventory used a combination of GIS data based on the Metro BLI for the 2018 Urban Growth Report, adopted maps, and visual verification to verify the accuracy of Metro data. The tax lot database is current as of 2016, accounting for changes and development updates through April 2019. The inventory builds from the database to estimate buildable land per plan designations that allow employment uses. The following definitions were used to identify buildable land for inclusion in the inventory:

- Vacant land. Tax lots designated as vacant by Metro based on the following criteria: (1) fully vacant based on Metro aerial photo; (2) tax lots with less than 2,000 square feet developed and developed area is less than 10% of lot; (3) lots 95% or more vacant from GIS vacant land inventory.
- Partially vacant land. Tax lots located on land designated for employment uses but have an existing single-family structure. These lots are assumed to likely develop with an employment use within the planning period.
- Potentially redevelopable land. Lots determined to have redevelopment capacity based on Metro's Threshold Price methodology. This method identifies lots that meet size and price thresholds based on location in the Metro UGB and plan designation. The methods use property value thresholds where it is economically viable to for a lot to redevelop. For example, if the unconstrained area of tax lot in a Central Commercial plan designation is greater than 0.249 acres, and the real market value per square foot is below \$12, then the unconstrained acreage is considered as potentially redevelopable.
- Public or exempt land. Lands in public or semi-public ownership are considered unavailable for commercial or industrial development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches and

- other semi-public organizations and properties with conservation easements. These lands are identified using the Metro's definitions and categories.
- Developed land. Lands not classified as vacant, partially vacant, or public/exempt are
 considered developed. Developed land includes lots with redevelopment capacity,
 which are also included in BLI. The capacity of developed but redevelopable lots is
 based on Metro's estimates.

Development Constraints

Consistent with state guidance on buildable lands inventories, ECONorthwest deducted the following constraints from the buildable lands inventory and classified those portions of tax lots that fall within the following areas as constrained, unbuildable land:

- Lands within floodplains. Flood Insurance Rate Maps from the Federal Emergency
 Management Agency (FEMA) were used to identify lands in floodways and 100-year
 floodplains, as well as lands identified in Metro's Title 3 Stream and Floodplain
 Protection Plan.
- Land within natural resource protection areas. The Locally Significant Wetlands shapefile was used to identify areas within wetlands. Riparian corridors and other natural resource areas identified in Tualatin's Natural Resource Protection Overlay District were all considered undevelopable. These areas are consistent with the City's Development Code Chapter 72.
- Land with slopes over 15%. Lands with slopes over 15% are considered unsuitable for commercial or industrial development.



Buildable Lands Inventory Results

Land Base

Exhibit 21 shows commercial and industrial land in Tualatin by classification (development status). The results show that the Tualatin Planning Area has 2,731 total acres in commercial or industrial plan designations. Of these 2,731 acres, about 1,534 acres (56%) are classified as Developed or Public (or Exempt) and do not have development capacity, about 683 acres (25%) are on lots classified as potentially redevelopable, and the remaining 514 acres (19%) are Vacant or Partially Vacant and have development capacity (not including development constraints).

Exhibit 21. Commercial and industrial acres by classification and plan designation, Tualatin Planning Area, 2019

Source: Metro BLI, ECONorthwest Analysis. Note: The numbers in the table may not sum to the total as a result of rounding.

Generalized Plan Designation	Vacant	Partially Vacant	Developed	Public or Exempt	Potentially Redevelopable	Total Acres	Percent of Total
Commercial							
Central Commercial	-	-	0	4	-	4	0%
General Commercial	4	-	125	3	3	134	5%
Medical Commercial	-	-	-	46	-	46	2%
Neighborhood Commercial	-	-	-	-	-	-	0%
Office Commercial	3	-	53	19	3	78	3%
Recreational Commercial	-	-	9	-	-	9	0%
Industrial							
General Manufacturing	184	-	569	97	264	1,114	41%
Light Manufacturing	35	-	214	54	43	346	13%
Manufacturing Business Park	107	-	3	1	260	372	14%
Manufacturing Park	60	-	40	27	89	216	8%
Mixed-Use Commercial Overlay Zone							
General Commercial	-	-	25	-	-	25	1%
Central Tualatin Overlay Zone							
Central Commercial	3	-	95	50	5	153	6%
General Commercial	-	-	7	0	-	7	0%
Office Commercial	-	-	23	-	-	23	1%
General Manufacturing	-	-	33	-	-	33	1%
Light Manufacturing	-	-	17	-	-	17	1%
Basalt Creek Planning Area							
Manufacturing Park	36	78	2	19	15	150	5%
Neighborhood Commercial	4	1	-			4	0%
Total	436	78	1,215	319	683	2,731	100%

Exhibit 22 shows land in all commercial and industrial plan designations by development and constraint status. After development constraints have been applied, about 63% of Tualatin's total employment land (1,714 acres) has no development capacity (i.e., committed), 23% (632 acres) is constrained, and 14% (385 acres) are unconstrained and buildable.

Exhibit 22. Commercial and industrial land by comprehensive Plan Designation and constraint status, Tualatin Planning Area, 2019

Source: Metro BLI, ECONorthwest Analysis. Note: The numbers in the table may not sum to the total as a result of rounding.

Generalized Plan Designation	Total acres	Committed acres	Constrained acres	Buildable acres
Commercial				
Central Commercial	4	0	4	0
General Commercial	134	117	13	4
Medical Commercial	46	43	3	0
Neighborhood Commercial	0	0	0	0
Office Commercial	78	63	12	3
Recreational Commercial	9	2	6	0
Industrial				
General Manufacturing	1,114	694	321	99
Light Manufacturing	346	283	34	29
Manufacturing Business Park	372	211	76	85
Manufacturing Park	216	129	31	56
Mixed-Use Commercial Overlay Zone				
General Commercial	25	20	5	0
Central Tualatin Overlay Zone				
Central Commercial	153	45	108	0
General Commercial	7	2	5	0
Office Commercial	23	18	4	0
General Manufacturing	33	28	6	0
Light Manufacturing	17	17	0	0
Basalt Creek Planning Area				
Manufacturing Park	150	41	4	105
Neighborhood Commercial	4	0	0	4
Total	2,731	1,714	632	385

Vacant Buildable Land

Exhibit 23 shows buildable acres (e.g., acres in tax lots after constraints are deducted) for vacant and partially vacant land by plan designation. Of Tualatin's 385 unconstrained buildable commercial or industrial acres, about 82% are in tax lots classified as vacant, and 18% are in tax lots classified as partially vacant. About 28% of Tualatin's buildable commercial and industrial land is located in the Basalt Creek Planning Area.

Exhibit 23. Buildable acres in vacant and partially vacant tax lots by plan designation and zoning, Tualatin Planning Area, 2019

Source: Metro BLI, ECONorthwest Analysis. Note: The numbers in the table may not sum to the total as a result of rounding.

Generalized Plan Designation	Total buildable acres	Buildable acres on vacant lots	Buildable acres on partially vacant lots
Commercial			
Central Commercial	0	0	0
General Commercial	4	4	0
Medical Commercial	0	0	0
Neighborhood Commercial	0	0	0
Office Commercial	3	3	0
Recreational Commercial	0	0	0
Industrial			
General Manufacturing	99	99	0
Light Manufacturing	29	29	0
Manufacturing Business Park	85	85	0
Manufacturing Park	56	56	0
Mixed-Use Commercial Overlay Zone			
General Commercial	0	0	0
Central Tualatin Overlay Zone			
Central Commercial	0	0	0
General Commercial	0	0	0
Office Commercial	0	0	0
General Manufacturing	0	0	0
Light Manufacturing	0	0	0
Basalt Creek Planning Area			
Manufacturing Park	105	35	70
Neighborhood Commercial	4	4	0
Total	385	314	70

Exhibit 24 and Exhibit 25 (upcoming pages) show the results of Tualatin's commercial and industrial BLI.

Exhibit 24. Commercial and industrial land by development status with constraints, Tualatin Planning Area, 2019

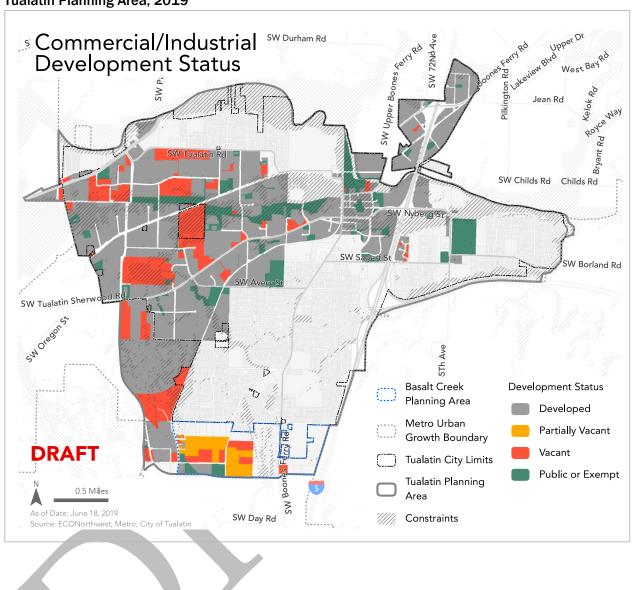


Exhibit 25. Unconstrained vacant and partially vacant commercial and industrial land, Tualatin Planning Area, 2019

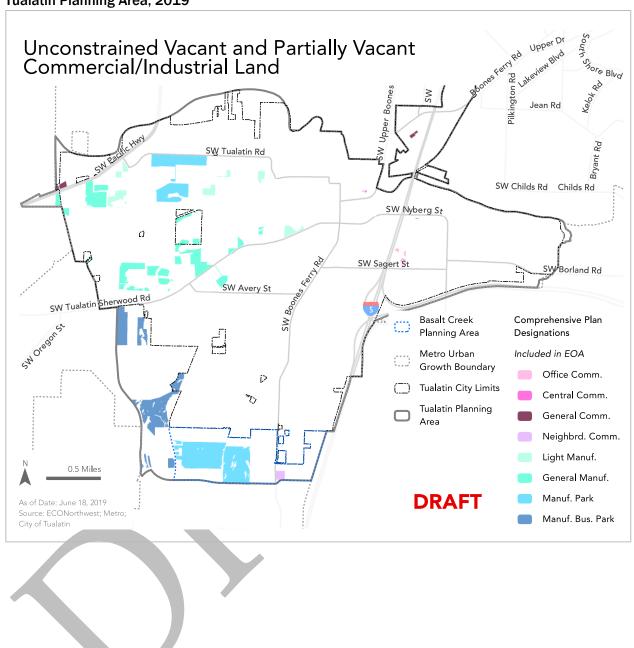


Exhibit 26 shows the size of lots by plan designations for buildable employment land. Tualatin has:

- 769 lots that are smaller than 0.5 acres (with 4.7 acres of land),
- 9 lots between 0.5 and 1 acres (6.3 acres of land),
- 13 lots between 1 and 2 acres (19.6 acres of land),
- 35 lots between 2 and 5 acres in size (132 acres of land),
- 11 lots between 5 and 10 acres in size (81 acres of land),
- 7 lots between 10 and 20 acres in size (95.5 acres of land), and
- 2 lots 20 acres or more in size (45.3 acres of land).

Exhibit 26. Lot size by plan designation, buildable acres, Tualatin Planning Area, 2019 Source: ECONorthwest analysis of data from Metro.

· · · · · · · · · · · · · · · · · · ·					· ·		
	Buildable acres in taxlots						
	<0.5 acres	0.5-1 acres	1-2 acres	2-5 acres	5-10 acres	10-20 acres	20+ acres
Buildable acres on tax lots							
Commercial							
General Commercial	0.4	1.5	1.9	0.0	0.0	0.0	0.0
Office Commercial	1.7	1.1	0.0	0.0	0.0	0.0	0.0
Industrial							
General Manufacturing	0.1	2.8	2.8	36.5	17.6	39.8	0.0
Light Manufacturing	0.0	0.0	9.7	13.3	5.8	0.0	0.0
Manufacturing Business Park	0.0	0.0	4.1	19.4	27.5	13.1	20.9
Manufacturing Park	0.0	0.0	0.0	0.0	0.0	31.5	24.4
Basalt Creek Planning Area							
Manufacturing Park	2.3	0.9	1.2	59.1	30.2	11.2	0.0
Neighborhood Commercial	0.3	0.0	0.0	3.7	0.0	0.0	0.0
Acreage subtotal	4.7	6.3	19.6	132.0	81.0	95.5	45.3
Number of taxlots with buildable acreage							
Commercial							
General Commercial	75	2	1	0	0	0	0
Office Commercial	67	2	0	0	0	0	0
Industrial							
General Manufacturing	432	4	2	10	2	3	0
Light Manufacturing	126	0	6	4	1	0	0
Manufacturing Business Park	28	0	3	6	4	1	1
Manufacturing Park	12	0	0	0	0	2	1
Basalt Creek Planning Area							
Manufacturing Park	28	1	1	14	4	1	0
Neighborhood Commercial	1	0	0	1	0	0	0
Tax lot count subtotal	769	9	13	35	11	7	2

Redevelopment Potential

Over the 20-year study period a share of developed lots are likely to redevelop within new buildings. To account for the development capacity on these developed lots, Metro identifies a subset of developed lots as "redevelopable". Metro has created two "filters" to identify lots with the potential to redevelop.

- Threshold Method. This method identifies lots that meet size and price thresholds based on location in the Metro UGB and plan designation. The method uses property value thresholds where it is economically viable to for a lot to redevelop. For example, if the *unconstrained* area of tax lot in a Central Commercial plan designation is greater than 0.249 acres, and the real market value per square foot is below \$12, then the unconstrained acreage is considered as potentially redevelopable.²⁰
- Historic Probability Method. This method determines the probably of a lot redeveloped based on a statistical analysis of lots that historically redeveloped within the region. The probability for each lot is multiplied by the total zoned capacity of the lot to determine the likely future capacity.

For the Tualatin BLI, ECONorthwest proposes to use redevelopable acreage identified based on the Threshold method, a recommendation that is based on discussion with Metro staff. Exhibit 8 shows the estimate of potentially redevelopable acreage by plan designation.



²⁰ "Appendix 2: Buildable Land Inventory." Oregon Metro. Urban Growth Report 2018. https://www.oregonmetro.gov/sites/default/files/2018/12/03/Appendix2-BuildableLandsInventory 12032018.pdf

Exhibit 27. Estimate of potentially redevelopable land by plan designation, Tualatin Planning Area, 2019 Source: Metro BLI, using 2016 data to calculate redevelopment potential.

Generalized Plan Designation	Potentially Redevelopable Acres
Commercial	
Central Commercial	0
General Commercial	3
Medical Commercial	0
Neighborhood Commercial	0
Office Commercial	1
Recreational Commercial	0
Industrial	
General Manufacturing	135
Light Manufacturing	37
Manufacturing Business Park	71
Manufacturing Park	36
Mixed-Use Commercial Overlay Zone	
General Commercial	0
Central Tualatin Overlay Zone	
Central Commercial	0
General Commercial	0
Office Commercial	0
General Manufacturing	0
Light Manufacturing	0
Basalt Creek Planning Area	
Manufacturing Park	15
Neighborhood Commercial	0
Total	297



5. Land Sufficiency and Conclusions

This chapter presents conclusions about Tualatin's employment land sufficiency for the 2020-2040 period. The chapter then concludes with a discussion about Tualatin's land base and its ability to accommodate growth over the next 20 years, as well as recommendations for the City to consider, ensuring it meets its economic growth needs throughout the planning period.

Land Sufficiency

Exhibit 28 shows commercial and industrial land sufficiency within the Tualatin Planning Area. It shows:

- Vacant and Potentially Redevelopable Unconstrained Land within the Tualatin Planning Area (see Exhibit 23). Exhibit 28 shows that Tualatin has 374 gross acres of industrial land and 11 gross acres of commercial land.
- **Demand for Commercial and Industrial Land** in the Tualatin Planning Area (see Exhibit 19 and Exhibit 20). Exhibit 28 shows Tualatin will need a total of 448 gross acres for industrial uses, and 186 gross acres for commercial uses (including retail and office) over the 2020—2040 period.

Exhibit 28 shows that Tualatin has:

- A 74-acre deficit of industrial land in the Tualatin Planning Area.
- A 175-acre deficit of commercial land (including retail and office) in the Tualatin Planning Area.

Exhibit 28. Comparison of the Capacity of Unconstrained Vacant and Potentially Redevelopable Land with Employment Land Demand by Land Use Type, Tualatin Planning Area, 2020—2040 Source: ECONorthwest. Note: Employment demand requires an additional 42 gross acres on land in residential plan designations and one gross acre on land in an institutional (public) plan designation.

General Plan Designation	Land Supply (Suitable Gross Acres)	Land Demand (Gross Acres)	Land Sufficiency (Deficit)
Industrial	374	448	(74)
Commercial (incl Retail and Office)	11	186	(175)

Conclusions

The conclusions about commercial and industrial land sufficiency in Tualatin are:

- Tualatin is forecast to grow by about 12,850 new employees over the 2020 to 2040 period, with about 5,800 new industrial employees, about 6,800 new employees in retail, office, and commercial services, with the remaining employees in government.
- Tualatin has a deficit of land to accommodate new employment growth. Tualatin has a deficit of about 74 acres of land in industrial plan designations and 175 acres of employment in commercial plan designations to accommodate employment. Tualatin will need to consider policies to increase the efficiency of employment land use within the City, such as policies to encourage denser employment development and redevelopment that results in higher density development.
- Tualatin's comparative advantages for economic development are its location along the I-5 corridor and proximity to urban and cultural amenities/services in the Portland Region making Tualatin an attractive place for businesses to locate. Tualatin is also advantaged by its access to the regional labor market and the region's growing labor force comprising diverse skill sets.
- Tualatin will need to address transportation capacity issues to accommodate growth, particularly along regional connectors (roads and avenues).
- Growth in Basalt Creek will prompt the need for new pipes, pump stations, and potentially another reservoir to accommodate water and wastewater capacity demands in the sub-area. If Tualatin wishes to accommodate businesses that are more water-intensive, Tualatin will need to look to new or additional water supplies (such as the Willamette River).

Note to reviewers: The final version of the EOA will include more detailed conclusions, including conclusions related to the economic development strategy.

Appendix A. National, State, and Regional and Local Trends

National Trends

Economic development in Tualatin over the next 20 years will occur in the context of long-run national trends. The most important of these trends include:

• **Economic growth will continue at a moderate pace**. Analysis from the Congressional Budget Office (CBO) predicts real GDP to grow by 3.1% in 2018, 2.4% in 2019, and settle just under 2% growth for the rest of the decade (through 2028), assuming current laws remain intact.²¹

The unemployment rate is expected to decrease to 3.6% by the end of 2018 and fall to 3.4% in 2019. Thereafter, the CBO predicts the unemployment rate will rise to 3.8% in 2020 and approach 4.8% through the end of the forecast period (2028).²²

As demand for labor increases and market competition for workers pushes the growth of hourly wage compensation, the CBO projects "the increase in labor compensation, in turn, dampens demand for labor, slowing employment growth and, by 2020, diminishing the positive employment gaps."²³

■ The aging of the Baby Boomer generation accompanied by increases in life expectancy. As the Baby Boomer generation continues to retire, the number of Social Security recipients is expected to increase from 61 million in 2017 to over 86 million in 2035, a 41% increase. However, due to lower-birth rate replacement generations, the number of covered workers is only expected to increase 9% over the same time period, from 174 million to almost 190 million in 2035. Currently, there are 35 Social Security beneficiaries per 100 covered workers in 2014 but by 2035 there will be 46 beneficiaries per 100 covered workers. This will increase the percent of the federal budget dedicated to Social Security and Medicare.²⁴

Baby Boomers are expecting to work longer than previous generations. An increasing proportion of people in their early- to mid-50s expect to work full-time after age 65. In 2004, about 40% of these workers expect to work full-time after age 65, compared with

²¹ Congressional Budget Office. *An Update to the Economic Outlook:* 2018 to 2028. August 2018. Retrieved from: https://www.cbo.gov/system/files?file=2018-08/54318-EconomicOutlook-Aug2018-update.pdf.

²² Ibid.

²³ Ibid.

²⁴ The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2015, *The 2018 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, June 5, 2018. Retrieved from: https://www.ssa.gov/oact/tr/2018/tr2018.pdf.

about 30% in 1992.²⁵ This trend can be seen in Oregon, where the share of workers 65 years and older grew from 2.9% of the workforce in 2000 to 4.1% of the workforce in 2010. In 2017, this share reached 5.5%, or a 90% increase over the 2000 to 2017 period. Over the same seventeen-year period, workers 45 to 64 years increased by about 7%.²⁶

- The population identifying as Latinx will continue to grow and be an important driver in the economy. The U.S. Census projects that by about 2040, the Latinx population will account for one-quarter of the nation's population. The share of Latinx population in the Western U.S. is likely to be higher. The Latinx population currently accounts for about 16% of Tualatin's population. In addition, the Latinx population is generally younger than the U.S. average, with many Latinx individuals belonging to the Millennial generation.
- Need for replacement workers. The need for workers to replace retiring Baby Boomers will outpace job growth. According to the Bureau of Labor Statistics, total employment in the United States will grow by about 11.5 million jobs over 2016 to 2026. Annually, they estimate there will be 18.7 million occupational openings over the same period. This exhibits the need for employees over the next decade as the quantity of openings per year is large relative to expected employment growth. About 71% of annual job openings are in occupations that do not require postsecondary education.²⁷
- The importance of education as a determinant of wages and household income. According to the Bureau of Labor Statistics, a majority of the fastest growing occupations will require an academic degree, and on average, they will yield higher incomes than occupations that do not require an academic degree. The fastest-growing occupations requiring an academic degree will be registered nurses, software developers, general and operations managers, accountants and auditors, market research analysts and marketing specialists, and management analysts. Occupations that do not require an academic degree (e.g., retail sales person, food preparation workers, and home care aides) will grow, accounting for approximately 71% of all new jobs by 2026. These occupations typically have lower pay than occupations requiring an academic degree.²⁸

The national median income for people over the age of 25 in 2017 was about \$47,164. Workers without a high school diploma earned \$20,124 less than the median income, and workers with a high school diploma earned \$10,140 less than the median income. Workers with some college earned \$6,916 less than median income, and workers with a bachelor's degree earned \$13,832 more than median. Workers in Oregon experience the

²⁵ "The Health and Retirement Study," 2007, National Institute of Aging, National Institutes of Health, U.S. Department of Health and Human Services.

²⁶ Analysis of 2000 Decennial Census data, 2010 U.S. Census American Community Survey, 1-Year Estimates, and 2017 U.S. Census American Community Survey, 1-Year Estimates, for the table Sex by Age by Employment Status for the Population 16 Years and Over.

²⁷ "Occupational Employment Projections to 2016-2026," Bureau of Labor Statistics, 2018.

²⁸ "Occupational Employment Projections to 2016-2026," Bureau of Labor Statistics, 2018.

same patterns as the nation, but pay is generally lower in Oregon than the national average.²⁹

• Increases in labor productivity. Productivity, as measured by output per hour of labor input, increased in most sectors between 2000 and 2010, peaking in 2007. However, productivity increases were interrupted by the recession. After productivity decreases from 2007 to 2009, many industries saw large productivity increases from 2009 to 2010. Industries with the fastest productivity growth were Information Technology-related industries. These include wireless telecommunications carriers, computer and peripheral equipment manufacturing, electronics and appliance stores, and commercial equipment manufacturing wholesalers.³⁰

Since the end of the recession (or 2010), labor productivity has increased across a handful of large sectors but has also decreased in others. In wholesale trade, productivity—measured in output per hour—increased by 19% over 2009 to 2017. Retail trade gained even more productivity over this period at 25%. Food services, however, have remained stagnant since 2009, fluctuating over the nine-year period and shrinking by 0.01% over this time frame. Additionally, the Bureau of Labor Statistics reports multifactor productivity in manufacturing has been slowing down 0.3% per year over the 2004 to 2016 period. Much of this, they note, is due to slowdown in semiconductors, other electrical component manufacturing, and computer and peripheral equipment manufacturing.³¹

■ The importance of entrepreneurship and growth in small businesses. According to the 2018 Small Business Profile from the US Small Business Office of Advocacy, small businesses account for over 99% of total businesses in the United States, and their employees account for nearly 50% of American workers.³² The National League of Cities suggests ways that local governments can attract entrepreneurs and increase the number of small businesses including strong leadership from elected officials; better communication with entrepreneurs, especially about the regulatory environment for businesses in the community; and partnerships with colleges, universities, small business development centers, mentorship programs, community groups, businesses groups, and financial institutions.³³

²⁹ Bureau of Labor Statistics, Employment Projections, March 2018. http://www.bls.gov/emp/ep_chart_001.htm

³⁰ Brill, Michael R. and Samuel T. Rowe, "Industry Labor Productivity Trends from 2000 to 2010." Bureau of Labor Statistics, *Spotlight on Statistics*, March 2013.

³¹ Michael Brill, Brian Chanksy, and Jennifer Kim. "Multifactor productivity slowdown in U.S. manufacturing," *Monthly Labor Review*, U.S. Bureau of Labor Statistics, July 2018. Retrieved from:

https://www.bls.gov/opub/mlr/2018/article/multifactor-productivity-slowdown-in-us-manufacturing. htm.

³² US Small Business Office of Advocacy. 2018 Small Business Profile.

https://www.sba.gov/sites/default/files/advocacy/2018-Small-Business-Profiles-US.pdf

³³ National League of Cities "Supporting Entrepreneurs and Small Businesses" (2012). https://www.nlc.org/supporting-entrepreneurs-and-small-business

■ Increases in automation across sectors. Automation is a long-running trend in employment, with increases in automation (and corresponding increases in productivity) over the last century and longer. The pace of automation is increasing, and the types of jobs likely to be automated over the next 20 years (or longer) is broadening. Lower paying jobs are more likely to be automated, with potential for automation of more than 80% of jobs paying less than \$20 per hour over the next 20 years. About 30% of jobs paying \$20 to \$40 per hour and 4% of jobs paying \$40 or more are at risk of being automated over the next 20 years.³⁴

Low- to middle-skilled jobs that require interpersonal interaction, flexibility, adaptability, and problem solving will likely persist into the future as will occupations in technologically lagging sectors (e.g. production of restaurant meals, cleaning services, hair care, security/protective services, and personal fitness).³⁵ This includes occupations such as (1) recreational therapists, (2) first-line supervisors of mechanics, installers, and repairers, (3) emergency management directors, (4) mental health and substance abuse social workers, (5) audiologists, (6) occupational therapists, (7) orthotists and prosthetists, (8) healthcare social workers, (9) oral and maxillofacial surgeons, and (10) first-line supervisors of firefighting and prevention workers. Occupations in the service and agricultural or manufacturing industry are most at-risk of automation because of the manual-task nature of the work.^{36,37,38} This includes occupations such as (1) telemarketers, (2) title examiners, abstractors, and searchers, (3) hand sewers, (4) mathematical technicians, (5) insurance underwriters, (6) watch repairers, (7) cargo and freight agents, (8) tax preparers, (9) photographic process workers and processing machine operators, and (10) accounts clerks.³⁹

Consolidation of Retail. Historical shift in retail businesses, starting in the early 1960s, was the movement from one-off, 'mom and pop shops' toward superstores and the clustering of retail into centers or hubs. Notably, we still see this trend persist; for example, in 1997, the 50 largest retail firms accounted for about 26% of retail sales and by 2007, they accounted for about 33%. The more recent shift began in the late 1990s, where technological advances have provided consumers the option to buy goods

³⁴ Executive Office of the President. (2016). Artificial Intelligence, Automation, and the Economy.

³⁵ Autor, David H. (2015). Why Are There Still So Many Jobs? The History and Future of Workplace Automation. Journal of Economic Perspectives, Volume 29, Number 3, Summer 2015, Pages 3–30.

³⁶ Frey, Carl Benedikt and Osborne, Michael A. (2013). The Future of Employment: How Susceptible Are Jobs to Computerisation? Oxford Martin School, University of Oxford.

³⁷ Otekhile, Cathy-Austin and Zeleny, Milan. (2016). Self Service Technologies: A Cause of Unemployment. International Journal of Entrepreneurial Knowledge. Issue 1, Volume 4. DOI: 10.1515/ijek-2016-0005.

³⁸ PwC. (n.d.). Will robots really steal our jobs? An international analysis of the potential long-term impact of automation.

³⁹ Frey, Carl Benedikt and Osborne, Michael A. (2013). The Future of Employment: How Susceptible Are Jobs to Computerisation? Oxford Martin School, University of Oxford.

⁴⁰ Hortaçsu, Ali and Syverson, Chad. (2015). The Ongoing Evolution of US Retail: A Format Tug-of-War. Journal of Economic Perspectives, Volume 29, Number 4, Fall 2015, Pages 89-112.

through e-commerce channels. The trend toward e-commerce has become increasingly preferential to millennials and Generation X, who are easier to reach online and are more responsive to digital ads than older generations. Since 2000, e-commerce sales grew from 0.9% to 6.4% (2014) and are forecasted to reach 12% by 2020. It is reasonable to expect this trend to continue. With it has come closures of retail stores. By 2027 for example, an estimated 15% of about 1,050 U.S. malls in smaller markets will close, impacting local employment levels, local government revenue streams (tax dollars), and neighborhood character.

While it is unclear what impact e-commerce will have on employment and brick and mortar retail, it seems probable that e-commerce sales will continue to grow, shifting business away from some types of retail. Over the next decades, communities must begin considering how to redevelop and reuse retail buildings in shopping centers, along corridors, and in urban centers.

The types of retail and related services that remain will likely be sales of goods that people prefer to purchase in person or that are difficult to ship and return (e.g., large furniture), specialty goods, groceries and personal goods that maybe needed immediately, restaurants, and experiences (e.g., entertainment or social experiences).

- The importance of high-quality natural resources. The relationship between natural resources and local economies has changed as the economy has shifted away from resource extraction. High-quality natural resources continue to be important in some states, especially in the Western U.S. Increases in the population and in households' incomes, plus changes in tastes and preferences have dramatically increased demands for outdoor recreation, scenic vistas, clean water, and other resource-related amenities. Such amenities contribute to a region's quality of life and play an important role in attracting both households and firms.⁴²
- Continued increase in demand for energy. Energy prices are forecasted to increase over the planning period. While energy use per capita is expected to decrease through 2050, total energy consumption will increase with rising population. Energy consumption is expected to grow primarily from industrial (0.9%) and, to a lesser extent, commercial users (0.4%). Residential consumption is forecasted to stagnate (0.0%), and transportation will slightly decrease (-0.1%). This decrease in energy consumption for transportation is primarily due to increased federal standards and increased technology for energy efficiency in vehicles. Going forward through the projection period, potential changes in federal laws (such as decreases in car emissions) leave energy demand somewhat uncertain.

⁴¹ Pew Research Center (2010b). Generations 2010. Retrieved Online at: http://www.pewinternet.org/Reports/2010/Generations-2010.aspx

⁴² For a more thorough discussion of relevant research, *see*, for example, Power, T.M. and R.N. Barrett. 2001. *Post-Cowboy Economics: Pay and Prosperity in the New American West*. Island Press, and Kim, K.-K., D.W. Marcouiller, and S.C. Deller. 2005. "Natural Amenities and Rural Development: Understanding Spatial and Distributional Attributes." *Growth and Change* 36 (2): 273-297.

Energy consumption by type of fuel is expected to change over the planning period. By 2050, the U.S. will continue to shift from crude oil towards natural gas and renewables. For example, from 2017 to 2050, the Energy Information Administration projects that U.S. overall energy consumption will average a 0.4% annual growth rate, while consumption of renewable sources grows at 1.4% per year. With increases in energy efficiency, strong domestic production of energy, and relatively flat demand for energy by some industries, the U.S. will be able to be a net exporter of energy over the 2017 to 2050 period. Demand for electricity is expected to increase, albeit slowly, over 2017 to 2050 as population grows and economic activity increases.⁴³

- Impact of rising energy prices on commuting patterns. As energy prices increase over the planning period, energy consumption for transportation will decrease. These increasing energy prices may decrease willingness to commute long distances, though with expected increases in fuel economy, it could be that people commute further while consuming less energy. 44 Over 2019 to 2035, the U.S. Energy Information Administration estimates in its forecast that the decline in transportation energy consumption a result of increasing fuel economy more than offsets the total growth in vehicle miles traveled (VMT). VMT for passenger vehicles is forecasted to increase through 2050.
- Potential impacts of global climate change. The consensus among the scientific community that global climate change is occurring expounds important ecological, social, and economic consequences over the next decades and beyond. Extensive research shows that Oregon and other western states already have experienced noticeable changes in climate and predicts that more change will occur in the future. 46

In the Pacific Northwest, climate change is likely to (1) increase average annual temperatures, (2) increase the number and duration of heat waves, (3) increase the amount of precipitation falling as rain during the year, (4) increase the intensity of rainfall events, (5) increase sea level, (6) increase wildfire frequency, and (7) increase forest vulnerability to tree disease.⁴⁷ These changes are also likely to reduce winter snowpack and shift the timing of spring runoff earlier in the year.⁴⁸

⁴³ Energy Information Administration, 2018, *Annual Energy Outlook* 2018 with *Projections to* 2050, U.S. Department of Energy, February 2018. https://www.eia.gov/outlooks/aeo/pdf/AEO2018.pdf. Note, the cited growth rates are shown in the Executive Summary and can be viewed here: https://www.eia.gov/outlooks/aeo/data/browser/#/?id=2-AEO2018&cases=ref2018&sourcekey=0.

⁴⁴ Energy Information Administration, 2018, *Annual Energy Outlook 2018 with Projections to 2050*, U.S. Department of Energy, February 2018.

⁴⁵ U.S. Global Change Research Program. National Climate Assessment. 2018. https://nca2018.globalchange.gov/

⁴⁶ Oregon Global Warming Commission. 2018 Biennial Report to the Legislature. 2018. https://www.keeporegoncool.org/reports/

⁴⁷ U.S. Global Change Research Program. *National Climate Assessment*. "Chapter 24: Northwest." 2018. https://nca2018.globalchange.gov/chapter/24/

⁴⁸ Mote, P., E. Salathe, V. Duliere, and E. Jump. 2008. *Scenarios of Future Climate for the Pacific Northwest*. Climate Impacts Group, University of Washington. March. Retrieved June 16, 2009, from

These anticipated changes point toward some of the ways that climate change is likely to impact ecological systems and the goods and services they provide. There is considerable uncertainty about how long it would take for some of the impacts to materialize and the magnitude of the associated economic consequences. Assuming climate change proceeds as today's models predict, however, some of the potential economic impacts of climate change in the Pacific Northwest will likely include:⁴⁹

- Potential impact on agriculture and forestry. Climate change may impact Oregon's agriculture through changes in growing season, temperature ranges, and water availability.⁵⁰ Climate change may impact Oregon's forestry through an increase in wildfires, a decrease in the rate of tree growth, a change in the mix of tree species, and increases in disease and pests that damage trees.⁵¹
- Potential impact on tourism and recreation. Impacts on tourism and recreation may range from (1) decreases in snow-based recreation if snow-pack in the Cascades decreases, (2) negative impacts to tourism along the Oregon Coast as a result of damage and beach erosion from rising sea levels,⁵² (3) negative impacts on availability of water summer river recreation (e.g., river rafting or sports fishing) as a result of lower summer river flows, and (4) negative impacts on the availability of water for domestic and business uses.

Short-term national trends will also affect economic growth in the region, but these trends are difficult to predict. At times, these trends may run counter to the long-term trends described above. A recent example is the downturn in economic activity in 2008 and 2009 following declines in the housing market and the mortgage banking crisis. The result of the economic downturn was decreases in employment related to the housing market, such as construction and real estate. As these industries recover, they will continue to play a significant role in the

http://cses.washington.edu/db/pdf/moteetal2008scenarios628.pdf; Littell, J.S., M. McGuire Elsner, L.C. Whitely Binder, and A.K. Snover (eds). 2009. "The Washington Climate Change Impacts Assessment: Evaluating Washington's Future in a Changing Climate - Executive Summary." In The Washington Climate Change Impacts Assessment: Evaluating Washington's Future in a Changing Climate, Climate Impacts Group, University of Washington. Retrieved June 16, 2009, from www.cses.washington.edu/db/pdf/

wacciaexecsummary638.pdf; Madsen, T. and E. Figdor. 2007. When it Rains, it Pours: Global Warming and the Rising Frequency of Extreme Precipitation in the United States. Environment America Research & Policy Center and Frontier Group.; and Mote, P.W. 2006. "Climate-driven variability and trends in mountain snowpack in western North America." Journal of Climate 19(23): 6209-6220.

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⁴⁹ The issue of global climate change is complex and there is a substantial amount of uncertainty about climate change. This discussion is not intended to describe all potential impacts of climate change but to present a few ways that climate change may impact the economy of cities in Oregon and the Pacific Northwest.

⁵⁰ "The Economic Impacts of Climate Change in Oregon: A preliminary Assessment," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

⁵¹ "Economic Impacts of Climate Change on Forest Resources in Oregon: A Preliminary Analysis," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, May 2007.

⁵² "The Economic Impacts of Climate Change in Oregon: A preliminary Assessment," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

national, state, and local economy over the long run. This report takes a long-run perspective on economic conditions (as the Goal 9 requirements intend) and does not attempt to predict the impacts of short-run national business cycles on employment or economic activity.

State Trends

Short-Term Trends

According to the Oregon Office of Economic Analysis (OEA), the Oregon economy "continues to hit the sweet spot." They also report, "job gains are enough to match population growth and absorb the workers coming back into the labor market. Wages are rising faster than in the typical state, as are household incomes." Though they note recent growth is slower than growth experienced several years ago.

Wages in Oregon continue to remain below the national average, but they are at its highest point relative to the early 1980s. The OEA reports that new Oregon Employment Department research "shows that median hourly wage increase for Oregon workers since 2014 has been 3.1 percent annually for the past three years." These wage increases are "substantially stronger for the Oregonians who have been continually employed over the last three years."

By the end of 2018, the OEA forecasts 41,700 jobs will be added to Oregon's economy. This is an approximate 2.2% annual growth in total nonfarm employment relative to 2017 levels.⁵⁷ The leisure and hospitality, construction, professional and business services, and health services industries are forecasted to account for well over half of the total job growth in Oregon for 2018. Oregon continues to have an advantage in job growth compared to other states, due to its industrial sector and in-migration flow of young workers in search of jobs.

The housing market continues to recover as Oregon's economy improves. Oregon is seeing an increase in household formation rates, which is good for the housing market as this will "help drive up demand for new houses". 58 Though younger Oregonians are tending to live at home with their parents longer, the aging Millennial generation (from their early 20s to mid-to-late 30s) and the state's increase in migration will drive demand for homes in the coming years. Housing starts in 2018 are on track to just under 22,000 units annually. This is "driven in large part by a decline in multifamily permit activity." Through 2020, the OEA forecasts moderate to strong housing growth. Beyond this time frame, the OEA forecasts an average growth of 24,000

⁵³ Office of Economic Analysis. Oregon Economic and Revenue Forecast, September 2018. Vol. XXXVIII, No. 3, page 2.

⁵⁴ Ibid, page 2.

⁵⁵ Ibid, page 5.

⁵⁶ *Ibid*, page 5.

⁵⁷ *Ibid*, page 13.

⁵⁸ *Ibid*, page 13.

⁵⁹ *Ibid*, page 13.

units per year to satisfy the demand for Oregon's growing population and to make up for the under development of housing post-recession.⁶⁰

The Oregon Index of Leading Indicators (OILI) has grown quite rapidly since January 2017. The leading indicators showing improvement are: consumer sentiment, industrial production, initial claims, the manufacturing purchasing managers index (PMI), new incorporations, semiconductor billings, and withholdings. The indicators that are slowing include air freight and the Oregon Dollar Index and the indicators not improving include help wanted ads and housing permits.⁶¹

Oregon's economic health is dependent on the export market. The value of Oregon exports in 2017 was \$21.9 billion. The countries that Oregon exports the most to are China (18% of total Oregon exports), Canada (11%), Malaysia (11%), South Korea (9%), Japan (8%), and Vietnam (7%).⁶² With straining trade relations overseas, specifically with China, Oregon exports are left potentially vulnerable, as China is a top destination for Oregon exports.⁶³ An economic slowdown across many parts of Asia will have a spillover effect on the Oregon economy. Furthermore, with the United States' withdrawal from the Trans-Pacific Partnership in January 2017, it is unclear how much Pacific Northwest trade will be impacted in the years to come.

Long-term Trends

State, regional, and local trends will also affect economic development in Tualatin over the next 20 years. The most important of these trends includes continued in-migration from other states, distribution of population and employment across the state, and change in the types of industries in Oregon.

■ Continued in-migration from other states. Oregon will continue to experience inmigration (more people moving *to* Oregon than *from* Oregon) from other states, especially California and Washington. From 1990 to 2017, Oregon's population increased by about 1.3 million, 66% of which was from people moving into Oregon (net migration). The average annual increase in population from net migration over the same time period was just over 33,200. During the early- to mid-1990's, Oregon's net migration was highest, reaching over 60,000 in 1991, with another smaller peak of almost 42,100 in 2006. In 2017, net migration reached just over 56,800 persons. Oregon has not seen negative net migration since a period of negative net migration in the early- to mid-1980's. Gregon's population has continued to get more ethnically and racially diverse,

⁶⁰ *Ibid*, page 13.

⁶¹ Ibid, page 10.

⁶² United States Census Bureau. State Exports from Oregon, 2014-2017. Retrieved from: https://www.census.gov/foreign-trade/statistics/state/data/or.html.

⁶³ Office of Economic Analysis. Oregon Economic and Revenue Forecast, September 2018. Vol. XXXVIII, No. 3, page 14.

⁶⁴ Portland State University Population Research Center. 2017 Annual Population Report Tables. April 2017. Retrieved from: https://www.pdx.edu/prc/population-reports-estimates.

with Latinx populations growing from 8% of the population in 2000 to 13% of the population in 2013-2017. The non-white population grew from 13% of the population to 15% of the population over the same period. The share of Latinx population increased in Tualatin from 2000 to 2013-2017 while the share of the non-white population stayed the same.

- **Forecast of job growth.** Total nonfarm employment is expected to increase from 1.91 million in 2018 to just over 1.99 million in 2022, an increase of 80,000 jobs. The industries with the largest growth are forecasted to be Professional and Business Services, Health Services, and Retail, accounting for 61% of employment growth.⁶⁵
- Continued importance of manufacturing to Oregon's economy. Oregon's exports totaled \$19.4 billion in 2008, nearly doubling since 2000, and reached almost \$22 billion in 2017. The majority of Oregon exports go to countries along the Pacific Rim, with China, Canada, Malaysia, South Korea, and Japan as top destinations. Oregon's largest exports are tied to high tech and mining, as well as agricultural products. Manufacturing employment is concentrated in five counties in the Willamette Valley or Portland area: Washington, Multnomah, Lane, Clackamas, and Marion Counties.
- Shift in manufacturing from natural resource-based to high-tech and other manufacturing industries. Since 1970, Oregon started to transition away from reliance on traditional resource-extraction industries. A significant indicator of this transition is the shift within Oregon's manufacturing sector, with a decline in the level of employment in the Lumber & Wood Products industry and concurrent growth of employment in other manufacturing industries, such as high-technology manufacturing (Industrial Machinery, Electronic Equipment, and Instruments), Transportation Equipment manufacturing, and Printing and Publishing.⁶⁸
- Income. Oregon's income and wages are below that of a typical state. However, mainly due to the wage growth over the last two to three years, Oregon wages are at their highest point relative to other states since the recession in the early 1980's. In 2017, the average annual wage in Oregon was \$51,117, and the median household income was \$60,212 (compared to national average wages of \$53,621 in 2017, and national household income of \$60,336).⁶⁹ Total personal income (all classes of income, minus Social Security

⁶⁵ Office of Economic Analysis. Oregon Economic and Revenue Forecast, September 2018. Vol. XXXVIII, No. 3, page 38.

⁶⁶ United States Census Bureau. State Exports from Oregon, 2014-2017. Retrieved from: https://www.census.gov/foreign-trade/statistics/state/data/or.html.

⁶⁷ Oregon Employment Department. *Employment and Wages by Industry (QCEW)*. 2017 Geographic Profile, Manufacturing (31-33). Retrieved from: qualityinfo.org.

⁶⁸ Although Oregon's economy has diversified since the 1970's, natural resource-based manufacturing accounts for about 38% of employment in manufacturing in Oregon in 2017, with the most employment in Food Manufacturing (nearly 30,000) and Wood Product Manufacturing (nearly 23,000) (QCEW).

⁶⁹ Average annual wages are for "Total, all industries," which includes private and public employers. Oregon Quarterly Census of Employment and Wages, 2017. Retrieved from: https://www.qualityinfo.org; Bureau of Labor

contributions, adjusted for inflation) in Oregon is expected to increase by 22%, from \$202.2 billion in 2018 to \$247.5 billion in 2022.70 Per capita income is expected to increase by 16% over the same time period, from \$48,000 (thousands of dollars) in 2018 to \$55,800 in 2022 (in nominal dollars).71

• Small businesses continue to account for a large share of employment in Oregon. While small firms played a large part in Oregon's expansion between 2003 and 2007, they also suffered disproportionately in the recession and its aftermath (64% of the net jobs lost between 2008 and 2010 was from small businesses).

In 2017 small businesses (those with 100 or fewer employees) accounted for 95% of all businesses and 66% of all private-sector employment in Oregon. Said differently, most businesses in Oregon are small (in fact, 78% of all businesses have fewer than 10 employees), but the largest share of Oregon's employers work for large businesses.

The average annualized payroll per employee for small businesses was \$37,149 in 2015, which is considerably less than that for large businesses (\$54,329) and the statewide average for all businesses (\$47,278).⁷² Younger workers are important to continue growth of small businesses across the nation. More than one-third of Millennials (those born between 1980 - 1999) are self-employed, with approximately half to two-thirds interested in becoming an entrepreneur. Furthermore, in 2011, about 160,000 startup companies were created each month; 29% of these companies were founded by people between 20 to 34 years of age.⁷³

• Entrepreneurship in Oregon. The creation of new businesses is vital to Oregon's economy as their formations generate new jobs and advance new ideas and innovations into markets. They also can produce more efficient products and services to better serve local communities. According to the Kauffman Index, Oregon ranked 13th in the country in 2017 for its startup activity, a measurement comprised of three statistics: rate of new entrepreneurs, opportunity share of new entrepreneurs, and startup density. This ranking is higher than its 2016 rank of 15. Oregon's rate of new entrepreneurs (the percent of adults that became an entrepreneur in a given month) was in steady decline post-recession, but since 2013, it has gradually recovered to about 0.34% in 2016. This

Statistics, Quarterly Census of Employment and Wages, 2017; Total, U.S. Census American Community Survey 1-Year Estimates, 2017, Table B19013.

⁷⁰ Office of Economic Analysis. Oregon Economic and Revenue Forecast, September 2018. Vol. XXXVIII, No. 3, page 39.

⁷¹ *Ibid*, page 39.

 $^{^{72}\} U.S\ Census\ Bureau,\ 2015\ Statistics\ of\ U.S.\ Businesses,\ Annual\ Data,\ Enterprise\ Employment\ Size,\ U.S\ and\ States.\ https://www.census.gov/data/tables/2015/econ/susb/2015-susb-annual.html.$

⁷³ Cooper, Rich, Michael Hendrix, Andrea Bitely. (2012). "The Millennial Generation Research Review." Washington, DC: The National Chamber Foundation. Retrieved from:

https://www.uschamberfoundation.org/sites/default/files/article/foundation/MillennialGeneration.pdf.

⁷⁴ Kauffman Foundation. *The Kauffman Index, Oregon*. Retrieved from: https://www.kauffman.org/kauffman-index/profile?loc=41&name=oregon&breakdowns=growth|overall,startup-activity|overall,main-street|overall.

rate is still well below Oregon's pre-recession peak of 0.43% in 2000, but its recent growth broadly exhibits business ownership and formation is increasing.



Moreover, in 2018, the Oregon Office of Economic Analysis reports new business applications in Oregon are increasing. They do, however, simultaneously note startup businesses "are a smaller share of all firms than in the past."⁷⁵ Though this measurement of economic activity does not constitute a full understanding of how well entrepreneurship is performing, it does provide an encouraging signal.

Regional and Local Trends

Throughout this section and the report, Tualatin is compared to Washington County, the Portland Region, and the State of Oregon. These comparisons provide context for changes in Tualatin's socioeconomic characteristics.

Availability of Labor

A skilled and educated populace can attract well-paying businesses and employers and spur the benefits that follow from a growing economy. Key trends that will affect the workforce in Tualatin over the next 20 years include growth in its overall population, growth in the senior population, and commuting trends.

Growing Population

Population growth in Oregon tends to follow economic cycles. Oregon's population grew from about 2.8 million people in 1990 to 4.0 million people in the 2013-2017 period, an increase of almost 1.2 million people, at an average annual rate of 1.3%. Oregon's growth rate slowed to 1.0% annual growth between 2000 and 2017.

Tualatin's population increased over the 1990 to 2013-2017 period, by 12,122 residents. Washington County's population also grew over the same time, by 260,517 residents, at a similar rate of growth as Tualatin.

Exhibit 29. Population Growth, Tualatin, Washington County, Portland Region, Oregon U.S., 1990, 2000, 2010, 2017

Source: US Decennial Census 1990, 2000, 2010. ACS 2013-2017 5-year estimate.

					Change 1990 to 2013-2017		
	1990	2000	2010	2013-2017	Number	Percent	Growth Rate
U.S.	248,709,873	281,421,906	308,745,538	321,004,407	72,294,534	29%	0.9%
Oregon	2,842,321	3,421,399	3,831,074	4,025,127	1,182,806	42%	1.3%
Portland Region	1,174,291	1,444,219	1,641,036	1,760,492	586,201	50%	1.5%
Washington County	311,554	445,342	529,710	572,071	260,517	84%	2.3%
Tualatin	15,013	22,791	26,054	27,135	12,122	81%	2.2%

⁷⁵ Lehner, Josh. (August 2018). "Start-Ups, R&D, and Productivity." Salem, OR: Oregon Office of Economic Analysis. Retrieved from: https://oregoneconomicanalysis.com/2015/03/13/start-ups-and-new-business-formation/.

Age Distribution

The number of people aged 65 and older in the U.S. is expected to increase by nearly three-quarters by 2050, while the number of people under age 65 will only grow by 16%. The economic effects of this demographic change include a slowing of the growth of the labor force, need for workers to replace retirees, aging of the workforce for seniors that continue working after age 65, an increase in the demand for healthcare services, and an increase in the percent of the federal budget dedicated to Social Security and Medicare.⁷⁶

Between 2000 and the 2013-2017 period, Tualatin grew older on average (6.3 years).

This increase suggests
Tualatin attracted more
workers in their later adult
lives.

Exhibit 30. Median Age, Tualatin, Washington County, Clackamas County, Multnomah County, 2000 to 2013-2017

Source: U.S. Census Bureau, 2000 Decennial Census, Table P013; American Community Survey 2013-2017 5-year estimates, Table B01002.

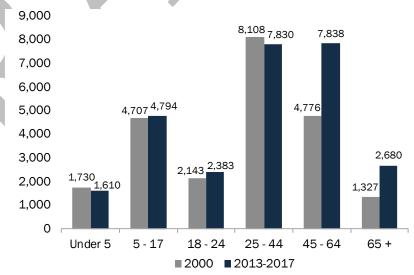
2000	31.9	33.0	37.5	34.9
	Tualatin	Washington	Clackamas	Multnomah
		County	County	County
2013-17	38.2	36.4	41.4	36.8
	Tualatin	Washington County	Clackamas County	Multnomah Countv

Over 2000 to 2013-2017, Tualatin's largest population increase was for those between 45 and 64 years of age.

This age group grew by 3,062 people between 2000 and 2013-2017.

Exhibit 31. Population Change by Age Group, Tualatin, 2000 and 2013-2017

Source: U.S. Census Bureau, 2000 Summary File; American Community Survey, 2013-2017, 5-year estimates, Table B01001.



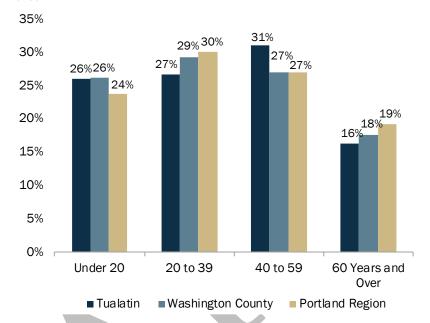
⁷⁶ The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2017, The 2017 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, July 13, 2017. The Budget and Economic Outlook: Fiscal Years 2018 to 2028, April 2018.

Compared to Washington County and the Portland Region, Tualatin had a slightly larger proportion of adults aged 40 to 59.

During the 2013-2017 period, 58% of Tualatin residents were between 20 and 59 years of age.

Exhibit 32. Population Distribution by Age, Tualatin, Washington County, Portland Region, 2013-2017

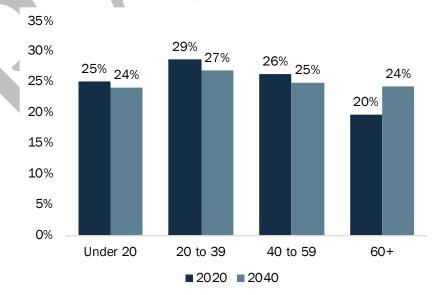
Source: U.S. Census Bureau, American Community Survey, 2013-2017 5-year estimate, Table B01001.



From 2020 to 2040, the share of residents 60 years and older in Washington County is forecast to grow while other age cohorts are forecast to decline proportionately.

Exhibit 33. Population Growth by Age Group, Washington County, 2020 and 2040

Source: Portland State University, Population Research Center, Washington County Forecast, June 2017.



Income

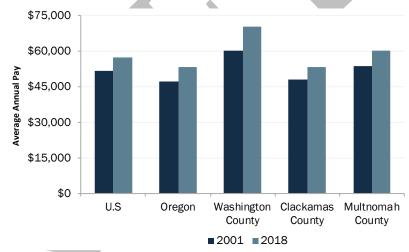
Income and wages affect business decisions for locating in a city. Areas with higher wages may be less attractive for industries that rely on low-wage workers. In the 2013-2017 period, Tualatin's median household income (\$72,580) was similar to the County median (\$74,033). In 2017 (inflation adjusted to 2018 \$), average wages at businesses in Tualatin (\$58,429) were below the County's average (\$70,310, 2018).

Adjusting for inflation, between 2000 and 2018, Washington County's average wages increased as they did in Oregon, the nation, and other counties in the Portland Region. When adjusted for inflation, average annual wages grew by 17% in Washington County and 13% in Oregon.

From 2000 to 2018, average annual wages increased in Washington County as well as other counties in the Portland Region, Oregon, and the nation.

In 2018, the average annual wage was \$70,310 in Washington County, compared to 53,058 in Oregon. Exhibit 34. Average Annual Wage (Inflation-adjusted 2018 \$), Covered Employment, Washington County, Clackamas County, Multnomah County, Oregon, U.S., 2001 to 2018.

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages.



Over the 2013-2017 period, the median household income (MHI) in Tualatin was below Washington County's MHI, comparable to Multnomah County's MHI, and above Clackamas County's MHI.

Exhibit 35. Median Household Income (MHI),77 2013-2017

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B19013.

\$72,580

2,580 \$74,033

Tualatin

Washington County

\$60,369

\$72,408

Clackamas County

Multnomah County

⁷⁷ The Census calculated household income based on the income of all individuals 15 years old and over in the household, whether they are related or not.

Tualatin median family income during the 2013-2017 period, similar to median household income, above the median family incomes of Washington County, Clackamas County, and Multnomah County.

Exhibit 36. Median Family Income, 78 2013-2017

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B19113.

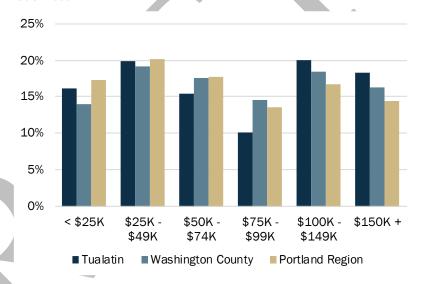
\$95,656 \$85,993
Tualatin Washington County
\$87,858 \$76,557

Clackamas County Multnomah County

During the 2013-2017 period, 48% of Tualatin households earned over than \$75,000 annually, which is comparable to Washington County.

Exhibit 37. Household Income by Income Group, Tualatin, Washington County, Portland Region, 2013-2017

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B19001.



⁷⁸ The Census calculated family income based on the income of the head of household, as identified in the response to the Census forms, and income of all individuals 15 years old and over in the household who are related to the head of household by birth, marriage, or adoption.

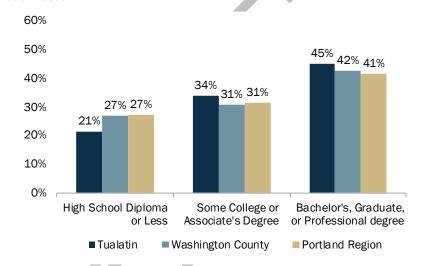
Educational Attainment

The availability of trained, educated workers affects the quality of labor in a community. Educational attainment is an important labor force factor because firms need to be able to find educated workers.

The share of residents, 25 years and older, with a bachelor's degree (or higher) is slightly larger in Tualatin than Washington County and the Portland Region.

Exhibit 38. Educational Attainment for the Population 25 Years and Over, Tualatin, Washington County, and the Portland Region, 2013-2017

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B15003.



Race and Ethnicity

Tualatin, like Oregon overall, is becoming more ethnically diverse (while racial diversity has remained about the same). The Latinx community increased in Tualatin between 2000 and 2013-2017, from 12% of the total population to 16%. The non-Caucasian⁷⁹ share of the population stayed the same, from 2000 to 2013-2017 at 13% of the population. The Latinx community in Washington County also increased from 11% to 16%, while the non-Caucasian population increased from 18% to 23% between 2000 and 2013-2017.

Exhibit 39 and Exhibit 40 show the change in the share of Latinx and non-Caucasian populations in Tualatin, compared to Washington County and the Portland Region, between 2000 and 2013-2017.

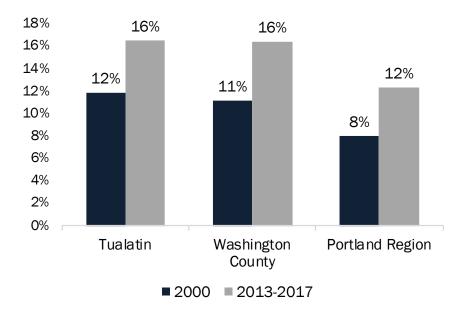
⁷⁹ The non-Caucasian population is defined as the share of the population that identifies as another race other than "White alone" according to Census definitions.

Tualatin's Latinx population increased between 2000 and 2013-2017 from 12% to 16%.

Tualatin and Washington County are more ethnically diverse than the Portland Region.

Exhibit 39. Latinx Population as a Percent of the Total Population, Tualatin, Washington County, and Oregon, 2000 and 2013-2017

Source: U.S. Census Bureau, 2000 Decennial Census Table P008, 2013-2017 ACS Table B03002.

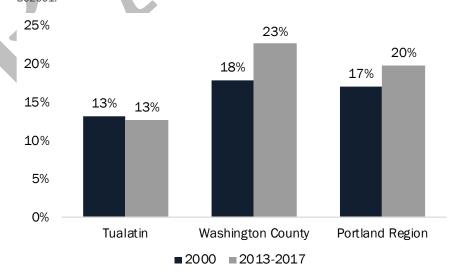


The non-Caucasian population in Tualatin stayed the same (at 13%) between 2000 and 2013-2017.

Tualatin is less racially diverse than Washington County and the Portland Region.

Exhibit 40. Non-Caucasian Population as a Percent of the Total Population, Tualatin, Washington County, and Oregon, 2000 and 2013-2017

Source: U.S. Census Bureau, 2000 Decennial Census Table P007, 2013-2017 ACS Table B02001.



Labor Force Participation and Unemployment

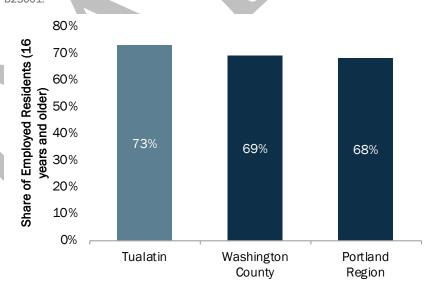
The current labor force participation rate is an important consideration in the availability of labor. The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work. The labor force includes both the employed and unemployed. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force. According to the 2013-2017 American Community Survey, Washington County had more than 310,426 people in its labor force and Tualatin had 15,643 people in its labor force.

In 2017, the Oregon Office of Economic Analysis reported that 64% of job vacancies were difficult to fill. The most common reason for difficulty in filling jobs included a lack of applications (30% of employers' difficulties), lack of qualified candidates (17%), unfavorable working conditions (14%), a lack of soft skills (11%), and a lack of work experience (9%).80 These statistics indicate a mismatch between the types of jobs that employers are demanding and the skills that potential employees can provide.

Tualatin has a higher labor participation rate than Washington County and the Portland Region.

Exhibit 41. Labor Force Participation Rate, Tualatin, Washington County, Portland Region, 2013-2017

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B23001.

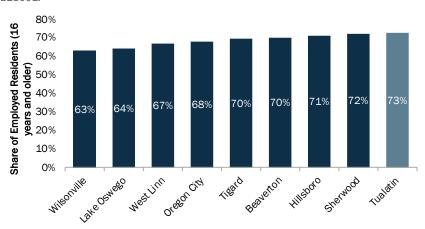


⁸⁰ Oregon's Current Workforce Gaps: Difficult-to-fill Job Openings, Oregon Job Vacancy Survey, Oregon Employment Department, June 2018.

Compared to neighboring cities, Tualatin has the highest labor force participation rate.

Exhibit 42. Labor Force Participation Rate, Tualatin and comparison cities, 2013-2017

Source: U.S. Census Bureau, American Community Survey 2013-2017 5-year estimates, Table B23001.

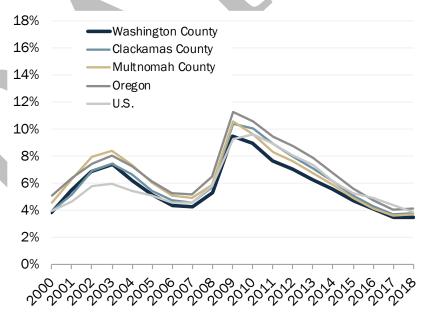


Alongside other counties in the Portland Region, Oregon, and the U.S., the unemployment rate in Washington County has declined since the Great Recession.

In general, Washington County's unemployment rate is below that of other regions.

Exhibit 43. Unemployment Rate, Washington County, Clackamas County, Multnomah County, Oregon, U.S., 2000 – 2018

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics and Labor Force Statistics.



Commuting Patterns

Commuting plays an important role in the Tualatin's economy because employers in these areas are able to access workers from people living in cities across Washington County and the broader Portland Region.

Exhibit 44 shows commuting flows of employees. Of the employees who work in Tualatin (about 23,898 persons), 93% commute into Tualatin from other areas. Of the employees who live in Tualatin (about 12,570 persons), 87% of people commute out of Tualatin to work in other areas.

Tualatin is part of an interconnected regional economy.

More than 22,000 people commute into Tualatin for work, and nearly 11,000 people living in Tualatin commute out of the city for work.

Exhibit 44. Commuting Flows, Tualatin, 2015

Source: U.S. Census Bureau, Census On the Map.



About 7% of people who work at businesses located in Tualatin also live in Tualatin.

The remainder commute from Portland and other parts of the Region.

About 27% of Tualatin residents work in Portland.

About 13% of Tualatin residents live and work in Tualatin.

Exhibit 45. Places Where Workers at Businesses in Tualatin Live, 2015

Source: U.S. Census Bureau, Census On the Map.

15% **7**% 6% 5% 4% Portland Tualatin Tigard Beaverton Hillsboro

Exhibit 46. Places Where Tualatin Residents were Employed, 2015

Source: U.S. Census Bureau, Census On the Map.

27% **13**% 9% 7% 6% Portland Tualatin Tigard Beaverton Wilsonville

Exhibit 47. Commuting Patterns of Employees <u>Living</u> in Respective Communities, Tualatin and Comparison Cities in the Portland Region, 2015

Source: U.S. Census Bureau, Census On the Map.

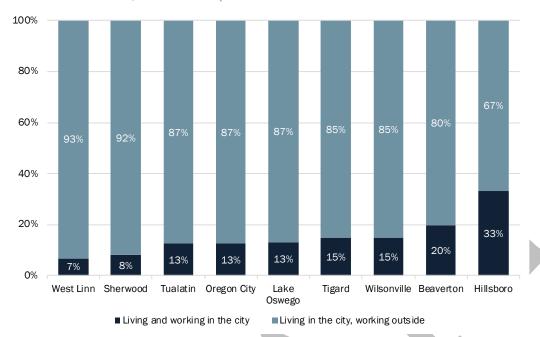
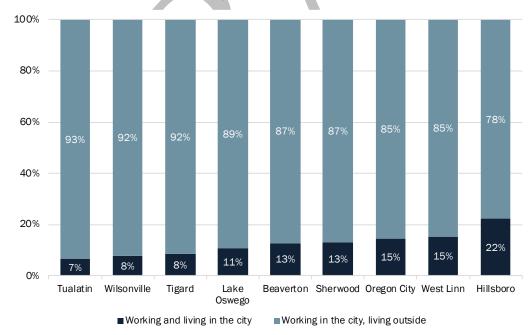


Exhibit 48. Commuting Patterns of Employees Working in Respective Communities, Tualatin and Comparison Cities in the Portland Region, 2015

Source: U.S. Census Bureau, Census On the Map.

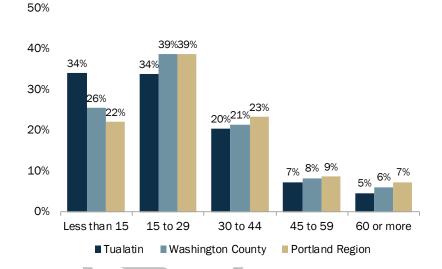


During the 2013-2017 period, about 34% of Tualatin residents had a commute of less than 15 minutes, compared to 26% of residents in Washington County and 22% of residents in the Portland Region.

Most of Tualatin residents (68%) have a commute time that takes less than 30 minutes.

Exhibit 49. Commute Time by Place of Residence, Tualatin, Washington County, and Portland Region, 2013-2017

Source: U.S. Census Bureau, 2013-2017 ACS 5-year estimate, Table B08303.



Over the 2000 to 2013-2017 period, the share of workers that worked from home increased slightly.

Exhibit 50. Percent of Workers Working from Home, Tualatin, 2000 and 2013-2017

Source: U.S. Census Bureau, 2000 Decennial Census Summary File 3 estimates, Table P030; 2013-2017 ACS 5-year estimate, Table B08303.

2000: 4.6%

2013-17: 6.8%

Tourism in the Portland Region and Washington County

Longwoods International provides regional statistics on travel. The following information is from Longwoods International's 2017 Regional Visitor Report for the Portland Region.⁸¹ Broadly, travelers to the Portland Region accounted for:

- 10.9 million overnight trips in 2017, or 32% of all Oregon overnight travel that year.
- The primary market area for travelers over 2016 and 2017 were Oregon, Washington, and California: 28% of the visitors to the Portland Region came from Oregon, 26% came from Washington, and 20% came from California.
- About 48% of visitors stayed 2 or fewer nights over 2016 and 2017 in the Portland Region, 37% stayed 3-6 nights, and 15% stayed 7 or more nights. The average nights spent in the Portland Region was 4.1.
- The average per person expenditures on overnight trips in 2017 ranged from \$16 on transportation at destination to \$66 per night on lodging.
- About 63% of visits to the Portland Region over 2016 and 2017 were via personallyowned automobiles, 22% were by rental car, and 18% were via an online taxi service (such as Lyft or Uber).
- Over 2016 and 2017, visitors tended to be younger- or middle-aged adults, with the average age being about 43.7. Those aged 25 to 44 comprised 43% of overnight visits, 30% were between 45 and 64, and 14% were 65 or older. About 66% of visitors graduated college or completed a post-graduate education. Additionally, 35% of visitors earned less than \$50,000 in household income, 41% earned between \$50,000 and \$99,999, and 24% earned more than \$100,000. The average household income for the Portland Region visitors was about \$70,440.

Washington County's direct travel spending increased 103% from 2000 to 2017.

The Portland Region's direct travel spending increased by 89% over the same period.

Exhibit 51. Direct Travel Spending (\$ millions), 2000 and 2017 Source: Dean Runyan Associates, Oregon Travel Impacts, 1992-2017.

2000: \$2,700 \$410

Portland Region Washington County

2017: \$5.100 \$833

Portland Region Washington County

⁸¹ Travel Oregon. "Portland Oregon Overnight Travel Study: 2017," Longwoods International, October 2018. Retrieved from: https://industry.traveloregon.com/wp-content/uploads/2018/10/OR-2017-Portland-Region-Visitor-Report.pdf.

Washington County's lodging tax receipts increased 243% over 2006 to 2017.

Exhibit 52. Lodging Tax Receipts (\$ millions), 2006 and 2017

Source: Dean Runyan Associates, Oregon Travel Impacts, 1992-2017.

\$4.900 2006:

Washington County

\$16,800 2017:

Washington County

Washington County's largest visitor spending for purchased commodities is food services.

Exhibit 53. Largest Visitor Spending Categories (\$ millions), Washington County, 2018

Source: Dean Runyan Associates, Oregon Travel Impacts, 1992-2017.

\$236.5

\$137.1

\$105.1

Food Services

Accommodations

Retail Sales

Washington County's largest employment generated by travel spending is in the accommodations and food services industry. Exhibit 54. Largest Industry Employment Generated by Travel Spending, Washington County, 2018

Source: Dean Runyan Associates, Oregon Travel Impacts, 1992-2017.

5,940 jobs

1,190 jobs

290 jobs Ground Tran.

Accommodations & Food Services

Arts, Entertainment. and Recreation



Appendix B. Buildable Lands Inventory

Oregon Administrative Rules provide guidance on conducting employment land BLIs:

OAR 660-009-0005:

- (1) "Developed Land" means non-vacant land that is likely to be redeveloped during the planning period.
- (2) "Development Constraints" means factors that temporarily or permanently limit or prevent the use of land for economic development. Development constraints include, but are not limited to, wetlands, environmentally sensitive areas such as habitat, environmental contamination, slope, topography, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.
- (11) "Site Characteristics" means the attributes of a site necessary for a particular industrial or other employment use to operate. Site characteristics include, but are not limited to, a minimum acreage or site configuration including shape and topography, visibility, specific types or levels of public facilities, services or energy infrastructure, or proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes.
- (12) "Suitable" means serviceable land designated for industrial or other employment use that provides, or can be expected to provide the appropriate site characteristics for the proposed use.
- (13) "Total Land Supply" means the supply of land estimated to be adequate to accommodate industrial and other employment uses for a 20-year planning period. Total land supply includes the short-term supply of land as well as the remaining supply of lands considered suitable and serviceable for the industrial or other employment uses identified in a comprehensive plan. Total land supply includes both vacant and developed land.
- (14) "Vacant Land" means a lot or parcel:
 - (a) Equal to or larger than one half-acre not currently containing permanent buildings or improvements; or
 - (b) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements.

Unlike with residential lands, the rules for employment lands include the concept of "suitability" which can be affected by factors other than the physical attributes of land. (See OAR 660-009-0005 (11) and (12) above.) The BLI methods do not fully address the suitability factors, rather, they more narrowly assess whether a parcel is buildable based solely on attributes of the land.

The methods used for conducting the Tualatin commercial and industrial BLI is consistent with Oregon statutes. However, the methods used for inventorying land within the city are based on the BLI completed by Metro for the 2018 Urban Growth Report (UGR). Metro is required to complete a BLI for land within the regional UGB every six years, and the agency updated the BLI (based on 2016 data) in January 2018. The methods used for inventorying Tualatin lands attempt to be consistent with Metro's results while also accounting for new development since 2016 and other local conditions, such as unique environmental constraints.

Overview of the Methodology

The BLI for Tualatin is based on the data and methods used by Metro. In addition, ECONorthwest's approach updated Metro's results to account for new development (the Metro 2018 UGR is based on 2016 data) and other potential local conditions, such as unique environmental constraints.

Study Area

The BLI for Tualatin includes all commercial and industrial land designated in the comprehensive plans within city limits and designated planning areas (referred to as Tualatin Planning Area). ECONorthwest used Metro's BLI, which used the 2016 RLIS tax lot database, as the basis for the BLI. We worked with city staff to identify new development or changes since 2016 to reflect Tualatin's commercial and industrial land base in 2019.

Inventory Steps

The BLI consisted of several steps:

- 1. Generating UGB "land base"
- 2. Classifying land by development status
- 3. Identify constraints
- 4. Verify inventory results
- 5. Tabulate and map results

Step 1: Generate "land base."

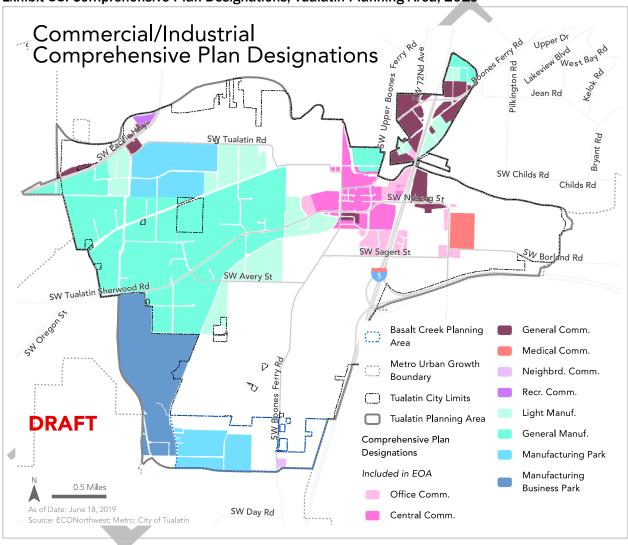
Per Goal 9 this involves selecting all of the tax lots with employment plan designations. Based on information provided by City staff, ECONorthwest included the following plan designations in the BLI:

- Office Commercial
- Central Commercial
- General Commercial
- Medical Commercial
- Neighborhood Commercial
- Recreational Commercial

- Light Manufacturing
- General Manufacturing
- Manufacturing Park
- Manufacturing Business Park

Exhibit 55 shows comprehensive plan designations for the City of Tualatin.

Exhibit 55. Comprehensive Plan Designations, Tualatin Planning Area, 2019



Step 2: Classify lands.

In this step, ECONorthwest classified each tax lot with a plan designation that allow employment uses into one of four mutually exclusive categories based on development status:

- Vacant
- Partially Vacant
- Potentially Redevelopable
- Public or Exempt
- Developed

ECONorthwest used the classification determined through Metro's model: Vacant, Ignore, and Developed. In addition, ECONorthwest included a new classification for partially vacant and potentially redevelopable lots. The definitions for each classification are listed below.

Development Status	Definition	Statutory Authority
Vacant	Tax lots designated as vacant by Metro based on the following criteria: 1) Fully vacant based on Metro aerial photo 2) Tax lots with less than 2,000 square feet developed AND developed area is less than 10% of lot 3) Lots 95% or more vacant from GIS vacant land inventory	OAR 660-009-005(14)
Partially Vacant	Lots with an existing single-family dwelling but have been redesignated for commercial or industrial use (e.g., lots in the Basalt Creek Planning Area). These lots are assumed to redevelop in the planning period.	No statutory definition
Potentially Redevelopable	Lots determined to have redevelopment capacity based on Metro's Threshold Price methodology.	No statutory definition
Ignore (Public or Exempt uses)	Lots in public or semi-public ownership are considered unavailable for commercial or industrial development. This includes lands in Federal, State, County, or City ownership as well as lands owned by churches and other semi-public organizations and properties with conservation easements. These lands are identified using the Metro's definitions and categories.	No statutory definition
Developed	Lots not classified as vacant, potentially redevelopable, or public/exempt are considered developed. Developed land includes lots with redevelopment capacity, which are also included in BLI. The capacity of developed but redevelopable lots is based on Metro's estimates.	OAR 660-009-005(1)

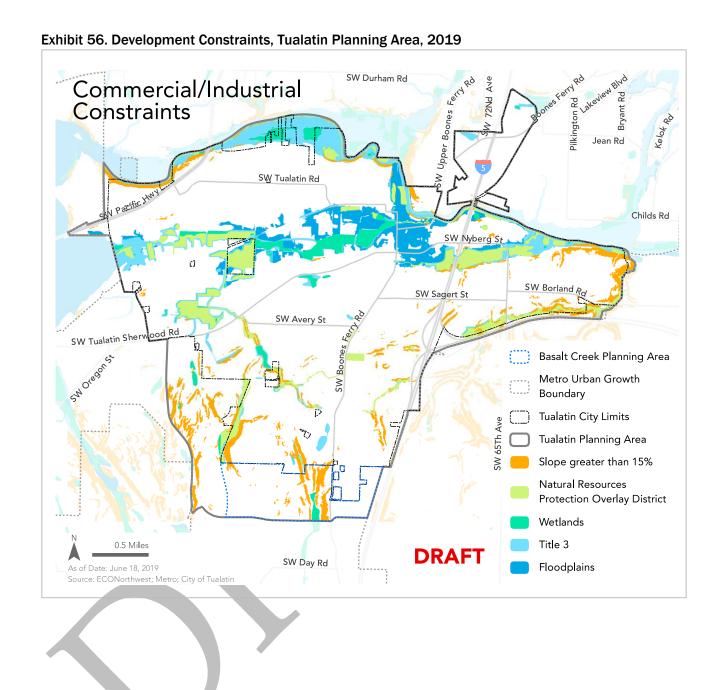
Step 3: Identify constraints

Consistent with OAR 660-008-0005(2) guidance on buildable lands inventories, ECONorthwest deducted certain lands with development constraints from vacant lands. We used some of the constraints established in Metro's methodology, with modifications to fit local considerations in Tualatin. These constraints are summarized in the table below.

Constraint	Statutory Authority	Threshold					
Goal 5 Natural Resource Constraints							
Natural Resources Protection Overlay District	OAR 660-008-0005(2)	Areas in the NRPOD					
Riparian Corridors	OAR 660-015-0000(5)	Areas protected by the Stream and Floodplain Plan					
Wetlands	OAR 660-008-0005(2)	Areas in wetlands					
Natural Hazard Constraints							
100 Year Floodplain	OAR 660-008-0005(2	Lands within FEMA FIRM 100-year floodplain					
Steep Slopes	OAR 660-008-0005(2	Slopes greater than 15%					

The lack of access to water, sewer, power, road or other key infrastructure cannot be considered a prohibitive constraint unless it is an extreme condition. This is because tax lots that are currently unserviced could potentially become serviced over the 20-year planning period.

Exhibit 56 maps the development constraints used for the commercial and industrial BLI.



Step 4: Verification

ECONorthwest used a multi-step verification process. The first verification step included a "rapid visual assessment" of land classifications using GIS and recent aerial photos. The rapid visual assessment involved reviewing classifications overlaid on recent aerial photographs to verify uses on the ground. ECONorthwest reviewed all tax lots included in the inventory using the rapid visual assessment methodology. The second round of verification involved City staff verifying the rapid visual assessment output. ECONorthwest amended the BLI based on City staff review and comments, particularly related to vacant land developed since 2016.

Step 5: Tabulation and mapping

The results are presented in tabular and map format. The Tualatin Commercial and Industrial BLI includes all employment land designated in the comprehensive plan within the Tualatin Planning Area. From a practical perspective, this means that ECONorthwest inventoried all lands within tax lots identified by Metro that fall within the Tualatin Planning Area. The inventory then builds from the tax lot-level database to estimates of buildable land by plan designation.





DATE: July 31, 2019

TO: Tualatin Housing Needs Analysis Project Advisory Committees

CC: Karen Perl Fox, Steve Koper, and Jonathan Taylor FROM: Beth Goodman and Sadie DiNatale, ECONorthwest

SUBJECT: DRAFT: TUALATIN HOUSING STRATEGY

The City of Tualatin contracted ECONorthwest to develop a Housing Needs Analysis and a Housing Strategy for Tualatin. The Housing Needs Analysis will determine whether the City of Tualatin has enough land to accommodate 20-years of population and housing growth. It will characterize housing affordability problems and identify gaps in housing affordability in Tualatin. The Housing Needs Analysis will provide the basis for an update to the City's Comprehensive Plan Housing Element, as well as development of an action plan to implement the housing policies (i.e. the Housing Strategy).

The HNA uses a planning period of 2020-2040. Tualatin is planning for minimum growth of 1,014 new dwelling units within the Tualatin city limits and the Basalt Creek area over the 20-year planning period. The results of the HNA show that Tualatin has a deficit of land designated for housing in the Medium High Density Residential and High Density / High-Rise Residential comprehensive plan designations. While the HNA works with the forecast of growth of 1,014 new dwelling units through 2040, the City may consider potential growth residential growth beyond this forecast as part of development the City's housing strategies in the Tualatin 2040.

A key objective of the HNA and accompanying 2020 housing strategy is to identify options for changes to the City's comprehensive plan and land use regulations needed to address housing and residential land needs. This memorandum presents a Housing Strategy for Tualatin, based on the results of the HNA, and discussions with the Community Advisory Committee (CAC) and Technical Advisory Committee (TAC). The housing strategy presents a comprehensive package of interrelated policy changes that the CAC and TAC recommend the City address.

This housing strategy recognizes that the City does not build housing. The strategy focuses on land use tools to ensure there is adequate land planned and zoned to meet the variety of housing needs and opportunities for a variety of housing types, whether market rate or subsidized. This strategy strives to provide opportunities for lower-cost market rate housing, to the extent possible, to achieve more housing affordability without complete reliance on subsidies, if and when possible and to include subsidized housing as an important tool to meet the need at the lower end of the income spectrum (low, very low and extremely low) in the mix of strategies.

The housing strategy addresses the needs of households with middle, low, very low, or extremely low income. The following describes these households, based on information from the Tualatin Housing Needs Analysis.

- Very low-income and extremely low-income households are those who have an income of 50% or less of Washington County Median Family Income (MFI)¹ which is an annual household income of about \$41,000 or less for a family of four. About 31% of Tualatin's households fit into this category. They can afford a monthly housing cost of \$1,018 or less.² Development of housing affordable to households at this income level is generally accomplished through development of income-restricted housing.
- Low-income households are those who have income of 50% to 80% of Washington County's MFI or income between \$41,000 to \$65,000 for a family of four. About 15% of Tualatin's households fit into this category. They can afford a monthly housing cost of \$1,018 to \$1,625. Households with income below 60% of MFI typically qualify for some types of income-restricted housing. The private housing market often struggles to develop housing affordable to households in this group, especially for the lower income households in the group.
- Middle-income households are those who have income of 80% to 120% of Washington County's MFI or income between \$65,000 to \$98,000 for a family of four. About 15% of Tualatin's households fit into this category. They can afford a monthly housing cost of \$1,625 to \$2,400. The private housing market may develop housing affordable to households in this group.

Through the technical analysis of the HNA and input from the CAC and TAC, the City identified six strategic priorities to meet housing needs identified in the HNA. Strategic priorities are described in greater detail in the section below. Appendix A presents the full text of Tualatin's existing Comprehensive Plan policies for housing. Appendix B presents the information provided to the CAC in the memorandum Housing Policy Tools to Address Needs (dated May 16, 2019).

Tualatin's Housing Strategy

Tualatin's housing strategy is organized around six broad strategic priorities: (1) ensure an adequate supply of land that is available and serviceable; (2) encourage development of a wider variety of housing types; (3) identify strategies to support affordable housing; (4) evaluate funding tools to support residential development; (5) identify redevelopment opportunities; and (6) ensure there are connections between planning for housing and other planning (such as transportation planning, water and wastewater planning, or economic development planning). The broad goal of the Tualatin housing strategy is to help the City manage the land within the Tualatin planning area to meet current and future housing needs while maintaining the character and quality of life in Tualatin and protecting public interests such as housing affordability, health, safety, and municipal revenues.

ECONorthwest

¹ Median Family Income is determined by the U.S. Department of Housing and Urban Development. In 2018, Washington County's MFI was \$81,400.

² This assumes that households pay less than 30% of their gross income on housing costs, including rent or mortgage, utilities, home insurance, and property taxes.

The Tualatin CAC convened seven times between March 2019 and September 2019. The CAC discussed housing at the meetings in March, May, August, and September. The Tualatin TAC met four times between April 2019 and September 2019 and discussed housing at all four meetings (while some meetings included discussions of other topics, as well). The CAC and TAC provided input, through discussions at meetings and opportunities for input on written document, into development of the Housing Strategy.

The recommendations from the CAC and TAC in this strategy consider key findings from the HNA, such as the following examples. The City has a long-term deficit of residential land. The housing market is not building enough housing that is affordable to households with annual incomes less than \$35,000 based on U.S. Census American Community Survey data. The housing market in Tualatin also has a deficit of housing affordable to households earning more than \$150,000.³ The composition of Tualatin's population is becoming older and more diverse. This document presents a comprehensive strategy that provides a variety of opportunities to meet the housing needs of Tualatin's residents at all income levels.

Note to CAC: We will flesh the two paragraphs out further as we continue discussions and finalize the Housing Strategy.

Many of the actions described in the Tualatin Housing Strategy will require legislative amendments to the City's comprehensive plan and/or development code. These actions will be subject to standard notification and hearing procedures. After the housing needs analysis is completed, the Planning Commission and City Council will prioritize the actions suggested in this memorandum, along with other actions suggested for Tualatin 2040. Implementation of high priority actions will begin in 2020, based on City Council direction.

Summary of Actions

Note to CAC: A future version of the Strategy will have a summary in it.

³ This analysis is based on Exhibit 79 in the Tualatin Housing Needs Analysis.

Strategy 1: Ensure an adequate supply of land that is available and serviceable

This strategy is about ensuring an adequate land supply—not only a twenty-year supply (as Goal 10 requires) but also a pipeline of serviced land that is available for immediate development. The following recommended strategies and actions are intended to ensure an adequate supply of residential land through a combination of changes to the Tualatin Development Code, re-zoning land, and long-term regional planning for housing. Efficient use of Tualatin's residential land is key to ensuring that Tualatin has adequate opportunities to grow from 2020 to 2040, and beyond.

Issue Statement

Tualatin's residential land can accommodate about 2,100 new dwelling units, including land within the city limits and Basalt Creek. The forecast for housing growth over the next 20-years is for 1,041 new dwelling units. The results of the HNA show that Tualatin has a **surplus** of capacity for new housing in the Low Density Residential, Medium Low Density Residential, and High Density Residential plan designations but a **deficit** in the Medium High Density Residential and High Density / High-Rise Residential plan designations. Tualatin has a deficit of 103 dwelling units in the Medium High Density Residential designation and a deficit of 101 dwelling units in the High Density / High-Rise Residential designation.

Tualatin has enough land within its planning area to accommodate the forecast for new housing. The existing zoning, however, leads to deficits of land in the Medium High Density Residential and High Density / High-Rise Residential plan designations. Oregon's Statewide Planning System requires cities that do not have enough land within their UGB (or in selected plan designations) to evaluate and implement policies to increase land use efficiently, expand the UGB, or both.

Tualatin is part of the Metro UGB and cannot expand its planning area on its own. Tualatin can, however, increase land use efficiency within its planning area, through re-zoning land or planning for redevelopment to meet the needs in the Medium High Density Residential and High Density / High-Rise Residential plan designations. In addition, Tualatin can monitor growth to ensure that the city continues to have sufficient land for residential growth and work with Metro and other regional partners on future expansions of the Metro UGB to accommodate additional residential development in Tualatin.

Tualatin not only needs land that is vacant but also has urban services that support residential development, such as municipal water service, sewer and wastewater service, storm water management systems, and transportation connections with adequate capacity to accommodate growth.

Goal

Ensure that sufficient land is designated so that the supply is adequate for all needed housing types at needed densities. Consider the development-ready residential land supply as part of

ongoing functional planning efforts to provide necessary urban services in support of residential development.

Recommended Actions

Note to the CAC: Below are actions suggested by the CAC in prior discussions.

Note to the CAC: We fleshed out Action 1.1 as an example of how we will flesh out the actions. Some of the description of actions will be more detailed (like the description below in Action 1.1) and some will be just a few sentences long.

Action 1.1. Evaluate opportunities to increase development densities within Tualatin's existing zones.

This approach seeks to increase housing capacity by increasing allowable density in residential zones. In short, it gives developers the <u>option</u> of building to higher densities. Higher densities increase residential landholding capacity. Higher densities, where appropriate, provide more housing, a greater variety of housing options, and a more efficient use of scarce land resources. Higher densities also reduce sprawl development, adds tax revenue that benefits the City as more units can be built and makes the provision of services more cost effective.

This action will look at increasing allowed densities in the comprehensive plan and decreasing minimum lot size standards and/or allowable densities in all residential zones.

Tualatin could modify the density ranges outlined in the Tualatin Development Code. These are currently:

- Residential Low (RL): 1 -6.4 dwelling units per acre
- Residential Medium-Low Density (RML): 6-10 dwelling units per acre
- Residential Medium-High Density (RMH): 11-15 dwelling units per acre
- Residential High Density (RH): 16-25 dwelling units per acre
- Residential High Density / High Rise (RH/HR): 26-30 dwelling units per acre

With respect to zoning, Tualatin presently has the following zoning standards:

P is permitted, C is conditional, and N is not permitted

Minimum Lot size is in square feet and maximum density is in dwelling units per acre (du/ac)

Zone	Single- Family Detached	Manufact- ured Home on a Lot	Accces- ory Dwelling Unit	Manufact- ured Home Park	Duplex	Town- house	Multi- family
Residential Low (RL)							
Allowed uses	Р	Р	P	N	С	С	С
Minimum Lot Size	6,500 average	6,500 average	-		6,000	6,000	6,000

Zone	Single- Family Detached	Manufact- ured Home on a Lot	Accces- ory Dwelling Unit	Manufact- ured Home Park	Duplex	Town- house	Multi- family
Maximum Density	6.4 du/ac	6.4 du/ac	Accessory to lot with single family dwelling		6.4 du/ac	6.4 du/ac	6.4 du/ac
Residential Medium-l	Low Density (1	RML)					
Allowed uses	С	N	P	P	P	P	P
Minimum Lot Size	4,500				4,356*	1,400	4,356*
Maximum Density	10 du/ac			12 du/ac	10 du/ac	10 du/ac	10 du/ac
Residential Medium-l	High Density (RMH)					
Allowed uses	N	N	N	N	Р	P	Р
Minimum Lot Size					2,904*	1,400	2,904*
Maximum Density					15 du/ac	15 du/ac	15 du/ac
Residential High Den	sity (RH)	•					
Allowed uses	N	N	N	N	P	Р	Р
Minimum Lot Size					1,742*	1,400	1,742*
Maximum Density					25 du/ac	25 du/ac	25 du/ac
Residential High Den	sity / High Ris	se (RH/HR)					
Allowed uses	N	N	N	N	Р	Р	P
Minimum Lot Size					1,452	1,452	1,452*
Maximum Density					30 du/ac	30 du/ac	30 du/ac
Mixed Use Commercia	al Overlay Zor	ne (MUCOD)					
Allowed uses	N	N	N	N	Р	Р	P
Minimum Lot Size					None	None	None
Maximum Density					50 du/ac	50 du/ac	50 du/ac
Central Tualatin Over	lay Zone (RH/	HR)	•				
Allowed uses	N	N	N	N	Р	Р	P
Minimum Lot Size (Core Area)					5,000	5,000	5,000
Minimum Lot Size (Non-core Area)					25,000	25,000	25,000
Maximum Density					25 du/ac	25 du/ac	25 du/ac

^{*}Note: The lot sizes for duplex and multifamily units is based on development on more than one acre. Development on less than one acre has a different standard for minimum lot size.

Changes to lot size standards are legislative changes to the comprehensive plan and/or zoning code. As such, this process should initiate with the Planning Commission and include opportunities for public input.

Tualatin should evaluate increasing densities in the Residential High and Residential High Density / High Rise to allow buildings that are five to six stories tall (or higher). The City could increase densities to 60 to 100 dwelling units per acre. Alternatively, the City could allow the zoning standards to dictate the number of new dwelling units, based on standards such as building height limitations, parking requirements per unit, lot coverage ratios, setback requirements, and other zoning standards.

Other actions suggested by the CAC

- Provide infrastructure to support development. Note to CAC: This action would likely
 be about coordinating residential development planning with the capital improvement
 planning process, which the City is doing but there may be opportunities for improving
 this coordination.
- Evaluate opportunities to re-zone industrial or commercial land for residential
 uses or mixed-use residential uses. The City should exclude industrial sanctuary
 land from this evaluation, as this land has been identified as regionally significant
 industrial areas.
- Identify opportunities to work with Metro on regional planning for housing, including potential for expansion of the Metro UGB to include the Stafford area.
- As areas are considered for annexation or being brought into the UGB, take into
 account the complexity and costs for urban services as the land is planned and
 zoned for future uses.

Other potential actions, not yet discussed with the CAC

Note to the CAC: Below are actions not yet discussed by the CAC but that may be appropriate in Tualatin.

- Evaluate opportunities to re-zone Residential Low Density and Residential Medium Low Density land for higher density housing.
- Evaluate merging High Density zone and the High Density / High Rise zone into
 one zone and evaluate increasing the maximum density and maximum height
 limit allowed in the revised zone.
- Evaluate the dimensional standards (e.g., lot size, setbacks, and lot coverage ratio)
 in all zones to understand the potential impact of development of vacant land,
 especially smaller or irregularly shaped lots to identify barriers to infill
 development.

- Develop and implement a system to monitor the supply of residential land every two years. This includes monitoring residential development (through permits) as well as land consumption (e.g. development on vacant, or redevelopable lands).
- Reevaluate Tualatin's housing needs and land sufficiency on a regular basis tied to the Metro Growth Management cycle (i.e., every six years), as part of the City's coordination with Metro.



Strategy 2: Encourage development of a wider variety of housing types

This strategy focuses on actions that are intended to ensure new residential structures developed in Tualatin are diverse and include for example: "missing middle, "workforce," "low to moderate income senior" housing and other housing products to achieve housing affordability for households typically at income levels of 60-120% MFI to meet Tualatin's 20-year housing needs.

Issue Statement

Continued increases in housing costs may increase demand for denser housing (e.g., multifamily housing, single-family attached housing, and compact single-family detached housing). To the extent that denser housing types are more affordable than larger housing types (i.e., single-family detached units on larger lots, such as 2,500 square foot dwelling units on lots larger than 5,000 square feet), continued increases in housing costs will increase demand for denser housing.

Tualatin's housing mix in the 2013-2017 period⁴ was 53% single-family detached, 6% single-family attached, and 41% multifamily. Of the multifamily housing, about 5% are low-density multifamily housing types such as duplexes, tri-plexes, and quad-plexes. The HNA assumes that the housing mix of *new* dwelling units in Tualatin will be about 40% single-family detached, 15% single-family attached, and 45% multifamily.

Note to CAC: The mix of housing described above is the mix shown in Scenario 4 in the HNA. This may be refined with continued discussion among the CAC.

To achieve this mix, Tualatin will need to implement policies that allow a wider variety of middle-density housing types (e.g. cottage cluster, townhouses, duplexes, tri-plexes, and quadplexes), as well as higher-density housing types (e.g., apartment buildings taller than four stories and mixed-use buildings).

In addition, Tualatin will add workforce housing types to provide conveniently located housing in proximity to employment opportunities to attract needed labor force for its industrial and commercial zones and mixed-use overlay zones. Workforce housing types include (but are not limited to): live-work units, "skinny" single-family detached housing, townhouses, cottage housing, duplexes and triplexes, and less costly types of multifamily housing.

Goal

Allow and encourage the development of a broader diversity of housing types, including middle-density housing types and higher-density housing types.

Recommended Actions

Note to the CAC: Below are actions suggested by the CAC in prior discussions.

⁴ Based on 2013-2017 ACS 5-year estimates for Tualatin.

Action 2.1. Allow and encourage development of duplexes, cottage housing, townhomes, row houses, and tri- and quad-plexes in lower density residential zones.

Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.

The City has already partially implemented this strategy. Tualatin allows duplexes, townhouses, and multifamily housing as a conditional use in the Residential Low zone. Tualatin allows duplexes, townhouses, and multifamily housing as a permitted use in the Medium-Low Density and Medium-High Density zones.

This strategy would move Tualatin towards compliance with the potential requirements of House Bill 2001, which passed during the 2019 Legislative session. The bill requires cities within the Metro UGB to allow "middle" housing types in low-density residential zones. The bill defines middle housing types as:

- (A) Duplexes;
- (B) Triplexes;
- (C) Quadplexes;
- (D) Cottage clusters; and
- (E) Townhouses.

To comply with House Bill 2001, Tualatin will need to:

- Allow cottage cluster as a housing type in the Residential Low zone. Tualatin may want
 to allow cottage cluster housing in the Medium-Low Density and Medium-High Density
 zones. Tualatin will also need to include development standards in the Tualatin
 Development Code.
- Allow duplexes, townhouses, and multifamily housing as a permitted use in the Residential Low zone.

Other actions suggested by the CAC

• Evaluate increasing building heights for multifamily buildings in the High Density-High Rise zone (RH-HR). The current maximum height is 64 feet. The maximum height varies if the structure includes underground parking (5 stories) or first floor parking (6 stories)

- Evaluate increasing building heights for multifamily buildings in the High Density zone (RH). The current maximum height is 35 feet, which may be increased to 50 feet with a conditional use permit (and larger than required setbacks).
- Evaluate opportunities to increase mixed-use development in commercial zones.
- Adopt a PUD ordinance to allow flexibility in both development standards and housing types, subject to a maximum density, in exchange for provision of protected open space, through a land use application process that would require a hearing about the proposed development with the Planning Commission.
- Allow concrete podium housing (over 5 stories tall) in the High Density zone. Note: This is consistent with the actions to increase height limitations in the High Density zone in Strategy 1. The key barriers to allowing this type of construction are height limitations and maximum densities, both of which vary among zones.

Other potential actions, not yet discussed with the CAC

- Conduct an audit of the City's zoning code to identify barriers to residential development and identify alternatives for lowering or eliminating the barriers.
- Evaluate allowing of a tiny house in clusters with shared central amenities (such as open space) to allow for development of small single-family detached housing clustered on a lot.
- Evaluate reductions to off-street parking requirements for multifamily housing including for affordable housing serving seniors, for additional provision of bicycles parking and proximity of transit stop within ¼ mile. Consider requiring off-street parking but not parking garages. Also consider allowing on-street parking within a certain distance of a development to count for a specific number or percentage of off-street parking required for that development.

Strategy 3: Support development of housing that is affordable for all households

The following recommended strategy and actions are intended to use a deliberate set of mandates and incentives to support the development of new affordable housing and preserve existing affordable housing.

Issue Statement

Availability of housing that is affordable to households at all income levels is a key issue in Tualatin. For the purposes of this strategy, affordable housing is defined as: 1) housing for very low-income and extremely low-income households at 50% or below of Median Family Income⁵ (\$41,000 in 2018), 2) housing for low-income households with income between 51% and 80% of MFI (\$41,000 to \$65,000 in 2018), and 3) housing for middle-income households with income between 81% and 120% MFI (\$65,000 to \$98,000 in 2018).

The City's policy options for providing opportunities to build housing, especially affordable housing (both market-rate and government subsidized affordable housing) are limited. The most substantial ways the City can encourage development of housing is through ensuring that enough land is zoned for residential development, assembling and purchasing land for affordable housing development, eliminating barriers to residential development where possible, and providing infrastructure in a cost-effective way.

Based on the actions identified below and the priorities set by decision makers, the City should develop a comprehensive housing strategy that includes and supports development of long-term (30-60 years) affordable housing by any of the following: government-subsidized non-profit developed, private developed and/or developed in partnership between any of the following: public, non-profit and/or private developers. The Tualatin Housing Program will be a program that uses a variety of tools, such as those described in this memorandum, to lower barriers to and encourage affordable housing development.

Goal

The goal of this strategy is to promote more lower-cost housing, with a focus on low- and middle-income housing. This focus is to ensure housing that is affordable to workers at businesses in Tualatin.

Recommended Actions

Note to the CAC: Below are actions suggested by the CAC in prior discussions.

 Evaluate opportunities to support and leverage the funding from the Metro bond (discussed in Strategy 4) for development of low-income housing, which would be

⁵ Based on U.S. Department of Housing and Urban Development Median Family Income of \$81,400 for Washington County in 2018.

affordable to households earning less than 80% of Median Family Income in Washington County (\$65,000 for a household size of four people). Some examples of support include:

- Reduce or waive systems development charges (SDCs) and Transportation Development Tax (TDT) fees.
- o Develop a sliding scale for systems development charges (SDCs) and TDT fees.
- Evaluate developing a tax exemption program, such as the Multiple Unit Housing tax exemption or the Low Income Rental Housing tax exemption.
- Evaluate adoption of a tax exemption to support newly rehabilitated or constructed multiunit rental housing.
- Evaluate development of a Vertical Housing Program, which would offer a
 partial tax exemption for mixed-use development that includes commercial and
 residential development.
- Provide density bonuses for development of housing affordable to households with income below 80% MFI Income in Washington County (\$65,000 for a household size of four people).
- Identify opportunities to assist with assembly of land into a single tax lot or multiple adjacent tax lots in certain cases (i.e. mixed-use development with more than one developer involved) to support development of affordable housing.
- Identify a Tualatin staff member who coordinates programs that support development of all types of affordable housing.
- Coordinate economic development planning with planning for residential development to emphasize growth of jobs that pay at or above Tualatin's average wage (\$57,300 in 2017).
- Support and potentially partner with employers who interested in developing an Employer Assisted Housing program to provide grants or loans to support rehabilitation or new housing development.

Other potential actions, not yet discussed with the CAC

- Identify surplus publicly-owned properties that could be used for affordable housing and partner with the developer(s) of low-income housing to develop affordable housing affordable to households earning less than 60% of MFI.
- Partner with organizations to support programs that preserve market-rate housing and affordable housing, such as provision of grants or low-interest loans to support rehabilitation of existing, older single-family detached homes in poor condition, extending existing Low Income Housing Tax Credit projects for additional term or converting to long-term affordable housing

- Partner with organizations to establish a land bank or land trust, to support affordable housing by reducing or eliminating land cost from the development process.
- Develop an expedited review process for development of affordable housing projects that target housing affordability at 80% of Median Family Income or less.
- Partner with Washington County Housing Services to identify resources for developing additional housing affordable for low, very low, extremely low income households.
- Partner with Washington County Housing Services to identify resources for developing additional housing affordable for middle-income households.
- Partner with Oregon Housing and Community Services (OHCS) to identify resources for developing additional housing affordable for both very low-income households and middle-income households.

Strategy 4: Identify funding tools to support residential development

The following recommended strategy and actions are intended to consider a range of funding tools that Tualatin may implement and use to support residential development.

Issue Statement

Funding for affordable housing and the infrastructure that serves residential land is becoming increasingly difficult. Cities have adopted a broad range of tools to support affordable housing. The nature of those tools is dependent on local factors: tax base, council support, competing priorities, etc.

Funding affordable housing programs from existing revenue sources may be challenging. Supplemental tools will be necessary if the city wants to support residential development.

Goal

Explore creative ways to support development of affordable housing and infrastructure development.

Recommended Actions

Note to the CAC: Below are actions suggested by the CAC in prior discussions.

• Evaluate opportunities to use and leverage funds from the Metro housing bond to support development of affordable housing.⁶ Washington County is allocated \$118.9 million from the bond. The County's draft Local Implementation Strategy allocates \$17.5 million for new construction of about 175 units of housing affordable for individuals and families. In addition, the County anticipates \$30.6 million in additional funds to support

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⁶ The Metro housing bond is for \$652.8 million, the majority of it will support development of at least 3,900 new affordable units. Most of the new units will be affordable to households with income of 60% MFI (\$48,600 for a family of four) or less. Funds from the bond measure can be used for: building new affordable, housing purchase and rehabilitate existing housing, buy land for new affordable housing, and produce affordable homeownership units.

this housing development from sources such as: Low Income Housing Tax Credits (LIHTC), private resources such as loans from private banks, property tax exemptions, Washington County HOME Partnership Investment Program funds, Washing County Housing Production Opportunity Fund, and resources from partner jurisdictions (such as fee waivers or exemptions, donated or discounted land, grants, or other resources).

Encourage partnerships with City by non-profits and private developers.

Other potential actions, not yet discussed with the CAC

- As the City evaluates establishing a new urban renewal district (which is an on-going
 process within the City currently, evaluate opportunities to support development of
 affordable housing programs (Strategy 3) funded through urban renewal. The City
 should also evaluate development of infrastructure (Strategy 1) and redevelopment
 opportunities (Strategy 5) to support residential development.
- Evaluate a Construction Excise Tax (CET) on new development to pay for developer incentives, such as fee and SDC waivers, tax abatements, or finance-based incentives.
- Evaluate other sources of revenues for funding affordable housing development, through working with the City's finance and legal staff.
- Evaluate development of a Local Improvement District to support upgrades needed to support new housing development.

Strategy 5: Identify redevelopment opportunities

This strategy focuses on actions that are intended to identify redevelopment opportunities in areas where housing would be appropriate.

Issue Statement

Tualatin has a deficit of land for housing, a deficit of 103 dwelling units in the Medium High Density Residential designation and a deficit of 101 dwelling units in the High Density / High-Rise Residential designation. Some (or perhaps all) of this deficit could be accommodated through redevelopment of existing areas within Tualatin, where there are opportunities to increase the intensity of land uses. Redevelopment opportunities may also provide opportunities for development of mixed-use areas that are more walkable, have amenities that households frequently access (e.g., schools, medical facilities, parks, retail, restaurants, and other services), and have access to transit, consistent with the actions in Strategy 6.

Redevelopment may require actions from other strategies, such as: increasing allowable densities, up-zoning, density bonuses for affordable housing, land assembly, reduced parking requirements, tax abatement program to support housing development, and funding support such as Urban Renewal or Local Improvement District.

Goal

Redevelop selected areas of Tualatin to create vibrant mixed-use districts that include new housing opportunities.

Recommended Actions

Note to the CAC: Below are actions suggested by the CAC in prior discussions.

- Identify areas with opportunities for redevelopment to increase capacity for multifamily housing development, such as the Commons.
- Work with landowners to evaluate opportunities for redeveloping vacant buildings for new housing, such as vacant big-box stores.

Other potential actions, not yet discussed with the CAC

- Identify three to four areas within Tualatin for redevelopment into mixed-use areas, with a mixture of higher-density housing and employment uses such as retail, office, and commercial services.
- Require that redevelopment of parcels have a redevelopment plan that shows how the
 property will be redeveloped into a vibrant area with a mixture of uses, connections
 with Tualatin's automotive and pedestrian/bicycle transportation networks, and a
 variety of housing types.

• Identify policies that support development of entry-level housing, possibly in conjunction with infill development or redevelopment.

Strategy 6: Ensure there are connections between planning for housing and other community planning

This strategy focuses on actions that are intended to ensure coordination between planning for housing and other community planning, such as transportation planning or neighborhood planning.

Issue Statement

Discussions of residential development lead to discussions of the design of neighborhoods and connectivity in Tualatin and a desire for more deliberate planning of new residential development to integrate multiple modes of transportation, access to parks and schools, and retail and services in or near neighborhoods. Given that large parts of Tualatin are already built out, this type of planning will need to consider long-term redevelopment opportunities to retrofit the existing built environment into neighborhoods with these characteristics.

This type of planning should occur with attention paid to equity issues, ensuring that neighborhoods with these characteristics are developed in a way that does not displace existing households and provides opportunity for housing for all residents of Tualatin, regardless of income, age, or race/ethnicity. This implies development of neighborhoods with a mixture of incomes, homeowners and renters, and a mixture of housing types (i.e., both single-family detached housing and attached or multifamily housing).

Goal

Ensure that Tualatin develops as a walkable and complete community with amenities that are easily accessible to people who live in Tualatin.

Recommended Actions

Note to the CAC: Below are actions suggested by the CAC in prior discussions.

- Evaluate opportunities to decrease dependence on automotive transportation, such as increased focus on development in walkable and bikeable areas and increases in transit service (amount and frequency of transit, as well as increased destinations for transit).
- Evaluate opportunities to expand transit and improve transportation connectivity in Tualatin particularly from the future SW Corridor station in Bridgeport to the Tualatin's Town Center and vital services and out to the neighborhoods.
- Evaluate opportunities to address capacity issues on Tualatin's roads to ease congestion and make traveling by car within Tualatin and to areas outside of Tualatin easier.
- Evaluate opportunities for planning transit-oriented development, as transit becomes more available in Tualatin.

- Implement a design framework for mixed-use neighborhoods that results in neighborhoods where residents have easy, convenient access to many of the places and services they use daily without relying heavily on a car. The framework would include the following elements: walkable neighborhoods, with access to transit, with nearby parks (i.e., within one-quarter mile), near retail and restaurants, and near schools. The neighborhood would have higher concentrations of people and are complete with the sidewalks, bike lanes and bus routes that support a variety of transportation options.
 - Note: In larger cities, these are referred to as "20 minute neighborhoods" but given Tualatin's smaller size, the scale might be more like "10 minute neighborhoods."
- Evaluate opportunities for residential development closer to jobs in Tualatin, to make it easier for people to walk, bicycle, or use transit to get to work.
- Evaluate opportunities to support development of housing that is affordable to workers at businesses in Tualatin to ensure that people who work in Tualatin have the opportunity to live in Tualatin. These opportunities are parts of the strategies throughout this memorandum.
- Ensure that newly developed areas are safe for residents, through design standards for the built environment. Integration of public safety services in or near neighborhoods.

Other potential actions, not yet discussed with the CAC

Appendix A: Tualatin's Existing Comprehensive Plan Policies

Section 4.050 General Growth Objectives.

Note to CAC: The following section includes objectives related to housing and that are not directly related to housing.

The following are general objectives used as a guide to formulate the Plan. The objectives are positive statements to de-scribe the Plan's intent to:

- (1) Provide a plan that will accommodate a population range of 22,000 to 29,000 people.
- (2) Cooperate with the Metropolitan Service District to reach regional consensus on population growth projections within the Tualatin area.
- (3) Conform to Metropolitan Service District (Metro) procedures for initiating amendments to the Metro Urban Growth Boundary.
- (4) Provide a plan that will create an environment for the orderly and efficient transition from rural to urban land uses.
- (5) Convert agricultural land only if needed for urban uses.
- (6) Arrange the various land uses so as to minimize land use conflicts and maximize the use of public facilities as growth occurs.
- (7) Prepare a balanced plan meeting, as closely as possible, the specific objectives and assumptions of each individual plan element.
- (8) Define the urban growth boundary.
- (9) Prepare a plan providing a variety of living and working environments.
- (10) Encourage the highest quality physical design for future development.
- (11) Coordinate development plans with regional, state, and federal agencies to as-sure consistency with statutes, rules, and standards concerning air, noise, water quality, and solid waste. Cooperate with the U.S. Fish and Wildlife Service to minimize adverse impacts to the Tualatin River National Wildlife Refuge from development in adjacent areas of Tualatin.
- (12) Adopt measures protecting life and property from natural hazards such as flooding, high groundwater, weak foundation soils and steep slopes.
- (13) Develop regulations to control sedimentation of creeks and streams caused by erosion during development of property.
- (14) Develop a separate growth program that controls the rate of community growth and is acceptable to the Land Conservation and Development Commission.

- (15) Arrange the various land uses in a manner that is energy efficient.
- (16) Encourage energy conservation by arranging land uses in a manner compatible with public transportation objectives.
- (17) Maintain for as long a period as possible a physical separation of non-urban land around the City so as to maintain its physical and emotional identity within urban areas of the region.
- (18) Fully develop the industrial area located in Washington County west of the City only when adequate transportation facilities are available and the area has been annexed to the City and served with water and sewer services.
- (19) Cooperate with Washington County to study the methods available for providing transportation, water and sewer service to the industrial area west of the City, designating this area as a special study area.
- (20) Initiate annexation of property within the Urban Growth Boundary planned for residential development only when petitioned to do so by owners of the affected property, including cases involving unincorporated "islands" of property surrounded by land annexed previously.
- (21) Territories to be annexed shall be in the Metro Urban Growth Boundary.
- (22) Address Metro's Urban Growth Management Functional Plan, Title 13, Nature in Neighborhoods, through the conservation, protection and restoration of fish and wildlife habitat, including Metro's Regionally Significant Fish and Wildlife Habitat, through the Tualatin Basin Natural Resource Coordinating Committee and the Tualatin Basin Program.
 - (a) Support and implement the elements of the Tualatin Basin Program to:
 - (i) Develop and adopt local policies and regulations to implement the provisions of the Tualatin Basin Program.
 - (ii) Adopt low impact development (LID) provisions to reduce environmental impacts of new development and remove barriers to their utilization.
 - (iii) Coordinate with Clean Water Services (CWS) to implement their Healthy Streams Action Plan and other programs such as their Stormwater Management Plan and Design and Construction Standards.
 - (iv) Coordinate with CWS, Metro and others to develop and support the funding, voluntary and educational components of the Tualatin Basin Program.

- (v) Coordinate with CWS, Metro and others to develop and support the monitoring and adaptive management components of the Tualatin Basin Program.
- (b) Continue active participation in the Tualatin Basin Natural Resources Coordinating Committee and the Steering Committee to support and implement the Tualatin Basin Program.
- (c) Coordinate with CWS and Metro to update Metro's Regionally Significant Fish and Wildlife Habitat Inventory Map. Changes to the Inventory Map will be ongoing as on-site inventories are conducted as part of private and public construction projects.
- (d) Support and implement provisions allowing public access to planned public facilities.

Section 5.030 General Objectives.

The following are general objectives used to guide the development of the residential housing element of the Plan. They describe the Plan's intent to:

- (1) Provide for the housing needs of existing and future City residents.
- (2) Provide housing opportunities for residents with varied income levels and tastes that are esthetically and functionally compatible with the existing community housing stock.
- (3) Cooperate with the Housing Authority of Washington County and the Housing Division of Clackamas County to identify sites, projects and developers to provide the City's fair share of assisted housing units for low and moderate income households, and participate in the region's Housing Opportunity Plan.
- (4) Locate higher density development where it is convenient to the City's commercial core, near schools, adjacent to arterial and collector streets and, as much as possible, in areas with existing multi-family housing and provide residential opportunities in selected commercial areas through the Mixed Use Commercial Overlay District.
- (5) Provide areas that are suitable for manufactured dwelling parks and areas that are suitable for subdivisions that will accommodate manufactured homes.
- (6) Provide areas that will accommodate small-lot subdivisions.
- (7) Develop specific and enforceable design standards for multi-family developments, town-houses, manufactured homes, manufactured dwelling parks and small-lot subdivisions.
- (8) Encourage owner occupancy of multi-family developments and other housing units within the City.

- (9) Encourage subdividers and other residential developers to consider the need for solar access on residential construction sites.
- (10) Provide for the raising of agricultural animals and agricultural structures in areas that are presently used for this purpose and that are not buildable due to their location in the 100-year flood plain.
- (11) Require that all residential development adjacent to Expressways be buffered from the noise of such Expressways through the use of soundproofing devices such as walls, berms or distance. Density transfer to accommodate the-se techniques is acceptable.
- (12) Encourage the development of attached housing in accordance with the RML Planning District in the area of the Norwood Express-way/Boones Ferry Road intersection.
- (13) Provide truck routes for industrial traffic that provide for efficient movement of goods while protecting the quality of residential areas.
- (14) Protect residential, commercial, and sensitive industrial uses from the adverse environmental impacts of adjacent industrial use.
- (15) Protect adjacent land uses from noise impacts by adopting industrial noise standards.
- (16) Protect the Tonquin Scablands from ad-verse impacts of adjacent development. This includes the main Scabland area in the vicinity of the Burlington Northern Railroad tracks which is preserved through the use of the Wet-lands Protection District and the Greenway and Riverbank Protection District. This also includes other elements of the Scabland formations found farther to the east. These latter areas will be preserved on a case-by-case basis as development occurs through preservation in their natural state, allowing residential density transfer through the small lot subdivision, common wall housing, and condominium condition-al use processes.
- (17) Protect wooded areas identified on the Natural Features Map found in the Technical Memorandum by requiring their preservation in a natural state, by integrating the major trees in-to the design of the parking lots, buildings, or landscaping areas of multi-family complexes and non-residential uses, or in low density areas through the small lot, common wall, or condominium conditional use. If it is necessary to remove a portion or all of the trees, the replacement landscape features shall be subject to approval through the Architectural Review process, except for conventional single family subdivisions.

Appendix B: Housing Policy Tools to Address Needs

This appendix presents the information provided to the CAC in the memorandum Housing Policy Tools to Address Needs (dated May 16, 2019).

The City of Tualatin contracted ECONorthwest to develop a Housing Needs Analysis and a Housing Strategy for Tualatin. The Housing Needs Analysis will determine whether the City of Tualatin has enough land to accommodate 20-years of population and housing growth. It will characterize housing affordability problems and identify gaps in housing affordability in Tualatin. The Housing Needs Analysis will provide the basis for an update to the City's Comprehensive Plan Housing Element, as well as development of an action plan to implement the housing policies (i.e. the Housing Strategy).

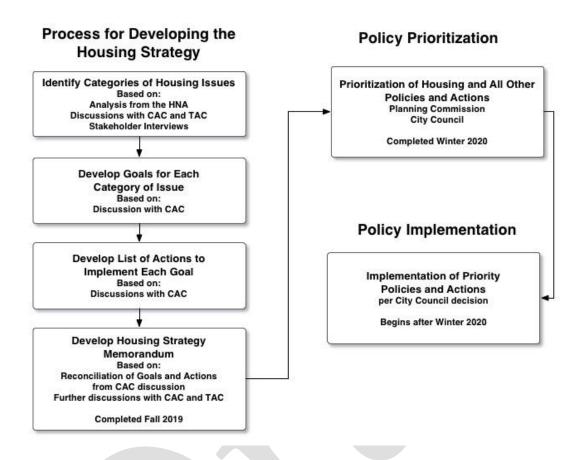
This memorandum provides a range of housing policy options for the City of Tualatin to consider as it addresses its housing needs. These policy options are commonly used by cities in Oregon and other states. Policy options are categorized as follows:

- Land Use Regulations
- Increase Housing Types
- Financial Assistance to Homeowners and Renters
- Lower Development or Operational Costs
- Funding Sources to Support Residential Development

The intention of this memorandum is to provide a toolbox of potential policies and actions that the City can use to address strategic issues. Exhibit 1 illustrates the process for developing the housing strategy and incorporating the strategy into the broader Tualatin 2040 process. Through this project, the CAC and TAC will provide feedback and recommendations that will be used to develop the Tualatin Housing Strategy. The May 23 CAC meeting will begin this process with the following steps: (1) identify categories of housing issues, (2) develop goal(s) to address each category of issue, and (3) developing a list of actions to implement each goal. At a subsequent CAC meeting, we will discuss one or more drafts of the Housing Strategy memorandum, which will document the housing issues, goals, and actions.

After the conclusion of this project, the Housing Strategy will be combined with other policies and actions and will be prioritized by the Tualatin Planning Commission and City Council. The policies and actions will be implemented per the Tualatin City Council's direction once prioritization is completed.

Exhibit 1. Process for developing and implementing the housing strategy



Options for Housing Policy Tools

This memorandum provides the City with information about potential policies that could be implemented in Tualatin to address the City's housing needs. Implementing some of the strategies in this memorandum may be beyond Tualatin's current staff or financial resources.

For many of the policy tools described below, we give an approximate scale of impact. The purpose of the scale of impact is to provide some context for whether the policy tool generally results in a little or a lot of change in the housing market. The scale of impact depends on conditions in the City, such as other the City's other existing (or newly implemented) housing policies, the land supply, and housing market conditions. We define the scale of impact as follows:

- A **small** impact may not directly result in development of new housing or it may result in development of a small amount of new housing, such as 1% to 3% of the needed housing (which is 10 to 30 dwelling units for Tualatin). In terms of housing affordability, a small impact may not improve housing affordability in and of itself. A policy with a small impact may be necessary but not sufficient to increase housing affordability.
- A **moderate** impact is likely to directly result in development of new housing, such as 3% to 5% of needed housing (which is 30 to 50 dwelling units for Tualatin). In terms of

housing affordability, a moderate impact may not improve housing affordability in and of itself. A policy with a moderate impact may be necessary but not sufficient to increase housing affordability.

• A **large** impact is likely to directly result in development of new housing, , such as 5% to 10% (or more) of needed housing (which is 50 to 100 dwelling units for Tualatin). In terms of housing affordability, a **large** impact may improve housing affordability in and of itself. A policy with a large impact may still need to work with other policies to increase housing affordability.



Land Use Regulations

The following policies focus on ways in which the City can modify its current land use regulations in order to increase housing affordability and available housing stock. Policies are broken into two categories: those that affect regulatory changes, and those which increase the land available for housing.

Strategy Name	Description	Scale of Impact
Regulatory Chai	nges	1
Administrative and Procedural Reforms	Regulatory delay can be a major cost-inducing factor in development. Oregon has specific requirements for review of development applications. However, complicated projects frequently require additional analysis such as traffic impact studies, etc. A key consideration in these types of reforms is how to streamline the review process and still achieve the intended objectives of local development policies.	Scale of Impact - Small. The level of impact on production of housing and housing affordability will be small and will depend on the changes made to the city's procedures. Streamlining procedures may be necessary but not sufficient to increase housing production on its own.
Expedited / Fast-tracked Building Permit	Expedite building permits for pre-approved development types or building characteristics (e.g. green buildings). City of Bend offers expedited review and permitting for affordable housing. Any residential or mixed-use development that receives local, state or federal affordable housing funding is eligible to receive a written decision by the Planning Department within two weeks of the date of submittal. For projects that require more complex planning review, a decision will be written or the first public hearing will be held within six weeks of the date of submittal.	Scale of Impact - Small. Expedited permit processing will benefit a limited number of projects. It may be necessary but not sufficient to increase housing production on its own.
Streamline Zoning Code and other Ordinances	Complexity of zoning, subdivision, and other ordinances can make development more difficult, time consuming, and costly. Streamlining development regulations can result in increased development. As part of the streamlining process, cities may evaluate potential barriers to affordable workforce housing and multifamily housing. Potential barriers may include: height limitations, complexity of planned unit development regulations, parking requirements, and other zoning standards. Many of the remaining tools in this section focus on changes to the zoning code.	Scale of Impact - Small to moderate. The level of impact on production of housing and housing affordability will depend on the changes made to the zoning code and other ordinances.

Strategy Name	Description	Scale of Impact
Allow Small Residential Lots	Small residential lots are generally less than 5,000 sq. ft and sometimes closer to 2,000 sq ft This policy allows individual small lots within a subdivision. Small lots can be allowed outright in the minimum lot size and dimensions of a zone, or they could be implemented through the subdivision or planned unit development ordinances. This policy is intended to increase density and lower housing costs. Small-lots limit sprawl, contribute to a more efficient use of land, and promote densities that can support transit. Small lots also provide expanded housing ownership opportunities to broader income ranges and provide additional variety to available housing types. Cities across Oregon allow small residential lots, including many cities in the Metro area.	Scale of Impact – Small to moderate. Cities have adopted minimum lot sizes as small as 2,000 sq. ft. However, it is uncommon to see entire subdivisions of lots this small. Small lots typically get mixed in with other lot sizes. This tool generally increases density and amount of single-family detached and townhouse housing in a given area, decreasing housing costs as a result of decreasing amount of land on the lot.
Mandate Maximum Lot Sizes	This policy places an upper bound on lot size and a lower bound on density in single-family zones. For example, a residential zone with a 6,000 sq. ft. minimum lot size might have an 8,000 sq. ft. maximum lot size yielding an effective net density range between 5.4 and 7.3 dwelling units per net acre. This approach ensures minimum densities in residential zones by limiting lot size. It places bounds on building at less than maximum allowable density. Maximum lot sizes can promote appropriate urban densities, efficiently use limited land resources, and reduce sprawl development. This tool is used by some cities but is used less frequently than mandating minimum lot sizes.	Scale of Impact—Small to moderate. Mandating maximum lot size may be most appropriate in areas where the market is building at substantially lower densities than are allowed or in cities that do not have minimum densities. This tool generally increases density and amount of singlefamily detached and townhouse housing in a given area, decreasing housing costs as a result of decreasing amount of land on the lot.

Strategy Name	Description	Scale of Impact
Mandate Minimum Residential Densities	This policy is typically applied in single-family residential zones and places a lower bound on density. Minimum residential densities in single-family zones are typically implemented through maximum lot sizes. In multifamily zones, they are usually expressed as a minimum number of dwelling units per net acre. Such standards are typically implemented through zoning code provisions in applicable residential zones. This policy increases land-holding capacity. Minimum densities promote developments consistent with local comprehensive plans and growth assumptions. They reduce sprawl development, eliminate underbuilding in residential areas, and make provision of services more cost effective. Mandating minimum density is generally most effective in medium and high density zones where single-family detached housing is allowed. The minimum density ensures that low-density single-family housing is not built where higher-density multifamily housing could be built.	Scale of Impact—Small to moderate. Increasing minimum densities and ensuring clear urban conversion plans may have a small to moderate impact depending on the observed amount of underbuild and the minimum density standard. For cities that allow single-family detached housing in high density zones, this policy can result in a moderate or larger impact.
Increase Allowable Residential Densities	This approach seeks to increase holding capacity by increasing allowable density in residential zones. It gives developers the option of building to higher densities. This approach would be implemented through the local zoning or development code. This strategy is most commonly applied to multifamily residential zones. For cities with maximum densities, consider removing maximum allowable densities. This change may be most relevant. Higher densities increase residential landholding capacity. Higher densities, where appropriate, provide more housing, a greater variety of housing options, and a more efficient use of scarce land resources. Higher densities also reduce sprawl development and make the provision of services more cost effective.	Scale of Impact—Small to moderate. This tool can be most effective in increasing densities where very low density is currently allowed or in areas where a city wants to encourage higher density development. This tool generally increases density and amount of single-family detached and townhouse housing in a given area, decreasing housing costs as a result of decreasing amount of land on the lot.

Strategy Name	Description	Scale of Impact
Allow Clustered Residential Development	Clustering allows developers to increase density on portions of a site, while preserving other areas of the site. Clustering is a tool most commonly used to preserve natural areas or avoid natural hazards during development. It uses characteristics of the site as a primary consideration in determining building footprints, access, etc. Clustering is typically processed during the site review phase of development review.	Scale of Impact—Moderate. Clustering can increase density, however, if other areas of the site that could otherwise be developed are not developed, the scale of impact can be reduced.
Reduced Parking Requirements	Jurisdictions can reduce or eliminate minimum off-street parking requirements, as well as provide flexibility in meeting parking requirements. Reducing parking requirements positively impact development of any type of housing, from single-family detached to multifamily housing. Reduced parking requirements are most frequently used in conjunction of development of subsidized affordable housing, but cities like Portland have reduced or eliminated parking requirements for market-based multifamily housing in specific circumstances. City of Bend offers parking reductions for affordable housing and transit proximity. Parking for affordable housing units is 1 space per unit regardless of size, compared to 1 space per studio or 1 bedroom unit, 1.5 spaces per 2-bedroom unit, and 2 spaces per 3- or more bedroom unit for market-rate multifamily development or 2 spaces per market rate detached dwelling unit. Affordable housing units must meet the same eligibility criteria as for other City of Bend affordable housing incentives City of Portland offers parking exceptions for affordable housing and sites adjacent to transit. The City of Portland allows housing developments that meet the inclusionary zoning requirements to reduce parking requirements to zero if located near frequent transit service, and to exclude the affordable housing units from parking requirements for developments located further from frequent transit service. The City also allows market rate housing developments located near frequent transit service to provide little or no parking, depending on the number of units in the development.	Scale of Impact—Small to moderate. The City could require the developer to prove the need and public benefit or reducing parking requirements to increase housing affordability. Reducing parking requirements can have a moderate to large impact on housing affordability if little or no parking is required.

Strategy Name	Description	Scale of Impact
Reduce Street Width Standards	This policy is intended to reduce land used for streets and slow down traffic. Street standards are typically described in development and/or subdivision ordinances. Reduced street width standards are most commonly applied on local streets in residential zones. This strategy could be applied to alleys, when required, to ensure that alleys are relatively narrow to reduce development and maintenance costs. Narrower streets make more land available to housing and economic-based development. Narrower streets can also reduce long-term street maintenance costs.	Scale of Impact—Small. This policy is most effective in cities that require relatively wide streets.
Preserving Existing Housing Supply	Housing preservation ordinances typically condition the demolition or replacement of certain housing types on the replacement of such housing elsewhere, fees in lieu of replacement, or payment for relocation expenses of existing tenants. Preservation of existing housing may focus on preservation of smaller, more affordable housing. Approaches include: • Housing preservation ordinances • Housing replacement ordinances • Manufactured home preservation • Single-room-occupancy ordinances • Regulating demolitions	Scale of Impact—Small to moderate. Preserving small existing housing can make a difference in the availability of affordable housing in a city but it is limited by the existing stock housing, especially smaller, more affordable housing. Cities with older housing stock are more likely to benefit from this policy.

Strategy Name	Description	Scale of Impact
Inclusionary Zoning	Inclusionary zoning policies tie development approval to, or provide regulatory incentives for, the provision of low- and moderate-income housing as part of a proposed development. Mandatory inclusionary zoning requires developers to provide a certain percentage of low-income housing. Incentive-based inclusionary zoning provides density or other types of incentives.	Scale of Impact—Small to moderate. Inclusionary zoning has recently been made legal in Oregon. The scale of impact would depend on the inclusionary zoning policies adopted by the city.
	The price of low-income housing passed on to purchasers of market-rate housing. Inclusionary zoning impedes the "filtering" process where residents purchase new housing, freeing existing housing for lower-income residents.	
	Oregon's inclusionary zoning laws apply to structures with 20 or more multifamily units, with inclusion of units that are affordable at 80% of the median family income of the city.	
	The City of Portland has implemented an inclusionary zoning program. While Portland's inclusionary zoning program is resulting in production of affordable multifamily units, there is considerable discussion and disagreement about the impact of number of multifamily units being built and potential changes in the location of units.	

Increasing Land Available for Housing The types of land rezoned for housing are vacant or partially vacant low-density Scale of Impact - Small to Re-designate residential and employment land rezoned to multifamily or mixed use. In large. Scale of impact depends or rezone land for housing rezoning land, it is important to choose land in a compatible location, such as on the amount and location of land that can be a buffer between an established neighborhood and other denser land rezoned and the densities uses or land adjacent to existing commercial uses. When rezoning employment allowed on the rezoned land. land, it is best to select land with limited employment capacity (i.e., smaller parcels) in areas where multifamily housing would be compatible (i.e., along transit corridors or in employment centers that would benefit from new housing). This policy change increases opportunity for comparatively affordable multifamily housing and provides opportunities for mixing residential and other compatible uses. Cities across Oregon frequently re-zone and re-designate land to address deficits of land for new housing. Encourage This tool seeks to encourage denser multifamily housing as part of mixed-use Scale of Impact - Small to multifamily projects in commercial zones. Such policies lower or eliminate barriers to moderate. Many cities already residential development in commercial or mixed-use zones. They include: encourage multifamily housing residential eliminating requirements for non-residential uses in commercial zones (e.g., in commercial zones. Further development in requirements for ground floor retail) or requiring minimum residential densities. encouraging multifamily housing commercial in commercial zones would zones This policy can increase opportunities for multifamily development on likely have a small impact, as commercial or mixed-use zones or increase the density of that development. multifamily housing is allowed in Cities across Oregon frequently encourage multifamily housing development in many of the commercial areas commercial zones, either as stand-along residential buildings or as mixed-use where it would be desirable. buildings. Unless it is publicly subsidized, mixed-use development generally results in relatively costly housing because ground floor commercial development is

relatively expensive.

Transfer or Purchase of Development Rights	This policy is intended to move development from sensitive areas to more appropriate areas. Development rights are transferred to "receiving zones" and can be traded and can increase overall densities. This policy is usually implemented through a subsection of the zoning code and identifies both sending zones (zones where decreased densities are desirable) and receiving zones (zones where increased densities are allowed). Transfer of development rights is done less frequently in Oregon, as cities generally zone land for higher density housing where they would like it to occur. This policy is frequently used by cities outside of Oregon.	Scale of Impact - Small to moderate. Actual impact will depend on the extent to which the policy is used. TDRs may have little impact on overall densities since overall density is not changed; rather it is moved around. TDRs can be used to encourage higher densities in selected areas.
Provide Density Bonuses to Developers	The local government allows developers to build housing at densities higher than are usually allowed by the underlying zoning. Density bonuses are commonly used as a tool to encourage greater housing density in desired areas, provided certain requirements are met. This strategy is generally implemented through provisions of the local zoning code and is allowed in appropriate residential zones. Bonus densities can also be used to encourage development of low-income or workforce affordable housing. An affordable housing bonus would allow for more housing units to be built than allowed by zoning if the proposed project provides a certain number of affordable units. City of Bend offers affordable housing density and height bonuses. Qualifying affordable housing projects are eligible for a 10-foot building height bonus for multifamily housing when affordable housing units are gained and for a density bonus. The density increase is based on the percentage of affordable housing units within the proposed development: if 10% of the units are affordable, the maximum density is 110% of the standard maximum density. The maximum density bonus is 50% above the base density. Qualifying projects must be affordable to households at or below 60% of the AMI for rental housing and at or below 80% of the AMI for ownership housing, and require development agreements and restrictions to ensure continued affordability. Ashland has four different density bonuses, one of which is for development of affordable housing at higher densities and another for energy-efficient housing. Affordable housing projects meeting eligibility requirements (including rental housing affordable to households at or below 60% of AMI or ownership housing affordable to households at or below 60% of AMI or ownership housing affordable to households at or below 60% of AMI or ownership housing affordable to households at or below 60% of AMI or ownership housing affordable to households at or below 60% of AMI or ownership housing affordable to households at or b	Scale of Impact – Small to moderate. Cities provide density bonuses on a case-by-case basis, which results in a small and sometimes moderate impact in many cities. Density bonuses can have a greater impact on housing affordability when the bonus increases the number of affordable units developed.

of two units for each affordable housing unit provided, up to a maximum of a 35% increase in density.

Kirkland Washington offers density bonuses for duplex, triplex, and cottage homes. Cottage homes (limited to 1,500 square feet of floor area) and two- and three-unit homes (up to 1,000 square feet of floor area average per unit) are allowed at double the density of detached dwelling units in the underlying zone.

Increase Housing Types

The following policies focus on ways in which the City can increase the types of housing available in order to increase housing affordability. Policies focus on increasing housing density or the number of residents within existing City lots.

Strategy Name	Description	Scale of Impact
Allow Duplexes, Cottage housing, Townhomes, Row Houses, and Tri- and Quad-Plexes in low density zones	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone. House Bill 2001 may require cities to allow some of these housing types in	Scale of Impact – Small to moderate. Allowing these types of housing in more zoning districts may provide relatively few number of new, relatively affordable, housing opportunities.
	single-family zones.	
Allow Cottage housing, Tri- and Quad-Plexes Townhomes, Row Houses, Stacked Townhouses, Cottage Courts, Duplex/Townhouse Courts, & Garden Apartments in	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.	Scale of Impact – Small to Large. Allowing these types of housing in more zoning districts may provide up to a large number of new, relatively affordable, housing opportunities. The scale of impact will depend, in part, on the amount of vacant or redevelopable land in medium density zones, as well as the types

Strategy Name	Description	Scale of Impact
medium density zones		of housing newly allowed in the medium density zone.
Allow Stacked Townhouses, Garden Apartments and larger-scale Apartments in high density zones	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.	Scale of Impact – Small to Large. Allowing these types of housing in more zoning districts may provide up to a large number of new, relatively affordable, housing opportunities. The scale of impact will depend, in part, on the amount of vacant or redevelopable land in high density zones, as well as the types of housing newly allowed in the high density zone.
Allow Live-Work housing or Mixed- use housing in commercial zones	Allowing these housing types can increase overall density of residential development and may encourage a higher percentage of multifamily housing types. This approach would be implemented through the local zoning or development code and would list these housing types as outright allowable uses in appropriate residential zones. These housing types provide additional affordable housing options and allow more residential units than would be achieved by detached homes alone.	Scale of Impact – Small to Large. Allowing these types of housing in more zoning districts may provide up to a large number of new, relatively affordable, housing opportunities.
Remove barriers to Development of Accessory Dwelling Units (ADUs) in single- family zones	As of July 1, 2018, ORS 197.312 requires cities to allow at least one ADU for each detached single-family dwelling in areas zoned for detached single-family dwellings. Jurisdictions can make development of ADUs more likely by limiting restrictive standards and procedures, such as reducing systems development charges for ADUs, reducing or eliminating parking requirements, or allowing ADUs regardless of where the primary dwelling is owner-occupied.	Scale of Impact - Small. Oregon law recently changed to require cities to allow ADUs.

Strategy Name	Description	Scale of Impact
Allow small or "tiny" homes	"Tiny" homes are typically dwellings that are 500 square feet or smaller. Some tiny houses are as small as 100 to 150 square feet. They include stand-alone units or very small multifamily units. Tiny homes can be sited in a variety of ways: locating them in RV parks (they are similar in many respects to Park Model RVs), tiny home subdivisions, or allowing them as accessory dwelling units.	Scale of Impact - Small: Scale of impact depends on regulation of tiny homes, where they are allowed, and market demand for tiny homes.
	Smaller homes allow for smaller lots, increasing land use efficiency. They provide opportunities for affordable housing, especially for homeowners. Portland and Eugene allow tiny homes as temporary shelter for people experiencing homelessness.	

Lower Development or Operational Costs

The following policies focus on ways in which the City and other entities involved in development can provide financial assistance to lower development or operational costs in a city in order to increase housing affordability and available housing stock.

Strategy Name	Description	Scale of Impact
Programs or poli	cies to lower the cost of development	
Parcel assembly	Parcel assembly involves the city's ability to purchase lands for the purpose of land aggregation or site assembly. It can directly address the issues related to limited multifamily lands being available in appropriate locations (e.g., near arterials and commercial services). Typical goals of parcel assembly programs are: (1) to provide sites for rental apartments in appropriate locations close to services and (2) to reduce the cost of developing multifamily rental units	Scale of Impact - Small to large. Parcel assembly is most likely to have an effect on a localized area, providing a few opportunities for new multifamily housing development over time.
	Parcel assembly can lower the cost of multifamily development because the City is able to purchase land in strategic locations over time. Parcel assembly is often associated with development of affordable housing (affordable to households with income below 60% of MFI), where the City partners with nonprofit affordable housing developers.	
	Parcel assembly can be critically important role for cities to kick start quality affordable housing and work force housing projects that can be positive catalysts too for market rate development.	

Strategy Name	Description	Scale of Impact
Land Banking	Land banks support housing development by reducing or eliminating land cost from development, with the goal of increasing the affordability of housing. They can take several forms. Many are administered by a non-profit or non-governmental entity with a mission of managing a portfolio of properties to support affordable housing development over many years or decades. Ideally, a land bank is set up to manage financial and administrative resources, including strategic property disposal, for the explicit purpose of supporting affordable housing development. Cities can partner with non-profits or sometimes manage their own land banks. Cities may also donate, sell, or lease publicly-owned land for the development of affordable housing even without a formal 'land bank' organization. Land banks are purposed for short-term ownership of lands. Lands acquired are often vacant, blighted, or environmentally-contaminated. Land banks may also acquire lands with title defects or of which derelict structures sit. Lands are eventually transferred to a new owner for reuse and redevelopment.	Scale of Impact - Small to large. A land bank will have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing.
Land Trusts	A land trust is typically a nonprofit organization that owns land and sells or leases the housing on the land to income-qualified buyers. Because the land is not included in the housing price for tenants / buyers, land trusts can achieve below-market pricing. Land trusts are most commonly used as a method for supporting affordable home ownership goals. Land trusts are purposed for long-term stewardship of lands and buildings. Lands / buildings acquired may have need for remediation or redevelopment. Lands / buildings may have also been acquired to preserve affordability, prevent deferred maintenance, or protect against foreclosure Proud Ground (Portland Metro Area) was founded in 1999 and has grown into one of the largest community land trusts in the country. The organization focuses on affordable homeownership and controls ground leases associated with 270 homes in Multnomah, Washington, Clackamas, and Clark County.	Scale of Impact - Small to large. A land trust will have the biggest impact on production of low- and moderate-income affordable housing. Considering how difficult it is to build this type of affordable housing and the level of need for affordable housing, a land trust could increase nonprofits' capacity to build affordable housing.

Strategy Name	Description	Scale of Impact
Public Land Disposition	The public sector sometimes controls land that has been acquired with resources that enable it to dispose of that land for private and/or nonprofit redevelopment. Land acquired with funding sources such as tax increment, EB-5, or through federal resources such as CDBG or HUD Section 108 can be sold or leased at below market rates for various projects to help achieve redevelopment objectives. This increases development feasibility by reducing development costs and gives the public sector leverage to achieve its goals via a development agreement process with the developer. Funding can come from Tax Increment, CDBG/HUD 108, or EB-5.	Scale of Impact – Small to moderate. Depends on whether the City has surplus land that would be appropriate for future housing development.
	Cities across Oregon use publicly land to support affordable and market-rate of housing development. In some cases, municipalities put surplus public land into land banks or land trusts.	
	Tri-Met is evaluating re-use of construction staging sites for future affordable housing and/or transit-orient development sites.	
	Cottage Grove is working with the school district to discuss and plan for use of surplus school district land for future housing development.	

Strategy Name	Description	Scale of Impact
Reduced / Waived Building Permit fee, Planning fees, or SDCs	Programs that reduce various development fees as an incentive to induce qualifying types of development or building features. There are a number of avenues to seek reduced or waived fees. For example, stormwater improvements can be made through the Commercial Stormwater Fee Reduction. There are commonly used tools, often implemented in conjunction with development agreements or other development negotiation processes. City of Portland offers SDC exemptions for affordable housing. Portland's SDC Exemption Program exempts developers of qualifying affordable housing projects from paying SDCs levied by the City of Portland for transportation, water, parks and environmental services. Eligible rental projects must serve households earning at or below 60% of the AMI for a 60-year period. Portland also offers SDC waivers for development of ADUs. City of McMinnville offers SDC exemptions and reduced permit fees for affordable housing. Building and planning permit fees for new or remodel housing construction projects are reduced by 50% for eligible projects and SDCs for transportation, wastewater and parks are exempted at 100%. Reductions/exemptions are prorated for mixed use or mixed-income developments. The property must be utilized for housing for low-income persons for at least 10 years or the SDCs must be paid to the city.	Scale of Impact - Small.
SDC Financing Credits	May help to offset the an SDC charge, which is a one-time fee that is issued when there is new development or a change in use. SDC financing enables developers to stretch their SDC payment over time, thereby reducing upfront costs. Alternately, credits allow developers to make necessary improvements to the site in lieu of paying SDCs. Note that the City can control its own SDCs, but often small cities manage them on behalf of other jurisdictions including the County and special districts. SDCs are granted when the project makes lasting improvements, such as improving roads, reducing number of trips, create or improve parks or recreational centers, and permanently removing water services.	Scale of Impact – Small to moderate. The City may consider changes in SDCs to allow financing but the City would want to ensure that the impact should be spread-out and non-negatively impact one entity.

Strategy Name	Description	Scale of Impact
Sole Source SDCs	Retains SDCs paid by developers within a limited geographic area that directly benefits from new development, rather than being available for use city-wide. This enables SDC-eligible improvements within the area that generates those funds to keep them for these improvements. Improvements within smaller areas can enhance the catalytic and redevelopment value of the area. This tool can also be blended with other resources such as LIDs and Urban Renewal (Tax Increment Financing). Funding can come from an SDC fund or general fund. In some cases, there may be no financial impact. The housing can come in the form of student, low-income, or workforce housing.	Scale of Impact – Small to moderate. Depends on how the tool is implemented and whether it is used with other tools, such as LIDs or Urban Renewal.
Fees or Other Dedicated Revenue	Directs user fees into an enterprise fund that provides dedicated revenue to fund specific projects. Examples of those types of funds can include parking revenue funds, stormwater/sewer funds, street funds, etc. The City could also use this program to raise private sector funds for a district parking garage wherein the City could facilitate a program allowing developers to pay fees-in-lieu or "parking credits" that developers would purchase from the City for access "entitlement" into the shared supply. The shared supply could meet initial parking need when the development comes online while also maintaining the flexibility to adjust to parking need over time as elasticity in the demand patterns develop in the district and influences like alternative modes are accounted for. Funding can come from residents, businesses, and developers. Also, these fees or revenues allow for new revenue streams into the City.	

Strategy Name	Description	Scale of Impact
Reimbursement District	A Reimbursement District is a cost sharing mechanism, typically Initiated by a developer. The purpose is to provide a reimbursement method to the developer of an infrastructure improvement, through fees paid by property owners at the time the property benefits from the improvement. A developer applies to create a Reimbursement District by demonstrating benefit to properties beyond their own. In addition, the size of the improvement must be measurably greater than would otherwise be ordinarily required for the improvement Eligible Reimbursement District projects typically include (but are not limited to) construction or connections of a sewer, water, storm water or street improvements. Applications typically include: a fee sufficient to cover the cost of administrative review, a description of the project, properties that would be impacted, and a detailed methodology and calculation of how the estimated costs would be reimbursed by payments from benefitted properties over a specified timeframe. A report from the City Engineer is generated in review of the submitted application. After a public hearing process, the council will approve, reject or modify the proposal. The approval of a Reimbursement District results in a resolution and distribution of notice among benefitted properties before construction can begin. Benefitted properties must pay the Reimbursement Fee when they make a physical connection to the improvement (or in the case of a sewer project, when the benefitted property creates an impervious surface that drains into the public sewer) within the Reimbursement District Area. Reimbursement fees are collected by the City and are distributed to the developer for the duration of the Reimbursement District, which are typically 10-15 years. Paid by benefitted properties at the time the property benefits from the improvement, typically at connection to the sewer, water or storm drain system.	Scale of Impact – Small to moderate.
Linkage Fees	Linkage fees are charges on new development, usually commercial and / or industrial development only, that can be used to fund affordable housing. To implement them, a city must undertake a nexus study that identifies a legal connection between new jobs housed in the developments, the wages those jobs will pay, and the availability of housing affordable to those employees. • Can be used for acquisition and rehabilitation of existing affordable units. • Can be used for new construction.	Scale of Impact – Small to moderate.

Strategy Name	Description	Scale of Impact
Tax abatement p	rograms that decrease operational costs by decreasing property taxes	
Vertical Housing Tax Abatement (Locally Enabled and Managed)	The 2017 Legislature passed legislation moving the administration of Vertical Housing Program from Oregon Housing and Community Services (OHCS) to the local City and County beginning Oct 6th, 2017. OHCS no longer administers this program. The legislation subsidizes "mixed-use" projects to encourage dense development or redevelopment by providing a partial property tax exemption on increased property value for qualified developments. The exemption varies in accordance with the number of residential floors on a mixed-use project with a maximum property tax exemption of 80 percent over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80 percent of area is median income or below).	Scale of Impact – Small to moderate. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.

Multiple-Unit Limited Tax Exemption Program (Locally Enabled and Managed) Through the multifamily tax exemption, a jurisdiction can incent diverse housing options in urban centers lacking in housing choices or workforce housing units. Through a competitive process, multi-unit projects can receive a property tax exemption for up to ten-years on structural improvements to the property. Though the state enables the program, each City has an opportunity to shape the program to achieve its goals by controlling the geography of where the exemption is available, application process and fees, program requirements, criteria (return on investment, sustainability, inclusion of community space, percentage affordable or workforce housing, etc.), and program cap. The City can select projects on a case-by-case basis through a competitive process.

The passing of HB 2377 - Multiunit Rental Housing Tax Exemption allows cities and counties to create a property tax exemption for newly rehabilitated or newly constructed multi-unit rental housing within their boundaries depending on the number of units made available to low-income households, for up to 10 consecutive years. The bill was crafted to strengthen the connection to affordability by requiring cities and counties to establish a schedule in which the number of years an exemption is provided increases directly with the percentage of units rented to households with an annual income at or below 120 percent of MFI, and at monthly rates that are affordable to such households. While not specifically referenced in the measure, ORS 308.701 defines "Multi-unit rental housing" as: "(a) residential property consisting of four or more dwelling units" and; "does not include assisted living facilities."

All new multifamily units that are built or renovated that offer rent below 120% of AMI are potentially eligible for this tax exemption. In a city with an AMI of \$55,000 (common outside of Portland), that's rent of \$1,650 per month or less. The tax exemption is for all taxing districts which is administered by the City. Due to this, smaller jurisdictions may have more trouble managing this program. Local taxing jurisdictions that agree to participate—cities, school districts, counties, etc.

The City of Eugene offers a ten-year Multi-Unit Property Tax Exemption (MUPTE) for projects in its eastern downtown core. Eugene's criteria for granting MUPTE include: Project must provide 5 or more units of housing (not including student housing), development must meet minimum density standards, development must comply with minimum green building requirements, a portion of construction and other contracting requirements must

Scale of Impact – Small to moderate. The design of the tax abatement program will impact whether and how many developers use the tax abatement, which will affect the scale of the impact.

Strategy Name	Description	Scale of Impact
	be through local business, the development must provide 30% of the units affordable at 100% of AMI or pay a fee of 10% of the value of the tax abatement toward supporting moderate income housing development, demonstrate that the project would not be financially feasible without the exemption by providing 10-year pro forma with and without MUPTE and comply with other criteria.	
	The City of Salem's Multi-Unit Housing Tax Incentive Program (MUHTIP) was adopted in 2012 to spur the construction of "transit supportive" multi-unit housing in the city's downtown core. In order to qualify for the exemption, projects must consist of at least two dwelling units, be located in the city's "core area," and include at least one public benefit.	
Nonprofit Corporation Low Income Housing Tax Exemption	Note: These are two separate tax exemptions available under statute (ORS 307.515 to 307.523 / ORS 307.540 to 307.548). They are grouped together for their similarities (but differences are noted).	Scale of Impact – Small to moderate. The exemption reduces operating costs, meaning it is a tool more useful
and Low-Income Rental Housing Tax Exemption	Land and improvement tax exemption used to reduce operating costs for regulated affordable housing affordable at 60% AMI or below. Requires the City to adopt standards and guidelines for applications and enforcement mechanisms.	to property owners of affordable housing projects. Developers, who do not own and operate their own projects, may be less inclined to use the program.
	The low-income rental housing program exemption lasts 20 years. The nonprofit corporation low-income housing program must be applied for every year but can continue as long as the property meets the criteria. Rents must reflect the full value of the property tax abatement and City can add additional criteria.	monnou to use the program.
	There is no requirement that construction must be complete prior to application. Programs both work well in tandem with other incentives, such as land banking.	

⁷ City of Salem, "Multi Unit Housing Tax Incentive Program," https://www.cityofsalem.net/Pages/multi-unit-housing-tax-incentive-program.aspx.

Funding Sources to Support Residential Development

The following policies focus on ways to pay for the costs of implementing the affordable housing programs and infrastructure development.

Strategy Name	Description	Scale of Impact
Urban Renewal / Tax Increment Finance (TIF)	Tax increment finance revenues are generated by the increase in total assessed value in an urban renewal district from the time the district is first established. As property values increase in the district, the increase in total property taxes (i.e., City, County, school portions) is used to pay off the bonds. When the bonds are paid off, the entire valuation is returned to the general property tax rolls. TIFs defer property tax accumulation by the City and County until the urban renewal district expires or pays off bonds. Over the long term (most districts are established for a period of 20 or more years), the district could produce significant revenues for capital projects. Urban renewal funds can be invested in the form of low-interest loans and/or grants for a variety of capital investments: • Redevelopment projects, such as mixed-use or infill housing developments • Economic development strategies, such as capital improvement loans for small or startup businesses which can be linked to family-wage jobs • Streetscape improvements, including new lighting, trees, and sidewalks • Land assembly for public as well as private re-use • Transportation enhancements, including intersection improvements • Historic preservation projects • Parks and open spaces Urban renewal is a commonly used tool to support housing development in cities across Oregon.	Scale of Impact – Moderate to Large. Urban Renewal funding is a flexible tool that allows cities to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs). Portland used Urban Renewal to catalyze redevelopment across the City, including the Pearl District and South Waterfront.

Construction Excise Tax (CET)

Funds land use planning throughout the region by taxing construction permits. CET is a tax assessed on construction permits issued by local cities and counties. The tax is assessed as a percent of the value of the improvements for which a permit is sought, unless the project is exempted from the tax. In 2016, the Oregon Legislature passed Senate Bill 1533 which permits cities to adopt a construction excise tax (CET) on the value of new construction projects to raise funds for affordable housing projects. CETs may be residential only, commercial only, or residential and commercial. If the City were to adopt a CET, the tax would be up to 1% of the permit value on residential construction and an uncapped rate on commercial and industrial construction. The allowed uses for CET funding are defined by the state statute. The City may retain 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, if the City uses a residential CET:

- 50% must be used for developer incentives (e.g. fee and SDC waivers, tax abatements, etc.)
- 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction.
- 15% flows to Oregon Housing and Community Services for homeowner programs.

If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives and the remaining 50% are unrestricted. The rate may exceed 1% if levied on commercial or industrial uses.

The City of Portland's CET went into effect in 2016. It levies a 1% CET on residential, commercial, and industrial development valued at \$100,000 or more, with all revenues going toward affordable housing. The revenues pay for production of housing at or below 60% AMI, developer incentives for inclusionary zoning, along with state homeownership programs.

City of Bend adopted a CET of 0.3% on residential, commercial, and industrial development in 2006, with revenues dedicated to loans to fund developments by profit and nonprofit affordable housing developers. The fee has raised \$11 million as of 2016, allowing the City to lend money to fund 615 units. The fund has leveraged \$63 million in state and federal funding and \$14 million in equity.

The City of Milwaukie adopted a CET on commercial, residential, and industrial development in November of 2017. The City exempted deed-restricted affordable

Scale of Impact – Depends on the amount of funding available.

	housing, ADUs, and improvements less than \$100,000 from paying the CET. The adopting ordinance allocates funds as required by state statutes, specifying that flexible funds from the commercial improvements will be used 50% toward housing available to those making up to 120% of MFI, and 50% for economic development programs in areas with sub-area plans (such as Downtown and Riverfront, and the City's urban renewal areas).	
General Fund and General Obligation (GO) Bonds	Allows funding for a project that is not dependent on revenue from the project to back the bond. City can use general fund monies on hand or can issue bonds backed by the full faith and credit of the city to pay for desired public improvements. Property taxes are increased to pay back the GO bonds. City of Portland passed \$258 million bond for affordable housing in 2016. The goal of the bond is to build or preserve up to 1,300 units in the next five to seven years. The city issued a request for information to solicit interest in acquiring properties or land under the affordable housing bond. The city is looking for opportunities to acquire existing properties of 20 or more units, or vacant land that is appropriately zoned for 20+ housing units, and is looking for both traditional and nontraditional development opportunities.	Scale of Impact – Moderate to large. GO Bonds can be used to develop essential infrastructure or provides funding for programs that lower the costs of housing development (such as SDC reductions or low interest loan programs).
Local Improvement District (LID)	Enables a group of property owners to share the cost of a project or infrastructural improvement. A special assessment district where property owners are assessed a fee to pay for capital improvements, such as streetscape enhancements, underground utilities, or shared open space. For residential property, the estimated assessment cannot exceed the pre-improvement value of the property based on assessor records. An ordinance must be passed through a public hearing process which must be supported by a majority of affected property owners. Part of this process includes an estimation of the improvement costs and the portion of those costs in which property owners will be responsible to pay for. The public hearing process allows for LIDs to be challenged by property owners. The City collects the funds and regardless if the actual cost is greater than the estimated cost (on which the assessment was based), the City may make a deficit assessment for the additional cost, which would be prorated among all benefitted properties. Another public hearing would be held, in the event that an additional assessment were placed property owners (due to underestimation).	Scale of Impact – Depends on the amount of funding available and Bonding capacity.

General Fund Grants or Loans	A city can use general fund or tax increment dollars to directly invest in a specific affordable housing projects. These grants or loans can serve as gap funding to improve development feasibility. There are several options for using general fund grants or loans, including the potential for bonds to generate upfront revenue that is repaid over time, as recently approved in the City of Portland. Another option is to use general fund dollars to contribute to other programs that are successfully operating, such as non-profit land trusts or even other government agencies that have the administrative capacity to maintain compliance requirements over time, using intergovernmental agreements.	Scale of Impact – Depends on the amount of funding available.
Transient Lodging Tax (TLT)	Generates revenue by primarily taxing tourists and guests using temporary lodging services. Taxes for temporary lodging at hotels, motels, campgrounds, and other temporary lodgings. Oregon has a statewide TLT and cities and counties can also charge a local TLT subject to certain limitations. The statutes specify that 70% must be used for tourism promotion or tourism related facilities and 30% is unrestricted in use, and there cannot be a reduction of the total percent of room tax. The state tax is specified at 1.8%; local government tax rates vary as local governments set the rate for their jurisdiction by ordinance. Cities and counties may impose taxes on transient lodging. Alternatively, some cities have an agreement for the county to impose the tax and cities share in a percent of the revenue.	Scale of Impact – Small. The amount of funding from TLT is likely to be relatively small, given that only 30% of TLT funds have unrestricted use.
CDBG	The Community Development Block Grants program is a flexible program that provides annual grants on a formula basis to both local governments and States. Grants are awarded on a 1, 2, or 3-year period. It is required that at least 70% of the CDGB funds are used for activities that benefit low- and moderate- income. Additionally, each activity must address any threats to health or welfare in the community (for which other funding is unavailable). These funds can be used for acquisition and rehabilitation of existing affordable units, as well as new construction that prioritizes community development efforts.	Scale of Impact – Depends on the amount of funding available.



DATE: August 14, 2019

TO: Tualatin Project Advisory Committees

CC: Karen Perl Fox, Steve Koper, and Jonathan Taylor FROM: Beth Goodman and Sadie DiNatale, ECONorthwest SUBJECT: DRAFT: TUALATIN ECONOMIC DEVELOPMENT STRATEGY

The City of Tualatin contracted ECONorthwest to develop an Economic Opportunities Analysis and an Economic Development Strategy for Tualatin. The Economic Opportunities Analysis will determine whether the City of Tualatin has enough land to accommodate 20-years of commercial and industrial job growth. The Economic Opportunities Analysis (EOA) will provide the basis for an update to the City's Comprehensive Plan Economic Element, as well as development of an action plan to implement the economic development policies (i.e. the Economic Development Strategy).

Note to CAC: We have had fewer discussions about economic development policies than we have about housing policies. This document is less well-developed than the Housing Strategy. That said, it should follow the same general pattern as the Housing Strategy, when completed.

The EOA uses a planning period of 2020-2040. Tualatin is planning for growth of about 12,800 new jobs within the Tualatin planning area over the 20-year planning period. The preliminary results of the EOA show that Tualatin has a deficit of land designated for employment in the Commercial and Industrial comprehensive plan designations.

A key objective of the EOA and accompanying economic development strategy is to identify options for changes to the City's comprehensive plan and land use regulations needed to address commercial and industrial land needs. This memorandum presents an Economic Development Strategy for Tualatin, based on the results of the EOA, and discussions with the Community Advisory Committee (CAC) and Technical Advisory Committee (TAC). The economic development presents a comprehensive package of interrelated policy changes that the CAC and TAC recommend the City address.

This economic development strategy focuses on land use tools to ensure there is adequate land planned and zoned to provide opportunities for employment growth on sites with a variety of characteristics (e.g., site sizes, locations, visibility, and other characteristics).

Through the technical analysis of the EOA and input from the CAC and TAC, the City identified four strategic priorities to address issues identified in the EOA. The strategic priorities are: (1) ensuring an adequate supply of land that is available and serviceable; (2) identifying redevelopment opportunities; (3) supporting business retention, growth, and attraction; and (4) ensuring there are connections between planning for economic development and other community planning. Strategic priorities are described in greater detail in the section below.

Appendix A presents the full text of Tualatin's existing Comprehensive Plan policies for commercial and industrial development. Appendix B presents the information about economic development tools commonly used in other cities in Oregon.

Tualatin's Economic Development Strategy

Tualatin's economic development strategy is organized around four broad strategic priorities: (1) ensure an adequate supply of land that is available and serviceable; (2) identify redevelopment opportunities; (3) support business retention, growth, and attraction; and (4) ensure there are connections between planning for economic development and other planning (such as transportation planning, water and wastewater planning, and economic development planning). The broad goal of the Tualatin economic development strategy is to help the City manage the land within the Tualatin planning area to support and manage economic growth while maintaining the character and quality of life in Tualatin and protecting public interests such as health, safety, and municipal revenues.

The Tualatin CAC convened seven times between March 2019 and September 2019. The CAC discussed economic development at the meetings in June, August, and September. The Tualatin TAC met four times between April 2019 and September 2019 and discussed economic development at the June, August, and September meetings (while some meetings included discussions of other topics, as well). The CAC and TAC provided input, through discussions at meetings and opportunities for input on written document, into development of the Economic Development Strategy.

The recommendations from the CAC and TAC in this strategy consider key findings from the EOA, such as the following examples. The City has a long-term deficit of commercial and industrial land for growth over the 2019 to 2039 period. This document presents a comprehensive strategy that provides a variety of policies to support business retention, growth, and attraction in Tualatin.

Note to CAC: We will flesh the two paragraphs out further as we continue discussions and finalize the Economic Development Strategy.

Many of the actions described in the Tualatin Economic Development Strategy will require legislative amendments to the City's comprehensive plan and/or development code. These actions will be subject to standard notification and hearing procedures. After the economic opportunities analysis is completed, the Planning Commission and City Council will prioritize the actions suggested in this memorandum, along with other actions suggested for Tualatin 2040. Implementation of high priority actions will begin in 2020, based on City Council direction.

Summary of Actions

Note to CAC: A future version of the Strategy will have a summary in it.

Strategy 1: Ensure an adequate supply of land that is available and serviceable

This strategy is about ensuring an adequate land supply, which includes a twenty-year supply, but also a pipeline of serviced land that is available for immediate development (referred to as a "short-term" supply of employment land). Employment land supply should include sites with a variety of characteristics (e.g., site sizes, locations, visibility, and other characteristics). Efficient use of Tualatin's employment land is key to ensuring that Tualatin has adequate opportunities to grow from 2020 to 2040, and beyond.

Issue Statement

Tualatin's forecast for commercial and industrial employment growth and land demand shows that Tualatin has a deficit of land (74 gross acres) in Industrial plan designations and a deficit (175 acres) in Commercial plan designations (including retail, office, and other commercial services).

Tualatin is part of the Metro UGB and cannot expand its planning area on its own. Tualatin can, however, increase land use efficiency within its planning area, through changing zoning standards (e.g. limiting uses with lower employment density), allowing and encouraging more mixed-use development, and planning for redevelopment (see Strategy 2). This is a common issue and opportunity in Tualatin for both housing and economic development, which provides an opportunity for the city to develop solutions for both.

Tualatin not only needs land that is vacant but also has urban services that support commercial and industrial development, such as municipal water service, sewer and wastewater service, storm water management systems, and transportation connections with adequate capacity to accommodate growth. Tualatin can monitor growth to ensure that the city has enough land in the short-term land supply (available for development within one year of application for a building permit) and "shovel-ready" land (available for development within 180 days of application for a building permit). Tualatin can work with Metro and other regional partners on future expansions of the Metro UGB to accommodate additional employment land development in Tualatin.

Goal

Ensure that sufficient land is designated so that the supply is adequate for commercial and industrial development. Maintain an adequate short-term supply of suitable commercial and industrial land to respond to economic development opportunities as they arise

"Short-term supply" means suitable land that is ready for construction usually within one year of an application for a building permit or request for service extension.

Recommended Actions

Note to the CAC: Below are actions briefly discussed in the June CAC meeting.

These actions will be fleshed out consistent with the way we discussed in the Housing Strategy. However, we have not had sufficient discussions to draw out the actions for the EOA as we did for the HNA. The next version of this Strategy will include more detail about key actions.

Actions briefly suggested by the CAC

- Re-zone land to meet land deficits.
- Limiting uses with a lower employment density.
- Encourage mixed-use development.
- Evaluate increasing building height limits to allow taller buildings in places like Town Center.

Other potential actions, not yet discussed with the CAC

Note to the CAC: Below are actions not yet discussed by the CAC but that may be appropriate in Tualatin.

- Identify industrial areas that might be more efficiently used for a combination of light industrial and commercial uses (limiting retail uses).
- Develop an employment zone that allows industrial and non-retail commercial.
- Identify changes in the zoning code to make more efficient use of industrial areas, such as not allowing warehouse and distribution (which consumes significant amounts of land with low employment densities). Also consider reducing or eliminating the minimum lot size from 20,000 square feet, especially in areas that have existing small lots already.
- Identify changes in the zoning code to make more efficient use of commercial areas, such as reducing or eliminating the minimum lot size from 20,000 square feet, and promoting mixtures of uses that integrate employment and housing.
- Identify opportunities to streamline the development process.
- Continue to coordinate capital improvement planning to ensure infrastructure availability on employment land and continue to pursue funding for needed infrastructure to support business expansion and private investments in businesses and job growth.
- When the Transportation System Plan is updated, prioritize transportation systems upgrades that are necessary to support employment growth.
- Seek regional support for development and improvement of transportation infrastructure. Working with Washington County, Metro, adjacent communities,

- and ODOT, advocate for and support improvements to key regional transportation facilities that serve employment areas in Tualatin.
- Identify options to extend transit service to employment centers to expand transportation options for workers in Tualatin, such as a local bus service like Wilsonville's SMART.
- Work with willing land-owners to provide infrastructure to ensure a short-term land supply (available for development within one year of application for a building permit) and shovel-ready land (available for development within 180 days of application for a building permit).
- Work with and encourage land owners to get sites certified by Business Oregon as shovel ready.
- Continue to ensure that key development sites are listed on Business Oregon's Oregon Prospector web site to market sites to potential developers and businesses.
- Develop and implement a system to monitor the total and short-term supply of commercial and industrial lands. This includes monitoring commercial and industrial development (through permits) as well as land consumption (e.g. development on vacant, or redevelopable lands).
- Reevaluate Tualatin's commercial and industrial needs and land sufficiency on a regular basis tied to the Metro Growth Management cycle (i.e., every six years), as part of the City's coordination with Metro
- When Tualatin has commercial or industrial land deficits, coordinate with Metro
 to identify opportunities for expansion of the UGB into Urban Reserve areas
 appropriate for employment uses. Part of this coordination should include
 identifying opportunities for future residential growth opportunities to help
 address the jobs-housing imbalance.

Strategy 2: Identify redevelopment opportunities

This strategy focuses on actions that are intended to identify redevelopment opportunities in areas where employment growth would be appropriate.

Issue Statement

Tualatin has a deficit of land for industrial and commercial land of 74 and 175 gross acres, repetitively. Some of this deficit could be accommodated through redevelopment of existing areas within Tualatin, where there are opportunities to increase the intensity of land uses. Redevelopment opportunities may also provide opportunities for development of mixed-use areas that are more walkable, have amenities that households frequently access (e.g., schools,

medical facilities, parks, retail, restaurants, and other services), have access to transit, and accommodate new housing, consistent with the actions in Strategy 4.

Redevelopment may require actions from other strategies, such as: increasing allowable densities, re-zoning, land assembly, tax abatement program to support employment growth development, and funding support such as Urban Renewal or Local Improvement District.

Goal

Redevelop selected areas of Tualatin to create vibrant mixed-use districts that include new employment and housing opportunities.

Recommended Actions

Note to the CAC: Below are actions briefly discussed in the June CAC meeting.

These actions will be fleshed out consistent with the way we discussed in the Housing Strategy. However, we have not had sufficient discussions to draw out the actions for the EOA as we did for the HNA. The next version of this Strategy will include more detail about key actions.

Actions briefly suggested by the CAC

- Redevelop the Commons, changing zoning to allow taller buildings, create a mixed-use and walkable center.
- Re-zone land for more mixed-use to meet goals for both increasing number of housing
 units at a range of income levels to the meet the identified housing need and to increase
 the number of jobs at or above average wages and better balance the number of jobs and
 opportunities for housing in Tualatin.

Other potential actions, not yet discussed with the CAC

Note to the CAC: Below are actions not yet discussed by the CAC but that may be appropriate in Tualatin.

- Update the Tualatin Town Center Plan to focus on opportunities for redevelopment, including identifying changes to zoning necessary to allow and encourage development of both housing and employment uses. The update should include development of a community vision for the future of Town Center to guide changes to zoning and other policy, as well as City investments in Town Center.
- In conjunction with the update to the Tualatin Town Center Plan, the Tualatin
 Development Commission could act as developer for redevelopment of city
 owned properties (such as surface parking lots) to create catalytic projects that
 include a mix of housing (both market-rate and affordable housing) and retail and
 office uses.

- Identify three to four areas for mixed-use redevelopment and work with landowners to address issues preventing redevelopment (e.g., needed zoning change, infrastructure investments, etc.).
- Identify industrial areas that are ripe for industrial redevelopment or infill
 development on vacant portions of the site. Work with property owners to
 identify issues preventing redevelopment or infill development.
- Identify and plan for investments and infrastructure necessary to support redevelopment of key sites, through tools such as Urban Renewal or Local Improvement Districts.

Strategy 3: Support business retention, growth, and attraction

Economic development generally occurs through three broad approaches: retention of existing businesses, growth of existing and small businesses (such as entrepreneurs), and attracting of new businesses from outside of the city. This strategy describes economic development efforts to support growth of economic activity and employment.

Issue Statement

The main focus of economic development is retaining and growing businesses. These businesses both provide employment for people living in Tualatin and the surrounding region and pay property taxes that help balance the City's tax base.

Note to the CAC: We will add a brief discussion about the relationship between businesses, property taxes, and the City's fiscal health here.

This strategy is about actions that the support retention and expansion of existing businesses, growth and creation of entrepreneurial business, and attraction of new businesses that align with Tualatin's values as a community. The types of businesses the City wants to attract most are non-polluting businesses with wages at or above the Washington County average, focusing on growth of businesses that have sufficient wages for their workers to afford to live and work in Tualatin.

Goal

Support business growth in Tualatin to diversify and expand commercial and industrial development in order to provide employment opportunities with levels of pay that allows workers to live in Tualatin, as well as supporting the City's tax base.

Recommended Actions

Note to the CAC: Below are actions briefly discussed in the June CAC meeting.

These actions will be fleshed out consistent with the way we discussed in the Housing Strategy. However, we have not had sufficient discussions to draw out the actions for the

EOA as we did for the HNA. The next version of this Strategy will include more detail about key actions.

Actions briefly suggested by the CAC

- Develop a clear vision for economic development and develop a plan to execute it deliberately. The vision should articulate what the City's role should be in economic development.
- Attract firms that pay enough to support families.

Other potential actions, not yet discussed with the CAC

Note to the CAC: Below are actions not yet discussed by the CAC but that may be appropriate in Tualatin.

 Develop an action-oriented 5-year Economic Development Action Plan that includes a community vision for economic growth in Tualatin. The vision for economic development may build off of the Tualatin Tomorrow visioning, which includes a section entitled "Facilitating Economic Opportunity."

The factual basis for the Action Plan is the information gathered about on local and regional economic trends gathered through the Economic Opportunity Analysis, from policies and objectives established for the Comprehensive Plan (this document) and with feedback and input from stakeholders. The Action Plan would present detailed actions for executing the economic development policies based on the priorities established by the Tualatin City Council.

- Establish an Economic Development Committee composed of elected and appointed officials, business owners and managers in Tualatin, people involved in economic development in Tualatin and the Portland Region, and residents of Tualatin.
- Continue to reach out to businesses in Tualatin and identify problems and barriers
 to business growth and expansion in Tualatin. Addressing these issues could be
 part of the actions taken in the Economic Development Strategy.
- Support existing businesses by sharing technical resources, maintaining open communications with local business people, and providing available staff support for economic development projects initiated by the business community.
- Develop incentive programs to encourage businesses that provide jobs at or above the County average wage. Incentives could include: low-interest loans, fee waivers, and other incentives

- Identify opportunities to support growth of small businesses and entrepreneurs, such as business incubators or buildings with co-working space for small businesses.
- Support and encourage home-based businesses and identify barriers in the City's policies to growth of home-based businesses.
- Partner with a regional or statewide organization that assists new, entrepreneurial businesses to grow, retain businesses, and attract businesses to Tualatin. These partnership may include marketing Tualatin to attract new businesses. These organizations include: Tualatin Chamber of Commerce, Tualatin Commercial Citizen Involvement Organization, Westside Economic Alliance, Greater Portland Inc., Business Oregon, and Federal agencies such as the Economic Development Administration.
- Attract businesses, such as businesses in industries identified as Target Industries in Tualatin's Economic Opportunities Analysis, such as advanced manufacturing, food processing, furniture manufacturing, plastics manufacturing, information technology and analytical systems, and business services.

Strategy 4: Ensure there are connections between planning for economic development and other community planning

This strategy focuses on actions that are intended to ensure coordination between planning for economic development and other community planning, such as housing, transportation planning or other urban infrastructure planning (such as water or wastewater systems) and natural resources and parks planning.

Issue Statement

Discussions of economic development leads to discussions of transportation issues in Tualatin and a desire to ensure a jobs-housing balance in Tualatin. Transportation issues include heavy congestion on Tualatin's roadways, including access to I-5, arterial roads connecting Tualatin within the region, and local roadways. In addition, Tualatin is not well-served with transit. Tualatin is served with the West Side Express Service (WES) train and two TriMet bus lines. The Max line is expected to extend to Bridgeport Village.

In addition, Tualatin has more employees than residents. Between 2007 and 2017, population grew by about 0.35% per year, compared with employment growth of 2.9% per year. The forecast for population growth over the next 20 years is substantially lower than employment growth, with a household growth forecast of about 0.4% per year and an employment forecast growth about 1.4% per year. The Housing Needs Analysis shows that Tualatin has opportunities for residential growth beyond the forecast for growth. Success in housing development as a part of redevelopment and mixed use development (Strategy 2) will further increase the amount of housing that could be developed in Tualatin beyond the forecast for new growth.

Jobs with at least average wages pay enough to live in rental housing in Tualatin. The average wage for employment in Tualatin in 2017 was about \$57,000, which is sufficient to afford a monthly rent of about \$1,425. The average multifamily rent in Tualatin was nearly \$1,200 in 2017. As a result, a person earning around the average wage can afford rent of about \$1,425 and the average multifamily rent in Tualatin.

However, the average sales price for a unit in Tualatin in early 2019 was \$480,000, which would require a wage of \$120,000 to \$140,000 to afford homeownership. None of the industries in Tualatin has average pay this high and only one-quarter of households in Tualatin and Washington County have household income high enough to afford the average sales price. As a result, people who work in Tualatin can own a newly purchased home in Tualatin if they have substantially higher-than-average wages or if there is more than one worker per household, which is common, with an average of 1.4 jobs per household in Tualatin.

Reasons for working in Tualatin and not living in Tualatin likely include more causes than problems affording households. People choose to commute for a variety of reasons: preference for another community, family and friends living in another community, choosing a location that allows the other worker(s) in the household an easier commute, long-term homeownership in another community, and other reasons.

The result of so much commuting is congestion on Tualatin's roads and the region's highways. Planning for new employment growth will require coordination with transportation planning. It will also require coordination with water, wastewater, and stormwater planning. Through this project and the Housing Needs Analysis, it requires coordination with planning for housing and neighborhood growth.

Goal

Ensure that Tualatin develops as a walkable and complete community with a range of amenities that are easily accessible to people who live in Tualatin.

Recommended Actions

Note to the CAC: Below are actions suggested by the CAC in prior discussions, including some from HNA discussions that seem applicable here.

Evaluate opportunities to decrease dependence on automotive transportation for people
working in Tualatin. For people who live and work in Tualatin this will include
increased focus on development in walkable and bikeable areas and increases in transit
service (amount and frequency of transit, as well as increased destinations for transit)
and integrating neighborhood commercial development within existing and new
residential neighborhoods. For people who work in Tualatin and live elsewhere, it will
focus on increases in transit connections between cities.

- Evaluate opportunities to expand transit and improve transportation connectivity in Tualatin particularly from the future SW Corridor station in Bridgeport to the Tualatin's Town Center and employment centers.
- Evaluate opportunities to address capacity issues on Tualatin's roads to ease congestion and make traveling by car within Tualatin and to areas outside of Tualatin easier.
- Evaluate opportunities for planning transit-oriented development, as transit becomes more available in Tualatin.
- Evaluate opportunities for residential development closer to jobs in Tualatin, to make it easier for people to walk, bicycle, or use transit to get to work.
- Evaluate opportunities to support development of housing that is affordable to workers at businesses in Tualatin to ensure that people who work in Tualatin have the opportunity to live in Tualatin.

Other potential actions, not yet discussed with the CAC

Note to the CAC: Below are actions not yet discussed by the CAC but that may be appropriate in Tualatin.

Appendix A: Tualatin's Existing Comprehensive Plan Policies

Section 4.050 General Growth Objectives.

Note to CAC: The following section includes objectives related to commercial and industrial development and that are not directly related to commercial and industrial development.

The following are general objectives used as a guide to formulate the Plan. The objectives are positive statements to de-scribe the Plan's intent to:

- (1) Provide a plan that will accommodate a population range of 22,000 to 29,000 people.
- (2) Cooperate with the Metropolitan Service District to reach regional consensus on population growth projections within the Tualatin area.
- (3) Conform to Metropolitan Service District (Metro) procedures for initiating amendments to the Metro Urban Growth Boundary.
- (4) Provide a plan that will create an environment for the orderly and efficient transition from rural to urban land uses.
- (5) Convert agricultural land only if needed for urban uses.
- (6) Arrange the various land uses so as to minimize land use conflicts and maximize the use of public facilities as growth occurs.
- (7) Prepare a balanced plan meeting, as closely as possible, the specific objectives and assumptions of each individual plan element.
- (8) Define the urban growth boundary.
- (9) Prepare a plan providing a variety of living and working environments.
- (10) Encourage the highest quality physical design for future development.
- (11) Coordinate development plans with regional, state, and federal agencies to as-sure consistency with statutes, rules, and standards concerning air, noise, water quality, and solid waste. Cooperate with the U.S. Fish and Wildlife Service to minimize adverse impacts to the Tualatin River National Wildlife Refuge from development in adjacent areas of Tualatin.
- (12) Adopt measures protecting life and property from natural hazards such as flooding, high groundwater, weak foundation soils and steep slopes.
- (13) Develop regulations to control sedimentation of creeks and streams caused by erosion during development of property.

- (14) Develop a separate growth program that controls the rate of community growth and is acceptable to the Land Conservation and Development Commission.
- (15) Arrange the various land uses in a manner that is energy efficient.
- (16) Encourage energy conservation by arranging land uses in a manner compatible with public transportation objectives.
- (17) Maintain for as long a period as possible a physical separation of non-urban land around the City so as to maintain its physical and emotional identity within urban areas of the region.
- (18) Fully develop the industrial area located in Washington County west of the City only when adequate transportation facilities are available and the area has been annexed to the City and served with water and sewer services.
- (19) Cooperate with Washington County to study the methods available for providing transportation, water and sewer service to the industrial area west of the City, designating this area as a special study area.
- (20) Initiate annexation of property within the Urban Growth Boundary planned for residential development only when petitioned to do so by owners of the affected property, including cases involving unincorporated "islands" of property surrounded by land annexed previously.
- (21) Territories to be annexed shall be in the Metro Urban Growth Boundary.
- (22) Address Metro's Urban Growth Management Functional Plan, Title 13, Nature in Neighborhoods, through the conservation, protection and restoration of fish and wildlife habitat, including Metro's Regionally Significant Fish and Wildlife Habitat, through the Tualatin Basin Natural Resource Coordinating Committee and the Tualatin Basin Program.
 - (a) Support and implement the elements of the Tualatin Basin Program to:
 - (i) Develop and adopt local policies and regulations to implement the provisions of the Tualatin Basin Program.
 - (ii) Adopt low impact development (LID) provisions to reduce environmental impacts of new development and remove barriers to their utilization.
 - (iii) Coordinate with Clean Water Services (CWS) to implement their Healthy Streams Action Plan and other programs such as their Stormwater Management Plan and Design and Construction Standards.

- (iv) Coordinate with CWS, Metro and others to develop and support the funding, voluntary and educational components of the Tualatin Basin Program.
- (v) Coordinate with CWS, Metro and others to develop and support the monitoring and adaptive management components of the Tualatin Basin Program.
- (b) Continue active participation in the Tualatin Basin Natural Resources Coordinating Committee and the Steering Committee to support and implement the Tualatin Basin Program.
- (c) Coordinate with CWS and Metro to update Metro's Regionally Significant Fish and Wildlife Habitat Inventory Map. Changes to the Inventory Map will be ongoing as on-site inventories are conducted as part of private and public construction projects.
- (d) Support and implement provisions allowing public access to planned public facilities.

Section 6.030 Objectives.

The following are general objectives used to guide the development of this Plan:

- (1) Encourage commercial development.
- (2) Provide increased employment opportunities.
- (3) Provide shopping opportunities for surrounding communities.
- (4) Locate and design commercial areas to minimize traffic congestion and maximize access.
- (5) Continue to utilize specific and enforceable architectural and landscape design standards for commercial development.
- (6) Encourage developers to consider solar access when designing commercial development projects.
- (7) Provide for limited and carefully designed neighborhood commercial centers.
- (8) Provide for the continued development of major medical services facilities in the City of Tualatin, especially at the Meridian Park Hospital site. The Medical Center Planning District shall be applied only to a property, or a group of contiguous properties, of no less than 25 acres and shall have frontage on an arterial as designated in <u>TDC Chapter 11</u>, Tualatin Community Plan.

(9) To work with the applicable jurisdictions and agencies to develop the Durham Quarry Site and Durham Quarry Area with high quality development. It is appropriate to apply an overlay district on the Durham Quarry Site and Durham Quarry Area to allow mixed commercial/residential uses. It is appropriate to enter into an intergovernmental agreement with the City of Tigard and Washington County to allow the City of Tualatin to review and decide land use applications and building permit applications for the portion of the Durham Quarry Site in the City of Tigard.

Section 7.030 Objectives.

The following are general objectives used to guide development of the Plan and that should guide implementation of the Plan's recommendations:

- (1) Encourage new industrial development.
- (2) Provide increased local employment opportunity, moving from 12 percent local employment to 25 percent, while at the same time making the City, and in particular the Western Industrial District, a major regional employment center.
- (3) Improve the financial capability of the City, through an increase in the tax base and the use of creative financing tools.
- (4) Preserve and protect, with limited exceptions, the City's existing industrial land.
- (5) Cooperate with Washington County, METRO, and the State of Oregon to study the methods available for providing transportation, water, and sewer services to the Western Industrial District.
- (6) Fully develop the Western Industrial District and the Southwest Tualatin Concept Plan Area (SWCP), providing full transportation, sewer, and water services prior to or as development occurs.
- (7) Improve traffic access to the Western Industrial District and SWCP area from the Interstate 5 freeway and State Highway 99W through regional improvements identified in the 2035 Regional Transportation Plan.
- (8) Cooperate with the Department of Environmental Quality and METRO to meet applicable air quality standards by 1987.
- (9) Construct a north/south major arterial street between Tualatin Road and Tualatin-Sherwood Road and SW Tonquin Road in the 124th Avenue alignment to serve the industrial area.
- (10) Rebuild the Tualatin Road/Pacific Highway intersection to allow for substantially greater traffic flows.

- (11) Provide truck routes for industrial traffic that provide for efficient movement of goods while protecting the quality of residential areas.
- (12) Protect residential, commercial, and sensitive industrial uses from the adverse environmental impacts of industrial use.
- (13) Protect adjacent land uses from noise impacts by adopting industrial noise standards.
- (14) Continue to protect the Hedges Creek Wetland and Tonquin Scablands from adverse impacts of adjacent development.
- (15) Continue to administer specific and enforceable architectural and landscape design standards for industrial development.
- (16) Encourage industrial firms to use co-generation as a means to utilize waste heat from industrial processes and consider solar access when designing industrial facilities.
- (17) Protect wooded areas identified on the Natural Features Map found in the Technical Memorandum by requiring their preservation in a natural state or by integrating the major trees into the design of the parking lots, buildings, or more formal landscaping areas of an industrial development. If it is necessary to remove a portion or all of the trees, the replacement landscape features shall be subject to approval through the Architectural Review process.

Appendix B: Potential Economic Development Actions

This appendix presents potential economic development actions that cities take to increase economic activities. The purpose of this appendix is to provide information and ideas to Tualatin staff and stakeholders, as they develop economic development policies and actions to implement those policies. This appendix is not intended to be adopted into the Tualatin Comprehensive Plan.

A wide range of economic development policies and actions are available to cities for influencing the level and type of economic development. It is useful to make a distinction between economic development policies, which are typically adopted by ordinance into local comprehensive land use plans, and a local economic development strategy. While policies and economic development strategies should be aiming to achieve the same outcomes, they are not the same thing. The key differences are: (1) economic development strategies are typically presented in the form of a strategic plan that covers a five-year time horizon while policies use the longer 20-year horizon in most comprehensive plans; (2) strategies are more broad reaching and may identify actions that extend outside the capacity of local government while policies focus on land use and infrastructure; and (3) strategies are more agile in the sense that they provide a framework rather than legal guidance.

While many of the actions identified in this appendix could be included either as policies or strategies, the focus is primarily on policies and actions that implement those policies.

Local economic development policy usually has a fundamental goal of supporting businesses that align with a jurisdiction's long-term vision for the community.¹ Economic development broadly focuses on three strategies: (1) business recruitment; (2) business retention and expansion (BRE); and (3) innovation and entrepreneurship. Historically, many cities focused on recruitment as their foundational strategy; however, many cities and economic development are rethinking this approach and local governments are increasingly implementing policies that focus on support for entrepreneurs, especially those starting new businesses.²

Recent research on the effectiveness of local economic development efforts support this focus on innovation and entrepreneurship to attract new, young businesses. Providing support for institutions and firms where innovation happens allows for businesses to grow and new businesses to form as industries evolve. Local jurisdictions can specifically provide support for accelerators and incubators, especially those that provide connections between research

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¹ Based on Leigh and Blakley's definition for sustainable economic development as follows, "Local economic development is achieved when a community's standard of living can be preserves and increased through a process of human and physical development that is based on principles of equity and sustainability. There are three essential elements in this definition, detailed below: First economic development establishes a minimum standard of living for all and increases the standard over time. Second, economic development reduces inequality. Third, economic development promotes and encourages sustainable resource use and production." Leigh, N. and Blakeley, E. *Planning Local Economic Development: Theory and Practice.* 2013.

² Kauffman Foundation. "Entrepreneurship's Role in Economic Development." Entrepreneurship Policy Digest. June 2014.

institutions, established firms, and entrepreneurs. Entrepreneurs are also increasingly mobile with improved access to high-speed internet. Local jurisdictions can promote quality of life and access to amenities as a way to attract these new businesses.³ Moreover, every start up is also a BRE opportunity.

Economic development is also about collaboration and identifying partnerships that can make the most of the resources available for economic development activities. Local jurisdictions should focus on their role in economic development, as there are factors that the jurisdiction can and cannot control. As identified in a 2017 University of Oregon report on the "Perceptions and Needs of Economic Development Programs in Oregon," organizations and jurisdictions involved in economic development activity supported the importance of coordination between entities, but that implementation of coordinating efforts is difficult due to lack of capacity, unbalanced effort, or trust issues. To help overcome these barriers to coordinating economic development efforts, a key component to developing local economic development policies is identifying which policies and actions that the City is well-suited to be a lead partner, and those better suited for a partner organization to lead. It is important to develop policies and actions that identify other organizations as the lead partner. Successful implementation of these policies and actions will depend on an understanding of an organization's capacity and access to resources.

The focus of the actions listed in this Appendix is primarily on the City's role: what resources can the City commit to economic development and what roles are most appropriate for the City. Following are foundational assumptions about the City's role:

- The City plays a support role in economic and business development.
- The City is one of several organizations that provide and maintain infrastructure.
- The City has limited staff and financial resources that can be invested in appropriate economic development activities.
- The City has an obligation to adopt an economic development strategy, policies to manage employment lands, and maintain a 20-year supply of commercial and industrial sites under Goal 9 and OAR 660-009.
- The City is not the ideal organization to coordinate BRE and entrepreneurship activities or to house staff that are coordinating BRE and entrepreneurship activities.

The policy and action examples provided in this appendix are organized by broad policy categories, with cross-references to the factors of production that influence business location and expansion. The factors of production are discussed in detail the EOA document. While it is important to understand how the factors of production influence economic development

³ Leigh, N. and Blakeley, E. Planning Local Economic Development: Theory and Practice. 2013.

⁴ University of Oregon, Department of Planning, Public Policy & Management, Community Services Center.

[&]quot;Perceptions and Needs of Economic Development Programs in Oregon." Final Report. December 2017.

activity, it is more useful to group policies and actions in broad categories such as, Land Use, Public Facilities, Business Assistance, etc.

The effectiveness of any individual actions or combination of actions depends on local circumstances and desired outcomes. Local strategies should be customized not only to meet locally defined objectives, but also to recognize economic opportunities and limitations (as defined in the Economic Opportunity Analysis). Positive outcomes are not guaranteed: even good programs can result in limited or modest results. It is important to remember that effective economic development requires a long-term view—immediate results are not guaranteed. Thus, maintaining a focus on implementation is essential.

Economic development is a team activity—no single entity can implement all the activities that are necessary for a robust economic development program. Many municipal economic development strategies include actions that rely on other entities to implement. For example, many municipal strategies we have reviewed include strategies and actions around workforce development. Workforce development is not a municipal service, so cities must coordinate with external entities for this function. The main points here are (1) be deliberate about policies / strategies /actions that rely on external partners, and (2) if these are included in the plan, be sure that resources are committed to execute them—understanding that coordination is time-consuming and challenging.

Table B-1 identifies a range of potential economic development strategies that the Tualatin could consider implementing. These strategies range from those closely associated with the basic functions of government (provision of buildable land and public services) to those sometimes viewed as outside the primary functions of government (such as financial incentives and business assistance). The primary action categories in Table B-1 are Land Use, Public Facilities, Business Assistance, Workforce, and Other. As stated above, it is important for Tualatin to identify the policies and actions they are well-suited to lead, and where collaboration with, and leadership from, partner organizations is necessary. Table B-1 also includes suggestions for potential partners and whether Tualatin should take on a lead or support role.

Table B-1. Potential economic development actions

Category/Policy Examples	Description and Examples	Potential Partners	City Lead or Support Role	Relevant Factors of Production	
Land Use Policies regarding the amount and location of available land and allowed uses.					
Provide adequate supply of land	Provide an adequate supply of development sites to accommodate anticipated employment growth with the public and private services, sizes, zoning, and other characteristics needed by firms likely to locate in Tualatin.	County, adjacent cities, State, landowners, and key stakeholders	Lead	Land, infrastructure	
Zoning Code	Conduct an audit of the city's zoning code and a review of other development regulations to ensure that the regulations support the goals of economic development	manage land within the city's planning area but outside of	Lead	Land, Regulation	
permitting process and simplify city land-use policies	Take actions to reduce costs and time for development permits. Adopt development codes and land use plans that are clear and concise.	County, if they assist with the permitting or building inspection process	Lead	Regulation, taxes, financial incentives	
Public Facilities	Policies regarding the level an	d quality of public and	private infrastr	ucture and services.	
support employment growth	Provide adequate public services (i.e. roads, transportation, water, and sewer) and take action to assure adequate private utilities (i.e. electricity and communications) are provided to existing businesses and development sites. One way to pay for adequate infrastructure is through use of urban renewal, shown in the table below.		Lead	Local infrastructure, Access to markets, suitable land to serve	
Focused public investment	Provide public and private infrastructure to identified development or redevelopment sites.	Public works department, special service districts, utilities, State and Federal partners who may provide grants, developers and landowners	Lead	Regulation, taxes	
Communications infrastructure	Actions to provide high-speed communication infrastructure, such as developing a local fiber optic network.	Communication utilities and public works department	Lead/Support	Local infrastructure, Access to markets	

Category/Policy Examples	Description and Examples	Potential Partners	City Lead or Support Role	Relevant Factors of Production
Business Assistance	Policies to assist existing busi	nesses and attract nev	w businesses.	
Business retention and growth	Targeted assistance to businesses facing financial difficulty or thinking of moving out of the community. Assistance would vary depending on a given business' problems and could range from business loans to upgrades in infrastructure to assistance in finding a new location within the community.	Chamber of Commerce, Business Oregon, Regional ED Corporation	Support	Local infrastructure, Access to markets, Materials, Regulation, Taxes, Financial incentives, Industry clusters
Recruitment and marketing	d Establish a program to market the community as a location for business in general, and target relocating firms to diversify and strengthen the local economy. Take steps to provide readily available development sites, an efficient permitting process, well-trained workforce, and perception of high quality of life.	Chamber of Commerce, Business Oregon, Regional ED Corporation	Support	Labor, Land, Local infrastructure, Regulation, Taxes, Industry clusters, Quality of life
Development districts (enterprise zones, renewal districts, etc.)	Establish districts with tax abatements, loans, assist with infrastructure, reduced regulation, or other incentives available to businesses in the district that meet specified criteria and help achieve community goals.	Business Oregon, taxing districts, special districts, county	Lead	Local infrastructure, Regulation, Taxes, Financial incentives, Quality of life
Business clusters	Help develop business clusters through business recruitment and business retention policies. Encourage siting of businesses to provide shared services to the business clusters, businesses that support the prison and hospital and agricultural industry, including retail and commercial services.	Business Oregon, Educational/research institutions	Support	Industry clusters, Innovative capacity

Category/Policy Examples	Description and Examples	Potential Partners	City Lead or Support Role	Relevant Factors of Production
Public/private partnerships	Make public land or facilities available, public lease commitment in proposed development, provide parking, and other support services.	Developers, businesses, and landowners	Lead and/or Support	Land, Financial incentives
Financial assistance	Tax abatement, waivers, loans, grants, and financing for firms meeting specified criteria. Can be targeted as desired to support goal such as recruitment, retention, expansion, family-wage jobs, or sustainable industry.	County, special service districts, other taxing districts	Lead	Regulation, Taxes, Financial incentives
Business incubators	Help develop low-cost space for use by new and expanding firms with shared office services, access to equipment, networking opportunities, and business development information. Designate land for live-work opportunities.	Education/research institutions, Chamber of Commerce, Small Business Administration (Federal)	Support	Entrepreneurship, Innovative capacity, Access to markets
Business/start- up accelerators	Provide similar services and opportunities as a business incubator but using a specific timeframe for businesses to meet certain benchmarks. Help connect businesses with funding at the end of the time period of the program to continue product development.	Business Administration (Federal), venture	Support	Entrepreneurship, Innovative capacity, Access to markets
Mentoring and advice	Provide low-cost mentors and advice for local small businesses in the area of management, marketing, accounting, financing, and other business skills.		Support	Entrepreneurship, Innovative capacity
Export promotion	Assist businesses in identifying and expanding into new products and export markets; represent local firms at trade shows and missions.	State, Chamber of Commerce, regional economic development partners	Support	Entrepreneurship, Innovative capacity, Access to markets

Category/Policy Examples	Description and Examples	Potential Partners	City Lead or Support Role	Relevant Factors of Production		
Workforce	Policies to improve the quality of the workforce available to local firms.					
Job training	Create opportunities for training in general or implement training programs for specific jobs or specific population groups (i.e. dislocated workers).	School districts, education/research institutions, businesses	Support	Labor		
Job access	Provide transit/shuttle service to bring workers to job sites.	Businesses, transit agency	Support	Labor, Local infrastructure		
Jobs/housing balance	Make land available for a variety of low-cost housing types for lower income households, ranging from single-family housing types to multifamily housing.	Developers, landowners, businesses, affordable housing developers, other housing agencies or developers	Support	Land, Labor, Quality of life		
Other						
Regional collaboration	Coordinate economic development efforts with the County, the State, and local jurisdictions, utilities, and agencies so that clear and consistent policies and objectives are developed.	Regional economic development partners, county, nearby cities, Business Oregon	Lead initiation of the coordination, participatory in the coordination process	Innovative capacity		
Quality of life	Maintain and enhance quality of life through good schools, cultural programs, recreational opportunities, adequate health care facilities, affordable housing, neighborhood protection, and environmental amenities.	recreational districts, hospitals and medical providers, affordable housing providers, and other	. •	Local infrastructure, Labor, Land, Quality of life		

Source: ECONorthwest.





What We've Heard from the Community

Stakeholder Feedback

Where We've Been

- Housing Needs Analysis and Housing Policy Strategies
- Housing Policy Actions
- Economic Opportunities Analysis Economic Policy Strategies
- Economic Policy Actions

Next Steps

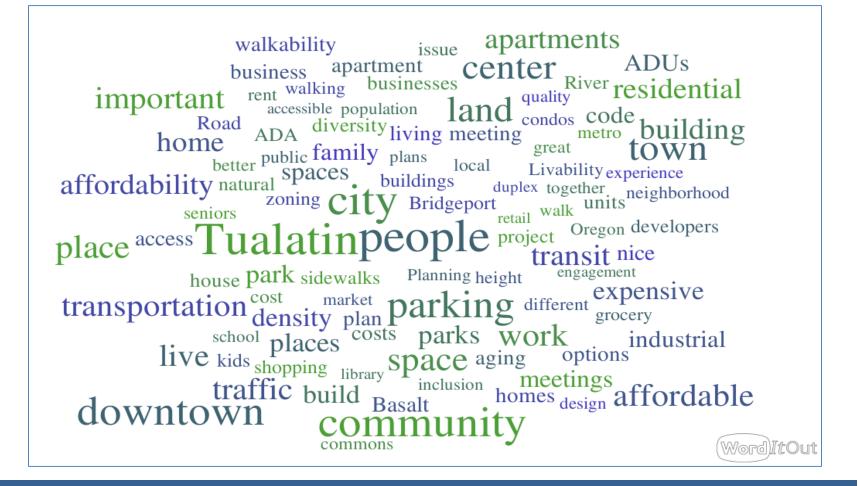
2019



Tualatin 2040



Stakeholder Feedback



Tualatin 2040 2019



Tualatin 2040

Housing Needs Data

- Total Buildable Residential Land in Tualatin: 322 acres
 - Over 50% of which is zoned Low/Medium Low Density Residential
- Metro's Forecasted Housing Units for Tualatin by 2040: 1,014
 - Tualatin has the potential for a total of 1,915 units at full buildout of the 322 buildable acres (based on historical growth trend).
- Citywide Housing Type Mix:

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    Single Family Detached -- Currently: 53% Goal: 40%
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Single Family Attached -- Currently: 6% Goal: 15%

• Multifamily -- Currently: 41% Goal: 45%

Tualatin 2040 2019



Housing Needs Data (Cont'd)

- Land Availability based on 322 buildable acres,
 Metro forecast, and future housing mix:
 - A surplus of 101 acres of land zoned Low/Medium Low Density Residential, but
 - A deficit of 11 acres of land zoned Medium High and High/High Rise Residential
- Housing Affordability
 - 22% of homeowners and 56% of renter households pay more than 30% income in housing costs
 - Combination of land cost and fees = cost rising on all levels

Tualatin 2040

Housing Policy Strategies

Overall Housing Policy Strategies:

- 1. Adequate land supply
- 2. Housing type variety
- 3. Affordability and affordable housing
- 4. Funding tools
- Redevelopment opportunities
- 6. Housing-transportation-other connections

Questions:

- Given the existing, limited amount of buildable land available:
 - Do these broad strategies resonate?
 - Do any of the strategies rise to the top?
 - Are there any strategies that are missing?

Tualatin 2040



Potential Policy Actions:

Topic 1: Housing Policy Priorities (High Priority)

CAC Prioritized and Recommended Policy Actions for Housing

Leverage funding from the Metro Bond by developing policies to **support development of housing affordable** to households earning less than 60% of Median Family Income in Washington County (\$48,900 for a household size of four people).

Evaluate opportunities to use and leverage funds from the Metro Housing Bond to support development of affordable housing.

Ensure that updates to the Transportation System Plan are coordinated with planning for residential growth.

Evaluate opportunities to re-zone land to provide additional opportunities for multifamily housing development.

Identify districts within Tualatin with opportunities for redevelopment for housing and employment uses.

Evaluate establishing an Urban Renewal district.

Evaluate opportunities to increase development densities within Tualatin's existing zones.

Plan for long-term development in Tualatin through 2040 and beyond.

Tualatin 2040 2019



Tualatin 2040



Economic Opportunities Data

- Total Buildable Employment Land in Tualatin: 385 acres
 - Over 95% of which is zoned Industrial
- Metro's Forecast for Total Employees in Tualatin by 2040: 53,332 employees (12,850 more than today)
 - Metro's forecast assumes 1.39% annual growth of employees
- Allocation of New Employees (same as current mix)
 - Industrial 45%
 - Retail 8%
 - Office 45%
 - Government 2%



Economic Opps. Data (Cont'd)

- Land Availability based on 385 acres, Metro's growth forecast, and mix of employees:
 - A deficit 74 acres of land zoned Industrial, and
 - A deficit of 175 acres of land zoned Retail/Office
 - Note: none of existing "Tier 1" industrial sites are "shovel ready"
- Employment data:
 - Only 2% of businesses located in Tualatin have more than 100 employees
 - Over 93% Tualatin's workforce lives outside of Tualatin



Overall Economic Strategies:

- 1. Efficient use of buildable Land
- 2. Redevelopment opportunities
- 3. Business retention, growth and attraction
- 4. Planning and economic development connections

Questions:

- Given the existing, limited amount of buildable land available:
 - Do these broad strategies resonate?
 - Do any of the strategies rise to the top?
 - Are there any strategies that are missing?

Potential Policy Actions:

Topic 2: Economic Policy Priorities (High Priority)

CAC Prioritized and Recommended Policy Actions for the Economy

Support growth of and retain entrepreneurial businesses in Tualatin.

Revise the Tualatin Town Center Plan to focus on opportunities to support redevelopment.

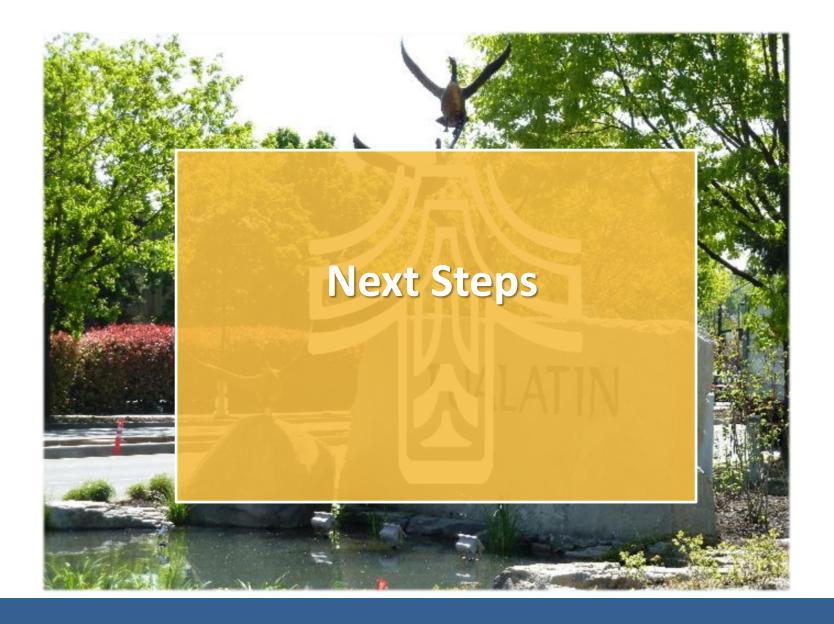
Identify opportunities to make more efficient use of commercial land.

Ensure that updates to the Transportation System Plan coordinate with planning for employment and business growth.

Plan for long-term development in Tualatin through 2040 and beyond.

Develop policies to support redevelopment and mixed-use development.

Evaluate opportunities to increase mixed-use development.



Fall/Winter 2019 Schedule:

October/November

- Public Comment on Prioritization Plan (October 14-28, 2019)
- Planning Commission Meeting on Prioritization Plan (November 21, 2019)
- City Council Meeting on Prioritization Plan (November 25, 2019)

December/January

City Council Meeting on Prioritization Plan
 (December 9, 2019; January 27, 2020, if needed)





Declaring November 3-11, 2019 Veteran's Appreciation Week in the City of Tualatin

WHEREAS, the City of Tualatin has always supported our Military and Veteran population including becoming a Purple Heart City; and

WHEREAS, we want to make sure our Military Veterans are clearly aware that we value their service to our Nation, our State and most especially, our City of Tualatin; and

WHEREAS, Tualatin has a large population of Veterans including leaders awarded for valor and gold star families; and

WHEREAS, Tualatin appreciates the sacrifices of all our military veterans, combat veterans, the families of the killed in action residents, as well as the personal sacrifices that have been made by our servicemen and women and their families while defending our freedom; and

WHEREAS, Tualatin wishes to express its deepest appreciation and honor to each and every one of our Veteran's.

NOW THEREFORE, BE IT PROCLAIMED BY THE CITY COUNCIL OF THE CITY OF TUALATIN, OREGON that:

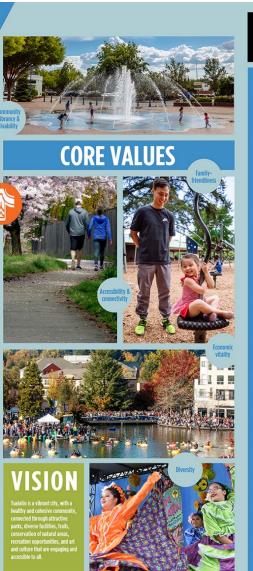
November 3-11, 2019 shall be Veterans Appreciation Week

The City Council hereby encourages the residents and businesses of the City of Tualatin to show their appreciation for the sacrifices that our Military Veterans have made in defending our freedoms, to acknowledge their courage, and to show them the honor and support they have earned, especially during the this week.

INTRODUCED AND ADOPTED this 28 day of October, 2019.

CITY OF TU	ALATIN, OREGON	
BY		
	Mayor	
ATTEST:		
BY		
	City Recorder	





MASTER PLAN Expand accessible and inclusive parks and facilities to support community interests and recreation needs. Create a walkable, bikeable, and interconnected city by providing a network of regional and local trails. GOAL 3 Conserve and restore natural areas to support wildlife, promote ecological functions, and connect residents to nature and the outdoors. Activate parks and facilities through vibrant programs, events, and recreation

opportunities for people of different ages,

Support the arts through programs, parks, and public spaces that reflect Tualatin's identity, heritage, history,

economic vitality, and tourism through parks, natural resources, historic preservation, events, programs, and

parks, facilities, and programs through outstanding customer service, stewardship, and sustainable practices.















rmueller@tualatin.gov 503.691.3064

interest groups, chic leaders, and community members who have given their time, energy, and ideas to this Master Man. Togethe we have created the vision for parks and recreation that will support our high quality of life.

Rich Mueller Planning & Development Manager

PARKS & RECREATION CITY OF TUALATIN

Oregon Recreation & Parks Association

2019 PLANNING AWARD



For the Tualatin Parks and Recreation Master Plan Update



CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Nicole Morris, Deputy City Recorder

DATE: October 28, 2019

SUBJECT:

Consideration of Approval of the Work Session and Regular Minutes of October 14, 2019

RECOMMENDATION:

Staff respectfully recommends the Council adopt the attached minutes.

ATTACHMENTS:

- -City Council Work Session Minutes of October 14, 2019
- -City Council Regular Meeting Minutes of October 14, 2019



OFFICIAL MINUTES OF THE TUALATIN CITY COUNCIL MEETING FOR OCTOBER 14, 2019

Present: Council President Nancy Grimes, Councilor Bridget Brooks, Councilor Robert Kellogg, Councilor Paul Morrison. Councilor Maria Reves. Councilor Valerie Pratt

Absent: Mayor Frank Bubenik

Call to Order

Council President Grimes called the meeting to order at 7:00 p.m.

Pledge of Allegiance

Announcements

1. Update on the Tualatin Youth Advisory Council's Activities for October, 2019

Members of the Youth Advisory Committee (YAC) presented an update on their recent activities and upcoming events. Members will be participating in the West Coast Giant Pumpkin Regatta on October 19. They will be helping with events and fundraising for their upcoming NLC trip in March. New member recruitment is currently.

2. 2019 West Coast Giant Pumpkin Regatta Announcement

Recreation Manager Julie Ludemann and Event Coordinator Heidi Marx announced the 16th Annual West Coast Giant Pumpkin Regatta. The event will be held on October 19, 10 a.m. – 4 p.m., at the Lake of the Commons. A new event, Pumpkins and Pints, was announced and is to be held on October 19, 5-11 p.m., at Stickmen Brewing Company. More information on events and activities can be found on the cities website.

3. Multi-City Equity Summit Announcement

Councilor Brooks announced the Multi-City Equity Summit to be held October 19, 8 a.m. – 4 p.m., at Lake Oswego High School. Tickets are free and pre-registration is required

4. Proclamation Declaring October 23-31, 2019 as Red Ribbon Week in the City of Tualatin

Councilor Morrison read the proclamation declaring October 23-31, 2019 as Red Ribbon Week in the City of Tualatin.

Members of StandUp Tualatin from Tualatin High School accepted the proclamation. Members explained the group was formed to promote healthy choices through positive social norms and to educate peers and members of the community. Red Ribbon Week activities were reviewed.

5. New Employee Introduction- Alyssa Kerr, Court Clerk

Finance Director Don Hudson introduced Court Clerk Alyssa Kerr. The Council welcomed her.

Public Comment

Dale Potts announced the Veterans' Recognition Breakfast to be held on November 8, 8:00-9:30 a.m., at the Juanita Pohl Center. Tickets are available at the Juanita Pohl Center.

Sam Keator, Winona Grange member, presented a resolution from the Winona Grange Board to not allow a marijuana facility within 3,000 feet of the Winona Grange.

Elizabeth Hillier, StandUp Tualatin President, spoke in opposition of marijuana facilities in Tualatin.

Consent Agenda

Motion to adopt the consent agenda made by Councilor Kellogg, Seconded by Councilor Brooks. Voting Yea: Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt

MOTION PASSED

- 1. Consideration of Approval of the Work Session of September 9, 2019 and Work Session and Regular Minutes of September 23, 2019
- 2. Consideration of <u>Resolution No. 5473-19</u> Awarding Fiscal Year 2019-20 Outside Agency Grant Funds to Provide Services to the Tualatin Community
- 3. Consideration of **Resolution No. 5475-19** Annual Adoption of the City of Tualatin Investment Policy
- Consideration of <u>Resolution Number 5474-19</u> a Resolution Authorizing the City Manager to Execute an Intergovernmental Agreement with the City of Lake Oswego to Share Certain Sewer Equipment

General Business

1. Consideration of **Resolution No. 5472-19** Designating the City of Tualatin, Oregon as a BEE CITY USA® Affiliate

Director Ross Hoover, Parks and Planning Development Manager Rich Mueller, and Recreation Manager Julie Ludemann presented information on becoming a Bee City USA affiliate. Manager Mueller explained Bee City's goal is to raise awareness about pollinators and the role they play and create healthy habitats with a program that endorses a set of commitments defined by resolution. He stated tonight staff is requesting approval of a resolution to complete the Bee City application. Director Hoover stated the Bee City certification is a set of commitments that include a celebration, providing publicity and information, a community committee, a pollinator-friendly habitat, a pollinator-friendly pest management plan, a policy and best practice commitments review, and an annual renewal of the application. Director Hoover stated this aligns with the 2030 Vision to be an environmentally active and responsible community that values and protects natural resources. Manager Mueller stated next steps include resolution adoption, application approval, and implementation.

Councilor Brooks thanked the Council and City staff for their support on this effort. She asked how citizens can be involved outside of the community committee. Director Hoover stated staff will work to keep citizens involved through pollinator planning events such as tree plantings.

PUBLIC COMMENT

None.

COUNCIL DISCUSSION

Councilor Morrison thanked staff for their work on this process and he stated he is excited to see this move forward.

Motion to adopt Resolution No. 5472-19 designating the City of Tualatin, Oregon as a BEE CITY USA® Affiliate made by Councilor Brooks, Seconded by Councilor Pratt.

Voting Yea: Council President Grimes, Councilor Brooks, Councilor Kellogg, Councilor Morrison, Councilor Reyes, Councilor Pratt

MOTION PASSED

Council Communications

Councilor Brooks stated she attended the Tualatin-Tigard Art Show last weekend. She encouraged citizens to attend in the future as it is a great fundraiser for arts programs.

Councilor Pratt thanked city staff for their help in bringing her up to speed on all city projects.

Adjournment

Council President	Grimes ac	ljourned the	meeting at	t 7:50 p.m.
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Sherilyn Lombos, City Manager	
	/ Nicole Morris, Recording Secretary
	/ Frank Bubenik, Mayor



OFFICIAL MINUTES OF THE TUALATIN CITY COUNCIL WORK SESSION FOR OCTOBER 14, 2019

Present: Council President Nancy Grimes, Councilor Bridget Brooks, Councilor Robert Kellogg, Councilor Paul Morrison, Councilor Maria Reyes, Councilor Valerie Pratt

Absent: Mayor Frank Bubenik

Council President Grimes called the meeting to order at 5:00 p.m.

1. Regional Land Use & Transportation Update.

Community Development Director Aquilla Hurd-Ravich and Management Analyst Garet Prior presented an update on regional land use and transportation projects. Analyst Prior presented updates on the SW Corridor Plan. He stated there is currently no light rail service to our area and this line would offer dedicated service to Bridgeport Village. Analyst Prior stated the committee is working to solve a \$400 million funding gap. He noted one of the refinements they are considering is narrowing Barbur Blvd. Narrowing would save the project over \$100 million. Analyst Prior stated Tri-Met needs to narrow the design options for what will be submitted for the Final Environmental Impact Study (FEIS). He noted Metro needs to know the length of the project so they know what they can take to the voters. With these needs from Tri-Met and Metro the process needs to be solidified in the next couple of months. Analyst Prior stated there are several committee meetings coming in November where citizens can make comment.

Councilor Pratt asked if the narrowed Barbur Blvd option or the Bridgeport option are deemed not viable what the alternative option would be. Analyst Prior stated the committee could make a decision to make this a continuous or phased project based on what design concept is chosen.

Councilor Morrison asked if the committee had received feedback from the City of Portland on what they felt is best for the community in regards to Barbur Blvd. Councilor Morrison added he won't support the project if it does not come to Bridgeport. Analyst Prior stated Portland has not taken a definitive stance on the proposal at this time.

Councilor Kellogg stated funding for the project has been difficult to understand and determine what committed funding will be available. He noted at this time there is enough commitments from different pieces that the project will be able to be summited for the FEIS. Councilor Kellogg stated he attended the Washington County Coordinating Committee where he was able to speak to Commissioner Rogers who let him know the narrowed Barbur option has received pushback from the neighborhoods in the area. Councilor Kellogg also reiterated many partners are still on board that the goal for the project is to reach the Bridgeport Transit Center where it will act as a regional transportation center. Councilor Kellogg stated additional asks for the projects include adding back the above grade crossing at the Carmen and Boones Ferry intersection and right sizing the parking garage at the transit center based on projected ridership and traffic to the area.

Councilor Brooks stated it is important the line makes it to the Bridgeport Transit Center as it will provide congestion relief for our area. Councilor Kellogg stated Washington County and TriMet have been great partners in making sure the line comes to the Bridgeport Transit Center. Councilor Kellogg stated it is important to do the right thing and build it the right way from the start.

Councilor Pratt agreed with Councilor Kellogg's sentiments about ensuring the project is built right the first time.

Councilor Morrison agreed with requesting to have the above grade crossing at Carmen and Boones Ferry put back into the project.

Councilor Reyes stated if the line doesn't come to the Bridgeport Transit Center she will have a hard time supporting the project.

Analyst Prior provided updates on the Highway 99W project with ODOT, Washington County, Tigard, Sherwood, King City, and Tualatin. He noted this project is one of the lowest scoring projects on the T2020 project list. Analyst Prior stated ODOT has pledged \$50,000 to better understand the scope and scale of the project. He noted Washington County will be providing technical information to Metro where the project could then be considered for funding from Metro.

Councilor Kellogg asked what Tualatin's plan is for where it touches Hwy 99W. Director Hurd-Ravich stated some initial visioning was done with the Linking Tualatin project. She stated it looked at several neighborhoods and how they could be more transit friendly. Councilor Kellogg asked about Metro planning guidelines that speak to preserving green space between communities and how that would work along Hwy 99W. Director Hurd-Ravich stated current land uses are mixed in the area but noted there could be opportunity within the Leveton Tax Increment District to plan for green space.

Analyst Prior provided an update on the Metro Transportation 2020 measure. He stated the task force is currently packaging recommendations to take to Metro to approve a draft package in late 2019. Analyst Prior shared the different tiers of projects. He noted Tualatin has two Tier II corridors, Tualatin-Sherwood Road and Highway 99W. Analyst Prior stated on September 18th, Mayor Bubenik and Councilor Pratt went and spoke to the committee about the needs for Tualatin-Sherwood Road, the SW Corridor, and Highway 99W. He noted upcoming committee meetings for public comment will be on October 16 and 30, November 20, and December 18.

Councilor Brooks thanked staff for following these projects as transportation is a high priority need for Council. She noted these types of presentations are helpful.

Analyst Prior asked if there were additional projects the Council had questions about.

Councilor Pratt asked about the I-205 project. Director Hurd-Ravich stated the I-205 project is broken into three projects from Abernathy Bridge to Stafford Road. She stated projects include adding driver feedback signs and an additional lane in each direction. Director Hurd-Ravich stated it pushes back any concept planning that could be completed for the Stafford area.

Councilor Kellogg asked about the Washington County Reserves Infrastructure Study and the technical advisory committee they are forming. Analyst Prior stated they are working on forming the committee and have reached out to staff to gather initial feedback. Councilor Kellogg stated it will be important to follow this topic as this is where Metro will be looking to for urban growth

over the next 30 years. He stated it will be important to have conversations about how this will affect Tualatin moving into the future.

2. PERS Employer Incentive Program.

Finance Director Don Hudson presented on the PERS Employer Incentive Program. He stated in the 2018 legislative session, the Legislature created the PERS Employer Incentive Fund (EIF), which created a 25% match for funds contributed by member agencies to set up a side account. In the 2019 legislative session, \$100 million dollars was set aside to fund the matching program. Director Hudson stated in August 2019 the PERS Board created rules allowing for entities that had an unfunded liability that exceeded 200% of payroll to apply for matching funds in the first 90-day application period. He stated the city's percentage, as of the 2017 Actuarial Valuation, is 204%. Director Hudson stated the application period opened on September 3rd and staff submitted an application for the 25% match that was approved. Director Hudson proposed a onetime lump sum payment of \$2 million dollars into the fund. He spoke to the city's transitional liability and remaining balances to be paid. He stated by paying down the transitional liability rate first the city would reduce their rate and see \$180,000 savings this year.

Councilor Kellogg stated this is a fiscally prudent thing for the city to do moving forward. Councilor Kellogg asked about the new advisory rates that were released and if the projected savings would be the same. Director Hudson stated each entities advisory rates will be coming out next year and he will have more details then. He stated the rate of return this year is higher than anticipated which is positive.

Councilor Morrison asked for clarification on the city's contribution and what portion the 25% match applies to. Director Hudson stated the city would contribute \$2 million, of that \$1 million would go to pay the transitional liability and the remaining \$1 million would go into a side account where the 25% would be applied. He stated the side account helps to buy down the rate over the coming years.

Councilor Pratt asked what the total match would be. Director Hudson stated it would be \$250,000. Councilor Pratt asked how he calculated the \$180,000 savings. Director Hudson stated he calculated it based off the reduced rate and the current budget.

Council President Grimes stated she is excited to see a cost savings this year. She asked why the last valuation was in 2017 and expressed the need for an updated valuation. Director Hudson stated the actuary valuations are done by PERS every year but the rates are set every other year.

3. Council Meeting Agenda Review, Communications & Roundtable.

Councilor Morrison stated he attended the Clackamas County Corridor Committee (C4) meeting where they discussed seismic upgrades for the Burnside Bridge. The cost would be \$500-800 million and the county is looking at raising the vehicle registration fees as a means of funding for the project.

Councilor Kellogg stated he attended the crosswalk dedication at Siletz and Boones Ferry. Councilor Kellogg encouraged citizens to participate in the Great Oregon Shakeout and think about emergency preparedness on October 17 at 10:17 a.m.

Councilor Reyes stated she attended the Metropolitan Area Communications Commission meeting where they discussed the buyout of Frontier Communications to Northwest Fiber. City

Manager Lombos stated a presentation on this franchise transfer will come before the council on November 25.

Councilor Pratt stated she has spent time learning about the Borland area and citizens' concerns regarding development. She stated her major concern is transportation in the area and the need to address ongoing concerns before any future development. Councilor Pratt promoted the upcoming Pumpkin Regatta and the Duck Raffle hosted by the Tualatin Police Foundation.

Councilor Brooks attended the following meeting and events and provided brief recaps on each: the Policy Advisory Board meeting where they discussed the HOME grant, the Water Consortium meeting, attended the Public Employees Diversity Equity and Inclusion Conference, and participated in Congresswoman's Bonamici Town Hall. She reminded citizens of the upcoming Multi-City Equity Summit on Saturday, October 19.

Council President Grimes stated she attended a community meeting on the Stafford area where they received updates on the three party agreement.

City Manager Lombos stated planning for the upcoming Council Advance has begun with Facilitator Jim Oswald. She stated she will send Council proposed dates for the advance.

Councilor Morrison stated he attended the Verizon Open House at their switching facility.

Council President Grimes adjourned the meeting at 6:16 p.m.

Sherilyn Lombos, City Manager	
	/ Nicole Morris, Recording Secretary
	/ Frank Bubenik, Mayor



CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Don Hudson, Assistant City Manager/Finance Director

DATE: October 28, 2019

SUBJECT:

Consideration of <u>Resolution No. 5465-19</u> Adopting a Supplemental Budget to Authorize Changes to the FY 2019-2020 Adopted Budget.

RECOMMENDATION:

Staff recommends adopting the attached resolution.

EXECUTIVE SUMMARY:

Local Budget Law allows for transfer of appropriations within a fund when authorized by a resolution of the City Council. It also allows for a supplemental budget to be prepared for an occurrence or condition that was not ascertained when preparing the budget.

When the annual budget is prepared, staff incorporates assumptions for items such as cost of living increases into the budget. The City Council ratified a new collective bargaining agreement with the Tualatin Police Officers Association on August 12th, which included a cost of living adjustment that was higher than was incorporated into the Adopted FY 2019-2020 budget. Additionally, cost of living adjustments for non-represented staff previously approved by the Council in June was slightly higher than originally projected.

In the current fiscal year, the Legal staff embarked on a project codifying both the Municipal Code and the Development Code into a software system that would provide significantly increased printing and search features, along with other features. With the addition of new ordinances and the updates to the development code planned for this fiscal year, the budgeted amount in the consultants line in the Legal budget will not be sufficient to complete the work. A contingency transfer is proposed to fund the projected work plan for the rest of the fiscal year.

Lastly, the Public Employees Retirement System (PERS) Board created rules for applying for matching funds for contributions made by governmental entities that are part of PERS, under the Employer Incentive Fund (EIF) program passed in the 2018 Legislative Session and funded in the 2019 Session. Until the rules were created and the application period was opened, staff was unable to determine the feasibility of participating in the program. Upon the close of fiscal year 2018-2019, to determine actual fund balances available to be used, and after the program was better defined, staff completed their analysis and determined that participation in the EIF program is beneficial to the City. Differences between the estimated beginning fund balances and actual beginning balances are being used for the PERS EIF contribution, as well as a contingency transfer for the difference in the General Fund.

All proposed changes to the adopted budget are included in Exhibit A, attached to the Resolution that follows.

FINANCIAL IMPLICATIONS:

The net effect in the General, Building, Road Operating, Water and Sewer Funds are zero, as the resolution transfers existing appropriations from one account to another, or increases appropriations from additional beginning fund balances than were anticipated when the FY 2019-2020 budget was prepared.

ATTACHMENTS:

- Resolution No. 5465-19, with Exhibit A attached

RESOLUTION NO. 5465-19

A RESOLUTION ADOPTING A SUPPLEMENTAL BUDGET TO AUTHORIZE CHANGES TO THE ADOPTED 2019-2020 BUDGET

WHEREAS, an occurrence or condition arose which requires a transfer of appropriations in the adopted FY 2019-2020 budget;

WHEREAS, an occurrence or condition that was not ascertained when preparing the budget requires a change in the adopted FY 2019-2020 budget;

WHEREAS, in order to lawfully comply with the requirements of Local Budget Law, changes to the adopted 2019-2020 budget are necessary;

WHEREAS, Oregon Revised Statutes (ORS) 294.463 allows for transfers of appropriations within a fund when authorized by a resolution of the governing body;

WHEREAS, ORS 294.471 allows for the preparation of a supplemental budget.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUALATIN, OREGON, that:

Section 1. The City Council wishes to comply with Local Budget Law, and authorize the transfer of appropriations and preparation of a supplemental budget.

Section 2. The purpose of the appropriation is to adjust personal services for cost of living adjustments related to Collective Bargaining Agreement with Tualatin Police Officers Association and for management employees, increased costs for municipal and development code codification services and to participate in PERS Employer Incentive Fund program.

Section 3. Adjustments to the adopted 2019-2020 budget should be made as detailed in Exhibit A to this Resolution, which is attached and incorporated by reference.

Section 4. This resolution is effective upon adoption.

INTRODUCED AND ADOPTED this 28th day of October, 2019.

	CITY OF TUALATIN, OREGON
	BY
	Mayor
APPROVED AS TO FORM:	ATTEST:
BY	BY
City Attorney	City Recorder

100-10-11-51001	Salaries and Wages-Full Time	\$ 4,355	100-10-00-61000	Contingency	\$	(571,460)
100-10-11-51102	Benefits-FICA	\$ 335	100-10-00-01000	Beginning Fund Balance	\$	(1,200,000)
100-10-11-51104	Benefits-Pension	\$ 120,405	203-00-00-40000	Beginning Fund Balance	\$	(151,645)
100-10-12-51001	Salaries and Wages-Full Time	\$ 2,345	217-00-00-40000	Beginning Fund Balance	\$	(51,500)
100-10-12-51102	Benefits-FICA	\$ 180	512-00-00-40000	Beginning Fund Balance	\$	(76,115)
100-10-12-51104	Benefits-Pension	\$ 103,605	513-00-00-40000	Beginning Fund Balance	\$	(39,220)
100-10-13-51001	Salaries and Wages-Full Time	\$ 810	010 00 00 40000	Beginning Fana Balance	Ψ	(00,220)
100-10-13-51102	Benefits-FICA	\$ 60				
100-10-13-51104	Benefits-Pension	\$ 35,090				
100-10-14-51001	Salaries and Wages-Full Time	\$ 2,010				
100-10-14-51102	Benefits-FICA	\$ 155				
100-10-14-51104	Benefits-Pension	\$ 32,250				
100-10-14-54902	Consultants	\$ 10,000				
100-10-15-51001	Salaries and Wages-Full Time	\$ 1,190				
100-10-15-51102	Benefits-FICA	\$ 90				
100-10-15-51104	Benefits-Pension	\$ 78,770				
100-20-20-51001	Salaries and Wages-Full Time	\$ 2,175				
100-20-20-51102	Benefits-FICA	\$ 165				
100-20-20-51104	Benefits-Pension	\$ 111,540				
100-20-21-51001	Salaries and Wages-Full Time	\$ 1,125				
100-20-21-51102	Benefits-FICA	\$ 85				
100-20-21-51104	Benefits-Pension	\$ 76,850				
100-30-00-51001	Salaries and Wages-Full Time	\$ 32,200				
100-30-00-51102	Benefits-FICA	\$ 2,470				
100-30-00-51104	Benefits-Pension	\$ 683,645				
100-40-40-51001	Salaries and Wages-Full Time	\$ 3,730				
100-40-40-51102	Benefits-FICA	\$ 285				
100-40-40-51104	Benefits-Pension	\$ 84,345				
100-40-41-51001	Salaries and Wages-Full Time	\$ 2,485				
100-40-41-51102	Benefits-FICA	\$ 190				
100-40-41-51104	Benefits-Pension	\$ 181,735				
100-50-11-51001	Salaries and Wages-Full Time	\$ 1,255				
100-50-11-51102	Benefits-FICA	\$ 100				
100-50-11-51104	Benefits-Pension	\$ 48,890				
100-50-50-51001	Salaries and Wages-Full Time	\$ 445				
100-50-50-51102	Benefits-FICA	\$ 35				
100-50-50-51104	Benefits-Pension	\$ 23,325				
100-50-51-51001	Salaries and Wages-Full Time	\$ 445				
100-50-51-51102	Benefits-FICA	\$ 35				
100-50-51-51104	Benefits-Pension	\$ 31,925				
100-50-52-51001	Salaries and Wages-Full Time	\$ 890				
100-50-52-51102	Benefits-FICA	\$ 70				
100-50-52-51104	Benefits-Pension	\$ 89,370				
203-20-22-51001	Salaries and Wages-Full Time	\$ 1,125				
203-20-22-51102	Benefits-FICA	\$ 85				
203-20-22-51104	Benefits-Pension	\$ 150,435				
217-50-55-51001	Salaries and Wages-Full Time	\$ 425				
217-50-55-51102	Benefits-FICA	\$ 35				
217-50-55-51104	Benefits-Pension	\$ 51,040				
512-50-53-51001	Salaries and Wages-Full Time	\$ 800				
512-50-53-51102	Benefits-FICA	\$ 60				
512-50-53-51104	Benefits-Pension	\$ 75,255				
513-50-54-51001	Salaries and Wages-Full Time	\$ 425				
513-50-54-51102	Benefits-FICA	\$ 30 39 765				
513-50-54-51104	Benefits-Pension	\$ 38,765				
Total		\$ 2,089,940			\$	(2,089,940)



CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Ross Hoover, Parks and Recreation Director

Rich Mueller, Parks Planning and Development Manager

DATE: October 28, 2019

SUBJECT:

Consideration of <u>Resolution No. 5476-19</u> Authorizing the Purchase and Installation of Playground Equipment and Surfaces through an Interstate Cooperative Procurement.

RECOMMENDATION:

Staff recommends approval of Resolution 5476-19.

EXECUTIVE SUMMARY:

Funding for Atfalati playground equipment replacement, demolition and installation is included in the 2019/20 budget. Staff engaged the neighborhood in a public involvement process to select the new playground equipment. The project is expected to begin in winter of 2019, and completed by spring of 2020.

OUTCOMES OF DECISION:

Updated safe and assessable playground equipment and surfaces.

FINANCIAL IMPLICATIONS:

The project funds are approved and allocated in the 2019/20 budget. The cost of the playground equipment and surface, existing equipment demolition, and new equipment installation is \$206,151. Permits and erosion control supplies are projected to cost \$3,849 for a total project cost of \$210,000.

ATTACHMENTS:

Resolution No. 5476-19

RESOLUTION NO. 5476-19

A RESOLUTION AUTHORIZING THE PURCHASE OF PLAYGROUND EQUIPMENT AND SURFACES THROUGH INTERSTATE COOPRATIVE PROCUREMENT

WHEREAS, the City is a member of NPPGov cooperative purchasing program;

WHEREAS, as required by ORS 279A.220, the City provided notice in the Daily Journal of Commerce on October 18, 2019 indicating its intent to award a contract through an interstate cooperative procurement;

WHEREAS, the City provided at least seven days for vendors who would otherwise be prospective bidders or proposers on the contract an opportunity to comment on the City's intent to establish a contract through an interstate cooperative procurement;

WHEREAS, the City did not receive any comments;

WHEREAS, the procurement complied with the City's and State public contracting requirements; and

WHEREAS, the City wishes to award the contract through an interstate cooperative procurement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF TUALATIN, OREGON, that:

Section 1. The City awards an authorization to Buell Recreation for the purchase of playground equipment and surfaces, to include demolition and installation for \$206,151, under the terms and conditions of the cooperative procurement NPPGov.

Section 2. The City Manager is authorized to execute any and all documents necessary to effectuate the procurement.

Section 3. This resolution is effective upon adoption.

Adopted by the City Council this 28 day of October, 2019.

	CITY OF TUALATIN, OREGON		
	BY Mayor		
APPROVED AS TO FORM	ATTEST:		
BY City Attorney	BY City Recorder		

Juanita Pohl Center Advisory Committee 2018–19 Annual Report



Committee Members

- Candice Kelly, Chair
- Amanda Ballard
- Connie Dover
- Bob Grable
- Linda Hobbs
- Stephanie Jones
- Kate Lanman
- Bob Leveton
- Susan Noack
- Marilyn Ogorzaly



Committee Role

- Dedicated to Programs & Services
- Listen to Ideas & Suggestions; Make recommendations on the Operations of the Center
- Support Efforts to Successfully Continue to Increase Attendance & Participation



Increase Utilization

Programs

- Fitness & Wellness
- Nutrition
- Social
- Arts & Culture
- Evidence-Based

Center Visits

• 75,257 Visits in 2018-19 (21% increase)



Partnerships

- AARP
- Alzheimer Association
- Barhyte Specialty Foods
- Farmington Square Tualatin
- Marquis Tualatin
- Meals on Wheels People
- New Horizons Big Band
- NRPA
- Oswego Place
- Portland Community College
- Washington County













Benefits

- Improve Health & Promote Healthy Lifestyles
- Life-Long Learning & Enrichment Opportunities
- Increase Quality of Life
- Social & Intellectual Engagement & Interaction



Active Older Adults at the Pohl Center







Active Older Adults at the Pohl Center







Rentals

- Business Meetings
- Private Parties
- Special Events





- Building Rented 315 Times
- 26,875 Guests Attended

Enhance Center's Appearance

- Furniture Replacement in Large & Small Classroom (2018)
- Dining Room Floor Replacement (2018)
- Reupholster Dining Room Chairs (2019)



Action Plan for 2018–19

- Continue to Support & Grow Active Aging Programs and Services
- Increase Partnerships with National Organizations & Local Community Groups
- Increase Visibility & Awareness



Questions/Comments?





CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Kelsey Lewis, Management Analyst II

Jeff Fuchs, Public Works Director

DATE: 10/28/19

SUBJECT:

Tualatin Moving Forward Second Annual Report & Neighborhood Safety Projects

EXECUTIVE SUMMARY:

Tualatin Moving Forward Second Annual Report

Last year, Tualatin voters approved a \$20 million bond measure to pay for projects that improve traffic flow and neighborhood traffic safety and provide safe access to schools and parks citywide. More than 35 bond-funded projects will be completed in just five years.

We are excited to give you an update on what's happened so far and what is next. **Five projects** are already built and seven are in design!

There is also some very good news on improvements planned to streamline the Tualatin-Sherwood Road junction with I-5 – one of Tualatin's busiest intersection.

All of the remaining bond-funded projects will be finished over the next four years. You can continue following our progress along the way at www.tualatinmovingforward.com.

We hope you have experienced the built projects and are already feeling a bit safer and finding it a little easier to get around town. We remain committed to keep *Tualatin Moving Forward*.

Neighborhood Traffic Safety Projects

This summer, staff issued a public call for transportation project suggestions as part of the Neighborhood Traffic Safety Program to be funded with \$2.26 million of Tualatin Moving Forward bond funding.

Staff will present the process for identifying projects this year from the public call for projects, present proposed first round of projects, and ask for Council direction to move forward with planning and design.

ATTACHMENTS:

-PowerPoint Presentation



SECOND Annual Report

City Council
October 28, 2019



- Tonight: review milestones reached and celebrate successes
- Highlight coming attractions
- Next quarterly report: Spring 2020
- Monitor progress at TualatinMovingForward.com



We Are Moving

2018

May 15 Election Night – Measure 34-282 approved by voters

August 8 Bond sales yield savings – program ready to go" in 90 days

September First project completed: 115th Ave from Tualatin Rd to

Hazelbrook Rd

October 22 First Annual Report

2019

January Program manager on board; team in place

January-May Three more projects completed

May - October Planning began for 7 more projects

October 5 Ribbon cutting event for Boones Ferry Rd/Siletz Dr

October 28 Second Annual Report





City of Tualatin

Owner's Representative

Alta Planning + Design

Public Engagement & Communication

Barney & Worth, Inc

Alta Planning + Design

Program Management & Engineering Team

Murraysmith Wallis

KPFF Alta P+D

Otak DKS

Day CPM MB&G

GRI UFS

Teragan ProPipe

Vac-x Cascade Corrosion



Program Manager Duties

- ✓ Team leader responsible for project delivery
- ✓ Assessed project portfolio, updated scopes and budgets, set project priorities and sequence
- ✓ Manages schedules and resources effectively and efficiently through all project phases
- ✓ Validated budget estimates; monitors project costs; develops and updates cash flow projections
- ✓ Coordinates with Washington County, ODOT, other agencies
- ✓ Reports on progress; finds and corrects problems



Celebrating Our Successes

There's a project near you... and it's finished!

- V
- Pedestrian safety improvements at the Boones Ferry & Siletz intersection
- ✓ Project includes:
 - · Pedestrian-activated signal at a high visibility crosswalk
 - ADA curb ramps
 - Sidewalk connections in all directions, plus a link to the existing trail
- 1
- Community Celebration Saturday, October 5, 10 a.m.



Construction is nearing completion at the new pedestrian crossing at Boones Ferry Rd and Siletz Dr in Tualatin



Questions?

Go to www.tualatinmovingforward.com

-or-

Email tmf@tualatin.gov

-or-

Call (503) 691-3090







Five Completed Projects and Seven More Underway





Underway – Tualatin-Sherwood Rd/I-5



- ✓ Capacity improvements for Tualatin's busiest intersection
- Extends third eastbound lane from Martinazzi to Fred Meyer access
- ✓ Lane reconfiguration, striping and signage reduces travel time and saves up to \$1 million

"Today, peak hour traffic backs up on Martinazzi from Tualatin-Sherwood Road all the way to Boones Ferry. Customers and employees can't get in or out of driveways."

Linda Moholt, Tualatin Chamber of Commerce CEO



Underway – Garden Corner Curves



Mortoc Dr to Willow St upgrade SW 105th/SW Blake/SW 108th to roadway standards

- ✓ Site surveyed
- ✓ Engineering design underway
- ✓ Extensive community engagement
- ✓ Construction starts in 2020



Underway – Martinazzi Ave and Sagert St

- ✓ Add a traffic signal to replace stop signs
- ✓ New sidewalks and crosswalks
- ✓ Improve bike lane striping





"Report Card" Monitors Progress





Tracking Schedule Progress





Our News Coverage Continues

Tualatin traffic bond projects move forward

A Ray Pitz M Tuesday, August 13, 2019

Council members get tour of planned bond projects including adding a third lane to Tualatin-Sherwood Road.



PMG PHOTO: RAY PITZ - City officials including, from front, Tualatin Police Chief Bill Steele, City Manager Sherilyn Lombos and Tualatin City Councilor Paul Morrison try out a pedestrian-activated signal on Sagen Street that connects a bus stop with Atfalati Park during a four of traffic bond improvements Monday evening.

Members of the Tualatin City Council got a glimpse of how the city's \$20 million traffic improvement bond projects are progressing during a tour of upcoming/completed projects

Packing into a small tour bus at the Juanita Pohl Senior Center, councilors took a 1 1/2 hour tour of various projects tied to the successful passage of the 2018 bond, which are part of what's known as the Tualatin Moving Forward program.

The first stop was the Nyberg Rivers shopping complex parking lot to view a project that will add an eastbound lane along Tualatin-Sherwood Road from Martinazzi Avenue to I-5.

Troy Bowers, executive vice president of murraysmith, an engineering firm in charge of the traffic projects, said currently it takes 6 1/2 minutes to travel from Boones Ferry Road to the northbound 1-5 onramp during morning commutes.

However, adding a third lane by removing a median strip and placing road striping at the Nyberg Road, Tualatin-Sherwood Road and the Fred Meyer entrance intersections will make that same commute only four minutes long.

"We found we can save 2 1/2 minutes." Bowers told the council. He pointed out, however. when engineers tried to see if reconfiguring the traffic lights would make a difference found that it would save motorists only 10 seconds

At the same time, adding that third eastbound along Tualatin-Sherwood Road will clip anywhere from six to eight minutes of travel time from Boones Ferry Road to northbound I-5 during the evening commute. Bowers pointed out that 90% of traffic jams up the two current

The \$2.3 million project, which Bowers believes will come in under budget, was originally scheduled for the first quarter of 2021, but may get started as early as 2020.

Other locations visited during Monday's tour included:

· 65th Avenue: near Meridian Park Hospital. Plans are to add a mid-block pedestrian activated rapid-flashing beacon crossing. The signal will be installed at the TriMet bus stop.

Got a traffic safety project costing under \$100,000?Tualatin is all ears

Ray Pitz Monday, June 17, 2019

Residents can submit projects online (the city has set aside a little more than \$2 million) until June 30



COURTESY CITY OF TUALATIN - If you have a traffic safety project in Tualatin, the city will take a look at your suggestion. Visit tualatinmovingforward.com/suggest-a-project.

Have an idea for a street you would like see improved or a traffic safety issue you'd like addressed?

The City of Tualatin is looking for your suggestions as part of its citywide Neighborhood Traffic Safety Program.



Keeping City Council in the Loop





City Council Tour – August 12, 2019



Project-Specific Outreach

Boones Ferry Rd: at Tualatin High School

Project Description:

The purpose of this project is to improve safe access to Tualatin High School for students walking and biking to school. It will consist of installing two new midblock crossings with pedestrian-activated signals near the north and south entrances to the school, and constructing sidewalk where gaps exist along Boones Ferry Rd in the vicinity of the crossings.



This project addresses

Safe Access to Schools

- Establishes safe crossing
- Creates connection to surrounding neighborhoods

Project Schedule

		2019					2020									
	July	Aug	Sep	0ct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Existing Conditions																
Public Engagement																
Design & Permitting																
Construction																













Hwy 99W: Pony Ridge Neighborhood to 124th Ave.

Coming Soon!

- The design phase for this project is beginning now
- This project will improve pedestrian safety and accessibility for residents in the Pony Ridge neighborhood by filling in missing sidewalks along Highway 99W/Pacific Hwy to connect pedestrians to signalized crossings and transit
- This project is supported by voterapproved funds

Learn More

For more information visit www.tualatinmovingforward.com/hwy-99wnear-pony-ridge/ or call (503) 691-3090. For questions or to receive quarterly project updates email tmf@tualatin.gov



DISCUSSION »



NEIGHBORHOOD TRAFFIC SAFETY PROGRAM



Bond-funded program for addressing safety at locations identified by the community



Projects can be implemented quickly, but spread out over the life of the program



Address areas throughout the City

Suggest a Project / Sugerir un Proyecto 💬





PROJECT PRIORITIZATION CRITERIA:



GEOGRAPHIC DIVERSITY

The Citywide Neighborhood
Traffic Safety Program should
fund projects spread throughout
the entire community



SOLUTION-ORIENTED

Is there a safety problem, and will the proposed project solve this problem?



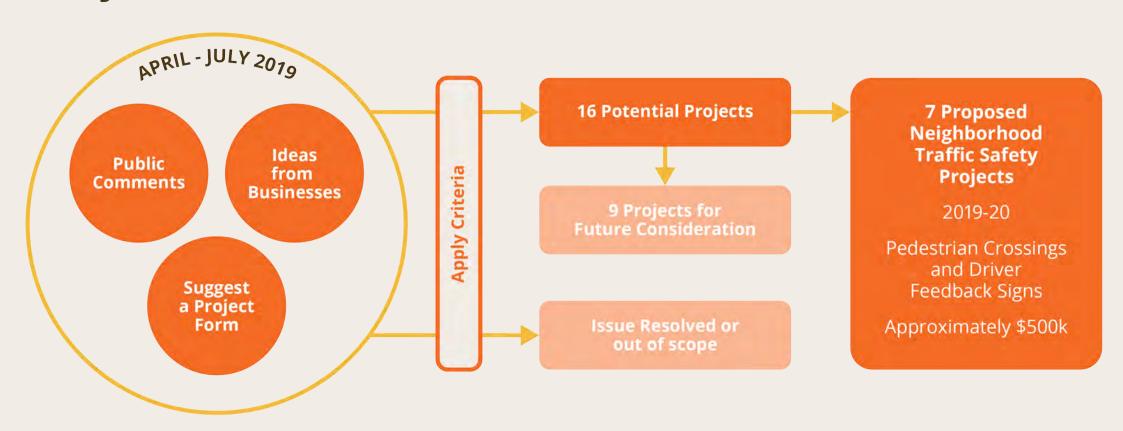
BUDGET-APPROVED

Is the potential solution within the budget allowance for this program?





PROJECT IDENTIFICATION PROCESS

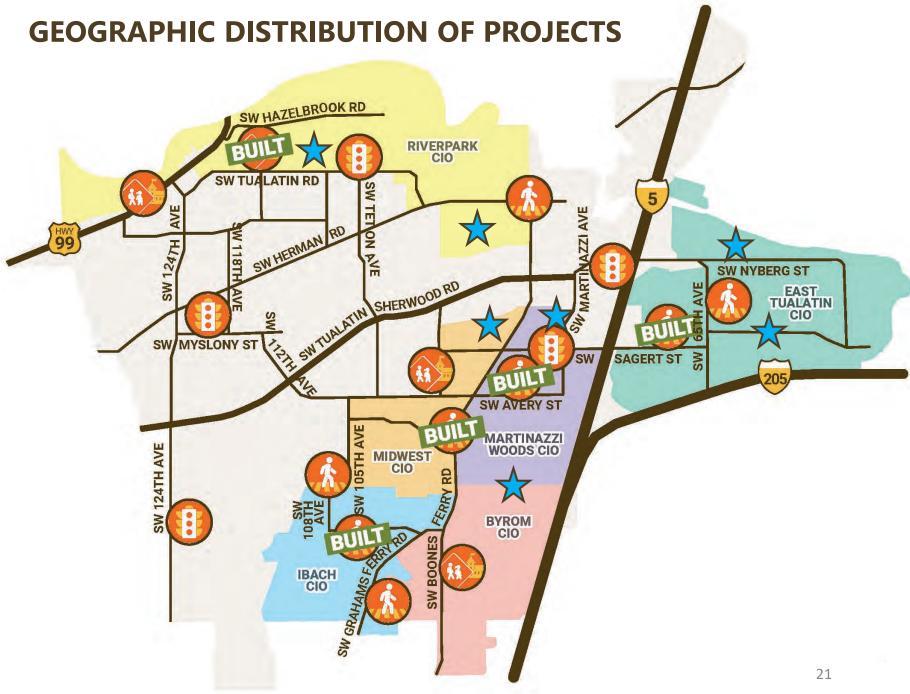




CURRENT PRIORITY PROJECTS



PROPOSED
NEIGHBORHOOD
TRAFFIC SAFETY
PROGRAM
PROJECTS
2019-20





PROPOSED NEIGBORHOOD TRAFFIC SAFETY PROGRAM Project List 2019 - 2020

PROJECT LOCATION	PROJECT TYPE	ESTIMATED COST
Mohawk Street (East of Martinazzi at PGE)	New Pedestrian Activated Signal	\$40,000
90th and Sweek Drive	New Pedestrian Activated Signal	\$80,000
Borland Road	New Crossing	\$80,000
Nyberg Lane at entrance to Browns Ferry Park	New Pedestrian Activated Signal and Signage	\$90,000
Martinazzi Avenue between Avery & Dakota	Driver Feedback Sign(s)	\$30,000
Tualatin Road between 105th and 115th Avenues	New Pedestrian Activated Signal and Driver Feedback Sign(s)	\$100,000
Nasoma Lane near Marquis	New Crossing	\$80,000

TOTAL: \$500,000



Want to suggest a project? It's not too late



Want to suggest a project in your area?

In May 2018, Tualatin voters approved a \$20 million General Obligation bond measure to pay for local projects that relieve congestion and improve neighborhood traffic safety.

The City of Tualatin is seeking residents' suggestions for needed traffic safety projects citywide. Do you have a project in mind? Let us know! Tell us about the route/location/situation you want to suggest

Street name and cross street, or closest intersection:

	Speeding issues:					
	Neighborhood pedestrian safety issues:					
Tell us	about this route/location (e	theck all that apply)				
	People use this route to ge	t to school	☐Or to a park			
0	People use this route to ge	t to other public services	s (medical, commercial, public transit).			
	People are driving in exces	s of the posted speed	 Or do not yield to people crossing the street 			
	Location has crashes involve the comments section)	ring pedestrians, bicyclists	ts and/or motor vehicles (you may provide further details in			
	There is a signalized intersection that seems unsafe for people walking					
П	Lack of crosswalks	☐ Distance to near	rest safe crosswalk is too great			
D	Lack of safe sidewalks	☐ Lack of bike lane	es			
		-1	-MORE—			



DISCUSSION »



NEXTSTEPS



www.tualatinmovingforward.com



HOME

PRIORITY PROJECTS

CONTACT

In May 2018, Tualatin voters approved a \$20 million G.O. bond measure to support high priority transportation projects, distributed citywide. The bond measure enables the City to move quickly to finance and build the priority projects within just a few years.

Project priorities are guided by community input demonstrating broad support for Tualatin's three most pressing transportation issues:



Congestion Relief

New signals and added travel lanes and turning lanes on Tualatin-Sherwood Road and other streets



Neighborhood Safety

New pedestrian crossings with signals and driver feedback signs that display speed



Safe Access to Schools

New crosswalks, speed controls and sidewalks to and from schools



OTHER NEIGHBORHOOD PROJECTS FOR CONSIDERATION IN 2020

PROJECT LOCATION	PROJECT TYPE
SW Boones Ferry Road between Tualatin Road and Martinazzzi Avenue	RRFB at 1 of the 3 crossings on Boones Ferry Road
Martinazzzi Avenue and Mohawk	Improve pedestrian safety for bus stop access: wait and see how Martinazzi/ Sagert project improvements work.
Grahams Ferry at Helenius Street	Traffic calming/Intersection improvements
Marilyn St/112th Avenue and 11th Avenue	Traffic calming
108th from Nierman to Helenius	Driver feedback sign, restriping: monitor post Garden Corner Curves construction
Boones Ferry between Killarney Lane and Iowa Drive	Improve ped crossing and install traffic calming (Byrom Elementary School). Wait and see if new crossing provides improved conditions
Alsea Drive between Boones Ferry Road and 100th Drive	Traffic calming and improve ped crossing. Order speed data, review next year
Siletz between Teton and Boones Ferry	Driver feedback signs. Order speed data, review next year
90th Avenue and Tualatin Sherwood Road (Kaiser)	Improve ped crossing, RRFB Engineer assessment of curb ramps



City Regulations of Marijuana Facilities

CITY COUNCIL MEETING OCTOBER 28, 2019

Sean Brady City Attorney

Overview

- Historical Outline
- City Marijuana Regulations
 - Zoning and Setbacks
 - Business Regulations
 - Residential Regulations
- Maps
 - Marijuana Facilities Allowed
 - State School Buffers
- Compare City Regulations to ORS 475B HB 3400 (2015)



Historical Outline - 2013

August

 HB 3460 – Authorized Oregon Health Authority to License Medical Marijuana Dispensaries

December

 Council Requests Information to Consider Adopting City Regulations of Medical Marijuana Dispensaries



Historical Outline - 2014

- Spring
 - Council adopts Moratorium on Medical Marijuana Dispensaries until December 31, 2014
 - Council Extends Moratorium to May 1, 2015
 - Legislature Declines to Refer Recreational Marijuana to Ballot
- Summer
 - Measure 91 Qualifies for Ballot
- Fall
 - Council Approves 10% Tax on Recreational Marijuana and 5% Tax on Medical Marijuana
 - Council Commissions Statistically Valid Survey
 - 62% Support Medical Marijuana
 - 53% Support Recreational Marijuana
 - +/-5.2% Margin of Error at 95% Confidence
 - Oregon Voters Pass Measure 91
 - Legalize Recreational Marijuana at State Level

Historical Outline - 2015

- March
 - Council adopts Marijuana Regulations TDC Chapter 80
- June
 - HB 3400 Amends Measure 91 and OMMA
 - Referral Process to Locally Ban Marijuana



- Referral Process to Tax Local Retail Sales of Marijuana
- Allows Reasonable Time, Place, and Manner Restrictions
 - Prohibits Buffers Larger than 1,000 feet Between Facilities
- September
 - Staff Presents Options for Marijuana Tax and Modify Buffers
 - Council Refers Tax to Voters,
 - Declines to Modify Buffers
- November
 - Tualatin Voters Approve 3% Tax on Retail Sales of Marijuana

- Zoning and Setbacks
 - Location
- Business Regulations
 - Operation
- Residential Regulations
 - Delineation



- Zoning and Setbacks
 - Permitted Zones:
 - Light Manufacturing (ML)
 - General Manufacturing (MG)
 - Manufacturing Business Park (MBP)
 - Cannot locate within 3,000 feet of:
 - Residential Areas
 - Parks
 - Schools
 - Libraries
 - Cannot locate within 2,000 feet of another marijuana facility
 - Facility size cannot exceed 3,000 square feet

Business Regulations

- No Colocation
- Retail Sales
 - 10:00 a.m. and 8:00 p.m.
- No drive-through
- Edible Marijuana
 - Properly Labeled
 - Not Targeted to Children
 - Child-Resistant Packaging
- Butane Extraction Prohibited







- Residential Regulations
 - May Grow Marijuana
 - Fully Screened on All Sides
 - Cannot Grow in Front Yard
 - Setbacks
 - 10 Feet from Property Lines
 - 25 Feet from Adjacent Residences
 - No Marijuana Extracts

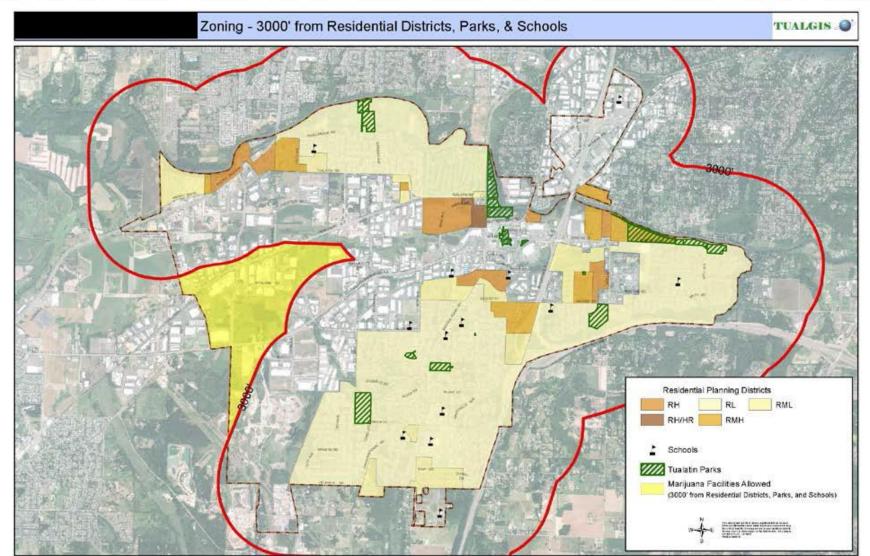


Maps and State Law

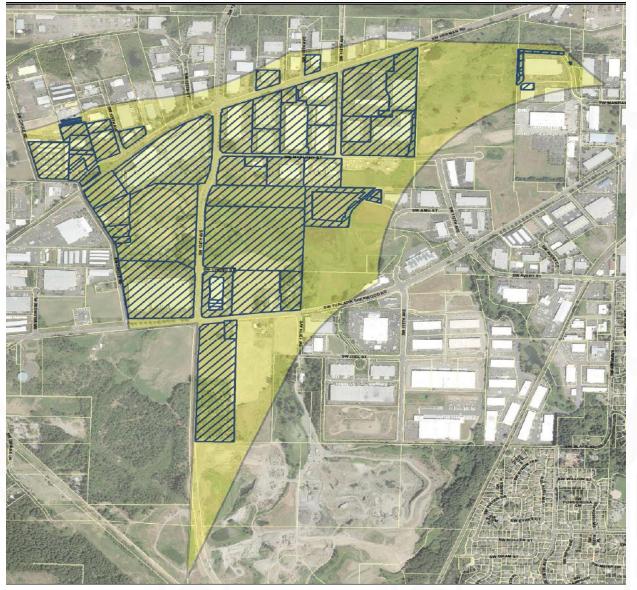
- Maps
 - Where Marijuana Facilities Allowed
 - Zoning
 - 3,000 Foot Buffer from Residential Areas, Parks,
 Schools, and Libraries
 - School Buffers
 - 1,000 Foot Buffer
- Compare State Law



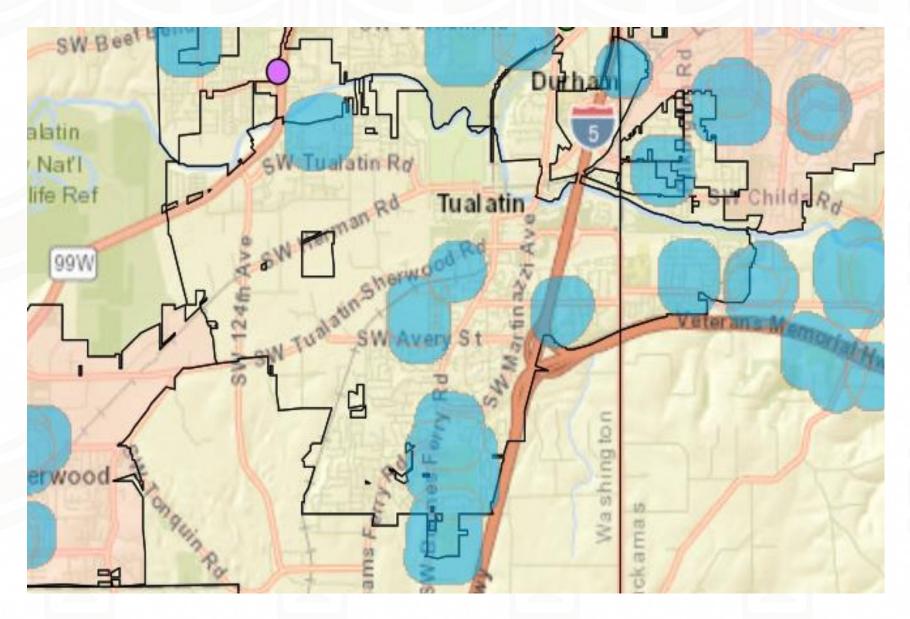
Marijuana Facilities Allowed



Marijuana Facilities Allowed



School Buffers



Comparison to State Law

STATE LAW - ORS 475B	CITY REGULATIONS – TDC 80
Voter Referred Ban	No
Voter Referred 3% Retail Tax	Yes
 Reasonable Time, Place, and Manner Regulations Production, Processing, and Wholesale Retail Sales Location Hours of Operation 	Yes Zoning Buffers Business Regulations
1,000 Foot Buffer Between Marijuana Facilities	2,000 Foot Buffer
 Preemption - ORS 475B.454 State law is "paramount and superior to and fully replace[s] and supersede[s] any municipal charter amendment or local ordinance inconsistent with [State law]." Ordinances inconsistent with State law "are repealed." 	 Legal Issues 2,000 Foot Buffer Between Facilities Reasonableness of 3,000 Foot Buffer from Residential Areas, Parks, Schools, and Libraries Home Rule

QUESTIONS AND DISCUSSION





CITY OF TUALATIN

APPLICATION TO REQUEST A PROCLAMATION 18880 SW MARTINAZZI AVE • TUALATIN, OR 97062 PHONE 503.691.3011

Requests for City Proclamations should be submitted <u>four weeks prior to the requested Council Meeting date</u>. The City Council meets the 2nd and 4th Monday of each month unless otherwise noted. For specific meeting dates, please visit the City of Tualatin website at www.tualatinoregon.gov.

Topic & Purpose of Proclamation:

Small Business Saturday, November 30; help illuminate the importance of supporting small, independently owned businesses, bringing consumers and local entrepreneurs closer together. Falling between Black Friday and Cyber Monday, it is a day dedicated to supporting the diverse range of local businesses that help create jobs, boost the economy, and keep communities thriving across the country.

Individual, Agency, or Organization Sponsoring the Proclamation:
Tualatin Chamber of Commerce
Local Resident Attending Council Meeting to Receive Proclamation:
Linda Moholt, Chamber CEO Name Phone
Note: There is a limit of two proclamations per City Council meeting and selection is made in the order requests are received. Please indicate an alternative meeting date for the event the preferred date is unavailable. While the City does its best to recognize citizen needs, we retain the right to decide if the proclamation will be issued or not.
Preferred City Council Meeting Date Requested: November 12, 2019
Requested By: Linda Moholt
linda@tualatinchamber.comAddressEmail Please attach a draft copy of your one page proclamation to this application <u>or</u> check the box if the proclamation will be the same as the previous year. Wording will be the same as the previous year.
Return the completed form to: City of Tualatin, Attn: Deputy City Recorder, 18880 SW Martinazzi Ave, Tualatin OR, 97062 or via email to nmorris@ci.tualatin.or.us .
For Official Use Only:
Date Request Received
Approved Not Approved Applicant Notified Date Proclaimed



Whereas, the government of Tualatin, Oregon, celebrates our local small businesses and the contributions they make to our local economy and community; according to the United States Small Business Administration, there are 30.7 million small businesses in the United States, they represent 99.7 percent of all firms with paid employees in the United States, are responsible for 64.9 percent of net new jobs created from 2000 to 2018; and

Whereas, small businesses employ 47.3 percent of the employees in the private sector in the United States; and

Whereas, 94% of consumers in the United States value the contributions small businesses make in their community; and

Whereas, 96% of consumers who plan to shop on Small Business Saturday® said the day inspires them to go to small, independently-owned retailers or restaurants that they have not been to before, or would not have otherwise tried; and

Whereas, 92% of companies planning promotions on Small Business Saturday said the day helps their business stand out during the busy holiday shopping season; and

Whereas, 59% of small business owners said Small Business Saturday contributes significantly to their holiday sales each year; and

Whereas, Tualatin, Oregon supports our local businesses that create jobs, boost our local economy and preserve our communities; and

Whereas, advocacy groups, as well as public and private organizations, across the country have endorsed the Saturday after Thanksgiving as Small Business Saturday.

Now, Therefore, I, Mayor Frank Bubenik, Mayor of Tualatin, Oregon, do hereby proclaim, November 30, 2019, as:

SMALL BUSINESS SATURDAY

And urge the residents of our community, and communities across the country, to support small businesses and merchants on Small Business Saturday and throughout the year.

Phone: 503-692-0780

Chamber@tualatinchamber.com

www.TualatinChamber.com