



BASALT CREEK CONCEPT PLAN AND SUPPORTING DOCUMENTATION

Basalt Creek Concept Plan and Technical Appendices

Basalt Creek Technical Appendices can be accessed here:

https://www.ci.wilsonville.or.us/sites/default/files/fileattachments/planning/page/84121/a._bccp_technical_appendices_final.pdf

Basalt Creek
Concept Plan



JULY 2, 2018

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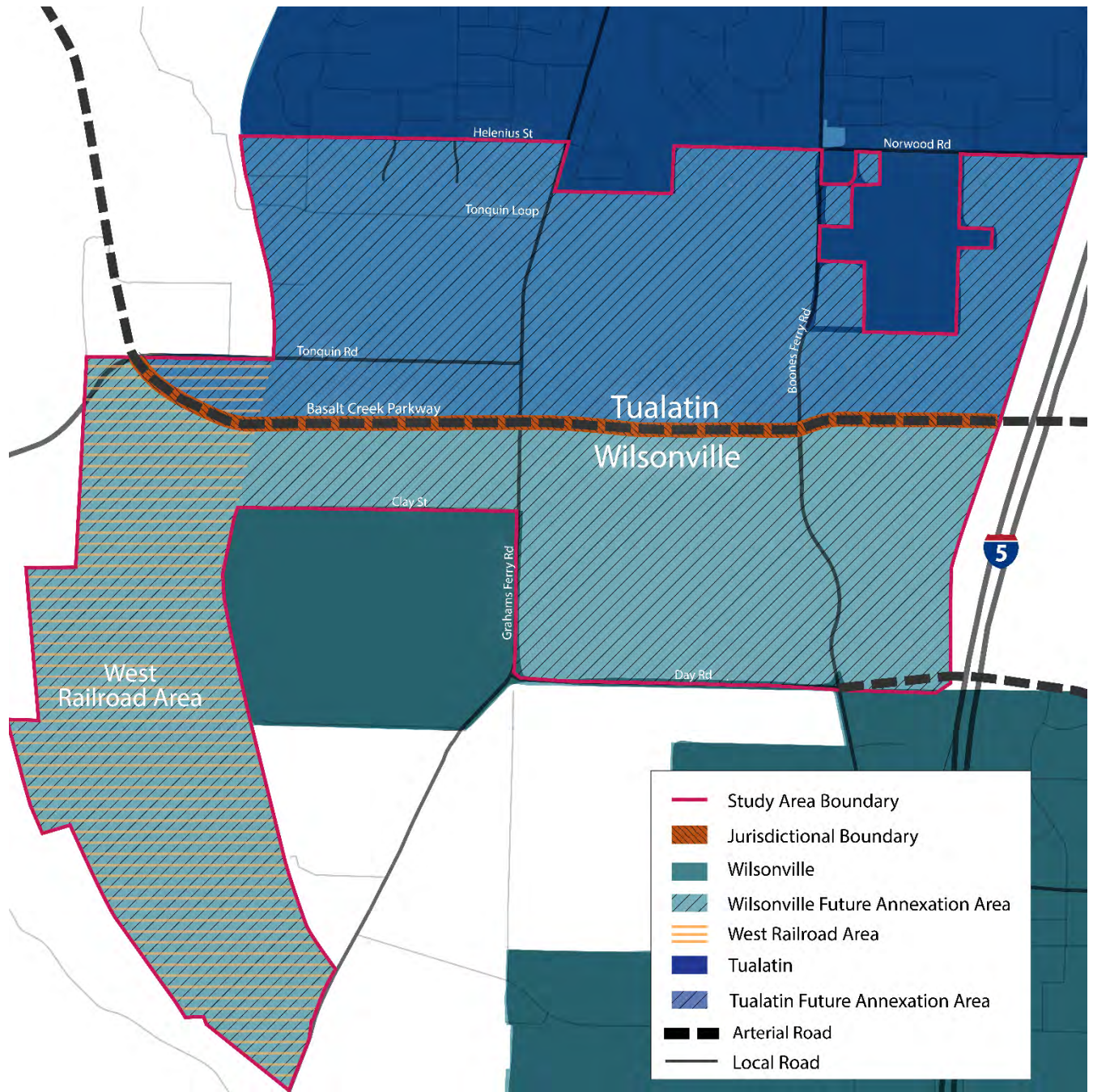
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Introduction

The Basalt Creek Planning Area

The Basalt Creek Planning Area consists of 847 acres located in Washington County between the Cities of Tualatin and Wilsonville. The Planning Area is irregularly shaped, generally oriented east-west with an extension southward at the western edge, which is commonly referred to as the West Railroad Area. The West Railroad Area is divided from the rest of the Planning Area by the Portland and Western Railroad (PNWR) and the Coffee Creek Correctional Facility. The rest of the Basalt Creek Planning Area is bound by Norwood and Helenius Roads to the north, Interstate 5 (I-5) to the east, Coffee Lake Creek to the west, and Day Road to the south until it reaches Coffee Creek Correctional Facility, where the boundary turns north on Graham's Ferry and then westward again on Clay Road. The area also has distinctive natural features, particularly its namesake - Basalt Creek - and the surrounding wetlands habitat running north-south through the eastern half of the Planning Area. The primary existing land uses in Basalt Creek are rural agriculture, industrial, and rural residential consisting of low-density single-family housing. Washington County recently completed construction of a portion of the Basalt Creek Parkway, extending 124th Avenue and connecting Tualatin-Sherwood Road to Grahams Ferry Road. In the future, the Parkway will run east-west across the Planning Area between Grahams Ferry Road and Boones Ferry Road, and eventually extend over I-5. The parkway will be a high-capacity major freight arterial with limited access to local streets providing industrial access from the Tonquin, Southwest Tualatin, and Basalt Creek Planning Areas.

Figure 1 Basalt Creek Planning Area and jurisdictional boundaries.



A more detailed description of the Planning Area, including natural and historic resources, existing land uses and regulatory context can be found in the Existing Conditions Report (Appendix A).

What is a Concept Plan?

A concept plan identifies a vision and guides future land use and transportation decisions for the planning area. It helps ensure the area has the land capacity to contribute to meeting local and regional land use and transportation goals. Concept plans also ensure compliance with state land use goals,

regional policies, and other plans, including existing transportation plans. A concept plan sets the framework for future development and outlines an implementation strategy for future provision of urban services (water, sanitary sewer, and storm water systems), public services (such as transit, parks, and open space), and protection of natural and cultural resources.

Basalt Creek Concept Plan

The Basalt Creek Concept Plan guides development in the Basalt Creek Planning Area over the next twenty years. To accomplish this, the plan:

- Establishes a vision for urbanization of the Basalt Creek Planning Area that will meet local and regional goals
- Coordinates future land use, transportation and infrastructure investments between Tualatin, Wilsonville, and Washington County
- Establishes a new jurisdictional boundary between Tualatin and Wilsonville (to determine which parts of the Planning Area may be annexed into and served by each city)
- Identifies preferred land uses across the area
- Recommends high-level designs for transportation and infrastructure systems to support future development consistent with local, regional and state goals
- Sets specific action items and implementation measures

Figure 2 Basalt Creek Planning Area in regional context.



In 2004, Metro identified the Basalt Creek Planning Area as a good candidate for industrial development because it is near I-5, adjacent to Wilsonville's industrial area to the south, and contains large, flat sites suitable for industrial users. Metro passed an ordinance in 2004 to annex land into the existing Urban Growth Boundary (UGB), which included the Basalt Creek Planning Area, to ensure a sufficient regional supply of land for employment growth over the next twenty years. Based on Metro's 2014 Employment and Housing Forecast, Metro projected the region would grow by 474,000 people and 365,000 jobs by

2035. The Basalt Creek Planning Area was expected to accommodate about 1,200 new housing units and 2,300 new jobs (mostly industrial, with some service jobs and few retail jobs). A detailed explanation of these figures and the Industrial Land Alternative Analysis can be found in the Existing Conditions Report (Appendix A, starting on page 17).

In the Metro region, areas brought into the UGB are required to have a land use and transportation Concept Plan before urban development can occur. The intent of the Basalt Creek Concept Plan is to meet this requirement and provide a roadmap for the development of the area that is consistent with state, regional and local land use planning laws. This Concept Plan involved a collaborative effort between two local jurisdictions – the Cities of Tualatin and Wilsonville.

While several concept plans were developed over the last decade for other UGB annexation areas (e.g. Southwest Tualatin Plan, Tonquin Employment Area Plan, and Coffee Creek Industrial Area), Basalt Creek is somewhat unusual. Its large size, location between (rather than at the edge of) other urbanized areas, and requirement to be jointly planned by two different cities—each with their own identity, goals and local governance—make it different from most other concept plans.

While the process and context were unique, the final Basalt Creek Concept Plan incorporates the key elements consistent with other concept plans and meets all state and regional requirements for a concept plan.

Table 1 Summary Table of Basalt Creek Concept Plan Elements

Element	Description
Jurisdictional Boundary	Follows the alignment of the Basalt Creek Parkway centerline with Tualatin to the north and Wilsonville to the south.
Land Use and Development	Land uses in Wilsonville focus on employment, while Tualatin has a mix of employment and housing. Housing in the northern part of the area is meant to buffer existing residential neighborhoods from non-residential land uses. There is a small retail node just east of the Basalt Creek Canyon and north of the jurisdictional boundary in the Planning Area, which will serve residents and workers. The land suitability analysis influenced the most appropriate locations for employment-based land uses. Land use types and densities were balanced to meet obligations for providing regional employment capacity while limiting negative impacts on congestion and traffic levels.
Transportation	Major new roads and improvements will be constructed as laid out in the 2013 Basalt Creek Transportation Refinement Plan (TRP), which is also coordinated with the 2014 Metro Regional Transportation Plan (RTP). Basalt Creek Parkway, portions of which are currently under construction, will be a major east-west arterial, with limited access (connecting only at Grahams Ferry and Boones Ferry Roads), creating a new connection between I-5 and 99W. Further roadway improvements—such as adding capacity to north-south collectors, widening Day Road to five lanes, and two additional I-5 crossings at Day and Greenhill—will be needed to handle future traffic levels as the area is built out. Local roads connecting to this network will be planned and built by property owners as the area develops.
Bicycle and Pedestrian Framework	Opportunities for bike and pedestrian connections are identified, and additional bike/pedestrian facilities will be integrated into new and updated road projects in accordance with State, County and City standards.

Transit	Transit service in the area will be coordinated between TriMet and SMART. Service will build on existing bus routes to enhance service and provide good connectivity both north-to-south and east-to-west through the Planning Area.
Parks & Open Space	The Basalt Creek Canyon natural area spans both cities and there are opportunities for regionally-connected trails and open space in the Planning Area. The Cities will each work to create a park plan for the area as part of their respective citywide plans and will coordinate on trail planning particularly as it relates to the Basalt Creek Canyon.
Natural Resources	The Cities recognize that the Basalt Creek Canyon is a significant natural resource and have agreed to coordinate on a joint approach to natural resource management practices. There are also significant riparian and upland habitat areas in the West Railroad Area. All natural resources in the Planning Area are mapped on Figure 13.
Water	Each city will provide its own drinking water infrastructure within its jurisdiction, with connections to existing water lines.
Sewer	Each city will provide sanitary sewer service for development within its jurisdiction to the extent reasonably possible with the understanding that a future agreement may address potential cooperative areas. Tualatin will coordinate with its provider – Clean Water Services (CWS) – to extend service to this area.
Stormwater	New stormwater infrastructure will be primarily integrated with the local road network. Tualatin, Wilsonville and CWS acknowledge they must follow requirements established for their respective stormwater MS4 permits. Much of the area is in a basin that drains toward Wilsonville. Each City will serve its own jurisdictional area. The Cities and CWS will adopt an Intergovernmental Agreement that addresses areas where cooperative stormwater management is needed.
Implementation Strategies and Tools	Recommendations for a public facilities phasing plan include conceptual overviews of the recommended facilities and Class 5 concept level costs and a general overview of possible funding strategies. The development phasing will include recommended near and long-term strategies for land use development. Implementation recommendations include sequential action items necessary for implementing the plan and readying the Basalt Creek Planning Area for future development.

The Planning Process

The Basalt Creek Concept Plan was developed through several years of planning that included extensive research and analysis and a variety of opportunities for input from stakeholders and citizens. The public was engaged at key points and invited to participate through a visioning workshop, an open house, online surveys, and community outreach meetings. The full Public Involvement Plan can be found in Appendix B.

Decision Making Process

The Tualatin and Wilsonville City Councils were the ultimate decision-making body for the final Basalt Creek Concept Plan. Joint Council meetings were held involving both City Councils at important project milestones. This role included approval of the guiding principles, selection of the preferred land use scenario, and identification of the future jurisdictional boundary and key elements of the plan. Individual City Council meetings were also held to provide periodic updates and discuss measures, ordinances, and resolutions specific to each city to adopt and implement the Basalt Creek Concept Plan. To ensure the greatest level of cooperation and collaboration with local and regional partners, the planning process

included a project management team with staff from both cities, an advisory Agency Review Team (ART), and both cities' Planning Commissions.

Joint Council

Joint City Council meetings were held at key decision-making stages in the project with the Joint Council serving as the final decision-making body for the plan. There were five Joint Council meetings between October 2013 and December 2015. The purpose of Joint Council meetings was to approve Guiding Principles, determine jurisdictional boundaries, select a preferred land use scenario, and identify key elements for the final concept plan. All Joint Council meetings were advertised and open to the public. Themes from the Joint Council meetings were further developed into the Guiding Principles and included:

- Meeting regional responsibility for jobs & housing
- Capitalizing on the Planning Area's assets
- Protecting existing neighborhoods
- Maintaining cities' unique identities
- Exploring creative approaches to land use, including integration of employment and housing
- Ensuring appropriate transitions between land uses
- Integrating high-quality design and amenities for employment

Project Management Team

The Project Management Team (PMT) was composed of each city's project managers, department directors, relevant staff, and project consultant (see Appendix K for full list of members).

The PMT met regularly to check the status of major deliverables, track and maintain a regular project schedule, coordinate materials for individual and Joint Council work sessions and meetings, plan public events and outreach strategies, and develop consistent messaging for project outcomes. The Project Consultant team representatives participated in the PMT meetings on a bi-weekly basis as needed. The plan's content was guided and produced by the project consultant team and reviewed by the PMT.

Agency Review Team

The Agency Review Team (ART) represented local service providers and regional partners, who advised staff members of both cities about regulatory and planning compliance (see Appendix K for full list of members). Input gathered from the ART was incorporated into the Concept Plan and included in regular staff updates to the Planning Commissions and City Councils. Involvement was required for some key agencies that needed to approve or concur with the Concept Plan, while other agencies were invited to participate in the planning process as their advice was needed on specific issues. Metro, CWS, Washington County, and the Sherwood, Tigard-Tualatin and West Linn-Wilsonville school districts participated in the ART to provide support and concurrence with the Concept Plan.

In addition to the above-mentioned, ART member agencies included the Oregon Department of Transportation (ODOT), Tualatin Valley Fire & Rescue, and the Bonneville Power Administration (BPA). Other agencies were invited to the planning process when their specific advice was necessary, specifically the City of Sherwood, City of Tualatin (including Planning, Community Development, Building, Community Services, Economic Development, Engineering, Parks and Recreation, and Public

Works departments/divisions), City of Wilsonville (including Planning, Community Development, SMART Transit, Public Works, Engineering, Parks and Recreation, Natural Resources, and Building departments/divisions), Clackamas County, Northwest Natural, Portland General Electric, and Tri-Met. This collaborative analysis and joint decision-making set a framework for the Basalt Creek Concept Plan to have the greatest possible chance for success for the community.

The ART met three times throughout the project – in June and September of 2014, and then again in February 2016. The first meeting provided an opportunity to present an overview of the Basalt Creek Concept Plan project and process to the ART and inform members of key milestones and decision points where their input would be needed. The project consultant also presented the proposed methodology for the Existing Conditions report, particularly soliciting feedback on the market analysis, infrastructure analysis, and transportation analysis components. The second meeting served to solicit feedback from ART members on the draft Existing Conditions report, clarify issues surrounding infrastructure, provide an overview of public feedback, and present the land suitability analysis for review. The third meeting was held on February 19, 2016 to further discuss transit, parks and open spaces, schools, parks, and trails.

Information Gathering

The project consultant conducted research on the existing conditions and future needs in the Planning Area, as well as reviewed previous planning efforts affecting the area. This research included land use, transportation, the real estate market, geology, water and sewer infrastructure, stormwater, natural resources and parks. The Existing Conditions Report provides additional background information in Appendix A.

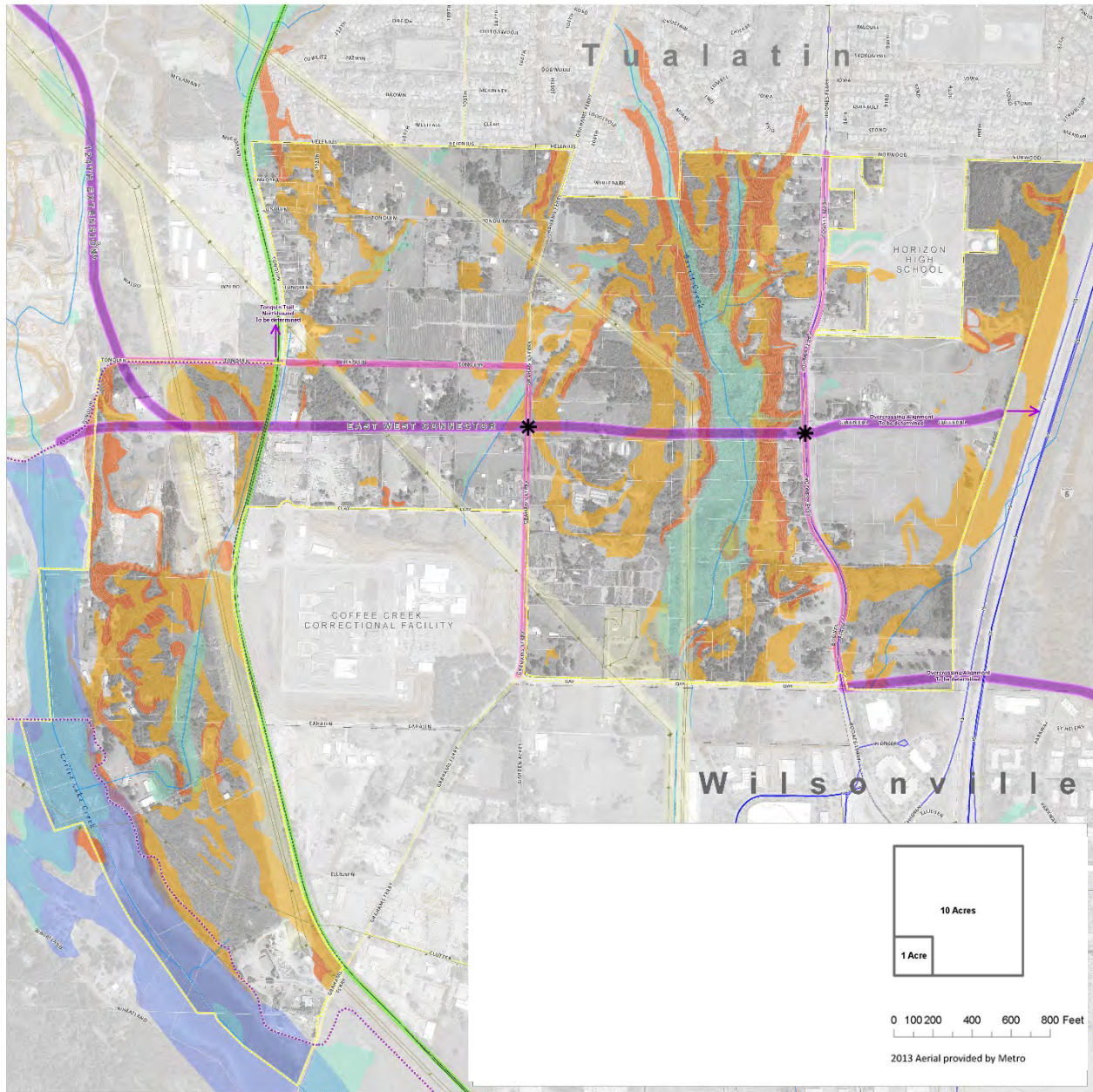
Public Involvement Plan

A Public Involvement Plan, developed by the PMT, was used to guide outreach strategies and events throughout the planning process (Appendix B).

Public Workshop

The planning process began with a community workshop for the Basalt Creek Concept Plan on June 17, 2014. This was a visioning workshop and open house attended by roughly 40 people and solicited input on priorities and preferences for future land use and transportation in the Planning Area. Key outputs included initial scenarios that identified important issues for the area, including a desire to keep the Basalt Creek Canyon as open space, the need for residential buffer areas, traffic challenges and ideas for new parks. Results indicated a preference for appropriate transitions between land uses and protection of existing neighborhoods, but an openness to a range of employment and commercial uses. Instant polling at the workshop was combined with the results of the online survey for a total of 160 responses from participants living both inside and outside the Planning Area. Survey results included a strong interest in public access to natural resources and were less focused on housing or industrial warehousing. This participation informed the establishment of Guiding Principles for the project.

Figure 3 Example of the Basalt Creek Planning Area Base Map used for workshop activity. Participants used these maps to draw and design a vision for future uses of the Basalt Creek Planning Area.



Basalt Creek



Stakeholder Interviews/Focus Groups

The Basalt Creek concept planning process included over a dozen focus group meetings and stakeholder interviews with developers and property owners in June and July 2014. Developer discussions included industrial, office, retail, residential, and mixed-use development. Knife River, Coffee Creek Correctional, Ibach Citizen Involvement Organizations and the Chamber of Commerce from each City also provided input. These discussions focused on future industrial development types, housing preferences, land assembly, and employer amenities. Property owners expressed a desire for flexibility in land uses and concern over how development will impact quality of life in the area. Developers were concerned with industrial development types changing, along with changing housing preferences, the land assembly challenge, and what employers will consider amenities in the area. These discussions informed the Concept Plan's market analysis, land suitability analysis, building prototypes, development types and land use placements for testing different land use scenarios for the Planning Area.

Open House

A second open house was held on April 28, 2016 to share the draft Concept Plan elements, including land use, road network and improvements, transit, bike, pedestrian and trail network improvements, parks, natural areas, and infrastructure systems. Members of the public were invited to share feedback on the Concept Plan generally as well as specific options for future parks, natural areas, and the bike, pedestrian and trail network. Participants expressed general support for the preferred alternative presented at the Open House, and during instant polling, shared a desire to use the area for recreation, neighborhood parks and conservation areas.

Email and Website Updates

The Project Management Team (PMT) typically sent monthly updates to those on the interested parties list via email and to property owners via postal mail, which included approximately 300 people. Council and Planning Commission work sessions and updates were scheduled and held throughout the project, including before critical milestones and Joint Council meetings, all of which were open to the public and notice provided on City websites and the project website.

Scenario Testing and Concept Plan Development

What is Scenario Planning?

Scenario planning is a tool used to estimate the likely future effects of growth and development patterns in a specific area. This information helps local governments make decisions about what type of land use, transportation and infrastructure plans and policies will best meet community needs in the future. Scenario planning helps identify challenges and opportunities for desired growth and allows exploration of different approaches to achieve the community vision for an area. Unlike a plan, scenarios are very specific, intending to model likely future land uses. Learning from these, a plan can be developed to allow for several beneficial scenarios.

Scenario Planning for Basalt Creek Planning Area

Scenarios were used to understand how different land use decisions, infrastructure investments, other regulations and policies might impact the future outcomes in Basalt Creek – and how well they achieve

the guiding principles. The scenarios that were designed and tested for the Basalt Creek Planning Area integrated many different variables (such as different land uses and service areas) and the relationships between those variables. By modifying the scenarios, the impact of different sets of decisions were able to be better understood.

The scenario testing for Basalt Creek sought to answer questions about the implications of various development and infrastructure options. Taken together, these questions formed objectives for the scenario evaluation.

- Where should the boundary between Tualatin and Wilsonville be?
- What combination of land uses is most appropriate for the area?
- What infrastructure is needed to support future development, and what will be the cost of that infrastructure?
- Which agencies will provide public services to different parts of the area?
- How will traffic generated by new development in this area impact traffic flows and congestion levels, both locally and regionally?
- How will the benefits and costs of serving the area be balanced fairly between Tualatin and Wilsonville?

The project team created and evaluated a Development Base Case and tested Alternative Development Scenarios. These development scenarios used existing buildings from both jurisdictions to model potential future development and reflect existing zoning and development regulations in the Envision Tomorrow modeling program (see Appendices C1 and C2).

During the scenario development process, jurisdictional boundary discussions were ongoing and different scenarios considered different boundary alternatives. A series of five scenarios were developed in an ongoing iterative process that tested the following variables: the location and amount of different land uses, the location of the jurisdictional boundary, location of service boundaries, and design of infrastructure systems. The PMT also developed performance measures associated with the Guiding Principles, in addition to local and regional goals, to compare the different scenarios. As a complex set of conditions, the variables tested were interrelated and needed to be combined in scenarios to understand how changes in one variable impacted the others.

These scenarios were vetted by the project's PMT and each City Council, and then fully analyzed for the transportation, infrastructure, and land use implications. Based on these analyses, discussions among the PMT, and feedback from the Joint Councils, a preferred scenario was developed. The preferred scenario became the basis for the Basalt Creek Concept Plan.

Final Plan Development

The final phase of the project included further refinement of the Concept Plan using the preferred scenario, setting the jurisdictional boundary, and drafting an implementation strategy for the Concept Plan. The final Basalt Creek Concept Plan was designed to meet all the requirements associated with areas added to the urban growth boundary (see Title 11 Compliance Memo in Appendix D) and was forwarded to Metro for review. The Councils from the City of Tualatin and the City of Wilsonville each adopted the Concept Plan by resolution. Comprehensive Plan amendments and implementation strategies and tools are to be consistent with this Plan.

Concepts that Shaped the Plan

Guiding Principles represent the collective interests and goals for the Basalt Creek Planning Area as agreed to and established by the Joint Council. They provided a framework for gathering input and developing transparent and meaningful measures that helped inform the decision-making process for this plan (see Appendix E for Guiding Principles Memo which provides further descriptions).

1. Maintain and complement the Cities' unique identities
2. Capitalize on the area's unique assets and natural location
3. Explore creative approaches to integrate jobs and housing
4. Create a uniquely attractive business community unmatched in the metropolitan region
5. Ensure appropriate transitions between land uses
6. Meet regional responsibility for jobs and housing
7. Design cohesive and efficient transportation and utility systems
8. Maximize assessed property value
9. Incorporate natural resource areas and provide recreational opportunities as community amenities and assets

In addition to the Guiding Principles, during a Joint Council meeting, the Councils also identified ten key elements for successful implementation of the Basalt Creek Concept Plan that relate to key functions such as the sewer, water, and transportation services, land use and natural resources in the area. These considerations informed the key elements of the Concept Plan (see Appendix E for 10 Considerations of Success for further descriptions).

Planning Area Conditions

The project consultant team conducted research on the existing conditions and future needs in the Planning Area, as well as reviewed previous planning efforts affecting the area. The project team studied land use, transportation, the real estate market, geology, water and sewer infrastructure, stormwater, natural resources and parks.

Planning Context and Urban Growth Boundary

The Portland Metropolitan Area Urban Growth Boundary (UGB) includes three counties and 24 cities. Metro administers the UGB, which includes a mandatory six-year assessment of whether it includes sufficient land to accommodate 20 years of expected development for residential and job growth.

During the 2004 analysis, Metro identified a shortfall of industrial land and a study identified good candidates for industrial development by looking at soil classification, earthquake hazard, slope steepness, parcel size, accessibility to regional transportation and necessary services, and proximity to existing industrial uses. Several areas of land identified as good candidates for industrial development were added to the UGB by Metro via Ordinance 04-1040B in 2004, two of which comprise the Basalt Creek Planning Area. The current 2040 Growth Concept Map identifies the Basalt Creek Planning Area as industrial, but the Ordinance does provide some flexibility to include housing in the Planning Area. The

Ordinance identified outer neighborhood as a potential land use in the northern portion of the Planning Area, to provide some housing and a buffer for existing residential neighborhoods in Tualatin.

The industrial designation from Metro is defined within the Regional Framework Plan's Glossary as "an area set aside for industrial activities. Supporting commercial and related uses may be allowed, provided they are intended to serve the primary industrial users. Residential development shall not be considered a supporting use, nor shall retail users whose market area is substantially larger than the industrial area be considered supporting uses."

The Land

Landscape Context

The general character of the area's landscape was shaped by the Glacial Lake Missoula Ice Age floods, a series of cataclysmic floods that shaped the landscape of the Columbia River Gorge and the Willamette Valley during the last Ice Age. The Ice Age Tonquin Trail Master Plan describes the area as "comprised of upland prairie fragments, and oak and madrone woodlands. Rare wildflowers are found near basalt hummocks (scablands) to the west of the Planning Area, and rare reptiles (pond turtles) and amphibians (northern red-legged frogs) live in the kolk ponds." Remains from the Ice Age floods that can be seen in and around the Basalt Creek Planning Area include glacial deposits, scablands, kolk ponds (ponds formed by eddies during the Missoula Floods), and flood channels. The terrain includes significant slopes of more than 25% and with a change in elevation from 250 ft above mean sea level (amsl) to a maximum elevation of 350 ft amsl.

Existing Land Use

The primary existing land uses in the Basalt Creek Planning Area are rural agriculture, industrial and rural residential consisting of low-density single-family housing. There are areas of agricultural uses, including a nursery, landscaping supply, and blueberry farms. Existing industrial land users include gravel quarries and cement manufacturing in the northwest corner of the Planning Area. The existing housing in the area consists of detached single-family on large lots. A significant portion of single-family homes are located on the eastern edge of the Basalt Creek Canyon along Boones Ferry Road.

Adjacent Land Uses

The Planning Area is bounded to the north by Tualatin residential neighborhoods, to the south by Wilsonville commercial and industrial uses, I-5 to the east, and to the west by Coffee Lake Creek, wetland habitat, and rural and industrial lands.

- The southernmost residential neighborhoods of Tualatin, including recently-built subdivisions such as Victoria Gardens, are located to the north of the Planning Area. These neighborhoods are zoned a mix of low- and medium-low density residential and are comprised primarily of high-quality, detached, single-family homes. Also, to the north is the 30-acre campus of Horizon High School (a private high school). The campus is bordered on three of its sides by the Planning Area.
- To the west, the Planning Area is bordered by unincorporated portions of Washington County including the Southwest Tualatin Concept Plan area where active quarries and an asphalt plant are located. Further west of the Southwest Tualatin Concept Plan area is the Tonquin Employment Plan area which falls within the City of Sherwood's urban planning area. Most of this land is undeveloped or vacant at this time.

- South of the Planning Area are existing and planned commercial, office and industrial uses located within the City of Wilsonville. The employment areas around SW Commerce Circle, Ridder Road, and 95th Avenue include advanced manufacturing, clean tech, warehouse, distribution, and logistics businesses. The Coffee Creek Planning Area abuts the Basalt Creek Planning Area along the south side of Day Road and south and west to the existing Wilsonville city boundary. The City adopted a Master Plan and Industrial Form-based Code for this area to create a high caliber business district.
- Adjacent to the southern border of the Planning Area is Coffee Creek Correctional Facility. This is a state-owned correctional facility with 1,250 female inmates, and a fluctuating number of male inmates (around 400) undergoing intake until they are transferred to another facility. The Correctional Facility employs 435 people with day and nighttime shifts comprising a 24-hour workforce.

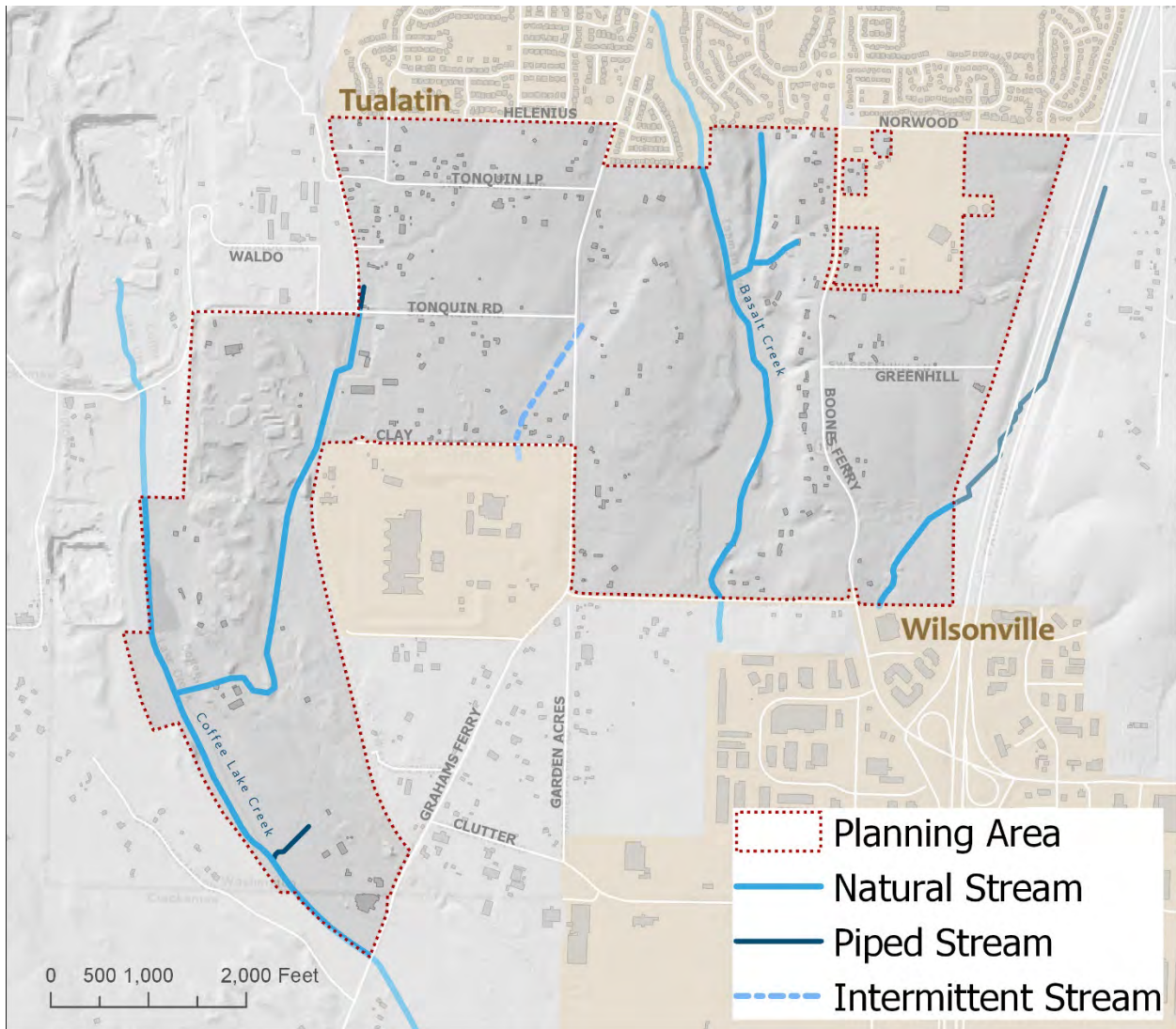
Natural Resources

Wetlands, floodplain, upland habitat, streams, open water and riparian areas provide important natural resources in the planning area. Within the Basalt Creek Canyon and Coffee Lake Creek basin, there are open water, emergent and scrub-shrub wetlands. The small, forest patches scattered throughout the planning area provide travel corridors and habitat for a variety of species including Red-legged Frogs and the Pileated Woodpecker. Land suitability studies for this area identified constrained lands including 18,845 feet of natural streams; 1,402 feet of underground or piped streams, defined as water that flows under the surface in a definite channel; and 789 feet of intermittent streams in the Planning Area.

There are two main streams in the Planning Area, Basalt Creek (also known as Seeley's Creek or Tappin Creek) and Coffee Lake Creek and its east tributary, which run through the West Railroad Area. There is also an underground, piped stream near I-5 along the eastern edge of the Planning Area. Coffee Lake Creek forms the western boundary of the Planning Area. There are also 69 acres of wetlands (8% of the Planning Area), including 49 acres of open water in the Planning Area.

There are 116 acres of land designated by Metro as Water Quality and Flood Management Areas. Following Metro's designations and associated regulations, local jurisdictions determine development rules and requirements that affect these areas. Clean Water Services, who regulates environmental lands in the City of Tualatin and elsewhere in Washington County and the City of Wilsonville, have local ordinances in place that go beyond the level of conservation otherwise required by Metro. Existing local standards from each City would apply upon annexation of property into either Wilsonville or Tualatin.

Figure 4 Map of Streams by Category.



Buildable Lands Assessment

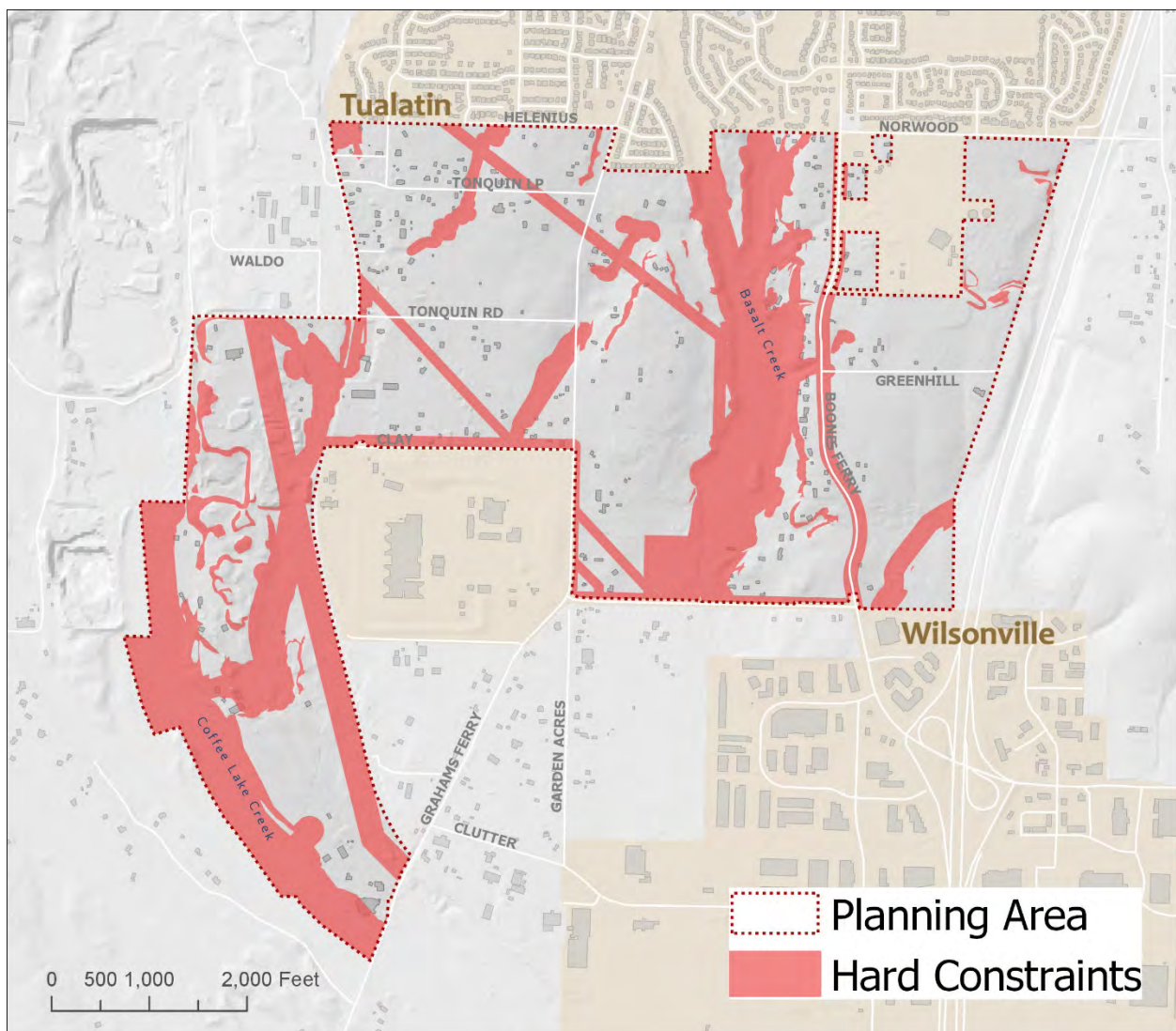
A buildable lands assessment for the Basalt Creek Planning Area (see Appendix F) screened out parcels where there is limited or no development potential to identify the places where development is most suitable given the environmental and regulatory context. There is a range of factors that influence development potential within the Planning Area, but they can be divided into two categories: hard and soft constraints. Hard constraints are either physical attributes or legal requirements that prohibit new development. These areas are excluded from the analysis. Soft constraints are where physical attributes or legal requirements allow some development with guidance on appropriate land uses and development densities. Assumptions regarding the amount of development in these areas followed Metro guidelines calling for restrained development.

Land Suitability Analysis

Determining the development capacity for the Planning Area starts with the buildable lands assessment and then further analyzes the land supply to estimate development capacity on any given parcel. The Planning Area includes land that is constrained by streams and easements. This land supply analysis then evaluates existing land uses, as provided by tax lot data via Metro's Regional Land Information System (RLIS), visual surveys of the area via aerial photographs and online tools such as Google Earth, and site visits for verifying stream conditions and alignments.

After completing this more detailed review of the land supply to determine development suitability, the land suitability analysis is combined with the buildable lands assessment to remove constrained land and to create a geographically referenced database of developable land within the Planning Area.

Figure 5 Map of Hard Constraints within the Basalt Creek Planning Area.

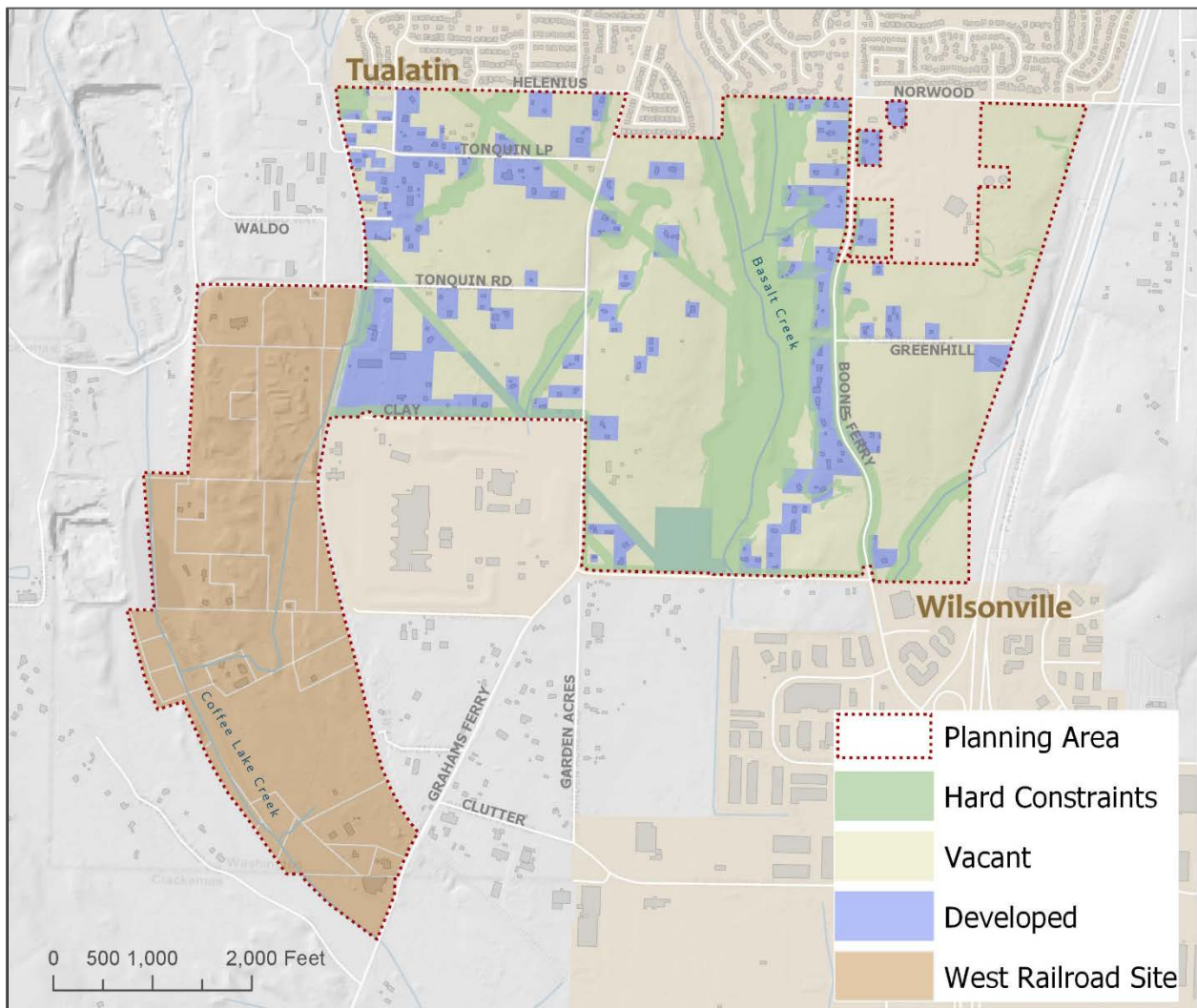


The goal is to classify every parcel within the Planning Area into one of the categories described below:

Table 2 Land Supply within the Basalt Creek Planning Area by Type and with Acreage.

Land Supply by Type and Acreage		
Land Type	Acres	Description
Vacant Land	331	Unconstrained land that is ready to build with no major structures located on the site
Developed Land	125	Land already built upon which includes acreage covered by roadways
Constrained Land	153	Land that cannot be built upon due to environmental or other hard constraints
West Railroad Area	238	Excluded from development plan due to large amount of constraints and limited access
Total Land Supply	847	

Figure 6 Land Supply by Type.



There were no redevelopment assumptions incorporated in this analysis. The values associated with the existing buildings were high enough to preclude redevelopment for purposes of determining the development types used during scenario testing. Thus, the developable land estimate for the Planning Area is 331 acres. This analysis forms the foundation for determining land use and development capacity on each parcel in the Planning Area. The development plan for the Basalt Creek Planning Area excludes the West Railroad Area from development due to the large amount of constraints on the land and limited access.

Infrastructure and Services

Roadways

The Concept Plan looked at the existing transportation system and the planned transportation system developed as part of the TRP, which includes phased investments to support regional and local transportation needs through 2035. The plan provides 18 transportation investments broken into short, medium and long-term projects, all of which are important to ensure that the transportation network functions at acceptable levels over time. The key element is the East-West Connector to the 124th Avenue extension, the future and partially constructed Basalt Creek Parkway.

Sanitary Sewer

Currently, no sewer service is provided to the Planning Area. Existing homes use septic systems. Wastewater conveyance to the south of the Planning Area is under jurisdiction of the City of Wilsonville. Sewer service to the north of the Planning Area in Tualatin is provided by the City of Tualatin and Clean Water Services.

The nearest treatment facility to the north of the Planning Area is the CWS Durham Advanced Wastewater Treatment Facility (AWTF). Eight gravity sewer mains exist near the north Planning Area boundary that could provide connection points for wastewater from the Basalt Creek Planning Area into the Tualatin collection system. The Victoria Woods Pump Station and associated force main are also located just to the north of the Planning Area boundary. From these connection points, wastewater flows by gravity toward the AWTF, crossing the Tualatin River via the Lower Tualatin Pump Station in Tualatin Community Park. Pump stations will be required to lift flows from the Planning Area into the existing gravity system. Expansion of the service district area to include Tualatin's portion of the Basalt Creek Planning Area needs to be approved by Clean Water Services at time of Annexation.

The nearest treatment facility to the south of the Planning Area is the City of Wilsonville Wastewater Treatment Plant (WWTP), located approximately 3.2 miles south of the Planning Area. This facility was recently expanded to accommodate growth within the current city limits and allow for additional buildout to accommodate growth outside the city limits in Urban Growth Boundary expansion areas. Approximately half (300 acres) of the Basalt Creek Planning Area was accounted for in the year 2030 build-out capacity assessment conducted as part of the facility expansion.

The City of Wilsonville's Coffee Creek Master Plan identifies a new sanitary main line to be constructed. After the adoption of that plan, more analysis was completed and determined the appropriate location of the sanitary sewer line to be along Garden Acres Road from Ridder Road and extending north to near Day Road and then continuing up Grahams Ferry Road. A second sanitary sewer line will extend from Garden Acres east and north to Day Road extending east to Boones Ferry Road. These lines are intended to provide conveyance of wastewater within the Coffee Creek area and are also intended to serve flows

from the Basalt Creek Planning Area to the WWTP. The Sanitary Sewer Collection System Master Plan has analyzed a range of potential flows from the Planning Area.

The Tualatin Sanitary Sewer Master Plan Update is currently being updated and includes the Basalt Creek Planning Area as a sewer basin. The City of Wilsonville updated its Sanitary Sewer Collection Systems Master Plan (MSA, 2014) which included the Basalt Creek Planning Area as a contributing area. The resulting updated master plans identify the improvements needed to increase the capacity of each system to convey flow from the Basalt Creek Planning Area.

Drinking Water

The Basalt Creek Planning Area currently has no municipal water infrastructure in place. Tualatin currently purchases its municipal water from the Portland Water Bureau. The City of Wilsonville Water Treatment Plant draws its potable water from the Willamette River. Based on the topography, the Basalt Creek Planning Area could be served from the south through The City of Wilsonville's distribution system or from the north through the City of Tualatin's distribution system. Lower elevations of the Basalt Creek Planning Area can be adequately served through existing lines in Wilsonville's Pressure Zone B.

Stormwater

Existing stormwater infrastructure consists of roadside drainage ditches and culverts. Culverts in the Planning Area are under the jurisdiction of Washington County and may not have capacity for future urban conditions. Culverts to the south of the Planning Area are part of the City of Wilsonville stormwater system. The City of Tualatin has jurisdiction over the stormwater conveyance system to the north of the Planning Area. Culverts may need to be upsized to provide adequate capacity for runoff from new impervious areas, unless onsite retention or infiltration is required when the location of public drainage or the topography of the site make connection to the system not economically feasible.

Basalt Creek itself flows to the south into Wilsonville as part of the Coffee Lake Creek Basin. Basalt Creek discharges into the Coffee Lake wetlands. Coffee Lake Creek flows south from the wetlands and combines with Arrowhead Creek before discharging to the Willamette River.

The City of Wilsonville's 2012 Stormwater Master Plan identifies capital improvement Project CLC-3 to restore a portion of the Basalt Creek channel, west of Commerce Circle, to increase capacity. The master plan also identifies Project CLC-1 for construction of a wetland for stormwater detention purposes, north of Day Road, to serve an area that includes the Basalt Creek Planning Area. The July 2014 Updated Prioritized Stormwater Project List identifies CLC-3 as a mid-term project (6 to 10 years) and CLC-1 as a long-term project (11 to 20 years).

Locations where stormwater runoff from the Basalt Creek Planning Area could connect to existing stormwater infrastructure will require evaluation of the conveyance systems at time of development.

Schools

The Planning Area falls within the Sherwood School District, which has an estimated enrollment of 5,158 and includes four elementary schools, two middle schools, Sherwood High School, and Sherwood Charter School. Most of these schools are within three miles of the edge of the Basalt Creek Planning Area.

The Planning Area is near Tualatin High School, one of two high schools in the Tigard-Tualatin School District. The district also includes three middle schools and ten elementary schools. It serves 12,363 students overall. Horizon Christian High School (private) has 160 students enrolled on their campus with a vision of serving up to 1,000 students in the future. Existing parks, libraries, and schools are mapped in the Existing Conditions Report (see Appendix A).

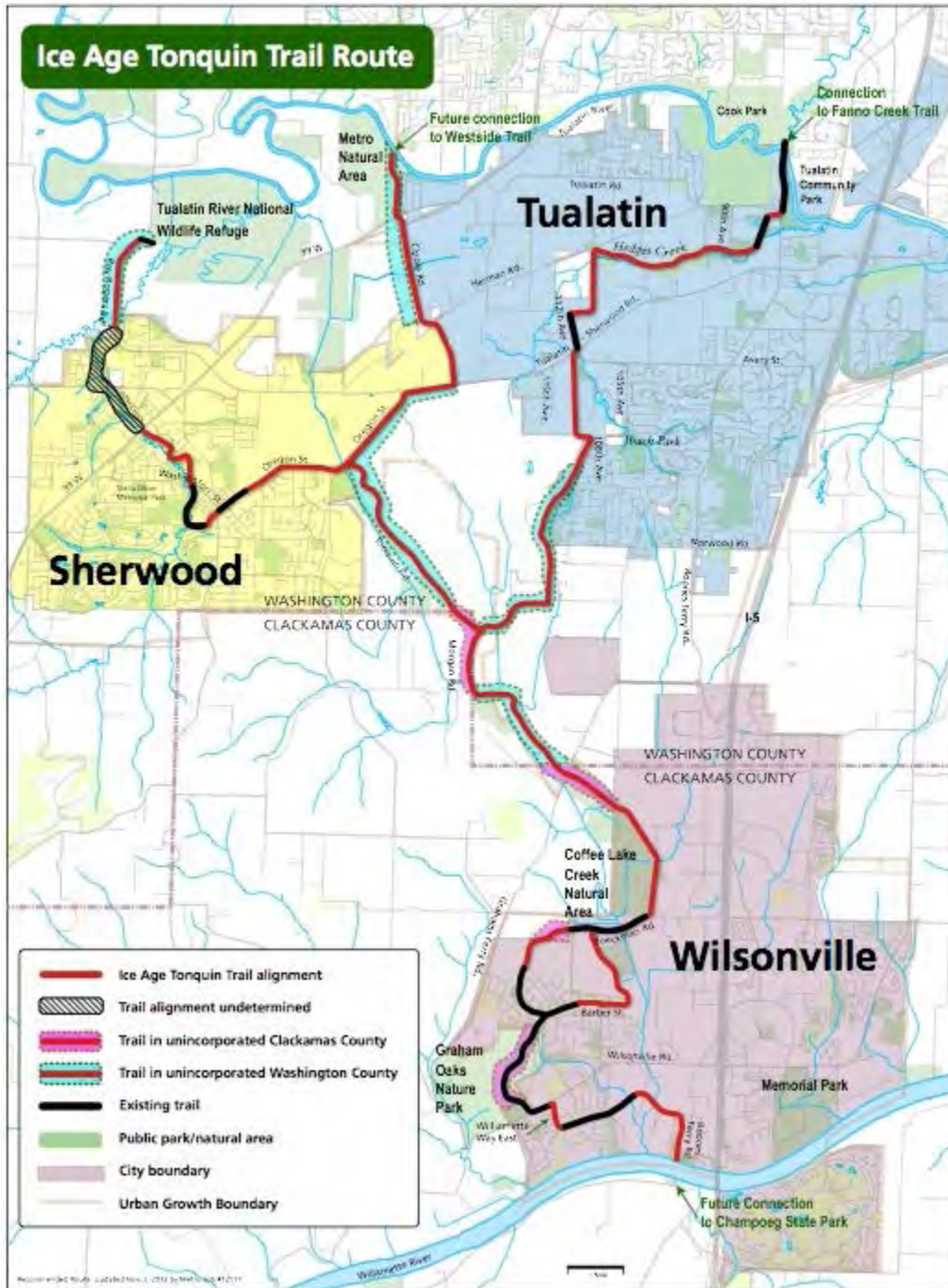
Parks

No parks currently exist within the Planning Area. Wilsonville Parks owns and maintains 16 different public parks, the closest of which is Canyon Creek Park located in Northeast Wilsonville on the other side of I-5. It has 1.41 developed acres and 6.87 acres of natural area popular for picnics and walking. The Other Wilsonville parks are located approximately 2 miles south of the Planning Area, including Graham Oaks Nature Park, which will be connected to the Planning Area when the regional Ice Age Tonquin Trail is complete. City of Tualatin Parks and Recreation owns and maintains 9 different parks, with Ibach Park being the closest to the Planning Area. Ibach includes an award winning and nationally recognized playground that incorporates Tualatin's pre-historic, Native American, and pioneering past, with information on the cultural and natural history of the area.

Trails

Metro's Ice Age Tonquin Trail Master Plan provides a framework for local and regional jurisdictions to embark on trail implementation efforts. The proposed trail alignments show about 22 miles of trails connected through Tualatin, Wilsonville and Sherwood, and includes a section traversing the Basalt Creek Planning Area.

Figure 7 Map from the Ice Age Tonquin Trail Master Plan



Market Analysis

A market analysis (Appendix G) to identify the expected development potential for the Basalt Creek Planning Area as a future industrial and urban growth area was conducted by Leland Consulting Group.

The Planning Area is contiguous with several other employment and industrial areas in the southwestern part of the Portland metropolitan region. The market area for the Concept Plan includes the cities of Tualatin, Wilsonville, and Sherwood, as well as some surrounding areas. Each of these three cities is expecting business expansion and job creation. Viewed together, these areas comprise one of the largest industrial and employment clusters in the region.

Both Tualatin and Wilsonville have seen significant industrial and office development during the past three decades. Industry clusters in which both cities are already highly competitive are expected to continue and provide significant business and job growth in the future. These include advanced manufacturing, corporate and professional services, health care and related fields, and other specific industrial clusters such as food processing and light manufacturing. The amount of industrial development (including warehousing, production, flexible office/industrial space, high tech, etc.) in both cities is significantly larger than the amount of office development. Office development—nationally and regionally—is not expected to bounce back from the recession with the same resiliency as industrial space.

Employment development in the Planning Area will benefit from a number of competitive advantages. A major feature and competitive advantage of this “Southwest Metro” employment cluster in general, and the Basalt Creek Planning Area in particular, is its immediate access to I-5, the west coast’s most important transportation route. Additional advantages are access to I-205, Highway 217, nearby arterial roads, and transit service, a growing and educated workforce, and established and expanding industry clusters nearby. Employment corridors are located along transportation arterials that include the 124th Avenue Extension and the Basalt Creek Parkway located east west along the future jurisdictional boundary.

The market area’s location and current demographics are also encouraging for new housing development. The Planning Area is immediately south of several south Tualatin residential neighborhoods, which contain attractive parks, street trees, and schools. The neighborhoods create a positive environment for residential development along the northern edge of the Basalt Creek Planning Area.

The Planning Area is already served by several major regional and sub-regional retail nodes located nearby—Bridgeport Village, central Tualatin, and Wilsonville’s Argyle Square. Any commercial space built in the Basalt Creek Planning Area will primarily serve residents and employees, as is consistent with Metro’s employment area designation.

Concept Plan for Basalt Creek

Concept Plan Overview

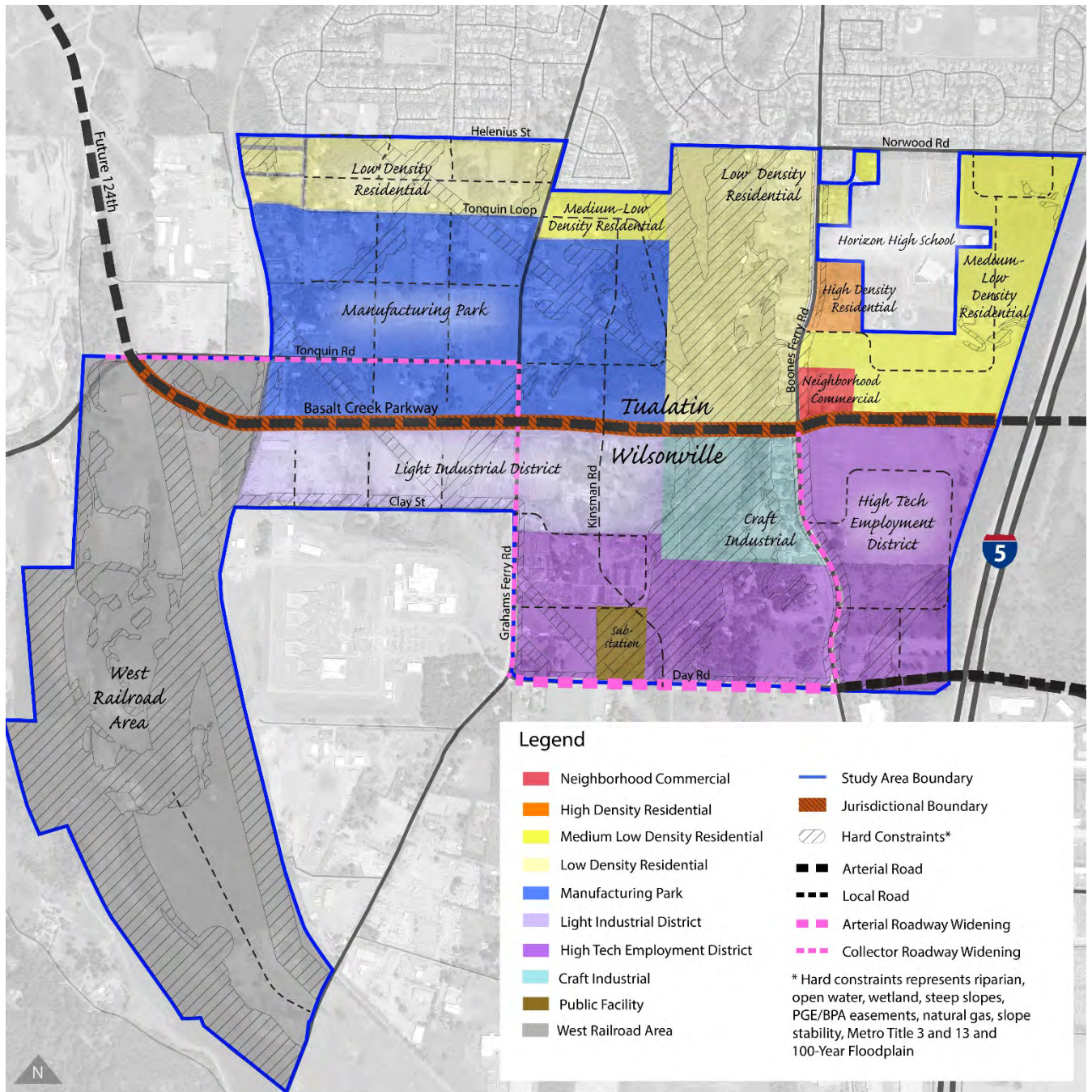
The Basalt Creek Concept Plan guides development within the Planning Area over the next twenty years. It identifies preferred land uses across the area and coordinates future land use, transportation and infrastructure investments between Tualatin, Wilsonville, and Washington County. The partnership between the two cities which shaped this Plan must continue during implementation to drive successful development in the future.

In Ordinance No. 04-1040B, the Metro Council concluded that the Basalt Creek Planning Area can be planned for industrial use given there are urban services in the vicinity and that urbanization will have no effect on agricultural practices on adjacent land due to its isolation from agricultural activities. The Metro Council identified the area as the most suitable exception area under consideration for warehousing and distribution, a significant industrial need facing the region. The land use framework for the Concept Plan supports job growth in the area, while preserving natural space, buffering residential areas, and improving connectivity throughout the Planning Area.

Key considerations and conclusions informed the Basalt Creek Concept Plan:

- While there is a unified Concept Plan for the Basalt Creek area, it was also important to customize the land use types and implementation measures for each city.
- Natural features, topography, and future roads identified in the Basalt Creek TRP influenced infrastructure service areas and the jurisdictional boundary.
- Operating separate infrastructure systems along the jurisdictional boundary affords each jurisdiction the ability to develop and manage their own public utility systems.
- The topography and geology in this area may present development challenges and infrastructure costs may be higher than average.
- Various employment types impact performance of the transportation system differently; for example, retail uses generate more trips than industrial or warehousing.
- There are uncertainties in estimating assessed value and property tax revenue of future development due to unpredictability of the market and the extent to which the modeled development types will be built over time; likewise, it is difficult to accurately estimate SDC revenue for future development.
- The West Railroad Area has significant environmental, infrastructure, and transportation constraints and costs to serve new development; this area is likely to take longer to develop than the rest of the Planning Area. When there is development interest, future planning would need to be conducted.

Figure 8 Basalt Creek Land Use Concept Map



Key Elements of the Concept Plan

- Jurisdictional Boundary Determination
- Land Use and Development
- Transportation
- Transit
- Bicycle, Pedestrian and Trail
- Parks and Open Space
- Natural Resources
- Water
- Sewer
- Stormwater
- Implementation & Phasing

Jurisdictional Boundary, Land Use and Development

The Basalt Creek Planning Area is divided between the Cities of Tualatin and Wilsonville, and the Basalt Creek Parkway serves as the jurisdictional boundary between the two. Of the 847 acres in the Basalt Creek and West Railroad Areas, approximately 367 acres will be in the Tualatin planning area and 480 acres will be in the Wilsonville planning area. The land use patterns in the Concept Plan are responsive to the setting and to the existing conditions. Since the area is well suited and intended for industrial and housing uses, much of the Planning Area is designated for employment land uses. The Concept Plan land use pattern also anticipates the inclusion of transitional areas via development design standards to buffer new industrial land from adjacent existing uses and neighborhoods.

The land use designations on the map represent real-world development types. Each development type (i.e. Manufacturing Park) is defined by a set of buildings, which are based on real buildings in each of the cities. Tualatin's land use designations which are north of the jurisdictional boundary are consistent with its current development code, and Wilsonville's land use designations, south of the jurisdictional boundary, are consistent with its current development code.

Using the land suitability analysis, and looking at adjacent land uses, the project team identified appropriate land use designations for properties within the Planning Area. These land use designations were further refined, and appropriate densities selected to provide for regional employment capacity and housing while also maintaining traffic counts consistent with the TRP.

Tualatin land uses include a mix of residential and employment development types, with the housing land use designations in the northern and northeastern portions of the Planning Area. The Plan calls for a small retail node just east of the Basalt Creek Canyon located to serve residents and workers.

Wilsonville land uses include a mix of employment development types and a modest opportunity for live/work housing. These land uses support adjacent and nearby industrial areas such as the Coffee Creek Industrial Area and provide flexibility to meet a range of market demands. These uses could also be a good fit for the City's Industrial Form-based Code, recently adopted for the Coffee Creek Industrial Area, if the City wanted to extend it north into the Basalt Creek Planning Area.

Development Types

Table 3 Summary of Development Types Identified for Basalt Creek Planning Area by Jurisdiction

Jurisdiction	Land Use Designation	Buildable Acreage	Households		Employment	
			Count	Density per Gross Acre	Count (jobs)	Jobs per Gross Acre
Tualatin	High Density Residential	3.36	67	19.9	-	-
	Medium-Low Density Residential	59.83	374	6.3	-	-
	Low Density Residential	24.83	134	5.4	-	-
	Neighborhood Commercial	2.89	-	-	33	11.3
	Manufacturing Park	92.95	-	-	1,897	20.4
	Functionally Unbuildable	10.37	-	-	-	-
	Tualatin Subtotal	194.23	575		1,929	
Wilsonville	Craft Industrial	1.25	6	4.8	27	21.7
	Light Industrial District	35.30	-	-	581	16.5
	High Tech Employment District	94.47	-	-	1,916	20.3
	Functionally Unbuildable	5.62	-	-	-	-
	Wilsonville Subtotal	136.64	6		2,524	
Total		330.87	581		4,453	

Tualatin

Employment. The Concept Plan allocates substantial land as Manufacturing Park, which is expected to accommodate 1,897 new jobs, calculated based on the expected square footage of development in this area and the average square footage needed per employee. The Manufacturing Park is located along the northern edge of the future Basalt Creek Parkway on the land west of Basalt Creek Canyon, including both sides of Tonquin Road and Graham’s Ferry (as shown on the above map).

Housing. Most of the remaining land north of the proposed Basalt Creek Parkway (beyond employment land) is allocated to a mix of residential uses at varying densities. The Concept Plan organizes residential land uses into two general areas that are intended to have easy access to services and be connected to parks, schools, and natural areas.

1. The plan focuses the lowest density housing (a mixture of low-density and medium-low density) along the northern portion of the Planning Area and low density along the west side of Boone's Ferry Road, adjacent to existing neighborhoods of Tualatin. This land is expected to accommodate 134 new households.
2. The eastern portion of the Tualatin future annexation area is anticipated to be a mixture of high and medium-low density residential; the land immediately east of Boones Ferry Rd is intended for high density housing; The remainder of the land east and south of Horizon School is planned for medium-low density residential. This eastern subarea is expected to accommodate 407 new housing units in Tualatin. This land is near the intersection between Boones Ferry Road and the new Basalt Creek Parkway.

Commercial. Neighborhood Commercial is planned north of the jurisdictional boundary and east of the Basalt Creek Canyon at, or near, the northeast corner of the intersection of Boones Ferry Road / Basalt Creek Parkway. It is intended to serve residents and workers.

Wilsonville

High-Tech Employment District. Most of the buildable acres in the Planning Area south of the proposed Basalt Creek Parkway are devoted to a mix of higher-density employment land. The High-Tech Employment District is expected to accommodate the largest number of jobs (1,916) with a mix of warehousing, manufacturing and office buildings. This land use is in the southern and eastern sections of the Planning Area, covering all Wilsonville land east of Boones Ferry Road and most of the land south of Clay Street extending to Day Road and bordered to the west by Coffee Creek Correctional Facility.

Craft Industrial. The southwest corner of the intersection of Boones Ferry Road and the new Basalt Creek Parkway is planned as Craft Industrial, which allows for a mix of smaller-scale commercial uses, which may include live-work units. These envisioned development types respond to the topography on those parcels and their location directly south across the Parkway from residential land and southwest of the neighborhood commercial node across the Parkway in Tualatin. Craft Industrial is a better fit with those surrounding uses, providing a transition to the higher intensity employment uses to the south. This area allows less than 20 percent residential use and is expected to accommodate 27 new jobs and 6 new housing units in the form of live-work units.

Light Industrial District. This land is located across the southern edge of the future Basalt Creek Parkway just north of Coffee Creek Correctional Facility and will be able to accommodate 581 new jobs primarily in warehousing and light manufacturing.

West Railroad Future Planning Area

The West Railroad Area is divided from the rest of the Planning Area by the Portland and Western Railroad (PNWR) and the Coffee Creek Correctional Facility. The area is heavily constrained by wetlands habitat (as seen in Figure 5), steep slopes, and fragmented property ownership. Initial estimates show it would be costly to serve this area with adequate water, sewer, and transportation infrastructure due to

its location. These initial cost estimates for the infrastructure are included in Appendix H (Basalt Creek Concept Plan Transportation Technical Analysis and Solutions Memo) and Appendix I (Basalt Creek Concept Plan Infrastructure Technical Memo). Topography and the PNWR line also create a relative separation between this area and the rest of the Basalt Creek Planning Area as well as access issues for freight trucks. Given these constraints, the area has potential for resource conservation and future public access to nature. Additional land uses may be appropriate but will need further analysis.

Because it is considered to have much lower development potential than the rest of the Planning Area, a future land use scenario was not created for this area at this time – it is being considered an area for future study and consideration. Once development and the extension of infrastructure occurs in the rest of Basalt Creek as well as the Coffee Creek Industrial Area, additional analysis should be completed on infrastructure service costs and appropriate land uses. The West Railroad Area is south of the Basalt Creek Parkway and in the City of Wilsonville future annexation area. Wilsonville’s Comprehensive Plan amendment to adopt this Concept Plan will include a designation of Area of Special Concern for the West Railroad Area. The area will require master planning before any development occurs.

Transportation

Key Transportation Solutions

The TRP sets the layout of major new roads and improvements for the area. Prior to land annexing into either city, a cooperative funding strategy needs to be agreed upon between the City of Wilsonville, the City of Tualatin, and Washington County to build out the transportation network as set forth in the TRP. The network must also coordinate with plans for the area as set out in the Metro Regional Transportation Plan.

The Basalt Creek Parkway, of which the segment between 124th Avenue/Tonquin Road to Grahams Ferry Road is already under construction, is the major east-west arterial through the area. The Parkway allows for limited local access providing important freight connections between Tonquin, Southwest Tualatin, and Basalt Creek Employment Areas to I-5. It also serves as a future jurisdictional boundary between Tualatin and Wilsonville.

Additional road improvements are necessary to handle projected traffic levels as the area develops, including adding capacity to north-south collectors and Day Road as well as two additional I-5 crossings (at Day Road and Greenhill). As the area develops, property owners will plan and build local roads connecting to this network. These roadway improvements will include enhanced bike and pedestrian facilities and connections to the future transit system.

Roadway Network

The roadway network for the Basalt Creek Concept Plan is shown in Figure 9. The transportation network includes projects considered likely to be in place by 2035. Metro’s model for forecasting depends partly on the projects planned for the Basalt Creek Planning Area, as well as those planned for the region (Metro’s 2035 Gamma model). Metro’s 2014 RTP, which lists projects reasonably likely to be funded by 2040, informed this analysis. Table 4 shows potential capacity-related projects from the 2014 RTP list. The projects in the RTP originate from the Basalt Creek TRP (see Figure 10 below).

The planned roadway network includes the projects and facilities described in Table 4 below, with one exception. The East-West Arterial Overcrossing is not included on Figure 9 as that segment of the Basalt Creek Parkway is anticipated to be constructed after 2040. Figure 9 also depicts where local connections may be needed to provide access and circulation to existing development and developable parcels. Both Level of Service (LOS) and Volume to Capacity (V/C) performance measures are shown. Level of service (LOS) ratings and volume-to-capacity (v/c) ratios are two performance measures of intersection operations.

Level of Service: relates the traffic service to a given flow rate of traffic and divides the quality of traffic into six levels ranging from Level A to Level F. A represents the best traffic where the driver has the freedom to drive with free flow speed and Level F represents the worst quality of traffic.

Volume-to-capacity (v/c) ratio: A decimal representation (between 0.00 and 1.00) of the proportion of capacity that is being used at a turn movement, approach leg, or intersection. A lower ration indicates smooth operations and minimal delays as the ratio approaches 1.0 congestion increases and performance is reduced. Above that the intersection is at capacity and considered failing.

Table 4 2014 RTP Projects Assumed for 2035 Forecasting

Project Number	Project and Description	TRP Time Period	In Place by 2035?
10736	124 th Ave. Extension (Tualatin-Sherwood Rd. to Grahams Ferry Rd.) – new two-lane roadway extension	2014-2017	Yes
11243	Day Rd. (Grahams Ferry Rd. to Boones Ferry Rd.) – widen to five lanes	2018-2024	Yes
10588	Grahams Ferry Rd. (Helenius St. to county line) – widen to three lanes	2025-2032	Yes
10590	Tonquin Rd. (Grahams Ferry Rd. to Oregon St.) – widen to three lanes	2025-2032	Yes
11438	Tonquin Rd./Grahams Ferry Rd. – add traffic signal	2025-2032	Yes
11469	124 th Ave. Extension (Tualatin-Sherwood Rd. to Grahams Ferry Rd.) – widen to five lanes	2025-2032	Yes
11470	East-West Arterial (Grahams Ferry Rd. to Boones Ferry Rd.) – new five-lane roadway extension	2025-2032	Yes
11487	Boones Ferry Rd. (East-West Arterial to Day Rd.) – widen to five lanes	2025-2032	Yes
11488	Boones Ferry Rd./Commerce Circle/95 th Ave. – Intersection improvement and access control	2025-2032	Yes
11489	Boones Ferry Rd./I-5 Southbound – add second southbound right turn lane on ramp	2025-2032	Yes
11490	Day Rd. Overcrossing (Boones Ferry Rd. to Ellgsen Rd.) – new four-lane roadway extension/overcrossing of I-5	2033-2040	Yes
11436	East-West Arterial Overcrossing (Boones Ferry Rd. to east side of I-5) – new four-lane roadway extension/overcrossing of I-5	2033-2040	No

Source: <http://www.oregonmetro.gov/regional-transportation-plan>

Figure 9 Transportation Preferred Alternative 2035

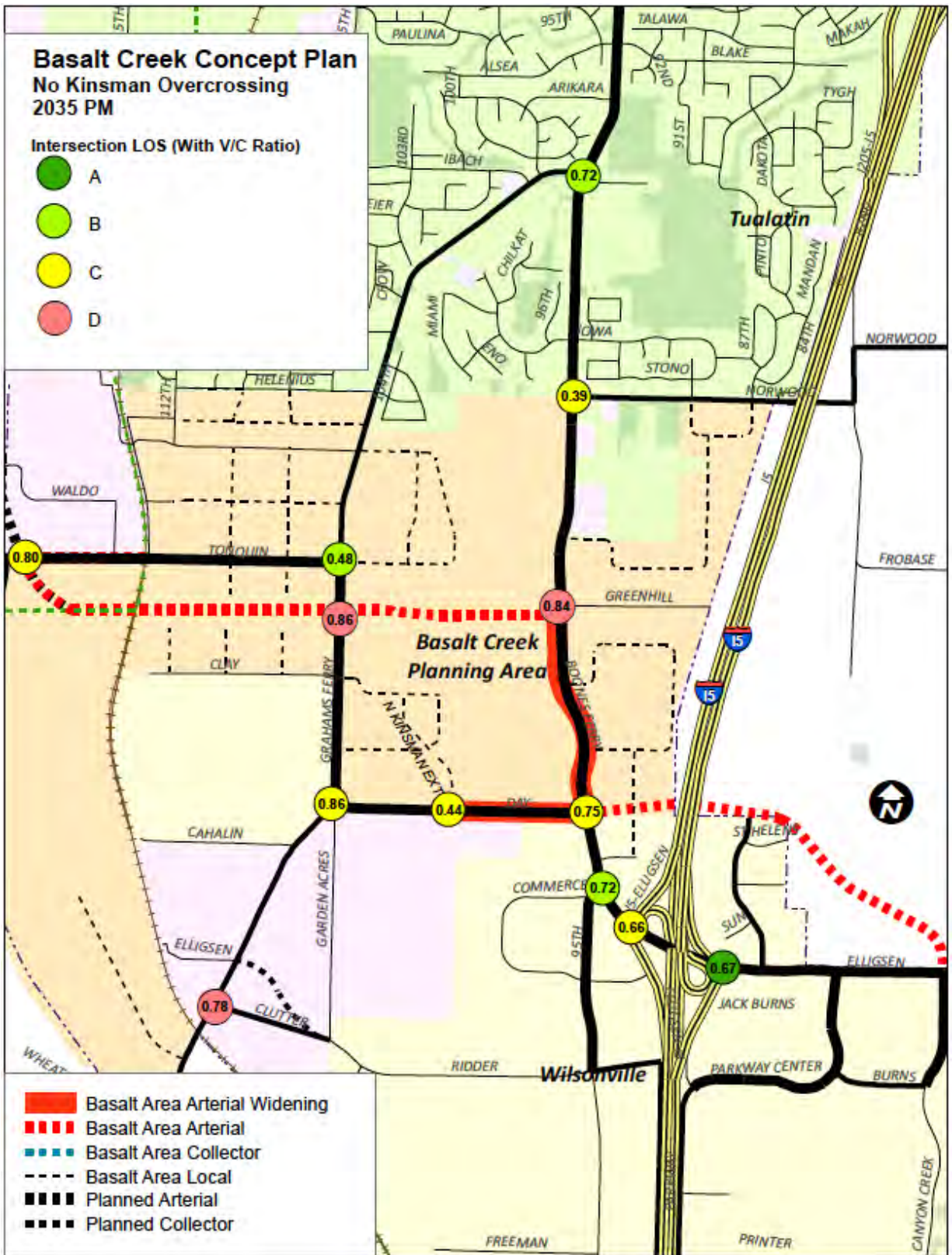
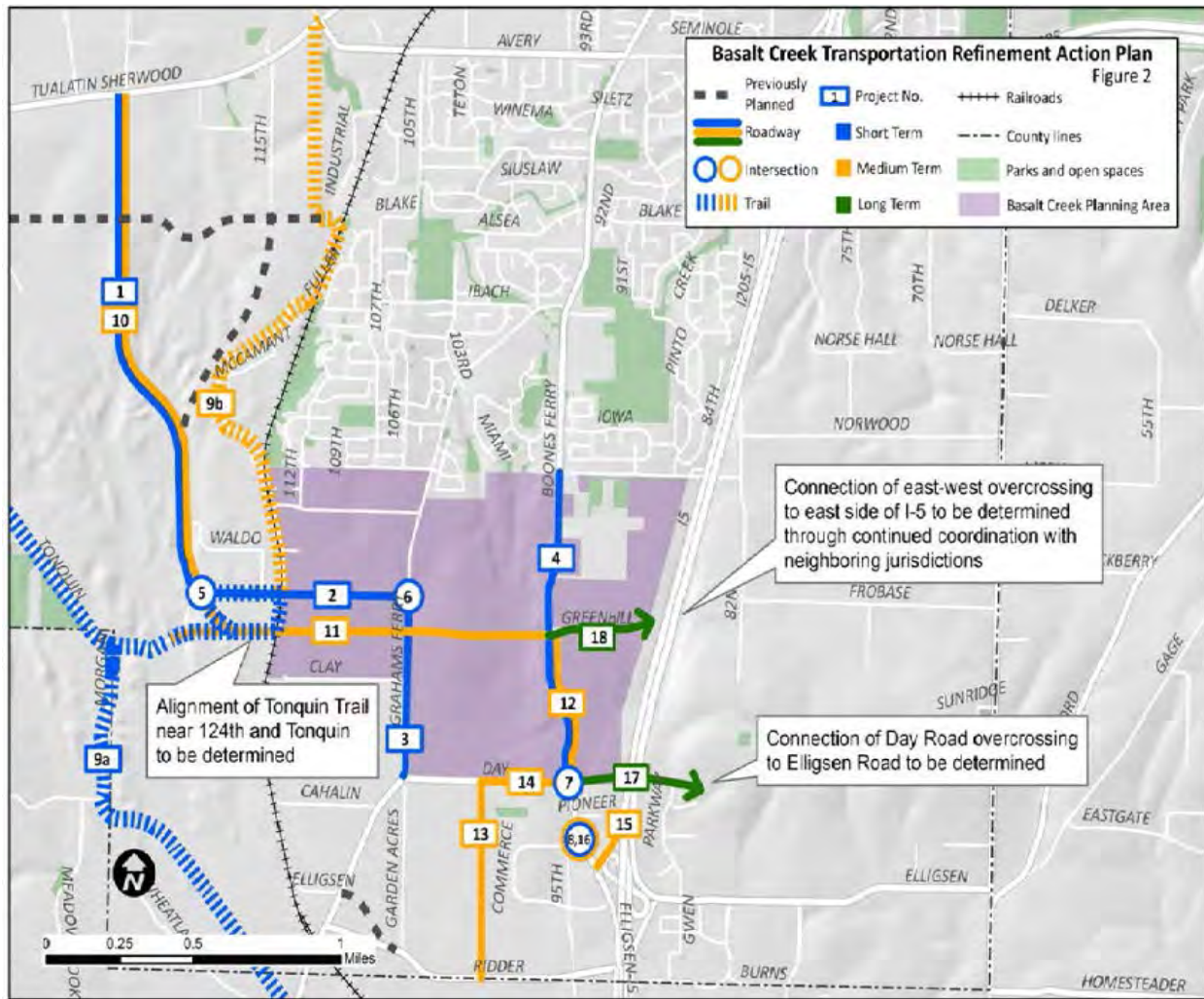


Figure 10 Basalt Creek Transportation Refinement Plan



See Appendix J for more information on the full project list.

The Concept Plan analyzed alternatives regarding future development – and therefore trip generation -- in the Basalt Creek/West Railroad area. The land uses assumed for the Concept Plan are key inputs in traffic forecasting and future traffic operations. Assumptions about regional land use (and intensity of trip generation) beyond the Concept Plan area in 2035 also have a strong impact on forecasting and future operations. Table 5 outlines the trip generation by land use in the Planning Area. The trips generated by the land uses in the Concept Plan are consistent with the trip generation assumed in the TRP and the 2014 RTP.

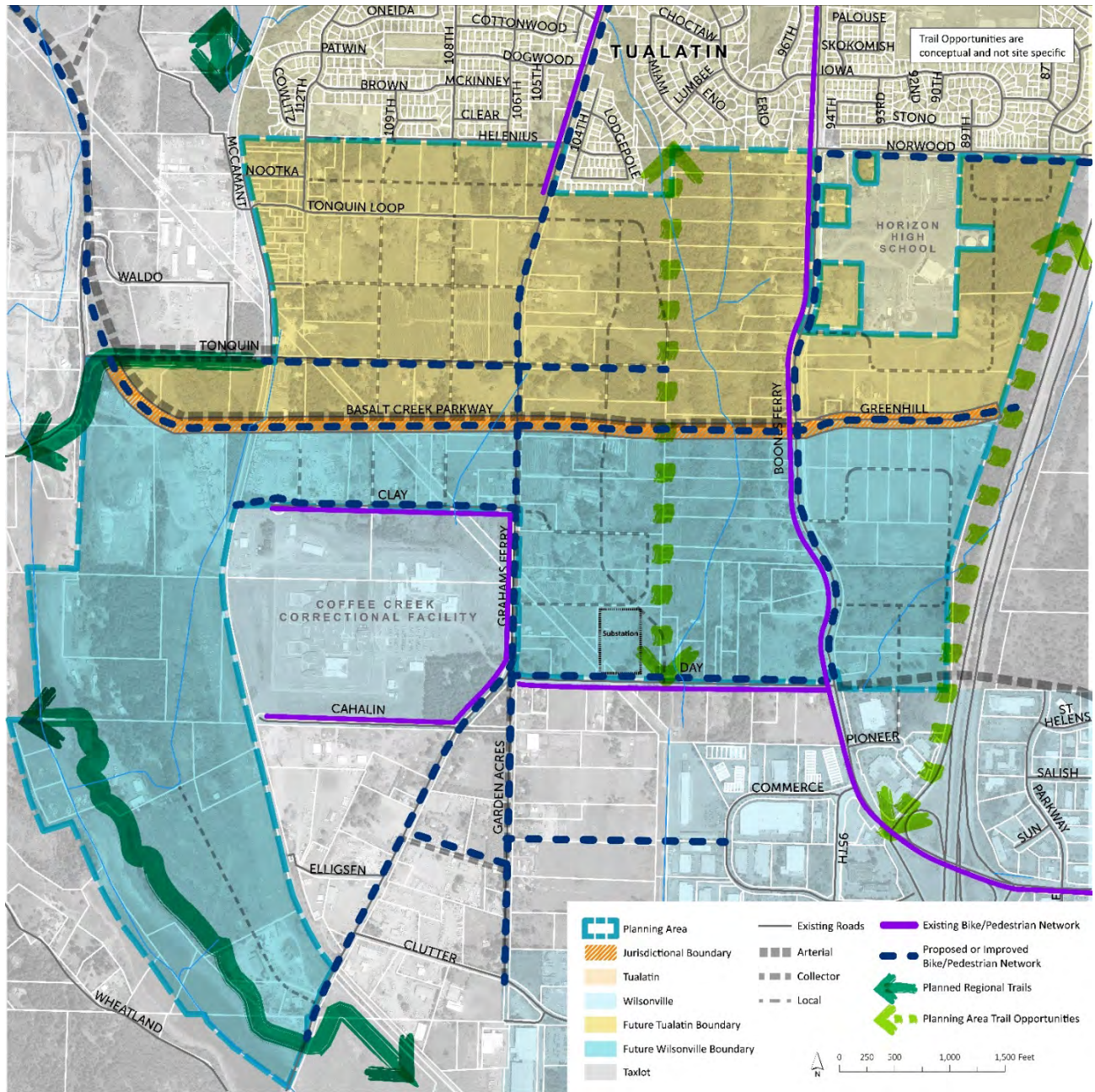
Table 5 Trips by Land Use Designation

Jurisdiction	Land Use Designation	Trips	Trips per Acre
Tualatin	High Density Residential	42	12.52
	Medium-Low Density Residential	236	3.94
	Low Density Residential	85	3.41
	Neighborhood Commercial	24	8.26
	Manufacturing Park	725	7.80
	Tualatin Subtotal/Average	1,111	5.72
Wilsonville	Craft Industrial	16	12.95
	Light Industrial District	218	6.17
	High Tech Employment District	717	7.59
	Wilsonville Subtotal/Average	951	6.96
Planning Area	Planning Area Average		6.23
	Total Trips	2,062	

Bicycle and Pedestrian Framework

As noted in the existing conditions, the bicycle and pedestrian network is incomplete in the Planning Area. Additional bike and pedestrian facilities will be integrated into new and updated road projects in accordance with State, County and City standards and in conjunction with predicted traffic flows. The map below illustrates the location of these proposed upgrades, along with identified trail opportunities that would further enhance connectivity in the Planning Area and to surrounding areas.

Figure 11 Bikes, Trails, and Pedestrian Network Map



While existing bike and pedestrian facilities run along Boones Ferry Road, Day Road, and sections of Grahams Ferry Road, planned improvements will increase safety and completeness. The additional facilities will offer significant east/west connections along the new Basalt Creek Parkway and Tonquin Road as well as an important north/south connection along the length of Graham's Ferry Road within the Planning Area. These improvements will make connections between the proposed neighborhood commercial area on Boones Ferry Road with residential neighborhoods and employment areas as well as the future transit network. Given the nature of the Basalt Creek Parkway, an over or underpass may be preferred or necessary to make the best bike/pedestrian connections in the Planning Area.

Coordination between the cities, Washington County, Metro, ODOT, and possibly BPA will be necessary for a feasibility study, implementation and funding.

Most participants polled at the April 2016 Open House suggested they would like to use future bike and pedestrian facilities to access recreation or for exercise, with almost half anticipating using these facilities at least once a week. These new connections will not only provide improved connectivity but also valuable access to local recreational areas, trails, and natural areas.

With the conservation of significant natural areas, the plan outlines opportunities to connect these spaces to pedestrian and bike facilities in key locations to create active and passive recreation, outdoor education, and public art amenities. The two main opportunities for trails within the Basalt Creek Planning Area are a Basalt Creek Canyon Ridge Trail and the I-5 easement Trail, which are shown in Figure 11 as Planning Area Trail Opportunities marked by large light green arrows. When trail alignments are considered in the future, access to the natural resource will not take priority over protection and enhancement.

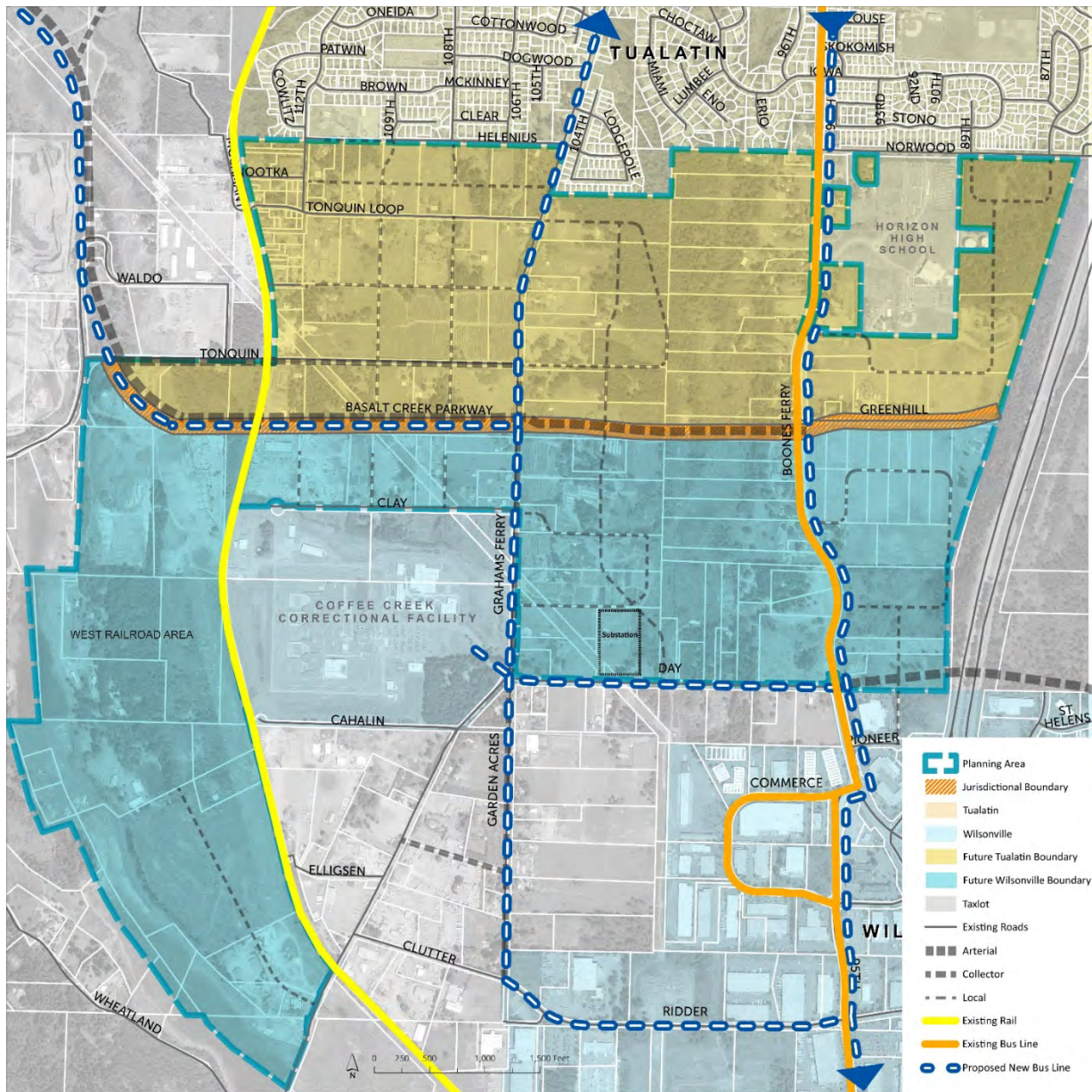
Currently, Basalt Creek Canyon is a barrier to east/west movement through the Planning Area. A north/south connection to the west of the Canyon would further improve the network and make connections to east/west roads that run north and south of the Canyon. The Basalt Creek Canyon Ridge Trail opportunity would be located upland, not within Basalt Creek, near or along the ridge of the Basalt Creek Canyon. This trail could be connected to the regional trail network by extending Tonquin Road with bike/pedestrian facilities across Graham's Ferry to the new ridge trail. There is also opportunity to create a trail parallel to I-5 in the ODOT regional easement that would provide an additional north/south connection that would connect to existing bike and pedestrian facilities.

Decision-making on investments should prioritize connections that link pedestrian and bike networks to transit stops and near locations with higher planned density. Potential funding sources for improving the bike/pedestrian network include Washington County (MSTIP) and Metro (i.e. MTIP, RFFA, SW Corridor, Natural Area Bonds).

Coordination with Metro, Tualatin Community Services Department, and the Wilsonville Parks and Recreation Department will be necessary to establish a local trail network with regional connections. Metro's Ice Age Tonquin Trail Master Plan provides a framework for local and regional implementation of the regional Ice Age Tonquin Trail, which is intended to complement the Ice Age Floods National Geological Trail Planning (the national trail will be a network of driving routes with spurs for biking and walking, from Montana to the Pacific Ocean). The preferred alignment for the regional Ice Age Tonquin Trail includes a section bordering the Basalt Creek Planning Area as part of a 22-mile trail alignment through Wilsonville, Tualatin, and Sherwood with trail facility types varying by location based upon landscape and setting. The Ice Age Tonquin Trail is intended to connect in the north to the Tualatin River Greenway Trail, Fanno Creek Trail, and the Westside Trail, and to the south to the Willamette River.

Future Transit Framework

Figure 12 Future Transit Framework



The creation of additional bus lines along existing and new routes in the Basalt Creek Planning Area will be necessary to increase connectivity and to support the job and household growth envisioned for this area. Transit service in the area requires coordination between TriMet and SMART to enhance service along existing bus routes and to provide effective connections north-to-south and east-to-west through the Planning Area. This service would also provide access to surrounding and regional employment centers and residential neighborhoods. Transit service should facilitate riders commuting to and from work and visiting major local destinations such as the Wilsonville and Tualatin Town Centers. As such, transit service should reflect development and density patterns as the area grows.

SMART and TriMet routes will be integrated with the bike, pedestrian, and trail services with key access points along Grahams Ferry Road, Boones Ferry Road, Day Road, SMART Central, and the Correctional Facility. All extensions will comply with ADA requirements. SMART will continue to serve Wilsonville, including the areas annexed within the Planning Area into Wilsonville. The Cities will work with TriMet to integrate with SMART service. Lawmakers and staff will work together to ascertain the impacts of and process for a possible service boundary change.

The existing Portland and Western Railroad (PNWR) runs along the western side of the Basalt Creek Planning Area. In addition to transporting freight, it also provides the Westside Express Service (WES), a commuter rail line serving Beaverton, Tigard, Tualatin and Wilsonville. WES runs on weekdays during the morning and afternoon rush hours, with trains every 30 minutes, connecting commuters to both the TriMet and SMART transit systems. The feasibility of a new WES station serving the Basalt Creek Planning Area should be studied with increased development and ridership demand.

Civic Uses

The Basalt Creek Concept Plan does not quantify the specific need or locations for civic uses such as libraries, parks and elementary schools within the Planning Area, but a minimum park space of a 15- to 20-acre Neighborhood Park is needed to serve Tualatin residents and businesses in the Planning Area. The facilities for provision of schools and parks will be determined and funded as development occurs in the area and will be based on level of service standards for the subsequent population expansion. However, during scenario planning, assumptions were built into the model for the size and capacity of residential development types to serve as a guide. The development scenarios assumed school districts, cities, and other service providers would use their site selection and land acquisition processes to acquire the land needed for these facilities. Locations of any necessary facilities will be determined through a collaborative planning effort between the cities and service providers, as such they are not included on any plan maps. Cities have decided to provide library services for the Basalt Creek population through existing libraries that will be sized to accommodate the additional demand.

Schools

Capacity is the main concern for school planning. The school district will calculate the need for new schools based upon demographic and density estimates for future development in the Basalt Creek Planning Area according to operational standards related to the number of students allowed per school. The final development scenario estimates 1,156 future households in the Basalt Creek Planning Area.

The Planning Area currently falls within the Sherwood School District. This district has an estimated enrollment of 5,158 and includes four elementary schools, two middle schools, Sherwood High School, and Sherwood Charter School.

The Basalt Creek Planning Area is located in the Sherwood School District and in 2016 the voters in the District approved ballot measure 34-254 approving a bond. This bond project will allow the District to accommodate an additional 2,000 students district-wide (according to information on the District's website <http://www.sherwood.k12.or.us/information/bond-visioning-process>).

Provision of any new schools will be coordinated with representatives of all nearby school districts for capital planning. The Planning Area is located very close to Tualatin High School. The Tigard-Tualatin

School District has an estimated enrollment of 12,363, and includes ten elementary schools, three middle schools, and two high schools. A private high school, Horizon Christian, is located within the Planning Area and currently serves 160 students but plans significant expansion in the future.

The addition of hundreds of new households can be expected to impact existing school districts, but at this time no district has indicated that they plan to locate any new facilities within the Planning Area. Although, the Basalt Creek Planning Area could provide opportunities for shared facilities, such as parks and recreation spaces.

Parks and Open Space

One of the guiding principles of the Basalt Creek Concept Plan is to protect key natural resources and sensitive areas while making recreational opportunities accessible by integrating new parkland, open spaces, natural areas and trails in the Planning Area and connecting to existing regional networks.

The Planning Area provides an interesting opportunity for different types of parks, given the variety of land uses and the extensive Basalt Creek Canyon natural area: active and passive neighborhood parks, pocket parks, and even perhaps a large community or regional facility. It also provides opportunities for jogging, hiking, or other outdoor recreation by area employees and nearby residents.

Cities will determine specific locations of facilities as part of citywide parks planning and implementation, and will adopt funding methods for acquisition, capital and operating costs for parklands in the Basalt Creek Planning Area, including the use of their current System Development Charges for parks. Locating parks near schools, natural areas or other public facilities is preferable, especially when it provides an opportunity for shared use facilities. As in any park development, the acquisition is best done in advance of annexation and extension of services, with development of the parks occurring as the need arises.

At the time of this writing, both cities are going through a Park and Recreation Master Plan update. This update has considered the Basalt Creek Planning Area in the types of services and facilities that will be needed to serve residents and businesses in this area. Each City will include their respective portions of the Basalt Creek area in their independent Parks and Recreation Master Plan.

Natural, Historical and Cultural Resources

Overview

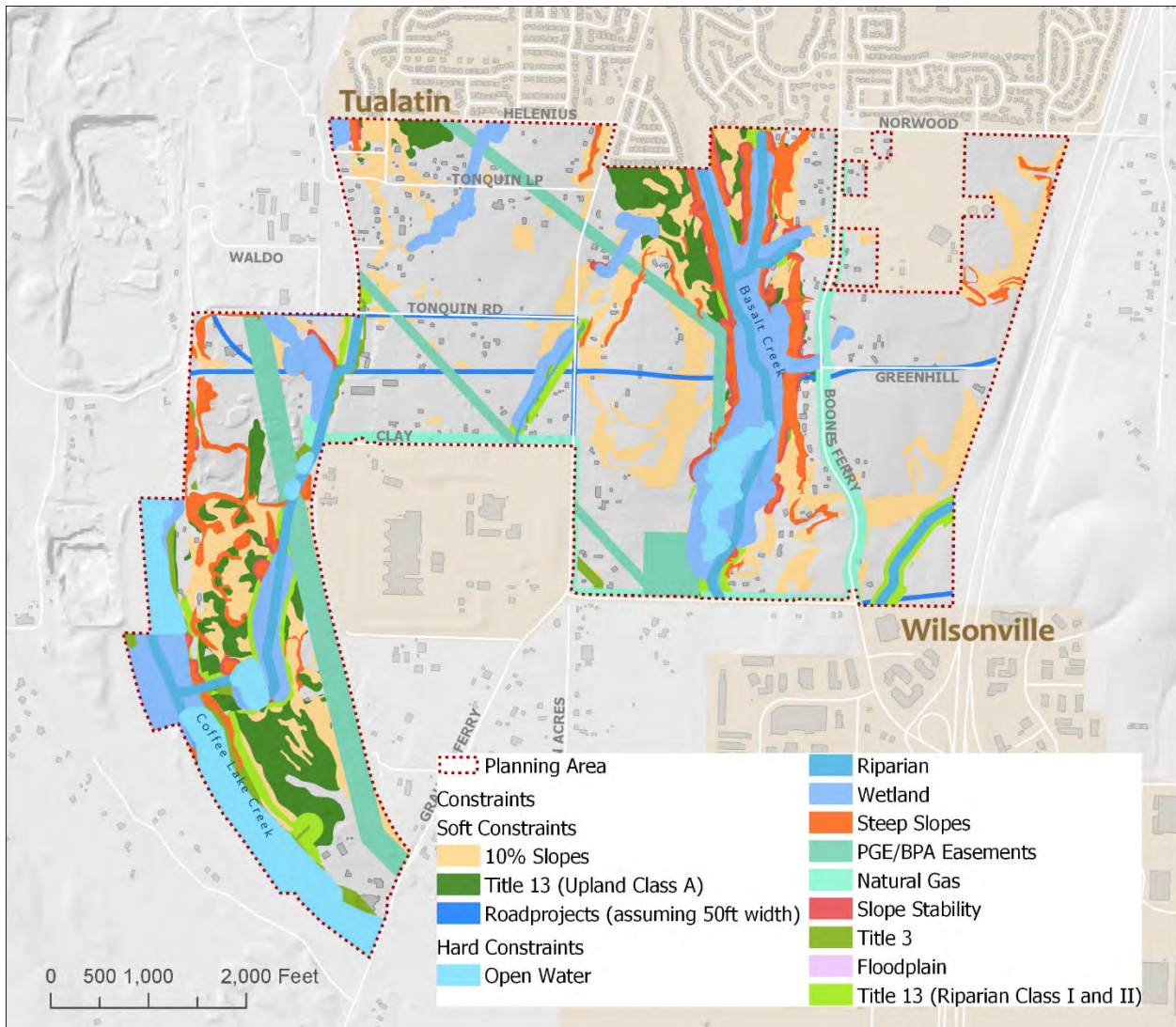
The future vitality of the Basalt Creek Planning Area hinges on development that efficiently locates job growth on the land most suited for it, while preserving and capitalizing on the natural and cultural resources in the area. The identification of environmentally sensitive lands followed the regulatory framework described briefly below and is illustrated on the Natural Resources Map (Figure 13) and in the Existing Conditions Report (Appendix A starting on page 86).

Developable lands for all scenario planning incorporated these findings. Since Clean Water Services and Wilsonville have local regulations compliant with state and regional environmental protection requirements, and in some cases that go above and beyond basic requirements, the constraints analysis used them as a foundation for determining the necessary buffering around a natural feature.

Environmental constraints are summarized below and unless otherwise noted were fully excluded from the developable land input in the scenario testing for the Basalt Creek Concept Plan:

- Open Water
- Streams
- Wetlands
- Floodplains (50% reduction of developable area)
- Title 3 Water Quality and Flood Management protections
- Title 13 Nature in Neighborhoods (20% reduction of developable area in areas designated Riparian Habitat Classes I and II)
- Steep Slopes (25% slopes and greater)

Figure 13 Natural Resources Map



Regulatory Framework for Conserving Natural Resources

Oregon Statewide Planning Goal 5: Natural Resources, Scenic and Historic Areas, and Open Spaces

Goal 5 protects natural resources and conserves scenic and historic areas and open spaces by directing local governments to adopt protection programs. Titles 3 and 13 of Metro’s Urban Growth Management Functional Plan implements Goal 5 in the Portland Metro region.

Metro Title 3: Water Quality, Flood Management and Fish and Wildlife Conservation

Title 3 requires local jurisdictions to limit or mitigate the impact of development activities on Water Quality and Flood Management Areas which includes wetlands and riparian areas. An inventory was conducted in 2001. There are 116 acres of land in the Basalt Creek Planning Area that have been designated by Metro as Water Quality and Flood Management Areas under Title 3. These lands are restricted for development and buffered by a vegetated corridor. Any development within the vegetated corridor must be mitigated by environmental restoration and/or stormwater retention and water quality measures. As a result of Title 3, these lands were excluded from the developable lands input in the scenario testing.

Table 6 Title 3 Wetlands by Category and Acres

Category	Acres	Description
Open Water	49 acres	Includes 50 ft. buffer
Streams	31 acres	Includes 15 to 50 ft. buffers
Wetlands	69 acres	Includes 25 to 50 ft. buffers

Metro Title 13: Nature in Neighborhoods

Title 13 requires local jurisdictions to protect and encourage restoration of a continuous ecologically viable streamside corridor system integrated with upland wildlife habitat and the urban landscape. Metro’s regional habitat inventory in 2001 identified the location and health of fish and wildlife habitat based on waterside, riparian and upland habitat criteria. These areas were named Habitat Conservation Areas.

Table 7 Title 13 HCA Categories with Acreage

HCA Categories	Acres	Description
Riparian Wildlife Habitat Class I	130	Area supports 3 or more riparian functions
Riparian Wildlife Habitat Class II	31	Area supports 1 or 2 primary riparian functions
Riparian Wildlife Habitat Class III	7	Area supports only secondary riparian functions outside of wildlife areas
Upland Wildlife Habitat Class A	103	Areas with secondary riparian value that have high value for wildlife habitat
Upland Wildlife Habitat Class B	72	Area with secondary riparian value that have medium value for wildlife habitat
Upland Wildlife Habitat Class C	37	Areas with secondary riparian value that have low value for wildlife habitat

Designated Aquatic Impact Areas	52	Area within 150 ft. of streams, river, lakes, or wetlands that are not considered regionally significant natural resources but could have some adverse impacts
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Development in Title 13 areas is not prohibited but generally discouraged within the Basalt Creek Planning Area. Areas designated Riparian Habitat Classes I and II require 20% reduction in developable lands. Low impact design and mitigation strategies would be important to any development that might happen to maintain the function of these important ecological areas.

Both the City of Wilsonville and Clean Water Services have local ordinances in place that go beyond the level of conservation required by Title 3 and existing local standards from each City would apply upon annexation of a Planning Area property into either Wilsonville or Tualatin. Future development in Tualatin must comply with Clean Water Services’ Design and Construction Standards & Service Provider Letters (SPLs) for impacts in sensitive areas such as vegetated corridors surrounding streams and wetland habitat, including the Tualatin River Watershed and the entire City of Tualatin. Within the City of Wilsonville, the Significant Resource Overlay Zone (SROZ) includes floodplains, wetlands, riparian corridors, and vegetated corridors. Impact areas are generally considered to be the areas within 25 feet of a Significant Resource area. Development can only be permitted through review of a Significant Resource Impact Report (SRIR) analyzing the impacts of development within mapped significant resource areas.

Natural Resource Protection and Enhancement Strategies

Most of the land with environmental constraints is in or near Basalt Creek Canyon and the West Railroad Area. To protect the natural areas, the Cities have agreed to management practices consistent with Metro Title 3 and 13. The Canyon is very valuable to the area and it needs to be protected, while also having visual or physical public access points in appropriate locations to connect to the bicycle, pedestrian and recreational facilities in the area and to serve the needs of residents and local employees. Future protection and enhancement opportunities may include: controlling invasive plant species, such as reed canary grass, Himalayan blackberry and English ivy, reintroducing native plants into aquatic and upland habitats, retaining and installing snags and woody debris. Important species include Red-legged Frogs, the Pileated Woodpecker, Oregon white oak, Ponderosa pine, and Geyer willow (see Appendix A for more information).

Cultural Resources

Community members through the planning process have identified the old Carlon Schoolhouse as a historically significant landmark. It sits off Grahams Ferry Road near Day Road and was in use as a school until the late 1800s. While the area has an interesting geologic history, it has not been identified as a resource for any significant archaeological artifacts.



Figure 14 Picture of the Carlon Schoolhouse from Tualatin Life Newspaper on August 19, 2014 by Loyce Martinazzi

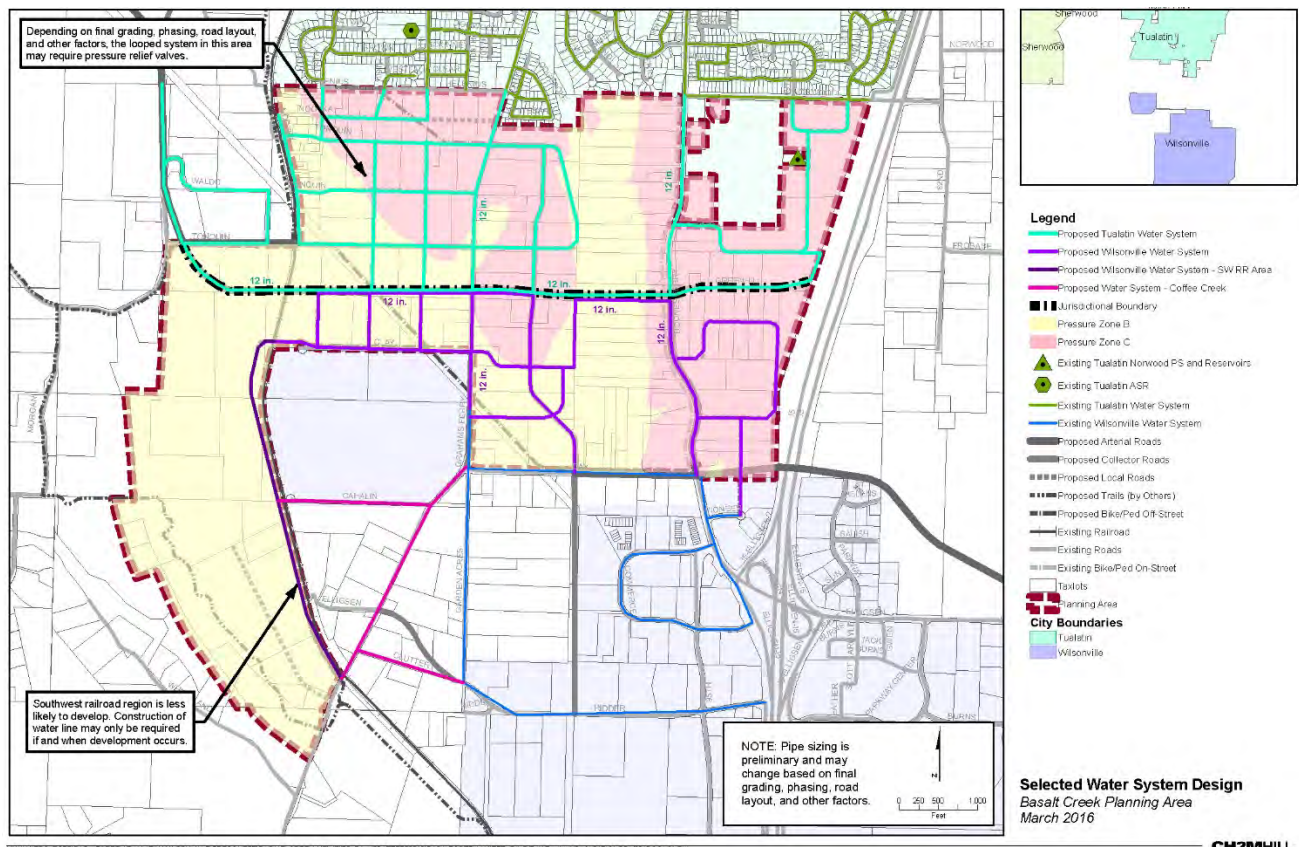
Infrastructure

For the conceptual infrastructure systems, high level planning calculations were completed to estimate water demand and sewer flows (Appendix I). These values can vary widely depending on the actual future development. Each City's individual master plans will be used to provide demand and flow projections when further planning the area.

Water

The conceptual water systems designed to serve the Basalt Creek Planning Area are shown below in Figure 15. The systems are independent looped systems that will not be connected to each other. Water lines for each city may be located along the proposed east-west arterial road, the future Basalt Creek Parkway, and other roadways throughout the Planning Area.

Figure 15 Water Systems Concept for Basalt Creek Planning Area



The existing service zones (levels B and C) from both communities provide sufficient pressure to provide service within each city's planning area. The Tualatin pressure zones B (ground elevations 192 feet to 306 feet) and C (ground elevations 260 feet to 360 feet) will serve the Basalt Creek Planning Area. To provide service to Wilsonville's pressure zone C area (ground elevations 275 feet to 410 feet), the City has identified a need to install a booster pump station to serve the higher elevation areas (above approximately 285 feet) south of Greenhill Road. The booster pump station is one of the CIP projects listed in the 2012 Wilsonville Water Master Plan and has been included in the City's city-wide cost estimates.

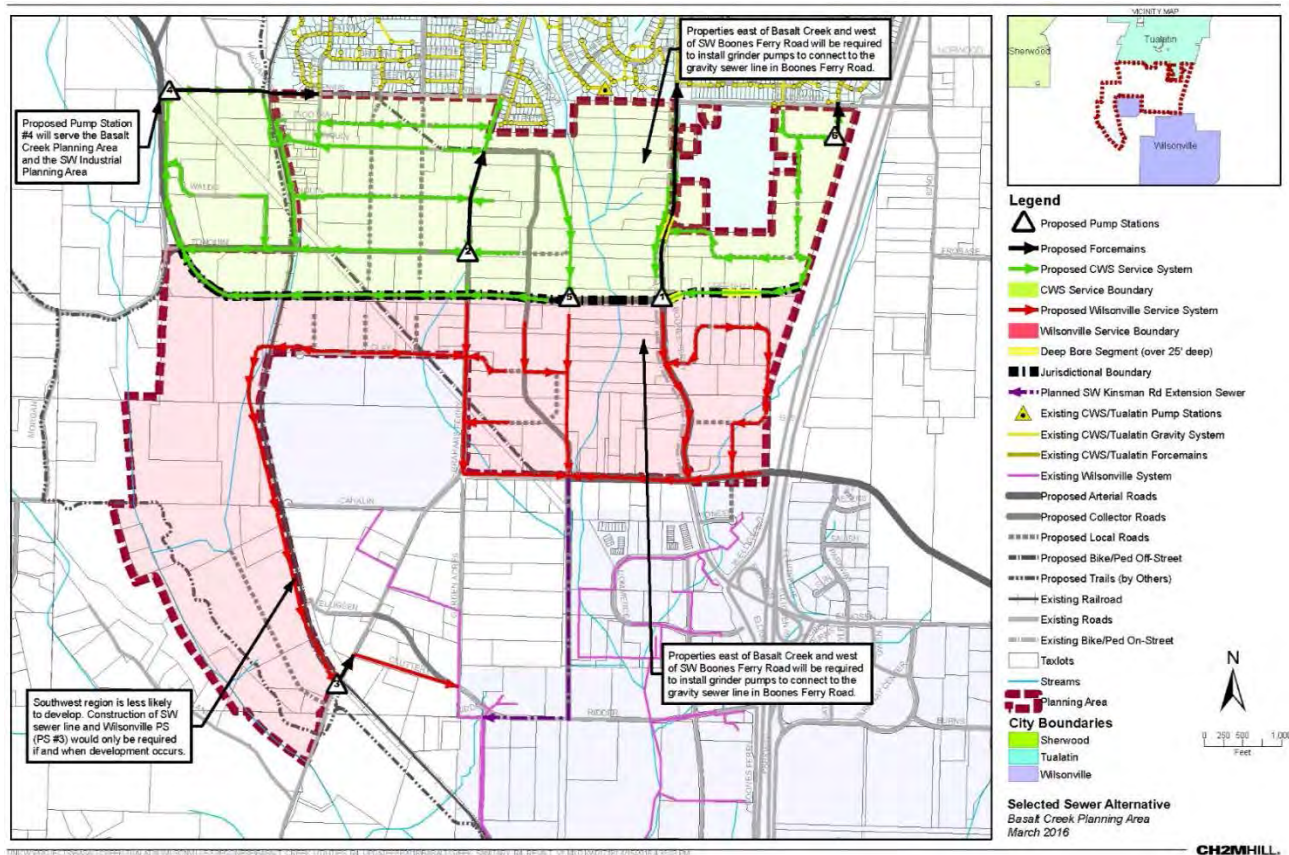
The Coffee Creek water system is shown outside of the Basalt Creek Planning Area (east of the railroad, west of SW Grahams Ferry Road, and south of SW Clay Road) to illustrate Wilsonville’s water system and how to connect services to the West Railroad Area. That portion of the system would be installed and funded by development within the Coffee Creek Master Plan area.

The West Railroad Area has a much lower potential for development due to several constraints including slope, geology, wetlands, habitat areas, access, and existing uses. Cost estimates to serve this area have been included as a separate column but would only be required if and when development occurs.

Sanitary Sewer

The conceptual sanitary sewer systems are shown in Figure 16. While topography will be a major challenge, the sanitary systems use gravity as much as possible and sewers generally flow to the south and west following the slopes of the existing ground and along existing and proposed roadways and trails to avoid streams and natural areas. These systems include new pump stations, which are used to lift wastewater to higher elevations where it can then be transported by gravity flow systems.

Figure 16 Sanitary Sewer Systems Concept for Basalt Creek Planning Area



Five pump stations are proposed to serve the Tualatin system, managed and maintained by Clean Water Services (CWS), and one pump station is required for the proposed Wilsonville system.

In the area between Basalt Creek Canyon and Boones Ferry Road in both Tualatin and Wilsonville service boundaries, residents and business owners who wish to connect to the proposed gravity system (or are

required due to septic failure) likely will require a private grinder pump to connect to public sewer. A grinder pump consists of a collection tank that grinds waste and pumps it to the public sewer system.

The conceptual sewer system connects to the existing Tualatin system at SW 112th Avenue between SW Cowlitz Drive and SW Nootka Street, at SW Grahams Ferry Road and SW Helenius Street, at SW Boones Ferry Road and SW Norwood Road, and at SW Vermillion Drive and SW Norwood Road. The sewer system connects to the existing Wilsonville system in Garden Acres Road to SW Day Road, Grahams Ferry Road and Boones Ferry Road (the sewer line initially contemplated in the Coffee Creek Master Plan and included in the analysis for this Concept Plan has changed, shifting from a SW Kinsman Road extension to Garden Acres Road).

Stormwater Drainage

Stormwater detention and treatment will occur at local facilities and no regional facilities are planned for the area. Each City will serve its own jurisdiction area independently. The Cities acknowledge that they must follow requirements established in their guiding respective NPDES (National Pollution Discharge Elimination System) MS4 (Municipal Separate Storm Sewer System) permits. All flows that outlet within each city will be guided by their respective protocols, design standards, and/or stormwater management plans. Public stormwater systems are included in the road network cost estimate. Stormwater systems outside of the public right-of-way are assumed to be part of the development costs, which have not been estimated.

Implementation and Phasing Strategy

Implementation Measures

Implementing the Concept Plan will take a predictable path in this area:

- First, each City will work with the County to update their Urban Planning Area Agreement.
- Each City will also amend its comprehensive plan to include the essential elements of the Concept Plan.
- Next, the Cities ensure that the zoning and/or development code is updated to enable development in the Planning Area, and includes appropriate zoning standards
- Generally, annexation is predicated on investor interest, and the expectation is that investors will finance the extension of services.
- Either city may decide to invest in service extension as a way to spur development or may decide to help a group of investors develop an area, for example by providing the formation of a Local Improvement District of other funding mechanism.

Action Items

1. Amend Urban Planning Area Agreements

Comprehensive planning within the regional Urban Growth Boundary (UGB) is coordinated between Washington County and cities through Urban Planning Area Agreements (UPAAs). Upon adoption of the Concept Plan both Cities will work with the County to update their respective UPAAs. The UPAAs will acknowledge the future jurisdictional boundary and outline what areas may be annexed into by each city. The amended UPAAs provide the transfer of planning authority to the Cities enabling them to proceed with annexation and development.

2. Amend Comprehensive Plans

Tualatin, which has a “one map” system where the zoning and comprehensive plan are essentially the same map, will be adopted after adoption of the Concept Plan anticipated by May 2019.

Wilsonville, which has a “two map” system where the Comprehensive Plan shows future conditions and not necessarily zoning, will adopt Comprehensive Plan amendments soon after the adoption of the Concept Plan. The Comprehensive Plan amendments will draw from the Concept Plan and use its definitions of uses and standards to design the amendments.

3. Assure zoning is compatible with future land use

Each city will need to assess its zoning codes and ensure that they permit the anticipated uses with appropriate development standards. This will be made fairly easy in that each city has its own development types, drafted around current zoning code standards. However, new uses anticipated in some of the development types will need some zoning code amendments.

In addition, the Cities will need to consider special design elements of the Concept Plan and determine if their respective development codes need to be updated. Specifically, the City of Tualatin will want to

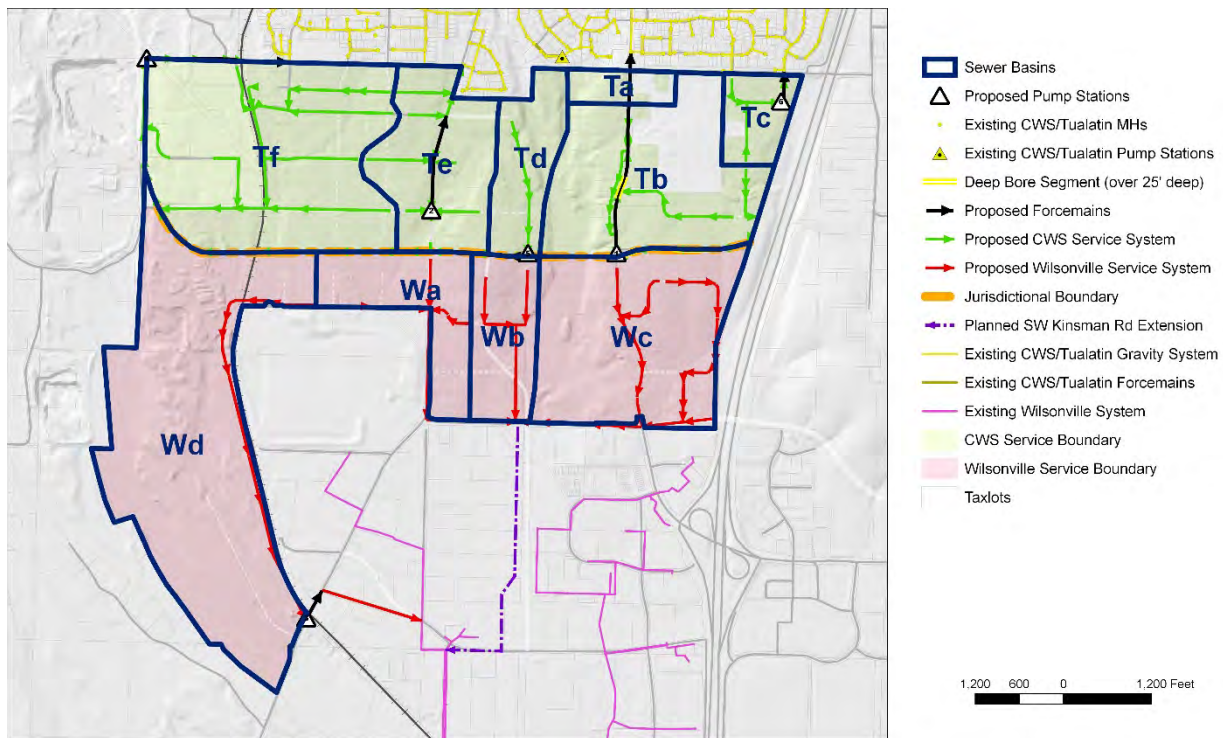
determine what design standards are relevant to creating appropriate transitions between residential and employment uses, and the City of Wilsonville will want to consider the application of its Industrial Form-based Code to help create a uniquely attractive business community.

4. Annex as demand occurs based on feasible phasing

Utility improvements will be made as properties are annexed and developed in each city, so phasing will be driven by the pace of development. Generally, utility improvements will begin at the boundaries of the Planning Area that are adjacent to the existing city services and progress outward. Most of the utility infrastructure follows existing or proposed roadways and construction should be coordinated with new road construction and existing roadway improvements.

The most formative of the utilities (sewer, water and roads) will be sanitary sewer. This is because it is a gravity system that must be hooked into an existing sanitary system or drained to a pump station that will lift the sewage via pressure line to an existing sanitary line.

Figure 17 Implementation Map



Based on the Sewer Master Plan, several natural phasing districts are evident. These are shown on Figure 17. Tualatin has six potential phases based on existing sewer basins and five pump stations. No one sewer basin is dependent on the other, so these areas could develop in any sequence. If the initial installation can install the pump station and pressure line, development can proceed in increments, from the pump station uphill to the extent of the sewer basin. Figure 17 shows Tualatin stages advancing from Ta through Tf.

Wilsonville has four basins, three gravity and one with a pump station. Figure 17 shows phasing progressing from Wa through Wd. District Wd, which serves the West Railroad Area, is the most

constrained and likely to see development last in the Planning Area. The other three are gravity lines that can be constructed independently. They can proceed from the inlet to the existing gravity system uphill in the basin.

In both cities, the water and transportation infrastructure can be installed as needed although some enabling projects may be required to be constructed prior to development to connect properties to existing systems. Efficiency may be achieved when the underground utilities are constructed concurrently with the transportation system.

5. Consider capital improvements to spur development

In both systems, the sewer basin is large enough that it contains several property owners. Each city has a method of reimbursing the developer for installing infrastructure when other development hooks in. However, the Cities may find that in some cases, the property owners of developers cannot finance the infrastructure themselves. In that case, the city may decide to participate in one of several ways:

- Finance the infrastructure themselves, charging reimbursement as projects hook up
- Create a cooperative financing district such as a Local Improvement District or Reimbursement District, that would allow the infrastructure to be installed by a primary party and paid off over time by the property owners, relieving some of the burden of a large capital financial commitment
- Develop the infrastructure as an inducement for desired development, such as for an important job creating project

6. Master planning processes

Many of the ideas proposed in this Concept Plan will require project development to determine the specific needs, feasibility, locations, costs, and other details through each City's master planning process. Typically master plans are completed for infrastructure services, parks, open space, and trails. Master plans include public involvement processes, including Planning Commission review and City Council adoption.



BASALT CREEK CONCEPT PLAN AND SUPPORTING DOCUMENTATION

Metro Resolution No. 18-4885 and Supporting City of Wilsonville Documentation

Metro Resolution No. 18-4885 and Exhibits

Metro Council Meeting Minutes - 4/19/2018 and 5/3/2018

City of Wilsonville Brief - 3/7/2018

City of Wilsonville Rebuttal - 3/14/2018

BEFORE THE METRO COUNCIL

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

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

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

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

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

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

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

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

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

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

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

BE IT RESOLVED that:

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

ADOPTED by the Metro Council this 3 day of May 2018


Tom Hughes, Council President



Approved as to Form:


Alison R. Kean, Metro Attorney

EXHIBIT A TO RESOLUTION 18-4885

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

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

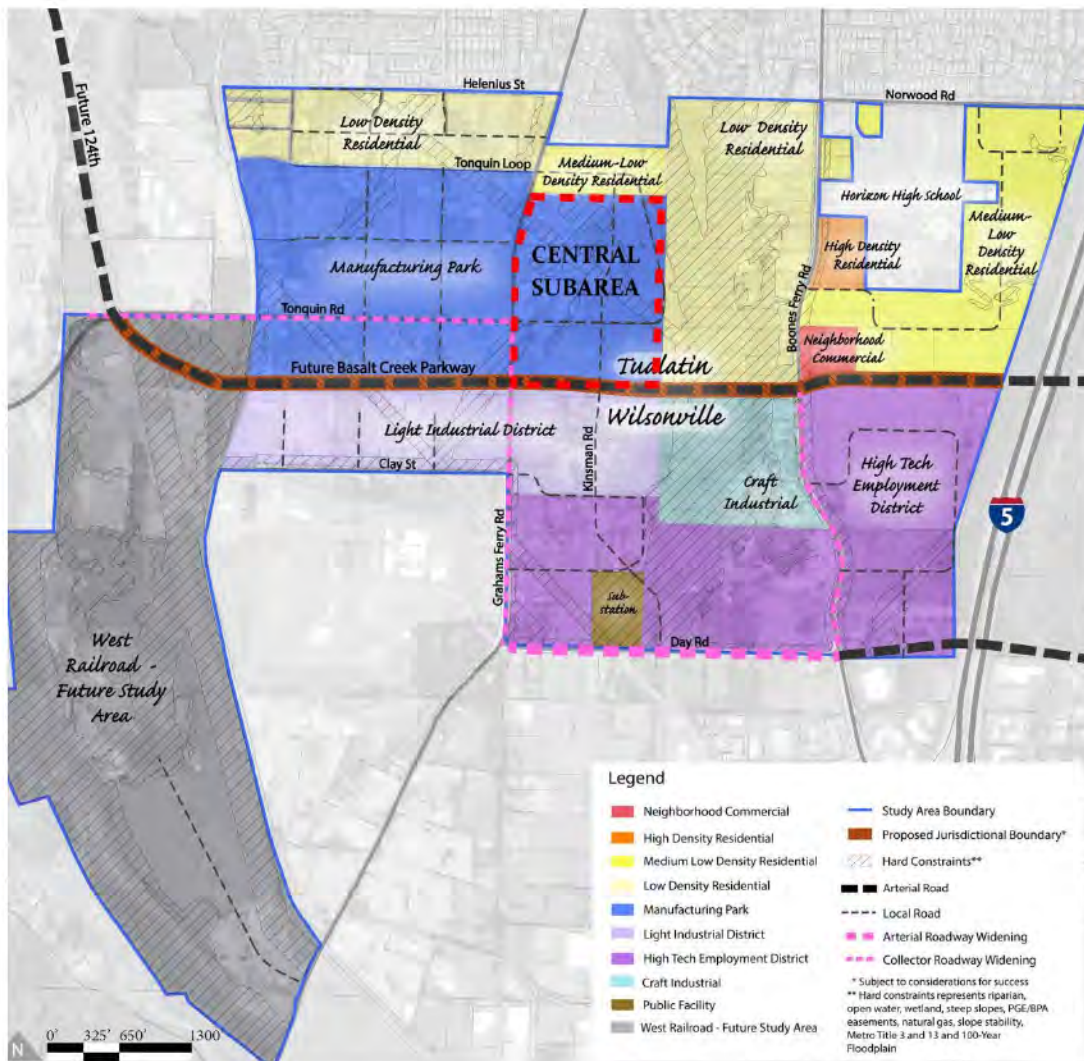


Figure 1: Basalt Creek Land Use Concept Map (Sept. 2016)

EXHIBIT A TO RESOLUTION 18-4885

A. Process

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

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

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

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

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

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

EXHIBIT A TO RESOLUTION 18-4885

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

B. Basalt Creek Planning History

1. 2004 UGB Expansion

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

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

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

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

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

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

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

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

2. Local Concept Planning

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

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

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

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

3. Summary of Dispute

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

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

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

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

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

ANALYSIS

A. Planning Goals and Expectations of Local Government Stakeholders

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“* * * * *

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

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

B. Consideration of the Cities’ Arguments

1. Consistency with Condition of Approval on 2004 UGB Expansion

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

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

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



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

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

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

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

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

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

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

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

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

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

2. Suitability for Industrial/Employment Development

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Wilsonville Rebuttal Brief, Exhibit K.

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

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

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

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

3. Responding to the Housing Crisis

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

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

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

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

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

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

C. Conclusion

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1. FINAL BINDING AND NON-APPEALABLE DECISION BY METRO

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

2. CITIES AND COUNTY AGREEMENT

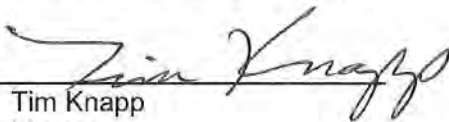
The Cities agree to follow whatever decision-making process and rules are created by Metro, including timelines for submitting evidence and argument. The County may participate and advocate for its preference or may elect to be neutral. Cities and County agree that Metro's decision will be binding and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

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

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

Exhibit 1 – Map

CITY OF WILSONVILLE, OREGON

By: 
Tim Knapp
As Its: Mayor

Date: 12/27/2017

ATTEST:

By: 

[Signatures continue on following pages]

CITY OF TUALATIN, OREGON

By: 

Lou Ogden

As Its: Mayor

Date: 12-11-2017

ATTEST:

By: 

[Signatures continue on following pages]

WASHINGTON COUNTY, OREGON

By: Andy Duyck
Andy Duyck
As Its: Chair, Board of County Commissioners
Date: 1-4-2018


ATTEST:

By: A. D. Napf

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

[Signatures continued on following page]

ACCEPTED AND AGREED TO BY METRO:

By: 
Martha Bennett
As Its: Chief Operating Officer

Date: 1/22/18

ATTEST:

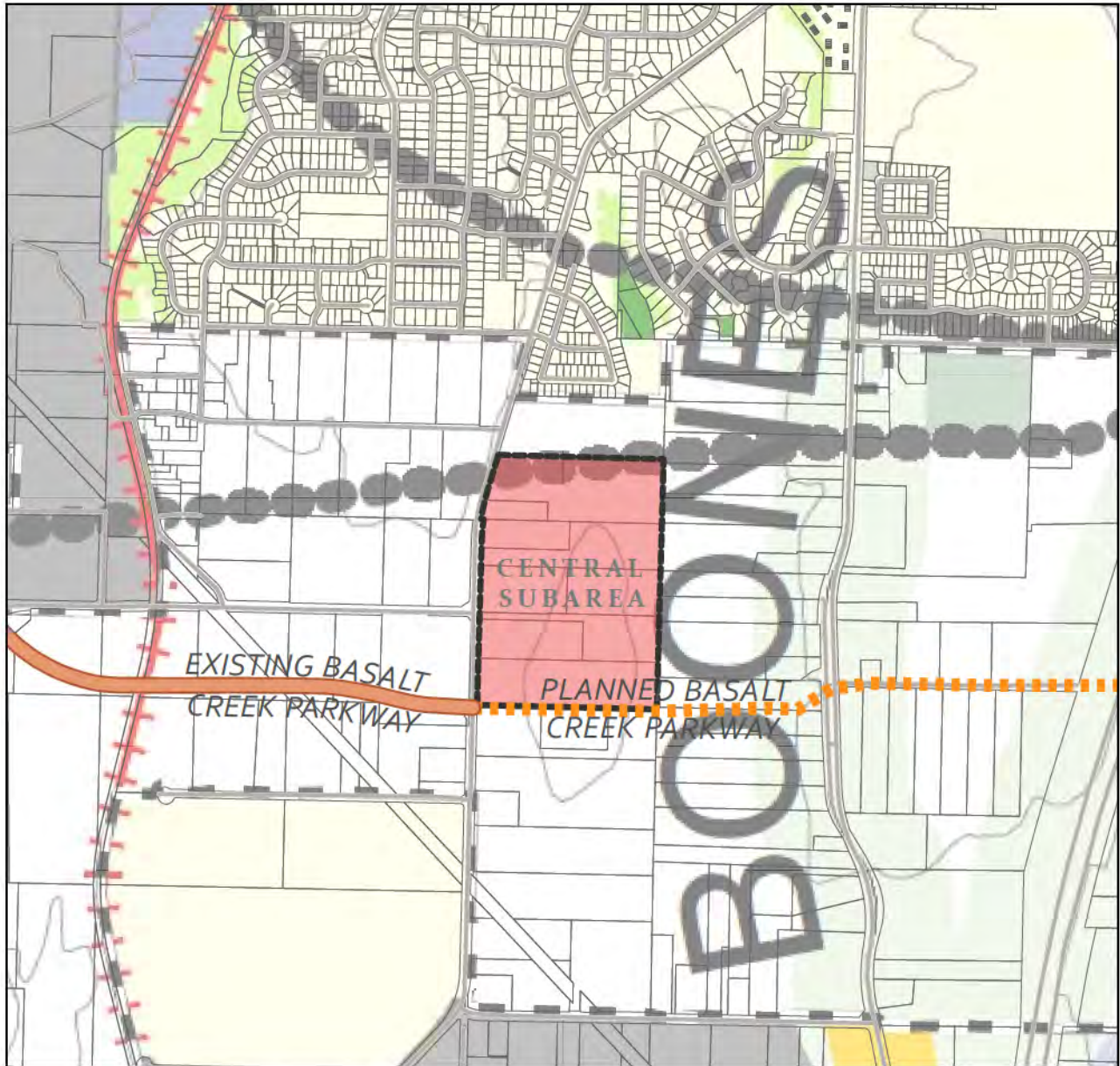
By: 

Exhibit 1: Central Sub Area



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

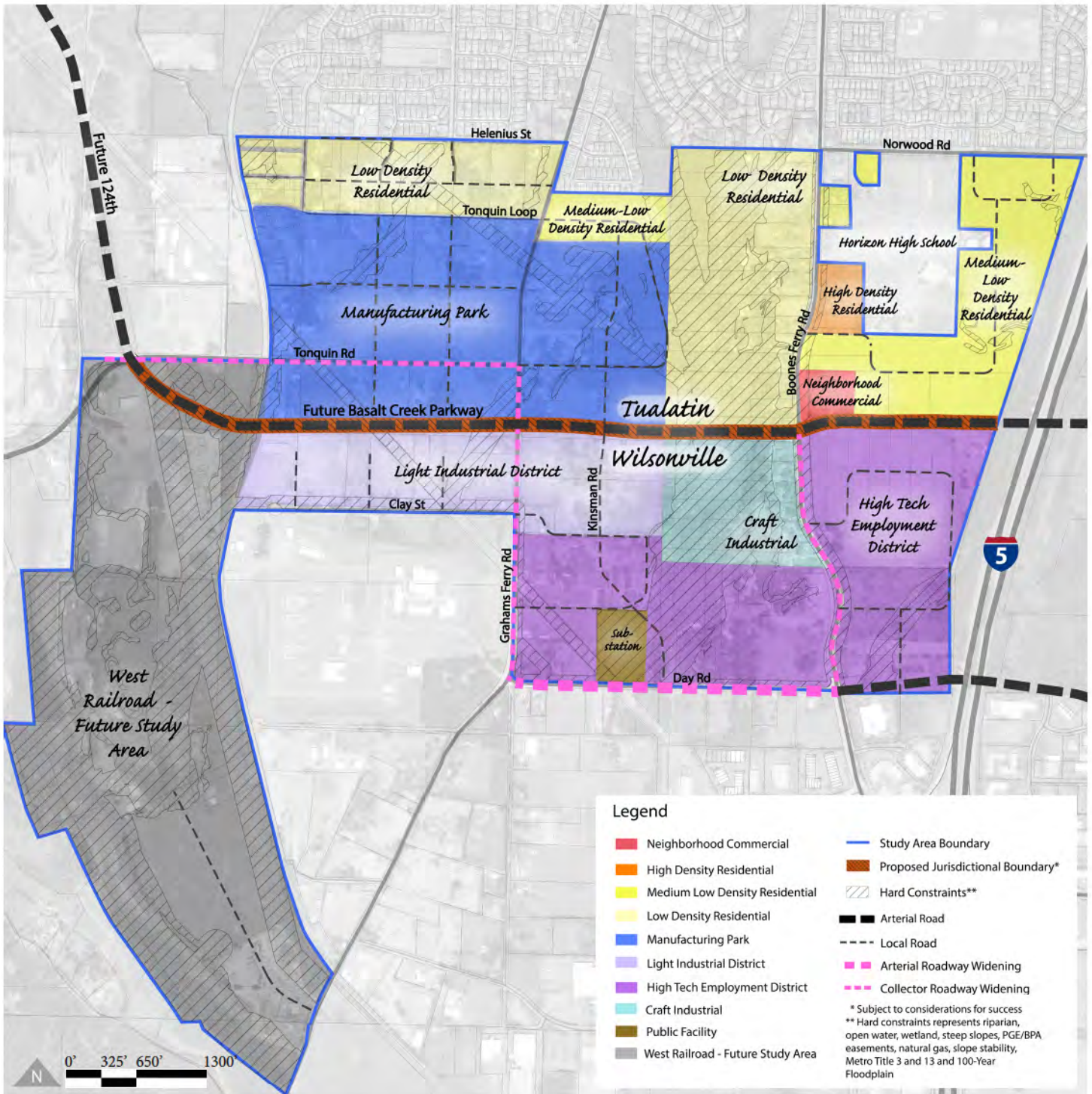
**EXHIBIT A TO RESOLUTION 18-4885
EXHIBIT B**



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

EXHIBIT A TO RESOLUTION 18-4885

EXHIBIT C



Basalt Creek Land Use Concept Map

DRAFT September 16, 2016

EXHIBIT A TO RESOLUTION 18-4885

EXHIBIT D



**WASHINGTON COUNTY
OREGON**

October 27, 2016

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

Dear Mayor Ogden and Members of the Tualatin City Council:

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

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

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

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

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Duyck". The signature is fluid and cursive, written over a light blue horizontal line.

Andy Duyck, Chairman
Washington County Board of Commissioners

c: Andrew Singelakis, Director, Land Use & Transportation

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

Basalt Creek Transportation Refinement Plan Recommendations

Introduction

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

Purpose

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

Planning Context

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

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

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

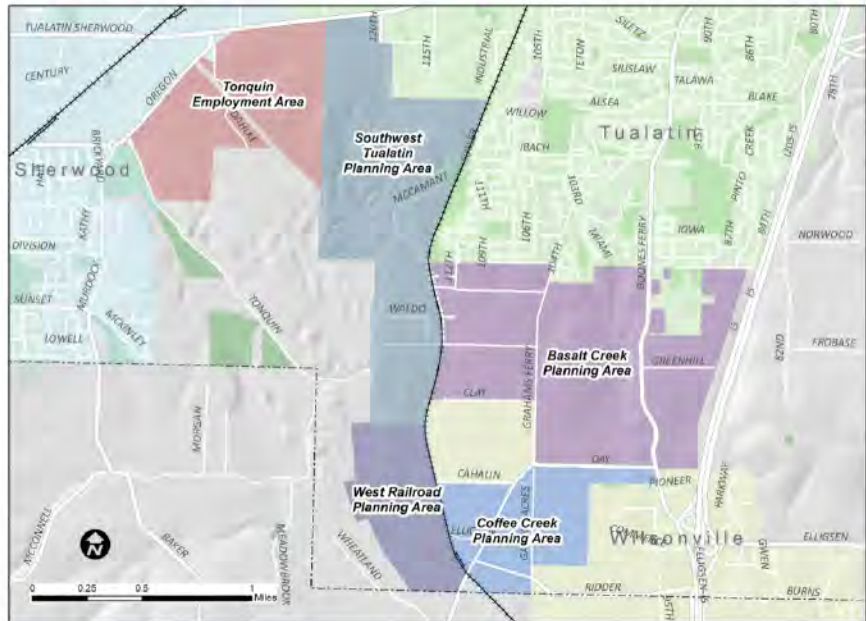


Figure 1: Basalt Creek Planning Area Location

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

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January 2013

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

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

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Facility Considerations and Characteristics

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

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

Recommendation

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

Roadways

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

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

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

Overcrossings

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

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Active Transportation

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

Action Plan

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

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Table 1: Basalt Creek Action Plan

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

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

² Cost included in Project 1

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

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

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

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

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

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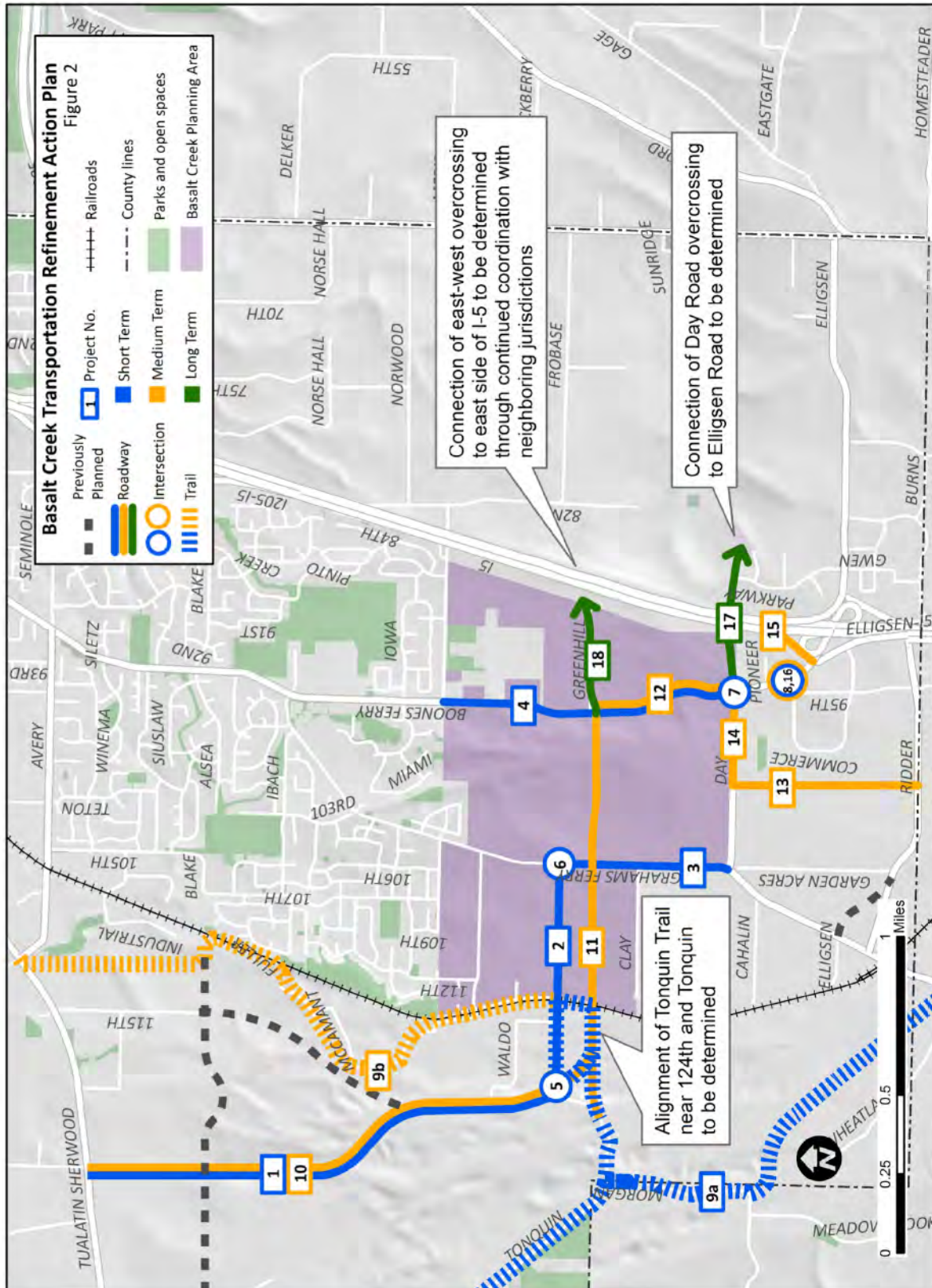


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Each investment adds important improvements to the major transportation system in the Basalt Creek area to support future development, adding new multimodal facilities and upgrading existing facilities to urban standards. Although not shown on the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

Are these new projects?

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

Table 2: Related projects from the Regional Transportation Plan

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

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

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Policy and Plan Updates

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

Basalt Creek and West Railroad Area Concept Planning

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

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

Regional Transportation Plan

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

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

Washington County TSP Update

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

EXHIBIT A TO RESOLUTION 18-4885

EXHIBIT E

January 2013

Tualatin and Wilsonville TSP Updates

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

Funding

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

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

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

Federal

Based on MAP-21² legislation, sources may include:

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

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

EXHIBIT A TO RESOLUTION 18-4885 EXHIBIT E

January 2013

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

State

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

Local

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

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

EXHIBIT A TO RESOLUTION 18-4885

EXHIBIT F

Where Portland region's residents work

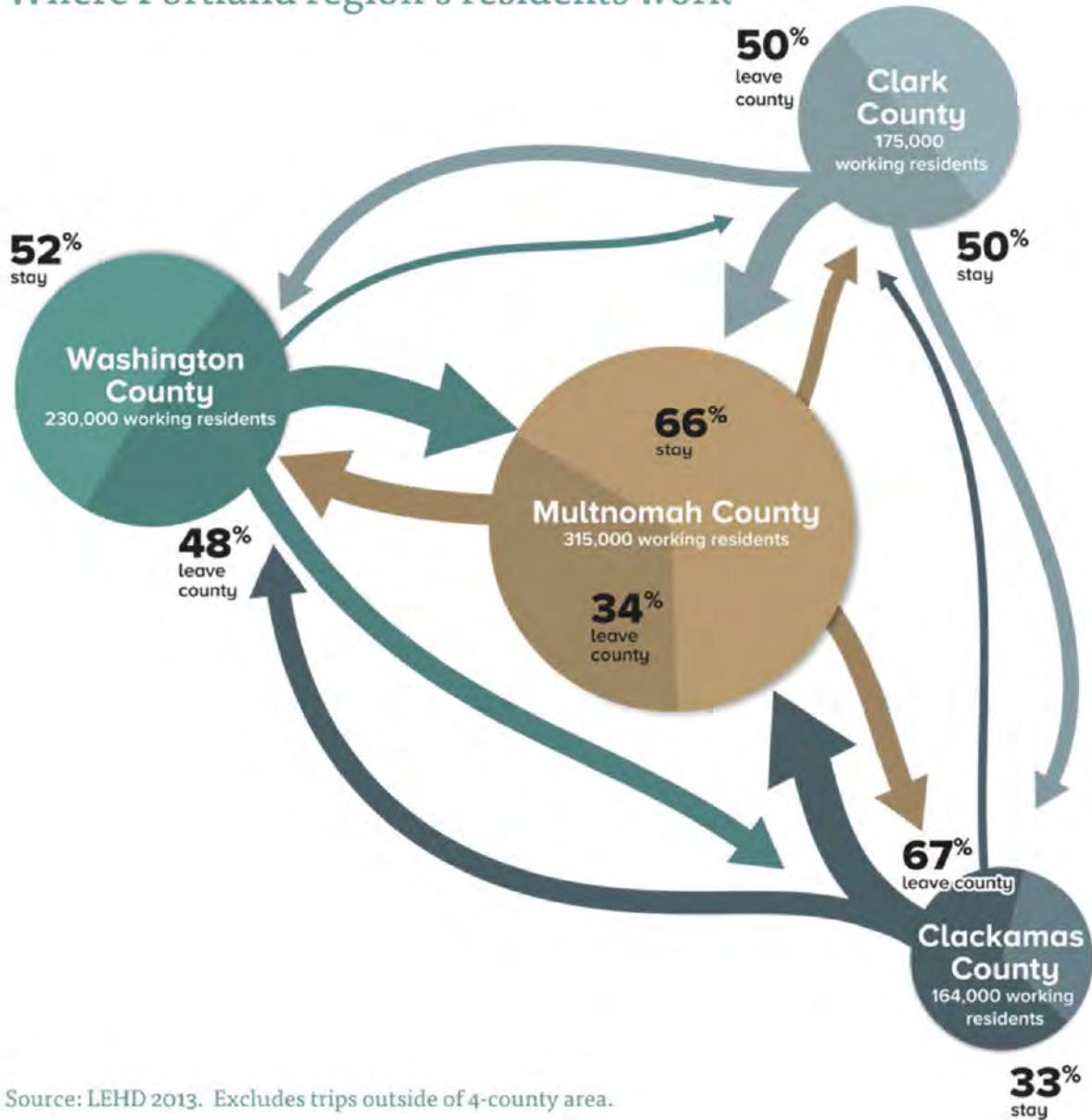


EXHIBIT B TO RESOLUTION 18-4885

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

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

1. Process and Record

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

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

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

EXHIBIT B TO RESOLUTION 18-4885

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

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

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

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

2. Regional Housing Needs

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

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

EXHIBIT B TO RESOLUTION 18-4885

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

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

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

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

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

EXHIBIT B TO RESOLUTION 18-4885

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

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

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

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

Metro

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Metro

Minutes

Thursday, April 19, 2018

2:00 PM

Metro Regional Center, Council chamber

Council meeting

1. Call to Order and Roll Call

Council President Tom Hughes called the Metro Council meeting to order at 2:04 p.m.

Present: 7 - Council President Tom Hughes, Councilor Sam Chase, Councilor Betty Dominguez, Councilor Shirley Craddick, Councilor Craig Dirksen, Councilor Kathryn Harrington, and Councilor Bob Stacey

2. Public Communication

Council President Hughes requested that those wishing to testify come forward to speak. He explained that the agenda item regarding the Basalt Creek Planning Area was being reviewed by the Metro Council on the record and new evidence would not be considered.

Paul Woods, City of Wilsonville: Mr. Woods, President of SORT Bioenergy, provided testimony on food waste processing. He shared concerns about Metro's request-for-proposal process for a food waste processing facility and requested the Metro Council review their involvement in the process.

Sharon Nasset, City of Portland: Ms. Nasset testified about housing options. She proposed solutions for the region's housing needs, including making rooming and boarding houses more widely available. (Ms. Nasset also provided written testimony; please see the April 19 meeting packet.)

Ron Swaren, City of Portland: Mr. Swaren spoke in favor of the proposed Western Arterial Highway. He asked the Metro Council to support better highway options, including additional bridges across the Columbia River, to better support transportation in the region. _

Mayor Tim Knapp, City of Wilsonville: Mayor Knapp spoke

on the recommendation for the Basalt Creek Planning Area. He noted that the affected cities had unanimously asked the Metro Council to consider the land use question. He added that the City of Wilsonville was committed to helping resolve the situation, following the council's final recommendation.

Councilor Frank Bubenik, City of Tualatin: Councilor Bubenik expressed disagreement with the Basalt Creek Planning Area recommendation. He noted that there were significant housing needs in the area that would be increased by the development occurring nearby. He explained that the land should be used for housing instead of employment land.

Councilor Paul Morrison, City of Tualatin: Councilor Morrison testified in favor of identifying the Basalt Creek Planning Area as residential land. He explained that the area was unsuitable for employment land.

Tony Weller, City of Tigard: Mr. Weller, CESNW Inc., expressed disagreement with the Basalt Creek recommendation. He explained that he was hired by local property owners to review the plans and provide a second opinion on the recommendation. He noted that many factors of the land, including its topography, made it unsuitable for employment land.

Herb Koss, City of Lake Oswego: Mr. Koss, a local property owner, testified in favor of marking the Basalt Creek area as residential land. He shared concerns that the area was not suitable for employment land, as construction would prove expensive for developers. He urged the Council to review Mr. Weller's recommendation.

Sherman Leitgeb, City of Sherwood: Mr. Leitgeb, a local property owner, testified in favor of making the Basalt Creek area residential. He explained that the form of the land would make building expensive for businesses, and as a

result the area would not get developed.

Peter Watts, City of Oregon City: Mr. Watts, a local property owner, expressed disagreement with the Basalt Creek Planning Area recommendation. He explained that he felt the land should be designated as residential land, given the qualities of the area and the lack of buildable lands inventory for residential development of all types.

Councilor Robert Kellogg, City of Tualatin: Councilor Kellogg testified against the recommended industrial designation of the Basalt Creek Planning Area. He explained that the land was better suited for residential development.

Hannah Childs, City of Sherwood: Ms. Childs spoke in favor of designating the Basalt Creek Planning Area as residential land. She thanked the Metro Council for their time and service and urged them to reconsider the Chief Operating Officer's recommendation.

3. Consent Agenda

- 3.1 Consideration of the Council Meeting Minutes for April 12, 2018

Approval of the Consent Agenda

A motion was made by Councilor Chase, seconded by Councilor Craddick, to adopt items on the consent agenda.

The motion passed by the following vote:

Aye: 7 - Council President Hughes, Councilor Chase, Councilor Dominguez, Councilor Craddick, Councilor Dirksen, Councilor Harrington, and Councilor Stacey

4. Presentations

- 4.1 Metro Chief Operating Officer Recommendation Regarding the Basalt Creek Planning Area

Council President Hughes introduced Mr. Roger Alfred, Metro counsel, to present the Chief Operating Officer (COO) recommendation regarding the Basalt Creek Planning Area.

President Hughes explained that as established in the process created by Metro, the Metro Council's review of the COO recommendation would be based on the record of written materials, and the Council would not be accepting or considering any new evidence that was not before the COO. Mr. Alfred reiterated that the process for Basalt Creek was not subject to normal land use procedures, as it was created by an inter-governmental agreement (IGA) between the Cities of Wilsonville and Tualatin, Washington County, and Metro, for a limited and specific purpose (focused on arbitrating a dispute between the two cities) that was outside the scope of the land use laws for the State of Oregon. He clarified that Metro had not agreed to make a final land use decision regarding the designation of the property.

He provided an overview of the process, noting that the Chief Operating Officer had reviewed the evidence submitted by the two cities and made a recommendation to the Metro Council. He explained that once the Metro Council issued its decision, the two cities would undertake their own land use proceedings in order to make the necessary adoption of the concept plan and zoning designations. Mr. Alfred then reviewed the background of the Basalt Creek Planning Area, highlighting that it consisted of about 650 acres in unincorporated Washington County, and provided an overview of the property and the surrounding area. Mr. Alfred informed the Metro Council that given the evidence, including the history of the area and the existing and planned transportation facilities that were designed to serve industrial uses, the COO recommendation supported a conclusion that an employment designation remained

appropriate for the area and the area should be planned accordingly by the cities.

Mr. Alfred discussed points raised during public testimony. He clarified the size of the area that the recommendation related to and spoke to what was included in the existing record.

Council Discussion

Councilor Craddick asked about the elevation changes in the area. Councilor Stacey spoke to the history of the area and why it was designated for industrial and employment use. Councilor Harrington asked when the materials for the meeting had been made available to the public; staff clarified that the materials had been published Friday, April 13. Council President Hughes asked about past legislation regarding the area and discussed the IGA.

A motion was made by Councilor Dirksen, seconded by Councilor Stacey, to approve the Chief Operating Officer's recommendation regarding the Basalt Creek Planning Area. Ms. Alison Kean, Metro Attorney, clarified that staff would develop a resolution to officially approve the recommendation to be considered at the May 3 council meeting. The motion passed by the following vote:

Aye: 7 - Council President Hughes, Councilor Chase, Councilor Dominguez, Councilor Craddick, Councilor Dirksen, Councilor Harrington, and Councilor Stacey

5. Chief Operating Officer Communication

Ms. Martha Bennett provided an update on the following events or items: a new initiative to reduce food waste developed in partnership with Metro, the Oregon Restaurant and Lodging Association, Oregon Department of Environmental Quality, local governments, and other

partners; new content published by Metro's Communications staff regarding the Southwest Corridor project; and a recent tour of Chehalem Ridge Nature Park.

6. Councilor Communication

Councilors provided updates on the following meetings or events: the Joint Policy Advisory Committee on Transportation (JPACT) and the ribbon cutting ceremony for the new Agilyx facility in Tigard. Councilor Dirksen announced that the Sherwood City Council had voted unanimously to withdraw its urban growth boundary expansion request.

7. Adjourn

There being no further business, Council President Hughes adjourned the Metro Council meeting at 3:28 p.m. The Metro Council will convene the next regular council meeting on May 3 at 2:00 p.m. at the Metro Regional Center in the council chamber.

Respectfully submitted,

Nellie Papsdorf, Legislative and Engagement Coordinator

Metro

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Metro

Minutes

Thursday, May 3, 2018

2:00 PM

PACKET REVISED 5/1

Metro Regional Center, Council chamber

Council meeting

1. Call to Order and Roll Call

Deputy Council President Shirley Craddick called the Metro Council meeting to order at 2:06 p.m.

Present: 6 - Councilor Sam Chase, Councilor Betty Dominguez, Councilor Shirley Craddick, Councilor Craig Dirksen, Councilor Kathryn Harrington, and Councilor Bob Stacey

Excused: 1 - Council President Tom Hughes

2. Public Communication

There was none.

3. Presentations**3.1 Risk Management Program Follow-up Audit**

Deputy Council President Craddick introduced Mr. Brian Evans, Metro Auditor, to present the Risk Management Program Follow-Up Audit. Mr. Evans explained that the Risk Management Program Audit was released in 2013 and found that there were opportunities to control costs and manage risks by using data to identify trends and by strengthening department-level safety programs. He noted that the audit found that Metro could learn from two different data sources: workers compensation claims and incident reports. Mr. Evans summarized by stating that while positive progress had been made, the follow-up audit found that both of the recommendations were still in progress.

Mr. Evans then introduced Mr. Zane Potter, Senior Management Auditor, to review the results of the follow-up audit. Mr. Potter provided an overview of the steps that had been taken to improve the Risk Management program, such as creating training criteria for departments and creating new policies to improve safety. He identified ways that Metro could improve its tracking and trainings in order to manage risk in the future. Mr. Evans thanked Metro staff for their assistance during the audit.

Deputy Council President then introduced Mr. Tim Collier, Metro's Finance and Regulatory Services Director, to provide the management response. Mr. Collier thanked Mr. Evans and his team for their work. He provided an overview of how his staff was working to address the themes outlined in the audit. He explained that staff would work with Human Resources to track and develop schedule trainings, as well as work with departments to assist them and better train them in risk management areas. He informed the council that Risk Management staff would also regularly review and analyze incident reports and workers compensation claims, in order to develop a better incident report and track system across the agency. Mr. Collier noted that the system would allow Metro to better review trends and develop plans to mitigate them.

Council Discussion

Councilor Dominguez asked how compensation claims impacted Metro's insurance. She also asked about the nature of workers compensation claims at venues like the Oregon Zoo. Councilor Craddick asked about the original audit in 2013 and how data had been analyzed since.

4. Consent Agenda

Approval of the Consent Agenda

A motion was made by Councilor Chase, seconded by Councilor Stacey, to adopt items on the consent agenda.

The motion passed by the following vote:

Aye: 6 - Councilor Chase, Councilor Dominguez, Councilor Craddick, Councilor Dirksen, Councilor Harrington, and Councilor Stacey

Excused: 1 - Council President Hughes

- 4.1 Consideration of the Council Meeting Minutes for April 19, 2018
- 4.2 Resolution No. 18-4877, For the Purpose of Adopting the Fiscal Year 2018-19 Unified Planning Work Program

- 4.3 Resolution No. 18-4888, For the Purpose of Filling a Vacancy on the Metro Central Station Enhancement Committee
- 4.4 Resolution No. 18-4876, For the Purpose of Adding or Amending Existing Projects to the 2018-21 Metropolitan Transportation Improvement Program Involving Five Projects Requiring Programming Additions, Corrections, or Cancellations Impacting Metro, Multnomah County, ODOT, and Portland (MA18-07-MAR)
- 4.5 Resolution No. 18-4883, For the Purpose of Adding or Amending Existing Projects to the 2018-21 Metropolitan Transportation Improvement Program Involving Six Projects Requiring Programming Additions, Corrections, or Cancellations Impacting Metro, ODOT, and TriMet (AP18-08-APR)

5. Resolutions

- 5.1 Resolution No. 18-4891, For the Purpose of Proclaiming May 5, 2018 as a Day of Awareness for Missing and Murdered Native Women and Girls

Deputy Council President Craddick called on Mr. Clifford Higgins and Ms. Maiya Osife, Metro staff, to introduce the proclamation. Mr. Higgins and Ms. Osife explained that approval of the proclamation would proclaim May 5, 2018 as a day of awareness for missing and murdered Native women and girls. Ms. Osife noted that it was a pressing issue facing the Native American community that many people were unaware of.

Ms. Osife then introduced the founder of Missing and Murdered Indigenous Women USA, Ms. Deborah Maytubee. Ms. Maytubee spoke to the depth of the issue and how it impacted Native Americans in the region. She explained that numerous challenges, such as a lack of collected data, contributed to a disparate and severe amount of missing and murdered women and girls in the Native community.

Ms. Laura John, City of Portland staff, commended Metro for making the effort to raise awareness about such an important issue, noting that was an issue that affected

communities throughout the Portland metropolitan region. She explained that the Portland City Council was recognizing the same day of awareness and presented their proclamation on March 28. She noted that raising awareness was a large part of making a difference and was the first step towards identifying what needed to be put into place for the issue to be addressed.

The presenters then shared a song that honored missing and murdered indigenous women.

Council Discussion

Councilors thanked the presenters for the proclamation and expressed interest in helping change occur. Councilor Dominguez asked how tribal and public police could better collaborate on related cases. Councilor Dirksen noted that he was very saddened by the need for such work. Councilor Chase recognized the gross disparities that Native communities were facing and thanked the presenters for building awareness about these issues. Deputy Council President Craddick noted that the lack of data was disparaging and emphasized that it needed to be addressed. She asked about possible legislative solutions and expressed interest in providing support.

A motion was made by Councilor Dirksen, seconded by Councilor Harrington, that this item be approved. The motion passed by the following vote:

Aye: 6 - Councilor Chase, Councilor Dominguez, Councilor Craddick, Councilor Dirksen, Councilor Harrington, and Councilor Stacey

Excused: 1 - Council President Hughes

- 5.2 Resolution No. 18-4873, For the Purpose of Approving the FY 2018-19 Budget, Setting Property Tax Levies and Transmitting the Approved Budget to the Multnomah County Tax Supervising and Conservations Commission

Deputy Council President Craddick introduced Mr. Collier, Metro's Finance and Regulatory Services Director, to

present on Resolution No. 18-4873. Mr. Collier explained that adoption of the resolution would approve the 2018-19 budget, set the maximum tax levies for fiscal year 2018-19, and authorize the transmittal of the approved budget to the Multnomah County Tax Supervising and Conservation Commission (TSCC.)

Mr. Collier then provided an overview of the budget process. He informed the Council that the TSCC would hold their hearing on Metro's approved budget on June 7, after which they would provide Metro a letter certifying the review of the budget. He added that the Council would hold additional meetings in June to discuss the budget, consider and vote on amendments, and ultimately adopt the budget prior to the end of the current fiscal year.

Council Discussion

Councilors congratulated staff on Metro's AAA bond rating and the sale of the remaining issue authorizations of both the Natural Areas and the Parks bonds.

A motion was made by Councilor Harrington, seconded by Councilor Stacey, that this item be approved. The motion passed by the following vote:

Aye: 6 - Councilor Chase, Councilor Dominguez, Councilor Craddick, Councilor Dirksen, Councilor Harrington, and Councilor Stacey

Excused: 1 - Council President Hughes

5.2.1 Public Hearing on Resolution No. 18-4873

Deputy Council President Craddick opened up a public hearing on Resolution No. 18-4873 and requested that those wishing to testify come forward to speak. Seeing none, Deputy Council President Craddick gaveled out of the public hearing.

5.3 Resolution No. 18-4885, For the Purpose of Resolving a Dispute Between the City of Wilsonville and the City of Tualatin Regarding the

Concept Plan for the Basalt Creek Planning Area

Deputy Council President Craddick introduced Resolution No. 18-4885. She explained that two weeks earlier, the Metro Council received a report from Metro staff, heard from the public, and reviewed the recommendation from Metro's Chief Operating Officer (COO) regarding the Basalt Creek Planning Area. She noted that at the end of the meeting, the Metro Council voted unanimously in favor of approving the COO recommendation.

Deputy Council President Craddick announced that the Metro Council was now formally adopting a resolution that would adopt the recommendation as its decision, along with some supplemental findings, and would finalize the process created by Metro regarding the area. She noted that Mr. Roger Alfred, Metro legal counsel, was available for questions.

Council Discussion

Councilor Stacey recognized Mr. Alfred for all of his work on the recommendation.

A motion was made by Councilor Dominguez, seconded by Councilor Stacey, that this item be approved. The motion passed by the following vote:

Aye: 6 - Councilor Chase, Councilor Dominguez, Councilor Craddick, Councilor Dirksen, Councilor Harrington, and Councilor Stacey

Excused: 1 - Council President Hughes

6. Chief Operating Officer Communication

Mr. Scott Cruikshank, Chief Operating Officer Pro Tem, provided an update on the following events or items: the Portland's Center for the Arts Foundation, the new "Catio" exhibit at the Oregon Zoo, and Crafty Wonderland at the Oregon Convention Center.

7. Councilor Communication

Councilors provided updates on the following meetings or events: the centennial celebration of Vista House in the Columbia Gorge, the Regional Stakeholder Advisory Committee, and the Joint Policy Advisory Committee on Transportation (JPACT) trip to Washington, D.C.

8. Adjourn

There being no further business, Deputy Council President Craddick adjourned the Metro Council meeting at 2:58 p.m. The Metro Council will convene the next regular council meeting on May 24 at 2:00 p.m. at the Metro Regional Center in the council chamber.

Respectfully submitted,

Nellie Papsdorf, Legislative and Engagement Coordinator

CITY OF WILSONVILLE ARBITRATION BRIEF

TO: Arbitrator Martha Bennett, Metro Chief Operating Officer

FROM: Barbara Jacobson, City Attorney for the City of Wilsonville

DATE: March 7, 2018

RE: City of Wilsonville Arbitration Brief
Central Subarea, Basalt Creek Planning Area

Wilsonville appreciates Metro's willingness to resolve the dispute between the City of Wilsonville and the City of Tualatin regarding the appropriate land use designation for an approximately 52 acres of land known as the Central Subarea, located within the Basalt Creek Planning Area.

Issue Before Metro for Arbitration:

As noted by Metro staff member Brian Harper, in his February 21, 2018 Staff Report Regarding Basalt Creek Planning Area ("Metro Staff Report"), the sole issue to be determined by Metro is whether the Central Subarea should be designated as residential land, as it was recently unilaterally re-designated by Tualatin; or should remain designated as Manufacturing Park, as originally designated and agreed upon by Wilsonville, Tualatin, and Washington County. Metro staff recommends staying with the Manufacturing Park land designation. Wilsonville agrees with Metro staff. The map attached hereto as **Exhibit A** illustrates the previously agreed upon land use designations for all of Basalt Creek, including the Central Subarea, which is shown within the Manufacturing Park designation. The map attached hereto as **Exhibit B** illustrates the previously agreed upon land use designation for all of the Basalt Creek Area, except for the Central Subarea, which is marked to show Tualatin's new proposed residential designation.

Arbitration Process:

The arbitration process is set forth in the Metro Staff Report and is agreed to by Wilsonville.

Background Facts:

The Metro Staff Report does an excellent job of summarizing the Basalt Creek Planning process and the work of both cities, the County, and Metro staff to reach agreement on a "Preferred Alternative" for the Basalt Creek Concept Plan, including all of the land use designations and the jurisdictional boundary between the cities. As additional background, a white paper prepared by the City's Community Development Director and City Engineer, entitled Update – Basalt Creek Planning Area, 2000-2017 (August 17, 2017) ("White Paper"), outlines the lengthy planning process that staff from both cities, Metro, and the County went through, looking at five different land use options before unanimously agreeing to Option 5. See **Exhibit C**, attached hereto, for the full report.

After several Joint Council meetings, public open houses, extensive research, and negotiations, agreement was reached in December 2015 at a Joint Tualatin/Wilsonville City Council meeting, based upon an agreed set of Guiding Principles, to move forward with Option 5 as the Preferred Alternative for the Concept Plan, which sets forth the agreed upon land use designations for the Basalt Creek Planning Area, as well as the jurisdictional boundary dividing the land between Wilsonville and Tualatin. While the selected Option 5 reduced the amount of acreage that would have otherwise gone to Wilsonville, it was agreed to by Wilsonville based solely upon Tualatin's appeal for more industrial land because Tualatin had already set aside a substantial amount of the land within its proposed boundary for residential development. A high priority for Wilsonville's City Council was to preserve the complementary clustering of employment lands on both sides of Grahams Ferry Road and the Basalt Creek Parkway, keeping a good distance from residential areas. Had there been any indication from Tualatin that it might try to convert the Central Subarea to residential use, destined to create conflict with the adjoining Wilsonville designated industrial/employment land and the future limited access freight arterial Basalt Creek Parkway, Wilsonville would never have agreed to the Option 5 boundary.

What happened to cause the two cities to go from agreement on the Preferred Alternative to total disagreement over the land use designation for the Central Subarea, requiring Metro to step in to arbitrate the dispute? The answer: a proposal from a single land use developer. In November 2016, a landscape architect consultant from OTAK presented a proposal on behalf of its client, who owned a parcel within the Central Subarea. The proposal suggested that Tualatin should replace the Manufacturing Park designation for the Central Subarea with a more profitable and easy to market residential land use designation, understanding that a residential designation would offer a higher and faster personal return on investment for the landowners. Their arguments for re-designation as residential land, however, were not supported by any form of land use suitability study but rather developer and paid consultant assertions.

As a result of this new, last minute developer-led effort to thwart the agreed upon Option 5 plan and Guiding Principles, Washington County commissioned an independent consultant, MacKenzie, to perform a land use suitability analysis for the Central Subarea in order to further analyze slope and environmental constraints, and to determine whether the land was suitable for industrial/employment uses. This independent professional engineering and geological study concluded that the Central Subarea was, in fact, suitable for industrial/employment uses, including, but not limited to, flex business-park, office, campus, manufacturing, and commercial support services consistent with the City of Tualatin Manufacturing Park zoning classification. The private developer and landowners, however, were not deterred by this report and successfully convinced the Tualatin City Council, at its February 13, 2017 meeting, to direct staff to unilaterally change the Concept Planning partners' unanimously agreed upon Manufacturing Park designation of the Central Subarea to a residential land use designation, without notice to or discussion with Washington County or Wilsonville.

Shortly thereafter, some of the Central Subarea landowners, developers, and consultants attended a Wilsonville City Council meeting in an effort to convince Wilsonville to concede to Tualatin's change to a residential designation. Wilsonville City Councilors listened to property owner concerns about whether industrial development was possible within the Central Subarea, how long it would take, and the fact that industrial land prices are less than residential land prices in the current real estate market. What was lacking from the testimony offered, however, was any reliable, professionally gathered data or analyses. What was presented was landowner assertions that their properties, which have never been zoned anything but agricultural, would be devalued if a residential designation was not applied.

Despite the lack of any credible independent evidence being presented to support their assertions, Wilsonville did hear the citizen concerns and therefore wanted to make sure that the Central Subarea land is suitable for industrial/employment development and, if so, the types of industrial developments it could accommodate. Wilsonville City Council thus directed staff to hire an independent professional engineering and geotechnical firm to study the area in more detail and prepare a full report, including actual renderings and layouts of the types of industrial developments that could be achieved within the Central Subarea, if any.

KPFF Consulting Engineers was retained by Wilsonville to perform a thorough analysis of industrial development viability within the Central Subarea. The KPFF study, entitled *Basalt Creek Concept Plan – Feasibility Study*, attached hereto as **Exhibit D**, determined the land was well suited to a variety of industrial/employment uses and suggested, as examples, three different industrial development scenarios, all three of which, it opined, would be viable for the Central Subarea.

Argument:

As noted above, the City of Wilsonville agrees with the analysis prepared by Metro staff, on page 4 of its memo, outlining four broad reasons why the change to a residential designation for the Central Subarea, as proposed by Tualatin, is problematic. Wilsonville, however, will go a step further and state that the residential designation proposed by Tualatin is more than problematic; rather, the proposed designation threatens the entire outlook for any meaningful industrial development in Basalt Creek and is inconsistent with Metro's Title 4 map goal. Even though Wilsonville is fully committed to designating 100% of the Basalt Creek land within its boundary to industrial/employment development, a residential development in the Central Subarea, that would almost certainly precede industrial development, could cripple or even prevent industrial development potential for the bulk of Basalt Creek, including the lands on the Wilsonville side.

In addition to the above, the following are Wilsonville's primary arguments as to why the Central Subarea must remain classified as industrial/employment land in order to meet Metro's industrial lands and employment goals for the region.

1. Benefit of the Region.

Metro's original intent in bringing the Basalt Creek Planning Area into the Urban Growth Boundary and allowing Washington County, Wilsonville, and Tualatin to bring in the land area for development was to provide for additional industrial/employment land. As indicated in the Metro staff report, all of the Basalt Creek land is designated as an employment area on Metro's Title 4 map and this designation was adopted without legal challenge.

On the other hand, during the above land designation process, there were no goals articulated to provide for additional residential land in the Basalt Creek area. During the concept planning process, however, Tualatin was able to convert arguably the most valuable parcel of flat, highly visible land to residential use, rather than retaining the industrial designation identified by Metro's 2004 Industrial Land Alternative Analysis Study and Urban Growth Boundary (UGB) decision. Because this part of the planning area is separated from the Wilsonville industrial lands, and Tualatin made a commitment to leave the balance of the land bordering Wilsonville designated as manufacturing/employment, Wilsonville, Washington County, and Metro staff did not object to this residential designation by Tualatin. See **Exhibit A**, note the land fronting I-5 marked as Medium-Low Density Residential.

As it now stands, without removing the Manufacturing Park designation from the Central Subarea, Tualatin is already allocating 91 of its 194 Basalt Creek developable acres to residential use, which equates to **47%** of its share of land that was originally intended as industrial/employment land. Not only that, but that acreage designated as residential is the flattest, and most visible to I-5, acreage of the entire Basalt Creek Area and, therefore, the most suitable land for industrial uses. Thus, it is ironic that Tualatin is now arguing the Central Subarea should be converted to residential because it is not well suited to industrial development. If that were the case, why did Tualatin not propose the flat land fronting I-5 for their industrial use, rather than designating it as residential? Trying to now make the Central Subarea a residential designation by claiming it is less suitable for industrial use than the highly suitable employment land they have already designated as residential is inconsistent and disingenuous.

If Tualatin is allowed to also convert the Central Subarea to a residential designation, and the current residential designations are also maintained, Tualatin's percentage of land used for residential purposes in the Basalt Creek Planning Area will be **65%** of all its total allocation of the Basalt Creek land, including a portion of land Wilsonville would have otherwise been entitled to claim for employment uses but for Tualatin's appeal for more industrial land. Again, this is inconsistent with the Title 4 map, the agreed upon Guiding Principles for the Concept Plan, and Wilsonville's only reason for agreeing to give Tualatin more land through Option 5 (the Preferred Alternative).

Wilsonville, on the other hand, has stayed true to Metro's regional goals and has allocated **100%** of its lesser share of Basalt Creek Planning Area acreage to industrial/employment development. Unfortunately, even though Wilsonville has done so, if its share of the land is allowed to be bordered by or in close proximity to residential land, the likelihood of it ever being developed for industrial/employment uses is severely diminished due to incompatibility issues that arise when industrial land and traffic is located in close proximity to residential neighborhoods.

Planners study adjacency to ensure compatible uses and prevent negative consequences. Development patterns that place residential neighborhoods in close proximity to industrial land more often than not result in significant complaints from residents concerning noise, pollution, and safety. What happens across the street, whether it is in the same city or a different city, will have either positive or negative impacts on industrial development. Wilsonville does not support residential uses along the Basalt Creek Parkway and across from its land designated for industrial uses and manufacturing parks.

Adjacency and land use compatibility is of particular issue with a residential designation for the Basalt Creek Central Subarea, as it is adjacent to and one corner of the prime intersection (Grahams Ferry Road and Basalt Creek Parkway) for this Basalt Creek business district. As our region has learned in the past, noise, pollution, and equity concerns should raise serious questions as to why a residential neighborhood would be planned adjacent to a major arterial and freight route.

Wilsonville and Tualatin set out to plan the Basalt Creek Planning Area in a cohesive way and in the regional context as a Regionally Significant Industrial Area (RSIA). The regional, long-term planning associated with new areas added to the Urban Growth Boundary is critical, as it creates predictability for the local jurisdictions, landowners, and others. It is important to acknowledge all of the regional, long-term planning that has preceded this point in the planning process, as outlined in Metro's staff report, and changing directions at this point in the process sets a precedent for the

unpredictable and the ability for parties to argue Metro's land use designations anywhere in Urban Growth Boundary areas.

2. Infrastructure Planning and Investment.

As noted by Metro staff, the Central Subarea is located immediately south of the previously proposed "south alignment," identified by Metro Council findings as serving as the buffer between residential development to the north and industrial development to the south. Wilsonville agrees that land south of the buffer, which would include the Central Subarea, should maintain an industrial/employment land use designation.

Metro staff also discussed the completed Basalt Creek Transportation Plan, which developed a transportation infrastructure plan for the Basalt Creek Planning Area based on the RSIA designation. As noted by Metro staff, extremely expensive infrastructure is planned to create an arterial and freight route through Basalt Creek, along the Basalt Creek Parkway, which directly borders the south end of the Central Subarea. As noted in the Metro staff report, Metro and Washington County estimate that more than 65 million dollars has already been spent on the planning and construction of this regionally important roadway as a limited access arterial, intended to provide a faster more fluid connection for truck traffic to I-5 and relieve the burden currently placed on Tualatin Sherwood Road and Tualatin Town Center. The road was not built for, and was never intended to be compatible with, residential use by families and school buses that would necessarily have to compete with the truck traffic when picking up and dropping off children from the Central Subarea in order to get them to school in Sherwood, which is the only designated school district for the Central Subarea.

3. The Central Subarea Is Not Suited for Residential Development.

Metro, cities, and counties are tasked at looking long-term in order to plan and approve development in a way that ensures a livability for all residents, now and into the future. It is government's responsibility to look out for the welfare of all citizens, not a select few. This remains true as cities contemplate and plan for needed and affordable housing. Allowing a housing development to take place in a planned industrial area, along an arterial built at great expense to the region and specifically designed for truck traffic and in close proximity to a prison, is not a sound decision. Additionally, and importantly, the Central Subarea's designated school district, if residential, is Sherwood, which is a considerable distance from the Central Subarea, involving daily long bus rides or car trips. Such planning is inconsistent with fair housing and environmental justice principles. Locating residential uses in this area raises significant concerns related to potential noise, traffic, vibration, pollution, exposure to emissions, long distance from schools, and other environmental impacts that run counter to recent efforts to restore environmental justice and social equity.

While there are a handful of developers and landowners who could profit from the Central Subarea being designated as residential, in the long run it is the residents who unwittingly buy into a developing industrial area, as well as the region that depends on the creation of jobs and generation of revenue from industry, who will suffer for the short term profit of a few. The landowners in question have no legal right to demand a residential designation, and Metro has an obligation to look at what is best for the region, not a handful of private developers.

Allowing residential development in this area will not only have a detrimental effect on the homeowners who unwittingly invest in a home located in close proximity to a freight route and an area

planned for industrial development, but it will also have a dramatic detrimental impact on the industrial development this Basalt Creek Planning Area was aimed at achieving. As outlined by Metro staff, the insertion of a residential community in the heart of the planned, but yet to be developed, industrial area is almost certain to stall the very industrial development for which this area was planned. While industrial developers are not afraid of working with a slope or some Basalt rock, what they do fear, and try to avoid at all costs, are the outcries of residents who loudly object to the truck traffic and perceived noise, air pollution, and dangers to their children when industrial development attempts to locate in close proximity to residential neighborhoods. Allowing the Central Subarea to be designated as residential will certainly detract from the industrial viability of the entire Basalt Creek area for the region, not to mention the direct loss of industrial/employment acreage within the Central Subarea itself.

4. The Central Subarea Is Well Suited for Industrial/Employment Development.

While nobody disputes the fact that most of the remaining regional industrial land is not the pristine flat land that was once available (excepting the northeast piece Tualatin has already proposed as residential and to which the partners have not objected), industrial developers are well adapted to dealing with the challenges that come from land that is not perfectly flat or rock free. Were industrial developers not able to work on less than perfect sites, many highly successful industrial and employment developments within the region would have never taken place.

The number of successful industrial/employment developments located on challenging sites are too numerous to mention, but here are a few noteworthy examples: Fed Ex, Amazon, and others elected to locate on a Troutdale superfund site with significant water pollution issues, including lack of potable water, as well as frequent weather challenges for truck traffic; the highly successful Bridgeport Village is built over a former rock quarry that obviously needed significant controlled fill, grading, and rock removal; the Nyberg Woods development is located on land that was sloped, of uneven terrain, and replete with giant boulders; there were numerous physical, slope, and environmental challenges to develop the Tigard Triangle, which is now almost fully and successfully developed; the entire OHSU campus is located on a slope so steep it now includes access via a Tram; the new Beaverton High School is located on a site that contained a severe slope and required extraordinary regrading. These successful recent developments are examples that demonstrate the Central Subarea's moderate slopes and geologic conditions do not render it unsuitable for any development, except residential development.

To the contrary, numerous studies have been done by experts, all concluding that the Central Subarea is well suited to industrial development. Those studies include the KPFF study, discussed above and marked as **Exhibit D**; the Land Suitability Analysis completed by Frego, marked as **Exhibit E**; the Basalt Creek Concept Plan Market Analysis prepared by Leland Consulting Group, marked as **Exhibit F**; and the MacKenzie study, discussed above, entitled *Washington County Basalt Creek Employment Site Evaluation (January 2017)*, commissioned by Washington County when efforts to change the Central Subarea to a residential designation were first initiated, which is attached as **Exhibit G**.

On the other side of the argument for residential development and against industrial development is a report by OTAK, the paid consultant of the developer seeking to have the Central Subarea re-designated as residential, which is attached as **Exhibit H**. This report includes letters from a handful of developers, real estate agents, and contractors, prepared at the request of OTAK, effectively stating

a portion of the Central Subarea land has some challenges and that there are several sites in the area more appropriate for industrial development, without naming any of them. In response to that submittal, the City will acknowledge, as noted above, one large format warehouse may not be the ideal industrial development for this location, but large warehouses are not a primary focus for the Basalt Creek area, in that there are already numerous warehouses in the area and they do not tend to create the greater employment numbers and higher paying wages planned for in this area and called for in the adopted Guiding Principles of the Plan. By contrast, please see the industrial campus development options outlined in the KPFF report (**Exhibit D**).

Following receipt of the OTAK submittal and a PacTrust letter (included in OTAK material), Wilsonville staff invited a senior development manager from Trammel Crow, one of the oldest, largest, and most respected developers of and investors in commercial and industrial developments, to tour the Central Subarea with Wilsonville staff. His analysis was that a parcel the size of the Central Subarea in the prime location of the Central Subarea, adjacent to the Basalt Creek Parkway, with the amount of relatively flat land at the upper end of the site is a rare industrial find that more than compensates for the fact that there is slope, as well as rock, at the lower portion of the site that would require more substantial grade and fill work. He asked to be notified when the property becomes available.

5. Lost Sight of Guiding Principles.

All of the parties, including Washington County, have agreed that Tualatin and Wilsonville are at a stalemate on the land use designation that should be applied to the Central Subarea. What Washington County, Tualatin, and Wilsonville did formally agree to, however, early on in this process, were Guiding Principles that were intended to represent the collective interests and goals for the Basalt Creek Planning Area and serve as the foundation for the Basalt Creek Concept Plan. The intent of the Guiding Principles was to provide a framework for gathering the information and input needed to make planning decisions that benefit not only each individual city and the County, but also the region.

While all of the Guiding Principles are important for the optimal development of the Basalt Creek Planning Area as a whole, there is one particularly applicable to the issue before Metro that was ignored by Tualatin when it determined to reverse the previously agreed-upon industrial/employment land designation for the Central Subarea and unilaterally voted to re-designate it as residential. That lost Guiding Principle reads, in pertinent part, as follows: “5. *Ensure appropriate transitions between land uses. While integration of housing and employment can enrich a community, there remains a need for physical separation between uses that might negatively impact one another. Land uses should be arranged within the study area to minimize these impacts, such as excessive noise, traffic, nighttime light, or air pollution....*”

Although Guiding Principle 5 is the one most glaringly at odds with the Tualatin proposal, many others are not supportive of it either. A full list of the Guiding Principles is attached as **Exhibit I**.

Request for Decision:

All of the parties have agreed that, given the inability of the two cities to agree upon a designation for the Central Subarea, Metro is the most appropriate party to make the decision and that both cities and the County agree to abide by Metro’s decision. This is not a case where the cities or the arbitrator can “split the difference” and make it half industrial and half residential. The industrial/employment

designation requires the full acreage to be successfully developed, and a residential designation requires more buffer, not less, from adjoining industrial development.

As was made clear by the Court of Appeals decision in *City of Sandy v. Metro*, 200 OR App 481 (2005), a city's authority to determine location of industrial zones and to enact enabling legislation must yield to Metro's authority to enact ordinances that require a city to conform to Metro's direction. *Id.* at 482. Metro enacted such an ordinance when bringing the Basalt Creek Planning Area into the Urban Growth Boundary as part of addressing an industrial land shortage identified through the 2004 Urban Growth Report and designating the land as a "RSIA"- Regionally Significant Industrial Area. In the dispute at hand, Washington County, Wilsonville, and Tualatin have all acknowledged Metro's authority as the final decision maker for the land use designation of the Central Subarea and have, in fact, asked Metro to step in to resolve the dispute. Furthermore, the County and both cities have agreed to stand by, defend, and implement Metro's decision with respect to the Central Subarea. *See Intergovernmental Agreement Between Metro, Washington County, And The Cities of Tualatin and Wilsonville Seeking A Binding Non-Appealable Decision From Metro Council Concerning One Area, The Central Subarea, Of The Basalt Creek Planning Area.*

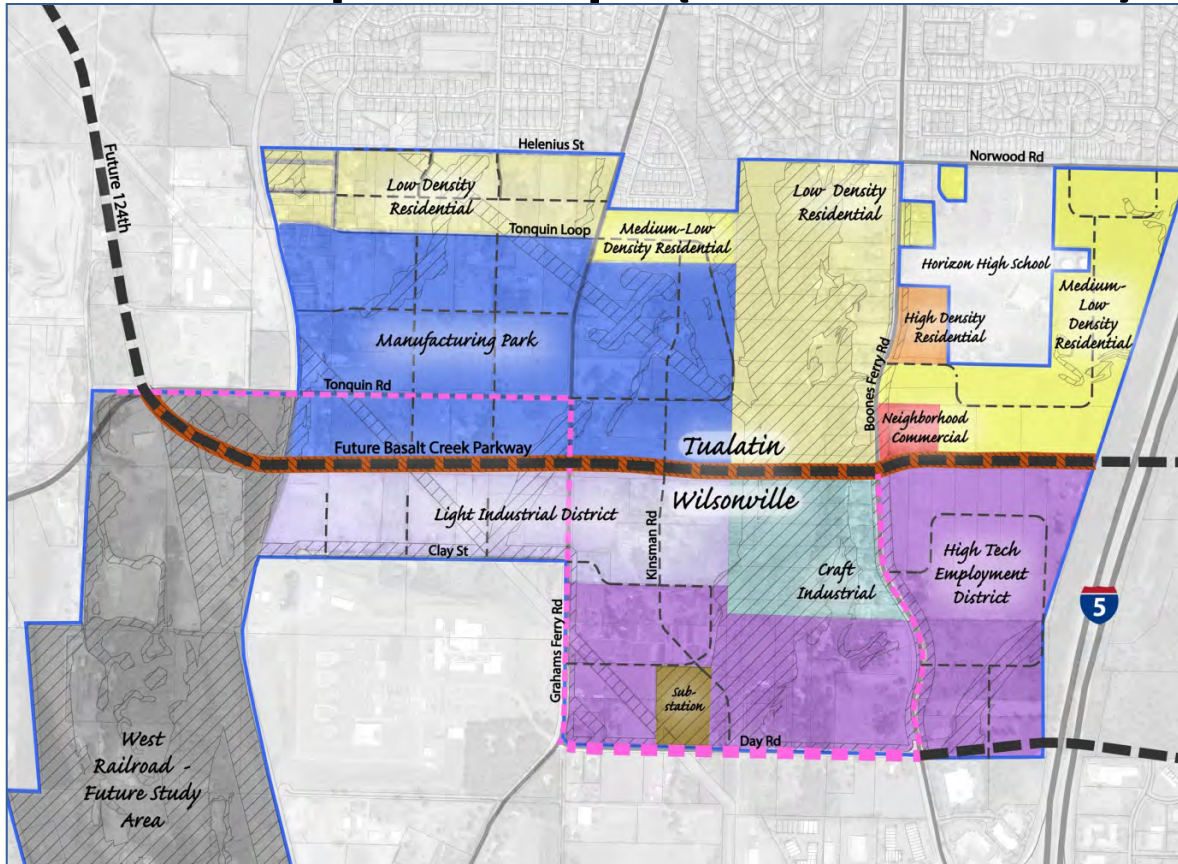
Therefore, based upon all of the foregoing reasons, and as aptly and succinctly recommended by Metro staff in the Metro Staff Report, Metro should determine that "the Central Subarea move forward with the previously agreed upon Manufacturing Park designation." *Metro Staff Report*, p. 4.

Attachments:

- Exhibit A: Map showing Central Subarea as industrial
- Exhibit B: Map showing Central Subarea as residential
- Exhibit C: White Paper: Update – Basalt Creek Planning Area, 2000-2017
- Exhibit D: KPFF's Basalt Creek Concept Plan – Feasibility Study
- Exhibit E: Existing Conditions Report, Section 5: Commercial, Industrial & Residential Real Estate Markets, by Fregonese Associates
- Exhibit F: Leland's Basalt Creek Market Assessment
- Exhibit G: MacKenzie's Basalt Creek Employment Site Evaluation
- Exhibit H: OTAK's Report Requesting Amendment to the Concept Plan
- Exhibit I: Guiding Principles

Preferred Basalt Creek Land Use Concept Map (Oct. 2016)

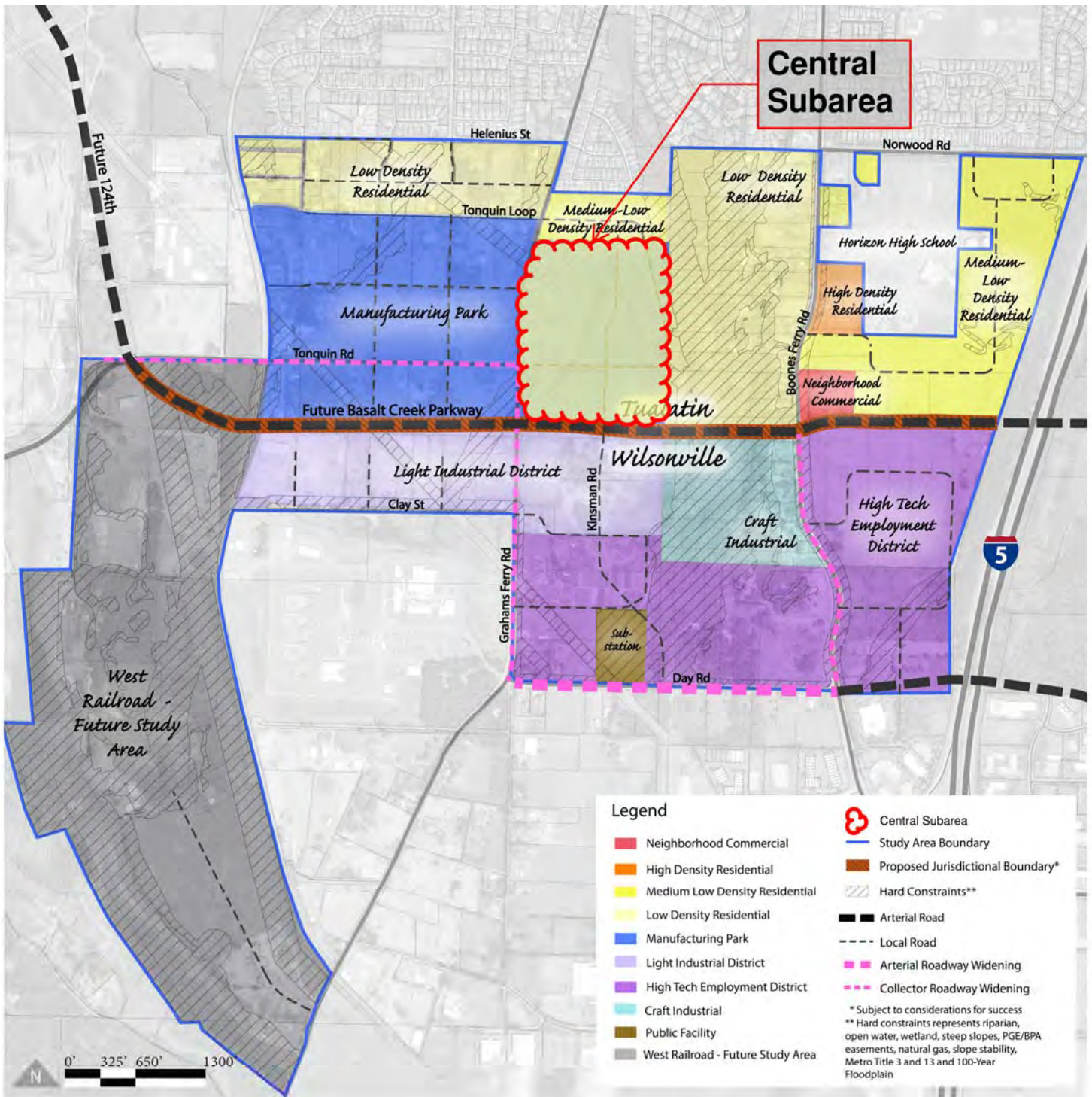
EXHIBIT A



Legend

Neighborhood Commercial	Study Area Boundary
High Density Residential	Proposed Jurisdictional Boundary*
Medium Low Density Residential	Hard Constraints**
Low Density Residential	Arterial Road
Manufacturing Park	Local Road
Light Industrial District	Arterial Roadway Widening
High Tech Employment District	Collector Roadway Widening
Craft Industrial	
Public Facility	
West Railroad - Future Study Area	

* Subject to considerations for success
 ** Hard constraints represents riparian, open water, wetland, steep slopes, PGE/BPA easements, natural gas, slope stability, Metro Title 3 and 13 and 100-Year Floodplain



Tualatin's Proposed Redesignation

UPDATE – BASALT CREEK PLANNING AREA, 2000 – 2017

August 17, 2017

Nancy Kraushaar, PE, Community Development Director and Miranda Bateschell, Planning Manager



I. INTRODUCTION

Approximately 2,000 acres has been aggregately planned for this South County Industrial Area since 2000. In 2002 and 2004, the Tonquin, Southwest Tualatin, Coffee Creek and Basalt Creek areas were brought into the Urban Growth Boundary (UGB) to address a regional need for employment land and as such, the Basalt Creek Planning Area was designated a Title 4 Industrial Area on Metro’s 2040 Growth Concept Map. A new limited-access major freight arterial was then planned to link these areas and connect to the regional freight network.

Metro Ordinance (No. 04-1040B) that authorized UGB expansion for the Basalt Creek Planning Area further clarified that while this area was primarily added to the UGB to meet regional need for job growth, a portion of the Tualatin Area could meet residential demand as follows:

‘If the selected right-of-way for the connector follows the approximate course of the “South Alignment,” as shown on the Region 2040 Growth Concept Map, as amended by Ordinance No. 03-1014, October 15, 2003, the portion of the Tualatin Area that lies north of the right-of-way shall be designated “Outer Neighborhood” on the Growth Concept Map; the portion that lies south shall be designated “Industrial”.’ (See Figure 2)

Figure 2 below is the portion of the Region 2040 Growth Concept Map that was attached to the Metro Ordinance. It depicts the “South Alignment” – the area to the north which shall be “Outer Neighborhood” and the area to the south shall be “Industrial.”

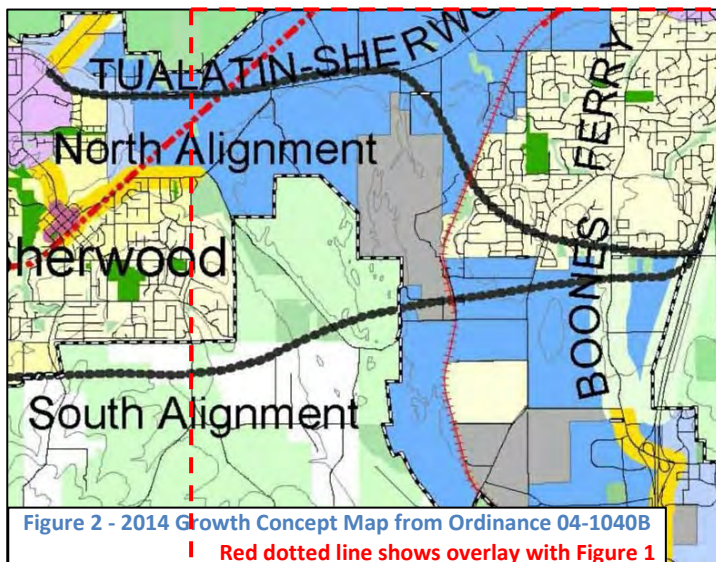
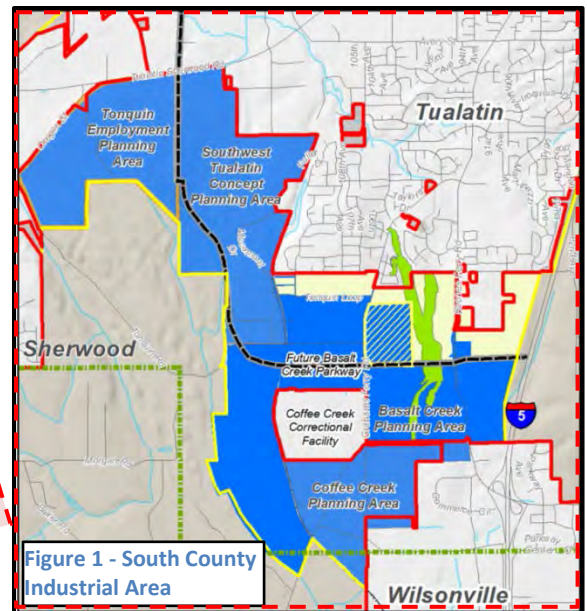


Figure 2 - 2014 Growth Concept Map from Ordinance 04-1040B

Red dotted line shows overlay with Figure 1

Over a three-year period (2010-2013), the cities of Tualatin and Wilsonville worked together with Washington County and Metro to develop the Basalt Creek Transportation Refinement Plan (TRP) for the area. The TRP was based on growth

forecasts and the expected development in Basalt Creek. This included trip targets that if exceeded, the system could fail.

Then in 2013, the concept planning began - starting with a “base case” scenario and evolving into five more options to satisfy the expectations of the planning area and aspirations of the two cities.

Finally in December 2015, at a joint Tualatin-Wilsonville council meeting, agreement was reached on a land use map with a boundary that was based on “10 Considerations of Success” to preserve what both councils had agreed to at that meeting – including the notion that the employment land uses were a priority and would not be altered (Consideration #3). An open house was held with the public in April 2016 after which final clarifying edits were made to develop the preferred land use alternative for the Basalt Creek Concept Plan.

In October 2016, the Tualatin City Council proposed to replace approximately 52 gross acres of the employment acreage with residential uses. This area (see yellow hatched area in Figure 1), located at the northeast corner of Grahams Ferry Road and Basalt Creek Parkway was coined the “central subarea.”



The preferred land use alternative already included residential uses that were located on the periphery of existing Tualatin residential neighborhoods and somewhat isolated from the bulk of the larger industrial area. This 52-acre central subarea is located in the middle of the planning area and industrial land uses, and is an integral part of the four major employment planning areas. Introducing residential uses there changes the dynamic of the South County Industrial area, is not cohesive with the surrounding area, and is contrary to the intent of the Metro Title 4 Industrial designation and regional planning.

In May 2017, the City of Wilsonville retained KPFF to study the feasibility of employment land use in the central subarea.

II. THE CONCEPT PLANNING

An intergovernmental agreement (IGA) among the Cities of Tualatin and Wilsonville, Washington County and Metro is guiding the concept planning for the Basalt Creek area. A \$365,277 Metro CET grant is funding much of the planning effort. From October 2013 through 2016, the Wilsonville and Tualatin City Councils held five joint Council work sessions and two Public Open Houses considering several boundary and land use alternatives for the Basalt Creek Planning Area.

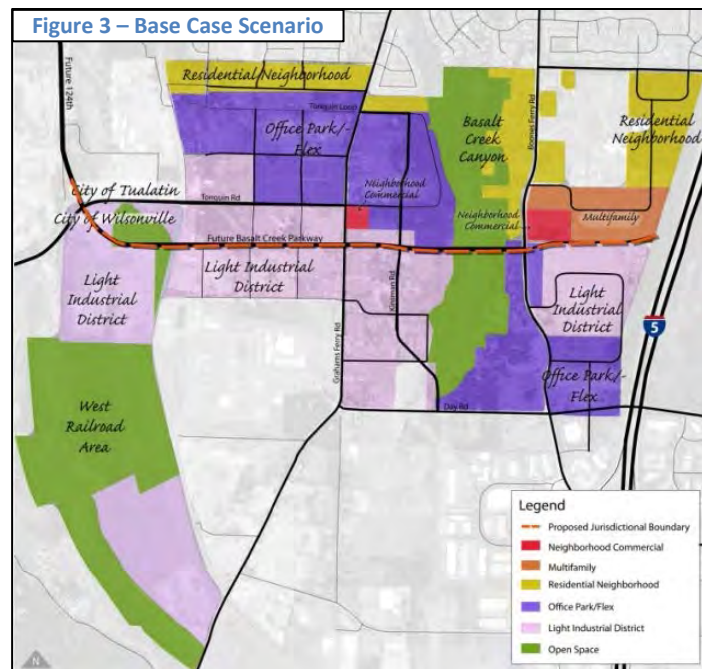
The Base Case

A Base Case Scenario (Figure 3) was established for the area in December 2014.

In the initial scenario a significant portion of the acreage designated for employment uses with residential uses in Tualatin on the east side between Norwood and Greenhill Roads as well buffering existing neighborhoods on the west side of the Basalt Creek Canyon.

At the December 2014 Tualatin-Wilsonville Joint City Council meeting, the project team presented this base-case infrastructure and land use scenario with an initial jurisdictional boundary option along the future east-west connector, Basalt Creek Parkway. The Councils jointly directed both sets of city staffs to:

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



The project team then studied a series of alternatives to the base case scenario. Throughout the process, data was being crunched for each alternative regarding number of households, number of jobs, number of trips, revenues, costs, and how best to serve the area with sewer and water. Table 1 provides a summary of these key performance indicators for the Base Case scenario.

Table 1 – Base Case Scenario Key Performance Indicators

INDICATORS	Tualatin Base Case	Wilsonville Base Case	Total Base Case
Developable Acres	194 ac	137 ac	331 ac
WRR & BCC Acres*	10 ac	6 ac	16 ac
Unconstrained Dev. Acres	184 ac	131 ac	315 ac
Households	640	6	646
Jobs	2,281	2,064	4,345
Trips (TRP trip cap = 1,989)	1,274	781	2,055
Assessed Value	not available	not available	not available

Options 1 and 2

Using the Fregonese & Associates Envision model, Options 1 and 2 were next explored to respond to the Joint Council input on the Base Case Scenario. Option 1, used the Basalt Creek Parkway as a boundary and provided Tualatin jurisdiction over most of the Basalt Creek Canyon. Option 2 moved the boundary to the north, adding industrial land and the canyon area south of Basalt Creek Parkway to Wilsonville.

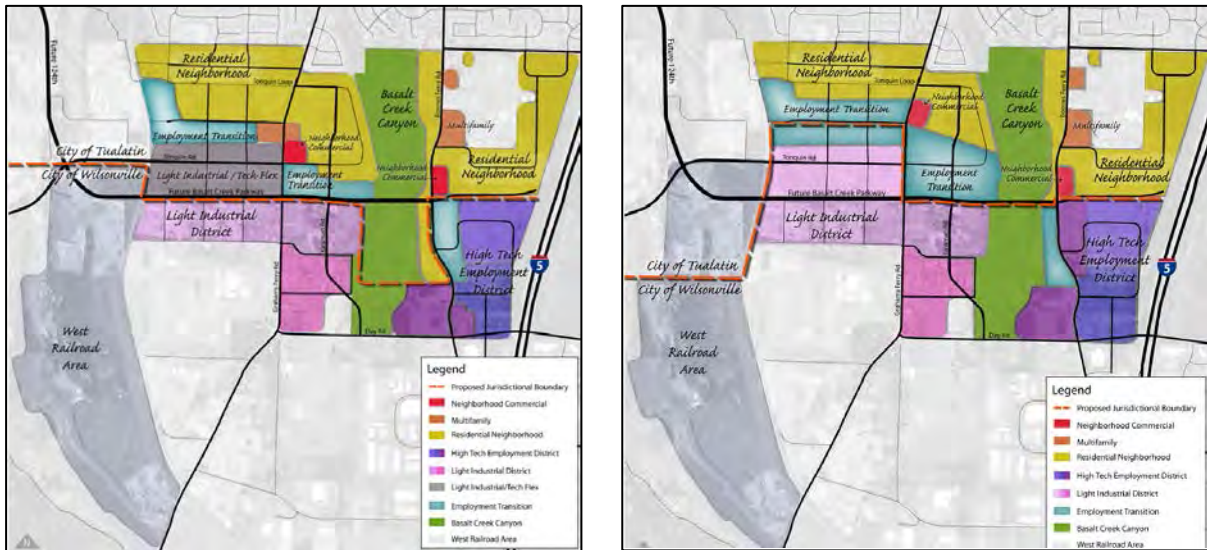


Figure 4 – Option 1 and Option 2 Basalt Creek Concept Plan

Neither Option 1 nor Option 2 quite struck the right balance between the two jurisdictions. On June 17, 2015, there was a Joint Wilsonville-Tualatin City Council meeting to discuss the two alternative land use concept plans. At that meeting, the two Councils discussed the land use types, key indicators (see Table 2) and potential benefits of the two draft boundary options. The Tualatin City Council favored Option 1 while the Wilsonville City Council favored Option 2.

Table 2 – Option 1 and Option 2 Key Performance Indicators

INDICATORS	Tualatin Option 1	Wilsonville Option 1	Total Option 1	Tualatin Option 2	Wilsonville Option 2	Total Option 2
Developable Acres	201 ac	190 ac	391 ac	155 ac	236 ac	391 ac
WRR & BCC Acres*	10 ac	63 ac	73 ac	12 ac	61 ac	73 ac
Unconstrained Dev. Acres	191 ac	127 ac	318 ac	143 ac	175 ac	318 ac
Households	906	36	942	755	75	830
Jobs	1,600	2,000	3,600	1,000	2,800	3,800
Trips (TRP trip cap = 1,989)	1,137	777	1,914	832	1,132	1,964
Assessed Value	\$483 M	\$305 M	\$788 M	\$371 M	\$423 M	\$794 M

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

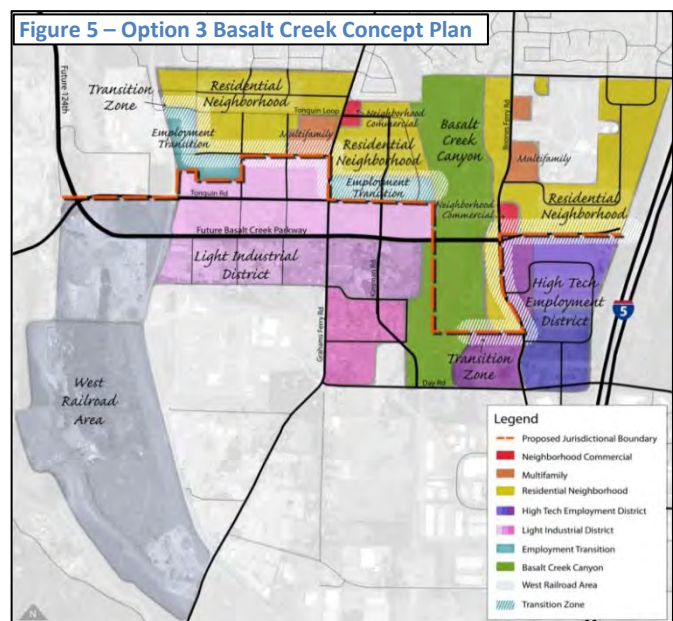
The Wilsonville City Council recognized the “tooth” area was a must-have for the City of Tualatin and compromised despite a desire for “the tooth” to provide a natural resource amenity to adjacent employment uses and trail opportunities for nearby employees, in addition to the fact all stormwater runoff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

Option 3

Option 3 attempted to (1) assemble the employment use on both sides of Tonquin Road and at the major intersection of Basalt Creek Parkway / Grahams Ferry Road under one jurisdiction to unify the development code and other standards that would be applied to these areas, and (2) balance out the acreage distribution between the two cities.

Table 3 – Option 3 Key Performance Indicators

INDICATORS	Tualatin Option 3	Wilsonville Option 3	Total Option 3
Developable Acres	144 ac	188 ac	332 ac
WRR & BCC Acres*	13 ac	3 ac	16 ac
Unconstrained Dev. Acres	131 ac	185 ac	316 ac
Households	800	80	880
Jobs	400	2,900	3,300
Trips (TRP trip cap = 1,989)	664	1,178	1,842
Assessed Value	\$338 M	\$420 M	\$758 M

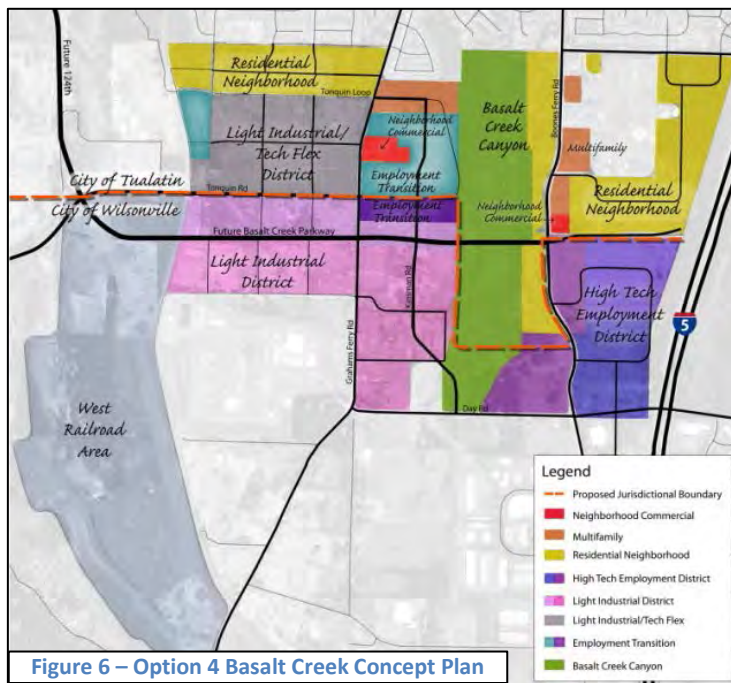


Boundary Option 3 also considered jurisdictional equity through the lens of developable acres, phasing and infrastructure costs, and more balanced property tax returns.

In Option 3, The City of Tualatin will likely see a higher overall return on investment and ability to meet near-term residential demand and development desires. The City of Wilsonville is provided a little more land to offset higher overall infrastructure costs and service to Tualatin development, a delay in return on investment, and the city’s ability to fulfill the employment capacity expectations for the planning area.

Option 4

In preparation for the September 2015 Joint Council meeting, there was a Tualatin City Council Work Session where the Tualatin City Council expressed concerns about the limited employment land opportunities for the City of Tualatin and directed Tualatin city staff to prepare information for a Basalt Creek Concept Plan Option 4, which would follow Tonquin Road west of the Basalt Creek Canyon area (Figure 6).



Option 4 provided the additional industrial land Tualatin requested and kept the canyon under Tualatin’s jurisdiction.

However, what it missed was a uniform land use development code that would lead to consistent and easy to follow regulations for development along Tonquin Road.

Table 4 below provides a summary of key performance indicators for the boundary Option 4.

Table 4 – Option 4 Key Performance Indicators

INDICATORS	Tualatin Option 4	Wilsonville Option 4	Total Option 4
Developable Acres	168 ac	163 ac	331 ac
WRR & BCC Acres*	13 ac	3 ac	16 ac
Unconstrained Dev. Acres	155 ac	160 ac	315 ac
Households	647	37	683
Jobs	1,576	2,475	4,051
Trips (TRP trip cap = 1,989)	1,008	967	1,975
Assessed Value	not available	not available	not available

Option 5 – December 2015 Joint Council Agreement on Basalt Creek Land Use Map

In December 2015, agreement was reached at a Joint Council meeting on a map with a boundary tied to Ten Considerations of Success and land uses consistent with Option 4. This agreement resulted in boundary Option 5 that was conditioned on the ten considerations.

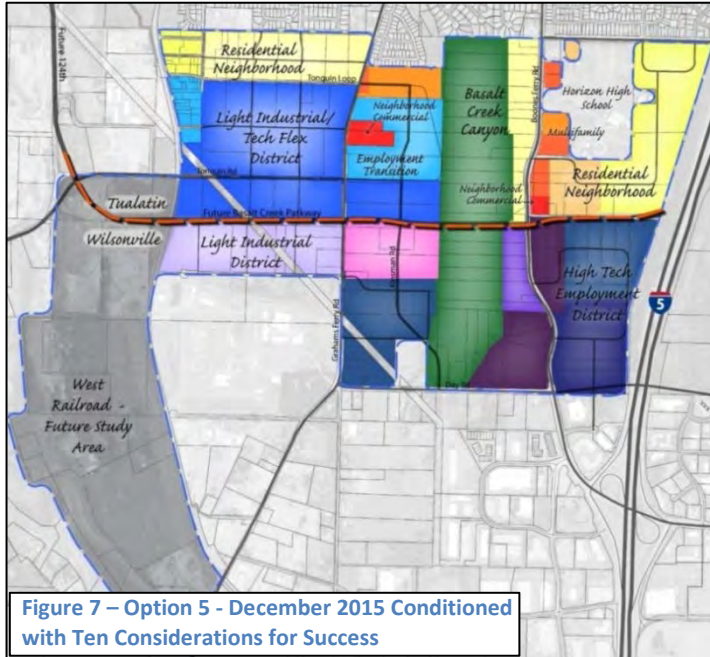


Figure 7 – Option 5 - December 2015 Conditioned with Ten Considerations for Success

A very high priority for the Wilsonville Council was to preserve the complementary clustering of employment lands on both sides of Grahams Ferry Road and the Basalt Creek Parkway.

Meanwhile Tualatin Council expressed a priority for additional acreage on the west side of the planning area for more employment acreage.

Members of both Councils expressed the importance of making sure the systems work so the area functions well, including enough contiguous land to appeal to business, getting the value needed related

to transportation and industrial massing, and meeting regional industrial land needs.

Table 5 – Option 5 Key Performance Indicators

INDICATORS	Tualatin Option 5	Wilsonville Option 5	Total Option 5
Developable Acres	194 ac	137 ac	331 ac
WRR & BCC Acres*	10 ac	6 ac	16 ac
Unconstrained Dev. Acres	184 ac	131 ac	315 ac
Households	640	6	646
Jobs	2,085	2,064	4,149
Trips (TRP trip cap = 1,989)	1,199	781	1,980
Assessed Value	\$347 M	\$232 M	\$579 M

While Option 5 reduced acreage for Wilsonville, with the Ten Considerations for Success, remaining issues were resolved for both Councils. The ten considerations related to the functional elements of the Concept Plan: sanitary sewer service, stormwater system design standards, industrial zoning certainty, trip caps, transportation projects and funding, transit service, trails and natural resource protections in the Basalt Creek Canyon area. It was intended those considerations would guide development of a preferred alternative for the Basalt Creek Concept Plan as well as outline

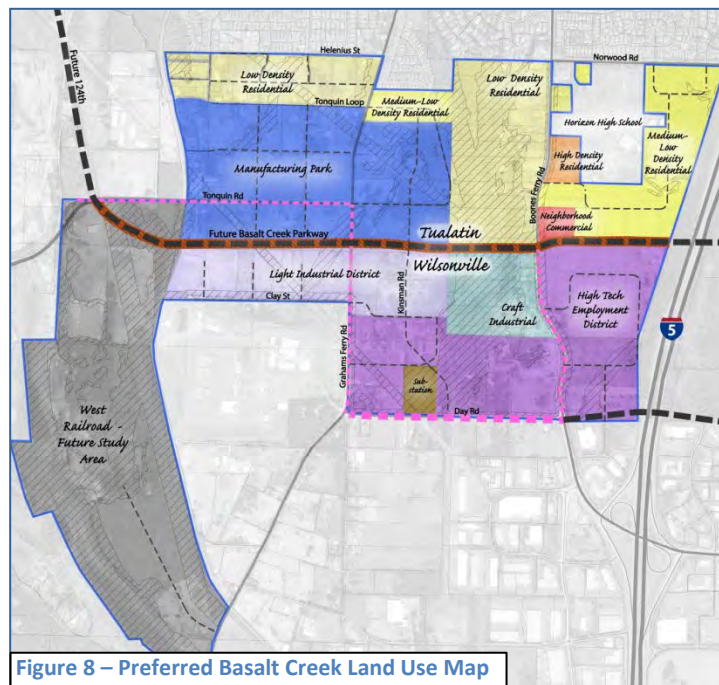
implementation measures for success. Careful consideration was also given to a thoughtful transition from existing residential in Tualatin to the employment areas and clustering the employment land uses around these roads.

The project team advanced work on the ten considerations and developed the preferred Basalt Creek Land Use Concept Map (Option 5) for a public open house on April 28, 2016 (Figure 7). Land uses were consistent with what was presented in the Tualatin-proposed Option 4, but with a proposed boundary along the Basalt Creek Parkway.

September 2016 – Preferred Basalt Creek Land Use Map

With positive feedback from the public open house, staff from both cities further refined the preferred Basalt Creek Land Use Concept Map to fix errors and align map designations with existing city comprehensive plan designations and zoning classifications. The Preferred Basalt Creek Land Use Map reflects these refinements based on feedback from the public open house, both Councils, and the IGA partners.

The draft, dated September 16, 2016, was prepared for presentation at individual Council work sessions in October in order to move toward finalization of the Basalt Creek Concept Plan and a final Joint Council work session approving the Concept Plan. In addition, staff continued work to refine implementation measures into the Concept Plan to address the ten considerations.



III. CENTRAL SUBAREA – PROPERTY OWNER PROPOSAL FOR MORE RESIDENTIAL

When the plan went to the Tualatin City Council in October, the civil engineering consultant, OTAK, presented a proposal (Figure 9) on behalf of an owner of property located between Grahams Ferry Road and the canyon and north of the future Basalt Creek Parkway. The proposal was to replace the Manufacturing Park land use with Residential uses in the area they referred to as the central subarea. A variety of residential types were proposed to replace Manufacturing Park. The primary argument for the change is that employment land uses are not feasible as the land is too steep and rocky to grade for employment use (large buildings and parking lots) and development other than residential would be far too expensive.

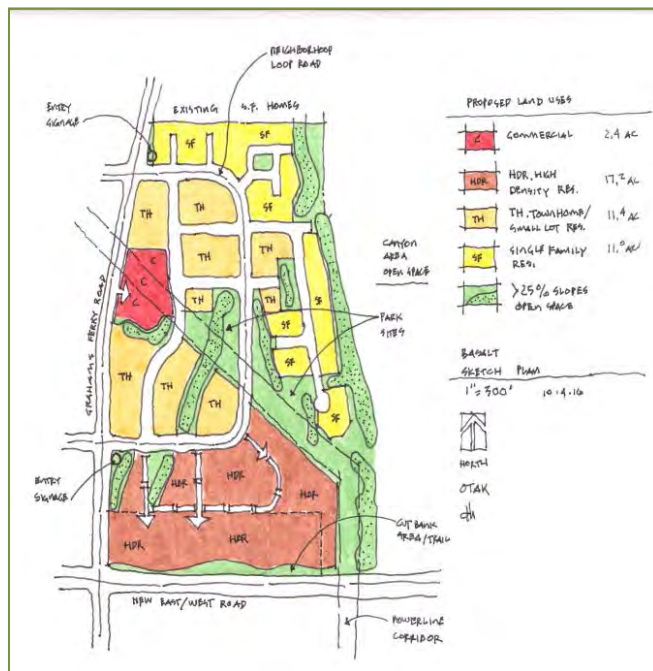


Figure 9 – OTAK Property Owner Proposal

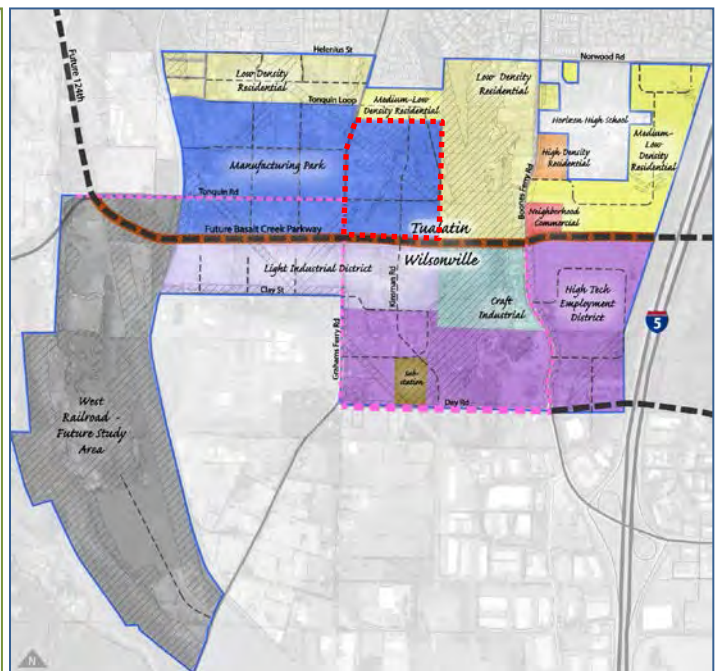


Figure 10 – Preferred Basalt Creek Land Use Plan with Central Subarea Shown

Based on this public input from property owners and residents at the October City of Tualatin Work Session meeting, Washington County commissioned a land suitability analysis from the firm Mackenzie for the central subarea to analyze slope and determine whether the land was in fact suitable for employment uses.

The study concluded the central subarea is feasible for employment including flex business park, office campus, manufacturing, and commercial support services consistent with the City of Tualatin Manufacturing Park zoning classification. This information was shared with the cities in January 2017.

On February 13, 2017, the Tualatin City Council, at a council work session, provided Tualatin city staff with direction to modify the previously agreed upon preferred Basalt Creek Land Use Concept

Plan to show the Basalt Creek central subarea as residential on the Tualatin side of the proposed conditional jurisdictional boundary.

The property owner and OTAK have since presented additional information from contractors, real estate managers and brokers, and a civil engineering firm that designs residential development that reiterates the claim that the land will be better developed as residential land due to the costs of grading for industrial development.

However, the Concept Plan aspired to creative building sizes and layouts as expressed by two of the Guiding Principles for the plan:

- “Capitalize on the area’s unique assets and natural location” and
- “Create a uniquely attractive business community unmatched in the metropolitan region.”

IV. EMPLOYMENT USE FEASIBILITY STUDY

Wilsonville staff reviewed the Tualatin City Council proposal against the prior planning efforts (Metro Ordinance, TRP), freight network investments, the project’s guiding principles, and previous concerns and priorities of the councils, and found the new proposal to be inconsistent with these. Wilsonville City Council voiced a number of reservations related to these items as well as others at a March 2017 Council Work Session. Committed to providing a cohesive business district that accommodates successful industrial employment growth to meet regional needs, the Wilsonville City Council directed staff to further assess the central subarea.

The City of Wilsonville contracted with the civil engineering consultant, KPFF to evaluate the feasibility of development for employment uses in the central subarea ([July 10, 2017 Basalt Creek Concept Plan – Feasibility Report](#)). The intent of this feasibility study was to take a further look at these 52 gross acres within the Basalt Creek planning area and assess their potential to support increased employment opportunities in the region. The central subarea’s potential development is important because of its central location in the planning area and on the main intersection of the Basalt Creek Parkway in the future business district. Uses beyond employment opportunities are not part of this feasibility study.

Given the long history of planning and regional infrastructure investments for the Basalt Creek Planning Area as a regional employment area, this study was commissioned to ascertain whether the policy objective of employment uses is achievable in this subarea.

The study:

- Reviewed the existing conditions, market analysis, land suitability analysis and geotechnical work completed through the concept planning process;
- Considered various building prototypes ranging from office buildings to industrial and warehouse facilities;

- Used local building footprints and parking counts;
- Accounted for slopes and natural area constraints;

KPFF’s analysis determined what employment uses, if any, could be developed in that area. The study describes feasible options not development proposals.



Figure 11 – One Business Park Development Scenario and a Building Prototype from the KPFF Feasibility Analysis

The study was not intended to:

- Look at feasibility for residential uses.
- To re-start planning or analysis for Basalt Creek; this area has been planned and invested in for employment and a freight network.
- Look at what is easier, cheaper or highest and best use.

The City recognized that employment would rarely ever win in that situation. Employment land needs to be available when the right user comes along, and sometimes that timing is quick and sometimes it takes patience. This issue and the development of employment areas into other commercial and non-commercial uses is one of the instigating factors for Title 4 of the Regional Function Plan. As a Title 4 employment area, it is important to fulfill that policy objective and maintain employment land for future business development needs.

City of Wilsonville Conclusions

At the May 1, 2017 Wilsonville City Council work session, the results of the KPFF study were presented, and the council discussed their concerns about the proposal to replace the manufacturing land use with residential.

Specifically, the council concluded that the proposal does not support:

- What the two cities, Washington County, and Metro have been planning for the past 16 years.
- A cohesive Parkway or business district.

- Industrial massing near Grahams Ferry Road and the Basalt Creek Parkway, the main intersection of the Basalt Creek Concept Plan area.
- The Joint Council's vision for an economically viable employment district.
- Creative solutions for transitions from employment to residential.
- Positive compatibility between land use and transportation; homes are incompatible with the Basalt Creek Parkway freight route due to noise, traffic, air quality, and overall livability.

The Wilsonville City Council also concluded that the lack of compatibility can impact the success of the plan for both cities; the residential adjacency is likely to curtail high quality industrial or residential development making it difficult to create the successful employment district the two cities, the county, and the region were envisioning this place to be.

The Wilsonville Council has continually expressed great concern about carving away more 2040 Title 4 employment land for housing than was intended when the Basalt Creek planning area was brought into the UGB. This final proposal for additional residential land use would be contrary to the December 2015 Conditional Jurisdictional Boundary agreement and as expressly included in the Ten Considerations for Success.

The Preferred Basalt Creek Land Use Map provided the City of Tualatin 91 residential acres out of 194 developable acres or 47 percent. Converting the central subarea from manufacturing to residential changes that to 125.4 acres or 65 percent of the developable acreage in Tualatin. Looking at this from the jobs side, the employment acreage in the overall Basalt Creek planning area drops from 224 acres or 68% of the 331 developable acres to 190 acres or 57%.

The City of Wilsonville is confident employment development is possible in the central subarea and the City has the resources and where-with-all to deliver employment development in that area. As such, Wilsonville City Council proposed an alternative: adjust the boundary north of Tonquin Road along parcel lines between Tonquin Road and Tonquin Loop and north of the area of the central subarea and maintain employment land use designations.

Finally, the feasibility study was presented to the Tualatin City Council at their July 24, 2017 Work Session. Wilsonville staff and KPFF explained the entire study and its findings, answered questions, and participated in a discussion amongst the City Council. The Wilsonville presentation was followed by one from OTAK on behalf of the property owners desiring the central subarea to be concept planned for residential use.



CITY OF WILSONVILLE

Basalt Creek Concept Plan - Feasibility Study

JUNE 30, 2017

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Intent

The Basalt Creek Concept Plan Existing Conditions report was prepared in 2014 to look at future development of the 847 acres between the City of Wilsonville and City of Tualatin as part of the Urban Growth Boundary (UGB) inclusion process. In that report, potential land uses were identified for the region based on economic factors, land use compatibility, and projected growth (see Figure 1). The intent of this feasibility study is to take a further look at approximately 60 acres within the Basalt Creek Concept area to evaluate the potential to develop these properties to support increased employment opportunities in the region. This subarea's potential development is important because of its central location in the planning area and on the main intersection of the Basalt Creek Parkway in the future business district.

Uses beyond employment opportunities are not part of this feasibility study. Given the long history of planning and regional infrastructure investments for the Basalt Creek Planning Area as a regional employment area, this study was commissioned to ascertain whether the policy objective of employment uses is achievable in this subarea. Only if this investigation determines employment uses not to be feasible on this site will this analysis then consider feasibility of other land uses.

To evaluate employment opportunities for this site, three schemes have been developed in this feasibility study. The schemes have varying degrees of development to preserve open space and natural habitats on the site. The schemes are:

Scheme A – maintains all of the open area in the northern portion of the site and development is primarily on the southern portion of the site (below the PGE easement)

Scheme B – maintains some open space in the northeast corner of the site but develops more of the site than Scheme A

Scheme C – fully develops the site to the maximum extent feasible and has the least amount of open space

Various building prototypes are used in the schemes from general office buildings to industrial/warehouse facilities. These prototypes are based on local buildings and provide guidance on building footprint sizes and parking counts. Architectural renderings have been developed for 3 building prototypes to provide a graphical representation on how these buildings may fit the overall look and feel of the study area.

Site Overview

KPFF is studying in detail a portion of the Basalt Creek area that is approximately 60 acres in size and located east of Grahams Ferry Road, south of Helenius Road, west of Basalt Creek, and near the intersection of Grahams Ferry Road and Tonquin Road. The current use of the site is agriculture with single family homes and forested area near the creek. To the south is the Chick-A-Dee nursery and to the north of the site there is an open parcel of land and then residential housing. The site is comprised of 9 tax lots varying in size from 1.46 acres to 11.68 acres.

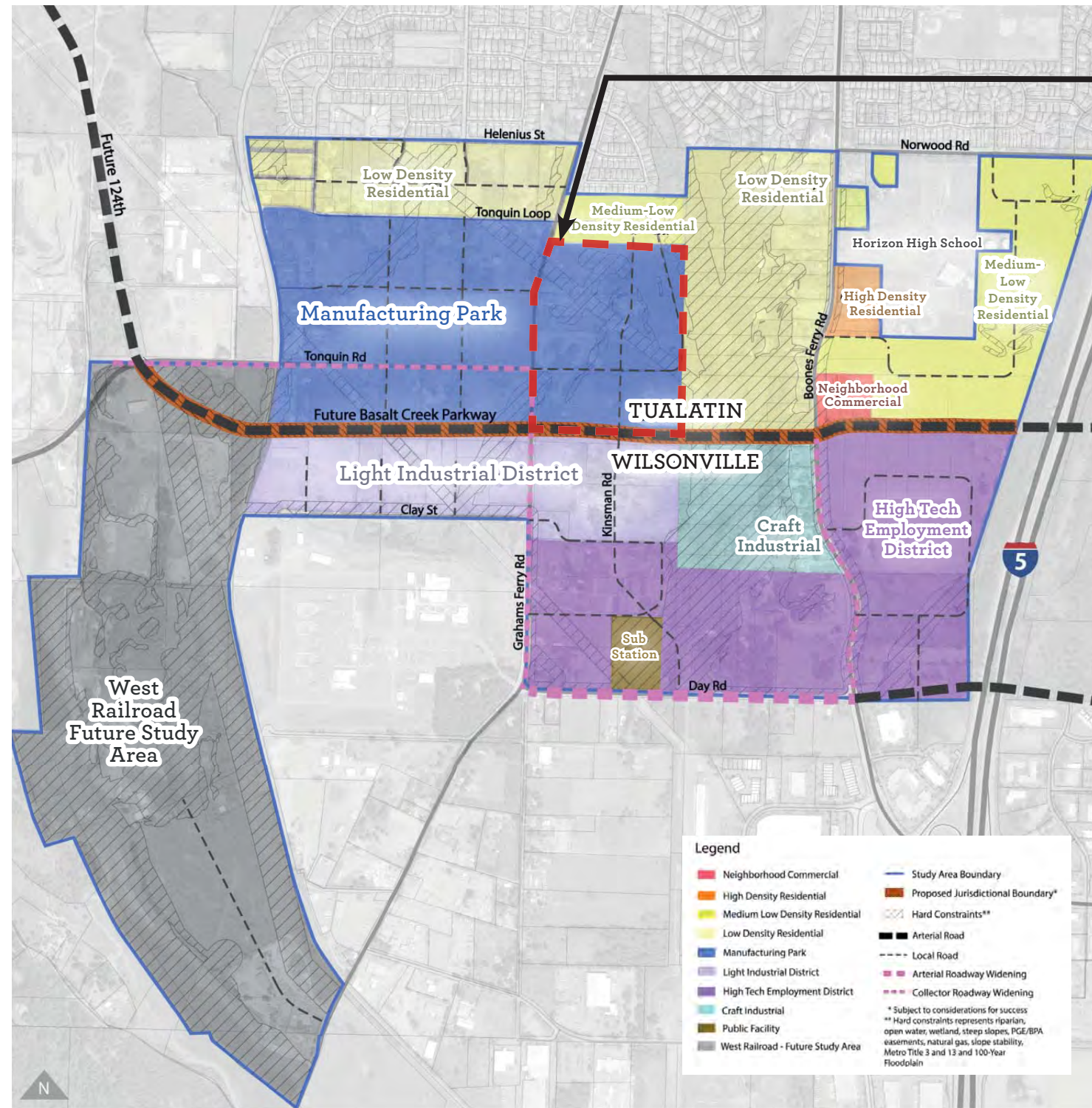


Figure 1 - Preferred Basalt Creek Land Use Concept Map (October 2016)

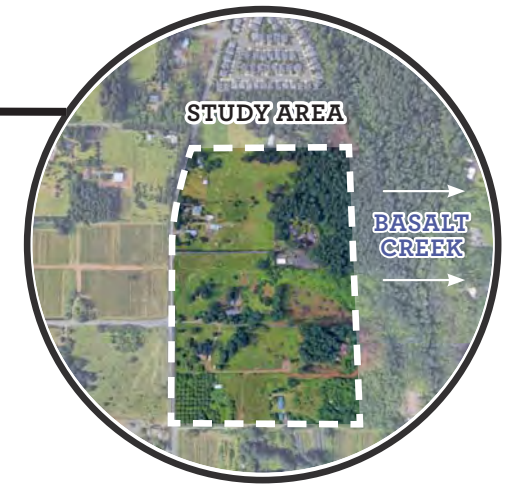
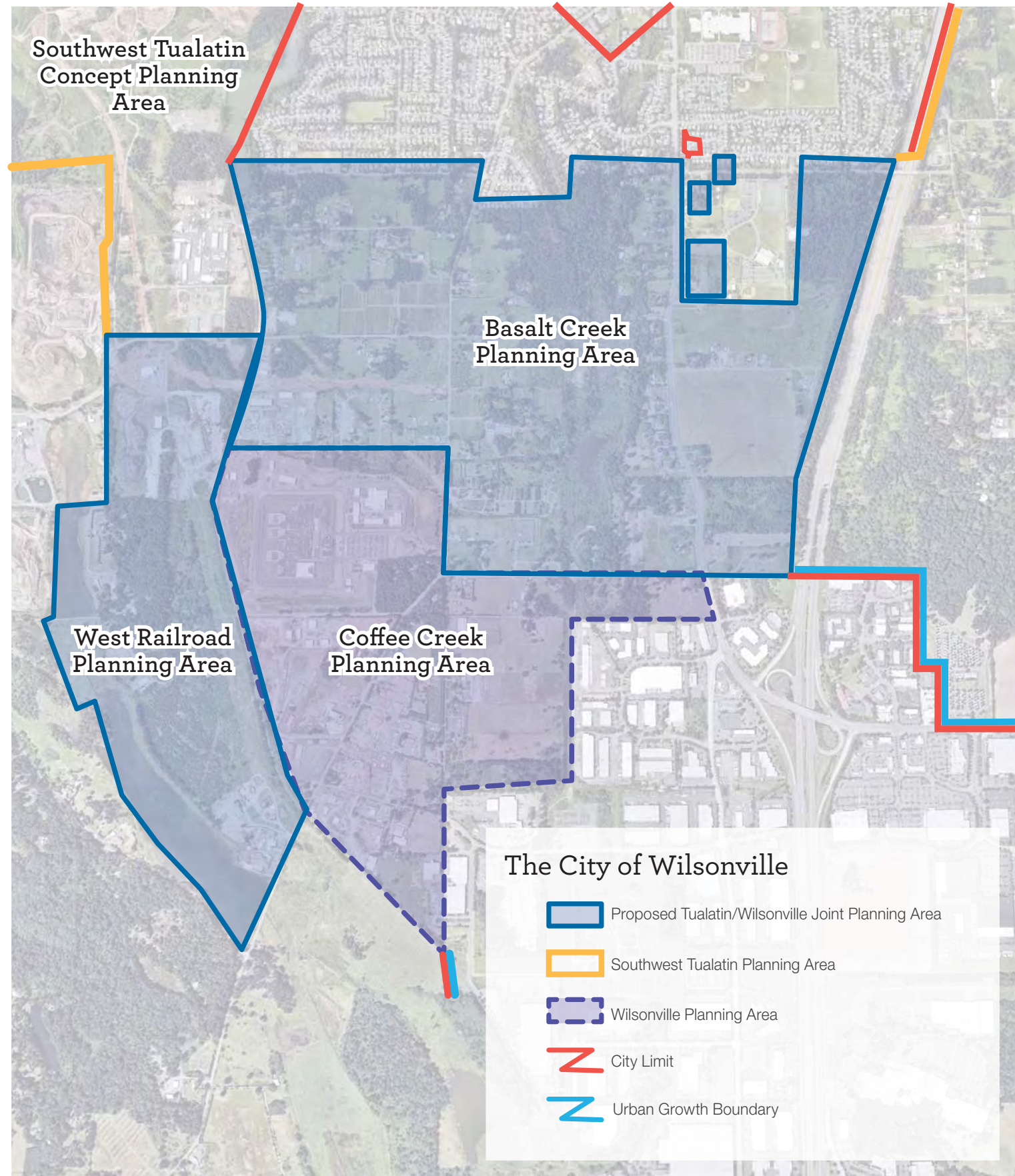


Figure 2 - Study Area



Aerial of the Planning Area



Site Photos

Design Standards

ZONING

The site is currently zoned FD-20 per Washington County. FD-20 covers land added to the Urban Growth Boundary after 1998. This feasibility study is based on the assumption that the building prototypes indicated in the schemes are allowed uses.

BUILDING SETBACK

Building setbacks used to locate the structures on-site are based on a comparison of Washington County, City of Wilsonville and City of Tualatin zoning standards. The building setbacks are 30 feet from lot lines or right-of-way lines. This setback is for the building location only and parking is indicated in the setback.

SITE ACCESS

On-site parking is a key component of an industrial and manufacturing area to promote employee access and commuting. The Basalt Creek area has freeway access to I-5, Hwy 99W, Hwy 217 and I-205. The primary mode of transportation to the site is assumed to be single occupancy vehicles. Construction is currently ongoing to improve SW 124th Ave to provide a freight route and east/west connection through the site from I-5 to Tualatin Sherwood Road. This work includes the expansion of Grahams Ferry Road south of Tonquin Road from a 2-lane rural road to a major collector. The current roadway width is approximately 24 feet with an existing right-of-way that varies from 74 feet south of Tonquin Road to 40 feet north of Tonquin Road. With the SW 124th Ave extension, the ROW is being increased to 74 feet to approximately 225 feet north of the intersection. This is where the 3-lane roadway section finishes its taper to match back into the 2-lane road. Parcels north of the taper will require additional ROW dedication when Grahams Ferry Road improvements continue to the north or when these properties go in for development. The additional ROW dedication that will be required is approximately 17.5 feet along the frontage. Figures 3 and 4 indicate the lots that will be impacted by the additional ROW dedication and the typical street section from Washington County for a collector roadway.

Per Washington County, the future Basalt Creek Parkway along the southern frontage of the study area will be an arterial and will have access restrictions for new driveways. To accommodate this, the schemes have all assumed that access from Basalt Creek Parkway to the site is not feasible and no driveway entrances are shown here.

Public roadways within the site are assumed to have a pavement width of 50 feet and a right-of-way dedication of 64 feet. The City of Wilsonville standard may vary from this but Washington County standards have been used to establish roadway widths in the concept plans as shown in Figure 5. Private access drives for parking lots and buildings are a minimum of 20 feet wide and truck circulation paths around the buildings are 50 feet wide. Loading docks and storage areas are shown to be 50-100 feet wide to allow semi-truck parking and access around the loading bays. At the terminus of the public roadways, either a hammer head or cul-de-sac are provided to allow for fire truck turn-around. These locations are indicated on the concept plans.

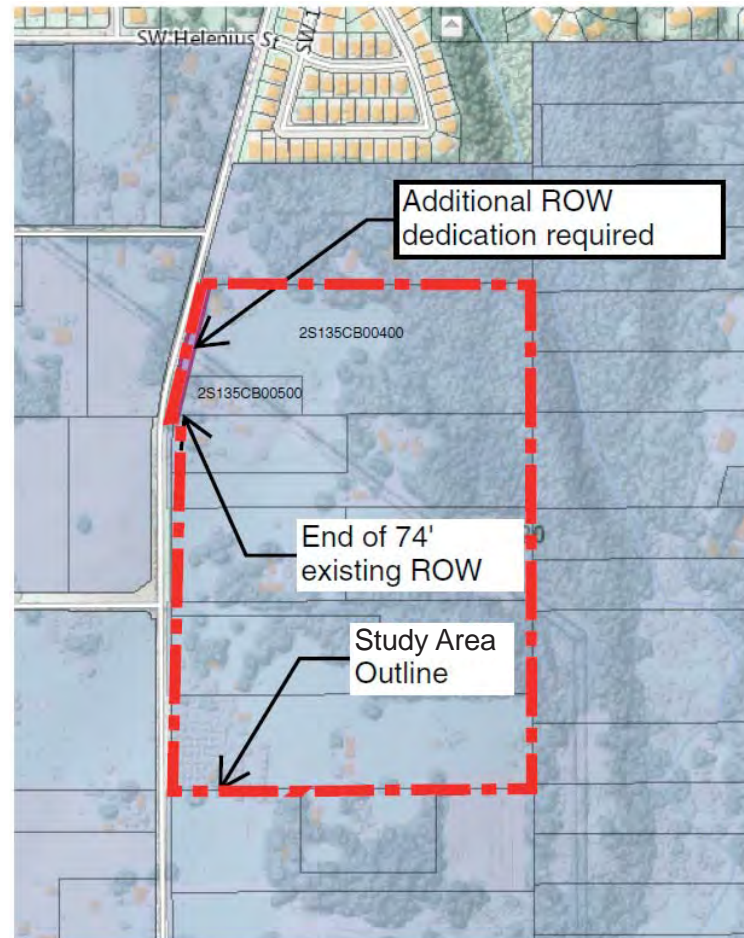


Figure 3 - Additional ROW Dedication Required

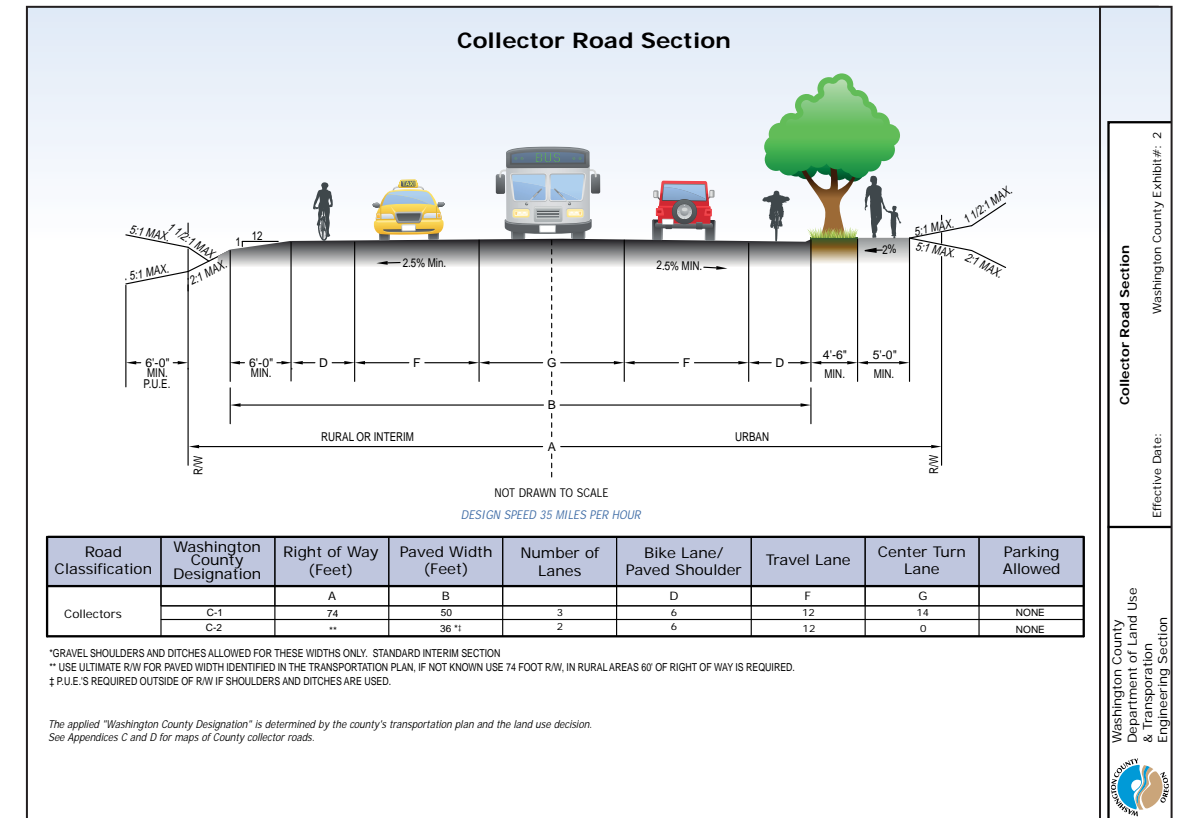


Figure 4 - Washington County Standard Street Section for Collector Roadway

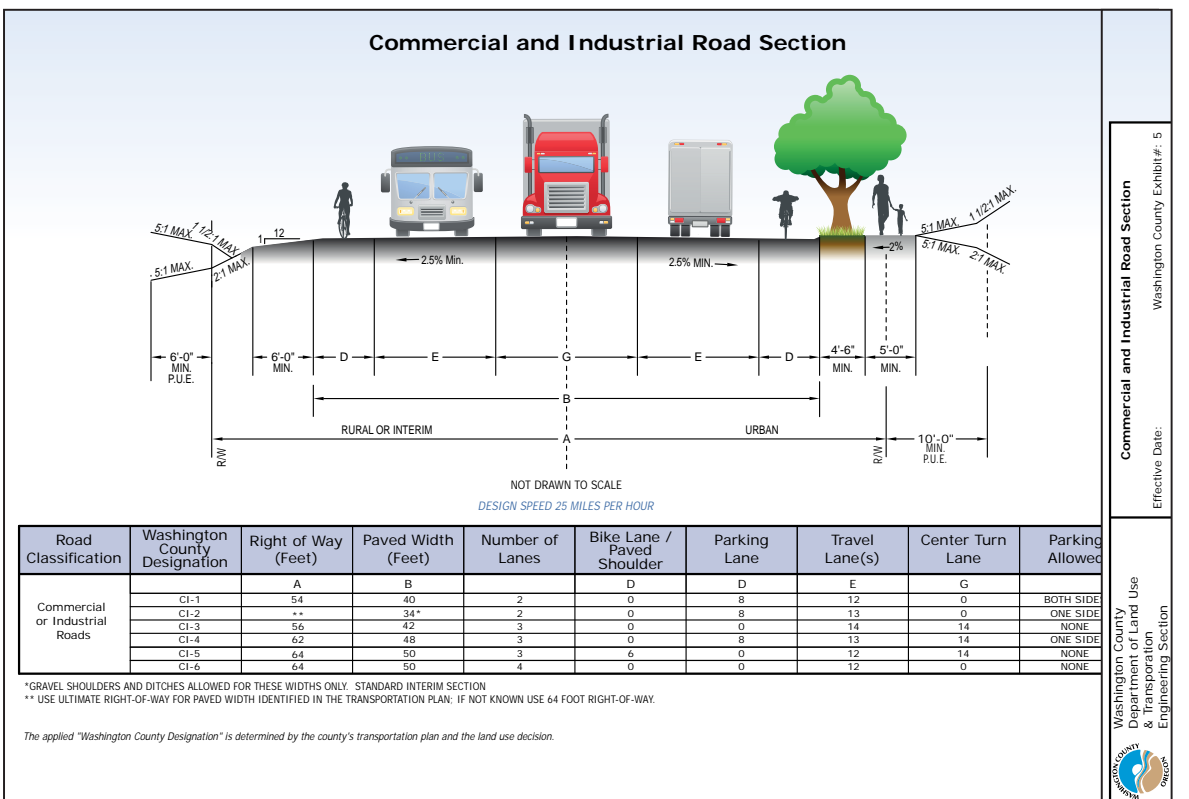


Figure 5 - Commercial and Industrial Road Selection

Parking Requirements

To accommodate the vehicles accessing the site, on-site parking will be required. Based on the City of Wilsonville's zoning code section 4.155 Table 5 and City of Tualatin Community Development Code Section 73.370, the following parking standards are used for the concept plans. The assumption is that larger building footprints shown in the concept plans are manufacturing type facilities and will require less parking and more loading dock/storage space. The office building prototypes will be more general office and medical/dental type of facilities. For these 3 stalls per 1,000 gsf and 4 stalls per 1,000 gsf are used respectively. For the manufacturing type of facilities 1.6 stalls per 1,000 gsf has been used.

	Parking Requirement	Notes
City of Wilsonville and City of Tualatin	1.6 per 1000 sf	Per City of Wilsonville Zoning Code section 4.155, Table 5 for manufacturing establishment and City of Tualatin Development code section 73.370 for industrial manufacturing facility
	2.7 stalls per 1000 sf (min) and 4.1 stalls per 1000 sf (max) 3.9 stalls per 1000 sf (min) and 5.9 stalls per 1000 sf (max)	First requirement is based on other commercial use (not medical/dental) and the second parking requirements are based on medical and dental use, per City of Wilsonville section 4.155, Table 5 and City of Tualatin Development Code Section 73.370.

Table 1 - Parking Requirements

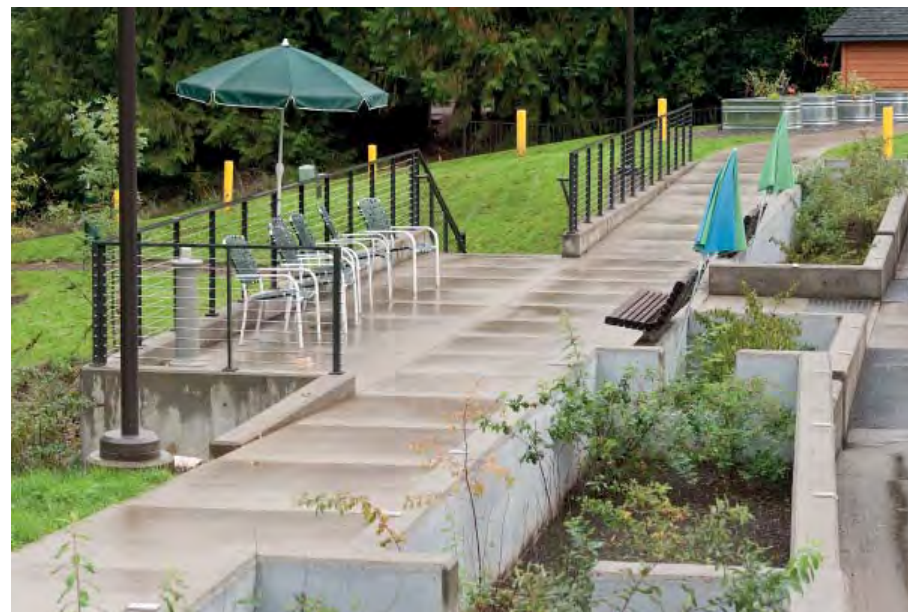
Utilities

STORMWATER

The Basalt Creek Concept Plan and follow-up studies by CH2M indicate that a regional stormwater management facility is not being evaluated for the site and drainage will need to be handled on an individual development basis. The concept plans represent these two options. One scheme indicates some regional stormwater management ponds that can be used to serve portions of the site while the other schemes assume that stormwater will be treated and detained on an individual development basis. The individual lot systems are not shown on the concept schemes but the systems could be combined with the open space indicated to enhance the natural area while meeting the standards. For smaller lots, subsurface systems may need to be considered due to the limited open area on these properties. Low impact development concepts should be considered in the design since they provide an aesthetic and functional benefit.

Based on the existing studies, drainage from a portion of the site can be conveyed north to the City of Tualatin public system and the remainder will flow to Wilsonville. The City of Tualatin has 12-inch storm drain lines that discharge to Basalt Creek. The City of Wilsonville has storm drain lines to the south that discharge to the Willamette River via the Coffee Creek Basin. New storm drain lines are being installed in Grahams Ferry Road as part of the 124th Ave Extension work per the Washington County construction drawings. These lines are 12-inch and 15-inch pipe which collects the roadway section between Basalt Creek Parkway and north of Tonquin Road. The drainage is collected using catch basins and conveyed to a water quality swale at the intersection of Tonquin Road and Grahams Ferry Road to treat the run-off as shown in Figure 6. A 24-inch and 15-inch culvert are being installed along the feasibility study area in tax lots 2S135CC00600 and 2S135CC00800 to collect roadway run-off in this area as the road is sloping towards the site. These culverts cross under Grahams Ferry Road and discharge to the new water quality facility. With the proposed development in this area, these culverts may need to be revised if the grades are modified at the culvert inlets.

The soil types in the area are silty loam and well drained at the surface. This would indicate that infiltration is a feasible option for disposing of storm drainage and would reduce the amount of run-off leaving the project site. The site is not located in a FEMA floodplain.



Wilsonville Creekside Woods Swales

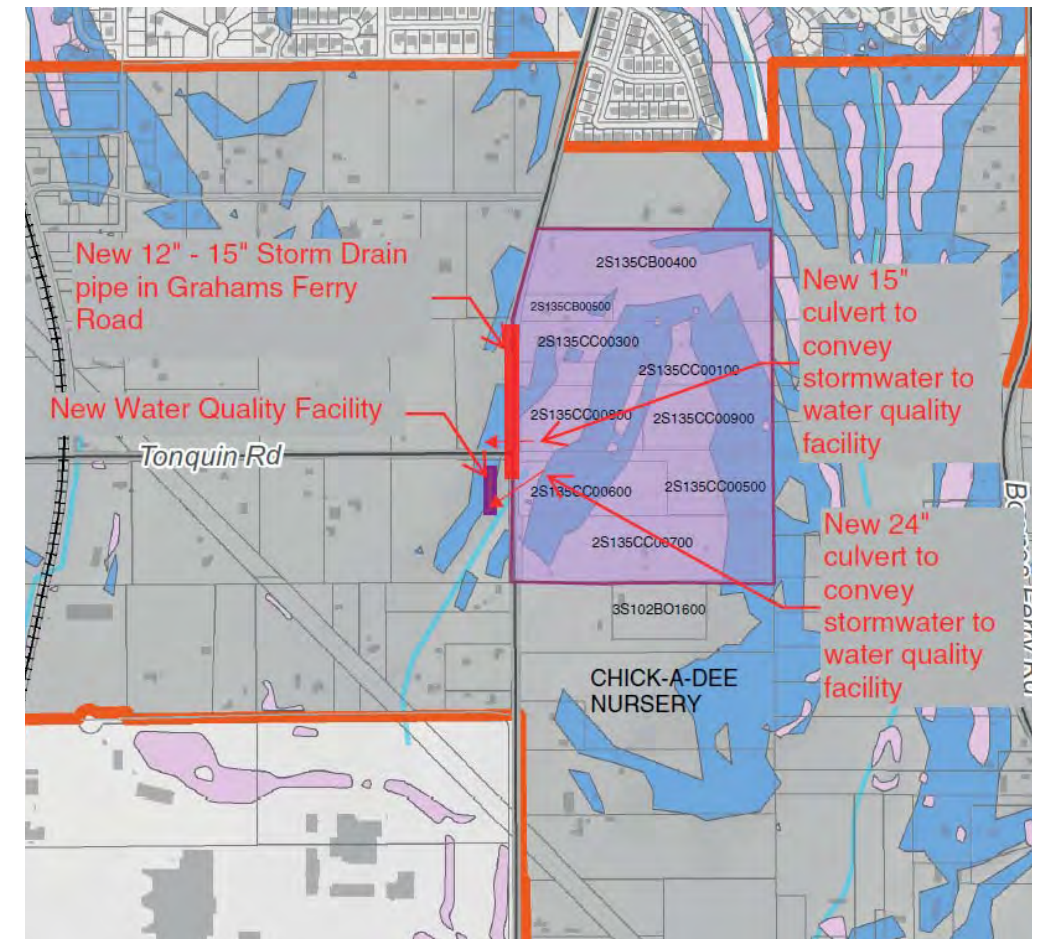


Figure 6 - Storm Drainage

Utilities

WATER

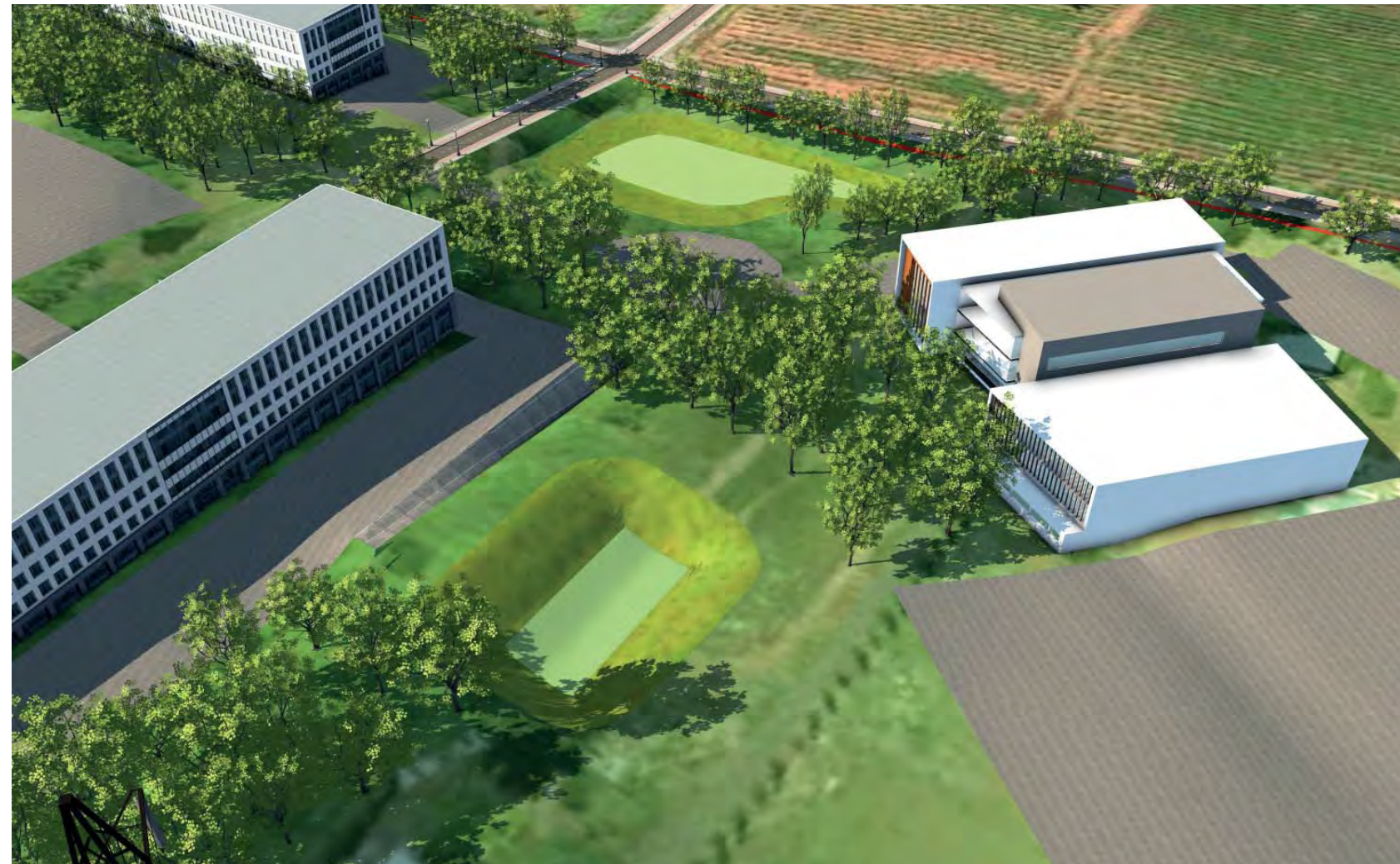
Currently there is no water service to the site, but the CH2M utility study in 2016 indicated that water can be provided to the site either from the City of Tualatin or the City of Wilsonville. The City of Wilsonville gets their water from City of Wilsonville (Willamette River Water Treatment Plant). The current capacity in the plant is 15 MGD but it can be increased to 70 MGD. The City of Wilsonville water study for the region accounted for 0.75 MGD of water being required for industrial use. The increased water demand for the proposed schemes can be served by the planned improvements in the area. The utility layout for each scheme assumes that water lines are installed in Grahams Ferry Road and these lines are sized for the capacity of the proposed development. The water line installed in the future Basalt Creek Parkway will provide a looped system in the area but the study area will not connect to this line. Water lines will be installed within the public roadway shown on the schemes.

SEWER

There is currently no sewer service to the site but sanitary sewer service connections are available to the north via the City of Tualatin or to the south via the City of Wilsonville. The City of Tualatin sewer lines are conveyed to the CWS Durham Treatment Plant for treatment and the lines are managed by CWS. The City of Wilsonville has a treatment plant south of the site and most flows from the study area can gravity flow to the Wilsonville treatment plant. To connect to the CWS and Tualatin system in the north, a lift station will be required near the intersection of Grahams Ferry Road and Day Road. This will pump the sewage to the existing main at Grahams Ferry Road and Helenius Street.

Assuming the Grahams Ferry Road pipes are sized to accommodate the proposed development, sewer service is available to the site. Public sewer lines will be installed within the public roadway sections shown on the schemes. Due to the uncertainty regarding utility lines being installed in the future Basalt Creek Parkway and ability to connect; the sewer connections for the study area are shown to Grahams Ferry Road only and no connections are shown to the future Basalt Creek Parkway.

Water reuse strategies should be considered for manufacturing and industrial facilities. These facilities often use a large quantity of water for functions such as cooling towers, air handling units, or process water. This water could be recirculated on-site for non-potable use or a closed loop system could be designed to both help reduce the amount of water required and the sewage flow from the property.



Scheme B Stormwater Pond

Site Factors

ENVIRONMENTAL

The Basalt Creek planning area primarily contains agriculture and undeveloped forest land. Basalt Creek runs along the eastern edge of the site and there are multiple wetlands and riparian corridors within the site based on the RLIS data provided by the City of Wilsonville and the Basalt Creek Concept Plan Existing Conditions Report. The Land Suitability Study completed in 2015 indicates that the tax lots within the project site are modestly constrained for development since these are medium sized lots that are mostly vacant or undeveloped (see Figure 7). The Environmental Constraints Exhibit (Figure 8) in this report indicates the site constraints that will impact the developable area. Per documentation from PGE, restrictions within their easement include the construction of any permanent feature such as a building, planting trees or heavy vegetation that may impact the clear height to the poles, constructing permanent obstructions that may impact their maintenance access, and extensive grading. Parking lots, roads and low height vegetation are allowable uses within the easement.

The Site Constraints table summarizes the setbacks associated with the environmental constraints and lists the implications to the developable area using Clean Water Services standards. The City of Wilsonville standards may vary from these, and some of the environmental constraints noted can be mitigated through the use of mitigation banks or mitigation at other locations. Washington County indicated for the 124th Ave extension work, mitigation for wetland impacts was done by purchasing credits for the Mud Slough Mitigation Bank.

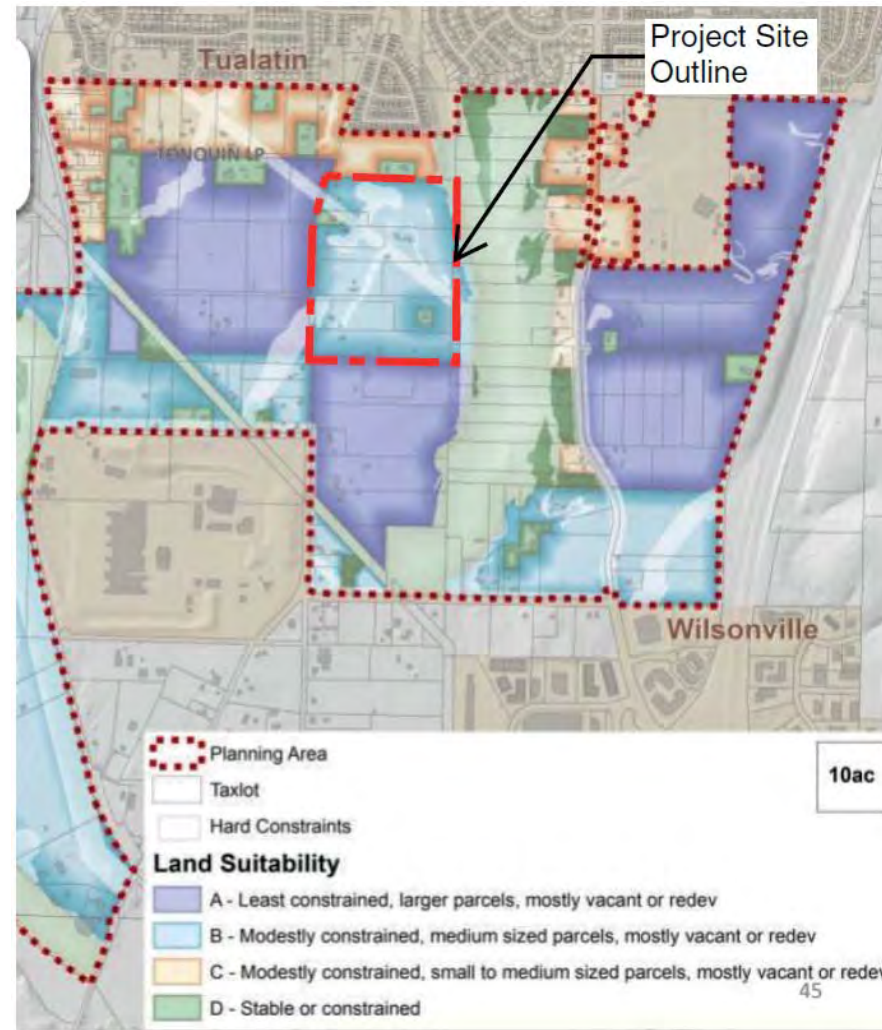


Figure 7

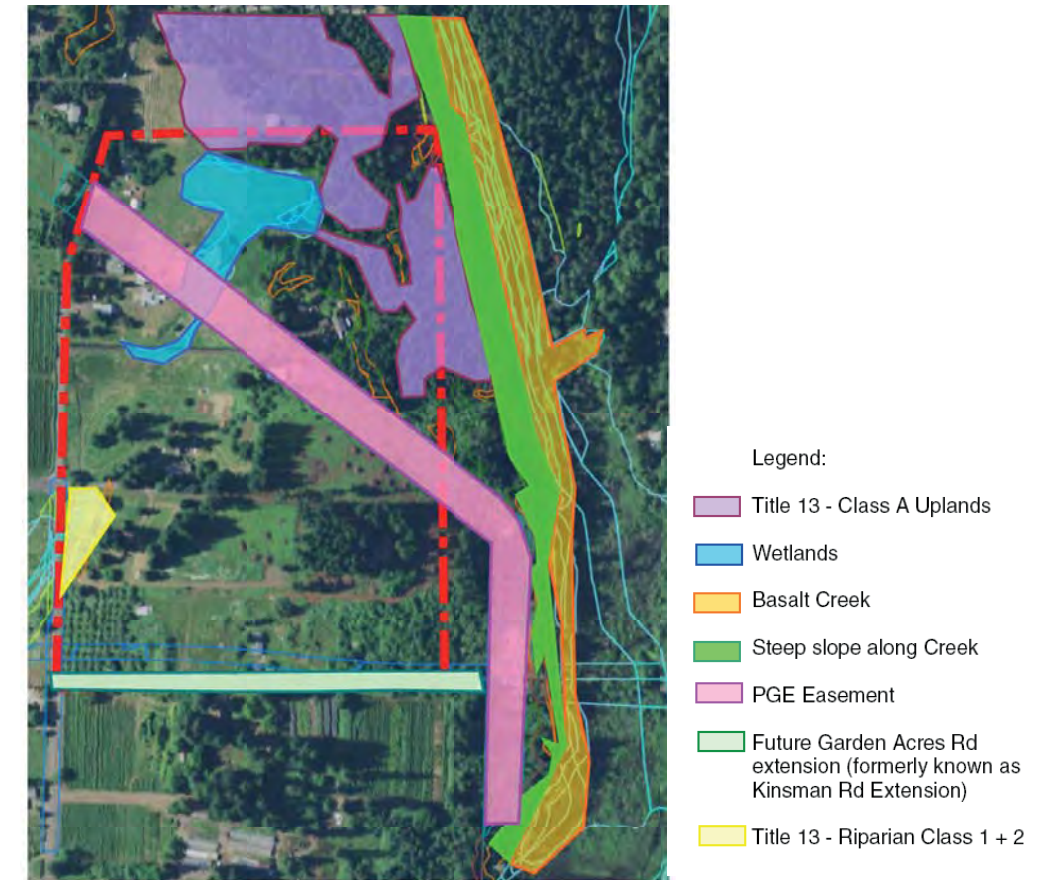


Figure 8

Constraint	Description	Setbacks*	Development Limitations
Title 13 – Class A Upland	Area defined as high value for wildlife habitat		Can do routine maintenance and repair of structures within this zone as long as the upland area is maintained. Design to incorporate minimum impact.
Title 13 – Riparian Class 1 and 2	Supports 1-3 riparian functions	100'	
Basalt Creek	Perennial Creek	50' (per CWS Table 3.1)	
Wetlands	Wetland	50' (per CWS table 3.1)	
Steep slope	Slopes greater than 25%	The vegetated corridor will extend 35' beyond the break in slope along the creek	Steep slopes are considered unstable and not desirable for development.
PGE Easement	Overhead transmission lines	125' easement	PGE has limitations for use within the ROW including tree locations and permanent structures to allow maintenance of the lines.
Future Roadway Extension	Future Basalt Creek Parkway	90' ROW	Per Washington County TSP Figure 3.10 this is a 4-5 lane arterial.

Table 2 - Site Constraints

* - Vegetated corridors within CWS are measured from edge of the sensitive area and are for each side of the corridor.

Site Constraints

ELEVATIONS AND ROCK EXCAVATION

The project site is currently relatively flat in the southern and northwestern region but has slopes towards the middle and east that are in the 15-25% range. Adjacent to Basalt Creek, the slopes are above 25%. The site slope map (Figure 10) indicates the approximate slopes on the site based on GIS data provided by the City. The steeper slopes can cause challenges for development due to additional cut and fill earthwork that is required to create a level building pad and site. Industrial facilities typically require large, flat areas for the building pad and adjacent storage and loading/unloading zone. As a result, in the schemes the industrial facilities have been set in the flatter portions of the site and alternative building types have been shown in the steeper sections such as office space. Office buildings are more conducive to split elevations and access at varying levels to accommodate grade. Parking lots can also be used in the sloped portions of the site with retaining walls to create level parking areas. Concept grading schemes have been developed for each of the three schemes to show potential finished floor elevations.

The geotechnical report by GRI dated March 19, 2015 and the CH2M study of this area indicate that rock excavation can be expected in the eastern portion of the site. Moving further west from Basalt Creek and towards Graham Ferry Road, the amount of rock expected to be encountered with construction decreases. The rock in the area is basalt per GRI's findings and it is decomposed rock that is soft to very soft. However, the boring equipment did experience drill chatter while excavating the 2 deep boring holes within the feasibility limits, suggesting the rock does provide resistance to excavation and may require heavier construction equipment to remove or blasting. Based on Figure 9 and the studies completed in 2015, the majority of the proposed development area is located in the lowest concentration of rock excavation. Developers may encounter some rock with deeper excavations during construction but this could be addressed by raising finished grade here to reduce the amount of excavation required. Based on the previous studies completed, grading and site preparation will require some attention in the proposed development area but are not as large of a concern as in some other portions of the Basalt Creek planning area.

Per the SW 124th Ave Extension plans, the intersection of SW Grahams Ferry Road and Tonquin Road will be raised approximately 9 feet from existing grade. To match existing grade on the east side of the roadway (along the project site frontage) a cut/fill slope will extend approximately 20 feet into the site. Per Washington County, the slope easement is a permanent easement. However, if the project development raises grade to match the roadway grade in this area, then the easement can be removed and this land is available for development. The slope easement is shown on the concept site plans for reference.

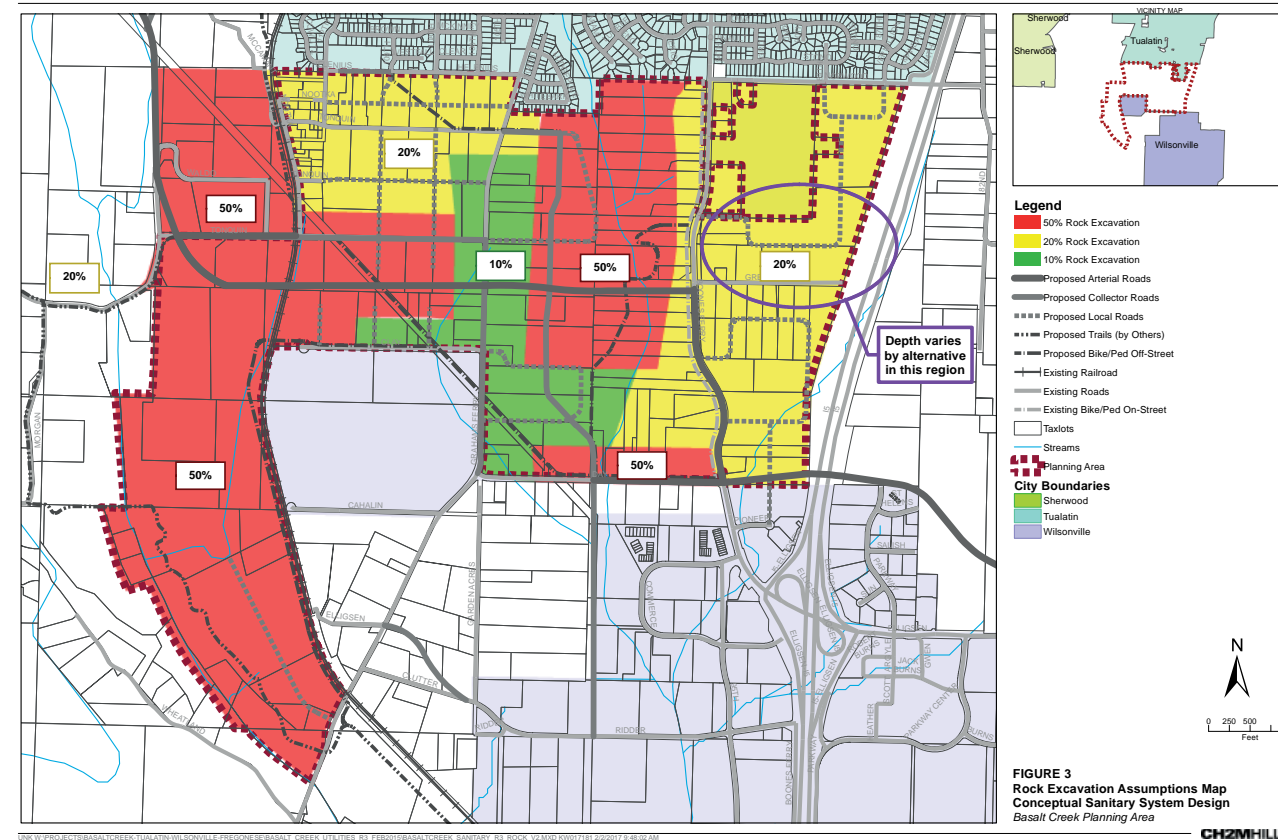


Figure 9 - Rock Map by CH2M

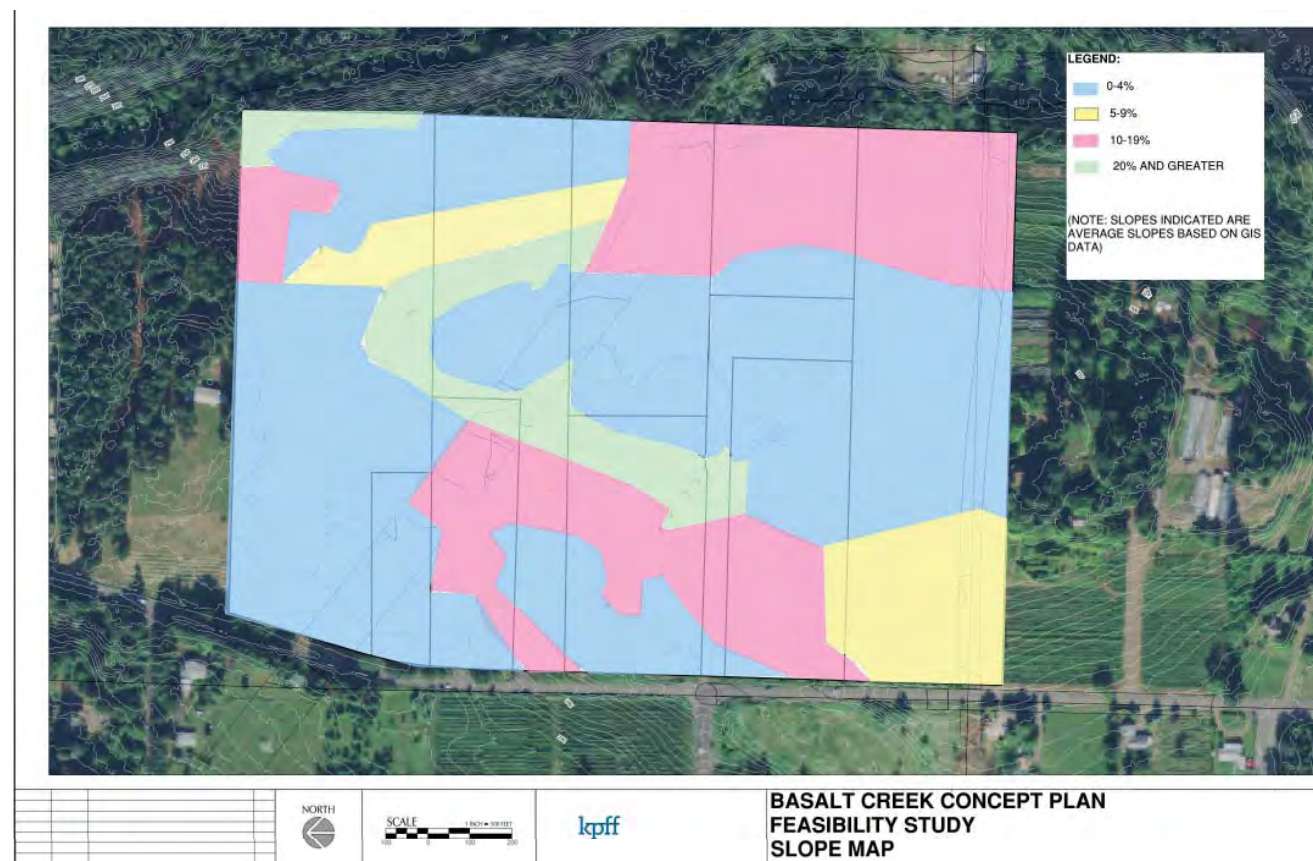
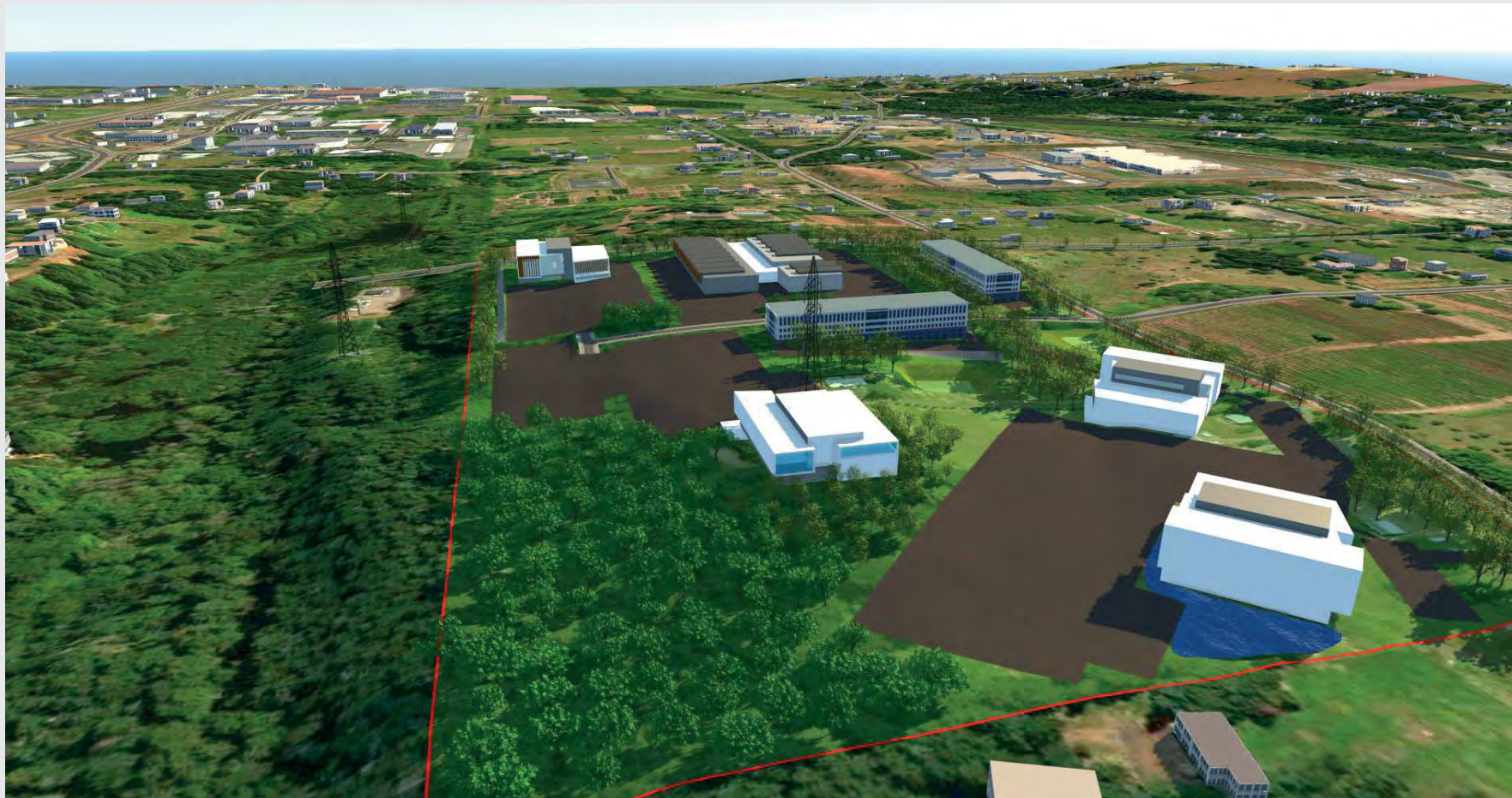


Figure 10 - Slope Map

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Schemes

Building Prototypes

The building sizes and footprints shown in the concept plans are based on the following building prototypes. These prototypes were chosen based on their location in the local area (so they are representative of local facilities), variation in footprint size, and to provide a variety of building uses. The table to the right corresponds to the letters on the concept plans and in the renderings:

The craft industrial footprint (E1-E4) used in the concept schemes represents a block footprint that can fit within the space available. This footprint, however, can be modified to accommodate smaller buildings to serve more craft industrial type of services such as breweries, pottery or metal works, craft making, or others. Some images for these types of buildings are included to provide a reference for what other footprints may be used to develop the area.

Building Designation	Building Type	General Description	Approx GSF	Similar facility type
A	Office and industrial mixed use	This is the largest of the building footprints and is a combination of office space in the front and manufacturing/industrial in the back.	215,800	Fujimi Corporation
B	Office	Office building (assumed to be 3 stories for the parking count)	120,000	Levetron Drive office building component shown in image for E1-E4 below
C	Office	Office building with a split bar so can accommodate grade changes (assumed to be 3 stories)	120,000	Providence Bridgeport
C1	Office	Office building with a split bar to accommodate grade changes. This is a slightly smaller footprint than C (200' x 100' vs 200' x 200') to fit the smaller lots (assumed to be 3 stories)	80,000	
D	Manufacturing/Industrial	This building is more of a manufacturing/industrial facility with limited office space and more loading bays and exterior storage.	90,000	Hesler Industries
E1-E4	Craft Industrial	Buildings E1-E4 are craft industrial type of facilities with limited office space and more workshop type of facilities over large manufacturing. These have vehicle access around the site and some storage area but do not require as much yard space as building D.	Varies 10,800 – 82,500	Industrial Park on Leveton Drive

Sample Building Designation

BUILDING DESIGNATION A



Fujima Corporation

BUILDING DESIGNATION B



Caption

BUILDING DESIGNATION C AND C1



Providence Bridgeport

Sample Building Designation

BUILDING DESIGNATION D



Helsler Industries

BUILDING DESIGNATION E1-E4



Industrial Park

Sample Craft Industrial Buildings



Schmeer Sheet Metal Works (NW Vaughn St, Portland)



Bull Run Distilling (2250 NW Quimby St, Portland, OR)



Redmond Art Works (6825 176th Ave NE, Redmond, WA)

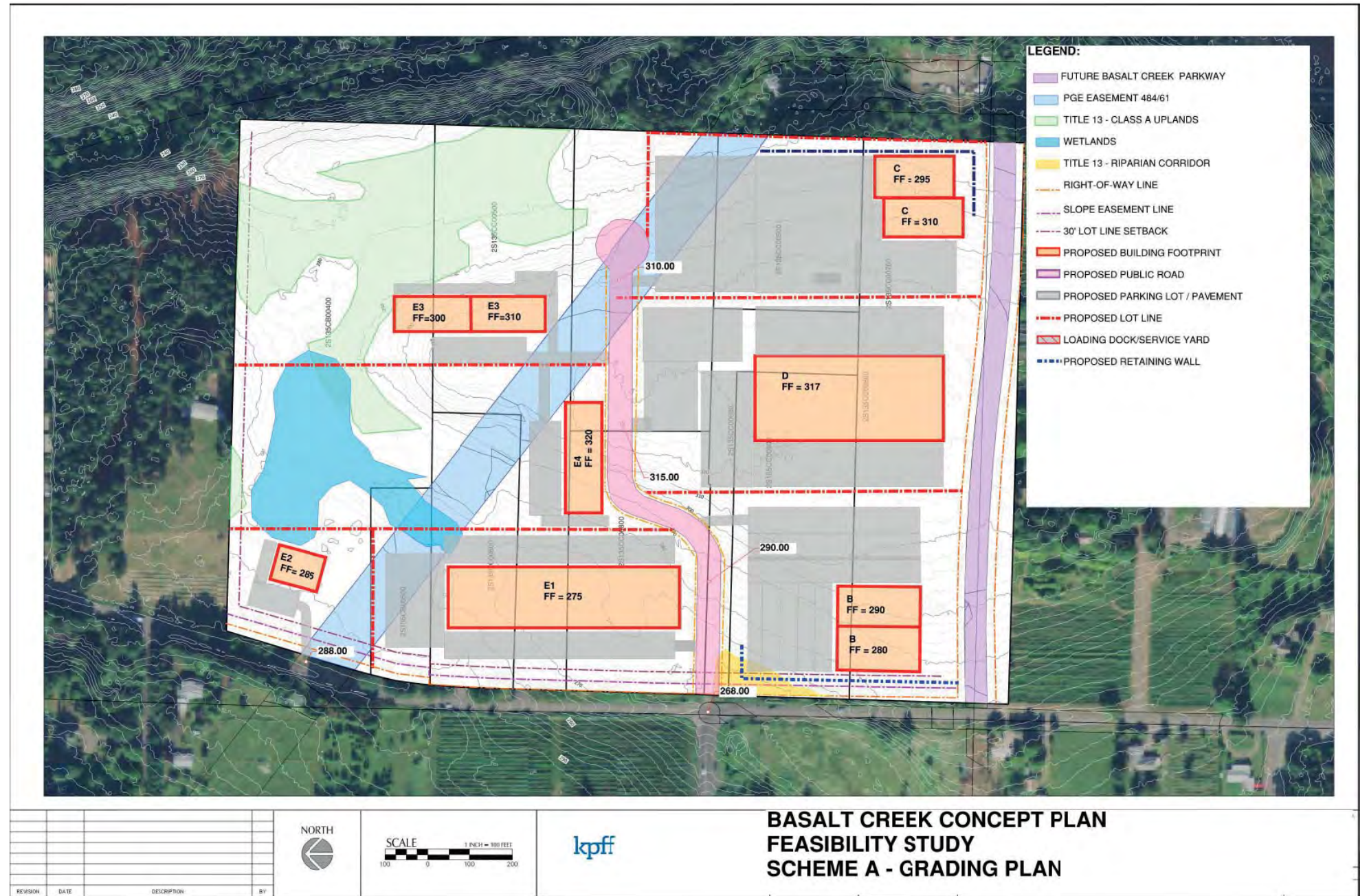
LAYOUT

Scheme A is developed to preserve as much of the open space as feasible on the north side of the site including the upland habitat and wetlands. The development is primarily focused south of the PGE easement and includes building prototypes C, D, B, and E. Building C is located on the southeast corner of the site so it is the face of the development when someone is traveling west on future Basalt Creek Parkway. From here, the site begins to accommodate more of the industrial use by locating building D on the flatter portion of the site near the future Basalt Creek Parkway and buildings E1-E4 to the west near the environmental regions and PGE power lines. The lots for buildings E3 and E4 are large to include the open space areas. At the corner of Grahams Ferry Road and future Basalt Creek Parkway, Building B is located to anchor this corner and provide office space and a visual marker. Access to the facilities is via a single public road connection at Tonquin Road. This public road is assumed to be similar to the Washington County industrial/commercial roadway section described previously. The parking lot sizes indicated are based on the assumed parking counts previously indicated for the gross square footage of development. Parking lots and loading areas can be screened in this layout with trees planted along Basalt Creek Parkway, Grahams Ferry Road and along the public roadway within the site. A secondary access point will be required off of Grahams Ferry Road for the E2 building in the northwest corner of the site. Parking for Scheme A is located close to the buildings and there is some parking in the PGE easement, but of all the schemes this has the least amount of parking in the easement.

For Scheme A the total built area is 480,000 sf, the total parking count is 1,230 stalls, and the potential open space is 14 acres.

GRADING

The finished floors indicated represent potential finished floors for the buildings taking into account existing grade and the roadway grading being completed for Grahams Ferry Road at Tonquin Road. Building B in the southwest corner will be a split building to accommodate the slopes in this region. Retaining walls will be required on the west side of this building to meet the roadway grades and the building will be sitting higher than the adjacent roadway. Buildings E1-E4 are set close to existing grade to minimize the earthwork for these structures and to maintain the existing grade at the open space areas. E3 has a split elevation in the east/west direction to accommodate the grade change north of the PGE easement where the site currently slopes down to the upland habitat area. Building D is located near the plateau area on the south side of the site where the grades are relatively flat. This allows for level areas around the building for storage yard and loading bays. Building C in the southeast corner of the site is designed to accommodate the grade change here as the site begins to slope into Basalt Creek. The existing grade change in this area is 40 feet. The design concept shows a 15-foot grade change between the two building bays which would allow access at two different floors. Changes to grade in the parking lot will need to be accommodated by retaining walls in this option. A retaining wall will be required along the eastern property line near building C. Of the three options, Option A works the best with existing grade since improvements north of the PGE easement and east near the creek are limited.



Scheme A
Grading

Scheme A

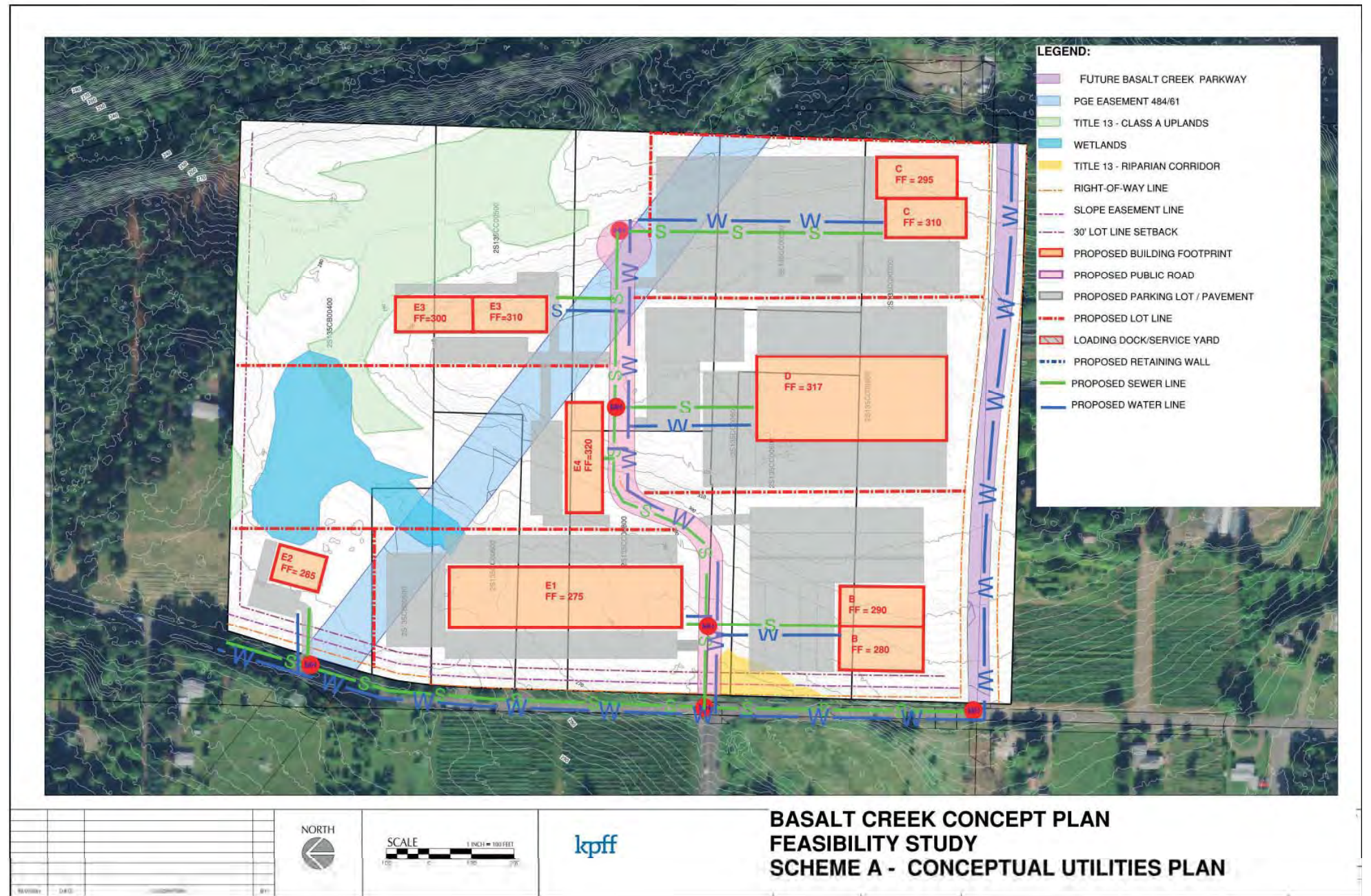


UTILITIES

Utilities for Option A will include sewer and water service to the buildings from Grahams Ferry Road and via the public roadway within the site. There is no regional storm drainage concept in this scheme and the intent is for storm drainage to be accommodated on each lot through the use of subsurface or low impact development options. Buildings E1-E4 are either adjacent to or include the open space in their lots which provides the opportunity to incorporate the drainage systems with these areas and to gravity drain down to the open space. The building grades within the site are raised from the roadway grades in Grahams Ferry Road in Scheme A, with the intent to gravity drain the sewer from the site to the public lines. Drainage for the other buildings (B, D, and C) will also be able to gravity drain to Grahams Ferry Road.

ENVIRONMENTAL IMPACTS

Scheme A of the three schemes preserves the most amount of open space and has the least impact on the existing natural resources. This option preserves both the wetland and upland habitat area on the north side. The Title 13 riparian corridor along Grahams Ferry Road is impacted under all 3 schemes and this can be mitigated similar to what the County did for work on 124th as described previously. Based on the condition of the wetland onsite, there is a potential to enhance this area to act as a transition from the development to the residential uses to the north.



Scheme A

Utilities

Scheme B

Scheme B – maintains some open space in the northeast corner of the site but develops more of the site than Scheme A



- LEGEND:**
- FUTURE BASALT CREEK PARKWAY
 - PGE EASEMENT 484/61
 - TITLE 13 - CLASS A UPLANDS
 - WETLANDS
 - TITLE 13 - RIPARIAN CORRIDOR
 - RIGHT-OF-WAY LINE
 - SLOPE EASEMENT LINE
 - 30' LOT LINE SETBACK
 - PROPOSED BUILDING FOOTPRINT
 - PROPOSED PUBLIC ROAD
 - PROPOSED PARKING LOT/PAVEMENT
 - PROPOSED LOT LINE
 - PROPOSED STORMWATER POND
 - LOADING DOCK/SERVICE YARD

AREAS:

Building area = 594,800 sf

Parking Stalls Provided = 1,753 stalls

Parking Stalls Required by Code = 1,888 stalls

Potential open space = Approx. 6.3 ac

Stormwater Ponds = 1.6 ac

DATE	DESCRIPTION	BY



BASALT CREEK CONCEPT PLAN FEASIBILITY STUDY SCHEME B - SITE PLAN

LAYOUT

Scheme B is the moderate scheme between Schemes A and C. It utilizes more of the open space for development than Scheme A but it also maintains some open space unlike Scheme C. Scheme B has a combination of office and manufacturing/warehouse space and has the largest number of office-only buildings (prototypes B and C) of all three schemes. In Scheme B, buildings E and D are located along the future Basalt Creek Parkway in the southern portion of the site. Building D is located on the flatter portion of the site, similar to Scheme A. Building E3 is located in the southwest corner of the site and both parking and vehicle access are provided around all sides of this building. Building C1 is located in the southeast corner as in Scheme A to anchor this location and to provide a visual presence for the site as drivers travel west on the future Basalt Creek Parkway. The C1 footprint was used here to reduce the parking area and to allow Building D to be located on the flatter portion of the site. The public roadway heading east from Tonquin Road intersects the site internally both north and south. To the north of this road is a smaller craft industrial building (E3) and then closer to the open space are office Buildings B and C. Building B is adjacent to the upland habitat area and the open space can be incorporated into the building layout and design. The two type-C buildings located on the northwest portion of the site will have a shared parking lot. Access to these buildings is from Grahams Ferry Road and the internal public roadway. Scheme B utilizes the PGE easement for parking more than Scheme A. Scheme B is also the only scheme that looks to incorporate regional stormwater systems into the layout. These ponds are shown near the main entrance to the site.

For Scheme B the total built area is 594,800 sf, the total parking count is 1,753 stalls, and the potential open space is 6.3 acres.

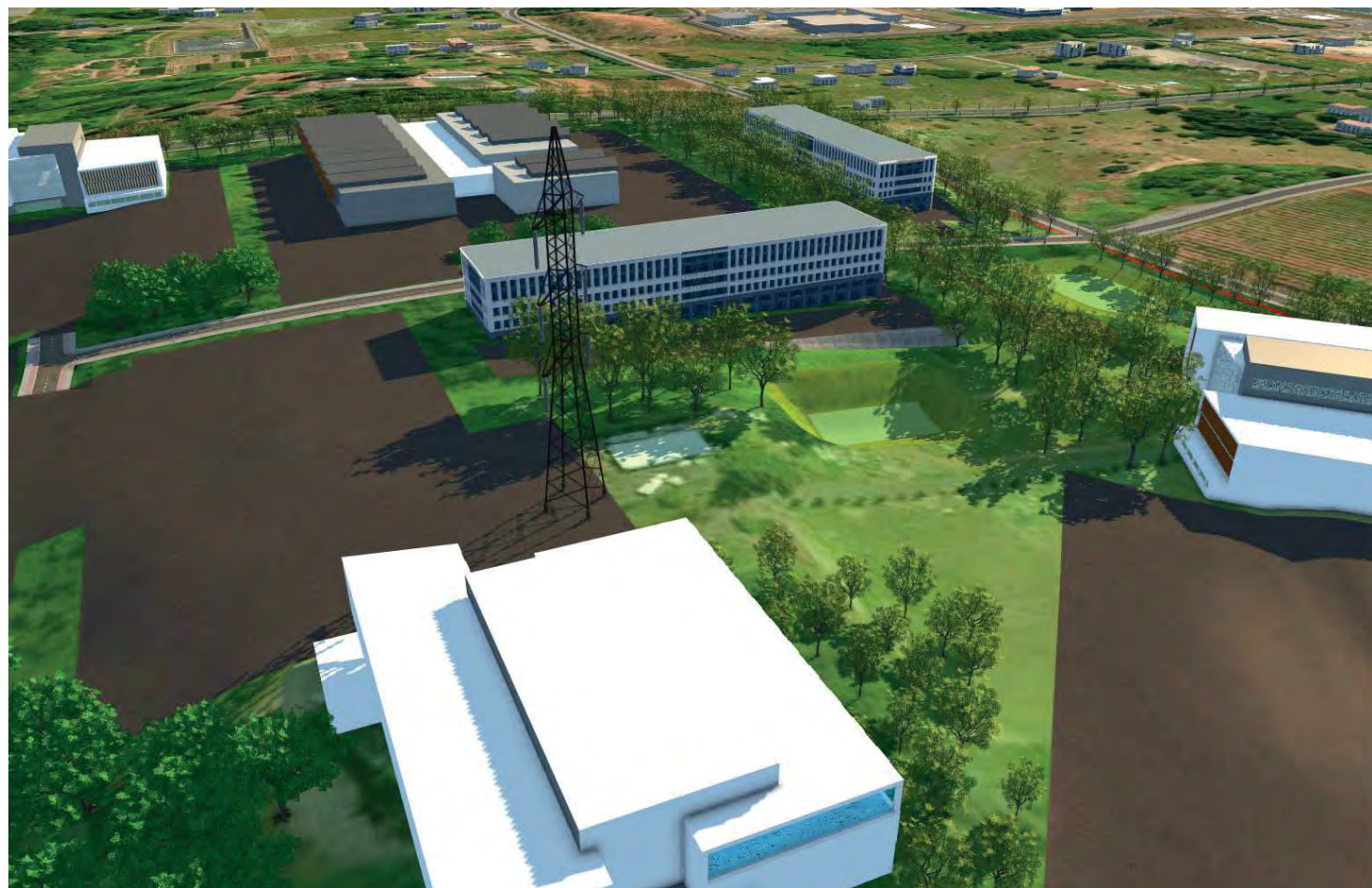
GRADING

The finished floors indicated represent potential finished floors for the buildings, taking into account existing grade and the roadway grading being completed for Grahams Ferry Road at Tonquin Road. Building E3 in the SW corner of the site will be split in elevation to accommodate the existing grade here. Retaining walls will be required along the eastern and southern side of these lots to match the roadway grades. Since building E3 will be filling in the slope easement, this easement can be removed providing more developable area between the building and Grahams Ferry Road. Buildings D and C1 are located in similar locations in Scheme A and B. Building D is located near the plateau area on the south side of the site where the grades are relatively flat. This allows for level areas around the building for storage yard and loading bays. Building C1 in the southeast corner of the site is designed to accommodate the grade change here as the site begins to slope into Basalt Creek. The grade change in building C1 is shown as 5 feet and a retaining wall will be required along the eastern property line. Retaining walls will be required in the parking lot for C1 and the adjacent building B to accommodate the slope in this area. Building B is located at the top of the slope near the upland habitat and will require some cut in this area to create a level building pad. Buildings C near the western portion of the site steps down with grade with 5- to 10-foot grade variations between the levels. This is to accommodate the existing slope in this area. Access is also provided from Grahams Ferry Road to these building which impacts the finished floor elevations.



Scheme B Grading

Scheme B

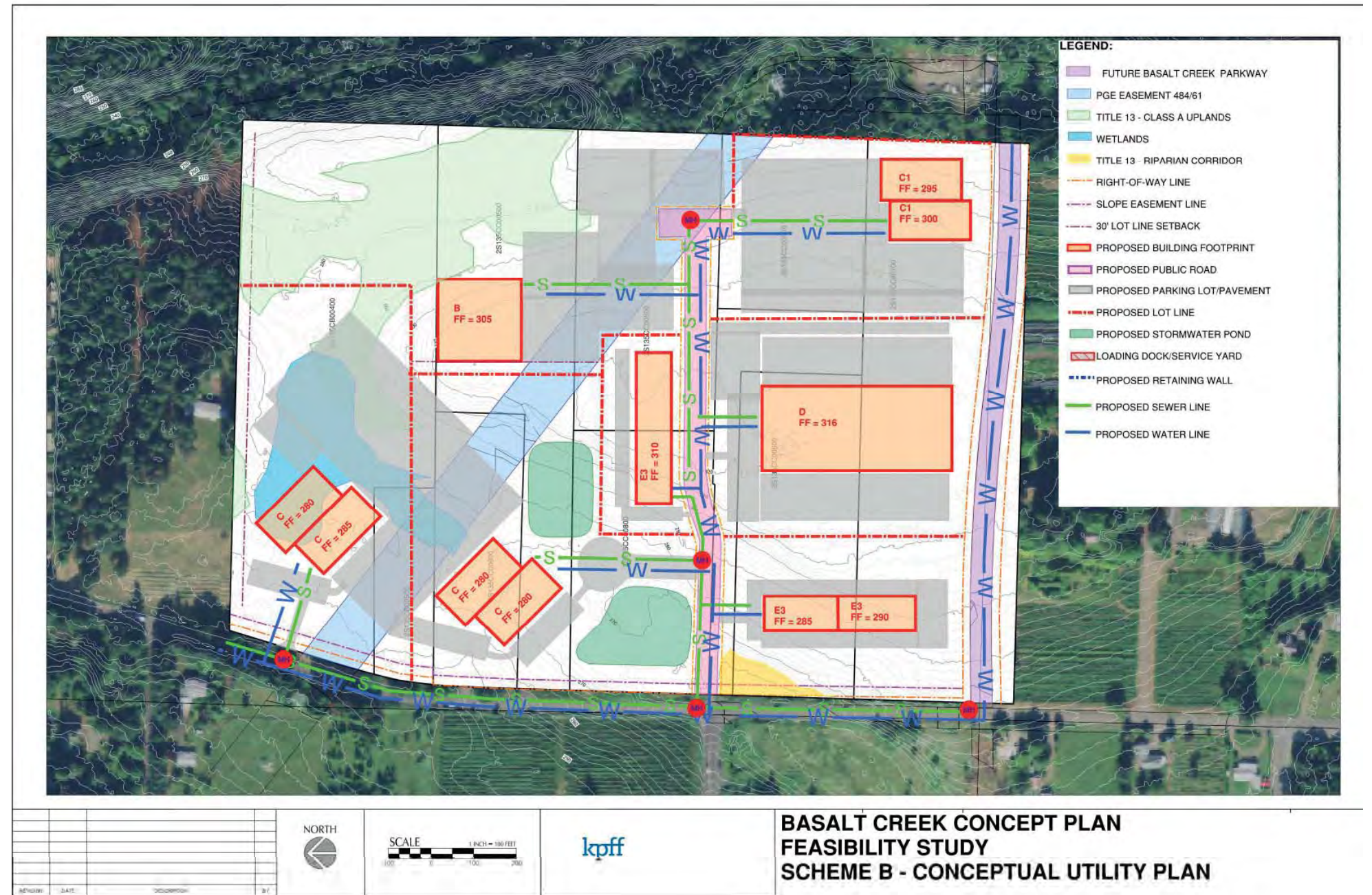


UTILITIES

Utilities for Scheme B will include sewer and water service to the buildings via the public roadway within the site and Grahams Ferry Road. There are two regional storm drainage ponds shown in this concept that provide approximately 1.6 acres for water quality treatment and detention. To accommodate the full build out of development, this will not provide enough volume and storm drainage will also need to be accommodated on each lot through the use of subsurface or low impact development options. Buildings B and C are either adjacent to or include the open space in their lots which provides the opportunity to incorporate the drainage systems with these areas. The building grades within the site are raised from the roadway grades in Grahams Ferry Road, with the intent to gravity drain the sewer and drainage from the site to the public lines.

ENVIRONMENTAL IMPACTS

Scheme B is the middle ground option for natural resource protection. The upland habitat area in the northeast corner of the site is maintained in this option but the wetland north of the PGE easement is utilized for development. The condition of this wetland will need to be evaluated as the region is developed but visual observations during the site walk of the area indicated this wetland may not be in "good" condition and could be mitigated elsewhere. By utilizing the wetland area it allows the northwest portion of the site to be developed more than in Scheme A providing more building square footage and employment opportunities.



Scheme B
Utilities

Scheme C

Scheme C – fully develops the site to the maximum extent feasible and has the least amount of open space



	NORTH 	SCALE 1 INCH = 100 FEET 		BASALT CREEK CONCEPT PLAN FEASIBILITY STUDY SCHEME C - SITE PLAN
REVISION	DATE	DESCRIPTION	BY	

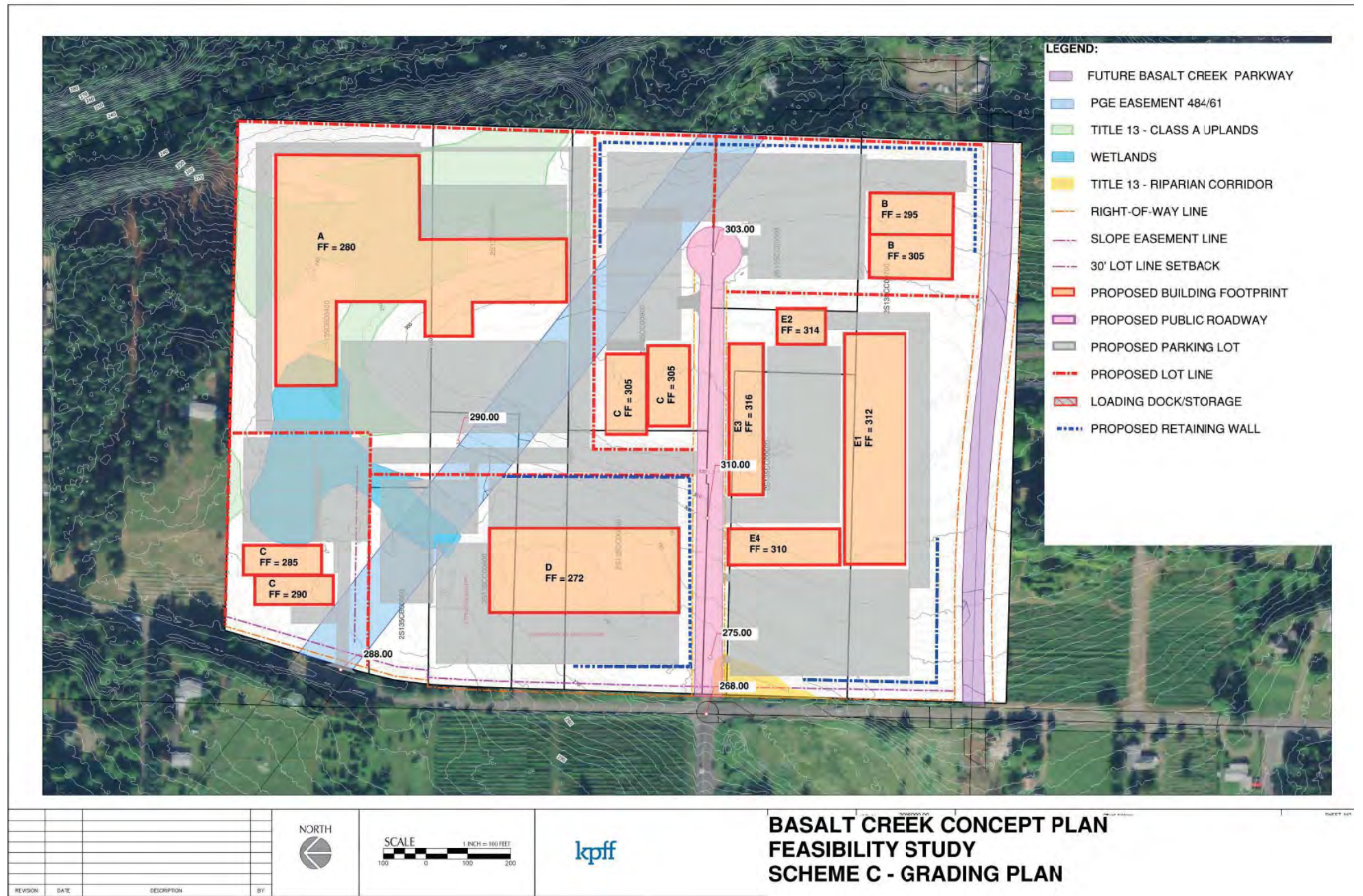
LAYOUT

Scheme C utilizes the most amount of area on the site for development and preserves the least amount of open space of the three schemes. In Scheme C, buildings E1 – E4 are located along the southern portion of the site and have a combined courtyard area to allow for storage, utility yards and other uses that can be screened from the public. Parking for these buildings is combined and located in a lot at the southwest corner of the site. In the southeast corner of the site is Building B. Building B is located further away from the Basalt Creek steep slope in this scheme so it can be closer to the flatter portion of the site. This building still requires a step in the finished floor elevations but there is more room to grade out from the building to the east, which helps to reduce the retaining wall height here. A public roadway is located east of Tonquin Road and provides the north/south split within the site that is common between all three schemes. On the north side is Building C which is accessible from the site public roadway. Building C shares a combined parking lot with Building B. North of the new public roadway is Building D. A second building C is located in the northwest corner of the site, similar to Scheme B. Scheme C is the only one to utilize the Building A footprint since this is the largest of all the building prototypes and requires infilling the natural resource area to accommodate the building. Parking and roadways are located within the PGE easement in Scheme C and this scheme utilizes the PGE easement the most. In Scheme C there is no anchor building at the southeast corner of the site to provide the visual connection from Grahams Ferry Road since this area is utilized for parking.

For Scheme C the total built area is 781,350 sf, the total parking count is 1,542 stalls, and the potential open space is negligible. The parking stalls provided is less than the required count by code since the parking lots are shared in Scheme C for Buildings B and C. There is not enough room on the site to meet the parking count for each building individually.

GRADING

The finished floors indicated represent potential finished floors for the buildings taking into account existing grade and the roadway grading being completed for Grahams Ferry Road at Tonquin Road. For Scheme C, buildings E1-E4 are located on the flatter portion of the site near the future Basalt Creek Parkway and the parking lot in the southwest portion of the site will need to be tiered to accommodate the grade difference between the roadway and buildings. Building B is stepped in the southeast corner similar to buildings C in Schemes A and B to accommodate the grade change here. The combined parking lot for buildings B and C will be located on the slope heading down to the upland habitat area and will require retaining walls to accommodate the grade change. Building C has a constant finished floor in Scheme C and the grades slopes north from Building C to Building A. Building A is located in the lower portion of the site and is at the elevation of the upland habitat area. This allows the building to create level areas on the east and north side for storage and vehicle access. From Building A, the site slopes back up to the west to set the finished floors for buildings D and C. Building D is located on the flatter area near Tonquin Road and Building C is stepped to accommodate the grades to the north. Scheme C will require internal retaining walls to accommodate the grade changes within the site since this scheme has the most amount of impervious area and the least amount of open space to accommodate grade changes in undeveloped areas.



Scheme C Grading

Scheme C

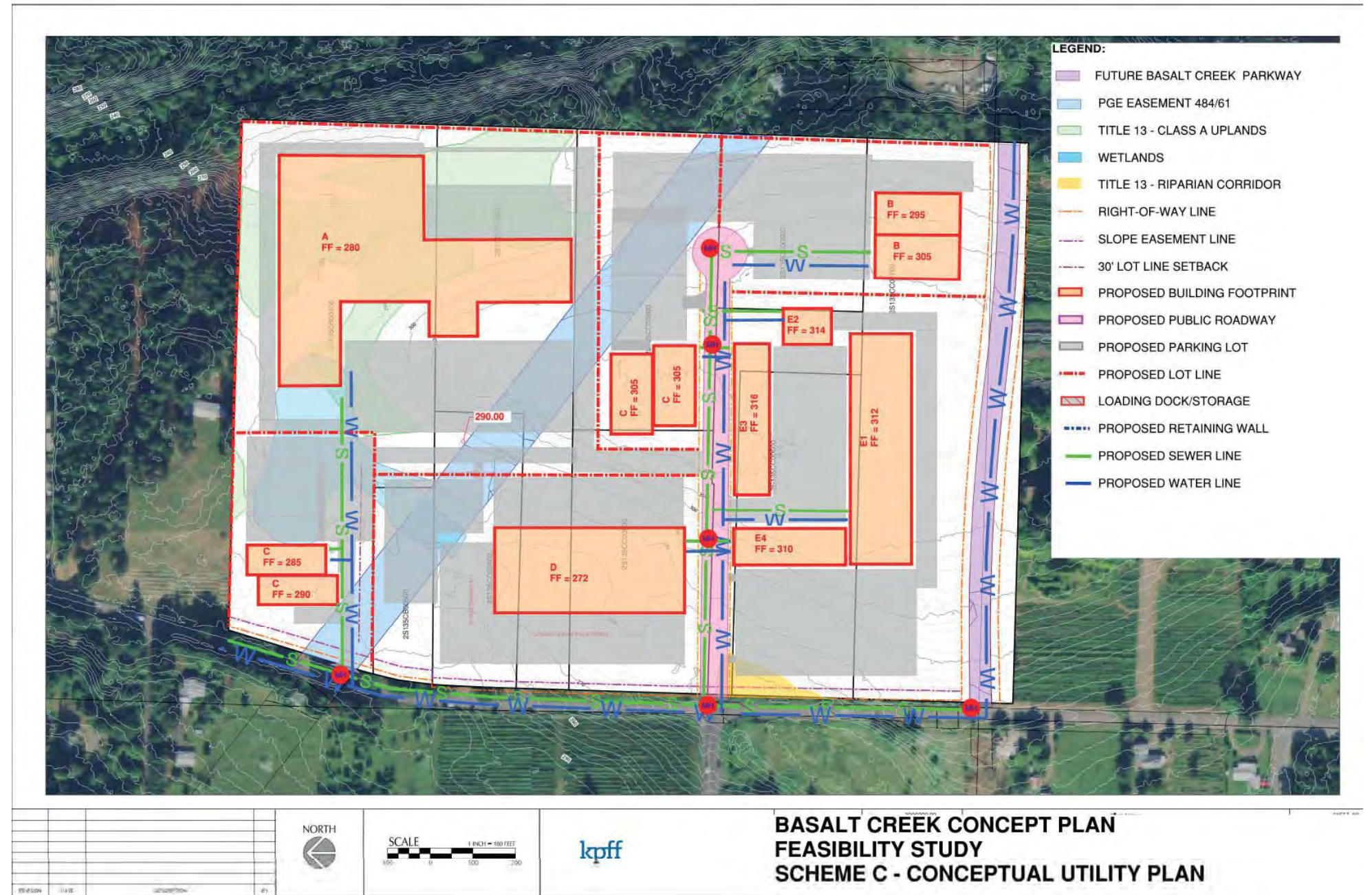


UTILITIES

Utilities for Scheme C will include sewer and water service to the buildings from the public roadway within the site and Grahams Ferry Road. This scheme does not show any regional stormwater systems and storm drainage will need to be accommodated on each lot through the use of subsurface or low impact development options. The building grades within the site are raised from the roadway grades in Grahams Ferry Road, with the intent to gravity drain the sewer and drainage from the site to the public lines.

ENVIRONMENTAL IMPACTS

Scheme C has the most impact to the environmental resources on site and preserves none of the upland habitat or wetlands. These areas will need to be mitigated either through mitigation banks or improvements off site.



Scheme C

Utilities



Building Renderings

Building renderings provided are representative conceptual images of what Buildings B, C, and D could look like

Building B



Building C



Building D



Summary

SCHEMES

Each scheme presented provides unique design opportunities for the region that capitalize on the goal of increasing employment opportunities. The three schemes take different approaches on how to develop the site and provide test fits for design concepts. The existing grades on the site pose a challenge for development but the concept grading schemes show the grade changes can be accommodated through the use of stepped finished floors and retaining walls. Grades within the parking lots for some of the schemes may require the use of walls and terraced parking to accommodate the slope. The material for the retaining walls can be chosen to be aesthetically pleasing and the walls may be terraced to break up the grade and allow for planting in this area. Consideration should also be given in some of these locations to structured parking which can accommodate grade changes better than surface parking can. The table below is a side by side comparison of the three options to show their similarities and differences. “1” indicates that the scheme is closest to meeting the objective and “3” is least of all schemes to meet the objective.

Objective	Scheme A	Scheme B	Scheme C
Provides the most building square footage	3	2	1
Provides the most number of parking stalls	2	1	3
Meets or exceeds the code parking count based on the assumptions outlined in this study	2	1	3
Provides the most potential for open space	1	2	3
Transition to residential area to the north	1	2	3

CONCLUSION

Various employment opportunities can be accommodated on the site from larger industrial facilities such as Building A to smaller craft industrial facilities such as Buildings E. The slope on the site is conducive to the stepped and smaller buildings such as Buildings E and C. These buildings could provide office space as well as smaller craft facilities that can include breweries, textiles, pottery and metal works. Not only will these facilities increase the employment opportunities in the area but they also fill a need for providing space to support local artists and the craft industry. As indicated in the three schemes there is flexibility on the site to use a variety of building types and footprints. This feasibility study has validated through the test fits that the area can be developed to increase employment opportunities in the region. As a result, other land uses were not analyzed for feasibility since the area is designated as a regional employment area.

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



Sample Projects for Similar Grading and Development Schemes



Office and commercial building near SW 124th Ave and SW Leveton Dr, Tualatin with retaining wall between properties



Mountainside High School (new Beaverton High School) looking from Scholls Ferry Rd, Beaverton



Parking lot retaining wall at Legacy Medical Office Building, Tualatin



Nyberg Woods (terraced retaining walls filled with plants), Tualatin



Parking lot off of SW Barnes Rd, Portland (across from Oregon College of Art & Craft)



Access road and retaining wall in the Portland metro area





Existing Conditions Report

Basalt Creek Planning Area

October 2014

V. Commercial, Industrial & Residential Real Estate Markets

The purpose of this section is to provide a picture of existing real estate market conditions and the outlook for office, residential, and retail development in Basalt Creek and adjacent areas.



Figure 23 Photo of planning area: Grahams Ferry Road, looking north into the Basalt Creek planning area. Source: Leland Consulting Group 2014.

Industrial and Office Market

Basalt Creek is located near the center of one of the region’s largest clusters of employment land, which includes existing developed areas in the cities of Tualatin, Wilsonville, and Sherwood, as well as the planned future employment areas of Southwest Tualatin, Tonquin, and Coffee Creek). A market area was defined for this report so results can be compared with future analysis (Figure 24). The market area includes the cities of Tualatin, Wilsonville, and Sherwood, as well as some surrounding areas.

The Metro Regional Government projects rapid employment growth of 2.3% annually for the market area through 2035—about 40% faster than the employment growth in the overall region (1.7 %). This pattern indicates that ongoing business expansion and job creation is expected for these three cities, comprising a large portion of the southwestern metropolitan area.

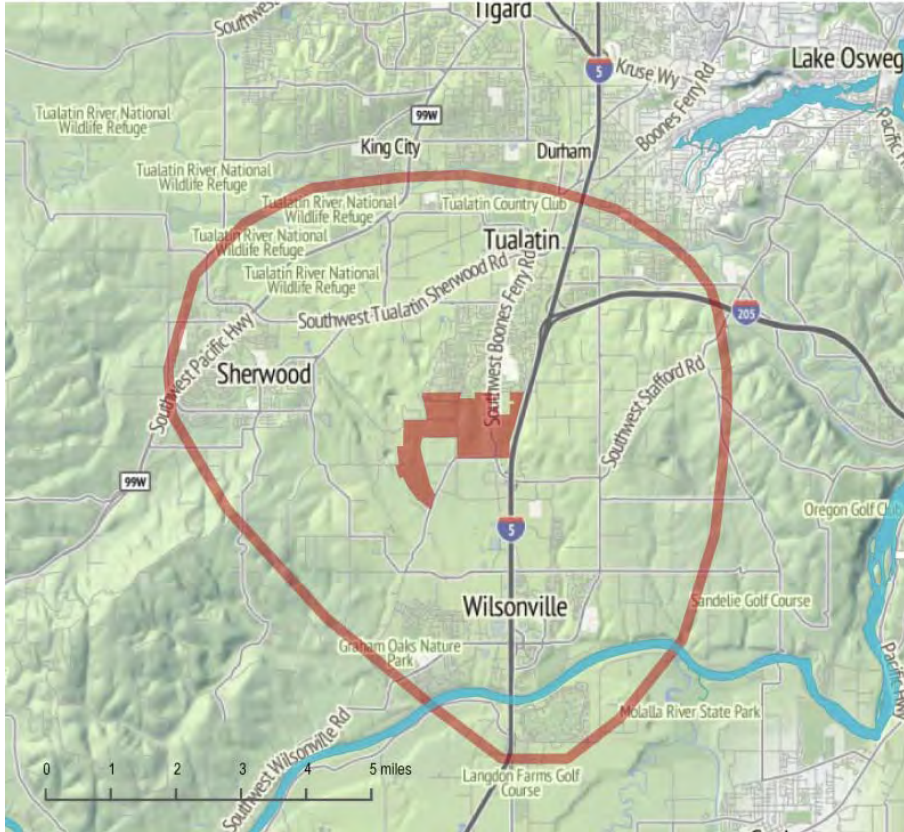


Figure 24 Market Analysis Area for the Basalt Creek area. Source: Leland Consulting Group, 2014.

Tualatin and Wilsonville have independently identified a series of industry clusters in which the two cities are already highly competitive, and in which they expect future significant business and job growth. These include advanced manufacturing, corporate and professional services, health care and related fields, and other specific industrial clusters such as food processing and light manufacturing. Leading organizations within these clusters include Lam Research, Legacy Meridian Park Medical Center, the Oregon Institute of Technology, Mentor Graphics, and Xerox Corporation. Businesses in these categories would be well-suited to locate in the Basalt Creek planning area.

Both Tualatin and Wilsonville have seen significant industrial and office development during the past three decades. Development peaked during the 1990's and has slowed following the recession; however, industrial development in particular is expected to resume and accelerate in coming years due to a desire to “onshore” jobs (bring employment back from overseas), shorten supply chains, and take advantage of lower domestic costs in some industries. Between 1980 and 2014, the cities of Tualatin and Wilsonville saw on average over 400,000 square feet of industrial and office building development annually, and 56.6 acres of industrial and office land development annually. The amount of industrial development (including warehousing, production, flexible office/industrial space, etc.) in both cities is significantly larger (more than seven times) than the amount of office development. This general dynamic is expected to persist for the foreseeable future.

Building types vary significantly within the market area: some industrial facilities contain more than 200,000 square feet of building area, while many other small office and industrial flex spaces are less than 20,000 square feet in size. The floor area ratio (FAR) of most buildings, however, generally falls within the range of 0.2 to 0.4, which generally indicates one- to three-story buildings with large areas for parking and/or freight movement. A small number of office buildings have higher FARs up to about 1.0, which indicates more dense buildings and some structured parking.

Going forward, employment development in the Basalt Creek area will benefit from a number of competitive advantages. These include its direct access to I-5, superior to other employment areas in the region; access to I-205, Highway 217, arterial roads, and transit service; a growing and educated workforce; and established and expanding industry clusters.

Housing Market

Basalt Creek's location is also an asset for residential development for housing: the planning area is immediately south of several South Tualatin residential neighborhoods, which contain attractive parks, street trees, and schools. The market area's current demographics are encouraging for new housing development. When compared to the Portland Metropolitan Area overall, this market area has a higher percentage of family households, larger households, higher household and per capita incomes, residents with college degrees, and residents who work in white collar jobs.

Retail/Commercial Market

There are already several major regional and sub-regional retail nodes located to the north and south of the planning area—at Bridgeport Village, central Tualatin, and in Wilsonville. Thus any commercial space built in Basalt Creek will most likely serve primarily local residents and employees. These larger centers are located at I-5 interchanges. Retail in the Basalt Creek area would not have this same advantage. Whereas regional retail is anchored by fashion, consumer electronics, entertainment, and furniture/household goods, neighborhood retail is typically anchored by grocery stores, pharmacies and restaurants, and supplemented by other local goods and services.

Industrial and Office Market Conditions

Regional Employment Context

As discussed in *Section I: Local and Regional Planning Context*, Basalt Creek is contiguous with a number of other employment and industrial areas in the southwestern part of the Portland Metropolitan Region, including those in the cities of Tualatin, Wilsonville, and Sherwood. Viewed together, these areas comprise one of the largest industrial and employment clusters in the region, comparable in size to the agglomeration in northern Hillsboro (though smaller than the employment lands near Portland International Airport).

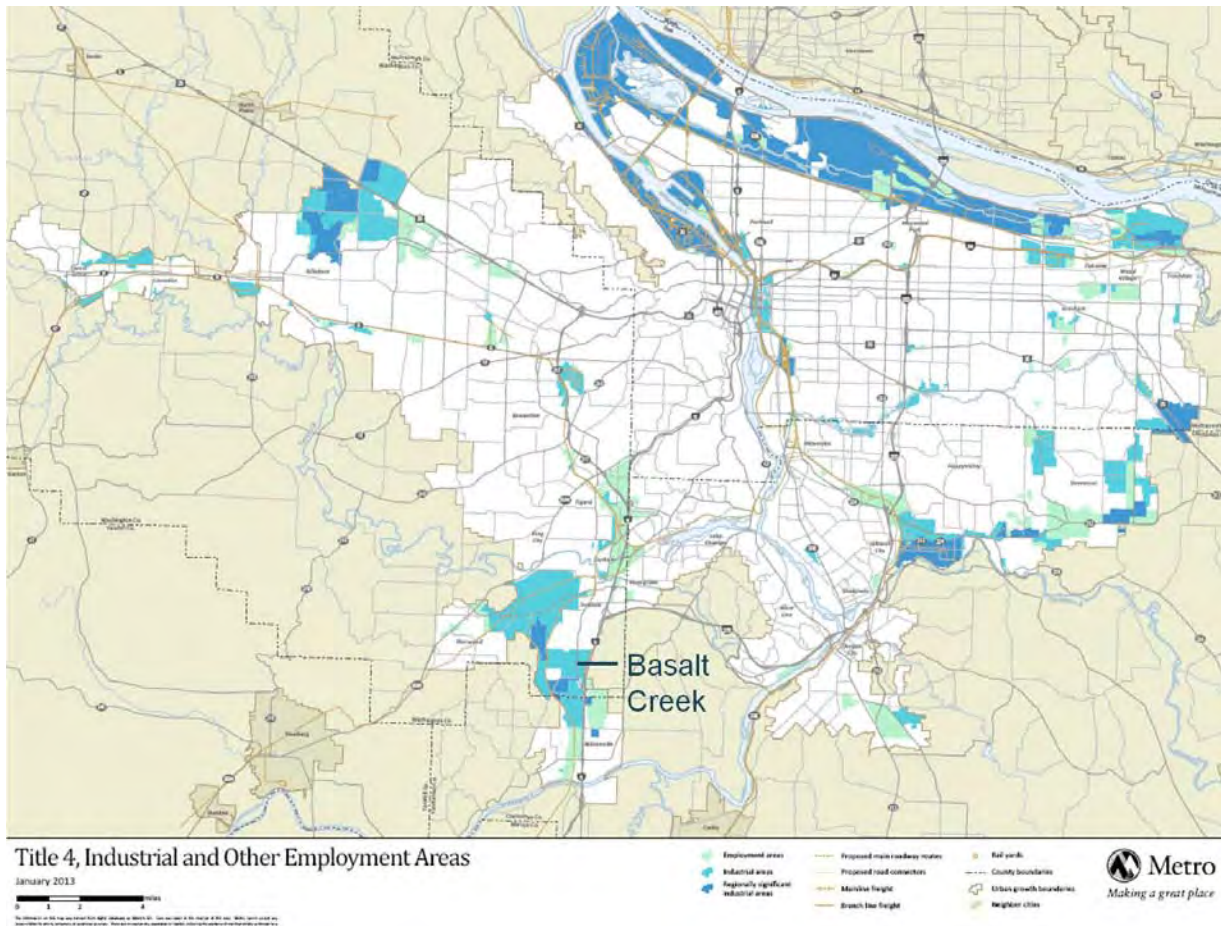


Figure 25 Title 4 Industrial and Other Employment Areas in Portland Metro Area. Source: Metro 2014.

A major feature and competitive advantage of this “Southwest Metro” employment cluster in general--and the Basalt Creek area in particular--is its immediate access to I-5, the west coast’s most important transportation route (Figure 25). Via I-5, the Basalt Creek area is closely connected to downtown Portland, numerous Willamette Valley communities, and major metropolitan areas in Washington and California. Interstate-205 and Highway 217 are also close by and easily accessible from the area. These freeway connections are a major benefit for industrial users (for whom distribution is an important site selection factor) and office-based businesses (which require access for their clients, suppliers, workforce, and collaborators).

Industrial and Office Development, 1980 to 2014

Figure 26 and Figure 27 below show the pace of industrial and office development in the cities of Tualatin and Wilsonville beginning in 1980. The vertical columns represent the building area (square feet) of development within each of the two cities in a given year, while the dashed line is a longer-term trend line, showing a five-year rolling average of built area for both cities combined. These historical

development trends are one data set that shapes expectations for future employment development in both cities and the Basalt Creek planning area.

Since 1980, both cities have seen considerably more industrial development than office development. Over this 34-year period, an average of 340,000 square feet of industrial space and 67,000 square feet of office space has been built in the two cities combined. Thus, the amount of industrial development has been about five times as great as office development.

Industrial Development, Tualatin and Wilsonville, 1980 - 2014

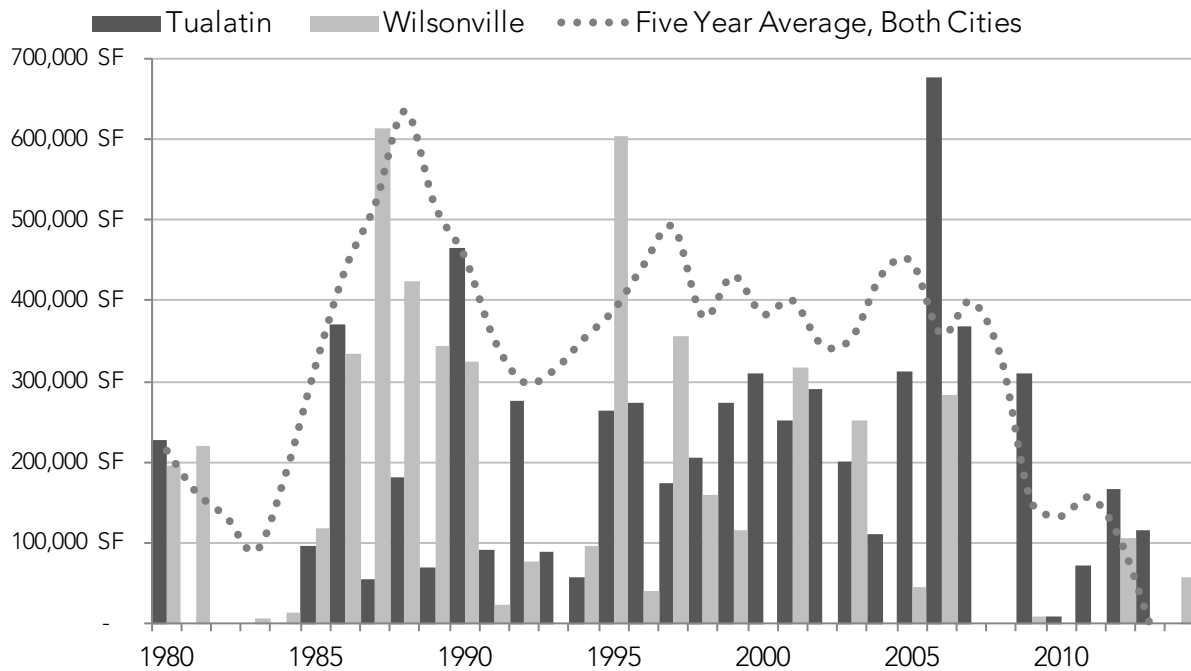


Figure 26 Industrial Development, Tualatin and Wilsonville, 1980 to 2014. Source: CoStar, Leland Consulting Group, 2014.

Office Development, Tualatin and Wilsonville, 1980 - 2014

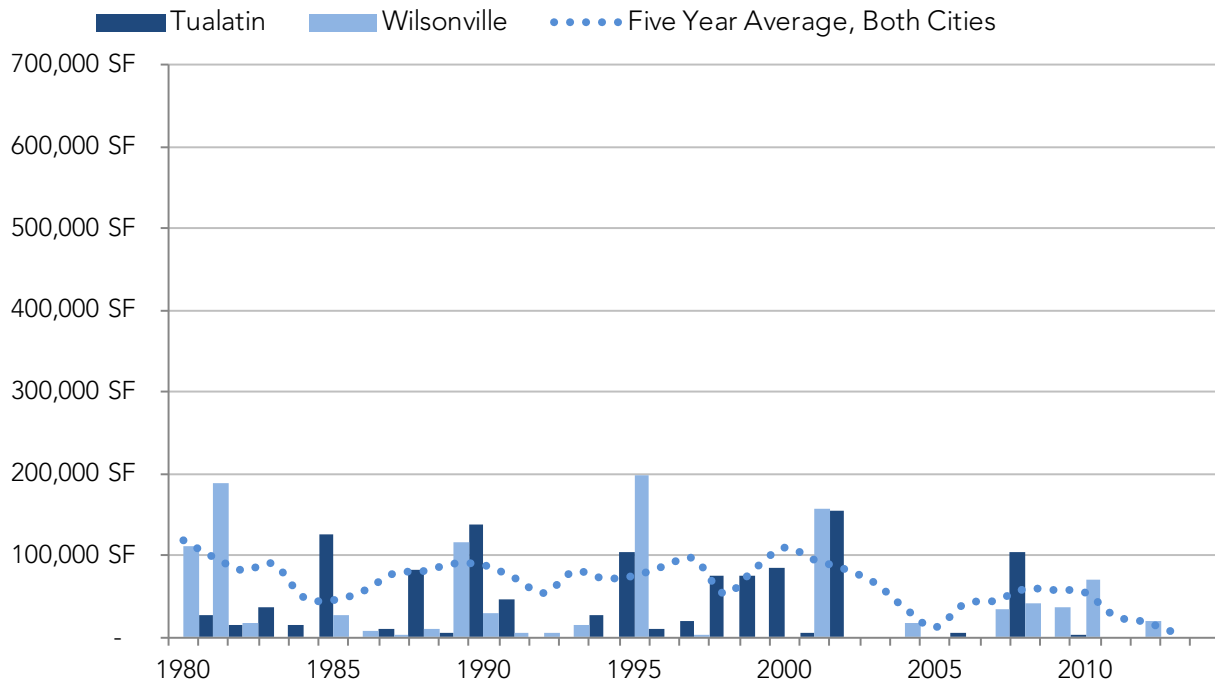


Figure 27 Office Development, Tualatin and Wilsonville, 1980 to 2014. Source: CoStar, Leland Consulting Group, 2014.

The past decade has been a slow period for both industrial and office development. The recession slowed industrial development beginning in 2008, particularly in Wilsonville. The pace of recent industrial development has been about half of development during the 1990s and early 2000s—considered to be a time of robust activity for industrial developers (see Figure 26). Office development has also slowed, although this trend began in 2003, before the recession. Office development in the past decade has also taken place at about half the pace of office development in the 1990s (Figure 27). Clearly, both industrial and office development go through significant peaks and troughs. By focusing on the five-year rolling-average trend line, however, a somewhat more consistent pattern of development can be seen.

Employment Building and Site Attributes

Table 5 shows some key attributes of industrial and office development in Tualatin and Wilsonville. From looking at these attributes, it can be determined that:

- On average, 43.1 acres of industrial land and 13.6 acres of office land per year have been developed in both cities combined. Wilsonville has seen about 25 acres of employment land development per year, 16.3 acres of industrial land, and 8.3 acres of office land. Tualatin has seen about 32 acres of employment land development per year, 26.8 acres of industrial land, and 5.3 acres of office land. Employment land in Basalt Creek is likely to develop more slowly than this pace because there is less

developable land in the study area than the cities as a whole. However, development in Tualatin and Wilsonville can be used to gauge the rate of employment land development in Basalt Creek.

- Average industrial building sites (9.1 and 6.5 acres in Tualatin and Wilsonville respectively) tend to be larger than office building sites. Industrial buildings also tend to be larger than office buildings. Floor area ratios (FAR) are helpful to understanding the physical form of buildings on their sites. Most industrial buildings have a FAR of 0.2 to 0.4. Most office buildings have FARs between 0.3 and 0.5; however, there are some newer office buildings in Tualatin that feature structured parking and FARs up to 1.0. These FARs are consistent with Metro’s analysis and future projections.

Table 5 Attributes of Industrial and Office Development in Tualatin and Wilsonville. Source: CoStar, Leland Consulting Group 2014. SF: Square feet; FAR: Floor area ratio, the ratio of a building’s size in square feet (or gross building area) to the size of the piece of land upon which it is built.

	Industrial			Office		
	Tualatin	Wilsonville	Total	Tualatin	Wilsonville	Total
Total Area (SF)	10,470,000	8,390,000	18,860,000	1,260,000	1,250,000	2,510,000
Av. Annual Development, 1980 - 2014						
<i>Square Feet</i>	186,960	150,980	337,940	34,632	32,985	67,617
<i>Acres</i>	26.8	16.3	43.1	5.3	8.3	13.6
Building Averages, 2000 - 2014						
<i>Square Feet</i>	60,224	80,000	-	31,807	35,000	-
<i>Acres</i>	9.1	6.5	-	4.2	2.0	-
Typical Floor Area Ratios (FAR)	0.2 to 0.4	0.2 to 0.4	-	0.4 to 1.0	0.3 to 0.5	-

It is of note that, while the averages shown here are useful for high-level planning purposes, both industrial and office buildings vary considerably in size, scale, and purpose. For example, the industrial building category includes flex buildings, which can often be divided into 5,000 square foot tenant spaces and feature significant amounts of office and showroom space. The industrial category also includes distribution and warehouse buildings, which can be hundreds of thousands of square feet in size. Sample industrial and office buildings are pictured below in Figures Figure 28, Figure 29 and Figure 30.

Typical Industrial Buildings: Office/Distribution and Flex

The first building pictured below (Figure 28) is located in the Wilsonville Business Center west of I-5 and contains a mix of office space (left foreground) and warehouse/distribution space, where freight trucks are parked. The second building pictured below (Figure 29) is a typical flex industrial building located in the Tualatin Industrial Center, which features high ceiling heights, freight loading, and small, flexible spaces that can serve as a combination of office, showroom, and/or industrial.



Figure 28 Example of typical building with a mix of office space and warehouse/distribution space.



Figure 29 Example of typical flex industrial building, located in Tualatin.

Headquarters Office Building (Mentor Graphics)

The Mentor Graphics building (Figure 30) is located east of I-5 between the Elligsen Road and Wilsonville Road interchanges. Despite its size and height, the FAR of the building is similar to other buildings in the area because of its extensive campus, landscaped areas, and surface parking.



Figure 30 Mentor Graphics Headquarters Office Building in Wilsonville.

Office Development Outlook

Office development—nationally and regionally—is not expected to bounce back from the recession with the same resiliency as industrial space. Office development in the short- and long-term faces several challenges. In the short-term, the Portland region’s employment levels have just recovered in 2014 to their pre-recession (2008) levels. While office vacancies are far lower than several years ago, there is not yet market pressure for new development. As Table 6 shows, the region is expected to add just 288,000 square feet of office in 2014, or 0.6% of the total regional inventory of nearly 47 million square feet. Tualatin’s current vacancy rate of 20.5% suggests a soft market, though that space will be occupied in the long term. The market is expected to improve as the region and nation continue to recover from the recession, and businesses grow and add jobs. However, office development is not expected to return to levels seen in the 1990s without a major upturn in the economy.

Table 6 Current Office Market Summary, Portland Metro Region. Source: CoStar, Leland 2014.

Market	Existing Inventory		Vacancy	YTD Net	Under Const. &	Class A
	# Blds	Total RBA	%	Absorption	Complete YTD	Rates
Portland CBD	374	26,309,983	10.0%	(36,157)	288,000	\$25.58
Lake Oswego/West Linn	142	1,144,080	8.5%	13,170	0	\$25.50
North Beaverton	151	3,246,113	6.7%	37,420	0	\$26.33
Sunset Corridor/Hillsboro	359	10,374,721	6.2%	111,442	0	\$21.53
Tigard	226	3,313,116	10.4%	35,859	0	\$24.27
Tualatin	68	1,263,266	20.5%	10,099	0	\$22.28
Wilsonville	59	1,252,446	7.1%	9,476	0	\$20.50
Totals	1,379	46,903,725		181,309	288,000	

Tualatin and Wilsonville’s Economic Positioning and Goals

The Cities of Tualatin and Wilsonville are proactively pursuing economic development in order to provide high paying jobs for their residents, strengthen their tax bases, offer quality public services, and enable general prosperity in the communities. The two Cities’ main economic development plans relevant to Basalt Creek are shown in Table 7 below.

Table 7 Relevant Economic Development Plans. Source: Cities of Tualatin and Wilsonville.

Tualatin	Wilsonville
<ul style="list-style-type: none"> • Economic Development Strategic Plan (2014) • Industry Cluster Analysis (2014) • Linking Tualatin Market Study (2012) • Southwest Tualatin Concept Plan (2010) 	<ul style="list-style-type: none"> • Economic Development Strategy (2012) • Coffee Creek Master Plan (2007)



Target Industry Clusters

Tualatin and Wilsonville have both identified a series of targeted industry clusters. According to Tualatin's Industry Cluster Analysis, a cluster is an agglomeration of similar and related businesses and industries that are mutually supportive, regionally competitive, attract capital investment, encourage entrepreneurship, and create jobs. For example, 57% of Tualatin's jobs fall within its five key industry clusters, which also provide wages that are on average 70% (\$35,000) higher than those in all other industries.

Clusters reflect a community's strengths and competitive advantages, suggest which sectors of the economy are most likely to generate jobs in the future, and provide policy makers with guidance about the types of land, buildings, infrastructure improvements, and other actions needed to grow jobs in the future.²³

Both Tualatin and Wilsonville have determined that they excel in the following three industry clusters²⁴:

Advanced Manufacturing (and related activities)

This cluster is a significant driver of both cities' economies. It is Tualatin's largest cluster, accounting for 22% of jobs in the city. It accounts for a significant portion of Wilsonville's economy; computer and electronic product manufacturing was Wilsonville's largest industry sector as of 2012, and includes several of the city's largest employers such as Xerox, TE Connectivity, and Rockwell Collins.

The Oregon Institute of Technology (OIT), now educating students in the engineering, technology, management, and health sciences fields from its Wilsonville campus, is an important anchor institution for the Southwest Metro economy. The Cities are looking for ways to capitalize on OIT's presence and to strengthen partnerships between the school and private businesses.

Growth in this cluster will result in ongoing demand for industrial land and buildings in Basalt Creek and other areas. Freeway access, freight mobility, and access to a skilled workforce will be important to this cluster's continued success.

Corporate and Professional Services

This cluster accounts for 12% of Tualatin's jobs, and was the second-largest industry sector in Wilsonville as of 2012. Major employers include: Portland General Electric (PGE) and Express Employment Professionals in Tualatin, and Mentor Graphics in Wilsonville. Growth in this cluster will result in ongoing demand for office land and buildings in Basalt Creek and other areas. A variety of locational factors tend to be important to corporate and professional service firms, including: a

²³ Wilsonville's EOA uses the term industry "sectors." The terms cluster and sector are used interchangeably here

²⁴ The economic figures included below are drawn from the Cities' economic development plans.

skilled workforce, available land or office space, transportation connections, and nearby restaurants and commercial services.

Health Care and Medical-Related.

This cluster is important in both cities: it is the third-largest in Tualatin and fourth largest in Wilsonville. Tualatin's health care cluster is anchored by Legacy Meridian Park Medical Center (among Tualatin's largest employers), and also includes associated industries such as clinics, laboratories, physician offices, and assisted living centers. Wilsonville's largest health care-related employers (as of completion of the 2012 Economic Development Strategy) were Infinity Rehab and Avamere, both ambulatory (outpatient) service providers. Wages in this cluster are well above average.

Because of the diversity of health care businesses, firms in this cluster can operate in health care-specific zones (such as Tualatin's Medical Center zone), or general employment zones (such as Wilsonville's Planned Development Industrial zone). In some cases, health care firms that serve smaller, more localized populations can locate in retail/commercial zones.

In addition to the three clusters described above that have been identified as targets for both cities, Tualatin and Wilsonville have also identified these industry clusters:

Other Industrial Clusters.

Both Cities have identified additional industrial target clusters that could locate in the Basalt Creek area. Tualatin has identified two other industry clusters likely to generate demand for industrial land and buildings: food processing and distribution, and wood, paper, printing, and related industrial activities. Wilsonville identified a number of other industrial business types: light manufacturing and warehouse/showroom operations; specialty contractors and construction firms; sustainable product manufacturing and distribution; miscellaneous manufacturing; and wholesale trade.

Growth in these clusters will result in ongoing demand for industrial land and buildings in Basalt Creek and other areas. Freeway access, freight mobility, and access to a skilled workforce will be important to these clusters' ongoing success.

Other Professional and Commercial Services.

Wilsonville's 2012 Economic Development Strategy also identifies creative services (such as transportation logistics, legal services, management consulting, and accounting) as a target cluster. Similar to corporate and professional services, growth in this cluster should result in demand for office land and buildings in Basalt Creek and other areas.



Figure 31 Lam Research Facility, Tualatin. Photo credit: Tualatin Chamber.

Sub-Regional Context

Transportation is fundamentally important to these employment areas, and transportation connectivity has the potential to make a whole that is greater than the sum of its parts by enabling firms to trade goods and services easily. I-5 is the most important single transportation corridor. The 124th Avenue Extension and East-West Connector will also be very important in knitting the employment areas together. Regional connectivity will be challenged due to the limited access nature of the East-West Connector. This large agglomeration of employment areas has the potential to create economic momentum, and also the potential to be a source of competition for the Basalt Creek area. This is because the areas can project a powerful combined brand, while also competing for individual employers who are looking for sites.

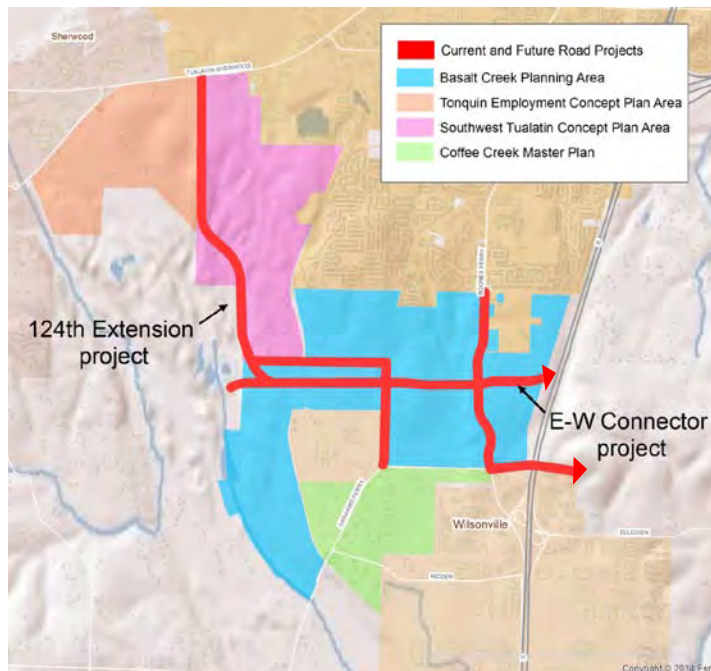


Figure 32 Major TRP road projects in relationship to the Basalt Creek planning area and planned areas nearby Source: Fregonese Associates 2014.

Established Employment Areas

The Tualatin and Wilsonville employment areas have capacity for additional businesses and jobs. To the west of I-5, Wilsonville's employment area tends to contain more industrial, manufacturing, distribution, and flex businesses and buildings; to the east of I-5, a larger share of businesses are office-based professional service firms, such as Mentor Graphics and Xerox Corporation. However, the zoning is the same (Planned Development Industrial) throughout the entire Wilsonville employment area.

Planned Employment Areas

Southwest Tualatin, Tonquin Employment Area, and Coffee Creek are planned employment areas located within the UGB that have yet to be served by infrastructure or see new private development. Annexation and development in the areas are property-owner initiated. The following summarizes the current activity in each of the planning areas.

- The Southwest Tualatin concept plan area: Most of the area remains an active quarry; the City expects this use to continue for an indeterminate period.
- The Coffee Creek industrial area: No development or annexation has taken place in Coffee Creek since the adoption of the master plan; land assemblage challenges, and lack of City services and a financing plan to build those services are the primary obstacles to development here.
- The Tonquin employment area is a 300-gross-acre area located in the City of Sherwood. It is planned for light industrial development with a small amount of ancillary retail/commercial services.

Employment Strengths and Challenges

Basalt Creek's primary strengths/competitive advantages and challenges vis-à-vis industrial and office development are as follows:

Strengths and Competitive Advantages

- Tualatin and Wilsonville's established and successful industry clusters in advanced manufacturing, professional services, and a variety of other industrial and office-based employment categories. Large contiguous cluster of existing and planned employment areas.
- Excellent access to I-5, as well as I-205 and Highway 217. Additional transportation strengths include existing and planned arterial roads, and local and regional transit service provided by TriMet, WES Commuter Rail, and SMART.
- Educated workforce
- Market success of recent industrial, office, and retail developments

Challenges

- Vision and regulation. This Concept Plan and subsequent Comprehensive Plan and zoning amendments need to be in place prior to development.
- Planning, financing, and construction of new infrastructure. This is because roads, water, sanitary sewer, and other infrastructure for urban expansion areas are expensive. Cities are often focused on maintaining and improving existing infrastructure and therefore do not budget to make extensive extensions. Developers of individual sites typically cannot afford to build out a comprehensive set of infrastructure to serve multiple properties.
- Lot sizes and property aggregation. There is a mix of large and small lots throughout the Basalt Creek area. The time and cost required to secure properties from multiple parties in order to aggregate developable industrial or office properties of adequate size can be a significant deterrent to developers.
- Natural features including wetlands and slopes. Basalt Creek and its surrounding slopes and wetland areas run north-south through the planning area, dividing it into east and west sections.
- The market for new office development continues to be slow. However, the planning area will not be ready for private development for several years, which may allow enough time for this market to recover.

Housing Market Analysis

Demographic Context

The City of Tualatin, compared to the Portland Metropolitan Statistical Area (MSA), has a higher percentage of family households (two or more related people), larger average households, higher household incomes, and higher per capita incomes. A larger share of residents has college degrees (42.3%) and is employed in white collar jobs (67.5%) compared to the region. Tables Table 8, Table 9 and Table 10 provide additional perspective on the demographics of the subject cities compared to the Portland MSA.

Wilsonville, compared to the Portland MSA, has a higher percentage of family households and smaller households--likely because the city has a higher share of young households (in the 25-34 age category) and seniors, Baby Boomers, and retirees. Each age group has different housing preferences. Wilsonville also has a larger share of residents with college degrees (39.3%) and white collar jobs (70.1%).²⁵

While the Basalt Creek market area includes both Tualatin and Wilsonville, its demographics are generally more similar to those in Tualatin. When compared to the Portland MSA, the market area has a

²⁵ Data shows information about *jobs held by residents of the given geographical areas*, not the jobs within those areas

higher percentage of family households, larger households, higher household and per capita incomes, more residents with college degrees, and more residents who work in white collar jobs. In general, these demographics are favorable to housing development in the Basalt Creek area; they also reflect the types of residents most likely to locate in the planning area.

Table 8 Demographic Summary of the Basalt Creek planning area. Source: ESRI Business Analyst, Leland Consulting Group. 2014 Data except where noted.

	Tualatin	Wilsonville	Basalt Creek
Comparison to Portland MSA:	<ul style="list-style-type: none"> • More families • Larger HHs • Higher HH Income • Higher PC Income • More college degrees • More white collar emp. 	<ul style="list-style-type: none"> • Fewer families • Smaller HHs • More Gen Y • More Boomers • More low-income HHs • More college degrees • More white collar emp. 	<ul style="list-style-type: none"> • More families • Larger HHs • Higher HH incomes • Higher PC incomes • More college degrees • More white collar emp.

Table 9 Demographic Summary of the Basalt Creek planning area (Continued). Source: ESRI Business Analyst, Leland Consulting Group. 2014 Data except where noted.

Demographic Attribute	Tualatin	Wilsonville	Basalt Creek	Portland MSA
Population	26,520	21,235	73,786	2,296,285
Number of Households	10,170	8,638	28,121	896,982
Family Households (2010 Census)	68%	59%	68%	64%
Household Size (Average)	2.60	2.32	2.57	2.52
Household by Size (2010 Census)				
1 and 2 person	57%	68%	58%	61%
3 and 4 person	33%	25%	32%	29%
5 + person	10%	7%	10%	10%
Median Household Income	\$64,324	\$59,812	\$70,256	\$57,441
Per Capita Income	\$32,672	\$31,995	\$33,336	\$30,135
Population By Age				
0 to 24	35%	31%	34%	32%
25 - 34	14%	16%	13%	15%
35 - 44	15%	14%	15%	14%
45 to 54	14%	13%	14%	14%
55 to 64	13%	11%	12%	13%
65 +	9%	15%	11%	13%
Median Age	35.7	37.0	36.6	37.5

Key: Low High

Table 10 Demographic Summary of the Basalt Creek planning area (Continued). Source: ESRI, Leland Consulting Group. 2014 data except where noted.

Demographic Attribute	City of Tualatin	City of Wilsonville	Basalt Creek Market Area	Portland MSA
Education and Employment				
Less than High School	9.7%	8.0%	8.0%	9.4%
High School or Equivalent	16.5%	20.4%	18.2%	22.1%
Associate's or some college	31.5%	32.3%	32.5%	34.2%
Bachelor's or Advanced Degree	42.3%	39.3%	41.3%	34.3%
Occupation				
"White Collar"	67.5%	70.1%	69.3%	63.1%
"Blue Collar"	11.3%	14.1%	13.5%	19.5%
Housing				
Median Home Value	\$331,190	\$349,927	\$337,289	\$275,516
Housing Tenure				
Owner Occupied Housing Units	51.9%	43.4%	55.0%	56.2%
Renter Occupied Housing Units	42.6%	50.5%	39.8%	37.7%

Key: Low High

Finally, the South Tualatin residential neighborhoods immediately to the north of Basalt Creek reflect many of the demographic attributes typical of Tualatin’s population. The neighborhoods—including low volume local roads, street trees, parks, and schools—create a positive environment for residential development within the Basalt Creek area, particularly along the northern edge.

Recent Housing Development

Table 11 below shows the recent residential permitting trends in the cities of Tualatin and Wilsonville, and in Villebois, a master-planned community in Wilsonville. Villebois is shown here because: it is the largest master planned community (482 acres) that has been developed recently in the Southwest Metro area; it is a defined area that has been planned to include a range of housing, parks, and commercial services; due to its success in the marketplace in recent years, housing absorption has been relatively rapid (adjusting for the recession), and many houses sell for a premium when compared to the competition in other areas. Naturally, recent housing built in these areas provides one benchmark from which to estimate future demand.

As Table 11 shows, the housing types that have been permitted and built in these areas correlate closely to the types of people and households who live there; the housing types also likely reflect zoning and other regulatory and market forces. Recent housing permitted in Tualatin is composed largely of large- and medium-lot single-family housing. No small lot single-family housing (lots smaller than 4,000 square feet) or attached single-family housing has been permitted since 2004. About 20% of the recently permitted housing in Tualatin is multifamily—market rate and affordable apartments, condominiums,

and senior housing. Very little existing multifamily housing is located in the neighborhoods immediately north of Basalt Creek; most of Tualatin’s multifamily housing is clustered further north near downtown Tualatin, between Tualatin-Sherwood Road and Avery Street, and the Bridgeport Village area. The majority were built prior to 2000, although the 367-unit Eddyline at Bridgeport (under construction) is a notable exception. Historically, this multifamily share is relatively typical; multifamily has comprised about 20% of total housing in many communities during the past five decades.

Wilsonville’s housing is more diverse and features a significantly higher percentage of small lot single-family and multifamily housing, and much less large- and medium-lot single-family housing. Again, this is likely to due to market, demographic, and regulatory reasons. The broad housing mix reflects the presence and growth of the four “S groups” in Wilsonville: seniors, singles, single-parent households, and starter households. The large multifamily share (66%) is partially due to the large number of new 20- and 30-something households recently formed, which will slow in coming years. Villebois’ housing mix is similar to that in Wilsonville overall. However, during the time period surveyed (2000 to 2012) a larger percentage of small-lot single-family homes, townhouses and duplexes were built in Villebois, along with a smaller percentage of multifamily housing. Villebois’ developers and National Association of Realtors (NAR) surveys show that most American households, Baby Boomers included, prefer single-family homes over multifamily homes, but that they are quite open to smaller lot and home sizes, especially when the surrounding neighborhood is attractive and walkable.

Table 11 Residential Development in Tualatin and Wilsonville by Housing Type. Sources: HUD; City of Wilsonville, New Home Trends, Leland Consulting Group. Due to data availability, Table 12 shows housing built in Tualatin between 2004 and 2014; and permits issued in Wilsonville between 2000 and 2012.

Housing Type	Tualatin	Wilsonville	Villebois
	Recent Permits	Recent Permits	Recent Permits
Large Lot Single Family	44%	9%	8%
Medium Lot Single Family	36%	10%	8%
Small Lot Single Family	0%	12%	35%
Attached Single Family	0%	2%	6%
Multifamily	20%	66%	43%
Total	100%	100%	100%

Retail/Commercial Market Analysis

In addition to new residents and employees that may locate in the Basalt Creek area, the residents of the Tualatin neighborhoods located immediately to the north are important sources of support for retail. Residents spend more of their retail dollars locally than employees or passersby, and therefore are generally a more important source of demand for retail goods and services. Approximately 4,000

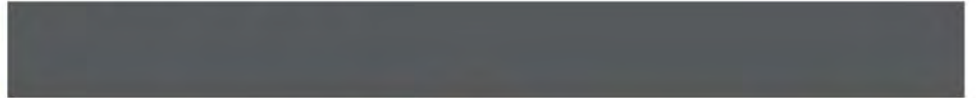
households live in the area between Norwood Road and Tualatin-Sherwood Road. These households already have other places to shop, particularly on and near Tualatin-Sherwood Road. However, based on existing traffic counts and interviews with residents and developers, it is clear that some of these residents are already accustomed to driving south through the Basalt Creek area to access I-5 or other destinations.

Retailers also look at traffic counts as an important demand indicator, since retail relies on pass-by traffic for support. Boones Ferry Road carries average daily traffic (ADT) of about 15,000 in 2014²⁶, which is high enough to suggest that it will be a good retail location in the future. Traffic counts on Grahams Ferry Road are below 6,000 ADT, and therefore it is likely to be a less desirable retail location. Traffic counts such as these likely reflect trips being made by residents and employees of the Southwest Metro area and beyond. The 124th Avenue Extension, which will be built to the western edge of the study area, and the planned East-West Connector Road that will run across the study area, are also important transportation arterials along which retail will seek to locate. A prime location for retail may be at the intersection of Boones Ferry Road and the East-West Connector Road.

²⁶ Source: ESRI Business Analyst, 2014



BASALT CREEK CONCEPT PLAN



MARKET ANALYSIS DRAFT

PREPARED FOR



PREPARED BY



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Executive Summary

Located between Tualatin’s residential neighborhoods to the north and Wilsonville’s employment center to the south, Basalt Creek is currently a relatively rural area that is positioned for significant change and urbanization due to its prime location within the growing Portland metropolitan region. Leland Consulting Group (LCG) has prepared this market analysis as one component of the Basalt Creek Concept Plan. Its purpose is to provide Basalt Creek stakeholders with information regarding the outlook for industrial, office, residential, and retail development in Basalt Creek and adjacent areas, and to inform the Concept Plan as this process moves forward. This executive summary condenses the key points of the analysis; details are explained in the body of the report. The key findings and recommendations of this market analysis are:

Industrial and Office Market. Basalt Creek is located near the center of one of the region’s largest clusters of employment land, which includes existing developed areas in the cities of Tualatin, Wilsonville, and Sherwood, as well as the planned future employment areas of Southwest Tualatin, Tonquin, and Coffee Creek. A market area—including the cities of Tualatin, Wilsonville, and Sherwood and some surrounding areas—was defined for this market analysis in order to provide a baseline to estimate future subregional employment and population growth.

The Metro regional government projects rapid employment growth of 2.3 percent annually for the market area through 2035, about 40 percent faster than the employment growth in the region (1.7 percent), indicating that ongoing business expansion and job creation is expected for these three cities in the southwestern metropolitan area.



Tualatin and Wilsonville have independently identified a series of industry clusters in which the two cities are already highly competitive, and in which they expect future significant business and job growth. These include advanced manufacturing, corporate and professional services, health care and related fields, and other specific industrial clusters such as food processing and light manufacturing. Leading organizations within these clusters include Lam Research, Legacy Meridian Park Medical Center, the Oregon Institute of Technology, Mentor Graphics, and Xerox Corporation. Businesses in these categories are well suited to locate at Basalt Creek.

Both Tualatin and Wilsonville have seen significant industrial and office development during the past three decades. Development peaked during the 1990s and has slowed following the recession; however, industrial development in particular is expected to resume and accelerate in coming years due to a desire to “onshore,” shorten supply chains, and take advantage of lower domestic costs in some industries. Between 1980 and 2014, the cities of Tualatin and Wilsonville saw on average over 400,000 square feet of industrial and office building development annually, and 56.6 acres of industrial and office land development annually. The amount of industrial development in both cities is significantly larger (more than seven times) than the amount of office development, and this general dynamic is expected to persist for the foreseeable future.

Building types vary significantly within the market area: some industrial facilities contain more than 200,000 square feet of building area, while many other small office and industrial flex spaces are less than 20,000 square feet in size. The floor area ratio (FAR) of most buildings, however, generally falls within the range of 0.2 to 0.4, which generally indicates one to three-story buildings with large areas for parking and/or freight movement. A small number of office buildings have higher FARs to about 1.0, which indicates more dense buildings and some structured parking.

Going forward, employment development in Basalt Creek will benefit from a number of competitive advantages. These include its direct access to I-5, superior to other employment areas in the region; access to I-205, Highway 217, arterial roads, and transit; a growing and educated workforce; and established and expanding industry clusters.

Based on past industrial and office development, and future growth projections, LCG absorption projects employment land at Basalt Creek to develop at a rate of eight to 10 net acres per year. However, the pace of build out will depend on economic conditions, the availability of employment land in other nearby areas, infrastructure such as roads and sewer, and other factors. Building and site sizes should vary widely, and FARs will remain consistent with those seen in the past.

Housing Market. Significant population growth is anticipated for Tualatin, Wilsonville, and the Portland metropolitan region over the next two decades. Metro's gamma population model shows that Tualatin and Wilsonville will add 1,170 and 3,649 households respectively between 2010 and 2035. Metro projects that the market area will add about 10,900 households during this time period, an increase of 39 percent. These population increases will result in demand for housing at Basalt Creek through 2035, assuming that the area can compete effectively with other potential residential locations.

Basalt Creek's location is also a positive: the study area is immediately south of several South Tualatin residential neighborhoods, which contain attractive parks, street trees, and schools. It should be noted, however, that Basalt Creek is located in the Sherwood School District rather than the Tigard-Tualatin School District, and therefore school-age children will head west rather than north for school. The market area's current demographics are encouraging for new housing development. When compared to the Portland metropolitan area, the market area has a higher percentage of family households, larger households, higher household and per capita incomes, more residents with college degrees, and more residents who work in white collar jobs.

However, housing demand is expected to shift somewhat in the future because of decreasing housing sizes, an aging population, the popularity of walkable communities, and other factors. By combining current and future housing demand indicators, this market analysis provides three different housing development scenarios, all of which assume a mix of single-family detached, single-family attached, and multifamily housing. Housing diversity and flexibility (the opportunity to adjust the housing mix) is important to developers in any large area, since they need to be able to build for many different household types, and respond to changing market conditions. This report does not propose a specific number of households in the study area, since residents and decision makers have yet to define precisely which areas will be set aside for residential development.

Retail/Commercial Market. The likely amount and location of retail in Basalt Creek will need to be revisited later in the concept planning process, after more specific programs for employment and residential development are established. It is often said that “retail follows rooftops” and jobs, and without more confidence about the number of homes and jobs that will be in the area, it is difficult to project retail demand.

With that said, some generalizations can be made. Because there are several major regional and subregional retail nodes located to the north and south of the study area—at Bridgeport Village, central Tualatin, and in Wilsonville—any commercial space built in Basalt Creek is most likely to primarily serve local residents and employees. These larger centers are located at I-5 interchanges, whereas retail at Basalt Creek would be further from interchanges. Whereas regional retail is anchored by fashion, consumer electronics, entertainment, and furniture/household goods, neighborhood retail is typically anchored by grocery stores, pharmacies, and restaurants, supplemented by other local goods and services.

Retail is likely to be located at key intersections on either Boones Ferry or Grahams Ferry Roads, the major north-south arterials in Basalt Creek, and potentially along the planned East-West connector, which will also carry considerable traffic and afford high visibility to retailers.

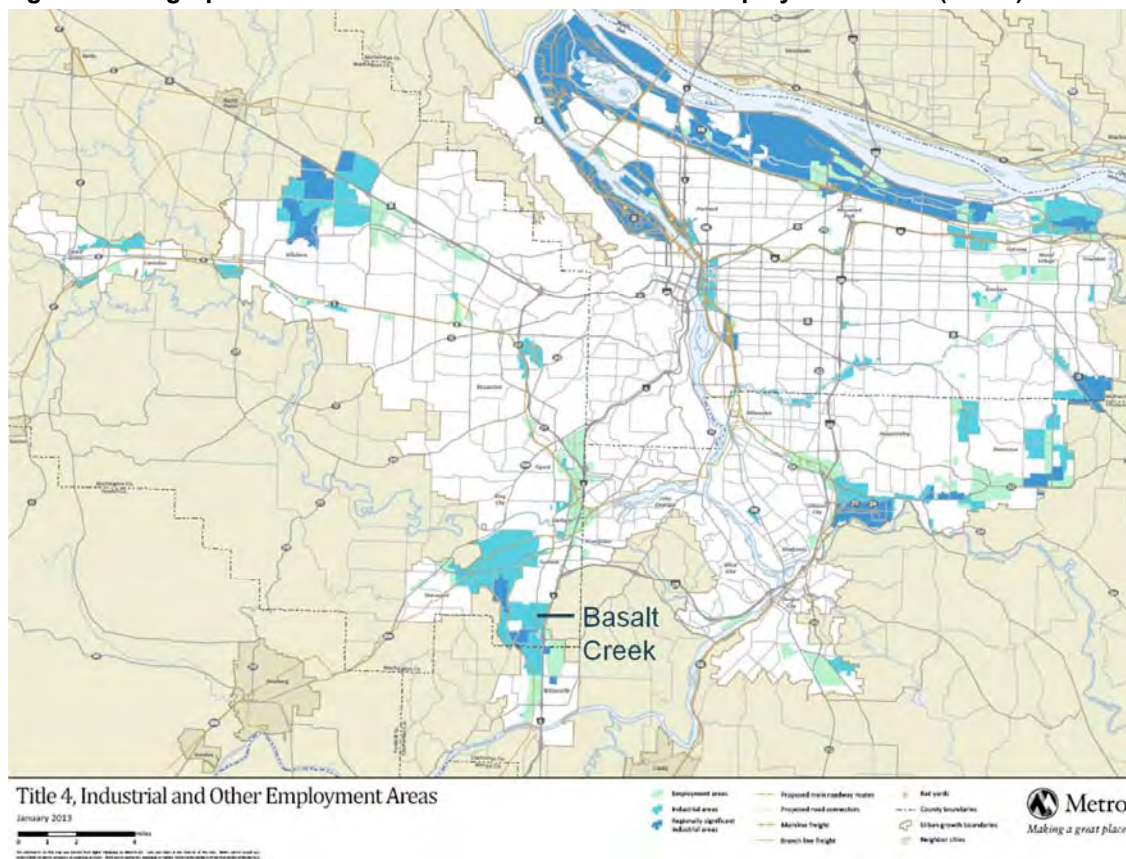
Industrial and Office Market Analysis

Regional Employment Context

As shown in Figure 1, Basalt Creek is contiguous with a number of other employment and industrial areas in the southwestern part of the Portland metropolitan region, including areas in the cities of Tualatin, Wilsonville, and Sherwood. Viewed together, these areas comprise one of the largest industrial and employment clusters in the region, comparable in size to the agglomeration in northern Hillsboro, though smaller than the employment lands near PDX Airport.

A major feature and competitive advantage of this “Southwestern Metro” employment cluster in general, and Basalt Creek in particular, is its immediate access to I-5, the West Coast’s most important transportation route. Via I-5, Basalt Creek is closely connected to downtown Portland, numerous Willamette Valley communities, and major metropolitan areas in Washington and California. I-205 and Highway 217 are also close by and easily accessible. These freeway connections are a major benefit for industrial—for whom distribution is an important site selection factor—and office-based businesses—which require access for their clients, suppliers, workforce, and collaborators.

Figure 1. Geographic Context: Title 4 Industrial and Other Employment Areas (Metro)



Source: Metro.

Industrial and Office Development, 1980 to 2014

The figures below show the pace of industrial and office development in the cities of Tualatin and Wilsonville, beginning in 1980. The bars represent the building area (square feet) of development within each of the two cities in a given year, while the dashed line is a longer-term trend line, showing a five-year rolling average of built area for both cities combined. These historical development trends are one data set that shapes expectations for future employment development in both cities and Basalt Creek.

Since 1980, both cities have seen considerably more industrial development than office development. Over this 34-year period, an average of 340,000 square feet of industrial space and 67,000 square feet of office space has been built in the two cities combined. Thus, the amount of industrial development has been about five times as great as office development.

Figure 2. Industrial Development, Tualatin and Wilsonville, 1980 to 2014

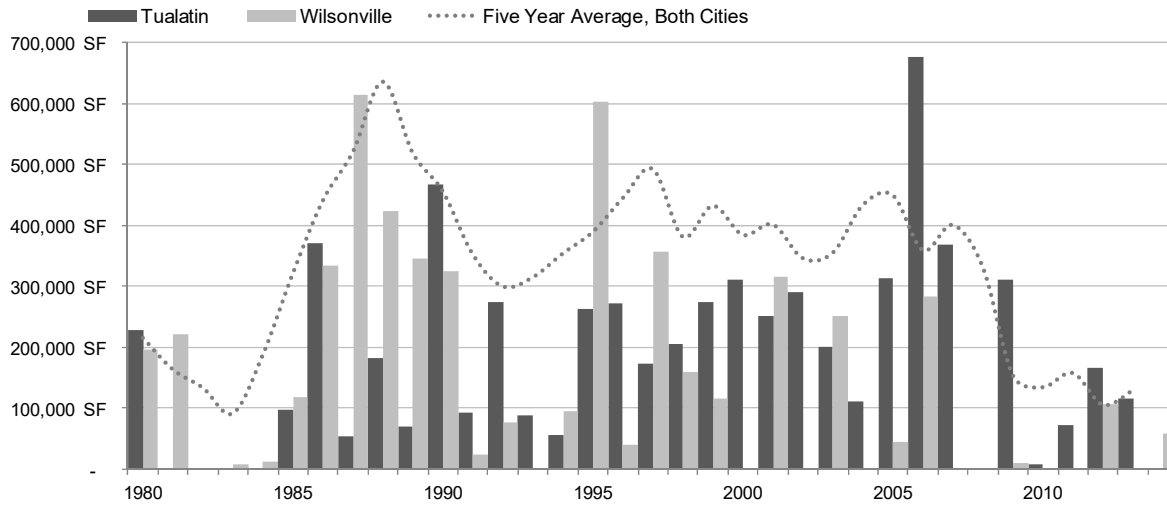
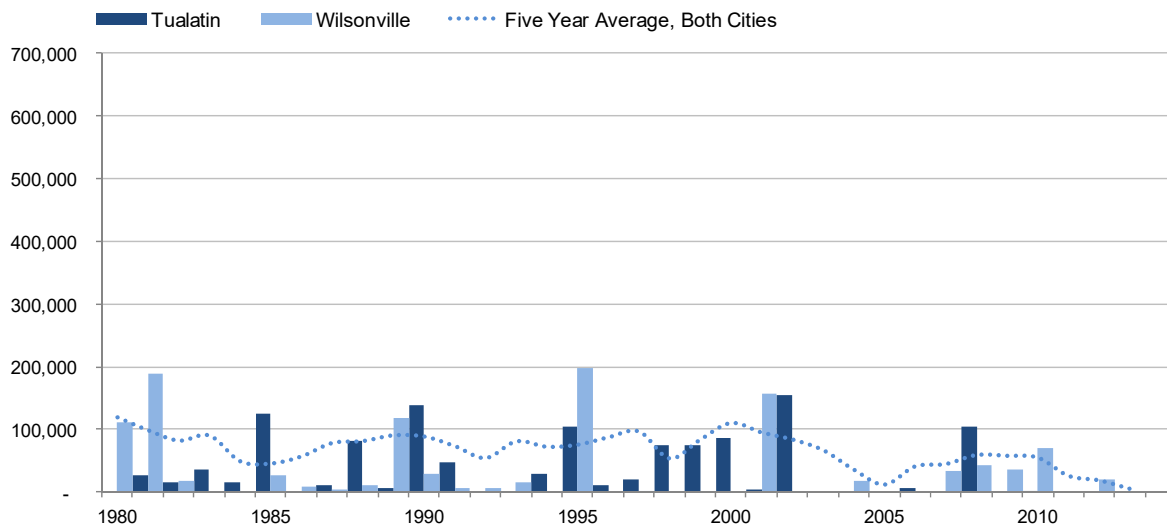


Figure 3. Office Development, Tualatin and Wilsonville, 1980 to 2014



Source, both figures: CoStar, Leland Consulting Group.

The past decade has been a slow period for both industrial and office development. The recession slowed industrial development beginning in 2008, particularly in Wilsonville. The pace of recent industrial development has been about half of development during the 1990s and early 2000s—considered to be a time of robust activity for industrial developers. Office development has also slowed, although this trend began in 2003, before the recession. Office development in the past decade has also taken place at about half the pace of office development in the 1990s.

Clearly, both industrial and office development go through significant peaks and troughs. By focusing on the five-year rolling-average trend line, however, a somewhat more consistent pattern of development can be seen.

Employment Building and Site Attributes

Table 1 below shows some key attributes of industrial and office development in Tualatin and Wilsonville.

- On average, 43.1 acres of industrial land and 13.6 acres of office land per year have been developed in both cities combined. Wilsonville has seen about 25 acres of employment land development per year, 16.3 acres of industrial land, and 8.3 acres of office land, which provides a good benchmark for total demand in Wilsonville, including Basalt Creek, going forward.
- Average industrial building sites (9.1 and 6.5 acres in Tualatin and Wilsonville respectively) tend to be larger than office building sites. Industrial buildings also tend to be larger than office buildings.
- Floor area ratios (FAR) are helpful to understanding the physical form of buildings on their sites. Most industrial buildings have a FAR of 0.2 to 0.4. Most office buildings have FARs between 0.3 and 0.5; however, there are some newer office buildings in Tualatin that feature structured parking and FARs up to 1.0. These FARs are consistent with Metro’s analysis and future projections.

Table 1. Attributes of Industrial and Office Development in Tualatin and Wilsonville

	Industrial			Office		
	Tualatin	Wilsonville	Total	Tualatin	Wilsonville	Total
Total Area (SF)	10,470,000	8,390,000	18,860,000	1,260,000	1,250,000	2,510,000
Av. Annual Development, 1980 - 2014						
Annual Building Development (SF)	186,960	150,980	337,940	34,632	32,985	67,617
Annual Land Development (Acres)	26.8	16.3	43.1	5.3	8.3	13.6
Building Averages, 2000 - 2014						
Average Building Size (SF)	60,224	80,000	-	31,807	35,000	-
Average Site Size (Acres)	9.1	6.5	-	4.2	2.0	-
Typical Floor Area Ratios (FAR)	0.2 to 0.4	0.2 to 0.4	-	0.4 to 1.0	0.3 to 0.5	-

Source: CoStar, Leland Consulting Group. SF: Square feet; FAR: Floor area ratio, the ratio of a building’s size in square feet (or gross building area) to the size of the piece of land upon which it is built.

Note that, while the averages shown here are useful for high-level planning purposes, both industrial and office buildings vary considerably in size, scale, and purpose. For example, the industrial building category includes flex buildings, which can often be divided into 5,000 square foot tenant spaces and feature significant amounts of office and showroom space. The industrial category also includes

distribution and warehouse buildings, which can be hundreds of thousands of square feet in size. Sample industrial and office buildings are pictured below in Figure 4 and Figure 5.

Figure 4. Typical Industrial Buildings: Office/Distribution and Flex

The first building pictured below is located in the Wilsonville Business Center west of I-5 and contains a mix of office space (left foreground) and warehouse/distribution space, where freight trucks are parked. The second building pictured below is a typical flex industrial building located in the Tualatin Industrial Center, which features high ceiling heights, freight loading, and small, flexible spaces that can serve as a combination of office, showroom, and/or industrial.



Figure 5. Headquarters Office Building (Mentor Graphics)

The Mentor Graphics building is located east of I-5 between the Elligsen Road and Wilsonville Road interchanges. Despite its size and height, the FAR of the building is similar to other buildings in the area because of its extensive campus, landscaped areas, and surface parking.



Employment Outlook

Table 2 below shows Metro’s gamma employment forecast for the 2010 to 2035 time period. Key aspects of this forecast that are relevant to Basalt Creek are:

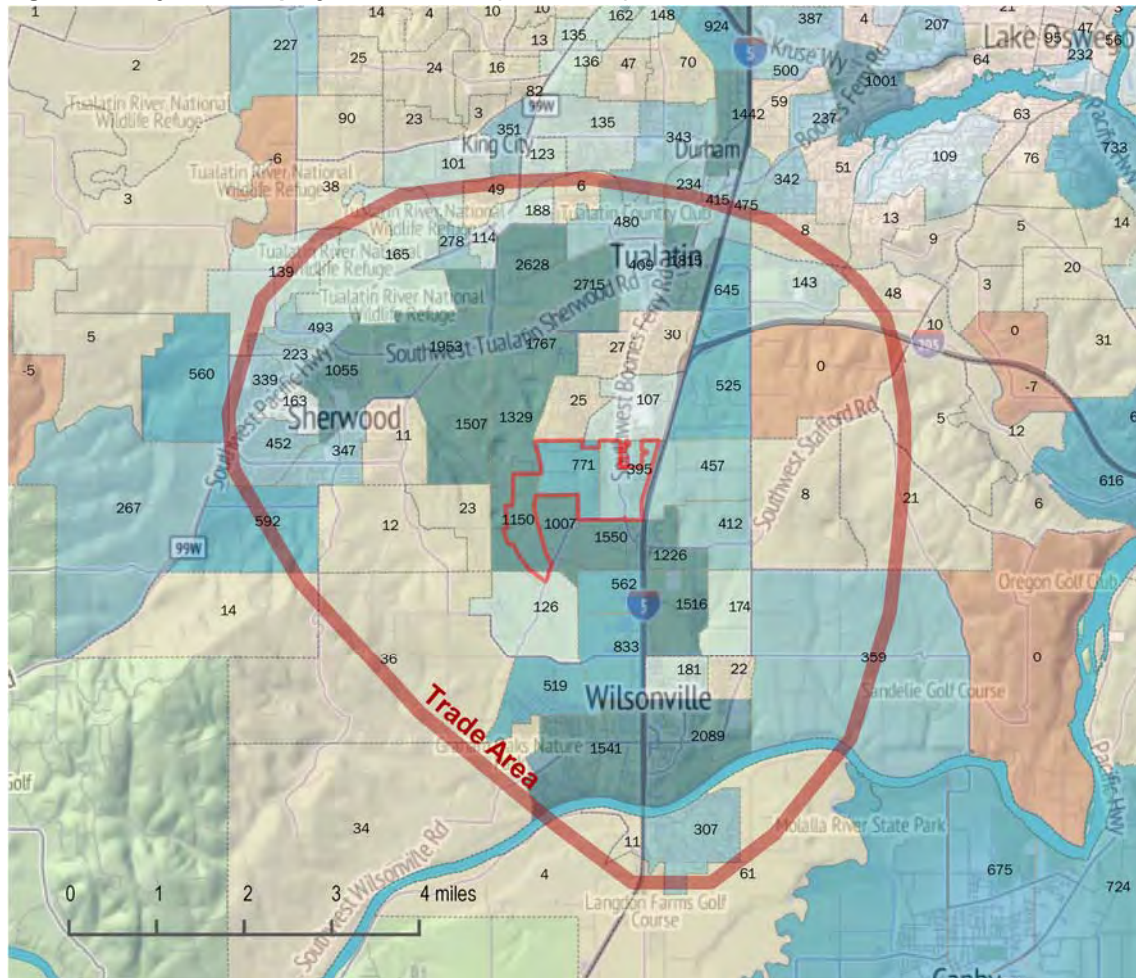
- Employment in the Basalt Creek market area is expected to grow at 2.3 percent annually between 2010 and 2035, about 40 percent faster than the three-county metro area rate (1.7 percent). Employment in all three cities within the market area is expected to grow relatively rapidly—at a higher annual rate than their populations, and a higher rate than regional population growth (see Table 6 for population growth projections).
- Tualatin and Wilsonville are expected add 12,267 and 10,346 jobs respectively over the 25-year Metro forecast period. In total, the market area is expected to add 36,786 jobs, an increase of 78 percent over the 47,005 jobs currently in the market area.
- This significant growth can be expected to drive consistent demand for employment land and buildings, including industrial, office, and commercial space, both in Basalt Creek and in other employment areas in the market area over the 2010 to 2035 time period.

Table 2. Metro Employment Forecast, 2010 to 2035

Jurisdiction	Employment			
	2010	2035	Change	CAGR
City of Tualatin	22,972	35,239	12,267	1.7%
City of Wilsonville	17,073	27,419	10,346	1.9%
City of Sherwood	4,216	9,252	5,036	3.2%
Basalt Creek Market Area	47,005	83,791	36,786	2.3%
Clackamas County	137,946	210,444	72,498	1.7%
Multnomah County	419,164	597,331	178,167	1.4%
Washington County	232,019	382,812	150,793	2.0%
Three County Total	789,129	1,190,587	401,458	1.7%

Source: MetroScope Gamma Forecasts, Published Feb 07, 2013, <http://www.oregonmetro.gov/regional-2035-forecast-distribution>.

Figure 6. Projected Employment Growth (2010-2035)



Source: Metro Gamma Forecast; Leland Consulting Group.

Table 3 shows Metro's analysis of past and future employment growth in the Metropolitan Statistical Area (MSA), completed for the Draft 2014 Urban Growth Report. This data shows employment changes for a larger area—the seven-county MSA—than the three-county data above.

Table 3. Employment: Past Growth and Future Projections, Seven-County MSA

Time Period	Annual Growth Rate
1960 - 1980	3.74%
1980 - 2000	2.60%
2000 - 2020	1.17%
2020 - 2040	1.24%

Source: Metro, Mid Range projection, Draft 2014 Urban Growth Report, Appendix 1a.

A key take away from this data is that while employment in the region will continue to grow, it will grow more slowly during the build out period for Basalt Creek (likely largely during the 2020 to 2040 time period) than during the most rapid periods of employment growth (1960 to 2000). Based on this projection and conversations with area brokers, LCG projects that employment land absorption during Basalt Creek's build out period should be faster than 2000 to 2014 (which includes the recession and its aftermath), but slower than during the rapid growth period of 1980 to 2000, and the 1990s in particular.

Industrial Development Outlook

Private sector analysis of the demand for industrial space is consistent with Metro's projections in that most observers expect a resurgence of demand as the economy recovers from the recession. Nationwide, industrial development is anticipated to accelerate due to increased long-term demand for industrial properties from firms whose businesses involve research and development, advanced manufacturing, general manufacturing, and warehousing. While private sector development forecasts are often focused on a short to medium-term (e.g., one to five years) time frame, rather than the long-term (20-year) time frame for this plan, the dynamics described below are significant and are supportive of industrial development at Basalt Creek. According to the Urban Land Institute's 2014 *Emerging Trends in Real Estate*:

Industrial. Industrial real estate will get a boost in 2014 as the U.S. economy continues to improve and as retailers and manufacturers have made the shortening of the supply chain their top priority for the foreseeable future. Warehousing stands out as the strongest prospect in both investment and development in 2014—not only among industrial subsectors and niche markets, but across all types of subsectors and niche markets... Warehousing is a clear favorite when survey respondents recommended action... The strength of warehousing reflects the expanding influence of e-commerce distribution networks...

The Return of Manufacturing. "Manufacturing is coming back to the U.S., and it's coming back faster than we thought. Back in 2011, no one thought we would see anything until 2015. Now, we are seeing dozens of companies moving back to the U.S. because the economics are shifting," says a labor economist. "A key driver of this trend is that labor costs in China are rising, with wages increasing by about 15 to 20 percent a year and the steady appreciation of the Chinese yuan against the dollar. Manufacturers are seeing very long supply chains, and there are increasing concerns about intellectual property."

Portland's industrial market is heating up in response to these trends. In late 2013 and early 2014, a number of new industrial projects have been announced totaling about 1.5 million square feet; one is the 800,000-square-foot PDX Logistics Center (18.3-acre building) to be built near PDX Airport. A speculative investment of this magnitude shows significant confidence in the Portland market. Eight additional major projects are reportedly in the planning pipeline. Industrial brokers at Kidder Matthews report an "industrial land shortage" and that the "greatest demand is seen in the I-5 corridor," a submarket that includes Wilsonville and Tualatin.

Office Development Outlook

Office development nationally and regionally is not expected to bounce back with the same resiliency as industrial space. Office development in the short and long term faces several challenges. In the short term, the Portland region's employment levels have only just recovered this year to their 2008 pre-recession levels. While office vacancies are far lower than they were several years ago, there is not yet pressure for new development. As Table 4 shows, the region is expected to add just 288,000 square feet of office in 2014, or 0.6 percent of the total regional inventory of nearly 47 million square feet. Tualatin's current vacancy rate of 20.5 percent suggests a soft market, though that space will be occupied in the long term.

Table 4. Current Office Market Summary, Portland Metro Region

Market	Existing Inventory		Vacancy	YTD Net	Under Const. &	Class A
	# Blds	Total RBA	%	Absorption	Complete YTD	Rates
Portland CBD	374	26,309,983	10.0%	(36,157)	288,000	\$25.58
Lake Oswego/West Linn	142	1,144,080	8.5%	13,170	0	\$25.50
North Beaverton	151	3,246,113	6.7%	37,420	0	\$26.33
Sunset Corridor/Hillsboro	359	10,374,721	6.2%	111,442	0	\$21.53
Tigard	226	3,313,116	10.4%	35,859	0	\$24.27
Tualatin	68	1,263,266	20.5%	10,099	0	\$22.28
Wilsonville	59	1,252,446	7.1%	9,476	0	\$20.50
Totals	1,379	46,903,725		181,309	288,000	

Source: CoStar, Leland Consulting Group.

Of more concern for new office development at Basalt Creek are several long-term trends. Companies are becoming much more efficient than ever before with their office space, and thus, requiring less of it. Greater efficiencies are being achieved through smaller dedicated desk spaces; employees who work out of the office on the road, from home, or other locations; and less storage for fewer paper files. In addition, companies have gotten more reluctant to take on long-term obligations such as expanded leases. These trends are expected to continue, and in some cases accelerate in the future, and therefore, demand for office space as a function of total employment is likely to be less in the future.

In conclusion, in the near and potentially long term, office development is likely to be slower than industrial development throughout the Portland region. As shown in Figure 2 and 4, much more industrial development than office development has taken place in Tualatin and Wilsonville in recent decades, and LCG expects this trend to continue at Basalt Creek.

Tualatin and Wilsonville’s Economic Positioning and Goals

The Cities of Tualatin and Wilsonville are proactively pursuing economic development in order to provide high paying jobs for their residents, strengthen their tax bases, offer quality public services, and enable general prosperity in the communities. The two Cities’ main economic development plans relevant to Basalt Creek are shown below.

Table 5. Relevant Economic Development Plans

Tualatin	Wilsonville
<ul style="list-style-type: none"> Economic Development Strategic Plan (2014) Industry Cluster Analysis (2014) Southwest Tualatin Concept Plan (2010) 	<ul style="list-style-type: none"> Economic Opportunities Analysis (EOA) Update (Final Draft, 2012) Coffee Creek Master Plan (2007)

Target Industry Clusters

Tualatin and Wilsonville have both identified a series of targeted industry clusters. According to Tualatin’s Industry Cluster Analysis, a cluster is an agglomeration of similar and related businesses and industries that are mutually supportive, regionally competitive, attract capital investment, encourage entrepreneurship, and create jobs. For example, 57 percent of Tualatin’s jobs fall within its five key industry clusters, which also provide wages that are on average 70 percent (\$35,000) higher than those in all other industries.

Clusters reflect the community’s strengths and competitive advantages, suggest which sectors of the economy are most likely to generate jobs in the future, and provide policy makers with guidance about the types of land, buildings, infrastructure improvements, and other actions needed to grow jobs in the future. (Wilsonville’s EOA uses the term industry “sectors.” The terms cluster and sector are used interchangeably here.)

Both Tualatin and Wilsonville have determined that they excel in the following three industry clusters. The economic figures included below are drawn from the Cities’ economic development plans.

- Advanced Manufacturing and Related.** This cluster is a significant driver of both cities’ economies. It is Tualatin’s largest cluster, accounting for 22 percent of jobs in the city. It accounts for a significant portion of Wilsonville’s economy; computer and electronic product manufacturing was Wilsonville’s largest industry sector as of 2012, and includes several of the city’s largest employers such as Xerox, TE Connectivity, and Rockwell Collins.

The Oregon Institute of Technology (OIT), now educating students in the engineering, technology, management, and health sciences fields from its Wilsonville campus, is an important anchor institution for the southwest metro economy. The Cities are looking for ways to capitalize on OIT’s presence and to strengthen partnerships between the school and private business.

Growth in this cluster will result in ongoing demand for industrial land and buildings in Basalt Creek and other areas. Freeway access, freight mobility, and access to a skilled workforce will be important to this cluster’s ongoing success.

- **Corporate and Professional Services.** This cluster accounts for 12 percent of Tualatin's jobs, and was the second largest industry sector in Wilsonville as of 2012. Major employers include Portland General Electric and Express Employment Professionals in Tualatin, and Mentor Graphics in Wilsonville. Growth in this cluster will result in ongoing demand for office land and buildings in Basalt Creek and other areas. A variety of locational factors tend to be important to corporate and professional service firms, including skilled workforce, available land or office space, transportation connections, and nearby restaurants and commercial services.
- **Health Care and Medical Related.** This cluster is important in both cities: it is the third largest in Tualatin and fourth largest in Wilsonville. Tualatin's health care cluster is anchored by Legacy Meridian Park Medical Center, among Tualatin's largest employers, and also includes associated industries such as clinics, laboratories, physician offices, and assisted living centers. Wilsonville's largest health care employers as of completion of the EOA were Infinity Rehab and Avamere, both ambulatory (outpatient) service providers. Wages in this cluster are well above average.

Because of the diversity of health care businesses, firms in this cluster can operate in health care-specific zones (such as Tualatin's Medical Commercial zone), or general employment zones (such as Wilsonville's Planned Development Industrial zone). In some cases, health care firms that serve smaller, more localized populations can locate in retail/commercial zones.

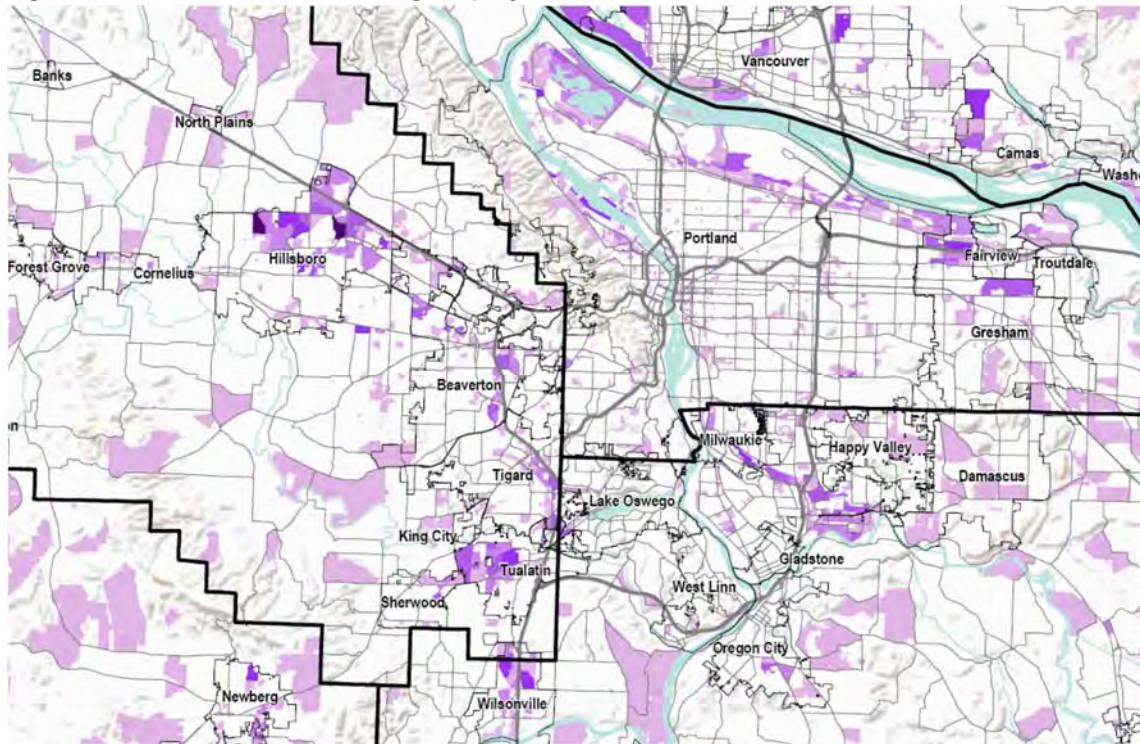
In addition to the three clusters described above that have been identified as targets for both cities, Tualatin and Wilsonville have also identified these industry clusters:

- **Other Industrial Clusters.** Both Cities have identified additional industrial target clusters that could locate in Basalt Creek. Tualatin has identified two other industry clusters likely to generate demand for industrial land and buildings: Food Processing and Distribution, and Wood, Paper, Printing, and Related. Wilsonville identified a number of other industrial business types: Light Manufacturing and Warehouse/Showroom Operations; Specialty Contractors and Construction Firms; Sustainable Product Manufacturing and Distribution; Miscellaneous Manufacturing, and Wholesale Trade.

Growth in these clusters will result in ongoing demand for industrial land and buildings in Basalt Creek and other areas. Freeway access, freight mobility, and access to a skilled workforce will be important to these clusters' ongoing success.

- **Other Professional and Commercial Services.** Wilsonville's EOA also identifies Creative Services (such as transportation logistics, legal services, management consulting, and accounting) as a target cluster. Similar to Corporate and Professional Services, growth in this cluster should result in demand for office land and buildings in Basalt Creek and other areas.
- **Other Clusters.** Some clusters may or may not be a good fit for inclusion at Basalt Creek, depending on the Concept Plan. An example is Tourism and Recreation, which was identified by Wilsonville.

Figure 7. Number of Manufacturing Employees



Source: Institute for Metropolitan Studies, Portland State University.

Figure 8. Lam Research Facility, Tualatin

The semiconductor equipment manufacturer is the city's largest private employer, and a leader in the city's advanced manufacturing cluster.



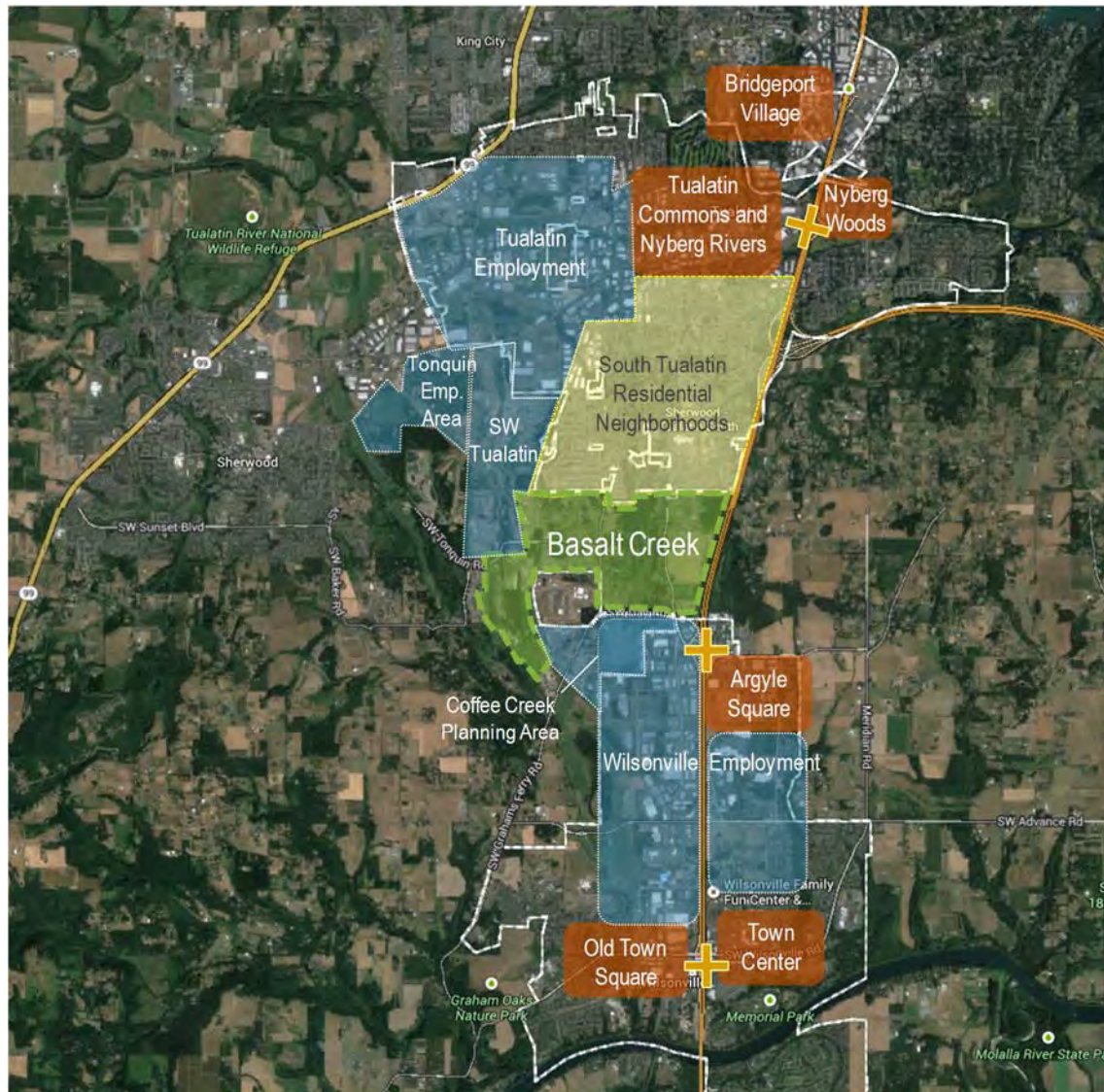
Photo credit: Tualatin Chamber.

Subregional Context

Figure 9 below shows the Basalt Creek study area and the key employment, commercial, and residential areas nearby, along with three I-5 freeway interchanges. This map shows that Basalt Creek is located at the heart of a large, contiguous series of employment areas, which will provide Tualatin and Wilsonville with the land area to build on and expand their advanced manufacturing, corporate services, and other key industry clusters.

Transportation is fundamentally important to these employment areas, and transportation connectivity has the potential to make a whole that is greater than the sum of its parts by enabling firms to trade goods and services easily. I-5 is the most important single transportation corridor. The 124th Avenue Extension and East-West Connector will also be very important in knitting the employment areas together. This large agglomeration of employment areas creates momentum, and will also be a source of competition for Basalt Creek.

Figure 9. Basalt Creek Geographic Context



Source: Leland Consulting Group. Note: Employment, commercial, and residential area boundaries are approximate.

Established Employment Areas. The Tualatin and Wilsonville employment areas are developed areas that have capacity to continue to add businesses and jobs. To the west of I-5, Wilsonville's employment area tends to contain more industrial, manufacturing, distribution, and flex businesses and buildings; to the east of I-5, a larger share of businesses are office-based professional service firms, such as Mentor Graphics and Xerox Corporation. However, the zoning is the same (Planned Development Industrial) throughout the entire Wilsonville employment area.

The City of Wilsonville is currently at work developing a Light Industrial Form Based Code (FBC) intended to streamline approval of light industrial and office employment, while at the same time ensuring high-quality urban design. The FBC will apply to the Coffee Creek industrial area, but could also apply to Basalt Creek Creek and other areas.

Planned Employment Areas. Southwest Tualatin, Tonquin, and Coffee Creek are planned employment areas located within the UGB that have yet to be served by infrastructure or see new private development. Annexation and development in the areas are property owner initiated.

- The Southwest Tualatin Concept Plan Area is approximately 614 gross acres and is planned for a mix of light industrial, high tech, and campus employment users. Most of the area remains an active quarry; the City expects this use to continue for an indeterminate period.
- The Coffee Creek industrial area is a 225-gross-acre area that was master planned by the City of Wilsonville in 2007. It is adjacent to Basalt Creek on the south side of Day Road. In addition to industrial development throughout the area, the City's vision includes the development of an office corridor on Day Road (the dividing line between the Coffee Creek and Basalt Creek areas). No development or annexation has taken place in Coffee Creek since the adoption of the master plan; land assemblage challenges, and lack of City services and financing plan to build those services are the primary obstacles to development here.
- The Tonquin employment area is a 300-gross-acre area located in the City of Sherwood. It is planned for light industrial development with a small amount of ancillary retail/commercial services.

Employment Strengths and Challenges

Basalt Creek's primary strengths/competitive advantages and challenges vis-à-vis the industrial and office development are as follows:

Strengths and Competitive Advantages

- Tualatin and Wilsonville's established and successful industry clusters in advanced manufacturing, professional services, and a variety of other industrial and office-based employment categories. Large contiguous cluster of existing and planned employment areas.
- Long-term growth projections for employment and population in the southwest Portland metro area.
- Excellent access to I-5, as well as I-205 and Highway 217. Additional transportation strengths include existing and planned arterial roads, and local and regional transit service provided by TriMet, WES Commuter Rail, and SMART.
- Educated workforce.

- Market success of recent industrial, office, and retail developments.

Challenges

- Vision and regulation: This Concept Plan, and subsequent Comprehensive Plan and zoning amendments, need to be in place prior to development.
- Planning, financing, and construction of new infrastructure.
- Lot sizes and property aggregation. There is a mix of large and small lots throughout Basalt Creek. The time and cost required to secure properties from multiple parties in order to aggregate developable industrial or office properties of adequate size can be a significant deterrent to developers.
- Natural features including wetlands and slopes. Basalt Creek and its surrounding slopes and wetland areas run north-south through the study area and divide the area into east and west sections.
- The market for new office development continues to be slow. However, the study area will not be ready for private development for several years, which may allow enough time for this market to recover.

Absorption and Build Out

Employment development—including industrial and office land development—is expected to take place in Basalt Creek at a pace of about eight to 10 buildable acres annually, assuming zoning is in place and urban infrastructure (roads, sanitary sewer, and water) are available. The pace of development will depend on economic conditions at the time of development, the location of transportation and other improvements, and the number of other nearby employment areas also available for development, among other factors. This represents a 30 to 40 percent capture rate of Wilsonville’s annual average of 25 acres of employment land development (see Table 1) and is reasonable given that employment development can also be expected to take place at Coffee Creek and “infill” within existing urbanized parts of the city. The projection is also consistent with the estimates provided by developers interviewed for this project. If development at Coffee Creek and on infill sites is highly constrained, then development at Basalt Creek could accelerate.

Buildings in Basalt Creek are expected to range widely in terms of site and building sizes. However, the FARs for most buildings should fall between 0.2 and 0.4 FARs and be surface parked. Higher density buildings with some structured parking may be feasible at special locations, or in later years after the market has matured.

Housing Market Analysis

Demographic Context

Table 6 summarizes Metro's 2010 to 2035 gamma projections of household growth for the cities of Tualatin and Wilsonville, and other geographies relevant to Basalt Creek. Some key take aways are:

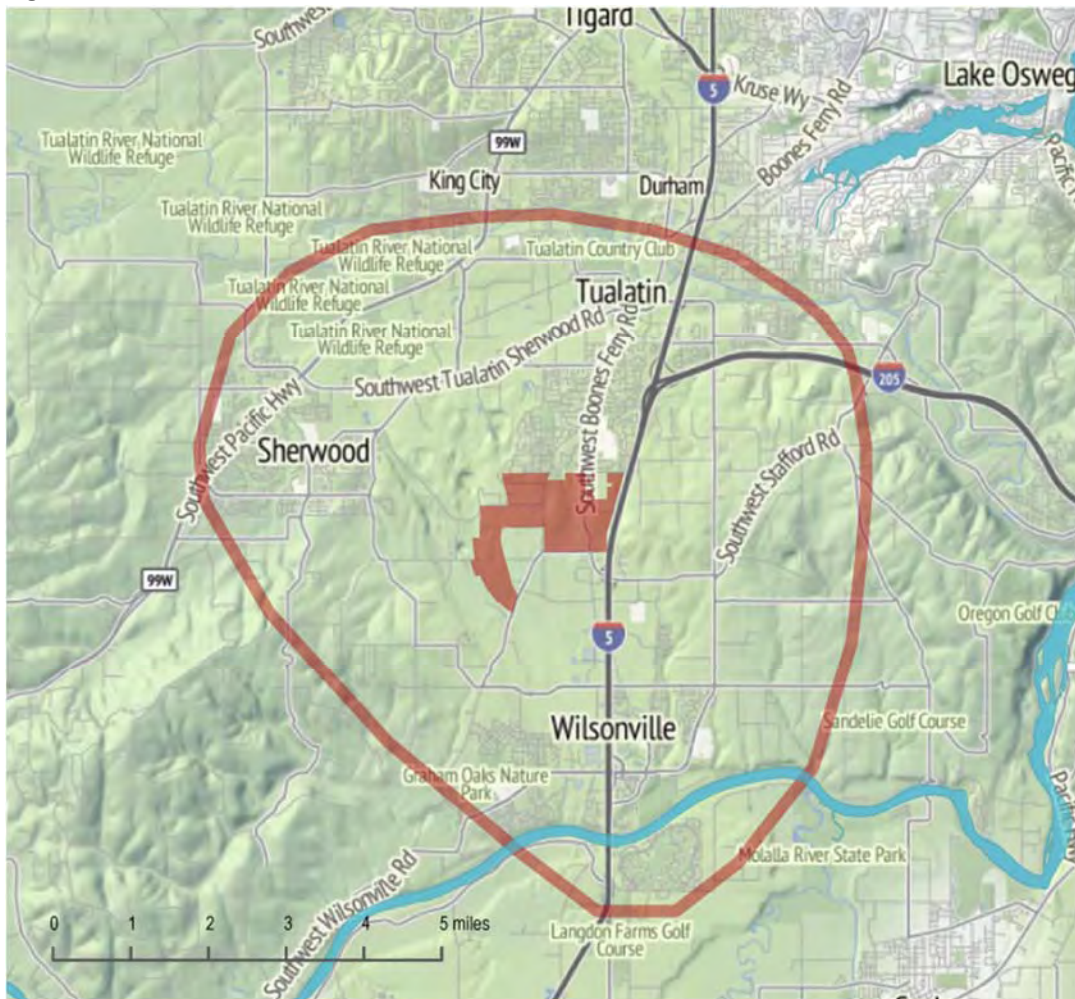
- The number of households in the three-county Metro area is expected to grow relatively quickly, at a 1.5 percent Compound Annual Growth Rate (CAGR), between 2010 and 2035, and thus add more than 11,000 households per year.
- Metro forecasts that Tualatin and Wilsonville will grow throughout the forecast period, with the number of households in Wilsonville projected to grow at a faster rate (1.5 percent) than Tualatin (0.4 percent). According to Metro, in 2010, Tualatin's average household size (2.61 persons) was slightly larger than Wilsonville's average (2.48 persons). Metro projects this difference will essentially remain through 2035, though Tualatin's household size will decrease somewhat (to 2.55 persons).
- The Basalt Creek market area (see Figure 10) was also defined in order to evaluate demographic trends that cross city and county boundaries. The market area includes the cities of Tualatin, Wilsonville, and Sherwood, as well as some surrounding areas. This market area is the area from which new residents of Basalt Creek are most likely to come, based on Leland Consulting Group's market research.
- The consistent projected household growth in the region, market area, and subject cities suggest that there will be demand for new homes within the market area generally and Basalt Creek specifically through 2035, assuming that Basalt Creek is effectively planned and made available for development.

Table 6. Demographic Forecasts for Market Area and and Metro Region

Jurisdiction	Households			
	2010	2035	Change	CAGR
City of Tualatin	10,000	11,170	1,170	0.4%
City of Wilsonville	7,859	11,508	3,649	1.5%
City of Sherwood	6,316	7,269	953	0.6%
Basalt Creek Market Area	27,825	38,704	10,879	1.3%
Clackamas County	146,324	208,437	62,113	1.4%
Multnomah County	304,649	442,546	137,897	1.5%
Washington County	202,647	289,592	86,945	1.4%
Three County Total	653,620	940,575	286,955	1.5%

Source: Metroscope Gamma Forecasts, Published Feb 07, 2013, <http://www.oregonmetro.gov/regional-2035-forecast-distribution>.

Figure 10. Basalt Creek Market Area



Source: Fregonese Associates, Leland Consulting Group.

Table 7 below and Table 8 on the following page provide additional perspective on the demographics of the subject cities when compared to the Portland MSA.

The City of Tualatin, when compared to the Portland MSA, has a higher percentage of family households (two or more related people), larger average households, higher household incomes, and higher capita incomes. A larger share of residents have college degrees (43 percent) and are employed in white collar jobs (67.4 percent) compared to the region.

Wilsonville, when compared to the Portland MSA, has a higher percentage of family households and smaller households. This is likely because the city has a higher share of young households (in the 25 to 34 age category) and seniors, Baby Boomers, and retirees (65+ category). Each of these age groups has different housing preferences. Like Tualatin, Wilsonville has a larger share of residents with college degrees (43 percent) and white collar jobs (67.4 percent) than the region. (The data below shows information about *jobs held by residents of the given geographical areas*, not the jobs within those areas.)

Table 7. Demographic Summary

Key: Low High 2014 data except where noted.

Demographic Attribute	City of Tualatin	City of Wilsonville	Basalt Creek Market Area	Portland MSA
Comparison to Portland MSA:	More families Larger HHs Higher HH Incomes Higher PC Incomes More college degrees More white collar emp.	Fewer families Smaller HHs More Gen Y More Boomers More low-income HHs More college degrees More white collar emp.	More families Larger HHs Higher HH incomes Higher PC incomes More college degrees More white collar emp.	
Population	26,520	21,235	73,786	2,296,285
Number of Households	10,170	8,638	28,121	896,982
Family Households (2010 Census)	68%	59%	68%	64%
Household Size (Average)	2.60	2.32	2.57	2.52
Household by Size (2010 Census)				
1 and 2 person households	57%	68%	58%	61%
3 and 4 person households	33%	25%	32%	29%
5 + person households	10%	7%	10%	10%
Median Household Income	\$64,324	\$59,812	\$70,256	\$57,441
Per Capita Income	\$32,672	\$31,995	\$33,336	\$30,135
Population By Age				
0 to 24	35%	31%	34%	32%
25 - 34	14%	16%	13%	15%
35 - 44	15%	14%	15%	14%
45 to 54	14%	13%	14%	14%
55 to 64	13%	11%	12%	13%
65 +	9%	15%	11%	13%
Median Age	35.7	37.0	36.6	37.5

Source: ESRI Business Analyst, Leland Consulting Group.

The Basalt Creek market area is similar to Tualatin in many ways. When compared to the Portland MSA, the market area has a higher percentage of family households, larger households, higher household and per capita incomes, more residents with college degrees, and more residents who work in white collar jobs.

Table 8. Demographic Summary (Continued)

Key: Low High 2014 data except where noted.

Demographic Attribute	City of Tualatin	City of Wilsonville	SW Metro Market Area	Portland MSA
Education and Employment				
Less than High School	9.7%	8.0%	8.0%	9.4%
High School or Equivalent	16.5%	20.4%	18.2%	22.1%
Associate's or some college	31.5%	32.3%	32.5%	34.2%
Bachelor's or Advanced Degree	42.3%	39.3%	41.3%	34.3%
Occupation				
"White Collar"	67.5%	70.1%	69.3%	63.1%
"Blue Collar"	11.3%	14.1%	13.5%	19.5%
Housing				
Median Home Value	\$331,190	\$349,927	\$337,289	\$275,516
Housing Tenure				
Owner Occupied Housing Units	51.9%	43.4%	55.0%	56.2%
Renter Occupied Housing Units	42.6%	50.5%	39.8%	37.7%

Source: ESRI, Leland Consulting Group. 2013 data except where noted.

In general, these demographics are favorable to housing development in Basalt Creek; they also reflect the types of residents most likely to locate in Basalt Creek.

Finally, the South Tualatin residential neighborhoods immediately to the north of Basalt Creek reflect many of the demographic attributes typical of Tualatin's population. The neighborhoods—including roads, street trees, parks, and schools—create a positive environment for residential development within Basalt Creek, particularly along the northern edge. It should be noted, however, that Basalt Creek is located in the Sherwood School District, not the Tigard-Tualatin School District, and therefore, school age children in Basalt Creek would need to travel west to Sherwood, rather than north, for classes.

Regional and National Demographic Trends Affecting Housing

It is important to note that over the coming decades the metropolitan region's demographics are expected to become more like Wilsonville's demographics today, and somewhat less like Tualatin. Table 9 compares the age group split in the cities of Tualatin and Wilsonville today with Washington County's demographics in 2010 and projected demographics in 2035. The biggest change is that older households are expected to comprise a larger share of the total population, with a smaller share in the 35 to 64 age category. Household sizes are also expected to decrease. Washington County is used here as a proxy for the age groups and household types most likely to live in the Basalt Creek market area in coming years, and because Metro and the State of Oregon both produce long-range estimates for the County.

Table 9. Demographic Comparison of Subject Cities in 2013 and Washington County 2035 Projection

Age Group	City of Tualatin 2013	Washington County 2010	City of Wilsonville 2013	Washington County 2035
0 - 19	35%	34%	31%	30%
20 - 34	15%	15%	17%	14%
35 - 64	42%	40%	38%	38%
65+	8%	10%	15%	19%
Total	100%	100%	100%	100%

Source: Office of Economic Analysis, State of Oregon; ESRI Business Analyst, Leland Consulting Group.

The figures below further emphasize the demographic trend that is referred to as the aging of the Baby Boomers or the “silver tsunami,” which is expected to have a significant impact on housing demand. As Baby Boomers, those born between 1946 and 1964, retire and begin to consider selling their homes and relocating, they are expected to have a major impact on housing markets. Many will be selling medium and large size single-family homes and looking for smaller homes with lower maintenance and upkeep, and the freedom to “lock and leave” home to visit family and friends, and vacation elsewhere. Many will also keep their homes.

Figure 11 highlights several points. The population of all age categories is growing between 2015 and 2035—the period during which Basalt Creek is expected to build out—and there should be demand for housing that meets the needs of all of these groups. The 65+ population will grow the most. The effect of this growth will be even more pronounced since these are relatively small households and thus more housing units are needed to serve the same population. The population of the 35 to 64 age category, and their children, under 19, will also grow significantly. This group is likely to re-occupy many of the single-family homes now in the market area, and new homes in Basalt Creek. The size of the 20 to 34 age group is not expected to increase much. This is because Generation Y / Millennials, now in their 20s and early 30s, is a large age cohort, and the age cohort behind them is expected to be smaller. Generation Y is driving the apartment boom now taking place in urban and mixed-use areas throughout the metro region.

Figure 11. Net Population Change by Age Group, 2015 to 2035, Washington County

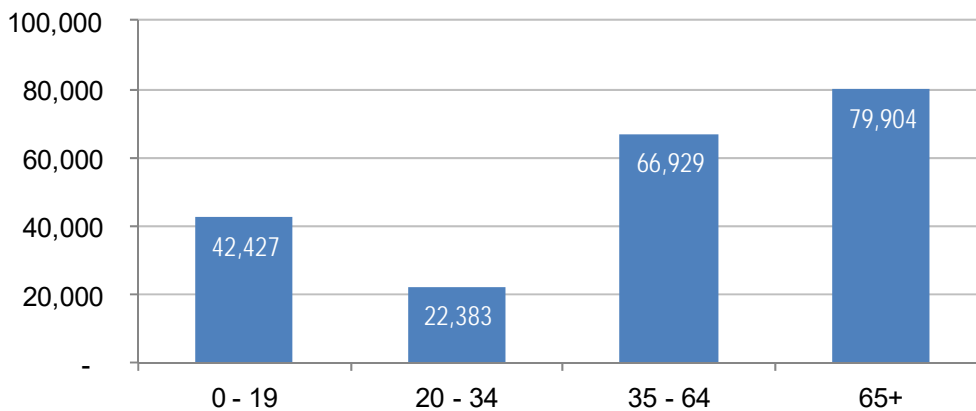
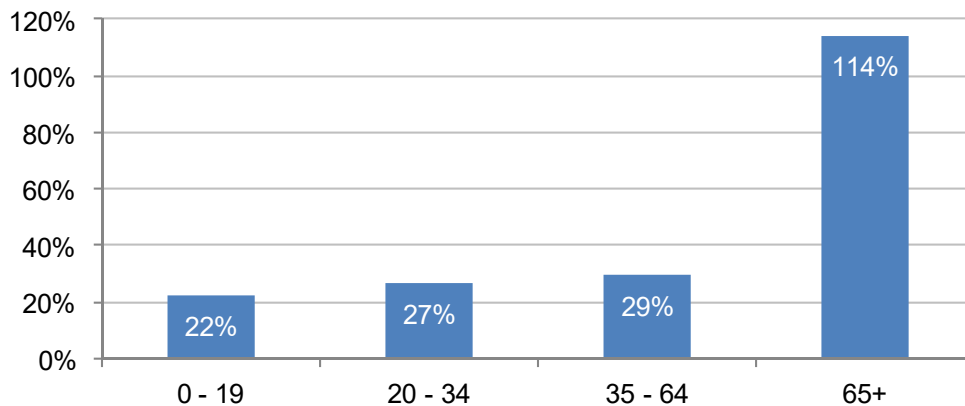


Figure 12. Percent Population Increase by Age Group, 2015 to 2035, Washington County, Oregon



Source: Office of Economic Analysis, State of Oregon; Leland Consulting Group.

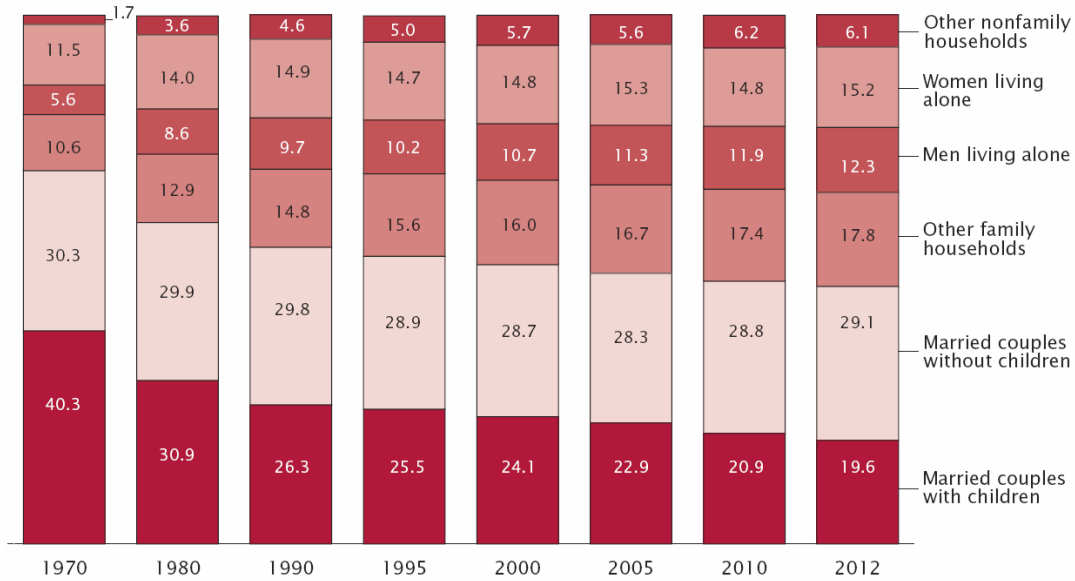
Figure 12 shows that, as a percentage of the current population, the growth in the 65+ age group will be far greater than growth in the other age groups. While the numerical increase (shown in Figure 11) is only slightly greater than the increase in other population groups, the percent increase is far greater. Therefore, our perception of this change, and its impact—on housing, health care, and other parts of society—is likely to be greater.

Some urban planners have identified four demographic groups that have seen the highest rate of growth in recent decades and are expected to continue growing in the coming decades. These are the “four S groups:”

- Seniors
- Singles
- Single-parent households
- Starter households

The growth in these groups nationwide is shown in Figure 13 below, along with the significant decrease in married couples with children as a share of all households. This strongly suggests that future housing demand, and the housing mix in residential neighborhoods, will continue to shift from single-family homes to a broader mix of housing types.

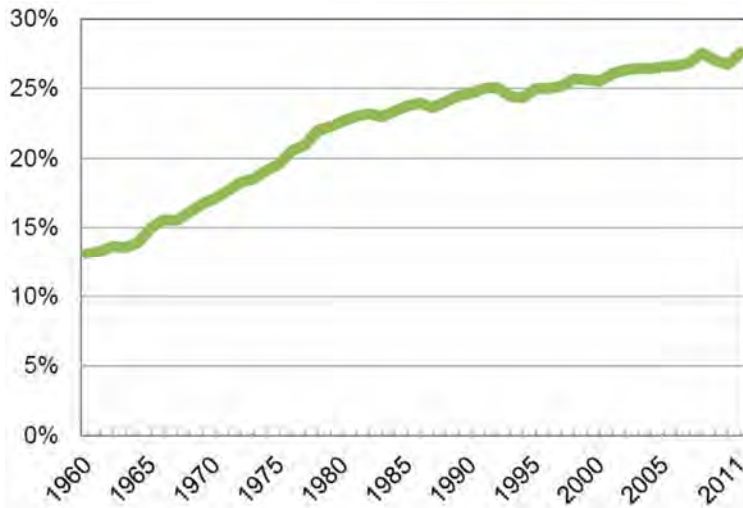
Figure 13. Households by Type, United States



Source: US Census Bureau.

Figure 14 shows the growth in the percent of households nationwide with one person. The share of one-person households doubled between 1960 and 2011. Two-person households are also making up a larger share of the national and regional population. Sixty percent of households in the market area, and 68 percent of Wilsonville’s households, are one or two-person households. These households are the core drivers of demand for housing types such as small lot single-family homes, attached single-family homes (townhouses and duplexes), and multifamily housing (apartments, condominiums, and senior housing).

Figure 14. Percent of Households with One Person, United States



Source: US Census Bureau.

Community Preferences

Of course, real estate and home buying is all about “location, location, location”—in other words, the community, city, or neighborhood in which a given home is located. Since 2004, the National Association of Realtors (NAR) has conducted a nationwide poll to better understand what Americans are looking for in their future homes and communities. This is the most robust, widely-applicable survey instrument available to suggest how housing demand is evolving. One important focus of this poll is testing Americans’ interest in the features of what are variously called “walkable communities,” “complete communities,” or “traditional neighborhood development.” Such communities tend to be pedestrian friendly—parks, schools, shops and businesses are located within walking distance of homes—and contain a range of different housing types where households of different ages and sizes can live (single-family homes, townhouses, and multifamily housing).

Figure 15 shows how people responded when asked, “Do you think there is too much, too little, or the right amount of each of the following in the area close to where you live?” Respondents most often felt that there are too few features such as safe routes for walking and biking, public transit, a diversity of housing, and shops and restaurants within an easy walk.

Figure 15. Which Neighborhood Amenities are in Demand?

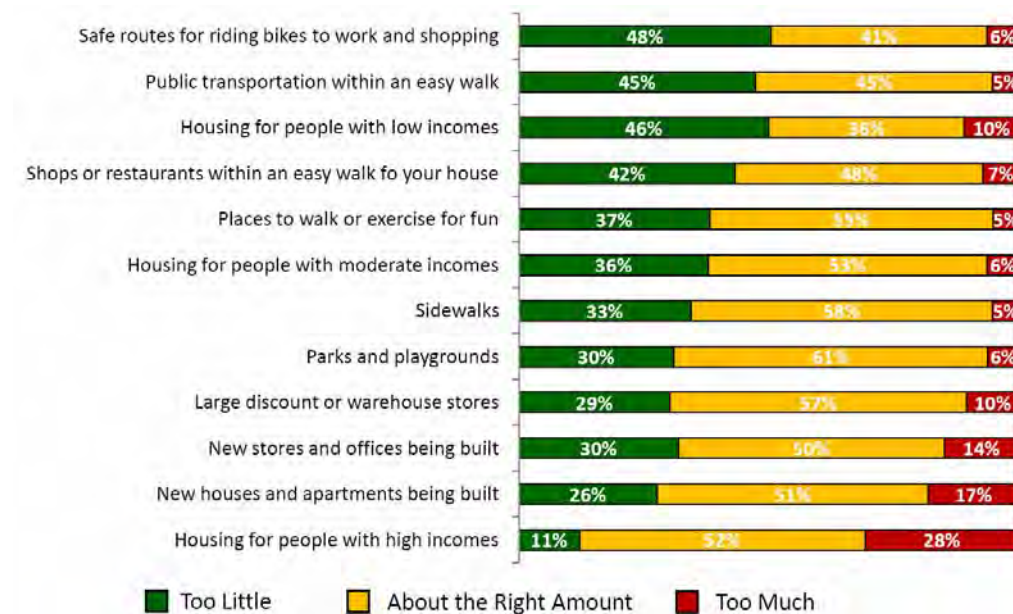


Figure 16 shows how people responded when asked to select the house where they would prefer to live when provided with two community options. By nearly a two-to-one margin, Americans prefer a neighborhood where they can walk to stores and businesses. The preference is significantly more pronounced among those who recently purchased a home or are currently in the market.

Figure 16. Community Preferences



Source, both figures: National Community Preference Survey, National Association of Realtors, October 2013.

Housing Types

Table 10 and the images that follow show categories of housing that are used to estimate demand in the Basalt Creek area. While there are many different categories and subcategories of housing, these five housing types are representative of the vast majority of housing being built now and in the recent past in the Portland metropolitan region, and in the market area in particular. The net density (number of housing units that can be accommodated on buildable land) of various housing types will vary depending on conditions such as slope, wetlands and environmental constraints, property ownership, streetscape features such as sidewalks and parking strips, and other factors; the net densities shown below are based on the average density of numerous built and planned projects.

Table 10. Housing Types

Housing Type	Lot Size			Net Density
	Low	Average	High	
Large Lot Single Family	6,000	7,500	8,500	6.0
Medium Lot Single Family	4,000	5,000	6,000	7.5
Small Lot Single Family	2,500	3,500	4,000	11.0
Attached Single Family: Townhomes and Duplexes	1,000	2,250	2,500	16.0
Multifamily: Apts, Condos, and Senior Housing	NA	NA	NA	25.0

Large Lot Single-Family



Medium Lot Single-Family



Small Lot Single-Family



Single-Family Attached



Multifamily



Recent Housing Development

Table 11 shows the recent residential permitting trends in the cities of Tualatin and Wilsonville, and in Villebois, a master planned community in Wilsonville. Villebois is shown here because: it is the largest master planned community (482 acres) that has been developed recently in the Southwest Metro area; it is a defined area that has been planned to include a range of housing, parks, and commercial services; and due to its success in the marketplace in recent years, housing absorption has been relatively rapid (adjusting for the recession), and many houses sell for a premium when compared to the competition in other areas. Naturally, recent housing built in these areas provides one benchmark from which to estimate future demand.

As Table 11 shows, the housing types that have been permitted and built in these areas correlate closely to the types of people and households who live there; the housing types also likely reflect zoning and other regulatory and market forces. Recent housing permitted in Tualatin is composed largely of large and medium lot single-family housing. No small lot single-family housing (lots smaller than 4,000 square feet) or attached single-family housing has been permitted since 2004. About 20 percent of the recently permitted housing in Tualatin is multifamily—market rate and affordable apartments, condominiums, and senior housing. Very little existing multifamily housing is located in the neighborhoods immediately north of Basalt Creek; most of Tualatin's multifamily housing is clustered further north near the Tualatin Town Center, Tualatin-Sherwood Road, and Bridgeport Village. The majority were built prior to 2000, although the 367-unit Eddyline at Bridgeport, completed in 2013, is a notable exception. Historically, this multifamily share is relatively typical; multifamily has comprised about 20 percent of total housing in many communities during the past five decades.

Wilsonville's housing is more diverse and features a significantly higher percentage of small lot single-family and multifamily housing, and much less large and medium lot single-family housing. Again, this is likely to be due to market, demographic, and regulatory reasons. The broad housing mix reflects the presence and growth of the four S groups in Wilsonville: seniors, singles, single-parent households, and starter households. The large multifamily share (66 percent) is partially due to the large number of new 20 and 30-something households recently formed, which will slow in coming years. Villebois' housing mix is similar to that in Wilsonville overall; however, during the time period surveyed (2000 to 2012) a larger percentage of small lot single-family homes, townhouses and duplexes were built in Villebois, along with a smaller percentage of multifamily housing. Villebois' developers and NAR surveys show that most American households, Baby Boomers included, prefer single-family homes over multifamily homes, but that they are quite open to smaller lot and homes sizes, especially when the surrounding neighborhood is attractive and walkable.

Table 11. Residential Development in Tualatin and Wilsonville by Housing Type

Housing Type	Tualatin	Wilsonville	Villebois
	Recent Permits	Recent Permits	Recent Permits
Large Lot Single Family	44%	9%	8%
Medium Lot Single Family	36%	10%	8%
Small Lot Single Family	0%	12%	35%
Attached Single Family	0%	2%	6%
Multifamily	20%	66%	43%
Total	100%	100%	100%

Sources: HUD; City of Wilsonville, *New Home Trends*, Leland Consulting Group. Due to data availability, Table 11 shows housing built in Tualatin between 2004 and 2014; and permits issued in Wilsonville between 2000 and 2012.

Basalt Creek Housing Scenarios

Table 12 shows the residential development scenarios developed by Leland Consulting Group for Basalt Creek. Rather than a single recommendation, these scenarios represent a continuum of options for the area. Typically, there is no single residential land use program that is “correct” in the marketplace, especially because of the significant growth in all households projected to occur in the market area. Rather, public policy, community aspirations, the vision of developers and land owners, and the type of multidisciplinary planning now taking place in this Concept Plan can help to shape the type of community expected, and the proper housing markets to pursue. An average net density (across all housing products) for each scenario is shown below. The density of each product type is shown in Table 10 on page 2929.

Scenario 1 can be thought of as reflecting the “status quo”—a housing mix similar to what has been built in Tualatin between 2004 and 2014. This is used as a status quo benchmark since Tualatin’s residential neighborhoods are in closest proximity to Basalt Creek. Eighty percent of the homes in this scenario are either large lot or medium lot single-family homes. While these homes are likely to appeal to families with children and many smaller households, this scenario may have an undersupply of small lot and attached single-family homes which will appeal to the growth in 65+ households and one and two-person households. There is less housing diversity in this scenario than other scenarios, and the predominance of large lot homes is likely to make it more challenging to create the type of walkable neighborhoods that 60 percent of those polled by the National Association of Realtors prefer.

Scenario 2 largely relies on the housing preferences expressed in the 2013 Realtors Survey. The one exception is that the 20 percent multifamily share was maintained from Scenario 1 to reflect historical multifamily construction patterns in Tualatin and Wilsonville. This scenario reflects the demand for small lot single-family, attached single-family, and multifamily expressed in the survey, and also greater share of these products in Wilsonville. Nonetheless, 75 percent of the housing remains single-family detached housing. The average density is just under 10 dwelling units per net buildable acre. This scenario contains a broader diversity of housing products and will be more suitable for a walkable community than Scenario 1.

Table 12. Residential Development Scenarios

	Scenario 1	Scenario 2	Scenario 3
Percent of Units by Type			
Large Lot Single Family	44%	10%	5%
Medium Lot Single Family	36%	41%	23%
Small Lot Single Family	0%	24%	43%
Attached Single Family	0%	5%	9%
Multifamily	20%	20%	20%
Total	100%	100%	100%
Net Density	7.7	9.6	10.9

Source: Leland Consulting Group.

Scenario 3 is similar to Scenario 2 but attempts to make several adjustments for changing housing demand. First, more demand is shifted to towards small lot single-family homes in response to stated preferences for such homes when they are located in a neighborhood where businesses and other amenities are located in close walking distance. Second, slightly higher demand for attached housing (duplexes, clustered cottage homes, and townhouses) is assumed because of the significant increase in 65+ aged households, and because of preferences for smaller homes in walkable communities. The multifamily share remains the same. Seventy percent of all housing remains single-family detached housing.

Retail Market Analysis

Retail, commercial services, and commercial office space (e.g., medical and dental offices) may be feasible in Basalt Creek. However, the market for these goods and services cannot be determined without first establishing one or more land use alternatives for employment, housing, and other uses in Basalt Creek. Nearby residents and employees generate the main demand for retail and since the amount and location of these are unknown at this time, the amount and location of retail cannot be determined.

Despite these significant unknowns, the following observations can be made about retail in Basalt Creek.

Market

In addition to new residents and employees that may locate in Basalt Creek, the residents of the Tualatin neighborhoods located immediately to the north are an important source of support for retail. Residents spend more of their retail dollars locally than employees or passersby, and therefore are generally a more important source of demand for retail goods and services. Approximately 4,000 households live in the area between Norwood Road and Tualatin-Sherwood Road. These households already have other places to shop, particularly on and near Tualatin-Sherwood Road. However, based on existing traffic counts and interviews with residents and developers, it is clear that some of these residents are already accustomed to driving south through Basalt Creek to access I-5 or other destinations.

Retailers also look at traffic counts as an important demand indicator, since retail relies on passby traffic for support. Boones Ferry Road carries average daily traffic (ADT) of about 15,000 today according to ESRI Business Analyst, which is high enough to suggest that it will be a good retail location in the future. Traffic counts on Grahams Ferry Road are below 6,000 ADT, and therefore it is likely to be a less desirable retail location. Traffic counts such as these likely reflect trips being made by residents and employees of the Southwest metro area and beyond. The 124th Avenue Extension, now being built to the western edge of the study area, and the planned East-West Connector Road that will run across the study area are also important transportation arterials along which retail will seek to locate. A prime location for retail may be at the intersection of Boones Ferry Road and the East-West Connector Road.

These demand factors should be taken into account along with housing and employment projections for the study area in order to estimate the total amount of supportable retail.

Types of Retail Centers

Retail in Basalt Creek is likely to be built in the formats shown in Table 13: corner store, convenience centers, and/or neighborhood centers. These types of retail generally serve residents and employees within a one-half mile to three-mile radius, and are usually located on arterial roads such as Boones Ferry and Grahams Ferry Roads.

Neighborhood centers are typically anchored by a grocery store and usually include five to 15 smaller in-line tenants which may include pharmacy, food/restaurant, bakery, beauty, technology, financial services, and other tenants. Convenience centers and corner stores are smaller retail nodes that serve their immediate surroundings; they may be anchored by a convenience store (e.g., 7 Eleven) or simply include four to 10 tenants similar to those listed above.

Larger retail formats, such as community centers, regional shopping malls, and lifestyle centers, typically require immediate access to and visibility from a major freeway interchange or other major transportation infrastructure (e.g., high-capacity transit in downtown Portland); a large existing population base; and minimal immediate competition. There is already a series of established major retail clusters located around the freeway interchanges to the north and south. These clusters serve subregional and/or regional shoppers who sometimes travel a half hour or more to shop there. Each has very good access to and visibility from I-5. It is highly unlikely that retail at Basalt Creek could effectively compete against these centers for a share of the regional retail market, because the competition is well established and its freeway access is generally superior.

Table 13. Types of Retail Centers

Retail Center Type	Gross Retail Area	Dwellings Necessary To Support	Average Trade Area	Anchor Tenants
Corner Store	1,500 - 3,000	1,000	Neighborhood	Corner store
Convenience Center	10,000 - 30,000	2,000	1 mile radius	Specialty food or pharmacy
Neighborhood Center	60,000 - 90,000	6 - 8,000	2 mile radius	Supermarket and pharmacy
Community Center	100,000 - 400,000	20,000+	5 mile radius	Junior department store

Sources: *Urban Land Institute, Leland Consulting Group.*

Timing

“Retail follows rooftops.” In other words, in most cases, residential (and employment) development come first, and then retail follows, simply because retail needs local shoppers in order to survive. Any retail space in Basalt Creek is likely to be built following significant residential and employment development. Details will depend on the concept plan prepared for the study area.

MACKENZIE.

DESIGN DRIVEN | CLIENT FOCUSED

January 11, 2017

Washington County
Attention: Erin Wardell
Department of Land Use & Transportation
155 N First Ave, Suite 350 MS16
Hillsboro, OR 97124

Re: **Basalt Creek Employment Site Evaluation**
Project Number 2150111.01

Dear Erin:

Washington County contracted with Mackenzie to review the subject site based on Mackenzie's experience with planning and design for development of industrial and employment lands in the Portland region. The goal of this effort is to assist County staff in understanding the likely development opportunities and patterns that might occur on the subject site based on general site development factors including but not limited to potential physical site development constraints.

The 63-acre site (see attached), located within the Basalt Creek planning area is currently planned for future industrial/employment development. We understand there are questions that, given the topography and potential wildlife habitat/wetlands on site, the site may be better suited for uses other than industrial/employment (e.g., residential). This letter summarizes our preliminary opinion on the developability of the subject site for industrial/employment uses from a concept planning level only. Our review is based on limited information regarding existing conditions provided by Washington County on December 20, 2016.

The County's Goal 5 inventory shows the entire subject site as significant natural area and 2.75 acres in the northeast corner as wetland and fish wildlife habitat. In addition, nearly 70% of the subject site is Metro Title 13 Riparian areas with riparian wildlife habitat areas and impact areas. The exact location and classification of these features is unknown at this time and is beyond the scope of this evaluation. It is possible that there are no significant natural features located on the subject site, except for the NE portion of the site which has a ravine with natural resources discussed below. These potential natural features and wildlife habitat must be confirmed prior to development and it is recommended that prior to further master planning and/or zoning this property, a natural feature inventory and/or survey is performed on this site to further refine the net developable acreage. Only after a wetland delineation and/or survey would we will be able to confirm the developable acreage of this site and confirm whether the concept plan in Figure 3 is feasible as it was created using publicly available GIS data only. Therefore, we did not consider Goal 5 or Title 13 as a factor in this effort as there is not enough information at this time to confirm exact feature locations.

Therefore, this memo assumes that the Goal 5 and Title 13 resources are developable at this time, except for the stream and ravine in the most northeastern corner of the site. While we are aware of the potential location of natural resources, physical topography, site size, and site configuration were the largest factors taken into consideration in the conceptual site plan shown in figure 3. In discussion with County staff, Goal 5 and Title 13 are not regulated at the development level. Wetland delineation and surveys are required through the development review process, prior to development, to confirm any potential on site constraints. The Goal 5 designation requires the current or future property owner(s) to conduct a wetland delineation to confirm any potential resources as well as an assessment of



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Portland, Oregon ■ Vancouver, Washington ■ Seattle, Washington

those resources. In addition, site development should take into consideration potentially geological challenges related to the Tonquin Scablands, which may impact the subject site and were not reviewed as a part of this analysis.

INDUSTRIAL/EMPLOYMENT LAND SUITABILITY FACTORS

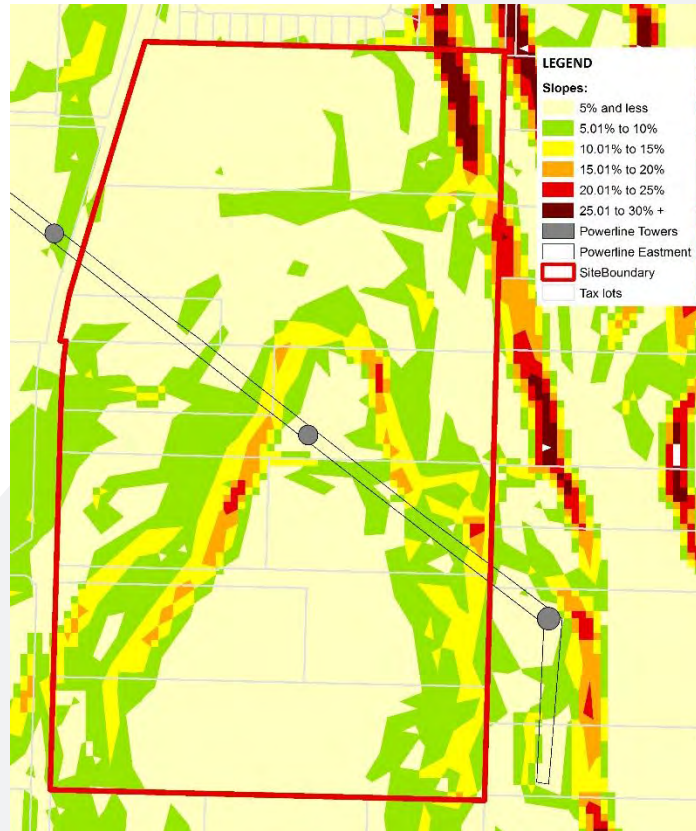
There are several physical factors that are utilized to determine the feasibility for development of industrial and employment uses, but the most critical is the need for generally “flat” land. Flat land in a concept planning analysis for industrial/employment development is commonly assumed to be less than 5% slope. Generally, increased slope results in smaller building footprints, less flexibility in building location and building orientation, and/or increased costs for grading. Although slopes from 5% to 10% can accommodate some employment uses, the site preparation costs and loss of efficiency increase dramatically. These factors in turn translate into a more limited range of potential users, ultimately limiting the marketability and underlying value of the site. Other factors for industrial/employment development include site size and configuration as well as proximity to major transportation corridors and private and public utilities. Market factors such as prevailing lease rates, market vacancy, and market depth may also impact the suitability of a development site.

SITE EVALUATION

Our approach was to “test” the site in two ways and compare the results. First, we reviewed the site from a high-level planning perspective utilizing GIS data and looking at general use and land efficiency factors. The second approach involved evaluation and conceptual site design by a Mackenzie architect who has decades of experience in industrial/employment development projects in the Portland region.

The high-level planning approach was to evaluate the existing slopes on site utilizing GIS data. As indicated below, the topography of the site lends itself to a natural divide into northern and southern development areas. The slope analysis in Figure 1 was completed utilizing the 2-foot contour GIS shapefile as provided by Washington County.

Figure 1: Slopes Map

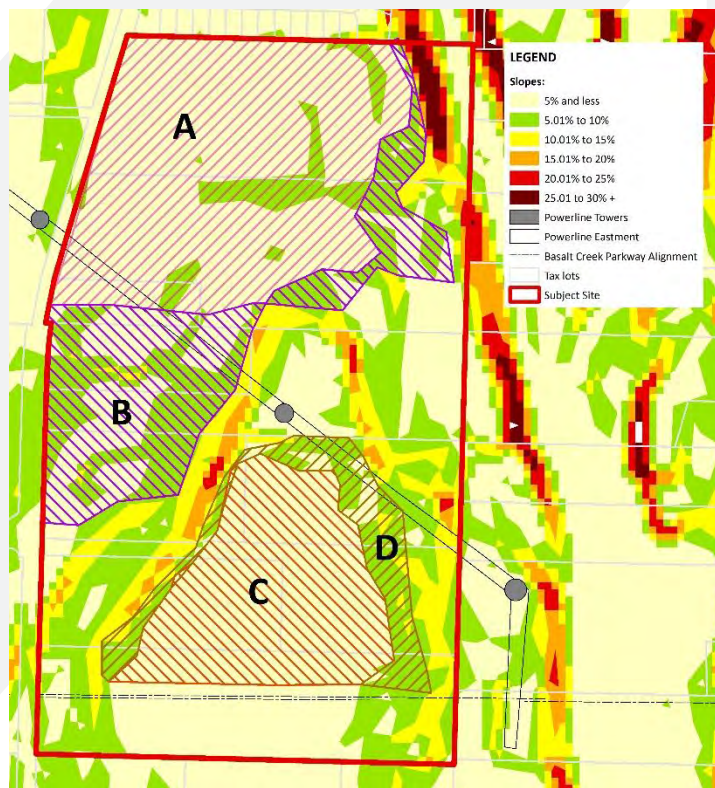


The table below identifies potential development areas for two critical slope categories: areas that are slopes 5% and less, and slopes above 5% to 10% slopes. Of the 63 gross acres, approximately half of the site (about 37 acres) may be suitable for employment development, if slopes ranging above 5% to 10% can be mitigated. Less than a third of the property (areas A and C) has slopes less than 5%, which are most suitable for employment development. These areas will still require some cut/fill earthwork for building pads. Areas B and D will require additional and more significant cut/fill balance to acquire the additional development areas.

Nearly a third of this site, approximately 22 acres, contain slopes greater than 10% or are surrounded by 10% and greater slopes, which is extremely difficult to develop for industrial/employment uses. Additionally, approximately 9 acres of the site will be utilized for right-of-way dedication of the future Basalt Creek Parkway alignment. Approximately 5 of these 9 acres have slopes less than 5%. Lastly, the northeastern portion of the site contains a ravine with natural resource conditions making that portion difficult for any development type/use.

Table 1: Estimated Development Area			
	Estimated Development Area with Slopes mostly 5% and less	Estimated Development Area with Slopes above 5% to 10%	Total potential development area
Northern Development Area (Areas A and B)	16 acres (Area A)	+ additional 10 acres (Area B)	26 acres
Southern Development Area (Areas C and D)	8 acres (area C)	+ additional 3 acres (area D)	11 acres
Total:	24 acres	+ additional 13 acres	37 acres

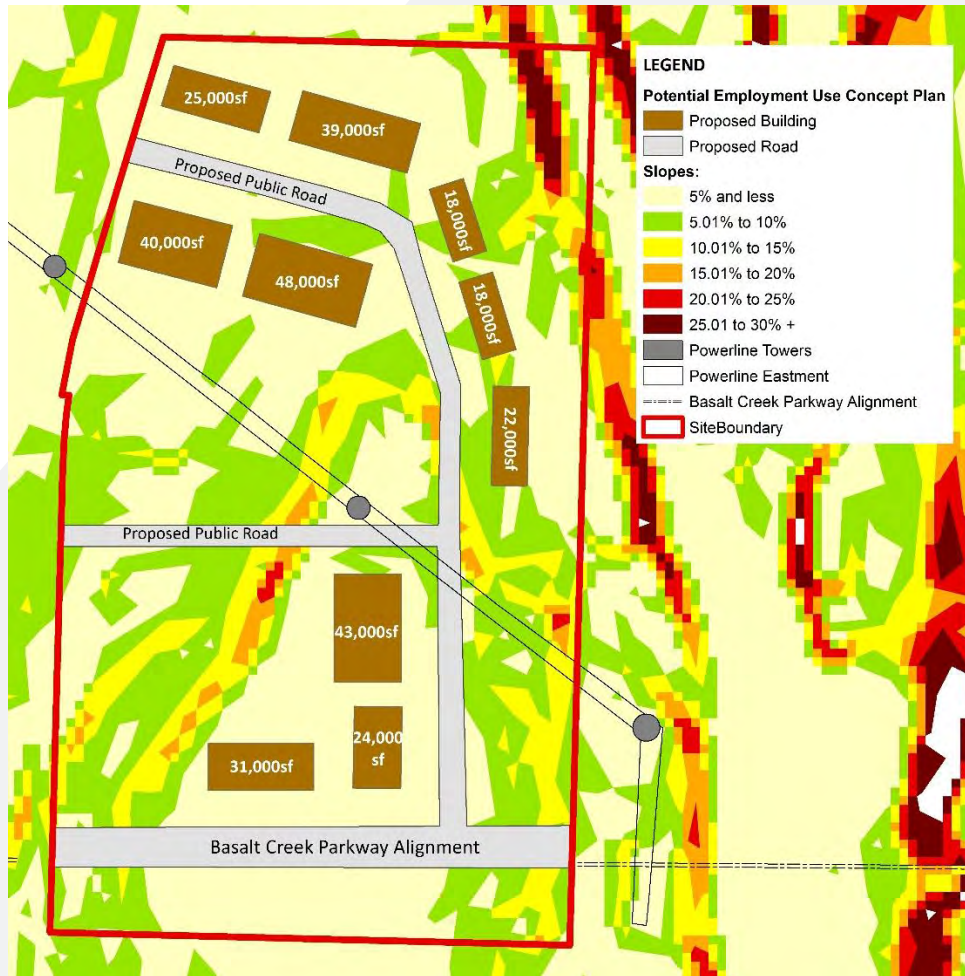
Figure 2: Estimated Development Area Acreages and Slopes Map



However, the difficulty with utilizing only the high-level planning approach is that number of acres don't necessarily tell the whole story regarding the developability of the subject site. Size and configuration of sites usually results in less building coverage because buildings are rectangular and physical site conditions are usually not. Therefore, a second approach to testing the site was utilized to provide a better picture of potential for industrial/employment uses. A Mackenzie architect experienced in industrial/employment development evaluated existing site conditions and created a conceptual site plan responding to size, configuration and access considerations. Given the topography challenges, existing power lines and structures, the future Basalt Creek Parkway alignment (and required right-of-way dedications) and access limitations, we determined that the subject site could potentially support approximately 315,000 sf of

industrial/employment uses in 10 buildings, ranging in size from 18,000 sf to 43,000 sf. The conceptual plan below results in approximately 40% developable area, which includes the public roads, buildings, and associated parking areas, and is based on a building coverage factor that would result in the potential for approximately 315,000 sf of building area. This conceptual plan is shown in Figure 3 below and Exhibit B.

Figure 3: Conceptual employment use concept plan



OTHER CONSIDERATIONS

When comparing the land use concept of Basalt Creek, as shown on the Basalt Creek Concept Plan website¹ as of April 2016, the plan identifies the majority of the subject site as Employment with some Light Industrial/ Tech Flex and the northern taxlot as Multi-Family Residential. The property directly to the east is identified as the Basalt Creek Canyon, to the south is identified as a Light Industrial District, to the west is identified as Light Industrial/Tech Flex District, and

¹ http://www.basaltcreek.com/wp-content/uploads/2016/04/Basalt-Posters_042816_small.pdf

Residential is designated to the north. Proximity to other industrial development will be important for industry synergies and future market growth.

CONCLUSION

The site is certainly feasible for employment, and given the existing site conditions and subject site location, the following employment uses may be suitable for this site:

- Flex business park (health services, professional services, support services, administration/back office support operations, incubator space)
- Office or office campus
- Manufacturing (food processing, metals, chemicals, equipment, machinery, product/components assembly)
- Commercial support services (restaurants, coffee shops, print shops) along the future Basalt Creek Parkway

NEXT STEPS

Significant transportation and utility planning must occur during the concept planning process to identify infrastructure needed to support the development of this site and adjacent uses. Infrastructure needs analysis, transportation analysis, and/or costing are not a part of this effort, however, we caution that this information is necessary along with a geotechnical report and ALTA survey to provide a complete analysis and recommendation.

Lastly, a market study to determine the need for employment uses and others (retail, commercial, residential, etc.) may assist the County and the cities of Wilsonville and Tualatin in determining the appropriate amount of industrial, employment, commercial, retail, and residential land requirements in the Basalt Creek Planning Area. The market study would further bring clarity to the market's ability to execute development across varying uses and determine the highest and best use of the subject property.

Sincerely,






Gabriela Frask
Land Use Planner, Associate
Assistant Department Head

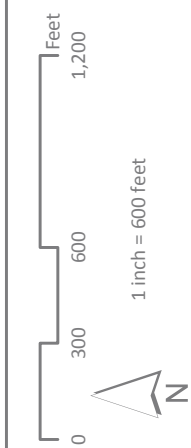
Enclosure(s): Existing conditions map
Concept plan

c: Todd Johnson - Mackenzie

Basalt Creek Employment Site Washington County, Oregon

LEGEND

-  Subject Site
-  Tax lots
-  Urban Growth Boundary (UGB)

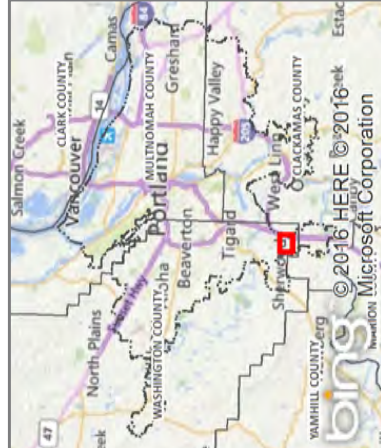


SOURCE DATA:
Metro PLUS Lite Base Data,
Nov 2016

GEOGRAPHIC PROJECTION:
NAD 83 HARN, Oregon North
Lambert Conformal Conic

Date: 12/22/2016
File: SiteAerial_11x17_ExhibitA

Map Created By: GF
Project No: 2150111.01



MACKENZIE.

P 503.224.9560 • F 503.228.1285 • W MCKENZIE.COM
RiverEast Center 1515 SE Water Avenue, #100, Portland, OR 97214
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EXHIBIT G

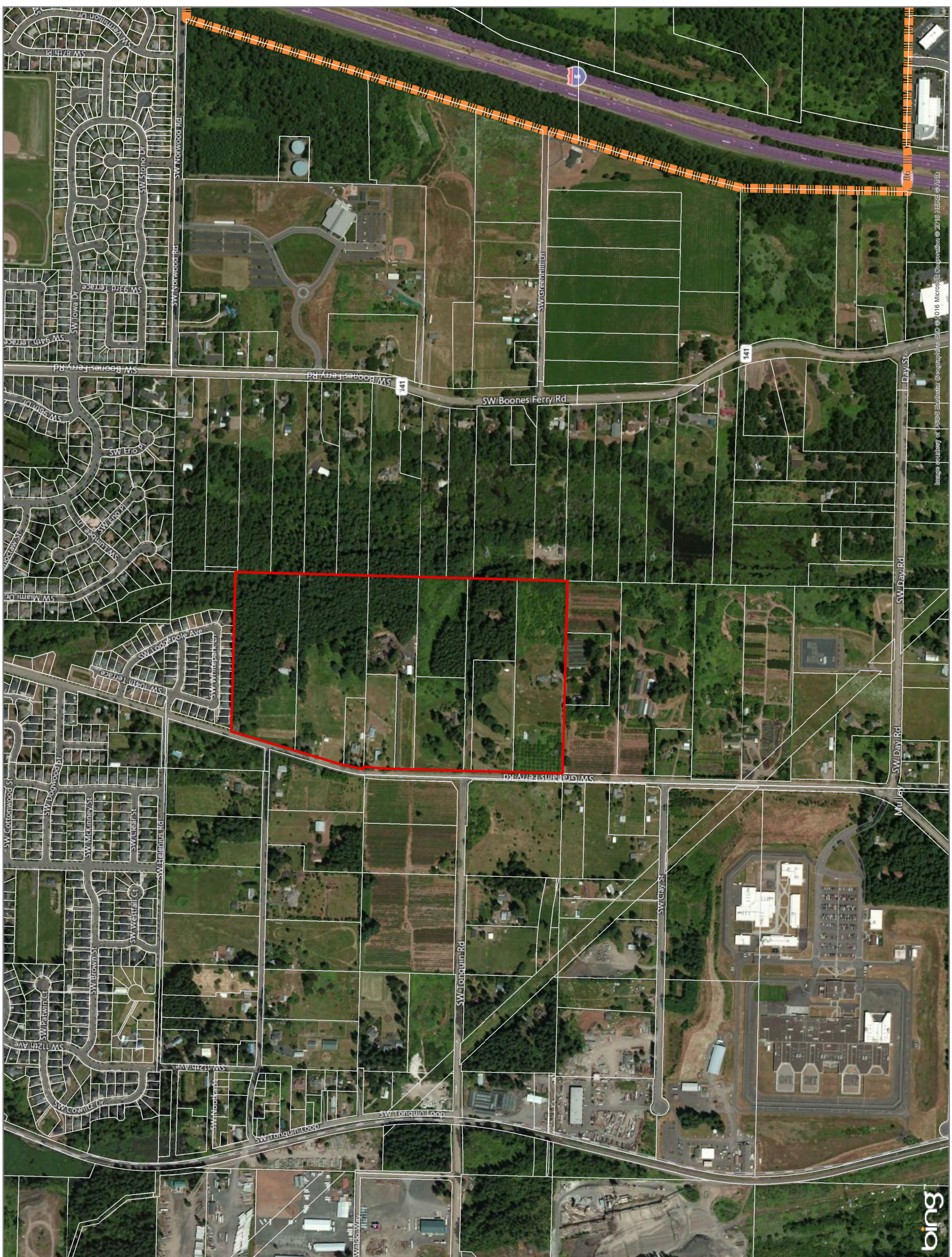
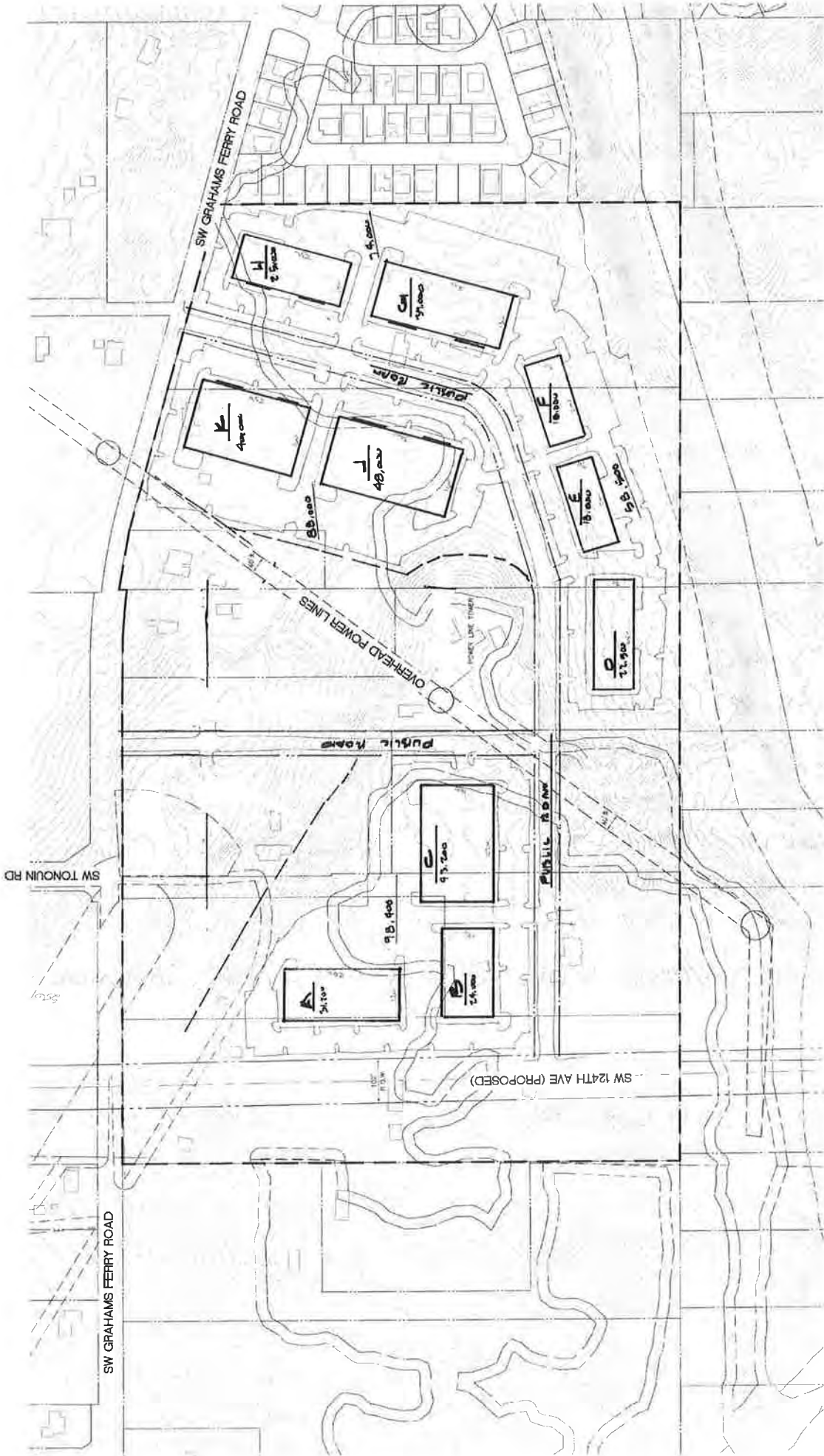


Image courtesy of Jason Edmister Geographics SIO © 2016 Microsoft Corporation © 2013 HERE and



SITE XX
BASALT CREEK SITE
 SW 124TH AVE
 WASHINGTON COUNTY, OREGON

NOTE: CONTOURS SHOWN AT 2-FT INTERVALS
 12.20.2016 - 2:50:11.01



SITE DATA

BUILDING	SITE AREA	BUILDING AREA	PARKING SPACES	PARKING RATIO	NET DEVELOPABLE AREA (AND %)
PROPOSED BUILDING A, D, & H	10,000	9,500 SF	100	1/1000	10,000 (100%)
PROPOSED BUILDING B, E, F	10,000	13,300 SF	100	1/1000	10,000 (100%)
PROPOSED BUILDING G	10,000	11,200 SF	100	1/1000	10,000 (100%)
PROPOSED BUILDING I, J, & K	10,000	18,000 SF	100	1/1000	10,000 (100%)
TOTAL	40,000	52,000 SF	400	1/1000	40,000

318,500 SF

LEGEND

- SITE BOUNDARY
- PROPOSED R.O.W.
- ELEVATION CONTOUR (10')
- SPARIAN AREAS

OPTION ONE
 DEC. 21, 2016

318,500 SF
"EMPLOYMENT BUILDINGS"



McKenzie
 2022A 8500 360.502.7070
 Seattle WA 98148
 www.mckenzie.com
 Architecture • Interiors
 Planning • Engineering



Hanmi Global Partner

808 sw third avenue, suite 300 • portland, oregon 97204
503.287-6825 • fax 503.415-2304
www.otak.com

1

BASALT CREEK/TUALATIN CONCEPT PLAN

Amendment Request to the Concept Plan

Tualatin, Oregon

August 23, 2016, Revised November 21, 2016

Introduction

- Otak Inc. (Otak) represents The Sherwood Grahams Ferry Investors LLC, headed by Herb Koss, who hold 10 acres in the 41 acre northeast quadrant of the overall district. The property is located near the northeast corner of Grahams Ferry Road and extends over to the Basalt Creek Canyon along the proposed new east-west arterial road. This summary of concerns and the amended concept plan lay out our intended direction moving forward.

Project Concerns

- Otak’s concern is that the northeast quadrant area is not well suited to industrial zoning or employment transition proposed by the concept plan.
 - **Topography.** Much of the site contains slopes in excess of 10 percent (10%) and 25 percent (25%). The site would be extremely difficult to flatten out to accommodate industrial or employment transition site development requirements. Attached is a topographic map of the South Center project provided to City of Tualatin (City) staff. Otak designed this flex-space project. The topography is half as severe as portions of the 41 acres site. The site would be extremely difficult to develop given today’s American with Disabilities Act (ADA) requirements.
 - **Access.** Vehicular access will be limited to Grahams Ferry Road and extending Tonquin Loop into the site. No access will be permitted on the proposed new east-west arterial road.
 - **Basalt Creek Canyon.** The industrial land abuts the Basalt Creek Canyon with no transition.
 - This is not a big change but rather a refinement to the concept plan. It is a defined site area that makes up about 3 to 5 percent (3-5%) of the total Basalt Creek Study Area. Also there are currently 329 acres of undeveloped industrial land within a one mile radius of the study area.

Land Use Context

- The following shows a comparison of Metro’s initial goal for the district, the City’s current plan, and the proposed amended plan.

Metro	2500 Jobs	1200 Households
City Plan	4500 Jobs	600 Households
Amended Plan	4070 Jobs	1194 Households

The amended plan proposes a more balanced approach that is well within the intended mix proposed by Metro when the land came into the Urban Growth Boundary (UGB).

A group of mayors in our region have gone to Metro and asked Metro for flexibility related to UGB expansions. They have asked Metro to look at lands and appropriate zoning designations on a sub-regional basis. They have asked that Metro consider factors such as slope, and proximity to infrastructure, to help avoid situation like Damascus. We are asking you to do the same. We recognize that the region anticipated that the Basalt Creek area would primarily be zoned employment uses.

It is certainly anticipated that the vast majority of the land will be used for that purpose. But, within the Basalt Creek Planning Area, there are sub-areas that cannot reasonably be developed as employment land because of topographic and other issues. The 41 acres that we have asked the City to zone for residential purposes is one of those sub-areas. There is land to the west and south of this land that is zoned employment, that land is flatter than the subject 41 acres, and it is closer to transportation infrastructure than the subject 41 acres. Neither PacTrust Pacific Realty Associates, LP nor Brian Clopton Excavating believed that an employment designation was possible given the slope and soil quality. Instead of designating the property with a designation that will result in it never developing, we ask that you give it a designation that will make development feasible. If you do not do so, it will sit vacant; counting as developable employment land, just as Damascus has sat vacant, counting as available housing stock. Its designation will prevent further necessary expansions.

There is a housing crisis in our region and the latest modeling has demonstrated the importance of having residential land and employment land in close proximity. This is an opportunity to provide housing, on land which cannot be feasibly developed as employment land.

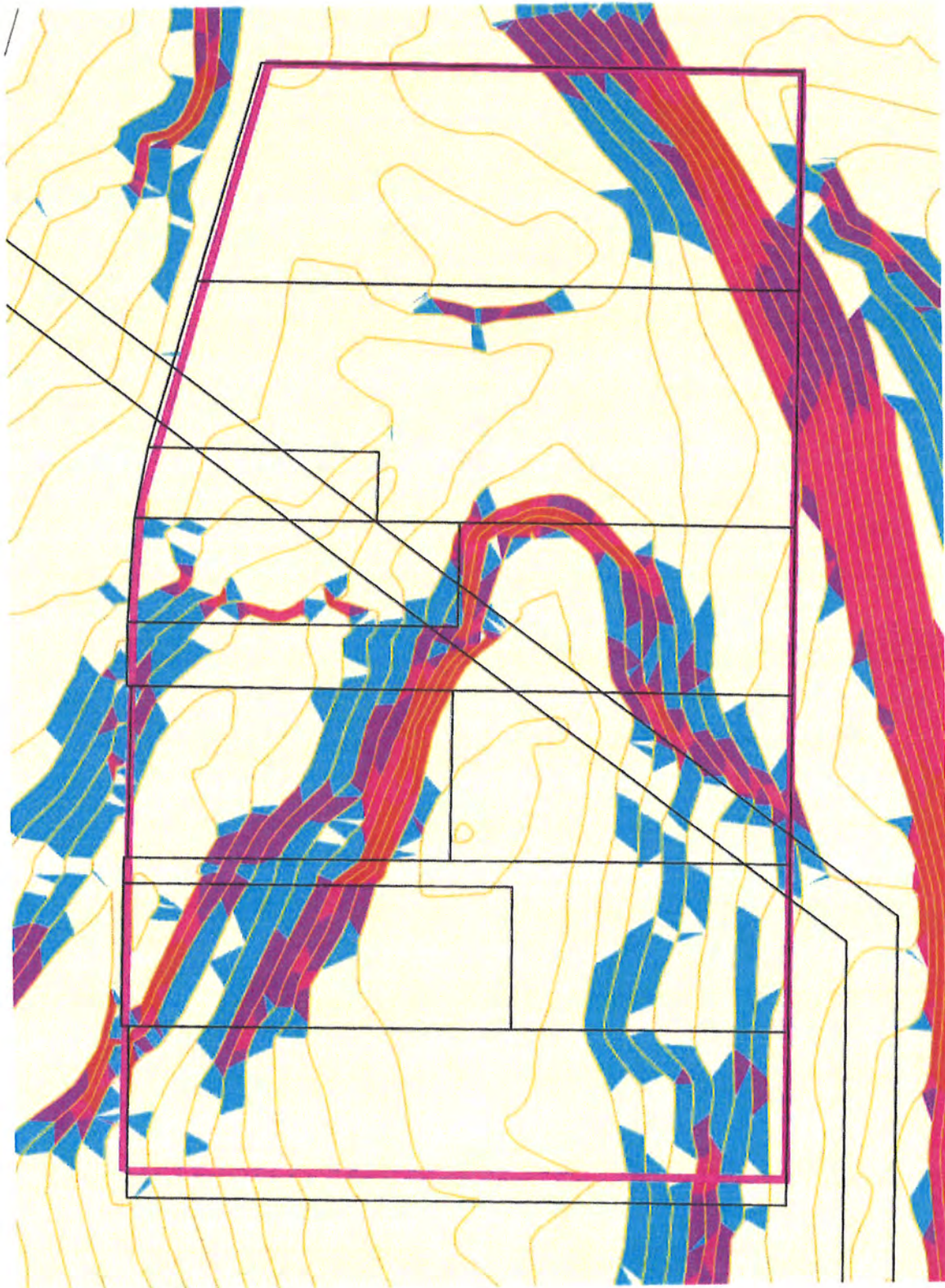
Amended Plan Options

- The attached concept plan option summarizes the requested amendment for proposed land uses that fit the site and its unique conditions.
- The plan anticipates building Tonquin Loop as an actual loop with two access points on Grahams Ferry Road. This road extension will provide complete access to the properties and also access to property owners east of the site.
- Three densities of residential are shown as transition to the neighborhood to the north and canyon to the east and also along the new east-west arterial, which is down 25 vertical feet from the site area. A center core area of potential retail, high density residential, and open space could serve as a walkable destination in the neighborhood. Also secondary access can be provided to the developable lands to the east above the canyon.
- Property uses can be molded to fit actual site conditions and provide a mix of housing (including workforce housing) close to jobs anticipated to the south and west.
- The programmed development will “be trip cap neutral” compared to the current city concept plan.

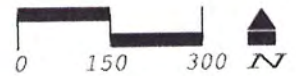
Benefits

- A walkable neighborhood with appropriate transitions and destinations
- Land uses that are adaptable to actual site conditions. The mix of uses will act as a **catalyst to create activity in the district**. The high-density residential (HDR) land provides the best opportunity for workforce housing next to employment lands. Residents won't need a car to commute.
- A plan that meets Metro's initial objectives when the land was brought into the UGB.
- A more complete quality neighborhood for the City of Tualatin.

Attachments: Basalt Creek Site Topo
Basalt Creek Slope Analysis
South Center Site Topo (Comparison)
Basalt Creek Land Use Concept
Letter from PacTrust Pacific Realty Associates, L.P.
Letter from Brian Clopton Excavating
Letter from Micheal Diamond, Real Estate Investment Group
Basalt Creek nearby Job Lands Map



11-16-2016

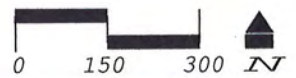


Slopes Table			
Number	Minimum Slope	Maximum Slope	Color
1	0.00%	10.00%	
2	10.00%	15.00%	Blue
3	15.00%	20.00%	Purple
4	20.00%	25.00%	Pink
5	25.00%	357.23%	Red

BASALT CREEK SLOPES ANALYSIS

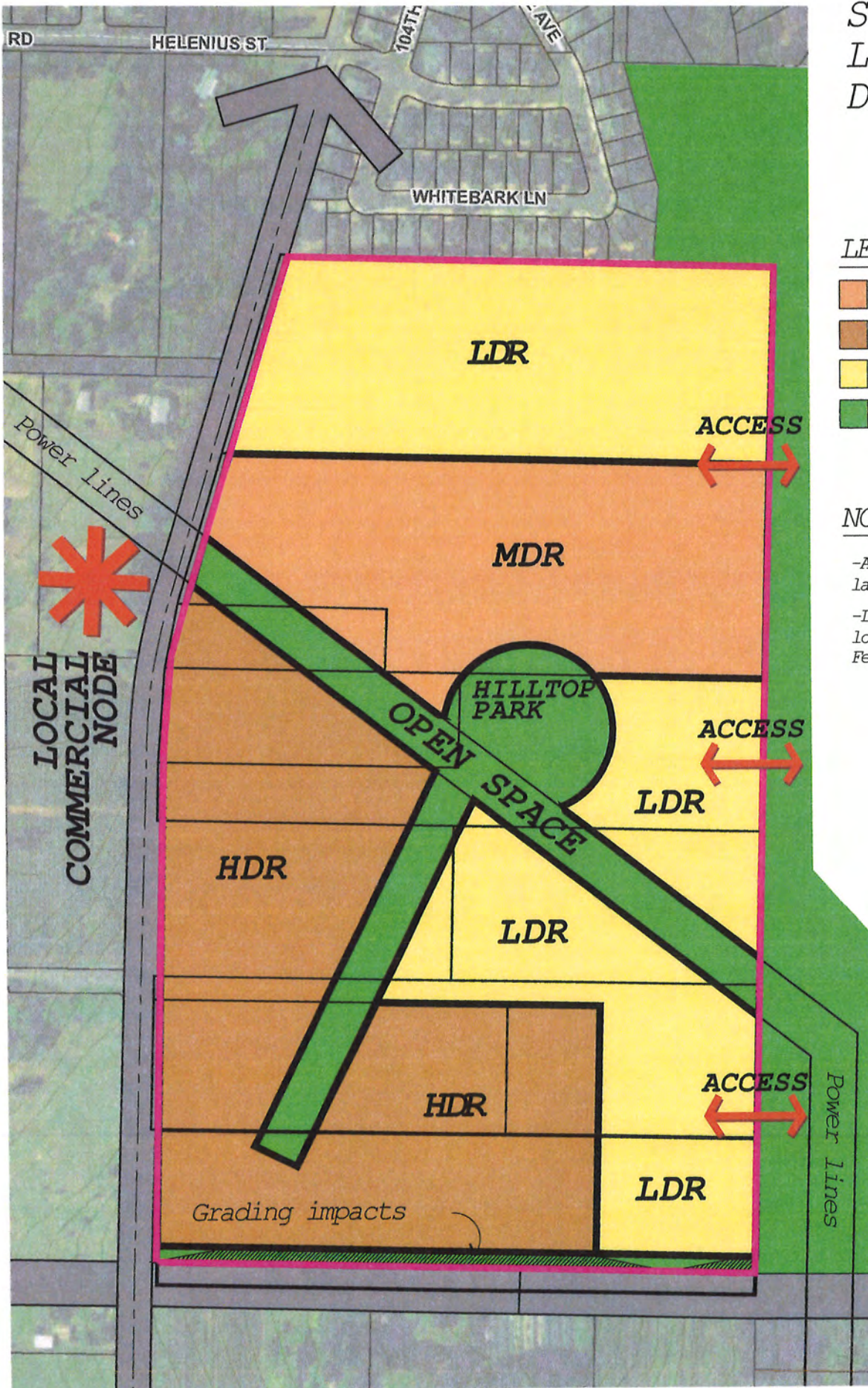


11-16-2016



SOUTH CENTER SITE TOPO

Subdistrict Land Use Diagram



LEGEND

- Mid Density Residential
- High Density Residential
- Low Density Residential
- Open space

NOTES

- Access provided for landowners to East
- Local commercial node located across Graham's Ferry Road

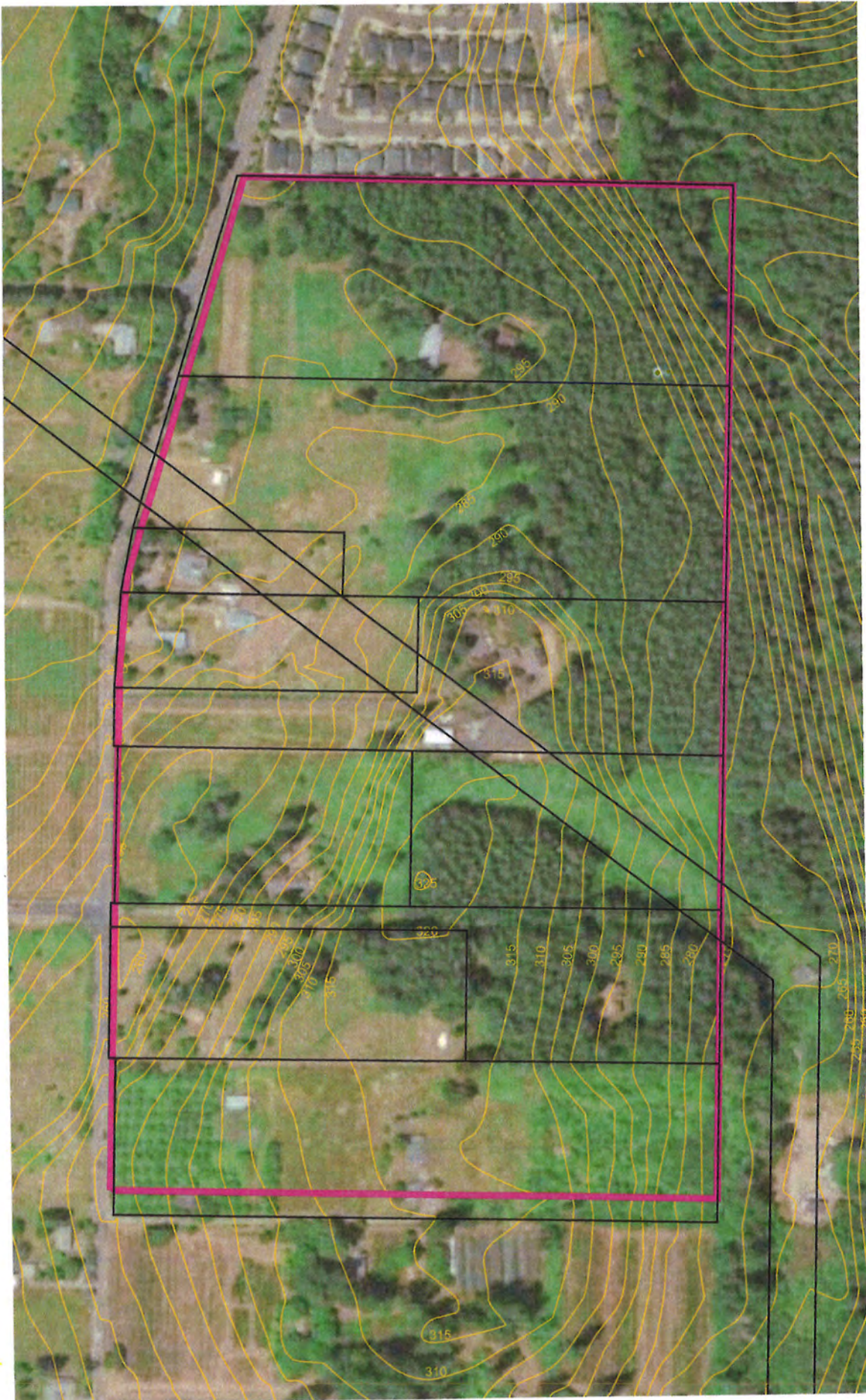


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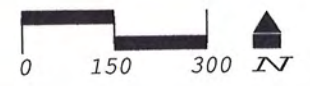


Basalt Creek Concept Plan

EXHIBIT H



11-16-2016



BASALT CREEK SITE TOPO



PO Box 509
Wilsonville, OR 97070
P: 503-682-0420
F: 503-570-3235
www.cloptonexcavating.com

2

November 18, 2016

Dear Mr. Koss

You have asked me to visit the 41 acre site located in the Basalt Creek Planning area. Your question was the feasibility of grading this site for employment land vs. a residential zone.

For your information my company has just purchased another four acres next to our Clay Street property. With this acquisition we now have 16 acres of land on Clay Street. I am very familiar with this area and as you know my company has mass graded many sites in the Portland Metro Area. I have been asked many times to inspect potential projects in order to determine problems that may be associated with a developer's site plans --- slopes, access and feasibility.

Thank you for providing me with topography of the site. It was very helpful and to be honest the slopes on the site were more severe then I first thought. The other big issue is the amount of rock that would be encountered with any grading necessary to accommodate any development on this site. This site is far better suited for Residential use since grading for this does not require the same topographic grading in comparison to employment uses. The Basalt Creek area does feature other land that is suited for employment; however the 41 acres you have asked me to visit is not in that category. I was also surprised by the 18 to 20 foot cut in order to accommodate the extension of Basalt Creek Parkway.

If you require any additional information please let me know.

Sincerely

Brian Clopton

President/Owner

PACTRUST
Pacific Realty Associates, L.P.

15350 S.W. Sequoia Pkwy., Suite 300
Portland, Oregon 97224
503/624-6300 • Facsimile: 503/624-7755

3

November 14, 2016

VIA EMAIL

Herb Koss
2643 South Shore Boulevard
Lake Oswego, OR 97034

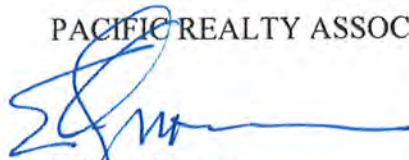
Dear Herb,

At the request of Peter Bechen, I toured your site north of the future Basalt Creek Parkway last week. PacTrust is developing an industrial park several miles north at 115th Avenue and Tualatin-Sherwood Road in Tualatin known as Koch Corporate Center. We are interested in locating a site to develop in the Coffee Creek area for light industrial uses. Unfortunately, the topography of your site makes development of industrial or flex buildings uneconomic. We believe housing would be a more appropriate use for the site. The smaller floor plates for housing enable it to work with slope conditions present on your property. Industrial/employment land requires sites to be much more flat due to dramatically larger floor plates, parking requirements, loading areas for trucks and ingress/egress concerns for trucks. There are several sites in the area that are more appropriate for industrial/employment development.

Let me know if you would like to discuss this further.

Yours very truly,

PACIFIC REALTY ASSOCIATES, L.P.



Eric A. Sporre
Vice President



4

November 21, 2016

Herb Koss
2643 South Shore Blvd.
Lake Oswego, Or 97034

VIA: EMAIL

RE: 41-acre Basalt Creek southern boarder 23960 SW Grahams Ferry Rd.

Dear Herb,

I visited the site and spent a considerable amount of time driving the area. It is an exciting development area especially when the Basalt Creek Parkway is completed.

The topography of the site is such that developing an industrial project would be very difficult and if done would be at best marginal and very inefficient. Industrial, flex buildings require large foot prints, large drive areas for loading and turning radius. There are better sites in the area for this type of use.

I also looked at the site for office park use and concluded that due to the steep topography of the site it could have a negative impact on the proximity of the parking that may pose an issue with ADA requirements. I also believe that the extraordinary site cost and small office footprints would not be cost effective and competitive in the office market. Furthermore, the location does not readily lend itself to that use.

This site lends itself to smaller foot print buildings such as housing and multifamily that can be planned around the steep grades and terraced into the topography. It is my opinion that the highest and best use for this site are single family homes buffered along the frontage with multifamily housing.

Our office has forty years of experience in commercial real estate and have procured sites for commercial developers such as Gramor, Holland Development LLC and West Hills.

Let me know if you have any questions.

A handwritten signature in black ink, appearing to read "Michael N Diamond", written in a cursive style.

Michael N Diamond
Principal Broker

Peter Watts

From: Herb Koss <herb@kossred.com>
Sent: Saturday, February 11, 2017 5:56 PM
To: Peter Watts
Subject: FW: Basalt Creek Renus



Thanks Herb Koss

Begin forwarded message:

From: Renus Kelfkens <Renus_Kelfkens@co.washington.or.us>
Date: February 1, 2017 at 12:02:54 PM PST
To: Herb Koss <herb@kossred.com>
Subject: RE: Basalt Creek

Hi Herb,

Yes, Basalt Creek Parkway is a limited access road. The only access will be from Grahams Ferry Rd, and Boones Ferry Rd. Currently we have not done any topographic survey, or design but it is reasonable to expect an 18-FT to 20-FT cut. This will be investigated during the design phase of the project.

Sorry for the delayed response. Please let me know if there are any other questions or comments.

Thanks,

Renus Kelfkens | Project Manager
503-846-7808 renus_kelfkens@co.washington.or.us

From: Herb Koss [<mailto:herb@kossred.com>]
Sent: Friday, January 27, 2017 12:40 PM
To: Renus Kelfkens
Subject: Basalt Creek

Dear Renus

I wanted to pass along the employment site evaluation prepared by Mackenzie. After our conversation earlier this week it seems clear to me that some of the assumptions that Mackenzie made, are not consistent with the transportation plan for the area. Although, the site evaluation shows access off of Basalt Creek Parkway, my understanding is that the county will not allow access. Additionally, the evaluation has Basalt Parkway in the wrong area, does not reflect the 18-20 foot curb cut, onto the property, nor does it show the residential that is planned on the northern portion of the site to transition from the existing neighborhood. I spoke to Mackenzie this week, and they indicated that they had not contacted the county regarding the transportation access, or the residential at the northern portion of the site.

Would you be willing to confirm that there is no planned access off of Basalt Creek Parkway, and that the curb cut is expected to be 18-20 feet? I think that that information will be enough for Mackenzie to retract their site evaluation. Please correct me, if anything that I have indicated isn't

accurate. My goal is to make sure that everyone is working off of the same assumptions, so that we can properly assess the site suitability. Thanks for all of your help, and taking the time to talk.

Herb

Peter Watts

From: Herb Koss <herb@kossred.com>
Sent: Saturday, February 11, 2017 5:49 PM
To: Peter Watts
Subject: FW: Proposal - Basalt Creek McKenzie
Attachments: PRO-Koss Real Estate-Scope and Fee-170209.pdf



From: Todd Johnson [<mailto:TJohnson@mcknze.com>]
Sent: Friday, February 10, 2017 12:04 PM
To: Herb Koss
Cc: Dennis Woods; Gabriela Frask
Subject: FW: Proposal - Basalt Creek McKenzie

Hi Herb-

I've been in meetings all morning. Sorry for the delay in getting this to you.

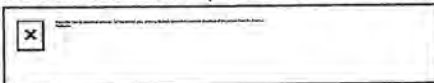
Attached is a scope and budget letter to further develop the work we did previously for Washington County. As we discussed, the letter report we prepared for Washington County relied on data available at the time we prepared the letter, and also relied on regional mapping, not site specific mapping for resource lands, geotechnical conditions, and topography. This scope includes developing site specific data to allow cost feasibility analysis to our previous study. By improving the accuracy of the data we have through onsite study and mapping, we will be able to determine if the site is economically viable for employment use, or also look at residential uses as alternates for economic viability.

It's my understanding that you have new information for the road connections and locations that we did not use in our previous report. That type of data would be collected as part of our work and would be incorporated into the scope we propose in the attached scope and budget letter.

Let me know if you have any questions about the attached scope, or if you would like us to change the proposal in any way. If the scope we outlined in the attached letter is satisfactory, I'd suggest we have a meeting with you and the project team to refine the tasks we identify prior to us commencing work.

Thanks for the opportunity to present this scope of work. I'll call you to discuss it.

Todd Johnson
Senior Associate / Director of Planning



Architecture · Interiors · Engineering · Planning

P 503.224.9560 W mcknze.com C [vcard](#)

RiverEast Center, 1515 SE Water Ave., Suite 100, Portland OR 97214

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February 10, 2017

Mr. Herb Koss
Sherwood Grahams Ferry LLC
22400 Salamo Road, Suite 106
West Linn, Oregon 97068

RE: BASALT CREEK CONCEPT PLAN – (CENTRAL AREA)

Dear Mr. Koss:

In response to your request I have reviewed the Basalt Creek Concept Plan materials with regards to the suitability of employment/light industrial development on the 63 acres north and east of the intersection of Grahams Ferry road and Basalt Creek Parkway. These materials included:

1. Tualatin Staff Reports
2. Mackenzie Study
3. Email from Washington County Basalt Creek Parkway project manager Renus Kelfkens regarding access to Basalt Creek Parkway.
4. DKS preliminary profile of the extension Basalt.
5. OTAK Basalt Creek Concept Plan.

We understand that the City, Metro and Washington County's desire is to zone this area for employment land. Development potential of land for employment uses, as stated in the MacKenzie report, is generally assumed to have less than 5% slopes. This is to allow for larger building footprints, parking, loading areas and truck access.

The two areas that meet that criteria for this property is the northerly 1/3 adjacent Victoria Gardens and the top of the plateau area in the lower middle of the site. The northerly area would be well served with access from Grahams Ferry Road at Tonquin Loop and potentially a secondary access from Tonquin Road at Grahams Ferry Road. These to access points would appear to have good separation and sight distance on Grahams Ferry. The northerly area is very developable as employment land, however the City has set aside approximately 10 acres (almost half) as residential to buffer the Victoria Gardens lots.

The southerly plateau area's best access would come from the southerly property line and Grahams Ferry. However, this is the location of Basalt Creek Parkway which the County will not allow access. We also understand that the County has deleted the proposed Kinsman Road crossing of Basalt Creek Parkway shown on the Tualatin Concept and MacKenzie plans thereby eliminating the only at grade potential access coming from the southerly portion of the site. Therefore any access to the plateau area must come from the north (Tonquin Road or Tonquin

Mr. Herb Koss

BASALT CREEK CONCEPT PLAN – (CENTRAL AREA)

Page 2 of 2

Road Loop). The plateau area is almost completely surrounded by steeply sloped land. The slopes range from over 10% to over 20%. The over 40 vertical rise needed to get from Tonquin Road to the top of the plateau area will take 800 feet at 5% not accounting for access to the lower property on either side or the potential impacts to wetlands.

There is slightly over 25 feet vertical rise from Tonquin Loop to the top of the plateau. This does not account for the low area just north of the plateau that drops down another 15 feet that this road would have to cross. While the grading is more manageable the result would be truck traffic routed through a residential area.

Neither access point can provide a secondary access to the plateau area. This is a negative for both traffic flow patterns and emergency access. In addition as these roads are raised to provide access to the plateau area, the access to land on either side of the road becomes more difficult.


This area is also well known for the hard rock that is very near the surface. We were the design engineers for Victoria Gardens where we had about 2-feet of fill brought into the site to reduce the rock excavation costs. Unfortunately, filling the area does not provide better access.

Employment land requires flatter slopes to serve larger building footprints and then adjacent parking/loading areas. Providing for truck access and typical development footprint will severely limit the development efficiency for this portion of the property. Residential uses are more flexible with access grades and smaller footprints however the site will still be difficult to development without access to the south.

In summary, the northerly one third of the property is well suited to employment land. However, contrary to the MacKenzie report, Tualatin's current plan reserves the northerly 10 acres or so (almost half) of the northerly area for residential to buffer the Victoria Gardens lots. The southerly plateau area is not well suited for employment land. This is due to access constraints, surrounding steep slopes, lack of secondary access and grading costs.

It has also been our experience that if property is forced into a development pattern it is not well suited for, it will end up being one of the last parcels developed and the quality of that development is usually below expectations. If you have any questions in regards to our analysis, please don't hesitate to contact us.

Sincerely,


Anthony R. Weller, P.E., P.L.S.
President

\3273_CESNW_itr



Construction, Inc.

P.O. Box 489 • 915 S 12th Ave • Cornelius, Oregon 97113 • (503) 357-2193 • FAX (503) 357-3649

8

2/10/17

Subject: The Land South of Victoria Gardens to Basalt Creek Parkway

Dear Mayor Ogden and Tualatin City Councilors:

I am the owner of Ken Leahy Construction Inc., our firm specializes in all aspects of site preparation projects including full site development that require erosion control, clearing, grubbing, stripping, earthwork, cement soil stabilization, storm water detention facilities, bio swales, underground utilities (storm sewer, sanitary sewer, water distribution and franchise utilities), sanitary sewer lift stations and force mains. Our firm is celebrating its 50th year in the business and has been involved in many developments in the Portland Metro area.

At the request of Herb Koss and I toured the site on 2/10/17, to give him an idea of the feasibility of full site development for employment use. I also was given topography site maps detailing the slopes and grades on the property.

I personally have developed sites that contain large volumes of rock. Based on my personal experience I estimate that the cost of land preparation for the land described above would surpass the \$5.00 per foot range.

I looked at site access, and am basing my opinion about access on the understanding that no access will be allowed onto Basalt Creek Parkway. If there is no access from Basalt Creek Parkway, traffic will have to come from the intersection of Tonquin Road and Grahams Ferry Road. There is approximately 50 feet of elevation rise, from that access point, which creates major issues for truck traffic.

Limited access, topography, and the large quantity of basalt rock are all major issues. A single one of them might not prevent the site from being developed as employment land, but the combination of all three cannot be overcome. Mass grading of Basalt Rock is not financially feasible.

Sincerely

Ken Leahy

A diversified excavation, utility, street and site development company



HanmiGlobal Partner

808 sw third avenue, suite 300 • portland, oregon 97204
503.287-6825 • fax 503.415-2304
www.otak.com

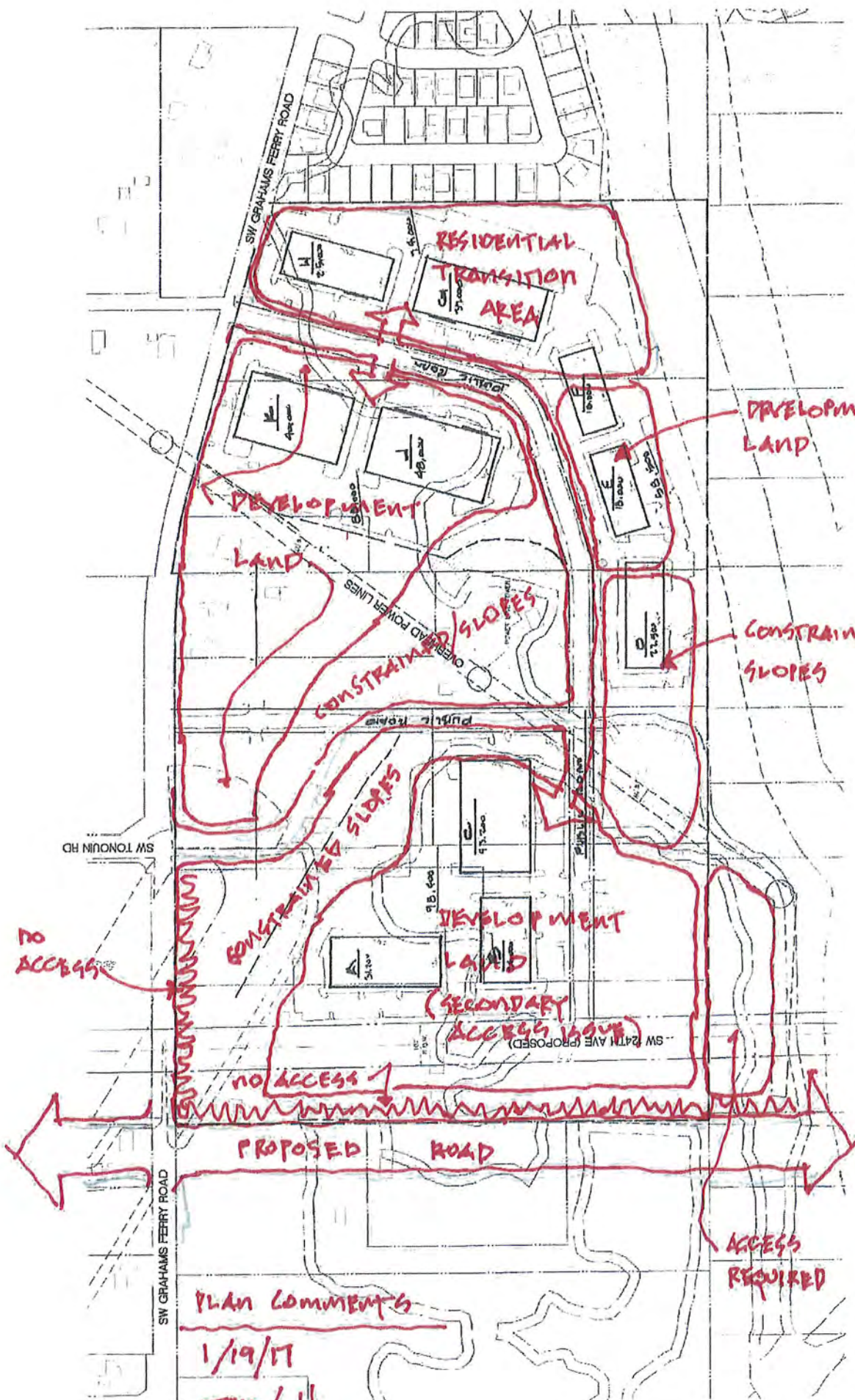


The following summarizes Don Hanson's testimony for the City Council meeting on Monday, February 13, 2017.

Comments on MacKenzie Study

- **Items/information not made available to MacKenzie**
 - Residential transition land at north end.
 - Correct location for the future Basalt Creek Parkway road.
 - No road connection/access onto the future Basalt Creek Parkway road.
 - No access is shown to properties to the southeast.

- **Plan Comments**
 - The comments on slope suitability are well stated for employment uses. Less than 5% slopes are best, 5-10% present challenges, and greater than 10% slopes are not feasible.
 - Sites A, B and C are somewhat feasible but would need a second access for emergency vehicles.
 - Sites D, E and F are not feasible for employment.
 - Sites G and H are in the proposed residential zone.
 - Sites L and K are workable.
 - There are about 18-20 acres of feasible land for employment development, but without good access a successful employment development is not feasible.
 - No consideration for costs of grading the site.
 - What about ADA?



PLAN COMMENTS
 1/19/17
 ORK/dh

OPTION ONE
 DEC. 21, 2016
 318,500 SF "EMPLOYMENT BUILDINGS"

LEGEND

SITE BOUNDARY	NET DEVELOPABLE AREA (M ²)
PROPOSED 4' D.W.	ELEVATION INTERVAL (10')
	SPANNAN AREAS

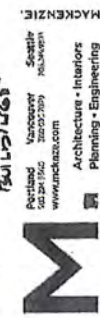
SITE DATA

BUILDING	SITE AREA	BUILDING AREA	PARKING SPACES	PARKING RATIO	NET DEVELOPABLE AREA (M ²)
PROPOSED BUILDINGS A, D & L	100,000 SF	100,000 SF	100	1:1000	100,000
PROPOSED BUILDINGS B, S & F	100,000 SF	100,000 SF	100	1:1000	100,000
PROPOSED BUILDINGS G, H & I	100,000 SF	100,000 SF	100	1:1000	100,000
PROPOSED BUILDINGS J, K & M	100,000 SF	100,000 SF	100	1:1000	100,000
TOTAL	400,000 SF	400,000 SF	400	1:1000	400,000

SITE XX
 BASALT CREEK SITE
 SW 124TH AVE
 WASHINGTON COUNTY, OREGON

SCALE: 1" = 100'

NOTE: CONTOUR SHOWN AT 5' INTERVALS
 72.25.2318 - 218011.01



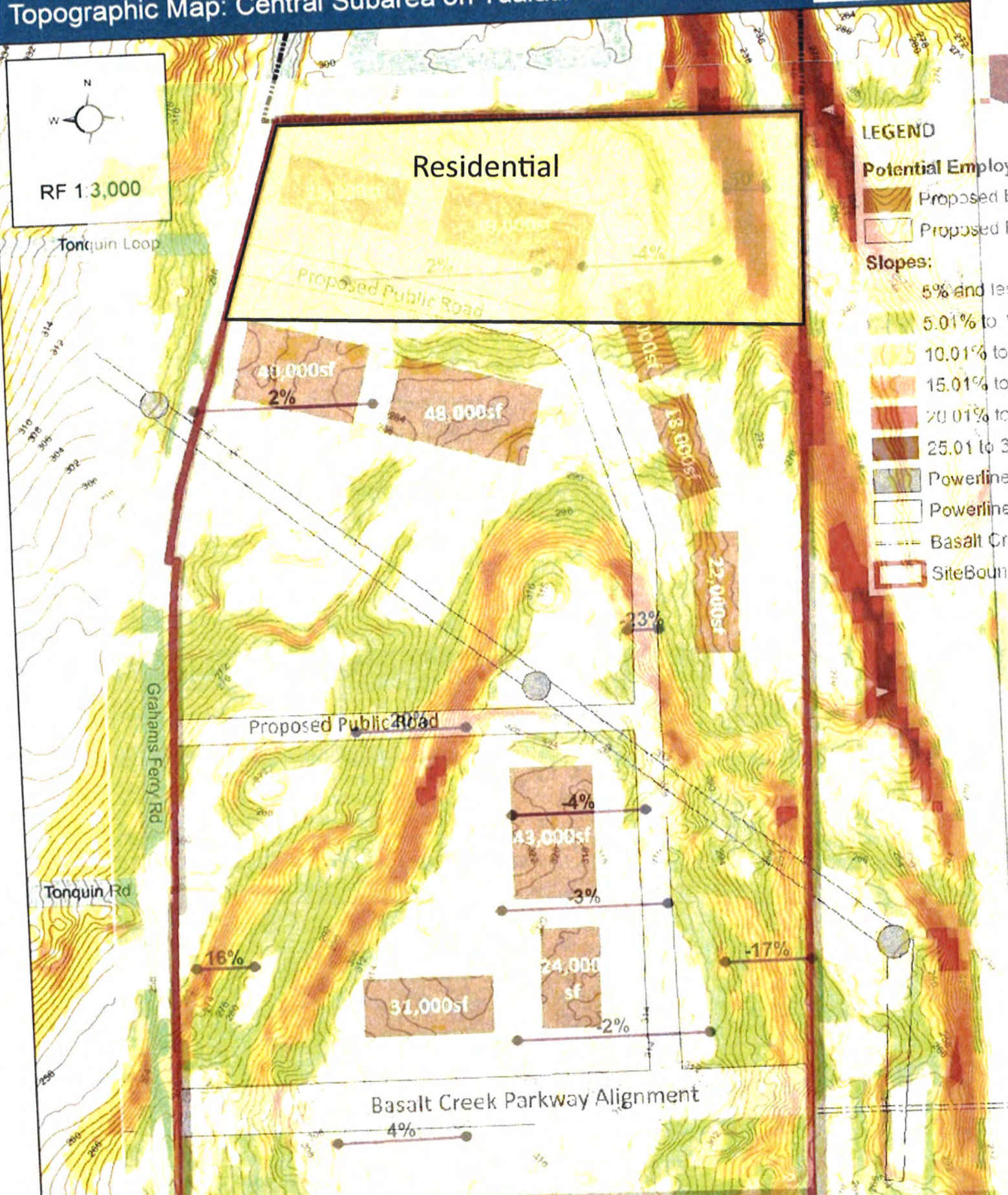
10

Topographic Map: Central Subarea on Tualatin side of Basalt



N
W

RF 1:3,000



LEGEND

Potential Employ

- Proposed E
- Proposed f

Slopes:

- 5% and less
- 5.01% to
- 10.01% to
- 15.01% to
- 20.01% to
- 25.01 to 3

Powerline

Powerline

Basalt Cr

SiteBound

MEMORANDUM

Basalt Creek: Guiding Principles and Evaluation Criteria

TO: Basalt Creek Project Management Team (Cities of Tualatin and Wilsonville)

FROM: Leila Aman, Project Lead, Fregonese Associates

DATE: December 29, 2014

RE: Guiding Principles and Evaluation Criteria for the Basalt Creek Concept Plan

Purpose of Guiding Principles

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

Purpose of Scenario Indicators

Indicators are the outputs of evaluation criteria which are created near the beginning of the scenario planning process. They generally reflect the guiding principles as well as previously adopted community goals. Indicators may also be related to new or emerging community goals or issues: such as transit access, housing costs, or air quality.

The indicators will be used during the development and evaluation of the scenarios within Envision Tomorrow to communicate the benefits, impacts and tradeoffs of different policy choices and investments. Using Envision Tomorrow, alternative scenarios are tested and refined, and then compared and evaluated based on their indicator performance. Indicators enable Envision Tomorrow users to tie the scenario results to the community values and guiding principles.

In practice, this approach not only allows the public to visualize their region's future, final plans created using our scenario planning process will come with a dashboard of indicators so policymakers can monitor their progress and make adjustments along the way, in concert with established guiding principles and long-term vision.

Guiding Principles

Qualitative Guiding Principles

1. Maintain and complement the Cities' unique identities

The cities of Wilsonville and Tualatin each have unique qualities that draw people to live and work there. Those qualities should be maintained and enhanced by development in the Basalt Creek planning area.

2. Capitalize on the area's unique assets and natural location

Development in the planning area should preserve and leverage the natural beauty of Basalt Creek by protecting key natural resources and sensitive areas while minimizing the negative impacts of new development. Recreation opportunities should be made accessible in the area through the creation of new open spaces and trails and integrating them with existing regional networks.

3. Explore creative approaches to integrate jobs and housing

Long distances between centers of employment and residential neighborhoods can cause long travel times, congestion and pollution. Planning for the Basalt Creek area should consider a range of methods (and the feasibility of those methods) for integrating residential and employment land uses to create more high quality living and working environments.

4. Create a uniquely attractive business community unmatched in the metropolitan region

Planning for the Basalt Creek area should capitalize on its unique assets - the location of the planning area near the center of one of the region's largest clusters of employment land, projections for rapid employment growth in the local market, and superior access to major transportation routes (I-5, I-205 and Highway 217) – to facilitate development of high quality employment facilities and opportunities that will benefit both the local and regional economies.

5. Ensure appropriate transitions between land uses

While integration of housing and employment can enrich a community, there remains a need for physical separation between uses that might negatively impact one another. Land uses should be arranged within the study area to minimize these impacts, such as excessive noise, traffic, nighttime light, or air pollution. Use of buffers to mitigate auditory, aesthetic, and safety impacts may include swaths of vegetated land, sound walls, or commercial development (among others).

Quantitative Guiding Principles

Associated measures from Envision Tomorrow and other quantitative analysis that will be conducted as part of the concept planning process are described.

6. Meet regional responsibility for jobs and housing

Population and employment forecast performance

Using output from the Envision Tomorrow scenario modeling tool added jobs and housing units will be compared back to the regional forecast estimate (from Metro's Gamma model) for jobs and households within the planning area.

7. Design cohesive and efficient transportation and utility systems

Evaluation of Wet Infrastructure

Aggregate water and sewer requirements will be developed for each of the three (3) alternatives. A comparison will be provided indicating required capacity and potential infrastructure elements based on each alternative land use plan and the existing systems inventory.

Performance of transportation systems

Motor vehicle transportation system for each of three alternatives will be evaluated including the development of future year 2035 PM peak hour volumes using a focus-area travel demand model. Intersection operation analysis (level of service and v/c ratios) based on the forecasted 2035 PM volumes will be conducted using Synchro.

Internal water consumption and Landscaping water consumption

Water consumption has a major impact both financially and environmentally. Water bills can make up a large proportion of household or business utility costs, and excessive water consumption can put a strain on water supplies and infrastructure, especially in regions with water scarcity. Anticipated domestic and irrigation water consumption by residential households and commercial or industrial businesses will be estimated based on existing usage patterns within Tualatin and Wilsonville."

8. Maximize assessed property value

Building value and local revenue

Adding new housing and employment space to a community brings additional tax revenue that can be used for new infrastructure and services to support new and existing residents and businesses. Different scenarios can produce different amounts of tax

revenue (property tax, sales tax and transportation impact fee (TIF)) due to the differing values of particular building types and locations. .

9. Incorporate natural resource areas and provide recreational opportunities as community amenities and assets

Percent of Natural Area Protected within the planning area

Types of natural areas to be considered for protection from development include:

- Wetlands and Floodplains
- Metro Title 3 Lands
- Metro Title 13 Lands

Some development may occur in these areas. However, the proportion of total development planned for non-environmentally sensitive areas should be maximized in order to preserve habitat, ecosystem services, open space, and recreation opportunities in the planning area.

Environmentally sensitive lands are identified and described in the Basalt Creek Existing Conditions Report.

Total jobs allocated to prime flat industrial lands within the planning area

The largest proportion possible of new jobs forecasted for the planning area should be allocated to lands identified as suitable for industrial and/or office development, one factor of which is the absence of sensitive environmental features and constraints.


Land suitable for industrial and/or office development is identified and described in the Basalt Creek Existing Conditions Report.

Acres of impervious surface

Impervious surface can have a negative impact on the health of a region's waterways. Instead of soaking in and filtering through the soil, rainwater runs off impervious surfaces, washing many polluting substances such as pesticides and oils into streams and other aqueous habitats. Increasing impervious surface runoff also increases the volume of runoff, and the speed which the water is delivered to streams, resulting in higher peak flows.

CITY OF WILSONVILLE REBUTTAL TO TUALATIN'S BRIEF

TO: Arbitrator Martha Bennett, Metro Chief Operating Officer
FROM: Barbara Jacobson, City Attorney for the City of Wilsonville
DATE: March 14, 2018
RE: City of Wilsonville Rebuttal Brief
Central Subarea, Basalt Creek Planning Area



Wilsonville's rebuttal to Tualatin's Brief, in the order presented:

1. Tualatin Assertion: The Parkway Serves as a Buffer Between the Residential Areas to the North and Industrial Areas to the South.

Wilsonville Response: A busy freight arterial located adjacent to a residential neighborhood is not a buffer.

Tualatin claims that the Basalt Creek Parkway ("Parkway") should serve as the natural dividing line between residential development to the north and industrial development to the south. If that were the case then, by implication, everything north of the Parkway, i.e. everything on the Tualatin side of the Parkway, should be reclassified as residential. That is clearly not what either city is proposing and it is not the case in any of the concept plan land use options considered during the planning process. In fact, Tualatin advocated to move the jurisdictional boundary south to the Parkway location, not as a buffer between industrial and residential, but as a dividing line between Wilsonville and Tualatin as a means to give Tualatin more industrial property within its boundary, consisting of all land north of the Parkway.

At the August 24, 2015 Tualatin City Council work session (see Minutes pages 1-2 of 5, attached hereto as **Exhibit A**), Mayor Ogden stated that he did not believe the mix of residential and industrial in the proposed Boundary **Option 3** was a good value for the people of Tualatin. He further stated that the proposed mix of residential and industrial creates more trips and, in turn, more congestion. While he understands the need for residential capacity, he stated it should not be achieved at the expense of other options and recommended moving the boundary line further down to accommodate for more job-producing land options for Tualatin, thereby "*creating a more balanced growth option.*" Boundary **Option 3**, referred to by Mayor Ogden, is attached hereto as **Exhibit B**. It should be noted that **Option 3** showed the portion of the Central Subarea within the Tualatin boundary as residential and the portion within the Wilsonville boundary as industrial.

At that same meeting, Council President Beikman expressed dissatisfaction with Boundary **Option 3**, noting that, for Tualatin, **Option 3** removes all industrial land and converts it to residential, leaving no room for job growth. (See **Exhibit A** Minutes, pp. 1-5.)

Throughout the planning process, Tualatin's Mayor Lou Ogden fought for more industrial land, not for residential land. In fact, following that August 24, 2015 meeting, his argument, along with Council President Beikman's, was Tualatin's motivation to move the jurisdictional boundary further south in order to give Tualatin more industrial land, immediately adjacent to and directly north of the Parkway. While the planners for Tualatin and Wilsonville (with support from Washington County and Metro planners through the Agency Review Team) had worked on three different options and boundaries, Tualatin, on its own, came up with what has become known as **Option 4** after that August 2015 meeting (attached hereto as **Exhibit C**). Boundary **Option 4** moves the boundary to the south and clearly shows all of the Central Subarea exclusively within Tualatin's boundary and designated by Tualatin exclusively as industrial land.

In a 2015 Tualatin staff report prepared for the December 16, 2015 Joint City Council meeting (rescheduled from September 8, 2015), staff states, on page 2 of 3 of the staff report: "*The Tualatin City Council expressed concerns about the limited employment land opportunities for the City of Tualatin and directed city staff to prepare information for a boundary **Option 4**....*" (See Tualatin staff report and Joint City Council minutes attached hereto as **Exhibit D**.) **Option 4** was then presented by Tualatin as the preferred alternative, but was not agreed to by the other parties.

Ultimately, **Option 5** (attached hereto as **Exhibit E**), was negotiated and agreed upon by both Wilsonville and Tualatin at the Joint City Council meeting held December 16, 2015. At that meeting, Mayor Ogden stated: "*We recognize an arterial with limited access will be moving traffic from Tualatin and Wilsonville in both directions; however, it is not a major arterial that will emulate the I-5/99W connector.... By default, we are precluding a future for a 99W connector, so all the more important to recognize the transportation piece has to work there and it cannot be overloaded nor can Basalt Creek Parkway be overloaded.*" Supporting that comment, on pages 5-6 of the **Exhibit D** Minutes, Council President Beikman stated that funding was limited and it was important for the two cities to work out plans for SDCs and TDTs and to emphasize this area "*is a regionally significant industrial area and that the regional government needs to recognize that significance with adequate dollars for the infrastructure so that the project can function properly.*" At the conclusion of that meeting, Wilsonville City Council unanimously voiced support of **Option 5**, and Tualatin City Council, with only one dissenting voice by Councilor Joelle Davis, also voiced full support of **Option 5**. (See **Exhibit D**.) **Option 5** shows the movement of the jurisdictional boundary to the Basalt Creek Parkway to the south, giving more land to Tualatin, placing all of the Central Subarea within Tualatin, and making all of the Central Subarea industrial.

As noted in the Metro staff report and Wilsonville's Arbitration Brief ("Wilsonville Brief"), the sole purpose of the annexation and development of the Basalt Creek Area was to allow for the development of land that had been identified as regionally significant industrial land, not residential land. In Tualatin's Brief, much is made of the fact that the Metro 2040 Plan showed the I-5/99W connector road, which might have served as a buffer between industrial and

residential land. This road never came to be and no public process was held to adopt plans supporting that concept. The reality is that former conceptual alignment for the connector road would have been located to the north of the Central Subarea and would have allowed approximately 110 acres above the line to be designated as “outer neighborhood,” including some additional residential plus buffer between the existing residential and future industrial and employment uses to the south.

Given where the Parkway is now located, according to Tualatin’s argument, that residential acreage number would now expand to approximately 380 acres (adding an additional 270 acres) – far exceeding what was anticipated for residential in an area that was being planned primarily as regionally significant industrial lands. Not only is the Parkway not the connector that was then anticipated, but the Parkway is not the “approximate course” of the connector, as depicted on the map included in Metro’s Ordinance, as argued in Tualatin’s Brief. Adding an additional 270 acres of land to the originally proposed 110 acres (for a total of 380 acres) is well beyond the acreage limits to qualify for a Metro minor UGB adjustment. Additionally, moving a potential road alignment over 1,500 feet, under any city project, would not be seen as a minor adjustment and, as such, would require new analysis and a new notification process and public outreach process. No public meetings or open houses ever occurred showing 380 acres of the Basalt Creek Industrial Area as residential. (See overlay map, showing both road locations, attached hereto as **Exhibit F** – see two maps).

Contrary to the position now being taken by Tualatin concerning the Parkway as a “natural buffer,” in its November 28, 2016 staff report to the Tualatin City Council, staff wrote: “*While there are some hilly areas, the Manufacturing Park designation can be made flexible enough to include some smaller scale employment uses. In addition, bringing residential further south in this subarea than shown on the October 2016 Land Use Concept Map will create buffering issues with industrial land in Wilsonville as they work to market property south of the future Basalt Parkway.*” (See staff report, **Exhibit G.**) This statement directly contradicts Tualatin’s Position 2 in its brief that the Central Subarea is not suitable for industrial/employment park development.

Finally, if Tualatin’s argument that the Parkway should be the natural buffer area between residential and industrial is taken at face value, then all of Tualatin’s nearly 200 acres of Basalt Creek, including the one remaining manufacturing parcel of approximately 96 acres immediately north of and adjacent to the Parkway and immediately west of and adjacent to the Central Subarea (now re-designated by Tualatin as residential land), should also be re-designated as residential land. Along with that re-designation, Tualatin’s Concept Plan could aptly be entitled the *Basalt Creek Residentially Significant Planning Area*. (See hypothetical map showing all land above the Parkway “natural buffer” as residential, attached as **Exhibit H.**)

2. Tualatin Assertion: The Subarea is Not Suitable for Industrial/Employment Development.

Wilsonville Response: This area is well suited for “Industrial/Employment Development.”

Tualatin’s assertions are based on statements from those few developers who will profit from the residential designation, in lieu of the industrial designation, with no professional study or analysis to back up such assertions.

A March 21, 2017 newspaper article appearing in the *Portland Tribune* (attached hereto as **Exhibit I**), summed up Tualatin’s sudden change of heart with respect to what the Central Subarea was suitable for:

“The debate over whether to reclassify the central subarea between Victoria Garden and the future Basalt Creek Parkway as residential found Ogden in an odd position. The mayor had been the leading advocate on the Tualatin City Council throughout the planning process to maximize the share of land on Tualatin’s side of the line to be developed as industrial. But despite advice from Tualatin city planners that the subarea could support industrial development at some point in the future, and an analysis commissioned by Washington County suggesting the same, he said in February he had come to strongly believe the land is unsuitable for it.”

What Mayor Ogden failed to state in that meeting or to the reporter was how or why he had come to suddenly change his mind so dramatically.

The Wilsonville Brief already offers numerous strong arguments and studies as to why the Central Subarea is well suited to an industrial designation. If slopes had stopped industrial/commercial developers, the numerous highly successful projects Wilsonville has already cited in its Brief would never have happened. If there is any doubt slope cannot be overcome at a reasonable cost, one only need make a site visit to the new Beaverton High School (aptly named Mountainside High School), where even the football field is located on what was a severe slope that had to be cut, retained, and filled.

With respect to rock, with industrial development, fewer sewer and water lines need to be installed and can be strategically located to avoid areas of high rock concentration. With residential development, every single house needs its own service lateral. Wilsonville therefore submits that the overall site geology may be far more conducive to industrial development than it is to residential development.

Tualatin challenges two of the professional studies conducted regarding the viability of the Central Subarea for industrial development because they both support industrial development. Tualatin, however, fails to discuss other earlier studies that also supported industrial development for the Central Subarea or to commission its own study. With respect to the Mackenzie study, commissioned by Washington County in 2016, Tualatin takes one sentence out of context to state that Mackenzie found that nearly a third of the site contains slopes greater than

10%, or are surrounded by slopes greater than 10%, which are extremely difficult to develop for industrial/employment uses. What Tualatin fails to point out is that most of the highly sloped areas are contained in the canyon, which is not planned for industrial or residential development.

What Tualatin also fails to acknowledge is that, after looking at all factors, the Mackenzie report concludes:

“The site is certainly feasible for employment, and given the existing site conditions and subject site location, the following employment uses may be suitable for this site:

- *Flex business park (health services, professional services, support services, administration/back office support operations, incubator space)*
- *Office or office campus*
- *Manufacturing (food processing, metals, chemicals, equipment, machinery, product/components assembly)*
- *Commercial support services (restaurants, coffee shops, print shops) along the future Basalt Creek Parkway” (See **Exhibit J**, Mackenzie Conclusion.)*

As noted in the Wilsonville Brief and the November 28, 2016 Tualatin staff report, while the site may not be suitable for one large industrial warehouse complex, that is not the type of industrial use primarily envisioned for the Basalt Creek Planning Area. Basalt Creek planning is looking toward new cutting edge industrial development that offers more jobs at higher wages than the run-of-the mill industrial warehouse development. As also noted in the Wilsonville Brief, as well as in the Mackenzie and KPFF reports, while this site does have slope and rock in certain locations, the perfect flat industrial land parcel near freeway access is an endangered, if not extinct, species. Developers have therefore adapted well to more challenging topography, especially in locations with excellent I-5 access, transportation infrastructure, larger parcels, and complementary surrounding uses.

After attempts to rebut the Mackenzie study, Tualatin next turns its attention to the KPFF study, commissioned by Wilsonville in 2017, claiming that KPFF’s analysis completely ignores the need to comply with the Oregon Fire Code. This is not true. Attached as **Exhibit K** is the response from KPFF Engineer Matt Dolan. In **Exhibit K**, Mr. Dolan responds to all of the false and faulty assertions made by Tualatin. Without repeating everything contained in **Exhibit K**, highlights include: KPFF disagrees with Tualatin’s assertion that *“the area is useful, at best for ‘split elevation’ office use.”* To the contrary, KPFF asserts that the study suggests a different building type could be utilized in areas with steeper slopes and does not suggest this approach for the entire area. *“All of the scenarios and building typologies imagined in the study support employment opportunities within the study area and are creative/adaptive solutions for modern development in a robust metro environment.”*

With respect to ignoring the fire code, Mr. Dolan wrote: *“The Oregon Fire Code was not ignored.”* He goes on to state: *“The site lies within the Tualatin Valley Fire & Rescue (TVFR) Service Area. ORS 368.039 allows road standards adopted by local government to supersede standards in the fire codes and requires consultation with the local fire agency. Per the TVFR*

'New Construction Fire Code Applications Guide for Commercial and Multi-Family Development,' revised 10/26/2017, Version 3.5, Fire Apparatus Access Roadway grades shall not exceed 15%. With respect to a secondary access, there are a multitude of ways to satisfy the requirement." The need for secondary access will be dependent on the actual development ultimately proposed and, like with any new development projects, TVFR will be consulted.

Finally, Mr. Dolan summed up the principals of any development and long range planning efforts: *"The study completed by KPFF was intended to demonstrate that it is feasible to develop the study area in a manner that supports employment opportunities. It was not intended to be definitive as to how the development would actually occur.... The discussion regarding economic feasibility does not seem pertinent or relevant to the determination of long range planning goals for the area."*

Without repeating what is already contained in the Wilsonville Brief, numerous studies were conducted throughout the Basalt Creek planning process to determine that this land was suitable for industrial development. In addition to the Mackenzie and KPFF studies, there were also the Industrial Needs Analysis conducted by Metro when the area was brought in for industrial development planning; the Leland Consulting Group Market Analysis; and the Fregonese Existing Conditions Report, which included the buildable lands inventory map, which shows the Central Subarea as some of the most developable land and well-suited for industrial development (ranked just behind the property already designated by Tualatin as residential along I-5 and the Koss property that is located in the Central Subarea). (See **Exhibit L**.) In development, one can always look toward the worst-case scenario, i.e., the hardest and most expensive way to do something, but that is not how successful site planning is done. To the contrary, experienced developers will always look for the easiest and most economical alternative and, when a location is desirable, for all of the reasons listed above, they tend to get creative and find successful paths forward, even if the cost might be higher.

3. Tualatin Assertion: Designating the Subarea for Housing Responds to the Housing Crisis.

Wilsonville Response: No, it does not.

The housing crisis discussion at Metro is about affordable housing. It is not about an overall shortage of housing. In fact, in the last UGB cycle, Metro did not add land to the UGB for residential need. While there is a shortage of affordable housing in the Metro area, Wilsonville has seen nothing in any Tualatin designation for the Central Subarea or any of the lands in Tualatin already designated as residential to require any percentage of that housing to be "affordable." Moreover, significant other land exists for residential development in Tualatin. Stafford is an area clearly designated exclusively for housing for Tualatin. No industrial designation is planned for any of this area. The Stafford Urban Reserve Area 4E (north of Frobase and west of 65th to I-5, bound by I-205 to the north) also has over 800 acres of possible residential land, and the nearby Area 4D consists of approximately 1,600 acres.

Although Tualatin's Stafford community has historically been an area marketed more for the affluent buyer, definitely not those seeking affordable housing, attempting to market the Basalt Creek Central Subarea as affordable housing (despite no evidence of what the housing type and

price will be) is the opposite of what Tualatin should be offering as an affordable housing alternative. The Central Subarea is located next to a freight arterial on the south, industrial land on the west, in close proximity to a prison to the southwest, and across the Parkway from all industrial land. This location brings with it the typical concerns of truck noise, air pollution, traffic congestion, safety issues, and the fact that the children will be required to be bussed or driven a long distance to schools in Sherwood, which is the Central Subarea's designated school district.

Rather than helping solve a "housing crisis," this feels like a future social equity and environmental justice issue. As an alternative, Wilsonville would like to offer an already master planned and shovel ready new housing development that is an easy commute from the Basalt Creek Area and Tualatin, called Frog Pond. Frog Pond West and its potential future East and South neighborhoods will offer a variety of economic housing types and is in close proximity to services, schools, and significant open space and park. It is not near any industrial lands, prisons, or truck routes, and is in walking distance to the designated schools.

At Item D in Tualatin's Brief, Tualatin argues that it has more than enough industrial land. This argument directly contradicts Tualatin's insistence for more industrial land in August 2015, and its consensus on the Concept Plan Land Use Map on November 28, 2016. (See November 28, 2016 Minutes, pages 2-3, attached hereto as **Exhibit M**.)

Tualatin's argument that there is a need for more residential land in Tualatin, specifically in the Basalt Creek Planning Area and Central Subarea, is unsubstantiated. Evidence of an acknowledged Goal 10 Housing Needs Analysis has not been provided by Tualatin. A Housing Needs Analysis outlines a city's supply and demand for housing and provides the basis for understanding future planning efforts related to residential growth.

Tualatin's argument in Item E, stating that the Central Subarea should be reclassified as residential because "*The Property Owners want the Subarea Designated for Housing*," can only be summarized as astounding yet obvious. To that argument Wilsonville can only reply, "*Of course they do*." Residential land is worth substantially more than industrial land. Residential land is more marketable and quickly developable. To that end, it should also be noted that the developer who retained OTAK to convince Tualatin Councilors to change their position on the Central Subarea owns a parcel of land located within the Central Subarea and adjacent to the Parkway. Surely this developer knows, as do Tualatin officials, that Washington County must acquire a substantial portion of his Central Subarea land in the near future in order to complete the Basalt Creek Parkway. If this developer can succeed in having his land designated as residential, he stands to obtain a much higher appraised value that Washington County will be forced to pay for that land at the expense of the Washington County taxpayers, a large number of whom reside in Tualatin (and a few in Wilsonville). As noted in the Wilsonville Brief, what matters here is not higher profits for a handful of people whose property would otherwise remain primarily agricultural, but rather preservation of Title 4's primary goal to protect regionally significant and dwindling industrial land that brings jobs to the region and betters the overall economy of Tualatin, Wilsonville, Washington County, the Metro region, and the State of Oregon as a whole.

4. Tualatin Assertion: Tualatin Did Not Agree to a Land Use Designation for the Subarea.

Wilsonville Response: We all thought you did, but apparently you did not.

Metro, Washington County, Wilsonville, and Tualatin have been working on the Basalt Creek planning project since 2014. All negotiation and planning for the area culminated when, at a Joint City Council meeting in December of 2015, both Tualatin and Wilsonville City Councils voiced overwhelming support and commitment to **Option 5**.

Many months later, due to heavy lobbying efforts by a few and a turnover in some Tualatin Council members, Tualatin's resolve to adopt **Option 5** appeared to falter and then correct at Tualatin's November 28, 2016 work session. According to those work session minutes, Councilor Davis stated she would like to see more residential land and less industrial land, to address citizen concerns. Councilor Bubenik, on the other hand, stated he supported staff's recommendation to retain the manufacturing designation for the Central Subarea. Councilor Grimes concurred with Councilor Bubenik, stating staff had created an equitable balance with room for growth. Mayor Ogden spoke in support of flipping the designation to residential over concerns with the area "*being able to develop manufacturing.*" Council President Truax stated that if Council did not accept staff's recommendation, he feared there would be no end to the process. At the end of the work session, Council consensus was reached to adopt staff's recommendation to retain the manufacturing designation. (See **Exhibit M**.)

In Tualatin's November 28, 2016 staff report, staff had concluded that, despite the OTAK report, staff continued to believe that the Central Subarea could be developed for employment land over the long term and, therefore, staff's position was to accept the Land Use Concept Map as presented on October 10, 2016. That presented map was the **Option 5** map. (See **Exhibit G**.)

Unfortunately, less than three months later, on February 13, 2017, a different Tualatin City Council consensus was reached, without consultation with any of its partners of many years, to unilaterally re-designate the Central Subarea to residential.

As noted in the March 21, 2017 *Portland Tribune* article:

"Throughout the process Wilsonville has largely stuck to its vision of having almost all development on its side of the line be industrial.... Tualatin has seesawed between the proposals, including varying mixes of residential and industrial lands.

"The map had appeared settled as of last October, but after three new city councilors came aboard in Tualatin after the November election, the Tualatin City Council decided to change its designation for the central subarea in spite of warnings from Washington County Chairman Andy Dyke and other intergovernmental partners."

Finally, under Item C, Tualatin makes the broad assertion that "*The Metro Staff Conclusions Are Not Supported by the Evidence.*" To the contrary, as already outlined in detail in the Wilsonville Brief, Metro's conclusions are well supported. What is not supported by any evidence is

Tualatin’s eleventh hour flip-flop on the Central Subarea designation, to the detriment of Wilsonville, Washington County, and the region, in order to benefit a few influential developers and landowners.

To the extent Wilsonville has not addressed any other assertions by Tualatin under Item C, all responses are already well documented in the Wilsonville Brief, which fully supports the Metro staff report.

Conclusion:

Tualatin’s unilateral decision, after years of cooperative work among Metro, Washington County, Wilsonville, and Tualatin staff, is without reason or merit. Tualatin’s decision can only be summarized as a last minute attempt to designate the Central Subarea as residential for the direct financial benefit of a few, at a great cost to the region. The decision is inconsistent with the Metro Ordinance, the Transportation Refinement Plan, Title 4 and Title 11 of the Urban Growth Management Functional Plan, the joint Council conclusions, and the recommendations and decisions made throughout the extensive public process. This last minute about-face in the land use designation of the Central Subarea by Tualatin creates profound uncertainty as to the viability of any portion of the Basalt Creek Area as an employment district. The Central Subarea should remain designated as industrial/employment land.

Attachments:

- Exhibit A: August 24, 2015 Tualatin City Council Work Session Minutes
- Exhibit B: Boundary Option 3
- Exhibit C: Boundary Option 4
- Exhibit D: December 16, 2015 Tualatin Staff Report and Joint City Council Minutes
- Exhibit E: Boundary Option 5
- Exhibit F: Basalt Creek Area Road Overlay Map (concept road and Basalt Creek Parkway overlay)
- Exhibit G: November 28, 2016 Tualatin Staff Report
- Exhibit H: Map showing all land above the “natural buffer” as residential
- Exhibit I: March 21, 2017 *Portland Tribune* newspaper articles
- Exhibit J: Mackenzie Conclusion
- Exhibit K: March 9, 2018 Response from KPFF Engineer
- Exhibit L: Buildable Lands Map (Fregonese)
- Exhibit M: November 28, 2016 Tualatin City Council Work Session Minutes



Present: Mayor Lou Ogden; Council President Monique Beikman; Councilor Frank Bubenik; Councilor Joelle Davis; Councilor Nancy Grimes; Councilor Ed Truax

Absent: Councilor Wade Brooksby

Staff Present: City Manager Sherilyn Lombos; City Attorney Sean Brady; Police Chief Kent Barker; Deputy City Manager Sara Singer; Planning Manager Aquilla Hurd-Ravich; Deputy City Recorder Nicole Morris; Information Services Manager Lance Harris; Economic Development Manager Ben Bryant; Assistant City Manager Alice Cannon; Management Analyst II Zoe Monahan; Public Works Director Jerry Postema

CALL TO ORDER

Mayor Ogden called the meeting to order at 5:05 p.m.

1. **Basalt Creek Concept Plan Briefing.**

Assistant City Manager Alice Cannon and Planning Manager Aquilla Hurd-Ravich briefed the Council on the Basalt Creek Concept Plan project updates. Manager Hurd-Ravich presented boundary option three and preliminary analysis results for consideration. Key points from the last joint meeting with Wilsonville were recapped. It was noted boundary option three was created in response to the feedback from the meeting. Boundary option three was presented and transition areas along the boundary for buffering were highlighted. The next steps for decisions regarding the new boundary will occur at the next joint meeting on September 8. Future decision points for the fall include the refinement of preferred land use alternatives followed by open houses and the preparation of the draft Basalt Creek Concept Plan.

Manager Hurd-Ravich presented additional information including three boundary options total developable acres, land use mixes, total number of jobs and households, total trips, assessed value at buildout, and annual property tax at buildout. The consultant team summary was briefly reviewed.

Councilor Truax referenced a letter sent from Mr. Cross. He asked about Mr. Cross's concerns regarding his properties being split between cities. Manager Hurd-Ravich stated Mr. Cross's properties are located solely in Wilsonville. Manager Cannon noted boundary option three does not split any property lines.

Manager Hurd-Ravich recapped the difference between the three boundary options.

Mayor Ogden stated he did not believe the mix of residential and industrial in this option is a good value for the people who live in Tualatin. This mix creates more trips in turn creating more congestion. He understands the need for residential capacity but does not believe it should be done at the exclusivity of other options. His

recommendation would be to move the boundary line further down to accommodate for job producing land options creating a more balanced growth option.

Councilor Grimes entered the meeting at 5:33 p.m

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

Council President Beikman expressed dissatisfaction with boundary option three. She stated boundary option three removes all industrial land and converts it to residential leaving no room for job growth.

Councilor Bubenik added he does not feel option three is equitable or balanced equally.

Councilor Davis stated boundary option 3 gives Wilsonville everything they wanted while excluding Tualatin's requests. She believes the road should be placed further to the south as its current placement is limiting everyone's options. She added the road should be placed outside of residential and wetland areas.

Council President Beikman wants to ensure Tualatin is given the proper amount of land to buffer the transition between residential and industrial.

Assistant City Manager Cannon asked if it was Council's desire to see the road dropped down to Tonquin Road. Councilor Davis stated it would be the natural decision for citizens to understand the boundary.

Councilor Grimes asked if moving the boundary to Tonquin Road would split property lines. Manager Hurd-Ravich stated she did not believe it would split any property lines.

Mayor Ogden referenced the land suitability map that was presented at a previous meeting. He stated he would like to see the boundary drawn based upon that map.

Manager Cannon stated staff is getting close to the end of the budget for this project so it is important to find resolution to this plan relatively soon.

2. Election Ordinance Discussion.

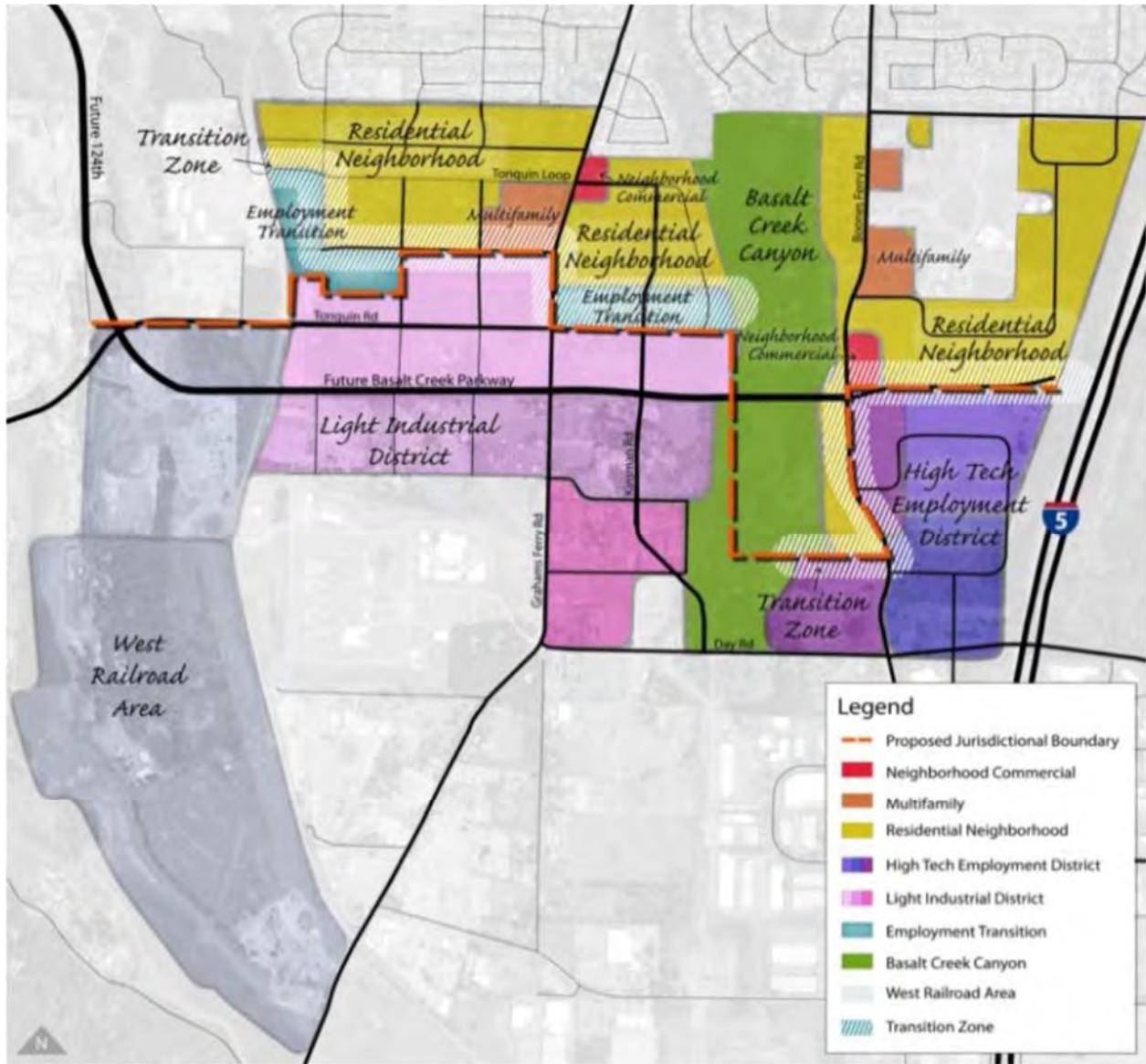
Councilor Brooksby was phoned into the meeting.

Councilor Davis stated Councilor Bubenik and herself would like to correct what they feel was a lack of public comment allotted for Ordinance No. 1381-15. They are requesting an additional public comment period be opened to allow citizens to make further public comment.

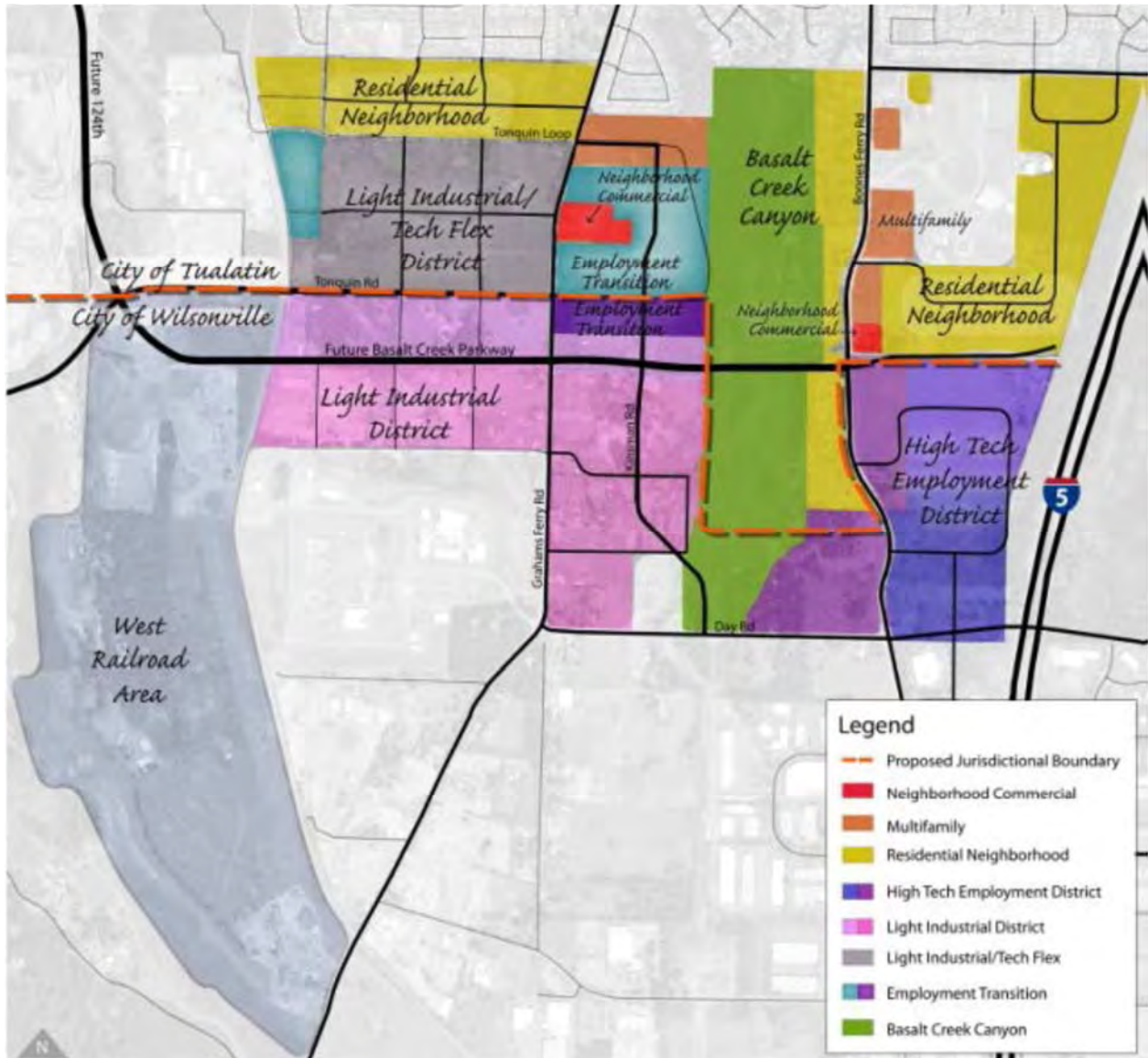
Councilor Bubenik stated the extended citizen comment period would be a time where citizens could make suggestions to Council regarding the ordinance. After the comment period then Council could then consider potential amendments if appropriate.

Mayor Ogden stated he feels only those who feel negatively toward the ordinance

OPTION 3



OPTION 4





JOINT CITY COUNCIL MEETING STAFF REPORT

Meeting Date: December 16, 2015	Subject: Basalt Creek Concept Plan Staff Members: Miranda Bateschell, Wilsonville Cindy Hahn & Aquilla Hurd-Ravich, Tualatin
Action Required	Advisory Board/Commission Recommendation
<input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input checked="" type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda	<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments:
Staff Recommendation: Staff recommends the City Councils provide direction to staff on a jurisdictional boundary and essential agreements for functional elements of the Basalt Creek Concept Plan.	
Recommended Language for Motion: N/A	
Project / Issue Relates To: <i>[Identify which goal(s), master plans(s) your issue relates to.]</i>	
<input checked="" type="checkbox"/> Council Goals/Priorities Basalt Creek Concept Plan	<input type="checkbox"/> Adopted Master Plan(s)
<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

Staff will provide Council with an update on the Basalt Creek Concept Plan and seek direction on next steps for the project.

EXECUTIVE SUMMARY:

At the Joint Council meeting, the project team will briefly summarize all land use and boundary options considered to date (presentation included as Attachment A). The Joint Councils will then be asked to discuss priorities for the planning area, agreed upon elements of the plan, and remaining issues needing resolution in the Concept Plan. Staff seeks direction on a boundary option to present as a preferred alternative for public input and what essential agreements need to

be part of the functional elements of the Concept Plan (such as land uses, transportation, stormwater, etc.). If a preferred alternative is not reached at the December Joint Council meeting, staff seeks direction on next steps and a list of expectations toward achieving that goal.

BACKGROUND:

The Basalt Creek Concept Plan will establish a vision and jurisdictional boundary for the 847 acres between the cities of Wilsonville and Tualatin. At the Wilsonville-Tualatin Joint Council meeting in June, the project team presented two boundary and land use alternatives (Boundary Options 1 and 2) to the base-case scenario (originally presented December 2014). The Joint Council directed staff to develop a third alternative addressing interests and concerns discussed at the meeting. Staff developed Boundary Option 3 as a response to the Joint Council input and presented this option at individual work sessions in August. **The Tualatin City Council expressed concerns about the limited employment land opportunities for the City of Tualatin and directed city staff to prepare information for a Boundary Option 4, which would follow Tonquin Road west of the Basalt Creek Canyon area. In total, five boundary options have been developed during the planning process (Attachment B).**

The land use scenario in all options is conceived to complement existing development patterns in both cities, have robust and efficient infrastructure systems that are not cost prohibitive and generally, development “pays its way.” Performance indicators were generated using Envision Tomorrow modeling software to evaluate the Boundary Options and a summary is included as Attachment C.

POTENTIAL IMPACT or BENEFIT TO THE COMMUNITY:

The Basalt Creek area is important for the long-term growth of Tualatin, Wilsonville, and the Metro region. Conducting a thorough and thoughtful planning process will identify and resolve each city’s vision for the area and potential impacts on the community. The Basalt Creek area presents an opportunity to maximize assessed property value, integrate jobs and housing, develop efficient transportation and utility systems, create an attractive residential and business community, incorporate natural resource areas, and provide recreational opportunities as community amenities and assets.

EXPECTED RESULTS:

At the Joint Council meeting, the project team is seeking direction on a preferred jurisdictional boundary and essential agreements that will be part of the Basalt Creek Concept Plan.

TIMELINE:

The Joint Council meeting on December 16, 2015, will be the fourth Wilsonville and Tualatin Joint Council Meeting for the Basalt Creek Concept Plan. Based on the discussion and guidance received at the upcoming Joint Council meeting, the project team will refine a preferred land use alternative for the Basalt Creek Concept Plan. That preferred alternative will be presented at a Public Open House and drafting of the Concept Plan will begin with expected completion in 2016.

COMMUNITY INVOLVEMENT PROCESS:

The project includes participation from affected residents, businesses, and property owners. Citizens will be asked to share ideas about the preferred land use alternative at a Public Open House. Additionally, the website is updated to reflect the most recent work and staff sends out monthly updates to an interested parties list and property owners via email and U.S. postal mail.

ATTACHMENTS:

- A. December 16, 2015 Joint Council Presentation
- B. Basalt Creek Plan Area Boundary Options
- C. Performance Indicators Summary for all Boundary Options

**CITY OF WILSONVILLE
CITY COUNCIL MEETING MINUTES**

The Wilsonville City Council met with the City of Tualatin City Council on Wednesday, December 16, 2015 starting at 6 p.m. at the Wilsonville City Hall.

Wilsonville City Council members present:

Mayor Knapp
Council President Starr
Councilor Fitzgerald
Councilor Stevens
Councilor Lehan

Wilsonville Staff present:

Bryan Cosgrove, City Manager	Nancy Kraushaar, Community Development Director
Jeanna Troha, Assistant City Manager	Miranda Bateschell, Long Range Planner
Barbara Jacobson, City Attorney	Steve Adams, Engineering Manager
Mike Kohlhoff, Special Projects Attorney	Susan Cole, Finance Director
Sandra King, City Recorder	

City Councilors from the City of Tualatin included:

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

Staff representing Tualatin:

Sherilyn Lombos, City Manager	Cindy Hahn, Associate Planner
Alice Cannon, Assistant City Manager	Jeff Fuchs, City Engineer
Colin Cortes, Assistant Planner	

Consultants involved in the work effort:

Jon Fregonese, President, Fregonese Associates
Andy Cotugno, Metro Planning Director

The purpose of the joint meeting is to:

1. Hear about the continued Basalt Creek Planning efforts.
2. Provide direction on the latest boundary option and functional elements of the Basalt Creek Concept Plan.

CALL TO ORDER

Mayor Knapp called the joint Council meeting to order at 6:05 p.m. Roll call was completed via self-introductions.

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PRESENTATION (Fregonese)

John Fregonese commented the purpose of the meeting was to review the boundary option evaluations since the cities were at the point where agreement on the boundary was critical, and to review the next steps. Over the past two years work has been done to evaluate land suitability, guiding principles, a number of scenarios were considered and many issues worked out to where he was confident about the ability to move forward.

Mr. Fregonese identified the base case and four boundary options that had been considered, analyzed, and evaluated. Through that evaluation process service provisions and transportation issues have been worked out. The project was at the point where a decision had to be made on the boundary to move ahead in the process.

Andy Cotugno discussed the history of Basalt Creek and the regional significance of the area. Thirty years ago discussion began about the possibility of an I-5/99W connector, which led to talk about building a “western bypass” freeway to Hillsboro. Although the western bypass was not built, the I-5/99W connector idea remains on the table. When Metro added land to the UGB, one of the conditions was to figure out where that road was to be located and not to allow urbanization in this area until the location of this road was identified to insure the possibility of the connector was not precluded because of urbanization.

That led to the examination of the I-5/99W connector with the proposal on the table at the time for a freeway connection; however, it was concluded this was not the best idea for organization of the land in Tualatin and Wilsonville and Sherwood. Rather, an arterial based approach would be a better option. This arterial based approach was included in the regional plan although the location of the road was not identified. The process with Basalt Creek presented a good solution for the transportation system plan for the area while recognizing future extensions to the west and east may be possible.

When the area was added to the UGB Metro was looking for additional job lands, but heard concerns about neighborhoods from Tualatin and the incompatible development being alongside Tualatin’s boarder. The challenge is to determine land uses while recognizing what is already built and taking into consideration the natural features and neighborhood conflict areas.

Mr. Fregonese stated it was important to understand how significant the barrier Basalt Creek Parkway will be.

Mayor Knapp added staff felt the elected officials needed to understand the Parkway concept better, what is it going to look like and how it will interface with the surrounding properties and how it will affect the flow of traffic and industry in that vicinity.

Miranda Bateschell, Long Range Planning Manager, explained staff had met with Washington County about what the Parkway would look like, and in particular the elevation changes and the profile of the Parkway. Ms. Bateschell described the elevation changes from the western edge to Grahams Ferry for the phase one design plan.

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Mayor Knapp commented it was clear that the Parkway is a significant physical feature that will frame interaction. Three intersections were planned for the parkway: Tonquin Road, Grahams Ferry and eventually at Boones Ferry. He noted no driveways will be coming onto the Parkway; all driveways will be oriented to the north on Tonquin, and on the south Clay Street. Grahams Ferry Road will become a significant route with industry facing onto Grahams Ferry. When the Transportation Refinement Plan was being addressed one of the things discussed was the need to be sure the existing transportation facilities on the ground are capable of accepting the impact of the traffic that will be on the Parkway and he felt it was critical that it is developed in a way that enables the area to be successful.

The Mayor referred to the handout titled “Basalt Creek Development – Considerations for Success” which listed nine elements. He noted the Mayors and Council Presidents of both cities along with staff from both cities, met and talked about the nine items listed on the handout as matters that needed to be kept in mind if the area is to be successful economically and meet the needs of the region. The Considerations for Success talks about some of the things that need to happen for the area to be a success.

Mayor Knapp addressed the nine items:

1. Sewer – each city serve its own area, as much as possible. This will help each city operate independently, without needing to coordinate on each development in their jurisdictional part of Basalt.
2. Stormwater – all flows received by Wilsonville to be guided by Wilsonville protocols and design standards. Wilsonville must meet the standards for discharge under the Wilsonville permits.
3. Recognize Regional need for industrial lands drove the Basalt designation in 2004. Consider Regional all Title 4 designations on the Basalt lands best suited and concept planned for industrial in both cities. Assurance of consistent follow through on industrial/employment development in both cities will be of joint benefit, and help such development to be successful.
4. Recognize the critical need for receiving roadways to be improved BEFORE the Parkway sends transportation load onto them. Invest SDC’s, TDT (transportation development tax), and potential supplemental SDCs generated by Basalt development in both cities, INTO Basalt improvements. (Past Washington County precedent has been to spend 75% of such supplemental SDC’s and TDT in the originating area.)

Mayor Knapp would like to see 100% of the SDC’s and TDT funds go to the transportation improvement in Basalt Creek, and for both cities to agree to that.

5. Recognize that the transportation improvements agreed to and planned (in the Basalt Creek Transportation Refinement Plan) are based on projected loads from the identified system. Any substantial additional traffic loads from external locations will likely overload the system and cause it to fail. Therefore major re-evaluation and additional system capacity improvements will be necessary in the event the Region decides to direct other traffic through Basalt.

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6. It is important that both cities respect the trip cap for the area and find a way to preserve each city's share. Additional review of trip caps with land uses should occur moving forward.
7. Recognize the need for both cities to be jointly committed to seeking Regional investment in future I-5 crossings. Those crossings will become critical to allowing industrial/employment growth in Basalt, thereby meeting Regional objectives. Without Regional involvement, the crossings will never get built.
8. Strongly consider not building Kinsman Road north of Day. Constraints on its intersection location with Day, high cost of new construction, and fact it would serve only development on its west side all indicate a poor return for the investment. Invest in Grahams Ferry Road improvements instead, which will serve the same lands.
9. Plan on having a joint city agreement on managing the Natural Area along Basalt Canyon. Development is eventually expected along the west side of the canyon which would then be an appropriate location for a bike/pedestrian trail connecting the cities. Such connection would be an asset to both residents and employees in the area, if thoughtfully planned and connected to "through" trails on both north and south.

Mayor Knapp indicated these nine items were the focus of the discussion that took place a week and a half ago. He felt the participants had a good understanding and agreement on why these considerations were important to the overall project. Mayor Knapp asked Council Presidents Starr and Beikman if they had any comments.

Council President Beikman said that transit was talked about. And that it was in both of the jurisdictions interests to lobby Tri-Met and any other regional provider to provide transit services to the area since it was a significant regional industrial area.

Council President Starr added if the funds the businesses pay to Tri-Met could go to SMART that would make the most sense. He noted number three and number six, and that there was substantial discussion about protecting the integrity of the plan so it would stand from election to election and not be changed to protect the amount of money invested in developing the plan, and that each city would find success in the plan as it is built out. Regarding number six both cities agreed it was vital that both cities find a way the trip cap remains in place so the transportation plan will not fail.

Mayor Ogden echoed Council President Beikman's comments that the ideals presented here are important. For the area to function as planned with respect to the land use and transportation capacity that is likely to be in place, and the ability to serve that area and recognizing the transportation system that Washington County is putting into place that facility is really there to serve the region of Tualatin east, Sherwood, and north Wilsonville. **We recognize an arterial with limited access will be moving traffic from Tualatin, and Wilsonville in both directions; however it is not a major arterial that will emulate the I-5/99W connector.** To the extent that anything like that is considered in the future it will have to honor the land use and planning that is in place here and we're not going to be providing a corridor for that. **By default we are precluding a future for a 99W connector, so all the more important to recognize that the transportation piece has to work there and it cannot be overloaded nor can Basalt Creek Parkway be overloaded.** Mayor Ogden supported the ideals.

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Regarding transit Mayor Ogden recognized a system will be needed to serve the area, and serve it “blind” to the user. It should be a transit system that works regardless of the provider, and is efficient from a tax and return standpoint. A detailed discussion would be necessary in the future on transit services.

Mayor Knapp stated Wilsonville reoriented its entire SMART system toward the WES Station and committed to meet every train and promised Wilsonville employers that their employees would be at their place of employment in ten minutes from when the train arrived. Wilsonville is committed to continuing to provide that type of service to the Basalt Creek area employers. Details regarding transit providers will need to be worked out since Tri-Met controls some of that decision. If the two cities speak jointly to Tri-Met there may be a higher possibility of success.

Mayor Ogden responded whatever is the best solution as long as the two cities are in concert with each other there is a better chance of success in dealing with TriMet. That needs to be the motto on whatever we are doing in that area with extraterritorial money. There should be a coordinated effort between the two jurisdictions, to represent the best interests of our citizens. As we lay the foundation for the mutual agreements we lay the underpinnings of how we proceed in the future on the needs in that area.

Mayor Knapp wanted to know if the councilors had questions or comments.

Councilor Truax expressed his pleasure in the nine Considerations of Success, and the willingness for the two adjoining jurisdictions to enter into an agreement dealing with sewer and stormwater was unique. He applauded the participants of the small group meeting, and with the positive tone that runs through this and felt they were close to having the framework.

Councilor Lehan seconded Councilor Truax’s remarks. She thought the small group players distilled out the essential pieces, and while they are not agreed to in detail it clearly states what the cities are intending to do in a general sense, and what the goals are. She was glad to see the commitment, in particular numbers three and six, about the trip caps and the need for the land use piece to follow along. Councilor Lehan pointed out the other partner necessary was the regional government, Metro, to rise to this level of commitment in terms of the trip caps and in terms of the land uses. This whole development grew out of the industrial lands study of 2004, and at that time she recalled Tualatin and Wilsonville were always vying for the most land zoned industrial. Both cities were at 31-32% of land zoned industrial while no other city in the region was close to 30%. Tualatin and Wilsonville lead in terms of industrial percentage and capacity for the size of the cities. What we are looking for besides recognizing that Tualatin and Wilsonville are carrying the region in terms of industrial land, is that regional recognition in terms of trip caps and further industrial and to back up the cities in terms of making this project work.

Councilor Beikman felt funding is limited and it was important for the two cities to work out plans for the SDCs and TDTs and emphasize this area is a regionally significant industrial area and that the regional government needs to recognize that with dollars for the infrastructure so the

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project can function properly. Regarding item number six and the traffic trip cap, the city of Tualatin had no interest in adding additional traffic to areas that are not planned for; it was important to buffer the neighborhoods in Tualatin.

Councilor Davis expressed her disagreement with the location of Basalt Creek Parkway in that it should not cut across the canyon, it is too far north, the boundary will split the neighborhood and the responsibility for caring for and maintaining the canyon. The neighborhood on the Wilsonville side will become an island when Wilsonville has been clear its intent for Basalt Creek is industrial and not residential. Councilor Davis' intent is to maintain the area around the east side of the canyon, and to protect the canyon and insure the neighborhood is saved as a cohesive piece on the Tualatin side.

Councilor Lehan said she would not have chosen the current boundary until she realized the elevation of the Parkway and how access to the Parkway was limited. When a road is between 5-30 feet in the air it becomes a significant barrier.

Mayor Knapp stated because of the physical constraints of the Parkway and because of the need to have development clustered around roads that at will serve the nodes of industrialization, overlaid by the physical characteristics of the Parkway have led to the decision that the Parkway location is the most logical jurisdictional boundary line between the two cities. The slide showing the jurisdictional boundary line between the two cities was displayed again.

Mayor Knapp said the direction to staff would incorporate the Considerations for Success, including the addition of number ten which mentions transit service, as drafted the language reads, "Cities will work jointly to secure transit service for business and residents of Basalt Creek through SMART or Tri-Met."

Mr. Cosgrove recommended councilors to state their general support or raise their concerns, and direct staff to bring back a resolution on what they have seen this evening.

Regarding the transit issue Mayor Ogden felt the language should be less specific; rather the language could suggest something that is jurisdictionally blind to the user, cost effective, and has some mutual relationship to both districts.

Mayor Knapp did not want the transit service to be locked into only one possible provider. He understood if Wilsonville expanded its boundary to the Parkway and annexed that area the City would still not have a right to not collect Tri-Met taxes in the new expansion area.

Mayor Ogden did not want to walk away with any conceptions that may come back and be a surprise. For example, the notion of 75% of the SDCs or TDT money going to the district but that will not be enough for transportation and additional financing tools will need to be found. He thought the shortage of transportation funding and the need for transportation should be expressed and that all of the money raised in this area should benefit the area; but placing a number on it tonight may be restrictive.

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Mayor Knapp did not think what was written contradicted that, it recognizes the need and investing those funds generated in the district back into the district is what it says in concept. The other is a footnote regarding the Washington County's past precedent. The Mayor asked each council member to provide their thoughts.

Councilor Bubenik shared some of the concerns raised by Councilor Davis about Basalt Creek being two jurisdictions and the neighborhoods split into two different cities. Other than that he thought the plan was good. Consideration number nine protects the canyon to insure it is maintained. He was in support of moving forward in the process and the Considerations for Success and the boundary proposal.

Councilor Lehan saw the logic in the boundary being Parkway. She was comfortable with the Considerations for Success. Regarding the canyon she was committed to protecting the natural area. The Councilor noted Wilsonville's zoning did not put pressure on property owners to develop any faster than they wanted to. The Elligsen property south of Costco is an example, it is still being farmed and there is no pressure to change its use. She thought the canyon was a beautiful asset and having trails connecting the area to both cities was a good idea. Councilor Lehan supported the boundary.

Councilor Brooksby felt the same as Councilors Davis and Bubenik, he supported the current boundary as chosen reluctantly and thought it should be lower, he is concerned the Parkway could be further south to be more effective. The Councilor agreed that property owners should not be pressured to develop.

Councilor Fitzgerald supported the boundary and thought it was a good plan. She identified number eight as a good element to focus on Grahams Ferry Road rather than Kinsman. She supported the idea of the cities working together for regional transportation money for road improvements. Regarding transit, item number ten, the Councilor hoped an efficient and appealing system is developed that gets people to use it, alleviating congestion.

Councilor Beikman agreed.

Councilor Starr agreed and asked who decided to locate the Parkway where it is.

Mr. Cotugno said Washington County led the process but it was carried out through this joint city planning process.

Councilor Starr confirmed it was a neutral third party (Washington County) that determined where the road went. This is a deviation from where some may have remembered, the west side of the area and north of the Parkway is more land that was added into Tualatin with good industrial potential which is a 'win' recognizing Tualatin was giving up some of the canyon area. Referring to item four, the Councilor wanted 100% because there is never enough money for transportation. He supported the idea of jointly approaching the state and region for funding. Councilor Starr suggested wording item number ten to recognize and support SMART and/or another transportation service; however, in the Wilsonville boundary it would be SMART, and in

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Tualatin we would support what Tualatin wanted to do. He supported the placement of the boundary.

Councilor Truax indicated his support of the boundary. He was in general support of the whole proposal with the understanding that each item of consideration for success will merit a lot of work. Regarding transit, we should take SMART from the Parkway north; Tualatin will work to support servicing the area in the most efficient way, both from a service and economic standpoint.

Councilor Davis agreed with Councilor Truax's transit comments. There were elements of the Considerations for Success she agreed with, the sewer and stormwater pieces, the discussions around the SDCs and TDT is going in the right direction. The Councilor has fundamental disagreements with the project in terms of the canyon, the neighborhood to the east of the canyon and the alignment of the Basalt Creek Parkway.

Councilor Grimes was in general agreement for the proposed boundary. She was concerned about the canyon and the green space and the elevated bridge/roadway cutting across the canyon; however those concerns were mitigated to some degree by the commitments from both councils to protect the green space, which provides protection to the Tualatin neighborhood. The desire for jobs needs to be balanced with the need to protect Tualatin livability. Councilor Grimes appreciated the Considerations for Success and the framework as long as they are not viewed as narrow constraints.

Councilor Stevens would like the decisions to be memorialized quickly so funds will not be wasted should it be decided to do something differently in the future. Items that there is agreement on should be the first to be memorialized, an IGA to protect the canyon as a natural resource between the two cities; likewise the bike/ped pathway. Another element that can be memorialized is the decision not to build Kinsman Road. The Councilor liked the fact that the Parkway will be identified as the boundary between the two communities. She felt the Considerations for Success are close to being goals for success, and the document should be memorialized so that decisions are known in the future.

Mayor Knapp thought the two city managers had received clear direction from their councilors on what direction staff needs to take. He asked Mr. Fregonese how to take the general consensus and what to expect in way of documentation and how to build something that will memorialize the ideas expressed.

Mr. Fregonese explained a concept plan will memorialize these ideas in concept. He will prepare the concept plan for the two cities to adopt. A Title 11 memo to Metro governs the regional aspects of the concept plan. Each city will adopt a comprehensive plan amendment which will have implementation components to it. Agreements between the two cities outlining what each city will be responsible for need to be written. Both cities will have urban planning area agreements with Washington County. He thought both cities would want the area to remain rural and not develop until it has been annexed into each city. Additional agreements with Tri-Met, Clean Water Services may be necessary, and the concept plan will list those. The concept plan will have the foundation for each city to take on and sign the more formal agreement

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starting with the concept plan and IGA between the two cities in terms of where you go from here.

Councilors will see a draft of the concept plan that has all the ideas in one document with a list of how each item will be implemented and be put into force.

Mayor Knapp thought there were a lot of things to be accomplished which falls to each city's staff. He asked if Washington County rules enabled things to happen that we don't want to happen, and how to keep that from happening; do we have control over that.

Mr. Fregonese said each city has an existing Urban Services Agreement with Washington County, and he thought the agreement could be review and a discussion held with the County.

Councilor Truax stated he was willing to have a discussion on the future of Kinsman Road.

Councilor Lehan wanted councilors from both cities to keep in mind I-5 is the life blood arterial for both cities, and nothing we do should cause the interchanges or I-5 to fail.

Mayor Ogden thanked Mayor Knapp for his leadership throughout the process. This was the first time there has been a jurisdictional planning effort addressing the concerns of both cities.

Mayor Knapp felt a good basis was in place for moving forward. He expressed appreciation to the staffs of both cities for their work. While there are concerns, they will try to mitigate those concerns and find the best way to handle them.

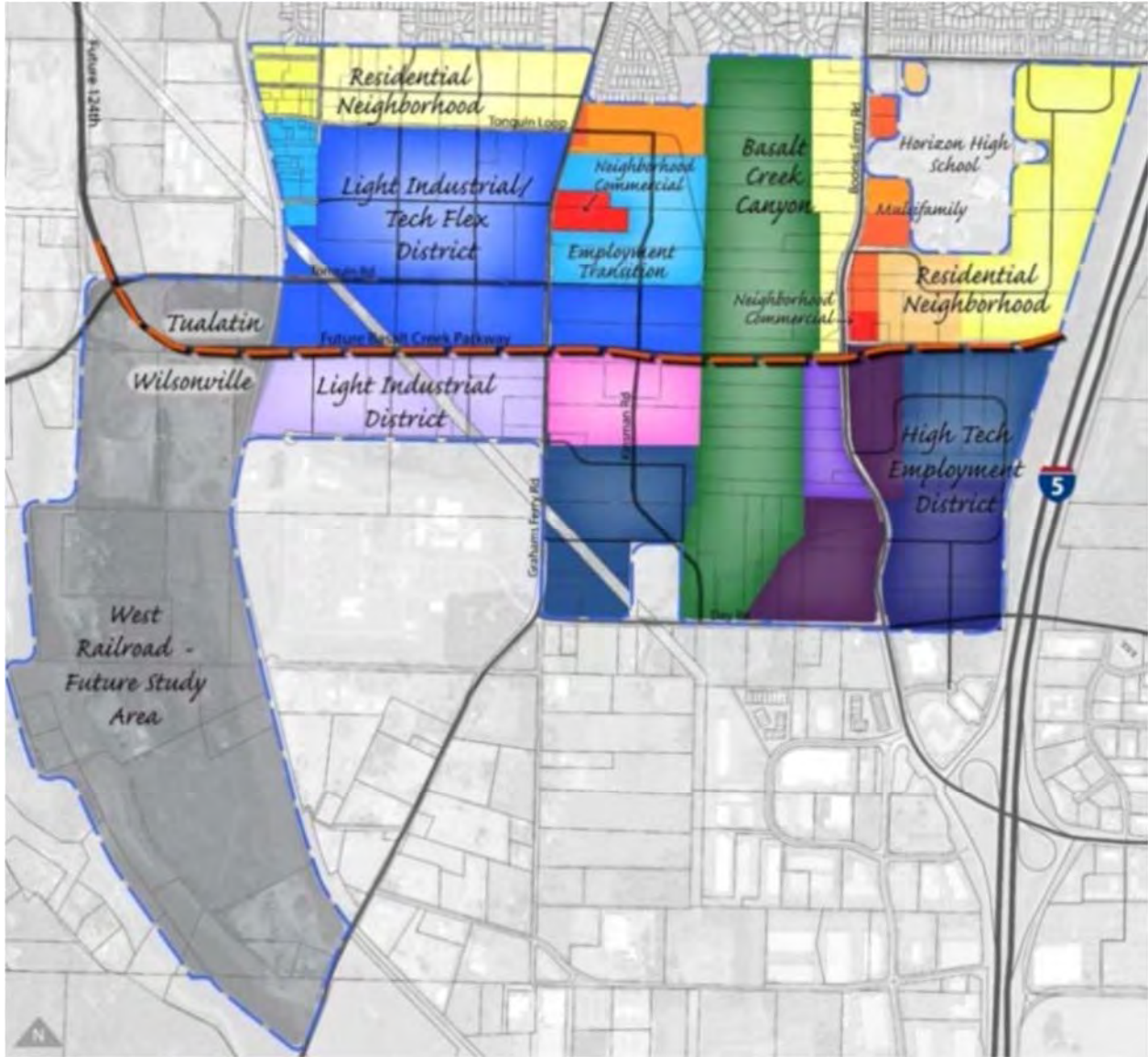
Mayor Knapp adjourned the meeting at 7:37 p.m.

Sandra C. King, MMC, City Recorder

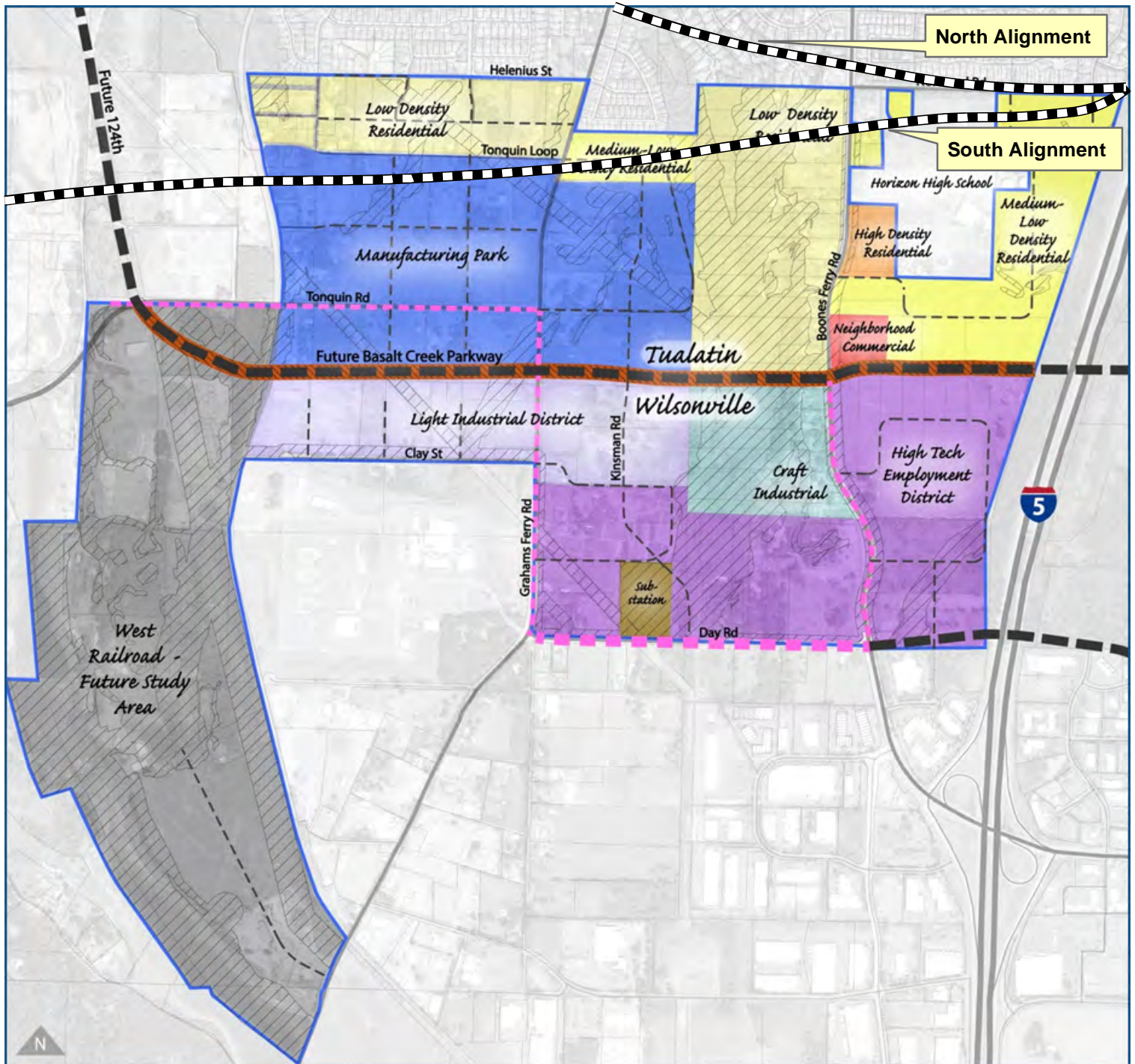
ATTEST:

Tim Knapp, Mayor

OPTION 5



Preferred Basalt Creek Land Use Map with North and South I-5/99W Connector Alignments



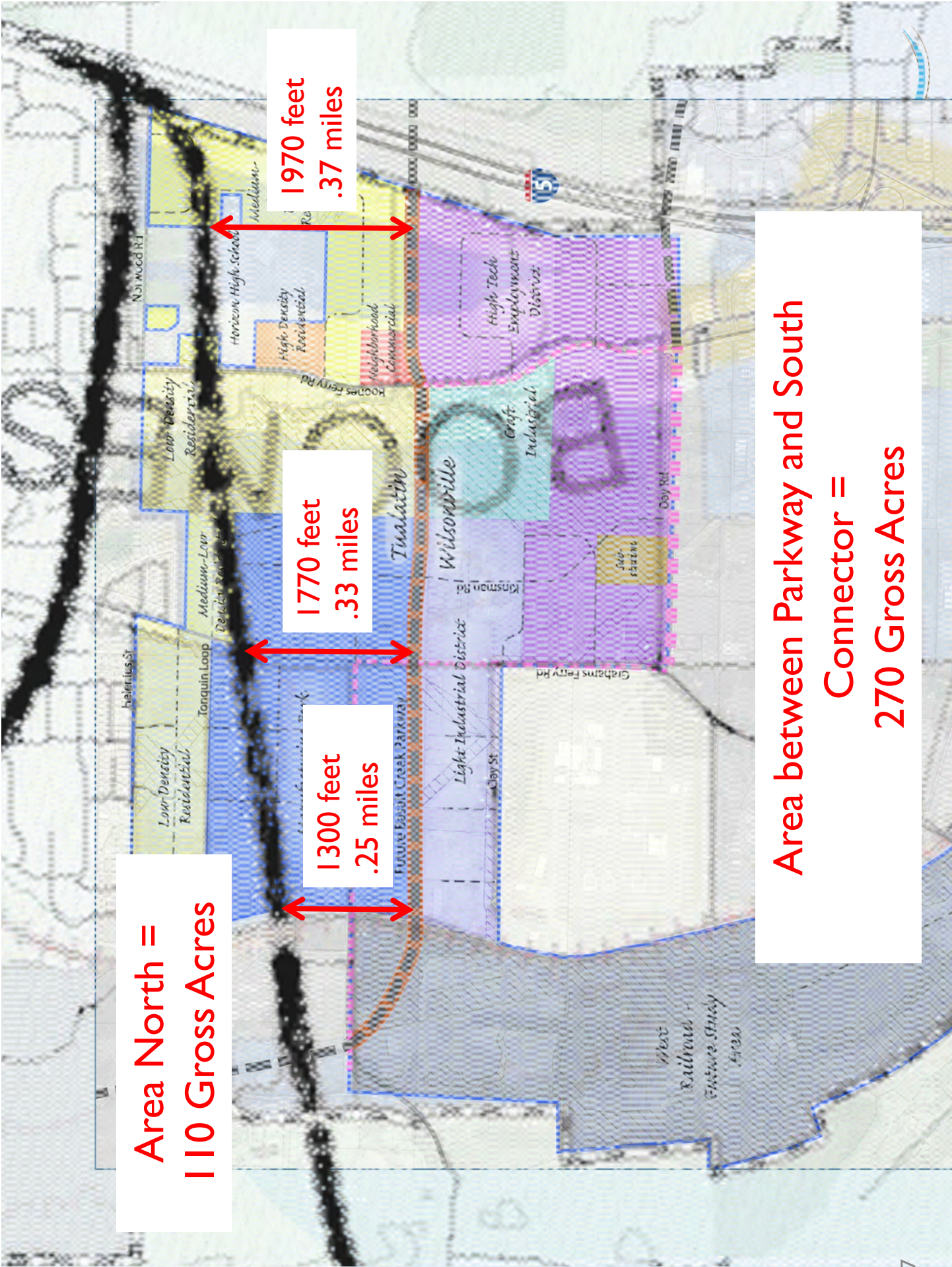
**Area North =
110 Gross Acres**

**1300 feet
.25 miles**

**1770 feet
.33 miles**

**1970 feet
.37 miles**

**Area between Parkway and South
Connector =
270 Gross Acres**





MEMORANDUM

CITY OF TUALATIN

TO: Honorable Mayor and Members of the City Council

THROUGH: Sherilyn Lombos, City Manager

FROM: Karen Perl Fox, Senior Planner
Alice Cannon, Assistant City Manager

DATE: 11/28/2016

SUBJECT: Basalt Creek Land Use Concept Map. Confirmation of land uses.

ISSUE BEFORE THE COUNCIL:

At the Tualatin City Council work session on October 10, 2016, Council directed staff to undertake an exploration of a land use proposal for the central subarea of Basalt Creek on the Tualatin side that was prepared by OTAK on behalf of a property owner.

Subsequently, staff carried out the exploration of the central subarea and will report back to Council at the November 28th work session.

POLICY CONSIDERATIONS:

Staff seeks Council's confirmation on the Basalt Creek Concept Land Use Map originally presented at Council work session on October 10, 2016.

EXECUTIVE SUMMARY:

At the Tualatin City Council work session on October 10, 2016, staff provided Council with a refinement of the draft Land Use Concept Map following a period of feedback from the public, Council and the project partners under the Intergovernmental Agreement for the Basalt Creek Planning Area. At that work session, Council directed staff to undertake an exploration of a land use proposal for the central subarea of Basalt Creek on the Tualatin side that was prepared by OTAK on behalf of a property owner, referred to as OTAK Proposal C. The OTAK proposal departs from what staff prepared in that it included substantially more residential land uses in the central subarea.

Staff met with OTAK and the property owner and discussed OTAK's Proposal C including land use opportunities and constraints as well as sanitary sewer needed to serve the area. In addition, staff considered the following major factors:

- The Basalt Creek Planning Area was brought into the UGB as employment land
- The proposed Land Use Concept Map:
 - Represents a balanced approach to employment and residential land with majority of

- land designated for employment
- Has support from Tualatin's Intergovernmental Agreement partners
- Provides for a long-term supply of land

After consideration of OTAK's proposal and all of the above factors together, staff's believes the central subarea can be developed for employment over the long-term. While there are some hilly areas, the Manufacturing Park designation can be made flexible enough to include some smaller scale employment uses. In addition, bringing residential further south in this subarea than shown on the October 2016 Land Use Concept Map will create buffering issues with industrial land in Wilsonville as they work to market property south of the future Basalt Parkway.

Therefore, staff's position is to accept the Land Use Concept Map as presented on October 10, 2016.

DISCUSSION:

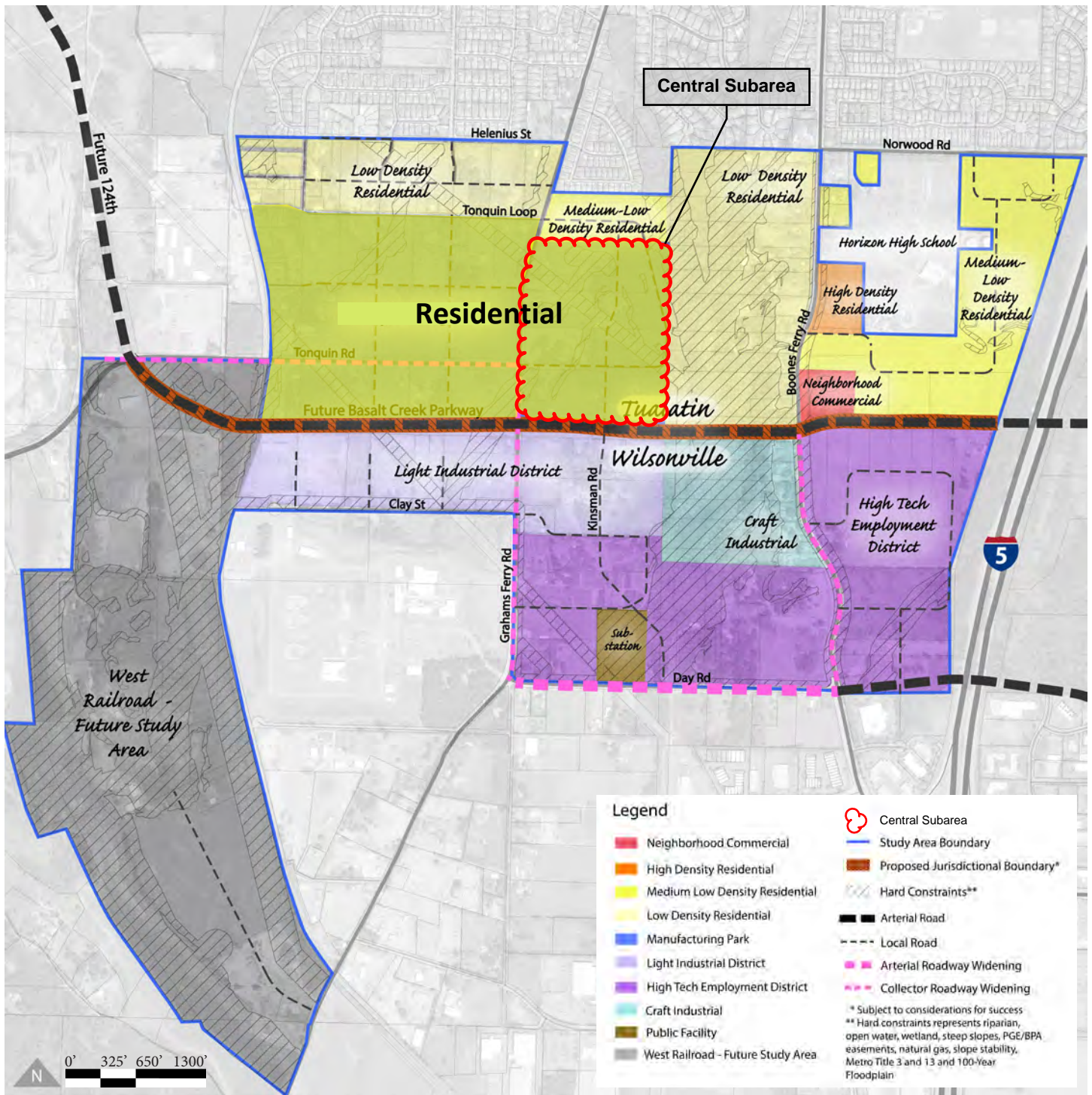
Staff has provided an extensive review of the land use progression of the Basalt Creek Planning project and provided points that support its position in the attached presentation.

Recently, the City has heard concerns from our Intergovernmental Agreement partners related to exchanging more employment land for residential land as was proposed in OTAK Proposal C. See attached letter from Washington County.

RECOMMENDATION:

Staff proposes that Council accept and confirm the Basalt Creek Land Use Concept Map originally presented on October 2016.

Attachments: Basalt Creek Land Use Map with Land Use Progression
 Letter from Washington Co. on Basalt Land Use. Duyck.10.28.16



Basalt Creek Parkway Serving as Buffer

Residential Uses North in Tualatin, Industrial Uses South in Wilsonville

depiction re-designating the Manufacturing Park land use to Residential on the agreed upon option 5 preferred alternative map
 March 12, 2018

<http://cni.pmgnews.com/ttt/89-news/351050-230714-basalt-creek-planning-efforts-could-be-headed-back-to-the-drawing-board>

Basalt Creek planning efforts could be headed 'back to the drawing board'

Created on Tuesday, 21 March 2017 | Written by [Claire Green and Mark Miller](#) |

[0 Comments](#)

The Wilsonville City Council was not happy with a change Tualatin made to its side of a draft land use concept map last month, suggesting it broke an agreement between the cities.



FILE - Mayor Lou Ogden, left, and Tim Knapp, right, of Tualatin and Wilsonville respectively, discuss Basalt Creek planning at a December 2015 meeting. Comity between the cities appears to have broken down, with Knapp forcefully rejecting an adjustment to the land use concept map sought by Tualatin this winter.

The future of joint planning on the Basalt Creek area between Tualatin and Wilsonville appears to be in serious jeopardy.

The Wilsonville City Council strongly rejected a change that the Tualatin City Council made to its side of the map, north of the future jurisdictional boundary that the cities [agreed to](#) in December 2015, at a work session Monday — with some council members, including Mayor Tim Knapp, suggesting that the boundary agreement could be voided by the change.

The Tualatin City Council decided in February to [redesignate](#) a 63-acre quadrangle previously slated for future industrial development as residential land, after local property-owners [complained](#) about the potential impact of industry on their neighborhood and argued that the terrain is too rugged to support

manufacturing parks anyway. That parcel is located just south of the Victoria Gardens neighborhood — and just north of the future route of Basalt Creek Parkway, an east-west road under construction through the area.

Knapp calls change in designation 'not acceptable'

Meeting in a fairly amicable joint session back in December 2015, the Tualatin and Wilsonville councils agreed that it made the most sense to consider the parkway as the dividing line between their shares of the Basalt Creek area, an 847-acre swath of unincorporated Washington County that lies between the two cities. The plan has been for each city to figure out what it wants to see developed on its side of the line, jointly approve a land use concept map and get approval from the county to start annexing land.

But on Monday, the Wilsonville City Council unanimously agreed to reject Tualatin's redesignation of the 63-acre "central subarea" on its side of the agreed-upon boundary, citing regional industrial needs and the desire not to "squander industrial lands" by choosing to use it for residential.

Miranda Bateschell, Wilsonville's long-range planning manager, told her City Council that Tualatin's proposal doesn't fit with the reason Metro established the area, which is meant to build a regionally beneficial economic and transportation-friendly area. The proposal also conflicts with guiding principles developed jointly before the project began, she said.

"My staff conclusion is that it's inconsistent with the Metro ordinance, the transportation refinement plan, the joint council conclusions, recommendations and decisions made throughout the process, and it could raise questions about the future of this area as an employment district," Bateschell said.

Knapp said he was "profoundly disappointed" by the Tualatin City Council's decision to change course and designate the subarea for residential development instead of industrial. He said the change, in his view, is "not acceptable."

The rest of the council mirrored Knapp's sentiments and added their concerns surrounding minimization of the employment-specific sections of the plan, the possibility of increased traffic and safety of the possible future residents on the Tualatin side.

"Our prior offer to set the boundary at the parkway is contingent on the rest of that agreement that has, apparently, disappeared," Knapp said. "So the proposal to put the boundary at the parkway is no longer operative."

"We did have a verbal agreement, as the mayor noted," Councilor Scott Starr said. "And the agreement was subsequently broken, and in my mind, now we have no agreement."

Balance between industrial, residential sought in Tualatin

The joint planning project has been ongoing for about three years. The area was originally added to the urban growth boundary by Metro in 2004 to accommodate increased development throughout the region for the next 20 years. The plan for the site includes creating new city limits for Tualatin and Wilsonville, land use codes for future development, improved transportation networks and provision for urban services.

Throughout the process, though, while Wilsonville has largely stuck to its vision of having almost all development on its side of the line be industrial in one form or another, Tualatin has seesawed between proposals including varying mixes of residential and industrial lands.

The map had appeared settled as of last October, but after three new city councilors came aboard in Tualatin after the November election, the Tualatin council decided to change its designation for the central subarea in spite of [warnings](#) from Washington County Chairman Andy Duyck and other intergovernmental partners.

That may have been the straw that broke the camel's back for Wilsonville.

"There's a regional need for jobs and a job area, and Metro designated that as Basalt Creek," Starr said. "For us to sign on as a joint partner for employment lands is one thing. For us to sign on and then, and this would be my opinion, be more than generous with how we split the land — I'm talking about the December 2015 meeting — to then (have Tualatin) turn around and have that land be used to create more traffic to ram right down our throat onto I-5 makes no sense. And I don't think that we'd be doing a very good service to the people of (Wilsonville) if that's the way that we operated."

"Wilsonville is competent and able to work with developing industrial employment land, and if our neighbors to the north don't have the ability to foster employment land there, then it would suggest that perhaps more of it should be Wilsonville's," Knapp said. "I doubt that that would be popular with them, yet that is the regional purpose of this land, and to drop a large chunk of residential right in the middle of the industrial is detrimental to the overall goals, the overall plans, and I don't see how we can agree to this."

Councilor Charlotte Lehan suggested that if Tualatin is unwilling to alter its mix again, "then we need to go back to the drawing board on a number of issues."

If the two cities can't come to an agreement, the issue will fall into the hands of Metro. Several members of the Wilsonville City Council agreed that if the project goes back to the drawing board, so be it, but Wilsonville will hold firm to its commitment to retain the area's status as an employment zone.

"I think that we have received some very clear direction," City Manager Bryan Cosgrove said.

Ogden: 'If someone feels aggrieved, let's figure out why and how to fix it'

Tualatin Mayor Lou Ogden was not at Monday's council work session in Wilsonville, but he said he had read the staff report.

The debate over whether to reclassify the central subarea between Victoria Gardens and the future Basalt Creek Parkway as residential found Ogden in an odd position. The mayor had been the leading advocate on the Tualatin City Council throughout the planning process to maximize the share of land on Tualatin's side of the line to be developed as industrial. But despite advice from Tualatin city planners that the subarea could support industrial development at some point in the future and an analysis commissioned by Washington County suggesting the same, he said in February he had come to strongly believe the land is unsuitable for it.

"I struggle to figure out how you can use it," he said at that Feb. 13 work session.

Ogden reiterated that Tuesday, speaking with The Times.

"I don't like that it's steep slopes and there's no access to the flat land, but it is. That's just what it is," he said, adding, "It's not unbuildable for residential. The land, it does have value. So it has a useful purpose. It's just not for a manufacturing or office space, or manufacturing park."

Ogden stressed that he would rather discuss the matter with his counterparts in Wilsonville than comment at length on what happened at Monday's work session.

"I've got a longstanding working relationship with the mayor and a couple of other folks on the city council, so I really don't want to have a debate in the newspaper," he said.

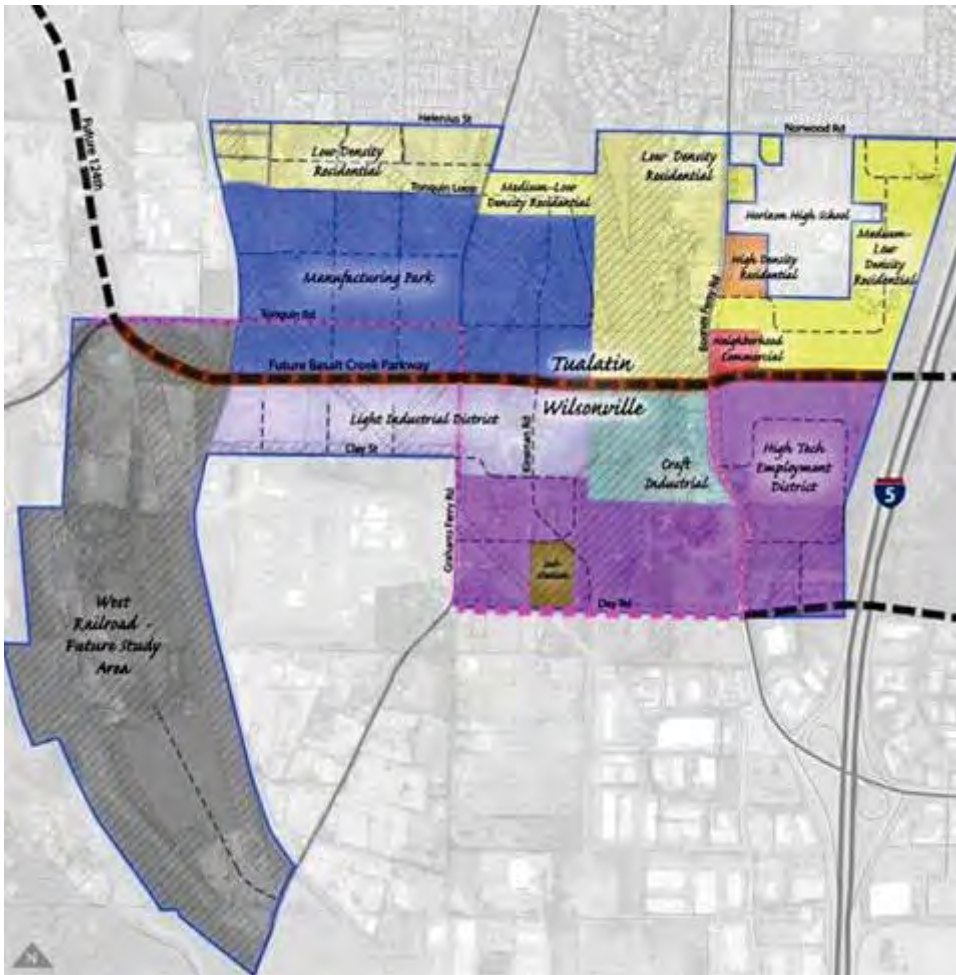
Asked for his thoughts on Knapp's suggestion that the boundary agreement may be inoperative due to Tualatin's change to the map, Ogden responded, "I hadn't heard that, but that surprises me."

Ogden noted that he has publicly expressed the sentiment that Knapp's leadership has been critical to the Basalt Creek planning process thus far.

"At this moment, the fact that there is a point of contention, I take that as a legitimate concern and I'm very interested in trying to work through it with a solution that Wilsonville feels good about ... reiterating that this is not a political decision on our part ... it's a physical reality of the site," Ogden said.

He added, "If Wilsonville feels that it has negative adverse impacts to them, we've got to figure out a way to address that and mitigate that. ... If someone feels aggrieved, let's figure out why and how to fix it."

Editor's note: This story has been updated with comments from Tualatin's mayor.



COURTESY OF THE CITY OF TUALATIN - Wilsonville city councilors are upset about a change in the 'preferred' draft land use concept map for Basalt Creek made by Tualatin, redesignating the easternmost section of its manufacturing park area (in blue) as residential.

Residential is designated to the north. Proximity to other industrial development will be important for industry synergies and future market growth.

CONCLUSION

The site is certainly feasible for employment, and given the existing site conditions and subject site location, the following employment uses may be suitable for this site:

- Flex business park (health services, professional services, support services, administration/back office support operations, incubator space)
- Office or office campus
- Manufacturing (food processing, metals, chemicals, equipment, machinery, product/components assembly)
- Commercial support services (restaurants, coffee shops, print shops) along the future Basalt Creek Parkway

NEXT STEPS

Significant transportation and utility planning must occur during the concept planning process to identify infrastructure needed to support the development of this site and adjacent uses. Infrastructure needs analysis, transportation analysis, and/or costing are not a part of this effort, however, we caution that this information is necessary along with a geotechnical report and ALTA survey to provide a complete analysis and recommendation.

Lastly, a market study to determine the need for employment uses and others (retail, commercial, residential, etc.) may assist the County and the cities of Wilsonville and Tualatin in determining the appropriate amount of industrial, employment, commercial, retail, and residential land requirements in the Basalt Creek Planning Area. The market study would further bring clarity to the market's ability to execute development across varying uses and determine the highest and best use of the subject property.

Sincerely,



Gabriela Frask
Land Use Planner, Associate
Assistant Department Head

Enclosure(s): Existing conditions map
Concept plan

c: Todd Johnson - Mackenzie

From: Matt Dolan <Matt.Dolan@kpff.com>
Sent: Friday, March 09, 2018 10:24 AM
To: Callaway, Tamara
Cc: Jacobson, Barbara
Subject: RE: Basalt Creek Central Subarea
Attachments: Basalt Creek Land Designation.docx

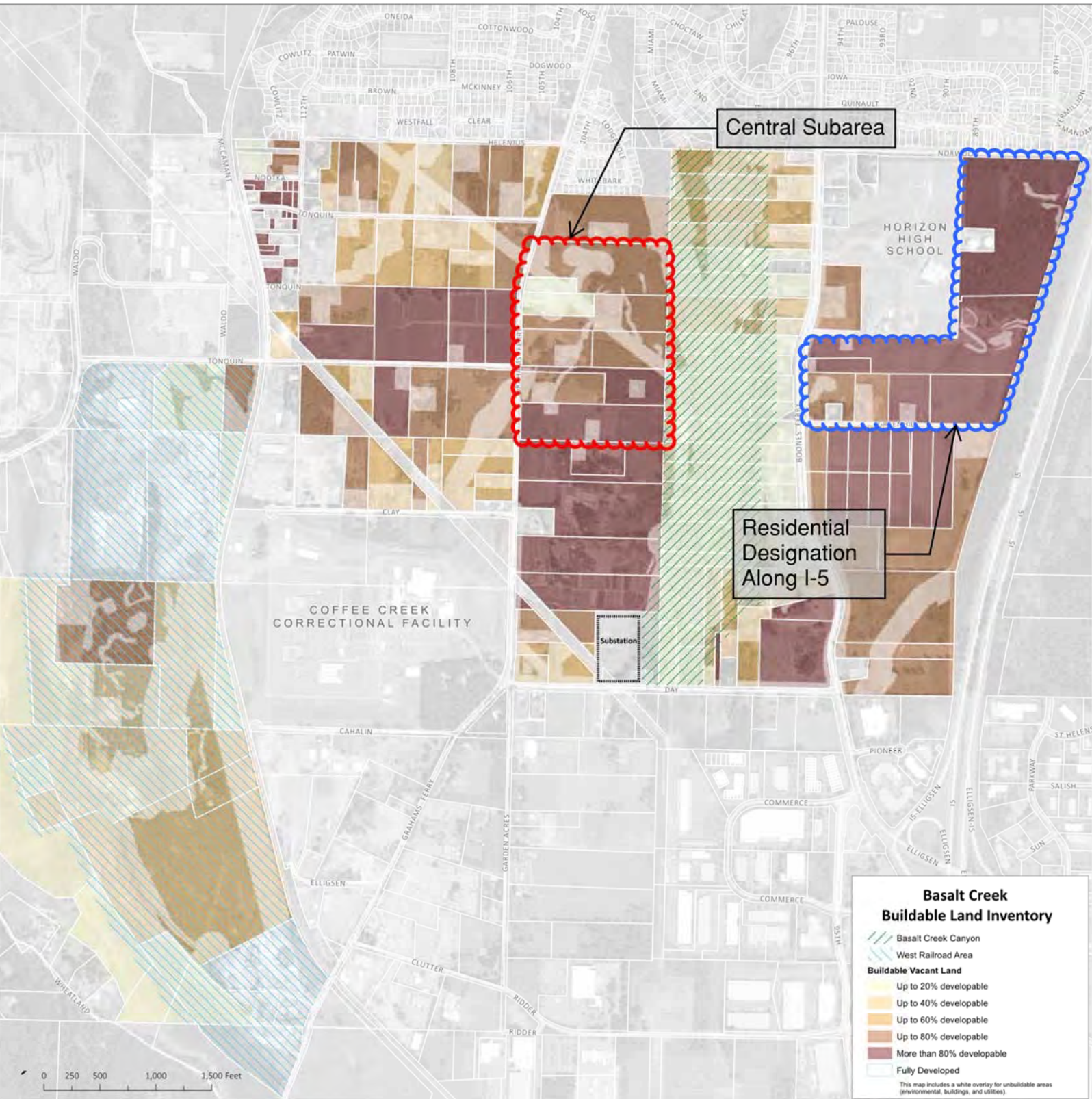
Hi Barbara/Tamara,

Attached are a few bullets/thoughts regarding the Tualatin memo. Please don't hesitate to call with any question, comments or additional needs.

Thanks,
Matt D.

Basalt Creek Land Designation – Response to Tualatin Memo

- A. In response to the City of Tualatin’s memo, it seems prudent to restate the purpose of the Basalt Creek Concept Plan – Feasibility Study. “The intent of this feasibility study is to take a further look at approximately 60 acres within the Basalt Creek Concept area to evaluate the potential to develop these properties to support increased employment opportunities in the region.” Page 1 of KPFF study.
- B. Page 5 of the Tualatin memo states “KPFF then concludes the area is useful, at best, for ‘split elevation’ office use.” To the contrary, the study suggests that a different building type could be utilized in areas with steeper slopes and does not suggest this approach for the entire area. All of the scenarios and building typologies imagined in the study support employment opportunities within the study area and are creative/adaptive solutions for modern development in a robust metro environment.
- C. With respect to the discussion around the Oregon Fire Code – The site lies within the Tualatin Valley Fire & Rescue (TVFR) Service Area. ORS 368.039 allows road standards adopted by local government to supersede standards in the fire codes and requires consultation with the local fire agency. Per the TVFR “New Construction Fire Code Applications Guide for Commercial and Multi-Family Development,” revised 10/26/2017, Version 3.5, Fire Apparatus Access Roadway grades shall not exceed 15%. With respect to a secondary access, there are a multitude of ways to satisfy the requirement. The need for secondary access will be dependent on the actual development being proposed and consultation with TVFR may be required. The Oregon Fire Code was not ignored.
- D. The study completed by KPFF was intended to demonstrate that it is feasible to develop the study area in a manner that supports employment opportunities. It was not intended to be definitive as to how the development would actually occur. There are many other factors that will ultimately determine how the property is developed at some future date.
- E. The discussion regarding economic feasibility does not seem pertinent or relevant to the determination of the long range planning goals for the area. If they are to be considered, a much more impartial and holistic approach would need to be applied to some sort of criteria that can equally evaluate long term economics for varying development scenarios. This is well beyond the scope of the feasibility study or any conclusions that could be extrapolated from the report and development scenarios envisioned.



Basalt Creek Buildable Land Inventory



Present: Mayor Lou Ogden; Council President Monique Beikman; Councilor Frank Bubenik; Councilor Joelle Davis; Councilor Nancy Grimes; Councilor Ed Truax

Staff Present: City Manager Sherilyn Lombos; City Attorney Sean Brady; Police Chief Bill Steele; Deputy City Recorder Nicole Morris; Assistant to the City Manager Tanya Williams; Assistant City Manager Alice Cannon

CALL TO ORDER

Mayor Ogden called the meeting to order at 5:36 p.m.

1. ***Metro Update with Councilor Craig Dirksen.***

Metro Councilor Craig Dirksen provided the Council with handouts on regional highlights on housing, jobs, transportation, and changing communities. He presented an update on the renewed Parks and Natural Areas Levy. The renewed levy will fund planning on the Chehalem Ridge, restoration on the River Island Natural Area, and allow the ability to award \$205,000 in community restoration grants. The Regional Leadership Forums was held and focused on transportation challenges and potential solutions. Metro was granted \$130 million in Regional Flexible Funds to be spent on active transportation and freight movement. JPACT will be making a decision in January on how the funds will be spent in 2019-21. Councilor Dirksen noted the Herman Road Project has been submitted as a priority project for funding.

Councilor Dirksen updated the Council on the Equitable Housing Grants. \$575,000 will be awarded to assess and reduce barriers to affordable housing in seven cities in the region. Metro has adopted the Strategic Plan for Racial Equity and Diversity. Design work on the River Walk at the Willamette Falls is still underway. An open house was held in November to review design options. The Convention Center Hotel design has been approved with an official groundbreaking to be held in the spring of next year.

2. ***Basalt Creek Land Use Map.***

Assistant City Manager Alice Cannon and Senior Planner Karen Fox presented an update on the Basalt Creek Concept Plan. Manager Cannon stated staff is looking for two actions from Council tonight: confirm land use concept map and accept staff recommendations. A brief overview of the project history was presented. A scenario progression from 2014 to concurrent was reviewed.

Planner Fox spoke to concept map refinements. Staff took feedback from the public, Council and Intergovernmental partners to make minor refinements. Staff

sought to achieve a balanced land use solution responsive to feedback and supported by IGA partners. A well balance approached was reached between employment and residential land: 93 acres of Manufacturing Park, 3 acres of Neighborhood Commercial, and 88 acres of Residential. Through further public input it prompted questions regarding the Basalt Creek central subarea and its zoning. Council direction on the issue was to match the same Planning District as Victoria Gardens and determine if land is suitable for employment uses.

Manager Cannon met with OTAK to further explore the property owner's proposal. She stated OTAK is supportive of the plan for the area remaining residential. It was also noted that Washington County does not support the change from industrial to residential. Planner Fox stated staff examined the South Center Complex as an example of similar topography and sanitary sewer restraints. The updated summary of acres and trips was presented. The trip capacity did not change significantly and fits within the margin of error. The most recent land use concept map was summarized.

Manager Cannon presented staff's position on the Basalt Central Subarea. She stated the budget is getting lean on the project and staff is looking for Council to move forward so work can begin on the concept plan.

Mayor Ogden asked about the power line easement. Manager Cannon stated the area could be used for commercial parking or storage units but the area is very restrictive towards residential use.

Mayor Ogden asked about the inability to meet ADA requirements in the area because of the grading. Manager Cannon stated excavation on the site would be challenging but she couldn't speculate further without having plans to review.

Councilor Davis stated she would like to see more residential in the area and less industrial to address citizen concerns.

Councilor Grimes would like to prevent the area from becoming land locked and not having the proper utilities to the area.

Councilor Davis asked for clarification on the projects budget. Manager Cannon stated the budget is running low and decisions need to be made on land uses to keep the project moving forward.

Councilor Grimes asked what would happen if the City changed direction on the zoning based on the letter the Council received from Washington County. Manager Cannon stated ultimately the County has to sign off on the agreement, so everyone has to be on the same page.

Councilor Truax asked what would happen if Washington County decided to not agree. Manager Cannon stated the City then runs the risk of not being able to urbanize the area.

Council President Beikman stated the letter they received stated the area needs to be zoned for employment land or they were going to hold up the process. Planner Fox stated Washington County feels they have made a huge investment into the infrastructure in the area and choosing something other than employment land

would be going against their expectation for the area.

Councilor Davis stated she is frustrated because residential zoning for the area would reduce the traffic load on the area. She added the City already has residential developers ready to break ground in the area.

Councilor Bubenik stated he supports staff's recommendations.

Councilor Grimes concurred with Councilor Bubenik stating staff has created a equitable balance with room for growth.

Councilor Davis asked if mixed use would work in the area. Planner Fox stated it would depend and would have to be worked out in the design phase.

Mayor Ogden spoke in support of the OTAK proposal because he has concerns with the area being able to develop manufacturing.

Councilor Truax stated if Council does not accept staff's recommendations tonight he fears there will be no end to the process.

Council Consensus was reached to adopt staff's recommendations

Councilor Davis asked when the process will be finished. Planner Fox stated it is anticipated to wrap-up in April. Councilor Davis asked what the process would be for future changes to the area. Planner Fox stated a process will need to be worked out with the City of Wilsonville.

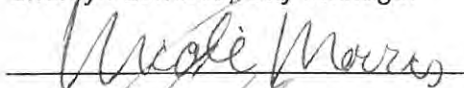
Council Meeting Agenda Review, Communications & Roundtable.

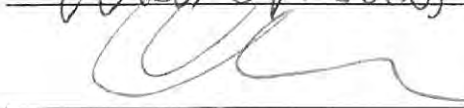
Councilor Davis requested the Council release a statement on community unity. Council consensus was to move forward. Councilor Davis will provide the Council with a statement for review and will have it prepared for the next meeting.

ADJOURNMENT

The work session adjourned at 6:54 p.m.

Sherilyn Lombos, City Manager

 / Nicole Morris, Recording Secretary

 / Lou Ogden, Mayor