



CITY OF
West Linn

22500 Salamo Road
West Linn, OR 97068

STAFF REPORT FOR THE PLANNING COMMISSION

FILE NUMBER: ZC-14-01/PLN-14-01

HEARING DATE: October 1, 2014

REQUEST: Comprehensive Plan Map Amendment – Commercial to Medium-high Density Residential; and, Zoning Map Amendment – OBC (Office Business Center) to R-2.1 (Medium-high Density Residential)

APPROVAL CRITERIA: Community Development Code (CDC) Chapters 105, Amendment to the Code and Map; and, 99, Procedures for Decision-making: Quasi-judicial

STAFF REPORT PREPARED BY: Zach Pelz, AICP, Associate Planner

Planning Manager's Initials

EXECUTIVE SUMMARY

The Applicant requests approval to change the existing zoning from Office Business Center (OBC) to Single-family and Multiple-family Residential (R-2.1) and change the Comprehensive Plan Map designation from Commercial to Medium-high Density Residential, for approximately 10.13 acres of an 11.40 acre property (located at the northwest corner of the intersection of Tannler Drive and Blankenship Road). The Applicant asserts that the majority of the site is more appropriately suited for multi-family residential than it is for office commercial uses under the existing zoning. The Applicant is proposing the zone change because residential use of this property is not permitted at the level of density desired by the property owner/developer under the current OBC zoning. The OBC zone does allow multi-family residential units in conjunction with commercial uses, but only above a first floor dedicated to commercial use. The Applicant's economic analysis asserts that due to market and physical site characteristics, this site is unsuitable for the level of commercial and/or office development required under the current zoning.

The Applicant's proposal demonstrates that due to market and physical site characteristics, the site is not suitable for uses permitted in the OBC zone. Additionally, the Applicant has demonstrated through their application, that the proposal satisfies applicable development regulations in the West Linn Community Development Code; State Planning Goals and Comprehensive Plan policies regarding

economic, housing and transportation objectives; applicable State Administrative rules and Statutes; and, requirements from the Regional Functional Plan.

The application is supported by arguments that demonstrate the proposal provides:

- Expanded housing options for existing and future residents;
- Consistency with adopted policies in the West Linn Comprehensive Plan;
- Reduced impacts to the transportation system;
- Greater potential for economic development than under the existing zoning.

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attachments:

- PC-1** AFFIDAVIT OF NOTICE AND MAILING PACKET
- PC-2** COMPLETENESS LETTER
- PC-3** APPLICANT'S SUBMITTAL
- PC-3.1** APPLICANT'S FINAL ECONOMIC ANALYSIS (update to original in PC-3)
- PC-4** PUBLIC COMMENTS
- PC-5** 2014 WEST LINN RESIDENTIAL BUILDABLE LANDS INVENTORY
- PC-6** LANDSLIDE VULNERABILITY ANALYSIS (West Linn Hazards Mitigation Plan)

GENERAL INFORMATION

APPLICANT:	ConAm Properties, LLC Rob Morgan 3990 Ruffin Rd., Suite 100 San Diego, CA 92123
APPLICANTS/ REPRESENTATIVES:	Michael C. Robinson Perkins Coie, LLP 1120 NW Couch St., 10 th Floor Portland, OR 97209
PROPERTY OWNER:	Jeffery I. Parker and William S. Wilt 1800 Blankenship Rd. #200 West Linn, OR 97068
SITE LOCATION:	Northwest corner of Blankenship Road and Tannler Drive, West Linn, Oregon.
LEGAL DESCRIPTION:	Clackamas County Assessor's Map No. 2S 1E 35C, lots 100, 102, and 200.
SITE SIZE:	11.41 acres
ZONING:	OBC, Office Business Center (current); R-2.1, Single-family and Multiple- family Residential (proposed)
COMP PLAN DESIGNATION:	Commercial (current); Medium-high Density Residential (proposed)
120-DAY PERIOD:	The application was deemed complete on August 21, 2014. The 120-day maximum application-processing period ends December 19, 2014.
PUBLIC NOTICE:	Public notice was mailed to the Willamette and Savanna Oaks Neighborhood Associations and to affected property owners on September 11, 2014. The property was posted with a sign on September 19, 2014. In addition, the application has been posted on the City's website and was published in the West Linn Tidings on September 18, 2014. The notice requirements have been satisfied.

BACKGROUND

Previous approvals. The site was annexed into the City of West Linn in 1973 and zoned OBC in 1984. There are no records of this site ever being developed.

The project has been the subject of two local land use decisions since December 2006. The Planning Commission originally approved the applicant's request for an approximately 300,000 square foot office complex (DR-06-24) on December 28, 2006. The Tanner Basin Neighborhood Association (TBNA) filed an appeal (AP-07-01) of the Planning Commission's approval. On March 1, 2007, the City Council voted unanimously (5-0) to deny the appeal and uphold the Planning Commission's approval of the project. The City Council's final decision included additional conditions of approval responding to public concerns regarding tree protection, pedestrian connectivity, noise and other issues raised during public testimony. The effective date of the Council's decision was March 23, 2007.

In 2010, the Applicant requested and was granted approval for a three year extension of the office complex. The Applicant cited market conditions as the reason developers were not interested in constructing the project. The Savanna Oaks Neighborhood Association (formerly the TBNA) appealed the extension to the City Council. The Council denied the appeal and upheld the Planning Commission's approval. While the approved project was never constructed, it was vested through the installation of a water lateral between the site and Blankenship Road.

Surrounding Land Use and Zoning: As shown in Figure 1 below, the subject property lies within the OBC zoning district. Residential and commercial uses surround the site (see Table 1). The site is immediately adjacent the 10th Street and Interstate 205 Interchange.

Figure 1 Vicinity Map and Current Zoning



Source: West Linn GIS, 2014

Table 1 Surrounding Land Use and Current Zoning

DIRECTION FROM SITE	LAND USE	ZONING
North	Medium-high density multi-family residential, single-family residential	R-2.1, R-10
East	Office business center	OBC
South	General commercial, Albertson's and River Falls Plaza shopping complex	GC
West	Office business center, Willamette 205 Corporate Center, Veterans Administration Clinic	OBC

Site Conditions:

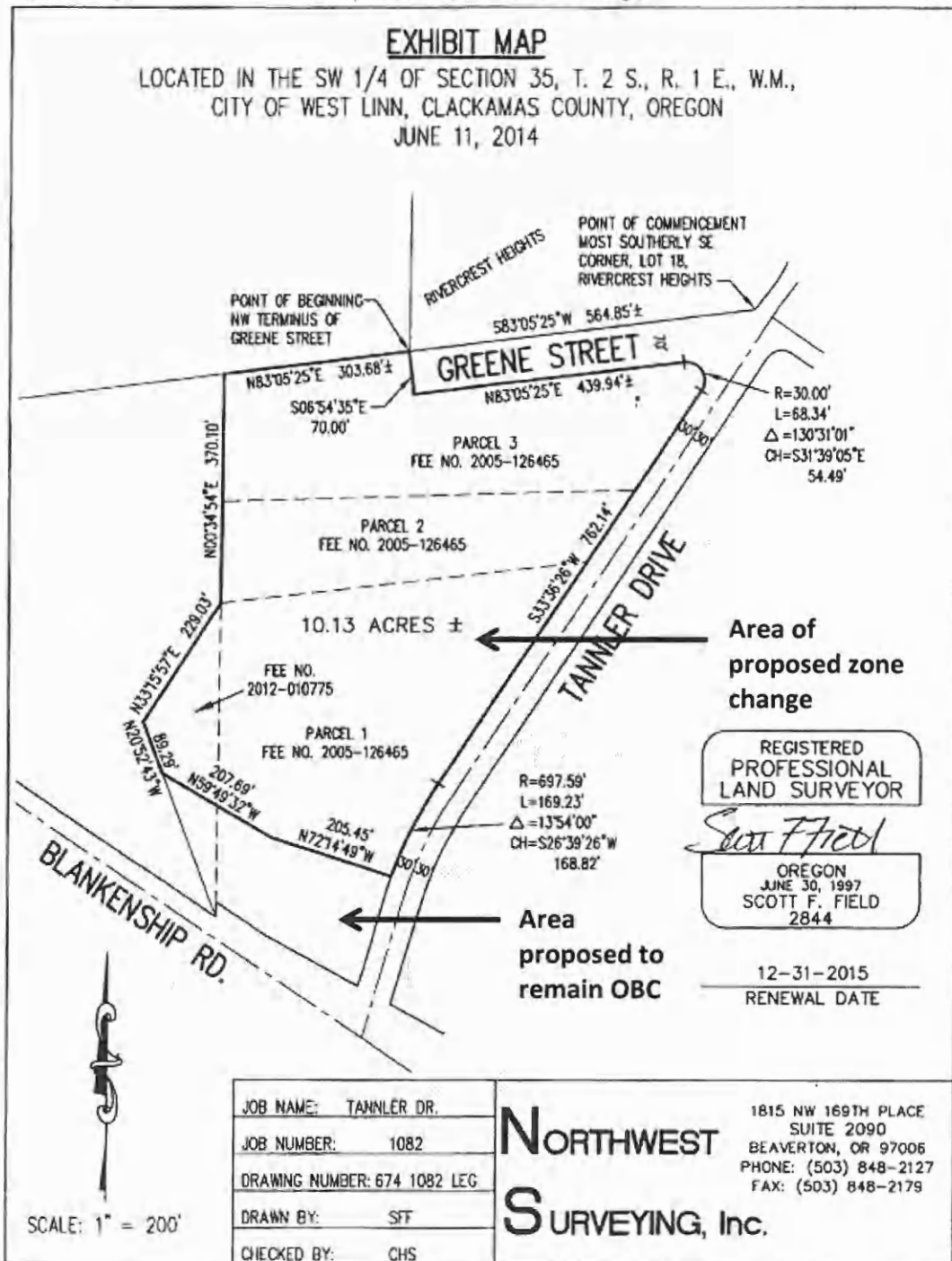
The property subject to this land use review is comprised of three parcels which occupy a total area of approximately 11.41 acres. The 10.13 acre portion of the property proposed for the zone change is illustrated in Figure 2 below. All three parcels are currently vacant.

The topography of the site slopes from the northeast to southwest and includes slopes near its eastern- and northernmost reaches that are in excess of 25 percent.

The majority of the significant trees are located in the northerly one-third of the site. The City Arborist has deemed several of the trees on-site as significant (primarily White Oaks near the north end of site). The City Arborist has also determined that many of the trees on-site are non-significant species.

No water resource areas exist on the site and Metro's most recently adopted Goal 5 inventory does not indicate the presence of significant habitat on this site. As demonstrated through the approval of the office complex on this site, a majority of the site is comprised of buildable lands.

Figure 2 Applicant's Site and Proposed Area of Zone Change



Project Description:

The Applicant requests approval to change the existing zoning from OBC to R-2.1 and change the Comprehensive Plan Map designation from Commercial to Medium-high Density Residential for approximately 10.13 acres of an 11.40 acre property (located at the northwest corner of the intersection of Tannler Drive and Blankenship Road). The Applicant is proposing the zone change because they assert market and physical site characteristics make this site unsuitable for the level of commercial and/or office development required under the current zoning. The OBC zone does allow multi-family residential units in conjunction with commercial uses, but only above a first floor dedicated to commercial use.

APPROVAL CRITERIA AND ANALYSIS

Community Development Code (CDC) Chapter 105 outlines the criteria applicable to Zoning District and Comprehensive Plan Map Amendments. These standards further rely on the City's Comprehensive Plan, applicable standards in State Administrative Rules and Statutes, and the Regional Functional Plan.

KEY ISSUES

Staff believes that needed housing, economic development impacts and potential impacts to the City's transportation system are the most noteworthy issues regarding the Applicant's proposal. A brief discussion of these issues is included below.

Needed Housing. The Metropolitan Housing Rule (OAR 660-007-0030) requires that cities must either designate sufficient buildable land to provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternate percentage based on changing circumstances..." The City's latest buildable lands inventory (Attachment PC-5), prepared February 2014, reveals that more than three-quarters (76 percent) of developable residential land in West Linn is zoned for single-family detached housing. The City is therefore not meeting this requirement target for needed housing.

The Applicant's proposal has the potential to address the City's need for a more diverse range of housing opportunities (to accommodate older and younger residents) and provide options that are more affordable than the majority of single-family detached residential units that currently exist in the City.

Housing values in West Linn are significantly higher than the regional average. In 2012, the median sale price of a home in West Linn was \$389,600 compared to \$268,800 region-wide. Median rent in 2012, was \$1,102 per month in West Linn compared to \$905 region-wide (American Fact Finder, 2012). The West Linn Comprehensive Plan anticipates that, "the gradual shift from owner occupied housing to renter-occupied housing is expected to continue (West Linn Comprehensive Plan, 2008, p. H-2).

Further, the City's Comprehensive Plan admits that, "housing affordability is an issue in West Linn... "In 1990, 26 percent of families in the City paid more than 30 percent of their income for housing (including 47 percent of all renters and 20 percent of all homeowners). In 2000, this number remained at 26 percent (including 34 percent of renters and 24 percent of homeowners) (West Linn Comprehensive Plan, 2008, p. H-3)." These numbers are likely higher today given that personal income has not kept pace with the cost of housing nationwide.

Transportation System Impacts. The 2008 West Linn Transportation System Plan (TSP) reveals that signalized intersections in the vicinity of this site are operating at between 60-63 percent of available capacity and have an acceptable (LOS D or lower) overall level of service. The unsignalized intersection of Tannler/Blankenship however, experiences a LOS below acceptable thresholds during the AM and PM peak hour periods due to delay experienced by drivers attempting to turn left from Tannler Drive onto Blankenship Road.

Traffic forecasts conducted for this area in the 2008 TSP indicate that all intersections will experience declining levels of service and many will be reduced below currently acceptable thresholds. The Applicant's traffic analysis (Applicant's submittal, Exhibit 19) demonstrates that their current proposal will reduce average daily trips by 50 percent as compared to the anticipated trips that would be generated from a development on this site under the OBC zoning designation.

Economic Development Potential. Since 2011, the West Linn City Council has made economic development a top priority for the City. The City has established an Economic Development Committee, adopted an economic development strategy and action plan, undertaken amendments to the local development ordinance to remove regulatory barriers to development, created a small business resource center, and is currently in the process of developing a master plan for the area near the I-205/Hwy. 43 Interchange (Arch Bridge Master Plan).

The City is aware that more than 83 percent of its current land base, much of which is relatively low density single-family detached housing, is dedicated to residential uses that do not substantially promote local economic development. In addition, only four percent of the City's land area is occupied by industrial uses (which are largely within the Willamette River Floodplain) and 4 percent are dedicated to commercial uses. More than 90 percent of West Linn residents commute to jobs outside the City.

This local jobs and housing imbalance raises immediate concerns with regard to a proposal that seeks to reduce the amount of developable commercial land. A closer look however, at the characteristics impacting our subject site, reveals that the site was likely originally incorrectly zoned for OBC purposes in 1984. As is discussed in the Applicant's economic analysis (Attachment PC-3, Exhibit 5), the City currently has a supply of vacant and/or redevelopable parcels that permit office uses sufficient to accommodate this type of demand for the next 59-86 years.

Additionally, the site exhibits topographical challenges, at least to the degree whereby major commercial tenants and users are likely to seek other locations that increase exposure and access and limit development costs.

Multi-family use of this site promotes the City's economic development goals. The Applicant estimates that residents of multi-family housing on the subject property would generate an additional \$4.7 million in local spending annually, which is likely to encourage reinvestment in nearby commercial

areas. Furthermore, multi-family dwellings here, in close proximity to public transit (TriMet Route 154) and commercial uses to the south provide an opportunity to encourage walking, biking and public transit use to complete daily errands and represents a more efficient and more economical use of existing and future infrastructure. These findings support the City's efforts to promote local economic development.

Public comments: No public comments have been received as of the release of this report.

RECOMMENDATION

Based on the findings provided herein, staff recommends approval of the proposed amendment and rezoning. The site is appropriate for the proposed comprehensive plan map amendment and rezoning because: it provides an opportunity to address the City's needed housing issues, it will provide support for local businesses, it reduces vehicular traffic when compared to a commercial development on this site and because the proposal is consistent with the applicable policies adopted in the City's and State and Regional plans.

Housing values and rents in West Linn are significantly higher than the regional average. The City's Comprehensive Plan and recent buildable lands inventory identify a need for a broader and more affordable range of housing options for West Linn residents. The Applicant's proposal has the potential to address this need and provide options that are more affordable than the majority of single-family detached residential units that currently exist in the City.

The addition of housing near the Albertson's (River Falls Plaza) shopping center will complement and provide support for local businesses. The Applicant's economic analysis (Attachment PC-3/3.1, Exhibit 5) forecasts that spending generated by new occupants of housing on this site will exceed \$4.7 million annually.

Finally, residential use of this site provides excellent opportunities for residents to walk and bike and use public transit to access nearby retail and convenience services. This potential mixed use environment provides benefits to public health, air quality and alleviates congestion on local and regional roadways.

ADDENDUM

APPLICABLE APPROVAL CRITERIA AND FINDINGS

Except where otherwise noted, Staff concurs with the analysis and findings provided by the applicant in their application in Attachment PC-3.

CHAPTER 105, AMENDMENTS TO THE CODE AND MAP

105.050 QUASI-JUDICIAL AMENDMENTS AND STANDARDS FOR DECISION MAKING

A decision to approve, approve with conditions, or to deny an application for a quasi-judicial amendment shall be based on all of the following standards:

- A. The standards set forth in CDC 99.110(A), which provide that the decision shall be based on consideration of the following factors:*
- 1. The applicable Comprehensive Plan policies as identified in subsection C of this section and map designation.*

FINDING NO. 1:

Applicable policies from the Comprehensive Plan are included and responded to below (See Findings No. 4-4p).

- 2. The applicable standards of any provision of this code or other applicable implementing ordinance.*

FINDING NO. 2:

Applicable standards from the CDC and State and Regional implementing legislation are included and responded to below. Standards applicable to this proposal include:

- Statewide Planning Goals 1, 2, 9, 10, 11, 12 and 13 and applicable City of West Linn Comprehensive Plan policies;

FINDING NO. 2a:

Findings No. 4-4p discuss how the proposal satisfies applicable Comprehensive Plan policies and the abovementioned Statewide Planning Goals.

- Oregon Administrative Rules (OARs) 660-009, 660-007, and, 660-012;

FINDING NO. 2b:

OAR 660-009-0010 applies to this proposal because the Applicant is proposing to (4) “change the plan designation of land in excess of two acres in an existing urban growth boundary... from an

'other employment use' to any other use designation. This administrative rule requires the City to address applicable planning requirements, and:

- (a) demonstrate that the amendment is consistent with the City's most recent economic opportunities analysis and Comprehensive Plan policies responding to this section; or,
- (b) amend the Comprehensive Plan to incorporate the proposed amendment, consistent with the requirements of this rule; or
- (C) adopt a combination of the above, consistent with the requirements of this rule.

The Applicant's proposal to amend the City's Comprehensive Plan, from Commercial to Medium-density Residential on the subject parcel, satisfies OAR 660-009-0010 because their economic analysis demonstrates that the site is not suitable for the proposed use and because the proposal is consistent with economic development and other applicable policies adopted in the City's Comprehensive Plan. This rule (OAR 660-009-0005(12)) defines a 'suitable' site as one that is designated for industrial or other employment use that provides, or can be expected to provide the appropriate site characteristics for the proposed use. The Applicant's economic analysis states that due primarily to low market demand for office space in this part of the region (Applicant's economic analysis forecasts the current supply of land zoned for office use can accommodate such development for the next 59-86 years) and topographical characteristics, the site is not appropriate for the proposed use (Attachment PC-3, Exhibit 5).

OAR 660-009-0025(3) (see also ORS 197.712(2) below²) also says that plans for cities in an MPO or cities that adopt policies relating to the short-term supply of land must designate suitable land to respond to economic development opportunities as they arise. The Applicant's economic analysis (Attachment PC-3, Exhibit 5) forecasts that sufficient office land is available to accommodate office development for the next, approximately 59 years, and is therefore sufficient to respond to economic opportunities as they arise. Additionally, staff finds that the proposed site is not suitable for the planned use and therefore a change in zoning from commercial to residential on this property should not be regarded as negatively impacting opportunities for economic development in the City.

¹ OAR 660-009-005(6) defines an 'Other Employment Use' as: all non-industrial employment activities including the widest range of retail, wholesale, service, non-profit, business headquarters, administrative and governmental employment activities that are accommodated in retail, office and flexible building types. Other employment uses also include employment activities of an entity or organization that serves the medical, education, social service, recreation and security needs of the community typically in large buildings or multi-building campuses.

² ORS 197.712(2): By the adoption of new goals or rules, or the application, interpretation or amendment of existing goals or rules, the Land Conservation and Development Commission shall implement all of the following:

- (c) Comprehensive plans and land use regulations shall provide for at least an adequate supply of sites of suitable sizes, types, locations and service levels for industrial and commercial uses consistent with plan policies.
- (d) Comprehensive plans and land use regulations shall provide for compatible uses on or near sites zoned for specific industrial and commercial uses.

OAR 660-009-0025(6) encourages cities to manage encroachment and intrusion of uses incompatible with 'other employment uses.' Staff finds that the proposed medium-high density residential zoning (R-2.1) on the subject parcel is compatible and complementary, as discussed throughout this report, to the adjacent employment uses.

OAR 660-007 is satisfied as discussed in Finding No. 4i.

Finally, OAR 660-012 is satisfied as discussed in Finding No. 7.

- Applicable Metro Functional Plan standards;

FINDING NO. 2c:

Staff accepts the Applicant's responses regarding Metro Functional Plan standards in Attachment PC-3, pp. 18-21. Functional Plan Title 1 talks about a compact urban form and a fair-share approach to meeting regional housing needs. The Applicant correctly asserts that this section does not apply because they are not proposing to reduce the minimum-zoned capacity in the City.

Similarly, Title 4 (Industrial and Other Employment Areas) does not apply to this proposal because the site is not designated a Regionally Significant Industrial Area (RSIA) or other industrial and employment area.

Title 7 is concerned with voluntary affordable housing goals, of which the City has not established. This section is therefore not applicable to the subject proposal.

Title 12 (Protection of Residential Areas) seeks to ensure that cities consider an appropriate scale for neighborhood commercial centers that have adequate access to schools and parks and are not adversely affected by excessive traffic, noise or air pollution. The Applicant is not proposing the expansion of neighborhood commercial uses and therefore this is not applicable.

- Applicable criteria in CDC Chapters 99 and 105.

FINDING NO. 2d:

The applicable criteria in CDC Chapters 99 and 105 are responded to in Findings No. 1-9.

B. The standards set forth in CDC 99.110(B), which provide that, in making the decision, consideration may also be given to the following:

- 1. Proof of change in the neighborhood or community or a mistake or inconsistency in the Comprehensive Plan or Zoning Map as it relates to the property which is the subject of the development application.*
- 2. Factual oral testimony or written statements from the parties, other persons and other governmental agencies relevant to the existing conditions, other applicable standards and criteria, possible negative or positive attributes of the proposal or factors in sub-section A or (B)(1) of this section.*

FINDING NO. 3:

The Applicant's economic analysis (Attachment PC-3, Exhibit 5) demonstrates that changing conditions in the neighborhood and regional marketplace make this site unsuitable for the currently zoned uses. Evidence has not been provided nor is staff aware of a mistake in the Comprehensive Plan or Zoning map regarding the subject property.

In addition to the Applicant's evidence and statements in support of the proposal, the Applicant's submittal packet includes resolutions from both the Willamette and Savanna Oaks Neighborhood Associations' opposing the proposal. The minutes from the November 13, 2013, Willamette Neighborhood Association meeting resolves that, "... the 11/13/2013 presentation concerning the Tannler West Rezoning, did not convince the WNA that a zoning change represents the highest and best use of this property for the Willamette Neighborhood. At this time, WNA makes the motion to advocate the status quo." (Attachment PC-3, Exhibit 9)

Similarly, on December 3, 2013, the Savanna Oaks Neighborhood Association passed the following resolution: *"Be it resolved that the Savanna Oaks Neighborhood Association is in favor of retaining the existing zoning of Office Business Center (OBC) for the approximately 11.3 acre property located at the northwest corner of Tannler Dr. and Blankenship Road in West Linn. The SONA is also in favor of retaining the designation "Commercial" on the Comprehensive Plan map for this property. This is in the best interests of the West Linn community. The reasons include but are not limited to the following:*

- 1. CDC 21.010 The purpose of this zone is to provide for groups of business and offices in centers, to accommodate the location of intermediate uses between residential districts and areas of more intense development, to provide opportunities for employment and for business and professional services in close proximity to residential neighborhoods and major transportation facilities, to expand the City's economic potential, to provide a range of compatible and supportive uses, and to locate employment where it can support other commercial uses.*
- 2. The current zoning represents the highest and best use of this property for the Savanna Oaks Neighborhood Association.*

For the above stated reasons SONA favors retaining the existing zoning of OBC for the 11.3 acre property located at the northwest corner of Tannler Dr. and Blankenship Rd in West Linn." (Attachment PC-3, Exhibit 10)

C. The Comprehensive Plan, Plan and Ordinance Revision Process, and Specific Policy No. 4, which provides that the decision shall be based on consideration of the following criteria:

- 1. Conformance with the Comprehensive Plan policies and criteria.*

FINDING NO. 4:

Applicable policies from the West Linn Comprehensive Plan include:

- *Goal 1 Citizen Involvement*

- *Policy 4 – Provide timely and adequate notice of proposed land use matters to the public to ensure that all citizens have an opportunity to be heard on issues and actions that affect them*

FINDING NO. 4a:

As required by CDC Chapter 99, the Applicant held a pre-application conference, met with the Willamette and Savanna Oaks Neighborhood Associations, and sent notice of the public hearing to all affected parties. The City mailed notice of the public hearing to all affected parties 20 days in advance of the hearing, and posted a notice of the hearing on the site and in the West Linn Tidings 10 days in advance. Prior to and during the hearing before the Planning Commission, interested parties have the opportunity to submit evidence and testimony and again before the City Council. A public notice and hearing will also be conducted before the City Council.

- *Goal 2 Land Use Planning*

- *Section 1 Residential Development*

- *Policy 7 – The following are criteria that shall be used when designating residential areas. This list is not exhaustive, but helps determine what types of residential densities are appropriate, given topographical constraints, available public facilities, etc.*

- *Medium-high density residential lands will meet all of the following criteria:*
 - *Areas that do not rely solely on local streets for the provision of access;*
 - *Areas that are not subject to development limitations such as topography, flooding, or poor drainage;*
 - *Areas where the existing facilities have the capacity for additional development;*
 - *Areas within one-quarter mile of public transit;*
 - *Areas within short distances of general commercial shopping center or office-business centers;*
 - *Areas in close proximity to parks and schools.*

FINDING NO. 4b:

The subject parcel is bound on the east by Tannler Drive and on the south by Blankenship Road, both of which are classified as Collector roadways in the 2008 West Linn Transportation Systems Plan. Collector roadways are intended to “provide both access and circulation within residential and commercial/industrial areas (2008 West Linn Transportation Systems Plan, p. 3-13).” Compared to Local streets, Collector roadways provide more region-wide movement and are intended to serve larger volumes of vehicles, bicycles and pedestrians. Further, the site has immediate access to

Interstate 205, which further reduces the impact to and reliance on local streets for the provision of access.

The site is currently served by public facilities. The extent of any improvements necessary to City facilities to serve the future proposed development will be determined at the design review stage of this project (if the zone change is approved) and will be funded by the Applicant.

TriMet's Route 154 provides weekday service from the Oregon City Transit Center to Blankenship Road and the Willamette Commercial Area. The subject property is immediately adjacent existing public transit service.

Properties to the west are developed as office-business centers and to the east are zoned for office-business use. Property to the south is developed as a general commercial shopping center.

The site is approximately the following distance from West Linn-Wilsonville School District facilities:

- Willamette Primary School – 0.47 miles
- Sunset Primary School – 1.47 miles
- Rosemont Ridge Middle School – 1.28 miles
- West Linn High School – 2.00 miles

○ *Section 3 Mixed Use/Commercial Development*

- *Policy 2 – A portion of the Willamette District is currently designated in Metro's 2040 Design Map as a main street. The neighborhood plan for Willamette shall guide future changes to this area. If appropriate, the City will submit a request to Metro to amend land use designations for the Willamette District.*

FINDING NO. 4c:

The Vision Statement and Action Plan for the Willamette Neighborhood of West Linn is the adopted Neighborhood Plan for the Willamette Neighborhood. This Plan identifies the following commitments related to this proposal:

3. *Vibrant business growth, consistent with our historical downtown area standards*
 - *We maintain strict standards and codes regarding the type of business and structure in our business areas.*
 - *We aggressively pursue the businesses and restaurants that bring tasteful value to our neighborhood.*
 - *We aggressively discourage growth of large chain wholesale or discount stores.*
 - *We use roundabout, planters, and landscaping to beautify our neighborhood streets.*
6. *Well thought out neighborhood planning which sustains the value of the land*
 - *We have effective neighborhood public transportation that focuses on connectivity*
 - *Development needs to be consistent with the value of the area*

- *Developers need to take ownership for impact to the infrastructure such as streets, sidewalks, schools, water, sewer, etc.*
 - *We will effectively use transition zones between the historic business district and the surrounding neighborhood.*
7. *Systemic and fiscally responsible long-term planning, working with the neighborhood, community, city, county, and state partners.*

The Applicant attests, and staff agrees, that a more diverse mix of uses and higher residential densities, through the addition of multi-family residential dwellings on the subject property, will advance the abovementioned policies adopted by Willamette Neighborhood Association.

- *Policy 6 – Commercial development shall be planned at a scale that relates to its location in the district and trade area to be served.*

FINDING NO. 4d:

The Applicant is requesting a change from the current OBC zoning designation because they believe there is currently an oversupply of office space in this part of West Linn and the Portland Metropolitan Region. According to the Applicant's economic analysis:

"...it is highly unlikely that office development of anywhere near this scale will take place on the subject site. The reasons for this are [summarized as follows]:

- *Value of new development as an income-generating investment is lower than cost to build.*
- *Market is very soft with high vacancies and negative absorption putting more vacant space on the market.*
- *Established weakness of adjacent large office developments.*
- *Weakening of suburban metro markets relative to central Portland and Hillsboro.*
- *Slow historical pace of development in West Linn and modest projected demand.*
- *Prospective office tenants have flexibility in where to locate.*
- *The site has sat vacant since adoption of the OBC zoning in 1974. (Attachment PC-3, Exhibit 5, p.2)"*

According to the Applicant's economic analysis, the OBC zoning on this parcel, particularly when viewed within the context of the adjacent OBC zoned land nearby, exceeds the demand and scale for the trade area served by this location. These points are further supported by the fact that "nearby office developments have a combined vacancy rate in excess of 27 percent (Attachment PC-3, Exhibit 5, p.2)," and, results from the Applicant's economic analysis which find the City currently has a supply of office land to accommodate office development for the next 59-86 years (p.12).

- *Goal 6 Air, Water, and Land Resources Quality*
 - *Section 1 Air Quality*

- *Policy 3 – Reduce pollution from vehicle emissions by pursuing an energy efficient urban form that provides for connectivity and reduces the number of vehicle miles traveled.*
- *Policy 4 – Encourage the use of alternative modes of transportation, including mass transit, walking, and bicycling.*
- *Policy 5 – Encourage employment, mixed uses, and home occupations within West Linn to reduce commuting and reduce the distance traveled for shopping and other essential services.*

FINDING NO. 4e:

Developing the area near the existing River Falls Plaza commercial center with increased residential density and a broader mix of uses is likely to positively influence continued and potentially accelerated investment/reinvestment in the River Falls Plaza (Albertson's center) commercial development. According to the Applicant's economic analysis (Attachment PC-3, Exhibit 5, p.27) future residents would generate approximately \$4.7 million in additional local spending annually. Additionally, the proposal is consistent with the policies above as it will create more and better opportunities for walking and biking to shopping which reduces greenhouse gas emissions that would otherwise be created by driving a car to complete these errands.

○ *Section 4 Noise Control*

- *Policy 5 – Encourage future buildings along high traffic corridors to be of a size, scale, and orientation that minimizes noise impacts from motorized traffic to surrounding neighborhoods.*

FINDING NO. 4f:

The subject property lies along the highest traffic corridor (I-205) in the City. Noise impacts from traffic on I-205, to surrounding neighborhoods to the north, is attenuated primarily by topographical variation and commercial buildings along Blankenship Road. The maximum building height for structures in both the OBC and R-2.1 zones is 45-feet and therefore, there is no additional potential for noise attenuation from buildings under one zoning designation or the other. Table 2 below, reflects the relatively high daytime noise (61-63 dBA) experienced by neighborhoods in this area (locations 4, 5, 22, 23 in 1998), likely due largely to traffic noise from I-205.

Table 2 Average Noise Levels at Selected Locations in West Linn in 1998 (West Linn Comprehensive Plan, Figure 6-1, 2008)

WEST LINN NOISE STUDY AVERAGE NOISE LEVELS (1998)			
LOCATION	DAYTIME	NIGHTTIME	ADDRESS
6	52	43	482 PONDEROSA
5	61	56	2350 FALCON DR
4	61	56	0 ROSE LINN CARE CEN
23	63	58	0 VIRGINIA
22	63	39	0 TANNER
1	52	49	1333 SHORT ST
2	46	46	25455 SWIFT SHORE DR
3	52	41	1847 FIFTH AVE
7	45	38	4192 SUSSEX ST
8	46	49	5509 WEST A
21	45	44	2010 MAPLE TERR
12	43	40	4305 MAPLETON
10	47	44	4388 KENTHORPE
11	46	43	4307 KENTHORPE
13	46	43	4351 KENTHORPE
9	39	36	4145 KENTHORPE
16	57	51	18888 WALLING CIRCLE
17	49	43	3315 WALLING WAY
15	49	43	3314 WALLING WAY
18	40	35	2157 MARYLWOOD CT
19	44	36	1955 HAVERHILL WAY
20	38	34	19770 DERBY ST

FIGURE 6-1

Goal 7 Areas Subject to Natural Disasters and Hazards

- *Policy 1 – Require development and associated alterations to the surrounding land to be directed away from hazardous areas.*
- *Policy 2 – Restrict development except where design and construction techniques can mitigate adverse effects.*

FINDING NO. 4g:

West Linn's adopted Landslide Hazards Map shows an area in the northeast corner of the site as potentially subject to landslide hazards. If the zone change is approved, a future development proposal will be required to demonstrate how development can occur on this site and respect policies 1 and 2 above. For background, the previous proposal (300,000 square foot office development) successfully demonstrated that development could occur away from hazardous areas and/or be designed to mitigate adverse effects as prescribed above.

- *Goal 9 Economic Development*
 - *Policy 11 – Encourage the economic vitality of the four existing commercial areas.*

FINDING NO. 4h:

Both the existing (OBC) and proposed (R-2.1) zoning designations have the potential to contribute to the economic vitality of commercial uses in this area in different ways. The OBC zone has the potential to provide additional jobs and employees that would patronize area business. The R-2.1 has the potential to provide additional residents, and customers, within immediate proximity to the River Falls Shopping Center and the Willamette Falls Drive Historic Commercial Area. Additionally, as outlined in Finding No. 4e, according to the Applicant's economic analysis (Attachment PC-3, Exhibit 5, p.27) future residents would generate approximately \$4.7 million in additional local spending annually, directly encouraging the economic vitality of commercial uses in this area.

Selected excerpts from recent planning efforts in Dublin, Ohio and in the northwest support these claims:

Research conducted by Christopher Leinberger of the Brookings Institution reveals that rents for commercial space in walkable, mixed use developments, significantly exceed rents in more typical suburban environments. Additionally, young creative professionals and small entrepreneurial businesses place a high value on living and working in vibrant, mixed-use environments." (City of Dublin, Ohio, 2014)

"Many people are necessary to form a customer base to support commercial uses such as shops, restaurants, and personal services in a walkable environment. While having employees within a walkable distance of these types of places helps, those making a home in the [area] are critical to making a truly active, interesting, and fun area." (City of Dublin, Ohio, 2014)

"Housing should be a central consideration in any jurisdiction's TOD or TSP plan. It is key to maximizing resident access to the transit services and local amenities around the transit center, node or corridor. Households, in turn, provide a customer base for businesses in the TOD or TSP, which further reinforces the vibrancy of a neighborhood commercial district." (Puget Sound Regional Council, 2014)

Staff accepts the Applicant's findings regarding this policy, which are outlined in their economic analysis (Attachment PC-3, Exhibit 5), and summarized below:

- *"The City can find that the Application satisfies Goal 9 for several reasons. As explained in the Johnson Economics economic analysis, there is ample sufficient OBC zoned land and*

other Goal 9 land to continue satisfaction of the City's Goal 9 requirements for adequate economic opportunities.

- *The Application obtains substantial evidence that this site is not suitable, nor will it be developed anytime soon, for office development.*
- *Additionally, as the City can determine by reviewing the list of permitted and conditional uses in the OBC zone, this site is not a commercial retail site. Moreover, it is highly unlikely that a site consisting of less than 10 acres will be developed as a retail shopping center given not only the restrictive OBC provisions for retail uses but because of the fact that a large community shopping center is located across Blankenship Road from the River Falls Shopping Center...*
- *Additionally, the Johnson Economics study finds that based on a projected 20-year need of office land there is an estimated 40 year supply of vacant or redevelopable office land in the zones in which offices are a permitted use. If the historic rate of OBC land development since 1980, or 0.36 acres per year, is used, there is an estimated 80 year plus land supply in the zones in which offices are a permitted use.*

The Johnson Economics study supports the conclusion that this land will have greater economic benefits to the City if it is zoned to allow multiple-family development as opposed to the OBC zone.” (Attachment PC-3, p.13)

- *Goal 10 Housing*
 - *Policy 1 – Ensure that the Comprehensive Plan is consistent with LCDC's Metropolitan Housing Regulations.*
 - *Policy 2 – Provide the opportunity for development of detached and attached single-family units, duplexes, garden apartments, town houses, row houses, multiplex units and boarding houses, lodging or rooming houses, and manufactured housing.*

FINDING NO. 4i:

The above policies are not the responsibility of the Applicant but are applicable here because through this application, the City Council will determine whether this is an appropriate time and location to begin making ground on our obligation to supply affordable housing, as adopted in policies 1 and 2 above.

The Metropolitan Housing Rule (OAR 660-007-0030) requires that, “(1) Jurisdictions other than small developed cities must either designate sufficient buildable land to provide the opportunity for at least 50 percent of new residential units to be attached single family housing or multiple family housing or justify an alternate percentage based on changing circumstances...” The City's latest buildable lands inventory (Attachment PC-5), prepared February 2014, reveals that more than three-quarters (76 percent) of developable residential land in West Linn is zoned for single-family detached housing. Because the City has not “justified an alternate percentage” it is therefore in violation of this State Administrative Rule.

The Applicant's proposal has the potential to address the City's need for a more diverse range of housing opportunities (to accommodate older and younger residents) and provide options that are more affordable than the majority of single-family detached residential units that currently exist in the City.

Housing values in West Linn are significantly higher than the regional average. In 2012, the median sale price of a home in West Linn was \$389,600 compared to \$268,800 region-wide. Median rent in 2012, was \$1,102 per month in West Linn compared to \$905 region-wide (American Fact Finder, 2012). The West Linn Comprehensive Plan anticipates that, "the gradual shift from owner occupied housing to renter-occupied housing is expected to continue (West Linn Comprehensive Plan, 2008, p. H-2).

Further, the City's Comprehensive Plan acknowledges that, "housing affordability is an issue in West Linn... "In 1990, 26 percent of families in the City paid more than 30 percent of their income for housing (including 47 percent of all renters and 20 percent of all homeowners). In 2000, this number remained at 26 percent (including 34 percent of renters and 24 percent of homeowners) (West Linn Comprehensive Plan, 2008, p. H-3)." These numbers are likely higher today given that personal income has not kept pace with the cost of housing nationwide.

- *Goal 11 Public Facilities and Services*

- *Policy 2 – Development shall not be approved unless: a) the proposal has adequate access to the transportation, storm drainage, potable water, and sewer systems; and, b) these infrastructures have adequate capacity to serve the development.*

FINDING NO. 4j:

The property has good access to the transportation, storm drainage, and water and sewer systems. These systems were deemed adequate or could be made adequate with contributions from the developer, to support a 300,000 square foot plus office complex on this property in 2006 (DR-06-24, Tannler West) and again in 2010 (MISC-10-14, 3-year extension of Tannler West). The Applicant's traffic analysis (Application Packet, Exhibit 19) demonstrates that the relative impacts to the City's street system would be reduced with residential use of this property compared to the planned commercial use. Further, and generally speaking, the City's SDC fees establish what are expected to be the relative impacts to the City's infrastructure from various land use types. SDC rates can therefore substitute here as an acceptable proxy for the purpose of describing the relative impact on the City's infrastructure when comparing these two uses.

While the Applicant is not proposing a development as part of this application, Table 3 below, compares the SDC impacts between the previously approved office complex and the 210 unit apartment complex that was discussed at the Applicant's pre-application conference (Attachment PC-3, Exhibit 7). As shown in Table 3, from an SDC perspective the expected impacts to the City's infrastructure are more than 2.5 times greater under the OBC zoning designation.

Table 3 Comparison of SDC Impacts from two uses of Tannler West Property

SDC Fund	Office (approx. 300k sq.ft)	Multi-family Residential (210 units)
Water	Based on water meter size	
Sewer	Based on water meter size	
Streets	1.314 per 1000 sq.ft.	0.62 per unit
Bike/Ped SDC	1.314 per 1000 sq.ft.	0.62 per unit
Stormwater SDC	1	
Parks SDC	0	1.874
Total (as proposed)	3.628 (798.4)	4.114 (276.9)

○ *Section 4 Fire and Police*

- *Policy 1 – Ensure that police and fire protection service providers are closely involved with land use decisions that have implications for the provision of emergency services and crime prevention.*

FINDING NO. 4k:

The West Linn Police Department and Tualatin Valley Fire and Rescue have been notified of the Applicant's proposal. To date, neither of these agencies have provided comments on the proposal.

○ *Section 9 Health Services*

- *Policy 2 – Promote City policies that support a healthful environment and which address health concerns in pro-active, innovative ways.*

FINDING NO. 4l:

The Applicant's proposal promotes a more healthful environment because it provides opportunities for residents to access shops and complete some daily errands on foot and by bike. Reducing vehicle trips promotes cleaner air and water and improves the health of West Linn residents. Suburban development patterns that promote large areas of homogenous land uses force residents to drive automobiles to complete everyday tasks, and has been in part, attributed to the sharp increase in U.S. obesity rates over the past two decades. Current best practices for combating obesity and improving public health focus on land use patterns that locate employment and commercial uses in close proximity to places where people live.

- *Goal 12 Transportation*

- *Streets*

- *Policy 2 – Protect neighborhoods from excessive through traffic and travel speeds while providing reasonable access to and from residential areas.*

FINDING NO. 4m:

The TSP includes a roadway functional classification scheme that determines the function, relative volume, speed and general design characteristics of various streets and street segments in West Linn. Tannler Drive and Blankenship Road are classified as collector roadways; which are intended to collect traffic from more local and neighborhood streets and move it to arterials such as Highway 43 and I-205. Further, compared to the planned commercial zoning designation, medium-high density residential use of the property will reduce vehicle trips by about 50 percent (Attachment PC-3, Exhibit 19).

- *Transit*

- *Policy 1 – Encourage expanded bus service along existing routes and new transit service to areas that currently are not served by transit.*
 - *Policy 11 – Support a public transit system that is accessible to the largest number of people by: a) locating transit-oriented development around transit stations, along major transit routes, and in the designated Town Center Area; b) Evaluating more intense and mixed-use zoning designations in areas around transit stations, along major transit routes, in the designated Town Centers... Future proposed land use changes or rezonings that may result in increased residential densities, additional employment opportunities, or commercial activity should be located in these areas...; c) Encouraging provisions for housing for the elderly and moderate income families to be located in close proximity to public transit facilities and services, and interconnected transportation facilities such as walkways and bikeways...*

FINDING NO. 4n:

The Institute of Transportation Engineers recommends the following (Table 4) minimum densities for various levels of public transit service. TriMet currently provides infrequent (one-hour headways between 6 am and 6pm) bus service to this area. Increased residential density on the subject parcel satisfies the policies above and has the potential make more frequent service of TriMet's existing Route 154 feasible; which may in turn provide more convenient transit service for the VA Clinic and assisted living facilities in the 10th Street/Blankenship Road/19th Street/Willamette Falls Drive corridor.

Table 4 ITE Residential Densities for Transit Service (Vanasse Hangen Brustlin, Inc., 2008)

Mode	Frequency	Dwelling units/acre
Bus	1 bus/hour	4-5
Bus	1 bus/30 minutes	7
Bus	1 bus/10 minutes	15
Light Rail	10 minutes	35-50

Selected excerpts from recent studies and planning efforts across the region support the benefits of higher density mixed uses near public transit facilities:

"...looking at examples of successful centers in the Portland metropolitan area, elements common to each suggest a connection between the access to transit, number of people per acre, urban form, the diversity of businesses and the center's success." (Metro, 2011)

"While there are a number of steps communities can take to encourage the development of a successful center, a center's greatest asset is a critical mass of people, both residents and workers, to sustain local businesses, support efficient transit and create a kind of place the community desires." (Metro, 2011)

"Transit professionals recognize that the most significant characteristic in predicting transit service success is the density of potential riders residing within ¼ mile or less walking distance of service locations." (Vanasse Hangen Brustlin, Inc., 2008)

"A number of studies have been conducted over the previous 30 years attempting to quantify the relationship between residential density and transit ridership, and while these studies vary somewhat in providing discrete density ranges that support the various transit modes, they are consistent in the assertion that a threshold exists where a certain dwelling unit per acre is required to effectively support transit. Areas with higher residential densities justify greater levels of transit service that will be supported." (Vanasse Hangen Brustlin, Inc., 2008)

Table 5 below, compares dwelling unit density and a number of other economic indicators across selected town centers in the Portland Metropolitan Area. This table shows a clear correlation between dwelling unit density and market value.

Table 5 Selected Economic Indicators of Regional Town Centers (Metro, 2011)

Town/Regional Center	Persons/ acre	Dwelling units/acre	Total businesses/ acre	Home ownership (pct.)	Median Age	Market Value/sq.ft.
Oregon City	7.2	0.2	0.41	48.7	37.8	
Lake Oswego	25.8	8.7	1.38	43	44.5	\$73
Wilsonville	17.8	3.5	0.66	29.6	29.7	\$26
Forest Grove	26.2	5.2	0.76	38.9	30.8	\$22
Orenco Station	24.1	10.5	0.36	21.7	35	\$51
Willamette	13.0	2.8	0.53	72.4	40.3	\$28
Clinton District	45	11		42	34	\$102
Westmoreland	30	8		52	43	\$120
Nob Hill	94	27		10	34	\$210
Regional Avg.	20.1	5.0	0.73	47.4	36.0	

- *Goal 13 Energy Conservation*

- *Policy 1 – Reduce the need to travel outside the City to obtain goods and services when possible.*
- *Policy 4 – Encourage Mass Transit Use.*
- *Policy 5 – Promote location of housing, shopping, and employment uses in close proximity to each other and well connected by transit consistent with policies included in Chapter 2 of this [the Comprehensive] Plan.*

FINDING NO. 4o:

As discussed in the previous findings, higher density mixed use development is likely to encourage public transit use, consistent with policies 4 and 5 above. Further, the Applicant's proposal to retain approximately 1 acre of the site for the future OBC-type use along Blankenship Road satisfies policy 1 above.

- *Goal 14 Urbanization*

- *Policy 8 – Coordinate planning for future growth with related school district planning efforts.*

FINDING NO. 4p:

The Applicant asserts (Attachment PC-3, Exhibit 1, p. 3) that the expected number of school age children that would reside in the multiple-family development after approval of the application will

not have a significant adverse impact on the three schools they would attend. Additionally, a substantial share (more than 26 percent of the total property tax rate) of the total tax burden for this property, and school-related construction excise fees will be delivered to the West Linn-Wilsonville School District for capital and operational improvements necessary to support future growth.

2. *There is a public need for the change or the change can be demonstrated to be in the interest of the present and future community.*

FINDING NO. 5:

In its final decision in AP-12-02/03 (Lake Oswego/Tigard Water Partnership Treatment Plant and Pipeline), the West Linn City Council determined that “overall community need” means:

“The overall needs of the community must look at what is in the best interest of the City of West Linn as a whole. Considering the term “community” in the context with “overall,” this term does not suggest that a use must be exclusive and cannot serve the needs of West Linn while also serving the needs of Lake Oswego and Tigard, in addition to those of West Linn.”

In order to identify which “overall needs” require protection, the Council considers the goals and values protected within the Comprehensive Plan, other adopted City plans and policies, as well as general municipal needs, such as fiduciary, public infrastructure, and public safety needs...

The Council finds that when determining whether the “overall needs” are met, the decision-maker will consider both the short and long term needs that are being met by the project...

Although the language in the Council’s interpretation varies slightly (CDC 60.070(A)(3) uses the phrase ‘community need’ and 105.050(C)(2) – applicable in the current decision – uses the phrase ‘public need’), from our current criterion, both use the term ‘need.’ For this reason, the Council’s recent interpretation of this term is helpful in understanding how this term should be applied in the context of quasi-judicial land use decision-making.

CDC 105.050(C)(2) requires that the proposal satisfy one of two standards: 1) The proposed zone change must satisfy a public need, or 2) the proposed zone change must be in the interest of the community now and in the future. Staff finds that the proposal satisfies a public need for housing options as discussed here and in Finding No. 4i. The proposal also satisfies a public need as it furthers numerous Comprehensive Plan policies as outlined throughout this report. Additionally, the Applicant’s economic analysis (Attachment PC-3, Exhibit 5) estimates that a potential multi-family development on this site would generate approximately 170 jobs, \$12.3 million in added value to the community and \$4.7 million in additional local spending annually.

The second prong asks whether the proposed zone change is in the interest of the community, now and in the future. Staff does not have access to the information necessary to make a determination as to whether the zone change is in the long-term interest of the community when comparing multi-family vs. office-business-center use of the site but believes that the economic analysis submitted by

the Applicant demonstrates that near- and mid-term benefits are greater under the residential zoning proposal.

3. The changes will not adversely affect the health, safety and welfare of the community.

FINDING NO. 6:

Because adequate public facilities, including police and fire protection, are available to serve the site and because of the myriad public health and economic benefits that are likely to accrue through higher density mixed-use development in this area, staff believes the proposal will not adversely affect the health, safety and welfare of the community.

D. Transportation Planning Rule compliance.

1. Review of applications for effect on transportation facilities. When a development application, whether initiated by the City or by a private interest, includes a proposed comprehensive plan amendment zone change or land use regulation change, the proposal shall be reviewed to determine whether it significantly affects a transportation facility, in accordance with Oregon Administrative Rule (OAR) 660-012-0060 (the Transportation Planning Rule; "TPR").
"Significant" means the proposal would:

- a. Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);
- b. Change standards implementing a functional classification system; or
- c. As measured at the end of the planning period identified in the adopted transportation system plan:
 - 1) Allow land uses or levels of development that would result in types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;
 - 2) Reduce the performance of an existing or planned transportation facility below the minimum acceptable performance standard identified in the TSP or comprehensive plan; or
 - 3) Worsen the performance of an existing or planned transportation facility that is otherwise projected to perform below the minimum acceptable performance standard identified in the TSP or comprehensive plan.

FINDING NO. 7:

Staff concurs with the Applicant's finding and traffic analysis, found in Attachment PC-3, Exhibit 19I, which demonstrates that the proposed change will reduce the traffic impact generated by this site as compared to the currently planned use and will therefore, not "significantly affect" a transportation facility as defined in OAR 660-012-0060

2. *Amendments that affect transportation facilities. Amendments to the Comprehensive Plan and land use regulations that significantly affect a transportation facility shall ensure that allowed land uses are consistent with the function, capacity, and level of service of the facility identified in the TSP. This shall be accomplished by one or a combination of the following:*
 - a. *Adopting measures that demonstrate allowed land uses are consistent with the planned function, capacity, and performance standards of the transportation facility.*
 - b. *Amending the TSP or Comprehensive Plan to provide transportation facilities, improvements or services adequate to support the proposed land uses consistent with the requirements of OAR 660-012-0060 of the TPR.*
 - c. *Altering land use designations, densities, or design requirements to reduce demand for automobile travel and meet travel needs through other modes of transportation.*
 - d. *Amending the TSP to modify the planned function, capacity or performance standards of the transportation facility.*

FINDING NO. 8:

The proposal will not significantly affect a transportation facility per OAR 660-012-0060 and therefore is not subject to the standards in (2) above.

3. *Traffic impact analysis. A traffic impact analysis shall be submitted with a plan amendment or land use district change application. (Ord. 1584, 2008)*

FINDING NO. 9:

The Applicant's traffic impact analysis is included in Exhibit 19 of the Applicant's submittal (Attachment PC-3). This criterion is met.

Works Cited

- City of Dublin, Ohio. (2014, April 15). *Q/A - Housing and Density*. Retrieved September 12, 2014, from City of Dublin, Ohio: <http://dublinohiousa.gov/bridge-street-district-questions/housing-density/>
- Metro. (2011). *State of the Centers: Investing in our communities*. Metro.
- Puget Sound Regional Council. (2014, September 12). *Focus: Transit Oriented Development*. Retrieved September 12, 2014, from Puget Sound Regional Council: <http://www.psrc.org/growth/hip/tod/>
- Vanasse Hangen Brustlin, Inc. (2008). *Charlottesville-Alnermarle Regional Transity Authority Plan, Appendix C: Transit Supportive Corridors and Areas*. Vienna, VA.

AFFIDAVIT OF NOTICE

We, the undersigned do hereby certify that, in the interest of the party (parties) initiating a proposed land use, the following took place on the dates indicated below:

GENERAL

File No. 20-14-01 / PLN-14-01 Applicant's Name Rob Morgan - Con Am Properties, LLC
Development Name _____
Scheduled Meeting/Decision Date 10-1-14

NOTICE: Notices were sent at least 20 days prior to the scheduled hearing, meeting, or decision date per Section 99.080 of the Community Development Code. (check below)

TYPE A ☒

A.	The applicant (date) <u>9-11-14</u>	(signed) <u>S. Shroyer</u>
B.	Affected property owners (date) <u>9-11-14</u>	(signed) <u>S. Shroyer</u>
C.	School District/ Board (date) <u>9-11-14</u>	(signed) <u>S. Shroyer</u>
D.	Other affected gov't. agencies (date) <u>9-11-14</u>	(signed) <u>S. Shroyer</u>
E.	Affected neighborhood assns. (date) <u>9-11-14 (All)</u>	(signed) <u>S. Shroyer</u>
F.	All parties to an appeal or review (date) <u>9-11-14</u>	(signed) <u>S. Shroyer</u>

At least 10 days prior to the scheduled hearing or meeting, notice was published/posted:

Tidings (published date) <u>9-18-14</u>	(signed) <u>S. Shroyer</u>
City's website (posted date) <u>9-10-14</u>	(signed) <u>S. Shroyer</u>

SIGN

At least 10 days prior to the scheduled hearing, meeting or decision date, a sign was posted on the property per Section 99.080 of the Community Development Code.

(date) 9-19-14 (signed) [Signature] (Zach Peltz)

NOTICE: Notices were sent at least 14 days prior to the scheduled hearing, meeting, or decision date per Section 99.080 of the Community Development Code. (check below)

TYPE B ☐

A.	The applicant (date) _____	(signed) _____
B.	Affected property owners (date) _____	(signed) _____
C.	School District/ Board (date) _____	(signed) _____
D.	Other affected gov't. agencies (date) _____	(signed) _____
E.	Affected neighborhood assns. (date) _____	(signed) _____

Notice was posted on the City's website at least 10 days prior to the scheduled hearing or meeting.

Date: _____ (signed) _____

STAFF REPORT mailed to applicant, City Council/Planning Commission and any other applicable parties 10 days prior to the scheduled hearing.

(date) 9-19-14 (signed) S. Shroyer

FINAL DECISION notice mailed to applicant, all other parties with standing, and, if zone change, the County surveyor's office.

(date) _____ (signed) _____

PUBLIC NOTICE CHECKLIST

FILE NO.: 20-14-01 / PLN-14-01 SITE ADDRESS: 2444, 2422, 2401 Tanner Dr.

PROJECT MANAGER: Zach Polz DATE: 8/15/2014

MAILING DEADLINE DATE - 14-day or 20-day (circle one): _____

PUBLISH IN LOCAL PAPER (10 days prior): Yes X No _____

MEETING DATE: _____

SEND TO (check where applicable):

Applicant: Name: Rob Morgan Applicant Address: ConAm Properties, LLC
3990 Rutan Rd., Ste. 100
San Diego, CA 92123

If Applicant Representative or Owner to receive please list in others below:

School District/Board	<u>X</u>	Division of State Lands	_____
Metro	<u>X</u>	US Army Corps of Engineers	_____
Tri-Met	<u>X</u>	Stafford-Tualatin CPO	_____
Clackamas County	_____	City of Lake Oswego	_____
ODOT (if on State Hwy. or over 40 dwelling units)	<u>X</u>	Dept. of Fish & Wildlife	_____
Neighborhood Assn(s).	_____	Other(s):	_____
(please specify) <u>Willamette, Savanna Oaks</u>	_____		_____

Other(s): Sumner Donnelly
Oregon Dept. of Land Conservation
Development
1600 SW 4th Ave., Suite 1801
Portland, OR 97201

Other(s): Miranda Bateshell
Metro
1600 NE Grand Ave.
Portland, OR 97232

Other(s): Tim Woodley
West Linn - Wilsonville School Dist.
PO Box 35
West Linn, OR 97068

Other(s): Ty Darby
Tualatin Valley Fire and Rescue
20665 SW Blanton St.
Aloha, OR 97007

Other(s): Seth Brumley §
Marty Jansvold
Oregon Department of Transportation
123 NW Flinders St.
Portland, OR 97209

Other(s): _____
Jeff Parker
William Wilt
Michael Robinson - Perkins Coie

CITY OF WEST LINN PLANNING COMMISSION

PUBLIC HEARING NOTICE

Amend the Comprehensive Plan Map and Zoning Map to permit multi-family housing on three parcels at the northwest corner of Tannler Drive and Blankenship Road (ZC-14-01 and PLN-14-01)

The West Linn Planning Commission will hold a public hearing on Wednesday, October 1, 2014, **starting at 6:30 p.m.** in the Council Chambers in City Hall, 22500 Salamo Road, West Linn, to consider a request by ConAm Properties, LLC to change the Comprehensive Plan Map designation from Commercial to Medium-high Density Residential and to change the Zoning Map designation from Office Business Center (OBC) to Medium-high Density Residential (R-2.1) on three parcels at the northwest corner of Tannler Drive and Blankenship Road (Clackamas County Assessor's Map 2S 1E 35C tax lots 100, 102, and 200). CDC Chapters 21 and 16 outline the uses permitted in the OBC and R-2.1 zoning districts, respectively. The Planning Commission will make a recommendation to the City Council to approve, approve with conditions or deny the Applicant's request.

The criteria applicable to Comprehensive Plan Map and Zoning Map amendments are found in Chapters 99 and 105 of the West Linn Community Development Code (CDC). A recommendation by the Planning Commission to approve or deny this request will be based upon applicable criteria. At the hearing, it is important that comments relate specifically to the applicable criteria.

You have been notified of this proposal because County records indicate that you own property within 500 feet of the subject property, or as otherwise required by Chapter 99 of the CDC. See the attached map illustrating properties within 500-feet of the subject sites. The complete application for ZC-14-01/PLN-14-01 is available for inspection at no cost at City Hall or via the City of West Linn's website at

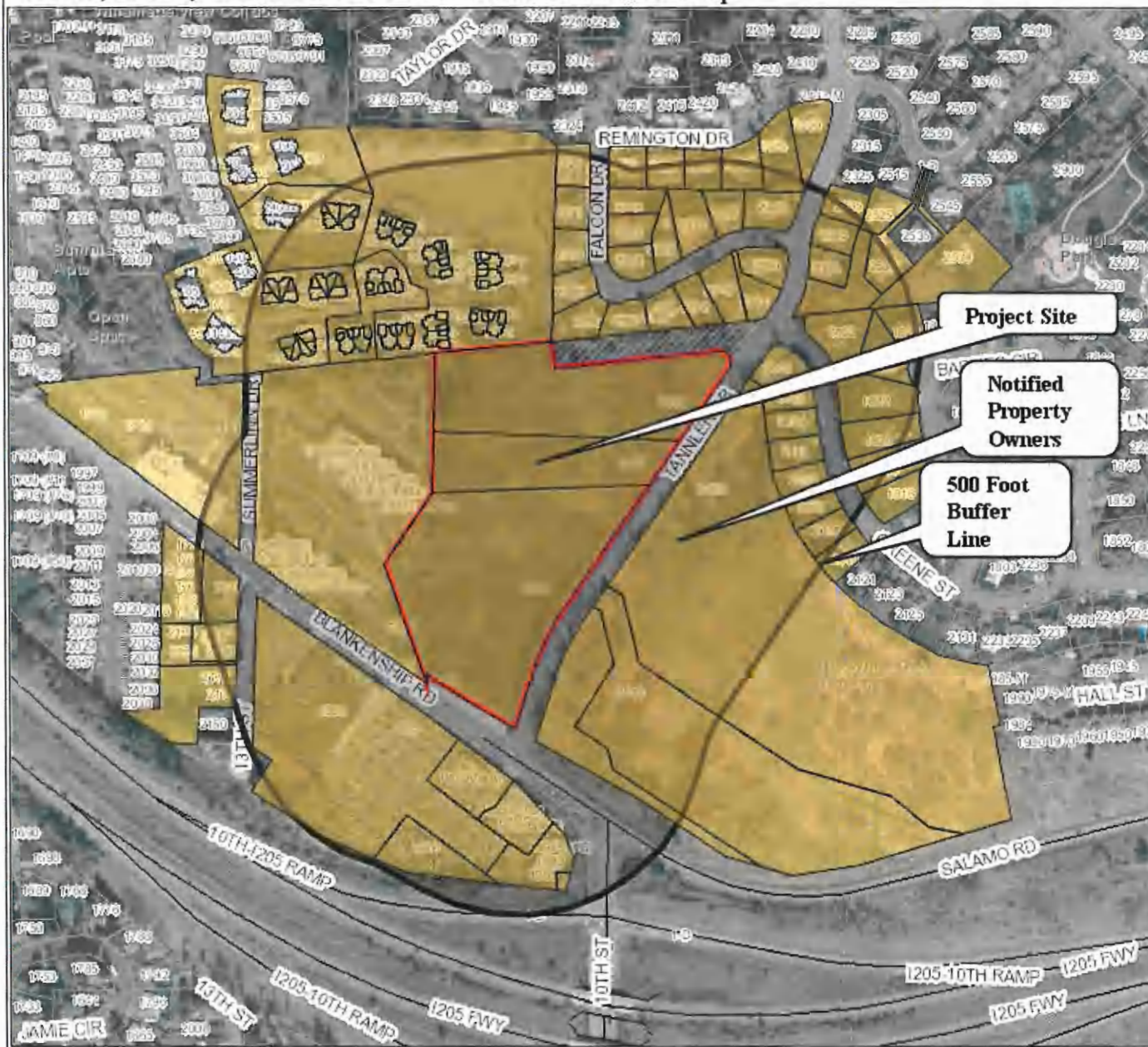
<https://westlinnoregon.gov/planning/nw-corner-blankenship-tannler-drive-zone-change-and-comp-plan-zoning-map-change>. Printed copies of these documents may be obtained at City Hall for a minimal charge per page.

At least ten days prior to the hearing, a copy of the staff report will be available for inspection at no cost or copies can be obtained for a minimal charge per page. For further information, please contact Zach Pelz, Associate Planner, at City Hall, 22500 Salamo Road, West Linn, OR 97068, zpelz@westlinnoregon.gov, or 503-723-2542.

The hearing will be conducted in accordance with the rules of Section 99.170 of the CDC. Anyone wishing to present written testimony on this proposed action may do so in writing prior to, or at the public hearing. Oral testimony may be presented at the public hearing. At the public hearing, the Planning Commission will receive a staff presentation, and invite both oral and written testimony. The Planning Commission may continue the public hearing to another meeting to obtain additional information, leave the record open for additional evidence, arguments, or testimony, or close the public hearing and take action on the application as provided by state law. Failure to raise an issue in person or by letter at some point prior to the close of the hearing, or failure to provide sufficient specificity to afford the decision maker an opportunity to respond to the issues, precludes an appeal to the Land Use Board of Appeals (LUBA) based on that issue.

SHAUNA SHROYER
Planning Administrative Assistant

2444, 2422, 2410 Tannler Drive Notification Map



Project Site

**Notified
Property
Owners**

**500 Foot
Buffer
Line**



Scale 1:4,800 - 1 in = 400 ft
Scale is based on 8-1/2 x 11 paper size



Map created by: SSHROYER
Date Created: 14-Aug-14 12:25 PM

WEST LINN GIS

DISCLAIMER: This product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information. Source: West Linn GIS (Geographic Information System) MapOptix.

ABS OR-O LLC
PROPERTY TAX
PO BOX 990
MINNEAPOLIS, MN 55440

ALLISON JAMES R
10955 SE 28TH AVE
MILWAUKIE, OR 97222

ALLSUP DAN D & JOYCE B
35932 ELLINGTON DR
SPRINGFIELD, OR 97478

ANDERSEN PAUL W & BRENDA D
2113 GREENE ST
WEST LINN, OR 97068

ARKEBAUER SUSAN J
7119 SANTA BARBARA ST
CARLSBAD, CA 92011

AUSTIN VAUGHN & TAMMY
4555 SUMMERLINN WAY
WEST LINN, OR 97068

BARGER WILLIAM R & TANA M
6060 SUMMERLINN WAY
WEST LINN, OR 97068

BENTS JAMES J & JOHANNA K
2109 GREENE ST
WEST LINN, OR 97068

BETTIN KAREN J
4975 SUMMERLINN WAY
WEST LINN, OR 97068

BHSUM LLC
1800 BLANKENSHIP RD STE 200
WEST LINN, OR 97068

JEFF PARKER
1800 BLANKENSHIP RD STE 200
WEST LINN, OR 97068

BLACKHAWK NEVADA LLC
1800 BLANKENSHIP RD STE 200
WEST LINN, OR 97068

BROOKHOUSE VIRGINIA
4795 SUMMERLINN WAY
WEST LINN, OR 97068

BUCKMAN DENNIS D
2348 FALCON DR
WEST LINN, OR 97068

CABINE MONROE TRUSTEE
2325 FALCON DR
WEST LINN, OR 97068

CALZARETTA VICTOR A
PO BOX 1389
MEDFORD, OR 97501

CARTER MICKEY A
4830 SUMMERLINN WAY
WEST LINN, OR 97068

CHAMBERS WILLIAM J TRUSTEE
4650 SUMMERLINN WAY
WEST LINN, OR 97068

CIESLIK SHEILA
4640 SUMMERLINN WAY
WEST LINN, OR 97068

CITY OF WEST LINN
22500 SALAMO RD
WEST LINN, OR 97068

COOLEY ROXANA G & KEVIN L
2850 SW CEDAR HILLS DR
BEAVERTON, OR 97005

COTERILL DAVID M
4535 SUMMERLINN WAY
WEST LINN, OR 97068

CURTIS MICHELLE K
5575 SUMMERLINN WAY
WEST LINN, OR 97068

CUSHMAN CHRISTOPHER J & CARMA
2335 TANNER DR
WEST LINN, OR 97068

DANIEL JOHN P JR & MARY K
22118 S HWY 213
OREGON CITY, OR 97045

DARBY GERALD L & JACQUELYN C
5105 SUMMERLINN WAY
WEST LINN, OR 97068

DICKSON LINDA J
4890 SUMMERLINN WAY
WEST LINN, OR 97068

DOBROTH RONALD C CO-TRUSTEE
PO BOX 1696
KALAMA, WA 98625

DOCEKAL & MOYER LLC
9317 NW KAISER RD
PORTLAND, OR 97231

DODD SIMON & JODILU A
2419 REMINGTON DR
WEST LINN, OR 97068

DYRDAHL LANCE L & JAMI L
2111 GREENE ST
WEST LINN, OR 97068

EWALT TONI
5595 SUMMERLINN WAY
WEST LINN, OR 97068

FARRA RICHARD D TRUSTEE
4800 SUMMERLINN WAY
WEST LINN, OR 97068

FIDELITY NATIONAL TITLE INSURANCE
CO
2111 S 67TH ST STE 210
OMAHA, NE 68106

FIDONE GEORGE S
2333 FALCON DR
WEST LINN, OR 97068

FISCHER EDWARD & M A FISCHER-
CHESLOCK
2525 REMINGTON DR
WEST LINN, OR 97068

FOODMAKERS INC
RENT CONTROL DEPT
9330 BALBOA AVE
SAN DIEGO, CA 92123

FOSTER ROBINSON
2375 FALCON DR
WEST LINN, OR 97068

FROLAND LAWRENCE A & CATHERINE
N
4840 SUMMERLINN WAY
WEST LINN, OR 97068

GILES ROBERT B & MARILYN J
4935 SUMMERLINN WAY
WEST LINN, OR 97068

GLAUNERT PAUL & AMY WALTZ
2350 FALCON DR
WEST LINN, OR 97068

GOMBOS MICHAEL NICK III
4690 SUMMERLINN WAY
WEST LINN, OR 97068

GRAVETT MATTHEW
2353 FALCON DR
WEST LINN, OR 97068

GRAY RYAN W
2413 REMINGTON DR
WEST LINN, OR 97068

GRILL LEONARD E & LINDA L
2915 SAND TRAP RD SE
DEMING, NM 88030

GWIN WILLIAM H
4200 SUMMERLINN WAY
WEST LINN, OR 97068

HENDERSON JERRILYN & DAVID
4735 SUMMERLINN WAY
WEST LINN, OR 97068

HENRIOT PHILIPPE
1826 BARNES CIR
WEST LINN, OR 97068

HERTEL DIANA M
5355 SUMMERLINN WAY
WEST LINN, OR 97068

HILGENDORF STEPHANIE J
5155 SUMMERLINN WAY
WEST LINN, OR 97068

HUMPHREY ROBERT D
2539 REMINGTON DR
WEST LINN, OR 97068

INNES FAMILY TRUST
1820 BARNES CIR
WEST LINN, OR 97068

JAMES TRACY A
4901 SUMMERLINN WAY #14
WEST LINN, OR 97068

JENSEN MINDY
5175 SUMMERLINN WAY
WEST LINN, OR 97068

JOHNSON DOROTHY E
5660 SUMMERLINN WAY
WEST LINN, OR 97068

JOHNSON KIRSTIN
4230 SUMMERLINN WAY
WEST LINN, OR 97068

JOHNSTON ETHEL LINDA
4955 SUMMERLINN WAY
WEST LINN, OR 97068

JOHNSTON NICOLETTA HELEN
6495 SW WILHELM RD
TUALATIN, OR 97062

JONES GARY M & SANDRA A
2338 FALCON DR
WEST LINN, OR 97068

KALINOWSKI FRANK E & SANDRA
4660 SUMMERLINN WAY
WEST LINN, OR 97068

KALMAN JEFFERY
4705 SUMMERLINN WAY
WEST LINN, OR 97068

KELLER DEBORAH L
5600 SUMMERLINN WAY
WEST LINN, OR 97068

KEMP DONALD L & CONSTANCE V
2117 GREENE ST
WEST LINN, OR 97068

KG INVESTMENT CO LLC
1502 SW MONTGOMERY
PORTLAND, OR 97201

KHEMLANI R B & KUMARI R
2405 REMINGTON DR
WEST LINN, OR 97068

KHOURY FIRAS
2330 FALCON DR
WEST LINN, OR 97068

KIM MICHAEL S TRUSTEE
2102 GREENE ST
WEST LINN, OR 97068

KOLSTAD TOBY M & LINDA C
2115 GREENE ST
WEST LINN, OR 97068

LEE BRIAN
2383 TAYLOR DR
WEST LINN, OR 97068

LEWIS M MARIE TRUST
5501 SUMMERLINN WAY
WEST LINN, OR 97068

LIU JIN & FANNY ZHEN
2040 RIVERKNOLL CT
WEST LINN, OR 97068

MADISON HEIGHTS LLC
1965 EGAN WAY
LAKE OSWEGO, OR 97034

MARKS ROBERT
5640 SUMMERLINN WAY UNIT 39
WEST LINN, OR 97068

MCCLESKEY SHELLEY
4501 SUMMERLINN WAY
WEST LINN, OR 97068

MCKINNON SPENCER E
5840 SUMMERLINN WAY
WEST LINN, OR 97068

MERCIER MATT
2322 NE DAVIS ST
PORTLAND, OR 97232

MHK LLC
9220 SW BARBUR BLVD STE 119-345
PORTLAND, OR 97219

MICHELS JOHN T
4995 SUMMERLINN WAY
WEST LINN, OR 97068

MILLIMAN JOHN M
5830 SUMMERLINN WAY
WEST LINN, OR 97068

MOORE ELIZABETH B
5850 SUMMERLINN WAY
WEST LINN, OR 97068

MURRAY JOHNNIE M TRUSTEE
3651 SW 63RD ST
REDMOND, OR 97756

NATIONSTAR MORTGAGE LLC
350 HIGHLAND DR
LEWISVILLE, TX 75067

ODMAN DENNIS M & SHARON A
1818 BARNES CIR
WEST LINN, OR 97068

OVEREN GERALD & JOANN
5800 SUMMERLINN WAY
WEST LINN, OR 97068

OZERUGA LUDMILA
PO BOX 11778
PORTLAND, OR 97211

PARLAY LEASING & MANAGEMENT LLC
19153 LOT WHITCOMB DR
OREGON CITY, OR 97045

PHELAN WILLIAM T & MARY CLAIRE
455 AUSTRALIAN AVE #4E
PALM BEACH, FL 33480

PHILLIPS FAMILY TRUST
2372 FALCON DR
WEST LINN, OR 97068

PIKE LESLIE
4850 SUMMERLINN WAY
WEST LINN, OR 97068

PRETTYMAN ANNE C TRUSTEE
1920 ARENA CT
WEST LINN, OR 97068

PRYOR KENNETH A & SHERRY O
2119 GREENE ST
WEST LINN, OR 97068

RASMUSSEN ARTHUR L & MARILYN C
5305 SUMMERLINN WAY
WEST LINN, OR 97068

RATHJE EDWARD S
5101 SUMMERLINN WAY
WEST LINN, OR 97068

READ DONALD N & SHERYL D
1828 BARNES CIR
WEST LINN, OR 97068

RIAD SHERIF K & NAGWA N
2366 FALCON DR
WEST LINN, OR 97068

RICHARDSON WARREN P
945 N MAPLE GROVE RD APT 304
BOISE, ID 83704

RITTENHOUSE EARL J & ELIZABETH A
2101 GREENE ST
WEST LINN, OR 97068

RKM DEVELOPMENT INC
15160 NW LAIDLAW RD # 108
PORTLAND, OR 97229

RODGERS RICH
2378 FALCON DR
WEST LINN, OR 97068

ROGERS CHRISTOPHER L & CHRISTINE A
2355 TANNER DR
WEST LINN, OR 97068

RUPERT JENNIFER & PAUL OLENGINSKI
2425 REMINGTON DR
WEST LINN, OR 97068

SAUER MARIANNE L
4290 SUMMERLINN WAY
WEST LINN, OR 97068

SCHOEPKE CAROL
5301 SUMMERLINN WAY
WEST LINN, OR 97068

SCHULTZ MARILYN
2423 REMINGTON DR
WEST LINN, OR 97068

SERICKO RESOURCES LLC
PO BOX 82697
PORTLAND, OR 97282

SEROTE ARTHUR M TRUSTEE
2412 LOS OLIVOS LN
LA CRESCENTA, CA 91214

SHANGLE SCOTT E
5555 SUMMERLINN WAY
WEST LINN, OR 97068

SHERIDAN WILLIAM G JR & NANCY O
1816 BARNES CIR
WEST LINN, OR 97068

SMITH STANLEY J CO-TRUSTEE
4575 SUMMERLINN WAY
WEST LINN, OR 97068

STATE OF OREGON
HIGHWAY DIVISION
417 TRANSPORTATION BLDG
SALEM, OR 97310

STODDART ROBERT G TRUSTEE
1904 HALL ST
WEST LINN, OR 97068

STURTEVANT GREGG R
1430 OLGA WAY
PALM SPRINGS, CA 92262

SWANSON MICHELLE V
6050 SUMMERLINN WAY
WEST LINN, OR 97068

SWANSON WALTER A TRUSTEE
4701 SUMMERLINN WAY
WEST LINN, OR 97068

SWEET STAN & LEONORE
5375 SUMMERLINN WAY
WEST LINN, OR 97068

TAUBE MARY E
4755 SUMMERLINN WAY
WEST LINN, OR 97068

THOMAS BRADLEY R
2390 FALCON DR
WEST LINN, OR 97068

TRIBOU THOMAS R & DELORES J
2360 FALCON DR
WEST LINN, OR 97068

TROSS ROBERT P & DOROTHY M
4630 SUMMERLINN WAY
WEST LINN, OR 97068

VALENTINE BYRON
4505 SUMMERLINN WAY
WEST LINN, OR 97068

VANDENHAAK WADE A & JOLENE M
2103 GREENE ST
WEST LINN, OR 97068

WALSH LAWRENCE P
5890 SUMMERLINN WAY
WEST LINN, OR 97068

WEAVER LISA M
5195 SUMMERLINN WAY
WEST LINN, OR 97068

WEST CURTISS E
18938 CATHY ADAMS DR
OREGON CITY, OR 97045

WEST LINN ASSOCIATES LLC
2625 NORTHRUP WAY
BELLEVUE, WA 98004

WILBERSCHIED JACK R
PO BOX 1524
HOOD RIVER, OR 97031

WILCH RICHARD
6600 N CARDINAL DR
PARADISE VALLEY, AZ 85253

WOOD DEAN & JENNIFER
1822 BARNES CIR
WEST LINN, OR 97068

WOODHOUSE KATIE E
9100 SW ARAPAHO RD
TUALATIN, OR 97062

WYATT MARVIN L TRUSTEE
2340 TANNER DR
WEST LINN, OR 97068

YOUNG TODD M
1176 TROON RD
LAKE OSWEGO, OR 97034

ZIMMERMAN ROBERT R CO-TRUSTEE
697 OAKMONT AVE UNIT 3312
LAS VEGAS, NV 89109

STEVE GARNER
BHT NA PRESIDENT
3525 RIVERKNOLL WAY
WEST LINN OR 97068

SALLY MCLARTY
BOLTON NA PRESIDENT
19575 RIVER RD # 64
GLADSTONE OR 97027

ERIK VAN DE WATER
HIDDEN SPRINGS NA PRESIDENT
6433 PALOMINO WAY
WEST LINN OR 97068

JEF TREECE
MARYLHURST NA PRESIDENT
1880 HILLCREST DR
WEST LINN OR 97068

BILL RELYEA
PARKER CREST NA PRESIDENT
3016 SABO LN
WEST LINN OR 97068

AARON BUFFINGTON
ROBINWOOD NA PRESIDENT
3820 RIDGEWOOD WAY
WEST LINN OR 97068

KEN PRYOR
SAVANNA OAKS NA VICE PRES
2119 GREENE ST
WEST LINN, OR 97068

ED SCHWARZ
SAVANNA OAKS NA PRESIDENT
2206 TANNER DR
WEST LINN OR 97068

TRACY GILDAY
SKYLINE RIDGE NA PRESIDENT
1341 STONEHAVEN DR
WEST LINN OR 97068

TONY BREAUULT
SUNSET NA PRESIDENT
1890 SUNSET CT
WEST LINN OR 97068

MICHAEL SELVAGGIO
WILLAMETTE NA PRESIDENT
1790 FIFTH AVE
WEST LINN OR 97068

ALMA COSTON
BOLTON NA DESIGNEE
PO BOX 387
WEST LINN OR 97068

KEVIN BRYCK
ROBINWOOD NA DESIGNEE
18840 NIXON AVE
WEST LINN OR 97068

DOREEN VOKES
SUNSET NA SEC/TREAS
4972 PROSPECT ST
WEST LINN OR 97068

WEST LINN CHAMBER OF
COMMERCE
1745 WILLAMETTE FALLS DR
WEST LINN OR 97068

ROB MORGAN
CONAM PROPERTIES LLC
3990 RUFFIN RD, STE 100
SAN DIEGO CA 92123

WILLIAM WILT
1800 BLANKENSHIP RD STE 200
WEST LINN, OR 97068

MICHAEL ROBINSON
PERKINS COIE LLC
1120 NW COUCH ST, 10TH FLOOR
PORTLAND, OR 97209-4128

MIRANDA BATESCHELL
METRO
600 NE GRAND AVE
PORTLAND OR 97232

PLAN ADMENDMENT SPECIALIST
DEPT OF LAND CONSERVATION & DEVELOP
635 CAPITOL ST NE STE 150
SALEM OR 97301-2540

JENNIFER DONNELLY
DEPT OF LAND CONSERVATION & DEVELOP
1600 SW 4TH AVE, STE 109
PORTLAND, OR 97201

SETH BRUMLEY
ODOT DEVELOPMENT REVIEW
123 NW FLANDERS
PORTLAND OR 97209-4307

MARTY JENSVOLD
ODOT DEVELOPMENT REVIEW
123 NW FLANDERS
PORTLAND OR 97209-4307

TY DARBY
TVF&R
20665 SW BLANTON ST
ALOHA OR 97007

BILL RHOADES, SUPERINTENDENT
WLWV SCHOOL DISTRICT 3JT
2755 SW BORLAND RD
TUALATIN, OR 97062

REGAN MOLATORE
WLWV SCHOOL BOARD
25272 SW GAGE RD
WILSONVILLE, OR 97070

KEITH STEELE
WLWV SCHOOL BOARD
21415 MILES DR
WEST LINN, OR 97068

ROB FERNANDEZ
WLWV SCHOOL BOARD
P O BOX 3170
WILSONVILLE, OR 97070

KRISTEN KESWICK
WLWV SCHOOL BOARD
11813 SW GRENOBLE ST
WILSONVILLE, OR 97070

BETTY REYNOLDS
WLWV SCHOOL BOARD
25202 SW PETES MOUNTAIN RD
WEST LINN, OR 97068

TIM WOODLEY, DIR. OR OPERATIONS
WLWV SCHOOL DISTRICT 3JT
2755 SW BORLAND RD
TUALATIN, OR 97062

TRI-MET
PROJECT PLANNING DEPT
710 NE HOLLADAY
PORTLAND, OR 97232

MAILED
9-11-14 S. Shoyev

CITY OF WEST LINN PLANNING COMMISSION

PUBLIC HEARING NOTICE

Amend the Comprehensive Plan Map and Zoning Map to permit multi-family housing on three parcels at the northwest corner of Tannler Drive and Blankenship Road (ZC-14-01 and PLN-14-01)

The West Linn Planning Commission will hold a public hearing on Wednesday, October 1, 2014, **starting at 6:30 p.m.** in the Council Chambers in City Hall, 22500 Salamo Road, West Linn, to consider a request by ConAm Properties, LLC to change the Comprehensive Plan Map designation from Commercial to Medium-high Density Residential and to change the Zoning Map designation from Office Business Center (OBC) to Medium-high Density Residential (R-2.1) on three parcels at the northwest corner of Tannler Drive and Blankenship Road (Clackamas County Assessor's Map 2S 1E 35C tax lots 100, 102, and 200). CDC Chapters 21 and 16 outline the uses permitted in the OBC and R-2.1 zoning districts, respectively. The Planning Commission will make a recommendation to the City Council to approve, approve with conditions or deny the Applicant's request.

The criteria applicable to Comprehensive Plan Map and Zoning Map amendments are found in Chapters 99 and 105 of the West Linn Community Development Code (CDC). A recommendation by the Planning Commission to approve or deny this request will be based upon applicable criteria. At the hearing, it is important that comments relate specifically to the applicable criteria.

The complete application for ZC-14-01/PLN-14-01 is available for inspection at no cost at City Hall or via the City of West Linn's website at <https://westlinnoregon.gov/planning/nw-corner-blankenship-tannler-drive-zone-change-and-comp-plan-zoning-map-change>. Printed copies of these documents may be obtained at City Hall for a minimal charge per page.

At least ten days prior to the hearing, a copy of the staff report will be available for inspection at no cost or copies can be obtained for a minimal charge per page. For further information, please contact Zach Pelz, Associate Planner, at City Hall, 22500 Salamo Road, West Linn, OR 97068, zpelz@westlinnoregon.gov, or 503-723-2542.

The hearing will be conducted in accordance with the rules of Section 99.170 of the CDC. Anyone wishing to present written testimony on this proposed action may do so in writing prior to, or at the public hearing. Oral testimony may be presented at the public hearing. At the public hearing, the Planning Commission will receive a staff presentation, and invite both oral and written testimony. The Planning Commission may continue the public hearing to another meeting to obtain additional information, leave the record open for additional evidence, arguments, or testimony, or close the public hearing and take action on the application as provided by state law. Failure to raise an issue in person or by letter at some point prior to the close of the hearing, or failure to provide sufficient specificity to afford the decision maker an opportunity to respond to the issues, precludes an appeal to the Land Use Board of Appeals (LUBA) based on that issue.

SHAUNA SHROYER
Planning Administrative Assistant



CITY OF West Linn

August 21, 2014

Rob Morgan
ConAm Properties, LLC
3990 Ruffin Rd., Ste., 100
San Diego, CA 92123

Subject: File No. ZC-14-01/PLN-14-01

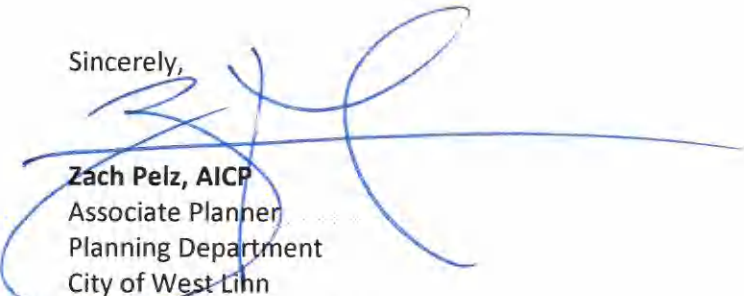
Mr. Morgan:

Thank you for submitting a request for a Comprehensive Plan Map amendment and Zone Change for three tax lots (map number 2S 1E 35C, lots 100, 102 and 200) at the northwest corner of Blankenship Road and Tannler Drive in West Linn. Comprehensive Plan Map amendment and zone change applications are reviewed for consistency with applicable submittal standards in the West Linn Community Development Code (CDC) to ensure the application package contains the information necessary to make a well-informed decision.

Staff has reviewed your submittal and finds the application **complete** per the above-referenced requirements. The City has 120 days to exhaust all local review; that period ends Friday, December 19, 2014.

Please do not hesitate to call or email with questions.

Sincerely,



Zach Pelz, AICP
Associate Planner
Planning Department
City of West Linn

zpelz@westlinnoregon.gov
(503) 723-2542

cc: Michael Robinson, Perkins Coie LLP
Jeff Parker
William Wilt
Ed Schwarz, Savanna Oaks Neighborhood Association
Ken Pryor, Savanna Oaks Neighborhood Association
Michael Selvaggio, Willamette Neighborhood Association



DEVELOPMENT REVIEW APPLICATION

For Office Use Only		
STAFF COMMENTS <i>Zach Pelz</i>	PROJECT NO(S) <i>2C-1401 / PLN-14-01</i>	
NON-REFUNDABLE FEE(S) <i>0</i>	REFUNDABLE DEPOSIT(S) <i>3000</i>	TOTAL <i>3000</i>

Type of Review (Please check all that apply):

- | | | |
|--|---|--|
| ☐ Annexation (ANX) | ☐ Historic Review | ☐ Subdivision (SUB) |
| ☐ Appeal and Review (AP) * | ☐ Legislative Plan or Change | ☐ Temporary Uses * |
| ☐ Conditional Use (CUP) | ☐ Lot Line Adjustment (LLA) */** | ☐ Time Extension * |
| ☐ Design Review (DR) | ☐ Minor Partition (MIP) (Preliminary Plat or Plan) | ☐ Variance (VAR) |
| ☐ Easement Vacation | ☐ Non-Conforming Lots, Uses & Structures | ☐ Water Resource Area Protection/Single Lot (WAP) |
| ☐ Extraterritorial Ext. of Utilities | ☐ Planned Unit Development (PUD) | ☐ Water Resource Area Protection/Wetland (WAP) |
| ☐ Final Plat or Plan (FP) | ☐ Pre-Application Conference (PA) */** | ☐ Willamette & Tualatin River Greenway (WRG) |
| ☐ Flood Management Area | ☐ Street Vacation | ☒ Zone Change |
| ☐ Hillside Protection & Erosion Control | | |

Home Occupation, Pre-Application, Sidewalk Use, Sign Review Permit, and Temporary Sign Permit applications require different or additional application forms, available on the City website or at City Hall.

Site Location/Address:

NORTHWEST CORNER OF BLANKENSHIP ROAD AND TANNER DRIVE

Assessor's Map No.: 21E35C

Tax Lot(s): 100, 102, 200

Total Land Area: approx.. 11 acres

Brief Description of Proposal: CHANGE THE COMPREHENSIVE PLAN MAP DESIGNATION FROM "COMMERCIAL" TO "MEDIUM DENSITY RESIDENTIAL" AND CHANGE THE ZONING MAP DESIGNATION FROM "OBC" TO "R-2.1".

Applicant Name: CONAM PROPERTIES, LLC C/O ROB MORGAN

Phone: (858) 614-7378

(please print)

Address: 3990 RUFFIN RD STE 100

Email: rmorgan@conam.com

City State Zip: SAN DIEGO, CA 92123

Owner Name (required): JEFFERY I. PARKER AND WILLIAM S. WILT

Phone: (503) 742-1942

(please print)

Address: 1800 BLANKENSHIP RD. #200

Email: jeff@parkerdev.com

City State Zip: WEST LINN, OR 97068

Consultant Name: MICHAEL C. ROBINSON

Phone: (503) 727-2264

(please print)

Address: 1120 NW COUCH ST. 10TH FLOOR

Email:

City State Zip: PORTLAND, OR 97209

mrobinson@perkinscoie.com

1. All application fees are non-refundable (excluding deposit). Any overruns to deposit will result in additional billing.

2. The owner/applicant or their representative should be present at all public hearings.

3. A denial or approval may be reversed on appeal. No permit will be in effect until the appeal period has expired.

4. Three (3) complete hard-copy sets (single sided) of application materials must be submitted with this application.

One (1) complete set of digital application materials must also be submitted on CD in PDF format.

If large sets of plans are required in application please submit only two sets.

* No CD required / ** Only one hard-copy set needed

The undersigned property owner(s) hereby authorizes the filing of this application, and authorizes on site review by authorized staff. I hereby agree to comply with all code requirements applicable to my application. Acceptance of this application does not infer a complete submittal. All amendments to the Community Development Code and to other regulations adopted after the application is approved shall be enforced where applicable. Approved applications and subsequent development is not vested under the provisions in place at the time of the initial application.

See attached signature page

Applicant's signature

Date

Owner's signature (required)

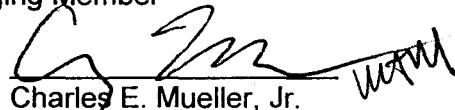
Date

Attached to
City of West Linn
Development Review Application

ConAm Properties LLC,
A Delaware limited liability company

By: DJE Financial Corp.,
A California corporation
Managing Member

By:


Charles E. Mueller, Jr.
Vice President



Planning & Development • 22500 Salamo Rd #1000 • West Linn, Oregon 97068
Telephone 503.656.4211 • Fax 503.656.4106 • westlinnoregon.gov

DEVELOPMENT REVIEW APPLICATION

For Office Use Only		
STAFF CONTACT	PROJECT NO(s).	
NON-REFUNDABLE FEE(S)	REFUNDABLE DEPOSIT(S)	TOTAL

Type of Review (Please check all that apply):

- | | | |
|--|---|--|
| ☐ Annexation (ANX) | ☐ Historic Review | ☐ Subdivision (SUB) |
| ☐ Appeal and Review (AP) * | ☐ Legislative Plan or Change | ☐ Temporary Uses * |
| ☐ Conditional Use (CUP) | ☐ Lot Line Adjustment (LLA) */** | ☐ Time Extension * |
| ☐ Design Review (DR) | ☐ Minor Partition (MIP) (Preliminary Plat or Plan) | ☐ Variance (VAR) |
| ☐ Easement Vacation | ☐ Non-Conforming Lots, Uses & Structures | ☐ Water Resource Area Protection/Single Lot (WAP) |
| ☐ Extraterritorial Ext. of Utilities | ☐ Planned Unit Development (PUD) | ☐ Water Resource Area Protection/Wetland (WAP) |
| ☐ Final Plat or Plan (FP) | ☐ Pre-Application Conference (PA) */** | ☐ Willamette & Tualatin River Greenway (WRG) |
| ☐ Flood Management Area | ☐ Street Vacation | ☒ Zone Change |
| ☐ Hillside Protection & Erosion Control | | |

Home Occupation, Pre-Application, Sidewalk Use, Sign Review Permit, and Temporary Sign Permit applications require different or additional application forms, available on the City website or at City Hall.

Site Location/Address: NORTHWEST CORNER OF BLANKENSHIP ROAD AND TANNER DRIVE	Assessor's Map No.: 21E35C
	Tax Lot(s): 100, 102, 200
	Total Land Area: approx. 11 acres

Brief Description of Proposal: CHANGE THE COMPREHENSIVE PLAN MAP DESIGNATION FROM "COMMERCIAL" TO "MEDIUM DENSITY RESIDENTIAL" AND CHANGE THE ZONING MAP DESIGNATION FROM "OBC" TO "R-2.1".

Applicant Name: CONAM PROPERTIES, LLC C/O ROB MORGAN (please print)	Phone: (858) 614-7378
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Owner Name (required): JEFFERY I. PARKER AND WILLIAM S. WILT (please print)	Phone: (503) 742-1942
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Consultant Name: MICHAEL C. ROBINSON (please print)	Phone: (503) 727-2264
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1. All application fees are non-refundable (excluding deposit). Any overruns to deposit will result in additional billing.
2. The owner/applicant or their representative should be present at all public hearings.
3. A denial or approval may be reversed on appeal. No permit will be in effect until the appeal period has expired.
4. Three (3) complete hard-copy sets (single sided) of application materials must be submitted with this application. One (1) complete set of digital application materials must also be submitted on CD in PDF format. If large sets of plans are required in application please submit only two sets.

* No CD required / ** Only one hard-copy set needed

The undersigned property owner(s) hereby authorizes the filing of this application, and authorizes on site review by authorized staff. I hereby agree to comply with all code requirements applicable to my application. Acceptance of this application does not infer a complete submittal. All amendments to the Community Development Code and to other regulations adopted after the application is approved shall be enforced where applicable. Approved applications and subsequent development is not vested under the provisions in place at the time of the initial application.

See attached signature page

Applicant's signature

Date

Owner's signature (required)

Date

5/28/14

**BEFORE THE PLANNING COMMISSION AND CITY COUNCIL FOR
THE CITY OF WEST LINN, OREGON**

In the matter of an application by ConAm	)	
Properties LLC ("ConAm") for approval of a	)	
concurrent Comprehensive Plan map and	)	FINDINGS OF FACT AND
zoning map amendment from the	)	CONCLUSIONS OF LAW
Comprehensive Plan designation of	)	DEMONSTRATING THAT THE
"Commercial" to "Medium-High Density	)	APPLICABLE APPROVAL CRITERIA
Residential" and from the zoning map	)	FOR THE CONCURRENT
design of "Office Business	)	COMPREHENSIVE PLAN MAP AND
Commercial" ("OBC") to "Medium-High	)	ZONING MAP AMENDMENT ARE
Density Residential (R-2.1)" on the property	)	SATISFIED
located northwest of the intersection of	)	
Tannler Drive and Blankenship Road,	)	
containing approximately 10.13 acres.	)	

I. INTRODUCTION.

1. REQUEST.

The Applicant is ConAm. The property owners are Jeffrey Parker and William Wilt. The City of West Linn (the "City") "Development Review" form for the Application has been executed by Jeffrey Parker and William Wilt (**Exhibit 1**).

The Application requests the concurrent approval of a Comprehensive Plan (the "Plan") map and zoning map amendment from the current Comprehensive Plan map designation of "Commercial" to "Medium-High Density Residential" and from the current zoning map designation of "Office Business Commercial" ("OBC") to "Medium-High Residential" ("R-2.1") in order to allow development. The property is located near the northwest corner of the Tannler Drive and Blankenship Road (**Exhibit 2**). The property that is the subject of the Application contains about 10.13 acres (**Exhibit 3**). The existing OBC zoned land on 1.22 acres north of Blankenship Drive is not included in the Application (**Exhibit 4**).

2. JUSTIFICATION FOR THE APPLICATION.

ConAm requests this amendment to the City's acknowledged Plan and zoning maps for several reasons.

A. If the amendment is not approved and the site remains in the OBC zone, it is highly unlikely that it will be developed in the near or mid-term. As explained elsewhere in the Application, there is sufficient supply of vacant or redevelopable land in zones where offices are a permitted use to serve the City's projected 40-year need. If the historic rate of OBC land development since 1980, or 0.36 acres per year, is used, there is an estimated 80 year plus land supply for the zones in which offices are a permitted use.

B. Because the OBC zone is primarily an office zone, it is highly unlikely that the site will be developed for office use. Mr. Jeffrey Parker developed the Summerlin Center office building to the west and currently owns the two (2) building office park, Willamette 205 Corporate Center to the west of this site. Mr. Parker has told the Applicant that over the past eight (8) years he has struggled with vacancy between 25-50% in the Willamette 205 Corporate Center. As the Johnson Economics study (**Exhibit 5**) demonstrates, the office market in West Linn is extremely soft, with a vacancy rate of approximately 31 percent. The much larger, more well-known office area on Kruse Way in Lake Oswego remains soft even in the face of recovery of the Portland economy. Johnson Economics believes that the only viable office market for new offices is downtown Portland.

C. The OBC is primarily an office zone (**Exhibit 6**). The OBC zone permits very few retail uses outright. While the OBC zone allows several retail uses as conditional uses, it is highly unlikely that a retail tenant, for what would very likely be a small retail use, would go through a discretionary and highly subjective conditional use review process to develop a retail use on this site. The site topography and the existing retail uses to the south of this site (in the

River Falls Shopping Center), on the south side of I-205, and in the Willamette commercial area, make significant retail development on this site unlikely.

D. This site is more conducive to multiple-family development, which will occur on a variety of building “footprints”, instead of the larger “footprint” required for office development. The exception is the relatively flat 1.22 acre area on the north side of Blankenship Road that will be retained in the OBC zone.

E. The City will benefit economically in a number of ways from this amendment, which will allow multiple-family development. The Application explains that these benefits include increased revenue from general property taxes that benefits not only the City but special districts, including the West Linn-Wilsonville School District; excise taxes that will be received by the West Linn-Wilsonville School District; additional residents will patronize the existing retail uses to the south of this site (in the River Falls Shopping Center), on the south side of I-205, and in the Willamette commercial area; and short term benefits from construction of the development. The expected number of school age children that would reside in the multiple-family development after approval of the Application will not have a significant adverse impact on the three (3) schools which they would attend.

F. Finally, the OBC allows for multiple-family developments if the ground floor contains commercial uses. West Linn Community Development Code (“CDC”) 21.050.1. However, the OBC provides no guidance as to the type or quantity of commercial uses. The Applicant’s expectation, borne out by its substantial experience in development of multiple-family projects, is that this site is not desirable for ground floor commercial uses.

G. The Johnson Economics study indicates that similar vertical mixed used projects, such as the neo-traditional development in Fairview, have been economically unsuccessful. The

Orenco development in Hillsboro has been more successful but it is far more dense than is possible on this site and it is within walking distance of a Westside Light Rail station. All of these factors militate against this site being similarly developed with mixed use commercial and multiple-family residential buildings. The result is that development of a multiple-family project in the OBC zone would result in unused or, at best, under-performing commercial spaces, which would detract from the attractiveness and success of the multiple-family development and become a detriment to this development and the West Linn community.

H. To the extent the City is concerned about compatibility between this multiple-family site and adjacent single-family residential development to the north and west, the Applicant's representation is that it will maintain the northern approximately 3 acre portion of the site as open space to provide a natural buffer between this site and the single-family development. Moreover, the City can find that there is very little reason for most vehicle trips from this site to go north on Tannler Drive. Most vehicle trips will go south in order to reach the shopping center across the street, the shopping area south of I-205, the Willamette commercial area, the shopping center on Salamo Road near City Hall, and I-205 in order to reach other destinations within the Portland area.

I. The R-2.1 zone will generate about half the number of vehicle trips as will the OBC zone. This will result in less impact on surrounding street intersections.

3. CLASSIFICATION OF APPLICATION.

The Application is a post-acknowledgment plan amendment subject to the provisions of ORS 197.610 and 197.615 and OAR Chapter 660, Division 18 regarding notice to the Oregon Department of Land Conservation and Development ("DLCD").

The Application does not include a development proposal. If the City Council approves the Application, ConAm will submit a Design Review application for multiple-family residential development allowed as a permitted use outright in the R-2.1 zone.

4. APPLICABLE APPROVAL CRITERIA.

This post acknowledgment amendment application is subject to the following approval criteria:

- Statewide Planning Goals 1, 2, 9, 10, 11, 12 and 13;
- Oregon Administrative Rules implementing Goals 9, 10 and 12; OAR 660-009, and OAR 660-007 “The Metropolitan Housing Rule”, and OAR 660-012, “The Transportation Planning Rule”;
- Applicable Metro Functional Plan (“Functional Plan”) standards;
- Applicable City of West Linn Comprehensive Plan (the “Plan”) Goals and Policies; and
- Applicable criteria in CDC Chapters 99, “Procedures for Decision Making: Quasi-Judicial”, and Chapter 105, “Amendments to the Code and Map”.

5. PRE-APPLICATION MEETING WITH WEST LINN COMMUNITY DEVELOPMENT DEPARTMENT.

The Applicant held a pre-application meeting as required by CDC 99.030 with the West Linn Community Planning Department on December 5, 2013. The pre-application meeting notes are attached to the Application (**Exhibit 7**). There is no expiration date for a pre-application meeting.

6. NEIGHBORHOOD MEETINGS WITH THE WILLAMETTE AND SAVANNA OAKS NEIGHBORHOOD ASSOCIATIONS.

CDC 99.038 requires neighborhood meetings be held with the City-recognized neighborhood association for zone changes that require a Plan map amendment. The Application is located within the boundaries of the Willamette Neighborhood Association (**Exhibit 8**). The Applicant met with the Willamette Neighborhood Association on November 13, 2013. The meeting minutes and evidence of mailing of notice of the neighborhood meeting are attached

(**Exhibit 9**). The Applicant also met with the nearby Savanna Oaks Neighborhood Association on December 3, 2013. The meeting minutes and evidence of mailing of notice of the meeting are attached (**Exhibit 10**).

The Applicant met with the Willamette Neighborhood Association in a follow-up meeting on July 9, 2014. The Applicant plans to meet a second time with the Savanna Oaks Neighborhood Association on August 5, 2014.

II. EXISTING CONDITIONS.

1. SITE LOCATION AND SIZE, TAX LOT DESCRIPTION, LAND USE DESIGNATIONS AND STREET CLASSIFICATIONS.

The site that is the subject of the Application is located near the northwest of the intersection of Tannler Drive and Blankenship Road. (**Exhibit 2**). The property consists of portions of three (3) tax lots (Clackamas County Assessor Map No. 21E35C, Tax Lots 100, 102 and 200) containing approximately 10.13 acres (**Exhibit 11**).

The site slopes fairly steeply from its south edge along Blankenship Road to its north edge.

The two (2) adjacent streets are Tannler Drive, a Local Street, and Blankenship Road, a Collector Street.

2. SURROUNDING USES AND PLAN MAP AND ZONING MAP DESIGNATIONS.

The site's surrounding land uses are as follows:

- To the west and adjacent to this site's western boundary, the property is zoned OBC and developed with three (3) office buildings;
- To the north and across Falcon Drive, single-family residential development is zoned R-10 zone; and to the north across Summerlinn Way, single-family and multifamily residential is zoned R-2.1;
- To the east across Tannler Drive, property is zoned OBC and partly developed as a City of West Linn Park and partly in private ownership and vacant; and

- To the south across Blankenship Road, the River Falls Shopping Center in the GC zoning district.

3. PUBLIC FACILITIES AND SERVICES.

The site is served by the Tualatin Valley Fire and Rescue District ("TVFRD"). The nearest TVFRD station is station 58 located at 1860 Willamette Falls Drive (**Exhibit 12**). The site is served by the City of West Linn Police Department. The Police Department is located at 22825 Willamette Drive (**Exhibit 13**). The site is adjacent to the City owned White Oaks Savanna Park located immediately east across Tannler Drive (**Exhibit 14**). The site is also served by three (3) schools. The West Linn High School is located at 5464 West "A" Street (**Exhibit 15**). The Rosemont Ridge Middle School is located at 20001 Salamo Road (**Exhibit 16**). The Willamette Primary School is located at 1403 12th Street (**Exhibit 17**).

No public or private utilities are currently located on the site.

4. PROPOSED SITE ACCESS.

Tannler Drive is classified as a "Local Street" in the City's TSP (**Exhibit 18**). Blankenship Road is classified as a "Collector Road" in the City's TSP (**Exhibit 18**). At the time of development, the Applicant proposes that the site be served by two (2) driveways: a single driveway serving the property from Tannler Drive and joint driveway serving the property that is the subject of the Application and the retained OBC zoned property on the north side of Blankenship Road.

5. DESCRIPTION OF APPLICATION.

The Application does not include an approximately 1.22 acre strip of land on the north side of Blankenship Road, which will be retained in the OBC zone. The Applicant also proposes to leave an approximately three (3) acre area on the north side of the property as open space, which will preserve the existing trees in that area.

6. TRAFFIC IMPACT ANALYSIS ("TIA").

The local engineering firm MacKenzie prepared a TIA letter dated July 11, 2014 (**Exhibit 19**). The TIA concludes that because the Application will result in *reduced* vehicle trips during the morning and evening peak hours, when compared with vehicle trip generation from the property in its current OBC zone, that a full TIA is unnecessary. The Oregon Department of Transportation ("ODOT") and the City concurred in this analysis. The TIA demonstrates that OAR 660-012-0060(1) is satisfied because the Application will not have a "significant effect" on any surrounding streets because of the reduced trips when compared with the current OBC zone. The Applicant will submit another TIA with the Design Review application.

7. ECONOMIC DEVELOPMENT ANALYSIS.

The Applicant retained Johnson Economics to prepare an assessment of supply and demand of office lands in the City and an economic analysis of the impact of the proposed development on the City's economy. The study is attached as **Exhibit 5**.

8. MEETING WITH THE CITY'S PARKS AND RECREATION ADVISORY BOARD.

The Applicant made a presentation to the Parks and Recreation Advisory Board on January 9, 2014 (**Exhibit 20**). The Applicant explained, as noted above, that it will retain about three (3) acres of the site's northern area in its current status for the purpose of preserving trees and providing a trail connection that will connect to the City of West Linn public park located to the east. The City Parks and Recreation Advisory Board recommended that the Application be approved for this reason.

9. MEETING WITH CITY'S ECONOMIC DEVELOPMENT COMMITTEE.

The Applicant met with the City's Economic Development Committee on June 6, 2014 (**Exhibit 21**). The Applicant explained the economic benefits to the committee resulting from approval of the Application. The Applicant did not request, and the Economic Development Committee did not make, a recommendation on the Application.

III. PROCEDURES AND NOTICE REQUIREMENTS FOR REVIEW OF POST ACKNOWLEDGMENT PLAN MAP AMENDMENT.

The Application is classified as a quasi-judicial application because it involves the application of existing laws to a discrete property. The City is required, pursuant to ORS 197.763(2) and CDC 99.080.A.1, to mail notice of the initial evidentiary hearing before the West Linn Planning Commission and the subsequent West Linn City Council hearing to surrounding property owners no less than twenty (20) days before each hearing. The City mails the notice to all property owners within 500 feet of the site. CDC 99.080.A.1.a.

The Application is heard first by the West Linn Planning Commission. CDC 105.040.C. The West Linn Planning Commission, after one or more public hearings, makes a recommendation to the West Linn City Council. The West Linn City Council takes final action on the Application by adopting a final written decision and an ordinance changing the current Comprehensive Plan map and zoning map designations. CDC 99.230.B. The City must provide notice of the initial evidentiary hearing no less than thirty-five (35) days prior to the hearing date to DLCD. The City is required to mail notice of the decision to those persons who appeared before either the Planning Commission or the City Council. ORS 197.610(1); OAR 660-018-0020(1). The City is required to mail notice of adoption of the decision no less than twenty (20) days after the City Council takes action. ORS 197.615(1); OAR 660-018-0040(1). Unless

adopted by emergency, the ordinance changing the map designations becomes effective thirty (30) days after the adoption date.

IV. RELEVANT APPROVAL CRITERIA AND FINDINGS DEMONSTRATING SATISFACTION OF THE RELEVANT APPROVAL CRITERIA.

This section is organized by identifying the relevant approval criteria in the following order:

- Applicable Statewide Planning Goals (the “Goals”);
- Applicable Oregon Administrative Rules (“OAR”);
- Applicable Metro Functional Plan (“Functional Plan”) standards;
- Applicable City of West Linn Comprehensive Plan (the “Plan”) Goals and Policies; and
- Applicable approval criteria found in CDC Chapter 99 and Chapter 105, containing approval criteria for quasi-judicial amendments to the City’s acknowledged Comprehensive Plan and zoning map. The Application also demonstrates that the site can be developed in R-2.1 zone.

1. APPLICABLE OREGON STATEWIDE PLANNING GOALS (THE “GOALS”).

A. Applicable Goals.

There are nineteen (19) goals. Goals are applicable to amendments to acknowledged Comprehensive Plans and land use regulations (including zoning maps). ORS 197.175(2)(a).

This part of the Application addresses the applicable Goals as follows:

- Goal 1, “Citizen Involvement”;
- Goal 2, “Land Use Planning”;
- Goal 9, “Economic Development”;
- Goal 10, “Housing”;
- Goal 11, “Public Facilities and Services”;
- Goal 12, “Transportation”; and

- Goal 13, "Energy Conservation".

Each Goal is set out below, followed by findings demonstrating how the Application complies with the Goal.

1. Goal 1, "Citizen Involvement":

"To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process."

FINDING:

The City can find that the Application satisfies Goal 1 for several reasons. First, as required by CDC 99.038, the Applicant held the required neighborhood meetings with two (2) City recognized neighborhood associations, the Willamette Neighborhood Association and the Savanna Oaks Neighborhood Association. Additionally, the Applicant met again with the two (2) neighborhood associations. Second, the City provides mailed notice of the initial evidentiary Planning Commission hearing and the City Council hearing for the Application to property owners within 500 feet of the perimeter of the site. Any person has the right to appear at the Planning Commission and City Council hearings and submit any argument and evidence regarding applicable approval criteria.

The City can find that Goal 1 is satisfied.

2. Goal 2, "Land Use Planning":

"Part I—Planning: To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land to insure an adequate factual base for such decision and actions."

FINDING:

The City can find that the Application satisfies Goal 2 for several reasons. First, the City applies its applicable Comprehensive Plan and CDC criteria to the Application and follows a quasi-judicial approval process in making a final decision as to whether the Application has

satisfied the applicable approval criteria. This insures that the City follows its established land use planning process and policy framework as a basis for this decision on the Application.

Second, the City can find that substantial evidence within the Application demonstrates that an adequate factual base exists for the decision. The adequate factual base consists of substantial evidence demonstrating that each of the applicable approval criteria is satisfied. Third, the City will coordinate, as that term is defined in ORS 197.015(5), with affected governmental entities, including the Tualatin Valley Fire and Rescue District, which provides fire and emergency services to the property, and the Oregon Department of Transportation, which provides roadway facilities near the site (the interchange of North 10th Street and I-205).

The City can find that Goal 2 is satisfied.

3. Goal 9, "Economic Development":

"To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon citizens."

This Goal provides that Comprehensive Plans and policies "shall contribute to a stable and healthy economy in all regions of the state."

FINDING:

The City can find that the Application satisfies Goal 9 for several reasons. As explained in the Johnson Economics economic analysis, there is ample sufficient OBC zoned land and other Goal 9 land to continue satisfaction of the City's Goal 9 requirements for adequate economic opportunities. The Application obtains substantial evidence that this site is not suitable, nor will it be developed anytime soon, for office development. Additionally, as the City can determine by reviewing the list of permitted and conditional uses in the OBC zone, this site is not a commercial retail site. Moreover, it is highly unlikely that a site consisting of less than 10.0 net acres will be developed as a retail shopping center given not only the restrictive OBC

provisions for retail uses but because of the fact that a large community shopping center is located across Blankenship Road from the River Falls Shopping Center, the site containing an Albertson's grocery store. Additionally, the Johnson Economics study finds that based on a projected 20-year need of office land there is an estimated 40 year supply of vacant or redevelopable office land in the zones in which offices are a permitted use. If the historic rate of OBC land development since 1980, or 0.36 acres per year, is used, there is an estimated 80 year plus land supply in the zones in which offices are a permitted use.

The Johnson Economics study supports the conclusion that this land will have greater economic benefits to the City if it is zoned to allow multiple-family development as opposed to the OBC zone.

The City can find that Goal 9 is satisfied.

4. Goal 10, "Housing":

"To provide for the housing needs of citizens of this state."

FINDING:

The City can find that Goal 10 is satisfied for several reasons. First, this site is appropriate for a development of multiple-family housing. Part IV.5 of the Application describes how this site meets the Plan's criteria for medium-high density residential sites. The site is close to the interchange of North 10th Street and I-205, thus providing easy access to all parts of the Portland metropolitan area. Second, the site is close to shopping opportunities in the shopping center located just to the south of the site and to the Willamette commercial area located within one-half mile to the south of the site. Third, the site is adjacent to the City owned White Savanna Oak park to the east.

Additionally, the City can find that the Johnson Economics study identifies, based on the City's Arch Bridge Study, a need for additional multiple-family housing. Providing additional

multiple-family housing will generally increase the City's housing stock and provide additional price competition and housing opportunities. Further, as provided for in Goal 10, Implementation Policy 4, this is an appropriate site for a residential area because it represents the "optimal use of existing urban land" for residential use in an appropriate location.

The City can find that Goal 10 is satisfied.

5. Goal 11, "Public Facilities and Services":

"To plan and develop a timely, orderly, and efficient arrangement of public facilities and services to serve as a framework for urban and rural development."

The Goals defines "public facilities and services" as "projects, activities and facilities, which the planning agency determines to be necessary for the public health, safety and welfare".

FINDING:

The City can find that the Application satisfies Goal 11 for the following reasons. First, the site is served by the City of West Linn with police services. Second, the site is served by the TVFRD under contract to the City for fire and emergency services. The nearest TVFRD station is located on Willamette Falls Drive within one-half mile of the site. Third, the City can find that the site is served by general City services provided throughout the City. Fourth, the City can find that adequate water, sanitary sewer, and storm water facilities are located at or near the site. These utilities' capacity is sufficient to serve the projected development of this site. The Applicant understands that it is responsible for extension and development of such services at the development stage.

The City can find that Goal 11 is satisfied.

6. Goal 12, "Transportation":

"To provide and encourage a safe, convenient economic transportation system."

FINDING:

The City can find that Goal 12 is satisfied based on the MacKenzie TIA (**Exhibit 19**). The TIA finds that development of the site for multiple-family residences will reduce vehicle trips as compared to development in the OBC zone by about half, thus resulting in less impact on City and ODOT transportation facilities.

The City can find that the Application will result in a safe, convenient and economic transportation system. The site is adjacent to improved city streets and is near the intersection of North 10th Street and I-205. Nearby intersections are safe, have adequate sight distance, and do not experience an abnormally high accident rate.

TSP Figure 3-4, "Existing Transit Facilities", shows that Tri-Met bus route 154 with a greater than 30-minute headway serves the site with a stop at the intersection of Blankenship Road and Tannler Drive. Tri-Met route 154 circulates through the Willamette neighborhood and connects with Tri-Met route 35 at Oregon Highway 43 (**Exhibit 22**).

The site is adjacent to City owned The White Oak Savanna Park. Sidewalks will be provided along all public street frontages. Also within walking distance of the site is the north Willamette Park, the Tanner Open Space Area and Douglas Park (**Exhibit 23**).

TSP Figure 3.2, "Sidewalk Inventory", shows that Blankenship Road has sidewalks adjacent to this site but Tannler Drive does not (**Exhibit 24**). The Applicant will install sidewalks on the west side of Tannler Drive as part of an approved development.

TSP Figure 3-3, "Bicycle Facility Inventory", shows that Blankenship Road adjacent to the site has bicycle lanes whereas Tannler Drive, a local street, does not (**Exhibit 25**).

TSP Figure 5-1, "Pedestrian Plan", shows that the City proposes that the sidewalks be located on both sides of Tannler Road (**Exhibit 26**). TSP Figure 6.2, "Bicycle Plan", shows that Blankenship Road contains an existing bicycle facility and that bicycle facility Project 21 (along

Blankenship Road), Project 2 (Salamo Road) and Project 19 (North 10th Street to Willamette Falls Drive) are proposed (**Exhibit 27**).

Additionally, TSP Table 3-12, "Collision Rates", shows that the City can find that the intersections of Blankenship Road and Tannler Drive and Tenth Street and the I-205 ramps are safe intersections (**Exhibit 28**). TSP page 3-30 contains a section entitled "Traffic Safety". This section explains that "collision rates of 1.0 or greater are generally used as indicators that specific intersections should be investigated further for potential safety enhancements. As shown, all study intersections maintain collision rates well below 1.0." TSP Table 3-12, "Collision Rates", shows that the intersection of Blankenship Road and Tannler Drive had three (3) total collisions between the years 2003 and 2006 for a collision rate of 0.33, well below the standard of 1.0. TSP Table 3-12 also shows that North 10th Street and the I-205 ramps have, respectively, a collision rate of 0.22 for the southbound ramp and 0.46 for the northbound ramp. These rates are well below the levels that indicate an unsafe intersection.

The City can find that adequate transportation facilities for pedestrians, bicyclists and transit users exist or will exist at or near the site.

The City can find that Goal 12 is satisfied.

7. Goal 13, "Energy Conservation":

"To conserve energy."

This Goal provides that "land and uses developed on the land shall be managed and controlled so to maximize the conservation of all forms of energy, based upon sound economic principle."

FINDING:

The City can find that Goal 13 is satisfied. Placing multiple-family development adjacent to adequate transportation, public facility and services and nearby shopping encourages energy

conservation by developing multiple-family projects within walking distance of shopping and parks. Development of multiple-family housing on this site discourages single occupancy vehicle travel, while providing an opportunity for increased density at an appropriate site near shopping and a park.

Changing the zone so that additional multiple-family residential density can be located on this appropriate site furthers energy conservation because residences are located in an appropriate location near shopping and public park locations.

The City can find that Goal 13 is satisfied.

B. CONCLUSION.

The Goals not addressed in the Application are inapplicable because they are either process Goals, or Goals representing particular physical attributes not applicable to the site (for example, the Willamette River Greenway Goal).

The City can find that the Application has identified the relevant Goals and its substantial evidence and argument demonstrates that each Goal is satisfied.

2. WILLAMETTE NEIGHBORHOOD PLAN.

The City has adopted neighborhood plans for certain City recognized neighborhood associations. One of the adopted plans is the Willamette Neighborhood. It is not entirely clear how the statements in the Plan apply to quasi-judicial applications such as this but the Application addresses those provisions of the Willamette Neighborhood Plan that appear to be relevant and applicable.

- A. "6. Well thought out neighborhood planning which sustains the value of the land. . . . we have effective neighborhood public transportation that focuses on connectivity . . . developers need to take ownership for impact of the infrastructure such as streets, sidewalks, schools, water, sewer, etc."**

FINDING:

The City can find that this portion of the Willamette Neighborhood Plan is satisfied. The Plan acknowledges that there is effective neighborhood public transportation that focuses on connectivity. The part of the Application addressing Goal 12, above, explains why this is the case.

Additionally, the Applicant agrees that it must take “ownership” for infrastructure impacts. The City can find that the Applicant is responsible at the development stage for installing needed public facility connections and sidewalks on Tannler Drive. However, there is no impact on the street transportation system and, therefore, the City can find that the Applicant will not be responsible for making improvements to the street system.

B. “GOAL #4: RESPECTFUL USE AND CARE FOR THE ENVIRONMENT AND CLEAN AIR, RIVER, PARKS, AND TRAILS

“Implement West Linn Parks Master Plan: continue to develop parks (neighborhood, city, athletic fields, and trails).”

FINDING:

The City can find that the Application supports, in part, this Goal by preserving an approximately 3 acre north part of the site containing existing trees, which will also provide for a path connecting to the City owned White Oak Savanna Park.

C. CONCLUSION.

The City can find that applicable provisions of the Willamette Neighborhood Plan are satisfied.

3. METRO FUNCTIONAL PLAN.

The Functional Plan applies to land use applications within the boundary of the Portland Metropolitan Urban Growth Boundary (the “UGB”). This part of the Application identifies

applicable elements of the Functional Plan and provides findings demonstrating compliance with those applicable elements of the Functional Plan.

A. Functional Plan Title 1, “Housing Capacity”.

FINDING:

None of the provisions of Title 1 apply to the Application because it does not seek to reduce minimum-zoned capacity in the City.

The City can find that this Metro Functional Plan Title is inapplicable.

B. Functional Plan Title 3, “Water Quality and Flood Management”.

FINDING:

The City can find that Title 3 is not applicable to this site because it does not affect any identified water quality or flood management areas on this site.

C. Functional Plan Title 4, “Industrial and Other Employment Areas”.

a. Metro Code Section 3.07.410, “Purpose and Intent”.

FINDING:

Title 4 applies to sites designated as Regionally Significant Industrial Areas (“RSIAs”) and other industrial and employment areas. The City can find that Title 4 governing RSIAs is inapplicable to this because the site is not designated as an RSIA.

b. Metro Code Section 3.07.430, “Protection of Industrial Areas”.

FINDING:

The City can find that the OBC zone is not an industrial zone and, therefore, this section of Title 4 is inapplicable to the Application. Additionally, the City can make this finding because Functional Plan Section 3.07.430.C prevents amendments of City land use regulations

that apply to land shown as industrial area on the employment and industrial areas map. This site is not identified on the relevant map.

c. Metro Code Section 3.07.440, "Protection of Employment Areas".

FINDING:

This section applies to areas mapped pursuant to Metro Code Section 3.07.450. The City can find that because the site is not mapped pursuant to that section, that this section of Title 4 is inapplicable to the Application. The Title 4 map shows that this property is not shown on that map. Additionally, Metro Code Table 3.07-4 lists the zones that are subject to this title. No West Linn zone is listed in this table.

D. Functional Plan Title 6, "Centers, Corridors, Station Communities, and Main Streets".

FINDING:

This site is not identified on the Functional Plan Title 6 Map ("Centers Corridors, Station Communities, and Main Streets Adopted Boundaries").

E. Functional Plan Title 7, "Housing Choice".

FINDING:

The City can find that this Title is inapplicable because it concerns the establishment of voluntary affordable housing protection goals. The City has not adopted such goals, so Title 7 is inapplicable to the Application.

F. Functional Plan Title 8, "Compliance Procedures".

FINDING:

Metro Code Section 3.07.820.A requires notice by the City to Metro's Chief Operating Officer ("COO") at least 45 days before the first evidentiary hearing on the amendment. This notice provides Metro with an opportunity to review and comment on the application.

FINDING:

The City can find that it can comply with this requirement.

G. Conclusion.

The City can find that the Application complies with applicable standards of the Functional Plan.

4. APPLICABLE OREGON ADMINISTRATIVE RULES.

A. OAR Chapter 660, Division 9, "Economic Development".

OAR 660-009-0010(4) applies to a post acknowledgment plan amendment such as this if the application proposes to change the Plan designation of land in excess of two (2) acres within an existing UGB from an employment use designation to any other use designation.

FINDING:

OAR 660-009-0005(6) defines "Other Employment Use" as "All non-industrial employment activities, including the widest range of retail, wholesale, service, non-profit, business headquarters, administrative and governmental employment activities that are accommodated in retail, office, and flexible building types. Other employment uses also include employment activities of an entity or organization that serves the medical, educational, social service, recreation, and security needs of the community typically in large buildings or multi-building campuses.

The City can find that this provision of the administrative rule could be applicable because the Application proposes to change an employment use designation to another use designation. However, OAR 660-009-0010(3) provides that "Cities and Counties may rely on their existing plans to meet the requirements of this division if they conclude:

a. There are not significant changes in economic development opportunities (e.g., a need for more land than presently provided for in the plan) based on a review of new information about national, state, regional, county, and local trends; and

b. That existing inventory, policies, and implementing measures meet the requirements in OAR 660-009-0030.”

FINDING:

The City can find based on substantial evidence submitted with the Application that the City may rely upon its existing plans to meet the requirements of this administrative rule because there are no significant changes in economic development opportunities and the City’s existing inventories, policies, and implementing measures meet the requirements in OAR 660-009-0015 through -0030 as explained below. The Johnson Economics economic analysis provides the evidence required by OAR 660-009-0015 through -0030.

a. OAR 660-009-0015, “Economic Opportnnitics Analysis”.

FINDING:

The Johnson Economics economic analysis meets the requirements of the section by identifying available lands for employment development and concluding that additional lands are unnecessary.

b. OAR 660-009-0020, “Indnstrial and Other Employment Development Policies”.

FINDING:

The City can find that this section is inapplicable because this part of the administrative rule requires that comprehensive plans include policies stating the economic development objectives for the planning area. This section does not apply to a map amendment.

c. OAR 660-009-0025, “Dcsignation of Lands for Industrial and Other Employment UsCs”.

FINDING:

As noted above, this part of the administrative rule directs the City to take certain actions in its Plan. The City's plan is acknowledged as consistent with Goal 9 as implemented by this administrative rule and the Application does not proposed to amend the relevant policies. Therefore, the City can find that this provision is satisfied.

d. OAR 660-009-0030, "Multi-Jurisdiction Coordination".

FINDING:

This section provides that cities and counties "are strongly encouraged" to coordinate the implementation of certain portions of this administrative rule. This section is a guideline and not a mandatory requirement and is inapplicable.

B. OAR Chapter 660, Division 010, "Metropolitan Housing Rule".

FINDING:

The Application satisfies the Rule because, if approved, the City will still comply with the requirement for single family and multiple family housing.

C. OAR Chapter 660, Division 012, "Transportation Planning Rule".

OAR 660-012-0060(1) applies to amendments to, among other actions, acknowledged comprehensive plan and land use regulations, including a zoning map. Therefore, this administrative rule is applicable to the Application.

OAR 660-012-0060(2) provides that the City must determine if the Application will "significantly affect" existing or planned transportation facilities. **Exhibit 19** is the MacKenzie TIA. The TIA concludes that there will not be a "significant affect" on transportation facilities because the Application reduces by about half the number of vehicle trips as compared to vehicle

trips generated by expected development in the OBC zone. Accordingly, the City can find that there is no significant effect and further analysis under the TPR is not required.

D. Conclusion.

The City can find that applicable administrative rules are satisfied.

5. APPLICABLE CITY OF WEST LINN COMPREHENSIVE PLAN GOALS AND POLICIES.

CDC Section 105.050 requires that the Application address applicable Plan policies. This section lists the applicable Plan policies and findings demonstrating compliance with each. Many of the Plan's policies are directives to the City to adopt particular land use regulations and other implementing ordinances. As a result, most of the Plan's goals and policies are not applicable to a quasi-judicial application such as the Application.

Although the R-2.1 zone is described as implementing the Plan's High-Density Residential Plan designation (CDC 16.010), the City's zoning map legend does not show a High-Density Residential category; the highest category shown is Medium High Density Residential designation, which includes the R-2.1 zone.

A. Land Use Planning, Policy 7:

"The following are criteria that shall be used when designating residential areas. This list is not exhaustive, but helps determine what types of residential densities are appropriate, given topographical constraints, available public facilities, etc.

... c. medium-high density residential lands will meet all of the following criteria:

i) areas that do not rely solely on local streets for provisions of access;"

FINDING:

This site will have access to Blankenship Road, which is classified as a "Collector" Street. TSP Figure 3-5, "Existing Functional Class" (Exhibit 18).

"ii) Areas that are not subject to development limitations such as topography, flooding, or poor drainage;"

FINDING:

There are no developmental limitations on the property.

“iii) areas where the existing facilities have the capacity for additional development;”

FINDING:

The existing facilities can accommodate additional development.

“iv) areas within one-quarter mile of public transit;”

FINDING:

This site is immediately adjacent to Tri-Met Route 154.

“v) areas within short distance of general commercial shopping center or office-business center;”

FINDING:

This site is across the street from a shopping center, the River Falls Shopping Center.

The site is also adjacent on the west to an office-business center.

“vi) areas in close proximity to parks and schools.”

FINDING:

The site is immediately adjacent to the City-owned White Oak Savanna Park and is in close proximity to the Willamette Primary Elementary School located on 11th Street, the Rosemont Ridge Middle School located on Salamo Road and the West Linn High School.

FINDING:

The City can find that the criteria for designating Medium-High Density Residential lands are met for this property.

B. Goal 9, “Economic Development”.

FINDING:

Goal 9 contains thirteen (13) policies. None of the policies directly apply to the Application.

C. Goal 10, "Housing".

a. Goal 10, "Background and Findings", includes the following statement:

"Housing affordability is an issue in West Linn. Affordable housing is defined as housing that is affordable for the majority of the City's residents—i.e., housing payments do not exceed 30 percent of the family's gross income. As noted above, West Linn has a higher median family income than the rest of the region. However, in 1990, 26 percent of families in the City paid more than 30 percent of their income for housing (including 40 percent of all renters and 20 percent of all homeowners). In 2000, this number remained at 26 percent (including 34 percent of renters and 24 percent of homeowners). (Plan at page H-3)."

FINDING:

The City can find the Application will support its efforts to make housing more affordable to those families who want to live and work in West Linn by providing additional multiple-family housing options that are more economical than the majority of the existing single family home inventory.

b. Housing Policy 2 "Provide the opportunity for the development of . . . garden apartments . . ."

FINDING:

The application provides the opportunity for development at an appropriate location of garden apartments (multiple-family housing).

D. Goal 11, "Public Facilities and Services".

a. Public Facilities and Policy 2:

"Development shall not be approved unless:

a. the proposal has adequate access to the transportation, storm drainage, portable water, and sewer systems; and

b. These infrastructures have adequate capacity to serve the development."

FINDING:

The Application does not approve “development” as that term is defined in ORS 227.215(1) because it does not propose the development of land. Nevertheless, the Application shows that this site is appropriate for multiple-family housing because of adequate access to transportation, storm drainage, water, and sanitary sewer systems and these systems have adequate capacity to serve development of multiple-family housing on this site.

b. Public Facilities and Services Policy 3:

“Development shall not be delayed or prohibited in an area where the public facilities and services that are provided in response to the proposed development are not in place at the time of development review.

- a. Police;**
- b. Fire Protection;**
- c. Parks and Recreation;**
- d. Schools;**
- e. Solid waste collection;**
- f. Library.”**

FINDING:

All six (6) of these public facilities and services are available now and will be available when this site is developed for multiple-family housing.

d. Goal 12, “Transportation”.

FINDING:

Goal 12 contains eight (8) policies. None of the policies apply directly to a quasi-judicial land use application.

E. Conclusion.

The City can find that the applicable Goals and Policies are satisfied.

6. CDC CHAPTER 105, “AMENDMENTS TO THE CODE AND MAP”.

This CDC chapter contains the relevant approval standards for quasi-judicial amendments to the City’s acknowledged Plan Map and land use regulations (zoning) map. CDC 105.040.C

provides that the Planning Commission shall make a recommendation to the City Council on a zone change application, which also involves a concurrent application for a Plan map amendment. Accordingly, as described above, the first hearing on the Application is by the Planning Commission, which makes a recommendation to the City Council, which makes a final decision after holding another public hearing.

A. CDC 105.050, "Quasi-Judicial Amendment and Standards for making decisions"

a. "A. The standard set forth in CDC 99.110(A), which provides that the decision shall be based on consideration of the following factors:

- 1. The applicable Comprehensive Plan Policies as identified in subsection C of this section and map designation.**
- 2. The applicable standards of any provision of this code or other applicable implementing ordinance."**

FINDING:

Part V.5 of the Application addresses applicable Comprehensive Plan goals and policies and finds that the Application satisfies those applicable policies. CDC 105.050.C is set forth below.

The City can find that this standard is satisfied.

B. "B. The standard set forth in CDC 99.110(B), which provides that, in making the decision, consideration may also be given to the following:

- 1. Proof of change in the neighborhood or community or a mistake or inconsistency in the Comprehensive Plan or zoning map as it relates to the property which is the subject of the development application.**
- 2. Factual oral testimony or written statements from the parties, other persons and other governmental agencies relevant to the existing conditions, other applicable standards and criteria, possible negative or positive attributes of the proposal are factors in sub-section A or B(1) of this section."**

FINDING:

The City can find that a change in the neighborhood or community supports the Application. First, the absence of development on this site and the lack of success of other vertical mixed-use developments in the suburban Portland metropolitan area demonstrate that

this site is not appropriate for office development or for multiple-family development with ground floor commercial uses. Moreover, because the OBC zone is primarily an office zone and offers few permitted retail uses, it is also inappropriate for large scale retail use, although approximately 1.22 acres of the site will be retained on the north side of Blankenship Road for development in the OBC zone. Second, the City's Arch Bridge Study has identified a need for additional multiple-family housing, as well as the Plan's statement that rental rates are often higher than they should be. Both of these factors demonstrate that the site's designation should be changed to allow multiple-family housing.

Factual written statements in the Application demonstrate that the applicable standards and criteria are satisfied. Positive attributes of the Application include the estimated economic benefits described below.

a. Citywide Financial Benefits:

- \$572,500 in annual property tax (currently only \$18,133)
- \$4.1 million in fees and System Development Charges (SDC's)
- 170 jobs created or induced by construction and operation
- \$12.3 million added through wages and economic activity related to these jobs
- \$9.3 million in annual household spending by new residents at the property

b. School Financial Benefits:

- \$230,500 excise tax paid at the time of development for West Linn schools
- \$200,000 in annual property tax allocation and school levies in the first year
- Funding by State for each new student
- Project estimates 44 additional students to the district which would be less than a 1 % increase of the estimated enrollment of 4,795 in 2013

- Remaining capacity for 230 students at the elementary level and 136 students at the high school level (Rosemont Ridge Middle School is estimated to be over capacity by 46 students)

The City can find, on balance that, changes in the community warrant this change to the map designations for this property. Further, the positive benefits of the change outweigh any negative impacts, which are, minimal at most.

C. “C. The Comprehensive Plan, Plan and Ordinance Revision Process and Specific Policy No. 4, which provides the decision, shall be based on consideration of the following criteria:

- 1. Conformance with the Comprehensive Plan policies and criteria.**
- 2. There is a public need for the change or the change can be demonstrated to be in the interest of the present and future community.**
- 3. The changes will not adversely affect the health, safety, and welfare of the community.”**

FINDING:

The City can find that each of these criteria are satisfied.

First, the Application demonstrates in Section V.5 above that it conforms to applicable Comprehensive Plan policies.

Second, the Application demonstrates that the change is in the interest of the present and future community. It is in the interest of the present and future community to have adequate and affordable types of all housing, including multiple-family housing.

Further, it is in the interest of the present and future community to derive economic benefits from the development of land.

On balance, the economic benefits from multiple-family housing on this site outweigh the continued OBC zoning of the property.

Finally, the Plan and zoning map change will not adversely affect the health, safety, and welfare of the community. The Application demonstrates that all public facilities and services are available to serve multiple-family housing on the site. The evidence demonstrates that the

transportation will be benefited and not adversely affected by the change in map designation because fewer vehicle trips will use surrounding public roads compared to likely development in the OBC zone.

The City can find that this standard is satisfied.

D. "D. Transportation Planning Rule Compliance.

1. Review of applications for effect on transportation facilities. When a development application, whether initiated by the City or by a private interest, includes a proposed comprehensive plan amendment zone change or land use regulation change, the proposal shall be reviewed to determine whether it significantly affects a transportation facility in accordance with Oregon Administrative Rule (OAR) 660-012-0060 (the Transportation Planning Rule: "TPR"). "Significant" means the proposal would:

a. Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

b. Change standards implementing a functional classification system; or

c. As measured at the end of the planning period identified in the adopted transportation system plan;

1) Allow land uses or levels of development that would result in types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility.

2) Reduce the performance of an existing or planned transportation facility below the minimum acceptable performance standard identified in the TSP or comprehensive plan; or

3) Worsen the performance of an existing or planned transportation facility that is otherwise projected to perform below the minimum acceptable performance standard identified in the TSP or comprehensive plan."

FINDING:

As explained in part V.4.C of the Application, the City can find the Application satisfies the applicable provisions OAR 660-0012-0060. The Application does not propose a change to the functional classification of an existing or planned transportation facility. Neither does the Application propose a change in standards implementing a functional classification system. Finally, as measured at the end of the planning period identified in the City's TSP, the

Application does not allow development that would result in levels of travel or access inconsistent with the functional classification of existing or planned transportation facilities, reduce the performance of an existing transportation facility below the minimum acceptable performance standard identified in the TSP or worsen the performance of an existing or planned transportation facility that is otherwise projected to perform below the minimum accepted performance standard identified in the TSP.

The TSP provides that the minimum operational standard specified in the Plan is level of service ("LOS") "D" for all facilities, except for Highway 43. The operational standard for the ODOT facility, the I-205 ramp interchanges, is expressed as a volume to capacity ("v/c") ratio, which is 0.85. The TIA demonstrates that the Application will not have a significant affect on the intersection of Blankenship Road and Tannler Drive, or on the I-205 ramps because the City's and ODOT's operational standards are met and will not be worsened by the Application.

The City can find that these criteria are satisfied.

D. Conclusion.

The City can find that the applicable criteria in CDC Chapter 105 are satisfied.

V. CONCLUSION.

The City can find that it should approve the Application so that multiple-family dwelling can be constructed on this site. As the Application explains, this site is unlikely to be developed for office or retail uses for a number of reasons. Additionally, the City will benefit from multiple-family development on this property. The Application demonstrates that the approval criteria for an amendment to the City's Plan and zoning map are satisfied.

For all of the reasons contained in the Application, the Applicant respectfully requests the City approve the Application to change the map designations from commercial / OBC to Medium-High Density Residential/R-2.1.

EXHIBITS

1. City of West Linn "Development Review" application form.
2. Aerial Map of Proposed Rezone.
3. Legal description of property subject to this application (10.13 acres).
4. Legal description of remaining 1.22 acres on the north of Blankenship Drive to remain OBC.
5. Johnson Economics study, dated June 23, 2014.
6. CDC Chapter 21, OBC Zone.
7. December 5, 2013 Pre-Application Notes.
8. West Linn Neighborhood Association Boundaries Map.
9. November 13, 2013, Willamette Neighborhood Association meeting minutes and evidence of mailing of notice of the meeting.
10. December 3, 2013 Savanna Oaks Neighborhood Association meeting minutes and evidence of mailing of notice of the meeting.
11. Clackamas County Tax Assessor Map No. 21E35C.
12. Tualatin Valley Fire and Rescue District Station 58 location.
13. West Linn Police Department location.
14. City owned White Oaks Savanna Park located immediately east across Tannler Drive.
15. West Linn High School location.
16. Rosemont Ridge Middle School location.
17. Willamette Primary School location.
18. TSP Figure 3-5, "Existing Functional Class".
19. Traffic Impact Analysis dated July 11, 2014 prepared by Mackenzie.
20. January 9, 2014 West Linn Parks and Recreation Advisory Board meeting minutes.
21. June 6, 2014 West Linn Economic Development Committee meeting agenda.
22. Tri-Met Route 154.

23. Tanner Open Space Area and Douglas Park.
24. TSP Figure 3-2, "Sidewalk Inventory".
25. TSP Figure 3-3, "Bicycle Facility Inventory".
26. TSP Figure 5-1, "Pedestrian Plan".
27. TSP Figure 6-2, "Bicycle Plan".
28. TSP Table 3-12, "Collision Rates".

**DEVELOPMENT REVIEW APPLICATION**

For Office Use Only		
STAFF CONTACT	PROJECT NO(S).	
NON-REFUNDABLE FEE(S)	REFUNDABLE DEPOSIT(S)	TOTAL

Type of Review (Please check all that apply):

- | | | |
|--|---|--|
| ☐ Annexation (ANX) | ☐ Historic Review | ☐ Subdivision (SUB) |
| ☐ Appeal and Review (AP) * | ☐ Legislative Plan or Change | ☐ Temporary Uses * |
| ☐ Conditional Use (CUP) | ☐ Lot Line Adjustment (LLA) */** | ☐ Time Extension * |
| ☐ Design Review (DR) | ☐ Minor Partition (MIP) (Preliminary Plat or Plan) | ☐ Variance (VAR) |
| ☐ Easement Vacation | ☐ Non-Conforming Lots, Uses & Structures | ☐ Water Resource Area Protection/Single Lot (WAP) |
| ☐ Extraterritorial Ext. of Utilities | ☐ Planned Unit Development (PUD) | ☐ Water Resource Area Protection/Wetland (WAP) |
| ☐ Final Plat or Plan (FP) | ☐ Pre-Application Conference (PA) */** | ☐ Willamette & Tualatin River Greenway (WRG) |
| ☐ Flood Management Area | ☐ Street Vacation | ☒ Zone Change |
| ☐ Hillside Protection & Erosion Control | | |

Home Occupation, Pre-Application, Sidewalk Use, Sign Review Permit, and Temporary Sign Permit applications require different or additional application forms, available on the City website or at City Hall.

Site Location/Address:

NORTHWEST CORNER OF BLANKENSHIP ROAD AND TANNER DRIVE

Assessor's Map No.: 21E35C

Tax Lot(s): 100, 102, 200

Total Land Area: approx. 11 acres

Brief Description of Proposal: CHANGE THE COMPREHENSIVE PLAN MAP DESIGNATION FROM "COMMERCIAL" TO "MEDIUM DENSITY RESIDENTIAL" AND CHANGE THE ZONING MAP DESIGNATION FROM "OBC" TO "R-2.1".

Applicant Name: CONAM PROPERTIES, LLC C/O ROB MORGAN

(please print)

Phone: (858) 614-7378

Address: 3990 RUFFIN RD STE 100

Email: rmorgan@conam.com

City State Zip: SAN DIEGO, CA 92123

Owner Name (required): JEFFERY L PARKER AND WILLIAM S. WILT

(please print)

Phone: (503) 742-1942

Address: 1800 BLANKENSHIP RD. #200

Email: jeff@parkerdev.com

City State Zip: WEST LINN, OR 97068

Consultant Name: MICHAEL C. ROBINSON

(please print)

Phone: (503) 727-2264

Address: 1120 NW COUCH ST. 10TH FLOOR

Email:

City State Zip: PORTLAND, OR 97209

mrobinson@perkinscoie.com

1. All application fees are non-refundable (excluding deposit). Any overruns to deposit will result in additional billing.
2. The owner/applicant or their representative should be present at all public hearings.
3. A denial or approval may be reversed on appeal. No permit will be in effect until the appeal period has expired.
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* No CD required / ** Only one hard-copy set needed

The undersigned property owner(s) hereby authorizes the filing of this application, and authorizes on site review by authorized staff. I hereby agree to comply with all code requirements applicable to my application. Acceptance of this application does not infer a complete submittal. All amendments to the Community Development Code and to other regulations adopted after the application is approved shall be enforced where applicable. Approved applications and subsequent development is not vested under the provisions in place at the time of the initial application.

See attached signature page

Applicant's signature

Date

Owner's signature (required)

Date

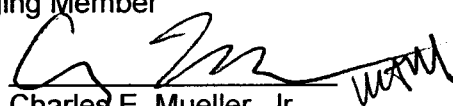
EXHIBIT I

Attached to
City of West Linn
Development Review Application

ConAm Properties LLC,
A Delaware limited liability company

By: DJE Financial Corp.,
A California corporation
Managing Member

By:


Charles E. Mueller, Jr.
Vice President



Planning & Development • 22500 Salamo Rd #1000 • West Linn, Oregon 97068
Telephone 503.656.4211 • Fax 503.656.4106 • westlinnoregon.gov

DEVELOPMENT REVIEW APPLICATION

For Office Use Only		
STAFF CONTACT	PROJECT No(s).	
NON-REFUNDABLE FEE(S)	REFUNDABLE DEPOSIT(S)	TOTAL

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See attached signature page

Applicant's signature

Date

Owner's signature (required)

Date

5/28/14



Re-Zone R-2.1
Multi-family

OBC Zone
Commercial Frontage

West Linn / Tannler Road

06-03-2014



ORTHWEST

SURVEYING, INC.

RESIDENTIAL - COMMERCIAL - INDUSTRIAL

Licensed in OR, WA & ID

"Providing a Solid Foundation for your Development Project"

1815 NW 169th PLACE, SUITE 2090
BEAVERTON, OR 97006

TELEPHONE: 503-848-2127
FAX: 503-848-2179

PROPERTY DESCRIPTION

June 11, 2014
NWS Project No. 1082
North Tract

A tract of land located in the southwest one-quarter of Section 35, Township 2 South, Range 1 East, Willamette Meridian, City of West Linn, Clackamas County, Oregon, more particularly described as follows:

Commencing at the most southerly southeast corner of Lot 18, Rivercrest Heights, said point being on the northerly right-of-way line of Greene Street; thence along said northerly right-of-way line, South 83°05'25" West a distance of 564.85 feet, more or less, to the northeast corner of that portion of Greene Street vacated by City of West Linn Ordinance No. 1439 recorded September 9, 1999 as Fee No. 99-088818, Deed Records of Clackamas County, Oregon, and the Point of Beginning; thence along the easterly line of that portion of Greene Street vacated by said Ordinance No. 1439, South 06°54'35" East a distance of 70.00 feet to the southeast corner thereof; thence along the southerly right-of-way line of Greene Street, North 83°05'25" East a distance of 439.94 feet, more or less, to a point of curvature thereon; thence continuing along said southerly right-of-way line 68.34 feet through the arc of a 30.00 foot radius circular curve to the right, said curve having a central angle of 130°31'01", a chord bearing of South 31°39'05" East and a chord length of 54.49 feet to a point of tangency on the westerly right-of-way line of Tannler Drive, 30.00 feet westerly of the centerline thereof, when measured at right angles; thence along said westerly right-of-way line, South 33°36'26" West a distance of 762.14 feet to a point of curvature thereon; thence continuing along said westerly right-of-way line, 169.23 feet through the arc of a 697.59 foot radius circular curve to the left, said curve having a central angle of 13°54'00", a chord bearing of South 26°39'26" West and a chord length of 168.82 feet to a point; thence departing said westerly right-of-way line, North 72°14'49" West a distance of 205.45 feet to a point; thence North 59°49'32" West a distance of 207.69 feet to a point on the southwest line of that property conveyed to Blackhawk, LLC by deed recorded February 27, 2012 as Fee No. 2012-010775, Deed Records of Clackamas County, Oregon; thence along the southwest line of said Blackhawk, LLC property, North 20°52'43" West a distance of 89.29 feet to the most westerly corner thereof; thence along the northwest line of said Blackhawk, LLC property, North 33°15'57" East a distance of 229.03 feet to the most northerly corner thereof, said point being also the southwest corner of Parcel 2 of that property conveyed to Blackhawk, LLC by deed recorded December 20, 2005 as Fee No. 2005-126465, Deed Records of Clackamas County, Oregon; thence along the west line of said Parcel 2 together with the west line of Parcel 3 of said property described in Fee No. 2005-126465, North 00°34'54" East a distance of 370.10 feet to the northwest corner of said Parcel 3; thence along the northerly line of said Parcel 3, North 83°05'25" East a distance of 303.68 feet, more or less, to the Point of Beginning.

Said described tract of land contains 10.13 acres, more or less.



RENEWS: 12/31/2015

1815 NW 169TH PLACE
SUITE 2090
BEAVERTON, OR 97006
PHONE: (503) 848-2127
FAX: (503) 848-2179



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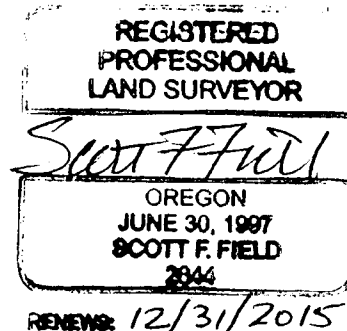
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PROPERTY DESCRIPTION

June 11, 2014
NWS Project No. 1082
South Tract



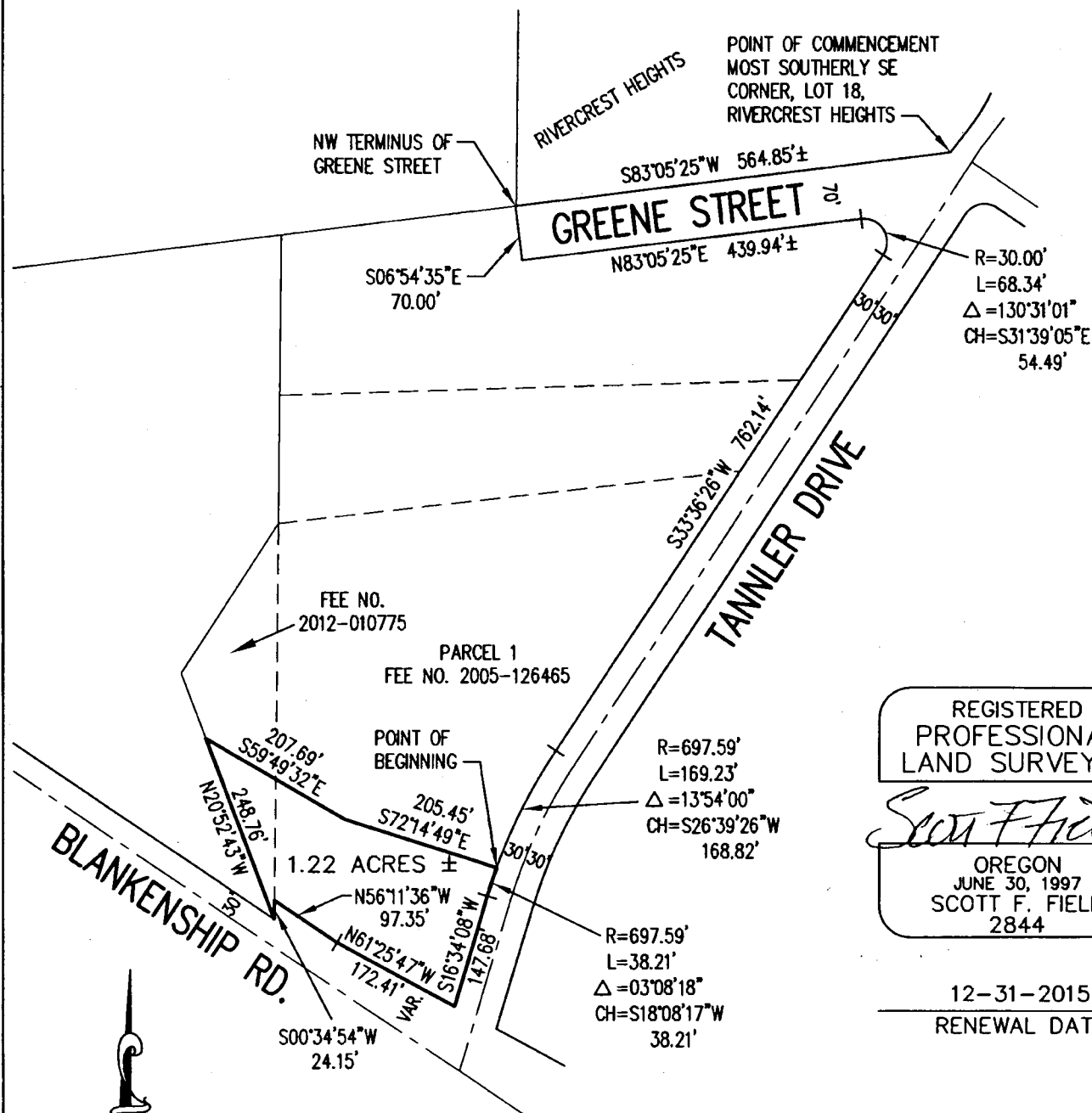
A tract of land located in the southwest one-quarter of Section 35, Township 2 South, Range 1 East, Willamette Meridian, City of West Linn, Clackamas County, Oregon, more particularly described as follows:

Commencing at the most southerly southeast corner of Lot 18, Rivercrest Heights, said point being on the northerly right-of-way line of Greene Street; thence along said northerly right-of-way line, South 83°05'25" West a distance of 564.85 feet, more or less, to the northeast corner of that portion of Greene Street vacated by City of West Linn Ordinance No. 1439 recorded September 9, 1999 as Fee No. 99-088818, Deed Records of Clackamas County, Oregon; thence along the easterly line of that portion of Greene Street vacated by said Ordinance No. 1439, South 06°54'35" East a distance of 70.00 feet to the southeast corner thereof; thence along the southerly right-of-way line of Greene Street, North 83°05'25" East a distance of 439.94 feet, more or less, to a point of curvature thereon; thence continuing along said southerly right-of-way line 68.34 feet through the arc of a 30.00 foot radius circular curve to the right, said curve having a central angle of 130°31'01", a chord bearing of South 31°39'05" East and a chord length of 54.49 feet to a point of tangency on the westerly right-of-way line of Tannler Drive, 30.00 feet westerly of the centerline thereof, when measured at right angles; thence along said westerly right-of-way line, South 33°36'26" West a distance of 762.14 feet to a point of curvature thereon; thence continuing along said westerly right-of-way line, 169.23 feet through the arc of a 697.59 foot radius circular curve to the left, said curve having a central angle of 13°54'00", a chord bearing of South 26°39'26" West and a chord length of 168.82 feet to the Point of Beginning; thence continuing along said westerly right-of-way line, 38.21 feet through the arc of a 697.59 foot radius circular curve to the left, said curve having a central angle of 03°08'18", a chord bearing of South 18°08'17" West and a chord length of 38.21 feet to a point of tangency; thence continuing along said westerly right-of-way line, South 16°34'08" West a distance of 147.68 feet to a point on the northerly right-of-way line of Blankenship Road; thence along said northerly right-of-way line, North 61°25'47" West a distance of 172.41 feet to an angle point thereon; thence continuing along said northerly right-of-way line, North 56°11'36" West a distance of 97.35 feet to an angle point thereon, said point being on the east line of that property conveyed to Blackhawk, LLC by deed recorded February 27, 2012 as Fee No. 2012-010775, Deed Records of Clackamas County, Oregon; thence continuing along said northerly right-of-way line being also the east line of said Blackhawk, LLC property, South 00°34'54" West a distance of 24.15 feet to an angle point on said northerly right-of-way line and the most southerly corner of said Blackhawk, LLC property; thence departing said northerly right-of-way line and along the southwest line of said Blackhawk, LLC property, North 20°52'43" West a distance of 248.76 feet to a point; thence departing said southwest line, South 59°49'32" East a distance of 207.69 feet to a point; thence South 72°14'49" East a distance of 205.45 feet to the Point of Beginning.

Said described tract of land contains 1.22 acres, more or less.

EXHIBIT MAP

LOCATED IN THE SW 1/4 OF SECTION 35, T. 2 S., R. 1 E., W.M.,
CITY OF WEST LINN, CLACKAMAS COUNTY, OREGON
JUNE 11, 2014



REGISTERED
PROFESSIONAL
LAND SURVEYOR

Scott F. Field

OREGON
JUNE 30, 1997
SCOTT F. FIELD
2844

12-31-2015
RENEWAL DATE

SCALE: 1" = 200'

JOB NAME:	TANLER DR.
JOB NUMBER:	1082
DRAWING NUMBER:	674 1082 LEG
DRAWN BY:	SFF
CHECKED BY:	CHS

NORTHWEST
SURVEYING, Inc.

1815 NW 169TH PLACE
SUITE 2090
BEAVERTON, OR 97006
PHONE: (503) 848-2127
FAX: (503) 848-2179



DRAFT

MEMORANDUM

DATE: June 23, 2014

TO: ConAm Properties LLC

FROM: JOHNSON ECONOMICS, LLC

SUBJECT: Assessment of Supply and Demand of Office Lands in West Linn, Oregon

JOHNSON ECONOMICS conducted an assessment of the supply and demand of lands appropriate for new Class A office development in West Linn, Oregon.

ConAm Properties is currently pursuing a zone change on a parcel of roughly 11.4 gross acres in south West Linn. The property is currently zoned as "Office Business Center" (OBC). This analysis considers the potential of rezoning the majority of this parcel to the "Single Family and Multi-Family Residential" (R-2.1) zone, with an associated reduction of the amount of overall land in the City's OBC zone.

An estimated 10.2 acres are proposed for rezoning, while 1.2 gross acres adjacent to Blankenship Road would remain in the OBC zone.

This memo first discusses the current estimated supply of buildable office-permitting lands, and the demand for new office space. It then quantifies the potential public benefits of building a multi-family housing development on the subject site.

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A. EXECUTIVE SUMMARY

- An inventory of buildable lands appropriate for new office use reveals a significant supply of available vacant and redevelopable parcels. Development of the OBC zone has been modest over the previous decades. Roughly 26% of land in this zone remains vacant, not including the 10.2 acres of the subject site proposed for rezone, or the City-owned property at Tannler Drive.
- Compared to projected 20-year demand for office space in West Linn, there is buildable supply of office lands well in excess of 20-year needs, regardless of the possible rezoning of the subject parcel. The available buildable inventory is multiple times what is projected to be necessary over this period.
- The West Linn area submarket for office space is not the most robust in the Portland Metro area. The submarket, along with Kruse Way and other south-Metro submarkets experienced some of the highest vacancy rates during the recent recession and vacancy remains high. A recent inventory from the Clackamas County Business and Economic Services of available commercial space in West Linn found 80,000 sq.ft. of office space available and vacancy of nearly 31% among buildings surveyed.
- The office developments directly adjacent to the subject site have combined vacancy in excess of 27%. Overall, the West Linn market has experienced negative absorption in recent years, shedding office space back onto the market. Absorption is projected to be flat in coming years.
- Based on our analysis, Johnson Economics thinks that it is highly unlikely that office development of anywhere near this scale will take place on the subject site. The reasons for this are described in this report, but to summarize:
 - Value of new development as an income-generating investment is lower than the cost to build.
 - Market is very soft with high vacancies and negative absorption putting more vacant space on the market.
 - Established weakness of adjacent large office developments.
 - Weakening of suburban metro markets relative to central Portland and Hillsboro.
 - Slow historical pace of development in West Linn and modest projected demand.
 - Prospective office tenants have flexibility in where to locate.
 - This site has sat vacant since adoption of the OBC zoning in 1974.
- Based on our analysis, there are other challenges presented by the subject site making it an unlikely location for other uses which are allowed in the OBC zone. The site is unappealing for conditional uses such as retail and hotel due to topography, visibility and access. Vertical mixed-use or live/work units are infeasible due to increased costs, difficulty of marketing the commercial space, and lack of market demand.



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- The subject site is well-suited for residential use, providing good access, views, and schools. Multi-family residential is a good use for transitional areas like the subject site which lays between low-density residential and commercial neighborhoods.
- The development as preliminarily designed would generate significant public benefits, including fees and system development charges at construction, and on-going tax generation. It would also have economic impacts on local job creation and household spending. This is a preliminary estimate of impacts:
 - \$591,000 in annual property tax
 - \$4.1 million in fees and SDC's
 - 170 jobs created or induced by construction and operation
 - \$12.3 million added through wages and economic activity related to these jobs
 - Up to \$9.3 million in household spending by new residents at the property
 - These estimates are preliminary and subject to change but provide indicators of general magnitude of benefits.
- As office development on the scale of the subject site is highly unlikely, and the topography is unfavorable for retail, the most likely scenario for the site under the OBC zone is to remain vacant indefinitely. This provides a very modest public benefit in terms of property tax, but no additional benefits in generating economic activity, providing housing choices, generating economic activity or bringing active use to this large dormant site.



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B. ALLOWED AND CONDITIONAL USES IN THE OFFICE BUSINESS CENTER (OBC) ZONE

The subject site is located in the OBC zone. As the stated purpose of this zone in the West Linn Development Code implies, it is intended first and foremost for office employment:

The purpose of this [OBC] zone is to provide for groups of business and offices in centers, to accommodate the location of intermediate uses between residential districts and areas of more intense development, to provide opportunities for employment and for business and professional services....
(West Linn Development Code 21.010)

In analyzing the appropriateness of a zone change for a majority of this property, this memo first considers the uses which are allowed in the OBC zone and the suitability of the site for these uses.

Before providing in-depth analysis of office use at this site (the main purpose of the zone), we first discuss some additional categories of uses which are permitted or conditionally permitted in the OBC zone. Additional potential uses of this site under current zoning are:

- 1) Mixed-use residential/commercial
- 2) Live/work units
- 3) Retail use (Conditional use)
- 4) Hotel use (Conditional use)

The suitability of these uses for the subject site from a market perspective are discussed below. (As office use is the primary purpose of the zone, more in-depth analysis of office need is provided in the following sections.)

1) Mixed Use Residential/Commercial

Under current zoning, the 11.4-acre site could conceivably be used for mixed use structures, with residential uses above ground floor commercial uses (sometimes called "vertical mixed uses"). This use is described as "permitted under prescribed conditions" in the Development Code:

Multiple-family units, as a mixed use in conjunction with commercial development, only above the first floor of the structure.
(West Linn Development Code 21.050)

Vertical mixed use architecture is generally meant to create a more "urban" or storefront character to a street, with building facades being located adjacent to the sidewalk and parking located underneath or behind. The rationale for this zoning often includes the desire to create more density, create a "main street" feel, and a more active environment by combining living and shopping, entertainment and employment in one area.



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Given the size of the parcel, this could in theory be accomplished by creating an internal street grid on the property. However, the subject site features many challenges which would make this difficult to achieve:

- First and foremost, vertical mixes use has proven very difficult to execute in more suburban environments. Where it is seen in the Metro area outside of central Portland, it is typically located in a key area of a town, such as the historic downtown or a transit station area, *and in nearly every case it has been significantly subsidized with urban renewal or other public funding.*
- The main reason for this is that vertical mixed use generally brings with it additional costs which make it less viable in suburban locations. (In the central city, rents become high enough, and buildable land scarce enough, to justify the cost of this development form.) Additional costs for mixed use include structured parking, firewalls between commercial and residential uses, a different mixture of materials, need for two leasing teams, and often enhanced systems needs such as sprinkler, electrical and elevator. It is also generally an unfamiliar development type for most developers and therefore brings a higher cost in time, learning curve and mistakes.
- The location of vertical mixed use is key. In a community like West Linn efforts to encourage mixed use might be best focused on one or two key areas such as the historic downtown or other plan area which provides the character and “bones” to compliment mixed use buildings. The subject site is likely an ill-suited location to try to create this type of urban feel and storefront character out of whole cloth.
- The hillside topography of the site is difficult for commercial uses in general. Retailers typically look for high-visibility and high-traffic sites on major arterials, with large flat parcels and plenty of parking for customers. (See more discussion on retail needs below). If the site were designed with mixed-use buildings on some sort of internal street grid, the ground floor business would have very poor visibility. The internal streets of dense street-fronting buildings would provide very poor visibility from Blankenship Road.

Furthermore, there would be nearly no internal car traffic to bring customers by these businesses. While residents of the mixed-use buildings would provide some business, even small retail businesses must typically draw customers from a much larger trade area. In a community such as West Linn, retail business is overwhelmingly located directly on high-visibility corridors. The interior parts of this site are unsuitable.

- While creating a dense mixed-use environment here would be a challenge and is likely financially infeasible, the proposed rezone of this site to 10.4 acres of multi-family zoning and 1.2 acres remaining OBC zoning near Blankenship Road could actually accomplish a similar mix of residential commercial uses, but in a horizontal, rather than vertical format. The commercial uses would have much greater viability located on the arterial, while still serving the residents of the multi-family housing.



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2) Live/Work Housing

Attached live/work housing could conceivably be allowed on the site under the definition of "home occupations". The typical live/work format in the Metro area is a two-story unit, with living space above and convertible space on the ground floor suitable for hosting an office or low-traffic commercial use. While live/work is not explicitly permitted in this zone, this unit type would seem to fall under the definition of "mixed use" given above.

- Live/work units have not been a huge success in the Metro area. Most are found in central Portland. In our experience conducting market studies for condo and rental projects in Portland, these units are typically included in projects in order to meet a zoning requirement for "active ground floor uses." In practice, the live/work units rarely house a commercial business. In surveying Portland rental properties, it is rare to see live/work units being used for any visible commercial purpose. They are mostly used solely as a residential unit, with the two-level layout being close enough to a typical townhouse format. Because they are larger, they tend to be rather high-cost residential units.
- The most high-profile introduction of live/work units in the Metro area has been in central Fairview, Oregon where a number of attached units were built with residential space over what was meant to be commercial space on the ground floor, fronting the sidewalk. Recently, five of the units built between 2007 and 2008 were sold at auction for a deep discount, after being ceased by the lender. At the time of the auction in 2013, four of the five had never been occupied. None of the units have active commercial uses on their ground floor. A number of additional nearby live/work units, built earlier the decade, also give no indication of commercial use.
- There are multiple barriers for live/work units to overcome, including the unfamiliarity of the product type with owners and renters and the unpredictability and high failure rate of small businesses. Arguably, most people who work from home are doing so in order to avoid paying commercial rent. A hybrid product like live/work units will bring an increased rent level which defeats this purpose, while saddling the occupant with higher rent if the business fails.
- While the occasional user might be interested in a live/work unit, it is highly unlikely that enough such users would be interested to justify any significant number of this unit type at the subject site, certainly not enough to represent a major use of an 11.4 acre parcel.

3) Retail Use (Conditional Use)

Retail businesses are listed as a conditional use in the Development Code (21.060). As alluded to above, the subject site is problematic as a retail site for a variety of reasons.



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- The site features a difficult hilly terrain that is atypical for a large retail center. Retail development here would require building and parking on hills or terraces. Retail developers will seek large, flat sites on major arterial streets to provide the best visibility and access, as seen at the shopping center across Blankenship Road, and the Willamette Marketplace south of I-205. Large format retailers in particular, such as a grocer, department store, or home store, which would be the most likely tenants for a retail development of this size, will not consider a site with this topography.
- The subject site features some visibility and access from Blankenship road, but it is hampered by the steep grade as you move north. While the shops nearest Blankenship may be visible, the quickly climbing terrain would mean that any located above them would likely be completely obstructed from this arterial. Tannler Drive would provide secondary access, but this street is not as high-volume and has limited visibility. Shops and stores on the interior of the site would be located far from an arterial.
- Of all potential uses, large-scale retail development of this site seems the least likely from a market perspective given these challenges.
- It should also be noted that retail use at this site would also not meet the primary office employment purpose of the OBC zone any more than the proposed multi-family use under the rezoning proposal.

4) Hotel Use (Conditional Use)

"Transient lodging and associated convention facilities" are listed as a conditional use in the Development Code (21.060). A recent City report on the Arch Bridge and Bolton Town Center area noted the lack of a hotel in West Linn and posits likely support for additional lodging and meeting space in the community.

The report also notes multiple reasons why the Arch Bridge and Bolton Town Center¹ study area would be well suited for a hotel use, including the proximity to the river and river views and visibility from I-205. Also, Bolton Town Center is an officially designated Metro Town Center calling for a mix of uses and activities complimentary to lodging located in the immediate area.

The subject site by contrast offers some challenges for a hotel use, which are similar to those facing retail use:

- The topography is again the primary challenge. The hillside locale is not a natural development site for a hotel. Assuming the lodging consisted of multiple buildings built on terraces, the hotel would provide difficult access between buildings and steep grades for staff and room guests (walking to and from the front office, gym or pool, for instance.)

¹ "Arch Bridge and Bolton Town Center Existing Conditions Study", LMN Architects et al., April 2014.



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National companies such as hotel chains enter markets with a specific set of site criteria and tend to quickly eliminate sites which don't meet them. The chain will simply move on to other sites and neighborhoods rather than undertake a difficult development on a marginal site. The simple fact that hotels are a conditional use in this zone, rather than permitted outright, could be sufficient to strike any potential site in the OBC off the list.

- The site features poor visibility from I-205 north or southbound due mostly to terrain, and tree cover.
- As with retail use, the conditional approval of a hotel would not address the primary purpose of the OBC zone any better than the proposed use under the rezone proposal.

THE FOLLOWING SECTIONS PROVIDE MORE IN-DEPTH ANALYSIS ON THE SUITABILITY OF THE SITE FOR OFFICE USES IN PARTICULAR (THE PRIMARY USE OF THE OBC ZONE), THE SUPPLY AND DEMAND OF LAND FOR OFFICE USES GOING FORWARD.

C. OFFICE PERMITTING ZONES AND BUILDABLE LAND

The City of West Linn features a number of zones which allow office employment uses outright, or by conditional use permit (Figures 1 and 2). Johnson Economics used a combination of Metro RLIS GIS data and aerial photography to survey land in these zones and identify vacant and redevelopable parcels.

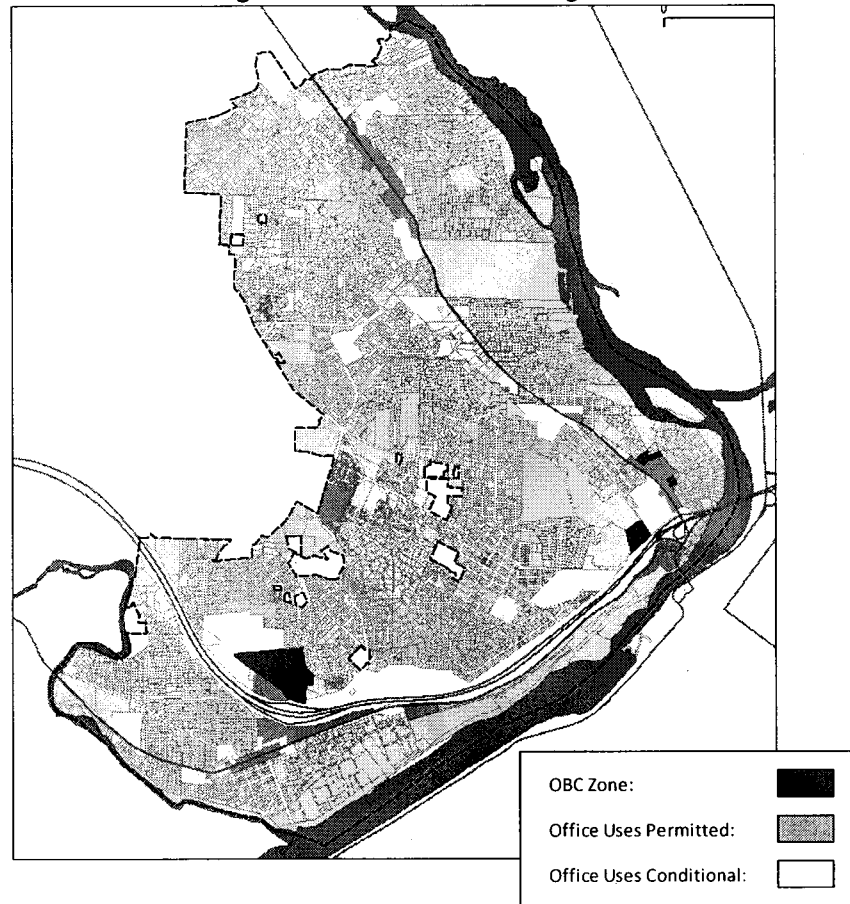
Figure 1: Office Use Permitting Zones

<u>Office Uses Permitted Outright</u>	
Office Business Center	OBC
General Commercial	GC
Campus Industrial	CI
<u>Office Uses Permitted Conditionally</u>	
Single-Family Residential Attached and detached	R-4.5
Single-Family and Multi-Family Residential	R-2.1
Neighborhood Commercial	NC
Willamette Neighborhood Mixed Use Transitional Zone	MU



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Figure 2: Office Use Permitting Zones



Source: RLIS, Johnson Economics

Vacant and Redevelopable Land: For the purposes of this analysis, Johnson Economics has inventoried vacant and “redevelopable” sites. We used an “Improvement-to-Land Value Ratio” (I:L ratio) measure as a guide to whether sites have redevelopment potential. The I:L ratio compares the market value of any improvements (typically buildings) on a given parcel, to the market value of the land only (market values are estimated by County Tax Assessor). When the value of the buildings on a parcel is low relative to the value of the land itself, this can be an indicator that the current use is obsolete or low intensity relative to the value of the land/location. Therefore, the parcel may be a candidate for redevelopment now or in the future.

For instance, when the I:L ratio is at 1.0, the improvements are roughly as valuable as the land. When it is higher than 1.0, improvements are of relatively higher value and less likely to redevelop. When the ratio is less than 1.0, the improvements are decreasingly less valuable until a ratio of 0.0 is reached which means the land is vacant.



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The level at which the I:L ratio becomes low enough to trigger redevelopment is imprecise and will differ depending on the market characteristics of the location. For planning purposes, an I:L ratio of less than 1.0 is often used as an indicator of redevelopment potential. The Portland Development Commission (PDC) has applied a much higher ratio of 2.0 or 3.0 to parcels in central Portland. Outside of the central city, the PDC has used a measure of 0.5 or less to indicate the highest redevelopment potential, and 0.5 to 1.0 to indicate moderate redevelopment potential.

For the purposes of this analysis, an I:L ratio of 0.75 or less was used to indicate "redevelopability". This captures all parcels with a ratio of 0.5 or less which have the highest likelihood of redevelopment, and those with a ratio between 0.5 and 0.75 which have a moderate likelihood. This inventory was further screened to include only parcels that are over 10,000 sq.ft. in size in order to accommodate an office development and parking. (Smaller parcels which are contiguous with other vacant or redevelopable parcels are also included.)

Figure 3 presents a summary of the estimated vacant and redevelopable land identified.

Figure 3: Estimated Vacant and Redevelopable Land in Office Permitting Zones

Office Zones	Total Acreage	Estimated Vacant		Est. Redevelopable		Est. Vac. & Redev.	
		Acres	% of Total	Acres	% of Total	Acres	% of Total
Office Business Center (OBC):	53.8	5.5	* 10.3%	8.3	15.4%	13.8	25.7%
Other Office Zones (Permitted):	134.2	10.5	7.8%	6.8	5.0%	17.3	12.9%
Other Office Zones (Conditional):	302.98	8.7	2.9%	11.0	3.6%	19.7	6.5%
TOTALS:	490.98	24.7	5.0%	26.0	5.3%	50.8	10.3%

* Does NOT include the two City-owned parcels east of Tannler Drive. DOES include 1.22 acres at the subject site which would remain in the OBC zone under this proposal. The 7.6 acre parcel owned by the school district at the corner of West A Street and I-205 is included as a potential redevelopment site.

Source: RLIS, Google Earth, Johnson Economics

- At 53.8 acres, the OBC zone constitutes 29% of West Linn zoning which allows office uses outright. And 11% of the zoning which allows office uses either outright or conditionally.
- Not including most of the subject site or the City-owned parcel at Tannler Drive, an additional 26% of the OBC zone remains vacant or redevelopable. This is an estimated 13.8 acres.
- In other zones which also permit office uses outright, an additional 17.3 acres is vacant or redevelopable, 13% of the total acreage in those zones.
- When zones in which office uses are allowed as a conditional use are included (R4.5, R2.1, NC, MU), there are an additional 19.7 gross acres of vacant or redevelopable lands.



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- When all zones are combined there are an estimated total of 50.8 gross acres of vacant or redevelopable office land in West Linn.

D. HISTORICAL DEVELOPMENT OF THE OBC ZONE

The OBC zone is limited enough that an inventory of developed uses is possible. Of the 16 total parcels in this zone, 6 are developed and 10 are vacant.

4 parcels, totaling 12.3 acres have been developed since 1980. This mean that roughly 23% of the zone has developed in the last 34 years, at an average rate of 0.36 acres per year.

E. PROJECTED DEMAND FOR OFFICE SPACE

In order to assess the sufficiency of remaining office lands, Johnson Economics projected demand for office space over the next 20 years. This benchmark was chosen to conform to current state planning laws, which require that jurisdictions endeavor to keep enough buildable lands within their Urban Growth Boundary (UGB) to accommodate projected growth for the next 20 years.

In order to project office space demand, Johnson Economics first projects office-using employment. There are two potential sources for future rates of employment growth in West Linn. One is the Oregon Employment Department which regularly completes 10-year projections of employment by industry sector for economic sub-regions around the state. Clackamas County is analyzed as its own economic sub-region (Region 15). The latest state forecast for the county, projects an annual employment growth rate of 1.88% between 2010 and 2020.

Another source for projected employment growth is the Metro regional government, which administers a group UGB which encompasses the City of Portland and many suburban cities, including West Linn. Because these communities share one UGB, Metro has greater flexibility to allocate projected housing and employment growth among them. Metro does this by splitting communities into smaller areas called Transportation Analysis Zones (TAZ) and allocating certain housing and employment figures to each. What is important to note here is that in the most recent Metro exercise to allocate growth², the agency forecasted a growth rate for West Linn that is very similar to the state Region 15 projection (1.84% vs. 1.88%). Therefore the two most relevant growth rate forecasts are in agreement.

For this analysis, Johnson Economics took the following steps (Figure 4):

- Estimate the current distribution of employment by industry sector in West Linn using Census employment data.

² "2035 Regional Transportation Plan" and "Urban Growth Report" (2009), Metro.



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- Apply the industry-specific employment growth rates from the Oregon Employment Department for Region 15 (the county). (Note that because West Linn has a different breakdown of employment across industries than the county as a whole, the resulting overall rate of employment growth increases to 2.1%. This is because the city has greater representation in some of the faster growing industry sectors than the county overall. For the purposes of this analysis, a higher rate is a “conservative” assumption because it results in a somewhat higher estimate of office need, rather than underestimating it.)
- Estimate the growth in employment over the 20-year period, and calculate the share of employment in each industry that tends to take place in an office environment.
- The projected number of office-based workers is multiplied by the average amount of space use per employee to arrive at an estimated need for office space over the 20-year period.
- An average Floor Area Ratio (ratio of floor area of built space to site size) converts the need for office space into a need for office land acreage.

Findings (Figure 4):

- As Figure 4 shows, Johnson Economics projects a need for 264,300 sq.ft. of new office space in West Linn over the next 20-years. This translates to a need for a total estimated 15.2 acres of gross land for office uses. This is an annualized rate of roughly 0.8 acres per year.
- When the currently available inventory of 79,585 sq.ft.³ of vacant office is taken into account, there is a remaining 20-year need for 10.6 gross acres, or 0.5 acres per year. The current vacant inventory is enough to absorb 30% of the 20-year projected demand.
- The assumed FAR of 0.4 for future development is based on a number of comparisons from around the area. In its recent Urban Growth Report, Metro surveyed a range of office park developments around the region and found an average FAR of 0.33.⁴ However, a closer look at those projects most similar to what is likely to occur in the West Linn market reveal a higher average FAR than this.

The two adjoining office properties have estimated FARs of 0.46 (Summerlinn Center) and 0.35 (Willamette 205). Kruse Woods Corporate Park, which includes a majority of buildings in the Kruse Way corridor of Lake Oswego, has an average FAR of 0.56. The Wilsonville Business Center has an average FAR of 0.54. The assumed FAR of 0.4 used

³ “Buildings Available for Lease or Sale, prepared for West Linn”, Clackamas County Business and Economic Services, 6/2/14.

⁴ “2009 – 2030 Urban Growth Report, Appendix 5”, page A5-3, Metro, 2009.



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here is the average of the two adjoining properties and reflects that office development in West Linn is likely to remain somewhat less dense than in the Kruse Way corridor.



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Figure 4: Estimated 20-Year Employment Growth and Gross Office Land Need

Base Growth Scenario	Est. Annual Growth Rate ¹	Total Employment		Office Share ²	Office Employment		Sq. Ft./ Emp ³	Est. Office Demand (1000's of Sq.Ft.)		20-yr Change ('10-'30)	
		2013	2033		2013	2033		2013	2033	New Office Emp.	New Space Demand (sf)
Natural Resources	2.7%	0	0	2%	0	0	225	0	0	0	0
Construction	2.9%	162	289	2%	3	6	225	730	1,302	3	573
Manufacturing	1.4%	240	317	5%	12	16	200	2,396	3,172	4	776
Wholesale Trade	1.6%	300	412	5%	15	21	200	3,004	4,125	6	1,121
Retail Trade	1.2%	467	590	5%	23	29	200	4,668	5,898	6	1,230
Transportation, Warehousing, Utilities	2.2%	151	232	30%	45	70	225	10,214	15,646	24	5,432
Information	1.4%	64	85	90%	57	76	200	11,480	15,226	19	3,746
Financial Activities	1.5%	303	405	90%	272	364	200	54,482	72,880	92	18,398
Professional & Business Services	2.8%	814	1,403	90%	733	1,263	200	146,547	252,624	530	106,077
Educational & Health Care Services	2.8%	1,589	2,747	40%	635	1,099	200	127,095	219,798	464	92,704
Leisure & Hospitality	2.0%	593	878	40%	237	351	200	47,428	70,267	114	22,839
Other Services	1.5%	220	298	40%	88	119	200	17,568	23,844	31	6,275
Government	0.7%	513	586	35%	179	205	200	35,898	41,045	26	5,147
Totals (Rounded Estimates):	2.1%	5,415	8,244		2,301	3,620		461,509	725,827	1,318	264,300
								Estimated Floor Area Ratio ⁴ :		0.4	
								Est. Gross Office Acreage Demand (20-year):		15.2	
								Avg. Annual Gross Office Acreage Demand:		0.8	
								Current vacant office space inventory (sf) ⁵ :		79,585	
								Remaining 20-year Demand (sf):		184,715	
								Remaining Gross Acreage Demand (20-year):		10.6	
								Remaining Annual Gross Acreage Demand:		0.5	
								Actual Annual Acreage Usage Since 1980:		0.36	

1/ The estimated annual growth rate is based upon forecasted growth from the Oregon Employment Department for Region 3, combined with past growth trends for market area.

2/ Office Share is the estimated percentage of the total employment in that category that is done in an office setting.

3/ Office Share and Square Footage based on Urban Land Institute estimates, converted to N.A.I.C.S. by Johnson Economics LLC

4/ Estimate of average floor area ratio based upon FAR observed at neighboring properties and Kruse Way office properties. Office development in West Linn market tends to have a lower FAR than Kruse Way, which is reflected here.

5/ Inventory of currently available office space. "Buildings Available for Lease or Sale, prepared for West Linn", Clackamas County Business & Economic Services, 6/2/14.

Sources: U.S. Census, Oregon Employment Department, Urban Land Institute, Johnson Economics LLC



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- Office development in West Linn also has the potential to achieve higher density than the 0.4 FAR assumption, which would reduce the amount of acreage demanded over the 20-year period. For instance, the previously proposed development at the subject site was designed at an FAR of roughly 0.8. While we feel this scale of development is unlikely to occur in West Linn for the foreseeable future (discussed more below), it is an indicator that even greater density is possible, further reducing land need.

F. COMPARISON OF OFFICE LAND SUPPLY TO PROJECTED DEMAND

As Figure 3 presented, there are an estimated 50.8 vacant and redevelopable acres in zones which allow office uses outright or conditionally. Of those an estimated 13.8 acres are found in the OBC zone, not including most of the subject site or city lands east of Tannler Drive.

- Based on a projected 20-year need for 15 acres of office land, 51 acres would represent roughly a 67-year supply of vacant or redevelopable office land. Looking more narrowly at those zones which allow office outright, there are an estimated 31 acres, or a 41-year supply.
- When we assume the need to first absorb the current inventory of 80,000 sq.ft. of vacant office space, there is a projected 20-year need for 10.6 acres of office land remaining. In that case, 51 acres represents a 96-year supply of office land. The 31 acres where office is allowed outright represents a 59-year supply.
- Finally, if we assume the slower actual historic rate of OBC land usage since 1980, or 0.36 acres/year, we find an 86-year supply of land where office is permitted outright, and a 141-year supply of land where office is permitted outright or conditionally.

Therefore, by many possible measures, a comparison of remaining buildable supply and projected demand indicates that there is more than adequate supply of land for office uses in West Linn, regardless of rezoning of the subject property.

G. LOCAL OFFICE MARKET CONDITIONS AND TRENDS

On a national-scale the office market is believed to be going through some structural changes that have been hastened by the recent recession. Office development has been very limited for the last five years, while the amount and configuration of space has been changing along with the needs of firms.

Like much of the country, the Portland-area office market suffered during the recent recession, as businesses consolidated or closed doors. Total employment in the Portland/Vancouver metro area fell roughly 6% from its peak in 2007 to its lowest point in 2010. In 2011, total employment finally stabilized and began to grow. After peaking at nearly 12%, the unemployment rate has fallen to 6.6%, roughly the national level.



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Beginning in 2008, office vacancy rose significantly accompanied by falling rent levels. This market environment caused a significant slowdown in new office development, with major projects in the Central City and suburbs delayed. Portland office construction peaked roughly ten years ago during the tech boom.

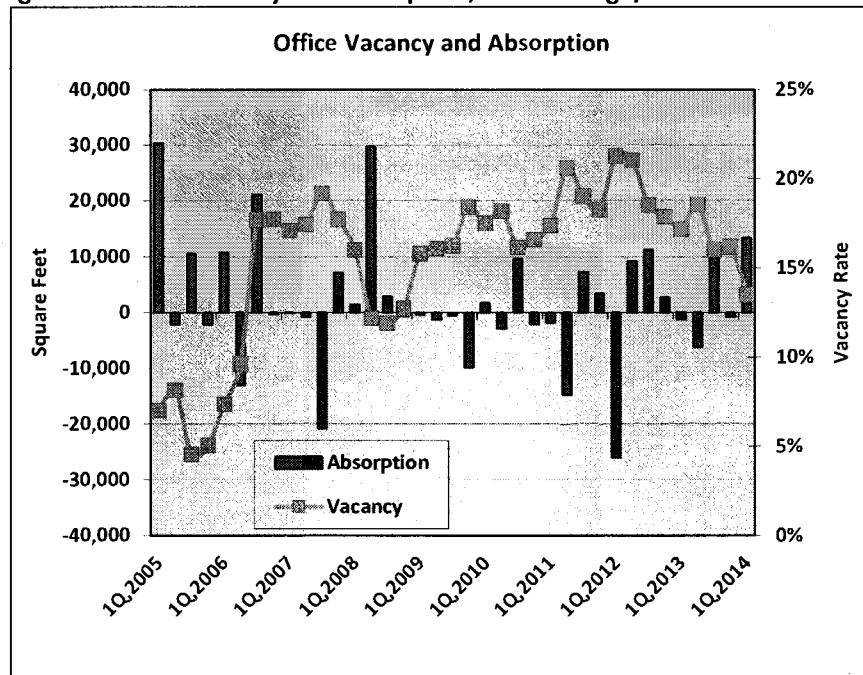
Coming out of the recession, the central Portland office submarket has been the strongest in the region which has not always been the case historically. The Lloyd District, CBD, and NW Portland have an estimated vacancy of under 11%, while suburban markets (not including Vancouver) have a combined vacancy of over 15%.

During the recession, the Kruse Way area in Lake Oswego was one of the hardest hit office submarkets with vacancies soaring from 10% in early 2008 to 30% by the end of 2010. Since early 2011, vacancy rates have gradually improved to 15%, though this is still well above what a property owner expects from a healthy operating property.

The adjacent Lake Oswego/West Linn submarket (as tracked by Norris, Beggs & Simpson) is most relevant to this analysis. It similarly was hard hit during the recession, though curiously vacancy rates in this submarket spiked before the onset of recession, climbing from under 10% in 2005 to almost 17% by the end of 2006, which corresponds to the introduction of the 65,000 sq.ft. Summerlinn Center on Blankenship Road.

Vacancy peaked at over 21% in early 2012. It has since fallen to an estimated 14% (Figure 5).

Figure 5: Office Vacancy and Absorption, Lake Oswego/West Linn Submarket



Source: Norris, Beggs & Simpson and Johnson Economics



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As Figure 6 shows, Kruse Way and the Lake Oswego/West Linn submarkets remain among those with the highest vacancy rates. Other nearby submarkets also have elevated vacancy, including the Central 205 submarket to the north, and the South I-5 submarket to the west.

There is still little development of office space taking place in the Portland area. What activity exists is found in central Portland, where the Park Avenue West office tower has resumed construction, and the university system is finishing facilities in the south waterfront. New and renovated space for tech companies is also picking up steam.

Figure 6: Office Statistics, Portland Metro Area Submarkets

Selected Submarkets	Inventory (sq.ft.)	Available (sq.ft.)	% Vacant	Under Const. (sq.ft.)
Central Business District	14,784,716	1,713,614	11.6%	273,000
Lloyd District/ Central Eastside	2,330,633	211,620	8.8%	0
NW Portland	3,079,486	280,665	9.1%	0
Sunset Corridor	3,634,029	443,899	12.2%	0
Central 217	1,840,105	339,646	18.5%	0
Tigard Triangle / South 217	1,144,392	130,857	11.4%	0
Barbur Blvd.	492,659	77,274	15.7%	0
Beaverton-Hillsale/Sylvan	807,005	183,060	22.7%	0
Central Beaverton	690,923	86,114	12.5%	0
I-5 South	2,108,471	359,918	17.1%	0
SW Waterfront/Johns Lndg.	1,018,602	94,190	9.2%	55,000
Kruse Way	2,321,570	338,985	14.6%	0
Lake Oswego/West Linn	438,085	59,221	13.5%	0
North/Northeast	897,741	111,570	12.4%	0
Central 205	1,281,934	220,328	17.2%	0
Southeast	392,792	47,613	12.1%	0
Vancouver	4,674,586	485,187	10.4%	12,000
All suburban markets:	21,742,894	2,977,862	13.7%	67,000

Source: Norris, Beggs & Simpson and Johnson Economics

Going forward, Portland's Central Business District is expected to remain the strongest office market for the foreseeable future. Many of the high-tech and knowledge-based firms now driving employment growth in Oregon are actively seeking a central, rather than suburban location.

West Linn Vacancy and Absorption: A recent inventory of commercial buildings available for lease or sale in West Linn⁵ paints an even gloomier picture for the local office market than that

⁵ "Buildings Available for Lease or Sale, prepared for West Linn", Clackamas County Business and Economic Services, 6/2/14.



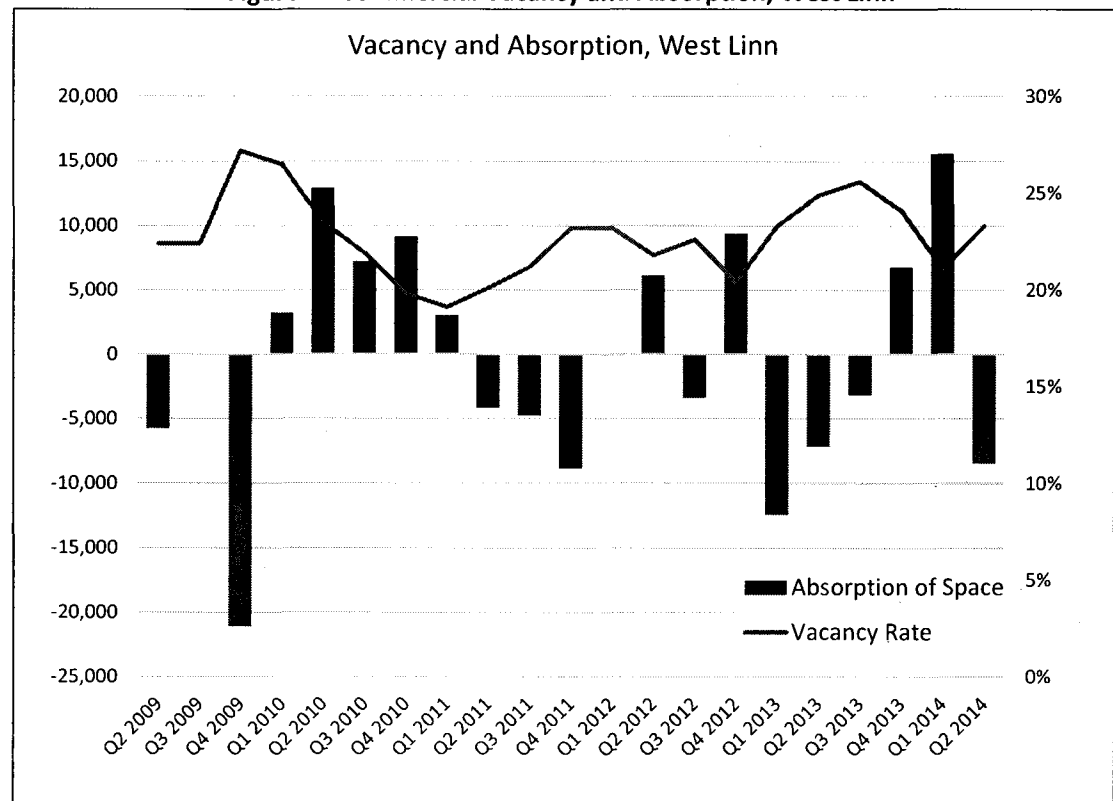
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presented above. Of 22 properties inventoried, the average vacancy was 31% for all commercial properties, as well as 31% for office properties.

The survey finds that vacancy in the West Linn market has hovered above 20% for most of the past five years. Absorption of space has been -12,800 sq.ft. during that time, despite the fact that almost no new commercial space was introduced (see Figure 7). West Linn has been experiencing greater vacancy and shedding additional available space onto the real estate market and this is expected to continue. In 2013 alone, there was negative absorption of an estimated -16,000 sq.ft.

The report does forecast moderate positive absorption over the next two years of less than 2,000 sq.ft. total.

Figure 7: Commercial Vacancy and Absorption, West Linn



Source: Clackamas County

There are two large-scale office developments directly adjacent to the subject site which provide the best indicators of the office market conditions at the subject site itself. These properties are the Summerlin Center and the Willamette 205 Corporate Center, summarized below.



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Both of these developments, offering a total of 145,000 suffer from a combined vacancy of 27.5%, and have for some time. The Sumerlinn Center development has never been fully leased since development in 2006. It currently has an estimated vacancy of nearly 40%.

Figure 8: Class A Office Examples, West Linn

	Year Built	Class	Total Sq.Ft.	Available Sq.Ft.	Vacancy
Sumerlinn Center 1730 Blankenship Rd. West Linn, OR 97068	2006	Class A	65,000	24,743	38%
Willamette 205 Corporate Center 1800 Blankenship Rd. West Linn, OR 97068	1998	Class A	80,000	15,130	19%

Source: LoopNet, Clackamas County, and Johnson Economics

Given that the developer of new office space would typically be seeking a stabilized vacancy of no more than 10%, these elevated vacancy levels are a sign of a weak office market which will dissuade major new office development in the market for some time to come. Office development on the scale of the subject site parcels will remain highly unlikely.

Conclusions on Office Conditions and Trends

The prospects for further office development in West Linn are not good and have not been for some time. Vacancy rates of over 25%, including at the newest and largest office parks, indicate a very soft market that will not be enticing to developers. Office developers seek a stabilized vacancy rate of roughly 10% in modeling the operations of a future project, and there is little chance that they can achieve this benchmark in the West Linn market at the current time or for the foreseeable future, particularly in a large multi-tenant projects.

There is a large and growing amount of available office space on the market, including nearly 40,000 sq.ft. of available space at the two office properties near the subject site. In addition, the space available in other communities experiencing elevated vacancy across the south metro area also provides competition for prospective office tenants in West Linn.

Johnson Economics performed a basic analysis of the cost of new office development vs. the achievable value of that development in the West Linn market. We conclude that currently, the estimated value of a new office development based on the income stream it can achieve is less than the cost to build it, even assuming an optimistic vacancy rate of 10%. With a vacancy rate of 20%, a new office development would be worth far less upon completion than it cost to build. (This is further discussed in the following section).

No developer will move forward with new office development under the conditions outlined above. Small scale office development (i.e. for instance a single predetermined tenant) may occur, but large scale speculative office development, meant to attract multiple tenants is very unlikely.

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Given the cost vs. return, elevated vacancy, negative absorption, and examples provided by the two newest office properties nearby, office development on the scale of the subject site will remain highly unlikely for many years to come.

Other Trends in Office Space Needs: Coming out of the recent recession, the Downtown Portland office market has performed better than most suburban markets, including the traditionally strong market of Kruse Way. The greatest new segment of demand for office space is internet and other technology companies seeking space in the Central City. These have likewise been the industries experiencing some of the strongest growth out of the recession.

It is forecasted that these types of firms, employing young creative workers, will continue to seek space in more urban environments which can more readily provide transit and biking options, dining and entertainment, and housing in close proximity to the office. For this reason, the strengthening of the central city market relative to suburban markets may be a long term trend which will negatively impact the need for new space in suburban markets.

Another factor going forward is the evolving need for office space for modern firms. There is now an established trend towards diminishing office space need for each employee. Some of this is driven by continuing technological innovation reducing the need for paper filing and other storage space. Trends in open and shared floor plans are also driving a trend towards less space need for each employee.

This analysis (as shown in Figure 4) uses an estimated need per office employee of just over 200 sq.ft. However, commercial real estate industry experts point out that within the past decade the industry rule of thumb was 250 sq.ft. of space per employee. That has now fallen to 200 sq.ft., and some project it may fall as low as 150 sq.ft., or even 100 sq.ft., over the next 10 years.⁶

The implication of this is that the same number of projected new employees may require even less office space to accommodate them. The average office space per employee used in Figure 4 represents a conservative assumption which likely overestimates the need for office space, rather than underestimates it.

H. POTENTIAL OFFICE DEVELOPMENT AT THE SUBJECT SITE

An office development was previously approved on the subject site in 2007, consisting of 289,000 sq.ft. of office space in three buildings. This development never occurred, though the approval is vested.

⁶ CoreNet Global. "Office Space per Employee will drop to 100 square feet or below", new release, Feb. 2012
Newberg, Sam. "The Incredible Shrinking Office Space – Fact or Fiction?", Urban Land, Aug. 2011.
Scanlon, Don. "What do shrinking tenant space needs mean?" NHBR, Oct. 2013



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Based on our analysis, Johnson Economics thinks that it is highly unlikely that office development of anywhere near this scale will take place on the subject site. The reasons for this are described in Section E above, but to summarize:

- Value of new development as an income-generating investment is lower than the cost to build.
- Market is very soft with high vacancies and negative absorption putting more vacant space on the market.
- Established weakness of adjacent large office developments.
- Weakening of suburban metro markets relative to central Portland and Hillsboro.
- Slow historical pace of development in West Linn and modest projected demand.
- Prospective office tenants have flexibility in where to locate
- This site has sat vacant since adoption of the OBC zoning in 1974.

Figure 9 is a summary of a simple valuation analysis for the development as previously proposed. It uses the income approach to valuation favored by the Clackamas County Assessor, to generate a ballpark valuation for illustrative purposes.

Figure 9: Cost/Value Comparison, Proposed Office Development

		<u>Source</u>
Proposed Office Space:	289,000 s.f.	Blackhawk LLC
<u>COST</u>		
Land value:	\$1,247,739	Current value via Clack. Co. Assessor
Est. improvement cost:	\$43,000,000	RS Means
Est. structured parking cost:	\$2,000,000	Johnson Econ. conservative estimate
Total cost:	\$46,247,739	
<u>INCOME</u>		
Lease Rate:	\$25.00 /gross leasable s.f. full service	Johnson Economics estimate of market rate
Vacancy Assumption:	10%	
Effective Gross Income:	\$5,852,250	
Expenses	\$2,340,900	40% of Effective Gross Income
Net Operating Income:	\$3,511,350	EGI minus Expenses
Cap Rate:	8.50%	CBRE
<u>VALUATION</u>		
Est. Value (Direct Cap):	\$41,310,000	NOI/Cap Rate
Est. Value (at 20% vacancy):	\$36,720,000	

Source: Johnson Economics

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Figure 9 demonstrates that under current conditions, the estimated value of the proposed office building would be significantly less than the cost to build, even assuming a 10% vacancy rate. Assuming a 20% vacancy rate (still lower than comparable lower properties) the achieved value is roughly 80% of the cost of construction.

No company with the means and sophistication to undertake a project of this size would proceed under these conditions. The project would exceed the entire 20-year projected demand for office space (Figure 4) and is over 4 times the size of the Summerlin Center and nearly 3 times the size of the Willamette 205 Center, both of which have suffered elevated vacancy for many years.

* * *

The following section discusses the potential public benefits of a multi-family residential use on the subject site. While the office development as previously proposed in 2007 would *in theory* produce higher property tax revenue and larger SDCs, *in practice* this development is highly unlikely to ever take place.

Therefore, the accurate comparison is between the subject site as it is now, a collection of vacant parcels, or under multi-family residential use. The benefits of each case are discussed below.

I. MULTI-FAMILY HOUSING NEED

The proposed rezoning of the subject site would result in an estimated 10.2 acres of multi-family residential land, and 1.2 acres of remaining OBC land. This split of the full 11.4 would still achieve mixed uses at the site, with the commercial uses located adjacent to Blankenship Road where it is likely to be most successful, and residential uses uphill where the site is better suited to this use for reasons discussed more below.

Before discussing estimates of the direct potential impact of multi-family development at the site, this section provides an overview of the supply and demand for multi-family rental apartments and land in West Linn.

The recent Arch Bridge and Bolton Town Center⁷ existing conditions study concludes that there is strong demand for rental housing in West Linn with a short supply of relatively expensive rental units. The study found that West Linn's housing stock is dominated by single-family detached housing at 77% of units. An additional 11% are "attached single family units", typically townhomes. Only 11% of units are multi-family units in buildings of 2 or more attached units (Page 18, Figure 16). These multi-family units would include for-sale condominiums as well as rentals.

⁷ "Arch Bridge and Bolton Town Center Existing Conditions Study", LMN Architects et al., April 2014.



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Furthermore, the type of housing available in West Linn tends to be quite high end. The median sale price in the community in recent months has been \$439,000, while the median Metro-wide is \$341,000, 22% lower.

In terms of land, the amount of land in West Linn's primary multi-family zones (R2.1 and R3) is just 5% of the amount of land in single-family zones (205 acres compared to 4022 acres).

Very little of this land is available for new rental housing development. Johnson Economics identified an estimated 5.3 gross acres in the city's multi-family zones and mixed-use zone. Roughly 2.2 acres (or 41%) of this is part of the Madison Heights condo development located just north of the subject site. This is unlikely to be developed as rental, rather than condominium, units.

These supply constraints are likely a large contributor to the fact that West Linn supports a much lower share of renters than Clackamas County or the Metro Area. While 22% of West Linn residents are renters, 31% of county residents and 38% of Metro residents are renters (Page 16).

Census Employment Dynamics data indicates that nearly 4,000 people employed in West Linn commute into the community from outside. This is more than 5 times the estimated number of local employees who live in the community. Many of these in-commuters will locate local public servants such as teachers or local government employees.

These figures indicate an on-going need for increased housing opportunities for West Linn's local work force, including rental housing. As it stands, there is little land remaining to meet this growing need.

J. POTENTIAL IMPACTS OF RESIDENTIAL USE AT THE SUBJECT SITE

The subject site is well-suited for multi-family residential use. It enjoys good access to the local and regional transportation grid, shopping and employment opportunities. The site should enjoy excellent views of the river valley, and it offers direct access to City-owned open space across Tannler Drive. Topography would buffer residential uses at the site from impacts of Blankenship Road and the freeway.

The site is located adjacent to existing R-2.1 zoning, as well as a mix of other uses. A concentration of new households here could help support existing business in the area and help create a functional mixed-use neighborhood.

West Linn is an attractive community for residents due to high household incomes and excellent schools. At the same time, rental opportunities have been limited in the area, with very slow development of multi-family apartment properties over the last decade. This site, being large and well-located in a transitional zone between single-family and commercial neighborhoods would be well suited to providing needed rental housing to the community.



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Finally, a multi-family project at this site is feasible and has much better odds of reaching fruition and bringing public benefits than a large office project or the current vacant condition. Some of the major benefits are estimated below.

Tax Revenue Generation

The preliminary design ideas for the subject site call for approximately 210 residential units of one, two and three bedrooms in multiple three-story buildings served by surface and tuck-under parking. There would also likely be a clubhouse on site for use by residents. ALL DESIGNS ARE PRELIMINARY ONLY, AND SUBJECT TO CHANGE.

Johnson Economics applied the income approach to value a potential development of 210 units and roughly 230,000 sq.ft. of built space. The improvement value was combined with the current estimate of land value of the subject parcels, and then multiplied by the official Changed Property Ratio to arrive at the Assessed Value used for taxation. (See Figure 10)

Based on the preliminary design, under residential use, the property would have an estimated assessed value of roughly \$32 million and generate an estimated \$591,000 in property taxes per year. (These are estimates only and may differ significantly from the final project design and market value assessments of the County Appraiser. Assumptions such as achievable income and cap rate also change over time.)

Figure 10: Estimated Valuation and Property Tax Generation, Multi-family Residential

		<u>Source</u>
Size:	230,560 sf 210 units	ConAm Properties
Estimated effective Gross Income	\$3,661,700	Con Am/Johnson Economics
Expenses (Pre-tax)	\$988,659 27%	Multifamily NW apartment report
NOI:	\$2,673,041	
Cap Rate:	5.50%	CBRE
Effective Tax Rate:	1.50%	Tax rate/Changed Prop. Ratio
Est. Value (Direct Cap):	\$38,186,300	NOI/Cap rate + Eff. tax rate
<u>Assessor Value & Taxation</u>		
Est. Total RMV (Land & Impr.):	\$39,434,039	
Changed Property Ratio:	0.807	
Assessed Value:	\$31,823,269	
Tax Rate (Code 003-002)	18.5815 per \$1,000	
Est. Annual Tax Payment:	\$591,324	

Source: Johnson Economics, sources noted



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Figure 11: Estimated Annual Property Tax Generation, by Recipient

	Tax Rate per \$1,000	Share of Total Rate	Estimated Annual Revenue (1st year)
West Linn/Wilsonville School District	4.8684	26.2%	\$154,928
West Linn/Wils. School Dist. Levy	1.5006	8.1%	\$47,735
Clackamas Community College	0.5560	3.0%	\$17,694
Clackamas Education Service District	0.3676	2.0%	\$11,698
Clackamas County	2.4037	12.9%	\$76,494
City of West Linn	2.1200	11.4%	\$67,465
Fire District	1.5252	8.2%	\$48,537
County Library	0.3963	2.1%	\$12,612
Fire District Levy	0.2500	1.3%	\$7,956
County Public Safety Levy	0.2480	1.3%	\$7,892
Metro	0.0963	0.5%	\$3,065
Metro Levy	0.0960	0.5%	\$3,055
Port of Portland	0.0699	0.4%	\$2,224
County Extension and 4H	0.0499	0.3%	\$1,588
County Soil Conservation	0.0489	0.3%	\$1,556
Vector Control Levy	0.0250	0.1%	\$796
County Urban Renewal	0.0065	0.0%	\$207
Vector Control	0.0065	0.0%	\$207
City of West Linn Bond	0.4390	2.4%	\$13,970
Clackamas Comm. College Bond	0.1494	0.8%	\$4,754
Fire District Bond	0.1309	0.7%	\$4,166
West Linn/Wils. School Dist. Bond 1	0.7816	4.2%	\$24,873
West Linn/Wils. School Dist. Bond 2	2.1722	11.7%	\$69,127
Metro Bond 1	0.0931	0.5%	\$2,963
Metro Bond 2	0.1811	1.0%	\$5,763
TOTAL:	18.5815		\$591,324

Source: Johnson Economics, Clackamas County Assessment and Taxation

Impact and SDC Fee Generation

The estimated fee and SDC generation for this hypothetical development is estimated at \$4.1 million, including planning fees (\$25,800), SDC's (3,526,900), building permits (\$283,300) and school excise tax (\$230,300).

School Impacts

The proposed development would have a positive revenue impact on local schools on a number of levels.

- At the time of development, the project would pay an excise tax of \$1.00 per square foot, which would amount to an estimated \$230,500 in this case.



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- As Figure 11 shows, the estimated property tax revenue to the district would be \$155,000 in the first year, with an additional \$48,000 to the school levy.
- The Oregon school funding system ensures that funding is provided per student, so that each new student from the proposed development would bring the same per capita funding to the district as existing students.
- The West Linn-Wilsonville School District Long Range Plan estimates an average 0.47 students per multi-family housing unit. This means the proposed project would bring an additional 99 students to the district, or roughly 8 new students per grade. The district had an estimated enrollment of 4,795 in 2013.
- In 2013, the West Linn part of the district had an estimated remaining available capacity for 230 students at the elementary level and 136 students at the high school level. Rosemont middle is estimated to be over capacity by 46 students.

Employment and Economic Impacts

Johnson Economics uses an IMPLAN model to estimate the economic impacts of new development for a range of project types. IMPLAN is an established and accepted method that provides a direct and quantifiable answer to the question of how much commercial activity new development can support.

The IMPLAN Economic Impact Methodology

To model the economic impacts of various activities, JOHNSON REID applied the IMPLAN (IMPact for PLANning)⁸ input/output multiplier model. Developed by the Forest Service to assist in land and resource management planning, IMPLAN has developed since the 1970's into an economic impact model designed for analyzing the effects of industry activity (employment, income or business revenues) upon all other industries in an economic area. IMPLAN is specifically designed to identify related economic activity associated with shifts in employment, and provides useful guidance to the question of commercial space supported by new development activity.

Economic impact analysis generally seeks to assess changes in overall economic activity within a specific geographic area as a result of a change in one or many specific activities; in this case, multi-family housing construction. The ripple effect of a gain or loss in economic activity is identified in three stages: *Direct Impacts*, *Indirect Impacts* and *Induced Impacts*.

- *Direct Impacts:* The actual change in activity affecting a local economy. For example, if a new housing development is constructed, direct economic impacts comprise the jobs required for construction and operations, and the labor income paid.
- *Indirect Impacts:* The response of all other local businesses within the geographic area to the direct impact. Continuing the previous example, indirect impacts of a new apartment complex would comprise revenues for related vendors, i.e. suppliers, subcontractors, etc., and the jobs and labor income thereby generated.

⁸ Minnesota IMPLAN Group (MIG), Inc., Stillwater, Minnesota.



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- **Induced Impacts:** The response of households within the geographic area affected by direct and indirect impacts. In the given example, induced impacts would be the increase in all categories of spending by households in the geography directly or indirectly employed by the businesses' activities (not including the new residents at the property).

Applying this model to a multi-family construction project in the West Linn market of the size suggested in preliminary designs, yields the following estimated impacts:

Figure 12: Estimated Economic Impacts of Proposed Multi-Family Development

Category of Impact	Employment	Labor Income	Total Value Added
Direct Effect	96.7	\$5,857,851	\$7,823,860
Indirect Effect	46.1	\$1,865,765	\$2,580,050
Induced Effect	27.5	\$1,039,399	\$1,944,430
Total Effect	170.2	\$8,763,014	\$12,348,320

Source: IMPLAN, Johnson Economics

As Figure 12 shows, the proposed development could have a significant economic impact, creating or inducing up to 170 jobs during construction and operation and total value added of \$12.3 million.

Spending Impacts

As of 2014, the average West Linn household spends \$68,500 on services and products beyond the cost of rent or mortgage. This level of spending is 130% the national average.

Figure 13: Estimated Average Per-Household Spending by Category

Food At Home	\$6,925
Food Away from Home	\$3,838
Alcoholic Beverages	\$1,325
Day Care & Education	\$6,974
Healthcare	\$6,370
Housing & Personal Services*	\$8,654
Transportation Expenses	\$13,904
Furnishings and Appliances	\$3,458
Personal Care, Smoking Products	\$2,040
Pet Expenses	\$811
Sports and Entertainment	\$9,126
Apparel	\$5,425
Total Household Spending:	\$68,850

* Does not include rent or mortgage expense

Source: Nielsen, Claritas

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Renter households tend to have a lower average income than the general household population. In West Linn, the median income of renter households is 64% the general median income. Applying this as a simple discount factor to the average spending yields an estimated average spending per *renter* household of \$44,174.

Based on this estimate, the proposed multi-family development at 210 new households could generate as much as \$9.3 million in new spending. As all communities experience some leakage of spending from their local households to other shopping areas, this spending would take place both in West Linn and beyond.

The local community is likely to capture much of the food expenditure, and expenditures on local household and personal services. A capture of 50%, which is not uncommon, would generate \$4.7 million in additional local spending per year.

Summary of Estimated Benefits

In summary, a multi-family residential development in keeping with the preliminary design discussed would generate an estimated:

- \$591,000 in annual property tax
- \$4.1 million in fees and SDC's
- 170 jobs created or induced by construction and operation
- \$12.3 million added through wages and economic activity related to these jobs
- Up to \$9.3 million in household spending by new residents at the property

THE PRELIMINARY DESIGN IS SUBJECT TO CHANGE. All of the above figures are estimates based on best available data, assumptions, and sources as described in this document.

This is in contrast to the current vacant use which produces an estimated current property tax of \$18,133 in the latest year. Absent development, these parcels will continue to produce this relatively low property tax revenue, with a modest yearly escalator. Until developed, the site will produce no benefits in SDC's, jobs created, economic activity from development and operations, new households or spending.

Given the uncertainty that commercial development will take place on this site at any time in the foreseeable future, these benefits, very modest in comparison to the benefits of the proposed multi-family development, are likely to persist indefinitely.

K. CONCLUSIONS

- An inventory of buildable lands appropriate for new office use reveals a significant supply of available vacant and redevelopable parcels. Development of the OBC zone has been modest over the previous decades. Roughly 26% of land in this zone remains



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vacant, not including the 10.2 acres of the subject site proposed for rezone, or the City-owned property at Tannler Drive.

- Compared to projected 20-year demand for office space in West Linn, there is buildable supply of office lands well in excess of 20-year needs, regardless of the possible rezoning of the subject parcel. The available buildable inventory is multiple times what is projected to be necessary over this period.
- The West Linn area submarket for office space is not the most robust in the Portland Metro area. The submarket, along with Kruse Way and other south-Metro submarkets experienced some of the highest vacancy rates during the recent recession and vacancy remains high. A recent inventory from the Clackamas County Business and Economic Services of available commercial space in West Linn found 80,000 sq.ft. of office space available and vacancy of nearly 31% among buildings surveyed.
- The office developments directly adjacent to the subject site have combined vacancy in excess of 27%. Overall, the West Linn market has experienced negative absorption in recent years, shedding office space back onto the market. Absorption is projected to be flat in coming years.
- Based on our analysis, Johnson Economics thinks that it is highly unlikely that office development of anywhere near this scale will take place on the subject site. The reasons for this are described in this report, but to summarize:
 - Value of new development as an income-generating investment is lower than the cost to build.
 - Market is very soft with high vacancies and negative absorption putting more vacant space on the market.
 - Established weakness of adjacent large office developments.
 - Weakening of suburban metro markets relative to central Portland and Hillsboro.
 - Slow historical pace of development in West Linn and modest projected demand.
 - Prospective office tenants have flexibility in where to locate.
 - This site has sat vacant since adoption of the OBC zoning in 1974.
- Based on our analysis, there are other challenges presented by the subject site making it an unlikely location for other uses which are allowed in the OBC zone. The site is unappealing for conditional uses such as retail and hotel due to topography, visibility and access. Vertical mixed-use or live/work units are infeasible due to increased costs, difficulty of marketing the commercial space, and lack of market demand.
- The subject site is well-suited for residential use, providing good access, views, and schools. Multi-family residential is a good use for transitional areas like the subject site which lays between low-density residential and commercial neighborhoods.
- The development as preliminarily designed would generate significant public benefits, including fees and system development charges at construction, and on-going tax



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generation. It would also have economic impacts on local job creation and household spending. This is a preliminary estimate of impacts:

- \$591,000 in annual property tax
 - \$4.1 million in fees and SDC's
 - 170 jobs created or induced by construction and operation
 - \$12.3 million added through wages and economic activity related to these jobs
 - Up to \$9.3 million in household spending by new residents at the property
 - These estimates are preliminary and subject to change but provide indicators of general magnitude of benefits.
- As office development on the scale of the subject site is highly unlikely, and the topography is unfavorable for retail, the most likely scenario for the site under the OBC zone is to remain vacant indefinitely. This provides a very modest public benefit in terms of property tax, but no additional benefits in generating economic activity, providing housing choices, generating economic activity or bringing active use to this large dormant site.

Chapter 21 OFFICE BUSINESS CENTER, OBC

Sections:

- 21.010 PURPOSE
- 21.020 PROCEDURES AND APPROVAL PROCESS
- 21.030 PERMITTED USES
- 21.040 *REPEALED*
- 21.050 USES AND DEVELOPMENT PERMITTED UNDER PRESCRIBED CONDITIONS
- 21.060 CONDITIONAL USES
- 21.070 DIMENSIONAL REQUIREMENTS, USES PERMITTED OUTRIGHT AND USES PERMITTED UNDER PRESCRIBED CONDITIONS
- 21.080 DIMENSIONAL REQUIREMENTS, CONDITIONAL USES
- 21.090 OTHER APPLICABLE DEVELOPMENT STANDARDS

21.010 PURPOSE

The purpose of this zone is to provide for groups of business and offices in centers, to accommodate the location of intermediate uses between residential districts and areas of more intense development, to provide opportunities for employment and for business and professional services in close proximity to residential neighborhoods and major transportation facilities, to expand the City's economic potential, to provide a range of compatible and supportive uses, and to locate office employment where it can support other commercial uses. The trade area will vary and may extend outside the community. This zone is intended to implement the policies and criteria set forth in the Comprehensive Plan.

21.020 PROCEDURES AND APPROVAL PROCESS

A. A use permitted outright, CDC 21.030, is a use that requires no approval under the provisions of this code. If a use is not listed as a use permitted outright, it may be held to be a similar unlisted use under the provisions of Chapter 80 CDC.

B. A use permitted under prescribed conditions, CDC 21.050, is a use for which approval will be granted provided all conditions are satisfied, and:

1. The Planning Director shall make the decision in the manner provided by CDC 99.060(A)(2), Administrative Procedures, except that no notice shall be required; and

2. The decision may be appealed by the applicant to the Planning Commission as provided by CDC 99.240(A).

C. The approval of a conditional use (CDC 21.060) is discretionary with the Planning Commission. The approval process and criteria for approval are set forth in Chapter 60 CDC, Conditional Uses. If a use is not listed as a conditional use, it may be held to be a similar unlisted use under the provisions of Chapter 80 CDC.

D. The following code provisions may be applicable in certain situations:

1. Chapter 65 CDC, Non-conforming Uses Involving a Structure.
2. Chapter 66 CDC, Non-conforming Structures.
3. Chapter 67 CDC, Non-conforming Uses of Land.
4. Chapter 68 CDC, Non-conforming Lots, Lots of Record.
5. Chapter 75 CDC, Variance. (Ord. 1463, 2000)

21.030 PERMITTED USES

The following uses are permitted outright in this zone:

1. Business equipment sales and services.
2. Business support services.
3. Communications services.
4. Cultural exhibits and library services.
5. Family day care.
6. Financial, insurance and real estate services.
7. Hotel/motel, including those operating as extended hour businesses.
8. Medical and dental services.
9. Parking facilities.

10. Participant sports and recreation, indoor.
11. Personal services and facilities.
12. Professional and administrative services.
13. Utilities, minor.
14. Transportation facilities (Type I). (Ord. 1226, 1988; Ord. 1401, 1997; Ord. 1590 § 1, 2009; Ord. 1622 § 23, 2014)

21.040 ACCESSORY USES

Repealed by Ord. 1622.

21.050 USES AND DEVELOPMENT PERMITTED UNDER PRESCRIBED CONDITIONS

The following uses are allowed in this zone under prescribed conditions:

1. Animal sales and services: veterinary (small animals) as prescribed with no exterior runs or storage.
2. Multiple-family units, as a mixed use in conjunction with commercial development, only above the first floor of the structure.
3. Signs, subject to the provisions of Chapter 52 CDC.
4. Temporary use, subject to the provisions of Chapter 35 CDC.
5. Home occupation, subject to provisions of Chapter 37 CDC.
6. Wireless communication facilities, subject to the provisions of Chapter 57 CDC.
7. Eating and drinking establishments, subject to the following limitations:
 - a. The use shall constitute no more than 20 percent of the total floor area of the building in which it is located.
 - b. The use shall not include any drive-through facilities. (Ord. 1226, 1988; Ord. 1408, 1998; Ord. 1442, 1999; Ord. 1565, 2008)

21.060 CONDITIONAL USES

The following uses are conditional uses which may be allowed in this zone subject to the provisions of Chapter 60 CDC, Conditional Use:

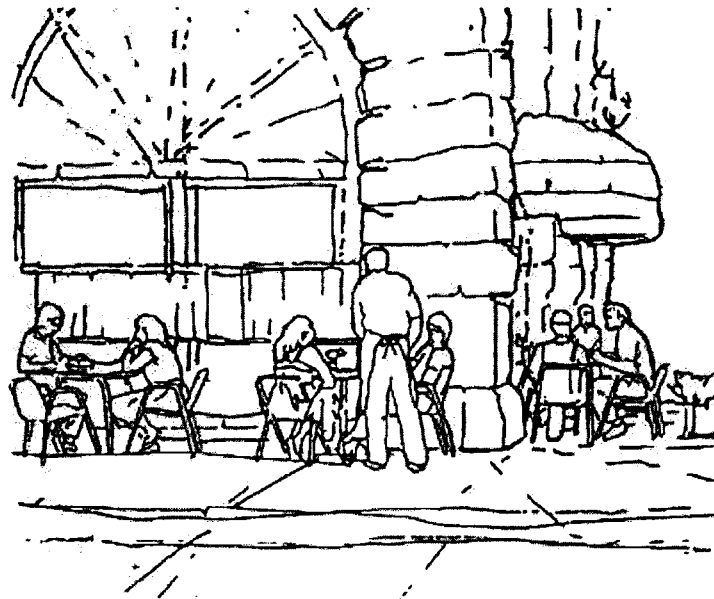
1. Children's day care center.
2. Convenience sales and personal services.
3. Food and beverage retail sales.
4. Heliports.
5. Research services.
6. *Repealed by Ord. 1622.*
7. Utilities, major.
8. Vehicle fuel sales.
9. Single-family homes, which were non-conforming structures and were damaged, whereby the cost of rebuilding the damaged portions would exceed 50 percent of the then current replacement cost of the entire building. Determination of rebuilding costs shall be per CDC 66.070(A).
10. Postal services.
11. Public safety facilities.
12. Public support facilities.
13. Transportation facilities (Type II). See CDC 60.090 for additional approval criteria. (Ord. 1172, 1985; Ord. 1401, 1997; Ord. 1590 § 1, 2009; Ord. 1604 § 18, 2011; Ord. 1622 § 23, 2014)

21.070 DIMENSIONAL REQUIREMENTS, USES PERMITTED OUTRIGHT AND USES PERMITTED UNDER PRESCRIBED CONDITIONS

A. Except as may be otherwise provided by the provisions of this code, the following are requirements for uses within this zone:

1. The minimum front lot line length or the minimum lot width at the front lot line shall be 35 feet.
2. The average minimum lot width shall be 35 feet.

3. *Repealed by Ord. 1622.*
4. The yard dimensions or building setback area from the lot line shall be:
 - a. Interior side yard, a minimum of seven and one-half feet.
 - b. Side yard abutting a street, no minimum.
 - c. Rear yard, a minimum of 25 feet.
 - d. Front yard, no minimum and a 20-foot maximum. The front setback area between the street and the building line shall consist of landscaping or a combination of non-vehicular hardscape areas (covered with impervious surfaces) and landscaped areas. If there are not street trees within the public right-of-way, the front setback area shall include such trees per the requirements of the City Arborist.



5. The maximum lot coverage shall be 50 percent.
 6. The maximum building height shall be two and one-half stories or 35 feet for any structure located within 50 feet of a low or medium density residential zone and three and one-half stories or 45 feet for any structure located 50 feet or more from a low or medium density residential area.
- B. The requirements of subsections (A)(1) through (4) of this section may be modified for developments under the planned unit development provisions of Chapter 24 CDC. (Ord. 1425, 1998; Ord. 1622 § 24, 2014)

21.080 DIMENSIONAL REQUIREMENTS, CONDITIONAL USES

Except as may otherwise be established by this code, the appropriate lot size for a conditional use shall be determined by the approval authority at the time of consideration of the application based upon criteria set forth in CDC 60.070 (A) and (B).

21.090 OTHER APPLICABLE DEVELOPMENT STANDARDS

A. The following standards apply to all development including permitted uses:

1. Chapter 34 CDC, Accessory Structures, Accessory Dwelling Units, and Accessory Uses.
2. Chapter 35 CDC, Temporary Structures and Uses.
3. Chapter 38 CDC, Additional Yard Area Required; Exceptions to Yard Requirements; Storage in Yards; Projections into Yards.
4. Chapter 40 CDC, Building Height Limitations, Exceptions.
5. Chapter 42 CDC, Clear Vision Areas.
6. Chapter 44 CDC, Fences.
7. Chapter 46 CDC, Off-Street Parking, Loading and Reservoir Areas.
8. Chapter 48 CDC, Access, Egress and Circulation.
9. Chapter 52 CDC, Signs.
10. Chapter 54 CDC, Landscaping.

B. The provisions of Chapter 55 CDC, Design Review, apply to all uses except detached single-family dwellings. (Ord. 1590 § 1, 2009)

The West Linn Community Development Code is current through Ordinance 1624, passed June 2, 2014.
Disclaimer: The City Recorder's Office has the official version of the West Linn Community Development Code. Users should contact the City Recorder's Office for ordinances passed subsequent to the ordinance cited above.

City Website: <http://westlinnoregon.gov/>
(<http://westlinnoregon.gov/>)
City Telephone: (503) 657-0331
Code Publishing Company
(<http://www.codepublishing.com/>)

Pre-Application Conference

Site: "Tannler West" at the northwest corner of Tannler Drive and Blankenship Road

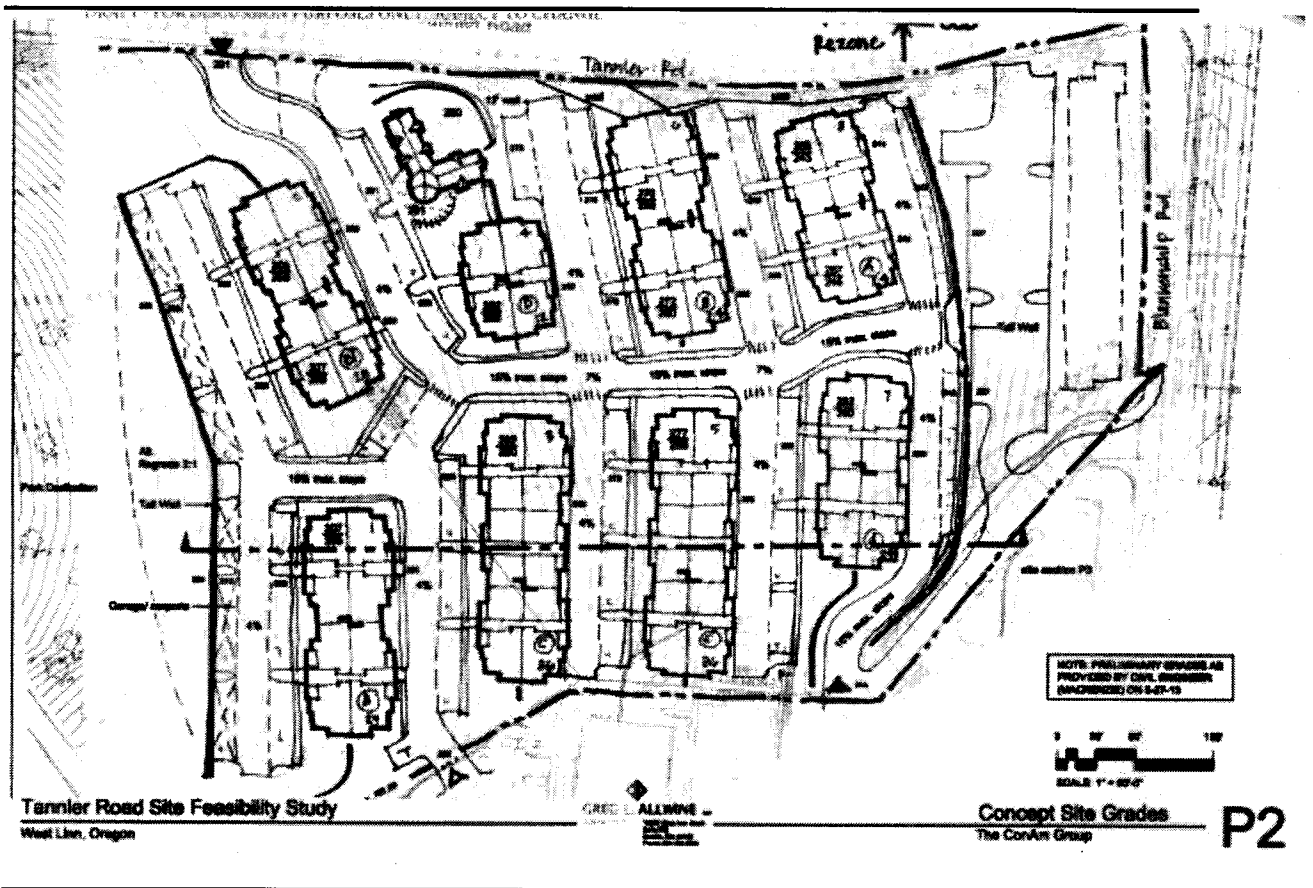
File No: PA-13-31

Date: December 5, 2013

Attendees: Rob Morgan, Mike Mahoney, Jeff Parker, Michael Robinson

Staff: Noah Brennan, Khoi Le, Peter Spir, Ken Worcester

Public: Kathie Halicki, Roberta Schwarz, Gail Holmes



Proposal: The total site area comprises 11.3 acres and is zoned OBC. Initially, the applicant would do a lot line adjustment (Planning Director decision) to move one existing lot line to a lower portion of the site and rezone the 10.1 acres north of the adjusted line from OBC to R-2.1. A zone change and comprehensive plan amendment would be required per Community Development Code (CDC) Chapter 105. (Planning Commission recommendation followed by City Council decision)

An application for the development of a multi-family housing project comprising over 200 units is expected at some time in the future. This would require, at minimum, a Class II Design Review. (Planning Commission decision) There is the potential that the northern three acres of the site will be dedicated to the City for park land or open space.

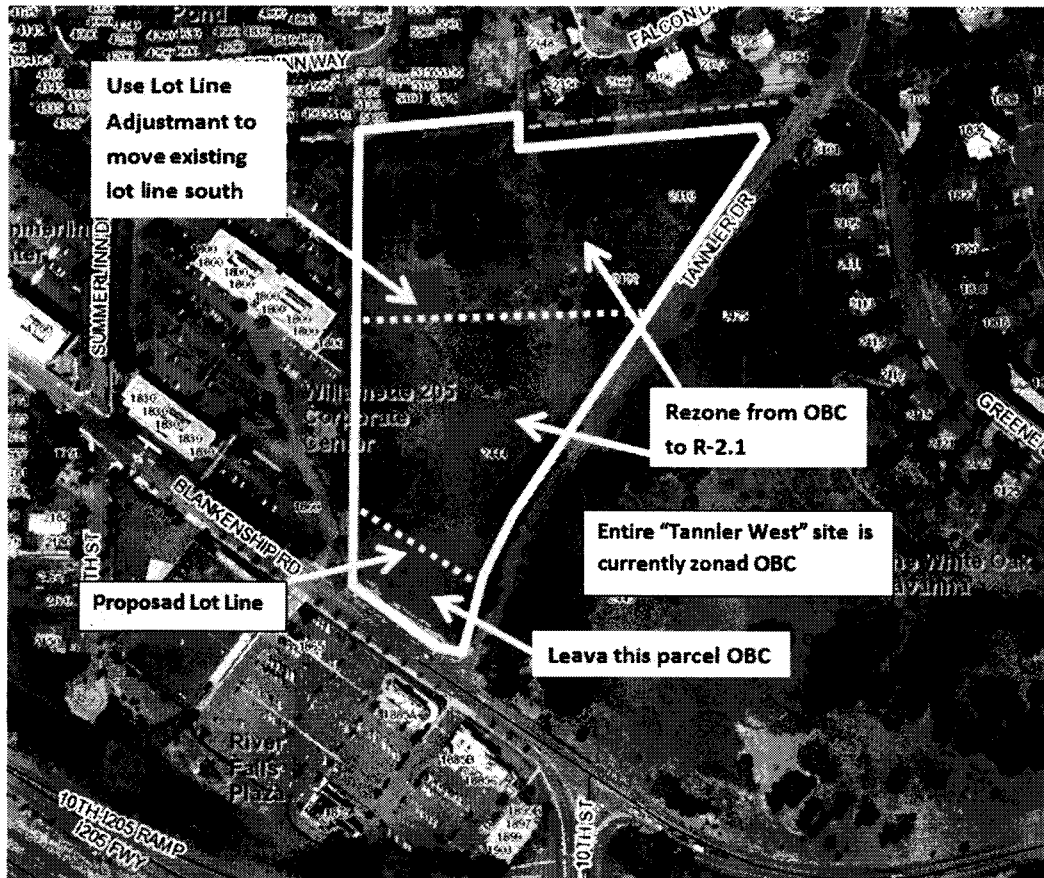
The lower 1.2 acre OBC zoned parcel would be developed at some point in the future, consistent with the OBC zoning designation, presumably by a third party.

Is a Planned Unit Development (PUD) required? No. The site does not comprise more than 25% of type I and II lands. An applicant can apply for PUD to take advantage of density bonuses for design excellence, low cost housing, park dedication etc. For open space dedication you may get a 5% increase per every half acre dedication (A park dedication nets only a 4% increase). Low cost housing (at least 20% of the total units have to qualify as low cost housing) nets an 8% increase. There are also the available density transfers of 24.130(B). That table allows 50-100% density transfer. For example, when two R-2.1 zoned acres are transferred that yields 20.74 extra units if the slopes are all Type I and II.

If you consider using density bonuses with a base number of 207 units and dedicate two acres you could have 41 extra units at 5% per every half acre (assuming it is $4 \times 5\% = 20\% \times 207 = 41$ units). That is a preliminary estimate and we would need to confirm those numbers. A PUD does, however, add another layer of permitting which could be heard concurrently with the design review.

At the present time, it is staff's understanding that no PUD will be applied for.

General Site Conditions: The site comprises 11.3 acres and encompasses a near constant sloped hillside with an average grade of 15% for the first 650 feet from Blankenship Road steepening in the upper 350 feet to an average grade of 22%. There are no slope failure/landslide hazards identified in City inventories including the DOGAMI mapping. The hillside is covered by a combination of native and invasive groundcover with a line of volunteer trees extending along Tannler Drive. The upper portion of the site comprises a number of oak trees similar in density and significance to the area east of Tannler Drive which is designated as a City owned open space named "White Oak Savanna".



Given the steepness of the upper hillside and the presence of the oak trees, the area would be an excellent candidate for either a dedication to the City or the creation of an open space easement. Such action may be accomplished through System Development Charges (SDC's) being credited to the applicant by the City or by a density transfer from this area to the lower portion of the site by the applicant.

The site was approved in 2007 for three office buildings comprising 289,571 square feet of office space extending from Blankenship Road up the hillside. That application included an open space easement for the oak tree area. Whereas office buildings were constructed on two adjacent OBC zoned parcels to the west in the 1990's, the approved project was never built. However, the approval for the application is still valid in that the project was vested by the installation of a water lateral from a water line in Blankenship Road to the site.

Responding to the approval criteria for a Zone Change and Comprehensive Plan Map Amendment

The current zoning of Office Business Center (OBC) was established for this area in 1984. The Comprehensive Plan Map designation is Commercial.

CDC Chapter 21 (OBC) offers the following purpose statement:

The purpose of this zone is to provide for groups of business and offices in centers, to accommodate the location of intermediate uses between residential districts and areas of more intense development, to provide opportunities for employment and for business and professional services in close proximity to residential neighborhoods and major transportation facilities, to expand the City's economic potential, to provide a range of compatible and supportive uses, and to locate office employment where it can support other commercial uses. The trade area will vary and may extend outside the community. This zone is intended to implement the policies and criteria set forth in the Comprehensive Plan.

This proposed rezone would remove 10.1 acres from OBC which begs the question if this represents a loss of land needed for the types of land uses envisioned by the Comprehensive Plan and the OBC zone.

Staff explained the criteria for a plan/zone change. Included in the criteria are the following:

- Proof of change in the neighborhood or community or a mistake or inconsistency in the Comprehensive Plan or Zoning Map as it relates to the property which is the subject of the development application.
- There is a public need for the change or the change can be demonstrated to be in the interest of the present and future community.

To respond to this criteria, a market analysis is recommended and may consider the following:

- Determine total OBC square footage in West Linn and express this site as a percentage of that total.
- Discuss absorption rates of OBC land in West Linn since 1984 (include the loss of OBC land on the east side of Tannler Drive to the White Oak Savanna purchased by the City).
- Discuss local and regional demand for office space.
- Inventory available land in the city which would allow uses that are permitted either outright, by prescribed conditions or by conditional use permit in the OBC zone. Particular attention should be paid to the availability of vacant or underutilized land that could accommodate the principal intended use: office space. Offices (principal use of OBC zone) are permitted in the following zones: OBC (outright), GC (outright), Campus Industrial (CI) (outright) R-4.5 (by CUP), R-2.1 (by CUP), Neighborhood Commercial (NC)(by CUP) Willamette Neighborhood Mixed Use Transitional (MU)(by CUP). Particular attention should be paid to the availability of vacant or underutilized land on the I-205 corridor and Willamette Drive.

Chapter 105 requires that the Comprehensive Plan be examined for goals and policies and recommended action plans that relate to the proposed change. Relevant elements may include: Economic Development, Public Facilities and Services, Transportation, Energy Conservation, Housing, Open Spaces and Land Use.

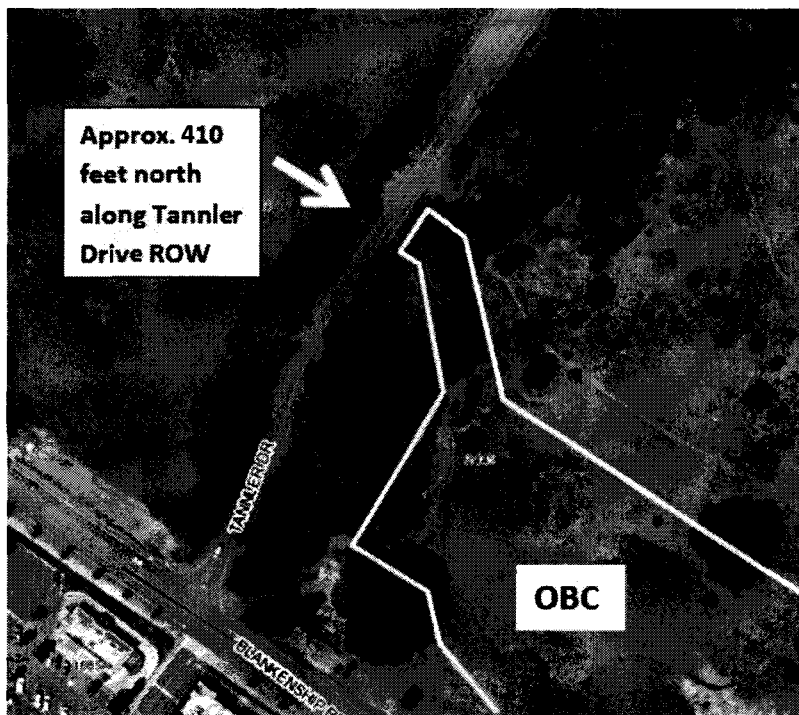
The Willamette Neighborhood Plan and Tanner Basin Neighborhood Plan (Savanna Oak Neighborhood is within this area) should also be examined.

Metro designates this site and the Willamette/10th Street area as a "Town Center" (Willamette Falls Drive is designated as a "Main Street").

It was noted that traffic has been an important consideration in the development of properties in this area. Reviewing earlier conditions of approval for this property would be a good starting point. The approval criteria for a zone change requires a response to subsection (D) Transportation Planning Rule compliance and a Traffic Impact Analysis (see 85.170(B)(2)) for specific requirements. Additional studies and the scope of those studies will be determined in consultation with the City (contact Khoi Le at kle@westlinnoregon.gov and ODOT. The ODOT contact person is Seth Brumley Seth.A.BRUMLEY@odot.state.or.us Traffic studies will be based on a minimum 210 units and a maximum 330 units.

The applicant asked if there was a difference in allowable densities between OBC and R-2.1. Staff responded that whereas the allowable R-2.1 density is 20.74 units an acre (assuming no PUD density bonuses); meanwhile, there is no specific density limit in the OBC zone. The OBC height limitations, space consumed by required parking, landscaping and circulation, and restriction on first floor residential units are the functional constraints to density.

Khoi Le stated that the access driveway from the site onto Tannler Drive should be aligned with the anticipated access point on the east side of Tannler Drive to privately held OBC property (see below).



The following are the responses by staff to earlier questions posed by the applicant.

Question 1: New Code Provisions?

There are no imminent changes to the CDC expected in the short term. Amendments to the Planned Unit Development chapter are expected to be adopted in late Spring or Summer 2014. Contact Sara Javoronok, Associate Planner.

Question 2: Park SDCs

Ken Worcester stated that SDC Credits could be issued at the time of dedication assuming there is no transfer of density etc. Essentially they can't get the value of the property twice: (e.g.) once for transferring 30 units from the oak hillside area to the flatter area to the south and a second time in the form of SDC credits.

Question 3: R-2.1 Density Calculation

Gross residential density includes all the R-2.1 zoned area and includes the potential park dedication lands.

Question 4: Need for another Tree Inventory

Both Ken Worcester and City Arborist Mike Perkins found that the significant trees should be re-evaluated. Mitigation would be required for any removal outside of the normal exceptions.

Question 5: Building Height methodology

A tandem garage space is shown on Sheet P6 with a maximum height of 10 feet. This space would NOT be considered a story so long as "the finished floor level directly above a basement or unused under floor space is more than six feet above grade as defined herein for more than 50 percent of the total perimeter, or is more than 12 feet above grade as defined herein at any point".

By backfilling or use of natural grades along the side of the garage space, the requirement that no more than 50 percent of the perimeter can be exposed over six feet high can be met. The 10 foot height is also below the maximum 12 feet.

Story. *That portion of a building included between the upper surface of any floor and the upper surface of the floor next above, except that the topmost story shall be that portion of a building included between the upper surface of the topmost floor and the ceiling or roof above. If the finished floor level directly above a basement or unused under floor space is more than six feet above grade as defined herein for more than 50 percent of the total perimeter, or is more than 12 feet above grade as defined herein at any point, such basement or unused under floor space shall be considered as a story.*

The "first story" is the one above the tandem garage space:

Story, first. *The lowest story in a building which qualifies as a story, as defined herein, except that a floor level in a building having only one floor shall be classified as a first story, provided such floor level is not more than four feet below grade, as defined herein, for more than 50 percent of the total perimeter, or more than eight feet below grade, as defined herein, at any point.*

The maximum height of a multi-family building in the R-2.1 zone per section 16.070(A) (5) is three and a half stories. A half story is defined as:

Story, half. *A story under a gable, hip, or gambrel roof, the wall plates of which on at least two opposite exterior walls are not more than two feet above the floor of such story.*

Given that the top story has a hip roof, meeting the half story definition should be relatively easy.

The allowable height in the R-2.1 zone is three and a half stories per 16.070(A) (5) and three and a half stories or 45 feet per 16.070(F) (2). To measure the height of the structure 41.005 applies:

41.005 DETERMINING HEIGHT OF BUILDING

A. *For all zoning districts, building height shall be the vertical distance above a reference datum measured to the highest point of a flat roof or to the deck line of a mansard roof or to the highest gable, ridgeline or peak of a pitched or hipped roof, not including projections above roofs such as cupolas, towers, etc. The reference datum shall be selected by either of the following, whichever yields a greater height of building.*

1. For relatively flat sites where there is less than a 10-foot difference in grade between the front and rear of the building, the height of the building shall be measured from grade five feet out from the exterior wall at the front of the building; or
2. For steeper lots where there is more than a 10-foot difference in grade between the front and rear of the building, the height of the building is measured from grade at a point five feet out from the exterior wall on the lowest side (front or rear) of the building. One then measures vertically to the peak or ridgeline of the roof to determine the height.

The proposed structure meets the 45 foot and three and a half story limitation as shown on sheet P6.

Question 6: Sprinklers

Contact Ty Darby (TVFR Deputy Fire Marshal) at : 503-259-1409 Ty.Darby@tvfr.com

Question 7: Visitor Parking

To determine allowed visitor parking on Tannler Drive you would need to provide 18 feet per car and also take out those areas within 15 feet of the outer wings of the driveway curb cut or within 10 feet of the expected three fire hydrants. You would have to use those sections of Tannler Drive adjacent to the project. With 1000 feet of frontage on Tannler Drive, 75 feet would be taken off for the driveway and 60 feet for the three hydrants to yield 865 feet divided by 18 feet per car or 48 visitor parking spaces. For these to be functional spaces, pedestrian access would need to be provided at regular intervals from Tannler Drive into the multi-family site. Ideally some visitor spaces would be provided evenly throughout the site especially on the west side.

Question 8: Traffic Mitigation Costs offset by SDC's?

See Khoi Le

Question 9: Accessibility and Site Impracticality Test

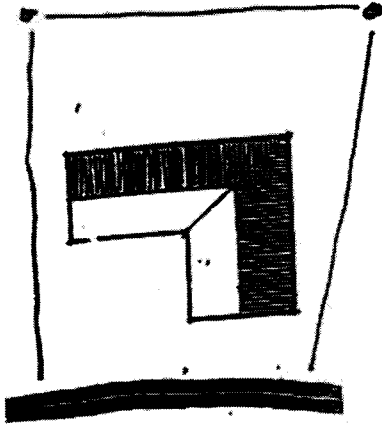
See Dave Davies (Building Official (503-656-4211))

Question 10: FAR

Regarding allowable floor area ratios, the definition of FAR is as follows:

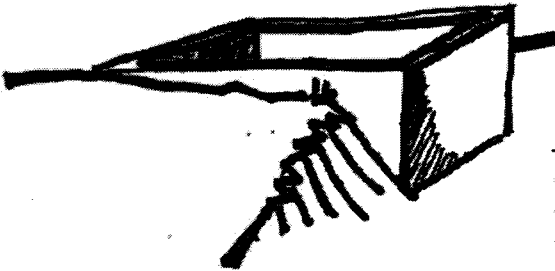
Floor area ratio (FAR). *The FAR is that percentage of the total lot size that can be built as habitable space. A FAR of 0.45 means that the square footage of the lot is multiplied by 0.45 to yield the total habitable square footage of the house including accessory dwelling units. For example, on a 10,000-square-foot lot, an FAR of 0.45 will allow a 4,500-square-foot house ($10,000 \times 0.45 = 4,500$). The FAR does not include or apply to attached garages. The FAR does not apply to detached garages, accessory dwelling units and accessory structures except that these detached structures may not individually exceed the height or square footage of the principal dwelling. The FAR does not include basement areas that average less than 50 percent of the basement perimeter exposed above grade.*

Uninhabitable space such as crawlspaces, attics, and spaces designed under the Flood Management Area Permit program to allow the passage of floodwaters are also exempt.



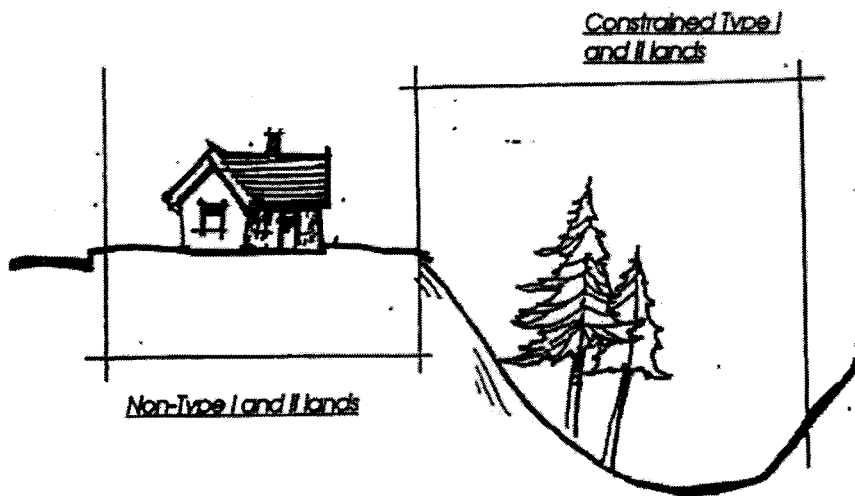
FAR applied to a 10,000-square-foot lot yields a 4,500-square-foot house. The bigger the lot, the bigger the house. FAR excludes attached garage, detached garages and accessory structures, uninhabitable spaces, basements predominantly below grade, and spaces required to meet Flood Management Permit standards.

Accessory structures cannot exceed the height or square footage of the principal dwelling.



Basements are exempt from FAR if less than 50 percent of basement is exposed above grade.

Type I and II lands shall not be counted toward lot area when determining allowable floor area ratio, except that a minimum floor area ratio of 0.30 shall be allowed regardless of the classification of lands within the property. That 30 percent shall be based upon the entire property including Type I and II lands. Existing residences in excess of this standard may be replaced to their prior dimensions when damaged without the requirement that the homeowner obtain a non-conforming structures permit under Chapter 66 CDC.



Type I and II lands are excluded from FAR calculations. But the property owner is guaranteed at least a FAR of 0.30 (30 percent) for the total site including Type I and II lands.

R-2.1 Chapter 16 has the following reference to FAR which indicates that FARs only apply to single family housing and do not apply to multi-family housing:

H. The floor area ratio for single-family homes shall be 0.45. Type I and II lands shall not be counted toward lot area when determining allowable floor area ratio, except that a minimum floor area ratio of 0.30 shall be allowed regardless of the classification of lands within the property. That 30 percent shall be based upon the entire property including Type I and II lands. Existing residences in excess of this standard may be replaced to their prior dimensions when damaged without the requirement that the homeowner obtain a non-conforming structures permit under Chapter 66 CDC.

Question 11: Tandem Parking

"Tandem" parking or parking (stacking) one car behind the other is allowed per 46.090(A) (3). Hoodview Townhomes is an example where that method was used.

1. When does the appeal submittal period to the state Land Use Board of Appeals after a City Council decision expire?

Per Oregon Administrative Rule (OAR) 661-010-0015 the Notice of Intent to Appeal must be filed with LUBA "on or before the 21st day after the date the decision sought to be reviewed becomes final." West Linn Community Development Code (CDC) 99.230 states that the Council's decision is final when it is signed. This means that if there is a delay between the date of the hearing and the date the Council adopts the written findings. The date the written findings are adopted is the date that the 21 day appeal period begins to run. The code is below:

99.230 EFFECTIVE DATE OF DECISION – APPEAL OR REVIEW

A. Any Planning Director or Planning Commission decision made under the provisions of this chapter shall become effective at 5:00 p.m. on the fourteenth day from the date of mailing the notice of the final decision, unless a local appeal or review is taken pursuant to CDC 99.240. If the fourteenth day falls on any legal holiday or on a Saturday or Sunday, then the effective date and time shall be at 5:00 p.m. on the next business day.

B. City Council decisions are final upon the date of the signature on the decision. The effective date shall be 21 days from the date that the final, signed decision is mailed. If the twenty-first day falls on any legal holiday or on a Saturday or Sunday, then the effective date and time shall be at 5:00 p.m. on the next business day. (Ord. 1474, 2001; Ord. 1568, 2008; Ord. 1590 § 1, 2009)

2. Does the Land Use Board of Appeals first make a decision as to the validity of the appeal before it is heard?

LUBA will decide any jurisdictional issues, but substantive land use issues are usually not decided until the final order is issued. The City has 21 days after receiving a Notice of Intent to Appeal to file the record of the proceeding with LUBA. After any objections to the record are resolved, LUBA gives the plaintiffs 21 days to file their brief. The response briefs are due 21 days later, or 42 days after the record is settled, and LUBA issues its decision within 77 days of the date the record is filed, unless it requests an extension. ORS 197.830; OAR 661-010-0030(1); 661-010-0035(1); ORS 197.830(14).

3. Is the appeal limited to the appeal points only or are all of the issues of the original approval up for discussion?

Appeals to LUBA require the parties to argue specific points, called assignments of error, in the briefs. LUBA will not hear or rule on assignments of error that are brought up for the first time in oral argument. OAR 661-010-0040(1).

1. What level of precision is required during a rezone and comprehensive plan amendment change? For instance, are specific legal descriptions and parcel sizes needed or are approximations used that can allow some flexibility to move parcel or zoning boundaries in the future to be consistent with a final site plan?

When the zone is adopted by the Planning Commission, precision is required. It would require a specific legal description with calculated parcel sizes and associated maps. However, there is some flexibility to modify the original proposal through the planning process. For example, in the worst case scenario, if a need to change the area to be rezoned became apparent during the hearing at the Planning Commission, the applicant could request leave to make the modifications and come back with the amended plan as long as the amendments were not so significant that a new application would be necessary pursuant to CDC 99.120. If the application was pushing against the 120 day clock, the applicant could grant an extension of the clock while it amended the application.

99.120 AMENDMENTS

This section explains how amendments to projects subject to the quasi-judicial decision making process are processed.

A. An amendment application shall be required if the Planning Director determines that the proposed revisions will change the project by a factor greater than 10 percent in a quantifiable manner (e.g., number of proposed lots, square footage of proposed buildings, number of parking spaces, relocation of building footprints). Non-quantifiable changes shall also require an amendment if they result in significant differences between the approved project and the revised project, or if the changes call into question compliance with a relevant approval criterion.

B. Amendments shall be reviewed by the initial decision-making authority. For example, if the Planning Commission heard the application initially, then it would hear the amendment application.

C. Rather than provide full submittal, the Planning Director shall identify the parameters of the submittal appropriate to the amendment and applicable approval criteria. For example, if the applicant only requests to redesign the architecture of a building, but not increase square footage or building mass, then the submittal of a site plan, architectural elevations, material/color board, and narrative specific to the architecture and relevant design review approval criteria would be appropriate. Conversely, no new landscaping, grading plans, etc., would be necessary since no changes are proposed for those items. The submittal should be comprehensive and sufficient to provide the decision-making authority with all necessary information while not being redundant and requiring information which is already part of the record of the original application.

D. If the proposed revisions will change the project by a factor greater than 25 percent in a quantifiable manner, or if the land area upon which the project is proposed changes, then a new application shall be required. (Ord. 1568, 2008)

Engineering Comments

I. TRANSPORTATION

TANNER DRIVE

	EXISTING CONDITIONS	POTENTIAL POST DEVELOPMENT CONDITIONS
Classification	Collector	Collector
Zone	OBC	R3/OBC
Right of Way Width	Approximate 50'	72'
Full Pavement Width	Approximate 44'	44'
Bike Lane	None	None
Curb and Gutter	Curb	Curb and Gutter
Planter Strip	None Defined	5.5' Residential – None OBC
Sidewalk	None	6' Residential – 8' OBC
Street Light	None	Yes – LED Fixtures
Utility Pole	None	New services to be placed underground
Street Tree	None	Yes
ADA Ramps	None	Yes where needed
Post Speed	25 MPH	25 MPH
Stripe	Double Center Line and Fog Line	Provide proper stripe as part of street improvement and in accordance with recommendations from traffic report and TSP.

A. MINIMUM REQUIRED IMPROVEMENT WITH ODOT REVIEW AND APPROVAL

1. Dedication: 11' for 72' right of way.
2. Provide a minimum 24' minimum pavement improvement with the following sections:
 - 12" of 1-1/2"-0 Crush Rock
 - 2" of 3/4" -0 Leveling Course
 - 5" of AC Pavement consisting of 2" Class "C" over 3" Class "B"
 - See Public Works Standards Section 5.0030 Pavement Design for design requirements.
3. Provide striping including double yellow line and in accordance with recommendations from traffic report and as required by TSP.
4. Provide illumination analysis of the existing conditions. Install street lights as recommended in accordance to the followings:

- Average Maintained Illumination: 0.5 foot-candles (Residential)
 - Uniformity Average to Minimum: 4 to 1
 - Street Light should match with existing surrounding lights – with LED Beta Fixtures.
- 5.
 6. Street Light should match with existing surrounding lights – with LED Beta Fixtures.
 7. Provide Street Trees. Coordinate with Parks Department for requirements.
 - Driveway Approach: 36' maximum width including wings. See WL-504A, 504B, and 505 for technical and construction specifications. Driveway approach serving 3 lots or more
 8. All new and existing overhead utilities along the development must be placed underground.
 9. Reference: Approved Land Use Application Project DR-06-24.

BLANKENSHIP RD

	EXISTING CONDITIONS	POTENTIAL POST DEVELOPMENT CONDITIONS
Classification	Collector	Collector
Zone	OBC	OBC
Right of Way Width	Approximate 91'	As needed
Full Pavement Width	Approximate 48'	As needed
Bike Lane	Yes	Yes
Curb and Gutter	Yes	Curb and Gutter
Planter Strip	None	None
Sidewalk	None	8' sidewalk with tree wells
Street Light	None	Yes – LED Fixtures
Utility Pole	None	New services to be placed underground
Street Tree	None	Yes
ADA Ramps	None	Yes
Post Speed	25 MPH	25 MPH
Stripe	Center lane/Bike lane	Provide proper stripe as part of street improvement

B. MINIMUM REQUIRED IMPROVEMENT

10. Dedication: None or as needed in accordance with traffic report recommendations.
11. Provide a minimum 24' half street pavement improvement with the following sections:
 - 12" of 1-1/2"-0 Crush Rock
 - 2" of ¾"-0 Leveling Course
 - 5" of AC Pavement consisting of 2" Class "C" over 3" Class "B"
 - See Public Works Standards Section 5.0030 Pavement Design for design requirements.
12. Provide illumination analysis of the existing conditions. Install street lights as recommended in accordance to the followings:
 - Average Maintained Illumination: 1.0 foot-candles (Commercial)
 - Uniformity Average to Minimum: 4 to 1

- Street Light should match with existing surrounding lights – with LED Beta Fixtures.
13. All new and existing overhead utilities along the development must be placed underground.
 14. Reference: Approved Land Use Application Project DR-06-24.

C. TRAFFIC MITIGATION

Mitigation shall be provided in accordance with recommendations and COAs from Final Decision of DR-06-24.

D. CITY TRANSPORTATION MASTER PLAN

PEDESTRIAN MASTER PLAN

Tannler Dr is indicated in the City Pedestrian Master Plan as one of the roadways with sidewalk deficient. Sidewalk project along Tannler Dr is identified as project number 41 on Pedestrian Master Plan Project list (See TSP page 5-7). **8' sidewalk along Blankenship Rd and 6' along Tannler Dr will be included as part of the street improvement requirements.**

BICYCLE MASTER PLAN

There is existing bike lane along Blankenship Rd. **6' bike lane along Blankenship Rd will be included as part of the street improvement requirements.**

MOTOR VEHICLE MASTER PLAN

Intersection between Shady Hollow Way and Willamette Dr was not one of the intersections analyzed in the TSP. The nearest intersection analyzed is Arbor Dr.

Existing Operations Conditions

Intersection	LOS	Average Delay (sec)	Volume/Capacity (v/c)	Measure of Effectiveness Administrative		MOE Met?
				Agency	Maximum	
Blankenship/Tannler	A/F	8.0		City	0.13/0.52	NO
10 th /Blankenship	D	55	0.63	ODOT	0.85	YES
10 th /I-205 SB	C	34.4	0.61	ODOT	0.85	YES
10 th /I-205 NB	B	16.1	0.65	ODOT	0.85	YES

None of the above intersections will operate at accepted level in 2030. Improvements will be needed and done in accordance to mitigation recommended in COAs' from Final Decision of DR-06-24.

E. STREET SDC AND BIKE/PEDESTRIAN EFFECTIVE JULY 1ST 2013

Type of Use	Trip per Use	Factor	Reimbursement	Improvement	Administrative	Total
Per Factor of 1		1.00	\$2,201	\$4,717	\$179	\$7,097
Single Family	Per House	1.01	\$2,223	\$4,764	\$181	\$7,168

Type of Use	Trip per Use	Factor	Reimbursement	Improvement	Administrative	Total
Per Factor of 1		1.00	\$0	\$1,542	\$40	\$1,582
Single Family	Per House	1.00	\$0	\$1,557	\$40	\$1,597

II. STORM DRAINAGE**A. EXISTING CONDITIONS**

1. There is existing public storm drainage located in an easement on the opposite side of proposed project frontage on Tannler Dr. Similarly, public storm drainage is located on the opposite side of proposed project frontage on Blankenship Rd.

B. MINIMUM REQUIRED IMPROVEMENT

1. Provide treatment for new impervious of 500 square feet or more.
2. Provide detention for new impervious of 5000 square feet or more.
3. Storm Drainage Analysis Report is required.
4. Collect, treat, detain, and provide proper conveying system for new impervious area created along Tannler Dr and Blankenship Rd.

C. SURFACE WATER SDC EFFECTIVE JULY 1ST 2013

Unit		Factor	Reimbursement	Improvement	Administrative	Total
Per Factor of 1		1.00	\$793	\$238	\$52	\$1,083
Single Family	Per House	1.00	\$793	\$238	\$52	\$1,083

III. SANITARY SEWER**A. EXISTING CONDITIONS**

1. Public sanitary sewer main is available along Tannler Dr. for connectivity.

B. MINIMUM REQUIRED IMPROVEMENT

1. Private sanitary sewer system serving proposed residential development may need to be constructed in accordance with PW Standards.

A. SANITARY SEWER SDC EFFECTIVE JULY 1ST 2013

Unit	Meter Size	Factor	Reimbursement	Improvement	Administrative	Total
Per Factor of 1		1.00	\$612	\$2,385	\$111	\$3,108
Single Family	Per House	1.00	\$612	\$2,385	\$111	\$3,108

Tri-City Service District Sewer SDC 1 EDU = \$2,020

IV. WATER

The proposed project site is under two different water pressure zones: Bland and Willamette.

The upper 2/3 of project site will be served by Bland and the bottom project site will be served by Willamette. A water main extension down Tanner Dr must be needed to serve the development.

There is an existing water vault installed on Blankenship for future connectivity.

The upper 2/3 of project site will be served off from the existing water main located in an easement along the northern property line.

A. WATER SDC EFFECTIVE JULY 1ST 2013

Unit	Meter Size	Factor	Reimbursement	Improvement	Administrative	Total
Per Factor of 1		1.00	\$585	\$6,969	\$196	\$7,750
1" Meter	2.5		\$1,463	\$17,423	\$490	\$19,376
1.5" Meter	5		\$2,925	\$34,845	\$980	\$38,750
2" Meter	8		\$4680	\$55,752	\$1,568	\$62,000

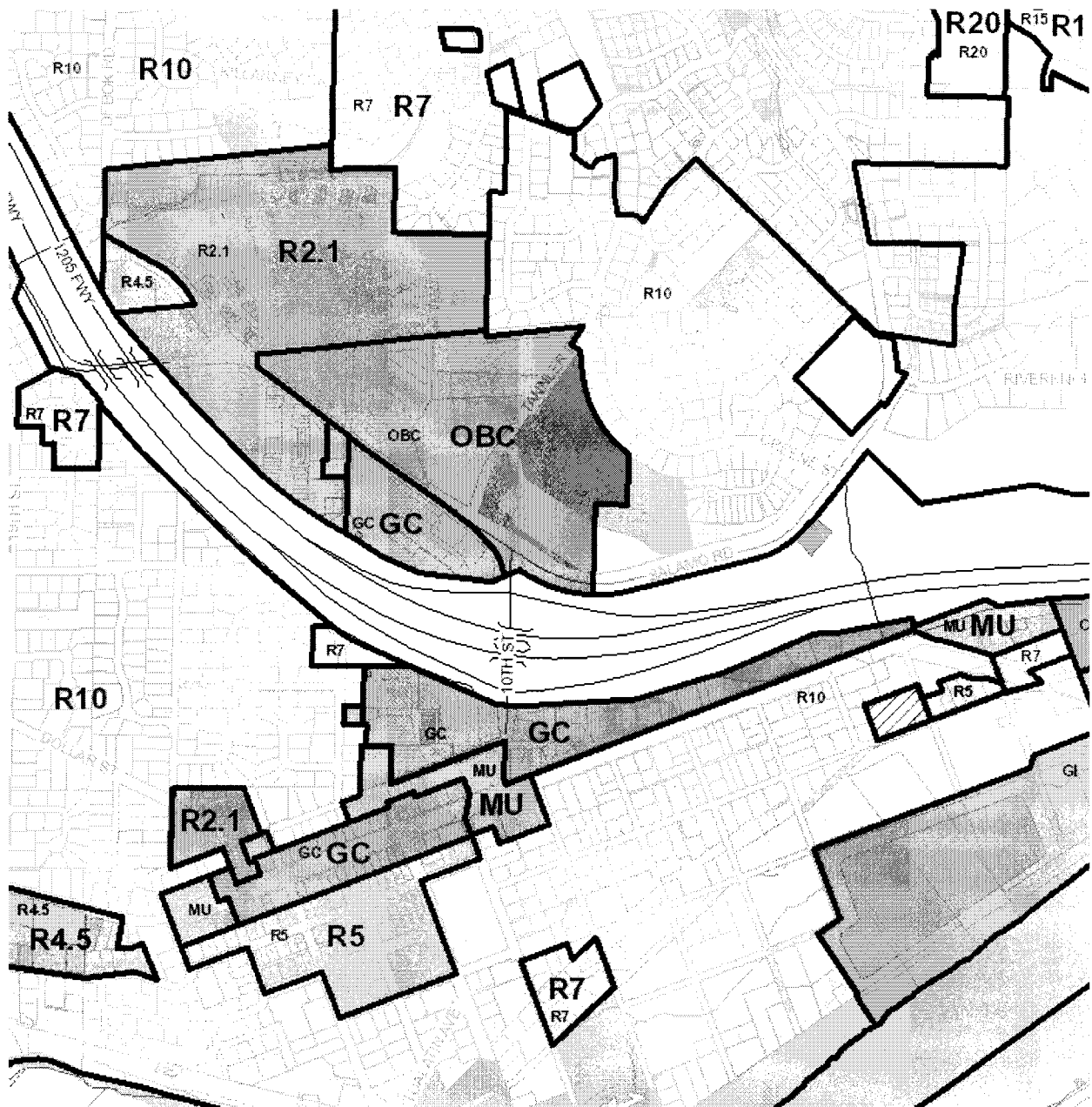
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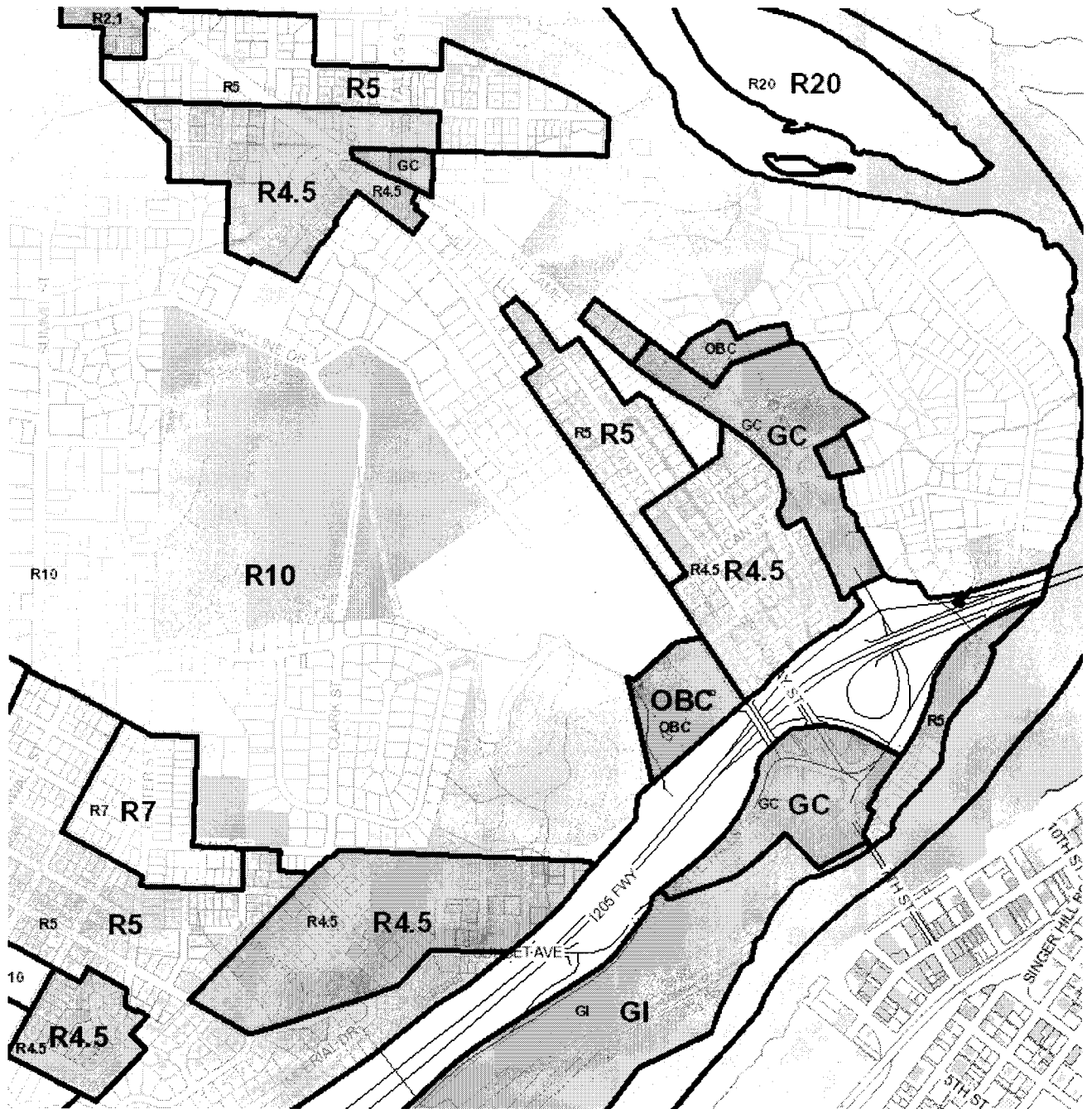
The applicant shall prepare complete responses to the approval criteria of CDC section 105.050 which includes a Traffic Impact Analysis (TIA) per section 85 170(B) (2). Submit a completed application form and a zone change deposit fee of \$3,000. The City has 30 days to determine the completeness of the application. Once the application is declared complete by City staff a public hearing will be scheduled with the Planning Commission. Public notice will be undertaken. The Planning Commission will hold a public hearing and make a recommendation on the proposed zone and plan map change. That recommendation then is forwarded to City Council who will convene a public hearing and render the final decision. The lot line adjustment, that may be undertaken prior to the zone change, is explained in 85.210. The deposit fee is \$800 with a final plat fee of \$200.

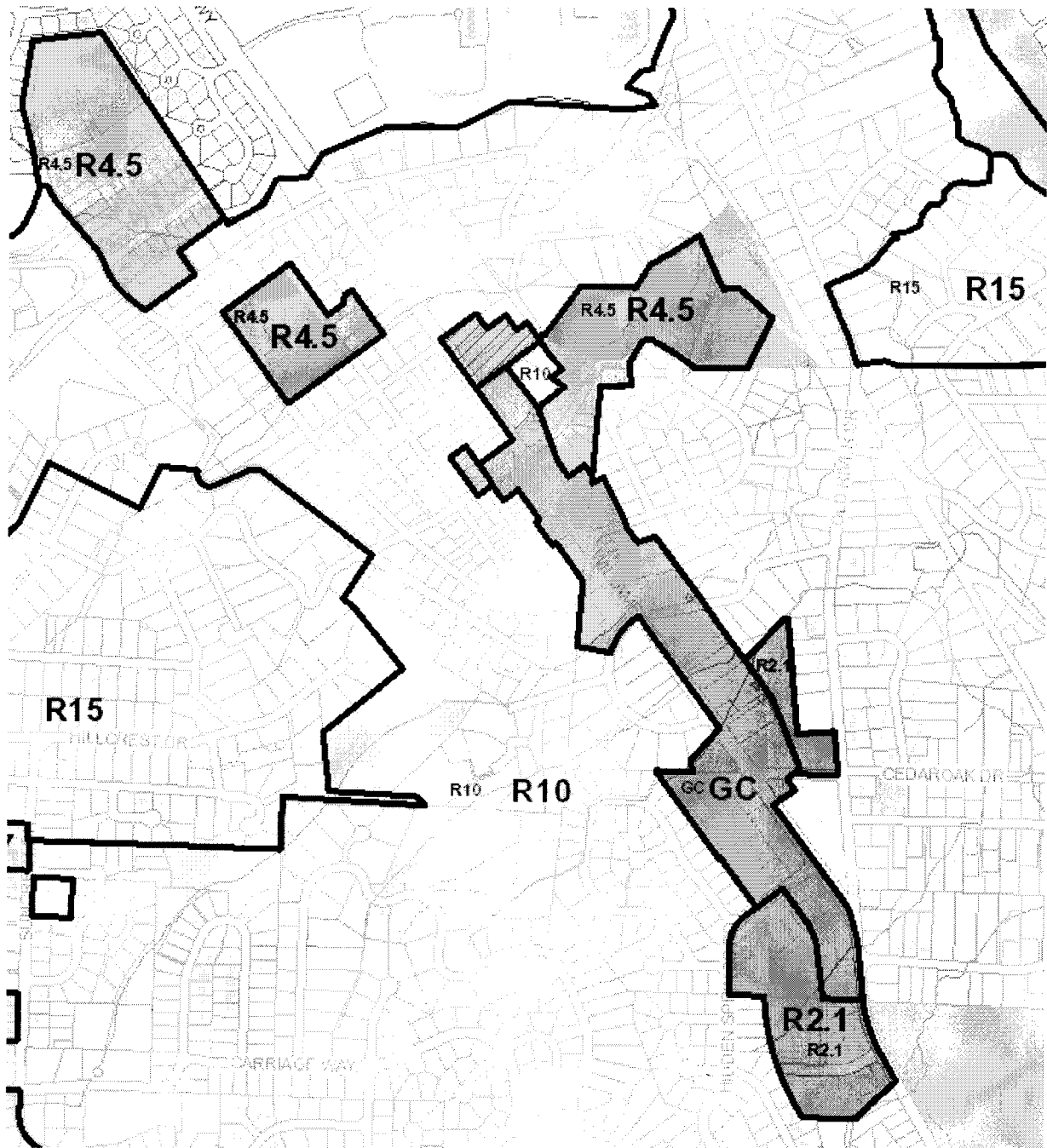
Pre-application notes are void after 18 months. After 18 months with no application approved or in process, a new pre-application conference is required.

Typical land use applications can take 6-10 months from beginning to end.

DISCLAIMER: This summary discussion covers issues identified to date. It does not imply that these are the only issues. The burden of proof is on the applicant to demonstrate that all approval criteria have been met. These notes do not constitute an endorsement of the proposed application. Staff responses are based on limited material presented at this pre-application meeting. New issues, requirements, etc. could emerge as the application is developed. Thus, there is no "shelf life" for pre-apps.







WEST LINN CITY COUNCIL

FINAL DECISION NOTICE

AP 07-01

**IN THE MATTER OF THE CONSTRUCTION OF THREE OFFICE BUILDINGS AND A
PARKING STRUCTURE AT THE NORTHWEST CORNER OF BLANKENSHIP ROAD
AND TANNER DRIVE**

At a special meeting on February 15, 2007, the West Linn City Council held a public hearing to consider the appeal of the Tanner Basin Neighborhood Association of the Planning Commission's decision to approve an application submitted by Blackhawk LLC. The application proposes to redevelop the 11.3-acre property at the northwest corner of Tanner Drive and Blankenship Road with three office buildings totaling 289,000 square feet and a 4-level parking structure with space for 756 vehicles. The approval criteria for the design review application are found within Chapter 55 of the Community Development Code (CDC). The hearing was conducted pursuant to the provisions of CDC Chapter 99.

The hearing commenced with a staff report presented by Gordon Howard, Senior Planner. The appellants then testified, with the Tanner Basin Neighborhood Association represented by Ed Schwarz. The applicant then provided a presentation, represented by Bob Thompson, Dick Spies Brent Ahrend, and Bill Wilt. Kathy Halicki, James Bents, Roberta Schwarz, and Ken Pryor provided testimony in support of the appeal, while Alice Richmond, Gordon Root, and Andrew Stamp spoke in favor of the application (against the appeal). The appellant and the applicant then each provided a final rebuttal.

FINDINGS

The City Council adopted the findings of the West Linn Planning Commission in their decision approving the original application, which incorporated the findings proposed by staff and the applicant in the Staff Report to the Planning Commission. The City Council made the following additional findings:

1. In response to the appellants' assertion that the applicant had not looked at alternative site designs that reduced grading and drainageway impacts, the City Council determined that the applicant had prepared alternative site designs in the application and had chosen a site plan that minimized grading disturbance on the site by stepping buildings up from Blankenship Road along the slope, concentrating parking into a 4-level structure, and maintaining the upper ½ of the site as undisturbed open space. Additionally, the City Council determined that the site does not contain a natural drainageway.

2. The City Council determined that the Planning Commission's conditions of approval did not include any requirements that improperly deferred matters for subsequent discretionary review. The Council determined that review of the joint use agreement for the entrance drive, street lighting details, and specific trees within the landscape plan were sufficiently administrative in nature in terms of applying city standards, and did not involve significant discretion on the part of City officials reviewing these conditions.
3. The City Council determined that the Planning Commission correctly determined that the proposed lot line adjustment was within the definition of "minor" contained in CDC 85.210 based upon past city practice.
4. The City Council determined that the applicant's noise analysis was appropriate and adopted its findings instead of the alternative analysis offered by the appellants. The Council further noted that garbage trucks, parking lot sweepers, and other service vehicles will have their noise screened from residences to the north by the proposed upper buildings. The Council noted that HVAC units on the buildings would need to be constructed in a way so as to direct noise away from existing residences to the north.
5. The City Council dismissed the appellant's argument that the project was improperly staged, and that all traffic improvements should therefore be constructed with the first phase. The Council determined that the applicant's proposal to construct Building "A" next to Blankenship Road in the first stage was appropriate because, if the later stage of the development were never constructed, the first stage standing alone would satisfy all relevant CDC approval criteria. The Council also determined that requirements for rough proportionality between project impacts and mitigation measures mandated that the City allow a similar staged set of transportation improvements.
6. The City Council reaffirmed the Planning Commission's determination that construction of an above-ground storm water detention facility was impracticable, and further determined that the appellant's example of an attractive surface water detention facility in Lake Oswego was not comparable because, unlike the Lake Oswego facility, any surface water detention pond on this site would have to be constructed on sloped land and thus would require large retaining walls.

7. The City Council reaffirmed the Planning Commission's finding that the proposed traffic mitigation measures were appropriate. The Council determined that traffic mitigation was appropriately analyzed on a large-scale level encompassing the entire Tenth Street corridor area, and not on small individual segments of the corridor, such as the intersection of Tannler Drive and Blankenship Road. The applicant's proposed mitigations will have a significant benefit for the entire Tenth Street corridor in terms of a new traffic signal, lane widenings, and additional turn lanes. The City Council found the expert testimony of the applicant's traffic engineer to be persuasive while the appellants' merely mentioned the opinion of an unnamed traffic engineer who provided the appellants' arguments. That expert was not available at the hearing to be questioned as to his or her findings, whether the appellants' accurately portrayed the findings, and the information used in drawing conclusions. The Council determined that the additional traffic mitigation measures recommended by the Oregon Department of Transportation were appropriate and necessary to fully mitigate traffic impacts. The Council also determined that the speed at which the Tenth Street task force was proceeding with its deliberations meant that a slight modification to Condition of Approval #14 relating to later stages of the development was appropriate.

8. Regarding the intersection of Tannler Drive and Blankenship Road, the Council determined that the project and proposed traffic mitigations would result in an increase in PM peak hour turn movements from Tannler Drive to Blankenship Road from 35 to 95. While this remains at level of service "F," the applicant's proposed traffic plan mitigates this impact by adding an exclusive left turn lane onto Tannler and installing a traffic signal to the west at the project entrance to Blankenship (allowing "platooning" of traffic and corresponding gaps in traffic along Blankenship to allow left turns from Tannler). In the context of an overall view of mitigation of traffic impacts proposed by the applicant, the solution for the intersection of Tannler and Blankenship is acceptable.

9. The City Council determined the applicant's placement of a traffic signal at the site driveway entrance and Blankenship Road required additional measures for pedestrians from that intersection into the site. The existing driveway into the site has no pedestrian walkway, and such a walkway is necessary to reach the existing and proposed office buildings from the intersection. Also, a direct stairway from the intersection to the south entrance of Building "A" is also necessary and appropriate to ensure proper pedestrian circulation and access.

10. The City Council determined that, along Tannler Drive, exceptions to the requirement for both a sidewalk and a planter strip along the upper portion of the site were necessary only to protect the three significant trees along this frontage. Thus, a meandering sidewalk that was curb-tight to Tannler Drive (no landscape strip between the sidewalk and the roadway) only where necessary to preserve a significant tree was appropriate.

11. The City Council determined that internal site circulation and proper integration of the proposed development with the existing office buildings to the west required a direct pedestrian connection from the west side of the proposed parking structure to the walkways of the existing office development.
12. The City Council determined that Tri-Met may agree to move the existing transit stop along the north side of Blankenship Road closer to the new traffic signal at the project entrance driveway. Thus, the condition of approval requiring construction of appropriate bus shelter facilities should reflect this possibility.
13. The City Council determined that the proposed street medians in Tannler Drive to be constructed as part of this project should be landscaped to make them more attractive.

DECISION

Based upon the findings discussed above, a motion was made by Councilor Gates and seconded by Councilor Eberle to deny the appeal and uphold the decision of the West Linn Planning Commission to approve the application, with the following conditions of approval.

1. The applicant shall not allow construction of any walls, entryway features, or signs that would impair clear vision at the intersection of Tannler Drive and the access driveway from Tannler Drive pursuant to the standards of Community Development Code (CDC) Chapter 42.
2. The applicant shall provide satisfactory legal evidence establishing joint use of the existing driveway access to Blankenship Road on the adjacent Willamette 205 Corporate Park property (1800 Blankenship Road) to the west. Such evidence shall be in the form of deeds, easements, leases, or contracts to establish joint use, and shall be placed on permanent file with the City.
3. The applicant shall preserve trees #6, #7, and #12 as identified on Sheet C 1.1 and in the arborist's tree inventory along the northern portion of the site adjacent to Tannler Drive. Tree #5 is not significant and may be removed. The applicant shall design a meandering sidewalk along the upper portion of Tannler Drive that incorporates a curb-tight sidewalk location to protect these significant trees, and a sidewalk separated from the Tannler Drive traveled way with a six-foot wide planter strip where no significant trees are located.

4. The applicant shall not remove any of the trees designated as "hazard" trees amongst trees #1-#53 unless approved by the City Arborist through the tree removal provisions of the West Linn Municipal Code.
5. The applicant shall plant 24 caliper inches of replacement trees to mitigate the removal of Pacific Madrone species required by improvements to Tannler Drive on the southeastern portion of the property. Replacement trees are to be planted within the landscaped portions of the site as is shown on the applicant's landscape plan submitted with the application, and not in the northern portion of the site.
6. In accordance with Section 55.100(B)(2)(b), the applicant shall place a tree conservation easement over the significant trees within the northern, undeveloped portion of the site that prohibits any disturbance or improvements without approval of the City of West Linn. Alternatively, the applicant may choose to dedicate this area to the city.
7. Prior to any site development or grading, the applicant shall delineate the southern boundary of the proposed open space area with an anchored chain link fence. The fence shall remain in place until the completion of all site development work.
8. The applicant shall improve the existing pedestrian trail along the northern boundary of the site. The trail shall be a width of eight feet, paved with asphalt. The applicant shall dedicate a fifteen-foot wide pedestrian easement centered on the constructed trail.
9. Prior to occupancy of the lower building on the site, the applicant shall have completed all street and traffic improvements listed as "Phase I mitigation" in the application, particularly, the November 3, 2006 letter from the applicant's traffic engineer, including the recommendations from city traffic consultant Carl Springer in his memorandum dated October 30, 2006, and the recommendations of the Oregon Department of Transportation (ODOT) contained in their letters of November 21, 2006. Prior to occupancy of either of the two upper buildings on the site, the applicant shall have completed all improvements listed as "Full Development Mitigation" in the application, as stated in the same letter as above, and as modified or amended by the recommendations of Carl Springer and ODOT dated October 30, 2006 and November 21, 2006 respectively. All improvements must be coordinated with and approved by the City, and ODOT in their areas of responsibility.
10. The applicant shall complete half-street improvements to Tannler Drive along the property frontage, consisting of sidewalk and planter strip to current city standards. The planter strip may be eliminated in locations where preservation of significant trees is required.
11. The applicant shall submit a street lighting plan and shall install street lights pursuant to that plan along both Blankenship and Tannler to illumination standards of the City of West Linn.
12. The applicant shall construct a bus shelter along Blankenship Road between Tannler Drive and Summerlinn Lane at a location to be determined by Tri-Met and to design specifications of Tri-Met.

13. The underground storm water detention and treatment facility shall be private and shall meet City design standards. The applicant shall execute a maintenance agreement that provides for proper operation of the storm water system, requires annual reports to the city regarding ongoing maintenance and operation of the facility, requires professional certification that the facility is operating to city-prescribed standards, allows for city inspection of the facility upon reasonable notice, and requires and guarantees improvements or repair of the system as directed by the City Engineer or Public Works Operations Manager
14. In the event that the Tenth Street Task Force, or another City transportation study, recommends a transportation improvement that could be preferable to a transportation improvement that is approved as a condition of approval of this project, the following shall occur:
 - a. The Planning director will notify the applicant to schedule a meeting to discuss the condition; and
 - b. if the applicant agrees that the alternative improvement should replace a condition of approval; then
 - c. an application will be processed, at no cost to the applicant, to consider whether a modification to a specific condition of approval should be made.
15. The applicant shall consult with and receive approval from the City Arborist prior to removal or modification of any vegetation or application of any herbicides in the undeveloped area on the northern portion of the site. The City Arborist's approval shall be based upon the impact on the health of the existing trees in this undeveloped area and the integrity of the natural habitat on the site.
16. The improvements associated with the Tenth Street/Salamo Road/Blankenship Road intersection shall allow for future installation of a second left turn lane from Tenth Street onto Blankenship Road without significant removal of recently installed improvements.
17. The applicant shall construct a continuous sidewalk along one side of the driveway from Blankenship Road connecting with the existing walkway north of the first parking bay within the existing Corporate Park project. A crosswalk at this location shall connect across the driveway to walkway north of proposed Building "A."
18. The road medians on Tannler Drive shall be landscaped with plantings as approved by the City Parks and Recreation Director.
19. Heating and Air Conditioning (HVAC) units on the building roofs shall be oriented away from existing residences to the north so as to minimize noise in that direction.
20. The applicant shall construct a stairway connecting the main entrance to Building "A" facing Blankenship Road to the intersection of Blankenship Road and the main access driveway.
21. The applicant shall construct a walkway connecting the western entry of the parking structure north and up to the pedestrian walkway for the upper (northern) building in the existing Corporate Park development.

This decision may be appealed to the Land Use Board of Appeals (LUBA) within 21 days of this notice pursuant to LUBA's rules and applicable statutes. Those parties with standing (i.e., those individuals who submitted letters into the record, or provided oral or written testimony during the course of the hearing, or submitted a testimony sheet at the hearing, or who have contacted City Planning staff and made their identities known to staff) may appeal this decision to the Land Use Board of Appeals within 21 days of the mailing of this decision pursuant to the provisions of Chapter 99 of the Community Development Code.

Please see also COAs associated with the extension of the land use application.

APPROVAL CRITERIA FOR ZONE CHANGE AND PLAN AMENDMENT

105.050 QUASI-JUDICIAL AMENDMENTS AND STANDARDS FOR MAKING DECISION

A decision to approve, approve with conditions, or to deny an application for a quasi-judicial amendment shall be based on all of the following standards:

A. The standards set forth in CDC 99.110(A), which provide that the decision shall be based on consideration of the following factors:

1. The applicable Comprehensive Plan policies as identified in subsection C of this section and map designation.
2. The applicable standards of any provision of this code or other applicable implementing ordinance.

B. The standards set forth in CDC 99.110(B), which provide that, in making the decision, consideration may also be given to the following:

1. Proof of change in the neighborhood or community or a mistake or inconsistency in the Comprehensive Plan or Zoning Map as it relates to the property which is the subject of the development application.
2. Factual oral testimony or written statements from the parties, other persons and other governmental agencies relevant to the existing conditions, other applicable standards and criteria, possible negative or positive attributes of the proposal or factors in sub-section A or (B)(1) of this section.

C. The Comprehensive Plan, Plan and Ordinance Revision Process, and Specific Policy No. 4, which provides that the decision shall be based on consideration of the following criteria:

1. Conformance with the Comprehensive Plan policies and criteria.
2. There is a public need for the change or the change can be demonstrated to be in the interest of the present and future community.
3. The changes will not adversely affect the health, safety and welfare of the community.

D. Transportation Planning Rule compliance.

1. Review of applications for effect on transportation facilities. When a development application, whether initiated by the City or by a private interest, includes a proposed comprehensive plan amendment zone change or land use regulation change, the proposal shall be reviewed to determine whether it significantly affects a transportation facility, in accordance with Oregon Administrative Rule (OAR) 660-012-0060 (the Transportation Planning Rule: "TPR"). "Significant" means the proposal would:

a. Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);

b. Change standards implementing a functional classification system; or

c. As measured at the end of the planning period identified in the adopted transportation system plan:

1) Allow land uses or levels of development that would result in types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;

2) Reduce the performance of an existing or planned transportation facility below the minimum acceptable performance standard identified in the TSP or comprehensive plan; or

3) Worsen the performance of an existing or planned transportation facility that is otherwise projected to perform below the minimum acceptable performance standard identified in the TSP or comprehensive plan.

2. Amendments that affect transportation facilities. Amendments to the Comprehensive Plan and land use regulations that significantly affect a transportation facility shall ensure that allowed land uses are consistent with the function, capacity, and level of service of the facility identified in the TSP. This shall be accomplished by one or a combination of the following:

a. Adopting measures that demonstrate allowed land uses are consistent with the planned function, capacity, and performance standards of the transportation facility.

b. Amending the TSP or Comprehensive Plan to provide transportation facilities, improvements or services adequate to support the proposed land uses consistent with the requirements of OAR 660-012-0060 of the TPR.

c. Altering land use designations, densities, or design requirements to reduce demand for automobile travel and meet travel needs through other modes of transportation.

d. Amending the TSP to modify the planned function, capacity or performance standards of the transportation facility.

3. Traffic impact analysis. A traffic impact analysis shall be submitted with a plan amendment or land use district change application. (Ord. 1584, 2008) (SEE BELOW)

CDC 85.170

Traffic Impact Analysis (TIA).

a. Purpose. The purpose of this section of the code is to implement Section 660-012-0045(2)(e) of the State Transportation Planning Rule that requires the City to adopt a process to apply conditions to development proposals in order to minimize adverse impacts to and protect transportation facilities. This section establishes the standards for when a proposal must be reviewed for potential traffic impacts; when a Traffic Impact Analysis must be submitted with a development application in order to determine whether conditions are needed to minimize impacts to and protect transportation facilities; what must be in a Traffic Impact Study; and who is qualified to prepare the study.

b. Typical average daily trips. The latest edition of the Trip Generation manual, published by the Institute of Transportation Engineers (ITE) shall be used as the standards by which to gauge average daily vehicle trips.

c. When required. A Traffic Impact Analysis may be required to be submitted to the City with a land use application, when the following conditions apply:

1) The development application involves one or more of the following actions:

(A) A change in zoning or a plan amendment designation; or

(B) Any proposed development or land use action that ODOT states may have operational or safety concerns along a State highway; and

(C) The development shall cause one or more of the following effects, which can be determined by field counts, site observation, traffic impact analysis or study, field measurements, crash history, Institute of Transportation Engineers Trip Generation manual; and information and studies provided by the local reviewing jurisdiction and/or ODOT:

- (1) An increase in site traffic volume generation by 250 average daily trips (ADT) or more (or as required by the City Engineer); or
- (2) An increase in use of adjacent streets by vehicles exceeding the 20,000-pound gross vehicle weights by 10 vehicles or more per day; or
- (3) The location of the access driveway does not meet minimum intersection sight distance requirements, or is located where vehicles entering or leaving the property are restricted, or such vehicles queue or hesitate on the State highway, creating a safety hazard; or
- (4) The location of the access driveway does not meet the access spacing standard of the roadway on which the driveway is located; or
- (5) A change in internal traffic patterns that may cause safety problems, such as backup onto the highway or traffic crashes in the approach area.

d. Traffic impact analysis requirements.

- 1) Preparation. A Traffic Impact Analysis shall be prepared by a professional engineer qualified under OAR 734-051-0040. The City shall commission the traffic analysis and it will be paid for by the applicant.
- 2) Transportation Planning Rule compliance. See CDC 105.050(D), Transportation Planning Rule Compliance.
- 3) Pre-application conference. The applicant will meet with West Linn Public Works prior to submitting an application that requires a traffic impact application. This meeting will determine the required elements of the TIA and the level of analysis expected.

e. Approval criteria.

- 1) Criteria. When a Traffic Impact Analysis is required, approval of the development proposal requires satisfaction of the following criteria:
 - (A) The Traffic Impact Analysis was prepared by a professional traffic engineer qualified under OAR 734-051-0040; and

(B) If the proposed development shall cause one or more of the effects in subsection (B)(2) of this section, or other traffic hazard or negative impact to a transportation facility, the Traffic Impact Analysis includes mitigation measures that meet the City's level of service and are satisfactory to the City Engineer, and ODOT when applicable; and

(C) The proposed site design and traffic and circulation design and facilities, for all transportation modes, including any mitigation measures, are designed to:

(1) Have the least negative impact on all applicable transportation facilities; and

(2) Accommodate and encourage non-motor vehicular modes of transportation to the extent practicable; and

(3) Make the most efficient use of land and public facilities as practicable; and

(4) Provide the most direct, safe and convenient routes practicable between on-site destinations, and between on-site and off-site destinations; and

(5) Otherwise comply with applicable requirements of the City of West Linn Community Development Code.

f. Conditions of approval. The City may deny, approve, or approve the proposal with appropriate conditions.

1) Dedication of land for streets, transit facilities, sidewalks, bikeways, paths, or accessways shall be required where the existing transportation system will be impacted by or is inadequate to handle the additional burden caused by the proposed use.

2) Improvements such as paving, curbing, installation or contribution to traffic signals, or construction of sidewalks, bikeways, accessways, paths, or streets that serve the proposed use where the existing transportation system may be burdened by the proposed use may be required.

Peter,

At the December 3, 2013 Savanna Oaks NA meeting, representatives of ConAm made a presentation regarding the subject rezoning and Comp Plan amendment application. At the end of the presentation, the 20 members of SONA who were in attendance discussed the proposal. It was the members' opinion that the current zoning of the property is the best use for this site and thus we support keeping the

zoning as it is currently. The membership unanimously passed the attached resolution in support of keeping the current zoning. Please make sure that the attached is communicated to the applicant and is made a part of the record for this application.

Regards,
Ed Schwarz, President
Savanna Oaks Neighborhood Association

Savanna Oaks Neighborhood Association

December 3rd, 2013

Resolution

During this regularly scheduled meeting of the SONA on December 3rd, 2013 the assembled members of the Savanna Oaks Neighborhood Association passed the following resolution:

Be it resolved that the Savanna Oaks Neighborhood Association is in favor of retaining the existing zoning of Office Business Center (OBC) for the approximately 11.3 acre property located at the northwest corner of Tannler Dr. and Blankenship Road in West Linn. The SONA is also in favor of retaining the designation "Commercial" on the Comprehensive Plan map for this property. This is in the best interests of the West Linn community. The reasons include but are not limited to the following:

1. CDC 21.010 The purpose of this zone is to provide for groups of business and offices in centers, to accommodate the location of intermediate uses between residential districts and areas of more intense development, to provide opportunities for employment and for business and professional services in close proximity to residential neighborhoods and major transportation facilities, to expand the City's economic potential, to provide a range of compatible and supportive uses, and to locate employment where it can support other commercial uses.
2. The current zoning represents the highest and best use of this property for the Savanna Oaks Neighborhood Association.

For the above stated reasons SONA favors retaining the existing zoning of OBC for the 11.3 acre property located at the northwest corner of Tannler Dr. and Blankenship Rd in West Linn.

Aye: 20
Nay: 0
Abstain: 0

Submitted by Ed Schwarz

Willamette Neighborhood Association (WNA)

Pacific West Bank - Willamette Marketplace

Date: November 13, 2013

Call to order: 7:00pm

Attendance: Julia Simpson - WNA President; Michael Selvaggio- WNA Vice President;

Elizabeth Hall – WNA Co-Secretary; Elizabeth Rocchia - WNA Treasurer

Attendance Sheet attached for complete list. !

Treasurer's Report

WNA Account at US Bank (with Yoga): Balance \$3267.50

WNA Account: \$2109.03

AGENDA

Rob Morgan, Jeff Parker and Micheal Robinson: Tannler Rezoning Presentation

Overview of Con Am Group proposal to request zoning change to higher residential ratio:

Discussion of highest and best use of this land and development potential for future of West Linn and immediate Willamette Neighborhood concerning parking, commercial street frontage, residential mix, land impact, street congestion and difficult traffic junction.

Motion: Be it resolved, that the 11/13/2013 presentation concerning the Tannler West Rezoning, did not convince the WNA that a zoning change represents the highest and best use of this property for the Willamette Neighborhood. At this time, WNA makes the motion to advocate the status quo.

Motion Passed. All in favor. No abstaining.

Motion: Accept West Linn City proposal to pay for single sign at Willamette Falls Drive and 10th Street and for the Willamette Neighborhood Association to pay for 2nd sign near Fields Bridge Park. Willamette

Neighborhood Association to pay up to and not to exceed \$850 for 2nd sign
near Fields Bridge Park.

Motion Passed. All in favor. No abstaining.

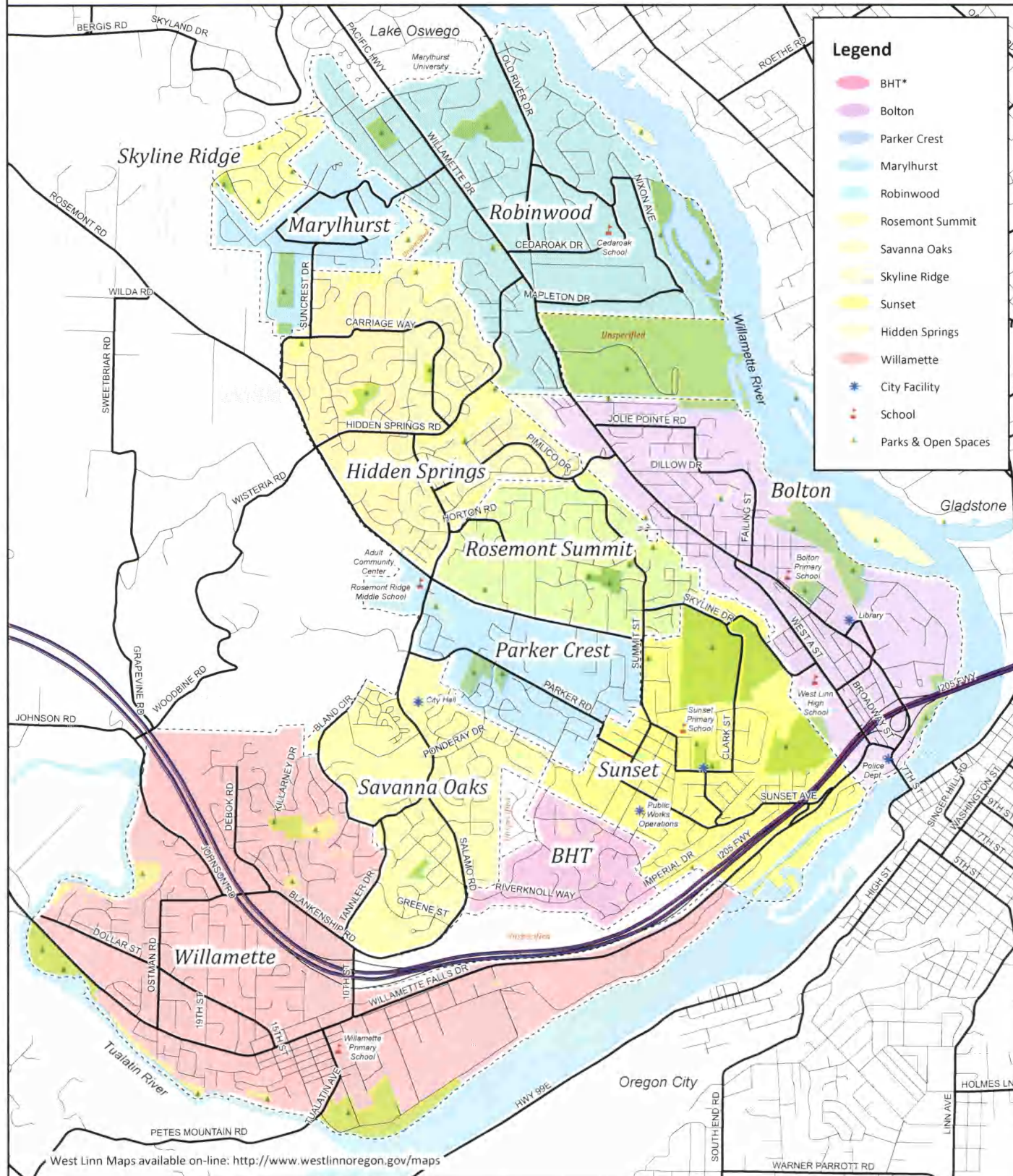
Meeting adjourned: 8:40.

Respectfully Submitted with Assistance,

Elizabeth Hall

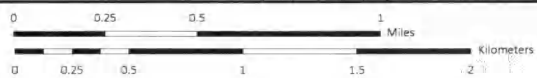


West Linn Neighborhood Associations



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NEIGHBORHOOD / A_NEIGHBORHOOD_WEB_2010.MXD / AHA / 5-3-2010



*Barrington Heights, Hidden Creek Estates, Tanner Creek (BHT)

West Linn
GIS
GEOGRAPHIC INFORMATION SYSTEM

Willamette Neighborhood Association

Willamette Neighborhood Association (WNA)
Pacific West Bank - Willamette Marketplace
Date: November 13, 2013

Call to order: 7:00pm

Attendance: Julia Simpson - WNA President; Michael Selvaggio- WNA Vice President;
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Motion: Be it resolved, that the 11/13/2013 presentation concerning the Tannler West Rezoning, did not convince the WNA that a zoning change represents the highest and best use of this property for the Willamette Neighborhood. At this time, WNA makes the motion to advocate the status quo.

Motion Passed. All in favor. No abstaining.

Motion: Accept West Linn City proposal to pay for single sign at Willamette Falls Drive and 10th Street and for the Willamette Neighborhood Association to pay for 2nd sign near Fields Bridge Park. Willamette Neighborhood Association to pay up to and not to exceed \$B50 for 2nd sign near Fields Bridge Park.

Motion Passed. All in favor. No abstaining.

Meeting adjourned: 8:40.
Respectfully Submitted with Assistance,
Elizabeth Hall



Michael C. Robinson
PHONE: (503) 727-2264
FAX: (503) 346-2264
EMAIL: MRobinson@perkinscoie.com

1120 N.W. Couch Street, Tenth Floor
Portland, OR 97209-4128
PHONE: 503.727.2000
FAX: 503.727.2222
www.perkinscoie.com

October 23, 2013

**BY CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Michael Selvaggio, Vice President
Willamette Neighborhood Association
1790 9th Avenue
West Linn, OR 97068

**Re: Neighborhood Association Contact Request to Discuss a Comprehensive Plan Map
and Zoning Map Amendment for the 11.3 Acre Property Located at the Northwest
Corner of Tannler Drive and Blankenship Road**

Dear Mr. Selvaggio:

I am writing on behalf of my client ConAm to invite your comments on a proposed Comprehensive Plan map and zoning map amendment for the property located at the northwest corner of Tannler Drive and Blankenship Road in the Willamette Neighborhood Association. The approximately 11.3 acre property is currently zoned Office Business Center ("OBC") and designated "Commercial" on the Comprehensive Plan map.

The Comprehensive Plan and zoning map amendment proposes approximately 1.2 acres along Blankenship Road to remain zoned as OBC, with the balance of the site to be rezoned to R-2.1 Single-Family and the Comprehensive Plan map designation changed to "Medium Density Residential." Approximately 3.5 acres of the R-2.1 property is anticipated to remain as open space.

Before submitting the application, ConAm would like to receive comments from the Willamette and Savanna Oaks Neighborhood Associations and the property owners within 500 feet of the property. There will be two opportunities to discuss this proposal at the regularly scheduled Willamette Neighborhood Association and Savanna Oaks Neighborhood Association meetings. The presentation regarding this proposal may not be the only topic of discussion on the meetings' agendas.

25432-0018/LEGAL28161887.1

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PALO ALTO · PHOENIX · PORTLAND · SAN DIEGO · SAN FRANCISCO · SEATTLE · SHANGHAI · WASHINGTON, D.C.

Perkins Cole LLP

EXHIBIT 9

Mr. Michael Salvaggio, Vice President
October 23, 2013
Page 2

You are encouraged to contact your neighborhood association president with any questions you may have in advance of the meeting. Details regarding the location and meeting times along with the contact information of your neighborhood association president, are shown below:

Willamette Neighborhood Association

Date and Time:

Wednesday, November 13, 2013, 7:00 p.m.

Location:

Pacific West Bank
2000 SW 8th Avenue
West Linn, OR 97068

President:

Ms. Julia Simpson
WillametteNA@westlinnoregon.gov
503-655-9819

Savanna Oaks Neighborhood Association

Date and Time:

Tuesday, December 3, 2013, 7:00 p.m.

Location:

Tualatin Valley Fire & Rescue District station
1860 Willamette Falls Drive
West Linn, OR 97068

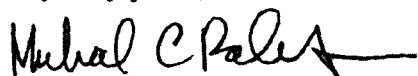
President:

Mr. Ed Schwarz
SavannaOaksNA@westlinnoregon.gov

The purpose of these meetings is to provide an opportunity for interested persons to review the proposed Comprehensive Plan map and zoning map amendments and ask questions of our project team. These are informational meetings based upon preliminary plans, which may be modified prior to the application being formally submitted to the City.

We look forward to discussing our proposal with you. Please feel free to contact me at 503-727-2264 or mrobinson@perkinscoie.com.

Very truly yours,



Michael C. Robinson

MCR:rsp

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1. Article Addressed to: Mr. Michael Salvaggio, Vice President Willamette Neighborhood Association 1790 5th Avenue West Linn, OR 97068		B. Received by (Printed Name) C. Date of Delivery 	
		D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No 	
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102595-02-M-1540



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Tenth Floor
97209-4128

PS Form 3800, August 2004

Sent To: **Mr. Michael Salvaggio, Vice President**
Street, Apt. No.: **Willamette Neighborhood Association**
or PO Box No.: **1790 5th Avenue**
City, State, ZIP+4: **West Linn, OR 97068**

See Reverse for Instructions

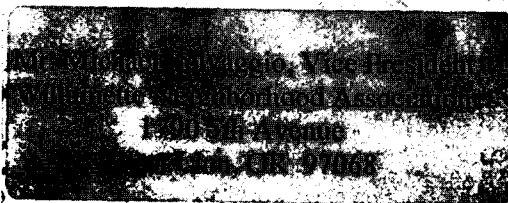
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1. Article Addressed to: 		3. Service Type ☒ Certified Mail ☐ Express Mail ☐ Registered ☒ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.	
2. Article Number (Transfer from service label)		4. Restricted Delivery? (Extra Fee) ☐ Yes	
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Michael C. Robinson
PHONE: (503) 727-2264
FAX: (503) 346-2264
EMAIL: MRobinson@perkinscoie.com

1120 N.W. Couch Street, Tenth Floor
Portland, OR 97209-4128
PHONE: 503.727.2000
FAX: 503.727.2222
www.perkinscoie.com

October 23, 2013

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Ms. Julia Simpson, President
Willamette Neighborhood Association
1671 Killarney Drive
West Linn, OR 97068

**Re: Neighborhood Association Contact Request to Discuss a Comprehensive Plan Map
and Zoning Map Amendment for the 11.3 Acre Property Located at the Northwest
Corner of Tannler Drive and Blankenship Road**

Dear Ms. Simpson:

I am writing on behalf of my client ConAm to invite your comments on a proposed Comprehensive Plan map and zoning map amendment for the property located at the northwest corner of Tannler Drive and Blankenship Road in the Willamette Neighborhood Association. The approximately 11.3 acre property is currently zoned Office Business Center ("OBC") and designated "Commercial" on the Comprehensive Plan map.

The Comprehensive Plan and zoning map amendment proposes approximately 1.2 acres along Blankenship Road to remain zoned as OBC, with the balance of the site to be rezoned to R-2.1 Single-Family and the Comprehensive Plan map designation changed to "Medium Density Residential." Approximately 3.5 acres of the R-2.1 property is anticipated to remain as open space.

Before submitting the application, ConAm would like to receive comments from the Willamette and Savanna Oaks Neighborhood Associations and the property owners within 500 feet of the property. There will be two opportunities to discuss this proposal at the regularly scheduled Willamette Neighborhood Association and Savanna Oaks Neighborhood Association meetings. The presentation regarding this proposal may not be the only topic of discussion on the meetings' agendas.

Ms. Julia Simpson, President
October 23, 2013
Page 2

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Willamette Neighborhood Association

Date and Time:

Wednesday, November 13, 2013, 7:00 p.m.

Location:

Pacific West Bank
2000 SW 8th Avenue
West Linn, OR 97068

President:

Ms. Julia Simpson
WillametteNA@westlinnoregon.gov
503-655-9819

Savanna Oaks Neighborhood Association

Date and Time:

Tuesday, December 3, 2013, 7:00 p.m.

Location:

Tualatin Valley Fire & Rescue District station
1860 Willamette Falls Drive
West Linn, OR 97068

President:

Mr. Ed Schwarz
SavannaOaksNA@westlinnoregon.gov

The purpose of these meetings is to provide an opportunity for interested persons to review the proposed Comprehensive Plan map and zoning map amendments and ask questions of our project team. These are informational meetings based upon preliminary plans, which may be modified prior to the application being formally submitted to the City.

We look forward to discussing our proposal with you. Please feel free to contact me at 503-727-2264 or mrobinson@perkinscoie.com.

Very truly yours,



Michael C. Robinson

MCR:rsp

Attachm

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**Ms. Julia Simpson, President
Willamette Neighborhood Association
1671 Killarney Drive
West Linn, OR 97068**

2. Article Number

(Transfer from service label)

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PS Form 3811, February 2004

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A. Signature

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☐ Agent

☐ Addressee

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Ms. Julia Simpson, President

Willamette Neighborhood Association

1671 Killarney Drive

West Linn, OR 97068

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1. Article Addressed to: Wendell J. Simpson 1234 Main Street Portland, OR 97008		3. Service Type ☐ Certified Mail ☐ Express Mail ☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D. 4. Restricted Delivery? ☒ Yes ☐ No	
2. Article Number (Transfer from service label)		7010 2780 0000 6678 7272	
PS Form 3811, February 2004		102555-02-4-1540	



Michael C. Robinson
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PHONE: 503.727.2000
FAX: 503.727.2222
www.perkinscoie.com

October 23, 2013

**BY CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Ms. Elizabeth Rocchia, Treasurer
Willamette Neighborhood Association
957 Willamette Falls Drive
West Linn, OR 97068

**Re: Neighborhood Association Contact Request to Discuss a Comprehensive Plan Map
and Zoning Map Amendment for the 11.3 Acre Property Located at the Northwest
Corner of Tannler Drive and Blankenship Road**

Dear Ms. Rocchia:

I am writing on behalf of my client ConAm to invite your comments on a proposed Comprehensive Plan map and zoning map amendment for the property located at the northwest corner of Tannler Drive and Blankenship Road in the Willamette Neighborhood Association. The approximately 11.3 acre property is currently zoned Office Business Center ("OBC") and designated "Commercial" on the Comprehensive Plan map.

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Ms. Elizabeth Rocchia, Treasurer
October 23, 2013
Page 2

You are encouraged to contact your neighborhood association president with any questions you may have in advance of the meeting. Details regarding the location and meeting times along with the contact information of your neighborhood association president, are shown below:

Willamette Neighborhood Association

Date and Time:

Wednesday, November 13, 2013, 7:00 p.m.

Location:

Pacific West Bank
2000 SW 8th Avenue
West Linn, OR 97068

President:

Ms. Julia Simpson
WillametteNA@westlinnoregon.gov
503-655-9819

Savanna Oaks Neighborhood Association

Date and Time:

Tuesday, December 3, 2013, 7:00 p.m.

Location:

Tualatin Valley Fire & Rescue District station
1860 Willamette Falls Drive
West Linn, OR 97068

President:

Mr. Ed Schwarz
SavannaOaksNA@westlinnoregon.gov

The purpose of these meetings is to provide an opportunity for interested persons to review the proposed Comprehensive Plan map and zoning map amendments and ask questions of our project team. These are informational meetings based upon preliminary plans, which may be modified prior to the application being formally submitted to the City.

We look forward to discussing our proposal with you. Please feel free to contact me at 503-727-2264 or mrobinson@perkinscoie.com.

Very truly yours,



Michael C. Robinson

MCR:rsp

SENDER: COMPLETE THIS SECTION

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1. Article Addressed to:

Ms. Elizabeth Rocchia, Treasurer
 Willamette Neighborhood Association
 957 Willamette Falls Drive
 West Linn, OR 97068

2. Article Number
(Transfer from service label)

7010 2780 0000 6678 7395

PS Form 8811, February 2004

Domestic Return Receipt

102595-02-M-1540

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☐ Agent
☐ Addressee

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☐ Registered ☒ Return Receipt for Merchandise
☐ Insured Mail ☐ C.O.D.
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OF THE RETURN ADDRESS, FOLD AT DOTTED LINE**CERTIFIED MAIL**7010 2780 0000 6678 7395
7010 2780 0000 6678 7395

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For delivery information visit our website at www.usps.com**OFFICIAL USE**

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(Endorsement Required)Restricted Delivery Fee
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Total Postage & Fees \$

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Sent To

Ms. Elizabeth Rocchia, Treasurer

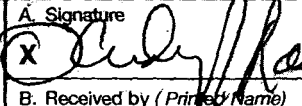
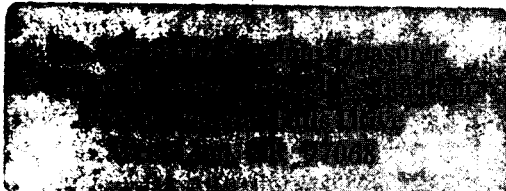
Street, Apt. Willamette Neighborhood Association

or PO Box No. 957 Willamette Falls Drive

City, State, ZIP+4 West Linn, OR 97068

PS Form 3849, Rev. 12-13-03

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
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1. Article Addressed to: 		B. Received by (Printed Name) Andy Recchia	C. Date of Delivery 10/24
		D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☒ No	
		3. Service Type ☒ Certified Mail ☐ Express Mail ☐ Registered ☒ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.	
		4. Restricted Delivery? (Extra Fee) ☐ Yes	
2. Article Number (Transfer from service label)		7010 2780 0000 6678 7395	
PS Form 3800, February 2006		Domestic Return Receipt	
		182595-02-00-1540	

Savanna Oaks Neighborhood Association

December 3rd, 2013

Resolution

During this regularly scheduled meeting of the SONA on December 3rd, 2013 the assembled members of the Savanna Oaks Neighborhood Association passed the following resolution:

Be it resolved that the Savanna Oaks Neighborhood Association is in favor of retaining the existing zoning of Office Business Center (OBC) for the approximately 11.3 acre property located at the northwest corner of Tannler Dr. and Blankenship Road in West Linn. The SONA is also in favor of retaining the designation "Commercial" on the Comprehensive Plan map for this property. This is in the best interests of the West Linn community. The reasons include but are not limited to the following:

1. CDC 21.010 The purpose of this zone is to provide for groups of business and offices in centers, to accommodate the location of intermediate uses between residential districts and areas of more intense development, to provide opportunities for employment and for business and professional services in close proximity to residential neighborhoods and major transportation facilities, to expand the City's economic potential, to provide a range of compatible and supportive uses, and to locate employment where it can support other commercial uses.
2. The current zoning represents the highest and best use of this property for the Savanna Oaks Neighborhood Association.

For the above stated reasons SONA favors retaining the existing zoning of OBC for the 11.3 acre property located at the northwest corner of Tannler Dr. and Blankenship Rd in West Linn.

Aye: 20
Nay: 0
Abstain: 0

Submitted by Ed Schwarz
Savanna Oaks Neighborhood Association President



Michael C. Robinson
PHONE: (503) 727-2264
FAX: (503) 346-2264
EMAIL: MRobinson@perkinscoie.com

1120 N.W. Couch Street, Tenth Floor
Portland, OR 97209-4128
PHONE: 503.727.2000
FAX: 503.727.2222
www.perkinscoie.com

October 23, 2013

**BY CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Patrick McGuire, Treasurer
Savanna Oaks Neighborhood Association
1841 Barnes Circle
West Linn, OR 97068

**Re: Neighborhood Association Contact Request to Discuss a Comprehensive Plan Map
and Zoning Map Amendment for the 11.3 Acre Property Located at the Northwest
Corner of Tannler Drive and Blankenship Road**

Dear Mr. McGuire:

I am writing on behalf of my client ConAm to invite your comments on a proposed Comprehensive Plan map and zoning map amendment for the property located at the northwest corner of Tannler Drive and Blankenship Road in the Willamette Neighborhood Association. The approximately 11.3 acre property is currently zoned Office Business Center ("OBC") and designated "Commercial" on the Comprehensive Plan map.

The Comprehensive Plan and zoning map amendment proposes approximately 1.2 acres along Blankenship Road to remain zoned as OBC, with the balance of the site to be rezoned to R-2.1 Single-Family and the Comprehensive Plan map designation changed to "Medium Density Residential." Approximately 3.5 acres of the R-2.1 property is anticipated to remain as open space.

Before submitting the application, ConAm would like to receive comments from the Willamette and Savanna Oaks Neighborhood Associations and the property owners within 500 feet of the property. There will be two opportunities to discuss this proposal at the regularly scheduled Willamette Neighborhood Association and Savanna Oaks Neighborhood Association meetings. The presentation regarding this proposal may not be the only topic of discussion on the meetings' agendas.

25432-0018/LEGAL28161963.1

ANCHORAGE · BEIJING · BELLEVUE · BOISE · CHICAGO · DALLAS · DENVER · LOS ANGELES · MADISON · NEW YORK
PALO ALTO · PHOENIX · PORTLAND · SAN DIEGO · SAN FRANCISCO · SEATTLE · SHANGHAI · WASHINGTON, D.C.

Perkins Coie LLP

Mr. Patrick McGuire, Treasurer
October 23, 2013
Page 2

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Pacific West Bank
2000 SW 8th Avenue
West Linn, OR 97068

President:

Ms. Julia Simpson
WillametteNA@westlinnoregon.gov
503-655-9819

Savanna Oaks Neighborhood Association

Date and Time:

Tuesday, December 3, 2013, 7:00 p.m.

Location:

Tualatin Valley Fire & Rescue District station
1860 Willamette Falls Drive
West Linn, OR 97068

President:

Mr. Ed Schwarz
SavannaOaksNA@westlinnoregon.gov

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We look forward to discussing our proposal with you. Please feel free to contact me at 503-727-2264 or mrobinson@perkinscoie.com.

Very truly yours,



Michael C. Robinson

MCR:rsp

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Mr. Patrick McGuire, Treasurer
Savanna Oaks Neighborhood
Association
1841 Barnes Circle
West Linn, OR 97068

2. Article Number
(Transfer from service label)

7010 2780 0000 6678 7388

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

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A. Signature

☐ Agent☐ Addressee**X**

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☒ Certified Mail☐ Express Mail☐ Registered☒ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

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Mr. Patrick McGuire, Treasurer

Savanna Oaks Neighborhood

Association

1841 Barnes Circle

West Linn, OR 97068

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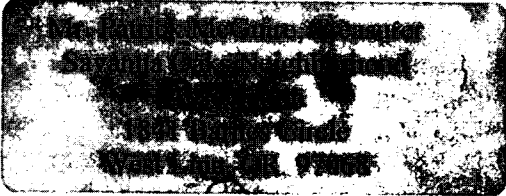
Street, Apt. No.,
or PO Box No.

City, State, ZIP+4

PS Form 3811, February 2004

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7010 2780 0000 6678 7388

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1. Article Addressed to: 		3. Service Type ☒ Certified Mail ☐ Express Mail ☐ Registered ☒ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.	
2. Article Number (Transfer from service label)		4. Restricted Delivery? (Extra Fee) ☐ Yes	
PS Form 3800, February 2004		7010 2780 0000 6678 7388 Domestic Return Receipt	

PS Form 3800-11-1540



Michael C. Robinson
PHONE: (503) 727-2264
FAX: (503) 346-2264
EMAIL: MRobinson@perkinscoie.com

1120 N.W. Couch Street, Tenth Floor
Portland, OR 97209-4128
PHONE: 503.727.2000
FAX: 503.727.2222
www.perkinscoie.com

October 23, 2013

**BY CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Ken Pryor, Vice President
Savanna Oaks Neighborhood Association
2119 Greene Street
West Linn, OR 97068

**Re: Neighborhood Association Contact Request to Discuss a Comprehensive Plan Map
and Zoning Map Amendment for the 11.3 Acre Property Located at the Northwest
Corner of Tannler Drive and Blankenship Road**

Dear Mr. Pryor:

I am writing on behalf of my client ConAm to invite your comments on a proposed Comprehensive Plan map and zoning map amendment for the property located at the northwest corner of Tannler Drive and Blankenship Road in the Willamette Neighborhood Association. The approximately 11.3 acre property is currently zoned Office Business Center ("OBC") and designated "Commercial" on the Comprehensive Plan map.

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October 23, 2013

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WillametteNA@westlinnoregon.gov
503-655-9819

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Date and Time:

Tuesday, December 3, 2013, 7:00 p.m.

Location:

Tualatin Valley Fire & Rescue District station
1860 Willamette Falls Drive
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Very truly yours,



Michael C. Robinson

MCR:rsp

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Savanna Oaks Neighborhood
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2119 Greene Street
West Linn, OR 97068

2. Article Number

(Transfer from service label)

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PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

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A. Signature

X☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
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3. Service Type

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4. Restricted Delivery? (Extra Fee)

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Mr. Ken Pryor, Vice President

Savanna Oaks Neighborhood

Association

2119 Greene Street

West Linn, OR 97068

Street, Apt. No.,
or PO Box No.

City, State, ZIP+4

PS Form 3800, August 2006

See Reverse for Instructions

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1. Article Addressed to: <i>[Redacted Address]</i>		3. Service Type ☒ Certified Mail ☐ Express Mail ☐ Registered ☒ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.	
2. Article Number (Transfer from service label) <i>[Redacted Article Number]</i>		4. Restricted Delivery? (Extra Fee) ☐ Yes	
PS Form 3811, February 2004		Domestic Return Receipt	
102525-02-11-1540		102525-02-11-1540	



1120 N.W. Couch Street, Tenth Floor

Portland, OR 97209-4128

PHONE: 503.727.2000

FAX: 503.727.2222

www.perkinscoie.com

Michael C. Robinson
PHONE: (503) 727-2264
FAX: (503) 346-2264
EMAIL: MRobinson@perkinscoie.com

October 23, 2013

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Mr. Ed Schwarz, President
Savanna Oaks Neighborhood Association
2206 Tannler Drive
West Linn, OR 97068

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October 23, 2013

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Location:

Tualatin Valley Fire & Rescue District station
1860 Willamette Falls Drive
West Linn, OR 97068

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Mr. Ed Schwarz
SavannaOaksNA@westlinnoregon.gov

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Michael C. Robinson

MCR:rsp

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Association
2206 Tannler Drive
West Linn, OR 97068

2. Article Number

(Transfer from service label)

7003 2260 0001 3351 0360

PS Form 3811, February 2004

Domestic Return Receipt

102595-02-M-1540

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A. Signature

X☐ Agent☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Certified Mail☐ Express Mail☐ Registered☐ Return Receipt for Merchandise☐ Insured Mail☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

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OF THE RETURN ADDRESS. FOLD AT DOTTED LINE
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U.S. Postal Service™

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Return Receipt Fee
(Endorsement Required)Restricted Delivery Fee
(Endorsement Required)

Total Postage & Fees \$

Postmark
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Sent To

Mr. Ed Schwarz, President**Savanna Oaks Neighborhood****Association**Street, Apt. No.,
or PO Box No.**2206 Tannler Drive**

City, State, ZIP+4

West Linn, OR 97068

PS Form 3800, June 2002

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

**Mr. Ed Schwarz, President
Savanna Oaks Neighborhood
Association
2205 Tanner Drive
Naples, OR 97068**

2. Article Number

(Transfer from service label)

PS Form 3874, February 2004

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X *Edward Schwarz*

☐ Agent

☐ Addressee

B. Received by (Printed Name)

EDWARD SCHWARZ

C. Date of Delivery

D. Is delivery address different from item 1?

If YES, enter delivery address below:

☐ Yes

☐ No

3. Service Type

☐ Certified Mail

☐ Express Mail

☐ Registered

☐ Return Receipt for Merchandise

☐ Insured Mail

☐ C.O.D.

4. Restricted Delivery? (Extra Fee)

☐ Yes

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Domestic Return Receipt

02255-02-0000



**First American
Title Company**

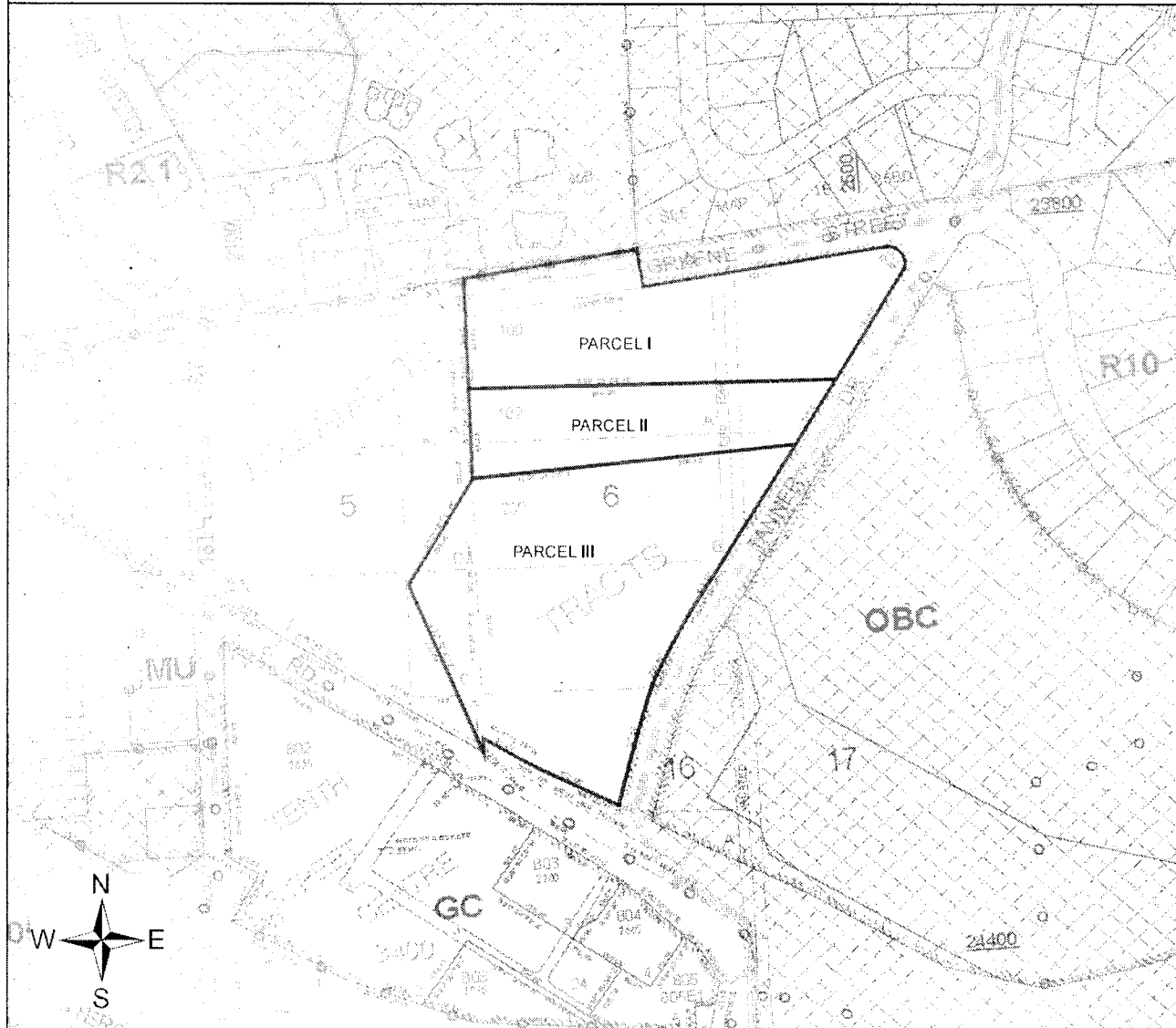
Reference No.: 654074

County: Clackamas

Location Map

Legend

-  PARCEL I
-  PARCEL II
-  PARCEL III
- PARCEL IV-Not Plottable



Tax ID: 21E35C 00100, 21E35C 00102 and 21E35C 00200

Short Legal: A Portion of Section 35 T2S R1E

**Map Not
To Scale**

This map may or may not be a survey of the land depicted hereon. You should not rely upon it for any purpose other than orientation to the general location of the parcel or parcels depicted. First American Title expressly disclaims any liability for alleged loss or damage which may result from reliance upon this map.







To see all the details that are visible on the screen, use the "Print" link next to the map.



EXHIBIT 14



Rosemont Ridge Middle School Boundary

Legend

Schools

rivers_clip

Streets_clip



Athey Creek Middle



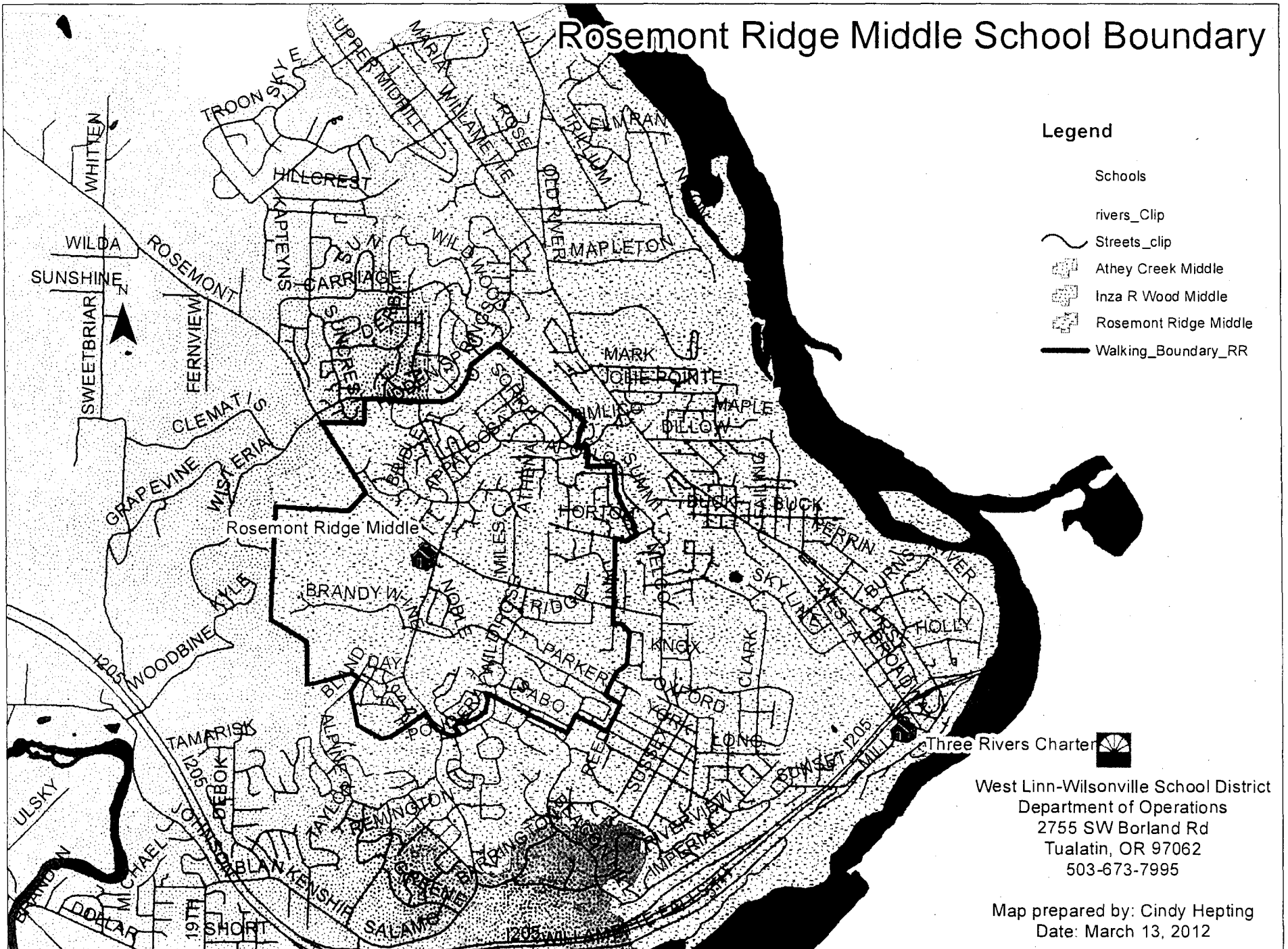
Inza R Wood Middle



Rosemont Ridge Middle



Walking_Boundary_RR

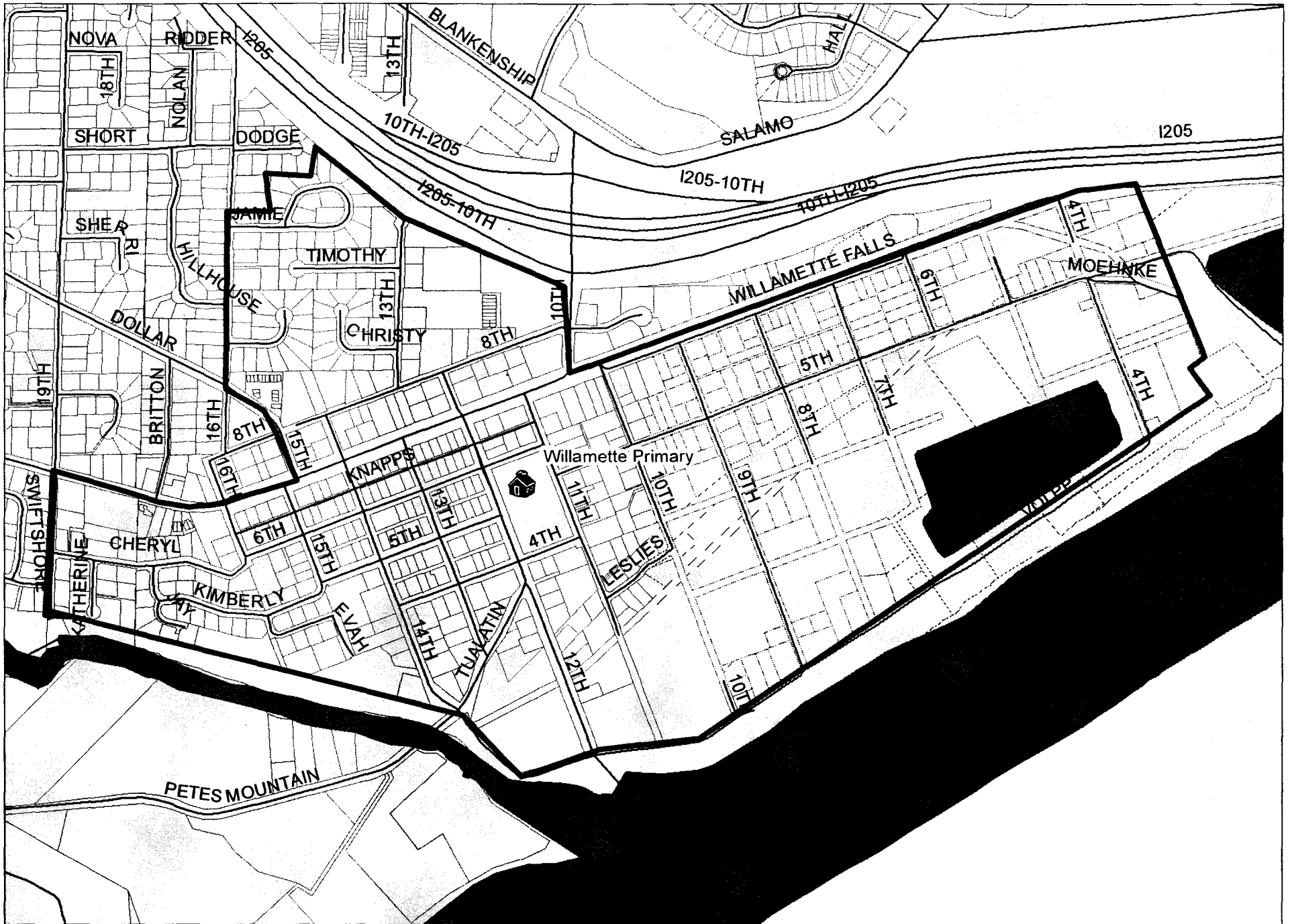


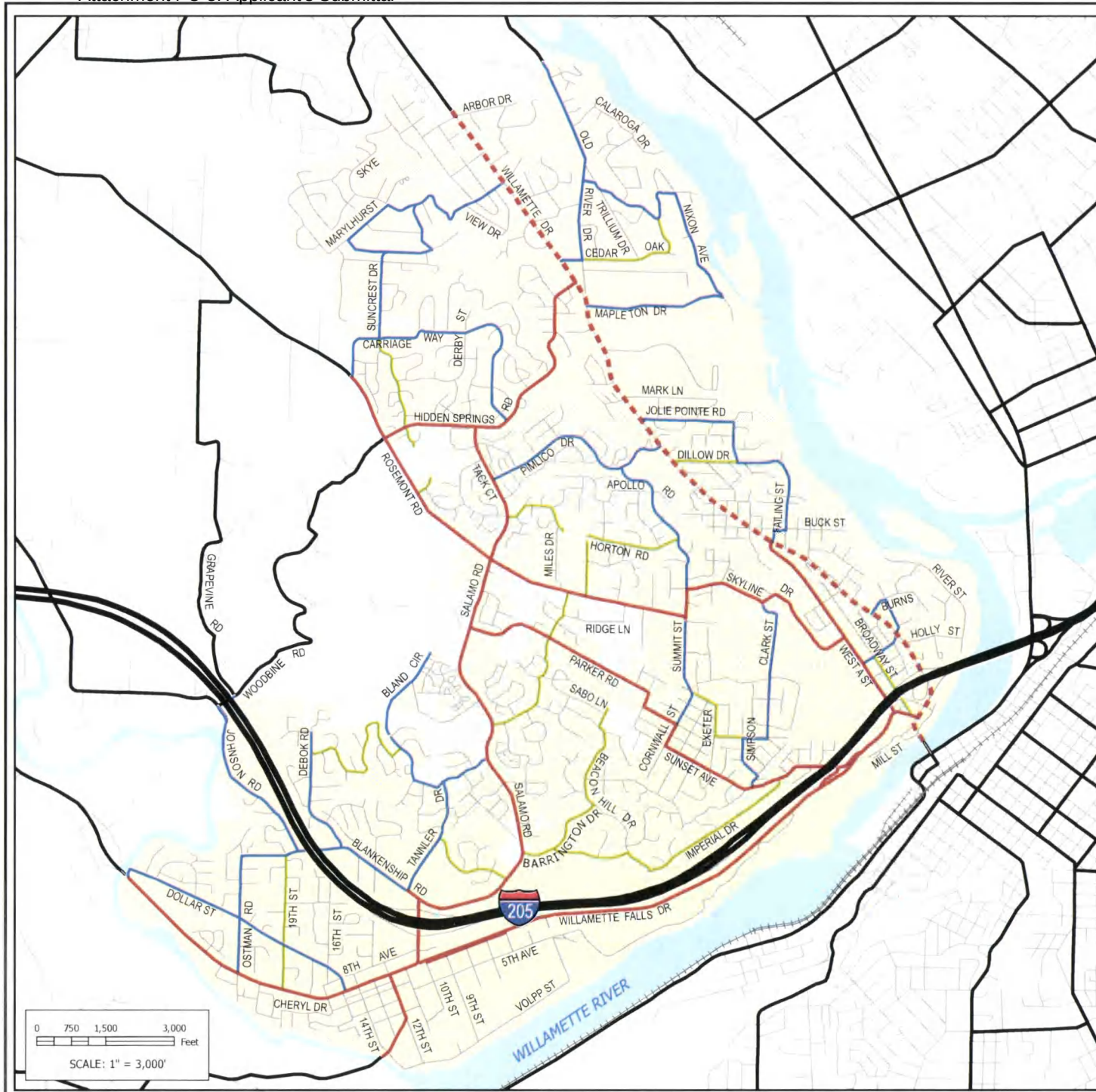
Three Rivers Charter 
 West Linn-Wilsonville School District
 Department of Operations
 2755 SW Borland Rd
 Tualatin, OR 97062
 503-673-7995

Map prepared by: Cindy Hepting
 Date: March 13, 2012

Attachment PC-3: Applications Submitting

Walking Boundary for Willamette Primary School





Transportation System Plan

FIGURE 3-5

EXISTING FUNCTIONAL CLASS

LEGEND

- Freeway
- Principal Arterial
- Arterial
- Collector
- Neighborhood Route
- Local Street
- Railroad
- Water
- City Limits



DKS Associates
TRANSPORTATION SOLUTIONS

MACKENZIE.

DESIGN DRIVEN | CLIENT FOCUSED

July 11, 2014

City of West Linn
Attention: Khoi Le
4100 Norfolk Street
West Linn, OR 97068

Re: **Tannler West Multi-Family – West Linn**
Traffic Impact Analysis/Transportation Planning Rule Review
Project Number 2130529.01
West Linn # PA-13-31

Dear Mr. Le:

This traffic impact analysis has been prepared to address the transportation planning rule requirements of the City of West Linn Community Development Code (CDC) and Comprehensive Plan, and Statewide Planning Goal 12: Transportation, as they pertain to the proposed Tannler West comprehensive plan amendment and zone change at the northwest corner of the Tannler Drive/Blankenship Road intersection in the West Linn-Willamette Town Center area.

The 11.3-acre site is vacant and zoned OBC – Office Business Center. The northern 10.1 acres is proposed to be rezoned to R-2.1 – Single-Family and Multiple-Family Residential. The southern 1.2 acres would remain in the OBC zone.

TRANSPORTATION PLANNING RULE

Statewide Planning Goal 12: Transportation is implemented through OAR 660, Division 12 “to provide and encourage a safe, convenient and economic transportation system.” Transportation planning is meant to ensure existing and proposed land uses can reasonably be accommodated by the transportation system.

Specifically, OAR 660-12-0060 (1) states:

If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

- (a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);*
- (b) Change standards implementing a functional classification system; or*



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- (c) *Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.*
- (A) *Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;*
- (B) *Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or*
- (C) *Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.*

The purpose of this analysis is to determine whether the proposed land use action will significantly affect a transportation facility as measured at the end of the planning period in the locally adopted Transportation System Plan (TSP) or comprehensive plan.

Current Zone Designation

The existing site is zoned OBC and has a *commercial* designation on the comprehensive plan map. As identified in the CDC, the following land uses and their accessory uses are permitted:

1. Business equipment sales and services.
2. Business support services.
3. Communications services.
4. Cultural exhibits and library services.
5. Family day care.
6. Financial, insurance, and real estate services.
7. Medical and dental services.
8. Parking facilities.
9. Participant sports and recreation, indoor.
10. Personal services and facilities.
11. Professional and administrative services.
12. Utilities, minor.
13. Transportation facilities.



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Also worth noting are the permitted uses under prescribed conditions. These include, but are not limited to, multiple-family units above the first floor in a mixed-use commercial development and eating and drinking establishments subject to limitations.

The previously approved development comprises all 11.3 acres with three office buildings totaling 289,571 square feet with a separate parking structure. The CDC would allow a greater amount of office space, but due to site constraints such as existing slope, significant trees/tree clusters, and residential buffer concerns, the development as previously proposed is considered the reasonable worst-case development scenario for OBC zoning at this specific site.

The previously approved trip generation for the OBC development is summarized in the following table.

TABLE 1 – PREVIOUSLY APPROVED TRIP GENERATION						
Zone	Weekday AM Peak Hour Trips			Weekday PM Peak Hour Trips		
	Entering	Exiting	Total	Entering	Exiting	Total
OBC - Office Business Center (ITE 710 – General Office)	397	54	451	71	344	415

Proposed Zone Designation

10.1 acres of the 11.3 acres is proposed to be rezoned to R-2.1 – Single-Family and Multiple-Family Residential, which is a *medium-high density residential* designation on the comprehensive plan map. As identified in the CDC, the following land uses and their accessory uses are permitted in R-2.1:

1. Community recreation.
2. Duplex residential unit.
3. Family day care.
4. Group residential units.
5. Multiple-family residential unit.
6. Residential home.
7. Single-family attached residential unit.
8. Utilities, minor.
9. Transportation facilities.

The reasonable worst-case development for the R-2.1 zone is multiple-family development to the maximum allowed density. CDC section 16.070 (A)(5) sets the minimum lot size per multiple-family dwelling unit at 2,100 square feet, effectively maximizing the base density at 20.74 dwelling units per acre. This means 210 multiple-family dwelling units are allowed on the acreage proposed for the rezone.

Additional permitting and conditions such as a Planned Unit Development overlay could allowing density bonuses bringing the total number of units as high as 275, but due to the additional requirements and approvals, 210 multiple-

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family dwelling units is assumed to be the reasonable worst-case development scenario allowed outright for the proposed zone designation.

Trip Generation Comparison

Trip generation estimates for both zone designations were prepared using the current Institute of Transportation Engineers' (ITE) *Trip Generation Manual*. Trip generation for the previously approved development assumed worst-case development scenario under the current zone designation is for the entire 11.3 acres, but only about 90% of this is proposed for rezone. The following table presents the proportion of these trips based on only 10.1 acres for the proposed rezone.

TABLE 2 – CURRENT ZONE DESIGNATION TRIP GENERATION						
Zone	Weekday AM Peak Hour Trips			Weekday PM Peak Hour Trips		
	Entering	Exiting	Total	Entering	Exiting	Total
OBC - Office Business Center (90% of approved site trips)	357	49	406	64	310	374

Trip generation estimates for the potential R-2.1 development using ITE's Land Use Code 220 – Apartment are summarized in the following table.

TABLE 3 – PROPOSED ZONE DESIGNATION TRIP GENERATION						
Zone	Weekday AM Peak Hour Trips			Weekday PM Peak Hour Trips		
	Entering	Exiting	Total	Entering	Exiting	Total
R-2.1 - Single/Multi-Family (ITE 220 – Apartments)	21	86	107	85	45	130

The difference between the reasonable worst-case development scenarios for both zone designations is summarized in the following table.

TABLE 4 – TRIP GENERATION COMPARISON						
Zone	Weekday AM Peak Hour Trips			Weekday PM Peak Hour Trips		
	Entering	Exiting	Total	Entering	Exiting	Total
R-2.1 - Single/Multi-Family	21	86	107	85	45	130
OBC - Office Business Center	357	49	406	64	310	374
Difference (R-2.1 - OBC)	-336	37	-299	21	-265	-244
Percentage Change	-94.1%	75.5%	-73.6%	32.6%	-65.5%	-65.2%

As presented in the previous table, a significant decrease in trips during the peak hours is anticipated due to the proposed comprehensive plan amendment and zone change. Additionally, the anticipated 1,397 ADT for the R-2.1 zone designation is a 50% reduction from the 2,798 ADT for the OBC zone.

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This significant decrease in trips indicates the proposed comprehensive plan amendment and zone change will not significantly affect a transportation facility, and no mitigation is required within the TSP planning period due to the proposed land use change. Even transportation facilities that are otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan may operate better due to the significant decrease in trips.

CONCLUSION

Given the significant decrease in trip generation potential due to the proposed comprehensive plan amendment and zone change, the proposed land use change will not significantly affect a transportation facility. Therefore, no additional analysis and no mitigation within the TSP planning period are required. See the attached FAQ regarding the Transportation Planning Rule, specifically pages 4 and 5.

This letter satisfies Statewide Planning Goal 12: Transportation as outlined in OAR 660-12-0060 and City of West Linn CDC and Comprehensive Plan policies.

If you have any questions regarding this information, please contact us directly.

Sincerely,



Brent Ahrend, P.E.
Senior Associate | Transportation Engineer

Enclosures: Site Vicinity Map
 TPR FAQ sheet

c: Rob Morgan – ConAm
 Michael Robinson – Perkins Coie



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CHECKED BY: BTA

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ENTIRE TANLER WEST SITE
CURRENTLY ZONED OBC

TANNER ZONE CHANGE
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FIGURE

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FREQUENTLY ASKED QUESTIONS ABOUT SECTION 0060 OF THE TRANSPORTATION PLANNING RULE

What is Section 0060 of the Transportation Planning Rule?

Section 0060 of the Transportation Planning Rule (TPR) is a statewide planning requirement that directs cities and counties to assess whether proposed plan amendments and zone changes will have a significant effect on the transportation system. In essence, this means that before approving plan or zone changes, cities and counties must determine whether existing transportation facilities and planned improvements will provide adequate capacity to support the new development that would be allowed by the proposed land use changes.

If there is not adequate planned capacity, a "significant effect" occurs. When a city or county finds there is a significant effect, it must take steps to put land use and transportation in balance. Ways to do this include: adding planned transportation facilities or improvements, limiting land use or modifying performance standards to tolerate additional congestion. Section 0060 outlines the process and standards for deciding whether a plan amendment or zone change has a significant effect, and appropriate remedies.

What is the purpose of Section 0060?

Section 0060 is intended to assure that when new land uses are allowed by plan or zone changes that there is adequate planned transportation capacity, usually roadway capacity, to serve the planned land uses. The potential for traffic and congestion from new development is a major concern in communities around the state. Section 0060 is a tool to help communities understand the traffic impacts of plan and zone changes and assure that growth is adequately planned for and does not result in excessive traffic congestion. Amendments to Section 0060 adopted in 2005 also help communities address whether funding plans and strategies for needed improvements are in place before plans or zoning are changed to allow more development.

What is the legal basis for Section 0060?

State law (ORS 197.646) requires that local governments comply with statewide planning goals and rules adopted to implement them when they consider plan amendments. The TPR implements Statewide Planning Goal 12 (Transportation) which requires local governments to plan for a safe, convenient, and adequate transportation system.

What decisions does TPR Section 0060 apply to?

This portion of the TPR applies to local plan and land use regulation amendments. These include plan and zoning map changes as well as changes to the list of allowed land uses in a zone or other provisions of a zoning district.

Does Section 0060 apply to building permits, subdivisions or conditional use permits or similar authorizations?

No. As described above, Section 0060 only applies where a plan amendment or zone change of some sort is involved. Approvals that are made under the terms of existing city and county plans and zoning ordinances are not subject to Section 0060. However, in some situations local governments may have adopted local standards that are equivalent to the TPR Section 0060 that do apply during site plan review.

Does Section 0060 affect all plan amendments and zone changes?

In practice, the TPR affects relatively few plan amendments and zone changes. Most plan amendments don't affect expected traffic one way or another; and those that do are often adequately served by existing or planned roadway improvements.

Do changes to land use regulation amendments other than zone changes need to be reviewed for compliance with Section 0060?

Yes. While most changes to zoning or development codes do not affect the transportation system, some relatively minor changes may allow new or expanded uses that would have a significant effect. For example, adding "sales of building materials" as an allowed use in an industrial zoning district could have the effect of allowing a large format retail use into an industrial zoning district that would generate much more traffic than allowed industrial development. Local governments need to evaluate each land use regulation amendment and assess whether or not it would allow uses that would generate more traffic than that generated by uses currently allowed in the zone.

Section 0060 is part of the Transportation Planning Rule. What are the other parts of the TPR?

The Transportation Planning Rule or TPR is an administrative rule adopted by the Land Conservation and Development Commission. The rule implements Statewide Planning Goal 12 (Transportation) and other statewide planning goals that provide guidance to local governments about how they conduct transportation planning. The major requirement in the TPR is that cities and counties adopt transportation system plans (TSPs) that include plan for future streets and roadway improvements and other transportation facilities and services needed to support future land use plans. The TPR was adopted in 1991. Since that time most of the cities and counties in the state have adopted TSPs to carry out the rule. Further information about the TPR including the full text of the rule is available on the DLCDC website. Information about TSPs is available from the respective city and county planning departments.

My city and county have adopted transportation plans (TSPs). Is additional review of plan amendments and zone changes for compliance with 0060 still required?

Yes. Generally, TSPs include planned facilities that are adequate to serve uses anticipated based on existing planning and zoning. Changes to comprehensive plans and zoning can create the need for additional street or roadway improvements. Section 0060 requires cities and counties to assess whether a plan amendment or zone change would create more traffic than the plan anticipates or that facilities called for in the plan are designed to handle. In many cases, local governments find that improvements called for in TSPs will be

adequate to support the planned land use change. Where this is the case, the requirements of 0060 are met. However, where expected new traffic would exceed the capacity of planned facilities, additional planning must be done to figure out how the traffic will be handled, usually by amending the TSP to account for the additional traffic.

How is Section 0060 applied?

Local governments considering plan or land use regulation amendments evaluate whether the proposed plan amendment or zoning change would "significantly effect" the planned transportation system. Most local governments ask applicants to address this in their application. The evaluation involves reviewing applicable city, county or state transportation plans and assessing whether the proposed plan or zone change will have a significant effect on the transportation system.

What is the standard for deciding whether a plan amendment or zone change has a "significant effect"?

The standards for determining whether or not a plan or land use regulation amendment has a significant effect are set out in OAR 660-012-0060(1).¹ In most situations, an 0060 "significant effect" occurs because the plan amendment or zone change would allow uses that would result in a level traffic that exceeds the adopted performance standards for a local street or state highway. (This is the standard in 0060(1) (B): where a plan amendment or zone change reduces "...the performance of an existing or planned transportation facility below the minimum acceptable performance standard identified in the TSP or comprehensive plan.")

Local governments determine whether there is a significant effect by:

- Assessing how much new traffic would be generated by the proposed plan or zone change
- Adding the potential new traffic to traffic that is otherwise expected to occur
- Assessing whether this additional traffic will cause roadways in the vicinity of the plan amendment to exceed adopted performance standards

How do local governments determine whether or not a plan amendment or zone results in a "significant effect"?

Typically some sort of traffic analysis or traffic impact study is prepared. In either case, the analysis compares traffic allowed under the existing and proposed plan or zoning designations. A proposed plan amendment or zone change has a "significant effect" if: (1) it generates more traffic than allowed by existing plan and zoning AND

¹ There are three other circumstances where a plan amendment could trigger a "significant effect":

- Changes to the functional classification of an existing or planned transportation facility – an example would be where a local plan designation for a planned street is changed from a "minor arterial" to a "major collector".
- Changes to standards implementing a functional classification system. Examples of this type of change would include amendments to driveway or street spacing requirements.
- Allowing types or levels of uses which would result in levels of travel or access that are inconsistent with the functional classification of a transportation facility; or

(2) planned transportation improvements do not provide adequate capacity to support the allowed land uses.

Are there some simple guidelines for assessing whether a plan amendment is likely to trigger a significant effect?

Yes. In most cases the key question is whether the proposed plan designation or zoning will result in more traffic than is allowed by current zoning.

If the proposed plan amendment or zone change would generate the same or less traffic than is allowed by the current plan and zone designations, it generally is considered *not* to have a "significant effect" on the transportation system. In essence, the rule requires further review of transportation impacts only where a plan amendment or zone change would yield more traffic than is allowed by current zoning.

If a plan amendment would result in more traffic being allowed is it automatically considered to have a "significant effect" under the TPR?

No. The local government would first need to evaluate whether planned transportation facilities will be adequate to handle the additional traffic. If they are adequate, then there would not be a significant effect.

Is the evaluation of significant effect based on the applicants proposed use or other uses allowed by the proposed plan or zone change?

Generally speaking the evaluation of whether there is a significant effect must consider the range of uses allowed by the proposed plan and zoning changes, not just the particular use proposed by the applicant. This is because the resulting plan amendment or zone change, once approved, would allow any of the uses listed in the zoning district without further review for compliance with the TPR. Typically, plan amendments and zone changes do not prevent an applicant (or subsequent property owners) from pursuing more intense development than is contemplated in the original application.

As explained below, an applicant or local government can modify or limit the proposed plan or zone change to reduce its traffic generating impacts and possibly avoid triggering a significant effect. Where the application or approval is limited to specific uses or a particular level of traffic generation, it is possible to limit the scope of the analysis. In many situations this is adequate to avoid triggering a significant effect.

What happens when a local government concludes there is a "significant effect"? Can the plan amendment or zone change still be approved?

A finding of "significant effect" does not prevent approval of a plan amendment or zone change. It does trigger the requirement for local governments to take steps to put land use and transportation "in balance"; by assuring that planned land uses are consistent with the planned transportation system. Local governments have four options for putting land use and transportation "in balance" including one or a combination of the following:

- Adding planned transportation facilities or improvements
- Limiting allowed land uses to fit available facilities

- Changing the transportation performance standards to accept lower performance
- Adopting measures that reduce auto travel

Can local governments avoid triggering a significant effect by limiting the uses allowed by a proposed plan amendment or zone change?

Yes. In practice, applicants or local governments have done this by calculating either the capacity of the planned transportation system or the intensity of use allowed by existing plans and zoning, and then including zoning restrictions that cap allowed development to avoid a "significant effect". This can be done by adopting trip caps or limits on the allowed uses. Currently, thoughtful applicants, with assistance from their traffic consultants, will carefully calculate the capacity of the planned transportation system and adjust their plan amendment proposal to fit within the available capacity. This may include proposing roadway improvements or other measures to make the proposal fit the available capacity.

How do local governments assess whether there is adequate planned transportation capacity to support proposed uses?

Evaluation is based on applicable adopted transportation plans. These include adopted city and county transportation system plans (TSPs), and the 1999 Oregon Highway Plan adopted by the Oregon Department of Transportation (ODOT).² Basically, local governments compare expected traffic under existing plans with additional traffic that would be allowed under the proposed plan amendment. They then assess whether improvements included in adopted plans will adequately serve the additional traffic. If the increased volume of traffic would cause a performance standard not to be met, there is a significant effect on the transportation system. This assessment is usually based on a traffic impact analysis prepared by a traffic engineer for the applicant.

Does the TPR require traffic impact studies?

While the TPR does not specifically require a traffic impact study, one may be needed to determine whether or not a plan amendment or zone change results in a significant effect. The need for a traffic impact study is usually decided by local government as it reviews a proposed plan amendment. Where a proposed amendment affects a state highway, the local government needs to consult with ODOT to determine whether a traffic impact study or some other analysis is needed.

Does the TPR require a "worst case" analysis - for example, where someone is proposing a zone change to allow a specific use, such as an auto dealership, but the proposed zoning allows other more intense uses, such as fast food restaurants?

No. However, the analysis must be based on the uses that would be allowed by the proposed zoning. An applicant or local government can limit the scope of analysis by limiting the request or approval to specific uses or to a particular level of traffic generation. One approach that is often used is to calculate the amount of traffic expected to be generated by the proposed use and to adopt land use regulations that limit uses in the zone to not exceed this amount.

² The Oregon Highway Plan also includes any specific implementing plans adopted by the Oregon Transportation Commission, such as Highway Corridor Plans or Interchange Area Management Plans. These specific "facility plans" often set different or additional standards for highway performance than are in the OHP document.

Is it possible to defer compliance with the TPR to a subsequent approval, such as a site plan or conditional use approval?

Technically no. However, local governments can achieve this result by limiting development and adopting a local ordinance that essentially mirrors the requirements of Section 0060. Several LUBA rulings³ have upheld local government decisions that, in effect, defer application of the TPR where the following conditions are met:

- (1) The plan amendment and zone change themselves do not allow additional development
- (2) the plan or zoning amendment include the substance of 0060 as a standard for approving any development - typically through a site plan approval process; and
- (3) the local implementation process provides for public review and a hearing including notice to ODOT and other affected transportation providers.

In addition, the Department of Justice has provided ODOT with informal guidance about requirements for local governments to accomplish deferral.

Does DLCD recommend "deferring" transportation analysis required by the TPR?

No. The department recommends against using this approach for several reasons:

- **It undermines the predictability that zoning is intended to provide.** Zoning or rezoning land implies that the land is suitable and appropriate for uses allowed in the zone. If lands are zoned "commercial", for example, property owners rightfully assume that the public has determined that the land is suitable for many commercial uses and can be developed for commercial uses without difficult or complicated reviews. Deferring evaluation of transportation impacts and mitigation to site review works against this objective, especially where expensive improvements are needed to mitigate traffic impacts.
- **It undermines public participation in zoning decisions.** Rezoning is a key opportunity for the public, including neighboring property owners, citizens and agencies, to comment on a proposed zone change. Traffic impacts are often a major concern which the public should understand *before* a zone change is approved. Deferring transportation analysis reduces the opportunity for meaningful public participation.
- **It creates tracking and enforcement problems for local governments.** Where transportation analysis is deferred, future land use decisions and approvals have to be adjusted to include the required transportation analysis. If several years pass between the time the original zone change is approved there is likely to be uncertainty or confusion about what is required – especially if local staff turnover or if property is sold.

³ The LUBA decisions on this issue are:

- Citizens for the Protection of Neighborhoods, LLC v. City of Salem and Sustainable Fairview Associates LLC, 47 OrLUBA 111 (2004): <http://www.oregon.gov/LUBA/docs/Opinions/2004/06-04/03201.pdf>
- Concerned citizens of Malheur County v. Malheur County and Treasure Valley Renewable Resources, LLP, 47 OrLUBA 208 (2004).... <http://www.oregon.gov/LUBA/docs/Orders/2004/04-04/04008.pdf>

Overall, local governments, property owners and the public are better served by conducting the traffic analysis as the zone change is considered and making a clear decision about whether the planned transportation system is adequate to serve the allowed uses as part of approving the zone change.

What qualifies as a "planned transportation facility" that local governments may rely upon in determining whether there are adequate facilities to support the planned land use?

Section 0060(4) lists the types of facilities, improvements and services that can be counted as "planned" for purposes of 0060 compliance. Typically, a facility or improvement must be included in the relevant TSP and have some level of funding commitment in place to be considered to be "planned" under section 0060. The rule also allows transportation providers to issue letters to confirm that certain improvements are "reasonably likely" to be provided by the end of the planning period. Where such letters are issued, the improvements may be considered as planned. The rule also allows for improvements that are provided by the applicant, typically as a condition of approval, to be counted as planned improvements.

A detailed list of list of facilities, improvements and services that are considered planned is outlined in Section 0060(4) and includes:

- ☐ Transportation facilities, improvements or services that are funded for construction or implementation in:
 - ☐ the Statewide Transportation Improvement Program
 - ☐ a locally or regionally adopted transportation improvement program or capital improvement plan, or,
 - ☐ program of a transportation service provider. (See OAR 660-012-0060(4)(b)(A).)
- ☐ Transportation facilities, improvements or services that are authorized in a local transportation system plan and for which a funding plan or mechanism is in place or approved. These include, but are not limited to, transportation facilities, improvements or services for which:
 - ☐ transportation systems development charge revenues are being collected;
 - ☐ a local improvement district or reimbursement district has been established or will be established prior to development;
 - ☐ a development agreement has been adopted; or
 - ☐ conditions of approval to fund the improvement have been adopted. (See OAR 660-012-0060(4)(b)(B)).
- ☐ Transportation facilities, improvements or services in a metropolitan planning organization (MPO) area that are part of the area's federally-approved, financially constrained regional transportation system plan. OAR 660-012-0060(4)(b)(C).

Who decides whether a planned facility or improvement is "reasonably likely" to be provided by the end of the planning period?

The decision is made by the relevant transportation facility provider. For example, for state highways, the decision about whether an improvement is reasonably likely is made by

ODOT. For county roads, the decision is made by the county. For city streets, the determination is made by the city. In each case, the entity making the determination may establish its own procedures to determine who is authorized to make reasonably likely determinations and how such determinations will be issued. ODOT's guidelines address this issue for state highways.

Are "reasonably likely" determinations "land use decisions"?

The Commission's intent is that reasonably likely determinations not be land use decisions. The determination is essentially evidence or a finding submitted by a third-party. The rule does not ask or direct that local governments decide as part of the land use proceeding whether an improvement is "reasonably likely" to be funded; that determination is made separately and only the result, not the substance of determination, is at issue in the land use proceeding.

Why does the rule require "reasonably likely" determinations for projects that are included in TSPs? Why aren't all of the projects included in TSPs considered "planned projects" for purposes of 0060?

The amendments to Section 0060 were adopted following a broad evaluation of the TPR and of transportation planning done by Oregon communities over the last 10-15 years conducted jointly by the Oregon Transportation Commission and LCDC. A major finding of the evaluation was that there is a substantial gap between likely funding and the improvements that are called for in TSPs. In short, the transportation improvements included in plans greatly exceeds revenue likely to be generated over the next 20 years, even if there are new or expanded sources of revenue.

The consequence of this funding gap is that many of the projects that TSPs call for in the next 20 years will not be built, and for many communities traffic congestion will worsen. To a large extent, this is a result of past land use decisions – that put in place development patterns that create a need for additional roadway improvements. While LCDC recognizes that more needs to be done to address this gap, the conclusion was that it was not prudent to ignore or worsen the imbalance between land use and transportation by allowing additional land use changes that depend upon improvements that are not likely to be built in the next 20 years.

The TPR says that transportation performance is measured at the "end of the planning period". How is the applicable "planning period" determined?

The TPR defines planning period as "... the 20-year period beginning with the date of adoption of a TSP to meet the requirements ... of the rule." (OAR 660-012-0005(18)). This date based on the date of adoption of the applicable city or county TSP. For state highways, the Oregon Highway Plan indicates that the planning period is the one specified in the relevant local TSP applies but not less than 15 years from the date of application.

Are there additional requirements for review of plan and zone changes around freeway interchanges?

Yes. Section 0060 includes additional requirements for review of plan amendments within ½ mile of interchanges on interstate freeways. This includes interchanges on I-5 and I-84, as well as interchanges on I-205, I-405 (in the Portland Metropolitan area) and I-105 in the

Eugene-Springfield area. Additional review was required because of the special significance of the interstate system to the state transportation system.

Within freeway interchange areas the list of "planned improvements" is limited to improvements that have some form of funding commitment and does not include projects that are "reasonably likely" to be funded. However, other improvements can be counted as planned if ODOT agrees that the proposed plan amendment will not adversely affect the interstate highway system. (This part of the rule and ODOT's process for assessing whether amendments will affect the interstate system are outlined in ODOT's Guidelines for implementing Section 0060. See below.)

Who sets the performance standards for deciding whether there is "adequate" transportation capacity and what are they?

Standards for capacity and transportation system performance are set by local governments and ODOT through their adopted transportation system plans (TSPs). For state highways, mobility standards are expressed as acceptable "volume-to-capacity" ratios for traffic. Most local governments use a comparable system that uses letter grades to define acceptable "level of service" or LOS. The system rates service from "A", light traffic and free flow conditions to "F" heavily congested, with significant delays at traffic lights or to make turn movements. Most set "D" or "E" as the acceptable performance standard.

Does 0060 effectively set a "concurrency requirement", i.e. that adequate facilities have to be built or funded before development can be allowed?

No. The rule does not create the kind of "concurrency" requirement that has been adopted in other states, where transportation facilities must be built before new development is approved. The TPR requires local governments to assess whether planned facilities – that are expected to be constructed over the planning period – will – at the end of the planning period – be adequate to meet needs. This allows for development to occur in advance of needed transportation improvements being constructed.

Will Section 0060 delay the development of "shovel-ready" industrial sites?

No. Industrial sites are not certified as "shovel-ready" until and unless they have the necessary plan and zoning designations for the appropriate industrial uses and are served by adequate public facilities, including transportation facilities. Section 0060 does not apply to sites already designated as "shovel-ready" and, therefore, will not cause a delay in their development.

Can local governments adopt concurrency requirements or other standards that are stricter than those in 0060 standards?

Yes. The TPR is basically a minimum state standard for review of plan amendments and zone changes. Individual cities can adopt ordinances regulating new development to meet particular local needs or circumstances that are stricter than the TPR. Several local governments have adopted concurrency type standards, requiring that needed improvements be constructed or funded or in place at the same time new development occurs.

Can a local government change performance standards to accept greater levels of congestion?

Yes. Where a planned development will result in an exceedance of the applicable performance standard, the TPR authorizes local governments to amend their TSPs to modify the performance standards to accept greater motor vehicle congestion OAR 660-012-0060(2)(d). Where state highways are affected, local governments need to get ODOT to agree to change its performance standards as well. Metro in the Portland metropolitan area, in coordination with the Oregon Transportation Commission and ODOT, has adopted performance standards that accomplish this objective and support the implementation of the region's Metro 2040 plan.

Where can I get more information about Section 0060?

The full text of the Transportation Planning Rule, including Section 0060, is available on DLCD's website at www.lcd.state.or.us

ODOT has produced guidelines for use by its staff in applying Section 0060. The guidelines are available on the ODOT website at:

<http://www.oregon.gov/ODOT/TD/TP/docs/TPR/tprGuidelines.pdf>

While the guidelines are intended principally for use by ODOT staff, they can also provide useful guidance to help local governments and applicants understand and apply Section 0060. Key to the amended rule are decisions by ODOT (and local governments) about whether or not needed improvements are funded or "reasonably likely" to be funded during the planning period. The ODOT guidance provides direction about how ODOT staff are to make reasonably likely determinations.

Numerous LUBA decisions provide useful guidance in understanding details of applying the Section 0060. The text of LUBA opinions and headnotes summarizing LUBA decisions related to Goal 12 and the Transportation Planning Rule are available on LUBA's website at www.orluba.state.or.us

**City of West Linn
Parks and Recreation Advisory Board Summary Notes
January 9, 2014**

Members Present: Roger Shepherd, Sarah Silvernail, John Linman, Don Kingsborough, Vicki Handy and Todd Jones (had to leave meeting at 8:25 pm)

Staff Present: Ken Warner & Ken Worcester

Council Liaison: None

Guests: Mike Mahoney & Jeff Parker

Meeting called to order by John Linman at 7:05 pm

1. **Approval of tonight's agenda** – Agenda was approved with addition of 2 items under #8 other projects (Inquiry on Drones & Election of Chair for Board) and switching the order of #4 & #5 to allow guests to present first.
2. **Community Comments** – None
3. **Approval of Summary Notes**
Notes of the September 12, 2013 meeting were reviewed. Don made a motion to accept Notes and was seconded by Roger. The motion passed unanimously.

4. **Park Natural Area Proposal**

Ken Worcester explained that there is the potential for 3+ acres of open space to be preserved near The White Oak Savanna.

Mike Mahoney of Con Am explained that they are looking at the potential zone change and the possibility of preserving open space located at the northwest corner of Tannler Drive and Blankenship road. (letter enclosed) Mike is looking for support/thoughts of the Board as open space along with the potential zone change. Vicki asked if it stays commercial zone will there still be open space? Jef explained that the current plan is for 29000 sq ft office space. Todd asked if Con Am owns anything else in West Linn? Mike explained that the answer is no, the closest is Seattle. Con Am is a national multi family developer and plans to own potential project for a while. Todd asked if it would be similar to Summerlin? Mike replied that that would be TBD.

Todd expressed that he has walked/run in the area and there is the potential for connectivity. Ken Worcester explained that with some effort it could be a connection to the I -205 trail and Sunset area without having to drop down to the streets.

John asked if it was possible to develop and donate to the City?

Ken Worcester explained (while not for or against zone change) that OBC zone we receive no SDC funds while Residential would provide SDC \$.

Vicki expressed that she felt it is a good idea to preserve open space and the Board agreed.

Motion by Todd to support in concept setting aside open space in any development of the property located at the corner of Tannler and Blankenship. Seconded by Vicki. The Motion passed unanimously.

5. **Trails Master Plan – Prioritization Criteria and Trail Maintenance Standards**

Ken Worcester explained as was briefly discussed last month the City Council would like PRAB to establish prioritization criteria for trail development. Ken presented the priority ranking system established by the Transportation Advisory Board.

- a. Highest priority to safety enhancement projects, especially around schools and those projects in the Safe Routes to schools Plan.

- b. Projects that enhance mobility/connectivity to nodes e.g. commercial centers, schools, parks and transit.
- c. Projects that impact the highest amount of users or provide the biggest bang for the buck.

Board discussed criteria and looked at a brainstorming document with potential criteria. Further discussions centered on what are important to each member of the Board and how many criteria does the Board want to establish. The Board agreed that 5 items (to include some narrative explanation) rose to the top. Listed in alphabetical order.

- A. Bang for the Buck
- B. Community Support
- C. Connectivity
- D. Opportunity & Feasibility
- E. Safety

The Board decides to create a decision making criteria circular in nature. The 5 item in the circular format would have explanatory descriptions to explain all facets in the particular criteria. Staff will work on draft for the Board.

Ken Worcester explained that the parks Department would like to develop Trail maintenance standards that will explain and visually (with pictures) show what the expectation should be for all trail maintenance. An example of Tualatin Hills Parks & Recreation District manual was passed out. The Board felt that this was a good idea and that it could also help give volunteers a clear expectation when out in the field working. The Board felt that his was a good idea.

6. Fields Bridge Park - Update

Ken Worcester let the Board know that we are getting ready to develop the other end of the park. This will include the removal of the house through a process through the State Historical Preservation office. The new parking lot will be moved a little since we are using a permeable surface for the parking lot and do not need water detention area. We are adding 10% to the parking lot, per code, since we saved some space. The goal is to wrap this park up prior to baseball season with work projected to start next month.

7. Dodge Way House – Update

The Dodge Way property that was purchased for \$ 1 through a HUD program has been sold for a price of \$205,000. Proceeds for the house must be used on a HUD project, the adult Community center expansion and/or other City projects.

8. Other -

Drones: Don was approached by a lady who had her picture taken by a drone in another park system. The pictures showed up on you tube. She was inquiring if the City of West Lin has a Drone policy? At the present time we do not have any policy.

Election of Board Chair: The Board had a brief discussion on nominating a Chair for this calendar year.

Vicki made motion to nominate John Linman as Chair. Seconded by Sarah. The vote was Unanimous. (Todd Jones had left the meeting at 8:25pm)

Meeting Adjourned at 9:09 pm



CITY OF

West Linn

22500 Salamo Rd.
West Linn OR 97068
www.westlinnoregon.gov

WEST LINN ECONOMIC DEVELOPMENT COMMITTEE

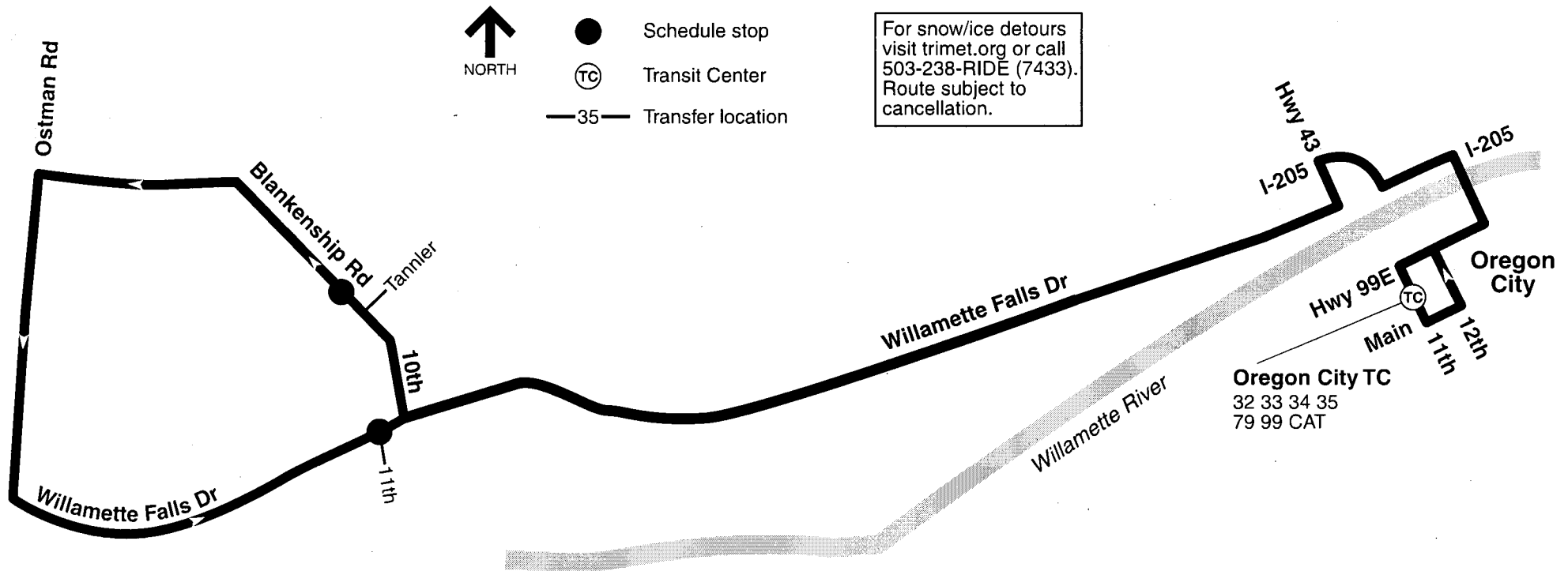
June 6, 2014

8:00 AM

Willamette Room, City Hall

1. Review of agenda
2. Public comments (3 minutes)
3. Presentation by Con-AM to discuss rezoning application of vacant property located at NW corner of Blankenship and Salamo Rd. (10 minutes)
4. Non-residential Street maintenance fee open house summary
 - **Requires recommendation for Council**
5. Small Business Resource Center survey results and next steps
6. Arch Bridge/Bolton Master Plan update
7. CPP tourism grant update
8. Other items of interest from members

154-Willamette



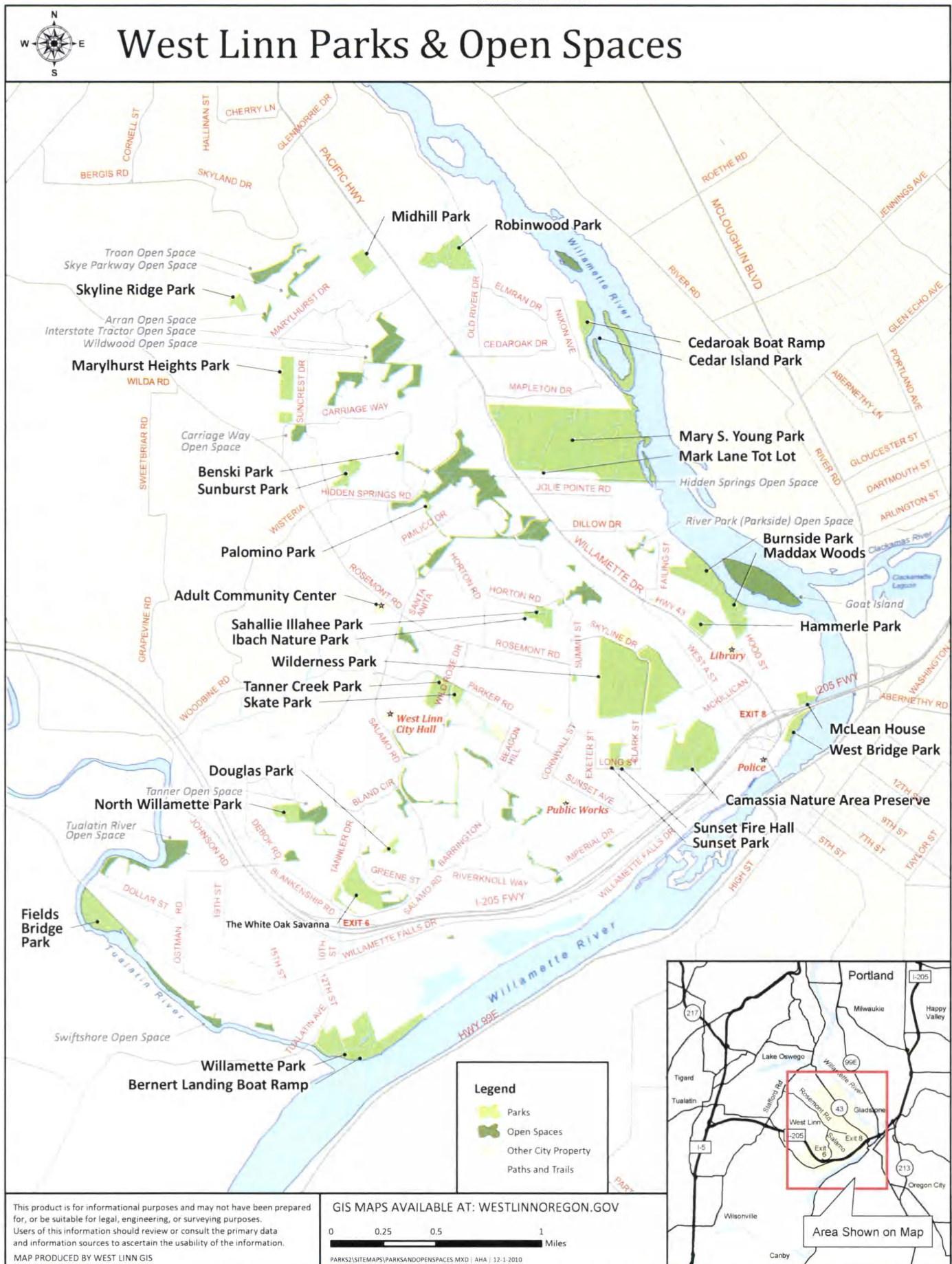


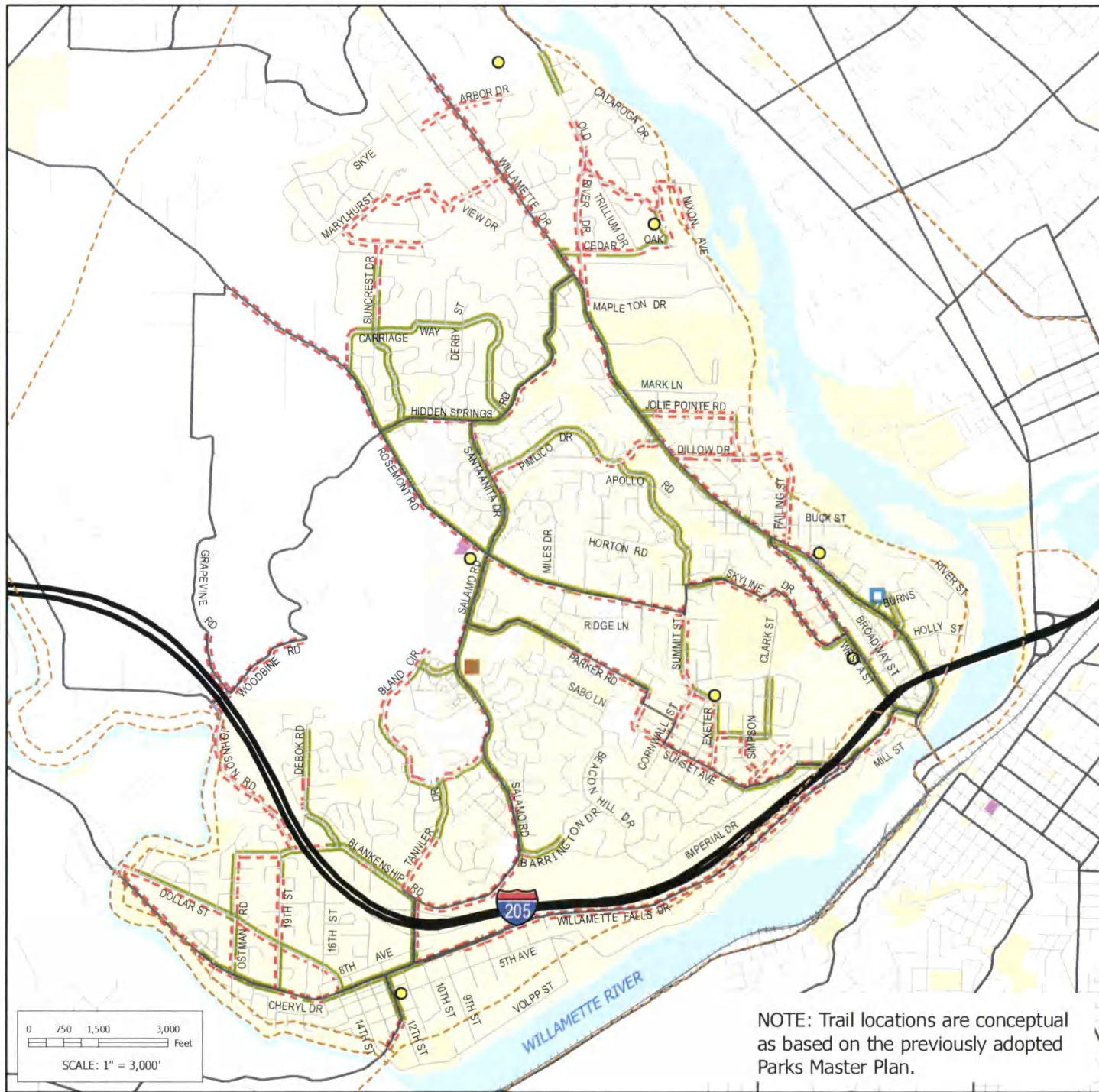
FIGURE 3-2

**SIDEWALK
 INVENTORY**

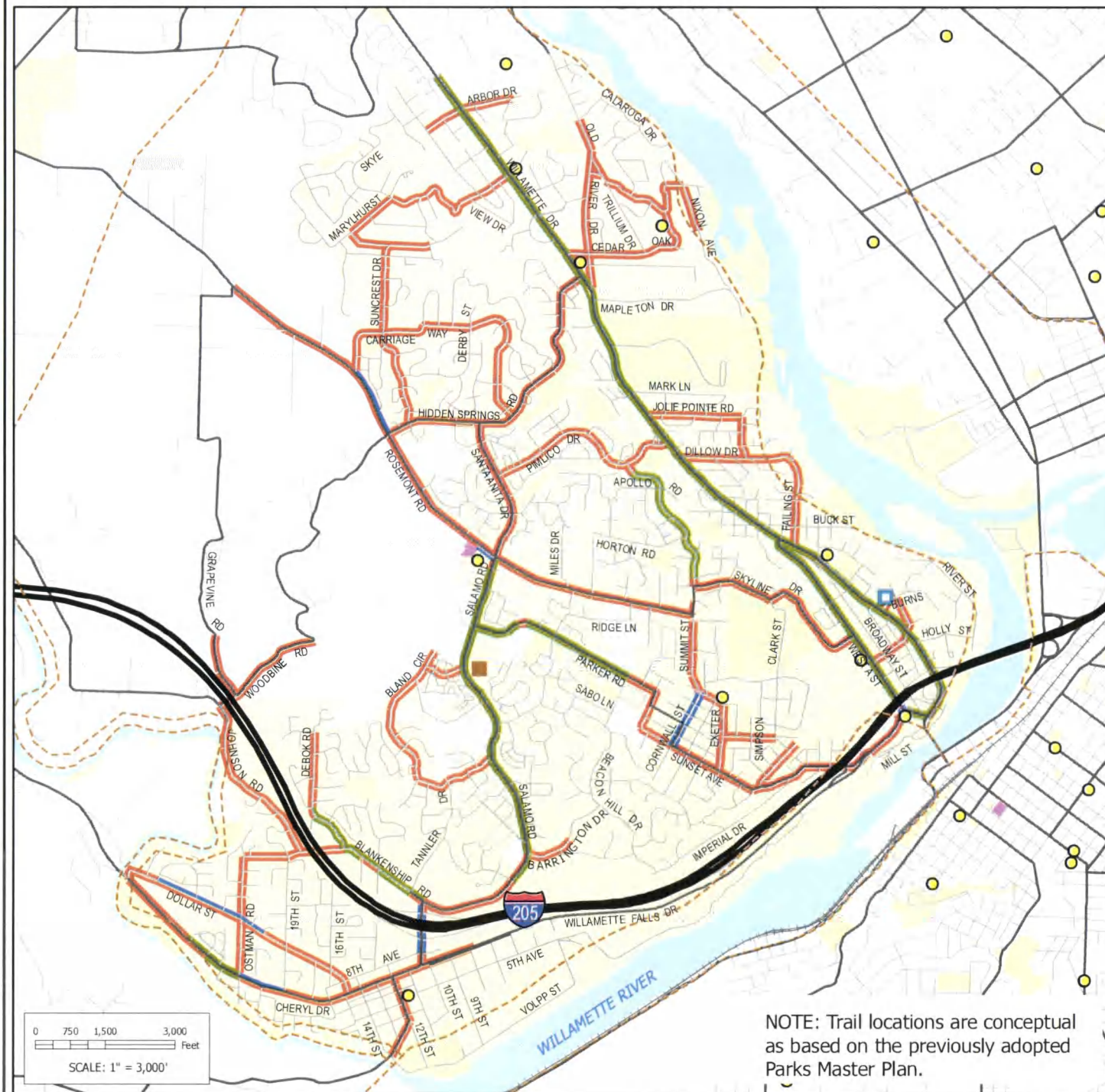
LEGEND

Sidewalks

-  1 ft. - 6 ft. Width
-  No Sidewalk
-  Off-Street Paths
-  City Hall
-  Schools
-  Library
-  Parks
-  Community Center
-  Freeway
-  Major Roads
-  Streets
-  Railroad
-  Water
-  City Limits



NOTE: Trail locations are conceptual
 as based on the previously adopted
 Parks Master Plan.



West Linn
**Transportation
System Plan**

FIGURE 3-3

**BICYCLE FACILITY
INVENTORY**

LEGEND

Bicycle Lanes

- No Bicycle Facilities
- Shared Lane
- Bicycle Lane

Note: includes lanes under construction at the time of inventory.

- Off-Street Paths
- City Hall
- Schools
- Library
- Parks
- Community Center
- Freeway
- Major Roads
- Streets
- Railroad
- Water
- City Limits

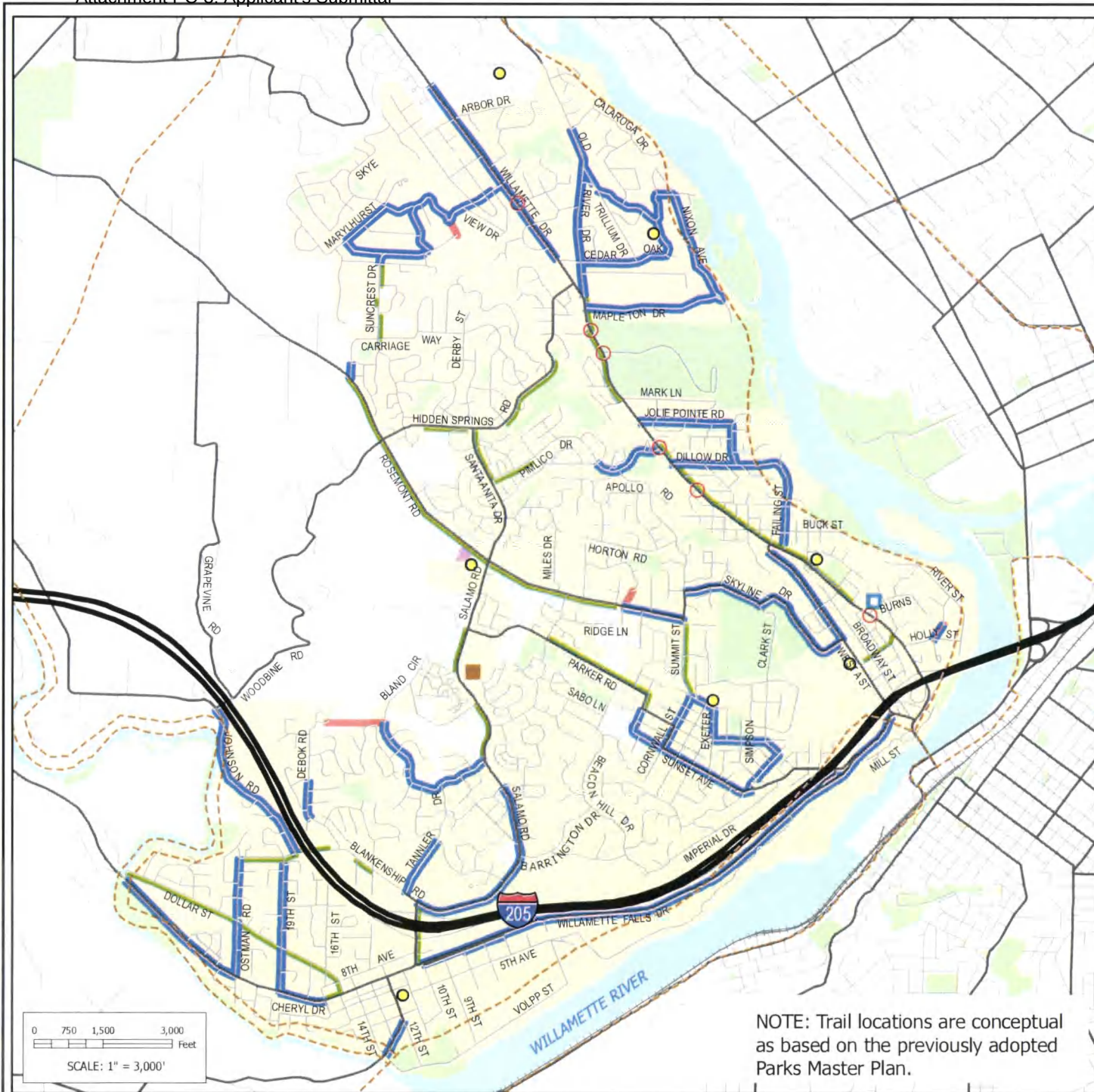


FIGURE 5-1

PEDESTRIAN PLAN

LEGEND

Pedestrian Projects

- Sidewalk - One Side
- Sidewalk - Both Sides
- Proposed Off-Street Path
- Proposed Crossing
- Off-Street Path
- City Hall
- Schools
- Library
- Parks
- Community Center
- Freeway
- Major Roads
- Streets
- Railroad
- Water
- City Limits

NOTE: Trail locations are conceptual as based on the previously adopted Parks Master Plan.

West
Linn
**Transportation
System Plan**

FIGURE 6-2

BICYCLE PLAN

LEGEND

Bicycle Projects

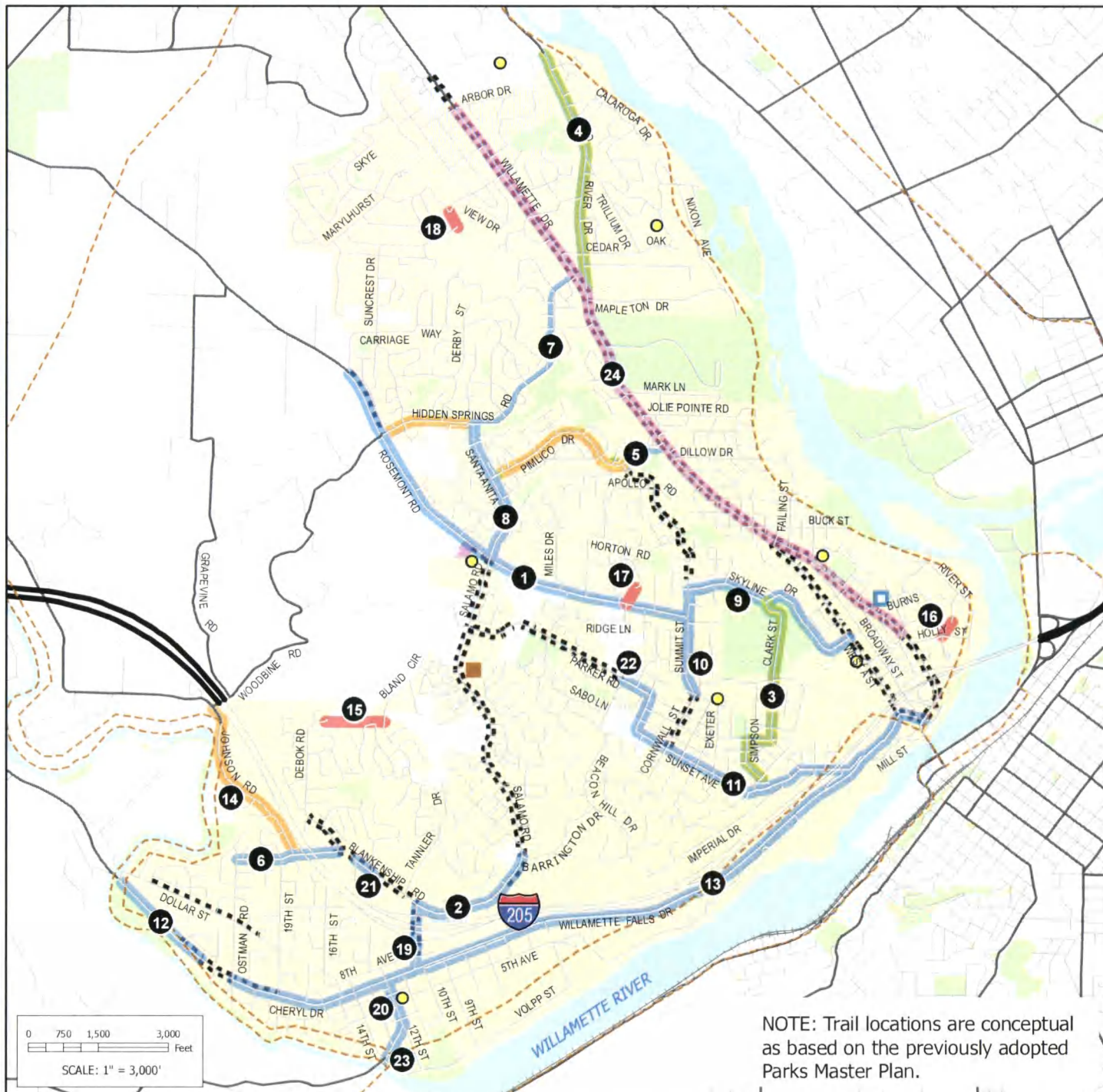
- Bicycle Lane - Raised
- Bicycle Lane - Standard
- Shoulder Bikeway
- Bicycle Boulevard Treatment
- Proposed Off-Street Path

Note: includes lanes under construction at the time of inventory.

- Project Number
- Off-Street Paths
- Existing Bicycle Facility
- City Hall
- Schools
- Library
- Parks
- Community Center
- Freeway
- Major Roads
- Streets
- Water
- City Limits



DKS Associates
TRANSPORTATION SOLUTIONS



NOTE: Trail locations are conceptual as based on the previously adopted Parks Master Plan.

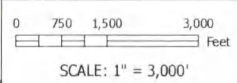


Table 3-12: Collision Rates

Intersection	Total Collisions (Year 2003-2006)	Collision Rate
Highway 43 / Arbor Drive	1	0.07
Highway 43 / Walling Way	1	0.07
Highway 43 / Cedaroak Drive	5*	0.33
Highway 43 / Hidden Springs Drive	6	0.38
Highway 43 / Jolie Pointe Drive	1	0.07
Highway 43 / Pimlico Drive	0	0.00
Highway 43 / West "A" Street	2	0.13
Highway 43 / Holmes Street	2	0.13
Highway 43 / Lewis Street	3	0.20
Highway 43 / Burns Street	0	0.00
Highway 43 / Hood Street-McKillican Street	0	0.00
Highway 43 / I-205 SB Ramps	13	0.80
Highway 43 / I-205 NB Ramps	9	0.63
Highway 43 / Willamette Falls Drive	7	0.47
Rosemont Road / Carriage Way	0	0.00
Rosemont Road / Hidden Springs Road	3	0.45
Rosemont Road / Salamo Road	2	0.19
Rosemont Road / Summit Street	0	0.00
Salamo Road / Bland Circle	0	0.00
Salamo Road / Barrington Drive	1	0.18
Willamette Falls Drive / Sunset Ave	4	0.30
Willamette Falls Drive / Dollar Street (West)	1	0.12
Willamette Falls Drive / Ostman Road	3	0.38
10 th Street / I-205 SB Ramp	3	0.22
10 th Street / I-205 NB Ramp	6	0.46
10 th Street / 8 th Avenue	4	0.38
Blankenship Road / Tannler Drive	3	0.33
Summit Street(Cornwall) / Sunset Avenue	0	0.00
Willamette Falls Drive / 12 th Street	1	0.09
Willamette Falls Drive / 19 th Street	1	0.11
Ponderray Drive west of Parker Road	1	0.09
Willamette Falls Drive / Dollar Street (East)	1	0.07

Source: ODOT – Transportation Data Section – Crash Analysis and Reporting Unit, Continuous System Crash Listing, City of West Linn, 2003-2006.

* One crash at this intersection involved one pedestrian. Crash Rate = (Crashes*1000000) / (Years*ADT*340)

Truck Freight

Efficient truck movement plays a vital role in the economical movement of raw materials and finished products. The designation of through truck routes provides for this efficient movement while at the same time maintaining neighborhood livability, public safety, and minimizing maintenance costs of the roadway system. The only state-designated truck route in West Linn is I-205. Clackamas County and the City of West Linn identify Highway 43 and I-205 as freight routes within the West Linn UGB.



MEMORANDUM

DATE: June 27, 2014

TO: ConAm Properties LLC

FROM: JOHNSON ECONOMICS, LLC

SUBJECT: Assessment of Supply and Demand of Office Lands in West Linn, Oregon

JOHNSON ECONOMICS conducted an assessment of the supply and demand of lands appropriate for new Class A office development in West Linn, Oregon.

ConAm Properties is currently pursuing a zone change on a parcel of roughly 11.4 gross acres in south West Linn. The property is currently zoned as “Office Business Center” (OBC). This analysis considers the potential of rezoning the majority of this parcel to the “Single Family and Multi-Family Residential” (R-2.1) zone, with an associated reduction of the amount of overall land in the City’s OBC zone.

An estimated 10.2 acres are proposed for rezoning, while 1.2 gross acres adjacent to Blankenship Road would remain in the OBC zone.

This memo first discusses the current estimated supply of buildable office-permitting lands, and the demand for new office space. It then quantifies the potential public benefits of building a multi-family housing development on the subject site.

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A. EXECUTIVE SUMMARY

- An inventory of buildable lands appropriate for new office use reveals a significant supply of available vacant and redevelopable parcels. Development of the OBC zone has been modest over the previous decades. Roughly 26% of land in this zone remains vacant, not including the 10.2 acres of the subject site proposed for rezone, or the City-owned property at Tannler Drive.
- Compared to projected 20-year demand for office space in West Linn, there is buildable supply of office lands well in excess of 20-year needs, regardless of the possible rezoning of the subject parcel. The available buildable inventory is multiple times what is projected to be necessary over this period.
- The West Linn area submarket for office space is not the most robust in the Portland Metro area. The submarket, along with Kruse Way and other south-Metro submarkets experienced some of the highest vacancy rates during the recent recession and vacancy remains high. A recent inventory from the Clackamas County Business and Economic Services of available commercial space in West Linn found 80,000 sq.ft. of office space available and vacancy of nearly 31% among buildings surveyed.
- The office developments directly adjacent to the subject site have combined vacancy in excess of 27%. Overall, the West Linn market has experienced negative absorption in recent years, shedding office space back onto the market. Absorption is projected to be flat in coming years.
- Based on our analysis, Johnson Economics thinks that it is highly unlikely that office development of anywhere near this scale will take place on the subject site. The reasons for this are described in this report, but to summarize:
 - Value of new development as an income-generating investment is lower than the cost to build.
 - Market is very soft with high vacancies and negative absorption putting more vacant space on the market.
 - Established weakness of adjacent large office developments.
 - Weakening of suburban metro markets relative to central Portland and Hillsboro.
 - Slow historical pace of development in West Linn and modest projected demand.
 - Prospective office tenants have flexibility in where to locate.
 - This site has sat vacant since adoption of the OBC zoning in 1974.
- Based on our analysis, there are other challenges presented by the subject site making it an unlikely location for other uses which are allowed in the OBC zone. The site is unappealing for conditional uses such as retail and hotel due to topography, visibility and access. Vertical mixed-use or live/work units are infeasible due to increased costs, difficulty of marketing the commercial space, and lack of market demand.



- The subject site is well-suited for residential use, providing good access, views, and schools. Multi-family residential is a good use for transitional areas like the subject site which lays between low-density residential and commercial neighborhoods.
- The development as preliminarily designed would generate significant public benefits, including fees and system development charges at construction, and on-going tax generation. It would also have economic impacts on local job creation and household spending. This is a preliminary estimate of impacts:
 - \$572,500 in annual property tax
 - \$4.1 million in fees and SDC's
 - 170 jobs created or induced by construction and operation
 - \$12.3 million added through wages and economic activity related to these jobs
 - Up to \$9.3 million in household spending by new residents at the property
 - These estimates are preliminary and subject to change but provide indicators of general magnitude of benefits.
- As office development on the scale of the subject site is highly unlikely, and the topography is unfavorable for retail, the most likely scenario for the site under the OBC zone is to remain vacant indefinitely. This provides a very modest public benefit in terms of property tax, but no additional benefits in generating economic activity, providing housing choices, generating economic activity or bringing active use to this large dormant site.



B. ALLOWED AND CONDITIONAL USES IN THE OFFICE BUSINESS CENTER (OBC) ZONE

The subject site is located in the OBC zone. As the stated purpose of this zone in the West Linn Development Code implies, it is intended first and foremost for office employment:

The purpose of this [OBC] zone is to provide for groups of business and offices in centers, to accommodate the location of intermediate uses between residential districts and areas of more intense development, to provide opportunities for employment and for business and professional services....

(West Linn Development Code 21.010)

In analyzing the appropriateness of a zone change for a majority of this property, this memo first considers the uses which are allowed in the OBC zone and the suitability of the site for these uses.

Before providing in-depth analysis of office use at this site (the main purpose of the zone), we first discuss some additional categories of uses which are permitted or conditionally permitted in the OBC zone. Additional potential uses of this site under current zoning are:

- 1) Mixed-use residential/commercial
- 2) Live/work units
- 3) Retail use (Conditional use)
- 4) Hotel use (Conditional use)

The suitability of these uses for the subject site from a market perspective are discussed below. (As office use is the primary purpose of the zone, more in-depth analysis of office need is provided in the following sections.)

1) Mixed Use Residential/Commercial

Under current zoning, the 11.4-acre site could conceivably be used for mixed use structures, with residential uses above ground floor commercial uses (sometimes called “vertical mixed uses”). This use is described as “permitted under prescribed conditions” in the Development Code:

Multiple-family units, as a mixed use in conjunction with commercial development, only above the first floor of the structure.

(West Linn Development Code 21.050)

Vertical mixed use architecture is generally meant to create a more “urban” or storefront character to a street, with building facades being located adjacent to the sidewalk and parking located underneath or behind. The rationale for this zoning often includes the desire to create generate more density, create a “main street” feel, and a more active environment by combining living and shopping, entertainment and employment in one area.



Given the size of the parcel, this could in theory be accomplished by creating an internal street grid on the property. However, the subject site features many challenges which would make this difficult to achieve:

- First and foremost, vertical mixed use has proven very difficult to execute in more suburban environments. Where it is seen in the Metro area outside of central Portland, it is typically located in a key area of a town, such as the historic downtown or a transit station area, *and in nearly every case it has been significantly subsidized with urban renewal or other public funding.*
- The main reason for this is that vertical mixed use generally brings with it additional costs which make it less viable in suburban locations. (In the central city, rents become high enough, and buildable land scarce enough, to justify the cost of this development form.) Additional costs for mixed use include structured parking, firewalls between commercial and residential uses, a different mixture of materials, need for two leasing teams, and often enhanced systems needs such as sprinkler, electrical and elevator. It is also generally an unfamiliar development type for most developers and therefore brings a higher cost in time, learning curve and mistakes.
- The location of vertical mixed use is key. In a community like West Linn efforts to encourage mixed use might be best focused on one or two key areas such as the historic downtown or other plan area which provides the character and “bones” to compliment mixed use buildings. The subject site is an ill-suited location to try to create this type of urban feel and storefront character out of whole cloth.
- The hillside topography of the site is difficult for commercial uses in general. Retailers typically look for high-visibility and high-traffic sites on major arterials, with large flat parcels and plenty of parking for customers. (See more discussion on retail needs below). If the site were designed with mixed-use buildings on some sort of internal street grid, the ground floor business would have very poor visibility. The internal streets of dense street-fronting buildings would provide very poor visibility from both Blankenship Road and Tannler Drive.

Furthermore, there would be nearly no internal car traffic to bring customers by these businesses. While residents of the mixed-use buildings would provide some business, even small retail businesses must typically draw customers from a much larger trade area. In a community such as West Linn, retail business is overwhelmingly located directly on high-visibility corridors. The interior parts of this site are unsuitable.

- While creating a dense mixed-use environment here would be a challenge and is likely financially infeasible, the proposed rezone of this site to 10.4 acres of multi-family zoning and 1.2 acres remaining OBC zoning near Blankenship Road could actually accomplish a similar mix of residential commercial uses, but in a horizontal, rather than vertical format. The commercial uses would have much greater viability located on the arterial, while still serving the residents of the multi-family housing.



2) Live/Work Housing

Attached live/work housing could conceivably be allowed on the site under the definition of “home occupations”. The typical live/work format in the Metro area is a two-story unit, with living space above and convertible space on the ground floor suitable for hosting an office or low-traffic commercial use. While live/work is not explicitly permitted in this zone, this unit type would seem to fall under the definition of “mixed use” given above.

- Live/work units have not seen much success in the Metro area. Most are found in central Portland. In our experience conducting market studies for condo and rental projects in Portland, these units are typically included in projects in order to meet a zoning requirement for “active ground floor uses.” In practice, the live/work units rarely house a commercial business. In surveying Portland rental properties, it is rare to see live/work units being used for any visible commercial purpose. They are mostly used solely as a residential unit, with the two-level layout being close enough to a typical townhouse format. Because they are larger, they tend to be rather high-cost residential units.
- The most high-profile introduction of live/work units in the Metro area has been in central Fairview, Oregon where a number of attached units were built with residential space over what was meant to be commercial space on the ground floor, fronting the sidewalk. Recently, five of the units built between 2007 and 2008 were sold at auction for a deep discount, after being foreclosed on by the lender. At the time of the auction in 2013, four of the five had never been occupied. None of the units have active commercial uses on their ground floor. A number of additional nearby live/work units, built earlier in the decade, also give no indication of commercial use.
- There are multiple barriers for live/work units to overcome, including the unfamiliarity of the product type with owners and renters and the unpredictability and high failure rate of small businesses. Arguably, most people who work from home are doing so in order to avoid paying commercial rent. A hybrid product like live/work units will bring an increased rent level which defeats this purpose, while saddling the occupant with higher rent if the business fails.
- While the occasional user might be interested in a live/work unit, it is highly unlikely that enough such users would be interested to justify any significant number of this unit type at the subject site, certainly not enough to represent a major use of an 11.4 acre parcel.

3) Retail Use (Conditional Use)

Retail businesses such as convenience sales and personal services, food and beverage, and vehicle fuel sales are listed as a conditional use in the Development Code (21.060). As alluded to above, the subject site is problematic as a retail site for a variety of reasons.



- The site features a difficult hilly terrain that is atypical for a retail center. Retail development here would require building and parking on hills or terraces. Retail developers will seek large, flat sites on major arterial streets to provide the best visibility and access, as seen at the shopping center across Blankenship Road, and the Willamette Marketplace south of I-205.
- The subject site features some visibility and access from Blankenship road, but it is hampered by the steep grade as you move north. While the shops nearest Blankenship may be visible, the quickly climbing terrain would mean that any located above them would likely be completely obstructed from this arterial. Tannler Drive would provide secondary access, but this street is not as high-volume and has limited visibility. Shops and stores on the interior of the site would be located far from an arterial.
- Of all potential uses, retail development of this site seems the least likely from a market perspective given these challenges.

4) Hotel Use (Conditional Use)

“Transient lodging and associated convention facilities” are listed as a conditional use in the Development Code (21.060). A recent City report on the Arch Bridge and Bolton Town Center area noted the lack of a hotel in West Linn and posits likely support for additional lodging and meeting space in the community.

The report also notes multiple reasons why the Arch Bridge and Bolton Town Center¹ study area would be well suited for a hotel use, including the proximity to the river and river views and visibility from I-205. Also, Bolton Town Center is an officially designated Metro Town Center calling for a mix of uses and activities complimentary to lodging located in the immediate area.

The subject site by contrast offers some challenges for a hotel use, which are similar to those facing retail use:

- The topography is again the primary challenge. The hillside locale is not a natural development site for a hotel. Assuming the lodging consisted of multiple buildings built on terraces, the hotel would provide difficult access between buildings and steep grades for staff and room guests (walking to and from the front office, gym or pool, for instance.)

National companies such as hotel chains enter markets with a specific set of site criteria and tend to quickly eliminate sites which don’t meet them. The chain will simply move on to other sites and neighborhoods rather than undertake a difficult development on a marginal site. The simple fact that hotels are a conditional use in this zone, rather than permitted outright, could be sufficient to strike any potential site in the OBC off the list.

¹ “Arch Bridge and Bolton Town Center Existing Conditions Study”, LMN Architects et al., April 2014.



- The site features relatively poor visibility from I-205 north or southbound due mostly to terrain, and tree cover.

THE FOLLOWING SECTIONS PROVIDE MORE IN-DEPTH ANALYSIS ON THE SUITABILITY OF THE SITE FOR OFFICE USES IN PARTICULAR (THE PRIMARY USE OF THE OBC ZONE), THE SUPPLY AND DEMAND OF LAND FOR OFFICE USES GOING FORWARD.

C. OFFICE PERMITTING ZONES AND BUILDABLE LAND

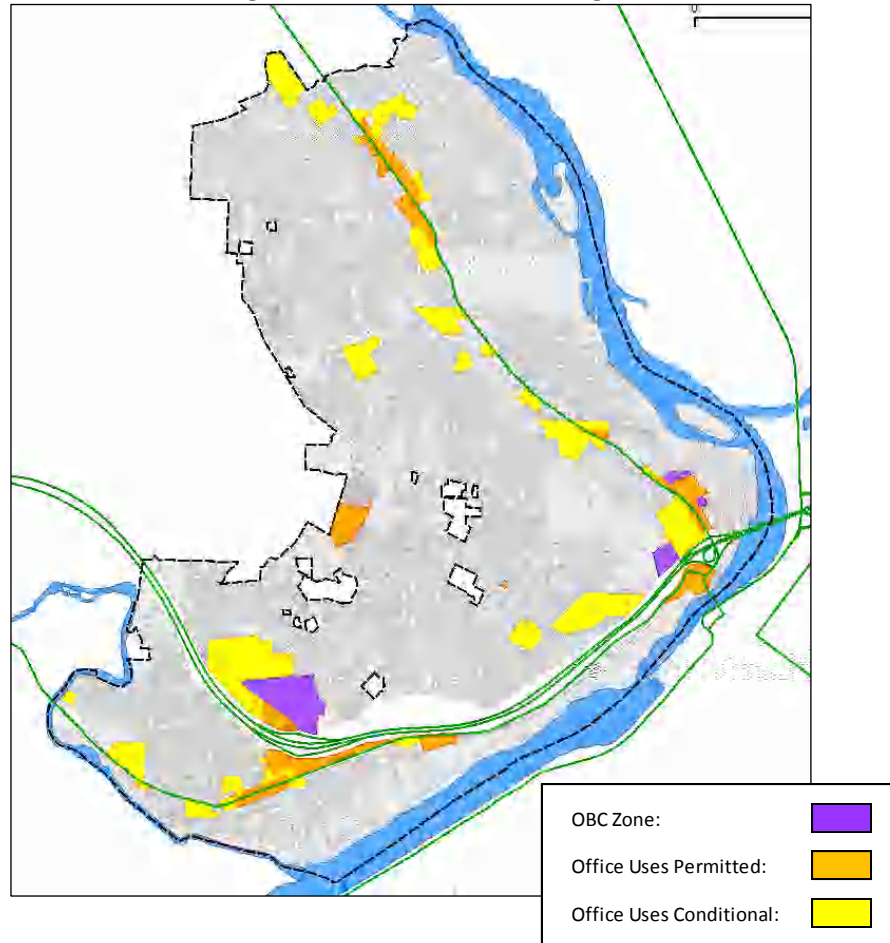
The City of West Linn features a number of zones which allow office employment uses outright, or by conditional use permit (Figures 1 and 2). Johnson Economics used a combination of Metro RLIS GIS data and aerial photography to survey land in these zones and identify vacant and redevelopable parcels.

Figure 1: Office Use Permitting Zones

<u>Office Uses Permitted Outright</u>	
Office Business Center	OBC
General Commercial	GC
Campus Industrial	CI
<u>Office Uses Permitted Conditionally</u>	
Single-Family Residential Attached and detached	R-4.5
Single-Family and Multi-Family Residential	R-2.1
Neighborhood Commercial	NC
Willamette Neighborhood Mixed Use Transitional Zone	MU



Figure 2: Office Use Permitting Zones



Source: RLIS, Johnson Economics

Vacant and Redevelopable Land: For the purposes of this analysis, Johnson Economics has inventoried vacant and “redevelopable” sites. We used an “Improvement-to-Land Value Ratio” (I:L ratio) measure as a guide to whether sites have redevelopment potential. The I:L ratio compares the market value of any improvements (typically buildings) on a given parcel, to the market value of the land only (market values are estimated by County Tax Assessor). When the value of the buildings on a parcel is low relative to the value of the land itself, this can be an indicator that the current use is obsolete or low intensity relative to the value of the land/location. Therefore, the parcel may be a candidate for redevelopment now or in the future.

For instance, when the I:L ratio is at 1.0, the improvements are roughly as valuable as the land. When it is higher than 1.0, improvements are of relatively higher value and less likely to redevelop. When the ratio is less than 1.0, the improvements are decreasingly less valuable until a ratio of 0.0 is reached which means the land is vacant.



The level at which the I:L ratio becomes low enough to trigger redevelopment is imprecise and will differ depending on the market characteristics of the location. For planning purposes, an I:L ratio of less than 1.0 is often used as an indicator of redevelopment potential. The Portland Development Commission (PDC) has applied a much higher ratio of 2.0 or 3.0 to parcels in central Portland. Outside of the central city, the PDC has used a measure of 0.5 or less to indicate the highest redevelopment potential, and 0.5 to 1.0 to indicate moderate redevelopment potential.

For the purposes of this analysis, an I:L ratio of 0.75 or less was used to indicate “redevelopability”. This captures all parcels with a ratio of 0.5 or less which have the highest likelihood of redevelopment, and those with a ratio between 0.5 and 0.75 which have a moderate likelihood. This inventory was further screened to include only parcels that are over 10,000 sq.ft. in size in order to accommodate an office development and parking. (Smaller parcels which are contiguous with other vacant or redevelopable parcels are also included.)

Figure 3 presents a summary of the estimated vacant and redevelopable land identified.

Figure 3: Estimated Vacant and Redevelopable Land in Office Permitting Zones

Office Zones	Total Acreage	Estimated Vacant		Est. Redevelopable		Est. Vac. & Redev.	
		Acre	% of Total	Acre	% of Total	Acre	% of Total
Office Business Center (OBC):	46.2	5.5	* 12.0%	8.3	18.0%	13.8	29.9%
Other Office Zones (Permitted):	99.0	10.5	10.6%	6.8	6.8%	17.3	17.5%
Other Office Zones (Conditional):	235.8	8.7	2.9%	11.0	3.6%	19.7	6.5%
TOTALS:	381.0	24.7	6.5%	26.0	6.8%	50.8	13.3%

* Does NOT include the two City-owned parcels east of Tannler Drive. DOES include 1.22 acres at the subject site which would remain in the OBC zone under this proposal. The 7.6 acre parcel owned by the school district at the corner of West A Street and I-205 is included as a potential redevelopment site.

Source: RLIS, Google Earth, Johnson Economics

- At 46 acres, the OBC zone constitutes 32% of West Linn zoning which allows office uses outright. And 12% of the zoning which allows office uses either outright or conditionally. (Zoning totals include zoned parcels only and excludes public right of way.)
- Not including the portion of the subject site proposed for rezoning (10.2 acres) or the City-owned parcel at Tannler Drive, an additional 30% of the OBC zone remains vacant or redevelopable. This is an estimated 13.8 acres.
- In other zones which also permit office uses outright, an additional 17.3 acres is vacant or redevelopable, 17.5% of the total acreage in those zones.



- When zones in which office uses are allowed as a conditional use are included (R4.5, R2.1, NC, MU), there are an additional 19.7 gross acres of vacant or redevelopable lands.
- When all zones are combined there are an estimated total of 50.8 gross acres of vacant or redevelopable office land in West Linn.

D. HISTORICAL DEVELOPMENT OF THE OBC ZONE

The OBC zone is limited enough that an inventory of developed uses is possible. Of the 16 total parcels in this zone, 6 are developed and 10 are vacant.

4 parcels, totaling 12.3 acres have been developed since 1980. This mean that roughly 23% of the zone has developed in the last 34 years, at an average rate of 0.36 acres per year.

E. PROJECTED DEMAND FOR OFFICE SPACE

In order to assess the sufficiency of remaining office lands, Johnson Economics projected demand for office space over the next 20 years. This benchmark was chosen to conform to current state planning laws, which require that jurisdictions endeavor to keep enough buildable lands within their Urban Growth Boundary (UGB) to accommodate projected growth for the next 20 years.

In order to project office space demand, Johnson Economics first projects office-using employment. There are two potential sources for future rates of employment growth in West Linn. One is the Oregon Employment Department which regularly completes 10-year projections of employment by industry sector for economic sub-regions around the state. Clackamas County is analyzed as its own economic sub-region (Region 15). The latest state forecast for the county, projects an annual employment growth rate of 1.88% between 2010 and 2020.

Another source for projected employment growth is the Metro regional government, which administers a group UGB which encompasses the City of Portland and many suburban cities, including West Linn. Because these communities share one UGB, Metro has greater flexibility to allocate projected housing and employment growth among them. Metro does this by splitting communities into smaller areas called Transportation Analysis Zones (TAZ) and allocating certain housing and employment figures to each. What is important to note here is that in the most recent Metro exercise to allocate growth², the agency forecasted a growth rate for West Linn that is very similar to the state Region 15 projection (1.84% vs. 1.88%). Therefore the two most relevant growth rate forecasts are in agreement.

For this analysis, Johnson Economics took the following steps (Figure 4):

² "2035 Regional Transportation Plan" and "Urban Growth Report" (2009), Metro.



- Estimate the current distribution of employment by industry sector in West Linn using Census employment data.
- Apply the industry-specific employment growth rates from the Oregon Employment Department for Region 15 (the county). (Note that because West Linn has a different breakdown of employment across industries than the county as a whole, the resulting overall rate of employment growth increases to 2.1%. This is because the city has greater representation in some of the faster growing industry sectors than the county overall. For the purposes of this analysis, a higher rate is a “conservative” assumption because it results in a somewhat higher estimate of office need, rather than underestimating it.)
- Estimate the growth in employment over the 20-year period, and calculate the share of employment in each industry that tends to take place in an office environment.
- The projected number of office-based workers is multiplied by the average amount of space use per employee to arrive at an estimated need for office space over the 20-year period.
- An average Floor Area Ratio (ratio of floor area of built space to site size) converts the need for office space into a need for office land acreage.

Findings (Figure 4):

- As Figure 4 shows, Johnson Economics projects a need for 264,300 sq.ft. of new office space in West Linn over the next 20-years. This translates to a need for a total estimated 15.2 acres of gross land for office uses. This is an annualized rate of roughly 0.8 acres per year.
- When the currently available inventory of 79,585 sq.ft.³ of vacant office is taken into account, there is a remaining 20-year need for 10.6 gross acres, or 0.5 acres per year. The current vacant inventory is enough to absorb 30% of the 20-year projected demand.
- The assumed FAR of 0.4 for future development is based on a number of comparisons from around the area. In its recent Urban Growth Report, Metro surveyed a range of office park developments around the region and found an average FAR of 0.33.⁴ However, a closer look at those projects most similar to what is likely to occur in the West Linn market reveal a higher average FAR than this.

The two adjoining office properties have estimated FARs of 0.46 (Summerlinn Center) and 0.35 (Willamette 205). Kruse Woods Corporate Park, which includes a majority of

³ “Buildings Available for Lease or Sale, prepared for West Linn”, Clackamas County Business and Economic Services, 6/2/14.

⁴ “2009 – 2030 Urban Growth Report, Appendix 5”, page A5-3, Metro, 2009.



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buildings in the Kruse Way corridor of Lake Oswego, has an average FAR of 0.56. The Wilsonville Business Center has an average FAR of 0.54. The assumed FAR of 0.4 used here is the average of the two adjoining properties and reflects that office development in West Linn is likely to remain somewhat less dense than in the Kruse Way corridor.

Figure 4: Estimated 20-Year Employment Growth and Gross Office Land Need

Base Growth Scenario Employment Categories	Est. Annual Growth Rate ¹	Total Employment		Office Share ²	Office Employment		Sq. Ft./ Emp ³	Est. Office Demand (1000's of Sq.Ft.)		20-yr Change ('10-'30)	
		2013	2033		2013	2033		2013	2033	New Office Emp.	New Space Demand (sf)
Natural Resources	2.7%	0	0	2%	0	0	225	0	0	0	0
Construction	2.9%	162	289	2%	3	6	225	730	1,302	3	573
Manufacturing	1.4%	240	317	5%	12	16	200	2,396	3,172	4	776
Wholesale Trade	1.6%	300	412	5%	15	21	200	3,004	4,125	6	1,121
Retail Trade	1.2%	467	590	5%	23	29	200	4,668	5,898	6	1,230
Transportation, Warehousing, Utilities	2.2%	151	232	30%	45	70	225	10,214	15,646	24	5,432
Information	1.4%	64	85	90%	57	76	200	11,480	15,226	19	3,746
Financial Activities	1.5%	303	405	90%	272	364	200	54,482	72,880	92	18,398
Professional & Business Services	2.8%	814	1,403	90%	733	1,263	200	146,547	252,624	530	106,077
Educational & Health Care Services	2.8%	1,589	2,747	40%	635	1,099	200	127,095	219,798	464	92,704
Leisure & Hospitality	2.0%	593	878	40%	237	351	200	47,428	70,267	114	22,839
Other Services	1.5%	220	298	40%	88	119	200	17,568	23,844	31	6,275
Government	0.7%	513	586	35%	179	205	200	35,898	41,045	26	5,147
Totals (Rounded Estimates):	2.1%	5,415	8,244		2,301	3,620		461,509	725,827	1,318	264,300
								Estimated Floor Area Ratio ⁴ :		0.4	
								Est. Gross Office Acreage Demand (20-year):		15.2	
								Avg. Annual Gross Office Acreage Demand:		0.8	
								Current vacant office space inventory (sf) ⁵ :		79,585	
								Remaining 20-year Demand (sf):		184,715	
								Remaining Gross Acreage Demand (20-year):		10.6	
								Remaining Annual Gross Acreage Demand:		0.5	
								Actual Annual Acreage Usage Since 1980:		0.36	

1/ The estimated annual growth rate is based upon forecasted growth from the Oregon Employment Department for Region 3, combined with past growth trends for market area.

2/ Office Share is the estimated percentage of the total employment in that category that is done in an office setting.

3/ Office Share and Square Footage based on Urban Land Institute estimates, converted to N.A.I.C.S. by Johnson Economics LLC

4/ Estimate of average floor area ratio based upon FAR observed at neighboring properties and Kruse Way office properties. Office development in West Linn market tends to have a lower FAR than Kruse Way, which is reflected here.

5/ Inventory of currently available office space. "Buildings Available for Lease or Sale, prepared for West Linn", Clackamas County Business & Economic Services, 6/2/14.

Sources: U.S. Census, Oregon Employment Department, Urban Land Institute, Johnson Economics LLC



- Office development in West Linn also has the potential to achieve higher density than the 0.4 FAR assumption, which would reduce the amount of acreage demanded over the 20-year period. For instance, the previously proposed development at the subject site was designed at an FAR of roughly 0.8. While we feel this scale of development is unlikely to occur in West Linn for the foreseeable future (discussed more below), it is an indicator that even greater density is possible, further reducing land need.

F. COMPARISON OF OFFICE LAND SUPPLY TO PROJECTED DEMAND

As Figure 3 presented, there are an estimated 50.8 vacant and redevelopable acres in zones which allow office uses outright or conditionally. Of those an estimated 13.8 acres are found in the OBC zone, not including most of the subject site or city lands east of Tannler Drive.

- Based on a projected 20-year need for 15 acres of office land, 51 acres would represent roughly a 67-year supply of vacant or redevelopable office land. Looking more narrowly at those zones which allow office outright, there are an estimated 31 acres, or a 41-year supply.
- When we assume the need to first absorb the current inventory of 80,000 sq.ft. of vacant office space, there is a projected 20-year need for 10.6 acres of office land remaining. In that case, 51 acres represents a 73-year supply of office land. The 31 acres where office is allowed outright represents a 47-year supply.
- Finally, if we assume the slower actual historic rate of OBC land usage since 1980, or 0.36 acres/year, we find an 86-year supply of land where office is permitted outright, and a 141-year supply of land where office is permitted outright or conditionally.

Therefore, by many possible measures, a comparison of remaining buildable supply and projected demand indicates that there is more than adequate supply of land for office uses in West Linn, regardless of rezoning of the subject property.

G. LOCAL OFFICE MARKET CONDITIONS AND TRENDS

On a national-scale the office market is believed to be going through some structural changes that have been hastened by the recent recession. Office development has been very limited for the last five years, while the amount and configuration of space has been changing along with the needs of firms.

Like much of the country, the Portland-area office market suffered during the recent recession, as businesses consolidated or closed doors. Total employment in the Portland/Vancouver metro area fell roughly 6% from its peak in 2007 to its lowest point in 2010. In 2011, total employment finally stabilized and began to grow. After peaking at nearly 12%, the unemployment rate has fallen to 6.6%, roughly the national level.

Beginning in 2008, office vacancy rose significantly accompanied by falling rent levels. This market environment caused a significant slowdown in new office development, with major projects in the Central City and suburbs delayed. Portland office construction peaked roughly ten years ago during the tech boom.

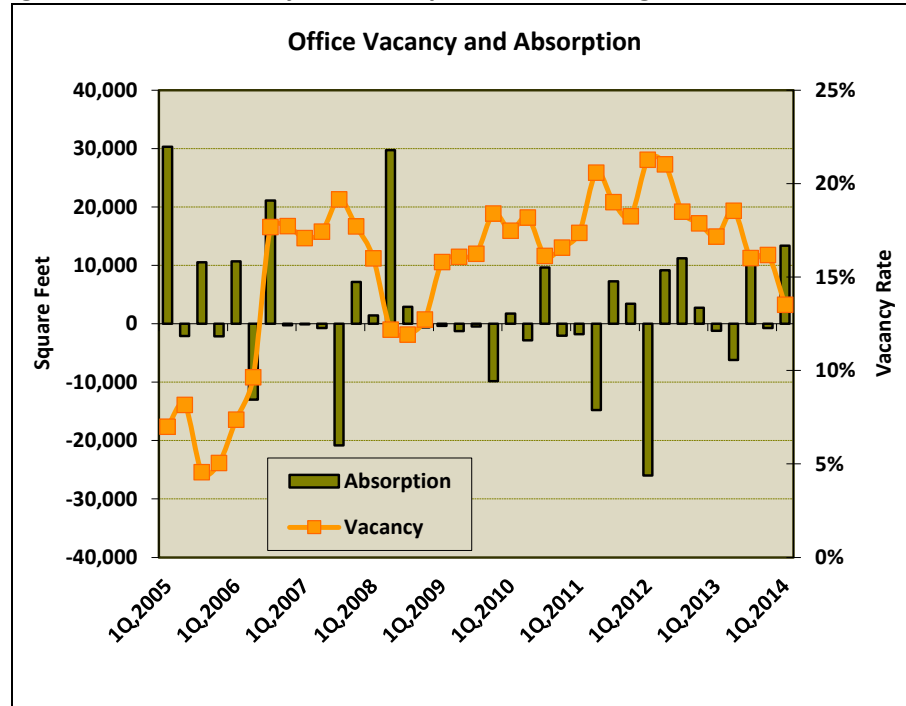
Coming out of the recession, the central Portland office submarket has been the strongest in the region which has not always been the case historically. The Lloyd District, CBD, and NW Portland have an estimated vacancy of under 11%, while suburban markets (not including Vancouver) have a combined vacancy of over 15%.

During the recession, the Kruse Way area in Lake Oswego was one of the hardest hit office submarkets with vacancies soaring from 10% in early 2008 to 30% by the end of 2010. Since early 2011, vacancy rates have gradually improved to 15%, though this is still well above what a property owner expects from a healthy operating property.

The adjacent Lake Oswego/West Linn submarket (as tracked by Norris, Beggs & Simpson) is most relevant to this analysis. It similarly was hard hit during the recession, though curiously vacancy rates in this submarket spiked before the onset of recession, climbing from under 10% in 2005 to almost 17% by the end of 2006, which corresponds to the introduction of the 65,000 sq.ft. Summerlinn Center on Blankenship Road.

Vacancy peaked at over 21% in early 2012. It has since fallen to an estimated 14% (Figure 5).

Figure 5: Office Vacancy and Absorption, Lake Oswego/West Linn Submarket



Source: Norris, Beggs & Simpson and Johnson Economics



As Figure 6 shows, Kruse Way and the Lake Oswego/West Linn submarkets remain among those with the highest vacancy rates. (The totals in Figure 6 are a representative sample of buildings in the submarket, not total square footage.) Other nearby submarkets also have elevated vacancy, including the Central 205 submarket to the north, and the South I-5 submarket to the west.

There is still little development of office space taking place in the Portland area. What activity exists is found in central Portland, where the Park Avenue West office tower has resumed construction, and the university system is finishing facilities in the south waterfront. New and renovated space for tech companies is also picking up steam.

Figure 6: Office Statistics, Portland Metro Area Submarkets

Selected Submarkets	Inventory (sq.ft.)	Available (sq.ft.)	% Vacant	Under Const. (sq.ft.)
Central Business District	14,784,716	1,713,614	11.6%	273,000
Lloyd District/ Central Eastside	2,330,633	211,620	8.8%	0
NW Portland	3,079,486	280,665	9.1%	0
Sunset Corridor	3,634,029	443,899	12.2%	0
Central 217	1,840,105	339,646	18.5%	0
Tigard Triangle / South 217	1,144,392	130,857	11.4%	0
Barbur Blvd.	492,659	77,274	15.7%	0
Beaverton-Hillsale/Sylvan	807,005	183,060	22.7%	0
Central Beaverton	690,923	86,114	12.5%	0
I-5 South	2,108,471	359,918	17.1%	0
SW Waterfront/Johns Lndg.	1,018,602	94,190	9.2%	55,000
Kruse Way	2,321,570	338,985	14.6%	0
Lake Oswego/West Linn	438,085	59,221	13.5%	0
North/Northeast	897,741	111,570	12.4%	0
Central 205	1,281,934	220,328	17.2%	0
Southeast	392,792	47,613	12.1%	0
Vancouver	4,674,586	485,187	10.4%	12,000
All suburban markets:	21,742,894	2,977,862	13.7%	67,000

Source: Norris, Beggs & Simpson and Johnson Economics

* Totals are of a representative sampling of buildings in the submarkets. The sample does not capture total square footage in the market, nor total available square footage. Therefore this figure differs from the Clackamas County inventory of available space cited elsewhere in this report.

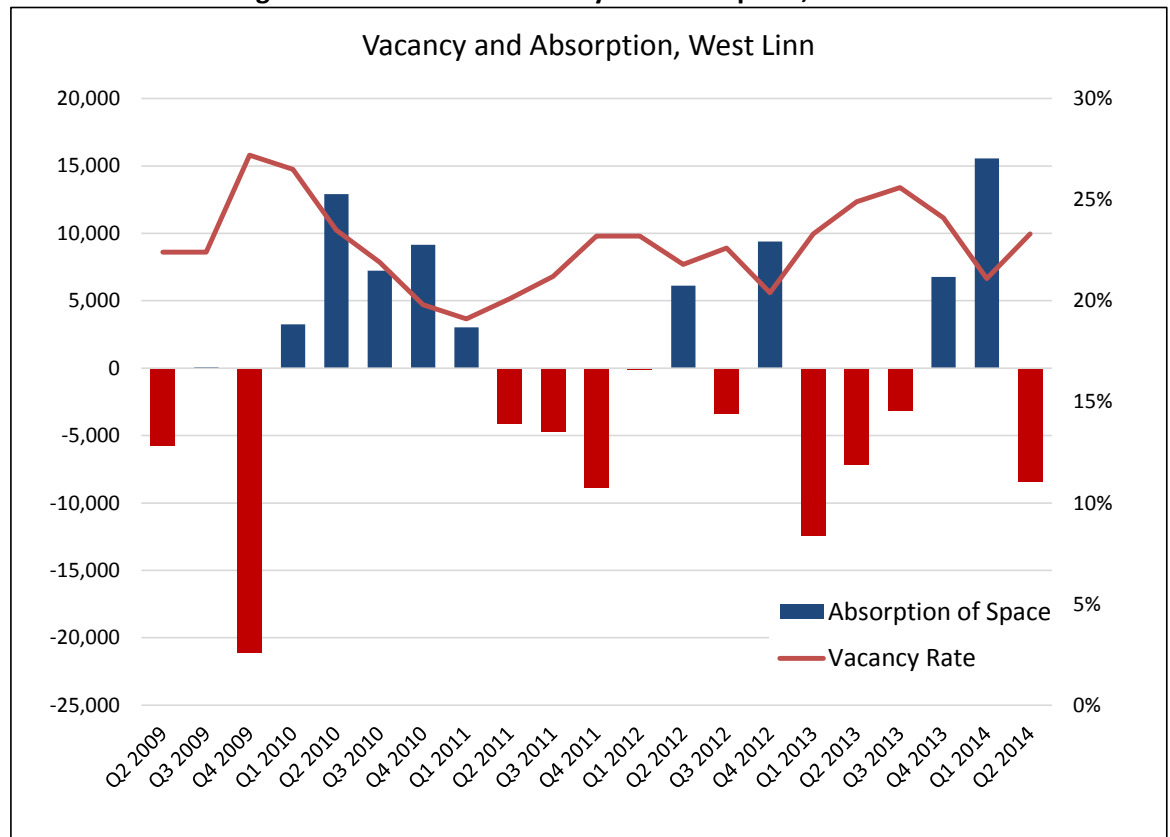
Going forward, Portland's Central Business District is expected to remain the strongest office market for the foreseeable future. Many of the high-tech and knowledge-based firms now driving employment growth in Oregon are actively seeking a central, rather than suburban location.



West Linn Vacancy and Absorption: A recent inventory of commercial buildings available for lease or sale in West Linn⁵ paints an even gloomier picture for the local office market than that presented above. Of 22 properties inventoried, the average vacancy was 31% for all commercial properties, as well as 31% for office properties.

The survey finds that vacancy in the West Linn market has hovered above 20% for most of the past five years. Absorption of space was -12,800 sq.ft. during that time, despite the fact that almost no new commercial space was introduced (see Figure 7). West Linn has been experiencing greater vacancy and shedding additional available space onto the real estate market and this is expected to continue. In 2013 alone, there was negative absorption of an estimated -16,000 sq.ft. The report does forecast moderate positive absorption over the next two years of less than 2,000 sq.ft. total.

Figure 7: Commercial Vacancy and Absorption, West Linn



Source: Clackamas County

There are two large-scale office developments directly adjacent to the subject site which provide the best indicators of the office market conditions at the subject site itself. These properties are the Summerlin Center and the Willamette 205 Corporate Center, summarized below.

⁵ "Buildings Available for Lease or Sale, prepared for West Linn", Clackamas County Business and Economic Services, 6/2/14.

Both of these developments, offering a total of 145,000 suffer from a combined vacancy of 27.5%, and have for some time. The Sumerlinn Center development has never been fully leased since development in 2006. It currently has an estimated vacancy of nearly 40%.

Figure 8: Class A Office Examples, West Linn

	Year Built	Class	Total Sq.Ft.	Available Sq.Ft.	Vacancy
Sumerlinn Center 1730 Blankenship Rd. West Linn, OR 97068	2006	Class A	65,000	24,743	38%
Willamette 205 Corporate Center 1800 Blankenship Rd. West Linn, OR 97068	1998	Class A	80,000	15,130	19%

Source: LoopNet, Clackamas County, and Johnson Economics

Given that the developer of new office space would typically be seeking a stabilized vacancy of no more than 10%, these elevated vacancy levels are a sign of a weak office market which will dissuade major new office development in the market for some time to come. Office development on the scale of the subject site parcels will remain highly unlikely.

Conclusions on Office Conditions and Trends

The prospects for further office development in West Linn are not good and have not been for some time. Vacancy rates of over 25%, including at the newest and largest office parks, indicate a very soft market that will not be enticing to developers. Office developers seek a stabilized vacancy rate of roughly 10% in modeling the operations of a future project, and there is little chance that they can achieve this benchmark in the West Linn market at the current time or for the foreseeable future, particularly in a large multi-tenant projects.

There is a large and growing amount of available office space on the market, including nearly 40,000 sq.ft. of available space at the two office properties near the subject site. In addition, the space available in other communities experiencing elevated vacancy across the south metro area also provides competition for prospective office tenants in West Linn.

Johnson Economics performed a basic analysis of the cost of new office development vs. the achievable value of that development in the West Linn market. We conclude that currently, the estimated value of a new office development based on the income stream it can achieve is less than the cost to build it, even assuming an optimistic vacancy rate of 10%. With a vacancy rate of 20%, a new office development would be worth far less upon completion than it cost to build. (This is further discussed in the following section).

No developer will move forward with new office development under the conditions outlined above. Small scale office development (i.e. for instance a single predetermined tenant) may



occur, but large scale speculative office development, meant to attract multiple tenants is very unlikely.

Given the cost vs. return, elevated vacancy, negative absorption, and examples provided by the two newest office properties nearby, office development on the scale of the subject site will remain highly unlikely for many years to come.

Other Trends in Office Space Needs: Coming out of the recent recession, the Downtown Portland office market has performed better than most suburban markets, including the traditionally strong market of Kruse Way. The greatest new segment of demand for office space is internet and other technology companies seeking space in the Central City. These have likewise been the industries experiencing some of the strongest growth out of the recession.

It is forecasted that these types of firms, employing young creative workers, will continue to seek space in more urban environments which can more readily provide transit and biking options, dining and entertainment, and housing in close proximity to the office. For this reason, the strengthening of the central city market relative to suburban markets may be a long term trend which will negatively impact the need for new space in suburban markets.

Another factor going forward is the evolving need for office space for modern firms. There is now an established trend towards diminishing office space need for each employee. Some of this is driven by continuing technological innovation reducing the need for paper filing and other storage space. Trends in open and shared floor plans are also driving a trend towards less space need for each employee.

This analysis (as shown in Figure 4) uses an estimated need per office employee of just over 200 sq.ft. However, commercial real estate industry experts point out that within the past decade the industry rule of thumb was 250 sq.ft. of space per employee. That has now fallen to 200 sq.ft., and some project it may fall as low as 150 sq.ft., or even 100 sq.ft., over the next 10 years.⁶

The implication of this is that the same number of projected new employees may require even less office space to accommodate them. The average office space per employee used in Figure 4 represents a conservative assumption which likely overestimates the need for office space, rather than underestimates it.

H. POTENTIAL OFFICE DEVELOPMENT AT THE SUBJECT SITE

An office development was previously approved on the subject site in 2007, consisting of 289,000 sq.ft. of office space in three buildings. This development never occurred, though the approval is vested.

⁶ CoreNet Global. "Office Space per Employee will drop to 100 square feet or below", new release, Feb. 2012
Newberg, Sam. "The Incredible Shrinking Office Space – Fact or Fiction?", Urban Land, Aug. 2011.
Scanlon, Don. "What do shrinking tenant space needs mean?" NHBR, Oct. 2013

Based on our analysis, Johnson Economics thinks that it is highly unlikely that office development of anywhere near this scale will take place on the subject site. The reasons for this are described in Section E above, but to summarize:

- Value of new development as an income-generating investment is lower than the cost to build.
- Market is very soft with high vacancies and negative absorption putting more vacant space on the market.
- Established weakness of adjacent large office developments.
- Weakening of suburban metro markets relative to central Portland and Hillsboro.
- Slow historical pace of development in West Linn and modest projected demand.
- Prospective office tenants have flexibility in where to locate
- This site has sat vacant since adoption of the OBC zoning in 1974.

Figure 9 is a summary of a simple valuation analysis for the development as previously proposed. It uses the income approach to valuation favored by the Clackamas County Assessor, to generate a ballpark valuation for illustrative purposes.

Figure 9: Cost/Value Comparison, Proposed Office Development

		<u>Source</u>
Proposed Office Space:	289,000 s.f.	Blackhawk LLC
<u>COST</u>		
Land value:	\$1,247,739	Current value via Clack. Co. Assessor
Est. improvement cost:	\$43,000,000	RS Means
Est. structured parking cost:	\$2,000,000	Johnson Econ. conservative estimate
Total cost:	\$46,247,739	
<u>INCOME</u>		
Lease Rate:	\$25.00 /gross leasable s.f. full service	Johnson Economics estimate of market rate
Vacancy Assumption:	10%	
Effective Gross Income:	\$5,852,250	
Expenses	\$2,340,900	40% of Effective Gross Income
Net Operating Income:	\$3,511,350	EGI minus Expenses
Cap Rate:	8.50%	CBRE
<u>VALUATION</u>		
Est. Value (Direct Cap):	\$41,310,000	NOI/Cap Rate
Est. Value (at 20% vacancy):	\$36,720,000	

Source: Johnson Economics



Figure 9 demonstrates that under current conditions, the estimated value of the proposed office building would be significantly less than the cost to build, even assuming a 10% vacancy rate. Assuming a 20% vacancy rate (still lower than comparable lower properties) the achieved value is roughly 80% of the cost of construction.

No company with the means and sophistication to undertake a project of this size would proceed under these conditions. The project would exceed the entire 20-year projected demand for office space (Figure 4) and is over 4 times the size of the Summerlin Center and nearly 3 times the size of the Willamette 205 Center, both of which have suffered elevated vacancy for many years.

* * *

The following section discusses the potential public benefits of a multi-family residential use on the subject site. While the office development as previously proposed in 2007 would *in theory* produce higher property tax revenue and larger SDCs, *in practice* this development is highly unlikely to ever take place.

Therefore, the accurate comparison is between the subject site as it is now, a collection of vacant parcels, or under multi-family residential use. The benefits of each case are discussed below.

I. MULTI-FAMILY HOUSING NEED

The proposed rezoning of the subject site would result in an estimated 10.2 acres of multi-family residential land, and 1.2 acres of remaining OBC land. This split of the full 11.4 would still achieve mixed uses at the site, with the commercial uses located adjacent to Blankenship Road where it is likely to be most successful, and residential uses uphill where the site is better suited to this use for reasons discussed more below.

Before discussing estimates of the direct potential impact of multi-family development at the site, this section provides an overview of the supply and demand for multi-family rental apartments and land in West Linn.

The recent Arch Bridge and Bolton Town Center⁷ existing conditions study concludes that there is strong demand for rental housing in West Linn with a short supply of relatively expensive rental units. The study found that West Linn's housing stock is dominated by single-family detached housing at 77% of units. An additional 11% are "attached single family units", typically townhomes. Only 11% of units are multi-family units in buildings of 2 or more attached units (Page 18, Figure 16). These multi-family units would include for-sale condominiums as well as rentals.

⁷ "Arch Bridge and Bolton Town Center Existing Conditions Study", LMN Architects et al., April 2014.



Furthermore, the type of housing available in West Linn tends to be quite high end. The median sale price in the community in recent months has been \$439,000, while the median Metro-wide is \$341,000, 22% lower (source: RMLS).

In terms of land, the amount of land in West Linn's primary multi-family zones (R2.1 and R3) is just 5% of the amount of land in single-family zones (205 acres compared to 4022 acres).

Very little of this land is available for new rental housing development. Johnson Economics identified an estimated 5.3 gross acres in the city's multi-family zones and mixed-use zone. Roughly 2.2 acres (or 41%) of this is part of the Madison Heights condo development located just north of the subject site. This is likely to be developed as condominium, rather than rental, units.

These supply constraints are likely a large contributor to the fact that West Linn supports a much lower share of renters than Clackamas County or the Metro Area. While 22% of West Linn residents are renters, 31% of county residents and 38% of Metro residents are renters (Page 16).

Census Employment Dynamics data indicates that nearly 4,000 people employed in West Linn commute into the community from outside. This is more than 5 times the estimated number of local employees who live in the community. Many of these in-commuters are local public servants such as teachers or local government employees.

These figures indicate an on-going need for increased housing opportunities for West Linn's local work force, including rental housing. As it stands, there is little land remaining to meet this growing need.

J. POTENTIAL IMPACTS OF RESIDENTIAL USE AT THE SUBJECT SITE

The subject site is well-suited for multi-family residential use. It enjoys good access to the local and regional transportation grid, shopping and employment opportunities. The site should enjoy excellent views of the river valley, and it offers direct access to City-owned open space across Tannler Drive. Topography would buffer residential uses at the site from impacts of Blankenship Road and the freeway.

The site is located adjacent to existing R-2.1 zoning, as well as a mix of other uses. A concentration of new households here could help support existing business in the area and help create a functional mixed-use neighborhood.

West Linn is an attractive community for residents due to high household incomes and excellent schools. At the same time, rental opportunities have been limited in the area, with very slow development of multi-family apartment properties over the last decade. This site, being large and well-located in a transitional zone between single-family and commercial neighborhoods would be well suited to providing needed rental housing to the community.

Finally, a multi-family project at this site is feasible and has much better odds of reaching fruition and bringing public benefits than a large office project or the current vacant condition. Some of the major benefits are estimated below.

Tax Revenue Generation

The preliminary design ideas for the subject site call for approximately 210 residential units of one, two and three bedrooms in multiple three-story buildings served by surface and tuck-under parking. There would also likely be a clubhouse on site for use by residents. ALL DESIGNS ARE PRELIMINARY ONLY, AND SUBJECT TO CHANGE.

Johnson Economics applied the income approach to value a potential development of 210 units and roughly 230,000 sq.ft. of built space. The improvement value was combined with the current estimate of land value of the subject parcels, and then multiplied by the official Changed Property Ratio to arrive at the Assessed Value used for taxation. (See Figure 10)

Based on the preliminary design, under residential use, the property would have an estimated assessed value of roughly \$31 million and generate an estimated \$572,500 in property taxes per year. (These are estimates only and may differ significantly from the final project design and market value assessments of the County Appraiser. Assumptions such as achievable income and cap rate also change over time.)

Figure 10: Estimated Valuation and Property Tax Generation, Multi-family Residential

			<u>Source</u>
Size:	230,560 210	sf units	ConAm Properties
Estimated effective Gross Income:	\$3,661,700		Con Am/Johnson Economics
Expenses (Pre-tax)	\$988,659	27%	Multifamily NW apartment report
NOI:	\$2,673,041		
Cap Rate:	5.50%		CBRE
Effective Tax Rate:	1.50%		Tax rate/Changed Prop. Ratio
Est. Value (Direct Cap):	\$38,186,300		NOI/Cap rate + Eff. tax rate
<u>Assessor Value & Taxation</u>			
Est. Total RMV (Land & Impr.):	\$38,186,300		
Changed Property Ratio:	0.807		
Assessed Value:	\$30,816,344		
Tax Rate (Code 003-002)	18.5815	per \$1,000	
Est. Annual Tax Payment:	\$572,614		

Source: Johnson Economics, sources noted



Figure 11: Estimated Annual Property Tax Generation, by Recipient

	Tax Rate per \$1,000	Share of Total Rate	Estimated Annual Revenue (1st year)
West Linn/Wilsonville School District	4.8684	26.2%	\$150,026
West Linn/Wils. School Dist. Levy	1.5000	8.1%	\$46,225
Clackamas Community College	0.5560	3.0%	\$17,134
Clackamas Education Service District	0.3676	2.0%	\$11,328
Clackamas County	2.4037	12.9%	\$74,073
City of West Linn	2.1200	11.4%	\$65,331
Fire District	1.5252	8.2%	\$47,001
County Library	0.3963	2.1%	\$12,213
Fire District Levy	0.2500	1.3%	\$7,704
County Public Safety Levy	0.2480	1.3%	\$7,642
Metro	0.0963	0.5%	\$2,968
Metro Levy	0.0960	0.5%	\$2,958
Port of Portland	0.0699	0.4%	\$2,154
County Extension and 4H	0.0499	0.3%	\$1,538
County Soil Conservation	0.0489	0.3%	\$1,507
Vector Control Levy	0.0250	0.1%	\$770
County Urban Renewal	0.0065	0.0%	\$200
Vector Control	0.0065	0.0%	\$200
City of West Linn Bond	0.4390	2.4%	\$13,528
Clackamas Comm. College Bond	0.1494	0.8%	\$4,604
Fire District Bond	0.1309	0.7%	\$4,034
West Linn/Wils. School Dist. Bond 1	0.7816	4.2%	\$24,086
West Linn/Wils. School Dist. Bond 2	2.1722	11.7%	\$66,939
Metro Bond 1	0.0931	0.5%	\$2,869
Metro Bond 2	0.1811	1.0%	\$5,581
TOTAL:	18.5815		\$572,614

Source: Johnson Economics, Clackamas County Assessment and Taxation

Impact and SDC Fee Generation

The estimated fee and SDC generation for this hypothetical development is estimated at \$4.1 million, including planning fees (\$25,800), SDC's (3,526,900), building permits (\$283,300) and school excise tax (\$230,300).

School Impacts

The proposed development would have a positive revenue impact on local schools on a number of levels.

- At the time of development, the project would pay an excise tax of \$1.00 per square foot, which would amount to an estimated \$230,500 in this case.



- As Figure 11 shows, the estimated property tax revenue to the district would be \$150,000 in the first year, with an additional \$46,000 to the school levy.
- The Oregon school funding system ensures that funding is provided per student, so that each new student from the proposed development would bring the same per capita funding to the district as existing students.
- The West Linn-Wilsonville School District Long Range Plan estimates an average 0.21 students per multi-family housing unit. This means the proposed project would bring an additional 44 students to the district. This would be a roughly 1% increase of the estimated enrollment of 4,795 in 2013.
- In 2013, the West Linn part of the district had an estimated remaining available capacity for 230 students at the elementary level and 136 students at the high school level. Rosemont middle is estimated to be over capacity by 46 students.

Employment and Economic Impacts

Johnson Economics uses an IMPLAN model to estimate the economic impacts of new development for a range of project types. IMPLAN is an established and accepted method that provides a direct and quantifiable answer to the question of how much commercial activity new development can support.

The IMPLAN Economic Impact Methodology

To model the economic impacts of various activities, JOHNSON REID applied the IMPLAN (IMPact for PLANning)⁸ input/output multiplier model. Developed by the Forest Service to assist in land and resource management planning, IMPLAN has developed since the 1970's into an economic impact model designed for analyzing the effects of industry activity (employment, income or business revenues) upon all other industries in an economic area. IMPLAN is specifically designed to identify related economic activity associated with shifts in employment, and provides useful guidance to the question of commercial space supported by new development activity.

Economic impact analysis generally seeks to assess changes in overall economic activity within a specific geographic area as a result of a change in one or many specific activities; in this case, multi-family housing construction. The ripple effect of a gain or loss in economic activity is identified in three stages: *Direct Impacts*, *Indirect Impacts* and *Induced Impacts*.

- *Direct Impacts*: The actual change in activity affecting a local economy. For example, if a new housing development is constructed, direct economic impacts comprise the jobs required for construction and operations, and the labor income paid.
- *Indirect Impacts*: The response of all other local businesses within the geographic area to the direct impact. Continuing the previous example, indirect impacts of a new apartment complex would comprise revenues for related vendors, i.e. suppliers, subcontractors, etc., and the jobs and labor income thereby generated.

⁸ Minnesota IMPLAN Group (MIG), Inc., Stillwater, Minnesota.



- **Induced Impacts:** The response of households within the geographic area affected by direct and indirect impacts. In the given example, induced impacts would be the increase in all categories of spending by households in the geography directly or indirectly employed by the businesses' activities (not including the new residents at the property).

Applying this model to a multi-family construction project in the West Linn market of the size suggested in preliminary designs, yields the following estimated impacts:

Figure 12: Estimated Economic Impacts of Proposed Multi-Family Development

Category of Impact	Employment	Labor Income	Total Value Added
Direct Effect	96.7	\$5,857,851	\$7,823,860
Indirect Effect	46.1	\$1,865,765	\$2,580,050
Induced Effect	27.5	\$1,039,399	\$1,944,430
Total Effect	170.2	\$8,763,014	\$12,348,320

Source: IMPLAN, Johnson Economics

As Figure 12 shows, the proposed development could have a significant economic impact, creating or inducing up to 170 jobs during construction and operation and total value added of \$12.3 million.

Spending Impacts

As of 2014, the average West Linn household spends \$68,500 on services and products beyond the cost of rent or mortgage. This level of spending is 130% the national average.

Figure 13: Estimated Average Per-Household Spending by Category

Food At Home	\$6,925
Food Away from Home	\$3,838
Alcoholic Beverages	\$1,325
Day Care & Education	\$6,974
Healthcare	\$6,370
Housing & Personal Services*	\$8,654
Transportation Expenses	\$13,904
Furnishings and Appliances	\$3,458
Personal Care, Smoking Products	\$2,040
Pet Expenses	\$811
Sports and Entertainment	\$9,126
Apparel	\$5,425
Total Household Spending:	\$68,850

* Does not include rent or mortgage expense

Source: Nielsen, Claritas



Renter households tend to have a lower average income than the general household population. In West Linn, the median income of renter households is 64% the general median income. Applying this as a simple discount factor to the average spending yields an estimated average spending per *renter* household of \$44,174.

Based on this estimate, the proposed multi-family development at 210 new households could generate as much as \$9.3 million in new spending. As all communities experience some leakage of spending from their local households to other shopping areas, this spending would take place both in West Linn and beyond.

The local community is likely to capture much of the food expenditure, and expenditures on local household and personal services. A capture of 50%, which is not uncommon, would generate \$4.7 million in additional local spending per year.

Summary of Estimated Benefits

In summary, a multi-family residential development in keeping with the preliminary design discussed would generate an estimated:

- \$572,500 in annual property tax
- \$4.1 million in fees and SDC's
- 170 jobs created or induced by construction and operation
- \$12.3 million added through wages and economic activity related to these jobs
- Up to \$9.3 million in household spending by new residents at the property

THE PRELIMINARY DESIGN IS SUBJECT TO CHANGE. All of the above figures are estimates based on best available data, assumptions, and sources as described in this document.

This is in contrast to the current vacant use which produces an estimated current property tax of \$18,133 in the latest year. Absent development, these parcels will continue to produce this relatively low property tax revenue, with a modest yearly escalator. Until developed, the site will produce no benefits in SDC's, jobs created, economic activity from development and operations, new households or spending.

Given the uncertainty that commercial development will take place on this site at any time in the foreseeable future, these benefits, very modest in comparison to the benefits of the proposed multi-family development, are likely to persist indefinitely.

K. CONCLUSIONS

- An inventory of buildable lands appropriate for new office use reveals a significant supply of available vacant and redevelopable parcels. Development of the OBC zone has been modest over the previous decades. Roughly 26% of land in this zone remains



vacant, not including the 10.2 acres of the subject site proposed for rezone, or the City-owned property at Tannler Drive.

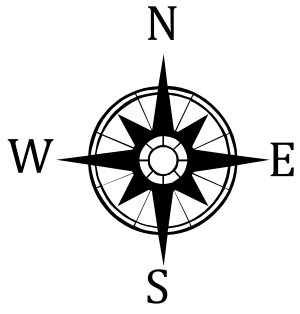
- Compared to projected 20-year demand for office space in West Linn, there is buildable supply of office lands well in excess of 20-year needs, regardless of the possible rezoning of the subject parcel. The available buildable inventory is multiple times what is projected to be necessary over this period.
- The West Linn area submarket for office space is not the most robust in the Portland Metro area. The submarket, along with Kruse Way and other south-Metro submarkets experienced some of the highest vacancy rates during the recent recession and vacancy remains high. A recent inventory from the Clackamas County Business and Economic Services of available commercial space in West Linn found 80,000 sq.ft. of office space available and vacancy of nearly 31% among buildings surveyed.
- The office developments directly adjacent to the subject site have combined vacancy in excess of 27%. Overall, the West Linn market has experienced negative absorption in recent years, shedding office space back onto the market. Absorption is projected to be flat in coming years.
- Based on our analysis, Johnson Economics thinks that it is highly unlikely that office development of anywhere near this scale will take place on the subject site. The reasons for this are described in this report, but to summarize:
 - Value of new development as an income-generating investment is lower than the cost to build.
 - Market is very soft with high vacancies and negative absorption putting more vacant space on the market.
 - Established weakness of adjacent large office developments.
 - Weakening of suburban metro markets relative to central Portland and Hillsboro.
 - Slow historical pace of development in West Linn and modest projected demand.
 - Prospective office tenants have flexibility in where to locate.
 - This site has sat vacant since adoption of the OBC zoning in 1974.
- Based on our analysis, there are other challenges presented by the subject site making it an unlikely location for other uses which are allowed in the OBC zone. The site is unappealing for conditional uses such as retail and hotel due to topography, visibility and access. Vertical mixed-use or live/work units are infeasible due to increased costs, difficulty of marketing the commercial space, and lack of market demand.
- The subject site is well-suited for residential use, providing good access, views, and schools. Multi-family residential is a good use for transitional areas like the subject site which lays between low-density residential and commercial neighborhoods.
- The development as preliminarily designed would generate significant public benefits, including fees and system development charges at construction, and on-going tax



generation. It would also have economic impacts on local job creation and household spending. This is a preliminary estimate of impacts:

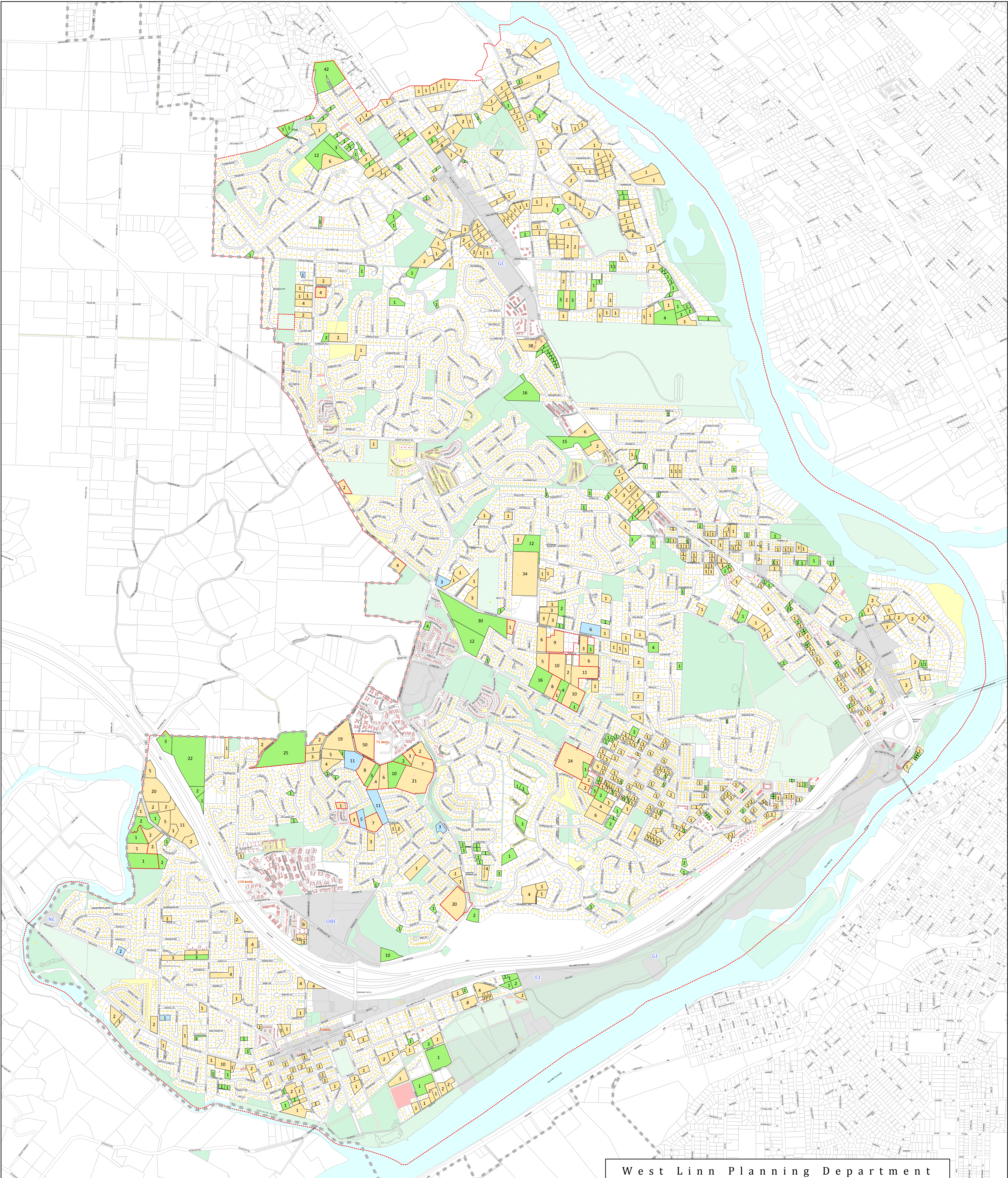
- \$572,500 in annual property tax
 - \$4.1 million in fees and SDC's
 - 170 jobs created or induced by construction and operation
 - \$12.3 million added through wages and economic activity related to these jobs
 - Up to \$9.3 million in household spending by new residents at the property
 - These estimates are preliminary and subject to change but provide indicators of general magnitude of benefits.
- As office development on the scale of the subject site is highly unlikely, and the topography is unfavorable for retail, the most likely scenario for the site under the OBC zone is to remain vacant indefinitely. This provides a very modest public benefit in terms of property tax, but no additional benefits in generating economic activity, providing housing choices, generating economic activity or bringing active use to this large dormant site.

No public comments have been received as of September 19, 2014



2013 Residential Units and Buildable Land Inventories

Publication Date: February 2014



West Linn Planning Department

Map Legend

- Existing Residential Units
Displayed by Current Land Use
- LDR - Low Density Residential
 - MDR - Medium Density Residential
 - MHDR - Medium-High Density Residential
 - ANX - Is not annexed into the City of West Linn

For Unit Tracking purposes a property is considered "current" if a permit has been issued at the location as of December 31, 2013.

- Buildable Land Inventory (as of 12/31/2013)
Land Type, Numbers Shown are Potential Additional Units
- Vacant
 - Infill Potential
 - Approved for Development

Buildable housing unit numbers are rough theoretical maximum estimates under current zoning and regulatory structure and are not intended to serve as a projection and are to be utilized for general long-range planning purposes only.

- Other Property Shown on Map
- Commercial and Industrial Zoning
 - City Owned Property
 - Other Property, Public or Quasi-Public
 - Other Property, Homeowners Assoc., etc.
 - Other Vacant Lots, Undevelopable
 - GIS Taxlot Base Map

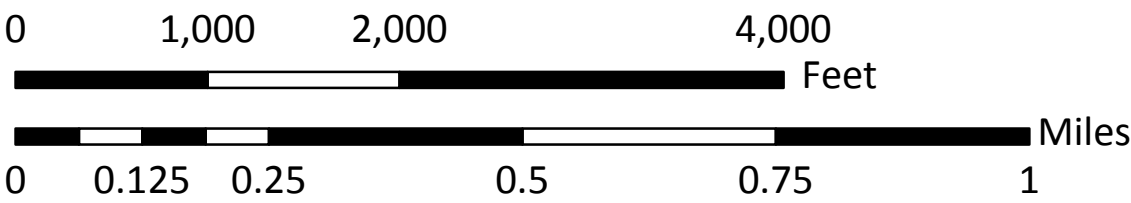
Public/Quasi-Public and Homeowners Assoc. property shown on this map is based on Clackamas County Assessment and Taxation database from June 2013.

- Other Map Elements
- West Linn City Limits
 - Metro Urban Growth Boundary
 - Roadways
 - Unimproved Right-of-Way
 - Rivers

West Linn
Certified Population
July 2013: 25,425
Certified Estimate
PSU Population
Research Center
December 15, 2013

This product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

GIS Taxlot Base Map Source: Clackamas County GIS
Inventories & Mapping: City of West Linn Planning and GIS



DEVTRACK_2013/APPROVEDDEVANDBUILDABLELAND_201402.MXD | AHA
1ST DRAFT: OCTOBER 15 2013, 2ND DRAFT: NOVEMBER 13, 2013, 3RD DRAFT: NOVEMBER 22, 2013,
4TH DRAFT: FEBRUARY 7, 2014, FEBRUARY 20, 2014, FINAL FEBRUARY 28, 2014



Existing Residential Units and Buildable Lands Summary

(Prepared February 2014, Reporting through 12/31/2013)

Existing Residential Units by Current Land Use		Number of Units as of 12/31/2013	Persons Per Household (PPH)*	Population Estimate	PSU's Certified Population July 2013**
Low Density Residential (LDR)		7,819	2.77	21,659	
Medium Density Residential (MDR)		241	1.54	371	
Medium High Density Residential (MHDR)		2,293	1.54	3,531	
<i>Total Current Residential inside the City</i>		10,353		25,561	25,425
Additional Residential units outside the city limits, but inside the UGB		32	2.77	89	
<i>Total Current Residential</i>		10,385		25,650	

Residential Buildable Land Inventory by Type (Inside UGB)	Land Area (Acres)	Number of Potential Units	Persons per Household (PPH)*	Potential Population Increase
Approved for Development				
Single-Family Residential	11	43	2.77	119
Multi-Family Residential	0	0	1.54	0
Vacant Parcels				
Single-Family Residential	148	380	2.77	1,053
Multi-Family Residential	17	107	1.54	165
Infill Parcels				
Single-Family Residential	321	743	2.77	2,058
Multi-Family Residential	52	259	1.54	399
<i>Total Additional Residential</i>	549	1,532		3,793

Estimate of Maximum Build-out (Inside the UGB)	Number of Units		Population
Current Residential	10,385		25,650
Potential Residential	1,532		3,793
<i>Total Potential Residential</i>	11,917		29,443

*Population estimates are based on PSU's formula for West Linn (prior to Census 2010):

Single Family Residential: 2.77 PPH, Multi-Family Residential: 1.54 PPH.

**PSU's certified estimates may be lower since they account for vacancy.

Also, they are based on averaged Census 2010 2.62 PPH, 94.9% occupancy

Buildable housing unit numbers are rough theoretical maximum estimates under current zoning and regulatory structure and are not intended to serve as a projection and are to be utilized for general long-range planning purposes only.

Existing Residential Units and Buildable Lands Summary

NEIGHBORHOOD ASSOCIATION POPULATION ESTIMATES
 (Prepared February 2014, Reporting through 12/31/2013)

Neighborhood Association	Land Area (Acres)	Low Density Residential (Single Family) Units	Medium Density Residential (Multi-Family) Units	Medium-High Density Residential (Multi-Family) Units	Non-Annexed (Single Family) Units	Total Number of Residential Units	Current Population Estimates	Percent of Total Population	Potential Population Increase (Buildable Land)	Estimated Future Population
BHT	133	298	0	0	0	298	825	3.2%	25	850
Bolton	600	986	65	239	0	1,290	3,199	12.5%	370	3,569
Hidden Springs	478	1,036	20	179	1	1,236	3,179	12.4%	47	3,226
Marylhurst	172	280	0	0	0	280	776	3.0%	100	876
Parker Crest	245	352	0	248	17	617	1,404	5.5%	488	1,892
Robinwood	683	1,040	8	215	0	1,263	3,224	12.6%	746	3,970
Rosemont Summit	270	600	0	0	0	600	1,662	6.5%	263	1,925
Savanna Oaks	354	602	8	405	10	1,025	2,331	9.1%	679	3,010
Skyline Ridge	63	136	0	0	0	136	377	1.5%	11	388
Sunset	495	807	107	115	2	1,031	2,583	10.1%	322	2,905
Unspecified (B.H.)	22	20	0	0	0	20	55	0.2%	11	66
Willamette	1,130	1,662	33	892	2	2,589	6,034	23.5%	731	6,765
TOTALS		7,819	241	2,293	32	10,385	25,650	100%	3,793	29,443

Population estimates are based on PSU's formula for West Linn (prior to Census 2010):

Single Family Residential: 2.77 PPH, Multi-Family Residential: 1.54 PPH.

Unit and Population estimates include residents both inside & outside the West Linn City Limits and extend to the Urban Growth Boundary.

Buildable housing unit numbers are rough theoretical maximum estimates under current zoning and regulatory structure and are not intended to serve as a projection and are to be utilized for general long-range planning purposes only.

United States Census for the City of West Linn, Oregon

2010

Population

Total Population	25,109
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Housing Status

(in housing units unless noted)

Total	10,035
Occupied	9,523
Owner-occupied	7,424
Population in owner-occupied (number of individuals)	19,994
Renter-occupied	2,099
Population in renter-occupied (number of individuals)	4,988
Households with individuals under 18	3,597
Vacant	512
Vacant: for rent	122
Vacant: for sale	155

Population by Sex/Age

Male	12,240
Female	12,869
Under 18	6,592
18 & over	18,517
20 - 24	951
25 - 34	2,201
35 - 49	5,829
50 - 64	6,206
65 & over	2,785

Population by Ethnicity

Hispanic or Latino	998
Non Hispanic or Latino	24,111

Population by Race

White	22,778
African American	168
Asian	1,012
American Indian and Alaska Native	87
Native Hawaiian and Pacific Islander	37
Other	250
Identified by two or more	777

Source: United States Census 2010 Website, February 2014: <http://www.census.gov/2010census/popmap/ipmtext.php?fl=41>

Residential Population Trends

1990-2013

West Linn Residential Unit Counts			Sept. 2001	Dec. 2002	Dec. 2003	Dec. 2004	Dec. 2005	Dec. 2006	Dec. 2007	Dec. 2013
Current Residential Units			9,354	9,646	9,733	9,788	9,825	10,009	10,067	10,385
Potential Residential Units			2,576	2,399	2,308	2,230	2,343	2,736	2,234	1,532
<i>Total Potential Residential</i>			11,930	12,045	12,041	12,018	12,168	12,745	12,301	11,917

West Linn Population Estimates				Dec. 2002	Dec. 2003	Dec. 2004	Dec. 2005	Dec. 2006	Dec. 2007	Dec. 2013
Current Population				23,725	23,960	24,095	24,277	24,616	24,771	25,650
Potential Population				5,885	5,651	5,544	5,894	6,315	5,665	3,793
<i>Maximum Build-Out Estimate</i>				29,610	29,611	29,639	30,171	30,931	30,436	29,443

PSU's Population Research Center		July 2000	July 2001	July 2002	July 2003	July 2004	July 2005	July 2006	July 2007	July 2013
PRC's Certified Population Estimate		22,440	23,090	23,430	23,820	23,970	24,075	24,180	24,180	25,425
	April 1990	April 2000								July 2010
U.S. Census	16,389	22,261								25,109

Population estimates are based on PSU's formula for West Linn (prior to Census 2010):

Single Family Residential: 2.77 PPH, Multi-Family Residential: 1.54 PPH.

Unit and Population estimates include residents both inside & outside the West Linn City Limits and extend to the Urban Growth Boundary.

Changes from previous years are due to new building permits that were issued, changes in property specific estimates, adjustments, methodology changes, and corrections in the GIS tracking system database.

More Information on PSU's Population Research Center is available at <http://www.pdx.edu/prc> or contact their office at (503) 725-3922

Buildable housing unit numbers are rough theoretical maximum estimates under current zoning and regulatory structure and are not intended to serve as a projection and are to be utilized for general long-range planning purposes only.

