

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Study Session Worksheet

Present Date: 12/4/2012 **Approx. Start Time:** 9:30 a.m. **Approx. Length:** 1 hour

Presentation Title: Eagle Landing

Department: Department of Transportation and Development

Presenters: Cam Gilmour, Scot Sideras

Other Invitees:

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

Staff is asking the Board to provide policy direction on a specific request from the Eagle Landing developers to consider a TSDC modification.

EXECUTIVE SUMMARY:

The original Eagle Landing conceptual plan included a mixture of 750,000 square feet of general office, medical office, and specialty retail space. The concept has evolved to include the New Hope Community Church site and has expanded into 2 million square feet of mixed-use development that includes apartments, condominiums, assisted living, retail, and office space.

Facilitating this change is a text amendment to Section 1703 of the Zoning and Development Ordinance to create a Planned Mixed Use Zoning District that was verbally approved by the Board on May 20, 2012. Subsequently, a Comprehensive Plan/Zone Change to apply the Mixed Use Zone to the Eagle Landing area was verbally approved by the Board on August 1, 2012. The Ordinance and Board Order approving these respective actions will be presented for final approval at the Business Meeting on December 13, 2012.

Recently the Board heard a presentation in executive session regarding Veritas Investment Company and New Hope Community Church ("Eagle Landing developers") desire to negotiate for land currently owned by the Clackamas County Development Agency. The Stevens Orchard Apartments located at 12025 SE Stevens Road are adjacent to the development site. No formal decisions have been made regarding the terms, timeline, or structure of this agreement.

Recently staff from the Department of Transportation and Development met with the Eagle Landing developers to discuss the aforementioned land use approval. During this meeting, the developers requested a distinct consideration related to the ultimate build-out of the Eagle Landing development, which staff is presenting to you today.

Consideration:

Approval of a Transportation System Development Charge (TSDC) modification to reduce the amount of TSDC collections resulting from this development.

In 2005, the City of Happy Valley executed a Development Agreement with Veritas extending 1996 TSDC rates to the development, the 750,000 square feet previously discussed. The County was not a party to this agreement. The impact of the additional 1,250,000 square feet of development was not a consideration under the 2005 agreement that Veritas had with the City to incorporate a portion of the Eagle Landing subdivision. The agreement between the City of Happy Valley and Veritas expired September 20, 2012. Eagle Landing developers are

requesting an extension of this concession for the original development area which has been annexed into the City of Happy Valley.

Recent amendments to the Transportation System Development Charge ordinance have placed Eagle Landing in a position to benefit from up to 38% off TSDC assessments due to the sites proximity to transit and the unique density and mixture of users. The Eagle Landing Development is located in the Clackamas County/Happy Valley Joint TSDC area.

The TSDC is a vital component to funding needed capacity improvements. Any offset to the costs for Eagle Landing not subsidized by another revenue source would then be borne by future developers because the road infrastructure is still needed to accommodate future growth in homes and businesses.

FINANCIAL IMPLICATIONS (current year and ongoing):

The requested modification of the TSDC rates would result in a shortfall of more than \$3.7 million in the Joint TSDC fund over the build-out of the Eagle Landing development.

LEGAL/POLICY CONSIDERATIONS:

1. A program was outlined proposing the use of general fund revenue to pay back the TSDC fund over time; however, since these discussions we have identified that this is not a legal option.
2. Equity from developers who previously paid and from future assessments not considered for modification may open the county up to liability issues.

PUBLIC/GOVERNMENTAL PARTICIPATION:

As this development is located in the Joint TSDC area, any TSDC modification would need to be reviewed and approved by both the City of Happy Valley and Clackamas County.

OPTIONS FOR CONSIDERATION:

Option #1: Direct staff to prepare a Board Order granting the request for partial TSDC relief, contingent on concurrence from the City of Happy Valley.

Option #2: Direct staff to inform Eagle Landing developers that TSDC modifications in excess of the provisions in the ordinance are not viable at this time.

RECOMMENDATION:

Staff respectfully requests that the Board provide formal direction on this policy question relating to the Eagle Landing developers request for partial TSDC relief.

ATTACHMENTS:

Not Applicable.

SUBMITTED BY:

Division Director/Head Approval

Department Director/Head Approval

County Administrator Approval

Paul Gilman

For information on this issue or copies of attachments, please contact Scot Sideras at 742-4332

Fiscal Impact Form

RESOURCES:

Is this item in your current work plan and budget?

YES

NO

START-UP EXPENSES AND STAFFING (if applicable):

Not Applicable.

ON-GOING OPERATING EXPENSES/SAVINGS AND STAFFING (if applicable):

Not Applicable.

ANTICIPATED RESULTS:

Other developments placing an impact on the road system are required to pay the assessment at the current rates. Any offset to the costs for Eagle Landing not subsidized by another revenue source would then be borne by future developers because the road infrastructure is still needed to accommodate future growth in homes and businesses.

COSTS & BENEFITS:

Not Applicable.