



Just the Facts: Clackamas County and the Eagle Landing Development

March 27, 2015

On March 5, 2015, the Clackamas County Board of Commissioners (BCC) took action to provide incentives to the developers of the proposed Eagle Landing development. The BCC approved:

- A Disposition and Development Agreement to Convey Real Property from the Clackamas County Development Agency to the Developer
- A Resolution Regarding Transportation System Development Charges for Certain Developments in the Happy Valley/Clackamas County Joint Transportation Area

Here are some questions and answers about the BCC's action.

Where will the proposed development be?

The development will be on the east side of Interstate 205 across from the Clackamas Town Center, in the western portion of the City of Happy Valley. The site is also inside the Happy Valley/Clackamas County Joint Transportation System Development Charge (TSDC) Area.

What is the Happy Valley/Clackamas County Joint TSDC Area?

TSDCs – transportation system development charges – are fees collected when a permit is issued for a new development. The fees are used to pay for capital improvements to the road system that increase capacity to provide for the additional traffic created by the new development. The proposed development is in an area in which the City of Happy Valley and Clackamas County have agreed to share revenue from the TSDCs.

Is the City of Happy Valley involved with this, too?

Yes, the City Council approved a comparable resolution with the developer about the TSDCs.

Why is the County involved with a proposed development?

- The County supports increased economic development and more job opportunities, for the benefit of everyone in the County.
- The developers wanted to purchase some land currently owned by the County to include in the development.

Why did the County have extra land?

In 1999 the County's Development Agency purchased land in the area for the construction of the Bob Schumacher Frontage Road. Once the project was completed, five acres of land remained. Currently 37 housing units, known as Stevens Orchard Apartments, are on that site.

Who is the developer?

The developer is made up of two entities – Veritas Investment Co. LLC and New Hope Community Church, Inc.

What kind of development will it be?

The developer has proposed a 2.1-million-square-foot mixed-use development including:

- 600 housing units and a five-star hotel;
- Retail office space, entertainment space and an athletic facility, and
- A civic center with a performing arts theater.

Is it OK for the County, as a government agency, to support a project being developed by a church?

The County is not permitted to promote one religion in favor of others, but it is also not permitted to discriminate against religious institutions. As a developer, New Hope Community Church, Inc. is subject to the same zoning, land use and other laws as any other developer.

Will the church have any say over how the land is developed?

The church has made clear in a statement sent to the County on March 26, 2015, that it will not be involved in the selection of tenants: "*New Hope Church does not have say or veto rights over who the tenants will be in the new Eagle Landing Development. The church is not involved in the process of securing tenants for the EL development nor will they be in the future. ... New Hope's interest in Eagle landing development will end at closing of the Stevens Orchard sale at which time all development rights and obligations will be assigned to Veritas Investment Co. LLC. ...New Hope will have no authority or responsibility in development of the New Hope or Steven's Orchard property.*"

What did the County agree to?

The County agreed to sell the five acres of land to the developer and to reduce TSDC rates on a certain amount of the development as long as the developer meets several milestones and performance standards within a specified timeframe. Those milestones, listed below, only apply to taxable property, not to non-taxable property (such as a church).

- A qualifying master plan must be filed by April 15, 2015, with approval from local regulatory agencies within one year (unless a party other than the developer appeals the master plan).
- The developer must construct 560,000 sq. ft. of taxable development and receive a Certificate of Occupancy for the development within four years of master plan approval.
- The master plan must have at least 2 million square feet of planned developed space.
- Reduced TSDCs are only available for 560,000 to 750,000 square feet of taxable development. If conditions are met for the reduction to be granted, the joint area will receive approximately \$2 million in TSDCs and forgo up to \$7 million in TSDCs.
- The new development must be for a mix of uses including at least 600,000 sq. ft. of office space, 400,000 sq. ft. of retail space and 600 housing units

How does the County benefit from the BCC's action?

As the assessed value of the property increases, property tax revenue will also increase. This revenue will not only go to the County, but to all the various entities that have taxing authority, including the City of Happy Valley, the school district, the fire district and the water district. The County has estimated that the long-term increase in property tax revenue will more than compensate for the original incentives provided to help the development get started.

Has the County ever supported private development in this manner before?

Yes. A great deal of the development in the urban areas of the County were supported by this kind of investment of public funds. Probably the most visible example of how this kind of investment benefits the entire community is the Clackamas Town Center shopping mall and the surrounding area.

For more information about the County's action in relation to Eagle Landing go to <http://www.clackamas.us/development/> or contact Dan Johnson at 503-742-4325 or danjoh@clackamas.us.

For more information about Eagle Landing, go to <http://www.eaglelanding.us/>.