

CITY OF LAKE OSWEGO

CITY MANAGER'S OFFICE

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October 16, 2012

Board of Commissioners
Clackamas County
2051 Kaen Road
Oregon City, OR 97045

RE: Preliminary Draft Foothills Urban Renewal Plan and Report

Dear Commissioners:

The Lake Oswego City Council is considering establishing an urban renewal area (URA, or "Area") in the Foothills area of Lake Oswego. The tax increment revenues from urban renewal would assist with the funding of public infrastructure projects and also could provide assistance in the development of affordable housing.

The legal requirements for the adoption of an urban renewal plan stipulate that the proposed urban renewal plan be sent to representatives of overlapping taxing districts. Although the approval of overlapping taxing districts is not required, the City Council is required to respond specifically to any written recommendations of the districts. This letter is the official transmission of the proposed Foothills Urban Renewal Plan.

The Lake Oswego City Council is scheduled to consider the adoption of the proposed Foothills Urban Renewal Plan on November 20, 2012. The boundary of the Area is shown in Attachment 1.

Foothills Urban Renewal Plan Components

The preliminary draft Foothills Urban Renewal Plan (Plan) proposes infrastructure improvements including; roadways, pathways, water, wastewater, and storm water projects to encourage private investment in the redevelopment of the Area and may also assist with development of affordable housing. It also includes the ability to fund the administration necessary to implement the Plan.

As proposed, the maximum indebtedness of the Plan is \$43,200,000. Maximum indebtedness is the total amount of funds to be spent on projects, programs, and administration. The maximum indebtedness was based on financial analysis of a 22-year plan, however, there is no fixed time limit for the Plan; it is limited by the defined maximum indebtedness.

Impact on Taxing Jurisdictions

Taxing districts that overlap the potential URA boundary are impacted by property tax revenues foregone on permanent rate levies. The projections for impacts on the taxing jurisdictions (Attachment 2) are estimated

through fiscal year (FY) 2034-35. In 2009, legislative changes to urban renewal law resulted in a requirement that URAs share a portion of their revenues with overlapping taxing districts when certain thresholds are met. The Plan projects \$16.5 million in shared revenue with impacted taxing jurisdictions over the life of the Plan, sharing would begin in FY 2024-25, with Clackamas County receiving \$2,800,000. Attachment 3 shows the tax revenues projected to be available to taxing jurisdictions once the Area is terminated. It is estimated that Clackamas County would receive \$1,420,000 in FY 2035-36. These are estimates only, and changes in the economy resulting in different assessed value may impact the projections made for the Area.

General obligation (GO) bonds and local option levies issued after October, 2001 are not impacted by urban renewal. The issuing jurisdiction will still receive its share of the taxes on any GO bonds and local option levies issued after October 2001.

The Lake Oswego School District (LOSD) and the Clackamas Education Service District are not directly affected by the tax increment financing. Urban renewal does have an impact on the State School Fund. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes that are foregone to a URA are replaced (as determined by a funding formula at the State level) with State School Fund revenues.

The LOSD is presently experiencing compression on its local option levies, but they are not projected to experience additional losses because of this Plan. Compression effects will be minimal, but positive. Urban renewal causes a shift from education tax limit to the general tax limit, which could help reduce compression impacts for schools. As market values increase, compression is less of a concern for all local governments. Any new development in the Area will be subject to the construction excise taxes that are collected for the LOSD.

The preliminary draft Foothills Urban Renewal Plan and Report are included with this letter (Attachments 4 and 5). If you would like to provide written comments, your comments will be responded to by the Lake Oswego City Council. Please provide your written comments by November 7, 2012.

For more information, please contact Sidaro Sin, Development Project Manager at 503-697-7421 or ssin@ci.oswego.or.us

Sincerely,



David Donaldson
City Manager

Attachments:

- 1) Foothills Urban Renewal Area Boundary
- 2) Projected Impact on Taxing District Permanent Rate Levies
- 3) Additional Revenues Projected After Termination of Tax Increment Financing
- 4) Draft Foothills Urban Renewal Plan
- 5) Draft Report Accompanying the Foothills Urban Renewal Plan

Attachment 1. Foothills Urban Renewal Area Boundary



Attachment 2. Projected Impact on Taxing District Permanent Rate Levies

FYE	Portland Comm. Col.	Clackamas ESD*	Lake Oswego Sch. Dist.*	City of Lake Oswego	Clackamas County	County Extension & 4H	County Library	County Soil and Water	Port of Portland	Metro	Vector Control	Total
2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014	-\$28	-\$36	-\$439	-\$488	-\$236	-\$5	-\$39	-\$5	-\$7	-\$9	-\$1	-\$1,293
2015	-\$84	-\$109	-\$1,326	-\$1,474	-\$713	-\$15	-\$118	-\$15	-\$21	-\$29	-\$2	-\$3,906
2016	-\$170	-\$221	-\$2,683	-\$2,982	-\$1,443	-\$30	-\$238	-\$30	-\$42	-\$58	-\$4	-\$7,901
2017	-\$258	-\$336	-\$4,080	-\$4,536	-\$2,194	-\$46	-\$363	-\$46	-\$64	-\$88	-\$6	-\$12,017
2018	-\$349	-\$455	-\$5,519	-\$6,136	-\$2,968	-\$62	-\$491	-\$62	-\$87	-\$119	-\$8	-\$16,256
2019	-\$443	-\$577	-\$7,002	-\$7,784	-\$3,765	-\$78	-\$622	-\$78	-\$110	-\$151	-\$10	-\$20,620
2020	-\$540	-\$703	-\$8,529	-\$9,482	-\$4,587	-\$95	-\$758	-\$95	-\$134	-\$184	-\$12	-\$25,119
2021	-\$639	-\$833	-\$10,102	-\$11,231	-\$5,433	-\$113	-\$898	-\$113	-\$158	-\$218	-\$15	-\$29,753
2022	-\$741	-\$967	-\$11,722	-\$13,032	-\$6,304	-\$131	-\$1,042	-\$131	-\$184	-\$253	-\$17	-\$34,524
2023	-\$847	-\$1,104	-\$13,391	-\$14,887	-\$7,201	-\$150	-\$1,190	-\$150	-\$210	-\$289	-\$19	-\$39,438
2024	-\$956	-\$1,246	-\$15,109	-\$16,798	-\$8,125	-\$169	-\$1,343	-\$169	-\$237	-\$326	-\$22	-\$44,500
2025	\$10,114	\$13,186	\$159,888	\$177,756	\$85,983	\$1,788	\$14,213	\$1,788	\$2,507	\$3,454	\$232	\$470,909
2026	\$14,306	\$18,652	\$226,164	\$251,438	\$121,624	\$2,530	\$20,103	\$2,530	\$3,546	\$4,887	\$329	\$666,109
2027	\$22,743	\$29,652	\$359,545	\$399,725	\$193,352	\$4,021	\$31,960	\$4,021	\$5,637	\$7,769	\$523	\$1,058,948
2028	\$25,500	\$33,245	\$403,120	\$448,169	\$216,786	\$4,508	\$35,834	\$4,508	\$6,321	\$8,710	\$586	\$1,187,287
2029	\$28,339	\$36,947	\$448,003	\$498,067	\$240,921	\$5,011	\$39,822	\$5,011	\$7,025	\$9,680	\$651	\$1,319,477
2030	\$31,263	\$40,760	\$494,232	\$549,462	\$265,782	\$5,527	\$43,932	\$5,527	\$7,750	\$10,679	\$718	\$1,455,632
2031	\$34,275	\$44,686	\$541,847	\$602,399	\$291,388	\$6,060	\$48,165	\$6,060	\$8,496	\$11,707	\$787	\$1,595,870
2032	\$37,377	\$48,731	\$590,891	\$656,923	\$317,762	\$6,609	\$52,525	\$6,609	\$9,265	\$12,767	\$859	\$1,740,318
2033	\$40,573	\$52,897	\$641,406	\$713,083	\$344,928	\$7,174	\$57,014	\$7,174	\$10,057	\$13,859	\$933	\$1,889,098
2034	\$43,864	\$57,188	\$693,437	\$770,928	\$372,908	\$7,755	\$61,640	\$7,755	\$10,873	\$14,983	\$1,009	\$2,042,340
2035	\$47,254	\$61,608	\$747,028	\$830,509	\$401,728	\$8,354	\$66,403	\$8,354	\$11,714	\$16,142	\$1,086	\$2,200,180
Total	\$330,553	\$430,965	\$5,225,659	\$5,809,629	\$2,810,193	\$58,443	\$464,509	\$58,443	\$81,937	\$112,913	\$7,597	\$15,390,841

Source: ECONorthwest*

NOTE: Lake Oswego Schools and the Clackamas Education Service District are not directly impacted, as they are allocated funding through the State School Funding Formula that is based on per pupil counts.

Attachment 3. Additional Revenues Projected After Termination of Tax Increment Financing

Tax Revenues FY 2035-36				
Taxing District	Tax Rate	From Frozen Base	From Increment Released	Total
Portland Community College	0.2828	\$3,102	\$163,837	\$166,939
Clackamas ESD*	0.3687	\$4,044	\$213,603*	\$217,647
Lake Oswego Sch. Dist.*	4.4707	\$49,032	\$2,590,053*	\$2,639,085
City of Lake Oswego	4.9703	\$54,511	\$2,879,492	\$2,934,003
Clackamas County	2.4042	\$26,368	\$1,392,848	\$1,419,216
County Extension & 4H	0.0500	\$548	\$28,967	\$29,515
County Library	0.3974	\$4,358	\$230,230	\$234,588
County Soil and Water	0.0500	\$548	\$28,967	\$29,515
Port of Portland	0.0701	\$769	\$40,612	\$41,381
Metro	0.0966	\$1,059	\$55,964	\$57,023
Vector Control	0.0065	\$71	\$3,766	\$3,837
Total	13.1673	\$144,410	\$7,628,339	\$7,772,749

Source: ECONorthwest

*These will not be new direct revenues, due to State School Funding Formula.

FOOTHILLS URBAN RENEWAL PLAN
October 15, 2012 DRAFT

Adopted by Lake Oswego Ordinance 2601 on __ __, 2012

City of Lake Oswego

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Definitions:

Foothills Urban Renewal Plan: Plan

Foothills Urban Renewal Area: Area

Foothills Urban Renewal Report: Report

Foothills District Framework Plan Area: Foothills District

LORA or Agency: Lake Oswego Redevelopment Agency

I. INTRODUCTION

The Foothills Urban Renewal Plan (Plan) contains goals, objectives, and projects for the development of the Foothills Urban Renewal Area (Area) depicted in Figure 1. The overall purpose of the Plan is to authorize the use of tax increment financing to overcome obstacles to the redevelopment and revitalization of the Area, consistent with the Foothills Framework Plan adopted by the City Council in July 2012.

The Framework Plan incorporates and builds upon the following Vision Statement:

The Foothills District is Lake Oswego's greatest opportunity to provide the community with a significant riverfront presence. Building upon the recent success of Downtown Lake Oswego, the District will redevelop in a manner that knits Downtown Lake Oswego, Tryon Creek, Old Town, the Willamette River, and Oswego Lake together, and in the process will establish Lake Oswego's next great residential neighborhood. The District will possess a thriving, comfortable and inviting pedestrian environment, with clear and convenient connections to surrounding areas. A mix of uses including a variety of housing options, local retail to support the neighborhood, complimentary office types, and open space and recreational opportunities will provide vital activity not only within the District but also across State Street into Downtown. Sustainability will be incorporated as a central tenet of the District, from the planning phase all the way through construction and operations. Given the many natural and man-made amenities that exist in and around the Foothills District, this new neighborhood will be unique and like no other found in the Portland area.

Foothills Framework Planning Process

In 2003, the City of Lake Oswego began working with various property owners in the Foothills District to identify barriers to development and explore potential options for redevelopment. The property owners engaged Williams/Dame & White (WDW) in 2008 to serve as development manager, and shortly thereafter, the owners, WDW, and the City entered into a predevelopment agreement to prepare a framework plan for the 107-acre Foothills District. The boundary of the District is larger than the boundary for the 58-acre Foothills Urban Renewal Plan, which encompasses only those properties in the northern portion of the Foothills District as shown in Figure 1.

The Foothills Framework Plan was developed with input from the fourteen-member Foothills District Citizens Advisory Committee (FDCAC). Community engagement

included fourteen meetings of the FDCAC, two public workshops, review and input from City Boards and Commissions, and meetings of the City Council.

In 2011, parallel to the development of the Framework Plan, the City analyzed the benefits and economic impacts associated with potential funding mechanisms for the public improvements necessary to redevelop the Foothills District. This analysis included consideration of potential boundaries for an urban renewal area (one of the potential funding mechanisms) and identified a recommended boundary, substantially consistent with the boundary shown in Figure 1, that would both provide resources to the Foothills area and continue to allow the existing and adjacent East End Redevelopment Plan to complete the projects that are envisioned for the East End Area. The public process in this financing study included briefings to the FDCAC, a community meeting in October of 2011, and two City Council meetings in November of 2011. Following these meetings, the Foothills District Framework Plan was approved on November 29, 2011.

Following adoption of the Framework Plan, on January 24, 2012 the City Council voted to suspend the City's participation in planning for the Portland-Lake Oswego Streetcar, a key assumption of the Framework Plan. On July 24, 2012, after additional planning and FDCAC input, the City Council adopted a revised Foothills Framework Plan that did not include a future streetcar project, but retained many of the recommendations from the original plan, including use of urban renewal as a funding tool.

About Urban Renewal

The purpose of an urban renewal program is to improve specific areas of a city or county that are poorly developed or underdeveloped. These areas can have old or deteriorated buildings, public spaces that need improvements, streets and utilities in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. The Area has numerous infrastructure needs, including transportation, stormwater treatment, wastewater treatment, and other public improvements.

Urban renewal allows for the use of tax increment financing to fund urban renewal projects. Tax increment revenues – the amount of property taxes determined by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established – are used to repay borrowed funds. The funds borrowed are used to pay for urban renewal projects.

In general, urban renewal projects can include construction or improvement of streets, utilities, and other public facilities, assistance for rehabilitation or redevelopment of

property, acquisition and re-sale of property (site assembly), and improvements to public spaces.

To establish an urban renewal program, the governing body, in this case, the City Council, would adopt an ordinance approving an urban renewal plan. The urban renewal plan defines the urban renewal area, states goals and objectives for the area, lists projects and programs that can be undertaken, provides a dollar limit on the funds that may be borrowed for urban renewal projects, and states how the plan may be changed in the future.

Urban Renewal Planning Process

In order to implement the Foothills Framework Plan recommendation of urban renewal as a funding tool, a work group was formed to help guide the preparation of an urban renewal plan. Building on the earlier input of the FDCAC, the work group met twice to provide input on the urban renewal plan's goals, objectives, and projects, and also completed a general review of the full draft Plan and Report Accompanying the Plan. The focus group contained members from downtown area neighborhoods, representatives from the Foothills Framework Plan Citizens Advisory Committee, the Lake Oswego Chamber of Commerce, Lake Oswego Planning Commission and Lake Oswego School District. A public meeting was held on October 24, 2012 to present the Foothills Urban Renewal Plan and receive input from the community. The Planning Commission reviewed the Plan on November 14, 2012. After mailed notice to all postal patrons in Lake Oswego, the City Council held a public hearing to consider the Plan on November 20, 2012.

Foothills Urban Renewal Plan Overview

The Foothills Urban Renewal Area, shown in Figure 1, consists of approximately 57.91 acres of land, including approximately 10.94 acres of right-of-way.

As outlined in Section III and identified in Section IV, the Plan includes a list of specific projects to help implement the shared community vision for the Area. These projects are consistent with Foothills Framework Plan recommendations and include various infrastructure improvements to the transportation network in the Area, as well as stormwater and wastewater improvements and projects that will develop or improve parks, open spaces, and pedestrian connections. Assistance for the provision of affordable housing is also a component of this Plan.

The Plan will be administered by the Lake Oswego Redevelopment Agency (LORA), which was formed by the City Council of the City of Lake Oswego as the City's Urban Renewal Agency (Agency). Substantial changes to the Plan, if necessary, must be approved by the City Council, as outlined in Section VIII of this Plan.

A Report, which describes the financial plan for the Area, accompanies this Plan. The Report includes:

- A description of the physical, social, and economic conditions in the area;
- Expected impact of the Plan, including fiscal impact in light of increased services;
- Reasons for selection of each Area in the Plan;
- The relationship between each project to be undertaken and the existing conditions;
- The total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area, and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; and
- A relocation report.

The maximum amount of indebtedness (amount of debt to be incurred to fund Plan projects and programs) that may be issued for the Plan is forty-three million two hundred thousand dollars (\$43,200,000). The projections of maximum indebtedness and projects to be funded are based on a 22-year time frame. This time frame is not absolute, but is used to model the financial projections. The determining factors for the Plan's time frame are the amount and terms of maximum indebtedness. Various economic factors may cause that time frame to increase or decrease.

Figure 1 – Foothills Urban Renewal Area Boundary



II. GOALS AND OBJECTIVES

The goals of the Plan describe the basic intents and purposes of the Foothills Urban Renewal Area (Area). Accompanying each goal are objectives, which generally describe how the Agency intends to achieve the goals. The urban renewal projects identified in Section IV of the Plan are the specific means of meeting certain objectives. The goals are derived from the Foothills Framework Plan and were developed with input from the Foothills Urban Renewal Plan work group.

Goal 1 – Remove barriers to development to create a vibrant, unique, mixed-use community that takes full advantage of its location and natural amenities and implements the Foothills Framework Plan.

Objectives

1. Encourage the development of a new mixed-use zone in the Foothills Area that permits primarily residential uses with complementary neighborhood serving retail and office uses.

Goal 2 – Seamlessly weave together and connect the Foothills Area and downtown Lake Oswego, creating an environment that is attractive to residents, businesses, and shoppers. Emphasize creating lively pedestrian activity while developing strong connections between and among the Area and surrounding neighborhoods, destinations, and places, including downtown Lake Oswego.

Objectives

1. Develop an accessible and walkable mixed-use environment that includes a street, sidewalk, and pathway system.
2. Improve streetscapes throughout the Area to provide a seamless link between downtown Lake Oswego, the Foothills District, Foothills Park, and the Willamette River. This should include, but not be exclusive to, connecting features such as steps, accessible ramps and/or elevator(s), continuous sidewalks, bicycle facilities, planters, benches, art, plantings, and defined pedestrian crossings.
3. Establish a new, north entrance to the Foothills Area that will provide an additional safe and accessible connection to the Area.
4. Protect, develop, and enhance open spaces and parks in the Area, providing Lake Oswego residents with places to gather and socialize.

Goal 3 – Ensure that new development is adequately served by public infrastructure and utilities.

Objectives

1. Upgrade infrastructure, where necessary, to provide for development within the Area based on the Foothills District Framework Plan.
2. Relocate existing utilities as feasible to provide a more aesthetically pleasing environment and provide additional development opportunities.
3. Underground new utilities serving development within the Area.
4. Ensure that redevelopment in the Foothills Area is consistent with the planned capacity of infrastructure.

Goal 4 – Encourage meaningful citizen involvement. Ensure that community values and priorities are properly represented through a process of community engagement and feedback.

Objectives

1. Provide opportunities for public participation in decision making.

Goal 5 – Promote a mix of retail, housing, and commercial uses to enliven the Foothills Area and attract young families and older generations across a variety of demographics.

Objectives

1. Form public-private partnerships and use public investment to generate private investment.
2. Assist in the development of affordable housing to provide a range of housing options to the citizens of Lake Oswego.

Goal 6 – Redevelopment should apply standards for sustainable design in construction and operations.

Objectives

1. Integrate sustainability in planning and design.

2. Strive to meet Leadership in Energy and Environmental Design for Neighborhood Development (LEED-ND) or an equivalent performance measure for horizontal development.¹
3. Strive to meet LEED Certification or an equivalent performance measure for vertical development.²

III. OUTLINE OF URBAN RENEWAL PROJECT ACTIVITIES

The following is an outline of the urban renewal projects within the Area, including transportation, stormwater/wastewater improvements and “place-making” projects.

1. Transportation Improvements

The major transportation projects in the Area will focus on upgrading, extending, and realigning the existing streets. In particular, Foothills Road and B Avenue will receive major improvements. The new North Portal access point from State Street between D and E Avenues is another large project that is necessary to accommodate large-scale development in the Area.

2. Pedestrian Connections and Open Spaces

The Willamette Steps project will create an important new pedestrian connection to the Area that will also serve as usable open space, striving for a "vertical park" atmosphere. A project is also planned to create a new plaza at the eastern terminus of B Avenue. Streetscape improvements are also a component of the pedestrian connections in the Area.

3. Stormwater and Wastewater Infrastructure

Significant amounts of infrastructure, including transmission mains, pressure mains, and a lift station, are either not located on City right-of-way or are placed in such a way as to inhibit the envisioned development of the Area. Projects are planned to improve, reroute, and/or move this infrastructure.

4. Development Partnerships

Partnerships will be formed with developers for the completion of development within the Area.

¹ Horizontal development includes improvements such as streetscape, parks, utilities, sidewalks, pathways, and ground level connections.

² Vertical development refers to buildings and associated amenities.

IV. URBAN RENEWAL PROJECTS

Urban renewal projects authorized by the Plan are described below.

As shown in the Report, urban renewal funds will be combined with existing and other future sources of funding to finance project costs. Projects authorized by the Plan are:

A. Foothills Road Phase 1 Curb To Curb (A Avenue to B Avenue)

This project is the first phase of the realignment and reconstruction of Foothills Road, from the intersection of Foothills Road and Oswego Pointe Drive to its planned intersection with B Avenue. The project includes infrastructure elements required to serve adjacent development, stormwater management facilities (including stormwater planters), and temporary (e.g., asphalt) walkways and street lighting.

B. Foothills Road Phase 1 Frontage Improvements (A Avenue to B Avenue)

This project would build out permanent streetscape improvements on the east and west side of the Phase I section of Foothills Road, concurrent with the development of the adjacent blocks to the north and south. Improvements would include permanent sidewalk treatments, street lighting, street furnishing, and landscaping, consistent with District street standards.

C. Foothills Road Phase 2 Curb to Curb (B Avenue to Tax Lot 1700)

This project would extend the Phase I Foothills Road project from B Avenue north to the southern property line of tax lot 1700 of tax map T2S R1E 02CB (TL 1700). The project includes infrastructure elements required to serve adjacent development, stormwater management facilities (including stormwater planters), and temporary (e.g., asphalt) walkways and street lighting.

D. Foothills Road Phase 2 Frontage Improvements (B Avenue to Tax Lot 1700)

This project would build out permanent streetscape improvements on the east and west side of the Phase 2 section of Foothills Road, concurrent with the development of the adjacent blocks to the north and south. Improvements would include permanent sidewalk treatments, street lighting, street furnishing, and landscaping, consistent with District street standards.

E. North Portal – State Street/D Avenue and E Avenue

This project is intended to provide an additional access to and from the Foothills Area in the location of the current public rail crossing on the east side of State

Street between D and E Avenues. The project cost includes a rebuilt intersection at State Street, a new median and southbound left turn lane on State Street, and a new at-grade crossing of the Union Pacific Railroad (UPR) line. New rail safety and crossing improvements will be included as part of this project. The project will require acquisition of all, or a portion, of tax lots 1501 and 1700 of tax map T2S R1E 02CB. The cost estimate for this project assumes that the City will be able to acquire only what it needs for the roadway, or that if full acquisition is required, that the remainder property can be resold to a third party.

F. B Avenue Phase 1 Curb to Curb

This project is the first phase of the creation of a new B Avenue connection between downtown and the Willamette River, and stretches two blocks east from the intersection of Foothills Road. The project includes fill required to bring the street and adjacent development parcels out of the floodplain, infrastructure elements required to serve adjacent development, stormwater management facilities (including stormwater planters), and temporary (e.g., asphalt) walkways and street lighting.

G. B Avenue Phase 1 Frontage Improvements

This project would build out permanent streetscape improvements on the north and south sides of the Phase 1 section of B Avenue, concurrent with the development of the adjacent blocks to the north and south. Improvements would include permanent sidewalk treatments, street lighting, street furnishing, and landscaping, consistent with District street standards.

H. B Avenue Phase 2 Curb to Curb

This project completes a new B Avenue connection between downtown and the Willamette River, constructing the last block of B Avenue leading to Foothills Park. The project includes fill required to bring the street and adjacent development parcels out of the floodplain, infrastructure elements required to serve adjacent development, stormwater management facilities (including stormwater planters), and temporary (e.g., asphalt) walkways and street lighting.

I. B Avenue Phase 2 Frontage Improvements

This project would build out permanent streetscape improvements on the north and south side of the Phase 2 section of B Avenue, concurrent with the development of the adjacent blocks to the north and south. Improvements would include permanent sidewalk treatments, street lighting, street furnishing, and landscaping, consistent with District street standards.

J. B Avenue Plaza at Park

At the eastern terminus of B Avenue, a new plaza is proposed to serve as a transition to Foothills Park and an urban gathering space for adjacent neighbors. The project would include a new paved plaza, street furnishings, and grade transitions (stairs and ramps) from the higher elevation of B Avenue. The project would be built concurrent with the B Avenue Phase 2 Curb to Curb project.

K. B Avenue Plaza at Park Upgrades

In order to provide a higher level of finish for the B Avenue Plaza public space, consistent with the City's design standards and expectations, an allowance for upgrades to the B Avenue Plaza has been identified. This allowance can be used to improve the quality of materials, street furnishings, and landscaping.

L. Relocate Sanitary Sewer and Storm Transmission Mains

A number of regional storm and sanitary facilities in the Area currently traverse private property, restricting development potential. This project relocates these regional facilities into public rights-of-way in the Area, and can be divided into two phased components, to be constructed concurrently with other phased street construction and development activity in the Area.

M. Rebuild Foothills Lift Station and Pressure Mains

An existing at-capacity lift station will be rebuilt and relocated to serve new development in the northern portion of the Area. When complete, this lift station will have adequate capacity to serve both existing and new development, and will be located away from the primary pedestrian areas of the Area.

N. Willamette Steps

This significant project provides the primary pedestrian connection between Downtown Lake Oswego and the Area. The project includes new steps within an 80 foot right-of-way, beginning on the east side of State Street, crossing the UPR tracks at grade, and continuing down steps to the Foothills Road/B Avenue intersection. Americans with Disabilities Act (ADA) access will take place on a ramp system to the south of the steps, including a pathway connection leading to the Oswego Pointe Drive/Foothills Road intersection; permanent ADA access will be provided by a public elevator incorporated within the proposed development north of the steps.

O. Willamette Steps Upgrades

This project is an allowance for upgrades to the Steps, in order to provide a higher level of finish consistent with the City's design standards and

expectations. This allowance can be used to improve the quality of materials, wall finishes, lighting, street furnishings, and landscaping.

P. Phase 2a - South Blocks (Foothills Road from State Street to Oswego Point Drive)

This project includes the extension of Foothills Road south from its Phase I terminus at Oswego Point Drive to the Foothills Road intersection with State Street, and the extension of the east/west street leading from the Foothills Road/State Street intersection east into the Oswego Point Apartments property. The project is intended to be constructed concurrent with adjacent development, and includes curb to curb street improvements, infrastructure improvements for serving adjacent development, stormwater management facilities (including stormwater planters), street lighting, landscaping, and permanent pedestrian improvements. The project may be broken into phases depending on the progression of redevelopment on adjacent parcels.

Q. A Avenue Steps

This project will provide pedestrian access to and from the Foothills Area from the State Street/A Avenue intersection. The project would require the acquisition of some or all of the property (tax lot 6902 of tax map T2S R1E 03DD) just east of the A Avenue intersection, new stairs, pathways, disabled access down to Foothills Road, and a new pedestrian crossing of the UPR line, similar to the Millennium Plaza crossing.

R. Portland General Electric Substation Relocation

This project is a relocation of the Portland General Electric (PGE) Substation to another location in the Area, associated with the A Avenue Steps project. The project would include new substation facilities in a different location and realignment of overhead transmission lines leading to and from the new substation.

S. State Street Streetscape

The Foothills Framework Plan recommends new streetscape improvements for the east side of State Street between Foothills Road and B Avenue. The project includes widened sidewalks, landscaping and street trees, street furnishings, and locations for public art and a Downtown/Foothills Area identity feature.

T. Affordable Housing

This project will assist with financing of affordable housing delivered by private and/or non-profit developers. Assistance would be provided for affordable

housing opportunities that are consistent with the Lake Oswego Comprehensive Plan and other City of Lake Oswego-adopted housing policies. This project would contribute toward the Foothills Framework Plan vision by providing a broader mix of housing options for those living and working in Lake Oswego.

U. Administration/Relocation/Repayment of Planning Costs

This project provides for the administration of the urban renewal area by the City of Lake Oswego. It also allows for funding to relocate existing businesses and the repayment of planning costs to the City of Lake Oswego.

V. PROPERTY ACQUISITION AND DISPOSITION

The Plan authorizes the acquisition and disposition of property as described in this section. Property includes any and all interests in property, including fee simple ownership, lease, easements, licenses, or other rights to use.

A. Property Acquisition for Public Improvements

The Agency may acquire any property within the Area for the public improvement projects undertaken pursuant to the Plan by all legal means, including use of eminent domain in compliance with State law. Good faith negotiations for such acquisitions must occur prior to institution of eminent domain procedures.

B. Property Acquisition – from Willing Sellers

The Plan authorizes Agency acquisition of any interest in property within the Area that the Agency finds is necessary to implement the Plan. The Plan does not authorize the Agency to use the power of eminent domain to acquire property from a private party to transfer that property to another private party for private redevelopment.

The acquisition of several properties may be essential to the implementation of the Plan. Acquisition of each of the following properties is necessary to complete the project identified:

Tax lot 6902 of Tax Map T2S R1E 03DD for the purpose of carrying out Project Q – A Avenue Steps.

Tax lots 1501 and 1700 of Tax Map T2S R1E 02CB for the purpose of carrying out Project E – North Portal State Street D and E Avenues.

In the future, a minor plan amendment will be necessary to add to the list of properties to be acquired, this amendment will include a finding that the acquisition is necessary to carry out the Plan.

C. Land Disposition

The Agency will dispose of property acquired for a public improvement project by conveyance to the appropriate public agency responsible for the construction and/or maintenance of the public improvement. The Agency may retain such property during the construction of the public improvement.

The Agency may dispose of property acquired under Subsection B of this Section V by conveying any interest in property acquired. Property shall be conveyed at its fair reuse value. Fair reuse value is the value, whether expressed in terms of rental or capital price, at which the urban renewal agency, in its discretion, determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved, or rehabilitated for the purposes specified in such plan. Because fair reuse value reflects limitations on use of the property to those purposes specified in the plan, the value may be lower than the property's fair market value.

Where land is sold or leased, the purchaser or lessee must agree to use the land for the purposes designated in the Plan and to begin and complete the building of its improvements within a period of time that the Agency determines is reasonable.

VI. RELOCATION METHODS

When the Agency acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the Agency shall adopt rules and regulations, as necessary, for the administration of relocation assistance.

VII. TAX INCREMENT FINANCING OF PLAN

Tax increment financing consists of using annual tax increment revenues to make payments on debt, usually in the form of tax increment bonds. The proceeds of the bonds are used to fund the urban renewal projects authorized in the Plan. Bonds may be either long-term or short-term.

Tax increment revenues equal most of the annual property taxes imposed on the cumulative *increase* in assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is approved. Under current law, the

property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.

A. General Description of the Proposed Financing Methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues;
- Systems development charges;
- Advances, loans, grants, and any other form of financial assistance from the federal, state, port, or local governments, or other public bodies;
- Loans, grants, dedications, or other contributions from private developers and property owners, including, but not limited to, assessment districts; and
- Any other public or private source.

Revenues obtained by the Agency will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in (1) planning or undertaking project activities, or (2) otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Tax Increment Financing and Maximum Indebtedness

The Plan will be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Agency based upon the distribution schedule established under ORS 311.390.5037400501

The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan, and the schedule for their completion, is \$43,200,000 (forty-three million two hundred thousand dollars). This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness.

C. Prior Indebtedness

Any indebtedness permitted by law and incurred by the Agency or the City of Lake Oswego in connection with the preparation of this Plan or prior planning efforts that

support the preparation or implementation of this Plan may be repaid from tax increment revenues from the Area when, and if, such funds are available.

VIII. FUTURE AMENDMENTS TO PLAN

The Plan may be amended as described in this section.

A. Substantial Amendments

Substantial Amendments are solely amendments:

- Adding land to the urban renewal area, except for an addition of land that totals not more than 1% of the existing area of the urban renewal area; or
- Increasing the maximum amount of indebtedness that can be issued or incurred under the Plan.

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Planning Commission, and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing shall be provided to individuals or households within the City of Lake Oswego, as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

B. Minor Amendments

Minor Amendments are amendments that are not Substantial Amendments. Minor Amendments require approval by the Agency by resolution.

C. Amendments to the Lake Oswego Comprehensive Plan and/or Lake Oswego Community Development Code

Amendments to the Lake Oswego Comprehensive Plan and/or Lake Oswego Community Development Code that affect the Urban Renewal Plan and/or the Urban Renewal Area shall be incorporated automatically within the Urban Renewal Plan without any separate action required by the Agency or the City Council.

IX. PROPOSED LAND USES

The proposed land uses are those identified in the Lake Oswego Community Development Code Article 50 (zoning code) and the Lake Oswego Comprehensive Plan (Figure 2). The zoning code categories and comprehensive plan designations in the Area are described below. If these are updated by the City of Lake Oswego, those updates are automatically incorporated into this Plan.

Foothills Mixed-Use: The purpose of the Foothills Mixed-Use (FMU) Designation is to foster a mix of housing, retail, and office uses in a central location proximate to downtown and along the Willamette River. The emphasis of the zone is on residentially related uses. Commercial uses are allowed but are not intended to dominate or set design or development standards for other uses in the area. Retail uses are limited in size to complement the downtown core and facilitate the development of neighborhood-serving retail, richly served by transit. The design and development standards are intended to create a unique Lake Oswego community. The emphasis of the zone is on residentially related uses.

Industrial: The purpose of the Industrial (I) Zone is to provide land where general industrial development can be located.

Public Functions: The Public Functions (PF) Zone is intended to specify appropriate land uses and development standards for public uses, such as government services, education, and similar activities.

Park and Natural Areas: The purposes of the Park and Natural Area (PNA) Zone are to:

- i. Protect, preserve, conserve, and enhance natural areas, greenways, and parks;
- ii. Permit a wide range of passive and active recreational uses, and accessory uses, on property for the future use and enjoyment of the City and its residents;
- iii. Implement Statewide Planning Goal 8, Recreational Needs; and
- iv. Establish a Master Plan process for park planning and development.

The maximum densities and building requirements can be found in the Lake Oswego Community Development Code, Chapter 50. This Plan will conform to those requirements.

R-10 Low-Density Residential: The low-density residential R-10 Zone is intended to provide the opportunity for single-family development and requires a minimum lot area of 10,000 square feet.

R-0 High-Density Residential: The high-density residential R-0 Zone is intended to provide lands for single and multi-family residential development with densities of at least 12 dwelling units per gross acre.

East End General Commercial: The purpose of the East End General Commercial (EC) zone is to support the revitalization the East End Business District. Development in this district is dictated by the Downtown Redevelopment District Standards which guides the redevelopment of downtown Lake Oswego in a manner that creates a feeling of vitality and sense of place in order to attract private investment and redevelopment of the area and create a community center that reflects and enhances the character of the City of Lake Oswego

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Figure 2 – Comprehensive Plan Designations of the Area

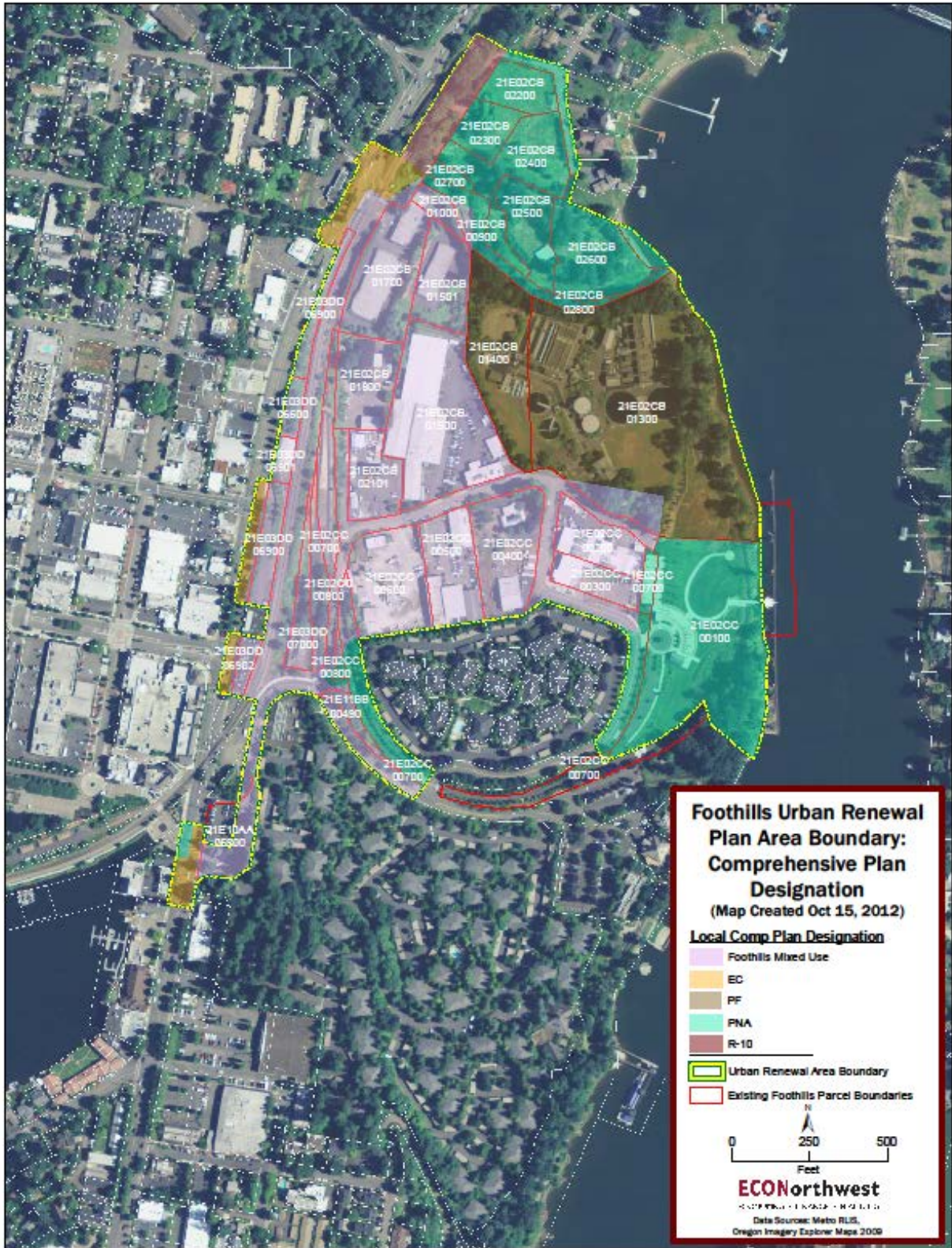
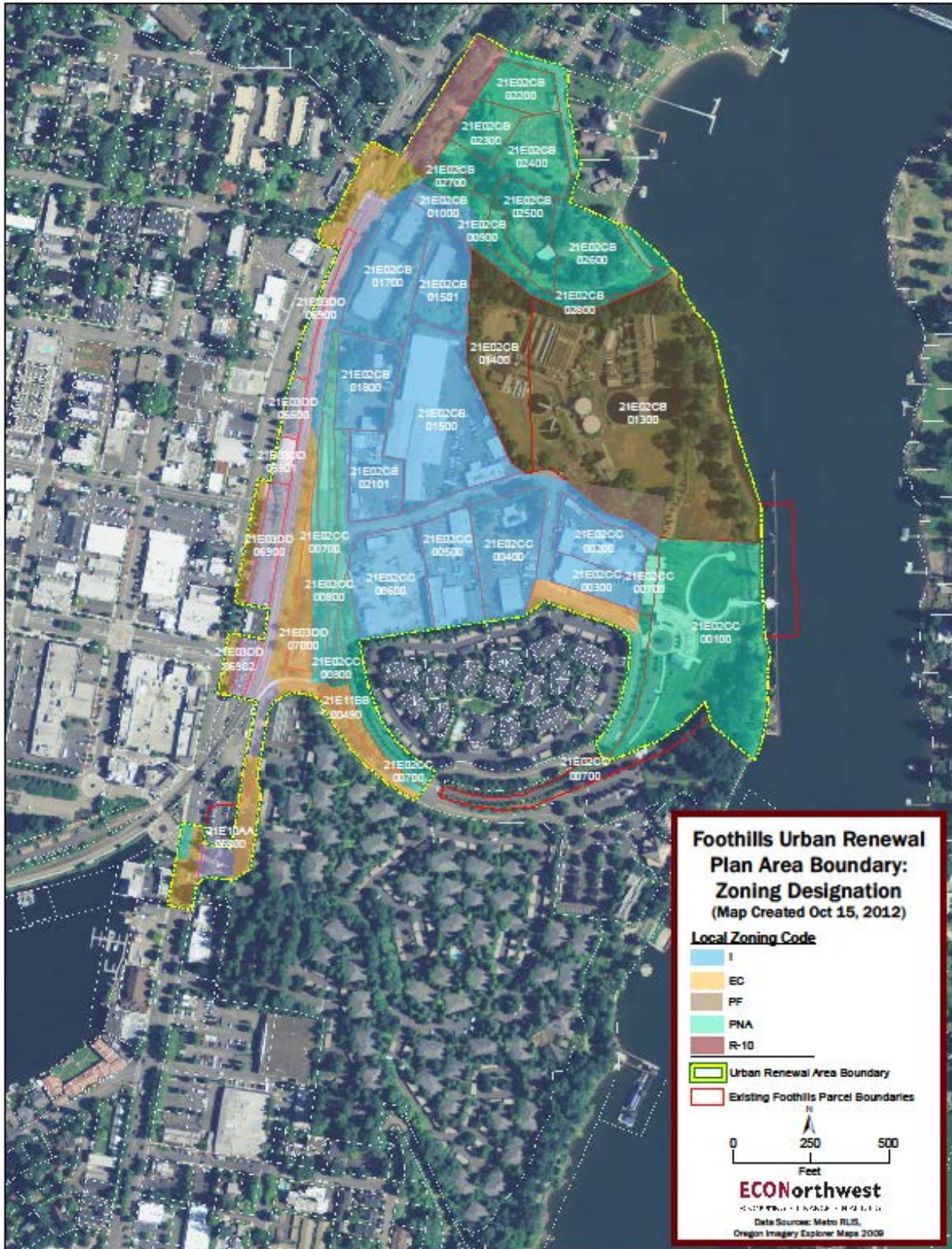


Figure 3 – Zoning of Area



X. RELATIONSHIP TO LOCAL OBJECTIVES

The Plan conforms with local planning and development objectives contained within the City of Lake Oswego's Comprehensive Plan, including the Foothills Special District Plan, the Foothills District Framework Plan, and the Lake Oswego Economic Development Strategy. The details below describe the purpose and intent of these plans, the particular goals and policies within each planning document to which the Plan conforms, and an explanation of how the Plan relates to these goals and policies.

The numbering of the goals, policies, and implementation strategies will reflect the numbering that occurs in the original document. *Italicized text* is text that has been taken directly from an original planning document. The Comprehensive Plan designation and Zoning are shown in Figures 2 and 3.

A. City of Lake Oswego Comprehensive Plan

Land use planning involves the consideration and balancing of many different factors and issues to make the best decisions for the community both for the short and long term. The goals and policies of Lake Oswego's Comprehensive Plan are intended to guide the community in making these decisions. The Plan is intended for use by all those who have concerns with the City's land use planning process including; local officials, persons with development interests, state, regional and federal agencies, neighborhood and community groups, and citizens of all interests.

The proposed Plan relates to and conforms with several of these stated goals and policies. Of particular relevance are sections pertaining to Citizen Involvement, Land Use Planning, Open Spaces, Air, Water, and Land Resources Quality, Areas Subject to Natural Disasters and Hazards, Parks and Recreation, Economic Development, Housing, Public Facilities and Services, Transportation, Energy Conservation, Urbanization, and Willamette River Greenway.

Goal 1. Citizen Involvement

GOAL

The City shall:

- a. Create opportunities for every interested citizen to be involved in all phases of the planning process to ensure that their concerns are heard;*
- b. Encourage broadly based public participation including all geographic areas and diverse interests; and,*

c. Ensure regular and ongoing two-way communication between citizens and City elected and appointed officials.

POLICIES

1. Provide opportunities for citizen participation in preparing and revising local land use plans and ordinances.

5. Seek citizen input through service organizations, interest groups and individuals, as well as through neighborhood associations.

10. Provide opportunities for citizens to be involved in the planning process, including data collection, plan preparation, adoption, implementation, evaluation and revision.

The Plan conforms with Goal 1 Citizen Involvement as there has been substantial citizen involvement in the creation of the Plan and the work it supports, the Foothills Framework Plan. As described in the Introduction section of this Plan, there was a significant amount of public input that guided the Foothills Framework Plan and its revision, including meetings with a citizen’s advisory committee over a 14-month period. The Plan itself, which is designed to implement the Foothills Framework Plan, was also developed with input from a work group comprised of diverse members of the community, and an open public meeting. The Plan was reviewed formally by the Lake Oswego Planning Commission and Lake Oswego City Council during public hearings. Notice about the Council hearing was mailed to all postal patrons in Lake Oswego.

Goal 2. Land Use Planning

Section 1, Land Use Policies and Regulations

GOAL

Lake Oswego shall ensure that:

- a. The City’s land use planning processes and policy framework serve as a basis for all decisions and actions related to the use of land; and,*
- b. The City’s land use regulations, actions, and related plans are consistent with, and implement the Comprehensive Plan.*

POLICIES

1. Require development to be adequately served by the full range of public facilities and services including: water, sanitary sewer, transportation facilities, fire and police protection, parks, open space, and recreation facilities, surface water management and storm drainage facilities, and schools. Services shall be available or committed prior to approval of development.

2. *Ensure that required public facilities and services are constructed concurrently with development. System Development Charges (SDCs) and other fees shall be imposed to adequately compensate the City for impacts on other public facilities and services.*
6. *Require dedication or reservation of park lands or open space as part of all major development. The City may, at its discretion, require construction and dedication of recreation facilities when justified by the impacts of proposed development.*
8. *Ensure that development and implementation of the City's land use regulations and Comprehensive Plan minimize pressures to expand the Portland Metropolitan Urban Growth Boundary.*
19. *Review commercial, industrial, institutional and high density residential development to ensure the quality of building and site design, and overall appearance.*
20. *Allow major development to be designed and submitted for land use approval as planned unit developments to preserve open space, natural resources, and provide amenities.*
21. *Allow increased density and clustering of buildings on suitable portions of land proposed for development to preserve natural resources and open space.*
22. *Provide opportunities for mixed use commercial and residential development within commercial zones.*
23. *Coordinate the development and amendment of City plans and actions related to land use with other county, state, Metro, federal agency and special district plans.*
24. *Comprehensively evaluate proposed land use actions to determine the full range of potential negative impacts and require applicants to provide appropriate solutions prior to approval.*

The Plan conforms with Goal 2 Land Use Planning, Section 1 Land Use Policies and Regulations, as there have been significant planning efforts made in relation to generating, supporting, and mitigating development in the Area. This Plan facilitates the construction of the infrastructure that will occur before or parallel to development in the Area. It will provide financing to construct, move, and rebuild sanitary and storm sewer infrastructure, it will reconfigure, improve, and build streets, and it will provide for another access point to the Area. Additionally, by helping to support and spur higher levels of density and development in the Area, the Plan will reduce pressures on the urban growth boundary and will help conserve energy and preserve open and natural areas. The county and other tax districts were provided the opportunity to review the Plan.

Section 2, Community Design and Aesthetics

GOAL

The City shall maintain and enhance the appearance and design quality of Lake Oswego.

POLICIES

4. Ensure that both public and private development enhance the aesthetic quality of the community.

The Plan conforms with Goal 2 Land Use Planning, Section 2 Community Design and Aesthetics, as the projects that are to be implemented in the Plan will maintain and enhance the appearance and design quality of Lake Oswego. There have been significant planning efforts made in relation to generating development in the Area and detailed development plans have been prepared with public input to ensure that development will adhere to regulations and maintain an appropriate aesthetic.

Goal 5. Open Spaces, Scenic and Historic Areas and Natural Resources

Section 1, Fish and Wildlife Habitat

GOAL

Lake Oswego shall preserve and restore environments which provide fish and wildlife habitat.

POLICIES

- 1. Preserve and restore natural resources and lands which are important to fish and wildlife habitat including:
 - a. Wetlands, water bodies, stream corridors and associated vegetation;*
 - b. The Willamette Greenway and the Urban Service Boundary's (USB) floodplains and floodways;*
 - c. Surfacewater and groundwater quality;*
 - d. Tree cover and understory vegetation, including downed trees and nesting snags; and,*
 - e. Upland areas, especially forested hillsides.**
- 3. Preserve and restore fish and wildlife habitat through:
 - a. Land and habitat management practices on public and private lands; and,*
 - b. Providing linkages to various habitats for access and safe passage of wildlife to food, water, nesting and cover.**
- 6. Preserve and restore native plant communities to provide wildlife food, cover and nesting opportunities.*

9. Ensure linkage among wildlife habitat areas as a key component of the Lake Oswego parks, open space and surface water management systems.

10. The City shall emphasize protection rather than mitigation of fish and wildlife habitat functions and values.

The Plan conforms with Goal 5 Open Spaces, Scenic and Historic Areas and Natural Resources, Section 1 Fish and Wildlife Habitat, as all planning efforts have accounted for the planned development's proximity to both Tryon Creek and the Willamette River. In all cases, development will conform with state and local laws relating to the protection of fish and wildlife habitat. Development will conform with state and local laws relating to the protection of fish and wildlife habitat.

Section 2, Vegetation

GOAL

The City shall protect and restore the community's wooded character and vegetation resources.

POLICIES

1. Protect, restore and maintain existing vegetation which has environmental, wildlife habitat and aesthetic qualities, including tree groves and forested hillsides and vegetation associated with wetlands, stream corridors and riparian areas.

2. Protect, restore and maintain native plant communities, including identified threatened plant species.

9. Allow innovative site and building design including the clustering of buildings to preserve trees and other vegetation.

11. Design and construct public works projects to preserve existing vegetation to the extent practical.

14. The City shall emphasize protection rather than mitigation of the functions and values of vegetation.

The Plan conforms with Goal 5 Open Spaces, Scenic and Historic Areas and Natural Resources, Section 2 Vegetation, as all planning efforts have accounted for the planned development's proximity to both Tryon Creek, the Willamette River, and other natural areas. Development will conform with state and local laws relating to the protection of vegetation or sensitive areas.

Section 4, Stream Corridors

GOAL

The City shall protect, restore and maintain stream corridors to maintain water quality and to provide open space and wildlife habitat.

POLICIES

- 1. Protect, maintain, enhance and restore the functions and values of stream corridors, including maintenance of water quality, storm and flood water conveyance, fish and wildlife habitat, open space and aesthetic values.*
- 3. The City shall emphasize protection rather than mitigation of stream corridor functions and values.*
- 9. Allow innovative site and building design, including the clustering of buildings to preserve stream corridors.*
- 12. Design and construct public works projects to preserve existing stream banks and adjacent riparian vegetation.*
- 13. The City shall emphasize protection rather than mitigation of the functions and values of stream corridors.*

The Plan conforms with Goal 5 Open Spaces, Scenic and Historic Areas and Natural Resources, Section 4 Stream Corridors, as all planning efforts have accounted for the planned development's proximity to Tryon Creek. Development will conform with state and local laws relating to the protection of stream corridors.

Section 5, Sensitive Lands

GOAL

The City shall protect, enhance and maintain the wooded character and natural features of Lake Oswego that are sensitive lands prized by residents. [ZC 1-95-1204 Revised; 5/20/97]

POLICIES

- 1. Protect, enhance, maintain and restore the functions and values of existing and future wetlands, stream corridors, tree groves and other sensitive nature areas, such as:
 - a. Water and air quality enhancement;*
 - b. Fish and wildlife habitat;*
 - c. Community identity benefits;*
 - d. Open space, passive recreation, and visual enjoyment; and,**

e. Public protection from natural hazards, such as areas subject to flooding, geological instability, or high erosion potential.

4. The City shall emphasize protection rather than mitigation of the functions and values of sensitive lands areas.

7. Allow innovative site and building design, including the clustering of buildings to preserve sensitive lands.

8. Require activities within sensitive lands overlay zones to be compatible with the preservation of resource functions and values. These activities include uses such as public and private development, public and private recreation, surface water management and flood control.

9. Require all development proposed within or adjacent to sensitive lands to:

a. Incorporate and maintain sensitive lands resource features, functions and values in the project design;

b. Preserve vegetation and provide and maintain buffer areas;

c. Prevent the placement of contaminants or discharge of water pollutants or sediments into sensitive lands and their buffer areas; and,

d. Restore and enhance disturbed sensitive lands with restoration landscaping to match the plant community of the resource.

The Plan conforms with Goal 5 Open Spaces, Scenic and Historic Areas and Natural Resources, Section 5 Sensitive Lands, as all planning efforts have accounted for the planned development's proximity to both Tryon Creek, the Willamette River, and valuable view corridors. Development will conform with state and local laws relating to the preservation of sensitive lands. Development is planned to preserve downtown Lake Oswego's views of Mount Hood and enhance access to Tryon Creek and the Willamette River.

Section 6, Open Space

GOAL

The City shall protect, enhance, maintain and expand a network of open space areas and scenic resources within and adjacent to the Urban Services Boundary.

POLICIES

1. Establish an open space network within and adjacent to the Urban Services Boundary (USB) which:

a. Preserves natural areas in an intact or relatively undisturbed state;

- b. Provides for maintenance of scenic resources and distinctive aesthetic qualities such as views of Mount Hood, Oswego Lake, the Willamette River, the Tualatin Valley and forested ridge lines;*
 - c. Preserves areas valued for community identity benefits such as stands of trees and rock outcroppings;*
 - d. Protects the public from natural hazards, such as areas subject to flooding, geological instability or high erosion potential;*
 - e. Provides buffers between incompatible uses;*
 - f. Preserves fish and wildlife habitat; and,*
 - g. Provides land which meets the open space and recreation needs of the community.*
- 2. Preserve open space through dedication, deed restrictions, covenants, or other methods as conditions of development approval which, when possible, shall be consistent with the City's parks, open space and pathways plans.*
- 3. Promote an open space network that:*
- a. Maintains the existing tree canopy;*
 - b. Provides aesthetic and visual relief from urban development;*
 - c. Provides opportunities for pedestrian and bicycle linkage; and,*
 - d. Preserves essential natural systems.*
- 4. The City shall emphasize protection rather than mitigation of open space functions and values.*
- 8. Establish community open space buffers and protected view corridors between Lake Oswego and adjacent communities, for the purpose of defining the edge of the urban area and preserving the open, rural character of lands outside of the city.*

The Plan conforms with Goal 5 Open Spaces, Scenic and Historic Areas and Natural Resources, Section 6 Open Space, as all planning efforts have accounted for the planned development's proximity to both Tryon Creek and the Willamette River, and its position as a link between downtown Lake Oswego and the Willamette River. A series of parks and open spaces are planned in the Area to create a pedestrian network connecting open spaces in downtown Lake Oswego, through the Area, and to the Willamette River, Foothills Park, and Tryon Creek.

Goal 6. Air, Water, and Land Quality

Section 1, Air Resources Quality

GOAL

Reduce air pollution and improve air quality in Lake Oswego and the Portland Metropolitan Area.

POLICIES

3. *Preserve and enhance the City's open space and natural resources to sustain their positive contribution to air quality.*
4. *Increase the opportunity to use alternative transportation as a means to reduce air pollution by:*
 - a. *Requiring safe and comfortable pedestrian and bicycle pathways as part of the all new street construction projects, where feasible;*
 - b. *Ensuring new street projects accommodate existing and future transit requirements;*
 - c. *Require the design of new development to be supportive of pedestrian, transit and bicycle users;*
 - d. *Requiring of systems development charge to be applied to the City's pedestrian and bicycle path system;*
 - e. *Providing appropriate pedestrian and bicycle facilities as part of new park projects; and,*
 - f. *Maintaining an ongoing program to build and maintain pedestrian and bicycle paths.*
5. *Encourage land use patterns which, while reducing dependency on the automobile, are also compatible with existing neighborhoods.*
7. *Reduce congestion and delay on major streets to lessen localized pollution impacts of automobile travel through methods such as signal timing, access management, intersection improvements, etc..*

The Plan conforms with Goal 6 Air, Water and Land Quality, Section 1 Air Resources Quality as the realignment of the street system will provide for a more efficient land pattern that will support pedestrian and bicycle connections to transit options. In addition intersection improvements will provide more efficient traffic flow.

Section 2, Water Resource Quality

GOAL

The City shall:

- a. *Reduce water pollution and ensure that future land use activities protect and enhance area water quality, and;*
- b. *Protect and enhance the functions and values of the natural ground and surface water*

drainage systems.

POLICIES

1. *Protect the natural surface water drainage systems and enhance water quality by treating and controlling run-off and pollution at the source.*
2. *Favor the use of the natural drainage system and other non-structural methods to treat, convey and dispose of run-off.*
3. *Lake Oswego's management of surface water shall:*
 - a. *Restore, protect and enhance water quality and the physical and biological integrity of rivers, lakes and stream corridors and their associated environmental values including natural vegetation, fish and wildlife habitats;*
 - b. *Promote public safety and minimize damage to public and private property by surface water run-off; and,*
 - c. *Educate and involve the community in opportunities to restore, protect and enhance water quality.*
4. *Fund surface water management programs in a manner which allocates costs based upon the impact a development has upon the surface water management system.*
5. *Require all development to:*
 - a. *Comply with applicable local, state and federal water quality and erosion control standards; and,*
 - b. *Implement measures to minimize run-off from the development site during and after construction.*
9. *Restore the environmental functions and values of stream corridors as a means to enhance water quality.*

The Plan conforms with Goal 6 Air, Water and Land Quality, Section 2 Water Resource Quality as the development in the Area will strive to achieve standards for sustainable development, which may also include green streets. By allowing a higher density of development and usage, transportation impacts can be minimized. New infrastructure in the Area will deal more efficiently with stormwater and wastewater, which will in turn protect and preserve Tryon Creek, Foothills Park, and the Willamette River.

Goal 7. Areas Subject to Natural Disasters and Hazards

Section 1, Flood Hazards

GOAL

The City shall protect life and property from flood hazards.

POLICIES

3. *Review development proposals, including public facilities, filling and grading, within areas subject to flooding to ensure:*
 - a. *Conformance with FEMA and other regulatory agencies;*
 - b. *Reasonable protection of public facilities;*
 - c. *The flow, velocity and elevation of flood waters are not changed so as to endanger other property;*
 - d. *Natural systems such as fish and wildlife habitat, vegetation, wetlands and stream corridors are protected; and,*
 - e. *Other problems associated with flooding such as ponding, poor drainage, high water tables and unstable soils are addressed.*
5. *Allow development density within the flood fringe to be transferred to higher portions of the development site.*
8. *Ensure that filling in the flood fringe is conducted in accordance with City and applicable state and federal regulations, and is the minimum necessary for development to conform with FEMA standards.*
9. *Protect, restore and maintain watercourses within the floodplain.*
10. *Require new or replacement water and sanitary sewer systems within the floodplain, constructed to prevent infiltration of floodwaters and discharge of untreated wastewater during flooding.*

The Plan conforms with Goal 7 Areas Subject to Natural Disasters and Hazards, Section 1 Flood Hazards as all activities within the Area will comply with City of Lake Oswego regulations.

Goal 8. Parks and Recreation

GOAL

The City shall plan, acquire, develop and maintain a system of park, open space and recreation facilities, both active and passive, that is attractive, safe, functional, available to all segments of the population and serves diverse current and long range community needs.

POLICIES

1. *Plan for park and recreation facilities which:*
 - a. *Provide for active and passive recreational opportunities;*

- b. Educate and entertain the public through interpretive and recreational programs;*
 - c. Promote enjoyment of the cultural arts; and,*
 - d. Enhance the environmental quality of the City.*
- 2. Identify and acquire lands which satisfy current and/or long-range community recreation needs in terms of size and usability for planned activities and facilities.*
 - 3. Coordinate park planning, acquisition and development with affected neighborhoods and with other community projects and programs.*
 - 4. Distribute park and recreation opportunities by type throughout the City as land availability allows.*
 - 5. Ensure a long-range balance is maintained between land acquisition and facility development efforts to:*
 - a. Avoid the irrevocable loss of land suitable for park and recreation uses;*
 - b. Minimize future land acquisition costs; and,*
 - c. Provide for the activity needs and preferences of the community.*
 - 6. Require developers to pay their equitable share of future park acquisition and development costs.*
 - 7. Plan and develop a system of pathways which can connect open space and park facilities with neighborhoods.*
 - 8. Develop parks that:*
 - a. Are compatible with adjacent land uses, by using setbacks and effective buffering and screening to minimize impacts of intensive uses such as traffic, parking, bright lights and noise;*
 - b. Do not generate traffic which exceeds the design capacity of adjacent streets at off peak hours and, where feasible, do not utilize local residential streets to accommodate traffic generated by intensive uses; and,*
 - c. Are, where possible, accessible by a variety of transportation modes including transit, bicycling and walking.*
 - 10. Provide accessibility to all park users, according to applicable state and federal laws.*
 - 12. Preserve and enhance distinctive natural areas which are located on park lands.*
 - 13. Integrate open space, pathways and view corridors, with park land and facilities.*
 - 14. Inform and involve the citizens of Lake Oswego in the development and operation of the Parks and Recreation system and in evaluating the effectiveness of parks and recreation activities.*
 - 19. Ensure the opportunity for Lake Oswego residents to have access to parks and recreation facilities and programs regardless of income.*

The Plan conforms with Goal 8 Parks and Recreation as the Plan includes projects that will build open areas and urban parks, and will enhance linkages between parks in downtown Lake Oswego, the Area, and to Foothills Park and the Willamette River.

Goal 9. Economic Development

GOAL

The City shall provide for economic development opportunities which enhance the prosperity and livability of the community.

POLICIES

1. *Designate adequate commercial and industrial land to:
 - a. *Supply goods and services to the population within Lake Oswego's Urban Services Boundary;*
 - b. *Provide close-to-home employment opportunities; and,*
 - c. *Maintain and improve the health of the local economy.**
6. *Support redevelopment of existing vacant and underutilized industrial and commercial lands rather than designating additional lands for these purposes.*
7. *Ensure access to commercial and industrial development is taken from the major collector or arterial street system except when public safety requires access to be provided from other streets.*
8. *Prevent further expansion of "strip commercial development" and encourage redevelopment of existing strip commercial areas to become more attractive and oriented toward pedestrians and transit.*
9. *Ensure neighborhood commercial areas are:
 - a. *Conveniently located and minimize the need for automobile travel;*
 - b. *Developed at a scale and in character with the area to be served; and,*
 - c. *Consistent with applicable and adopted Neighborhood Plans.**
10. *Designate the Downtown and Lake Grove Commercial Districts as the primary centers of general commercial* activity in Lake Oswego.*
11. *Require new commercial development, where possible, to develop joint street access, parking facilities, and pedestrian connections with other businesses to reduce land area requirements, traffic congestion, parking and safety problems.*
12. *Place new utilities, and where possible existing utilities, within commercial and industrial districts, underground.*

13. *Direct commercial and through traffic, other than that generated from adjacent neighborhoods, away from local residential streets.*

17. *Allow mixed use development within the Downtown and the Lake Grove Business Districts and Foothills Mixed Use District to provide opportunities for commercial, entertainment, professional, cultural, public, and residential activities. Regional draw business other than those providing specialized services and unique goods, shall not be located in these districts.*

18. *Limit commercial development in the Grimm's Corner and Rosewood Business Districts and Foothills Mixed Use District to that which is intended to accommodate the frequently recurring needs of the surrounding neighborhoods.*

The Plan conforms with Goal 9 Economic Development as the Plan provides for the infrastructure to support a large, mixed-use community in a currently blighted industrial area. This Plan will support construction jobs as the Area is being developed, and will help create residences, retail and commercial jobs, and tax revenue after the development is complete. Joint parking is planned to be integrated with development, and all new utilities serving new development will be undergrounded.

Goal 10. Housing

GOAL

The City shall:

- a. Provide the opportunity for a variety of housing types in locations and environments to provide an adequate supply of safe, sanitary, energy efficient housing at price and rent levels appropriate to the varied financial capabilities of present and future city residents;*
- b. Protect the character of existing neighborhoods; and,*
- c. Provide for needed housing while protecting environmentally sensitive areas, using land and public facilities as efficiently as possible, and facilitating greater use of alternative transportation modes.*

POLICIES

3. *Assure that residential densities are appropriately related to site conditions, including slopes, potential hazards and natural features.*

6. *Assure that residential density is appropriately related to the capacity of public facilities, especially residential streets. Developments shall not generate traffic exceeding the capacity of adjacent streets or intersections. (Also see Transportation Chapter, Goal 1, Policy 1, Goal 4 and Figure 16.)*

7. *Provide for safe, comfortable, visually attractive streets in new developments.*

8. *Link housing density and location to reduce automobile travel by locating high density residential (R-0, R-2 and R-3) and mixed use developments within walking distance of bus lines or transit centers, and preferably clustered so as to avoid strip development. [PA 1-96/ZC 1-96-1187; 12/17/96]*
9. *Encourage energy efficient site and building design, and use of renewable building materials.*
10. *Provide for an interconnected street system to encourage pedestrian, bicycle and transit travel and to reduce vehicle miles traveled to local destinations thus reducing energy use, pollution and congestion.*
11. *Place higher density residential, employment and shopping opportunities and public facilities, such as transit and parks, within close proximity where feasible.*
12. *Assure an orderly transition from one residential density to another through design and development standards such as landscaping, buffering and screening.*
13. *Provide for the active involvement of neighborhood residents and property owners in decisions affecting their neighborhood.*
14. *Provide a wide range of housing types to meet the needs of various lifestyles and family types.*
15. *Provide low to moderate cost housing opportunities to meet Lake Oswego's fair share of local and regional housing needs including single family, multifamily, manufactured housing, special use housing and residential care facilities.*
16. *Assure equal access to housing for all.*
17. *Support public and private actions which increase housing choices and reduce housing construction costs.*

The Plan conforms with Goal 10 Housing as the Plan provides for the infrastructure to support a large, mixed-use community in a currently blighted industrial area. The development this Plan supports includes multi-family residences that will target a variety of ages and income categories. The plan also provides funding to assist with development of affordable housing.

Goal 11. Public Facilities and Services

Section 2, Stormwater Management

GOAL

The City shall reduce stormwater problems which cause flooding, erosion and water quality problems.

POLICIES

- 1. Minimize future storm drainage problems within and adjacent to the Urban Services Boundary (USB).*
- 2. Implement measures to protect existing drainage systems and easements.*
- 3. Prohibit the encroachment of structures and other permanent improvements over public storm drainage lines and within public storm drainage easements and drainage ways.*
- 5. Require new storm drainage facilities to have the capacity to accommodate projected upstream flows within the respective drainage basin in addition to runoff generated by the development served by these facilities.*
- 6. Require developers to construct required storm drainage facilities and to pay an appropriate system development charge (SDC).*
- 7. Develop equitable funding mechanisms:
 - a. For storm drainage facilities maintenance;*
 - b. To resolve the deficiencies of the existing system within developed areas, and provide adequate storm drainage services to developing areas; and,*
 - c. To implement a capital improvement program (CIP) for the storm drainage system.**
- 9. Require all storm drainage improvements on private property, and that required as a condition of new development to:
 - a. Accommodate storm drainage flows of development at full build-out; and,*
 - b. Be compatible with the City's Storm Drainage Public Facility and Capital Improvement Plans and Surface Water Management Program.**

The Plan conforms with Goal 11 Public Facilities and Services, Section 2 Stormwater Management, as the Plan provides for some major stormwater infrastructure projects. Some of these projects will realign stormwater main off of public property into public rights-of-way. Projects will put in the capacity to serve all anticipated development. Developers will pay System Development Charges (SDCs) as required by the City.

Section 3, Water Treatment and Delivery

GOAL

The City shall ensure a reliable and adequate supply of high quality water to meet the existing and future needs of Lake Oswego.

POLICIES

- 1. Provide a sufficient supply of high quality water at adequate pressure to meet consumption and fire flow projections and emergency storage needs.*
- 4. Provide public fire hydrants with adequate flows and pressures necessary to afford fire protection to the City's residents, businesses and institutions.*
- 7. Require developers to:*
 - a. Provide water service to meet domestic needs and fire flow requirements to all new development;*
 - b. Install all required public fire hydrants;*
 - c. Pay a systems development charge and other costs associated with extending service; and,*
 - d. Extend adequately sized water lines with sufficient pressure to the boundaries of the subject property where future extension of water service is anticipated or required.*
- 8. Require unobstructed access to all public water lines and easements.*
- 9. Require all development in Lake Oswego to connect to the municipal water system unless the City and a water provider agree that adequate service can be provided more practically by the provider's facilities.*

The Plan conforms with Goal 11 Public Facilities and Services, Section 3 Water Treatment and Delivery, as the Foothills Framework Plan, which this Plan will support and help implement, calls for developers to adequately and appropriately provide access to clean water, from City provided trunk lines, throughout development that occurs in the Area.

Section 4, Wastewater Collection and Treatment

GOAL

Lake Oswego shall provide an adequate and efficient wastewater collection and treatment system within the Urban Services Boundary which:

- a. Meets the present and future needs of Lake Oswego residents and businesses;*
- b. Complies with federal, state and local clean water requirements; and,*

c. Is self supporting.

POLICIES

1. *Require developers to:*

- a. Provide adequate sanitary sewers to all new development; and,*
- b. Pay an equitable portion of costs associated with extending service.*

2. *Require all new and existing development within the City to connect to the City's sanitary sewer system and pay a system development charge.*

4. *Control and reduce infiltration and inflow of storm and ground water to the sanitary sewer system.*

The Plan conforms with Goal 11 Public Facilities and Services, Section 4 Wastewater Collection and Treatment, as the Foothills Framework Plan, which this Plan will support and help implement, calls for developers to adequately and appropriately provide access to wastewater collection infrastructure throughout development that occurs in the Area. The plan also provides a project that will move sanitary sewer infrastructure into public right-of-way and provides for rebuilding the lift station serving the Area.

Goal 12. Transportation

GOAL 1 - Major Street Systems

Lake Oswego shall develop a major street system consisting of major and minor arterials and major collectors, which will have minimal impact on the City's air quality, address the mobility needs of residents for all modes of travel and promote energy conservation.

POLICIES

1. *The arterial and major collector street network shall be designed and maintained to service level "E" during peak hours. The design of the roadway system shall also take into consideration:*

a. Balancing roadway size and scale with the need to provide efficient and safe transportation for all modes of travel, including bike, pedestrian and transit,

b. Giving preference to transportation projects that increase the efficiency, safety, design capacity or level of service of a transportation facility, without increasing corridor width; and

2. Direct access onto major streets shall be controlled and consolidated over time through the development review process and the implementation of major street projects. In particular, access to state highways shall be reviewed subject to the regulations of the Oregon Department of Transportation and the City of Lake Oswego. Where regulations conflict, the more restrictive requirements shall apply.

The Plan conforms with Goal 12 Transportation, Goal 1 Major Street Systems, as the Plan provides funds for building and improving the transportation network in the Area. The Plan includes projects that will improve and/or realign Foothills Road and B Avenue, including sidewalks to facilitate pedestrian travel. The planned Willamette Steps, walkways, and open spaces will provide for multimodal access to the Area and will create pedestrian connections from downtown Lake Oswego through the Area and to the waterfront. Also, second access point at the north end of the Area will provide sufficient access to accommodate anticipated traffic to the Area, and will help prevent congestion along State Street in downtown Lake Oswego.

GOAL 4 - Land Use and Transportation Relationships

Amendments to land use designations, densities, and design standards within the Lake Oswego Comprehensive Plan shall be reviewed to ensure that traffic generation does not exceed the present design capacity and function of the planned transportation system.

POLICIES

- 1. The City shall use the following criteria when reviewing proposals for new street development or for improvements to the existing system:
 - a. The service level and scale of new street improvements are appropriate to the land use or area to be served.*
 - b. Surface water management considerations are adequately addressed.*
 - c. The character of surrounding residential neighborhoods as defined by the adopted neighborhood plan is preserved. When improvements are made to major streets that are adjacent to, or bisect, residential areas, measures shall be taken to mitigate noise, aesthetic and safety impacts and discourage cut-through traffic on adjacent residential streets.*
 - d. The project's impacts upon the natural and human-made surroundings are clearly defined. This includes consideration of topography, hydrology, distinctive natural areas, vegetation, and surrounding land uses. The commitment to mitigate impacts shall occur in the project planning stages through the application of specific design techniques.**
- 2. The costs of mitigation of the negative impacts (reduced safety and aesthetics, increased noise, reduced bicycle and pedestrian mobility), resulting from street improvements needed to serve a specific development, shall be paid for by the developer of the property. When street projects are*

needed to improve the capacity, operation and safety of the street system as a whole, the mitigation of negative impacts shall be paid for by the City and/or appropriate funding agencies.

4. The City shall require that a proposed increase in land use intensity be accompanied by a detailed traffic analysis, using current information, which finds that existing streets and intersections both on and off site will accommodate the projected traffic increases, or; necessary improvements can be constructed which are in conformance with the Comprehensive Plan Transportation Map. Mitigation of negative impacts (noise, aesthetics, safety, bicycle and pedestrian mobility) shall be paid for by the developer of the property.

9. The City shall, for all development projects, evaluate the adequacy of all transportation modes, to, from, and within the development site. The City shall ensure that:

a. The design and location of driveways provides for safe and efficient property access and does not interfere with the safe flow of traffic or degrade the design capacity and adjacent streets; and

b. Alternative transportation modes have been provided for, such as public transit, bicycling and walking.

13. The City shall, in conjunction with the neighborhoods, promote the safe and convenient use of walking and bicycling as viable transportation alternatives by:

a. Developing and implementing a local bicycle and pedestrian circulation plan as part of the Comprehensive Transportation System Plan.

b. Working with the neighborhood associations to ensure that pedestrian and bicycle ways are compatible with neighborhood character.

c. Developing a system of off-street recreational pathways which also provide alternative routes to major activity centers.

d. Coordinating with other jurisdictions to promote the development of regional and intercity pathways.

e. Providing for an ongoing City-wide sidewalk and pathway construction and maintenance program.

14. Require building and parking placement for new development to be supportive of pedestrian, bicycle and transit users. Facilities supportive to these transportation modes shall also be required (e.g., bike racks, bus shelters, benches, etc.)

15. The Downtown Town Center and Foothills District shall be considered a Multi-Modal Mixed-Use Area (MMA) for purposes of applying the requirements of the State Transportation Planning Rule. The boundaries of the MMA are depicted in the Comprehensive Plan Goal 12-Figure 21.

The Plan conforms with Goal 12 Transportation, Goal 4 Land Use and Transportation Relationship, as the Plan supports the Foothills Framework Plan, which has undergone an intensive planning and public involvement process. As a part of this process,

transportation systems, wastewater and storm sewer infrastructure, land use intensity, and environmental impacts were all closely considered in relation to potential development in the Area. The Plan provides funding for infrastructure projects that will help to adequately support all anticipated development in the Area. The densities and transportation systems in the Area help implement the MMA designation.

GOAL 5 – TRANSPORTATION DEMAND MANAGEMENT

Lake Oswego shall develop strategies and implement programs that reduce the number of automobiles traveling in Lake Oswego, especially during peak morning and evening traffic hours.

POLICIES

3. Increase the attractiveness of alternative transportation through mixed use development in areas consistent with the Region 2040 Plan.

The Plan conforms with Goal 12 Transportation, Goal 5 Transportation Demand Management as the Plan is intended to provide transportation infrastructure improvements that include roadways, pathways and bike lanes in a mixed-use area. The Foothills area is identified as a town center in the 2040 Plan.

GOAL 6 - Walking

The City shall provide a continuous citywide network of safe and convenient walkways that promotes walking as a mode of travel for short trips.

POLICIES

1. Integrate pedestrian access needs into planning, design, construction and maintenance of all transportation projects.

3. Connect local walkways to activity centers such as schools, employment areas, parks, commercial areas, and transit centers and corridors.

4. The City shall make the pedestrian environment safe, convenient, attractive and accessible for all users through:

a. Planning and developing a network of continuous sidewalks, pathways, and crossing improvements that are accessible per the requirements of the Americans with Disabilities Act (ADA),

b. Providing adequate and safe street crossing opportunities for pedestrians, and

c. Improving street amenities (e.g., landscaping, pedestrian-scale street lighting, benches and shelters) for pedestrians, particularly near transit centers, town centers, main streets, employment centers, and transit corridors serving the primary transit network.

5. Involve citizens in the pedestrian facility planning process as well as in facility design.

6. The City shall ensure that planned bike and pedestrian paths are not obstructed as the result of new land development.

7. The City shall require developers to provide pathway connections from new development projects to the existing bicycle and pedestrian system.

8. The City shall work to preserve existing railroad rights-of-ways and other easements to maintain opportunities for future mass transit, bike and pedestrian paths.

The Plan conforms with Goal 12 Transportation, Goal 6 Walking, as the Plan provides funding for sidewalks along State Street, Foothills Road, and B Avenue. There is also multi-use path proposed adjacent to the Union Pacific Railroad tracks as part of the Willamette Steps project, which will all facilitate pedestrian travel in the Area. Having a strong pedestrian network within the Area will also connect pedestrians in downtown Lake Oswego and the waterfront, and this will encourage walking as a mode of travel to, in, and around the Area.

GOAL 7 - Bicycling

The City shall provide a network of safe and convenient bikeways integrated with other transportation modes to increase modal share of bicycle transportation for all trip purposes.

POLICIES

1. Integrate bicycle access needs into planning, design, construction and maintenance of all transportation projects.

2. Connect local bicycle facilities for bicyclists to ride to local and regional destinations, activity centers, connections to other transportation modes and the regional bicycle network.

4. Require, as appropriate, and encourage the placement of bicycle lockers and bicycle racks at major destinations and activity centers. Encourage covered bicycle parking whenever possible.

5. The City shall work to preserve existing railroad rights-of-ways and other easements to maintain opportunities for future mass transit, bike and pedestrian paths.

The Plan conforms with Goal 12 Transportation, Goal 7 Bicycling as the Plan provides funding for a bike path along Foothills Road and a multi-use path proposed adjacent to the Union Pacific Railroad tracks as part of the Willamette Steps project. Local streets will be bike-friendly, and local accessways will all be designed with a pedestrian/bicycle

priority. The bicycle parking code for the Area exceeds the City of Lake Oswego bike parking code and local streets will also include bike parking. These features will all facilitate bicycle travel in the Area. Having a strong bicycle network within the Area will also connect people in downtown Lake Oswego and the waterfront, and this will encourage bicycling as a mode of travel to, in, and around the Area.

GOAL 9 - Commercial Rail and Water Transport

Lake Oswego shall work with commercial rail and water transportation providers and associated regulatory agencies to ensure their activities are safe and compatible with the City's transportation system.

POLICIES

2. The City shall coordinate future transportation planning and roadway improvements with rail service providers and the Public Utilities Commission to ensure the installation of efficient and safe crossings.

The Plan conforms with Goal 12 Transportation, Goal 9 Commercial Rail and Water Transport, as the Plan provides funding for a project that will create an additional access point at the north end of the Area. This project will require a railroad crossing and planning efforts will include railroad officials.

GOAL 10 - Citizen Involvement

Lake Oswego shall ensure that opportunities are provided for citizen involvement in decisions affecting the City's transportation system.

POLICIES

1. Public involvement opportunities shall be provided for all major transportation projects.

The Plan conforms with Goal 12, Goal 10 Citizen Involvement, as a major focus of the Plan is creating an efficient transportation network to and in the Area and there has been substantial citizen involvement in the creation of the Plan and the work it supports, the Foothills Framework Plan. As described in the Introduction section of this document, there was a significant amount of public input that guided the Foothills Framework Plan, which this urban renewal plan is designed to implement, including meetings with a citizens advisory committee over a 14-month period. This Plan itself was also formed with input from a focus group comprised of diverse members of the community, and an open public meeting. The Plan was reviewed formally by the Lake Oswego Planning Commission and Lake Oswego City Council during another open

public hearing. Notice about this hearing was given to all postal patrons of Lake Oswego in the November Hello LO.

GOAL 11 - Parking

Adequate on-site parking and loading facilities shall be provided for all land uses.

POLICIES

- 2. When commercial, industrial or institutional uses are changed or intensified, customer and employee parking shall be adjusted commensurately.*
- 3. Commercial and industrial parking shall not intrude into adjacent residential neighborhoods. The impacts on adjacent residential areas of new commercial and industrial parking facilities or increases in the size of existing lots shall be reduced through buffering and screening.*

The Plan conforms with Goal 12 Transportation, Goal 1 Parking, as the planned development in the Area, supported by the Plan's infrastructure projects, incorporates sufficient on-site parking to serve the Area. The parking will meet requirements specified in the Lake Oswego Development Code for the Area.

Goal 13. Energy Conservation

GOAL

The City shall conserve energy.

POLICIES

- 4. Require energy-efficient land use and circulation patterns through mixed use development, promoting high density developments near transit and major employment and shopping opportunities, and design of developments to encourage alternative transportation.*
- 5. Promote energy efficiency through site planning for all types of development including residential subdivisions, multi-family, commercial and industrial projects.*
- 6. Require solar orientation for subdivision and partition layout, encourage planned unit developments and clustering, encourage appropriate landscape materials to reduce solar impact in the summer, minimize winter heat loss and buffer against prevailing wind sources.*

The Plan conforms with Goal 13 Energy Conservation, as the planned development in the Area, supported by the Plan's infrastructure projects, will strive to achieve high standards for sustainable development with minimal impacts on the environment.

Goal 14. Urbanization

GOAL

Lake Oswego shall ensure that the rate, amount, type, location and cost of population growth and development within or outside of the Urban Service Boundary will not diminish the quality of life the City has presently attained.

POLICIES

- 3. The cost of serving development within the current Urban Service Boundary shall be equitably allocated* to implement adopted public facilities plans.*
- 4. The City's quality of life as defined by adopted objective indicators shall not be reduced by new development*.*
- 5. Support the Metropolitan Area Urban Growth Boundary as a means to:
 - a. Reduce urban sprawl and ensure the development of an efficient and compact urban growth form.*
 - c. Ensure the opportunity for appropriate urban infill and redevelopment.*
 - d. Control costs and public subsidization of development associated with the unnecessary extension and provision of public facilities and services, and;*
 - e. Ensure the maximum efficiency of lands within the Urban Growth Boundary existing at the time of this policy's adoption.**
- 7. The City shall work to minimize the expansion of the Urban Growth Boundary by:
 - a. Providing opportunities to achieve and maintain a compact urban form and targeting public investments to reinforce a compact urban form.*
 - b. Protecting existing Inner Neighborhoods* by focusing future commercial and medium to high residential growth in and in close proximity to Town Centers* and Main Streets* and along Transit Corridors* that contain commercial, high density residential or mixed use development.*
 - c. Maintaining livability within the Urban Growth Boundary by providing housing choices with good access to jobs, preserving the natural environment, maintaining and improving access to natural areas, open space and parks, developing a balanced transportation system, which is less dependent on the private automobile and maximizing the efficiency of public facilities and services.**

8. *The City shall recognize the following Design Types within the Lake Oswego Urban Services Boundary: Town Centers, Employment Areas*, Transit Corridors, Main Streets and Inner Neighborhoods. Locations of the Design Types are shown in Figures 26-29.*

The Plan conforms with Goal 14 Urbanization, as the Plan provides infrastructure that will support a mixed-use community in the Area that will provide a wide range of housing options. The planned development will maintain a high level of quality and will integrate and connect well with downtown Lake Oswego and the waterfront. By facilitating a more intense development within the Urban Growth Boundary, this Plan helps prevent sprawl and encourages maximizing the efficiency of developable land and maintaining a compact urban form. The Foothills Area is identified as one of the City's town centers.

Goal 15. Willamette River Greenway

GOAL

The City shall protect, conserve, enhance and maintain the natural, scenic, historic, economic, and recreational qualities of the Willamette River Greenway.

POLICIES

2. *Require non-water related and non-water dependent structures to be set back from the Willamette River.*
3. *Manage lands within and adjacent to the Greenway to protect and restore natural vegetation.*
4. *Protect, enhance, and restore the fish and wildlife habitat values of the Willamette River and the Greenway.*
5. *Minimize the visual impact of development on the Willamette River and the Greenway through measures such as setbacks, height restrictions, building materials and color choices and landscape screening.*
6. *Protect the water quality of the Willamette River by:*
 - a. *Regulating development to prevent pollutants and soil erosion from entering the River;*
 - b. *Ensuring discharge practices conform to state and federal standards, and other requirements; and,*
 - c. *Protecting and enhancing the natural functions and values of the ground and surface water systems which drain into the River.*

7. Preserve significant view corridors to the Willamette River.

The Plan conforms with Goal 15 Willamette River Greenway, as the Plan provides infrastructure that will support the Foothills Framework Plan, which outlines plans for development in relation to the Willamette River Greenway. The Foothills Framework Plan complies with all City of Lake Oswego standards and development will strive to have no, or minimal, impact on the environment, local wildlife, or the Willamette River.

B. Foothills Mixed-Use District Plan

The Foothills District Mixed-Use Plan is a Special District Plan within the Lake Oswego Comprehensive Plan. The goals of the Foothills District Mixed-Use Plan are the same as the goals in Section II of the Foothills Urban Renewal Plan.

This Plan is the funding mechanism to achieve the vision of the Foothills Mixed-Use Plan and the Foothills Framework Plan.

This Plan conforms with the Foothills Mixed-Use District Plan as the goals of the two plans are the same and this Plan provides funding to achieve the vision of the Foothills Framework Plan.

C. Foothills District Framework Plan

The Plan conforms with the Foothills District Framework Plan. As described in the Introduction of this Plan, the Foothills District Framework Plan was adopted by the Lake Oswego City Council on July 24, 2012. This Plan is part of the implementation strategy for the Foothills District Framework Plan. The majority of the projects specified in the Plan come directly from the Foothills District Framework Plan.

D. Lake Oswego Economic Development Strategy

There are four identified strategies in the Lake Oswego Economic Development Strategy:

Strategy 1: Market Lake Oswego

Marketing Lake Oswego to both internal and external audiences is a high priority of participants in strategy work sessions. The goal of marketing would be multi-faceted -- to attract customers to shop and dine in Lake Oswego, to encourage tourism, and to position Lake Oswego as a great place to locate a business, thus supporting commercial leasing efforts.

Action items include development of a marketing strategy, budget, and funding/implementation plan, followed by implementation.

While the Plan does not directly address any of the action items specified in Strategy 1, the Plan conforms with Strategy 1 Market Lake Oswego as the Plan will help create a new mixed-use neighborhood that will have a strong and unique identity, will help connect downtown Lake Oswego to the waterfront, and will provide reasons for people to visit and locate in the Area.

Strategy 2: Leverage quality of life and place

Lake Oswego's quality of life and place are economic strengths that attract and retain residents, businesses, and visitors. There is potential to build on this strength by continuing to improve the City's infrastructure and create great places and events that nurture and support community and business.

This strategy encompasses a diverse set of action items, including:

- *Foothills redevelopment*
- *Streetcar extension*
- *North Anchor project at 1st and B*
- *Downtown parking analysis and potential code changes and parking projects*
- *Arts programming and events*
- *Actions to implement the Lake Grove Village Center Plan*

The Plan conforms with Strategy 2 Leverage Quality of Life and Place as the projects identified in the Plan will help facilitate the redevelopment of the Foothills district. A planned part of this development is parking that will add to downtown Lake Oswego's parking inventory.

Strategy 3: Provide exemplary City service to business

Focus groups and stakeholder interviews indicate concerns that City regulations and permitting are barriers to economic development. Making the City government more business-friendly is a high priority.

Action items include development of a strong Business Solutions Team, improving City regulations and permitting, facilitating development projects, welcoming new businesses, developing demographic and economic data, and building and leveraging partnerships with the business community.

The Plan conforms with Strategy 3 Provide Exemplary City Service to Business as the projects in the Plan will facilitate development projects that will, in turn, encourage businesses to locate in the Area.

Strategy 4: Retain and recruit businesses

Another high priority is supporting and growing existing businesses and recruiting new businesses to serve community needs, complement neighboring uses, and fill vacant commercial space.

Action items include outreach to businesses to learn more about business needs, participation in the Clackamas County Strategic Investment Zone incentive program, communication of available business resources, an economic gardening pilot project, business training, and targeted recruitment. Actions also include study of a potential business incubator and additional incentive programs.

While the Plan does not directly address any of the action items specified in Strategy 4 Retain and Recruit Businesses, the facilitation of a new mixed-use development and provision of parking will help to both retain and recruit businesses in the Area.

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APPENDIX A: LEGAL DESCRIPTION

INSERT LEGAL DESCRIPTION

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REPORT ACCOMPANYING FOOTHILLS URBAN RENEWAL PLAN

October 15, 2012 DRAFT

DRAFT

City of Lake Oswego

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Jack D. Hoffman

City Council:

Jeff Gudman
Donna Jordan
Mike Kehoe
Sally Moncrieff
Mary Olson
Bill Tierney

Planning Commission Chair:

Bill Gaar

Vice Chair:

Jon Gustafson

Commissioners:

Randy Arthur, Puja Bhutani, Jim Johnson,
Todd Prager, Sandi Swinford

City Manager:

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I. INTRODUCTION

The Report on the Foothills Urban Renewal Plan (Report) contains background information and project details pertaining to the Foothills Urban Renewal Plan (Plan). The Plan area boundary is shown in Figure 1. The Report is not a legal part of the Plan, but is intended to provide public information and a basis for the findings made by the City Council as part of its approval of the Plan.

The Report provides the information required by ORS 457.085(3). The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan (Section IV), but also the existing conditions in the Foothills Urban Renewal Plan Area (Area). Many of the projects in the Existing Conditions section in this Report are projects identified in a master plan or capital improvement plan, but are not necessarily identified as projects in the Foothills Urban Renewal Plan.

DRAFT

Figure 1 – Foothills Urban Renewal Plan Area Boundary



II. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES

This section of the Report describes existing conditions within the Foothills Urban Renewal Area (Area), and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

Physical Conditions

Land Use

According to data from the Clackamas County Assessor’s Office, the Area, shown in Figure 2 below, contains 31 parcels, including one sliver of a parking lot parcel, and consists of 46.97 acres in tax lots and 10.94 acres of right-of-way, for a total size of 57.91 acres.

An analysis of property classification data from the Clackamas County Assessment and Taxation database was used to determine the land use designation of parcels in the Area.

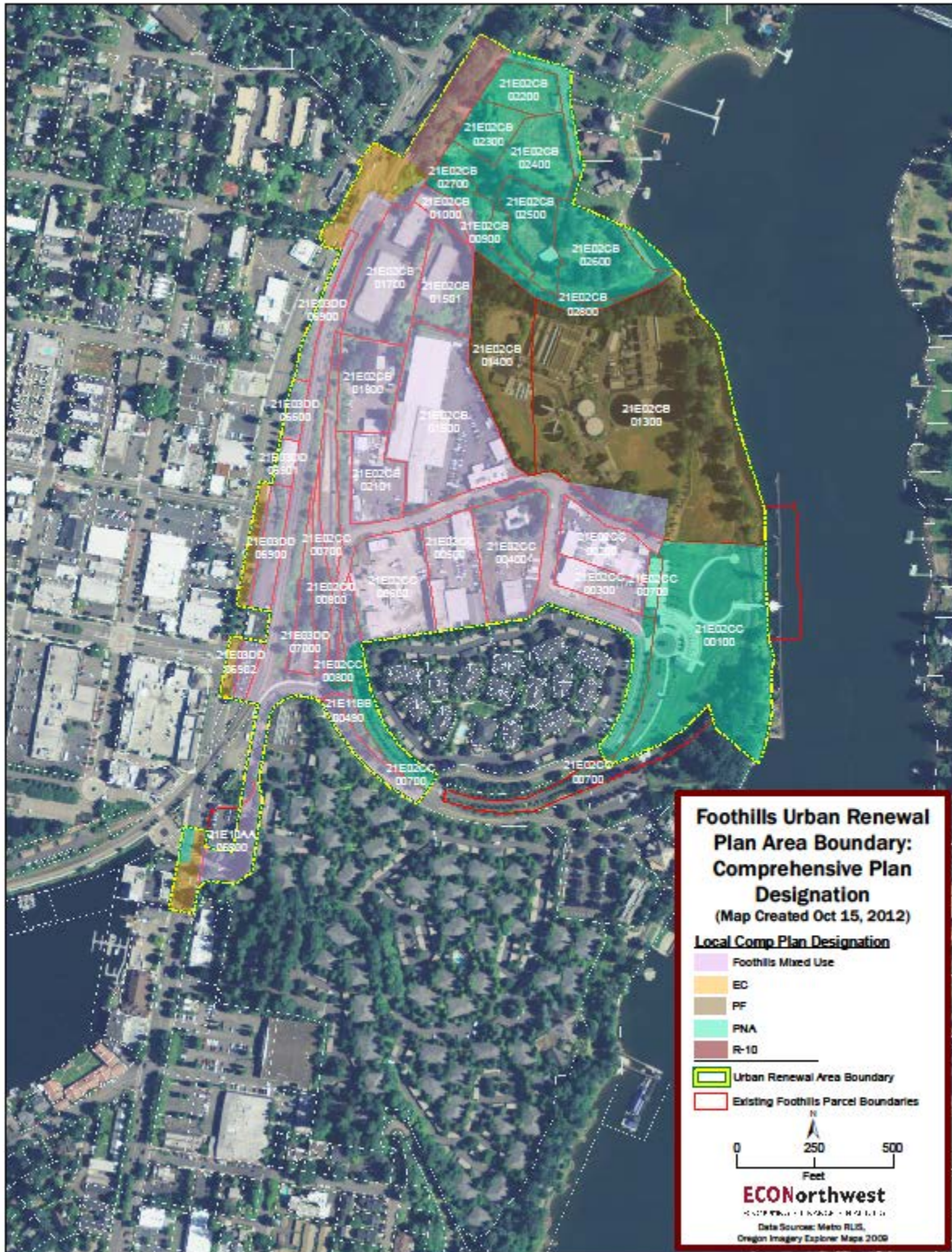
Within the Area, the largest use of land is industrial (63.86% of total acreage). Following this, the next largest land use categories are vacant land (12.09%) and public use (11.71%). The land use data indicates one single-family parcel and two multi-family parcels, neither of which contain residential structures.

Table 1 - Existing Land Use of Area

Land Use	Parcels	Acreage	% of Total Acreage
Industrial	15	29.99	63.86%
Vacant	8	5.68	12.09%
Public Use	1	5.50	11.71%
Multi-Family Residence	2	2.64	5.62%
Commercial	4	2.12	4.51%
Single Family Residence	1	1.04	2.21%
Total	31	46.97	100.00%

Source: Clackamas County Assessor

Figure 2 - Comprehensive Plan Designations



Comprehensive Plan Designation

In the Area, the zoning code designations and the comprehensive plan designations are the same, with the exception of parcels that have a comprehensive plan designation of Foothills Mixed-Use. A large part of the Area that was primarily designated Industrial was re-designated to Foothills Mixed-Use in order to facilitate redevelopment within the Area.

As illustrated in Table 2, the largest portion (40.62%) of the Area is designated as Foothills Mixed-Use. This is followed by parcels with mixed Foothills Mixed-Use/Public Facilities designation, which account for approximately 27.28% of the Area. Parcels zoned Park and Natural Area are 24.96% of the Area.

Table 2 - Comprehensive Plan Designations of Area

Comprehensive Plan	Parcels	Acreage	% of Total Acreage
Foothills Mixed-Use	18	19.08	40.62%
Park and Natural Area	8	11.72	24.96%
Foothills Mixed-Use/Public Facilities	2	12.81	27.28%
Foothills Mixed-Use/Park and Natural Area	3	3.35	7.14%
Total	31	46.97	100.00%

Source: Clackamas County Assessor

Zoning

At the time of this Report, some parcels retain their original zoning of Industrial , Parks and Natural Area, Public, East End Commercial District/R-0 High Density or East End Commercial District, even though their comprehensive plan designation is now Foothills Mixed-Use. The Foothills Mixed-Use zone will be applied to these parcels on an individual basis or through a blanket rezone of the area. The zoning code implements the comprehensive plan, regulates land use throughout the City, and defines development standards within established zones. The current zoning of the Area is shown in Table 3, below.

Table 3 - Zoning of Area

Zoning	Parcels	Acreage	% of Total Acreage
Industrial District	12	16.61	35.37%
Park and Natural Area	10	14.36	30.58%
Public Functions	2	12.81	27.28%
East End Commercial District	5	2.38	5.07%
East End Commercial District/Residential-0	2	0.80	1.69%
Total	31	46.97	100.00%

Source: Clackamas County Assessor

Infrastructure: Existing Conditions

An existing conditions analysis is one way of identifying blight within an urban renewal area. When describing the existing conditions and need for infrastructure within an urban renewal area, the current best practice is to pull information from existing plans for the area, such as the capital improvement plan, comprehensive plan, or various master plans if there is no current capital improvement plan. This Report refers to the project list from the 2012/13 Lake Oswego Capital Improvement Plan (CIP) to describe the existing conditions and various deficiencies within the Area. This does not mean that the projects identified in the CIP are all projects to be funded by the Plan. There are 21 projects that will potentially be funded by the Plan, and they are described in the Foothills Urban Renewal Plan and later in this Report in the section titled, “The Urban Renewal Projects and the Relationship Between Urban Renewal Projects and the Existing Conditions in the Urban Renewal Area.”

Transportation

The Area is currently served by only one vehicular access point at the intersection of State Street and Foothills Road. This fact alone constrains development because this lone intersection does not have the capacity to serve the Area if it were fully developed in compliance with the Comprehensive Plan. In addition, the streets within the Area are not laid out in a manner that maximizes development potential: they lack high-quality streetscape improvements and the majority of the streets even lack curbs and sidewalks. In spite of these deficiencies, there is only one transportation project planned for the Area in the 2012/13 Lake Oswego Capital Improvement Plan. The following sections will outline the existing conditions of transportation infrastructure in the Area.

Sidewalks

There is generally only one very short section of sidewalk in the industrial use area, and it is of poor quality. The Area also has a portion of the multi-use trail (Kincaid Curlicue) that connects State Street to the waterfront parks. Dedicated pedestrian connectivity is non-existent, and this situation would need to be addressed for mixed-use developments to succeed in the Area.

Bike Facilities

There are currently no dedicated bike lanes or paths located within the Area, but bicyclists do frequent the small portion of multi-use trail that passes through the area. Dedicated bike right-of-way would encourage and support development in the area by reducing potential traffic and parking congestion and providing safe access to the Area from downtown Lake Oswego and surrounding neighborhoods.

Streets and Intersections

All streets in the Area are classified as Local Streets in the City of Lake Oswego Transportation Systems Plan. While functional, most of these streets do not have any sort of streetscaping improvements and some of them could be realigned to maximize the potential for development and efficient transportation in the Area.

Railways

Active railroad tracks run along the west side of the Area, parallel to State Street. The tracks also run through the north end of the Area where a new access point from State Street into the Area is being considered.

These tracks act as an impediment to creating an additional vehicular access point. Any new street going from State Street into the Area will necessitate a new railroad crossing.

Transportation Projects from the 2012/13 Lake Oswego Capital Improvement Plan

Highway 43 Bike Connection

Estimate from LOCIP: \$370,000

Project Description: This project adds bike lanes northbound and southbound from Terwilliger Boulevard to McVey Avenue. The total cost of this regional project is estimated at \$3,700,000. This project is contained in Metro's 2035 Regional Transportation Plan. If grants and regional funding are approved in the future, then the cost to Lake Oswego is estimated at 10% of the total project cost.

Water

Otak presented a technical memorandum on March 18, 2011 as part of the studies prepared for the Foothills District Framework Plan. The information that follows on the water, storm water, and sanitary sewer systems in the area is drawn directly from the Otak memorandum, and is presented with only immaterial modifications and omissions.

Within the Area, the water system pipes range in size from 6- to 12-inches, and according to the Lake Oswego City Engineer, there are dead end systems that should be connected to make looped systems in the future. (Stampher, Foothills Park, etc.)

Stormwater

The existing drainage system in the Area consists of inlets and piping that convey stormwater runoff to either Tryon Creek or the Willamette River. Due to high

groundwater levels, which result from a shallow basalt rock shelf approximately 10 feet below the surface, infiltration is generally not a suitable stormwater management strategy for this area. The natural topography of the Area divides it into two separate drainage basins:

Tryon Creek Basin – The Tryon Creek basin drains an area of approximately 174 acres, with 37 acres located within the Area. The drainage basin area covers the northern portion of the Area, as well as most of the First Addition Neighborhood (FAN), which includes the historic downtown Lake Oswego area. The portion of this system serving the FAN is connected to the Foothills Area system via a 24-inch pipe which crosses under State Street and the railroad tracks. The system outfalls to Tryon Creek approximately 700 feet upstream of the Willamette River. No existing water quality treatment facilities are located within the Tryon Creek Basin.

A substantial portion of the Tryon Creek System is located within the Federal Emergency Management Agency (FEMA) designated 100-year flood plain. As a result of this condition, a stormwater pump station is situated near the system outfall as a means of providing conveyance in case of flooding. The stormwater pump station is designed to operate in concert with a detention pond located adjacent to the station. A second pump station is also located within this basin to protect a small area south of Foothills Road (the Lakeshore Concrete site) from flooding.

Willamette River – The Area contains approximately 10 acres of the Willamette River drainage basin, consisting of mostly riverfront property. Within this basin, most stormwater runoff flows directly into the river or is collected and discharged to the Willamette River via localized drainage systems. No existing water quality treatment facilities are located within this basin.

Although a number of storm drainage improvements have been implemented within the Area over the years, several deficiencies still exist in relation to storm water treatment facilities, pump stations, and conveyance.

[Stormwater Projects from the 2012/13 Lake Oswego Capital Improvement Plan](#)

B Avenue Storm System and Street Upgrade

Estimate from LOCIP: \$1,216,000

Project Description: A recent evaluation of the existing drainage system in First Addition Neighborhood, prompted by recurrent localized flooding events, makes recommendations for replacement of several segments of pipe. The B Avenue system conveys runoff from the top of the 100-acre drainage basin and conveys it under Highway 43, the railroad tracks, and through the Foothills Road area to

Tryon Creek. This system has been pieced together over the past 100 years and experiences periodic flooding, which is exacerbated by increased impervious areas resulting from ongoing infill and redevelopment.

D Avenue Storm Drainage Improvements

Estimate from LOCIP: \$733,000

Project Description: An evaluation of the existing drainage system in First Addition Neighborhood prompted by recurrent localized flooding events makes recommendations for replacement of several segment of pipe. The D Avenue system is considered a “backbone” of the FAN drainage system. It conveys runoff from the top of the drainage basin to Tryon Creek, just upstream of Highway 43. Improvements to the system will also redirect runoff from a severely eroded outfall to Tryon Creek and reduce the amount of flow which, over the years, has been directed to the B Avenue system.

Wastewater

The Area is situated in the Lake 1 sewer basin. The Lake 1 basin contains a sanitary sewer collection system that serves the Area and surrounding properties, as well as a portion of the First Addition Neighborhood. This system includes gravity sewer lines that convey wastewater flows to the recently reconstructed Foothills Lift Station. The Foothills Lift Station pumps flows into the 14-inch force main that originates from the Willamette Lift Station. The combined flow in this 14-inch pipe discharges to the Lake Oswego Interceptor at the western end of Foothills Road.

Because the Area contains the Tryon Creek Sewage Treatment Plant (owned and operated by the City of Portland), a number of sewer interceptor lines travel through this area as they convey flow to the treatment plant. These include the City of Portland’s Tryon Creek Interceptor, the City of Portland’s Willamette Interceptor, and the Lake Oswego Interceptor.

Though the Lake Oswego Capital Improvement Plan does not currently identify any sewer projects in the Area, City engineers have identified two main deficiencies that exist within the system:

Sanitary Lift Stations – The Foothills Road Lift Station will need to be upgraded or replaced to facilitate redevelopment in the northern half of the Area.

Sanitary Conveyance – The 24-inch diameter segment of the Lake Oswego Interceptor in Foothills Road needs to be upsized to eliminate upstream surcharging. The required replacement pipe diameter is currently unknown.

Electric

The electric power supplied to the Area by Portland General Electric (PGE) is sufficient to support anticipated future development. PGE has two substations at the intersection of Foothills Road and Oswego Point Drive.

Gas

Natural gas is provided to the Area by NW Natural. A main supply line runs along State Street, with a 4-inch poly main that stubs into the property at Foothills Road. Additional main lines enter the Area from State Street near the northern boundary. These main lines currently feed smaller mains and service laterals located throughout the Area.

The main supply line is large enough to support all anticipated future development in the Area.

Telecommunications

Century Link and Comcast both provide telecommunications service to the Area. Both services can accommodate anticipated future development in the Area without requiring any major improvements.

Parks and Open Space

The Area contains two parks, Tryon Cove Park and Foothills Park. Neither of these parks have unfunded projects planned in the Lake Oswego Capital Improvement Plan.

Tryon Cove Park – Land was purchased in 2004 to create a park connecting Tryon Creek State Park to the City of Lake Oswego’s riverfront properties. It consists of a half acre with picnic tables and access to the water for hand carry boats.

Foothills Park – This park consists of nine acres and is located along the Willamette River. It is part of a one-mile section of City of Lake Oswego-owned waterfront property connecting it to Roehr Park and George Rogers Park. Foothills Park features a cobblestone plaza, a reflecting pool, a timber-framed and stone pavilion with a fire place, a water feature, and an amphitheater.

Parks and Open Space Projects from the 2012/13 Lake Oswego Capital Improvement Plan

Tryon Creek Pedestrian Bridge

Estimate from LOCIP: \$1,800,000

Project Description: This project includes the design of a pedestrian bridge across Tryon Creek connecting the existing pathway in the north end of Foothills Park to

Tryon Cove Park on the north side of the creek. (Note: This project is contingent upon submitting an Metropolitan Transportation Improvement Program (MTIP) funding request for design during the FY14-15 funding request cycle, and then receiving the funds to hire an engineering firm to design the project in FY 15-16. Construction will be contingent upon receiving additional MTIP or regional funding in addition to city funds.)

Lake Oswego to Portland Pathway

Estimate from LOCIP: \$4,630,000

Project Description: This project creates a pedestrian trail that follows along Highway 43 and spans from downtown Lake Oswego to Portland. The total cost of this regional project is estimated at \$46.3 million. This project is contained in Metro's 2035 Regional Transportation Plan. If grants and regional funding are approved in the future, then the cost to Lake Oswego is estimated at 10% of the total project cost.

Public Parking

The Area boundary contains the southerly portion of a city-owned public parking lot at the intersection of State Street and Foothills Road. There is also public parking, intended for park use at Foothills Park.

Environmental Conditions

GeoDesign presented a Phase 1 Environmental Site Assessment (ESA) to Lake Oswego on March 9, 2011 as part of the studies prepared in the Foothills District Framework Plan. The following information on the Foothills Urban Renewal Area's environmental conditions that follows is drawn directly from the GeoDesign report, and is presented with only immaterial modifications and/or omissions. This listing of facilities is not meant to replace or supplement the information provided in the above-mentioned Phase 1 Environmental Site Assessment. For full information about the environmental conditions, please reference the above-mentioned document. ¹

¹ By referencing the ESA, the Consultant is relying entirely on the expertise of GeoDesign. The presentation of this information is without warranty or any assurance of the accuracy or completeness of the ESA. If LORA uses the ESA to support a finding of blight in the Foothills Urban Renewal Area, it agrees that the Consultant has no liability under federal, state, or local environment laws, or for any private causes of action, based on a claim of the inaccuracy or incompleteness of the ESA and that it will defend any action brought against the Consultant based on such claim.

In their ESA, GeoDesign identified sites in the Area where identified and potential environmental conditions or vapor encroachment conditions may exist. Sites they identified were:

- Historical Oregon Iron and Steel Company pipe foundry complex
- Historical and current commercial development of properties situated along State Street, including service stations with auto repair
- Historical and current industrial development of properties located in the vicinity of Foothills Road, including railroad, wood products, boat repair, power substation, wastewater treatment plant, maintenance, fueling, electrical transformer, manufacturing, concrete, general contractor, and truck and automotive repair facilities
- Lake Oswego Chip Facility (current Foothills Park – Department of Environmental Quality (DEQ) issued “No Further Action” (NFA) determinations on February 14, 2005 (site soils) and October 27, 2005 (groundwater)
- Erickson’s Automotive (DEQ issued NFA determination on March 30, 2004)
- Martin Electric (DEQ issued NFA determination on April 22, 1993)

Floodplain

Vigil Agrimis performed a floodplains analysis and submitted a technical memorandum to Lake Oswego on February 15, 2011 as part of the studies prepared in the Framework Plan. Data and information from this section is taken in whole, or in part, from that memorandum.

The majority of the Area, excluding the sewage treatment plant and Foothills Park, as identified by the Framework Plan, will fall within the Lake Oswego Flood Management area and the 100-year floodplain of the Willamette River. Potential sources of flooding include:

Flooding from Tryon Creek and the Willamette River through the existing stormwater outfall to Tryon Creek.

Flooding from the stormwater system that discharges to the detention pond located within the Area.

Overland flow resulting from overtopping of the Lake Oswego banks in the vicinity of Lakewood Bay.

Wetlands

Vigil Agrimis presented a technical memorandum to Lake Oswego on March 2, 2011 as part of the studies prepared in the Foothills District Framework Plan. The information on the Foothills Urban Renewal Area's wetlands that follows is drawn directly from the Vigil Agrimis memorandum, and is presented with only immaterial modifications and/or omissions.

Vigil Agrimis identified one potential wetland in the Area on tax lot 1501 of tax map T2S R21E 02CB. This open water wetland is isolated (not connected to other wetlands or water areas) and completely surrounded by development. Hydrology appears to be fed from storm water via a culvert and other surface water runoff from surrounding development. The wetland is surrounded by steep slopes that are covered with Himalayan blackberry and black cottonwood, Oregon ash, and big-leaf maple.

Fishman Environmental Services delineated a second, 0.41-acre wetland, in 2003, as part of the Foothills Park project. The forested wetland is located on a terrace above the Willamette River, but below the active part of the park, and just outside of the Area's boundary.

Riparian Habitat

Vigil Agrimis presented a technical memorandum to Lake Oswego on March 2, 2011 as part of the studies prepared in the Foothills District Framework Plan. The information on the Foothills Urban Renewal Area's riparian habitat that follows is drawn directly from this memorandum, and is presented with only immaterial modifications and/or omissions.

The Area is bounded on its east side by the Willamette River. The slopes along the riverbank are steep, with some patches of active erosion. Historically, these banks have been armored in places with large rip rap. The steep fill slopes are mostly dominated by Himalayan blackberry and western clematis with scattered black cottonwood trees and big-leaf maple trees. There are signs of recent and historic beaver activity on the black cottonwood trees. The Willamette River is a major travel corridor for a variety of migrating and resident wildlife species. The forested habitat provides bank stabilization, erosion control, hiding cover, and nesting and perch sites for a variety of birds. The snags and downed trees provide nesting habitat and a food source. Resource value could be greatly increased with the removal of non-native species.

The north border of the Area is Tryon Creek. This area supports good wildlife habitat and recreation opportunities. The mouth of Tryon Creek up to Terwilliger Boulevard is identified on the City of Lake Oswego's Sensitive Lands Atlas.

Connectivity was the most significant resource value attributed to this site because of the upstream habitat.

Social Conditions

According to the Clackamas County Assessor's data, there are no full-time residents living in the Area.

Economic Conditions

The estimated total assessed value of the Area, including all real, personal, manufactured, and utility properties, is \$10,967,411, or 0.21% of Lake Oswego's total assessed value. The total assessed value of the City of Lake Oswego is \$5,485,494,853; the value less urban renewal excess is \$5,280,630,292 (data from Clackamas County Assessor).

Improvement to Land Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Ratio," or "I:L." The values used are real market values. In urban renewal areas, the I:L may be used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives. A healthy neighborhood/mixed-use commercial district would have an improvement to land value of 4:1.

Table 4, below, shows the improvement to land ratios for taxable properties within the Area. As the table shows, over 67% of the Area has less than a 2.01 improvement to land ratio, and over 30% of the Area is undeveloped. The I:L ratios for improved properties in the Area are generally very low. The row titled non-taxable represents the public or non-profit properties in the Area. The row titled no improvements represents those lots shown as having no improvements by the Clackamas County Assessor's data.

Table 4 – Improvement to Land Ratio

I:L Ratio	Parcels	Acreage	% of Total Acreage
Not Taxable	1	0.56	1.20%
No Improvements	12	14.53	30.95%
0.01 - 0.50	9	9.47	20.17%
0.51 - 1.00	1	1.17	2.48%
1.01 - 1.50	1	0.99	2.10%
1.51 - 2.00	2	4.97	10.59%
2.01 - 3.00	3	2.90	6.17%
3.01 - 4.00	1	1.92	4.09%
4.01 - 5.00	0	0.00	0.00%
>5.0	1	10.45	22.25%
Total	31	46.97	100.00%

Source: Base data from Clackamas County Assessor

Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) is described in the section on Impact of Tax Increment Financing in this Report. This subsection discusses the impacts resulting from potential increases in demand for municipal services.

The projects being considered for future use of urban renewal funds are transportation, stormwater, sewer, and park and open spaces projects, and assistance with developing affordable housing. The use of urban renewal funding for these projects allows the City to leverage other available City and other funding sources to complete the improvements in the Area. Given the ability to fund much of the planned infrastructure improvements in the Area with urban renewal, other much-needed City transportation projects can be funded with the City's other funding sources, as determined through the annual budgeting process.

It is anticipated that the transportation and other infrastructure development projects will catalyze development on the adjacent undeveloped and underdeveloped parcels. This development will require City services, such as utilities and fire and police services, but will also generate systems development charges, revenues from the use of utilities in the Area, and school construction excise taxes. As the development will be mostly new construction, the development will meet current building code, which will ensure a minimal level of additional required fire-protection.

These impacts of needed municipal services will be mitigated by providing funding for major transportation facilities creating vital connections to the existing developed parcels and to major parcels of undeveloped and underdeveloped land. With increased connectivity, this land will be more likely to be improved at a higher intensity of housing and commercial development, which will provide additional future jobs to the Lake Oswego area and future increased tax base for all taxing jurisdictions.

III. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The reason for selecting the Area is to cure blight. "Blighted areas" are defined in ORS 457.101 as areas that, "by reason of deterioration, faulty planning, inadequate or improper facilities, deleterious land use or the existence of unsafe structures, or any combination of these factors, are detrimental to the safety, health or welfare of the community." Some of the conditions of blight in the Area will be addressed by implementing the projects identified in the Plan.

IV. THE URBAN RENEWAL PROJECTS AND THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA

The descriptions of the projects and relationship to existing conditions are shown below.

A. Foothills Road Phase 1 Curb To Curb (A Avenue To B Avenue)

This project is the first phase of the realignment and reconstruction of Foothills Road, from the intersection of Foothills Road and Oswego Pointe Drive to its planned intersection with B Avenue. The project includes infrastructure elements required to serve adjacent development, stormwater management facilities (including stormwater planters), and temporary (e.g., asphalt) walkways and street lighting.

Existing Conditions:

As it exists, Foothills Road lacks the amenities required to support the development potential envisioned for the Area. This project begins to add the infrastructure that is expected in high quality mixed-use developments.

B. Foothills Road Phase 1 Frontage Improvements (A Avenue To B Avenue)

This project would build out permanent streetscape improvements on the east and west side of the Phase I section of Foothills Road, concurrent with the development of the adjacent blocks to the north and south. Improvements would include permanent sidewalk treatments, street lighting, street furnishing, and landscaping, consistent with District street standards.

Existing Conditions:

As it exists, Foothills Road lacks the amenities required to support the development potential envisioned for the Area. This project begins to add the infrastructure that is expected in high quality mixed-use developments.

C. Foothills Road Phase 2 Curb To Curb (B Avenue To Tax Lot 1700)

This project would extend the Phase I Foothills Road project from B Avenue north to the southern property line of tax lot 1700 of tax map T2S R1E 02CB (TL 1700). The project includes infrastructure elements required to serve adjacent development, stormwater management facilities (including stormwater planters), and temporary (e.g., asphalt) walkways and street lighting.

Existing Conditions:

As it exists, Foothills Road lacks the amenities required to support the development potential envisioned for the Area. This project begins to add the infrastructure that is expected in high quality mixed-use developments.

D. Foothills Road Phase 2 Frontage Improvements (B Avenue To Tax Lot 1700)

This project would build out permanent streetscape improvements on the east and west side of the Phase 2 section of Foothills Road, concurrent with the development of the adjacent blocks to the north and south. Improvements would include permanent sidewalk treatments, street lighting, street furnishing, and landscaping, consistent with District street standards.

Existing Conditions:

As it exists, Foothills Road lacks the amenities required to support the development potential envisioned for the Area. This project finishes adding to Foothills Road the infrastructure that is expected in high quality mixed-use developments.

E. North Portal – State Street/D Avenue and E Avenue

This project is intended to provide an additional access to and from the Foothills Area in the location of the current public rail crossing on the east side of State Street between D and E Avenues. The project cost includes a rebuilt intersection at State Street, a new median and southbound left turn lane on State Street, and a new at-grade crossing of the Union Pacific Railroad (UPR) line. New rail safety and crossing improvements will be included as part of this project. The project will require acquisition of all, or a portion, of TL 1700. The cost estimate for this project assumes that the City will be able to acquire only what it needs for the roadway, or that if full acquisition is required, that the remainder property can be resold to a third party.

Existing Conditions:

When more development occurs in the Area, there will be insufficient access to support the amount of traffic that will travel to and from the Area due to the fact that the Foothills Road and State Street intersection is the only access to the Area. The North Portal will add additional access, reduce the traffic burden placed on the State Street and Foothills Road intersection, and reduce congestion in downtown Lake Oswego.

F. B Avenue Phase 1 Curb To Curb

This project is the first phase of the creation of a new B Avenue connection between downtown and the Willamette River, and stretches two blocks east from the intersection of Foothills Road. The project includes fill required to bring the street and adjacent development parcels out of the floodplain, infrastructure elements required to serve adjacent development, stormwater management facilities (including stormwater planters), and temporary (e.g., asphalt) walkways and street lighting.

Existing Conditions:

Inadequate connections throughout the Area currently inhibits development. Extending B Avenue from downtown to the Willamette River will provide proper access to parcels to facilitate development and make it easier for recreational users, visitors, and residents to enjoy the Area.

G. B Avenue Phase 1 Frontage Improvements

This project would build out permanent streetscape improvements on the north and south sides of the Phase 1 section of B Avenue, concurrent with the development of the adjacent blocks to the north and south. Improvements would include permanent sidewalk treatments, street lighting, street furnishing, and landscaping, consistent with District street standards.

Existing Conditions:

Inadequate connections throughout the Area currently inhibits development. Extending B Avenue from downtown to the Willamette River will provide proper access to parcels to facilitate development and make it easier for recreational users, visitors, and residents to enjoy the Area.

H. B Avenue Phase 2 Curb-To-Curb

This project completes a new B Avenue connection between downtown and the Willamette River, constructing the last block of B Avenue leading to Foothills Park. The project includes fill required to bring the street and adjacent development parcels out of the floodplain, infrastructure elements required to serve adjacent development, stormwater management facilities (including stormwater planters), and temporary (e.g., asphalt) walkways and street lighting.

Existing Conditions:

Inadequate connections throughout the Area inhibits redevelopment. Extending B Avenue from downtown to the river will provide safe and efficient access to parcels to facilitate development and make it easier for recreational users, visitors, and residents to enjoy the Area.

I. B Avenue Phase 2 Frontage Improvements

This project would build out permanent streetscape improvements on the north and south side of the Phase 2 section of B Avenue, concurrent with the development of the adjacent blocks to the north and south. Improvements would include permanent sidewalk treatments, street lighting, street furnishing, and landscaping, consistent with District street standards.

Existing Conditions:

Inadequate connections throughout the Area currently inhibits development. Extending B Avenue from downtown to the river will provide proper access to parcels to facilitate development and make it easier for recreational users, visitors, and residents to enjoy the Area.

J. B Avenue Plaza At Park

At the eastern terminus of B Avenue, a new plaza is proposed to serve as a transition to Foothills Park and an urban gathering space for adjacent neighbors. The project would include a new paved plaza, street furnishings, and grade transitions (stairs and ramps) from the higher elevation of B Avenue. The project would be built concurrent with the B Avenue Phase 2 Curb to Curb project.

Existing Conditions:

Inadequate connections throughout the Area currently inhibit development. This new park will help create a recreational connection between downtown Lake Oswego, development in the Area, and the waterfront parks. The park will enhance the appeal of the Area and will help attract businesses, visitors, and residents.

K. B Avenue Plaza At Park Upgrades

In order to provide a higher level of finish for the B Avenue Plaza public space, consistent with the City's design standards and expectations, an allowance for upgrades to the B Avenue Plaza has been identified. This allowance can be used to improve the quality of materials, street furnishings, and landscaping.

Existing Conditions:

Inadequate connections throughout the Area currently inhibit development. These upgrades will enhance the recreational connection between downtown Lake Oswego, development in the Area, and the waterfront parks. These upgrades will further boost the appeal of the Area and will help attract businesses, visitors, and residents.

L. Relocate Storm Sewer and Storm Transmission Mains - Phase 1

A number of regional storm and sanitary facilities in the Area currently traverse private property, restricting development potential. This project relocates these regional facilities into public rights-of-way in the Area, and can be divided into two phased components, to be constructed concurrently with other phased street construction and development activity in the Area.

Existing Conditions:

The alignment of some sanitary and storm water infrastructure currently inhibits development in the Area. This project will relocate these pieces of infrastructure, making way for development and improving the provision of sanitary and stormwater services to the Area.

M. Rebuild Foothills Lift Station and Pressure Mains

An existing at-capacity lift station will be rebuilt and relocated to serve new development in the northern portion of the Area. When complete, this lift station will have adequate capacity to serve both existing and new development, and will be located away from the primary pedestrian areas of the Area.

Existing Conditions:

The alignment of some sanitary and stormwater infrastructure currently inhibits development in the Area. This project will relocate these pieces of infrastructure, making way for development and improving the provision of wastewater and stormwater services to the Area.

N. Willamette Steps

This significant project provides the primary pedestrian connection between Downtown Lake Oswego and the Area. The project includes new steps within an 80 foot right-of-way, beginning on the east side of State Street, crossing the UPR tracks at grade, and continuing down steps to the Foothills Road/B Avenue intersection. Americans with Disabilities Act (ADA) access will take place on a ramp system to the south of the steps, including a pathway connection leading to the Oswego Pointe Drive/Foothills Road intersection; permanent ADA access will be provided by a public elevator incorporated within the proposed development north of the steps.

Existing Conditions:

There is no adequate pedestrian connection from downtown Lake Oswego to the Area. Currently, downtown Lake Oswego pedestrians must either illegally cross railroad tracks, or travel south to the State Street and Foothills Road intersection, to access the Area. This project will create a connection that will provide for pedestrians to enjoyably, directly, and safely travel from downtown Lake Oswego, through the Area, and to the waterfront.

O. Willamette Steps Upgrades

This project is an allowance for upgrades to the Steps, in order to provide a higher level of finish consistent with the City's design standards and expectations . This allowance can be used to improve the quality of materials, wall finishes, lighting, street furnishings, and landscaping.

Existing Conditions:

This project will ensure that the Willamette Steps maintain the same high-quality amenities as other parks and connections in the surrounding areas.

P. Phase 2a - South Blocks (including Foothills Road at State Street)

This project includes the extension of Foothills Road south from its Phase I terminus at Oswego Point Drive to the Foothills Road intersection with State Street, and the extension of the east/west street leading from the Foothills Road/State Street intersection east into the Oswego Point Apartments property. The project is intended to be constructed concurrent with adjacent development, and includes curb to curb street improvements, infrastructure improvements for serving adjacent

development, stormwater management facilities (including stormwater planters), street lighting, landscaping, and permanent pedestrian improvements. The project may be broken into phases depending on the progression of redevelopment on adjacent parcels.

Existing Conditions:

Inadequate access, connections, and infrastructure throughout the Area currently inhibit development. This project will upgrade this roadway so adjacent development can occur.

Q. A Avenue Steps

This project will provide pedestrian access to and from the Foothills Area from the State Street/A Avenue intersection. The project would require the acquisition of some or all of the property just east of the A Avenue intersection, new stairs, pathways, disabled access down to Foothills Road, and a new pedestrian crossing of the UPR line, similar to the Millennium Plaza crossing.

Existing Conditions:

Inadequate access and connections throughout the Area currently inhibit development by restricting pedestrian access to and from the Area. An additional pedestrian access point will facilitate the flow of people between downtown Lake Oswego and development in the Area.

R. Portland General Electric Substation Relocation

This project is a relocation of the Portland General Electric (PGE) Substation to another location in the Area, associated with the A Avenue Steps project. The project would include new substation facilities in a different location and realignment of overhead transmission lines leading to and from the new substation.

Existing Conditions:

The PGE substation's current location restricts development and inhibits projects that are planned for the Area. Moving the substation would allow more efficient planning and development of the Area.

S. State Street Streetscape

The Foothills Framework Plan recommends new streetscape improvements for the east side of State Street between Foothills Road and B Avenue. The project includes widened sidewalks, landscaping and street trees, street furnishings, and locations for public art and a Downtown/Foothills Area identity feature.

Existing Conditions:

State Street is one of the main transportation corridors in downtown Lake Oswego, and the streetscaping on the east side of State Street is not up to the standards of the rest of downtown Lake Oswego or of development that will occur in the Area. This project will ensure continuous, high-quality, connections between and throughout downtown Lake Oswego and the Area.

T. Affordable Housing

This project will assist with financing of affordable housing delivered by private and/or non-profit developers. Assistance would be provided for affordable housing opportunities that are consistent with the Lake Oswego Comprehensive Plan and other City of Lake Oswego-adopted housing policies. This project would contribute toward the Foothills Framework Plan vision by providing a broader mix of housing options for those living and working in Lake Oswego.

Existing Conditions:

There is currently no affordable housing in the Area. This project help work toward the Foothills Framework Plan vision by enabling a wider range of people to locate in the Area.

U. Administration/Relocation/Repayment of Planning Costs

This project provides for the administration of the urban renewal area by the City of Lake Oswego. It also allows for funding to relocate existing businesses and the repayment of planning costs to the City of Lake Oswego.

Existing Conditions:

There is currently no funding source dedicated to pay or repay these costs.

V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The total project cost as identified in the Foothills District Framework Plan, the project cost accounting for inflation, the tax increment portion of the project costs and the anticipated other sources of revenues are shown in Table 5. The sources of funds for the project costs are tax increment revenues (TIF) and a variety of other funding sources as identified by the City of Lake Oswego (City). The “other” sources include systems development charges, general obligation bonds, street fund contribution, general fund contributions, local improvement district(s), developer contributions or other sources identified by the City.

The projects are anticipated to be constructed according to the schedule shown in Table 6.

Table 5 - Estimated Cost of Projects and Sources of Moneys

Project	Project Description	Nominal Dollars					Constant 2012 Dollars
		TIF	Trans. SDC	Parks SDC	Utility Rev.	Total	Total
A	Foothills Road Phase I Curb to Curb (A to B)	\$ 2,528,000	\$ 90,000	\$ -	\$ -	\$ 2,618,000	\$ 2,375,000
B	Foothills Road Phase I Frontage Improvements (A to B)	\$ -	\$ 514,000	\$ -	\$ -	\$ 514,000	\$ 415,000
C	Foothills Road Phase II Curb to Curb (B to Tax Lot 1700)	\$ 995,000	\$ 995,000	\$ -	\$ -	\$ 1,990,000	\$ 1,353,000
D	Foothills Road Phase II Frontage Improvements (B to Tax Lot 1700)	\$ 179,000	\$ 179,000	\$ -	\$ -	\$ 358,000	\$ 233,000
E	North Portal - D/E	\$ 1,490,000	\$ 1,023,000	\$ -	\$ -	\$ 2,513,000	\$ 1,629,000
F	B Avenue Phase 1 Curb to Curb	\$ 2,331,000	\$ 90,000	\$ -	\$ -	\$ 2,421,000	\$ 2,197,000
G	B Avenue Phase 1 Frontage Improvements	\$ -	\$ 842,000	\$ -	\$ -	\$ 842,000	\$ 694,000
H	B Avenue Phase 2 Curb-to-Curb	\$ 1,621,000	\$ -	\$ -	\$ -	\$ 1,621,000	\$ 1,184,000
I	B Avenue Phase 2 Frontage Improvements	\$ 612,000	\$ -	\$ -	\$ -	\$ 612,000	\$ 442,000
J	B Avenue Plaza at Park	\$ 263,000	\$ -	\$ 263,000	\$ -	\$ 526,000	\$ 385,000
K	B Avenue Plaza at Park Upgrades	\$ 103,000	\$ -	\$ 103,000	\$ -	\$ 206,000	\$ 150,000
L	Relocate SS and Storm Transmission Mains	\$ 1,393,000	\$ -	\$ -	\$ 1,393,000	\$ 2,786,000	\$ 2,140,000
M	Rebuild Foothills Lift Station and Pressure Mains	\$ 388,000	\$ -	\$ -	\$ 388,000	\$ 776,000	\$ 705,000
N	Willamette Steps	\$ 534,000	\$ -	\$ 1,245,000	\$ -	\$ 1,779,000	\$ 1,382,000
O	Willamette Steps Upgrades	\$ 292,000	\$ -	\$ 681,000	\$ -	\$ 973,000	\$ 750,000
P	Phase 2a - South Blocks (Foothills Rd from State St to Oswego Point Dr)	\$ 1,239,000	\$ 1,239,000	\$ -	\$ -	\$ 2,478,000	\$ 1,706,000
Q	A Avenue Steps	\$ 5,452,000	\$ -	\$ -	\$ -	\$ 5,452,000	\$ 3,740,000
R	PGE Substation Relocation	\$ 3,633,000	\$ -	\$ -	\$ -	\$ 3,633,000	\$ 2,500,000
S	State Street Streetscape	\$ 3,132,000	\$ -	\$ -	\$ -	\$ 3,132,000	\$ 2,023,000
T	Affordable Housing	\$ 8,817,000	\$ -	\$ -	\$ -	\$ 8,817,000	\$ 6,500,000
U	Administration / Relocation / Repayment of Planning Costs / Financing	\$ 8,198,000	\$ -	\$ -	\$ -	\$ 8,198,000	\$ 13,893,000
Total		\$ 43,200,000	\$ 4,972,000	\$ 2,292,000	\$ 1,781,000	\$52,245,000	\$ 46,396,000

Source: City of Lake Oswego and ECONorthwest, rounded totals

All costs include only local share, and exclude State/Federal grants and private contributions

VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The project schedule is shown in Table 6. The projects will be ongoing and will be completed as directed by the Lake Oswego Redevelopment Agency (LORA). The anticipated construction start dates are shown below, with completion depending on project specifics identified at the time of construction. All projects are anticipated to be completed by FY 2026-27. The Area will continue to collect tax increment revenues through FY 2034-35.

Table 6 - Anticipated Completion Dates

Project	Project Name	Anticipated Beginning Date	Anticipated Completion Date
A	Foothills Road Phase I Curb to Curb (A to B)	2014	2016
B	Foothills Road Phase I Frontage Improvements (A to B)	2017	2019
C	Foothills Road Phase II Curb to Curb (B to Tax Lot 1700)	2022	2025
D	Foothills Road Phase II Frontage Improvements (B to Tax Lot 1700)	2023	2027
E	North Portal - D/E	2024	2026
F	B Avenue Phase 1 Curb to Curb	2014	2016
G	B Avenue Phase 1 Frontage Improvements	2015	2020
H	B Avenue Phase 2 Curb-to-Curb	2020	2022
I	B Avenue Phase 2 Frontage Improvements	2020	2023
J	B Avenue Plaza at Park	2020	2022
K	B Avenue Plaza at Park Upgrades	2021	2022
L	Relocate SS and Storm Transmission Mains	2014	2024
M	Rebuild Foothills Lift Station and Pressure Mains	2014	2016
N	Willamette Steps	2018	2020
O	Willamette Steps Upgrades	2019	2020
P	Phase 2a - South Blocks (Foothills Rd from State St to Oswego Point Dr)	2022	2024
Q	A Avenue Steps	2022	2024
R	PGE Substation Relocation	2022	2024
S	State Street Streetscape	2018	2020
T	Affordable Housing	2017	2025
U	Administration / Relocation / Repayment of Planning Costs / Financing	Ongoing	Ongoing

Source: ECONorthwest, City of Lake Oswego, dependent on financing plan modeled by the City

VII. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED

Tables 7 and 8 show how the tax increment revenues and other resources will be used to fund projects and debt service. Table 7 shows the Debt Service Fund, including annual TIF revenues and anticipated debt service payments. It is anticipated that TIF revenues each year will achieve a minimum coverage ratio of 1.5 times debt service. It is anticipated that all debt will be retired by the end of FY 2034-35. The estimated total amount of tax increment revenues required to service the maximum indebtedness of \$43,200,000 is \$72,100,000 (nominal dollars).

Table 7 - Debt Service Fund

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
TIF Revenue	-	\$1,556	\$4,696	\$9,500	\$635,465	\$973,062	\$1,537,352	\$2,248,679	\$2,839,293	\$3,174,904	\$3,852,915	\$4,502,693
Debt Service												
Interim Loan	-	-	-	-	\$7,900,000	-	-	-	-	-	-	-
Bank Loan	-	-	-	-	\$422,500	\$534,500	\$11,224,500	-	-	-	-	-
Bonds - Series A	-	-	-	-	-	-	\$985,784	\$985,784	\$985,784	\$985,784	\$985,784	\$985,784
Bonds - Series B	-	-	-	-	-	-	-	-	\$640,120	\$640,120	\$640,120	\$640,120
Bonds - Series C	-	-	-	-	-	-	-	-	-	-	-	\$1,004,988
Bonds - Series D	-	-	-	-	-	-	-	-	-	-	-	-
Total Debt Service	-	-	-	-	\$8,322,500	\$534,500	\$12,210,284	\$985,784	\$1,625,904	\$1,625,904	\$1,625,904	\$2,630,892
Coverage Ratio	1.00	1.00	1.00	1.00	1.50	1.82	1.56	2.28	1.75	1.95	2.37	1.71
TIF Revenue After D/S												
Annual	-	\$1,556	\$4,696	\$9,500	\$212,965	\$438,562	\$551,568	\$1,262,895	\$1,213,389	\$1,549,000	\$2,227,011	\$1,871,801
Cumulative	-	\$1,556	\$6,252	\$15,752	\$228,717	\$667,279	\$1,218,847	\$2,481,742	\$3,695,131	\$5,244,131	\$7,471,142	\$9,342,943

Source: ECONorthwest

Table 7 - Debt Service Fund, continued

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
TIF Revenue	\$4,505,974	\$4,565,444	\$4,693,189	\$4,737,867	\$4,783,886	\$4,831,286	\$4,880,108	\$4,930,394	\$4,982,189	\$5,035,538	\$5,090,487
Debt Service											
Interim Loan	-	-	-	-	-	-	-	-	-	-	-
Bank Loan	-	-	-	-	-	-	-	-	-	-	-
Bonds - Series A	\$985,784	\$985,784	\$985,784	\$985,784	\$985,784	\$985,784	\$985,784	\$985,784	\$985,784	\$985,784	\$8,872,056
Bonds - Series B	\$640,120	\$640,120	\$640,120	\$640,120	\$640,120	\$640,120	\$640,120	\$640,120	\$640,120	\$640,120	\$7,041,320
Bonds - Series C	\$1,004,988	\$1,004,988	\$1,004,988	\$1,004,988	\$1,004,988	\$1,004,988	\$1,004,988	\$1,004,988	\$1,004,988	\$1,004,988	\$14,069,832
Bonds - Series D	-	\$268,573	\$268,573	\$268,573	\$268,573	\$268,573	\$268,573	\$268,573	\$268,573	\$268,573	\$2,954,303
Total Debt Service	\$2,630,892	\$2,899,465	\$2,899,465	\$2,899,465	\$2,899,465	\$2,899,465	\$2,899,465	\$2,899,465	\$2,899,465	\$2,899,465	\$32,937,511
Coverage Ratio											
	1.71	1.57	1.62	1.63	1.65	1.67	1.68	1.70	1.72	1.74	1.76
TIF Revenue After D/S											
Annual	\$1,875,082	\$1,665,979	\$1,793,724	\$1,838,402	\$1,884,421	\$1,931,821	\$1,980,643	\$2,030,929	\$2,082,724	\$2,136,073	\$2,191,022
Cumulative	\$11,218,025	\$12,884,004	\$14,677,728	\$16,516,130	\$18,400,551	\$20,332,372	\$22,313,015	\$24,343,944	\$26,426,668	\$28,562,741	\$715,717

Source: ECONorthwest

Table 8 shows proceeds from loans and bonds backed by tax increment revenues, as well as system development charges and utility revenues that will be allocated to projects in the District. The final expenditures on projects is anticipated to occur in FY 2027-28. As shown on Table 7, debt service is projected until 2035.

Table 8 - Capital Projects Fund

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
RESOURCES												
Beginning Fund Balance	-	-	\$4,500	\$3,399	\$1,073	\$177,907	\$382,803	\$2,182,076	\$492,666	\$7,730,789	\$3,561,074	\$1,535,824
Interim Loan	\$255,000	\$365,000	\$1,250,000	\$5,025,000	-	-	-	-	-	-	-	-
Bank Loan	-	-	-	-	\$8,450,000	\$2,240,000	-	-	-	-	-	-
Bonds	-	-	-	-	-	-	\$15,400,000	-	\$10,000,000	-	-	\$15,700,000
Transportation SDCs	-	-	-	\$254,446	\$357,130	\$475,488	\$296,509	\$587,424	\$226,730	\$648,184	\$573,099	\$541,461
Parks SDCs	-	-	-	-	-	-	\$241,246	\$1,684,521	\$51,424	\$315,068	-	-
Other Utility Revenues	-	-	\$131,706	\$654,316	-	-	-	-	\$163,354	\$403,818	-	\$428,411
Total Resources	\$255,000	\$365,000	\$1,386,206	\$5,937,161	\$8,808,203	\$2,893,395	\$16,320,557	\$4,454,022	\$10,934,173	\$9,097,859	\$4,134,173	\$18,205,696
EXPENDITURES												
Foothills Road Phase I Curb to Curb (A to B)	-	-	\$438,651	\$2,179,234	-	-	-	-	-	-	-	-
Foothills Road Phase I Frontage Improvements (A to B)	-	-	-	-	-	\$85,852	\$428,585	-	-	-	-	-
Foothills Road Phase II Curb to Curb (B to Tax Lot 1700)	-	-	-	-	-	-	-	-	-	-	\$330,571	\$817,162
Foothills Road Phase II Frontage Improvements (B to Tax Lot 1700)	-	-	-	-	-	-	-	-	-	-	-	\$58,593
North Portal - D/E	-	-	-	-	-	-	-	-	-	-	-	-
B Avenue Phase 1 Curb to Curb	-	-	\$405,745	\$2,015,755	-	-	-	-	-	-	-	-
B Avenue Phase 1 Frontage Improvements	-	-	-	\$73,967	\$180,771	\$187,998	\$195,524	\$203,348	-	-	-	-
B Avenue Phase 2 Curb-to-Curb	-	-	-	-	-	-	-	-	\$272,779	\$1,348,641	-	-
B Avenue Phase 2 Frontage Improvements	-	-	-	-	-	-	-	-	\$65,482	\$378,904	\$167,261	-
B Avenue Plaza at Park	-	-	-	-	-	-	-	-	\$102,847	\$423,736	-	-
B Avenue Plaza at Park Upgrades	-	-	-	-	-	-	-	-	-	\$206,400	-	-
Relocate SS and Storm Transmission Mains	-	-	\$133,226	\$661,871	-	-	-	-	\$326,708	\$807,636	-	\$856,822
Rebuild Foothills Lift Station and Pressure Mains	-	-	\$130,185	\$646,761	-	-	-	-	-	-	-	-
Willamette Steps	-	-	-	-	-	-	\$344,637	\$1,433,709	-	-	-	-
Willamette Steps Upgrades	-	-	-	-	-	-	-	\$972,750	-	-	-	-
Phase 2a - South Blocks (Foothills Rd from State St to Oswego Point Dr)	-	-	-	-	-	-	-	-	-	-	\$416,804	\$2,060,648
A Avenue Steps	-	-	-	-	-	-	-	-	-	-	\$233,181	\$5,219,249
PGE Substation Relocation	-	-	-	-	-	-	-	-	-	-	\$566,920	\$3,065,580
State Street Streetscape	-	-	-	-	-	-	\$108,758	\$542,931	-	-	-	-
Affordable Housing	-	-	-	-	-	\$1,918,560	-	-	\$1,937,055	\$2,064,000	-	\$1,167,840
Administration / Relocation / Repayment of Planning Costs / Financing	\$255,000	\$360,500	\$275,000	\$358,500	\$549,525	\$318,182	\$1,836,477	\$808,618	\$498,513	\$307,468	\$883,612	\$640,193
Refinancing Existing Debt	-	-	-	-	\$7,900,000	-	\$11,224,500	-	-	-	-	-
Total Expenditures	\$255,000	\$360,500	\$1,382,807	\$5,936,088	\$8,630,296	\$2,510,592	\$14,138,481	\$3,961,356	\$3,203,384	\$5,536,785	\$2,598,349	\$13,886,087
Ending Fund Balance	\$0	\$4,500	\$3,399	\$1,073	\$177,907	\$382,803	\$2,182,076	\$492,666	\$7,730,789	\$3,561,074	\$1,535,824	\$4,319,609

Source: ECONorthwest

Table 8 - Capital Projects Fund, continued

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
RESOURCES											
Beginning Fund Balance	\$4,319,609	\$1,545,680	\$2,964,996	\$2,074,715	\$11,285	\$11,285	\$11,285	\$11,285	\$11,285	\$11,285	\$11,285
Interim Loan	-	-	-	-	-	-	-	-	-	-	-
Bank Loan	-	-	-	-	-	-	-	-	-	-	-
Bonds	-	\$3,650,000	-	-	-	-	-	-	-	-	-
Transportation SDCs	\$475,430	\$536,795	-	-	-	-	-	-	-	-	-
Parks SDCs	-	-	-	-	-	-	-	-	-	-	-
Other Utility Revenues	-	-	-	-	-	-	-	-	-	-	-
Total Resources	\$4,795,039	\$5,732,475	\$2,964,996	\$2,074,715	\$11,285	\$11,285	\$11,285	\$11,285	\$11,285	\$11,285	\$11,285
EXPENDITURES											
Foothills Road Phase I Curb to Curb (A to B)	-	-	-	-	-	-	-	-	-	-	-
Foothills Road Phase I Frontage Improvements (A to B)	-	-	-	-	-	-	-	-	-	-	-
Foothills Road Phase II Curb to Curb (B to Tax Lot 1700)	\$841,681	-	-	-	-	-	-	-	-	-	-
Foothills Road Phase II Frontage Improvements (B to Tax Lot 1700)	\$57,937	\$119,349	\$122,932	-	-	-	-	-	-	-	-
North Portal - D/E	\$284,622	\$2,229,072	-	-	-	-	-	-	-	-	-
B Avenue Phase 1 Curb to Curb	-	-	-	-	-	-	-	-	-	-	-
B Avenue Phase 1 Frontage Improvements	-	-	-	-	-	-	-	-	-	-	-
B Avenue Phase 2 Curb-to-Curb	-	-	-	-	-	-	-	-	-	-	-
B Avenue Phase 2 Frontage Improvements	-	-	-	-	-	-	-	-	-	-	-
B Avenue Plaza at Park	-	-	-	-	-	-	-	-	-	-	-
B Avenue Plaza at Park Upgrades	-	-	-	-	-	-	-	-	-	-	-
Relocate SS and Storm Transmission Mains	-	-	-	-	-	-	-	-	-	-	-
Rebuild Foothills Lift Station and Pressure Mains	-	-	-	-	-	-	-	-	-	-	-
Willamette Steps	-	-	-	-	-	-	-	-	-	-	-
Willamette Steps Upgrades	-	-	-	-	-	-	-	-	-	-	-
Phase 2a - South Blocks (Foothills Rd from State St to Oswego Point Dr)	-	-	-	-	-	-	-	-	-	-	-
A Avenue Steps (Optional)	-	-	-	-	-	-	-	-	-	-	-
PGE Substation Relocation (Optional)	-	-	-	-	-	-	-	-	-	-	-
State Street Streetscape (Optional)	-	-	\$417,349	\$2,063,430	-	-	-	-	-	-	-
Affordable Housing	\$1,729,140	-	-	-	-	-	-	-	-	-	-
Administration / Relocation / Repayment of Planning Costs / Financing	\$335,979	\$419,058	\$350,000	-	-	-	-	-	-	-	-
Refinancing Existing Debt	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$3,249,359	\$2,767,479	\$890,281	\$2,063,430	-	-	-	-	-	-	-
Ending Fund Balance	\$1,545,680	\$2,964,996	\$2,074,715	\$11,285	\$11,285	\$11,285	\$11,285	\$11,285	\$11,285	\$11,285	\$11,285

Source: ECONorthwest

VIII. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FY 2034-35, as shown above, are based on projections of the assessed value of development within the Area and the total tax rate that will apply in the Area. Table 9 shows the estimated assessed values of the Area and the growth assumptions for projecting those values.

The assumptions include projected new assessed value of \$385,061,147 from projected development projects. This development is shown in Table 10 and in the Assessed Value estimated in Table 9.

Table 9 – Assessed Value Estimates

FYE	Real	Personal	Utility	Total	Percent Growth
2013	\$9,819,491	\$957,894	\$190,026	\$10,967,411	
2014	\$9,917,686	\$967,473	\$191,926	\$11,077,085	1.0%
2015	\$10,116,040	\$986,822	\$195,765	\$11,298,627	2.0%
2016	\$10,419,521	\$1,016,427	\$201,638	\$11,637,586	3.0%
2017	\$54,550,681	\$1,046,920	\$207,687	\$55,805,288	379.5%
2018	\$78,350,099	\$1,078,328	\$213,918	\$79,642,345	42.7%
2019	\$118,135,950	\$1,110,678	\$220,336	\$119,466,964	50.0%
2020	\$168,300,579	\$1,143,998	\$226,946	\$169,671,523	42.0%
2021	\$210,877,971	\$1,178,318	\$233,754	\$212,290,043	25.1%
2022	\$234,602,056	\$1,213,668	\$240,767	\$236,056,491	11.2%
2023	\$282,595,970	\$1,250,078	\$247,990	\$284,094,038	20.4%
2024	\$328,560,637	\$1,287,580	\$255,430	\$330,103,647	16.2%
2025	\$368,249,890	\$1,326,207	\$263,093	\$369,839,190	12.0%
2026	\$403,699,280	\$1,365,993	\$270,986	\$405,336,259	9.6%
2027	\$450,735,072	\$1,406,973	\$279,116	\$452,421,161	11.6%
2028	\$464,257,124	\$1,449,182	\$287,489	\$465,993,795	3.0%
2029	\$478,184,838	\$1,492,657	\$296,114	\$479,973,609	3.0%
2030	\$492,530,383	\$1,537,437	\$304,997	\$494,372,817	3.0%
2031	\$507,306,294	\$1,583,560	\$314,147	\$509,204,001	3.0%
2032	\$522,525,483	\$1,631,067	\$323,571	\$524,480,121	3.0%
2033	\$538,201,247	\$1,679,999	\$333,278	\$540,214,524	3.0%
2034	\$554,347,284	\$1,730,399	\$343,276	\$556,420,959	3.0%
2035	\$570,977,703	\$1,782,311	\$353,574	\$573,113,588	3.0%

Source: ECONorthwest

Table 10 - Projected Development in the Area

Year Built	First Year on Tax Roll (FYE)	Assessed Value			
		Condo	Senior Housing	Apartments	Total
2013	2015				\$0
2014	2016				\$0
2015	2017			\$44,794,220	\$44,794,220
2016	2018			\$23,167,813	\$23,167,813
2017	2019		\$38,470,411		\$38,470,411
2018	2020			\$47,686,665	\$47,686,665
2019	2021	\$38,626,473			\$38,626,473
2020	2022		\$18,528,787		\$18,528,787
2021	2023			\$42,120,824	\$42,120,824
2022	2024			\$38,686,710	\$38,686,710
2023	2025			\$31,068,353	\$31,068,353
2024	2026			\$25,674,890	\$25,674,890
2025	2027	\$36,236,001			\$36,236,001
2026	2028				\$0
2027	2029				\$0
2028	2030				\$0
2029	2031				\$0
2030	2032				\$0
2031	2033				\$0
2032	2034				\$0
2033	2035				\$0
	Total	\$74,862,474	\$56,999,198	\$253,199,475	\$385,061,147

Source: ECONorthwest

Table 11 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Table 7. These projections include a potential of shared revenue with impacted taxing jurisdictions starting in FY 2024-25. Approximately \$16.5 million will be shared with taxing jurisdictions over the life of the Plan. For more information on this, see Section IX of this Report on Impacts on Taxing Jurisdictions. The tax rate varies because of impacts from general obligation bond rates (for bonds approved prior to Oct. 6, 2001).

Tables 10 and 11 show that the Plan is feasible.

Table 11 - Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues and Revenue Sharing

FYE	Increment	Levy Rate	TIF Collected		
			to URA	Shared	Total
2013	\$0	14.2859	\$0	\$0	\$0
2014	\$109,674	14.1830	\$1,556	\$0	\$1,556
2015	\$331,216	14.1794	\$4,696	\$0	\$4,696
2016	\$670,175	14.1750	\$9,500	\$0	\$9,500
2017	\$44,837,877	14.1725	\$635,465	\$0	\$635,465
2018	\$68,674,934	14.1691	\$973,062	\$0	\$973,062
2019	\$108,499,553	14.1692	\$1,537,352	\$0	\$1,537,352
2020	\$158,704,112	14.1690	\$2,248,679	\$0	\$2,248,679
2021	\$201,322,632	14.1032	\$2,839,293	\$0	\$2,839,293
2022	\$225,089,080	14.1051	\$3,174,904	\$0	\$3,174,904
2023	\$273,126,627	14.1067	\$3,852,915	\$0	\$3,852,915
2024	\$319,136,236	14.1090	\$4,502,693	\$0	\$4,502,693
2025	\$358,871,779	14.1106	\$4,505,974	\$557,922	\$5,063,896
2026	\$394,368,848	13.4437	\$4,565,444	\$736,332	\$5,301,776
2027	\$441,453,750	13.1673	\$4,693,189	\$1,119,565	\$5,812,754
2028	\$455,026,384	13.1673	\$4,737,867	\$1,253,602	\$5,991,469
2029	\$469,006,198	13.1673	\$4,783,886	\$1,391,659	\$6,175,545
2030	\$483,405,406	13.1673	\$4,831,286	\$1,533,858	\$6,365,144
2031	\$498,236,590	13.1673	\$4,880,108	\$1,680,323	\$6,560,431
2032	\$513,512,710	13.1673	\$4,930,394	\$1,831,182	\$6,761,576
2033	\$529,247,113	13.1673	\$4,982,189	\$1,986,567	\$6,968,756
2034	\$545,453,548	13.1673	\$5,035,538	\$2,146,613	\$7,182,151
2035	\$562,146,177	13.1673	\$5,090,487	\$2,311,460	\$7,401,947
Total			\$72,816,477	\$16,549,083	\$89,365,560

Source: ECONorthwest

IX. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the Plan, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area.

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the Area, and the shared property tax revenues generated on assessed value in the Area from new development that would not have occurred but for the Plan. These projections are for impacts estimated through FY 2034-35, and are shown in Tables 12 and 13.

To calculate the impact of the Plan on overlapping taxing districts, we first forecast property tax revenues that would accrue to taxing districts without the Plan, and then forecast property tax revenues that would accrue to taxing districts with the Plan. In both scenarios, taxes on the Frozen Base accrue to overlapping taxing districts as normal, so the real impact comes from future growth in assessed value.

Without urban renewal, the Area is not anticipated to experience any redevelopment, as the conditions of blight in the Area are too significant to be overcome by private development. Thus, growth in assessed value would be limited to annual appreciation on the frozen base. With urban renewal, significant new development is anticipated (shown in Table 10). This development leads to significantly faster growth in assessed value, but the associated growth in property tax revenues from permanent tax rates would accrue to the urban renewal agency, and not to the overlapping taxing districts. This is the case until revenue sharing occurs, at which point, some of the tax increment finance revenues are shared with the overlapping taxing districts.

Table 12 shows the impact of the Plan on taxing districts. From 2013-14 to 2023-24 the Plan is anticipated to have negative annual impacts on property tax revenues from permanent tax rates for all overlapping jurisdictions, as these jurisdictions miss out on the growth in assessed value that would have happened in the area without urban renewal investment. In fact, these losses continue throughout the duration of the Plan (anticipated to end in 2034-35), but starting in 2024-25, these losses are counteracted by revenue sharing.

In FY 2024-25, the Area's TIF revenue is projected to meet the 10% of initial maximum indebtedness trigger stated in the ORS statutes (10% of \$43,200,000 is \$4,320,000). At that 10% limit, the affected taxing jurisdictions will begin receiving a portion of the TIF revenues (Revenue Sharing). The Agency will notify the Assessor to initiate Revenue Sharing once this threshold is met. The Foothills Urban Renewal Plan is different from many urban renewal plans in that the revenue sharing trigger is met much sooner in the life of the Plan and will provide revenue to the taxing districts much earlier in the Plan than a typical urban renewal area. Anticipated Revenue sharing is shown in Table 11.

Revenue sharing results in approximately \$16.5 million in positive impacts for overlapping taxing districts over the life of the Plan. By comparison, the negative impact from appreciation on the frozen base that accrues to the urban renewal agency amounts to \$1.1 million over the life of the Plan. Therefore the total net impact over the life of the plan is positive \$15.4 million over the life of the Plan.

The impacts of the Plan on the Lake Oswego School District (LOSD) and Clackamas Education Service District (CESD) are not easily summarized, as Oregon K-12 school funding is determined under a statewide formula that seeks to equitably allocate funding to each district based primarily on enrollment. The impacts for these education districts shown in Tables 12 and 13 are more accurately categorized as impacts to resources for schools statewide. As this impact is shared with all other school districts statewide, the actual impact to LOSD and CESD funding is significantly less than their amounts summarized in Tables 12 and 13.

Statewide, local property tax revenues for K-12 education derived from permanent levy rates are combined with a fixed biennial allocation from the State's General Fund to effectively form a statewide pool of funds for K-12 public schools and education service districts called the State School Fund (SSF). Allocations from the SSF to individual districts are calculated primarily on a per-student basis, with adjustments for certain demographic and socio-economic factors and costs of transportation, among other things. Thus, the impacts of the Plan on LOSD and CESD permanent rate property tax revenues shown in Table 21 would effectively be spread across all K-12 districts statewide. The final impact of the Plan specific to LOSD and CESD is equal to each district's respective share of SSF revenues, multiplied by the change in statewide revenues for K-12 education districts.

LOSD's current allocation of SSF is approximately 1.08%, and CESD's is 3.39%. Applying these percentages to the projected impacts as summarized on Table 12, we find the cumulative impact over the life of the Plan would be positive and approximately \$61,000 for LOSD and \$192,000 for CESD (nominal dollars, unadjusted for inflation) from Table 12. When these figures are adjusted for inflation (assuming 3.0% per year) and divided by the expected length of the Plan, we find the average annual impact in constant 2012 dollars would be positive \$1,600 for LOSD and \$5,100 for CESD.

The Lake Oswego School District is presently experiencing impacts of compression on their local option levies. The Lake Oswego School District local option levies are not projected to experience additional losses because of this Plan. As market values increase, compression is less of a concern for all local governments.

New commercial and residential development in the Area will be subject to the construction excise taxes that are collected for the Lake Oswego School District. The projected revenues to the Lake Oswego School District as a result of new development in the Area are estimated to be \$1,000,000 over the life of the Plan.

Table 12 shows the projected impacts to permanent rate levies of taxing districts as a result of this Plan. The projections in the Total Impacts column do not exactly match the tax increment projections in Table 10 because in the years 2012-2026 there are GO bonds issued prior to 2001 that have an impact on the overall TIF revenue generation, but are an impact on the tax payer (see Table 14) not on the taxing jurisdictions.

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Table 12- Projected Impact on Taxing District Permanent Rate Levies

FYE	Portland Comm. Col.	Clackamas ESD*	Lake Oswego Sch. Dist.*	City of Lake Oswego	Clackamas County	County Extension & 4H	County Library	County Soil and Water	Port of Portland	Metro	Vector Control	Total
2013	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014	-\$28	-\$36	-\$439	-\$488	-\$236	-\$5	-\$39	-\$5	-\$7	-\$9	-\$1	-\$1,293
2015	-\$84	-\$109	-\$1,326	-\$1,474	-\$713	-\$15	-\$118	-\$15	-\$21	-\$29	-\$2	-\$3,906
2016	-\$170	-\$221	-\$2,683	-\$2,982	-\$1,443	-\$30	-\$238	-\$30	-\$42	-\$58	-\$4	-\$7,901
2017	-\$258	-\$336	-\$4,080	-\$4,536	-\$2,194	-\$46	-\$363	-\$46	-\$64	-\$88	-\$6	-\$12,017
2018	-\$349	-\$455	-\$5,519	-\$6,136	-\$2,968	-\$62	-\$491	-\$62	-\$87	-\$119	-\$8	-\$16,256
2019	-\$443	-\$577	-\$7,002	-\$7,784	-\$3,765	-\$78	-\$622	-\$78	-\$110	-\$151	-\$10	-\$20,620
2020	-\$540	-\$703	-\$8,529	-\$9,482	-\$4,587	-\$95	-\$758	-\$95	-\$134	-\$184	-\$12	-\$25,119
2021	-\$639	-\$833	-\$10,102	-\$11,231	-\$5,433	-\$113	-\$898	-\$113	-\$158	-\$218	-\$15	-\$29,753
2022	-\$741	-\$967	-\$11,722	-\$13,032	-\$6,304	-\$131	-\$1,042	-\$131	-\$184	-\$253	-\$17	-\$34,524
2023	-\$847	-\$1,104	-\$13,391	-\$14,887	-\$7,201	-\$150	-\$1,190	-\$150	-\$210	-\$289	-\$19	-\$39,438
2024	-\$956	-\$1,246	-\$15,109	-\$16,798	-\$8,125	-\$169	-\$1,343	-\$169	-\$237	-\$326	-\$22	-\$44,500
2025	\$10,114	\$13,186	\$159,888	\$177,756	\$85,983	\$1,788	\$14,213	\$1,788	\$2,507	\$3,454	\$232	\$470,909
2026	\$14,306	\$18,652	\$226,164	\$251,438	\$121,624	\$2,530	\$20,103	\$2,530	\$3,546	\$4,887	\$329	\$666,109
2027	\$22,743	\$29,652	\$359,545	\$399,725	\$193,352	\$4,021	\$31,960	\$4,021	\$5,637	\$7,769	\$523	\$1,058,948
2028	\$25,500	\$33,245	\$403,120	\$448,169	\$216,786	\$4,508	\$35,834	\$4,508	\$6,321	\$8,710	\$586	\$1,187,287
2029	\$28,339	\$36,947	\$448,003	\$498,067	\$240,921	\$5,011	\$39,822	\$5,011	\$7,025	\$9,680	\$651	\$1,319,477
2030	\$31,263	\$40,760	\$494,232	\$549,462	\$265,782	\$5,527	\$43,932	\$5,527	\$7,750	\$10,679	\$718	\$1,455,632
2031	\$34,275	\$44,686	\$541,847	\$602,399	\$291,388	\$6,060	\$48,165	\$6,060	\$8,496	\$11,707	\$787	\$1,595,870
2032	\$37,377	\$48,731	\$590,891	\$656,923	\$317,762	\$6,609	\$52,525	\$6,609	\$9,265	\$12,767	\$859	\$1,740,318
2033	\$40,573	\$52,897	\$641,406	\$713,083	\$344,928	\$7,174	\$57,014	\$7,174	\$10,057	\$13,859	\$933	\$1,889,098
2034	\$43,864	\$57,188	\$693,437	\$770,928	\$372,908	\$7,755	\$61,640	\$7,755	\$10,873	\$14,983	\$1,009	\$2,042,340
2035	\$47,254	\$61,608	\$747,028	\$830,509	\$401,728	\$8,354	\$66,403	\$8,354	\$11,714	\$16,142	\$1,086	\$2,200,180
Total	\$330,553	\$430,965	\$5,225,659	\$5,809,629	\$2,810,193	\$58,443	\$464,509	\$58,443	\$81,937	\$112,913	\$7,597	\$15,390,841

Source: ECONorthwest*

NOTE: Lake Oswego Schools and the Clackamas Education Service District are not directly impacted, as they are allocated funding through the State School Funding Formula that is based on pupil counts.

Table 13 shows the tax revenues projected to be available to taxing jurisdictions once the Area is terminated. These are estimates only, and changes in the economy resulting in different assessed value may impact the projections made for the Area. The table depicts the taxes from the *frozen base of the Area that the taxing jurisdictions receive throughout the life of the Plan*, and the taxes estimated from the additional taxes which will be received by the taxing jurisdictions once the Plan is terminated, estimated to be in FY 2034-35. The final column estimates the total amount of taxes estimated for the year that the Plan is expected to be terminated.

Table 13 - Additional Revenues Projected After Termination of Tax Increment Financing

Taxing District	Tax Rate	Tax Revenues FY 2035-36		
		From Frozen Base	From Increment Released	Total
Portland Community College	0.2828	\$3,102	\$163,837	\$166,939
Clackamas ESD*	0.3687	\$4,044	\$213,603*	\$217,647
Lake Oswego Sch. Dist.*	4.4707	\$49,032	\$2,590,053*	\$2,639,085
City of Lake Oswego	4.9703	\$54,511	\$2,879,492	\$2,934,003
Clackamas County	2.4042	\$26,368	\$1,392,848	\$1,419,216
County Extension & 4H	0.0500	\$548	\$28,967	\$29,515
County Library	0.3974	\$4,358	\$230,230	\$234,588
County Soil and Water	0.0500	\$548	\$28,967	\$29,515
Port of Portland	0.0701	\$769	\$40,612	\$41,381
Metro	0.0966	\$1,059	\$55,964	\$57,023
Vector Control	0.0065	\$71	\$3,766	\$3,837
Total	13.1673	\$144,410	\$7,628,339	\$7,772,749

Source: ECONorthwest

*These will not be new direct revenues, due to State School Funding Formula.

Table 14 shows the projected impacts of bond rates on taxpayers as a result of this Plan. This impact is due to the spreading of pre-2001 GO Bond rates to taxpayers to equal the amount that would have been raised from properties in the urban renewal area. In other words, properties within the URA have some property tax revenues diverted from paying GO bonds that go to the urban renewal agency. However, jurisdictions still need to pay 100% of their scheduled debt service payment, so the GO bond tax rate is increased, causing taxpayers to contribute more property tax revenues to offset the loss of tax revenue. For new urban renewal areas, bonds and local option levies issued after 2001 are not impacted by urban renewal.

The last column of Table 14 show what these impacts would be for a property with an assessed value of \$100,000. The impact is negligible, having no effect on property with less than \$100,000 assessed value

Table 14 - Projected Impact on Bonds

FYE	Bond Rate			Impact on home with \$100,000 AV
	w/o UR	with UR	Difference	
2013	1.1186	1.1186	0.0000	\$0
2014	1.0157	1.0157	0.0000	\$0
2015	1.0121	1.0122	0.0001	\$0
2016	1.0077	1.0078	0.0001	\$0
2017	1.0052	1.0053	0.0001	\$0
2018	1.0018	1.0020	0.0002	\$0
2019	1.0019	1.0021	0.0002	\$0
2020	1.0017	1.0020	0.0003	\$0
2021	0.9359	0.9362	0.0003	\$0
2022	0.9378	0.9381	0.0003	\$0
2023	0.9394	0.9398	0.0004	\$0
2024	0.9417	0.9421	0.0004	\$0
2025	0.9433	0.9437	0.0004	\$0
2026	0.2764	0.2765	0.0001	\$0

Source: ECONorthwest

X. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA

In cities with a population under 50,000, ORS 457.420 limits the amount of acreage and assessed value in an urban renewal area to 25% of the total acreage in the city and 25% of the assessed value, exclusive of urban renewal excess value. Lake Oswego has two existing urban renewal areas, The East End Redevelopment Area and the Lake Grove Village Center Urban Renewal Area, adopted in 2012. The table below projects the total acreages and assessed values for the East End Redevelopment Area, the Lake Grove Village Center Area and the Foothills Area. The Clackamas County Assessor will establish the frozen base for the Foothills Area once the Plan is approved. The projections below are estimates for the frozen base which were calculated from the Assessor's records of assessed values in the Area.

Table 15 - Existing and Pending Urban Renewal Areas

Urban Renewal Areas	Frozen Base Assessed Value	Acres
East End Redevelopment Area	\$45,832,170	156
Lake Grove Village Center Area	\$150,834,268	159.3
Foothills Area	\$10,967,411	57.9
Total	\$207,633,849	373.2
City of Lake Oswego Total Assessed Value	\$5,280,630,292*	7,168
% of Total	3.93%	5.21%

Source: City of Lake Oswego

*Less Incremental Assessed Value in Urban Renewal Area

XI. RELOCATION REPORT

There is no relocation anticipated due to this Plan. If any property acquisition under the Plan occurs requiring relocation of the occupants of the acquired property, LORA will follow applicable state and federal regulations to relocate such occupants.