

**PLANNING COMMISSION
WEDNESDAY, OCTOBER 12, 2016
6:00 P.M.**

**Wilsonville City Hall
29799 SW Town Center Loop East
Wilsonville, Oregon**

*Approved as Presented
November 9, 2016*

Minutes

I. CALL TO ORDER - ROLL CALL

Chair Greenfield called the meeting to order at 6:04 pm. Those present:

Planning Commission: Jerry Greenfield, Al Levit, Peter Hurley, Simon Springall, and Kamran Mesbah. Eric Postma, Phyllis Millan, and City Councilor Charlotte Lehan were absent.

City Staff: Miranda Bateschell, Michael Kohlhoff, and Amanda Guile-Hinman

II. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited.

III. CITIZEN'S INPUT - This is an opportunity for visitors to address the Planning Commission on items not on the agenda. There was none.

IV. CITY COUNCIL LIAISON REPORT

No Council Liaison Report was provided due to Councilor Lehan's absence.

Michael Kohlhoff, Project City Attorney, introduced Amanda Guile-Hinman as the City's new Assistant City Attorney. He briefly reviewed her professional background and community service.

Commissioner Hurley noted the Commission had not seen the Council liaison for about one year. As done in the past, he suggested that someone forward a memo to the city manager on the Planning Commission's behalf requesting regular receipt of the required City Council updates.

Mr. Kohlhoff agreed to discuss the matter with the city manager, confirming that was the direction of the Commission.

V. CONSIDERATION OF THE MINUTES

A. Consideration of the September 14, 2016 Planning Commission minutes
The September 14, 2016 Planning Commission minutes were accepted as distributed.

VI. WORK SESSION

A. Frog Pond Master Plan (Neamtzu)

Miranda Bateschell, Long-Range Planning Manager, standing in for Planning Director Chris Neamtzu, reminded the Commissioners of the work sessions already held on the Master Plan, noting that this work session would focus specifically on the Infrastructure Funding Plan for the Frog Pond Master Plan to discuss the options available to finance the key infrastructure projects for Frog Pond. This information had been presented to City Council on October 3rd.

Joe Dills, Angelo Planning Group (APG), stated this was an informational item, as the project team was midstream in studying the Infrastructure Funding Plan. The larger strategy was that the Master Plan and the land use and transportation/natural resource side of the master planning process was coupled with an

infrastructure funding strategy. The Master Plan and Funding Plan would be adopted together to guide future annexation and development.

Mr. Dills and Andy Parks presented the Infrastructure Funding Plan via PowerPoint, which was also included in the meeting packet, reviewing key Master Plan projects, the goals and key considerations of the Funding Plan and strategy, and potential financing options.

Discussion and comments regarding the Infrastructure Funding Plan were as follows with responses from the project team as noted.

- Mr. Dills noted the cost estimates did not represent any final cost estimates as the team was still double checking costs, particularly the Stafford/Boeckman/Wilsonville Rd Intersection that would be partially improved by the school district project. All these updates would be included in the final cost numbers.
- The Boeckman Trail encircled the entire West Neighborhood and was not restricted to the southwest corner as shown on Slide 4.
- Commissioner Springall asked for clarification about Boeckman Bridge as an off-site, not a Master Plan, project.
- The Boeckman Bridge was not currently a defined Master Plan type project within the system development charge (SDC) methodology, but was a newly identified project in the Transportation System Plan (TSP). The dip was unsafe, did not meet a number of standards, and the bridge provided an important connection into the city.
- It was not yet clear whether the City would include the project in the Frog Pond Master Plan; however, only about 10 percent of the traffic volumes there could be attributed to the Frog Pond West Neighborhood. The question was whether a proportional share of the cost should be included in the Frog Pond West Funding Strategy for a project conceived for other reasons.
 - No fixed timeline existed for replacement of the Boeckman Bridge, which would involve a combination of grant funds and larger City decisions about the project funding. If Frog Pond West were to contribute to the bridge project, it would be a relatively small proportion since the project was driven by other factors.
 - Frog Pond West would begin development before the Boeckman Bridge project, which would not likely be funded or be underway in less than five years.
 - By then, the need for the bridge would be more apparent and be factored into the City's funding allocation decisions.
- The City would not allow Frog Pond properties located outside of the city limits to develop without annexation. Constructing infrastructure would become a relevant issue if some property owners want to annex that were not contiguous to the city, which lead to additional complexity, risk and timing. The annexation process was very involved and took a lot of time.
- Mr. Kohlhoff explained that for the Frog Pond annexations, the infrastructure financing would be worked into a formal development agreement so everyone knew what to expect when annexing their properties. There would have to be enough properties in the initial annexation to support the City getting involved and moving forward. A reasonable financing plan and construction phasing plan were also needed to make it happen financially.
 - Having a lot of different property owners created uncertainty and increased risks and costs. So far, there appeared to be enough property owners interested in annexation for the City to proceed.
 - Referencing Slide 2, which indicated the owners interested in developing, he noted the school district had shown interest in cooperating with the development plan. The three school district properties (shown without highlighting) were identified on Slide 2, which included the large rectangular parcel along Boeckman Rd and the adjoining parcel, all of which formed an L. The third parcel was the lower right rectangular parcel in the center third of the West Neighborhood bordering Stafford Rd.
 - An agreement with the school district might increase the likelihood of more property owners becoming interested in annexation.

- Properties in the middle of the West Neighborhood (Slide 2) would have access to Frog Pond Ln, a public road that would not have any infrastructure until other properties developed. Infrastructure located in the Boeckman Rd area, so those adjacent parcels would have access. The initial developments would set the stage for improvements to Boeckman Rd and for infrastructure to be extended to properties without access to Stafford or Boeckman Rds. Infrastructure improvements would be completed in several phases.
 - Property owners wanting to develop that need to extend infrastructure through areas not yet annexed have the option of negotiating easements to place lines in adjacent properties.
- The City's public works requirements would impact the phasing of development as well as the related financing arrangements. At this point, the subject presentation was a general overview of the Infrastructure Funding Plan and not meant to provide specific details about individual properties.
- Opportunity costs occurred when the City missed out on a project where developers were ready to go because City Staff and funding was dedicated to another project that did not come to fruition. The risk would decrease if the City facilitated a less-piecemeal, more holistic and timely development process. Staff time could be increased 3 to 10 times dealing with a number of different property owners versus one large group or two to four larger developments. Opportunity costs involved efficiency and could be hard or soft dollar costs.
- Any references to 'square foot' meant a square foot of land.
- In a Local Improvement District (LID), the City would issue the debt secured by the property owners in assessments against those owners who pay the debt off over a period of years, depending on the vehicle selected. All the cash needed for building the projects would be available at that point in time. Often, the bonds were sold after all the various costs were known.
 - With an Advance Reimbursement Financing District, only those property owners moving forward with development would make payments, while the other property owners would not need to provide any money until each was ready to develop their property. Property owners within an LID would begin making debt payments as soon as the assessment was made.
 - An LID would not be created until the properties were annexed to the city.
 - Creating LID that had pockets or islands of properties that were not annexed would be a mess and was not an alternative being considered.
 - Instead, an LID could be imposed on either all of Frog Pond West, or on a large cross-section of several properties that were ready to develop so the LID could do everything, including parks. The property owners might want to take advantage of, and the City might be willing to offer, tax-exempt type financing with lower rates and payment spread overtime as opposed to Advanced Financing District payments that were required up front. In initial meetings, developers seemed less than lukewarm to LIDs.
- As far as educating property owners about these funding options, most of the outreach so far had been with property owners who have shown interest in selling or redeveloping their properties. Additionally, property owners frequently call the City in between meetings to get updates from Staff about Frog Pond West with the Concept Plan, Master Plan, Infrastructure Financing, etc.
 - The work session presentations at City Council and the Planning Commission served as a first step in providing information to the public about the funding alternatives, but also enabled Council and the Commission to give input about the City's role in relationship to the development community and property owners.
 - Because the City had no indication which alternatives would be seriously considered, it had not engaged in public outreach on all the various options. Once the funding alternatives were narrowed down, City Staff would welcome the Commission's input on how to best reach out to the public. If an LID was being considered, for example, further engagement with the property owners would be required.
- An LID would be great if all the property owners were interested in developing. It was not surprising that the landowners' Staff met with were less than lukewarm about an LID, because they did not know if one property owner could delay everyone else from being annexed. Knowing all the property owners' positions would help in determining which funding options to pursue.

- An LID could incentivize faster development because property owners would be paying on the assessed value of the land when developed. An LID could also be perceived negatively by those who preferred a slower development pace. If everyone was ready to develop within the next five years, it might not make a difference.
- Mr. Kohlhoff clarified two-thirds of the owners of the properties involved would need to petition for an LID. He briefly described the cash flow challenges related to LIDs, which the City had not considered in 15 years.
 - He clarified that not any one of the financing approaches in the Funding Plan would be the actual approach used, but likely, a combination of some of the approaches. He noted some approaches involved amendments to the Code, such as amending the SDC ordinance so the Frog Pond neighborhood park, which was not typical, was subject to SDCs. All these ideas needed refined to have something more solid for developers, initially, and then to present to the property owners for their input and buy in as well.
- With LID debt, the City was in the first position, so the debt was typically paid off when the property was sold. The developer and builder typically found ways where they did not necessarily own the lot until it was ultimately sold, so they would not have to pay any of the debt until the property changed hands at the close of a home sale. Any one of the funding alternatives would result in the debt being incorporated into the cost of the home, which would be paid over time by the new homeowner. Generally, none of the alternatives resulted in the City carrying the debt on its books for a second owner.
 - With an LID, the City would act like a banker and different approaches could be used to ensure a significant enough loan to equity ratio so that the citizens' money would be protected should there be a foreclosure.
- If certain financing districts were used, such as an LID, it seemed feasible to break up the West Neighborhood into three geographic bands of properties north to south (Slide 2), rather than having innumerable districts.
 - The southern band along Boeckman Rd was the most ready for development, so having a reimbursement district that would go to the entire West Neighborhood could be an option. That southern district would likely involve a mix of existing tools along with a financing district that might be appropriate for improvements in the northern section that might not occur for many years. Developers installing those improvements would want to be able to get reimbursed from those along the Boeckman Rd district.
 - The team was working through a number of different scenarios, but ultimately, the actual alternatives would be determined based on feedback from the developers regarding where they were in the process, timing, and what might want to see happen.
- Mr. Kohlhoff believed the school district had not provided any real feedback yet, because it did not really have any specifics. However, the City had a good working relationship with the school district, and the district was open to discussion about possible areas of collaboration, such as the green space discussed previously, and the location of the collector. He agreed the location of the three school district's parcels made the school district an important player at an early stage of the process.

Chair Greenfield called for public comment on the Infrastructure Funding Plan.

Dan Grimberg, West Hills Development, 3330 NW, Portland, OR, explained that West Hills Development was very interested in Frog Pond and currently under contract to purchase four properties in Frog Pond. The company had been involved in urban growth boundary (UGB) expansion areas since 2002 in order to acquire larger parcels for development. West Hills had been very instrumental in working with experts to develop financial plans that work for both developers and bankers. Many of the funding ideas were great, but it came down to what made sense on a project by project basis because the funding typically came from banks, even though the developers had to put up a lot of equity. Financially, a certain project could only carry a certain burden.

- Many UGB infrastructure funding plans were modeled after North Bethany where West Hills was instrumental in developing a realistic financing plan and had developed the first 600 homes. He explained that in North Bethany's and West Hills' other projects, development occurred incrementally. The roads and utilities were built project by project because they could be funded and West Hills knew how to manage that.
- West Hills purchases properties that already have water and sewer services. The property is developed and the infrastructure is extended to adjacent properties and then to other neighboring properties. This approach was more prudent because the money was spent as it was needed with development. If West Hills owned all of Frog Pond, the company would not install the entire infrastructure at one time, but construct it in small increments as houses were developed and sold, thus extending the utilities and services to other areas.
- He described the four realistic funding options used in North Bethany, which included a supplemental SDC, a County Service District, and negotiations with Washington County on the use of Transportation Development Tax (TDT) and Major System Transportation Improvement Project (MSTIP) funds. Similar approaches were also used in River Terrace in Tigard, South Cooper Mountain, and Bonnie Slope in Washington County.
- He clarified West Hills did own a small piece of property in Frog Pond with access off Frog Pond Ln and was working under contract with four other parcels located along Boeckman Rd. The property of Frog Pond Ln had existing utilities nearby.

Amy Thurmond, Property Owner, 7070 Frog Pond Ln, stated her property was adjacent to the property owned by West Hills Development. She clarified that the property owners on the other side of her property were interested in selling the property for development, even though it was not currently shown on Slide 2. This left only one remaining property owner that was not interested in developing in the two southernmost geographic bands as described during the discussion.

Chair Greenfield confirmed there were no further comments from the audience and concluded the work session.

VII. INFORMATIONAL

A. Basalt Creek Concept Plan (Bateschell)

Miranda Bateschell, Long-Range Planning Manager, updated the Planning Commission on the progress of the Basalt Creek Planning Project, noting City Council would also receive an update at Council's October 17, 2016 meeting. Her key comments were as follows:

- The land uses had been finalized and the Land Use Concept Map had been updated accordingly (Page 4 of 10 of the Staff report). The minor changes made were based on final comments from the Tualatin and Wilsonville City Councils during the summer work sessions.
 - In Wilsonville, the High Tech Employment District was extended along Day Rd to Grahams Ferry Rd, having been primarily just on the east side of Boones Ferry Rd. She briefly reviewed the history leading to Craft Industrial, noting further details about how Craft Industrial would work with the zoning would be discussed further once the Concept Plan was completed.
- Progress had also been made on the Ten Considerations, which were adopted when a preferred jurisdictional boundary was determined. The updated Ten Considerations were in the packet (Attachment B) and now included the current status and next steps related to each of the considerations, as of September, as well as the specific team assigned to work on each consideration. She discussed the updates noted within Attachment B.
- In addition to updating City Council on October 17th, next steps include having an agency review team meeting in November or December where various agencies would review and provide feedback on the first draft of the Concept Plan. These agencies would include the transit agencies, Washington County, Metro, TVF&R and any agency the City coordinated with on such plans.
 - The full Basalt Creek Concept Plan would come before the Planning Commission and City Council for input during work sessions in early in 2017. A Joint Council meeting with the City of Tualatin would

follow, hopefully in March 2017, for tentative approval of the Concept Plan with public hearings following at each City for final adoption. Afterward, ordinances would be adopted to amend the Comprehensive Plan to reflect the Basalt Creek Concept Plan, and the City's Urban Plan Area Agreement with Washington County would be updated.

Ms. Bateschell addressed comments and questions from the Commission as follows:

- Referencing the Land Use Concept Plan Map, she identified the canyon as the cross-hatched area running north to south just west of Boones Ferry Rd. Land use designations followed parcel lines to ensure the entire parcel had only one land use, however, the cross-hatched areas indicated all the restricted areas, including Title 3/Title 13 Slope and the powerlines, that would have serious constraints on development for both cities.
- She did not know how many specific parcels would be on the Wilsonville side, but every parcel in Wilsonville was buildable to some extent, some were just more constrained than others. Some owners with existing building or uses might not want to build or develop in the future, such as those with property along the canyon. Some lots with frontage along Boones Ferry Rd, where most of the homes exist today, had lots with 200 ft to 300 ft of buildable area. She would provide the buildable acreage to the Commission at a later date.
- She confirmed that Kinsman Rd had been removed from Coffee Creek between Day and Ridder Rds, which was why the Kinsman Rd designation was changed on the map. The Future Basalt Creek Parkway had limited access, so the only at-grade intersections in the future would be at Tonquin, Grahams Ferry, and Boones Ferry Rds. If Kinsman Rd were to be developed, it would have to be either a local road for both Tualatin and Wilsonville that was not connected, or have some type of under-grade connection.
 - Kinsman Rd remained on the map in case it was later found to be an important connection point and so that could be communicated to Washington County. As master planning or development occurred in Basalt Creek, having Kinsman Rd on the map as a local road would allow the City to decide not to actually build it if that section of Kinsman Rd was determined to be not necessary. Developers might prefer other internal connections that would work better for the layouts of their developments.

B. UGB Task Force (Neamtzu)

Miranda Bateschell, Long-Range Planning Manager, said she had not attended last month's UGB Task Force meeting. Several city mayors, including Mayor Knapp, provided comment letters with input to Metro. Several comment letters and information about the meeting were provided in the packet. Based on input from the mayors, an additional Task Force meeting might be held, but she was uncertain. She confirmed the Commission would receive an update at the next Planning Commission meeting and encouraged the Commission to ask any questions via email.

VIII. OTHER BUSINESS

A. 2016 Planning Commission Work Program

Miranda Bateschell, Long-Range Planning Manager, stated the final work session for the Frog Pond Master Plan would be held next month in preparation for the public hearing in December.

Commissioner Levit noted the French Prairie Bridge presentation expected this month had been postponed at least three months.

Ms. Bateschell explained a big French Prairie Bridge event was scheduled for this fall, but the project had fallen behind schedule after waiting for the final approval from ODOT and hiring the consultant. The updates showing the project in the schedule for 2017 had been recently confirmed by the project manager. While the project had formally kicked off, the team was not ready to bring forward the public involvement plan or the design alternatives at this point in time. She would email the Commissioners which month the project was expected to come before the Commission in early 2017.

IX. ADJOURNMENT

Chair Greenfield adjourned the regular meeting of the Wilsonville Planning Commission at 7:37 pm.

Respectfully submitted,

By Paula Pinyerd of ABC Transcription Services, Inc. for
Tami Bergeron, Administrative Assistant - Planning