CLACKAMAS
COUNTY

M. BARBARA CARTMILL
DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING
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March 5, 2015

Board of County Commissioners
Clackamas County

Members of the Board:

Approval of a Resolution Regarding Transportation System Development Charges for Certain Developments in the Happy Valley/Clackamas County Joint Transportation Area

Purpose/ Outcomes	Resolution to adjust Transportation System Development Charges (TSDC) for certain developments in the Happy Valley / Clackamas County Joint Transportation Area
Dollar Amount and Fiscal Impact	$0 – $7,000,000 (Estimated)
Funding Source	Not Applicable
Safety Impact	Not Applicable
Duration	Subject to milestones identified in the resolution.
Previous Action	Prior resolution approval – December 20, 2012 Policy Session – December 9, 2014
Contact Person	Dan Johnson, Assistant Director Department of Transportation and Development 503-742-4325 or danjoh@co.clackamas.or.us
Contract No.	Not Applicable

BACKGROUND:

On December 20, 2012, the Board of County Commissioners adopted Resolution 2012-121 offering reduced transportation system development charges ("TSDC") as an incentive to certain types of commercial and residential developments in the Happy Valley/Clackamas County Joint Transportation System Development Charge Area. During the term of this resolution, which expired on December 20, 2014, only one project, a development effort referred to as "Eagle Landing", sought to utilize the incentives offered in the Resolution.

While Eagle Landing developers were unable to meet all the requirements and timelines established under Resolution 2012-121, good faith efforts were taken to advance the project. Eagle Landing Developers have requested an extension of the resolution specific to the Eagle Landing project.

Mindful of the specificity of this request to the Eagle Landing Development and a desire to ensure performance, the Board directed staff to draft a new resolution with a narrower focus, more specific performance measures and term limit to encourage immediate development. Performance measures include, but are not limited to:

- Site specific Land Use milestones,
- Minimum Development requirements, and
- Applicability to taxable private investment only.

The resolution does not exempt payment of TSDC charges but does adjust the collection rates for charges associated with specific uses. Failure to meet any of the resolution milestones or performance measures will trigger collection for all development at the currently adopted TSDC rates.

The City of Happy Valley, a partner and co-beneficiary to the funds collected within this joint area, has been consulted on this matter and has expressed their approval of the concept. Formal concurrence of the attached resolution from the City is required.

The attached Resolution is the result of these negotiations and is consistent with the terms discussed with the Board at the December 9, 2014 Policy Session.

The Resolution has been reviewed by County Counsel.

RECOMMENDATION:

Staff respectfully recommends that the Board, as the governing body of the Clackamas County Development Agency:

- Approve the Resolution regarding Transportation System Development Charges for Certain Developments in the Happy Valley/Clackamas County Joint Transportation Area.
- Delegate authority to the Chair to execute the Resolution and any other necessary documents on behalf of the Board of County Commissioners.

Respectfully submitted,

Dan Johnson, Assistant Director

For information on this issue or copies of attachments, please contact
Dan Johnson @ 503-742-4325

BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON

A Resolution Regarding Transportation System Development Charges for Certain Developments in the Happy Valley / Clackamas County Joint Transportation Area	}	Resolution No. Page 1 of 3

WHEREAS, the Board of County Commissioners ("Board") adopted Resolution 2012-121 on December 20, 2012 (the "Resolution") that offered a reduced transportation system development charge ("TSDC") as an incentive to certain types of commercial and residential development in the Happy Valley/Clackamas County Joint Transportation System Development Charge Area (the "Area");

WHEREAS, the City of Happy Valley adopted a concurrence to the Resolution and endorsed the system of incentives to be offered in the Area pursuant to the terms thereof;

WHEREAS, the opportunity for a party to avail themselves of a reduced TSDC rate according to the Resolution expired on December 20, 2014;

WHEREAS, during the pendency of the Resolution a development effort called the "Eagle Landing Project" proposed by a co-development team of Veritas LLC and New Hope Community Church, Inc. (together, "Developer") in the Area sought to utilize the incentives offered in the Resolution;

WHEREAS, for various reasons Developer was unable to meet all the requirements of the Resolution but undertook good faith efforts relating thereto and expended funds regarding the same;

WHEREAS, the Board has discussed the Developer's efforts to date and is desirous of seeing the continuation of the Eagle Landing Project;

WHEREAS, the Board is only willing to support a continuation of the concepts articulated in the Resolution if new, higher conditions are met;

WHEREAS, to encourage continued work on the Eagle Landing Project to provide additional employment and living opportunities for the residents of Clackamas County the Board is willing to offer a limited opportunity for reduced TSDCs in the Area pursuant to the terms and conditions set forth below;

WHEREAS, officials of the City of Happy Valley has indicated that it is desirous of the same and will consider the matter promptly;

BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON

A Resolution Regarding Transportation System Development Charges for Certain Developments in the Happy Valley / Clackamas County Joint Transportation Area	}	Resolution No. Page 2 of 3

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS THAT:

Section 1: Pursuant to Section 11.03.010(B) of the Clackamas County Code, the Board declares that it will choose to impose a Transportation System Development Charge (TSDC) that is less than the maximum allowed by law in order to promote important public policy considerations.

Section 2: In order to qualify for a reduction of TSDCs the Eagle Landing Project must meet all of the following characteristics and/or conditions:

A. The proposed development must occur in the Area.
B. The project must consist entirely of new development, no part of which was completed or under construction prior to January 1, 2013.
C. The Master Plan for the Project shall include a total area equal to or exceeding two million square feet of planned developed space.
D. The new development must be a mix of uses involving components of office, retail, and housing and related uses, with not less than 600,000 square feet of office, 400,000 square feet of retail, and 600 housing units.
E. Developer must file a qualifying Master Plan (as described in 2.C and 2.D above) by April 15, 2015 and secure Master Plan approval by the local regulatory agencies within one (1) year of the date of the execution of this resolution; *provided*, *however*, that if a party other than Developer appeals the Master Plan, the deadline shall be extended by the lesser of (i) an additional 18 months or (ii) resolution of the appeal.

Section 3: A development meeting each and every one of the requirements set out above shall be able to claim a modification in the TSDC for a minimum of 560,000 square feet and a maximum of 750,000 square feet of building development included in Phase 1 of the approved Master Plan that is taxable and eligible upon completion to be added to the Clackamas County Assessor's rolls. Use of this TSDC modification shall not be in combination with any other form of credit for demolition of existing structures. Use of these demolition credits can be reserved for future phases or for use on non-taxable development included in Phase 1 of the approved Master Plan.

Section 4: The ability to claim this reduction in TSDC rates is limited to a term of three years from the date of the approved Master Plan (the "Term"). Benefits assigned through this Resolution shall be in a form of a reduction of the TSDC collection at the time of building permit

BEFORE THE BOARD OF COUNTY COMMISSIONERS
OF CLACKAMAS COUNTY, STATE OF OREGON

A Resolution Regarding Transportation System Development Charges for Certain Developments in the Happy Valley / Clackamas County Joint Transportation Area	}	Resolution No. Page 3 of 3

issuance. Assessment shall be consistent with those rates in effect in 1996 as identified in Exhibit A of this Resolution.

Section 5: Application of these adjusted TSDC rates shall be limited to individual building permits for taxable construction. The rate reduction shall not be available for: (i) permits sought after expiration of the Term, (ii) structures covered by expired permits, or (iii) permits extended after the Term. Failure to secure or advance completion of a building permit where the aforementioned rate reductions have been applied shall result in a loss of the credits for the associated square footage and the TSDCs must be paid at then-current rates. More than one building may proceed concurrently with the other building permits and qualify for the rate reduction up to the maximum square footage allowed as set forth in Section 3.

Section 6: The modification of the TSDCs set out in this Resolution shall only become effective upon concurrence by the City of Happy Valley. Prior to the concurrence of the City and as a necessary precondition to the effectiveness of this Resolution, Developer shall enter into an annexation agreement on terms and conditions to be negotiated by the County, the City of Happy Valley, and the Developer.

Dated this ____ day of March, 2015.

CLACKAMAS COUNTY BOARD OF COMMISSIONERS

_____
Chair

_____
Recording Secretary