



Oregon

John A. Kitzhaber, M.D., Governor

Department of Land Conservation and Development

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NOTICE OF ADOPTED AMENDMENT

April 17, 2012

TO: Subscribers to Notice of Adopted Plan
or Land Use Regulation Amendments

FROM: Angela Houck, Plan Amendment Program Specialist

SUBJECT: City of Happy Valley Plan Amendment
DLCD File Number 001-12

The Department of Land Conservation and Development (DLCD) received the attached notice of adoption. A copy of the adopted plan amendment is available for review at the DLCD office in Salem and the local government office.

Appeal Procedures*

DLCD ACKNOWLEDGMENT or DEADLINE TO APPEAL: Tuesday, May 01, 2012

This amendment was submitted to DLCD for review 35 days prior to adoption and the jurisdiction determined that emergency circumstances required expedited review. Pursuant to ORS 197.830 (2)(b) only persons who participated in the local government proceedings leading to adoption of the amendment are eligible to appeal this decision to the Land Use Board of Appeals (LUBA).

If you wish to appeal, you must file a notice of intent to appeal with the Land Use Board of Appeals (LUBA) no later than 21 days from the date the decision was mailed to you by the local government. If you have questions, check with the local government to determine the appeal deadline. Copies of the notice of intent to appeal must be served upon the local government and others who received written notice of the final decision from the local government. The notice of intent to appeal must be served and filed in the form and manner prescribed by LUBA, (OAR Chapter 661, Division 10). Please call LUBA at 503-373-1265, if you have questions about appeal procedures.

***NOTE: THE APPEAL DEADLINE IS BASED UPON THE DATE THE DECISION WAS MAILED BY LOCAL GOVERNMENT. A DECISION MAY HAVE BEEN MAILED TO YOU ON A DIFFERENT DATE THAN IT WAS MAILED TO DLCD. AS A RESULT YOUR APPEAL DEADLINE MAY BE EARLIER THAN THE ABOVE DATE SPECIFIED.**

Cc: Michael Walter, City of Happy Valley
Gordon Howard, DLCD Urban Planning Specialist
Jennifer Donnelly, DLCD Regional Representative
Thomas Hogue, DLCD Economic Development Policy Analyst

<paa> YA



FORM

2

DLCD

Notice of Adoption

This Form 2 must be mailed to DLCD within 5-Working Days after the Final Ordinance is signed by the public Official Designated by the jurisdiction and all other requirements of ORS 197.615 and OAR 660-018-000

DATE STAMP	☐ In person	☐ electronic	☐ mailed
	DEPT OF		
	APR 11 2012		
	LAND CONSERVATION AND DEVELOPMENT For Office Use Only		

Jurisdiction: **City of Happy Valley**Local file number: **CPA-07-11/LDC-07-11**Date of Adoption: **4/3/2012**Date Mailed: **April 10, 2012**Was a Notice of Proposed Amendment (Form 1) mailed to DLCD? ☒ Yes ☐ No Date: 1/20/2012☒ Comprehensive Plan Text Amendment☒ Comprehensive Plan Map Amendment☒ Land Use Regulation Amendment☒ Zoning Map Amendment☐ New Land Use Regulation☒ Other: **TSP Amendment**

Summarize the adopted amendment. Do not use technical terms. Do not write "See Attached".

Adopted Happy Valley Town Center Plan (TGM Grant) by adopting amendments to the City's Rock Creek Comprehensive Plan, Comprehensive Plan Map/Zoning Map, Transportation System Plan and Development Code. In addition the City adopted miscellaneous administrative amendments to Development Code.

Does the Adoption differ from proposal? Please select one

No

Plan Map Changed from: **Clk Cnty RRFF5, CtySFA, Ctyr10 to: City MUR-A, CCC**Zone Map Changed from: **Clk Cnty RRFF5, CtySFA Ctyr10 to: City MUR-A, CCC**Location: **See Attached Table**Acres Involved: **44**Specify Density: Previous: **6-24 du/ac**New: **20-34 du/ac**

Applicable statewide planning goals:

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
☒	☒	☐	☐	☐	☐	☐	☐	☒	☒	☐	☒	☐	☐	☐	☐	☐	☐	☐

Was an Exception Adopted? ☐ YES ☒ NO

Did DLCD receive a Notice of Proposed Amendment...

35-days prior to first evidentiary hearing?

☒ Yes ☐ No

If no, do the statewide planning goals apply?

☐ Yes ☐ No

If no, did Emergency Circumstances require immediate adoption?

☐ Yes ☐ No

DLCD File No. 001-12 (19153) [17002]

DLCD file No. _____

Please list all affected State or Federal Agencies, Local Governments or Special Districts:

Metro, Clackamas County

Local Contact: **Michael Walter Eco & Com Dev Dir.** Phone: (503) 783-3839 Extension:

Address: **16000 SE Misty Dr** Fax Number: **503-658-5174**

City: **Happy Valley** Zip: **97086-** E-mail Address: **michaelw@ci.happy-valley.or.us**

ADOPTION SUBMITTAL REQUIREMENTS

This Form 2 must be received by DLCD no later than 5 working days after the ordinance has been signed by the public official designated by the jurisdiction to sign the approved ordinance(s) per ORS 197.615 and OAR Chapter 660, Division 18

1. This Form 2 must be submitted by local jurisdictions only (not by applicant).
2. When submitting the adopted amendment, please print a completed copy of Form 2 on light green paper if available.
3. Send this Form 2 and one complete paper copy (documents and maps) of the adopted amendment to the address below.
4. Submittal of this Notice of Adoption must include the final signed ordinance(s), all supporting finding(s), exhibit(s) and any other supplementary information (ORS 197.615).
5. Deadline to appeals to LUBA is calculated **twenty-one (21) days** from the receipt (postmark date) by DLCD of the adoption (ORS 197.830 to 197.845).
6. In addition to sending the Form 2 - Notice of Adoption to DLCD, please also remember to notify persons who participated in the local hearing and requested notice of the final decision. (ORS 197.615).
7. Submit **one complete paper copy** via United States Postal Service, Common Carrier or Hand Carried to the DLCD Salem Office and stamped with the incoming date stamp.
8. Please mail the adopted amendment packet to:

**ATTENTION: PLAN AMENDMENT SPECIALIST
DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT
635 CAPITOL STREET NE, SUITE 150
SALEM, OREGON 97301-2540**

9. **Need More Copies?** Please print forms on 8½ -1/2x11 green paper only if available. If you have any questions or would like assistance, please contact your DLCD regional representative or contact the DLCD Salem Office at (503) 373-0050 x238 or e-mail plan.amendments@state.or.us.



April 10, 2012

File No. CPA-07-11/LDC-07-11 (Happy Valley Town Center Plan):

NOTICE OF DECISION

On April 3, 2012, the City of Happy Valley City Council adopted CPA-07-11 which amended the City's General Comprehensive Plan Policies; the Rock Creek Comprehensive Plan (RCCP); the Transportation System Plan (TSP); Title 16 of the City's Municipal Code; and, by implementing legislative amendments to the Comprehensive Plan Designations/Zoning Map Districts of affected properties. The City Council's decisions were based on a recommendation from the Happy Valley Planning Commission, and information and testimony submitted by the public to the City Council.

Copies of the decision, Staff Report and Exhibits for File No. CPA-07-11/LDC-07-11 are available upon request.

This action of the City Council is subject to appeal to the State of Oregon Land Use Board of Appeals under ORS 197.830. An appeal of this decision must be filed within 21 days of the mailing of this Notice of Decision. If no appeal is filed by **Tuesday, May 1, 2012 at 5:00 p.m.**, this decision shall be deemed final.

Michael D. Walter
Economic & Community Development Director

cc: Jason Tuck, City Manager (via e-mail)
All Interested Persons (via post)

16000 SE Misty Drive
Happy Valley, Oregon 97086
Telephone: (503) 783-3800 Fax: (503) 658-5174
Website: www.ci.happy-valley.or.us

CITY OF HAPPY VALLEY
ORDINANCE NO. 422

AN ORDINANCE INCORPORATING THE APPROVAL OF THE HAPPY VALLEY TOWN CENTER (HVTC) PLAN BY AMENDING THE CITY'S GENERAL COMPREHENSIVE PLAN POLICIES; THE ROCK CREEK COMPREHENSIVE PLAN (RCCP); THE TRANSPORTATION SYSTEM PLAN (TSP); TITLE 16 OF THE CITY'S MUNICIPAL CODE (LAND DEVELOPMENT CODE); AND, BY IMPLEMENTING LEGISLATIVE AMENDMENTS TO THE COMPREHENSIVE PLAN DESIGNATIONS/ZONING MAP DISTRICTS OF AFFECTED PROPERTIES. DUE TO THE NEED TO IMPLEMENT THE HVTC PLAN IN A TIMELY MANNER, AN EMERGENCY IS DECLARED.

THE CITY OF HAPPY VALLEY ORDAINS AS FOLLOWS:

WHEREAS, the City has coordinated with the Oregon Department of Transportation (ODOT); Oregon Department of Conservation and Development (DLCD); Metro; and, Clackamas County in the development of a grant funded HVTC Plan that conforms with the Metro designation of a "Town Center" and relocates the previous Town Center from King Road between 129th Ave. and 145th Ave.; and

WHEREAS, incorporation of the HVTC Plan requires amendments to a broad cross section of the City's Comprehensive Plan (including ancillary documents to the Comprehensive Plan including the RCCP and the TSP) as well as the Land Development Code that has been discussed in an extensive citizen involvement process, including an Open House and public hearing; and

WHEREAS, the Planning Commission recommended the City Council approve the amendments associated with the HVTC Plan as detailed in the Staff Report to the Planning Commission dated February 28, 2012; and

WHEREAS, the City has forwarded a copy of the proposed amendments to the Oregon Department of Land Conservation and Development (DLCD), METRO and Clackamas County in a timely manner; and

WHEREAS, the Council of the City of Happy Valley, Oregon, has determined that it is reasonable, necessary and in the public interest to make the proposed amendments as detailed within Staff Report to the Planning Commission dated February 28, 2012 and as discussed at the regular meeting of the City Council on March 20, 2012; and

NOW, THEREFORE, based on the foregoing,

THE CITY OF HAPPY VALLEY ORDAINS AS FOLLOWS:

Section 1. The City of Happy Valley declares that the incorporation of the HVTC Plan is supported by the proposed changes to the City's Comprehensive Plan and ancillary documents, and the Land Development Code, to be amended as set forth within the Staff Report to the Planning Commission dated February 28, 2012.

Section 2. The City of Happy Valley declares that the Findings of Fact included within the Staff Report to the Planning Commission dated February 28, 2012 are hereby adopted in conjunction with this Ordinance.

Section 3. The City of Happy Valley declares that the HVTC Plan is adopted and that the comprehensive plan designations/zoning districts be applied to the properties illustrated in the HVTC Plan (Exhibit "A") that are currently annexed within the existing city limits.

Section 4. An emergency is declared to exist and as provided by Section 17 of the Happy Valley City Charter this ordinance takes effect on April 3, 2012.

Read for the first time at the regular meeting of the City Council of the City of Happy Valley, Oregon on March 20, 2012 and read for the second time on April 3, 2012 and adopted by a 4-1 vote of the members of the City Council of the City of Happy Valley, Oregon.

CITY OF HAPPY VALLEY



Mayor Lori DeRemer

ATTEST:



Marylee Walden, City Recorder

NOTICE OF PUBLIC HEARING

City of Happy Valley Planning Commission and City Council

Notice is hereby given that the City of Happy Valley Planning Commission and City Council will hold public hearings on the following dates in regard to proposed Happy Valley Town Center Plan, which includes amendments to the City's Rock Creek Comprehensive Plan; Comprehensive Plan Map/Zoning Map; Title 16 of the Municipal Code (Development Code); and, Transportation System Plan (TSP).

Date & Time: Planning Commission, February 28, 2012 at 7:00 p.m.
City Council, March 20, 2012 at 7:00 p.m.

Hearing Location: City Hall, 16000 SE Misty Dr., Happy Valley, OR 97086;

File & Subject: CPA-07-11/LDC-07-11 (Happy Valley Town Center Plan).

Proposal: Adoption of the Happy Valley Town Center Plan includes amendments to the City's Rock Creek Comprehensive Plan; Comprehensive Plan Map/Zoning Map regarding 18 properties being amended from City Low Density Residential - 10,000 SQ. FT. (R-10); City Single Family Attached Residential, (SFA); and, Clackamas County Rural Residential Farm Forest – 5-acre (RRFF-5) – to City Mixed Use Residential-Attached (MUR-A) and Community Commercial, Center (CCC); the Development Code; and, the TSP.

Location: Happy Valley Town Center Plan Area

Applicant: City of Happy Valley

Applicable Criteria: Applicable Statewide Planning Goals; applicable Oregon Administrative Rule (OAR) sections; and, applicable Sections of Title 16 (Development Code) of the City of Happy Valley Municipal Code.

Staff Contact: Michael D. Walter, Economic & Community Development Director
503-783-3800

Interested parties are invited to attend this hearing or to submit comments in writing prior to the meeting time. Written testimony may be submitted in advance or in person at the hearing. Those wishing to present verbal testimony, either pro, con, or to raise questions, will be asked to speak after presentation of the reports.

Testimony should pertain to the applicable criteria. The decision will be made in accordance with said criteria, and may be appealed to the Land Use Board of Appeals. Failure to raise an issue in writing prior to or before the close of the written comment period or failure to provide sufficient specificity at the public hearing to afford the decision-making body an opportunity to respond to the issue precludes appeal to the Land Use Board of Appeals based upon that issue. The applicant and any person who submits written comments shall receive notice of the decision.

The failure of the applicant to raise constitutional or other issues relating to proposed amendments without sufficient specificity to allow the decision-making body to respond to the issue precludes an action for damages in circuit court.

The decision-making criteria, application, and records concerning this matter are available at the City of Happy Valley City Hall at the above address during working hours (8:00 a.m. to 5:00 p.m. weekdays), please call for an appointment. For additional information, contact Michael D. Walter, Economic & Community Development Director, at the above address and phone number.

The meeting site is accessible to handicapped individuals. Assistance with communications (visual, hearing) must be requested 72 hours in advance by contacting Marylee Walden, City Recorder at the above phone number.

Mayor
Honorable Lori DeRemer



City Manager
Jason A. Tuck

CITY OF HAPPY VALLEY
STAFF REPORT TO THE PLANNING COMMISSION
FEBRUARY 28, 2012

HAPPY VALLEY TOWN CENTER PLAN (FILE NO. CPA-07-11)

AMENDMENTS TO THE ROCK CREEK COMPREHENSIVE PLAN; GENERAL
COMPREHENSIVE PLAN POLICIES; TRANSPORTATION SYSTEM PLAN (TSP); TITLE
16 OF THE CITY'S MUNICIPAL CODE (DEVELOPMENT CODE); AND,
COMPREHENSIVE PLAN MAP/ZONING MAP AMENDMENTS IN ORDER TO
IMPLEMENT THE CHANGES ENVISIONED WITHIN THE
HAPPY VALLEY TOWN CENTER PLAN

The following staff report and exhibits have been prepared based partially on information and premises from the Rock Creek Comprehensive Plan and the East Happy Valley Comprehensive Plan, and have been funded in part by grants from the State of Oregon Transportation and Growth Management (TGM) Program.

I. GENERAL INFORMATION:

APPLICABLE CRITERIA:

Applicable Statewide Planning Goals; Divisions 7, 9 and 12 of the Oregon Administrative Rules; Titles 3, 4, 11 and 13 of Metro Chapter 3.07 (Urban Growth Management Functional Plan); applicable conditions from "Exhibit M" of Metro Ordinance No. 02-969B; applicable Goals and Policies from the City of Happy Valley Comprehensive Plan; and, applicable Sections of Title 16 (Development Code) of the City of Happy Valley Municipal Code, including §16.40.020 (Initiation of a plan amendment), §16.40.040 (Public hearing and notice), and §16.40.041 (Review criteria).

EXHIBITS:

- A. Staff Report and Findings of Fact
- B. City of Happy Valley Existing Comprehensive Plan Map/Zoning Map
- C. Existing Conditions Report by Otak, Inc. dated May 24, 2011
- D. Needs, Opportunities, Constraints and Tools Report by Otak, Inc. dated June 22, 2011

16000 SE Misty Drive
Happy Valley, Oregon 97086
Telephone: (503) 783-3800 Fax: (503) 658-5174
Website: www.ci.happy-valley.or.us

- E. Implementation Tools by Otak, Inc. dated September 22, 2011
- F. Market Overview Memorandum by FCS Group dated May 16, 2011
- G. Happy Valley Town Center Urban Design Diagram
- H. Future Build Traffic Analysis by DKS Associates dated December 1, 2011
- I. Proposed Rock Creek Comprehensive Plan Map & Text Amendments
- J. Proposed General Comprehensive Plan Text Amendments
- K. Proposed Development Code Text Amendments
- L. Proposed TSP Amendments
- M. Land Use Recommendations Report by Otak, Inc. dated September 22, 2011
- N. Proposed Comprehensive Plan/Zoning Map Amendments
- O. Happy Valley Town Center Conceptual Illustration
- P. Measure 56 Notice
- Q. Published Notice

BACKGROUND:

In 2010, the City of Happy Valley applied for a State Transportation and Growth Management Grant (TGM) for approximately \$54,000 for planning of a new “Town Center” area. A Town Center is a Metro designation outlined in the Metro Functional Plan (see Findings, below) and together with Corridors and Regional Centers are part of the greater “picture” of the 2040 Land Use Plan that helps to govern the greater Portland Metropolitan region. The City received the grant, and the formal process began – which included development of reports/analysis by the consultant team, public involvement (see Observation, below) and finally, the crafting of proposed amendments to the City’s Rock Creek Comprehensive Plan (RCCP); General Comprehensive Plan Policies; Transportation System Plan (TSP); Development Code; and, Comprehensive Plan/Zoning Map changes.

Staff notes that the following text from the Background section of the “Statement of Work” from the TGM Grant application provides a good synopsis of the rationale behind the proposed changes and formation of the Happy Valley Town Center Plan (HVTC Plan):

“The City of Happy Valley aspires to the future development of at least a 14-hour community within the geographic area envisioned within the proposed Town Center area. The planned change includes updating and re-envisioning of portions of the “Rock Creek Comprehensive Plan” (RCCP) to better match the integrated land use and transportation plan provided to the east, south and north, the “East Happy Valley Comprehensive Plan” (EHVCP). This aspiration (at least a 14-hour community) is very unlikely to ever occur within the existing Town Center designation area, which includes a small geographic area centered around a collector road (King Road) that is primarily bordered by detached single-family residences, a fire station, a police station, three churches and a combined elementary/middle school – but no commercial zoning, which has a long history of opposition in this area. The proposed Town Center will perform more and more like a 14-hour community. The existing Town Center was formed in the early development stages of the City of Happy Valley, after a long history of generally “anti-growth” sentiment beginning with the City’s incorporation in 1965. Thus, the Metro designated Town Center was envisioned in perhaps the only potential future commercial area that the City had at that time. However, the existing Town Center area has very little of the characteristics associated with a “Town Center” and performs more like an “8-hour” community. In the years that have passed, the city’s boundaries have expanded and high growth rates have occurred.

The eastern end of Sunnyside Road in particular has developed with commercial uses, and is seen as a much more viable, realistic and “updated” Town Center area.

Between the current population of the City of Happy Valley (14,300) and the residents of nearby unincorporated Clackamas County and the City of Damascus, the proposed Town Center will be accessible to “tens of thousands” of people. The area is/will be zoned for a mix of uses that will make the center walkable – including a variety of commercial, employment, institutional and residential zones. The city has adopted a strategy of actions and investments to enhance the proposed Town Center area, including (in conjunction with Clackamas County) the development of two major arterials (Sunnyside Road and 172nd Ave.) and a major sewer trunk line (the Rock Creek Interceptor). The area is currently served by public transit to 162nd Ave. – as future development occurs within the proposed Town Center area, extended public transit service will occur (a “rapid bus” system is envisioned by Tri-Met in the future). The City’s Transportation System Plan (TSP) requires a multi-modal street system, major components of which have been recently constructed, that meet or exceed connectivity standards in the Regional Transportation Plan.

In addition, the proposed Town Center would not detract from either the Clackamas Regional Center several miles to the west – which is anchored by uses as large and varied as the Clackamas Town Center Mall and Clackamas Promenade Shopping Center. The proposed Town Center has already begun to function as such – with the construction of the Happy Valley Town Center commercial shopping center (the name of which is a coincidence to the Metro designation) which includes many retail shops and office uses (anchor tenant is New Seasons); City Hall (opened in November 2008); a three-story Providence Medical Office Building; and, a 228-unit apartment complex. The proposed Town Center designation will validate these existing uses, as well as support future commercial, employment and residential uses of a variety of uses – primarily to the east, extending to serve the western portion of the City of Damascus.”

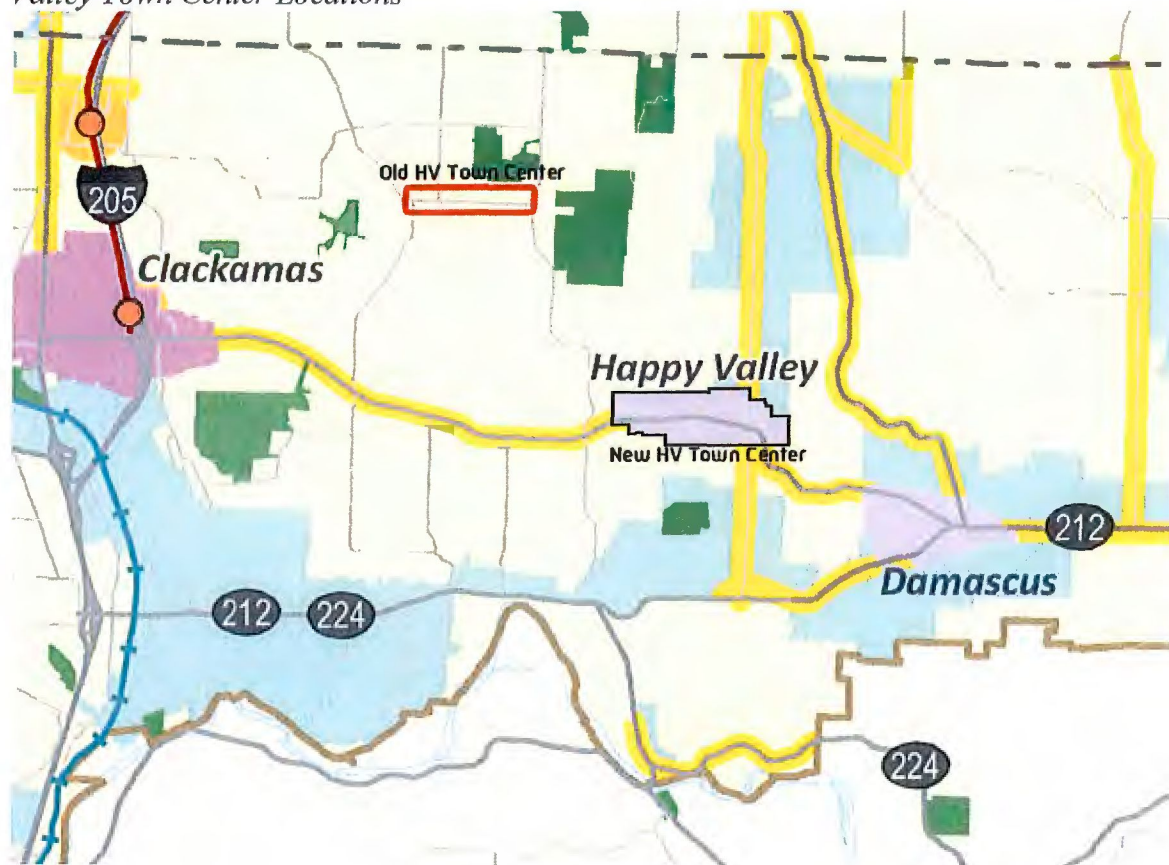
OBSERVATIONS:

HAPPY VALLEY TOWN CENTER PLAN

Similar to above, staff notes that a text excerpt, this one from the Existing Conditions Report by Otak (Exhibit C) may provide a thorough overall description of the proposed HVTC Plan and the resultant proposed amendments:

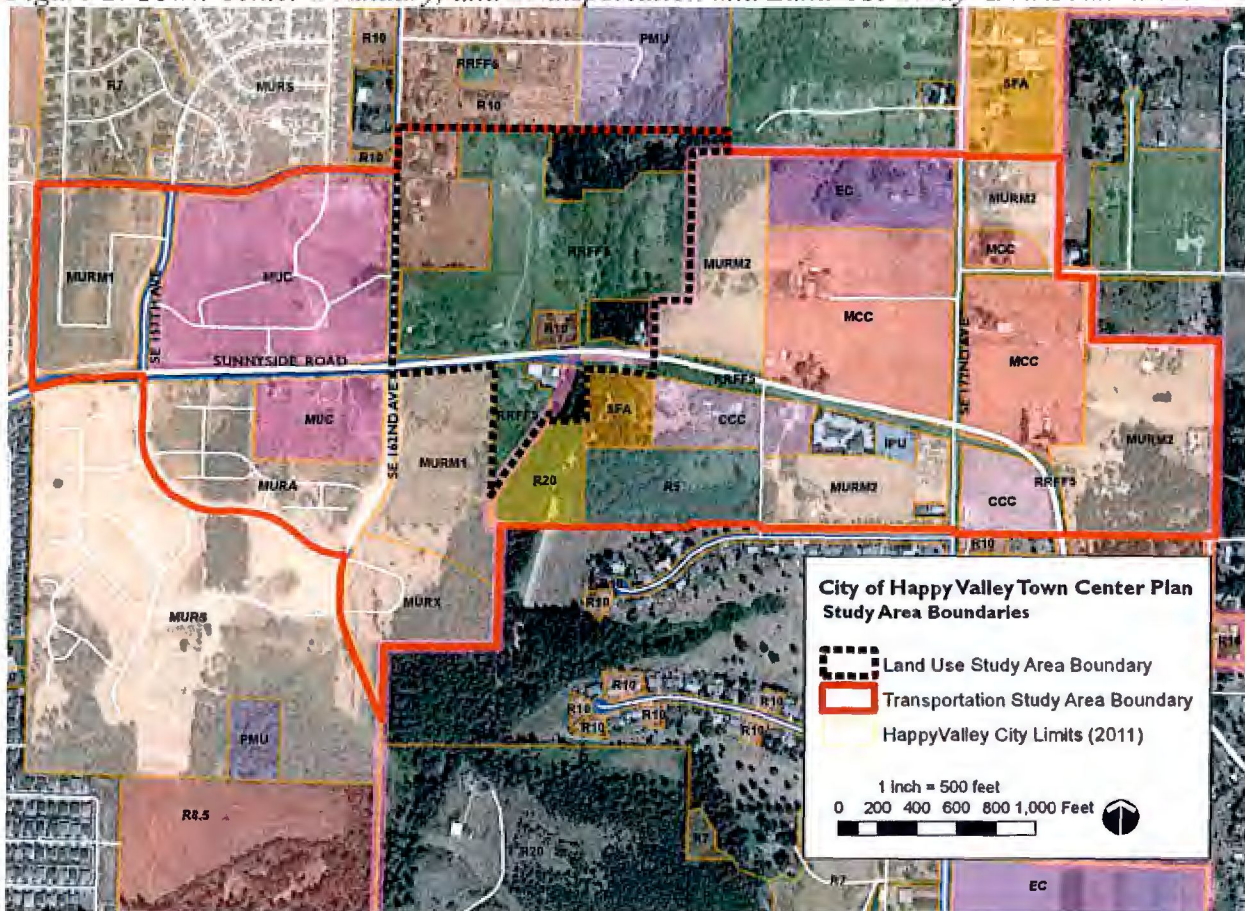
“The Happy Valley Town Center project’s intent is to re-locate the City of Happy Valley’s town center along Sunnyside Road and to provide regulatory and strategic tools to support a viable town center. The current Town Center designation for Happy Valley is along King Road and it is insufficient for Happy Valley’s town center needs as it has relatively poor transportation accessibility, lacks commercial zoning, and has little potential to support any rezoning for a mix of uses. The new proposed location for the town center along Sunnyside Road, between approximately 157nd and 172nd Avenues, is an area served by transit and designated for a variety of higher density housing, commercial and mixed uses.

Figure 1: Excerpt from Metro 2040 Growth Concept Map showing existing and new Happy Valley Town Center Locations



This project has two study areas, one for land use, and one for transportation. The transportation study area matches the proposed Town Center Boundary, as outlined in Figure 2 below. The proposed Town Center Boundary covers approximately 225 acres and includes two major arterials (Sunnyside Road and 172nd Ave), three collector streets (162nd Ave, 157th Ave and Misty Drive), and two local streets (Happy Valley Town Center Drive and Kingbird Drive).

The land use study area is a smaller area of the proposed town center boundary that focuses specifically on parcels that will be studied for new zone designation(s) that provide opportunities for commercial and mixed use development that may not be possible under the current zone designations. See Figure 2 below for the approximate boundary of the land use study area.



Existing Land Use and Transportation Features

Existing Land Use

Within the proposed Town Center Boundary, the majority of the properties are within the city limits and have a mix of zoning designations. The parcels on the east side of the Town Center received new zone designations with the adoption of the East Happy Valley Comprehensive Plan Update 2009. The parcels adjacent to the intersection of Sunnyside Road and 172nd Avenue were designated Mixed Use Commercial (MUC), Community Commercial Center (CCC), Mixed Use Residential – Multi Family Medium Density (MURM2), and Institutional and Public Use (IPU) through the update. There is also an area designated as Employment Center (EC) on the north end of the Town Center along 172nd Ave and a parcel near Rock Creek that is designated Single Family Attached Residential (SFA). All of these current land use designations support the creation of a town center by providing opportunities for both commercial uses and a range of residential density types.

The parcels within the Town Center Boundary, west of the East Happy Valley Comprehensive Plan Boundary, were given plan designations in the Rock Creek Comprehensive Plan, adopted June 5, 2001. The parcels that are east of 162nd Avenue are made up of a combination of city residential zones and county zones. There are also several parcels that are currently outside the city limits. This area is within the project land use study area and will be carefully considered for new plan and zone designations that are more supportive of a town center.

The parcels west of 162nd Ave, along Sunnyside Road, are currently zoned land use designations that support the Rock Creek Comprehensive Plan. The parcels currently zoned Mixed Use Commercial (MUC) are supportive of a town center and have already been developed with mix of uses including a grocery store, a dry cleaner, a cellular phone retail store, a coffee shop, a bank, several restaurants, salons and personal care uses, medical offices and clinics, as well as the new Happy Valley City Hall. Nearby parcels have been designated Mixed Use Residential – Multi Family Low Density (MURM1) and Mixed Use Residential – Attached (MURA), providing a mix of housing types in the town center.

Properties that are currently outside the Happy Valley city limits will be given a land use designation as part of this Town Center Plan but will not actually be re-zoned until they are annexed into the City.”

MARKET OVERVIEW

As part of the TGM Grant, a Market Study or “Overview” was proposed to be included within the project. The resultant study is the included Market Overview Memorandum by FCS Group dated May 16, 2011 (Exhibit F). For the purposes of this narrative, staff notes that key conclusions from the report can perhaps be ascertained from the following excerpt (PMA stands for “Primary Market Area”) and that generally speaking, the Market Overview has supported the “viability” of the proposed HVTC Plan:

“Future residential development potential within the Happy Valley PMA looks favorable in light of its relatively low property tax rates, excellent public schools and convenient access to highway and mass transit systems. The fact that multifamily residential vacancy rates have dropped to below 4 percent in the Happy Valley PMA, indicates favorable near-and long-term development potential for medium-density apartments, mid-rise flats, and townhomes.

Future development potential within the Happy Valley Town Center is likely to consist of a mix of single-family (small lot “cottage” units), townhomes, and multifamily (apartments and mid-rise flat) development types. In light of the City’s desire to promote transit-supportive development patterns, the development capture rates assume a higher relative share of townhomes and multifamily development potential than other parts of the Happy Valley PMA.

The overall development forecast for the Town Center area assumes a relatively modest overall capture rate of the PMA that ranges from 6 to 12 percent of total development within the PMA. In addition to the level of growth anticipated within the Town Center area, the city will also experience significant development within the planned 1,402 “unimproved” subdivision lots and other master planned area, such as Eagle Landing. The preliminary market forecast for housing within the Town Center area is provided in Table 13. The analysis assumes that the Town Center area has adequate roads, sewer, water, stormwater and other necessary infrastructure conditions to serve new growth, and that market conditions improve measurably by year 2012.

**Table 13. Preliminary Residential Development Program,
Happy Valley Town Center, 2011 to 2035**

	2011 to 2020	2021 to 2035	Total
<i>Single family (dwellings)</i>	60 to 120	120 to 240	180 to 360
<i>Townhomes (dwellings)</i>	120 to 210	240 to 450	360 to 660
<i>Multifamily (dwellings)</i>	210 to 450	450 to 870	660 to 1,320
Total New Dwellings	390 to 780	810 to 1,560	1,200 to 2,340

Source: compiled by FCS GROUP.

The preliminary office and retail/commercial services development program for the Happy Valley Town Center area is derived from the office and retail employment and building development projections contained in the Draft Happy Valley Economic Opportunities Analysis, May 2011. The forecast used for the Happy Valley Town Center is based on the expected level of vacant and redevelopment activity expected to occur over the next 2010 to 2035 time frame.

(Table 14 and Appendix G).

The low to high range of potential office and retail/commercial development depicts the range assumed by the Draft Happy Valley Economic Opportunities Analysis, May 2011 – which includes a 25 percent variance in the Metro growth forecasts for the Happy Valley area. This analysis assumes that the Happy Valley Town Center could potentially be positioned to capture approximately 10 percent of the expected net new office development and up to 40 percent of the net new retail/commercial service development potential within the Happy Valley urban service boundary by year 2035. The actual amount of development will vary from year to year, and will depend upon related strength in employment growth (business investment) and household growth and buying power in the area. However, these long-range forecasts are generally in line with the Happy Valley EOA and Metro growth forecasts for the area.

Table 14. Preliminary Office and Retail/Commercial Services Development Program, Happy Valley Town Center, 2010 to 2035 (gross floor area in square feet)

	Low	Medium	High
<i>Office</i>	237,400	316,500	395,500
<i>Retail/Commercial Services</i>	524,400	699,200	875,200
Total	761,800	1,015,700	1,270,700

Notes:

**Derived from the Draft Happy Valley Economic Opportunities Analysis, May 2011; and assumptions shown in Appendix G.*

***Assumes 10 percent capture of office demand and 40 percent capture of retail demand.*

Source: compiled by FCS GROUP."

FUTURE BUILD TRAFFIC ANALYSIS

Another integral part of the TGM Grant, a Traffic Study or "Analysis" was proposed to be included within the project. The resultant study is the included Future Build Traffic Analysis by DKS Associates dated December 1, 2011 (Exhibit H). As with above, for the purposes of this narrative, staff notes that key conclusions from the report can perhaps be ascertained from an excerpt from the study.

Fundamentally, the Traffic Analysis has identified that if the proposed amendments are adopted (thereby increasing the land use capacity of the subject area) there is a single resultant change necessary to the applicable transportation system – the addition of a future separate northbound right turn lane at Sunnyside Road/162nd Ave. with an approximate cost of \$200,000. Given this provision, the Traffic Analysis has also supported the "viability" of the proposed HVTC Plan:

"Overall, the planned arterial and collector roadway network would provide adequate capacity and circulation for the proposed Town Center Plan based on the 2035 operations analysis. Several improvements beyond those planned in the Happy Valley TSP are recommended to provide an adequate local street network, connections for pedestrians, bicycle and transit and to meet TPR requirements. The recommended improvements are summarized in Table 4.

Table 4 – Recommended Future Transportation Improvements

Project	Description	Planning Level Cost Estimate
<i>Sunnyside Road/162nd Avenue</i>	<i>Add a separate northbound right turn lane.</i>	<i>\$200,000</i>
<i>Local Street System</i>	<i>Provide a grid of local streets with sidewalks and a landscape buffer within the town center area.</i>	<i>\$6,360,000</i>
<i>Local Trail System</i>	<i>Provide a local off-street path system connecting the regional Rock Creek Trail to destinations within the town center.</i>	<i>\$1,170,000</i>

Transit Amenities	<i>Extend Bus Route 155 east to 172nd Avenue/Sunnyside Road and provide amenities such as bus shelters and pedestrian level lighting at select stops.</i>	<i>Varies</i>
Access Management	<i>Apply access management elements to collector roadways.</i>	<i>Varies</i>

Analysis of the Sunnyside Road/162nd Avenue intersection showed that the optimal improvement to meet TPR requirements would be to add a northbound right turn lane. Alternative improvements to meet the necessary V/C ratio at this intersection would likely have higher impacts and costs. The recommended improvement is shown in Figure 2.

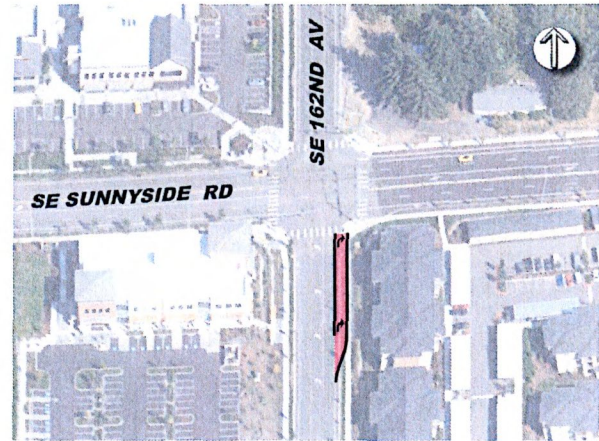


Figure 2: Northbound right turn improvement at Sunnyside Road/162nd Avenue

ROCK CREEK COMPREHENSIVE PLAN

The RCCP, adopted June 5, 2001 applies to the study area parcels west of the East Happy Valley Comprehensive Plan boundary. The RCCP includes ten land use types but only two apply to properties within the study area: Mixed Use Residential and Mixed Use Commercial. The parcels west of 162nd Ave, and a few parcels south of Sunnyside Road, east of 162nd Ave have already been designated land use zones from Happy Valley's Zoning Code that are supportive of the RCCP land use designations. The parcels that are within the Town Center Plan's Land Use Study Area are also within the RCCP and are designated by the Plan as Mixed Use Residential or Mixed Use Commercial. As these parcels are considered for new plan and zone designations, they must be in compliance with the RCCP land use designations, or potential amendments to the RCCP must be considered. The two RCCP land use designations are described below:

- Mixed Use Residential: Overall density of this land use averages 12 units per acre and supports a range of housing including apartments, senior housing, townhomes, and a variety of single-family detached housing densities. Neighborhood retail uses are permitted and intended to provide employment and neighborhood shopping opportunities. Some characteristics of this land use type are:
 - Variety of housing with similar residential types facing each other
 - Network of connected local streets with a clear block pattern
 - Orientation of buildings and entries to streets and public spaces as well as the use of allies and recessed garages.
 - A network of pedestrian paths in addition to the sidewalk system and an overall priority for pedestrian orientation

Civic uses and parks as focal points for the community linked by trails and pedestrian/bike paths. Apartment building types should be clustered near the intersections of 157th and 162nd Avenues and Sunnyside Road while residential uses should transition away from the apartment areas. Alleys should be encouraged in all neighborhoods to provide access to lots that will front on 162nd Ave, 157th Ave and Sunnyside Road. On-street parking should be allowed on 162nd and 157th Avenues, south of Sunnyside Road. Stormwater facilities should be integrated into the neighborhood designs, particularly in the areas near the Rock Creek corridor.

- Mixed Use Commercial: This land use applies primarily to parcels north of Sunnyside Road between SE 157th and 162nd Avenues. It is envisioned as a mixed use district with office and retail uses permitted and intended to provide employment and neighborhood shopping opportunities serving the area. Various attached housing is allowed with an overall maximum density of 24 units per residential acre. A civic use and community “green” or plaza would anchor the district by providing a key public space for the area. Pedestrian qualities of the streets in and around the district should be enhanced.

As part of the HVTC Plan, staff proposes two particular map amendments and text amendments (Proposed Rock Creek Comprehensive Plan Map & Text Amendments, Exhibit I). In regard to the Land Use Plan of the RCCP, first, a change from “Mixed Use Residential” to “Mixed Use Commercial” at the southeast corner of the intersection of Misty Drive and 162nd Avenue and second, the same change within two properties located just east of the Hawks Ridge Apartments, which are currently occupied by the Sunnyside Veterinary Hospital (inside the city limits) and a Verizon utility structure (in unincorporated Clackamas County). The proposed Land Use Plan amendments reflect the existing uses east of 162nd Avenue, and provide for the greater Comprehensive Plan designations envisioned at the southeast corner of Misty/162nd Ave. as envisioned in the Urban Design Diagram (Exhibit G).

COMPREHENSIVE PLAN POLICY AND DEVELOPMENT CODE TEXT AMENDMENTS

Staff recommends the inclusion of a new Policy within the City’s general Comprehensive Plan Policies, specifically designed to address the HVTC Plan. In addition, specific Development Code Text Amendments are proposed in conjunction with the proposed HVTC Plan. As these amendments represent a legislative change to the Development Code (and thus the Code is “open”) a number of other “housekeeping” administrative amendments are also included. The Comprehensive Plan Policy Amendments are included as Exhibit J, while the Development Code Text Amendments are included as Exhibit K.

TRANSPORTATION SYSTEM PLAN (TSP) AMENDMENTS

In addition to the modification necessary to the TSP identified in the Future Build Traffic Analysis, the proposed Urban Design Diagram (Exhibit G) leads to other changes within a few Figures in the TSP. The total implications of the proposed HVTC Plan to applicable Chapters and Figures in the TSP are included as TSP amendments detailed in Exhibit L.

COMPREHENSIVE PLAN MAP/ZONING MAP AMENDMENTS

In conjunction with the HVTC Plan, the City proposes the application of new Comprehensive Plan designation/zoning districts for a number of the properties within the Town Center boundary area. A fair amount of discussion in regard to this issue is included in the Land Use Recommendations Report by Otak, Inc. dated September 22, 2011 (Exhibit M) and the final illustration of said changes are incorporated in the Proposed Comprehensive Plan/Zoning Map Amendments (Exhibit N). Required Measure 56 Notice has been sent to the affected properties proposing said Comprehensive Plan/Zoning Map amendments (Exhibit P) – it should be noted that in all cases, these amendments represent what is generally described as an “upzone” to the affected properties.

HAPPY VALLEY TOWN CENTER CONCEPTUAL ILLUSTRATION

Above and beyond the TGM Grant application, the City contracted with Otak, Inc. to produce the Happy Valley Town Center Conceptual Illustration (Exhibit O). Although said illustration is simply an artistic rendering of how the HVTC Plan area might develop over time, staff has found these types of illustrations to be helpful in putting a “picture” with the variety of amendments that are being proposed.

NATURAL RESOURCE AREAS

Significant riparian corridors exist within the greater HVTC Plan area, most notably Rock Creek and an unnamed tributary of Rock Creek that flows northwest to southeast from roughly Misty Drive. A discussion of this issue is included in the Needs, Opportunities, Constraints and Tools Report by Otak, Inc. dated June 22, 2011 (Exhibit D). Although future development within the HVTC Plan area will affect these riparian corridors, these natural resources are protected by the existing provisions of the City’s Steep Slopes and Natural Resources Overlay, which incorporates Metro Title 13 (Habitat Conservation Areas) and Title 3 (Water Quality) buffers. In addition, the City/Clackamas County Water Environment Services (WES) are currently working on a “suite” of Low Impact Development (LID) stormwater measures that will improve water quality, temperature, pollutants, etc. in all environmentally sensitive areas in Happy Valley.

SCHOOL CAPACITY

The HVTC Plan area is served by the North Clackamas School District #12 (NCSD#12). Urban residential zoning in the roughly 40-acre sub-area of the HVTC Plan that is proposed to be up-zoned to a combination of MUR-A and CCC has the potential to add future students to the school districts over time. As the Commission may recall, NCSD#12 was successful in passage of an approximately \$229,000,000 general obligation bond measure which in turn has funded the existing and ongoing construction of five new schools (three elementary schools and two middle schools) within the City of Happy Valley, which has provided capacity for an additional 1,100 elementary school students, 1,500 middle school students and a direct expenditure of approximately \$142,000,000 within the City of Happy Valley. In addition, NCSD#12 has adopted a long-term Facilities Master Plan and has implemented a construction excise tax for which a subsequent Intergovernmental Agreement (IGA) with the City of Happy Valley has been signed and authorized by the City Council. Based on the construction of the five NCSD#12 schools, the Facilities Plan and the authorization of the excise taxes,

staff notes that the school district has demonstrated that future school capacity will exist to serve future residential development within the HVTC Plan area.

NORTH CLACKAMAS PARKS DISTRICT/HV PARKS MASTER PLAN

As the City of Happy Valley has joined the North Clackamas Parks & Recreation District (NCPRD), the NCPRD has an existing Parks Master Plan. However, NCPRD has just recently begun efforts to envision a Parks Master Plan Update and currently, none of the envisioned parks or open spaces located within the Urban Design Diagram (Exhibit G) are incorporated within the existing plan. Assuming adoption of the HVTC Plan – the City of Happy Valley will pursue efforts to include unique, environmentally desirable geographic areas within the Parks Master Plan Update.

PUBLIC INVOLVEMENT

An extensive public involvement process has been associated with the crafting of the HVTC Plan and the majority of the Exhibits listed above. These efforts began with the formulation of a Policy Advisory Committee (PAC), which was formed with members representing Metro, Clackamas County, the City of Happy Valley (staff, Planning Commission and City Council) and local property owners or their representatives. The PAC met on three occasions: June 1, 2011; August 19, 2011; and, September 28, 2011. In addition, a community wide Open House was advertised in the City's newsletter and held on October 5, 2011. Further, both public notice and Measure 56 notice have been provided to property owners and interested parties.

AGENCY AND INTERESTED PERSONS COMMENTS

Notification and materials were delivered to the Oregon Department of Land Conservation and Development (DLCD), the then required 45 days prior to this initial evidentiary hearing. In addition, notice and materials were sent to the regional government (Metro) and other affected public agencies and all affected private properties.

II. FINDINGS OF FACT

1. The following Statewide Planning Goals are applicable to the subject request:

“Goal 1: Citizen Involvement

Goal 1 specifies that each city adopt a program for citizen involvement that clearly defines the procedures by which the general public will be involved in the ongoing land-use planning process. This program shall provide for continuity of citizen participation and of information that enables citizens to identify and comprehend the issues.

Staff Response:

The City of Happy Valley mailed a notice of the public hearing for the proposed amendments to all property owners within 300 feet of the subject properties; published notice was placed in the local newspaper and posted notice has been provided by the applicant in conjunction with the subject application. In addition, a local Policy Advisory Committee (PAC) was formed and met on three

occasions: June 1, 2011; August 19, 2011; and, September 28, 2011. In addition, a community wide Open House was advertised in the City's newsletter and held on October 5, 2011. Therefore, this criterion has been satisfied.

Goal 2: Land Use Planning

Goal 2 specifies the need to establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual base for such decisions and actions.

Staff Response:

Statewide Planning Goal 2, Land Use Planning requires that local jurisdictions establish a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions. The HVTC Plan is an amendment to several of the City's land use and transportation plans, including the City's Comprehensive Plan Map/Zoning Map. The HVTC Plan Map designations/zoning districts are consistent with the existing and proposed Comprehensive Plan policies, and the specifics of each Comprehensive Plan Designation/Zone is implemented within the City's Land Development Code. These amendments are subject to public notice, an initial evidentiary hearing before the Planning Commission and a final review by the City Council. Thus, a well established planning process and policy framework exists within the City. Therefore, this criterion is satisfied by the proposed amendments.

Goal 9 (Economic Development)

To provide adequate opportunities throughout the state for a variety of economic activities liable to the health, welfare, and prosperity of Oregon's citizens.

Staff Response:

Statewide Planning Goal 9 calls for diversification and improvement of the economy. This Goal asks communities to inventory commercial and industrial lands, project future needs for such lands, and plan and zone enough land to meet those needs. The proposed amendments would add approximately 14 gross acres of commercial land (Community Commercial Center) to the City of Happy Valley, as well as the residential upzoning that combined with nearby housing (including workforce housing) will provide housing for employees. The location and type of employment related designations/zones have been planned in response to economic opportunities as identified by the City in a recent Economic Opportunities Analysis (EOA) and as detailed in the Market Overview (Exhibit G). The proposed Comprehensive Plan Map/Zoning Map Amendments; Comprehensive Plan Policy Amendments; TSP Update; and, the concurrent Development Code Text Amendments provide the opportunity for future development that contributes to the state and local economy by providing for employment, retail, and service opportunities for residents of the City and nearby areas. Therefore, this criterion is satisfied by the proposed amendments.

Goal 10 (Housing)

To provide for the housing needs of citizens of the state.

Staff Response:

Statewide Planning Goal 10 requires each city to inventory its buildable residential lands, project future needs for such lands, and plan and zone enough buildable land to meet those needs. In addition, the goal requires planning for needed housing types, such as multi-family housing. The proposed Comprehensive Plan/Zoning Map amendments will add the capacity for approximately 554 new households within the “upzoned” residential area, in addition to the housing capacity found within the surrounding Rock Creek Comprehensive Plan and East Happy Valley Comprehensive Plan areas. The proposed Comprehensive Plan Map/Zoning Map amendments will add buildable land to the City’s current inventory that permits dense single-family detached and attached housing, as well as the potential for mixed-use structures that could include “work-live” units and other needed housing types. The proposed Comprehensive Plan Policy Amendments, Development Code Text Amendment and Comprehensive Plan/Zoning Map Amendments and legislative application of the residential designations and mixed-use commercial designations envisioned in the HVTC Plan will increase the City’s buildable land supply and the supply of land that permits fairly dense single-family detached and attached housing and other needed housing types. In addition to increasing the supply and diversity of housing choices, the proposed map amendments have located housing types to support future transit use, support the creation of mixed use centers, create complete neighborhoods, and carefully plan the transition from higher to lower densities. Therefore, this criterion is satisfied by the proposed amendments.

Goal 11 (Public Facilities and Services)

To plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.

Staff Response:

As the City of Happy Valley is not a “full-service” municipality, providing all water, sewer, streets, etc., public facilities and services plans exist in the form of Master Plans; rules and regulations; implementing ordinances; and, Intergovernmental Agreements (IGA’s) between the City and its service providers. These agreements provide for the extension of said urban services primarily as development occurs, though some capital projects by service districts are constructed. The provision of storm sewer and surface water regulation is covered by the City’s Development Code, Engineering Design Standards & Specifications Manual, and the WES rules and regulations; domestic water via the precepts of the Sunrise Water Authority Water Master Plan; transportation services via the City’s TSP (including the proposed amendments); and, park services by the current NCPRD Master Plan, all of which are further established by either corresponding Development Code language, implementing ordinances, and/or IGA’s. In regard to emergency services, although the Clackamas Fire District No. 1 (CFD#1) and the Clackamas Sheriff’s Office do not maintain “master plans”, the City is within the CFD#1 district which is funded by tax revenue, and the City provides police services by contract specific to the City, which is currently funded via a four-year operating levy and fee collection. Therefore, this criterion has been satisfied by the proposed amendments.

Goal 12 (Transportation)

To provide and encourage a safe, convenient and economic transportation system.”

Staff Response:

See the finding under OAR 660-012-0060, below. Per the proposed amendments to the City’s TSP, this criterion has been satisfied.

2. The following Oregon Administrative Rules (OAR) are applicable to the subject request:

“[...]

OAR Chapter 660, Division 12 (Transportation Planning)

660-012-0060

Plan and Land Use Regulation Amendments

(1) If an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation (including a zoning map) would significantly affect an existing or planned transportation facility, then the local government must put in place measures as provided in section (2) of this rule, unless the amendment is allowed under section (3), (9) or (10) of this rule. A plan or land use regulation amendment significantly affects a transportation facility if it would:

- (a) Change the functional classification of an existing or planned transportation facility (exclusive of correction of map errors in an adopted plan);*
- (b) Change standards implementing a functional classification system; or*
- (c) Result in any of the effects listed in paragraphs (A) through (C) of this subsection based on projected conditions measured at the end of the planning period identified in the adopted TSP. As part of evaluating projected conditions, the amount of traffic projected to be generated within the area of the amendment may be reduced if the amendment includes an enforceable, ongoing requirement that would demonstrably limit traffic generation, including, but not limited to, transportation demand management. This reduction may diminish or completely eliminate the significant effect of the amendment.*
 - (A) Types or levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;*
 - (B) Degrade the performance of an existing or planned transportation facility such that it would not meet the performance standards identified in the TSP or comprehensive plan; or*
 - (C) Degrade the performance of an existing or planned transportation facility that is otherwise projected to not meet the performance standards identified in the TSP or comprehensive plan.*

(2) If a local government determines that there would be a significant effect, then the local government must ensure that allowed land uses are consistent with the identified function, capacity, and performance standards of the facility measured at the end of the planning period identified in the adopted TSP through one or a combination of the remedies listed in (a) through (e) below, unless the amendment meets the balancing test in subsection (2)(e) of this section or qualifies for partial mitigation in section (11) of this rule. A local government using subsection (2)(e), section (3), section (10) or section (11) to approve an amendment recognizes that additional motor vehicle traffic congestion may result and that other facility providers would not be expected to provide additional capacity for motor vehicles in response to this congestion.

- (a) Adopting measures that demonstrate allowed land uses are consistent with the planned function, capacity, and performance standards of the transportation facility.*

(b) *Amending the TSP or comprehensive plan to provide transportation facilities, improvements or services adequate to support the proposed land uses consistent with the requirements of this division; such amendments shall include a funding plan or mechanism consistent with section (4) or include an amendment to the transportation finance plan so that the facility, improvement, or service will be provided by the end of the planning period.*

(c) *Amending the TSP to modify the planned function, capacity or performance standards of the transportation facility.*

(d) *Providing other measures as a condition of development or through a development agreement or similar funding method, including, but not limited to, transportation system management measures or minor transportation improvements. Local governments shall, as part of the amendment, specify when measures or improvements provided pursuant to this subsection will be provided.*

(e) *Providing improvements that would benefit modes other than the significantly affected mode, improvements to facilities other than the significantly affected facility, or improvements at other locations, if the provider of the significantly affected facility provides a written statement that the system-wide benefits are sufficient to balance the significant effect, even though the improvements would not result in consistency for all performance standards.*

(3) *Notwithstanding sections (1) and (2) of this rule, a local government may approve an amendment that would significantly affect an existing transportation facility without assuring that the allowed land uses are consistent with the function, capacity and performance standards of the facility where:*

(a) *In the absence of the amendment, planned transportation facilities, improvements and services as set forth in section (4) of this rule would not be adequate to achieve consistency with the identified function, capacity or performance standard for that facility by the end of the planning period identified in the adopted TSP;*

(b) *Development resulting from the amendment will, at a minimum, mitigate the impacts of the amendment in a manner that avoids further degradation to the performance of the facility by the time of the development through one or a combination of transportation improvements or measures;*

(c) *The amendment does not involve property located in an interchange area as defined in paragraph (4)(d)(C); and*

(d) *For affected state highways, ODOT provides a written statement that the proposed funding and timing for the identified mitigation improvements or measures are, at a minimum, sufficient to avoid further degradation to the performance of the affected state highway. However, if a local government provides the appropriate ODOT regional office with written notice of a proposed amendment in a manner that provides ODOT reasonable opportunity to submit a written statement into the record of the local government proceeding, and ODOT does not provide a written statement, then the local government may proceed with applying subsections (a) through (c) of this section.*

(4) *Determinations under sections (1)-(3) of this rule shall be coordinated with affected transportation facility and service providers and other affected local governments.*

(a) *In determining whether an amendment has a significant effect on an existing or planned transportation facility under subsection (1)(c) of this rule, local governments shall rely on existing transportation facilities and services and on the planned transportation facilities, improvements and services set forth in subsections (b) and (c) below.*

(b) *Outside of interstate interchange areas, the following are considered planned facilities, improvements and services:*

(A) *Transportation facilities, improvements or services that are funded for construction or implementation in the Statewide Transportation Improvement Program or a locally or regionally*

adopted transportation improvement program or capital improvement plan or program of a transportation service provider.

(B) Transportation facilities, improvements or services that are authorized in a local transportation system plan and for which a funding plan or mechanism is in place or approved. These include, but are not limited to, transportation facilities, improvements or services for which: transportation systems development charge revenues are being collected; a local improvement district or reimbursement district has been established or will be established prior to development; a development agreement has been adopted; or conditions of approval to fund the improvement have been adopted.

(C) Transportation facilities, improvements or services in a metropolitan planning organization (MPO) area that are part of the area's federally-approved, financially constrained regional transportation system plan.

(D) Improvements to state highways that are included as planned improvements in a regional or local transportation system plan or comprehensive plan when ODOT provides a written statement that the improvements are reasonably likely to be provided by the end of the planning period.

(E) Improvements to regional and local roads, streets or other transportation facilities or services that are included as planned improvements in a regional or local transportation system plan or comprehensive plan when the local government(s) or transportation service provider(s) responsible for the facility, improvement or service provides a written statement that the facility, improvement or service is reasonably likely to be provided by the end of the planning period.

(c) Within interstate interchange areas, the improvements included in (b)(A)-(C) are considered planned facilities, improvements and services, except where:

(A) ODOT provides a written statement that the proposed funding and timing of mitigation measures are sufficient to avoid a significant adverse impact on the Interstate Highway system, then local governments may also rely on the improvements identified in paragraphs (b)(D) and (E) of this section; or

(B) There is an adopted interchange area management plan, then local governments may also rely on the improvements identified in that plan and which are also identified in paragraphs (b)(D) and (E) of this section.

(d) As used in this section and section (3):

(A) Planned interchange means new interchanges and relocation of existing interchanges that are authorized in an adopted transportation system plan or comprehensive plan;

(B) Interstate highway means Interstates 5, 82, 84, 105, 205 and 405; and

(C) Interstate interchange area means:

(i) Property within one-quarter mile of the ramp terminal intersection of an existing or planned interchange on an Interstate Highway; or

(ii) The interchange area as defined in the Interchange Area Management Plan adopted as an amendment to the Oregon Highway Plan.

(e) For purposes of this section, a written statement provided pursuant to paragraphs (b)(D), (b)(E) or (c)(A) provided by ODOT, a local government or transportation facility provider, as appropriate, shall be conclusive in determining whether a transportation facility, improvement or service is a planned transportation facility, improvement or service. In the absence of a written statement, a local government can only rely upon planned transportation facilities, improvements and services identified in paragraphs (b)(A)-(C) to determine whether there is a significant effect that requires application of the remedies in section (2).

(5) The presence of a transportation facility or improvement shall not be a basis for an exception to allow residential, commercial, institutional or industrial development on rural lands under this division or OAR 660-004-0022 and 660-004-0028.

(6) In determining whether proposed land uses would affect or be consistent with planned transportation facilities as provided in sections (1) and (2), local governments shall give full credit for potential reduction in vehicle trips for uses located in mixed-use, pedestrian-friendly centers, and neighborhoods as provided in subsections (a)-(d) below;

(a) Absent adopted local standards or detailed information about the vehicle trip reduction benefits of mixed-use, pedestrian-friendly development, local governments shall assume that uses located within a mixed-use, pedestrian-friendly center, or neighborhood, will generate 10% fewer daily and peak hour trips than are specified in available published estimates, such as those provided by the Institute of Transportation Engineers (ITE) Trip Generation Manual that do not specifically account for the effects of mixed-use, pedestrian-friendly development. The 10% reduction allowed for by this section shall be available only if uses which rely solely on auto trips, such as gas stations, car washes, storage facilities, and motels are prohibited;

(b) Local governments shall use detailed or local information about the trip reduction benefits of mixed-use, pedestrian-friendly development where such information is available and presented to the local government. Local governments may, based on such information, allow reductions greater than the 10% reduction required in subsection (a) above;

(c) Where a local government assumes or estimates lower vehicle trip generation as provided in subsection (a) or (b) above, it shall assure through conditions of approval, site plans, or approval standards that subsequent development approvals support the development of a mixed-use, pedestrian-friendly center or neighborhood and provide for on-site bike and pedestrian connectivity and access to transit as provided for in OAR 660-012-0045(3) and (4). The provision of on-site bike and pedestrian connectivity and access to transit may be accomplished through application of acknowledged ordinance provisions which comply with OAR 660-012-0045(3) and (4) or through conditions of approval or findings adopted with the plan amendment that assure compliance with these rule requirements at the time of development approval; and

(d) The purpose of this section is to provide an incentive for the designation and implementation of pedestrian-friendly, mixed-use centers and neighborhoods by lowering the regulatory barriers to plan amendments which accomplish this type of development. The actual trip reduction benefits of mixed-use, pedestrian-friendly development will vary from case to case and may be somewhat higher or lower than presumed pursuant to subsection (a) above. The Commission concludes that this assumption is warranted given general information about the expected effects of mixed-use, pedestrian-friendly development and its intent to encourage changes to plans and development patterns. Nothing in this section is intended to affect the application of provisions in local plans or ordinances which provide for the calculation or assessment of systems development charges or in preparing conformity determinations required under the federal Clean Air Act.

(7) Amendments to acknowledged comprehensive plans and land use regulations which meet all of the criteria listed in subsections (a)-(c) below shall include an amendment to the comprehensive plan, transportation system plan the adoption of a local street plan, access management plan, future street plan or other binding local transportation plan to provide for on-site alignment of streets or accessways with existing and planned arterial, collector, and local streets surrounding the site as necessary to implement the requirements in OAR 660-012-0020(2)(b) and 660-012-0045(3):

(a) The plan or land use regulation amendment results in designation of two or more acres of land for commercial use;

(b) *The local government has not adopted a TSP or local street plan which complies with OAR 660-012-0020(2)(b) or, in the Portland Metropolitan Area, has not complied with Metro's requirement for street connectivity as contained in Title 6, Section 3 of the Urban Growth Management Functional Plan; and*

(c) *The proposed amendment would significantly affect a transportation facility as provided in section (1).*

(8) *A "mixed-use, pedestrian-friendly center or neighborhood" for the purposes of this rule, means:*

(a) *Any one of the following:*

(A) *An existing central business district or downtown;*

(B) *An area designated as a central city, regional center, town center or main street in the Portland Metro 2040 Regional Growth Concept;*

(C) *An area designated in an acknowledged comprehensive plan as a transit oriented development or a pedestrian district; or*

(D) *An area designated as a special transportation area as provided for in the Oregon Highway Plan.*

(b) *An area other than those listed in subsection (a) above which includes or is planned to include the following characteristics:*

(A) *A concentration of a variety of land uses in a well-defined area, including the following:*

(i) *Medium to high density residential development (12 or more units per acre);*

(ii) *Offices or office buildings;*

(iii) *Retail stores and services;*

(iv) *Restaurants; and*

(v) *Public open space or private open space which is available for public use, such as a park or plaza.*

(B) *Generally include civic or cultural uses;*

(C) *A core commercial area where multi-story buildings are permitted;*

(D) *Buildings and building entrances oriented to streets;*

(E) *Street connections and crossings that make the center safe and conveniently accessible from adjacent areas;*

(F) *A network of streets and, where appropriate, accessways and major driveways that make it attractive and highly convenient for people to walk between uses within the center or neighborhood, including streets and major driveways within the center with wide sidewalks and other features, including pedestrian-oriented street crossings, street trees, pedestrian-scale lighting and on-street parking;*

(G) *One or more transit stops (in urban areas with fixed route transit service); and*

(H) *Limit or do not allow low-intensity or land extensive uses, such as most industrial uses, automobile sales and services, and drive-through services.*

(9) *Notwithstanding section (1) of this rule, a local government may find that an amendment to a zoning map does not significantly affect an existing or planned transportation facility if all of the following requirements are met.*

(a) *The proposed zoning is consistent with the existing comprehensive plan map designation and the amendment does not change the comprehensive plan map;*

(b) *The local government has an acknowledged TSP and the proposed zoning is consistent with the TSP; and*

(c) *The area subject to the zoning map amendment was not exempted from this rule at the time of an urban growth boundary amendment as permitted in OAR 660-024-0020(1)(d), or the area was exempted*

from this rule but the local government has a subsequently acknowledged TSP amendment that accounted for urbanization of the area.

(10) Notwithstanding sections (1) and (2) of this rule, a local government may amend a functional plan, a comprehensive plan or a land use regulation without applying performance standards related to motor vehicle traffic congestion (e.g. volume to capacity ratio or V/C), delay or travel time if the amendment meets the requirements of subsection (a) of this section. This section does not exempt a proposed amendment from other transportation performance standards or policies that may apply including, but not limited to, safety for all modes, network connectivity for all modes (e.g. sidewalks, bicycle lanes) and accessibility for freight vehicles of a size and frequency required by the development.

(a) A proposed amendment qualifies for this section if it:

(A) is a map or text amendment affecting only land entirely within a multimodal mixed-use area (MMA); and

(B) is consistent with the definition of an MMA and consistent with the function of the MMA as described in the findings designating the MMA.

(b) For the purpose of this rule, "multimodal mixed-use area" or "MMA" means an area:

(A) with a boundary adopted by a local government as provided in subsection (d) or (e) of this section and that has been acknowledged;

(B) entirely within an urban growth boundary;

(C) with adopted plans and development regulations that allow the uses listed in paragraphs (8)(b)(A) through (C) of this rule and that require new development to be consistent with the characteristics listed in paragraphs (8)(b)(D) through (H) of this rule;

(D) with land use regulations that do not require the provision of off-street parking, or regulations that require lower levels of off-street parking than required in other areas and allow flexibility to meet the parking requirements (e.g. count on-street parking, allow long-term leases, allow shared parking); and

(E) located in one or more of the categories below:

(i) at least one-quarter mile from any ramp terminal intersection of existing or planned interchanges;

(ii) within the area of an adopted Interchange Area Management Plan (IAMP) and consistent with the IAMP; or

(iii) within one-quarter mile of a ramp terminal intersection of an existing or planned interchange if the mainline facility provider has provided written concurrence with the MMA designation as provided in subsection (c) of this section.

(c) When a mainline facility provider reviews an MMA designation as provided in subparagraph (b)(E)(iii) of this section, the provider must consider the factors listed in paragraph (A) of this subsection.

(A) The potential for operational or safety effects to the interchange area and the mainline highway, specifically considering:

(i) whether the interchange area has a crash rate that is higher than the statewide crash rate for similar facilities;

(ii) whether the interchange area is in the top ten percent of locations identified by the safety priority index system (SPIS) developed by ODOT; and

(iii) whether existing or potential future traffic queues on the interchange exit ramps extend onto the mainline highway or the portion of the ramp needed to safely accommodate deceleration.

(B) If there are operational or safety effects as described in paragraph (A) of this subsection, the effects may be addressed by an agreement between the local government and the facility provider

regarding traffic management plans favoring traffic movements away from the interchange, particularly those facilitating clearing traffic queues on the interchange exit ramps.

(d) A local government may designate an MMA by adopting an amendment to the comprehensive plan or land use regulations to delineate the boundary following an existing zone, multiple existing zones, an urban renewal area, other existing boundary, or establishing a new boundary. The designation must be accompanied by findings showing how the area meets the definition of an MMA. Designation of an MMA is not subject to the requirements in sections (1) and (2) of this rule.

(e) A local government may designate an MMA on an area where comprehensive plan map designations or land use regulations do not meet the definition, if all of the other elements meet the definition, by concurrently adopting comprehensive plan or land use regulation amendments necessary to meet the definition. Such amendments are not subject to performance standards related to motor vehicle traffic congestion, delay or travel time.

(11) A local government may approve an amendment with partial mitigation as provided in section (2) of this rule if the amendment complies with subsection (a) of this section, the amendment meets the balancing test in subsection (b) of this section, and the local government coordinates as provided in subsection (c) of this section.

(a) The amendment must meet paragraphs (A) and (B) of this subsection or meet paragraph (D) of this subsection.

(A) Create direct benefits in terms of industrial or traded-sector jobs created or retained by limiting uses to industrial or traded-sector industries.

(B) Not allow retail uses, except limited retail incidental to industrial or traded sector development, not to exceed five percent of the net developable area.

(C) For the purpose of this section:

(i) "industrial" means employment activities generating income from the production, handling or distribution of goods including, but not limited to, manufacturing, assembly, fabrication, processing, storage, logistics, warehousing, importation, distribution and transshipment and research and development.

(ii) "traded-sector" means industries in which member firms sell their goods or services into markets for which national or international competition exists.

(D) Notwithstanding paragraphs (A) and (B) of this subsection, an amendment complies with subsection (a) if all of the following conditions are met:

(i) The amendment is within a city with a population less than 10,000 and outside of a Metropolitan Planning Organization.

(ii) The amendment would provide land for "Other Employment Use" or "Prime Industrial Land" as those terms are defined in OAR 660-009-0005.

(iii) The amendment is located outside of the Willamette Valley as defined in ORS 215.010.

(E) The provisions of paragraph (D) of this subsection are repealed on January 1, 2017.

(b) A local government may accept partial mitigation only if the local government determines that the benefits outweigh the negative effects on local transportation facilities and the local government receives from the provider of any transportation facility that would be significantly affected written concurrence that the benefits outweigh the negative effects on their transportation facilities. If the amendment significantly affects a state highway, then ODOT must coordinate with the Oregon Business Development Department regarding the economic and job creation benefits of the proposed amendment as defined in subsection (a) of this section. The requirement to obtain concurrence from a provider is satisfied if the local government provides notice as required by subsection (c) of this section and the provider does not respond in writing (either concurring or non-concurring) within forty-five days.

(c) *A local government that proposes to use this section must coordinate with Oregon Business Development Department, Department of Land Conservation and Development, area commission on transportation, metropolitan planning organization, and transportation providers and local governments directly impacted by the proposal to allow opportunities for comments on whether the proposed amendment meets the definition of economic development, how it would affect transportation facilities and the adequacy of proposed mitigation. Informal consultation is encouraged throughout the process starting with pre-application meetings. Coordination has the meaning given in ORS 197.015 and Goal 2 and must include notice at least 45 days before the first evidentiary hearing. Notice must include the following:*

(A) *Proposed amendment.*

(B) *Proposed mitigating actions from section (2) of this rule.*

(C) *Analysis and projections of the extent to which the proposed amendment in combination with proposed mitigating actions would fall short of being consistent with the function, capacity, and performance standards of transportation facilities.*

(D) *Findings showing how the proposed amendment meets the requirements of subsection (a) of this section.*

(E) *Findings showing that the benefits of the proposed amendment outweigh the negative effects on transportation facilities”*

Staff Response:

As identified in the Future Build Traffic Analysis by DKS Associates dated December 1, 2011 (Exhibit H), the proposed Comprehensive Plan/Zoning Map amendments do have the ability to provide “significant impact” to a single transportation facility (162nd Ave. & Sunnyside Road intersection). However, the provisions of the Proposed TSP Amendments (Exhibit L), demonstrate the inclusion of the required mitigation (dedicated right turn lane) that will mitigate the potential impact. Per the proposed amendments to the City’s TSP, these criteria have been satisfied.

3. The following Titles from METRO Chapter 3.07 (Urban Growth Management Functional Plan) are applicable to this request:

“TITLE 6: CENTERS, CORRIDORS, STATION COMMUNITIES AND MAIN STREETS

3.07.610 Purpose

The Regional Framework Plan (RFP) identifies Centers, Corridors, Main Streets and Station Communities throughout the region and recognizes them as the principal centers of urban life in the region. Title 6 calls for actions and investments by cities and counties, complemented by regional investments, to enhance this role. A regional investment is an investment in a new high-capacity transit line or designated a regional investment in a grant or funding program administered by Metro or subject to Metro’s approval.

3.07.620 Actions and Investments in Centers, Corridors, Station Communities and Main Streets

A. In order to be eligible for a regional investment in a Center, Corridor, Station Community or Main Street, or a portion thereof, a city or county shall take the following actions:

- 1. Establish a boundary for the Center, Corridor, Station Community or Main Street, or portion thereof, pursuant to subsection B;*
- 2. Perform an assessment of the Center, Corridor, Station Community or Main Street, or portion thereof, pursuant to subsection C; and*
- 3. Adopt a plan of actions and investments to enhance the Center, Corridor, Station Community or Main Street, or portion thereof, pursuant to subsection D.*

Staff Response:

A regional investment is not sought within the subject application. Therefore, these criteria are not applicable to the subject request. However, staff notes that adoption of the HVTC Plan and the proposed amendments can certainly be considered adoption of a “plan of actions and investments” that might enhance the designated Town Center.

- B. The boundary of a Center, Corridor, Station Community or Main Street, or portion thereof, shall:*
- 1. Be consistent with the general location shown in the RFP except, for a proposed new Station Community, be consistent with Metro’s land use final order for a light rail transit project;*
 - 2. For a Corridor with existing high-capacity transit service, include at least those segments of the Corridor that pass through a Regional Center or Town Center;*
 - 3. For a Corridor designated for future high-capacity transit in the Regional Transportation Plan (RTP), include the area identified during the system expansion planning process in the RTP; and*
 - 4. Be adopted and may be revised by the city council or county board following notice of the proposed boundary action to the Oregon Department of Transportation and Metro in the manner set forth in subsection A of section 3.07.820 of this chapter.*

Staff Response:

The proposed Town Center boundary is consistent with subsections (1) and subsections (2) and (3) are not applicable. Per the proposed amendments, staff recommends support of the proposed boundary as delineated within the application. The proposed Town Center boundary has been noticed per the provisions of Section 3.07.820(A). Therefore, these criteria are satisfied by the subject request.

- C. An assessment of a Center, Corridor, Station Community or Main Street, or portion thereof, shall analyze the following:*
- 1. Physical and market conditions in the area;*
 - 2. Physical and regulatory barriers to mixed-use, pedestrian-friendly and transit-supportive development in the area;*
 - 3. The city or county development code that applies to the area to determine how the code might be revised to encourage mixed-use, pedestrian-friendly and transit-supportive development;*
 - 4. Existing and potential incentives to encourage mixed-use pedestrian-friendly and transit-supportive development in the area; and*
- [...]*

Staff Response:

Analysis of the physical and market conditions has occurred vis-à-vis this application, particularly per the Market Overview (Exhibit F). In addition, the proposed code amendments themselves, in the

facilitation of the HVTC Plan, have encouraged decreasing regulatory barriers to mixed-use, pedestrian-friendly and transit-supportive development (as well as providing code sections and policies that support and incentivize such concepts). Therefore, these criteria are supported by the subject request.

D. A plan of actions and investments to enhance the Center, Corridor, Station Community or Main Street shall consider the assessment completed under subsection C and include at least the following elements:

- 1. Actions to eliminate, overcome or reduce regulatory and other barriers to mixed-use, pedestrian-friendly and transit-supportive development;*
- 2. Revisions to its comprehensive plan and land use regulations, if necessary, to allow:*
 - a. In Regional Centers, Town Centers, Station Communities and Main Streets, the mix and intensity of uses specified in section 3.07.640; and*
 - b. In Corridors and those Station Communities in areas shown as Industrial Area or Regionally Significant Industrial Area in Title 4 of this chapter, a mix and intensity of uses sufficient to support public transportation at the level prescribed in the RTP;*
- 3. Public investments and incentives to support mixed-use pedestrian-friendly and transit-supportive development; and*
[...]

Staff Response:

The very nature of the proposed HVTC Plan and the proposed amendments encourages mixed-use, pedestrian-friendly and transit supportive development given the potential densities provided for within the zones. If adopted, the creation of/application of these zones to the subject properties will reflect a revision to the City's Comprehensive Plan and Development Code that will allow the mix and intensity of uses specified in section 3.07.60 and supportive of public transportation at the level prescribed in the RTP. Therefore, these criteria are supported by the subject request.

3.07.630 Eligibility Actions for Lower Mobility Standards and Trip Generation Rates

A. A city or county is eligible to use the higher volume-to-capacity standards in Table 7 of the 1999 Oregon Highway Plan when considering an amendment to its comprehensive plan or land use regulations in a Center, Corridor, Station Community or Main Street, or portion thereof, if it has taken the following actions:

- 1. Established a boundary pursuant to subsection B of section 3.07.620; and*
 - 2. Adopted land use regulations to allow the mix and intensity of uses specified in section 3.07.640.*
- B. A city or county is eligible for an automatic reduction of 30 percent below the vehicular trip generation rates reported by the Institute of Traffic Engineers when analyzing the traffic impacts, pursuant to OAR 660-012-0060, of a plan amendment in a Center, Corridor, Main Street or Station Community, or portion thereof, if it has taken the following actions:*
- 1. Established a boundary pursuant to subsection B of section 3.07.620;*
 - 2. Revised its comprehensive plan and land use regulations, if necessary, to allow the mix and intensity of uses specified in section 3.07.640 and to prohibit new auto-dependent uses that rely principally on auto trips, such as gas stations, car washes and auto sales lots; and*
 - 3. Adopted a plan to achieve the non-SOV mode share targets adopted by the city or county pursuant to subsections 3.08.230A and B of the Regional Transportation Functional Plan (RTFP), that includes:*

- a. Transportation system designs for streets, transit, bicycles and pedestrians consistent with Title 1 of the RTFP;*
- b. A transportation system or demand management plan consistent with section 3.08.160 of the RTFP;*
and
- c. A parking management program for the Center, Corridor, Station Community or Main Street, or portion thereof, consistent with section 3.08.410 of the RTFP.*

Staff Response:

The City is not proposing to utilize said reductions in level of service in conjunction with the HVTC Plan. Therefore, these criteria are not applicable to the subject request.

3.07.640 Activity Levels for Centers, Corridors, Station Communities and Main Streets

A. Centers, Corridors, Station Communities and Main Streets need a critical number of residents and workers to be vibrant and successful. The following average number of residents and workers per acre is recommended for each:

- 1. Central City - 250 persons*
- 2. Regional Centers - 60 persons*
- 3. Station Communities - 45 persons*
- 4. Corridors - 45 persons*
- 5. Town Centers - 40 persons*
- 6. Main Streets - 39 persons*

Staff Response:

The commercial, institutional and residential densities accommodated within the proposed HVTC Plan area (and as applied within the subject properties) will accommodate the average number of residents/workers envisioned within a Town Center. Therefore, this criterion is satisfied by the request.

B. Centers, Corridors, Station Communities and Main Streets need a mix of uses to be vibrant and walkable. The following mix of uses is recommended for each:

- 1. The land uses listed in State of the Centers: Investing in Our Communities, January, 2009, such as grocery stores and restaurants;*
- 2. Institutional uses, including schools, colleges, universities, hospitals, medical offices and facilities;*
- 3. Civic uses, including government offices open to and serving the general public, libraries, city halls and public spaces.*

Staff Response:

The list of uses within the proposed HVTC Plan area designation/zoning districts reflects uses listed in the State of the Centers report and includes institutional and civic uses as permitted uses. Therefore, these criteria are satisfied by the subject request.

C. Centers, Corridors, Station Communities and Main Streets need a mix of housing types to be vibrant and successful. The following mix of housing types is recommended for each:

- 1. The types of housing listed in the "needed housing" statute, ORS 197.303(1);*

*2. The types of housing identified in the city's or county's housing need analysis done pursuant to ORS 197.296 or statewide planning Goal 10 (Housing); and
[...]*

Staff Response:

The list of uses within the proposed HVTC Plan area Comprehensive Plan designations/zoning districts reflect housing types including those listed in ORS 197.303(1) and is in conformance with the City's last periodic review housing needs analysis. Therefore, these criteria are satisfied by the subject request.

3.07.650 Centers, Corridors, Station Communities and Main Streets Map

A. The Centers, Corridors, Station Communities and Main Streets Map is incorporated in this title and is Metro's official depiction of their boundaries. The map shows the boundaries established pursuant to this title.

*B. A city or county may revise the boundary of a Center, Corridor, Station Community or Main Street so long as the boundary is consistent with the general location on the 2040 Growth Concept Map in the RFP. The city or county shall provide notice of its proposed revision as prescribed in subsection B of section 3.07.620.
[...]"*

Staff Response:

The City has provided written notice of the application to Metro and ODOT per the requirements of subsection B. Therefore, these criteria are satisfied.

4. The following Land Use Policies from the City's general Comprehensive Plan Policies are applicable to this request:

"Policy 4: To insure orderly development in the City of Happy Valley through formulation of growth management policies and guidelines which will determine that development can occur only when adequate levels of services and facilities are or will be available.

Policy 5: To encourage controlled development while maintaining and enhancing the physical resources which make Happy Valley a desirable place to live.

Staff Response:

Adequate levels of services and facilities are available to support the proposed land use amendments. The entire subject site is within the Portland metro urban growth boundary and the proposed Town Center is served by urban-level facilities and utilities. The entire subject area is serviced by Clackamas County Fire District #1, Sunrise Water Authority, and Clackamas County Service District #1. Detailed plans for public facilities will be required as part of future development applications that will occur before development, and plans will be subject to review by service providers. In addition to utilities and

services mentioned above, transportation facilities are also adequate to support the proposed changes (per the proposed TSP amendments).

The City of Happy Valley ensures that “orderly and controlled development” occurs through the continuous and ongoing development of growth management policies and guidelines, primarily through the auspices of the City’s Comprehensive Plan Policies and Development Code regulations. In regard to this application, new and amended Comprehensive Plan policies and implementing zoning districts amendments are proposed, which will further facilitate “orderly and controlled development” while providing opportunities to maintain and enhance the physical resources of the City. Said regulations, combined with the requirements of the City’s urban service providers ensure that development must provide adequate levels of service and facilities prior to development. Therefore, these criteria are satisfied by the subject request.

Housing Policies

Policy 45: The City shall encourage the availability of adequate numbers of needed housing units at price ranges and rent levels that are commensurate with the financial capabilities of Oregon households and allow for flexibility of housing location, type and density.

Staff Response:

The proposed Comprehensive Plan designation/zoning district amendments, paired with the proposed Development Code Text Amendments, will provide greater opportunity for the provision of housing units at a range of price ranges and rent levels, thereby encouraging the availability of adequate numbers of needed housing. Therefore, this criterion has been satisfied by the subject request.

Policy 46: The City shall provide a range of housing that includes land use districts that allow senior housing, assisted living and a range of multi-family housing products. This range improves housing choice for the elderly, young professionals, single households, families with children, and other household types.

Staff Response:

High density residential and senior housing are both allowed uses within areas of the HVTC Plan. The proposed Comprehensive Plan designation/zoning district amendments, paired with the proposed Development Code Text Amendments will enable mixed use development within the greater HVTC Plan area, including higher density residential development than what would be allowed under the current Rock Creek Comprehensive Plan and current zoning. Therefore, this criterion has been satisfied by the subject request.

Policy 48: The Land Development Code will be revised to comply with the Comprehensive Plan to allow for changes over time as the City goals and policies change.

Staff Response:

The subject request demonstrates the implementation of this Policy. New Comprehensive Plan Policies are proposed to reflect the HVTC Plan, and are in turn implemented by the proposed Development Code Text Amendments. Therefore, this criterion is satisfied by the proposed amendments.

Land Use Element Policies

Policy 50: To locate land uses so as to take advantage of existing systems and physical features, to minimize development cost and to achieve compatibility and to avoid conflicts between adjoining uses.

Staff Response:

The proposed HVTC Plan designations/zoning districts (combined with the other land use designations/zoning districts in the East Happy Valley Comprehensive Plan area), will take advantage of existing systems such as the transportation system provided by existing arterials, specifically Sunnyside Road and 172nd Ave. (south), combined with existing and planned improvements to arterials such as 172nd Avenue (north) and Rock Creek Blvd., as well as the collector street system as illustrated in the TSP. In addition, the separation and buffering provided by natural resources such as Rock Creek and its tributaries, significant rights-of-way and comprehensive plan designation/zoning district land use patterns provide compatibility and avoid conflicts between adjoining uses and planned employment, parks and school uses. Therefore, this criterion is satisfied by the proposed amendments.

Policy 51E: Residential land uses will be organized to form complete neighborhoods. Complete neighborhoods include a variety of housing types, park and open space, a definable center (e.g. a park or school) and edge (e.g. transportation or open space corridor), a mix of uses, and a well-connected network of streets and pedestrian ways. The degree to which each of these characteristics is provided will vary with the location and context of the neighborhood.

Staff Response:

While the subject request is not strictly limited to residential land use designations, the proposed HVTC Plan will enable the development of a complete community with a variety of housing types as well as a range of commercial, employment and institutional uses, open space and a well-connected network of streets and pedestrian ways. Therefore, this criterion has been satisfied by the subject request.

Commercial and Employment Element Policies

Policy 54: To encourage compatible residential, commercial and light industrial development in both the City of Happy Valley and nearby Clackamas County that will provide jobs. The City supports the development of commercial and employment uses in the Rock Creek Employment Area and in other areas, subject to design standards.

Staff Response:

The proposed HVTC Plan will enable residential, office, and commercial development at intensities, and through appropriate mixes of uses, that can complement nearby employment areas. Therefore, this

criterion has been satisfied by the subject request.

Policy 54C: Happy Valley shall ensure that all commercial and office centers are accessible by transit, bicyclist and pedestrians, generally as shown within the City's current Transportation System Plan."

Staff Response:

The HVTC Plan area is served by two major arterials and a collector and local street system that provides (or will provide with future development) accessible routes to bicyclists and pedestrians, as illustrated within the existing TSP and the proposed TSP Amendments (Exhibit L). In addition, the HVTC Plan area is currently served by TriMet bus Route No. 155 and further service is detailed in the Transit Master Plan within the City's TSP. Therefore, this criterion has been satisfied by the subject request.

5. The following Sections from Title 16 of the City's Municipal Code (Development Code) are applicable to this request:

*"Chapter 16.67 Comprehensive Plan Map, Specific Area Plans, Land Use District Map and Text Amendments
[...]"*

16.67.015 Initiation of a plan amendment.

*A. Any change in the text, map or implementing ordinances of adopted Happy Valley land use regulations may be initiated by the City
[...]"*

16.67.020 Legislative amendments.

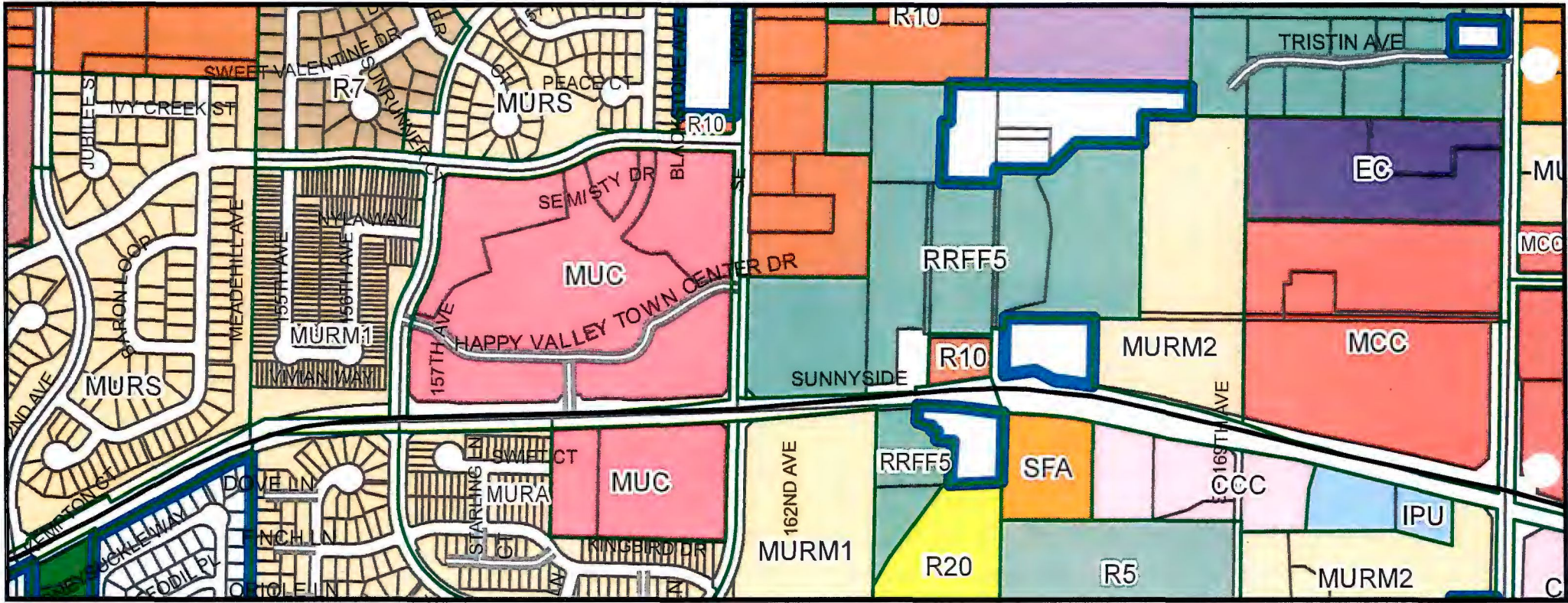
Legislative amendments are policy decisions made by City Council. Except in the case of expedited annexation, they are reviewed using the Type IV procedure in Section 16.61.050 and shall conform to the Transportation Planning Rule provisions in Section 16.67.060, as applicable."

Staff Response:

The proposed TSP Amendments are initiated by the City and have been processed as legislative amendments through a Type IV process. Conformance with the Transportation Planning Rule has been detailed in Finding of Fact No. 2, above. Per the proposed amendments to the City's TSP, these criteria have been satisfied by the proposed amendments.

III. CONCLUSION:

Staff has determined that the above findings demonstrate that the proposed amendments to the City's General Comprehensive Plan Policies, Rock Creek Comprehensive Plan, Comprehensive Plan/Zoning Map, Transportation System Plan and Development Code satisfy the requirements of the Statewide Planning Goals, the Transportation Planning Rule, Metro Title 6, City of Happy Valley Comprehensive Plan Policies and the City's Land Development Code. Staff, therefore, recommends that the Planning Commission forward a recommendation of approval to the City Council on application CPA-07-11/LDC-07-11.



Happy Valley Town Center Existing Conditions Report

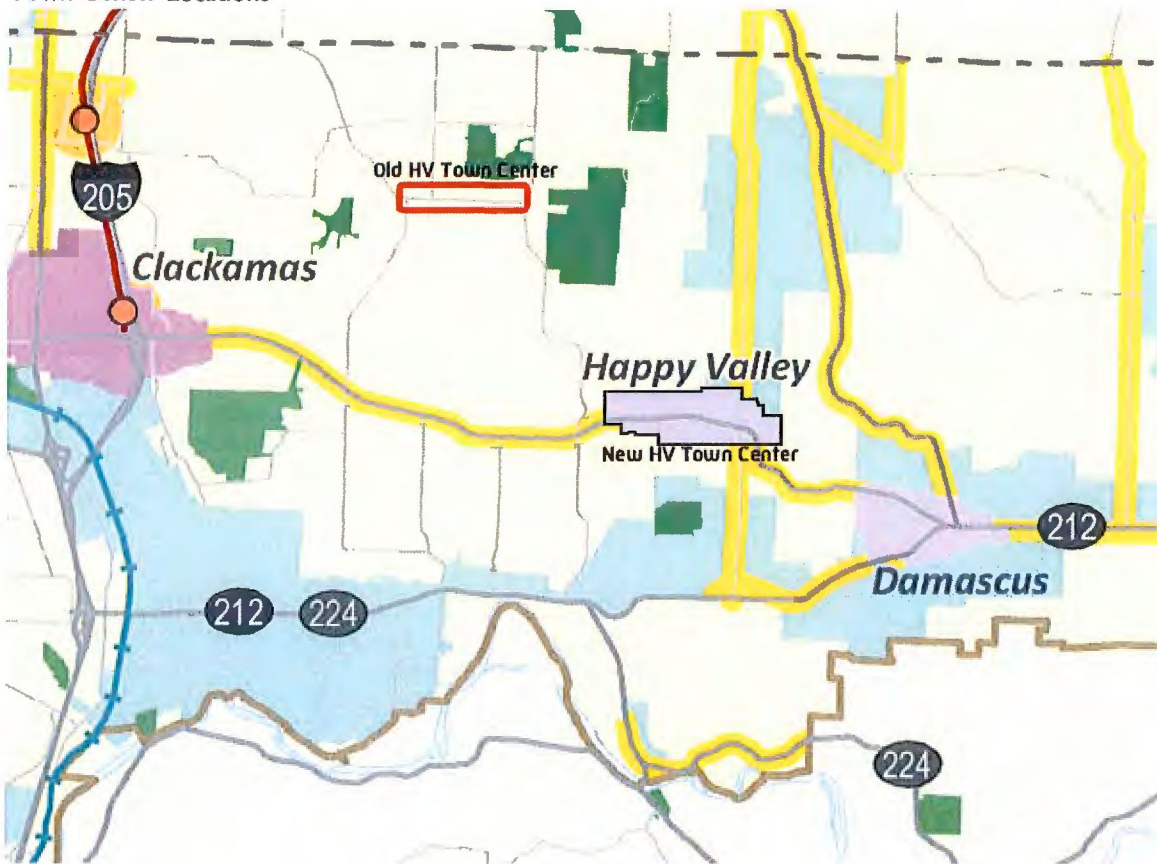
May 24, 2011

Introduction

The Happy Valley Town Center project's intent is to re-locate the City of Happy Valley's town center along Sunnyside Road and to provide regulatory and strategic tools to support a viable town center. The current Town Center designation for Happy Valley is along King Road and it is insufficient for Happy Valley's town center needs as it has relatively poor transportation accessibility, lacks commercial zoning, and has little potential to support any rezoning for a mix of uses. The new proposed location for the town center along Sunnyside Road, between approximately 157nd and 172nd Avenues, is an area served by transit and designated for a variety of higher density housing, commercial and mixed uses.

This project will identify plan and zone designations, along with other development regulations, that will provide the City with a centralized mix of uses to support the vitality of the new Happy Valley Town Center.

Figure 1: Excerpt from Metro 2040 Growth Concept Map showing existing and new Happy Valley Town Center Locations

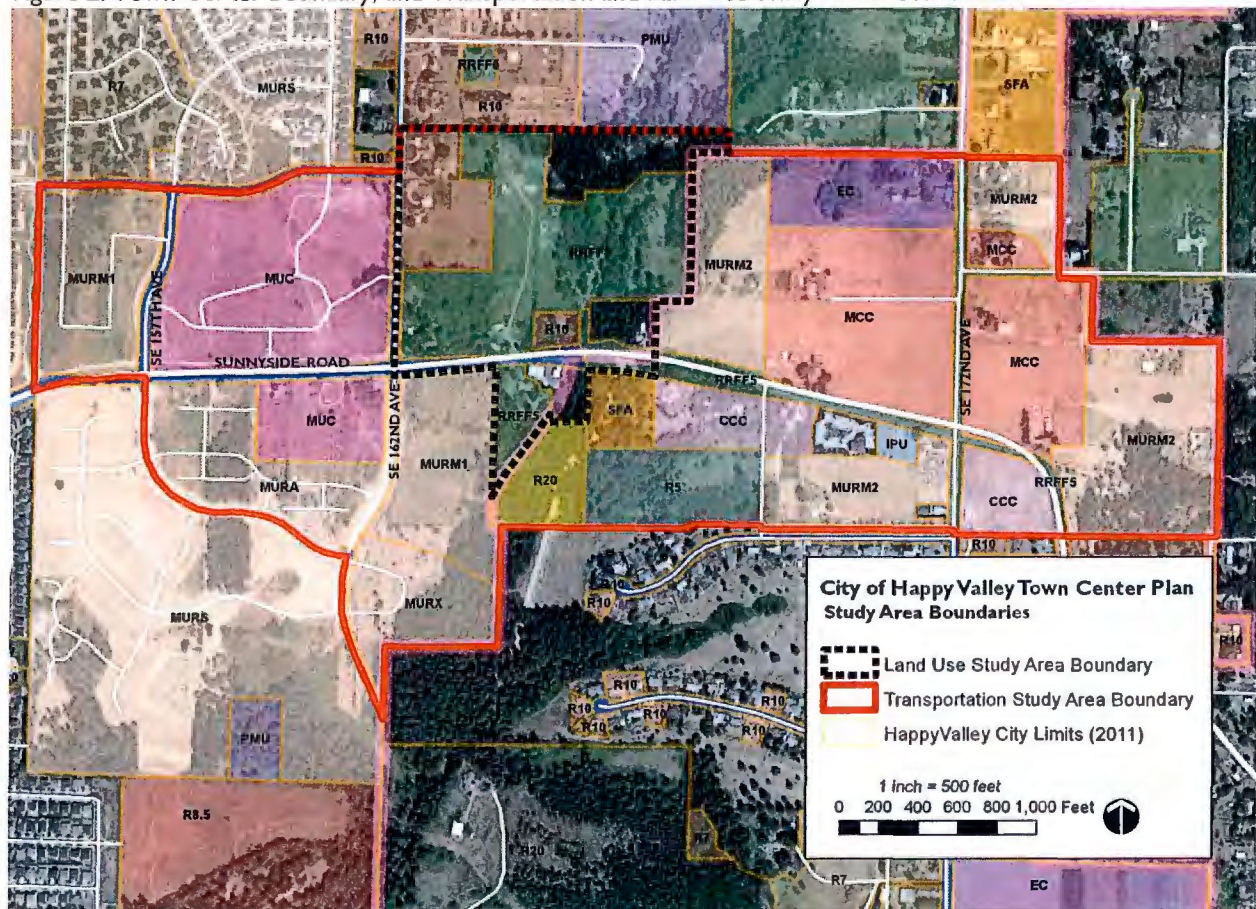


Study Area

This project has two study areas, one for land use, and one for transportation. The transportation study area matches the proposed Town Center Boundary, as outlined in Figure 2 below, and in Appendix 1: Proposed Happy Valley Town Center Base Map. The proposed Town Center Boundary covers approximately 225 acres and includes two major arterials (Sunnyside Road and 172nd Ave), three collector streets (162nd Ave, 157th Ave and Misty Drive), and two local streets (Happy Valley Town Center Drive and Kingbird Drive). This area also includes three intersections with traffic signals and one intersection that is all way stop controlled. The remaining intersections are two-way stop controlled. More information on the existing transportation features is included in the next section of this report.

The land use study area is a smaller area of the proposed town center boundary that focuses specifically on parcels that will be studied for a potential new zone designation that provides opportunities for commercial and mixed use development that may not be possible under the current zone designations. See Figure 2 below for the approximate boundary of the land use study area.

Figure 2: Town Center Boundary, and Transportation and Land Use Study Area Boundaries



Existing Land Use and Transportation Features

Existing Land Use

Within the proposed Town Center Boundary, the majority of the properties are within the city limits and have a mix of zoning designations. The parcels on the east side of the Town Center received new zone designations with the adoption of the East Happy Valley Comprehensive Plan Update 2009 (see Appendix 2). The parcels adjacent to the intersection of Sunnyside Road and 172nd Avenue were designated Mixed Use Commercial (MUC), Community Commercial Center (CCC), Mixed Use Residential – Multi Family Medium Density (MURM2), and Institutional and Public Use (IPU) through the update. There is also an area designated as Employment Center (EC) on the north end of the Town Center along 172nd Ave and a parcel near Rock Creek that is designated Single Family Attached Residential (SFA). All of these current land use designations support the creation of a town center by providing opportunities for both commercial uses and a range of residential density types.

The parcels within the Town Center Boundary, West of the East Happy Valley Comprehensive Plan Boundary, were given plan designations in the Rock Creek Comprehensive Plan, adopted June 5, 2001 (see Appendix 3). The parcels that are east of 162nd Avenue are made up of a combination of city residential zones and county zones. There are also several parcels that are currently outside the city limits. This area is within the project land use study area and will be carefully considered for new plan and zone designations that are more supportive of a town center.

The parcels west of 162nd Ave, along Sunnyside Road, are currently zoned land use designations that support the Rock Creek Comprehensive Plan. The parcels currently zoned Mixed Use Commercial (MUC) are supportive of a town center and have already been developed with mix of uses including a grocery store, a dry cleaner, a cellular phone retail store, a coffee shop, a bank, several restaurants, salons and personal care uses, medical offices and clinics, as well as the new Happy Valley City Hall. Nearby parcels have been designated Mixed Use Residential – Multi Family Low Density (MURM1) and Mixed Use Residential – Attached (MURA), providing a mix of housing types in the town center.

Properties that are currently outside the Happy Valley city limits will be given a land use designation as part of this Town Center Plan but will not actually be re-zoned until they are annexed into the City.

Existing Transportation Features

Street Network

Many of the existing roadways in the proposed Happy Valley Town Center area have been recently improved. Improvements to arterials and collectors include sidewalks and bike lanes on both sides of the roadway. The exception is 162nd Avenue, where there are no existing sidewalks on the east side. 172nd Avenue was recently reconstructed south of Sunnyside Road as a five lane arterial roadway. The 172nd Avenue roadway improvements were carried a few hundred feet north of Sunnyside Road (except sidewalks). There is one TriMet bus route (Route 155) that serves the proposed Town Center area. It connects the proposed Happy Valley Town Center area and the

Clackamas Town Center and travels along Sunnyside Road, and loops on 157th Avenue, 162nd Avenue, and Misty Drive and back to Sunnyside Road. Table 1 summarizes key roadways in the proposed Happy Valley Town Center area.

Table 1 Existing Roadway Network Summary

Roadway	Roadway Jurisdiction	City Functional Classification	Lanes	Speed (mph)	Sidewalks	Bike Lanes	Transit
Sunnyside Road	County	Major Arterial	4/5	40	Yes	Yes	Route 155
172 nd Avenue (south of Sunnyside)	County	Major Arterial	4/5	45	Yes	Yes	No
172 nd Avenue (north of Sunnyside)	County	Major Arterial	2	45	No (except at Sunnyside intersection)	No (except at Sunnyside Intersection)	No
162 nd Avenue (north of Sunnyside)	County	Collector	3	40	One Side (where developed)	Yes	Route 155
162 nd Avenue (south of Sunnyside)	City	Collector	3	35	Yes	Yes	No
157 th Avenue (north of Sunnyside)	City	Collector	3	35	Yes	Yes	No
157 th Avenue (south of Sunnyside)	City	Collector	2/3	35	Yes (some as path)	Yes	No
Misty Drive (west of 162 nd)	City	Collector	2/3	35	Yes	Yes	Route 155
Happy Valley Town Center Drive	City	Local	2	25	One side (at least)	No	No
Kingbird Drive	City	Local	2	25	at intersections	No	No

Traffic Control

Traffic signals currently exist at the following intersections within the Town Center:

- 157th Avenue/Sunnyside Road
- 162nd Avenue/Sunnyside Road
- 172nd Avenue/Sunnyside Road

The following intersection is all-way stop controlled:

- 162nd Avenue/Misty Drive

All remaining intersections in the Town Center are two-way stop controlled, with the major street uncontrolled and the minor street stop sign controlled.

Collision Data

Collision data was obtained from the Oregon Department of Transportation's Crash Data System (CDS) for the most recent three year period (2007 through 2009). Only intersections located within the Town Center with recorded collision data for the select time period are shown. Based on the collision data available and current evening peak hour traffic counts, collision rates were estimated at the intersections within the Town Center area. A rate greater than or equal to 1.0 collision per million entering vehicles (MEV) generally indicates a higher than average collision rate, and is generally indicative of a safety related problem that should be evaluated further. As shown in Table 2, the intersection with the highest collision rate is 162nd Avenue/Sunnyside Road, however, its crash rate is 0.10, substantially lower than 1.0. There were no fatalities along this stretch of Sunnyside Road over the course of the three year period.

Table 2 Collision Data (2006-2009)

Intersection	Collisions (by Severity)				Annual Average Collision	Collision Rate*
	<i>Fatal</i>	<i>Injury</i>	<i>Property Damage Only</i>	<i>Total</i>		
157th Avenue/Sunnyside Road	0	0	0	0	0.0	0.0
159th Avenue/Sunnyside Road	0	0	0	0	0.0	0.0
162nd Avenue/Sunnyside Road	0	3	1	4	1.33	0.10
172nd Avenue/Sunnyside Road	0	0	2	2	0.67	0.04

* Collision rate = average annual collisions per million entering vehicles (MEV); MEV estimates based on PM peak hour traffic counts.

Important Conditions and Requirements from Local and Regional Plans

Key local and regional plans were reviewed to determine whether there are any planned projects or policies that would impact the proposed Happy Valley Town Center. The plans with projects or policies directly affecting this Town Center include Metro's Regional Transportation Plan, Transportation Functional Plan, Regional Transportation System Management and Operations Plan, the Urban Growth Management Functional Plan, Metro's State of the Centers Report and Happy Valley's Transportation System Plan (including review of the Bicycle and Pedestrian Master Plans). Other plans include the Happy Valley Comprehensive Plan, Rock Creek Comprehensive Plan, East Happy Valley Comprehensive Plan and the Happy Valley Development Code. The projects and policies indicated in each are summarized below and organized by jurisdiction starting from the city level moving to the regional level:

Happy Valley Comprehensive Plan and Development Code

Happy Valley Comprehensive Plan

The City of Happy Valley has developed a series of policies in support of Oregon's Statewide Planning Goals. The following policies will be considered as the project moves forward with identifying needs for new land uses and transportation facilities to serve the Town Center.

Goal 10: Housing

Policies 42 through 48 generally address the provision of adequate housing supply including a diversity of housing types, thus providing for the needs of a variety of Happy Valley citizens at various income levels.

Goal 2: Land Use

Policy 50 addresses location of uses in areas that take advantage of existing systems and physical features to minimize development costs as well as achieve compatibility and avoid conflicts between adjoining uses.

Policy 51 describes the residential land use districts established by the City to provide for a range of housing needs. The High Density Residential Attached districts, including SFA, MUR-A, VTH, MUR-M and MUR-X are most applicable to the Town Center plan and provide for a range of housing types that intend to make efficient use of land and public services, reduce reliance on the automobile, and provide direct access to schools, parks, and neighborhood services.

Policy 55 addresses the need to provide a range of land use types for a variety of commercial and employment districts including Mixed Commercial Centers (MCC) and Community Commercial Centers (CCC) and provides guidance on the location and compatibility of these commercial districts in Happy Valley.

Policy 56. Due to rapid growth and staffing constraints, the City of Happy Valley has found it necessary to adopt several geographically specific comprehensive plans or "mini comprehensive plans" to aid in the overall land use planning for the City. The project's study areas are subject to the

Rock Creek Comprehensive Plan and East Happy Valley Comprehensive Plan. Specific policies associated with these “mini comprehensive plans” have been added to the greater Comprehensive Plan policies as a subsection to Policy 56. Policy 56A addresses policies supporting the Rock Creek Comprehensive Plan and Policy 56C addresses the East Happy Valley Comprehensive Plan. Both of these subcategory policies will be carefully considered when making land use or policy recommendations as part of this project.

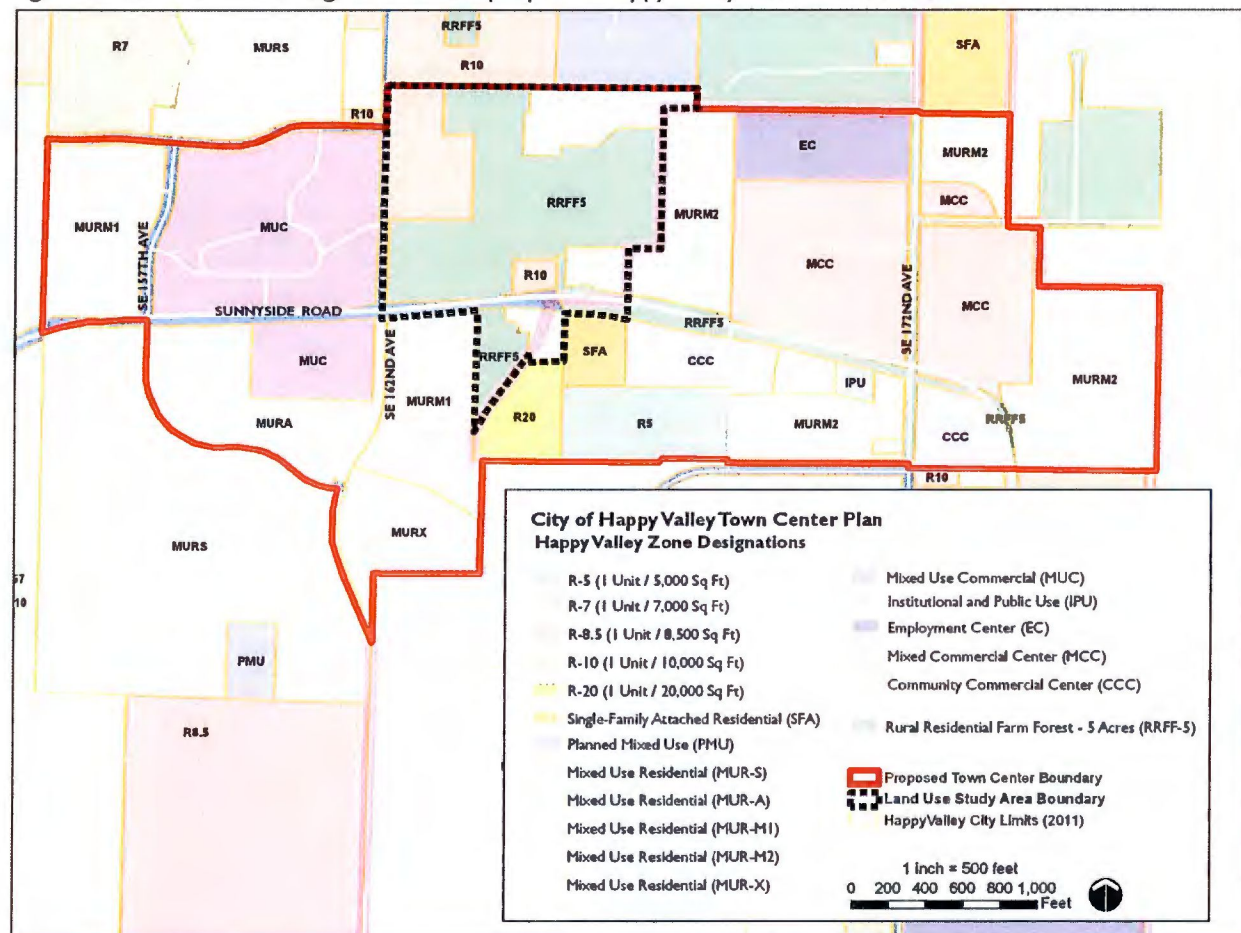
Goal 8: Recreational Needs

Policies 57 through 61 address the recreational needs of the citizens of Happy Valley, the state, and visitors. The Town Center plan should seek to create areas for open space, bikeways, trails, and parks.

Goal 12: Transportation

Policies 63 through 70 provide provisions to encourage a safe, convenient, and economic transportation system for the planned growth and eventual full urban development of Happy Valley.

Figure 3: Current Zone Designations in the proposed Happy Valley Town Center area



Rock Creek Comprehensive Plan (RCCP)

The RCCP, adopted June 5, 2001 (see Appendix 3) applies to the study area parcels west of the East Happy Valley Comprehensive Plan boundary. The RCCP includes ten land use types but only two apply to properties within the study area: Mixed Use Residential and Mixed Use Commercial. The parcels west of 162nd Ave, and a few parcels south of Sunnyside Road, east of 162nd Ave have already been designated land use zones from Happy Valley's Zoning Code that are supportive of the RCCP land use designations. The parcels that are within the Town Center Plan's Land Use Study Area (see Figure 3) are also within the RCCP and are designated by the Plan as Mixed Use Residential or Mixed Use Commercial. As these parcels are considered for new plan and zone designations, they must be in compliance with the RCCP land use designations, or potential amendments to the RCCP must be considered. The two RCCP land use designations are described below:

- **Mixed Use Residential:** Overall density of this land use averages 12 units per acre and supports a range of housing including apartments, senior housing, townhomes, and a variety of single-family detached housing densities. Neighborhood retail uses are permitted and intended to provide employment and neighborhood shopping opportunities. Some characteristics of this land use type are:
 - Variety of housing with similar residential types facing each other
 - Network of connected local streets with a clear block pattern
 - Orientation of buildings and entries to streets and public spaces as well as the use of allies and recessed garages.
 - A network of pedestrian paths in addition to the sidewalk system and an overall priority for pedestrian orientation
 - Civic uses and parks as focal points for the community linked by trails and pedestrian/bike paths

Apartment building types should be clustered near the intersections of 157th and 162nd Avenues and Sunnyside Road while residential uses should transition away from the apartment areas. Alleys should be encouraged in all neighborhoods to provide access to lots that will front on 162nd Ave, 157th Ave and Sunnyside Road. On-street parking should be allowed on 162nd and 157th Avenues, south of Sunnyside Road. Stormwater facilities should be integrated into the neighborhood designs, particularly in the areas near the Rock Creek corridor.

- **Mixed Use Commercial:** This land use applies primarily to parcels north of Sunnyside Road between SE 157th and 162nd Avenues. It is envisioned as a mixed use district with office and retail uses permitted and intended to provide employment and neighborhood shopping opportunities serving the area. Various attached housing is allowed with an overall maximum density of 24 units per residential acre. A civic use and community “green” or plaza would anchor the district by providing a key public space for the area. Pedestrian qualities of the streets in and around the district should be enhanced.

Happy Valley Development Code

The Happy Valley land use districts that will be considered when recommending land use designation changes in the proposed Town Center include the following Residential, Mixed Use Residential, Mixed Use Commercial, Commercial, Institutional, and Industrial land use districts. Each one of these base zones is discussed in greater detail below. The East Happy Valley

Comprehensive Plan's land use designations are in accordance with the current Happy Valley land use districts:

- Residential Land Use Districts

- Residential 10,000 square feet (R-10): This district is intended to efficiently use land and services in a single-family dwelling environment. This zone allows for a variety of dwelling types including single family detached, single family attached, and duplex – as long as the resulting density does not exceed the maximum of one unit per 10,000 square feet of lot area.
- Single Family Attached Residential (SFA): This district is intended to promote the livability, stability and improvement of Happy Valley's new neighborhoods and to provide opportunities for a variety of medium density residential housing types with a density range of ten to fifteen dwelling units per net acre, as well as certain neighborhood commercial uses. The district accommodates a range of housing needs, including owner-occupied and rental housing, provides for compatible building and site design at an appropriate neighborhood scale, and reduces reliance on the automobile for neighborhood travel while providing options for walking and bicycling and direct and convenient access to schools, parks and neighborhood services.

- Mixed Use Residential Land Use Districts:

Mixed use residential land use districts will promote compact form and residential and allow for commercial, residential and office uses mixed vertically. These districts will also provide options for walking and bicycling and will provide direct and convenient access to schools, parks and neighborhood services. The general density requirements and building typologies for each mixed use residential district type considered for the Town Center are summarized as follows:

- Mixed Use Residential - Attached (MUR-A): this district has a maximum density of twelve units per net acre and a minimum density of ten units per net acre. The density requirements are intended to be guidelines and density will vary based on the amount of unbuildable lands removed from gross acres. Housing types may include single family attached dwellings (townhouses, rowhouses), two family dwellings (duplex), and three family dwellings (triplex).
- Mixed Use Residential – Multi-Family Low Density (MURM1) and Multi-Family Medium Density (MURM2): The multi-family sub-area provides for a range of densities and allows for retail uses that are meant to provide services to local residents, not attract outside traffic. The density requirements and minimum/maximum lot sizes are meant as a guide, and will vary based on the amount of unbuildable lands removed from gross acres. For MURM1, the minimum density is 15 du/net acre and the maximum is 24 du/net acre. For MURM2, the minimum density is 25 du/net acre and the maximum is 34 du/net acre. Housing types may include attached dwellings (townhouses, attached duplexes, rowhouses), senior housing, and high, medium, and low density multi-family dwellings (apartments).
- Mixed Use Residential – Mixed Building (MUR-X): The mixed use buildings designation is intended for buildings with a combination of residential and retail with the primary use of the building being residential.

- Mixed Use Commercial Land Use Districts:

- Mixed use commercial (MUC): Mixed use commercial districts will provide for the convenient commercial needs of residential neighborhoods and office workers in locations adjacent to and within residential and office areas. The location of services and offices near residential units and major transportation networks should promote use of alternative modes of transportation such as bus ridership, bicycle and pedestrian activity. Retail uses should be primarily located on the ground floor to encourage an interesting and active streetscape. Buildings should be oriented towards the street or accessway with clearly marked entrances. Blank frontage walls at street level are discouraged.
- Commercial Land Use Districts:
 - Community Commercial Center District (CCC). The Community Commercial Center district is intended to provide locations or “nodes” for a relatively wide range of small businesses, services and mixed uses adjacent to residential areas as a convenience to nearby residents. In order to limit impacts to residential areas, new Community Commercial Center nodes are intended to be limited in size to not more than five acres of contiguous land. Building size is also limited to a thirty thousand (30,000) square feet footprint. Appropriate locations for Community Commercial Center nodes are at the intersection of two arterial streets (major and minor), an arterial street and a collector street, or two collector streets.
 - Mixed Commercial Center District (MCC). This zone is intended to establish locations for the development of mixed use commercial centers providing a broad range of shopping and service requirements to meet neighborhood and city-wide needs. The Mixed Commercial Center (MCC) district, as applied in the East Happy Valley Comprehensive Plan area, corresponds to the Damascus/Boring Concept Plan’s designation of Neighborhood Centers. These mixed use centers in the East Happy Valley Comprehensive Plan area accommodate retail services with a focus on meeting resident’s daily shopping needs. They are planned to be well served by transit and be integrated with mixed use and higher density housing – thus supporting less auto-dependent life styles. These centers are also appropriate locations for civic uses such as post offices and branch libraries. Their design is intended to be highly pedestrian-oriented.

New Mixed Commercial Centers are limited to an area of up to fifteen acres of contiguous land and shall be developed in a manner consistent with the Comprehensive Plan, except as described in Table 16.23.030-2 (Footnote 6) of the City of Happy Valley Development Code, within the East Happy Valley Comprehensive Plan Area. Single-use retail buildings are limited to a maximum square footage of sixty-thousand (60,000) square feet as specified in Table 16.23.030-2 (Footnote 6) of the City of Happy Valley Development Code.

Appropriate locations for mixed commercial centers are at the intersection of two arterial streets or an arterial and a major collector, preferably on streets served by transit.

In the MCC district, buildings should be oriented towards the street or accessway with clearly marked entrances. Blank frontage walls at street level are discouraged. Development boundaries and patterns are not defined by type of use (for example, retail and office); instead the district allows a variety of permitted uses to occur throughout the commercial district. The commercial uses are meant to provide a concentration of commercial and office uses to create an active area.

- Institutional Land Use Districts:
 - Institutional and Public Use (IPU) District: The IPU district provides area for institutional uses such as schools and churches, and public and semi-public uses such as parks, a local government center and other governmental and public service uses. This district may be located at any place throughout the city, based on a determination by the city that such areas are required.
- Industrial Land Use Districts:
 - Employment Center (EC): The Employment Center district provides for a mix of employment opportunities, located where they are accessible by a variety of transportation modes, including transit services and safe and convenient pedestrian connections. These areas provide sites suitable for business and office parks, campus and light industrial uses, professional and corporate offices, medical offices and clinics, tech/flex businesses, creative arts and services, technical/vocational schools and other related businesses. Building types range from large single user campuses, multiple tenant business parks to multistory mixed-use buildings. Quality design and a connected and walkable character of the surrounding environment will be provided. Housing is allowed when combined in vertical mixed-use buildings.

Happy Valley Transportation System Plan (TSP)

The following projects, located within the proposed Town Center area, are listed in the Happy Valley TSP Action Plans:

- 172nd Avenue Widening North: Widen to 5-lane major arterial between Sunnyside Road and Clatsop Street (Motor Vehicle, Pedestrian, and Bicycle Action Plans)
- 162nd Avenue Sidewalks: Construct sidewalks on both (only east side remains) sides of the street from Sunnyside Road to King Road (Town Center northern limit would be just north of Misty Drive) (Pedestrian Action Plan)

The following projects, located within the proposed Town Center area, are listed in the Happy Valley TSP Master Plans:

- 169th Avenue Extension: Construct a new 3-lane collector from Sunnyside Road to 177th Avenue (Motor Vehicle, Pedestrian, and Bicycle Master Plans)
- Misty Drive Extension: Construct a new 3-lane east-west collector from 172nd Avenue to 177th Avenue (Motor Vehicle, Pedestrian, and Bicycle Master Plans)
- Rock Creek Trail: Springwater Trail north of Clatsop Butte Park to Clackamas River Trail near Highway 212/Highway 224 split (Pedestrian Master Plan – see Appendix 4)

In addition to these specific Action Plan and Master Plan projects, all City standards and policies will need to be addressed as the Town Center area develops, including access spacing standards, traffic signal spacing, local street connectivity, functional classification, roadway cross-section standards and intersection performance standards. The City's transportation related Goals and Policies should also be considered as the Town Center area develops.

Metro's Regional Transportation Plan (RTP)

Metro's 2035 RTP project list includes the following projects that are located within the proposed Happy Valley Town Center:

- Misty Drive from 162nd Avenue to 177th Avenue: Construct a new 3-lane roadway with sidewalks, bike lanes, traffic signals and a bridge over Rock Creek
- 172nd Avenue improvements from Foster Road/190th Avenue to Sunnyside Road: Widen to 5-lanes including new bridge. Construct connection to 190th.
- Scouter's Mountain Trail: Build trail to/on Scouter's Mountain.

Regional Transportation Functional Plan (RTFP)

The RTFP provides guidance on several areas including roadway design for various modal facilities, system plans, regional parking management plans and amendments to comprehensive plans. The following indicate elements of the plan specifically pertaining to transportation and/or a Town Center:

- Implement regional street design, green street design and transit-supportive street design
- Implement local street design regulations with:
 - Pavement widths curb to curb 28 feet or less
 - Sidewalks with a minimum of five feet of through zone width
 - Landscape or furniture zone of five feet
 - Traffic calming elements to discourage infiltration and excessive speeds
 - Direct paths for pedestrians
 - Opportunities to provide a grid street system
- Provide a roadway network with one-mile arterial spacing and half-mile collector spacing
- Development parking standards for Town Centers

Regional Transportation System Management and Operations Plan (TSMO)

The TSMO provides regional strategies to create an efficient transportation system and support regional transportation goals such as reduced travel delay, improved safety, reduced fuel use and improved transit reliability. The TSMO plan includes the following projects that are located within the proposed Happy Valley Town Center:

Planned Investments for 2020:

- Sunnyside Road from 82nd Avenue to 172nd Avenue: Arterial Corridor Management with Transit Priority Treatment and Adaptive Signal Timing

Metro's Urban Growth Management Functional Plan

Metro's Urban Growth Management Functional Plan provides tools that help meet goals in the 2040 Growth Concept, Metro's long-range growth management plan. The following indicate elements of the plan specifically pertaining to transportation and/or a town center:

Title 2 – Regional Parking Policy

The Metro 2040 Growth Concept calls for more compact development to encourage more efficient use of land, promote non-auto trips and protect air quality. In addition, the federally mandated air quality plan adopted by the state relies on the 2040 Growth Concept fully achieving its transportation objectives. This title establishes region wide parking policies that set the minimum number of parking spaces that can be required by local governments for certain types of new development. It does not affect existing development. Parking maximums are also specified. By not creating an oversupply of parking, urban land can be used more efficiently.

Title 6 – Central City, Regional Centers, Town Centers and Station Communities

The intention of Title 6 is to enhance the Centers designated on the 2040 Growth Concept Map by encouraging development in these Centers to enhance their role as the principal centers for urban life. Metro works with cities and counties to implement development strategies which will include an analysis of the barriers to mixed-use, pedestrian-friendly and transit-supportive development, an accelerated review process for preferred types of development, an analysis of incentives to encourage development and a program to adopt the incentives. The plan of action and investment to enhance the center must also include a plan to achieve the non-SOV mode share targets adopted by the city or county pursuant to the Regional Transportation Functional Plan.

Title 6 also outlines how a city or county can be eligible for lower mobility standards and trip generation rates when calculating the effect new development in the town center may have on the existing transportation system plan (TSP). Among the requirements for becoming eligible for this mobility standard reduction is the adoption of code language that prohibits auto-dependent uses that rely principally on auto trips (such as gas stations, car washes, and auto sales lots) in the town center's land use designations. Further study will occur through the subsequent phases of this project to determine if Happy Valley will seek the 30% mobility standard reduction.

Other recommendations and guidance from Metro's Title 6 include the following. As defined by Metro, Town Centers have an average of 40 residents and/or workers per acre. Title 6 also states that Centers need a mix of uses to be vibrant and walkable. This mix of uses is further defined in Metro's *State of the Centers Report*. Centers also need a mix of housing types to be successful. Cities and counties are encouraged to locate government offices in Centers and are required to report on the progress made in their Centers to Metro every two years.

Metro's State of the Centers Report: Investing in Our Communities

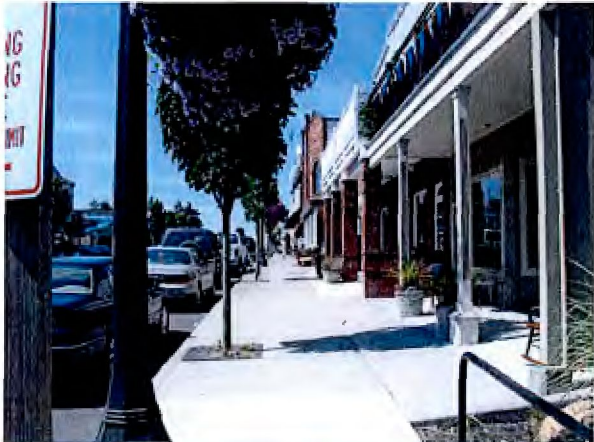
Metro's State of the Centers Report, published in January 2009, is an assessment of the Portland Metro Area's centers as identified in the Metro's adopted 2040 Growth Concept Plan. It provides basic demographic information for each Center, describes how each Center has developed and lists the types of amenities each Center offers. The report is intended to facilitate discussions across the region about the aspirations of each community for focusing housing and employment growth in their Centers. It also describes an activity spectrum and typologies that provide examples of

successful Centers in the Portland area in order to better understand the relationships between transit availability, the number of people per acre, urban form and the diversity of businesses required to make a community vibrant. More specifically, this analysis looks at certain businesses as "urban amenities" that help create desirable local destinations and enhance the amount of economic and social activity in Centers. These urban amenities listed in the report include: bakery, bar, bike shop, book store, brew pub, child care, cinema, clothing store, coffee shop, deli, dry cleaner, fast food restaurant, fitness gym, full service restaurant, garden store, grocery store, limited service restaurant, music store, and wine bar sales and use types.

Comparable Town Centers

Several town centers from around the metro area were examined in order to provide examples and to illustrate the physical attributes of the town center envisioned for Happy Valley. Each of the town centers described below has specific features that were considered as comparable and desirable for Happy Valley's scale and challenges.

Troutdale Town Center



The Troutdale Town Center, as identified by Metro, encompasses 301 acres. The center has direct access to I-84 and is serviced by three separate bus lines. The majority of the center is auto oriented with the exception of the downtown main street (which is pictured here). Similar to Happy Valley, Troutdale's town center has a low average of people per acre and has several commercial areas dispersed throughout the City. Troutdale has made investments in the downtown area to improve the public realm, walkability and active commercial uses in order to strengthen the Town Center.

Lake Oswego Town Center



Lake Oswego's Town Center covers 153 acres and includes a mix of employment, housing and commercial uses. It also includes a good mix of urban amenities such as restaurants, coffee shops, grocery stores, bike shops, bakery, bars, gardening stores, and a fitness gym. It has good transportation access with Highway 43 and Country Club Road connecting to the 205 and I-5 interstate systems as well as bus service from three bus lines that connect the Center to Portland and Washington County.

Lake Oswego's Town Center is located in a suburban context with a single family residential feel. Similar to Happy Valley, it also has a higher than average median income. Lake Oswego's mix of uses, density, and scale of buildings illustrate a good town center example for Happy Valley.

Bethany Town Center



Bethany's Town Center is located in unincorporated Washington County and encompasses 104 acres. It functions as a local retail shopping destination and multi-family housing location. The area has access to Highway 26 via Bethany Boulevard. The center is serviced by one limited service bus line along Bethany Road and is characterized by a curvilinear street network. Bethany has one of the highest median incomes, highest home ownership rate and lowest jobs to housing ratio of all the town centers evaluated by Metro in its *State of the Centers Report*.

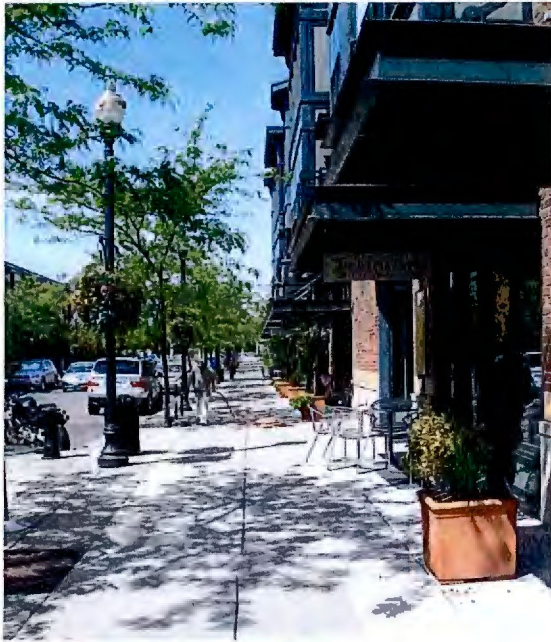
Similar to Happy Valley's Town Center, Bethany's Town Center was created very recently with no historical significance to its location. Through creative planning and development, a center was created to provide a mix of uses that support local retail needs and works towards limiting the number of vehicles miles traveled by nearby residents.



Senior Housing



Orenco Town Center



The Orenco Town Center in Hillsboro is 174 acres and includes retail and medium density housing. This Town Center is located on one side of a major arterial, Cornell Road. Cornell provides access to State Highway 26. Multiple bus lines and a MAX stop is located within the southern portion of this center. Nearby high density housing and large employers utilize these transit connections and the services in the Orenco Town Center.

Orenco Town Center is a good example of a mixed use center along a major arterial that includes both larger format retail uses and a more “main street” mixed use retail format successfully.



Hillsdale Town Center



The Hillsdale Town Center has a suburban, single-family residential feel and is primarily geared toward serving the local population. It is bisected by a state highway, creating a challenge for pedestrian access to both sides of the center. Significant efforts have been made to improve the pedestrian environment through a variety of pedestrian infrastructure investments. Despite these challenges, the Hillsdale Town Center is a thriving center for the local community and includes many viable businesses and urban amenities as well as a weekly farmers market. Civic uses such as a library, high school, and community center also add to the viability of this center.

Hillsdale is currently accessed predominantly via the automobile as many of the surrounding street networks lack sidewalks and efficient connections. Parking is primarily provided by surface lots and on streets as the use of parking structure is limited due to land values and uses in this center. Many bus lines serve Hillsdale, providing public transit to this center.

Happy Valley Town Center Needs, Opportunities, Constraints, and Tools Report

June 22, 2011

Introduction

The Happy Valley Town Center project's intent is to re-locate the City of Happy Valley's town center along Sunnyside Road and to provide regulatory and strategic tools to support a viable town center. The new proposed location for the town center along Sunnyside Road, between approximately 157nd and 172nd Avenues, is an area partially served by transit and designated for a variety of higher density housing, commercial and mixed uses. This project will identify plan/zone designations, along with other development regulations, that will provide the City with a centralized mix of uses to support the vitality of the new Happy Valley Town Center.

This report builds on the Task 2 Existing Conditions Report, Future Base Case Traffic Memo, and Real Estate Market Overview. It outlines the land use and transportation needs that are necessary for creating a vibrant town center. Opportunities and constraints for these identified needs are evaluated and a set of implementation tools are identified as possible strategies and actions that can implement the final land use and transportation recommendations that will be selected in the next phase of this project.

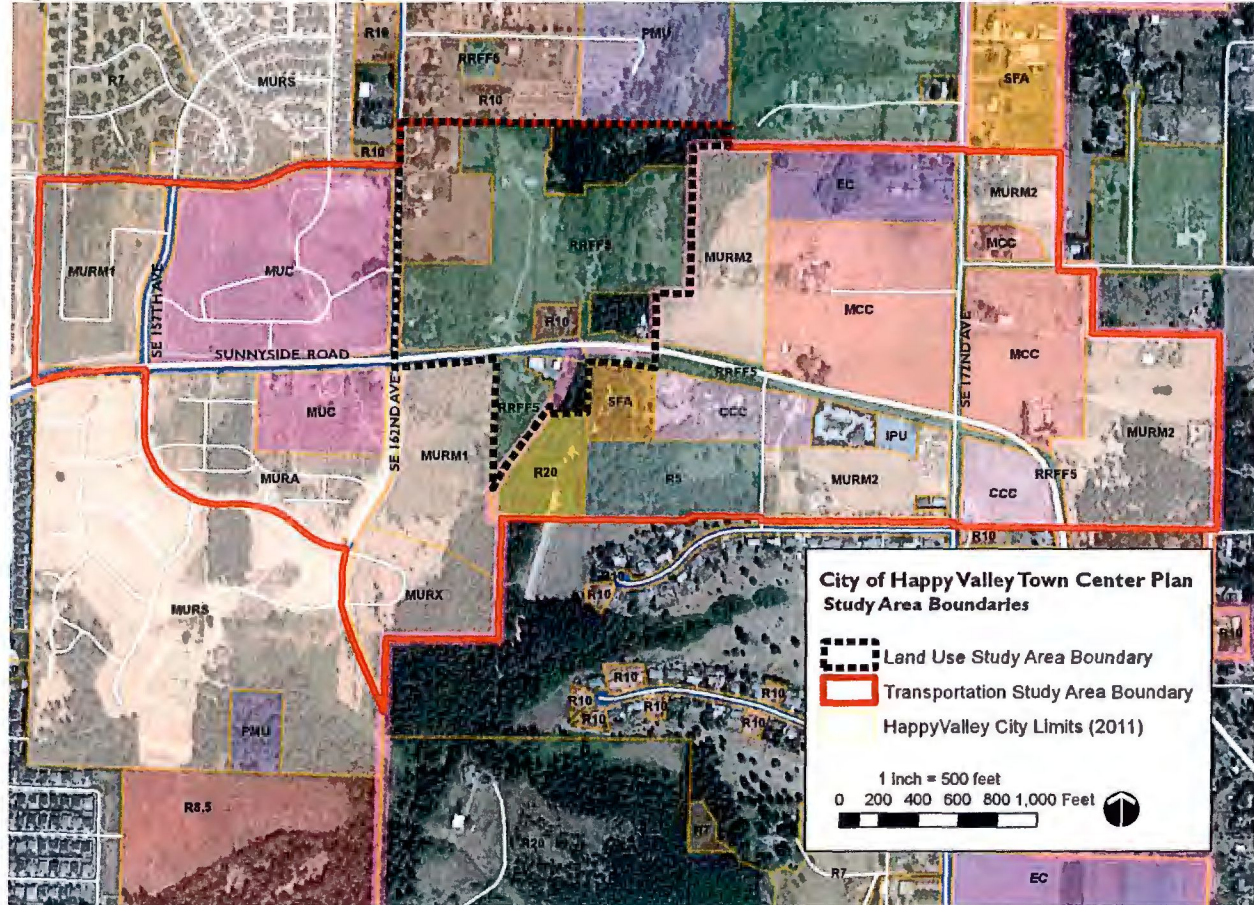
Study Area

This project has two study areas, one for land use, and one for transportation. The Transportation Study Area matches the proposed Town Center Boundary, as outlined in Figure 1 below. The proposed Town Center Boundary covers approximately 225 acres and includes two major arterials (Sunnyside Road and 172nd Ave.), three collector streets (162nd Ave., 157th Ave. and Misty Drive), a small portion of a future collector street – 169th Ave. south of Sunnyside Road and two local streets (Happy Valley Town Center Drive and Kingbird Drive). The Current Happy Valley TSP has plans to extend Misty Drive east to 172nd Ave. and to build 169th Ave. north to intersect with the Misty Drive extension.

The Land Use Study Area is a smaller area within the proposed town center boundary that focuses specifically on parcels that will be studied for a potential new zone designation that provide opportunities for commercial and mixed use development that may not be possible under the current zone designations. See Figure 1 below for the approximate boundary of the Land Use Study Area.

EXHIBIT # D

Figure 1: Town Center Boundary, and Transportation and Land Use Study Area Boundaries



Needs Assessment

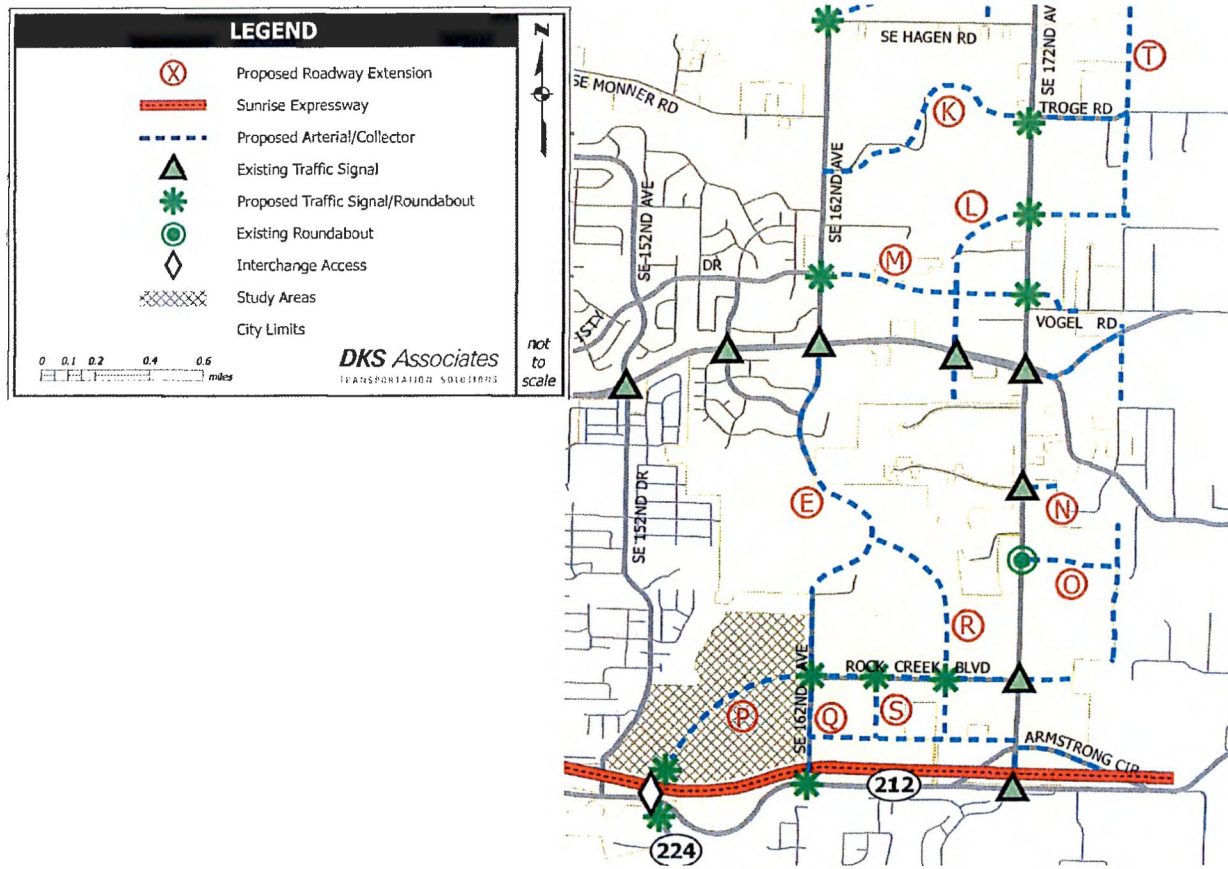
Transportation Needs

The Existing Conditions Report and Future Base Case Traffic Memo identified a variety of transportation projects located within the Happy Valley Town Center that are listed in the Happy Valley TSP Action Plans and Master Plans (January 2011). The TSP takes into account the current zoning in the study area. The planned projects include the following:

- 172nd Ave. Widening North: Widen to 5-lane major arterial between Sunnyside Road and Clatsop Street including provision of sidewalks and bicycle lanes.
- 162nd Ave. Sidewalks: Construct sidewalks on both sides of 162nd from Sunnyside Road to King Road. Bicycle lanes are also planned for this street from Sunnyside to Hagen Road according to the Happy Valley Bicycle Master Plan.
- 169th Ave Extension (segment “L” in Figure 2): Construct a new 3-lane collector from Sunnyside Road north to 177th Ave., including bike and pedestrian facilities. It is likely that the 169th Ave. intersection at Sunnyside Road as well as the intersection at 172nd Ave. will both need to be signalized.

- Misty Drive Extension (segment “M” in Figure 2): Construct a new 3-lane east west collector from 162nd Ave. to 177th Ave., including bike and pedestrian facilities. It is likely that the new Misty Drive extension’s intersections with 162nd Ave. and 172nd Ave. would both need to be signalized.

Figure 2: Excerpt from Happy Valley Motor Vehicle Master Plan from TSP



- Scouter Mountain Trail: Regional trail that will eventually connect the Spring Water Corridor south down to the Clackamas River Trail near Highway 212/Highway 224 split. A portion of this trail alignment is proposed to run along Rock Creek through the Town Center boundary. See Figure 3 below.

[illegible]

Another possible transportation need could be the future planning and construction of an additional east-west connector south of Sunnyside Road. There is currently a lack of east-west network planned south of Sunnyside Road partially because Rock Creek and the private greenspace surrounding Stonybrook Court create a difficult barrier for a grid street network south of Sunnyside Road. These barriers not only impact motor vehicle connectivity, but pedestrian and bicycle connections as well.

Otak, Inc.
DKS Associates
FCS Group

and cycling facilities described by the Happy Valley Master Plans, there may be a need for additional finer grain bicycle and pedestrian connections within the study area to ensure maximum walkability and non-vehicular transportation is supported.

Regarding transit, the Town Center area is currently served by TriMet's bus route 155. It currently has bus stops on Sunnyside Road at the intersection of 152nd and 162nd Avenues, as well as on Misty Drive near the intersections of 157th and 162nd Avenues. Bus service is provided Monday through Friday every 40 minutes from approximately 6:00 AM to 11:00 PM and on weekends approximately every 45 minutes from approximately 7:00 AM to 11:00 PM. It is about a 15 minute bus ride from the 152nd Ave. and Sunnyside bus stop to Clackamas Town Center Transit Center which provides access to the Max Green Line. There are currently no plans to extend bus service further down Sunnyside Road towards the intersection with 172nd Ave. With the implementation of the Town Center, there would be a need to extend the TriMet boundary and route 155 to the east end of the Town Center with additional bus stops. The possibility of more frequent bus service may also need to be explored. The looping of bus route 155 provides a good opportunity for transit-oriented land use along 162nd Ave. in the Town Center.

Land Use Needs

The Real Estate Market Overview memo provided a preliminary development program for the Town Center. Happy Valley continues to be an attractive location for residents due to its relatively low property tax rates, excellent public schools and convenient access to highway and mass transit systems. Future residential development potential in the Town Center will likely consist of a mix of single-family small lot "cottage" units, townhomes and multifamily apartments and mid-rise flats. The proximity of the study area to transit (TriMet bus route 155) as well as the City's desire to support transit oriented development promotes higher density transit-supportive development patterns. Table 1 below summarizes the preliminary market forecast for housing within the Town Center area. The analysis assumes that current market conditions improve measurably by year 2012.

Table 1. Preliminary Residential Development Program, Happy Valley Town Center, 2011 to 2035

	2011 to 2020	2021 to 2035	Total
Single family (dwellings)	60 to 120	120 to 240	180 to 360
Townhomes (dwellings)	120 to 210	240 to 450	360 to 660
Multifamily (dwellings)	210 to 450	450 to 870	660 to 1,320
Total New Dwellings	390 to 780	810 to 1,560	1,200 to 2,340

Source: compiled by FCS GROUP.

The preliminary office and retail/commercial development program in Table 2 shows a low and high range of potential development. The Happy Valley Town Center could potentially be positioned to capture approximately 10 percent of the expected net new office development and up to 40 percent of the net new retail/commercial service development potential within the Happy Valley urban service boundary by year 2035.

Table 2. Preliminary Office and Retail/Commercial Services Development Program, Happy Valley Town Center, 2010 to 2035 (gross floor area in square feet)

	Low	Medium	High
Office	237,400	316,500	395,500
Retail/Commercial Services	524,400	699,200	875,200
Total	761,800	1,015,700	1,270,700

Notes:

**Derived from the Draft Happy Valley Economic Opportunities Analysis, May 2011*

Source: compiled by FCS GROUP.

The office and retail/commercial analysis is derived from the Draft Happy Valley Economic Opportunities Analysis (EOA) - May 2011. The low to high range of potential office and retail/commercial development depicts the range assumed by the Draft EOA. The actual amount of office and retail/commercial development will vary from year to year and will depend upon related strength in employment growth, household growth and buying power in the area.

Taking these economic forecasts into account, land use designations that allow a mix of residential and commercial with some limited office should be provided in the Town Center. The existing land use designations within the Town Center boundary (aka Transportation Study Area) but outside of the 40-acre Land Use Study Area boundary will likely not change significantly since they are in compliance with the Rock Creek Comprehensive Plan and the East Happy Valley Comprehensive Plan, respectively. The focus of the new land use recommendations will be for the Land Use Study Area (see Figure 1 for boundary) – which is currently zoned a combination of City R-10 (1 unit/10,000 sq. ft) and Clackamas County RRFF-5 (1 unit five acres). The following land uses will be considered and evaluated for possible rezoning of land within the Land Use Study Area boundary:

- Residential 5,000 Square Feet (R-5). Average lot size of 5,000 sq.ft.
 - Housing typology includes single family detached (cottage homes), single family attached, duplexes, and triplexes.
 - Commercial land uses are generally not permitted. Parks and open spaces are permitted. Institution uses (churches and schools) can be conditionally permitted.
 - Note: R-5 is a low density designation and not generally appropriate for Town Centers, except as a transitional use.
- Mixed use residential – Single Family (MUR-S). Minimum density of 6 du/net acre and minimum lot size of 4,000 sq.ft.
 - Housing typology includes single family detached (cottage homes), single family attached, duplexes, and triplexes.

- Limited commercial retail uses are permitted subject to specific provisions. Parks and open spaces are permitted. Institutional uses (churches and schools) can be conditionally permitted.
- Note: MUR-S is a low density designation and not generally appropriate for Town Centers, except as a transitional use.
- Single Family Attached Residential (SFA). 10 to 15 du/net acre.
 - Housing typology includes single family attached (townhouses/rowhouses).
 - Limited commercial retail uses are permitted subject to specific provisions. Commercial office is conditionally permitted and is subject to specific provisions. Institutional uses such as churches and schools are conditionally permitted. Parks, recreation buildings, and playgrounds are permitted.
 - Note: SFA is at the lower end of transit-oriented residential density.
- Mixed Use Residential – Attached (MUR-A). 10 to 12 du/net acre.
 - Housing typology includes townhouses/rowhouses, duplexes, and triplexes.
 - Limited commercial retail uses are permitted subject to specific provisions. Commercial office is conditionally permitted and is subject to specific provisions. Institutional uses such as churches and schools are conditionally permitted. Parks, recreation buildings, and playgrounds are permitted.
 - MUR-A is at the lower end of transit-oriented residential density.
- Mixed Use Residential – Multi-Family Low Density (MURM1). 15 to 24 du/net acre.
- Mixed Use Residential – Multi-Family Medium Density (MURM2). 25 to 34 du/net acre.
 - Housing typology includes attached dwellings (townhouses, duplexes, rowhouses), senior housing, and high/medium/low density multi-family dwellings (apartments).
 - Neighborhood retail use is allowed but is meant to provide services to local residents and not attract outside traffic. Example allowed uses include coffee shops, cafes, florists, grocery, video rental, and other similar retail uses. Drive through services are not allowed and total commercial floor area is limited to 3,000, 5,000 or 7,000 square feet depending on the location of the building – whether it is near the intersection of an arterial and a collector, a collector and a collector, or a collector and a local street. Professional and medical office uses are conditionally allowed in these districts as well but are subject to similar restrictions as the commercial retail. Institutional uses such as churches, parks and schools are conditionally allowed.
- Mixed Use Residential – Mixed Building (MUR-X). Same densities range as MURM1 and MURM2 allowed.
 - Mixed use buildings designation is intended for buildings with a combination of residential and retail with the primary use of the building being residential. A larger range of retail uses are allowed in the MUR-X as compared to the MUR-M. Some examples of these broader ranges include non drive up banks and ATMs, drug stores, hotels, post offices, and restaurants. Professional and medical office uses are allowed in this district. Institutional uses such as churches, parks and schools are conditionally allowed.

- Mixed Use Commercial (MUC).
 - Mixed use commercial districts will provide for the convenient commercial needs of residential neighborhoods and office workers in locations adjacent to and within residential and office areas. The location of services and offices near residential units and major transportation networks should promote use of alternative modes of transportation such as bus ridership, bicycle and pedestrian activity. Retail uses should be primarily located on the ground floor to encourage an interesting and active streetscape. Buildings should be oriented towards the street or accessway with clearly marked entrances. Blank frontage walls at street level are discouraged. A wide range of commercial retail and office uses are permitted. Libraries, post offices, community centers and day cares are permitted while churches, parks, and schools are conditionally permitted.
 - A wide range of residential densities are allowed ranging from minimum low density of 15 du/net acre to maximum high density of 50 du/net acre.

Besides residential and commercial uses, another possible need for the Town Center is a site for a civic use. The civic use could range from a community center building to a plaza, central green space, or park. Rock Creek and its protective riparian corridor are currently almost inaccessible by the public within the study area. Plans for a regional trail alignment along Rock Creek could be augmented by additional pedestrian connections between the new civic site, the existing Happy Valley City Hall and the regional trail system. The addition of a civic use and a fine grain pedestrian network would support Happy Valley's Comprehensive Plan Goals 8 (Recreational Needs) and 12 (Transportation).

Opportunities and Constraints Analysis

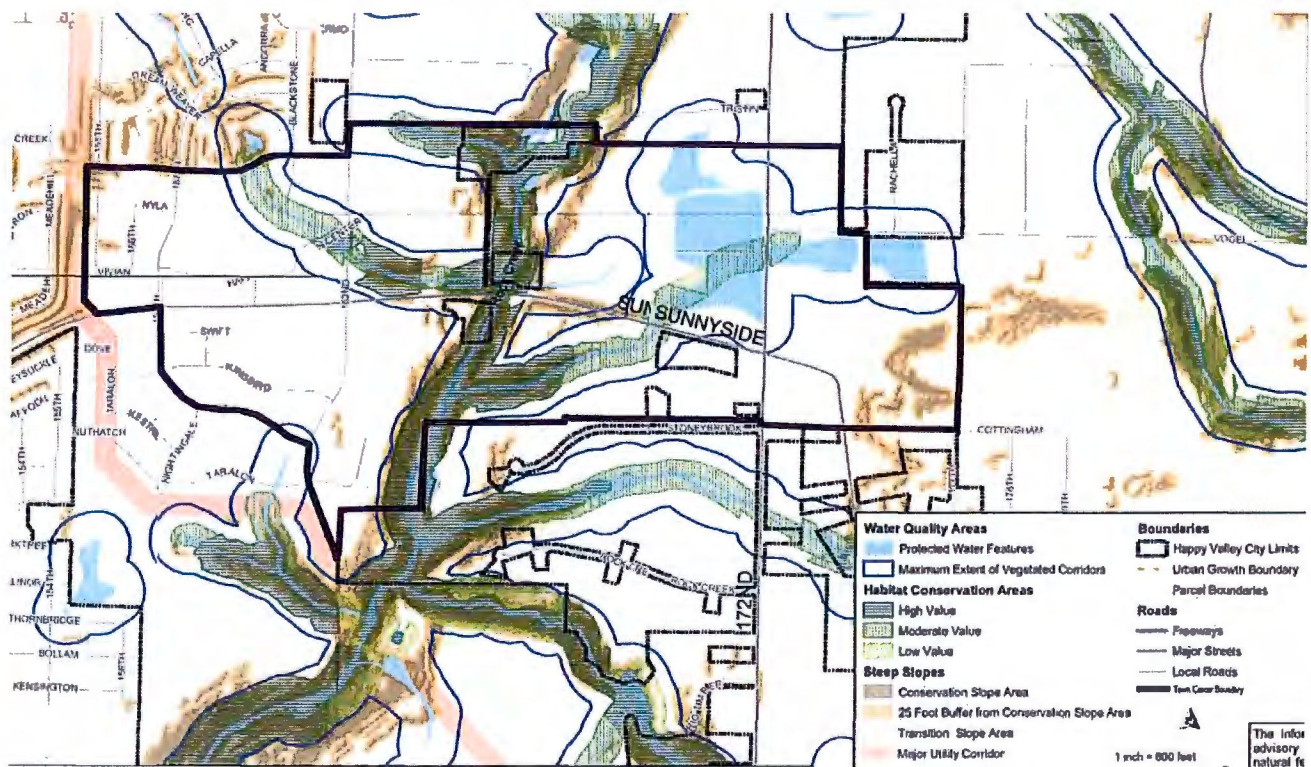
Transportation – Opportunities

- Improve connectivity of street network through implementation of planned TSP infrastructure investments as well as additional fine grain local street networks. Key improvements include the Misty extension and multi-modal improvement of 162nd Ave.
- Provide public access to Rock Creek and increase overall walkability of area through public realm improvements that focus on a pedestrian oriented streetscape and a robust trail network that ties into the regional trail system.
- Increase bicycle network through the planned streetscape improvements (including bike lanes) and trail system.
- Transportation options building on the existing transit connections through existing TriMet bus route 155's connection to regional light rail system.
- Existing land uses from the East Happy Valley Comprehensive Plan east of the planned extension of Misty that will provide opportunity for employment and commercial development.

Transportation – Constraints

- Steep slopes and protected water quality areas (Rock Creek and a variety of wetlands) as well as habitat conservation areas will constrain new roadway extensions and increase costs due to the need for bridges to cross these sloped and natural resource lands.
- Existing land parcelization in the study area, especially in the Land Use Study Area, will present challenges to identifying and implementing new roadway alignments.
- Lack of east-west road network planned south of Sunnyside Road partially due to steep slopes and Rock Creek and partially due to the private greenspace surrounding Stonybrook Court. This creates a difficult barrier for implementing a grid street network south of Sunnyside Road for both motor vehicles as well as pedestrian and bicycle connections.

Figure 4: Excerpt from Happy Valley Steep Slopes and Natural Resource Overlay Zone Map



Land Use – Opportunities

- Existing development along Happy Valley Town Center Drive as well as the Happy Valley City Hall already provides active places for the community. There is an opportunity to leverage the energy and identity that has begun to establish in this area through integration of new land uses, pedestrian-oriented streetscapes, and investments in the public realm.
- New transit-oriented residential, office and retail development in the 40-acre land use study area east of 162nd Ave.

- Location of an anchor civic use and central public gathering area within the 40-acre land use study area east of 162nd Ave.
- Rock Creek and its associated riparian corridor provide a unique opportunity for a natural park as well as the planned Scouter Mountain Trail alignment – a key pedestrian feature for the Town Center.
- Existing land use designations from the Happy Valley Comprehensive Plan support the economic program forecasted for the study area.
- A variety of land use designations available in the Happy Valley Zoning Code will provide the opportunity to designate land uses in the Town Center’s Land Use Study Area that will further support the economic program forecasted for the Town Center as well as supporting transit oriented mixed uses, civic uses, parks, and open spaces.
- Over the long term, there are opportunities for infill and redevelopment of land west of 162nd including redevelopment of surface parking.

Land Use – Constraints

- Steep slopes and protected water quality areas (Rock Creek and a variety of wetlands) as well as habitat conservation areas will constrain new development and decrease the total buildable lands area. This may limit the study area’s ability to meet the economic demand forecasts.
- Existing land parcelization and committed development in the study area, especially in the Land Use Study Area, will present challenges to developing complete communities with a well connected street and pedestrian network as projects may be implemented piece meal. In addition, existing property owners with high value homes may not be interested in redeveloping their properties with higher densities and mixed uses as envisioned by the plan for quite some time, slowing the implementation of the Town Center.

Implementation Tools

A range of implementation “tools” have been identified to provide strategies and actions to meet project objectives for land use and transportation in the study areas while maximizing opportunities and avoiding or minimizing constraints. These market and redevelopment tools include potential revenue sources as well as implementation tools such as policies and regulations.

Funding Tool Options

The implementation of a town center plan will require improvements to virtually all public infrastructure facilities, in a series of near-term and long-term capital improvement projects. The planned infrastructure improvements necessary to serve the Happy Valley Town Center area are a significant financial expenditure for the community. Some of the infrastructure enhancements (such as the SE 162nd Ave. connection, local pedestrian/bicycle system improvements) will provide a direct benefit to on- and off-site businesses, worker, and residents; therefore a mix of local city and county funding techniques would be appropriate to help spread the cost of the improvements to those who benefit.

The primary purpose of this section is to consider ways the City of Happy Valley can work with existing and future property owners and private investors/developers/tenants to generate adequate revenues required to construct or fund necessary on-site infrastructure. Potential funding options that have been evaluated include:

- System Development Charges (SDC)
- Supplemental Street SDCs
- Urban Renewal Program, Tax Increment Financing
- Local Improvement Districts (LID)
- Zone of Benefit or Reimbursement District (ZBD)
- Economic Improvement District (EID)
- General Obligation and/or Revenue Bonds
- Loans and Grants
- Dedications

A brief summary of *local funding* techniques used in Oregon includes:

System Development Charges

ORS 223.297 – 223.314 provides “a uniform framework for the imposition of system development charges by governmental units” and establishes “that the charges may be used only for capital improvements.” An SDC can be formulated to include one or both of the following components: (1) a reimbursement fee, intended to recover an equitable share of the cost of facilities already constructed or under construction and (2) an improvement fee, intended to recover a fair share of future, planned, capital improvements needed to increase the capacity of the system. ORS 222.299 defines “capital improvements” as facilities or assets used for:

- Water supply, treatment and distribution;
- Waste water collection, transmission, treatment and disposal;
- Drainage and flood control;
- Transportation; or
- Parks and recreation.

SDCs may include an “improvement fee” for new facilities and a “reimbursement fee” associated with capital improvements already constructed. SDCs cannot be used for operation or routine maintenance.

Since the Town Center is located within Clackamas County, the joint city/county transportation SDC ordinance and methodology will need to be updated to include eligible roadway elements, such as improvements to 162nd Ave. Note, the city and county intend to update the transportation SDC methodology upon completion of the County Transportation System Plan (scheduled for 2012).

In order to enhance SDC revenues and allocate SDC funds, the city should consider revisiting and updating its SDC methodology reports for transportation, parks and storm water facilities. This would entail an update to the capital facilities program list, cost estimates, and calculation of improvement fee and reimbursement fee calculations. Key objectives of the SDC updates could focus on:

- **Full Cost Recovery** (the use of the current Town Center area capital facilities plan, with consideration of a reimbursement fee, improvement fee, and planning/permitting component, annual escalations).
- **Bike, pedestrian and transit facilities elements** (relates to Full Cost Recovery for street and pedestrian, bicycle and transit facility improvements).
- **Incentive-Based SDCs** (SDC adjustment/reduction for future mixed-use developments in the Town Center that provide on-site travel demand management techniques which lower peak trip generation).
- **Variable SDCs for higher density and “green” design** (special SDC reductions can be provided for developments that meet certain policy objectives, such as density targets or “green design” standards).

Supplemental Transportation System Development Charges

Happy Valley may consider working with Clackamas County to create an SDC overlay district for the Town Center area. Since transportation elements usually account for over $\frac{3}{4}$ of the total infrastructure costs, the primary emphasis in an SDC overlay district would likely include streets, pedestrian, bicycle and transit facilities. While supplemental SDCs in targeted locations can result in additional funding for capital projects, the potential downsides of supplemental SDCs include: risk of higher impact fees in the town center area relative to other locations which may dissuade private investment; and higher administrative costs in managing multiple SDC funding accounts. These risks can be mitigated by adopting clear and objective SDC administrative standards, and application of incentive-based SDC policies (such as rate reductions for mixed-use developments).

Local Improvement District

Cities in Oregon have the statutory authority to establish local improvement districts (LID) and levy special assessments on the benefited property to pay for improvements. LIDs result in upfront or annual payments from affected property owners within a district. LIDs are payable in annual installments for up to 30 years. LIDs are generally used for capital improvement projects that benefit numerous large tenants and/or private property owners. The future revenue stream generated by LIDs can be used by local governments to obtain financing through the use of loans (e.g., Oregon Public Works Trust Fund) or bonds (e.g., issuance of revenue bonds).

The formation of LID districts could be a potential primary source of funding for town center streetscape improvements because there will be direct benefits to multiple property owners. New LIDs require approval by at least 51% of the affected properties within the district. In recent years,

Happy Valley utilized LIDs in conjunction with transportation system development charge funding to pay for new roadways within the town center area, such as 152nd Ave. and Misty Drive.

The primary advantage of LIDs from the city's perspective is the ability to obtain a consistent level of revenue generation early in the development process. Financial intermediaries, such as banks, now view LIDs as a more reliable funding source than some funding sources (such as SDCs) and therefore are more apt to provide loans based on future LID revenue streams. However, the financing terms for "raw land" LIDs have become far more stringent since the 2007 "financial crisis," and are now far less favorable than the financing terms given to municipal bond issues or state infrastructure loans.

Zone of Benefit or Reimbursement District

Similar to LIDs, cities can negotiate public/private advance financing arrangements with developers, where a developer agrees to front capital improvements/investment (such as a new traffic signal) within a designated zone of benefit district (ZBD). The local jurisdiction that adopts a zone of benefit applies a special development impact fee that is charged based on a proportional benefit to properties for the capital infrastructure. The developer is then partially reimbursed as new land use development approvals are granted within the ZBD over a period that usually extends 10-15 years. While ZBDs have been successfully utilized in urban Clackamas County in the past; however there is no guarantee that future revenues will be as steady and reliable as with the LID or property tax assessments.

Economic Improvement District

Cities may establish an Economic Improvement District (EID) or business improvement district (BID) to create additional revenue for targeted infrastructure improvements or enhanced operating/advertising services (e.g., public safety or marketing within downtown). Revenue from EIDs can be generated using annual assessments based on building area, parking stalls, or assessed valuation. The formation of a special benefit districts requires the identification of improvements and services to be funded, along with an assessment mechanism and methodology report that is subject to approval by the majority of property owners within the district. In Oregon, most EIDs are limited to relatively small annual assessments and used to enhance maintenance and marketing activities, or to operate and manage special parking districts.

Urban Renewal District

There may be opportunities to utilize funding from the creation of a new Urban Renewal District (URD) for eligible economic development improvements. In many cases, URD funds are combined with other local funding sources (e.g., LIDs) to leverage non-local grants or loans. Based on discussions with city staff, the existing URD funding potential is limited by current URDs (which are approaching the maximum allowed land area levels). Hence, a new URD is not a likely near-term funding option. The establishment of a URD could be revisited in a few years. The city may consider either creating a new URD or expanding an existing URD.

Maximum Indebtedness Requirements

After the passage of House Bill 3056 (passed by the Oregon Legislature in 2009) urban renewal agencies have new limits on the amounts of maximum indebtedness (MI) in an urban renewal plan adopted after January 1, 2010.

- If the total “frozen tax base” is \$50 million or less, the total MI may not exceed \$50 million.
- If the frozen base is more than \$50 million, but less than or equal to \$150 million, then MI may not exceed \$50 million, plus ½ of the difference between \$50 million and \$150 million.
- If the total frozen base is greater than \$150 million, the total MI may not exceed \$100 million, plus 35% of the amount over \$150 million.
- Increases in MI may not exceed an aggregate of 20% of the original MI of the UR Plan, but with an “indexing” of the original MI from July 1, 1999 or one year after the plan was initially approved, whichever is later. Indexing may only happen once.

Revenue Sharing Possibilities

There are also new possibilities for revenue sharing with overlapping districts for plans adopted or substantially amended to increase MI after January 1, 2010.

- Revenue sharing among overlapping tax districts begins in the later of the 11th year after the initial plan was adopted, or when tax increment finance (TIF) collections equal or exceed 10% of the initial MI.
- For any year when TIF collections equal or exceed 10% of the initial MI, but are less than 12.5% of the initial MI, the UR agency receives the 10%, plus 25% of the tax increment between 10% and 12.5%. Overlapping tax districts receive 75% of the tax increment between 10% and 12.5%.
- For any year when TIF collections equal or exceed 12.5% of the initial MI, the UR agency receives the 12.5% tax increment, and any tax increment collections greater than 12.5% are distributed to overlapping taxing districts.

Concurrence Waivers

Variations in the maximum indebtedness requirements and the revenues sharing provisions can occur if the municipality obtains the written concurrence of the overlapping tax districts that impose at least 75% of the taxes imposed under the permanent rate limits in the URD.

In light of these and other URD provisions, the city of Happy Valley may consider an expansion of an existing URD or the creation of a new district.

Issuing Bonds

At present, the City is not in a financial position to pay for needed capital improvements with existing fund reserves or taxes. Absent existing available funding and low-cost loan programs (which

may be available from the Oregon Special Public Works Fund or other source managed by the Business Oregon, Infrastructure Finance Authority), the City may rely on conventional municipal bond debt to finance the construction of its proposed capital program. There are some benefits to this form of financing. First, as with all debt, it spreads capital costs over the term of the bonds. Furthermore, bonds implement a level of equity by dissipating the burden among current and future customers. Finally, bonds allow flexibility that the aforementioned assisted programs do not through repayment options.

General Obligation Bonds

General Obligation (G.O.) Bonds offer attractive conditions relative to revenue bonds. G.O. bonds are issued against the City's general fund and taxing authority. G.O. bonds offer slightly lower interest rates than revenue bonds, being backed by the City's tax base. From the investor's perspective, tax backed debt is more secure. These bonds also carry no additional coverage requirement, allowing the City to collect revenues necessary to meet annual debt service with no additional financial consequences. G.O. bonds can be politically unpalatable if the municipality's constituency doesn't support the project purpose.

General obligation bonds, while issued against the taxing authority of the City, may be repaid by other dedicated revenues. This arrangement takes advantage of the more favorable terms, while still requiring system users to repay the debt. The General Fund would ultimately remain responsible for debt repayment should rate revenues prove insufficient.

Revenue Bonds

Revenue Bonds are, by definition, backed by the revenue of a utility or enterprise fund, or some other dedicated revenue source. Because the payment stream is less secured than tax backed bonds, revenue bonds carry higher interest rates than G.O. bonds. This differential, however, may be minimal.

Revenue bonds are perhaps the most common source of funding for construction of major public facility or utility projects. To issue revenue bonds, the City will be required to commit to certain security conditions related to repayment, specifically reserve and coverage requirements for annual rate revenues. These conditions are included in the bond resolution to be adopted by the City and essentially impose certain conservative financial practices on the City as a way of making the bonds more secure.

The reserve requirement commits the City to maintain a bond reserve, which could be used to meet payments if the utility is incapable of doing so. This reserve is often set at the least of (a) 10 percent of the issue price of all new and outstanding parity bonds, (b) maximum annual debt service on all new and outstanding parity bonds, and (c) 1.25 times average annual debt service on all new and outstanding parity bonds. The reserve requirement is dictated by the terms of the bond resolution. Since the reserve can be

invested and earn interest, the net cost of providing the reserve is relatively small. The City has the option of borrowing the reserve requirement as part of the total loan amount, or can fund it over a five-year period through rates and interest earnings.

Revenue bond coverage is a legal requirement binding a utility to demonstrate that annual revenues exceed expenses by a multiple of the debt service payment. This factor is usually at least 1.25, and is higher for agencies with unrated bonds or low bond ratings. Revenue bond coverage factors can require higher utility rates than otherwise necessary in order to meet the coverage target. Any accumulated assessment reserves or other available fund reserves may be used to pay off all or some of the outstanding principal.

Double Barreled Bonds or Hybrid Bonds

Double barreled bonds or hybrid bonds include municipal bonds that are backed by two or more revenue sources. These bond instruments may be viewed as less risky than revenue bonds, since there are multiple revenue streams that are dedicated to bond payments.

Loans and Grants

Federal, state and regional (Metro) grant programs, once readily available for financial assistance, were mostly eliminated or replaced by low-cost loan programs. Remaining grant programs are generally limited in application, lightly funded and heavily subscribed. Nonetheless, the economic benefit of grants and low-interest loans can make the effort of applying worthwhile.

Common special programs identified as potential funding sources are summarized below:

- **Bank and State Loans:** The city may utilize private bank loans or state loans to make strategic capital facility upgrades. Given the city of Happy Valley's limited operating revenues, bank loans would only be viable for smaller budget improvements that promise rapid return on the investment. State loan funds available from Business Oregon currently include the Special Public Works Fund, and the Oregon Bond Bank. Special Public Works funds are available on a competitive basis to public jurisdictions and can fund projects up to \$3.0 million in size, but require well-secured loan guarantees from the applicants. Oregon Bond Bank or Oregon Infrastructure Finance Authority loan funds may be available if the project is well secured and other funding alternatives are not available.
- **Grants and Low-Interest Financing:** Grants offer some potential for the capital improvement projects and initiatives that the city is considering. The city may be able to leverage non-local dollars using dedicated local funding. There are several regional, state and federal grant and loan programs that may be available for transportation, water, sewer, and storm water improvements. Please refer to Metro and Business Oregon contacts for current grant and loan funding opportunities.

Dedications

Jurisdictions can require developers to dedicate right-of-way or public improvements (such as trail easements or street improvements) as a condition of future development approval if those public facilities are identified in an adopted subarea development plan, transportation system plan or public facility plan, and the value of the real estate and improvements is commensurate with the level of impact generated by the proposed development. In cases where dedicated public facilities are eligible for System Development Charge credits, the developer may be entitled to an amount of SDC credit based on the amount of the SDC improvement charge and the value of the land and/or capital facility provided.

Implementation Tool Options

Public Policies

Comprehensive Plan Amendments – New policies should be considered to:

- Recognize the Town Center Area as fulfilling Metro requirements for Town Centers.
- Establish the overall vision for the Town Center as the focus of mixed use serving all of Happy Valley.
- Require that all development in the Town Center be designed to create a walkable, pedestrian-oriented character.
- Recognize the importance of integrating transportation and land use in the Town Center to support transit, walking and biking.
- Prioritize the Town Center as the location for civic uses.
- Promote shared-parking and other parking management strategies to reduce the dominance of parking areas.
- Support green infrastructure and other sustainable development practices that are integrated with urban development.
- Minimize the impact of urban development on the water quality and resource value of Rock Creek.
- Promote stewardship of Rock Creek and other resource areas by providing public access and environmental education.
- Ensure that a walkable network of streets and trails are established with strong connections to the regional trail system and Rock Creek.

Note: the above-listed policies are an initial set of ideas and will be developed further in Task 4: Solution Identification.

Regulations

- Plan/Zone Designation Changes – establish new designations east of 162nd Ave. that implement the above-listed policies.
- Implement Happy Valley Style to ensure quality design.
- Require master planning to ensure cohesive development.

- Consider implementing new roadway sections and spacing standards for the Town Center area.
- For discussion and evaluation – consider preparing a specific area plan for the area east of 162nd Ave. to provide a visionary plan that streamlines development approvals, guides public investment, and ensures cohesive development.

Other Mechanisms

- Land assembly to overcome the potential for piece-meal development.

Happy Valley Town Center Implementation Tools September 22, 2011

Introduction

The Happy Valley Town Center project's intent is to re-locate the City of Happy Valley's Town Center along Sunnyside Road and to provide regulatory and strategic tools to create and support a viable town center. The new proposed location for the Town Center along Sunnyside Road, between approximately 157th and 172nd Avenues, is an area partially served by transit and designated for a variety of medium to high density housing, commercial and mixed uses. This memorandum identifies implementation tools that are appropriate for Happy Valley and will encourage development of land uses and the transportation system in the Town Center.

Summary of Implementation Tools

A range of implementation "tools" have been identified to provide strategies and actions to meet project objectives for land use and transportation in the study areas while maximizing opportunities and avoiding or minimizing constraints. The implementation of the Happy Valley Town Center will require construction of necessary public infrastructure with a series of near-term and long-term capital improvement projects.

Recommended Implementation Actions

The following describes a three step approach the City can take in implementing the land use changes and infrastructure investments that will facilitate the creation of a town center.

Step 1. Amend Existing Transportation and Public Facility Plans and Charges

The public infrastructure facilities that are required to support new development within the Town Center area include new transportation (roads, sidewalks and bicycle facilities), trails, water, sewer and storm water systems. The ability of the city to adequately fund these facilities will require amendments/updates to the Happy Valley Transportation System Plan and local public facility plans and capital improvement programs. Hence, the initial step in funding infrastructure within the Happy Valley Town Center includes adopting amendments or updates to local transportation and public facility plans in accordance with Metro Urban Growth Management Functional Plan Title 6 (Metro Code Sections 3.07.610 – 3.07.650) requirements, particularly Section 3.07.620 (Actions and Investments in Centers, Corridors, Station Communities and Main Streets).

Step 1 requires working closely with Clackamas County and the neighbor city of Damascus to incorporate findings from the Clackamas County Transportation System Plan (TSP) into the Happy Valley/Clackamas County Joint Area Transportation System Plan Charge (TSDC) methodology. Planned collector and arterial transportation improvements, such as the Misty Drive extension, and improvements along Sunnyside Road, 162nd Avenue, and 172nd Avenue should be updated with current plans regarding new capacity elements and capital cost estimates.

EXHIBIT # E

Happy Valley should also support potential TSDC method refinements that include expanding the types of transportation facilities beyond roads/sidewalks/bike lanes to include multimodal pathways/trails, and transit facilities. A revised TSDC methodology may also entail the potential for providing incentives (with measurably lower TSDCs) for mixed-use and transit-oriented developments.

The planned Town Center transportation system improvements (see DKS Memo dated Sept. 8, 2011) should be adopted as official amendments to the Happy Valley TSP. The Happy Valley TSP should also reference the Town Center Urban Design Diagram as an ancillary document that provides guidance on planning local street systems along with street standards by functional classification to be considered before development occurs within the Town Center area.

Other public facility plan updates and/or connection fees and SDC charges pertaining to water, sewer, surface water and parks facilities will need to be coordinated with designated service providers, including:

- North Clackamas Park and Recreation District (Town Center included within Zone 3);
- Sunrise Water Authority (water facilities and services);
- Clackamas County Service District No. 1 (sanitary sewer and surface water facilities and services);
- Happy Valley supplemental SDCs for transportation, storm drainage, parks and recreation, and administrative costs not included by the other special districts.

Step 2. Consider New Funding Sources

In light of the recent slowdown in development activity and need for major capital facility investments, the City of Happy Valley may seek new funding sources to be used particularly for transportation (roads and trails) in the Town Center area. While SDCs are an important funding technique, they do not typically generate 100% of the needed capital cost required to build facilities and cannot be used for operations. Also, SDC revenue collections tend to lag behind the upfront facility cost/outlays required to ensure adequate public infrastructure is delivered before or concurrent with private development.

Several funding options were identified by FCS GROUP in the June 2011 memorandum. The options or bundles of options that should be considered by the City of Happy Valley and affected service districts entail:

Option A. Explore New County/City Transportation Service District – Clackamas County and the City of Happy Valley may create a new county service district. A county service district is geographically flexible because ORS 198.720 affords great latitude in setting the district's boundaries, and Happy Valley would need to consent to their inclusion. The main advantage of this type of an approach is that it could “jump start” transportation TSDC funding, and be used for multimodal trails, and serve as an alternative to formation of an urban renewal district (which are also politically sensitive).

A county service district is financially flexible because of the variety of revenues that it is allowed to collect. These revenues are enumerated in ORS 451.490, but the two major categories are user charges and property tax. User charges can take many forms, including

periodic fees, one-time fees, and system development charges. While fees can be a substantial source of revenue, counties typically do not have a billing mechanism in place that would allow such fees to be implemented without significant investment. Hence, user charges tend to be made annually to help lower administrative costs.

In addition to user charges, ORS 451.547 allows county service districts to vote on the establishment of a permanent property tax rate. Hence, the registered voters within the future county service district area could approve a special levy as a property tax or special assessment (e.g., \$0.50 per \$1,000 of assessed value). Though such a funding source may be politically problematic, it would offer the greatest stability and administrative ease of all potential revenues.

Formation of a county service district would be governed by both state law (ORS 198.705 to 198.845 and Chapter 451) and the County Charter. These laws may not be completely consistent, so conflicts would have to be resolved before this option can be explored further.

Clackamas County already makes use of county service district to provide stormwater services. Among the entities with an MS4 permit within this county are two that are organized as county service districts: Clackamas County Service District #1 and the Surface Water Management Agency of Clackamas County. These districts do not collect property tax but rely instead on user charges that include monthly fees, planning fees, and system development charges.

Option B. Form Local Improvement Districts for Local Streets and Trails –

Happy Valley has already successfully adopted new LIDs to help fund major collector roadways, such as Misty Drive and SE 152nd Avenue. LIDs result in upfront or annual payments from affected property owners within a district. LIDs are payable in annual installments for up to 30 years. For Misty Drive and SE 152nd Avenue, LIDs were combined with City/County TSDC funding to provide dedicated revenue sources for repaying loans financed by the Oregon Special Public Works Fund. The advantage of this approach is that it is a very equitable funding technique since each LID formation requires obtaining at least a 51% support by affected property owners within the LID (through the execution of letters of non-remonstrance).

Option C. Form Zone of Benefit Districts for Streets and Trails – Clackamas County and Happy Valley have allowed ZBDs to be used in the past for major roadway intersections (e.g., signal improvements). Happy Valley can negotiate public/private advance financing arrangements with developers, where a developer agrees to front capital improvements/investment (such as a new traffic signal or trail facility) within a designated zone of benefit district (ZBD). Happy Valley would need to calculate and apply a special development impact fee based on a proportional benefit to properties for the capital infrastructure. The developer is then partially reimbursed as new land use development approvals are granted within the ZBD over a period that usually extends 10-15 years.

The advantage to this approach is that it is very equitable, since property owners within the ZBD are not assessed until the time they apply for a development permit. Since developers receive TSDC credits when they expend capital costs on eligible projects beyond their calculated TSDC charge, the ZBD may result in less TSDC credits needing to be issued by the County/City, which could free up remaining TSDC funds for other planned improvements.

Option D Formation of an Urban Renewal District – Happy Valley can create a new urban renewal district for the Town Center area. The feasibility of a new urban renewal district would need to consider several factors to comply with Oregon law, including new limitations on maximum indebtedness, revenue sharing among overlapping districts, and coordination among overlapping districts. The urban renewal district formation feasibility analysis will need to take into account anticipated debt capacity, sunset expectations, and key land area and assessed valuation limitations per ORS 457 and HB 3056. The primary requirements for forming urban renewal plans include:

- Does the area potentially contain blighting conditions as defined in ORS 457?
- Does the area meet the tests of the 25 percent limitation on acreage and value?
- Do the proposed project activities address and help treat blighting conditions?
- Are the proposed project activities eligible as urban renewal activities?
- What are the districts most impacted, and what would take to obtain support or “concurrence” from at least 75 percent of the affected taxing special districts per HB 3056?

Option E. Consider Utility Fees to Help “Liberate” the General Fund – Happy Valley can consider new funding techniques, including a new transportation, parks or surface water maintenance fee. A number of Oregon cities supplement their streets and parks programs with parks utility fees and collect surface water utility fees for a variety of public services related to streets and storm water management. From a system-wide perspective, creating a utility fee also helps to support the ongoing viability of the program by establishing a source of reliable, dedicated funding for that specific function. Additionally, fee revenues can be used to secure revenue bond debt used to finance capital construction; thereby allowing other funding sources (i.e., state shared tax revenues) to be used for other priorities. A street, park or surface water utility fee can usually be created by city council action and does not require a public vote. However, it should be noted that utility fees are difficult to collect since cities typically do not have the administration/billing mechanisms in place to charge residents/customers nor the accounting systems for accounting, invoicing and collection.

The city of Medford, for example, uses parks utility fees as a funding source. The City adopted parks utility fee by ordinance in 2005 for maintenance of beautification areas and rights-of-way. In 2006, the City expanded its use of parks utility fees to secure revenue bonds to fund capital facilities (a community park and community center gymnasium). \$2.95 per dwelling unit per month fee is collected monthly through utility bills, and generates

approximately \$1.26 million per year. \$0.39 of the fee is used for maintenance and beautification, and the remaining \$2.56 for debt service associated with U.S. Cellular Community Park and Santo Community Center.

Step 3. Build Partnerships

The ability to provide new sources of dedicated local funding (Steps 1 and 2) will enable Happy Valley to leverage potential Metro, state and federal grants and loans; as well as non-profit grants and donations. Ongoing partnerships with federal, state and local agencies and non-profits, such as the Audubon Society, the Nature Conservancy, the Sierra Club, North Clackamas Parks District and Metro's Natural Areas Program could provide new opportunities to assemble and dedicate future natural areas and parks/trail resources.

Additional Implementation Actions

Comprehensive Plan Text Amendments

New policies should be adopted in Happy Valley's Comprehensive Plan that supports the creation of a town center. Possible policies that could be adopted to support several of Happy Valley's Comprehensive Plan goals include the following:

- Establish a town center for Happy Valley that fulfills the Metropolitan Service District's (Metro) Title 6 requirements for town centers by promoting pedestrian friendly and transit-supportive development as well as a mix of uses that serve all of Happy Valley.
- All development within the Town Center is required to:
 - Be walkable and pedestrian-oriented in character
 - Recognize the importance of integrating transportation and land use in the Town Center to support transit, walking and biking.
 - Promote shared-parking and other parking management strategies to reduce the dominance of parking areas.
- Support green infrastructure and other sustainable development practices that are integrated with urban development.
- Be consistent with the Town Center's Urban Design Diagram. The Urban Design Diagram should be included as an ancillary document to the Happy Valley Comprehensive Plan.
- Minimize the impact of urban development on the water quality and resource value of Rock Creek.
- Promote stewardship of Rock Creek and other resource areas by providing public access and environmental education.
- Ensure that a walkable network of streets and trails are established with strong connections to the regional trail system and Rock Creek.

Comprehensive Plan Map Designations

Establish new land use designations per the recommendations presented in the Land Use Recommendations Memorandum. The proposed revised Land Use Plan map is attached to this memorandum – see Figure 1.

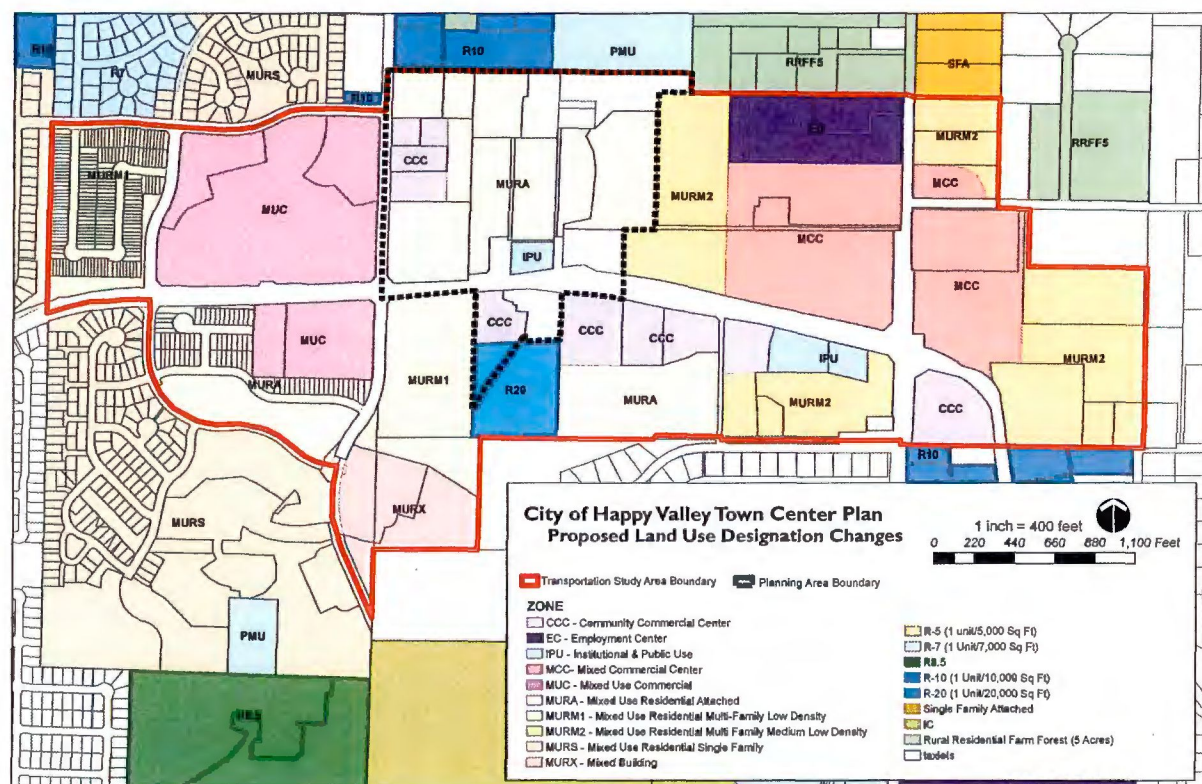
Transportation System Plan Amendments

See Step 1 under Recommended Implementation Actions. Specific amendments to the Happy Valley Transportation System Plan will be identified by DKS during Task V Adoption Materials.

Land Development Ordinance Amendments

- Plan/Zone Designation Changes – establish new land use designations per the recommendations presented in the Land Use Recommendations Memorandum.
- Amend the MUR-A zone to allow a maximum of 20 dwelling units per acre within the Town Center Boundary.
- Amend the MUR-A zone to allow new single family detached units (“cottage homes”) with a maximum square footage of 1,500 sq ft. within the Town Center Boundary.
- Amend the MUR-A zone to allow senior housing.
- Amend the CCC zone to not permit drive through commercial uses within the Town Center Boundary. Also add language to the CCC purpose statement regarding appropriate locations for CCC nodes to include any location within the Town Center Boundary.
- Implement Happy Valley Style to ensure quality design, and implement the Town Center Urban Design Diagram.
- Amend the uses in Tables 16.22.040-1, 16.22.050-1, and 16.22.060-1 to allow neighborhood commercial uses anywhere within the Town Center Boundary.
- Require master planning within the Town Center to ensure cohesive development.
- Consider implementing new roadway sections and spacing standards for the Town Center area.
- For discussion and evaluation – consider preparing a specific area plan for the area east of 162nd Avenue to provide a visionary plan that streamlines development approvals, guides public investment, and ensures cohesive development.

Figure 1: Happy Valley Town Center Proposed Land Use



To: Joe Dills, AICP
OTAK, Inc.

Date: May 16, 2011

From: Todd Chase, AICP, LEED

CC: Project File #1859

RE Happy Valley Town Center TGM Project Market Overview, Task 2.4

A. INTRODUCTION

This memorandum provides an overview of the real estate and demographic trends in Happy Valley as part of Task 4 Real Estate Market Overview for the Happy Valley Town Center Plan. As part of this task, FCS GROUP (subconsultant) performed the following activities:

- ◆ Evaluated current real estate trends in retail and office lands within the Portland Metro area as well as the primary market area for Happy Valley
- ◆ Evaluated state and regional data which identifies projected growth patterns in population and employment in Happy Valley
- ◆ Utilized census and local market data to identify further demographic and socioeconomic trends that define Happy Valley
- ◆ Incorporated findings from the 2011 Happy Valley Economic Opportunities Analysis (EOA) to address issues identified in that report as they are pertinent to the Real Estate Market Overview

The preliminary findings for each of these activities can be found below.

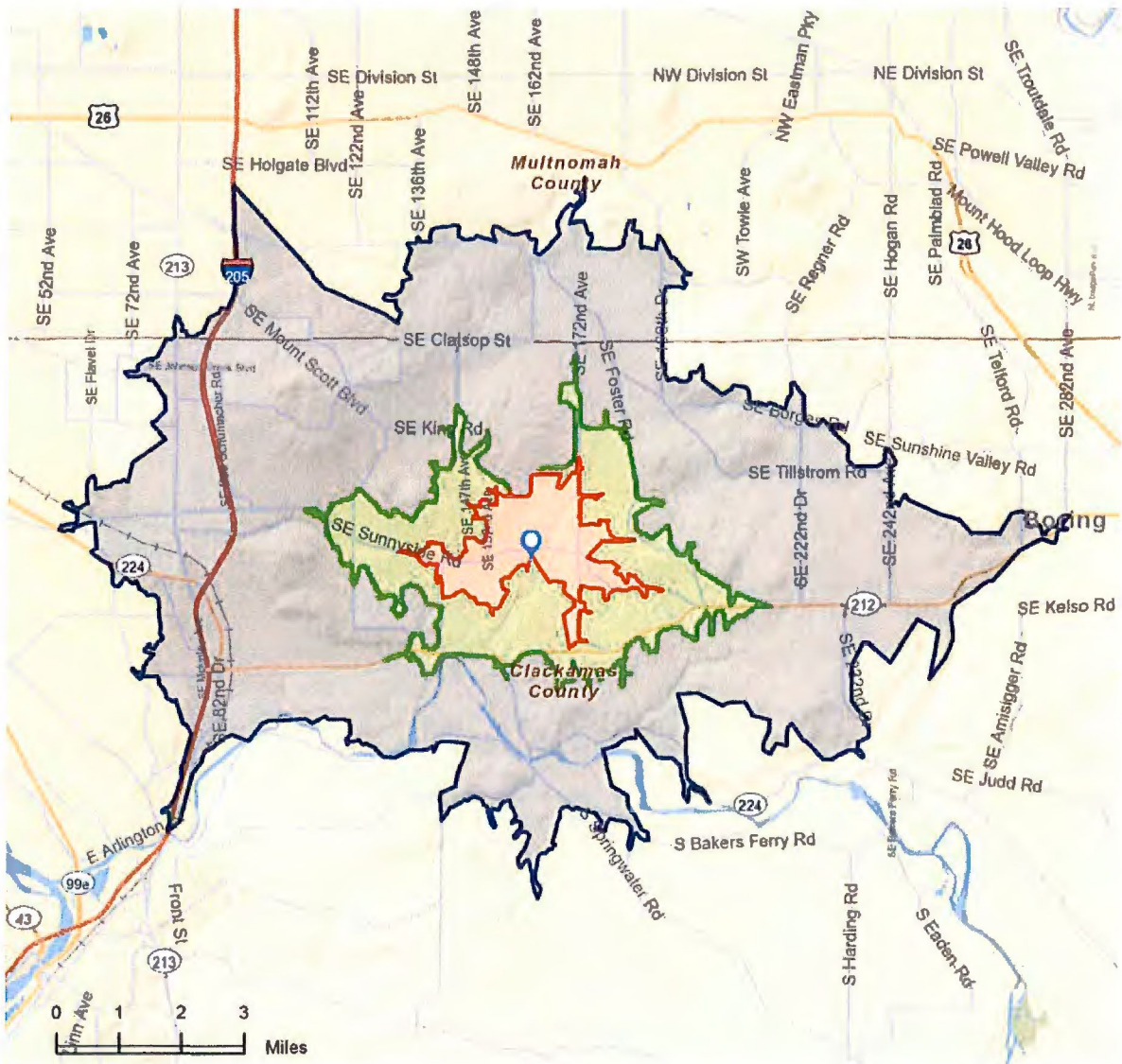
B. ECONOMIC OVERVIEW

FCS GROUP conducted an economic overview and real estate market analysis of commercial office, retail, and housing development potential in a defined Primary Market Area (PMA) which includes the City of Happy Valley and surrounding areas.¹ (Figure 1) The PMA is considered to be the area that will provide the primary support for new development within the Happy Valley Town Center. The emerging Happy Valley Town Center will also derive market support from a much larger Secondary Market Area (SMA) (not shown) that extends well beyond the PMA to include the southeast portion of the greater Portland Region. The economic and market findings are intended to document near-term and mid-term market demand for conceptual redevelopment projects in the

¹ The defined Primary Market Area includes the area that is contained within approximately a 10-minute drive time (30-minute bicycle commute) of the Happy Valley Town Center study area.

Happy Valley Town Center Area. This analysis focuses on the expected level of demand for new commercial (retail and office) development and housing development over the next 25 years (2010 through 2035).

Figure 1. Happy Valley Town Center Primary Market Area (area within blue boundary)*



**Note: The Primary Market Area is defined as the area inside the blue boundary. This area is within a 10-minute drive (30-minute bicycle commute) of the Happy Valley Town Center area. The green boundary reflects the area that is within a 5-minute drive time (10-minute bicycle commute), and the red boundary reflects the area within a 3-minute drive (6-minute bicycle commute) of the Town Center location.*

National and Regional Overview

The current economic slowdown, which began in December 2007, is now the longest on record since World War II. Consumers are now more cautious as home foreclosures rise and companies shed jobs and trim inventories to remain profitable. Oregon posted an overall job gain of 27,400 jobs between March 2010 and March 2011, as the state's unemployment rate fell slightly to 10.5 percent in March 2011.

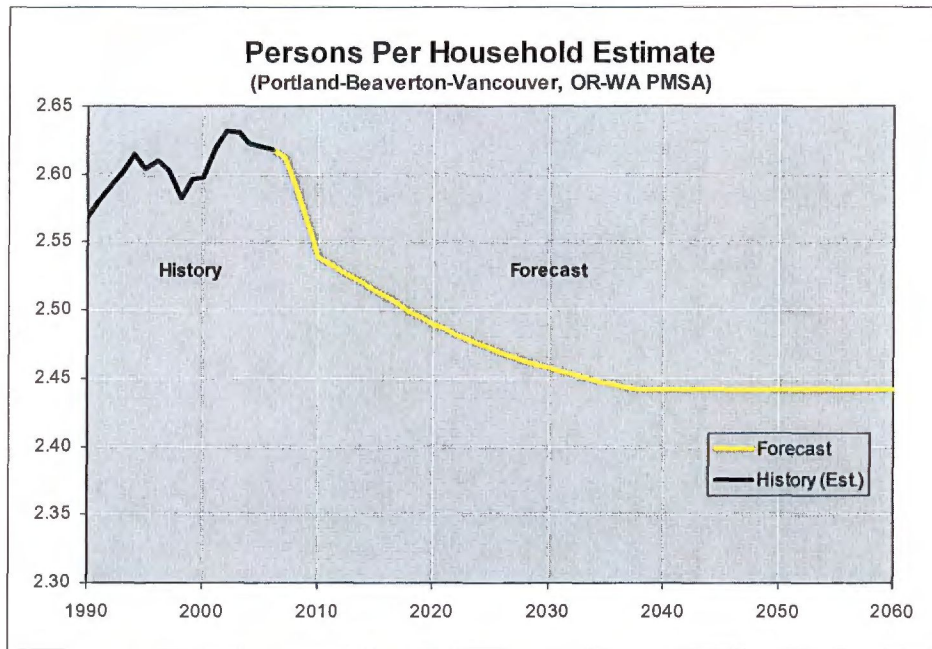
The U.S. and Oregon economies are now poised for a sluggish economic recovery according to many business economists. The April survey of the National Association of Business Economists reported better (less negative) results for industry demand, profit margins, employment, capital spending, and credit conditions. National economic growth (as measured by Gross Domestic Product) is expected to increase by between 3.1 percent and 3.4 percent annually this year, according to the Federal Reserve Bank.²

Like many regions across the U.S., the Portland Region is experiencing declining home values, stagnate income levels, high unemployment, and relatively high office and retail vacancies. However, as population increases within the greater Portland Region and new households are formed there will be emerging housing development opportunities, especially once the current housing inventory is absorbed. Commercial development opportunities will likely follow, once firms begin to hire new workers, and household incomes begin to rise.

National population migration patterns, increases in immigrant population levels, and natural population increases are expected to result in urban population growth rates for the greater Portland Region that exceed national averages. The population of the Portland-Beaverton-Vancouver Primary Metropolitan Statistical Area (PMSA) increased from 1.9 million in 2000 to nearly 2.2 million by 2010. According to Metro, the regional government, PMSA population is forecasted to increase over the foreseeable future. Metro expects the PMSA to add between 650,000 and 950,000 people over the next 20 to 30 years.

Within Clackamas County, the historic 2000 to 2010 population growth rate was 1.1 percent per year, as the County expanded in population from 340,000 to 376,000 people. Household size is a key driver in understanding housing demand. An aging baby boom population (U.S. citizens born between 1945 and 1964) combined with changes in socioeconomic patterns (such as single-parent households and fewer children per couple) are driving down the average household size. As indicated in **Figure 2**, the number of persons per household within the Portland Region was 2.62 in 2005 and is forecasted to decline to 2.49 by 2020. As a result of declining household size, the rate of household formations is expected to exceed population growth over the next few decades.

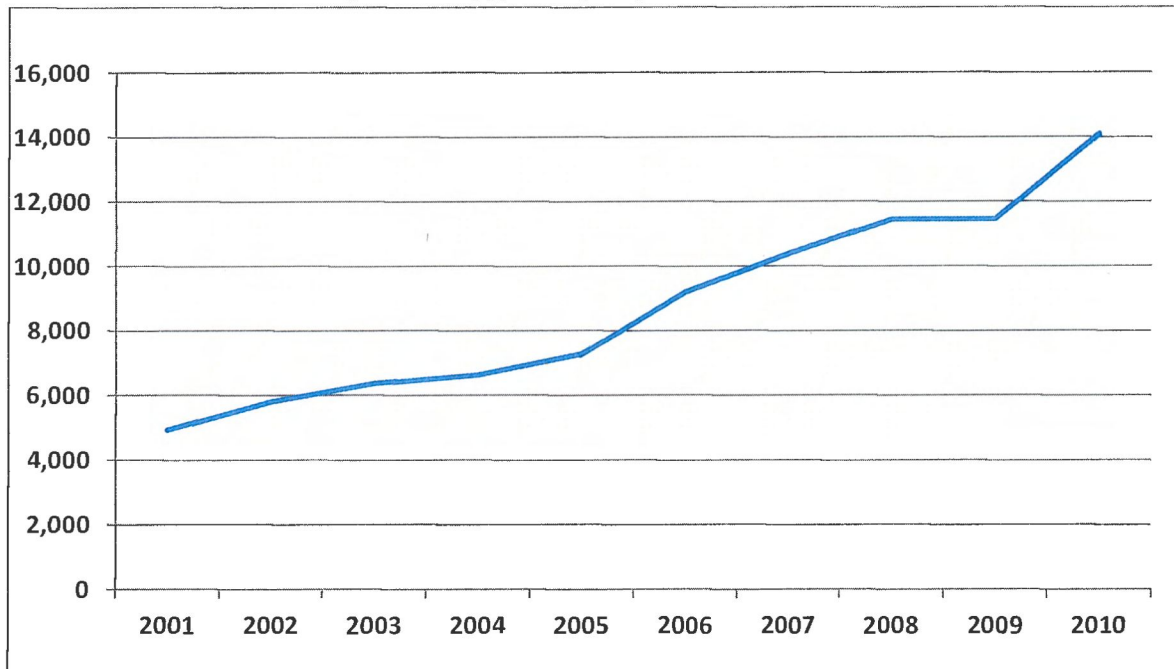
² Reported at April 27, 2011 press conference in presentation by Federal Reserve Chairman, Ben Bernanke.

Figure 2 Persons per Household Estimates and Long-term Forecast

Source: Metro.

Increasing population within the greater Portland Region will also result in an expanding labor force. Long-term job growth forecasts by Metro expect an increase over the next 50 years. Metro forecasts between 167,000 and 282,000 new jobs added to the PMSA between 2010 and 2020.

As the Portland Metro area grows, suburban areas will experience rising population. Over the last ten years Happy Valley has been one of Oregon's fastest growing cities. According to the Portland State University Population Research Center, the City of Happy Valley had a population of 4,930 in 2001 and by 2010 it had grown to 14,100, as shown in **Figure 3**. Over the past decade (2000-2010), the City added 9,581 people, more than doubling its population base.

Figure 3. Happy Valley Population, 2001-2010

Source: Portland State University Population Research Center.

U.S. Census data further substantiate this rapid increase in population. As identified in **Table 1**, population growth in Happy Valley far exceeded the county, regional and state growth rates.

Table 1. Population Trends 2000-2010

	2000	2010	Change	% Change
Happy Valley	4,519	14,100	9,581	212%
Clackamas County	338,391	375,992	37,601	11%
Tri County Region*	1,444,219	1,641,036	196,817	14%
Oregon	3,421,399	3,831,047	409,648	12%

* Tri County Region includes Multnomah, Washington and Clackamas Counties.

Source: U.S. Census; Compiled by FCS GROUP.

The most detailed demographic data that is available for Happy Valley is provided by the U.S. Census "American Community Survey" that was conducted between 2006 and 2008. The American Community Survey indicates that Happy Valley's residents have the following characteristics:

- ◆ Large amount of family households in owner-occupied homes. The vast majority (86 percent of households) are identified as family households;
- ◆ Residents are comparatively younger; and
- ◆ Residents are more affluent than the county and state by a fairly significant margin.

Table 2. Demographic and Socioeconomic Characteristics Circa 2007

	Happy Valley	Clackamas	Oregon
Population	11,239	375,858	3,727,407
Households	3,405	140,370	1,464,196
Family Households	2,936	97,117	935,944
Nonfamily Households	469	43,253	528,252
Average Household Size	3.3	2.7	2.5
Average Family Size	3.6	3.2	3.1
Median Age	33.9	39.4	37.7
Median Household Income	\$100,510	\$62,030	\$49,033
Median Family Income	\$107,818	\$74,700	\$60,025
Per Capita Income	\$44,731	\$32,681	\$25,893
Individuals Below Poverty Level	455	33,205	496,433

Note: Income reported in 2009 dollars.

Source: U.S. Census Bureau 2006-08 American Community Survey; Compiled by FCS GROUP.

Market research data provided by ESRI includes existing 2010 estimated population, age and household characteristics and short-term (2010-2015) growth projections for the Happy Valley PMA. As shown in **Table 3**, the Happy Valley PMA currently includes an estimated 70,602 people that reside within 26,061 households. The PMA is expected to add about 2,217 households over the next five years.

Table 3. Population and Household Forecast, Primary Market Area, 2010 to 2015

	2000	2010	2015	2010-2015 Change	2010-2015 Annual Change
Population	56,161	70,602	76,860	6,258	1.71%
Median Age	35	36.5	36.5	-	-
Households	21,057	26,061	28,278	2,217	1.65%
Average Household Size	2.66	2.70	2.71	-	-

Note: The primary market area reflects the area within a 10-minute drive (30-minute bicycle commute) of the existing Happy Valley Town Center (intersection of 162nd and Sunnyside Road).

Source: ESRI.

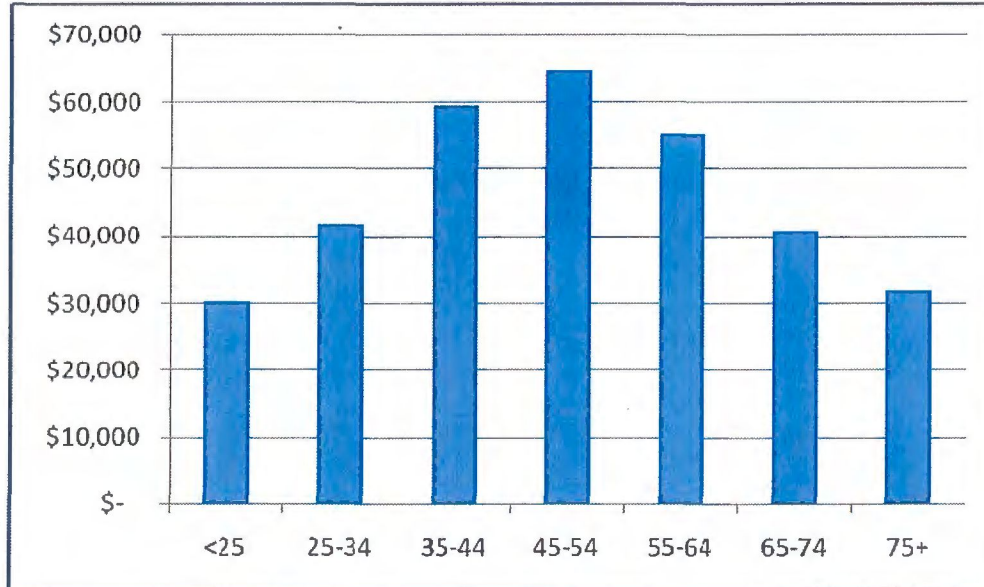
While Happy Valley residents enjoy relatively high overall income levels, the PMA has a diverse spectrum of household income levels. As indicated in **Table 4**, approximately 27 percent of the households earn less than \$35,000 per year; 61 percent earn between \$35,000 and \$99,000; and 12 percent earn over \$100,000 per year.

Table 4. Households by Disposable Income, Primary Market Area, 2010 Estimate

	Households	Percent
Total	26,062	100.0%
<\$15,000	1,812	7.0%
\$15,000-\$24,999	1,956	7.5%
\$25,000-\$34,999	3,325	12.8%
\$35,000-\$49,999	5,321	20.4%
\$50,000-\$74,999	6,497	24.9%
\$75,000-\$99,999	3,523	13.5%
\$100,000-\$149,999	2,672	10.3%
\$150,000-\$199,999	500	1.9%
\$200,000 +	501	1.9%
Median Disposable Income	\$51,472	-
Average Disposable Income	\$64,816	-

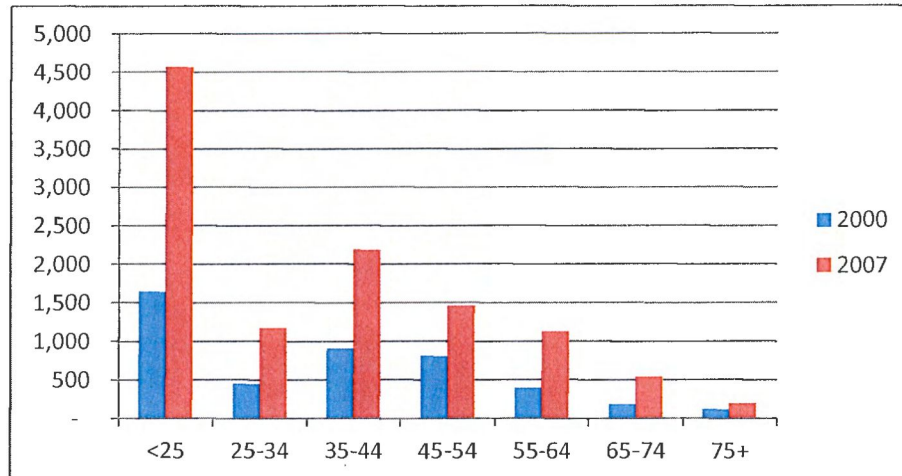
Source: ESRI.

The highest income levels are identified for households in the 45 to 54 age group, followed by the 35 to 44 age group, and the 55 to 64 age group, as noted below in **Figure 4**.

Figure 4. Disposable Income by Householder Age, Happy Valley PMA, 2010

Source: ESRI.

Since 2000, Happy Valley has experienced an increase in population in all age cohorts, especially young residents (under the age of 25), and middle-age residents (ages 25 to 54). Older residents (over the age of 64) are also increasing, albeit at a lower rate, as indicated in **Figure 5**.

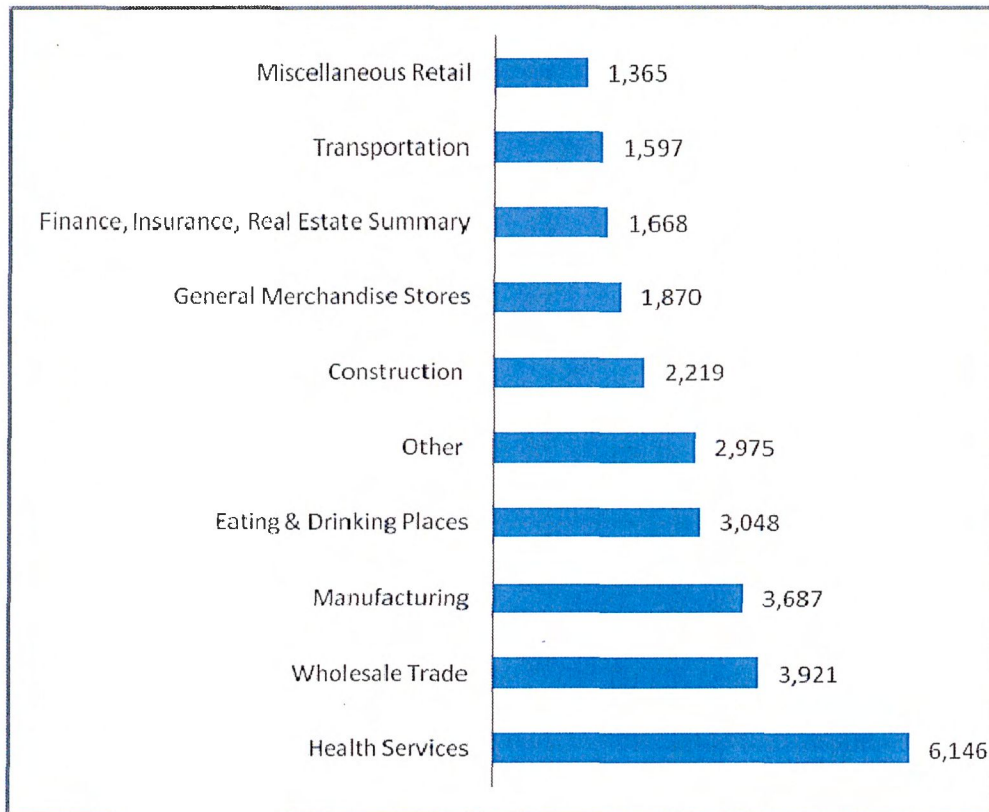
Figure 5. Population by Age Cohort, City of Happy Valley, 2000 to 2007

Source: U.S. Census Bureau; Compiled by FCS GROUP.

Existing Employment

There were an estimated 3,028 businesses with 37,427 employees within the Happy Valley PMA in 2010, according to ESRI data estimates. As shown in **Figure 6**, the top 10 leading employment sectors (by number of employees) within the PMA include: health services; wholesale trade; manufacturing; eating and drinking places; other; construction; general merchandise; FIRE (finance, insurance, real estate); transportation; and miscellaneous retail.

The Happy Valley PMA is home to Oregon's largest health care industry and related business sectors. Some of the largest county employers are located here, including Kaiser Sunnyside Medical Center, Providence Clackamas Medical Plaza, Providence Medical Office Building, and over two dozen medical-related businesses.

Figure 6. Top 10 Employment Sectors, Happy Valley PMA, 2010

Source: ESRI.

Long-term Growth Forecasts

The long-term (2005 to 2035) growth forecast for households and employment for the Happy Valley area (generally consistent with the city boundary), have been prepared by Metro and included as part of the *Draft Happy Valley Economic Opportunities Analysis* (May 2011). Happy Valley is expected to add approximately 11,854 households and 11,298 jobs over the 2005 to 2035 timeframe, as indicated in **Table 5**.

Table 5. Forecasts for Households and Employment, 2005-2035

	Households			Projected Change 2005-2035	Projected Avg. Annual Change (%)
	2005	2030	2035		
Happy Valley	4,746	14,665	16,600	11,854	4.2%
Clackamas County	140,415	241,821	269,594	129,179	2.2%
Tri County Region *	619,266	887,732	955,578	336,312	1.5%
	Employment			Projected Change 2005-2035	Projected Avg. Annual Change (%)
	2005	2030	2035		
Happy Valley	2,471	11,886	13,769	11,298	5.9%
Clackamas County	145,581	251,286	280,273	134,692	2.2%
Tri County Region *	908,912	1,407,977	1,538,098	629,186	1.8%

**Note, the Tri-County Region, includes Clackamas, Multnomah, and Washington Counties.
Source: Metro adopted housing and employment growth forecasts, 2007; Metroscope Gen. 2.3, extrapolated to 2035 by FCS GROUP.*

The Draft Happy Valley Economic Opportunities Analysis (May 2011) reflects a range in job growth for employment sectors, for the 2011 to 2031 timeframe, which is reflected in **Table 6**.

Table 6. Happy Valley Employment Growth Forecasts, 2011 to 2031

	Low	Medium	High
Retail	315	419	524
Services	3,904	5,205	6,507
Industrial/Other	1,431	1,907	2,384
Government	259	345	432
Total	5,908	7,877	9,847

Source: Medium forecast consistent with Metroscope 2.3 and related traffic analysis zone forecast assumptions for the Happy Valley area adopted by Metro Council in 2005; medium and high forecasts vary the medium forecast by 25 percent.

The Economic Opportunity Analysis also identifies key employment clusters for future growth, including: health care (bio-medical research and development, and health services); specialty manufacturing, wholesale trade; professional office/business services; and advanced education.

C. MARKET OVERVIEW

Office Market

The demand for office development is typically driven by existing businesses and employment growth within the PMA, as well as the ability of an area to attract professional, service-oriented businesses from outside the PMA. New commercial development (retail as well as office) carefully surveys the strength of a trade area before expanding or relocating there. One indicator is vacancy

and lease rates. Additional site selection considerations include the age and market orientation of the existing building space, buying power of the local market (for professional offices such as lawyers, accountants, doctors, etc.), traffic counts, and institutional investment in the area.

Real estate brokers consider Happy Valley to be located in what is known as the *Southeast* market area of the Portland Region. According to COSTAR, Happy Valley's office local market sub-area is referred to as the *Milwaukie/Clackamas* area and is contained in the broader the Southeast market area along with the *Mall 205*, *Oregon City*, and *SE Close-in* sub-areas.

Current office market statistics (end of the fourth quarter 2010) indicate that the Southeast area had a total inventory of 7.3 million square feet of rentable building area, an 8.5 percent average vacancy rate, and average lease rates of \$18.16. The Southeast market area experienced a net decline in absorption during 2010 of negative 95,580 square feet. However, the vacancy rates and average lease rates in the Southeast region are relatively low compared to the rest of the Portland Region as indicated in **Table 7**.

Table 7. Office Characteristics, Portland Region, Q4 2010

	Existing Inventory	Vacant Inventory	1st Q. Net Absorption*	Vacancy %	Quoted Rates
CBD	25,305,630	2,404,026	429,568	9.5%	\$21.40
Clark County	10,618,860	1,390,624	145,281	13.1%	\$19.17
I-5 Corridor	9,312,439	1,705,685	(103,220)	18.3%	\$22.28
Lloyd District	4,918,027	311,568	75,604	6.3%	\$18.19
Northeast	8,478,255	645,073	197,059	7.6%	\$18.26
Northwest	3,862,627	218,316	(15,593)	5.7%	\$18.46
Southeast	7,331,361	624,133	(95,580)	8.5%	\$18.16
Southwest	11,464,975	1,686,206	23,353	14.7%	\$19.04
Westside	10,090,501	1,293,860	30,929	12.8%	\$17.63
Total	91,382,675	10,279,491	687,401	11.2%	\$19.18

Source: COSTAR Office Report 4th Q 2010.

Trends in the Clackamas/Milwaukie market sub-area are a bit weaker than the overall Southeast market area. As indicated in **Table 8**, vacancy rates for office buildings are the highest in the Southeast market area at 12.9 percent and net absorption is negative 109,309 square feet and the rent rates are the highest in the area at \$20.15. The overwhelming quantity of buildings in the sub-market is also a negative indicator of future development of office buildings.

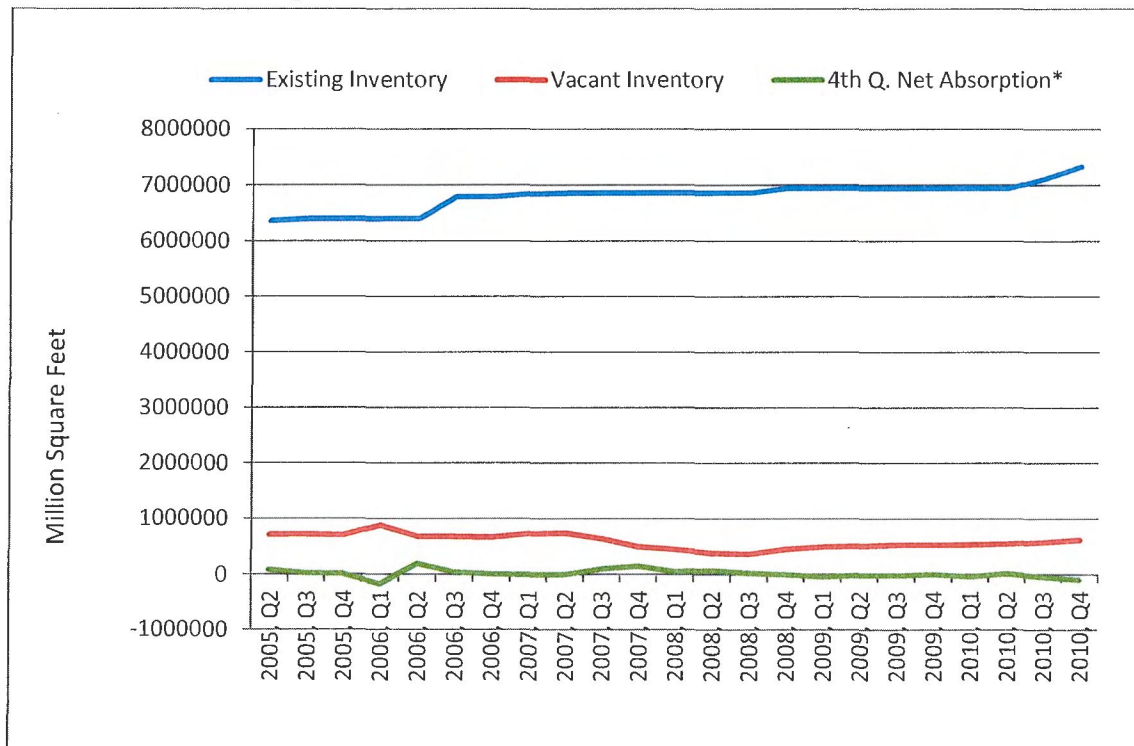
Table 8. Office Characteristics, Southeast Market Area, Q4 2010

Market Area	Existing Inventory		Vacancy		YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Buildings	Total RBA	Total SF	Vac. %				
Southeast	768	7,331,361	624,133	8.5%	(95,580)	-	-	\$ 18.16
Clackamas/Milwaukie	288	2,905,512	375,249	12.9%	(109,309)	-	-	\$ 20.15
Mall 205	223	1,230,918	68,580	5.6%	8,607	-	-	\$ 13.01
Oregon City	83	770,162	50,978	6.6%	(2,861)	-	-	\$ 16.23
SE Close-in	174	2,424,769	129,326	5.3%	7,983	-	-	\$ 15.44

Source: COSTAR Office Report 4th Q 2010.

The office absorption in the Southeast market area increased on average by 19,400 square feet per quarter between 2005 and 2010. As indicated in **Figure 7**, the average vacancy rate trended downwards between 2006 and 2008 but increased afterwards to 8.5 percent as of the fourth quarter 2010. Average annual absorption was over 131,000 square feet per year between 2005 and 2010. As employment declined after late 2008 and the vacant office inventory increased to 624,133

Figure 7. Office Characteristics, Southeast Market Area



Source: COSTAR 2005 to 2010.

New planned office developments in Happy Valley include a new medical office building within the Happy Valley Town Center area, and planned lifestyle housing, office and retail development as part of the Eagle's Landing Planned Unit Development near I-205.

The City has also been working with Clackamas County on plans for a new Rock Creek Employment Center located between 152nd and 172nd Avenues north of Highway 212. This area has been subject to recent City/County investment in improvements to 172nd Avenue, and extension of water and sewer service to the site. The 176-acre Rock Creek Employment Center is planned to primarily serve industrial growth, and is also the location of where Providence is planning its newest hospital campus.

Retail Market

The recently developed Happy Valley Town Center (built in 2008 by Gramor Development) added 170,900 square feet of retail space to the local inventory, and was only 6.4 percent vacant as of June 2009. This recent retail addition is on the high-end of the market with quoted lease rates of \$30 per square foot per year (excluding utilities and common area charges). Its success provides evidence of the strength of the buying power within Happy Valley.

Another major retail center adjacent to the Happy Valley PMA includes the 1.2 million-square-foot Clackamas Town Center, which opened in 1981. The mall operator/owner, General Growth Properties, recently expanded the mall by adding 250,000 square feet to accommodate 40 new stores/restaurants primarily in a lifestyle format. In addition, a new 75,000-square-foot, 20-screen multiplex theatre was added along with exterior building, landscaping, and traffic/pedestrian circulation improvements.

According to COSTAR, the Southeast market has remained a bit stronger for retail than for office demand. The overall average vacant rate for retail space in the Southeast market was 5.4 percent at the end of the fourth quarter in 2010. However, a large amount of vacant space (over 1 million square feet) was listed at that time.

The Clackamas/Milwaukie sub-market had a total inventory of 554 buildings and 4,222,519 square feet, but has an 8.2 percent average vacancy rate and average lease rates of \$14.59, lower than the Southeast market area average. It is also the only sub-market in the Southeast market area with any square feet under construction with 15,050 square feet scheduled to open as indicated in **Table 9**.

Table 9. Retail Characteristics, Southeast Market Area, Q4 2010

Market Area	Existing Inventory		Vacancy		YTD Net Absorption	YTD Deliveries	Under Const SF	Quoted Rates
	# Buildings	Total GLA	Total SF	Vac. %				
Southeast	2,066	20,113,781	1,079,293	5.4%	70,577	39,226	15,050	\$16.12
Clackamas/Milwaukie	554	4,222,519	345,979	8.2%	34,388	25,600	15,050	\$14.59
Mall 205	599	2,966,670	67,411	2.3%	40,895	13,626	-	\$13.25
Oregon City	82	760,335	58,672	7.7%	(24,631)	-	-	\$18.90
SE Close-in	488	3,168,862	70,658	2.2%	3,925	-	-	\$16.19

Source: Costar Office Report 4th Quarter 2010.

Within the Primary Market Area for Happy Valley, many industries achieve what ESRI refers to as a *surplus*, which means that the retail sector “imports” trade/revenue from outside the PMA. In contrast, when a retail sector sells less than what the people within the PMA would typically spend on that category of goods or services, the sector has what is referred to as a *trade leakage*. **Table 10** reflects the retail sectors which experienced a trade leakage during 2010. The retail sectors that

experienced that greatest trade leakage included department stores, general merchandise stores, grocery stores and food and beverage stores. The proximity of the nearby Clackamas Town Center certainly contributes to the trade leakage from the Happy Valley PMA.

New development within the planned Happy Valley Town Center study area could be positioned to intercept a portion of the retail *trade leakage* and benefit from long-term growth in household buying power that would occur as additional people move into Happy Valley.

Table 10. Business Sectors with Trade Leakage, Happy Valley PMA

Industry Group	Demand	Supply	Retail Gap	Number of Businesses
Other Motor Vehicle Dealers	\$ 14,046,685	\$ 19,703,305	\$ (5,656,620)	17
Food & Beverage Stores	\$ 129,154,819	\$ 185,533,669	\$ (56,378,850)	49
Grocery Stores	\$ 117,960,663	\$ 176,769,576	\$ (58,808,913)	24
Clothing & Clothing Accessories Stores	\$ 22,507,095	\$ 71,602,069	\$ (49,094,974)	96
Clothing Stores	\$ 17,728,629	\$ 59,204,834	\$ (41,476,205)	62
Shoe Stores	\$ 2,140,127	\$ 2,986,818	\$ (846,691)	13
Sporting Goods/Hobby/Musical Instrument Stores	\$ 6,028,668	\$ 9,900,982	\$ (3,872,314)	31
General Merchandise Stores	\$150,833,695	\$ 243,795,483	\$ (92,961,788)	22
Department Stores Excluding Leased Depts.	\$ 80,662,844	\$ 219,781,619	\$ (139,118,775)	16
Miscellaneous Store Retailers	\$ 12,744,769	\$ 15,830,596	\$ (3,085,827)	61
Office Supplies, Stationary & Gift Stores	\$ 2,807,940	\$ 4,033,796	\$ (1,225,856)	15
Used Merchandise Stores	\$ 894,508	\$ 2,317,983	\$ (1,423,475)	6
Other Miscellaneous Store Retailers	\$ 7,991,972	\$ 9,267,063	\$ (1,275,091)	35
Direct Selling Establishments	\$ 7,152,880	\$ 7,612,921	\$ (460,041)	4
Food Services & Drinking places	\$119,995,408	\$ 149,441,203	\$ (29,445,795)	162
Full-Service Restaurants	\$ 49,321,620	\$ 52,686,124	\$ (3,364,504)	65
Limited-Service Eating Places	\$ 55,055,795	\$ 89,003,283	\$ (33,947,488)	83

Source: ESRI.

Housing Market

Happy Valley's residential development patterns were dominated by single-family detached housing units during the past decade, as the City added over 1,651 single-family dwellings between 2000 and 2007, according to the U.S. Census. The City also added 80 single-family attached homes and 308 multifamily dwellings during that time period (see **Table 11**). Median home values at the end of 2007 were approximately \$475,000 and median rent levels were \$1,106, according to U.S. Census estimates.

Table 11. Happy Valley Housing Characteristics, 2000 to circa 2007

	Census 2000	Census 2006-08	Change
Dwelling Units			
Owner-occupied	1,386	2,901	1,515
Renter Occupied	71	504	433
Vacant	125	216	91
Total Unit Count	1,582	3,621	2,039
Structure Type			
Single-Family Detached	1,573	3,224	1,651
Single-Family Attached	9	89	80
Multifamily	-	308	308
Mobile Home	-	-	-
Total Unit Count	1,582	3,621	2,039
Median Home Value	\$ 306,600	\$ 475,600	\$ 169,000
Median Gross Rent	\$ 734	\$ 1,106	\$372

Source: U.S. Census; Compiled by FCS GROUP.

Housing vacancy rates are beginning to stabilize or decline in the greater Portland Metropolitan Region, as few new developments have occurred since the recent recession. Low vacancy rates are especially prevalent in multifamily developments. According to a study by NAI Norris, Beggs and Simpson, the multifamily vacancy rate in the Portland market area for the first quarter of 2011 was 2.7 percent, and the vacancy rate in the Clackamas sub-area (area includes Happy Valley PMA) had a vacancy rate of only 3.24 percent.³

FCS GROUP compiled the statistics for the Happy Valley residential real estate market through real estate website www.zillow.com, which reflects real estate sales over the past 12 months. Results for the Happy Valley area indicate that as of May 1, 2011 there were 302 homes listed for sale, of which 91 percent were single family and 9 percent were multifamily (condominiums), as indicated in **Table 12A**.

³ NAI Norris, Beggs & Simpson Market Summaries First Quarter 2011 Portland Metro Area.

Table 12 A. Happy Valley Home Listings as of May 1, 2011

Price Range	Single Family	Multi Family	Total
\$99K or less	75	5	80
100-149K	6	1	7
\$150-199K	12	2	14
\$200-249K	20	3	23
\$250-299K	28	0	28
\$300-349K	27	6	33
\$350-399K	27	6	33
\$400K or more	80	4	84
Total	275	27	302
Percent	91%	9%	100%

Source: Zillow.com Compiled By FCS GROUP.

Over the past 12 months, there have been 292 recorded home sales in the Happy Valley area, including 271 single family homes and 21 multifamily homes, as shown in **Table 12B**. This pace of sales indicates that the current standing inventory of unsold homes in Happy Valley now stands at slightly over 12 months, which is more in line with “normal” market activity than the past few years.

Table 12 B. Happy Valley Home Sales (past 12 months)

Price Range	Single Family	Multi Family	Total
\$99K or less	6	10	16
100-149K	8	2	10
\$150-199K	13	4	17
\$200-249K	22	2	24
\$250-299K	45	1	46
\$300-349K	47	1	48
\$350-399K	45	1	46
\$400K or more	85	0	85
Total	271	21	292
Percent	93%	7%	100%

Source: Zillow.com Compiled By FCS GROUP.

Residential building permit data for the tri-county Metro region, Clackamas County and city of Happy Valley was also evaluated over the past 10 years to ascertain emerging trends in new construction deliveries (see **Appendices D and E**). Over the past 10 years, the city of Happy Valley has approved 210 single family residential units, and 23 multifamily dwelling units per year, (issuing new building permits). Most new development has occurred outside the current Town Center study area boundary. In addition to building permit activity, the city had significant levels of residential subdivision activity over the past decade. According to analysis by city staff, as of April 25, 2011 included 1,402 “undeveloped” lots, including 353 new single family detached lots, 545 townhome/condo lots, and 304 other lots in pre-engineering planning phases. Almost all of these lots are located outside the Town Center Study Area.

D. PRELIMINARY DEVELOPMENT PROGRAM

Future residential development potential within the Happy Valley PMA looks favorable in light of its relatively low property tax rates, excellent public schools and convenient access to highway and mass transit systems. The fact that multifamily residential vacancy rates have dropped to below 4 percent in the Happy Valley PMA, indicates favorable near-and long-term development potential for medium-density apartments, mid-rise flats, and townhomes.

Future development potential within the Happy Valley Town Center is likely to consist of a mix of single-family (small lot “cottage” units), townhomes, and multifamily (apartments and mid-rise flat) development types. In light of the City’s desire to promote transit-supportive development patterns, the development capture rates assume a higher relative share of townhomes and multifamily development potential than other parts of the Happy Valley PMA.

The overall development forecast for the Town Center area assumes a relatively modest overall capture rate of the PMA that ranges from 6 to 12 percent of total development within the PMA. In addition to the level of growth anticipated within the Town Center area, the city will also experience significant development within the planned 1,402 “unimproved” subdivision lots and other master planned area, such as Eagle Landing. The preliminary market forecast for housing within the Town Center area is provided in **Table 13**. The analysis assumes that the Town Center area has adequate roads, sewer, water, stormwater and other necessary infrastructure conditions to serve new growth, and that market conditions improve measurably by year 2012.

Table 13. Preliminary Residential Development Program, Happy Valley Town Center, 2011 to 2035

	2011 to 2020	2021 to 2035	Total
Single family (dwellings)	60 to 120	120 to 240	180 to 360
Townhomes (dwellings)	120 to 210	240 to 450	360 to 660
Multifamily (dwellings)	210 to 450	450 to 870	660 to 1,320
Total New Dwellings	390 to 780	810 to 1,560	1,200 to 2,340

Source: compiled by FCS GROUP.

The preliminary office and retail/commercial services development program for the Happy Valley Town Center area is derived from the office and retail employment and building development projections contained in the *Draft Happy Valley Economic Opportunities Analysis*, May 2011. The forecast used for the Happy Valley Town Center is based on the expected level of vacant and redevelopment activity expected to occur over the next 2010 to 2035 time frame. (**Table 14** and **Appendix G**).

The low to high range of potential office and retail/commercial development depicts the range assumed by the *Draft Happy Valley Economic Opportunities Analysis*, May 2011 – which includes a 25 percent variance in the Metro growth forecasts for the Happy Valley area. This analysis assumes that the Happy Valley Town Center could potentially be positioned to capture approximately 10 percent of the expected net new office development and up to 40 percent of the net new retail/commercial service development potential within the Happy Valley urban service boundary by year 2035. The actual amount of development will vary from year to year, and will depend upon related strength in employment growth

(business investment) and household growth and buying power in the area. However, these long-range forecasts are generally in line with the Happy Valley EOA and Metro growth forecasts for the area.

Table 14. Preliminary Office and Retail/Commercial Services Development Program, Happy Valley Town Center, 2010 to 2035 (gross floor area in square feet)

	Low	Medium	High
Office	237,400	316,500	395,500
Retail/Commercial Services	524,400	699,200	875,200
Total	761,800	1,015,700	1,270,700

Notes:

*Derived from the Draft Happy Valley Economic Opportunities Analysis, May 2011; and assumptions shown in Appendix G.

**Assumes 10 percent capture of office demand and 40 percent capture of retail demand.

Source: compiled by FCS GROUP.

E. NEXT STEPS

These preliminary Happy Valley Town Center development program recommendations should be incorporated into the urban design framework options for the Town Center, and incorporated into the *Final Happy Valley Economic Opportunities Analysis* to ensure that surrounding vacant commercial zones complement (not compete with) Town Center development potential. Task 3 of the TGM project will focus on strategies and public investments that help implement and facilitate desired Town Center development.

May 19, 2011

FCS GROUP Memorandum

Happy Valley Town Center TGM Project Market Overview, Task 2.4

APPENDIX A – HOUSEHOLDS BY INCOME LEVEL, HAPPY VALLEY PMA, 2010

May 19, 2011

FCS GROUP Memorandum

Happy Valley Town Center TGM Project Market Overview, Task 2.4

	Number of Households						
	<25	25-34	35-44	45-54	55-64	65-74	75+
Total	1,551	4,388	4,859	5,897	4,963	2,380	2,025
<\$15,000	233	264	165	165	254	312	418
\$15,000-\$24,999	284	443	149	182	241	218	438
\$25,000-\$34,999	407	808	471	442	620	367	212
\$35,000-\$49,999	362	1,210	910	1,004	955	591	290
\$50,000-\$74,999	131	1,048	1,452	1,678	1,336	484	368
\$75,000-\$99,999	53	347	916	1,324	567	201	116
\$100,000-\$149,999	59	182	610	818	731	126	100
\$150,000-\$199,999	6	53	104	125	126	45	40
\$200,000 +	16	33	82	159	133	36	43
Median Disposable Income	\$ 30,337	\$ 41,731	\$ 59,526	\$ 64,525	\$ 55,282	\$ 40,845	\$ 31,835
Average Disposable Income	\$ 39,925	\$ 51,468	\$ 72,056	\$ 78,819	\$ 73,378	\$ 54,122	\$ 48,831

Note: The primary market area reflects the area within a 10 minute drive of the existing Happy Valley Town Center (intersection of 162nd and Sunnyside Road).

Source: ESRI.

May 19, 2011

FCS GROUP Memorandum

Happy Valley Town Center TGM Project Market Overview, Task 2.4

APPENDIX B – BUSINESSES AND EMPLOYMENT IN HAPPY VALLEY PMA, 2010

May 19, 2011

FCS GROUP Memorandum

Happy Valley Town Center TGM Project Market Overview, Task 2.4

Happy Valley 10-Minute Businesses				
Business Type	Businesses		Employees	
	Number	Percent	Number	Percent
Agriculture & Mining	57	1.9%	607	1.6%
Construction	397	13.1%	2,219	5.9%
Manufacturing	181	6.0%	3,687	9.9%
Transportation	72	2.4%	1,597	4.3%
Communication	23	0.8%	179	0.5%
Utility	12	0.4%	70	0.2%
Wholesale Trade	237	7.8%	3,921	10.5%
Retail trade Summary	684	22.6%	10,262	27.4%
Home Improvement	62	2.0%	913	2.5%
General Merchandise Stores	21	0.7%	1,870	5.0%
Food Stores	69	2.3%	1,342	3.6%
Auto Dealers, Gas Stations, Auto Aftermarket	50	1.7%	358	1.0%
Apparel & Accessory Stores	75	2.5%	829	2.2%
Furniture & Home Furnishings	82	2.7%	519	1.4%
Eating & Drinking Places	170	5.6%	3,048	8.1%
Miscellaneous Retail	155	5.1%	1,365	3.6%
Finance, Insurance, Real Estate Summary	300	9.9%	1,668	4.5%
Banks, Savings & Lending Institutions	73	2.4%	427	1.1%
Securities Brokers	27	0.9%	37	0.1%
Insurance Carriers & Agents	57	1.9%	244	0.7%
Real Estate, Holding, Other Investment Offices	143	4.7%	960	2.6%
Services Summary	941	31.1%	12,040	32.2%
Hotels & Lodging	8	0.3%	274	0.7%
Automotive Services	88	2.9%	330	0.9%
Motion Pictures & Amusements	56	1.8%	294	0.8%
Health Services	136	4.5%	6,146	16.4%
Legal Services	10	0.3%	31	0.1%
Education Institutions & Libraries	39	1.3%	1,032	2.8%
Other Services	604	19.9%	3,933	10.5%
Government	32	1.1%	1,092	2.9%
Other	92	3.0%	83	0.2%
Totals	3,028	100.0%	37,427	100.0%

Note: Reflects trends for area within ten minutes of existing Town Center.

Source: ESRI.

May 19, 2011

FCS GROUP Memorandum

Happy Valley Town Center TGM Project Market Overview, Task 2.4

APPENDIX C – HAPPY VALLEY PMA RETAIL MARKET INFLOW/OUTFLOW, 2010

May 19, 2011

FCS GROUP Memorandum

Happy Valley Town Center TGM Project Market Overview, Task 2.4

Happy Valley PMA Retail Market Inflow/Outflow, 2010

Industry Summary	Demand	Supply	Retail Gap	Number of Businesses
Total Retail Trade and Food & Drink	\$834,971,505	\$861,837,585	\$(26,866,080)	637
Total Retail Trade	\$714,976,097	\$712,396,382	\$2,579,715	475
Total Food & Drink	\$119,995,408	\$149,441,203	\$(29,445,795)	162
Industry Group	Demand	Supply	Retail Gap	Number of Businesses
Motor Vehicle & Parts Dealer	\$180,459,027	\$43,615,170	\$136,843,857	41
Automobile Dealers	\$153,766,819	\$11,836,881	\$141,929,938	8
Other Motor Vehicle Dealers	\$14,046,685	\$19,703,305	\$(5,656,620)	17
Auto Parts, Accessories and Tire Stores	\$12,645,523	\$12,074,984	\$570,529	16
Furniture & Home Furnishings Stores	\$23,747,107	\$18,712,739	\$5,034,368	40
Furniture Stores	\$12,642,469	\$9,710,589	\$2,931,880	17
Home Furnishings Stores	\$11,104,638	\$9,002,150	\$2,102,488	23
Electronics & Appliance Stores	\$22,385,098	\$13,100,036	\$9,285,062	18
Bldg Materials, Garden & Supply Stores	\$31,093,392	\$16,551,144	\$14,542,248	50
Building Material & Supply Dealers	\$26,468,570	\$15,607,008	\$10,861,562	39
Lawn & Garden Equipment & Supply Stores	\$4,624,822	\$944,136	\$3,680,686	11
Food & Beverage Stores	\$129,154,819	\$185,533,669	\$(56,378,850)	49
Grocery Stores	\$117,960,663	\$176,769,576	\$(58,808,913)	24
Specialty Food Stores	\$6,580,772	\$5,851,393	\$729,379	23
Beer, Wine & Liquor Stores	\$4,613,384	\$2,912,700	\$1,700,684	2
Health & Personal Care Stores	\$19,215,079	\$14,620,427	\$4,594,652	38
Gasoline Stations	\$95,721,051	\$64,142,509	\$31,578,542	19
Clothing & Clothing Accessories Stores	\$22,507,095	\$71,602,069	\$(49,094,974)	96
Clothing Stores	\$17,728,629	\$59,204,834	\$(41,476,205)	62
Shoe Stores	\$2,140,127	\$2,986,818	\$(846,691)	13
Jewelry, Luggage & Leather Goods Stores	\$2,638,339	\$9,410,417	\$6,772,078	21
Sporting Goods, Hobby, Book & Music Stores	\$10,618,064	\$14,091,250	\$3,473,186	35
Sporting Goods/Hobby/Musical Instrument Stores	\$6,028,668	\$9,900,982	\$(3,872,314)	31
Book, Periodical & Music Stores	\$4,589,396	\$4,190,268	\$399,128	4
General Merchandise Stores	\$150,833,695	\$243,795,483	\$(92,961,788)	22
Department Stores Excluding Leased Depts.	\$80,662,844	\$219,781,619	\$(139,118,775)	16
Other General Merchandise Stores	\$70,170,851	\$24,013,864	\$46,156,987	6

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FCS GROUP Memorandum

Happy Valley Town Center TGM Project Market Overview, Task 2.4

Happy Valley PMA Retail Market Inflow/Outflow, 2010 (continued)

Industry Group	Demand	Supply	Retail Gap	Number of Businesses
Miscellaneous Store Retailers	\$12,744,769	\$15,830,596	\$(3,085,827)	61
Florists	\$1,050,349	\$211,754	\$838,595	5
Office Supplies, Stationary & Gift Stores	\$2,807,940	\$4,033,796	\$(1,225,856)	15
Used Merchandise Stores	\$894,508	\$2,317,983	\$(1,423,475)	6
Other Miscellaneous Store Retailers	\$7,991,972	\$9,267,063	\$(1,275,091)	35
Non-store Retailers	\$16,496,901	\$10,801,290	\$5,695,611	6
Electronic Shopping & Mail-Order Houses	\$5,608,856	\$2,946,436	\$2,662,420	1
Vending Machine Operators	\$3,735,165	\$241,933	\$3,493,232	1
Direct Selling Establishments	\$7,152,880	\$7,612,921	\$(460,041)	4
Food Services & Drinking places	\$119,995,408	\$149,441,203	\$(29,445,795)	162
Full-Service Restaurants	\$49,321,620	\$52,686,124	\$(3,364,504)	65
Limited-Service Eating Places	\$55,055,795	\$89,003,283	\$(33,947,488)	83
Special Food Services	\$6,438,950	\$4,586,870	\$1,852,080	8
Drinking Places - Alcoholic Beverages	\$9,179,043	\$3,164,926	\$6,014,117	6

Note: Reflects the area located within a 10-minute drive time (20-minute bicycle commute) of the existing Town Center.

Source: ESRI.

May 19, 2011

FCS GROUP Memorandum

Happy Valley Town Center TGM Project Market Overview, Task 2.4

APPENDIX D – RESIDENTIAL BUILDING PERMIT TRENDS, 2001-2009, CLACKAMAS COUNTY AND PORTLAND REGION

May 19, 2011

FCS GROUP Memorandum

Happy Valley Town Center TGM Project Market Overview, Task 2.4

Residential Building Permit Trends, Clackamas County and Tri-County Region, 2001 to 2009

	2001	2002	2003	2004	2005	2006	2007	2008	2009	Ave.
Clackamas County										
Single Family Detached Units	1,742	1,519	1,606	1,971	2,450	2,212	1,942	865	580	1,654
Two Family Units	12	66	18	28	4	2	8	0	0	15
3-4 Family Units	4	20	17	20	0	4	0	0	7	8
5 or more Family Units	327	208	81	181	226	564	100	0	128	202
Subtotal	2,085	1,813	1,722	2,200	2,680	2,782	2,050	865	715	1,879
Portland Tri-County Region Total										
Single Family Detached Units	6,635	6,405	6,292	6,915	7,917	6,741	5,653	2,804	1,970	5,704
Two Family Units	162	198	244	174	210	194	204	84	22	166
3-4 Family Units	202	324	277	351	397	230	158	59	49	227
5 or more Family Units	2,057	2,423	3,976	3,371	3,402	4,025	3,632	2,699	917	2,945
Grand Total	9,056	9,350	10,789	10,811	11,926	11,190	9,647	5,646	2,958	9,041
Clackamas County Share of Regional Permits										
Single Family Detached Units	26%	24%	26%	29%	31%	33%	34%	31%	29%	29%
Two Family Units	7%	33%	7%	16%	2%	1%	4%	0%	0%	9%
3-4 Family Units	2%	6%	6%	6%	0%	2%	0%	0%	14%	4%
5 or more Family Units	16%	9%	2%	5%	7%	14%	3%	0%	14%	7%
Average Capture	23%	19%	16%	20%	22%	25%	21%	15%	24%	21%

May 19, 2011

FCS GROUP Memorandum

Happy Valley Town Center TGM Project Market Overview, Task 2.4

APPENDIX E – HAPPY VALLEY RESIDENTIAL
BUILDING PERMITS,
FY 2000/01 TO FY 2010/11

May 19, 2011

FCS GROUP Memorandum

Happy Valley Town Center TGM Project Market Overview, Task 2.4

**Residential Permit Activity (Dwellings Approved), City of Happy Valley, FY
2000/01 to FY 2010/11 (preliminary)**

	Single family	Multifamily	Total
FY 2000/01	107	0	107
FY 2001/02	197	0	197
FY 2002/03	174	0	174
FY 2003/04	213	0	213
FY 2004/05	412	0	412
FY 2005/06	595	8	603
FY 2006/07	220	14	234
FY 2007/08	163	228	391
FY 2008/09	60	0	60
FY 2009/10	91	0	91
FY 2010/11*	78	0	78
Avg. Annual	210	23	233

** Note; FY 2010/11 data depicts permit activity up until May 1, 2011
(excludes May and June). Data for multifamily reflects dwelling units not
permits.*

Source: City of Happy Valley.

May 19, 2011

FCS GROUP Memorandum

Happy Valley Town Center TGM Project Market Overview, Task 2.4

APPENDIX F – HOUSING DEVELOPMENT FORECAST, HAPPY VALLEY TOWN CENTER, 2010-2035

May 19, 2011

FCS GROUP Memorandum

Happy Valley Town Center TGM Project Market Overview, Task 2.4

Happy Valley Primary Market Area Population Forecast, 2010-2035

	2010	Est. 2015	Est. 2035	Change: 2010-05	Change: 015-35
Population	70,602	76,860	114,210	6,258	37,350

Source: ESRI (2010 and 2015), and FCS (2035 consistent with Metro forecasts).

Happy Valley PMA Population Change/Capture, 2010-2035

	2010-15	2015-25	2025-35	Total
Happy Valley PMA Pop. Change	6,258	18,675	18,675	43,608
Happy Valley Town Center Capture				
Low Capture	6%	6%	6%	2,616
Medium Capture	8%	8%	8%	3,489
High Capture	12%	12%	12%	5,233

Projected Potential Town Center Housing Demand, 2010-2035

	Low	Med	High
Pop. Change	2,616	3,489	5,233
Avg. HH Size	2.4	2.4	2.4
Occupied Dwellings	1,090	1,454	2,180
Vacancy Allowance (@4%)	57	77	115
Total New Dwellings	1,148	1,530	2,295

Projected Potential Housing Demand by Type, 2010-2035 (Dwellings)

	Low	Med	High	Dwelling Mix Assumptions
Single Family Detached	172	230	344	15%
Townhomes	344	459	689	30%
Multifamily	631	842	1,262	55%
Total New Dwellings	1,148	1,530	2,295	100%

Likely Town Center Capture Rates by Time Period (Dwellings)

		2011-2020	2021-2025	2025-2030	2025-2035	Total
Single family (dwellings)	*	60 to 120	40 to 80	40 to 80	40 to 80	180 to 360
Townhomes (dwellings)	*	120 to 210	80 to 150	80 to 150	80 to 150	360 to 660
Multifamily (dwellings)	*	210 to 450	120 to 290	130 to 290	140 to 290	600 to 1,320
Total New Dwellings	*	390 to 780	240 to 520	250 to 520	260 to 520	1,140 to 2,340

May 19, 2011

FCS GROUP Memorandum

Happy Valley Town Center TGM Project Market Overview, Task 2.4

APPENDIX G – OFFICE AND RETAIL/COMMERCIAL
DEVELOPMENT FORECAST,
HAPPY VALLEY TOWN CENTER, 2010-2035
(GROSS FLOOR AREA IN SQUARE FEET)

Projected Net New Development In Happy Valley, 2010-2030* (floor area in SF.)

	Low	Medium	High
Office	1,899,000	2,532,000	3,164,000
Retail/Commercial Services	1,049,000	1,398,000	1,750,000
Total	3,091,000	4,122,000	5,152,000

Projected. Avg. Annual Net New Development In Happy Valley, 2010-2030* (floor area in SF.)

	Low	Medium	High
Office	94,950	126,600	158,200
Retail/Commercial Services	52,450	69,900	87,500
Total	147,400	196,500	245,700

Projected Net New Redevelopment in Happy Valley: 2010 to 2035 (floor area in SF.)

	Low	Medium	High
Office	2,374,000	3,165,000	3,955,000
Retail/Commercial Services	1,311,000	1,748,000	2,188,000
Total	3,685,000	4,913,000	6,143,000

Potential Town Center Floor Area Capture, 2010 to 2035 (floor area in SF.)

	Low	Medium	High
Office	237,400	316,500	395,500
Retail/Commercial Services	524,400	699,200	875,200
Total	761,800	1,015,700	1,270,700

Notes:

**Derived from the Draft Happy Valley Economic Opportunities Analysis, May 2011.*

***Assumes 10 percent capture of office demand and 40 percent capture of retail demand.*

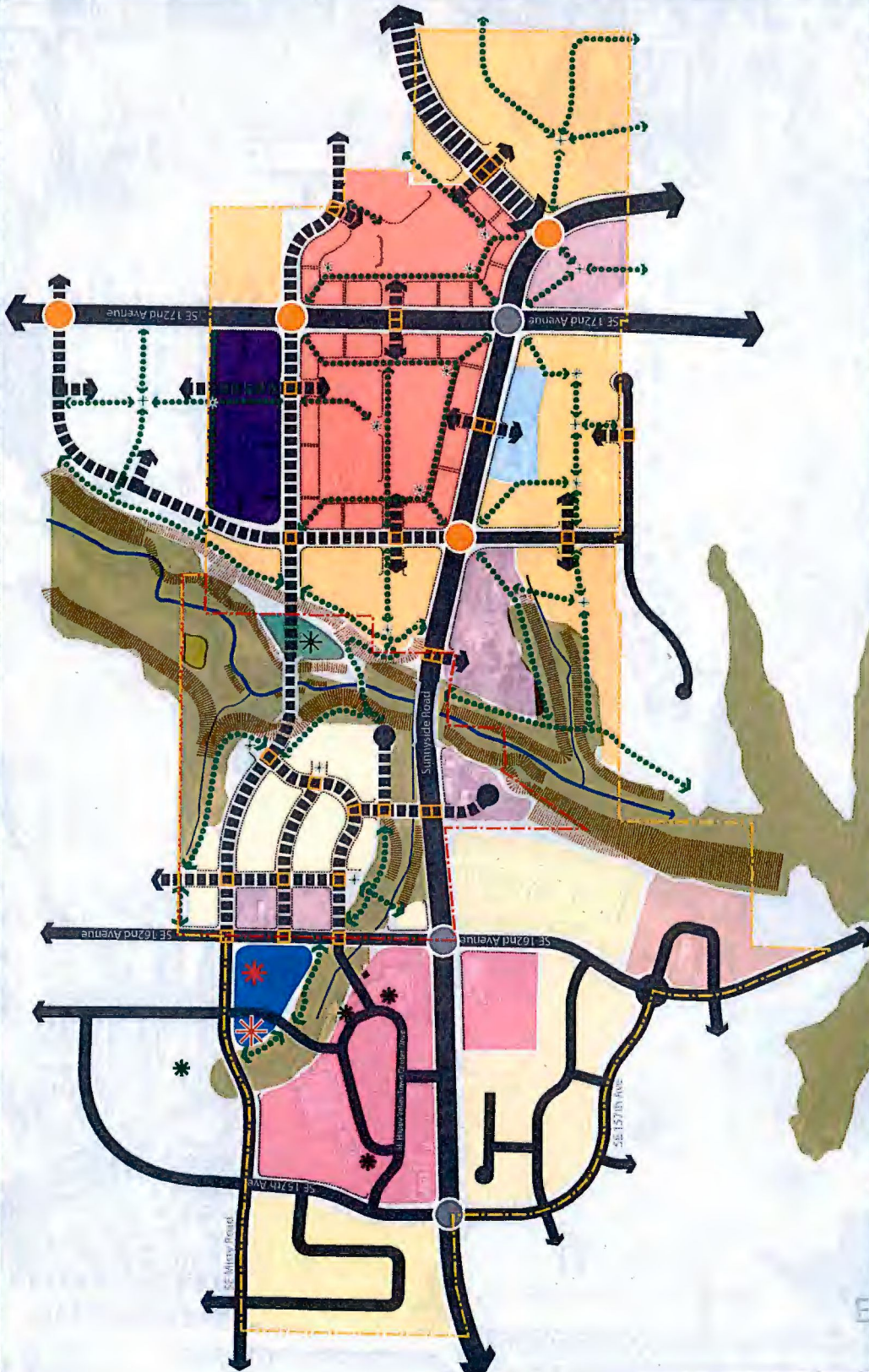
Source: compiled by FCS GROUP.

HAPPY VALLEY TOWN CENTER

LEGEND

- project boundary
- street design
- existing street class
- proposed intersection
- existing intersection
- city hall
- street slope
- undrivable open space
- required existing frontage
- future street
- future intersection access
- proposed pedestrian route
- proposed park plaza
- proposed new landscape

URBAN DESIGN DIAGRAM



MEMORANDUM

DATE: December 1, 2011
TO: Michael Walter, City of Happy Valley
FROM: Reah Flisakowski, P.E., DKS Associates
SUBJECT: **Happy Valley Town Center – 4.2 Future Build Traffic Analysis and 4.3 Transportation System Recommendation**

This memorandum summarizes the future build traffic analysis for the Happy Valley Town Center and provides recommendations for transportation system improvements, addressing Tasks 4.2 and 4.3 in the scope of work. The purpose of the analysis is to determine future year 2035 traffic operating conditions with the proposed Town Center land use changes in place. The following sections present the methodology and assumptions for the analysis and summarize the findings.

Land Use Assessment

The proposed land use designations shown in the Happy Valley Town Center Plan were evaluated to estimate the future development that would likely occur. The evaluation assumed full buildout of the Plan would be complete by the year 2035. The buildable land area of each parcel was determined by removing land with environmental constraints such as creeks, wetlands, and steep slopes. The resulting buildable land area was used to estimate future development based on each proposed zoning's allowable uses, assumed floor area ratios and maximum residential densities. The number of household units was estimated for residential zoning. For the remaining zoning designations, building square-footage was used to estimate the number of employees. The future residential and employment forecasts for the existing and proposed land use designations are summarized in Table 1. The assumption and calculation details of the land use assessment are attached.

Table 1 - 2035 Land Use Forecasts

Land Use Source	Households	Retail/Service Employees	Other Employees
East Happy Valley Comprehensive Plan	131	0	0
Happy Valley Town Center Plan	686	515	165
Net Change	+554	+515	+165

Land Use Sensitivity Analysis

In addition to the land use assessment described above, a sensitivity analysis was performed for an alternative scenario with the following changes:

- The area west of Southeast 157th Avenue, zoned as MUR-M1 (mixed use residential multi-family) in the scenario assessed above, is rezoned as MUR-A (mixed use residential attached). This area is about ten acres.
- Two small areas just to the east of Southeast 162nd Avenue, proposed as MUR-A in the assessment above, are rezoned as CCC (community commercial center). This area is about 2.75 acres.

For the area west of Southeast 157th Avenue, the change in uses is estimated to be a reduction in trip potential. The change from MUR-M1 to MUR-A would result in 40 fewer households in the Town Center area, based on maximum dwelling units of 24 per acre under MUR-M1 and 20 per acre under MUR-A. The change in uses would have no impact on the number of employees.

For the area east of Southeast 162nd Avenue, the change from MUR-A to CCC is estimated to be a reduction in trip potential as well. The change in zoning would result in 63 fewer households and no change in the number of employees.

The combined change in uses between the two areas represents a 19% reduction in the number of new households in the Town Center area compared to the land use assessment shown above: the initial assessment shows an increase of 554 households, while the sensitivity analysis shows an increase of just 451 households. This change, however, would not result in trip reductions sufficient to impact the future build traffic analysis in this memo, and the transportation improvements recommended would be identical.

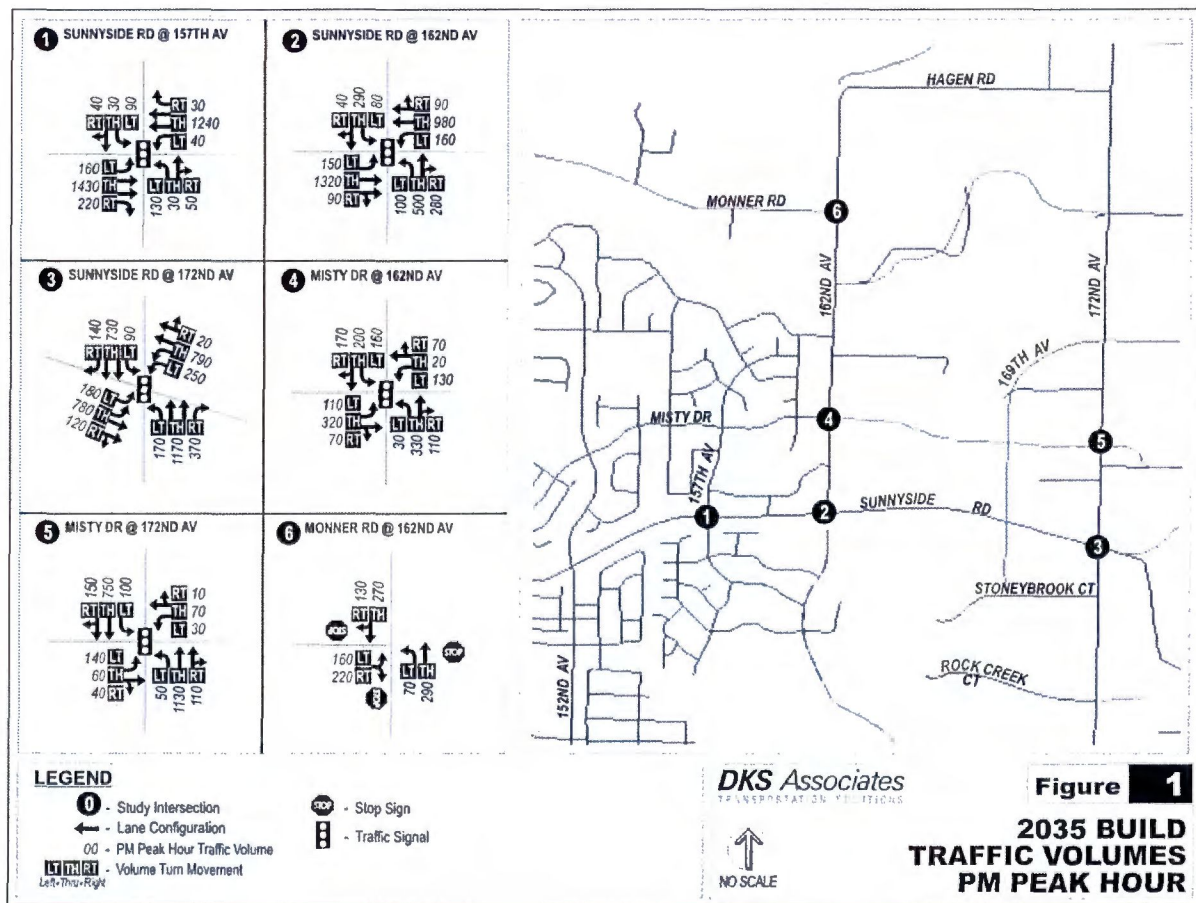
The assumption and calculation details of this sensitivity assessment are attached.

Future Traffic Volumes

Future year (2035) base case traffic volumes were previously developed for the East Happy Valley Comprehensive Plan. Future roadway network assumptions used to forecast the 2035

traffic volumes can be found in the East Happy Valley Comprehensive Plan traffic analysis memo.¹ These volumes were used to determine future base case traffic conditions at the study intersections in the vicinity of the proposed Happy Valley Town Center.

The future traffic volumes with the proposed town center land use designations in place were developed using the future base case volumes and layering on trips generated by the net change in land use. The estimated additional 554 households and 680 employees that would occur with the town center zoning were converted to vehicle trips using the Metro travel demand model from the East Happy Valley Comprehensive Plan traffic analysis. The resulting 2035 build traffic forecasts during the PM peak hour are shown in Figure 1.



¹ East Happy Valley Comprehensive Plan Map – 2035 Traffic Analysis memorandum, DKS Associates, November 25, 2008.

Overview of Transportation Planning Rule

The Transportation Planning Rule (TPR) requires that, where an amendment to a comprehensive plan or zoning regulation would significantly affect an existing or planned transportation facility, the local government shall put in place measures that assure that allowed land uses are consistent with the function, capacity, and performance standards of the facility. The proposed Happy Valley Town Center Plan would require an amendment to the comprehensive plan map and must comply with the TPR. Based on the TPR, the proposed land use designations would have a significant transportation system impact if any study intersections operating below standard were degraded further. Mitigation measures would be required to return to future base case operating conditions or better.

Future Operating Conditions

The future traffic performance was evaluated for the PM peak hour at the study intersections using the 2035 build traffic volumes. The future analysis assumed the roadway network and intersection configurations and control shown in Figure 1. The future intersection performance is summarized in Table 1. For signalized and all way stop control, the delay reported represents the average delay for the intersection.

Table 1 - 2035 Build Study Intersection Level of Service (PM Peak Hour)

Intersection	Level of Service	Delay	Volume/ Capacity
<i>Signalized Control</i>			
Sunnyside Road/157 th Avenue	B	18.4	0.60
Sunnyside Road/162 nd Avenue	F	>80.0	>1.0
Sunnyside Road/172 nd Avenue	D	41.4	0.82
162 nd Avenue/Misty Drive Extension	B	12.5	0.53
172 nd Avenue/Misty Drive Extension	B	16.9	0.59
<i>All Way Stop Control</i>			
162 nd Avenue/Monner Road	C	15.8	0.64

Under the 2035 build scenario, all of the study intersections would perform with acceptable operations during the PM peak hour, except for Sunnyside Road/162nd Avenue. To meet the TPR, the Sunnyside Road/162nd Avenue intersection would require improvements to return to future base case operating conditions or better. An evaluation of potential mitigation measures found the addition of a separate northbound right turn lane would improve the intersection operations to meet the TPR. The future Sunnyside Road/162nd Avenue intersection operations with the mitigation measures in place are shown in Table 2.

The south leg of the Sunnyside Road/162nd Avenue intersection is constrained by rock walls on the west side of the roadway and a grade change on the east side of the roadway. The improvement may require additional right of way which would likely be difficult to obtain. A

variation to the roadway cross-section standard may be required to accommodate the additional turn lane. This could include eliminating the landscape strips and narrowing the bike lanes along the improvement frontage. The planning level cost estimate for the addition of a northbound right turn lane at Sunnyside Road/162nd Avenue would be approximately \$200,000 for design and construction. Potential right of way costs would be an additional cost.

Table 2 –2035 Study Intersection Level of Service (PM Peak Hour)

Intersection	Level of Service	Delay	Volume/Capacity
<i>2035 Base Case</i>			
Sunnyside Road/162 nd Avenue	D	55.0	0.98
<i>2035 Build + Mitigation</i>			
Sunnyside Road/162 nd Avenue	D	47.9	0.93

Future Queuing Analysis

Using the 2035 build PM peak hour forecasts, an evaluation of the 95th percentile queues was conducted for turn lanes at all signalized study intersections. Table 3 summarizes the results of this queuing analysis and indicates where adequate storage would not be available to accommodate estimated queues.

Table 3 – 2035 Build Vehicle Queue Estimates (PM Peak Hour)

Intersection	Intersection Approach	Available Vehicle Storage (feet)	Estimated 95 th Percentile Queue (feet)
Sunnyside Road/157 th Avenue	NB Left	175	200
	SB Left	~250	125
	EB Left	280	225
	WB Left	150	75
	EB Right	200	125
	WB Right	110	25
Sunnyside Road/162 nd Avenue	NB Left	580	150
	SB Left	360	125
	EB Left	250	225
	WB Left	200	250
Sunnyside Road/172 nd Avenue	NB Left	270	250
	SB Left	275	150
	EB Left	600 (in two lanes)	150
	WB Left	360 (in two lanes)	200
	NB Right	375	400
	SB Right	300	175

172 nd Avenue/Misty Drive Extension	NB Left	Does not exist	75
	SB Left	Does not exist	125
	EB Left	Does not exist	175
	WB Left	Does not exist	25
162 nd Avenue/Misty Drive Extension	NB Left	100	25
	SB Left	~300	75
	EB Left	90	50
	WB Left	Does not exist	75

Available vehicle storage = distance from stop bar to upstream intersection crosswalk/stop bar

95th percentile queues rounded to nearest 25-feet

Bolded values indicate queues that would exceed available vehicle storage.

The 95th percentile queue for the northbound left at 157th Avenue/Sunnyside Road and the westbound left at 162nd Avenue/Sunnyside Road would continue to exceed the available storage under the 2035 build condition. The proposed land use designations are not expected to extend these future vehicle queues beyond the 2035 base case estimates.

Under the 2035 build condition, the 95th percentile queue for the northbound right at 172nd Avenue/Sunnyside Road would extend to 400 feet which would be 50 feet beyond the available storage. While it is not ideal to expect queues longer than the storage available, these occurrences are expected to be rare and the expected queues are not substantially longer than the storage available (only 25 or 50 feet).

Town Center Transportation System Evaluation

The proposed town center area would be enhanced by providing a complete transportation system for all users. This would include an efficient arterial and collector system, a well connected local street system and amenities that serve motor vehicles, pedestrians, bicycles and transit users.

Access Management

Within the town center area, Sunnyside Road and 172nd Avenue are classified as major arterial streets. Sunnyside Road within the town currently provides access management elements such as limited full access intersections, a raised center median and side streets with restricted access (right-in/right-out movements). Access management elements should be applied to 172nd Avenue between Sunnyside Road and Misty Drive to protect the function of the facility. The access management standards in the Happy Valley TSP allow for full access intersections every 1,000 feet and limited access intersections every 500 feet on major arterials. As future development occurs along 172nd Avenue, efforts should be made to close or consolidate private driveways where feasible.

Collector streets within the town should provide access management elements to reduce vehicle conflicts and improve mobility. Misty Drive, 162nd Avenue and 169th Avenue are classified as

collector streets. The access management standards in the Happy Valley TSP allow for full access intersections every 400 feet and limited access intersections every 200 feet on collectors. Future intersections on Misty Drive and 169th Avenue within the town center should follow the spacing standards while balancing the needs for the local street system.

Local Street System

The local street system within the town center would access adjacent arterial and collector roadways. Based on the existing street system and access spacing standards, potential local street connections would include:

- Two collector street connections to 172nd Avenue; one full access at Misty Drive and one full access at 169th Avenue. Limited access connections halfway between the full access intersections could be considered if further connections to the local street system were needed.
- Two local street connections to 162nd Avenue; one full access at Happy Valley Town Center Drive and one limited access at the Happy Valley City Hall driveway.
- One local street connection to Sunnyside Road at the Clackamas County detention pond access. This access was constructed as part of the recent Sunnyside Road improvements.
- Two local street connections to Misty Drive west of Rock Creek. Due to the spacing constraint on Misty Drive between 162nd Avenue and Rock Creek, one connection would allow full access and one connection would allow limited access.
- Two local street connections to Misty Drive east of Rock Creek. The spacing on Misty Drive between Rock Creek and 172nd Avenue should allow for both connections to provide full access.
- One full access local street connection to 169th Avenue south of Sunnyside Road.
- One limited access local street connection to 169th Avenue between Sunnyside Road and Misty Drive.
- Two full access local street connections to 169th Avenue between Misty Drive and 172nd Avenue. Additional local street connections with limited access could be considered if further connections were needed.
- One full access local street connection to Misty Drive east of 172nd Avenue.
- One connection to Sunnyside Road east of 172nd Avenue. This connection would likely be a limited access to the planned rerouting of Sunnyside Road to the north of the existing alignment.

The local street network within the town center is constrained by Rock Creek which runs north-south through the area. There is limited potential for local street connections across Rock Creek due to environmental and financial limitations. The planned Misty Drive Extension is likely the only new roadway that would provide an east-west connection across the creek.

Pedestrian Facilities

The local street system within the town center would provide sidewalks and a landscape buffer on both sides of the street. A regional trail is planned along the east side of Rock Creek that would provide a north-south pedestrian and bicycle connection through the natural area and across Sunnyside Road. The regional trail should be supported with a local off-street pedestrian system in the town center. Potential local off-street pedestrian routes include:

- A path along the west side of Rock Creek and the designated steep slope area, north of Sunnyside Road.
- An east-west path connecting the Rock Creek natural area to 162nd Avenue, between Misty Drive and Sunnyside Road.
- An east-west path connecting the Rock Creek natural area to 162nd Avenue, north of Misty Drive.
- An east-west path connecting the Rock Creek natural area to 169th Avenue, between Misty Drive and Sunnyside Road.
- An east-west path connecting the Rock Creek natural area to 169th Avenue, south of Sunnyside Road.

The conceptual pedestrian system would include several crossings of the arterial and collector street system. While some of these pedestrian crossings could be accommodated at an intersection with a traffic signal, others would require a mid-block crossing. The location of mid-block pedestrian crossings should be planned to provide adequate sight distance for both pedestrians and approaching vehicles. The design elements required at each mid-block crossing would be determined in the future based on traffic volumes, traffic speeds, crossing width and pedestrian crossing demand.

Future mid-block pedestrian crossings on Sunnyside Road and 172nd Avenue would require special attention due to the five-lane cross-sections and expected traffic volume growth. As the town center develops, the need for mid-block pedestrian crossings on Sunnyside Road and 172nd Avenue should be monitored. The regional Rock Creek trail crossing on Sunnyside Road would likely be a priority location due to anticipated pedestrian demand.

Transit Facilities

With the future development of the Happy Valley Town Center, it is expected that TriMet Route 155 would be extended on Misty Drive and Sunnyside Road past the existing eastern limit at 162nd Avenue to 172nd Avenue. The extended transit service would include additional bus stops on both sides of Sunnyside Road, Misty Drive and 172nd Avenue. Bus shelters should be considered at select bus stops within the town center based on future bus ridership. The pedestrian connections to the bus stops should also provide adequate lighting to increase rider safety.

Recommended Transportation Improvements

Overall, the planned arterial and collector roadway network would provide adequate capacity and circulation for the proposed Town Center Plan based on the 2035 operations analysis. Several improvements beyond those planned in the Happy Valley TSP are recommended to provide an adequate local street network, connections for pedestrians, bicycle and transit and to meet TPR requirements. The recommended improvements are summarized in Table 4.

Table 4 – Recommended Future Transportation Improvements

Project	Description	Planning Level Cost Estimate
Sunnyside Road/162 nd Avenue	Add a separate northbound right turn lane.	\$200,000
Local Street System	Provide a grid of local streets with sidewalks and a landscape buffer within the town center area.	\$6,360,000
Local Trail System	Provide a local off-street path system connecting the regional Rock Creek Trail to destinations within the town center.	\$1,170,000
Transit Amenities	Extend Bus Route 155 east to 172nd Avenue/Sunnyside Road and provide amenities such as bus shelters and pedestrian level lighting at select stops.	varies
Access Management	Apply access management elements to collector roadways.	varies

Analysis of the Sunnyside Road/162nd Avenue intersection showed that the optimal improvement to meet TPR requirements would be to add a northbound right turn lane. Alternative improvements to meet the necessary V/C ratio at this intersection would likely have higher impacts and costs. The recommended improvement is shown in Figure 2.

Improvements to the local system to promote multimodal connectivity are shown in the attached urban design diagram.

Please contact me if you have any questions.

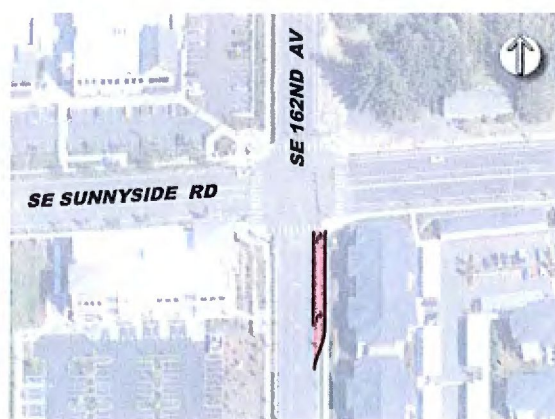
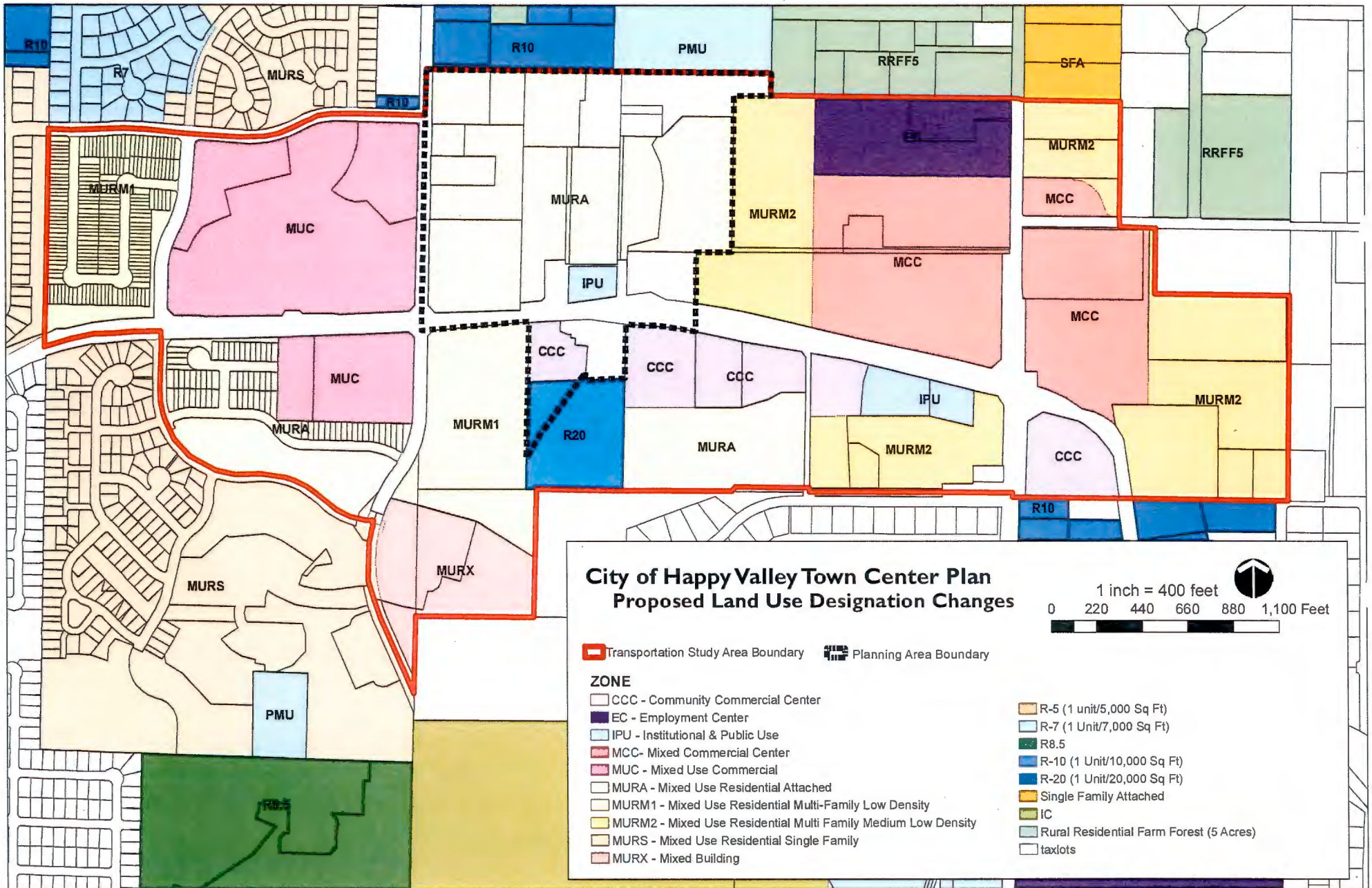
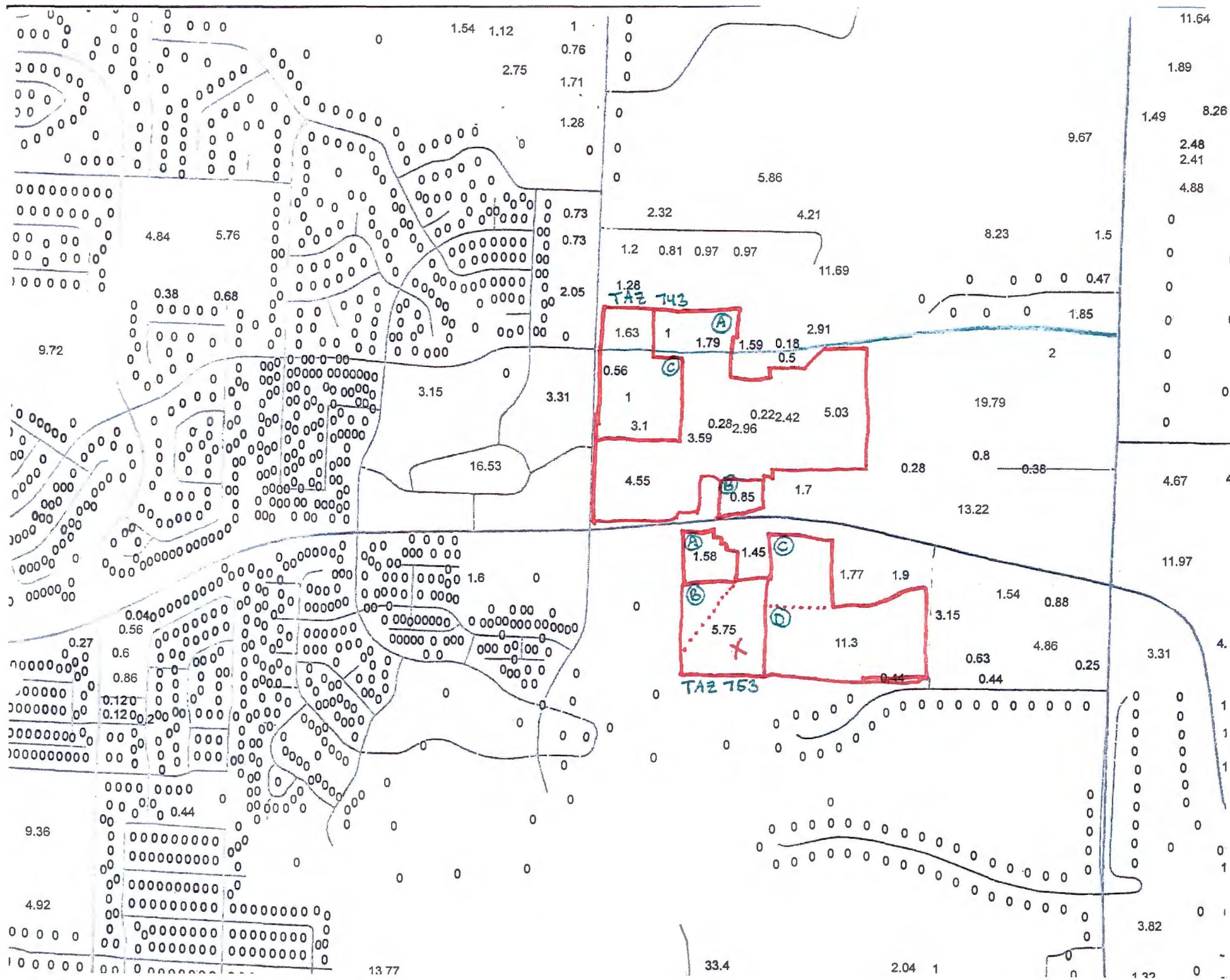


Figure 2: Northbound right turn improvement at Sunnyside Road/162nd Avenue

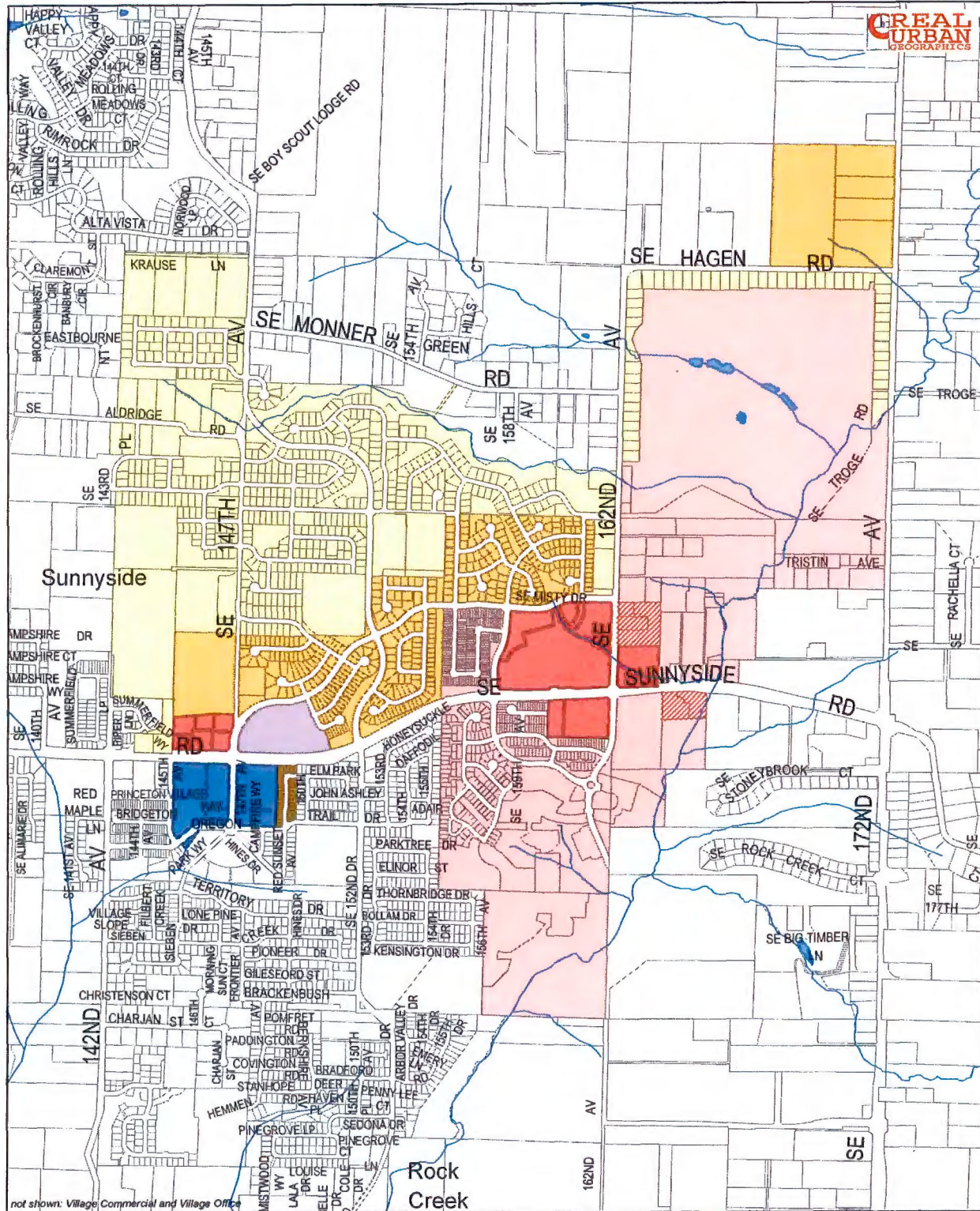




TAZ	Subarea	Total Acres	Non-Buildable Acres	Total Buildable Acres	Total Buildable Square Feet	Current Zoning	FAR Assumption	Buildable With FAR	Minimum Residential Lot Square Feet	Residential Lots/Acre	Residential Units	Employees	Proposed Zoning	FAR Assumption	Buildable With FAR	Minimum Residential Lot Square Feet	Residential Lots/Acre	Employee Assumptions (per KSF)	Residential Units	Employees	Net Change	
																					Residential Units	Employees
743	A	21.84	1	20.84	907,790	RRFF5	0.75	680,843	217,800		3	0							417	340	414	340
	B	0.85	0	0.85	37,026	R10	0.75	27,770	10,000		3	0	IPU	0.75	27,770		20	1.25	0	35	-3	35
	C	6.29	0	6.29	273,992	R10	0.75	205,494	10,000		21	0	MURA	0.10	27,399		20	0.50	126	103	105	103
	TOTAL										26	0							543	478	516	478
753	A	1.58	0	1.58	68,825	RRFF5	0.75	51,619	217,800		1	0	CCC	0.50	34,412			0.50	0	26	-1	26
	B	1.8	0	1.8	79,408	RRFF5	0.75	58,806	217,800		1	0	R20	0.75	58,806	20,000			3	0	2	0
	C	4.3	0.5	3.8	165,528	SFA	0.75	124,146		15	57	0	CCC	0.50	82,764			0.50	0	62	-57	62
	D	7	0	7	304,920	R5	0.75	228,690	5,000		46	0	MURA	0.10	30,492		20	0.50	140	114	94	114
	TOTAL										105	0							143	202	38	202

TAZ	Subarea	Total Acres	Non-Buildable Acres	Total Buildable Acres	Total Buildable Square Feet	Current Zoning	FAR Assumption	Buildable With FAR	Minimum Residential Lot Square Feet	Residential Lots/Acre	Residential Units	Employees	Proposed Zoning	FAR Assumption	Buildable With FAR	Minimum Residential Lot Square Feet	Residential Lots/Acre	Employee Assumptions (per KSF)	Residential Units	Employees	Net Change	
																					Residential Units	Employees
743	A	21.84	1	20.84	907,790	RRFF5	0.75	680,843	217,800		3	0	MURA	0.50	453,895		20	0.75	417	340	414	340
	B	0.85	0	0.85	37,026	R10	0.75	27,770	10,000		3	0	IPU	0.75	27,770			1.25	0	35	-3	35
	C	6.29	0	6.29	273,992	R10	0.75	205,494	10,000		21	0	MURA/CCC*	0.50	136,996		10	0.75	63	103	42	103
	TOTAL										26	0							480	478	453	478
753	A	1.58	0	1.58	68,825	RRFF5	0.75	51,618	217,800		1	0	CCC	0.50	34,412			0.75	0	26	-1	26
	B	1.8	0	1.8	78,408	RRFF5	0.75	58,806	217,800		1	0	R20	0.75	58,806	20,000			3	0	2	0
	C	4.3	0.5	3.8	165,528	SFA	0.75	124,146		15	57	0	CCC	0.50	82,764			0.75	0	62	-57	62
	D	7	0	7	304,920	R5	0.75	228,690	5,000		46	0	MURA	0.50	152,460		20	0.75	140	114	94	114
	TOTAL										105	0							143	202	38	202

* Proposed zoning in TAZ 743 Subarea C split 50/50 between MURA and CCC. Residential lots/acre assumed to be 20 for MURA and 0 for CCC, resulting in 10 per acre.



DRAFT

Rock Creek Area LAND USE PLAN

Updated February 14, 2011



Low-Density Residential
2 - 4 DU/NET ACRE

Hillside Residential
5 - 8 DU/NET ACRE

Mixed-Use Residential
8 - 24 DU/NET ACRE
AVERAGE 12 DU/NET ACRE
NEIGHBORHOOD RETAIL ALLOWED

Mixed-Use Commercial
MEDIUM-HIGH DENSITY
RESIDENTIAL ALLOWED
OFFICE/NEIGHBORHOOD RETAIL REQUIRED

Mixed-Use Employment
MEDIUM DENSITY
RESIDENTIAL ALLOWED
OFFICE/NEIGHBORHOOD RETAIL REQUIRED

Village Apartment
SIMILAR TO SUNNYSIDE VILLAGE ZONES
SEE ZDO SECTION 1600

Village Townhouse
SIMILAR TO SUNNYSIDE VILLAGE ZONES
SEE ZDO SECTION 1600

Proposed Mixed-Use Commercial
MEDIUM-HIGH DENSITY
RESIDENTIAL ALLOWED
OFFICE/NEIGHBORHOOD RETAIL REQUIRED

EXHIBIT #

I

Rock Creek Comprehensive Plan

[...]

Introduction (Page 5)

[...]

- Provide for sufficient commercial and industrial **employment** development for the needs of the area to be developed.

[...]

Page 6

Introduction

Continued

Household and Employment Targets

The Rock Creek Comprehensive Plan is based in part on the household and employment forecasts from the Sunnyside Road Environmental Assessment. The Rock Creek planning work is intended to be consistent with, and build on, the assumptions and transportation analysis completed for the Environmental Assessment. The following table lists the growth assumptions from the Sunnyside Environmental Assessment which were used in the Rock Creek Plan.

Table 1

Year 2020 Forecasts from the Sunnyside Environmental Assessment
Adjusted for Land Area in the Rock Creek Planning Area

Households	Retail Employment	Other Employment	"Total Employment
2,932	42	577	619

Rock Creek Community Association Comprehensive Plan Concepts

The Rock Creek Community Association (RCCA) is the community planning organization that covers the Rock Creek area. In 1997, the RCCA developed a set of comprehensive planning concepts that outline the goals, issues, objectives, and planning principles that should guide the area. The following goals are stated in the RCCA's Comprehensive Plan Concepts:

Goals:

1. To develop a transportation system that allows for movement between neighborhoods.
2. To develop a grid system that encourages pedestrian and bike traffic by providing sidewalks and bike paths.
3. To create a system that will connect parks and greenspaces so wildlife can safely travel from one greenspace to another.
4. To plan for parks that are relatively flat and which allow for full and active use.
5. To broaden our economic base by identifying areas that will support light industrial development.
6. To retain and build around natural features wherever possible.
7. To allow for a mixture of housing choices; from multifamily, to large lot, to mini-farms.
8. To plan for neighborhood commercial development that will serve the local neighborhoods.
9. To anticipate growth in our schools, so that additions can be made as needed in an atmosphere of good planning, rather than crisis management.

~~10. To plan for mass transit to serve our area and the Town Center of Damascus.~~

Land Use

(Page 9)

[...]

3. Mixed Use Residential 6 to 24 du/ac, with 12 du/acre average, except within the Happy Valley Town Center Plan area, where average densities may increase to up to 20 du/ac.

Neighborhood retail allowed.

[...]

(Page 12)

Intent The relatively flat areas south and north of Sunnyside Road in the greater 162nd Avenue area is intended for a wide variety of residential uses, with an overall average of 12 units per acre. This area supports senior housing, apartments, townhomes, and a variety of single-family detached housing densities. [...]

Characteristics

- ~~• Apartments should be clustered (in clear block patterns) adjacent to the intersection of SE 157th and 162nd and Sunnyside, and adjacent to the Civic Use area.~~

[...]"

“Policy 56: Due to rapid growth and staffing constraints, the City of Happy Valley has found it necessary to adopt a number of separate, geographically specific, “comprehensive plans” in the overall land use planning for the city. These include the Rock Creek Comprehensive Plan, the Aldridge Road Comprehensive Plan; the Rock Creek Mixed Employment Comprehensive Plan; ~~and~~ the East Happy Valley Comprehensive Plan; and, the Happy Valley Town Center Plan. The following policy sections and sub-sections detail specific policies associated with these “mini comprehensive plans” that have been added to the City’s greater Comprehensive Plan policies:

[...]

Policy 56D: Happy Valley Town Center Plan Policies:

Policy 56D.1: The purpose of the Happy Valley Town Center Plan (“Town Center”) is to establish a town center for Happy Valley that provides pedestrian-friendly and transit-supportive development as well as a mix of uses that serve all of Happy Valley.

Policy 56D.2: The Town Center is intended to fulfill the Metropolitan Service District’s (Metro) Title 6 requirements for town centers.

Policy 56D.3: All development within the Town Center is required to:

- **Be walkable and pedestrian- oriented in character;**
- **Recognize the importance of integrating transportation and land use in the Town Center to support transit, walking, and biking;**
- **Promote shared-parking and other parking management strategies to reduce the dominance of parking areas.**
- **Be generally consistent with the Town Center’s Urban Design Diagram. The Urban Design Diagram is hereby made a part of the Comprehensive Plan.**
- **Ensure that a walkable network of streets and trails are established with strong connections to the regional trail system and Rock Creek.**
- **Support green infrastructure and other sustainable development practices that are integrated with urban development.**
- **Minimize the impact of urban development on the water quality and resource value of Rock Creek.**
- **Promote stewardship of Rock Creek and other resource areas by providing public access and environmental education.”**

Title 16 of the City's Municipal Code (Land Development Code)

[...]

“16.22.040 Medium density single-family residential zones.

A. Purpose.

1. *Residential—Five Thousand (5,000) Square Feet (R-5). This development district will allow single-family (attached and detached) as well as duplexes, triplexes within the City. Sanitary sewer and water are the most essential of urban services, but all Level I services and facilities are necessary and required for development at full density. In this district, there is an average lot size of five thousand (5,000) square feet.*
2. *Mixed Use Residential—Single-Family (MUR-S). Mixed use residential will promote compact form, and residential and commercial or residential and office mixed vertically, in addition to across the district. Minimum densities are provided to comply with the Urban Growth Management Functional Plan, Title 1 requirements. MUR-S has a minimum density of six units per net acre and a minimum lot size of four thousand (4,000) square feet.*

- B. Permitted Uses** Table 16.22.040-1 identifies the land uses that are allowed in the R-5 and MUR-S Districts.

Table 16.22.040-1 Medium Density Single-Family Residential (R-5 and MUR-S) Permitted Uses

P=Permitted; C=Conditional Use; X=Prohibited

Land Use	R-5	MUR-S
Residential		
<i>One single-family frame dwelling or modular dwelling unit per lot</i>	<i>P</i>	<i>P</i>
<i>Two-family attached dwelling units (duplexes), and multiple-family dwellings up to a triplex. Density calculation as defined in Section 16.12.030 may be used where applicable.¹</i>	<i>P</i>	<i>P</i>
<i>Accessory dwelling units, complying with Section 16.44.050</i>	<i>P</i>	<i>P</i>
<i>Residential care home</i>	<i>P</i>	<i>P</i>
<i>Residential care facilities</i>	<i>C</i>	<i>C</i>
<i>Manufactured home parks subject to the provisions of Section 16.44.040</i>	<i>C</i>	<i>P</i>
Commercial		
<i>Commercial daycare facilities</i>	<i>C</i>	<i>C</i>
<i>Home occupation as defined in Section 16.12.030, per the provisions of Section 16.69.020</i>	<i>P</i>	<i>P</i>
<i>Special event centers for hosting functions such as weddings, anniversary</i>	<i>C</i>	<i>C</i>

Land Use	R-5	MUR-S
<i>celebrations, corporate parties and similar events</i>		
Neighborhood Commercial Uses		
<i>Coffee shops, cafes, sandwich shops and delicatessens, restaurants (no drive-through service allowed)</i>	<i>X</i>	<i>P^{2,4}</i>
<i>Florists</i>	<i>X</i>	<i>P^{2,4}</i>
<i>Grocery, food, specialty foods, and produce stores</i>	<i>X</i>	<i>P^{2,4}</i>
<i>Laundromats and dry cleaners</i>	<i>X</i>	<i>P^{2,4}</i>
<i>Personal services (e.g., barbershops, hair salons, spas)</i>	<i>X</i>	<i>P^{2,4}</i>
<i>Yogurt and ice cream stores</i>	<i>X</i>	<i>P^{2,4}</i>
<i>Video rental stores</i>	<i>X</i>	<i>P^{2,4}</i>
<i>Retail and service commercial uses similar to those above but not listed elsewhere in this section upon administrative determination through the design review process</i>	<i>X</i>	<i>P^{2,4}</i>
Institutional/Utilities		
<i>Church, synagogue, temple or other place of worship</i>	<i>C</i>	<i>C</i>
<i>Public or private school(s)</i>	<i>C</i>	<i>C</i>
<i>Utility facilities (telecommunication, pump stations, substations)</i>	<i>C</i>	<i>C</i>
Other		
<i>Public or private open spaces, parks and playgrounds, tennis courts, and similar outdoor recreational activity areas and recreational buildings, facilities and grounds, which include fully or partially enclosed structures for the primary or secondary use</i>	<i>P</i>	<i>P</i>
<i>Large scale recreational facilities such as golf courses, aquatic centers, aquariums, amusement parks and similar uses</i>	<i>C</i>	<i>C</i>
<i>Wireless communications facilities not to include antenna support structures, subject to the provisions of Chapter 16.44.020 of this title.</i>	<i>P/C</i>	<i>P/C</i>
<i>Construction of new streets and roads including the extensions of existing streets and roads, that are included with the adopted transportation system plan</i>	<i>P</i>	<i>P</i>
<i>Any accessory structure, which is, customarily incidental to any of the permitted uses, located on the same lot</i>	<i>P</i>	<i>P</i>
<i>Uses similar to those upon administrative determination by the Planning Official</i>	<i>P/C</i>	<i>P/C</i>
<i>Solar energy collection apparatus</i>	<i>P³</i>	<i>P³</i>

NOTES:

¹ Location: Duplexes and triplexes must be located on a corner lot or adjacent to the

Land Use	R-5	MUR-S
intersection of two streets. ² <i>Neighborhood commercial uses subject to the provisions of Section 16.44.080.</i> ³ <i>Permitted only as an accessory use, subject to applicable building height maximum.</i> ⁴ <u>Neighborhood commercial uses are permitted within the Happy Valley Town Center Plan Area.</u>		

[...]

16.22.050 High density residential—Attached.

A. Purpose.

1. *Single-Family Attached Residential (SFA). This district is intended to promote the livability, stability and improvement of Happy Valley's new neighborhoods and to provide opportunities for a variety of medium density residential housing types with a density range of ten (10) to fifteen (15) dwelling units per acre, as well as certain neighborhood commercial uses. The district is intended to:*
 - a. *Make efficient use of land and public services, and implement the Comprehensive Plan, by providing minimum and maximum density standards for housing.*
 - b. *Accommodate a range of housing needs, including owner-occupied and rental housing.*
 - c. *Provide for compatible building and site design at an appropriate neighborhood scale.*
 - d. *Reduce reliance on the automobile for neighborhood travel and provide options for walking and bicycling.*
 - e. *Provide direct and convenient access to schools, parks and neighborhood services.*
2. *Mixed Use Residential—Attached (MUR-A). Mixed use residential will promote compact form, and residential and commercial or residential and office mixed vertically, in addition to across the district. The density requirements and minimum/maximum lot sizes are meant as a guide, and will vary based on the amount of unbuildable lands removed from gross acres. The density is calculated by averaging density for the residential district area identified in the master plan. Therefore, some lots may be smaller than the lot sizes given below. Minimum densities are provided to comply with the Urban Growth Management Functional Plan, Title 1 requirements. MUR-A has a maximum density of twelve (12) units per net acre and a minimum density of ten (10) units per net acre, **except that a maximum density of twenty (20) units per net acre is permitted within the Town Center boundary.***
3. *Village Townhouse District (VTH). This district is based on the Village Townhouse District in the Clackamas County Zoning and Development*

Ordinance. It was adopted by the City of Happy Valley to provide consistent land use regulations for areas recently annexed to the City.

- a. *A Traffic Impact Analysis (TIA) shall be submitted with each development application pursuant to the City's Traffic Impact Study Guidelines. The TIA shall address, but is not limited to, the following traffic management mechanisms: physical site controls on existing traffic, p.m. peak hour existing traffic limitations, traffic monitoring, restrictions on the number of parking spaces, transportation/transit information center; flextime, staggered working hours, car and van pool spaces, and similar ride share programs.*
- b. *The procedures and application requirements under Chapter 16.63 (Design Review) and Article 16.4 (Community Design Standards) shall apply to all development in the Village Townhouse District. If language within these sections conflicts with specific requirements and standards of the village townhouse district, the standards within the village townhouse district shall prevail.*

B. Permitted Uses. Table 16.22.050-1 identifies the land uses that are allowed in the SFA, MUR-A and VTH Districts.

Table 16.22.050-1: High Density Attached Residential (SFA, MUR-A, VTH) Permitted Uses

P=Permitted; C=Conditional Use; X=Prohibited

Land Use	SFA	MUR-A	VTH
Residential			
<i>Single-family detached dwellings (existing)</i>	<i>P</i>	<i>P</i>	<i>P¹</i>
<i>Single-family detached dwellings (new)</i>	<i>X</i>	<i>X⁸</i>	<i>X</i>
<i>Single-family attached dwellings, (townhouses, rowhouses)</i>	<i>P</i>	<i>P</i>	<i>P</i>
<i>Two-family dwelling (duplex)</i>	<i>P</i>	<i>P</i>	<i>P</i>
<i>Three-family dwelling (triplex)</i>	<i>P</i>	<i>P</i>	<i>P</i>
<i>Multifamily dwellings containing four or more dwelling units or condominiums</i>	<i>X</i>	<i>X</i>	<i>X</i>
<i>Senior housing, congregate housing or nursing homes</i>	<i>X</i>	<i>XP</i>	<i>X</i>
<i>Accessory dwelling units (per Section 16.44.050)</i>	<i>P</i>	<i>P</i>	<i>P²</i>
<i>Home occupation (per Section 16.69.020)</i>	<i>P</i>	<i>P</i>	<i>P³</i>
<i>Bed and breakfast residencies</i>	<i>C</i>	<i>C</i>	<i>C</i>
<i>Rental information offices</i>	<i>P</i>	<i>P</i>	<i>P³</i>
Neighborhood Commercial Uses			
<i>Coffee shops, cafes, sandwich shops and delicatessens,</i>	<i>P^{4,Z}</i>	<i>P^{4,Z}</i>	<i>X</i>

Land Use	SFA	MUR-A	VTH
<i>restaurants (no drive through service allowed)</i>			
<i>Florists</i>	<i>P^{4,Z}</i>	<i>P^{4,Z}</i>	<i>X</i>
<i>Grocery, food, specialty foods, and produce stores</i>	<i>P^{4,Z}</i>	<i>P^{4,Z}</i>	<i>X</i>
<i>Laundromats and dry cleaners</i>	<i>P^{4,Z}</i>	<i>P^{4,Z}</i>	<i>X</i>
<i>Personal services (e.g., barbershops, hair salons, spas)</i>	<i>P^{4,Z}</i>	<i>P^{4,Z}</i>	<i>X</i>
<i>Yogurt and ice cream stores</i>	<i>P^{4,Z}</i>	<i>P^{4,Z}</i>	<i>X</i>
<i>Video rental stores</i>	<i>P^{4,Z}</i>	<i>P^{4,Z}</i>	<i>X</i>
<i>Retail and service commercial uses similar to those above but not listed elsewhere in this section upon administrative determination through the design review process.</i>	<i>P^{4,Z}</i>	<i>P^{4,Z}</i>	<i>X</i>
Commercial—Offices			
<i>Professional and administrative offices</i>	<i>C⁴</i>	<i>C⁴</i>	<i>X</i>
<i>Medical and dental office, clinics and laboratories</i>	<i>C⁴</i>	<i>C⁴</i>	<i>X</i>
Institutional/Utilities			
<i>Churches, synagogues, temples or places of worship</i>	<i>C</i>	<i>C</i>	<i>C⁵</i>
<i>Private and public schools</i>	<i>C</i>	<i>C</i>	<i>C</i>
<i>Commercial daycare facilities</i>	<i>C</i>	<i>C</i>	<i>C</i>
<i>Utility facilities (telecommunication, pump stations, substations, utility carrier cabinets)</i>	<i>C</i>	<i>C</i>	<i>C</i>
Other			
<i>Public or private open spaces, parks and playgrounds, tennis courts and similar outdoor recreational activity areas and recreational buildings, facilities and grounds, which include fully or partially enclosed structures for the primary or secondary use</i>	<i>P</i>	<i>P</i>	<i>P⁶</i>
<i>New streets and roads, including the extensions of existing streets and roads, that are included with the adopted transportation system plan.</i>	<i>P</i>	<i>P</i>	<i>P</i>
<i>Wireless telecommunication facilities</i>	<i>P/C</i>	<i>P/C</i>	<i>P</i>
<i>Uses and structures customarily accessory and incidental to a primary use</i>	<i>P</i>	<i>P</i>	<i>P³</i>
<i>Temporary storage of recyclables/reuseables: The temporary storage within an enclosed structure of source-separated recyclable/reusable materials generated and/or used on-site prior to on-site reuse or removal by the generator or licensed or franchised collector to a user or broker</i>	<i>P</i>	<i>P</i>	<i>P³</i>

Land Use	SFA	MUR-A	VTH
Solar energy collection apparatus	P ³	P ³	P ³
Temporary buildings for uses incidental to construction work subject to the provisions of Section 16.69.010—Such buildings shall be removed upon completion or abandonment of the construction work	P	P	P ³
Bus shelters, bicycle facilities, street furniture, drinking fountains, kiosks, art works and other pedestrian and transit amenities	P	P	P ³
Uses similar to those upon administrative determination by the Planning Official	P/C	P/C	P/C
NOTES: ¹ Preexisting single-family dwellings and residential homes may be altered or expanded. ² Permitted as an accessory use and subject to the provisions of 16.22.050(D)(3). ³ Permitted only as an accessory use. ⁴ Neighborhood commercial use subject to the provisions of Section 16.44.080. ⁵ Alteration or expansion of a religious facility which was lawfully established prior to July 1, 1993. The use shall not extend beyond the property which was under the ownership of, or occupied by, the preexisting religious facility and associated facilities prior to July 1, 1993. ⁶ Public parks, playgrounds, recreational and community buildings and grounds, tennis courts, and similar recreational uses, all of a noncommercial nature, are permitted; provided that any principal building or swimming pool shall be located a minimum of thirty (30) feet from any other lot in a residential district. ⁷ <u>Neighborhood commercial uses are permitted within the Happy Valley Town Center Plan Area.</u> ⁸ <u>Single-family detached units with a maximum floor area of 1,500 sq. ft. are permitted in the MUR-A zone within the Happy Valley Town Center Plan Area.</u>			

C. Development Standards. The development standards in Table 16.22.050-2 apply to all uses, structures, buildings, and development in the SFA, MUR-A and VTH Districts.

Table 16.22.050-2 Development Standards for SFA, MUR-A and VTH Districts

Standard	SFA	MUR-A	VTH
Residential density (maximum) ¹	15 du/net acre ²	12 du/net acre, <u>20 du/net acre within Happy Valley Town Center Plan</u>	2,000 sf/primary unit ⁹

		<u>Area¹³</u>	
Residential density (minimum) ¹	10 du/net acre ²	10 du/net acre	3,000 sf/primary unit ⁹
Lot size (minimum)	2,000 sf	Variable ⁶	2,000 sf
Lot width (minimum)	None	Variable ⁶	None
Lot depth (minimum)	None	Variable ⁶	None
Lot coverage (maximum)	75% ¹²	Variable ^{6, 7}	65%
Landscaping (minimum)	None	Variable ⁶	25%
Setbacks (minimum):			
Front	10 feet ³	Variable ⁶	10 feet ^{10, 11}
Rear	15 feet ^{3, 4}	Variable ⁶	15 feet ^{10, 11}
Interior side	5 feet ^{3, 4, 5}	Variable ⁶	5 feet ^{5, 10}
Street side	8 feet ³	Variable ⁶	5 feet ^{10, 11}
Garage and carport entrances			
Entrances not facing an alley	20 feet	Variable ⁶	20 feet ¹⁰
Entrances facing an alley	6 feet	Variable ⁶	
Between groupings of residential buildings on the same lot	10 feet	Variable ⁶	10 feet
Setback (maximum from street right-of-way or designated accessway)	None	None	18 feet
Building height (maximum)	45 feet ⁸	65 feet	35 feet

NOTES:

¹ Density calculations shall be made pursuant to Section 16.63.020(F).

² Residential care homes/facilities and accessory dwellings are exempt from the density standards.

³ The minimum front, rear, side and street side building setbacks for public and institutional uses in the SFA district is twenty (20) feet.

⁴ Where the SFA district abuts lower density residential districts, the abutting yards shall have a ten (10) foot landscaped buffer area.

⁵ Side yard building setbacks for attached single-family may be reduced to zero in compliance with applicable sections of the adopted Uniform Building Code.

⁶ Standards are flexible and shall be determined through the master plan process or a design review. 0 minimum and 10-foot maximum front yard setbacks (to primary structure, excepting garages) are generally appropriate in the Happy Valley Town Center Plan Area.

- ⁷ Pursuant to Section 16.42.030, twenty (20) percent of the net developable area must be usable open space.
- ⁸ Maximum building height for single-family attached is forty-five (45) feet at the front elevation; side and rear elevations may not exceed forty-nine (49) feet in height.
- ⁹ Each lot for an attached single-family dwelling shall have a minimum size of two thousand (2,000) square feet and a maximum size of three thousand (3,000) square feet, or each lot shall have a minimum size of two thousand (2,000) square feet and the average size of all lots shall not exceed two thousand five hundred (2,500) square feet. For subdivisions, partitions, and condominium developments, the maximum number of primary dwelling units permitted shall be calculated pursuant to Section 1012 of the Clackamas County Zoning and Development Ordinance (ZDO). Lots created for congregate care facilities, two- and three-family dwellings, or multifamily dwellings are not subject to minimum, maximum, or average lot size standards. However, the density provisions of Section 1012 are applicable. A new lot created for a preexisting single-family dwelling shall have a minimum lot size of three thousand (3,000) square feet, and a maximum lot size of five thousand (5,000) square feet. A lot created for a preexisting dwelling shall not be included in the gross site area used to determine the maximum density for the remaining lot.
- ¹⁰ Preexisting dwellings and their accessory structures shall comply with the Clackamas County VR-4/5 setback standards.
- ¹¹ On a corner lot, one of the required front yard building setbacks may be reduced to eight feet when abutting a local or connector street. Awnings, porches, bays, and overhangs may extend up to four feet into this setback.
- ¹² Lot coverage maximum for single-family detached units is fifty (50) percent.
- ¹³ **Maximum density of twenty (20) units per net acre permitted in the MUR-A zone within the Happy Valley Town Center Plan Area.**

[...]

16.23.030 Commercial districts.

A. Purpose.

1. Community Commercial Center District (CCC). The Community Commercial Center (CCC) District is intended to provide locations or “nodes” for a relatively wide range of small businesses, services and mixed use adjacent to residential areas as a convenience to nearby residents. The CCC District is to be located and developed in a manner consistent with the Comprehensive Plan. In order to limit impacts to residential areas, new community commercial center nodes are intended to be limited in size to not more than five acres of contiguous land.
Building size is also limited to a thirty thousand (30,000) square foot footprint, and measured in accordance with requirements of Table 16.23.030-2 (Footnote 5). Appropriate locations for community commercial center nodes are at the intersection of two arterial streets (major and minor), an arterial street and a collector street, or two collector streets, **and within the Happy Valley Town Center Plan Area.**

2. *Mixed Commercial Center District (MCC). This zone is intended to establish locations for the development of mixed use commercial centers providing a broad range of shopping and service requirements to meet neighborhood and city-wide needs. The Mixed Commercial Center (MCC) District, as applied in the East Happy Valley Comprehensive Plan Area, corresponds to the Damascus/Boring Concept Plan's designation of Neighborhood Centers. These mixed use centers in the East Happy Valley Comprehensive Plan area accommodate retail services with a focus on meeting resident's daily shopping needs. They are planned to be well served by transit and be integrated with mixed use and higher density housing, thus supporting less auto-dependent lifestyles. These centers are also appropriate locations for civic uses such as post offices and branch libraries. Their design is intended to be highly pedestrian-oriented.*

New mixed commercial centers are limited to an area of up to fifteen (15) acres of contiguous land and shall be developed in a manner consistent with the Comprehensive Plan, except as described in Table 16.23.030-2 (Footnote 6), within the East Happy Valley Comprehensive Plan Area. Single-use retail buildings are limited to a maximum square footage of sixty-thousand (60,000) square feet as specified in Table 16.23.030-2 (Footnote 6). Appropriate locations for mixed commercial centers are at the intersection of two arterial streets or an arterial and a major collector, preferably on streets served by transit.

All MCC developments involving five acres or more of land shall be subject to master plan review and design review. Prior to new development in an MCC District in the East Happy Valley Comprehensive Plan Area, master plan approval under Chapter 16.65 is required for the entire lot or parcel proposed for development, together with any contiguous lots or parcels owned by the same owner or entities controlled by the owner, consistent with the provisions of Table 16.23.030-2.

In the MCC District, buildings should be oriented towards the street or accessway with clearly marked entrances. Blank frontage walls at street level are discouraged. Development boundaries and patterns are not defined by type of use (for example, retail and office); instead the district allows a variety of permitted uses to occur throughout the commercial district. The commercial uses are meant to provide a concentration of commercial and office uses to create an active area.

- B. *Permitted Uses. Table 16.23.030-1 identifies the land uses that are allowed in the CCC and MCC Districts.*

Table 16.23.030-1 Community Commercial Center and Mixed Commercial Center (CCC, MCC) Permitted Uses

P=Permitted; C=Conditional Use; X=Prohibited

Land Use	CCC	MCC
Residential		
<i>Pre-existing dwellings. Preexisting dwellings may be allowed to remodel or expand and shall not be subject to the provisions of Chapter 16.72</i>	<i>P</i>	<i>P</i>
<i>Medium to high density residential</i>	<i>P^{1, 2}</i>	<i>P^{1, 3}</i>
<i>Senior housing</i>	<i>P</i>	<i>P</i>
<i>Skilled nursing facility</i>	<i>P</i>	<i>P</i>
<i>Congregate housing</i>	<i>P</i>	<i>P</i>
<i>Home occupations (per Section 16.69.020)</i>	<i>P</i>	<i>P</i>
<i>Home occupations, subject to a conditional use review (per Section 16.69.020)</i>	<i>C</i>	<i>C</i>
Commercial—Retail Uses		
<i>Art and craft supply stores, studios</i>	<i>P</i>	<i>P</i>
<i>Bakeries</i>	<i>P</i>	<i>P</i>
<i>Banks, savings and loan associations, loan companies, ATM (without drive-through)</i>	<i>P</i>	<i>P</i>
<i>Banks, savings and loan associations, loan companies, ATM (with drive-through) (per Section 16.44.090)</i>	<i>C⁴</i>	<i>P⁴</i>
<i>Barber shops, beauty salons</i>	<i>P</i>	<i>P</i>
<i>Bicycle sales, supplies, repair service</i>	<i>P</i>	<i>P</i>
<i>Book stores</i>	<i>P</i>	<i>P</i>
<i>Camera stores</i>	<i>P</i>	<i>P</i>
<i>Coffee shops, cafés, sandwich shops and delicatessens</i>	<i>P⁴</i>	<i>P⁴</i>
<i>Drug stores</i>	<i>P⁴</i>	<i>P⁴</i>
<i>Dry cleaners and tailors</i>	<i>P⁴</i>	<i>P⁴</i>
Land Use		
<i>Florists</i>	<i>P</i>	<i>P</i>
<i>Home furnishing stores</i>	<i>P</i>	<i>P</i>
<i>Gift stores</i>	<i>P</i>	<i>P</i>
<i>Grocery, food, specialty foods, and produce stores</i>	<i>P⁴</i>	<i>P⁴</i>
<i>Hotels</i>	<i>C</i>	<i>P</i>

<i>Indoor health and recreation facilities, such as racquetball courts, gymnasiums, health and exercise spas, swimming pools, and similar uses and associated facilities</i>	<i>C</i>	<i>P</i>
<i>Interior decorating shops, sales and service</i>	<i>P</i>	<i>P</i>
<i>Laundromats</i>	<i>P</i>	<i>P</i>
<i>Music shops, sales and service</i>	<i>P</i>	<i>P</i>
<i>Optometry and optical goods, sales and service</i>	<i>P</i>	<i>P</i>
<i>Photo finishing, photography studios</i>	<i>P</i>	<i>P</i>
<i>Rental stores, without outdoor storage</i>	<i>P</i>	<i>P</i>
<i>Restaurants—full-service</i>	<i>C</i> <i>P</i>	<i>P</i>
<i>Restaurants—drive-through (per Section 16.44.090)</i>	<i>P</i> ¹	<i>P</i> ¹
<i>Secondhand stores</i>	<i>C</i>	<i>C</i>
<i>Shoe sales and repair stores</i>	<i>P</i>	<i>P</i>
<i>Sporting goods, sales and service</i>	<i>P</i>	<i>P</i>
<i>Stationery stores</i>	<i>P</i>	<i>P</i>
<i>Taverns, bars and cocktail lounges (a minimum distance of one thousand five hundred (1,400) feet from school uses)</i>	<i>C</i>	<i>C</i>
<i>Theaters or assembly halls</i>	<i>C</i>	<i>C</i>
<i>Vehicular service</i>	<i>P</i>	<i>P</i>
<i>Video rental stores</i>	<i>C</i>	<i>C</i>
<i>Yogurt and ice cream stores</i>	<i>P</i>	<i>P</i>
<i>Retail and service commercial uses similar to those above but not listed elsewhere in this section upon administrative determination by the Planning Official.</i>	<i>P</i> ¹	<i>P</i> ¹
Commercial—Offices		
<i>Professional and administrative offices</i>	<i>P</i>	<i>P</i>
<i>Medical office buildings, clinics and laboratories</i>	<i>P</i>	<i>P</i>
Institutional		
<i>Churches, synagogues, temples or places of worship</i>	<i>C</i>	<i>C</i>
<i>Library, post office, community center, etc.</i>	<i>P</i>	<i>P</i>
<i>Public parks, usable open space</i>	<i>C</i>	<i>C</i>
<i>Public and private schools (includes commercial day care, dancing and music schools)</i>	<i>C</i>	<i>C</i>

NOTES:

¹ Residential uses on upper floors of mixed use buildings are permitted. In such cases, Notes 2

and 3 below do not apply.

- ² Freestanding residential uses at densities greater than the minimum SFA density of 10 du/acre and not to exceed the maximum MUR-M2 density of 34 du/acre (10—34 du/acre) may be permitted in the CCC zone when nonresidential uses occupy the street side(s) of the parcel. The footprint of such freestanding residential uses (including associated parking and accessory uses) may not exceed 25% of the CCC zoned area of the parcel or subject property.
- ³ Residential uses at MUR-M2 densities (25—34 du/acre) in conjunction with nonresidential uses are permitted by this code. The footprint of such freestanding residential uses (including associated parking and accessory uses) may not exceed 25% of the MCC zoned area of the parcel or subject property.
- ⁴ **Drive-thru facilities not permitted for these uses, and all other uses, within the CCC zoned areas of the Happy Valley Town Center Plan Area.**

[...]

16.41.030 Vehicular access and circulation.

[...]

B. Driveways.

1. A driveway to an off-street parking area shall be improved from the public roadway to the parking area a minimum width of twenty (20) feet for a two-way drive or twelve (12) feet for a one-way drive but in either case not less than the full width of the standard approach for the first twenty (20) feet of the driveway.

2. Access to and from off-street parking areas shall not permit backing onto a public street, except for single-family dwellings.

3. A driveway for a single-family dwelling **or an accessory structure serving as a garage or home occupation** shall have a minimum width of twelve (12) feet. **Driveway approaches and vehicular maneuvering areas must be constructed in accordance with applicable City standards and the entire drive must be paved with asphalt or concrete or an approved permeable or semi-permeable surface.**

4. A driveway for a two-family dwelling shall have a minimum width of twenty (20) feet. A driveway approach must be constructed in accordance with applicable City standards and the entire driveway must be paved with asphalt or concrete or an approved permeable or semi-permeable surface.

5. Driveways, aisles, turnaround areas and ramps shall have a minimum vertical clearance of twelve (12) feet for their entire length and width but such clearance may be reduced in parking structures.

6. No driveway shall traverse a slope fifteen (15) percent or greater at any point along the driveway length.

7. The location and design of the driveway within the lot frontage shall provide for unobstructed sight pursuant to the vision clearance requirements. Requests for exceptions to these requirements will be evaluated by the public works director considering the physical limitations of the lot and safety impacts to vehicular, bicycle, and pedestrian traffic.

8. The number of driveway and private street intersections with public streets should be minimized by the use of shared driveways for adjoining lots where feasible. When necessary for traffic safety and access management purposes, or to access flag lots, the City Engineer may require joint access and/or shared driveways.

[...]

16.44.050 Accessory dwelling units.

[...]

B. Development Standards. In addition to the applicable standards of the underlying residential zone, ADUs shall comply with the following development standards:

1. An ADU shall meet all applicable health, fire safety and building codes, pursuant to the Oregon Structural Specialty Code.

2. ADUs shall be allowed only in conjunction with parcels containing one single-family dwelling. Only one ADU per parcel is permitted, and either the primary dwelling or the ADU must be owner occupied. Alternatively, the owner may appoint a family member as a resident caretaker of the primary dwelling or of the ADU.

3. The ADU may be created by converting existing living area or adding floor area, or construction of a new structure that is either attached or detached. For example, conversion of space above a primary dwelling's detached garage would qualify as a detached ADU. However, no detached ADU structure may include a secondary garage (one garage for the primary structure and one for the ADU) separate from the primary dwelling, unless said secondary garage existed prior to the submittal of development plans for the ADU. In addition, the building height of the ADU may not exceed fifty (50) percent of the building height of the primary structure or twenty-six (26) feet, whichever is higher.

4. The maximum gross habitable floor area (GHFA) of an ADU involving the conversion of existing space within a primary dwelling such as a basement or addition shall not exceed fifty (50) percent of the GHFA of the primary residence on the lot. Construction of a new structure that is attached by means of a breezeway or similar feature does not qualify as an attached structure. For a detached ADU, the GHFA shall not exceed fifty (50) percent of the GHFA of the primary residence on the lot, and shall not exceed a maximum of one thousand (1,000) square feet, whichever is less. The floor area of any garage in the primary dwelling shall not be included in the total calculation of GHFA.

5. Only one entrance shall be located on the front of the primary dwelling or any portion of the primary dwelling abutting a street, unless the dwelling contained additional entrances before the accessory residential unit was created.

6. In order to maintain an architectural character similar to the primary dwelling, the accessory residential unit shall have siding and roofing materials and exterior paint colors that generally match the siding and roofing materials, and exterior paint colors of the primary dwelling.

7. The development of the ADU shall provide an additional on-site parking space if the primary dwelling has less than four on-site spaces (for example, inclusive of a garage and driveway) available before construction of the accessory unit.

8. A minimum six-foot hedge or site-obscuring fence may be required by the Planning Official or designee to buffer a detached ADU from dwellings on adjacent lots, when buffering is necessary for the privacy and enjoyment of yard areas of adjacent properties.

16.44.090 Design standards for drive-up/drive-in/drive-through uses and facilities.

A. When drive-up or drive-through uses and facilities are allowed, they shall conform to all of the following standards, which are intended to calm traffic, and protect pedestrian comfort and safety.

1. The drive-up/drive-through facility shall orient to an alley, driveway, or interior parking area, and not a street (Figure 16.44.090-1);
2. None of the drive-up, drive-in or drive-through facilities (e.g., driveway queuing areas, windows, teller machines, service windows, kiosks, drop-boxes, or similar facilities) are located within twenty (20) feet of a street and shall not be oriented to a street corner. Walk-up only teller machines and kiosks may be oriented to a street or placed adjacent to a street corner;
3. Drive-up/in queuing areas shall be designed so that vehicles do not obstruct a driveway, fire access lane, walkway, or public right-of-way; and
4. No more than one drive-up, drive-in, or drive-through facility shall be permitted for a distance of four hundred (400) linear feet along the same block face (same side of street).

16.45.060 Signs not requiring a permit.

A. In any commercial or industrial zoning district, the following signs may be placed and maintained without a permit, so long as they comply with all applicable provisions of this section ~~and are not illuminated:~~

1. A single, temporary or permanent sign per street frontage where the display surface area does not exceed six square feet per sign face;
2. Window signs, up to nine square feet, situated on the indoor side of a window or door;
3. Signs attached to, or carried by, a person;
4. Signs required by law or legal action, including, but not limited to, signs warning of hazardous or dangerous conditions on a premises and land use application and hearing notice signs.

B. In any residential or institutional zoning district, the following signs may be placed and maintained without a permit, so long as they comply with all applicable provisions of this section and are not illuminated:

1. Signs required by law or legal action including, but not limited to, signs warning of hazardous or dangerous conditions on a premises and land use application and hearing notice signs; and
2. Four temporary signs where the display surface area does not exceed six square feet per sign face and sign height does not exceed six feet. A person or entity selling a property or advertising a public election shall remove temporary signs twelve (12) days within the closing of the sale or the public election, all other temporary signs shall be removed twelve (12) days after placement.

[...]

16.45.090 Signs in residential zones.

A. Signs Allowed. In the MUR, VTH, R-5, R-7, R-8.5, R-10, R-15, R-20, and R-40 zones, the following signs are allowed:

1. Monument Signs.

- a. The sign shall be a permanent monument sign.
- b. Signs are only allowed in a recorded subdivision that has been given approval through the planning process of the City of Happy Valley.
- c. Signs shall be located on private property, at a subdivision entrance or on a private tract median island within the public right-of-way.
- d. Only one sign per public street entrance is allowed.
- e. No more than two sides are allowed.
- f. Signs shall not extend any higher than six feet above grade, unless located in a private median tract, in which case the height shall not exceed two and one-half feet. In all cases, signs shall comply with the clear vision requirements.
- g. When a sign is located in a private median tract, the width of the sign shall not exceed fifty (50) percent of the width of the median measured from curb to curb or, where there is no curb from edge of pavement to edge of pavement, provided the area limitation below is met, and it shall be centered in the median.
- h. Sign face area shall not exceed sixty (60) square feet. Sign area shall not exceed twenty (20) feet in length and six feet in height.
- i. Indirect illumination is allowed, unless the sign is located in a median, in which case no illumination is allowed.
- j. There shall be a minimum of one hundred (100) feet separation from other subdivision signs and all other permanent signs, with the exception of directional signs.
- k. All required permits shall be obtained prior to placement of sign.

[...]

16.45.110 Signs in mixed-use, ~~zones and~~ commercial and industrial zones.

A. Signs Allowed. In mixed-use, ~~and~~ commercial and **industrial** zones, the following signs are allowed:

1. Wall Signs.

a. Single-Story Structures.

i. Display surface area shall not exceed ten (10) percent wall coverage. There is no limit on the number of signs allowed if within the total permitted wall coverage limit.

b. Single-Story Structures with multiple tenants or businesses.

i. Display surface area shall not exceed two square feet for each lineal foot of the wall on which the sign is erected;

ii. One sign per each owned or leased wall is permitted. This shall not exceed four walls of a building;

iii. Indirect or internal illumination is permitted;

iv. All required permits shall be obtained prior to placement of sign.

b c. Total signage for multi-story structures containing multiple businesses shall be limited to ten (10) percent wall coverage. There is no limit on the number of signs allowed if within the total permitted wall coverage limit.

[...]

16.62.020 Review types and applicability.

A. Review Types.

1. Land use review is a review conducted by the Planning Official or designee without a public hearing (Type I). See Chapter 16.61 for review procedure. It is for changes in land use and developments that do not require a conditional use permit or site design review approval. Land use review ensures compliance with the basic land use and development standards of the land use district, such as lot area, building setbacks and orientation, lot coverage, maximum building height, and other provisions of Article 16.2.

2. Minor design review is a review conducted by the Planning Official or designee without a public hearing (Type II-DR). See Chapter 16.61 for review procedure. It is for changes in land use and developments that require more detailed review of the proposed design and the exercise of some discretion in the decision-making process.

3. Major design review is a review conducted by the Design Review Board at a public hearing. It is for changes in land use and development that require a higher level of review in order to achieve the purposes of this chapter.

B. Applicability. Land use review or minor or major design review shall be required for all new developments and modifications of existing developments described in Table 16.62.020-1 below. Land uses and developments exceeding the thresholds for land use review require either minor or major design review. The Planning Official shall be responsible for determining the required review procedure.

Table 16.62.020-1 Land Use and Minor and Major Design Review

Proposed Activity	Land Use Review	Minor Design Review	Major Design Review
Change in Occupancy or Use			
Change in occupancy from one type of land use to a similar land use	X		
A change in use of a structure from residential to commercial or industrial		X	
New Construction			
Single-family detached dwelling (including manufactured home on its own lot)	X		
A single duplex, or up to two single-family attached (town home) units not requiring a land division, and accessory parking on the same lot	X		
Residential developments made up of a total of 30 attached dwelling units or less		X	
Residential developments made up of more than 30 attached dwelling units			X
Nonresidential development 5,000 square feet or less	X	X	
Nonresidential development greater than 5,000 square feet			X
Nonresidential and Multifamily Additions and Remodeling			

[...]

16.63.130 Planned unit development.

A. *Purpose.* This section of the Code serves to specify the purposes, objectives, procedures, standards, requirements, conditions and other information necessary to accomplish a planned unit development (PUD). The purpose and intent of this section is to allow an alternative to the traditional subdivision that encourages conservation of natural features by relating design to the existing landscape; through the efficient use of land and public services (particularly, but not limited to situations where the existence of slopes, drainageways, or other natural features may preclude traditional subdivision design); and the creation of public and private common open space.

B. *Objectives.* The following, though not requirements, are the objectives of the PUD portion of this chapter and shall be utilized to realize the inherent advantages of coordinated, flexible, comprehensive, long-range planning of such development:

1. To provide more desirable living environments by preserving the natural character of open field, stands of trees, brooks, ponds, floodplains, hills and similar natural assets;

2. To encourage, with regard to residential use, the provision of open space and the development of recreational facilities in a generally central location and within reasonable distance of all living units;

3. To encourage developers to use a more creative and flexible approach in the development of living areas within the development of living areas within the City;

4. To provide for more efficient and aesthetic use of open areas;

5. To encourage variety in the physical development pattern of the community by providing a variety and mixture of housing types and siting as well as the design of access and circulation.

~~C. Any PUD with less than five base units or less than two gross acres of site size will be exempt from the following requirements:~~

- ~~1. Section 16.63.050(A)(2)(e), (A)(2)(d), and (B)(2);~~

- ~~2. Section 16.61.060(C)(2)(g);~~

- ~~3. Section 16.63.130(G)(2)(g), (G)(2)(h), (G)(2)(i), and (G)(2)(j);~~

- ~~4. Section 16.63.130(G)(3)(a), (G)(3)(b), (G)(3)(f), (G)(3)(g), (G)(3)(h), (G)(3)(j), and (G)(3)(l).~~

[...]

16.63.140 Property line adjustments.

A property line adjustment is the modification of lot boundaries, when no lot is created or removed. The application submission and approval process is as follows:

A. *Submission Requirements.* All applications for property line adjustment shall be made on forms provided by the City and shall include information required for a Type I application, as governed by Section 16.61.020. The application shall include a preliminary lot line map drawn to scale identifying all existing and proposed lot lines and dimensions; footprints and dimensions of existing structures (including accessory structures); location and dimensions of driveways and public and private streets within or abutting the subject lots; location of natural resource areas and significant trees; existing fences and walls; and any other information deemed necessary by the Planning Official or designee for ensuring compliance with City codes.

B. Approval Process.

1. *Decision-Making Process.* Property line adjustments shall be reviewed by means of a Type I procedure, as governed by Section 16.61.020, using approval criteria contained in Subsection 16.63.140(C) below. The road authority(ies) shall be notified of lot line adjustments that may affect property access or traffic volumes or operations on their facilities.

2. *Time Limit on Approval.* The property line adjustment approval shall be effective for a period of one year from the date of approval, during which time it must be recorded.

3. *Lapsing of Approval.* The property line adjustment approval shall lapse if:

a. The property line adjustment is not recorded within the time limit in Section 16.63.140(B)(2);

b. The property line adjustment has been improperly recorded with Clackamas County without the satisfactory completion of all conditions attached to the approval; or

c. The final recording is a departure from the approved plan.

[...]

D. Recording Property Line Adjustments.

1. *Recording.* Upon the City's approval of the proposed property line adjustment, the applicant shall record the property line adjustment with Clackamas County within ~~sixty (60) days~~ **one year** of approval (or the decision expires), and submit a copy of the recorded survey map to the City, to be filed with the approved application.

2. *Time Limit.* The applicant shall submit a copy of the recorded property line adjustment survey map to the City within fifteen (15) days of recording and prior to the issuance of any building permits on the re-configured lots.

[...]

16.67.070 Annexations.

A. Except as provided in subsection B of this section, when a property or area is annexed to the City from unincorporated Clackamas County with an accompanying Clackamas County Comprehensive Plan designation and zone, the action by the City Council to annex the property or area shall include an ordinance to amend the City's Comprehensive Plan map/zoning map to reflect the conversion from the County designation/zone to a corresponding City designation/zone, as shown in Table 16.67.070-1 below.

Table 16.67.070-1 Land Designation Conversion Table

Clackamas County Zone	City of Happy Valley Zone
[...]	
Sunnyside Village	
VR-4/5	VR-4/5* <u>R-5</u>
VR-5/7	VR-5/7* <u>R-5</u>
VCS	IPU
VA	VA* <u>MUR-M1</u>
VO	VO
VTH	VTH
<i>*Annexation of these zoning districts would require the creation of a new</i>	

Comprehensive Plan designation/zoning district within the City that would mirror the applicable Clackamas County designation/zone.

[...]

16.69.020 Home occupation permits.

[...]

E. General Approval Criteria and Standards. All home occupations except those that have proven nonconforming status shall observe the following criteria in addition to the standards established for Class A and Class B uses described in this section.

1. Home occupations may be undertaken only by the principal occupant(s) of a residential property or their immediate family member.

2. No deliveries shall be made to the residence other than by traditional small-scale means normally found in a residential area, such as the United States Postal Service, UPS, Federal Express, messenger services, etc. There shall be no commercial vehicle deliveries during the hours of 10:00 p.m. to 7:00 a.m.

3. There shall be no offensive noise, vibration, smoke, dust, odors, heat or glare noticeable at or beyond the property line resulting from the operation.

4. The home occupation shall be operated entirely within the dwelling unit ~~and~~ or a conforming accessory structure. The home occupation and associated storage of materials and products shall not occupy more than fifty (50) percent of the combined residence and accessory structure gross floor area. Residential care home occupants and their utilization of a home area are not considered part of a home occupation. Office facilities utilized by the residential care home operator are part of the home occupation. The indoor storage of materials or products shall not exceed the limitations imposed by the provisions of the building, fire, health and housing codes."

1. Summary

The first Happy Valley Transportation System Plan (TSP) was adopted December 1998. Major updates occurred in 2001, 2006, 2009 and 2011. . The introduction to the 2011 update stated: “Since that time, the City has experienced growth in city limit coverage and Clackamas County has completed planning work on the proposed Sunrise Expressway. The primary purpose of this update is to address these recent changes, with a focus on:

- Incorporating a summary of the Sunrise Expressway interchange area management plans
- Updating all figures to include the current city limits, including recent property annexations along Highway 212 near SE 135th Avenue.

This plan update is aimed at fulfilling Transportation Planning Rule (TPR) requirements for comprehensive transportation planning in the cities of Oregon, and presents the investments and priorities for the Pedestrian, Bicycle, Transit, and Motor Vehicle systems along with new transportation programs to correct existing shortfalls and enhance critical services. For each travel mode, a Master Plan project map and list are identified to support the City’s transportation goals and policies. Projects that are reasonably expected to be funded over the next 20 years were identified and are referred to as Action Plans.

The TSP update provides specific information regarding transportation needs to guide future transportation investment in the City and determine how land use and transportation decisions can be brought together beneficially for the City and is based on needs required to meet transportation demand based on 2025 future needs.”

The TSP will be amended as the City grows and undertakes planning and capital improvements. The following is a summary of the adopted amendments to the TSP.

Table 1-A: Summary of TSP Adoption and Amendments

Date	Ordinance	Purpose
1998	183	First Happy Valley TSP
2001	230	Updates and added territory (Rock Creek Comprehensive Plan area)
2006	331	Updates (design standards) and added territory
2009	390	Updates (Pedestrian Master Plan) and added territory (East Happy Valley Comprehensive Plan area),
January, 2011	409	Updates (Sunrise Expressway/IAMP’s) and added territory (Hwy. 212/224 area)
_____, 2012		Incorporate 172 nd -190 th Avenue Corridor Management Plan
_____, 2012		Incorporate Happy Valley Town Center Plan

Based on these needs, a Pedestrian Master Plan was developed and is shown in Figure 5-1. The Pedestrian Master Plan will require incremental implementation. As development occurs, streets are rebuilt and other project funding opportunities (such as grant programs) arise, projects on the Master Plan will be integrated into project development.

The pedestrian goals and input from the TAC and CWG were reviewed to create a Pedestrian Action Plan, which are projects that are reasonably expected to be funded by the year 2025. The highest ranking City projects that are reasonably expected to be funded were combined with projects from other agencies identified in the RTP Financially Constrained scenario to create the project list shown in Table 1-1.

Table 1-1: Pedestrian Action Plan Projects

Project	Improvement	Potential Funding Source	Estimated Schedule	Cost (\$1,000s)
<u>Town Center Local Trail System</u>	<u>Provide a local off-street path system connecting the regional Rock Creek Trail to destinations within the town center area.</u>	<u>Happy Valley</u>	<u>2021-2025</u>	<u>\$1,170</u>
SE 172 nd Avenue** (Sunnyside Rd to 172 nd -190 th Connector)	Construct sidewalks on both sides of the roadway from Sunnyside Road north to the 190 th Connector. Provide pedestrian crossings per 172 nd -190 th CMP.	Joint SDC Fund/Other**	2021-2025	\$2,200
SE 172 nd Avenue** (172 nd -190 th Connector to Cheldelin Rd.)	Construct sidewalks on both sides of the roadway from the 190 th Connector to Cheldelin Road. Provide pedestrian crossings per 172 nd -190 th CMP.	Joint SDC Fund/Other**	2021-2025	\$670
SE 172 nd -190 th Connector** (172 nd Ave. to Foster Rd.)	Construct sidewalks on both sides of the roadway from 172 nd Ave. east to the city limits. Provide pedestrian crossings per 172 nd -190 th CMP.	Joint SDC Fund/Other**	2021-2025	\$500
122 nd /129 th Avenue*	Construct sidewalks on both sides of the street from Sunnyside Road to King Road	Joint SDC Fund	2016-25	\$780
162 nd Avenue Sidewalks	Construct sidewalks on both sides of the roadway from Clatsop Street to Hwy 212.	Joint SDC Fund	-	\$2,810
Clatsop Street Sidewalks	Construct sidewalks on both sides of the roadway from 162 nd Ave to 172 nd Ave.	Joint SDC Fund	-	\$420
Ridgecrest Road Sidewalks	Construct sidewalks on the south side from 132 nd Ave to Plover Dr.	Happy Valley	2010-2020	\$210
132 nd Avenue Sidewalks	Construct sidewalks on the east side of the roadway from King Road to Ridgecrest Road.	Happy Valley	2010-2020	\$90
145 th Avenue Sidewalks	Construct sidewalks on the west side of the roadway from King Road to Purple Finch Loop.	Happy Valley	2010-2020	\$180
King Road Sidewalks	Construct sidewalks on the north side of the roadway from 132 nd Avenue to 175 feet west of Regina Court	Happy Valley	2010-2020	\$25
King Road Sidewalks	Construct sidewalks on the north side of the roadway Rolling Meadows Drive to 145 th Avenue	Happy Valley	2010-2020	\$50
Total Pedestrian Project Costs				<u>\$7,9359,105</u>

* Project identified in the 2004 Federal Regional Transportation Plan Financially Constrained scenario.

**These project costs are included in a motor vehicle action plan, and may include a combination of Joint SDCs and other potential funding sources such as state/federal grants.

transportation planning conducted for the East Happy Valley Comprehensive Plan. The CMP elevates past work to a more specific level of planning and design within this corridor.

The City of Happy Valley supports the 172nd-190th Avenue Corridor Management Plan and will implement it. Accordingly, the CMP is adopted as an ancillary document to the Happy Valley TSP and Comprehensive Plan.

Happy Valley Town Center Plan

The City of Happy Valley initiated the Happy Valley Town Center Plan (HVTCP) to re-locate the City of Happy Valley's Metro designated "Town Center" along Sunnyside Road. The new location, between approximately 157th and 172nd Avenues, is an area partially served by transit and designated for medium to high density housing, commercial, and mixed uses. The HVTCP evaluated future year traffic operating conditions with the proposed land use changes in place, and provides recommendations for improvements that are included in this TSP. Figure 8-15 shows the urban design diagram for the Happy Valley Town Center, providing the general locations of transportation elements such as local streets and trails.

The HVTCP has been implemented through amendments to the City's Comprehensive Plan Policies, Development Code, Comprehensive Plan Map/Zoning Map, and this Transportation System Plan.

----- Form

Roadway Improvements

The extent and nature of the recommended street improvements for Happy Valley are significant. The forecasted 2025 land use indicates significant growth in both housing and employment within the TSP study area. The portion of Happy Valley bounded loosely by Clatsop Street to the north, 145th Avenue and 162nd Avenue to the east, Highway 212 to the south and the west City limits is expected to experience moderate growth in the next 20 years. The major growth areas are the Rock Creek Area bounded by Sunnyside Road, Highway 212, 162nd Avenue and 172nd Avenue, the Scouter Mountain Area bounded by 145th Avenue, 172nd Avenue, Clatsop Street, Monner Road and Hagen Road and the 172nd Avenue corridor from Highway 212 north to the city limits.

There are a number of locations in Happy Valley where, due to the lack of alternative routes, there is an imbalance of traffic volumes that load onto one street. A well connected transportation system limits out of direction travel for motorists, bicycles and pedestrians and reduces vehicle miles traveled within the study area. Several roadway extension projects are needed to improve citywide connectivity for all modes of travel.

The 2025 Priority analysis found that significant improvements would be required at the majority of the study intersections to accommodate the forecasted growth. These improvements include traffic signal control, additional turn lanes, roadway widening, revised traffic signal phasing and traffic signal coordination. Based on these needs, a Motor Vehicle Master Plan was created that is shown in Figure 8-13. The updated Motor Vehicle Master Plan costs are estimated to be approximately \$215 million. The Motor Vehicle Master Plan will require incremental implementation. As development occurs, streets are rebuilt and other project funding opportunities (such as grant programs) arise, projects on the Master Plan will be integrated into project development.

The motor vehicle goals and input from the CAC and TAC were reviewed to create a Motor Vehicle Action Plan, which are projects that are reasonably expected to be funded by the year 2025. The highest ranking City projects that are reasonably expected to be funded were combined with projects from other agencies identified in the RTP Financially Constrained scenario to create

the project list shown in Table 1-6. The construction of new collector and arterial facilities would only occur to support future development or redevelopment and would not be initiated by the City.

Table 1-6: Motor Vehicle Action Plan Projects

Project	Improvement	Potential Funding Source	Estimated Schedule	Cost (\$1,000s)
<u>Sunnyside Road/162nd Avenue**</u>	<u>Add a separate northbound right turn lane.</u>	<u>Joint SDC Fund/ Other***</u>	<u>2021-2025</u>	<u>\$200</u>
SE 172 nd Avenue*** (Sunnyside Rd to 172 nd -190 th Connector)	Widen roadway to 5-lane section per the 172 nd -190 th CMP.	Joint SDC Fund/ Other***	2021-2025	\$43,400
SE 172 nd Avenue*** (172 nd -190 th Connector to Cheldelin Rd)	Widen roadway to 3-lane section per the 172 nd -190 th CMP.	Joint SDC Fund/ Other***	2021-2025	\$10,100
SE 172 nd -190 th Connector*** (172 nd Ave to Foster Rd)	Construct a new 5-lane section per the 172 nd -190 th CMP.	Joint SDC Fund/ Other***	2021-2025	\$10,400
122 nd /129 th Avenue Widening	Widen to 3-lane collector between Sunnyside Road and King Road and smooth curves.	Joint SDC Fund	2016-2025	\$4,800
162 nd Avenue Widening	Widen to 3-lane collector from Hagen Road to Palermo Avenue.	Joint SDC Fund	-	\$3,900
162 nd Avenue Extension South**	Construct a new 3-lane collector south of the Taralon development to Highway 212.	Joint SDC Fund	-	\$8,800
162 nd Avenue Extension North**	Construct a new 2/3-lane collector between Hagen Road and Clatsop Street.	Joint SDC Fund	-	\$14,600
Clatsop Street Extension East**	Construct a new 3-lane collector between 162 nd Avenue and 177 th Avenue.	Joint SDC Fund	-	\$3,400
Scouter Mountain Road**	Construct a new east-west collector on the south side of Scouter's Mountain between 147 th Avenue and 177 th Avenue.	Joint SDC Fund	-	\$7,600
Rock Creek Boulevard**	Construct a new 5-lane east-west major arterial from 177 th Avenue to the Sunrise Corridor Rock Creek interchange.	Joint SDC Fund	-	\$17,000
Total Motor Vehicle Project Costs (Joint SDCs)****				\$81,400
Total cost of above projects				\$124,200

**These projects would only occur with development or redevelopment and would not be initiated by the City.

***Potential funding sources include state/federal grants.

****See Chapter 10 for information on SDCs available for action plan projects.

Trucks

Efficient truck movement plays a vital role in the economical movement of raw materials and finished products. The establishment of through truck routes provides for this efficient movement while at the same time maintaining neighborhood livability, public safety, and minimizing maintenance costs of the roadway system. Sunnyside Road, 172nd Avenue, and the 190th Connector are recommended as designated through truck routes in the TSP study area. The objective of these route designations is to allow these routes to focus on design criteria that are "truck friendly"; i.e. 12-foot travel lanes, longer access spacing, 35-foot (or larger) curb returns and

5. Pedestrian Plan

This chapter summarizes existing and future pedestrian system needs in the City of Happy Valley. The pedestrian system includes sidewalks, paths, multi-use trails, and access ways. The following sections identify the policies for implementing a pedestrian plan, evaluate needs and recommend a pedestrian master plan for the City of Happy Valley. The policies used in evaluating pedestrian needs were identified through work with the TSP Citizen Advisory Committee and the Pedestrian Master Plan Citizen Working Group.

Policies

There are several policies for future pedestrian facilities in Happy Valley. These policies are aimed at providing the City with priorities to direct its funds towards pedestrian projects that meet the goals of the City. It is the City's policy to:

Livability

Policy 1b: Encourage pedestrian accessibility by providing safe, secure and desirable pedestrian routes.

Multi-Modal Travel

Policy 3b: Require the construction of sidewalks on all streets within Happy Valley unless a variance is approved by the City due to environmental constraints. All schools, parks, public facilities and retail areas shall have direct access to a sidewalk.

Policy 3c: Develop bicycle and pedestrian plans which link to existing and planned recreational trails.

Policy 3g: Improve pedestrian access to transit as service demands increase in the future.

Policy 3h: Pursue the expansion of the regional and local trail system with new development.

Policy 3i: Implement regional alternative mode share targets to reduce the reliance on single-occupancy vehicles.

Policy 3j: Require pedestrian and bicycle connections between neighborhoods to minimize out of direction travel. This is achieved with a well developed local street system and off-street trail system.

Trail Use

Policy 3k: Ensure trail uses are compatible to the natural area to protect the scenic and aesthetic values of the open space area.

Policy 3l: Restrict trails designated as a Pedestrian Trail to use by pedestrians (hikers) only. Restrict trails designated as a Multi-use Trail to use by pedestrians (hikers), bicyclists and other approved non-motorized/electrical wheeled vehicles, including wheelchairs. Authorized acceptable motorized/electrical vehicles on all trails should include vehicles used for emergency and maintenance purposes. Multi-use trail use should be

Criteria 7 - Public Support

Pedestrian route selection should balance private property owner's need for privacy with the community's need for access throughout the community.

Criteria 8 - Roadway Functional Classification

The designated functional classification of a roadway should be considered when selecting pedestrian routes. Roadway functional classifications are provided in the Happy Valley Transportation System Plan (Figure 8-3). Arterial and collector roadways provide connections to major community destinations along key transportation corridors. Arterial and collector roadways typically experience higher vehicle travel speeds where pedestrian facilities may improve safety. Local and neighborhood streets provide connections to pedestrian destinations such as parks and schools. With lower vehicle volumes and speeds, local and neighborhood streets would provide ideal on-street trail connections.

Pedestrian Master Plan

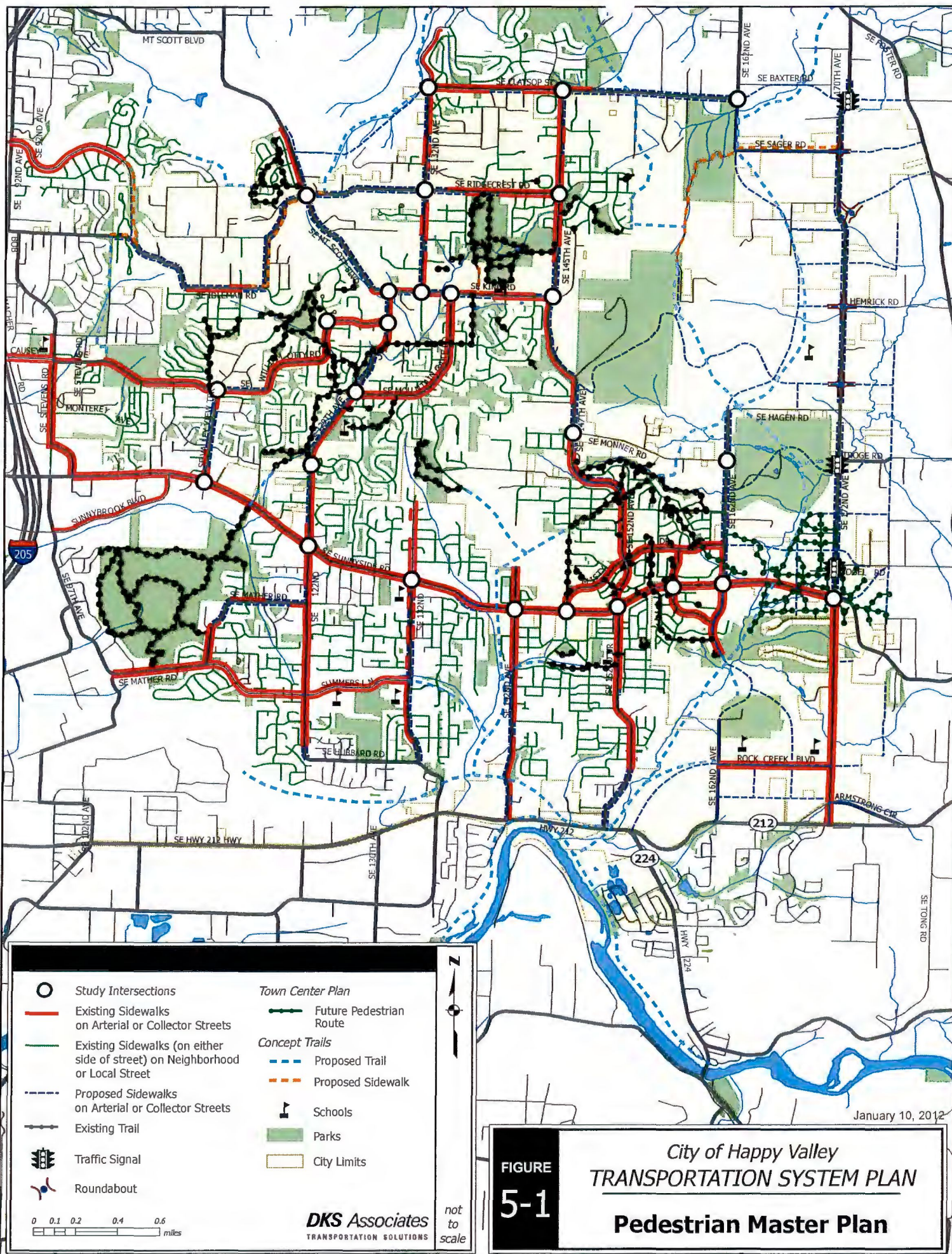
The future transportation system needs multi-modal improvements to meet transportation performance standards, serve future growth and promote pedestrian, bicycle and transit trips. The extent of the recommended multi-modal improvements for Happy Valley is significant. Future growth can be accommodated with a significant investment in transportation improvements.

Pedestrian Projects

A list of potential pedestrian projects to meet the identified needs and achieve these policies was developed into a Pedestrian Master Plan. The projects include sidewalk infill on existing roadways, sidewalks on planned roadways, paths and multi-use trails. The Master Plan shown in Figure 5-1 and summarized in Table 5-1 is an overall plan and summarizes the 'wish list' of pedestrian related projects in Happy Valley. These projects will be used to create a Pedestrian Action Plan (Table 5-2). The Action Plan consists of projects that the City should give priority to in funding. As development occurs, streets are rebuilt and other opportunities (grant programs) arise, projects on the Master Plan should be pursued as well. The Action Plan projects are shown in bold type on the Master Plan list.

The trail projects shown in Table 5-1 are intended to complete the pedestrian system as planned. Portions of the proposed trail system exist today as either off-street trails or sidewalks. The regional multi-use trails are based on the Metro RTP³. Although some of [the](#) planned trail network would be utilized by bicyclists, all of the proposed trails would benefit pedestrians. Therefore, the recommended trail system is included in the Pedestrian Master Plan.

³ 2035 RTP Financially Constrained System Project List, Metro, Approved December 13, 2007.



172nd-190th Connector	Both	172 nd -190 th Connector	Foster Road	**
Sager Road	Both	172 nd Avenue	Foster Road	**
Scouter Mountain East Roadway #1	Both	162 nd Avenue	Foster Road	**
Scouter Mountain East Roadway #2	Both	162 nd Avenue	177 th Avenue	**
Hemrick Road Extension	Both	162 nd Avenue	177 th Avenue	**
Scouter Mountain Road	Both	147 th Avenue	177 th Avenue	**
Troge Road Extension	Both	162 nd Avenue	177 th Avenue	**
169 th Avenue Extension	Both	Sunnyside Road	177 th Avenue	**
Misty Drive Extension	Both	162 nd Avenue	177 th Avenue	**
Rock Creek Court Extension	Both	172 nd Avenue	177 th Avenue	**
Creekwood Road Extension	Both	172 nd Avenue	177 th Avenue	**
Rock Creek Boulevard	Both	Sunrise Corridor Rock Creek Interchange	177 th Avenue	**
Rock Creek East-West Collector	Both	162 nd Avenue	177 th Avenue	**
Parklane Loop	Both	162 nd Avenue	Rock Creek Collector	**
167 th Avenue	Both	Rock Creek Boulevard	Rock Creek Collector	**
177 th Avenue	Both	Scouter Mountain East Roadway #1	Armstrong Circle	**
Regional Multi-Use Trails				
Rock Creek Trail (A)	Springwater Trail north of Clatsop Butte Park to Clackamas River Trail near Highway 212/Highway 242 split			\$5,440
West Happy Valley Trail (B)	Rock Creek Trail at Clatsop Butte Park to Mount Talbert Nature Park			\$2,750
Powerline Trail (C)	Scouter Mountain Park at Sager Road/162 nd Avenue to Rock Creek Trail to Clackamas River Trail near Highway 212/Highway 242 split			\$2,560
Local Paths and Multi-Use Trails				
Town Center Local Trail System	Local off-street path system connecting the regional Rock Creek Trail to destinations within the Town Center			\$1,170
Idleman Loop (D)	West Happy Valley Trail near Lincoln Heights open space to West Happy Valley Trail near Idleman Road			\$1,150
The Reserve Trail (E)	West Happy Valley Trail at Scott Creek Park to Powerline Trail at Southern Ridge open space			\$500
Clackamas River Trail (F)	Runs along the north bank of the Clackamas River with connections to Rock Creek Trail and Powerline Trail			\$2,360
Sidewalks on Existing Arterials and Collectors				\$10,665
Local/Neighborhood Street Sidewalk Infill				\$6,420
Sidewalks on New Arterials/Collectors				\$**
Regional Multi-Use Trails				\$10,750
Local Paths and Multi-Use Trails				\$4,040
Total Pedestrian Master Plan Projects				\$31,845,330

**These project costs are included in a motor vehicle plans.

BOLD – Project included in the Pedestrian Action Plan (Table 5-2)

The planning level cost estimates for sidewalks are based on general unit costs, but do not reflect the unique project elements that can significantly add to project costs. Each of these project costs

will need further refinement to detail right-of-way requirements and costs associated with special design details as projects are pursued.

The planning level cost estimates for trails were based on the construction of the trail network gaps only and assumed the existing trail and sidewalk sections would be available. The unit costs used were a preliminary estimate and assumed the construction of a multi-use trail with a paved surface but no significant structural needs such as retaining walls, bridges or stairs. The actual cost estimates based on detailed alignment and design efforts may be moderately lower or higher than the preliminary cost estimates provided. The cost estimate for the Powerline Trail assumed the pathway along 162nd Avenue between Sager Road and Hagen Road would be included in the construction cost of the roadway and the future trail in the Southern Ridge subdivision would be constructed as part of the development. The Clackamas River Trail cost estimate is based on the trail section located within the study area and does not represent the cost to construct the entire trail corridor.

Trail System

A trail system has been adopted as part of this transportation system plan. The overall objective of the trail system is to promote pedestrian trips and provide an alternative to the sidewalk system. The trail system was planned based on the selection criteria presented in this chapter. The planned trail system has been divided into two groups to indicate the priority and function of trails and paths within the system. The trail groups include:

- **Primary Pedestrian Loop** – These trails combine to create a central loop within the City with connections to major pedestrian destinations. The destinations include Scott Creek Park, Happy Valley Elementary School, Happy Valley Middle School, Happy Valley Park, Scouter's Mountain, and Spring Mountain Elementary School. These trails are designated as multi-use trails and allow both pedestrians and bicycles. Pedestrian projects (both sidewalk and trail) located within the primary pedestrian loop should be a priority for project funding.
- **Supporting Pedestrian System** – These trails provide additional loops within the Plan area that connect back to the Primary Pedestrian Loop trails. These trails also provide links to the pedestrian system in Damascus, Portland and Clackamas County. These trails are designated as pedestrian trails and may be limited to pedestrian use only depending on the location and environmental constraints.

The Pedestrian Master Plan (Figure 5-1) shows the future trail system made up of pedestrian corridors to illustrate that the specific alignment may require refinement based on further topographical and environmental evaluation. [For the proposed local trail system in the town center area, more detail is provided in Figure 8-14, the town center's urban design diagram.](#) In some areas, the trail uses a sidewalk to complete the connection between off-street trails. The area south of Mountain Gate Road and east of 129th Avenue has several opportunities for a trail connection. In this location, the trail corridor is wider to include all of the possible trail locations (local street sidewalk, trail in dedicated green space, etc.). The trail system in the Idleman Road area is particularly difficult due to a lack of undeveloped parcels and substandard roadways with no sidewalks. The trail along Idleman Road may require a special design treatment.

Pedestrian Action Plan

The pedestrian action plan identifies projects that are reasonably expected to be funded by 2025,

which meets the requirements of the updated TPR⁴. The TSP goals and policies were used to rank the projects. The highest ranking City projects that are reasonably expected to be funded (see Chapter 10) were combined with projects identified in the RTP Financially Constrained scenario and projects with anticipated funding from other agencies to create the list shown in Table 5-2.

Table 5-2: Pedestrian Action Plan Projects

Project	Improvement	Potential Funding Source	Estimated Schedule	Cost (\$1,000s)
Town Center Local Trail System	Provide a local off-street path system connecting the regional Rock Creek Trail to destinations within the Town Center	Happy Valley	2021-2025	\$1,170
SE 172 nd Avenue North (Sunnyside Rd to 172 nd -190 th Connector)	Construct sidewalks on both sides of the roadway from Sunnyside Road north to the 172 nd -190 th Connector. Provide pedestrian crossings per 172 nd -190 th CMP.	Joint SDC Fund/Other**	2021-2025	\$2,200
SE 172 nd Avenue North (172 nd -190 th Connector to Cheldelin Rd)	Construct sidewalks on both sides of the roadway from the 190 th Connector to Cheldelin Road. Provide pedestrian crossings per 172 nd -190 th CMP.	Joint SDC Fund/Other**	2021-2025	\$670
SE 172 nd -190 th Connector (172 nd Ave to Foster Rd)	Construct sidewalks on both sides of the roadway from 172 nd Ave. east to the city limits. Provide pedestrian crossings per 172 nd -190 th CMP.	Joint SDC Fund/Other**	2021-2025	\$500
122 nd /129 th Avenue*	Construct sidewalks on both sides of the street from Sunnyside Road to King Road	Joint SDC Fund	2016-25	\$780
162 nd Avenue Sidewalks	Construct sidewalks on both sides of the roadway from Clatsop Street to Hwy 212.	Joint SDC Fund	-	\$2,810
Clatsop Street Sidewalks	Construct sidewalks on both sides of the roadway from 162 nd Ave to 172 nd Ave.	Joint SDC Fund	-	\$420
Ridgecrest Road Sidewalks	Construct sidewalks on the south side from 132 nd Ave to Plover Dr.	Happy Valley	2010-2020	\$210
132 nd Avenue Sidewalks	Construct sidewalks on the east side of the roadway from King Road to Ridgecrest Road.	Happy Valley	2010-2020	\$90
145 th Avenue Sidewalks	Construct sidewalks on the west side of the roadway from King Road to Purple Finch Loop.	Happy Valley	2010-2020	\$180
King Road Sidewalks	Construct sidewalks on the north side of the roadway from 132 nd Avenue to 175 feet west of Regina Court	Happy Valley	2010-2020	\$25
King Road Sidewalks	Construct sidewalks on the north side of the roadway Rolling Meadows Drive to 145 th Avenue	Happy Valley	2010-2020	\$50
City of Happy Valley Costs				\$1,68640
Joint SDC/Other Funds				\$7,380
Total Pedestrian Project Costs				\$9,107,935

⁴ OAR Chapter 660, Department of Land Conservation and Development, Division 012, Transportation Planning, adopted on March 15, 2005, effective April 2005.

8. Motor Vehicle Plan

This chapter summarizes needs for the motor vehicle system for future conditions in the City of Happy Valley. It also outlines the strategies to be used in evaluating needs and recommends plans for motor vehicles (automobiles, trucks, buses and other vehicles). The Motor Vehicle modal plan is intended to be consistent with other jurisdictional plans including Metro's Regional Transportation System Plan (RTP), Clackamas County's Transportation System Plan (TSP), Sunrisc Interchange Area Management Plan, and the 172nd-190th Avenue Corridor Management Plan, and the Happy Valley Town Center Plan.

Policies

Several policies were developed for future motor vehicle facilities in Happy Valley. These policies are aimed at providing the City with priorities to direct its funds towards motor vehicle projects that meet the goals of the City. The policies for motor vehicle facilities are:

- Policy 1a: Build residential and neighborhood streets to discourage speeding.
- Policy 1d: The City shall be open to alternative designs such as roundabouts, etc.
- Policy 2a: The City shall work to minimize traffic on local streets within the city by supporting improvements that limit the amount of cut-through traffic passing through Happy Valley except for on major arterials.
- Policy 2b: In development of roadway projects, impacts to adjacent homes/properties shall be *considered, minimized, and balanced* between providing a safe and efficient transportation facility.
- Policy 2c: Balance the functional classification system throughout the City.
- Policy 3e: Local streets shall be designed to encourage a reduction in trip length by providing connectivity and limiting out-of-direction travel. Connectivity shall be provided according to published Metro street connectivity guidelines that improve local circulation by providing connections to activity centers and destinations. Metro's Local Street System Design Criteria calls for no more than 530 feet between local street intersections.
- Policy 3j: Neighborhoods shall be connected to minimize out of direction travel for pedestrians and bicycles. This is achieved with a well developed local street system and off-street trail system.
- Policy 4a: Design of streets shall relate to their intended use and function.
- Policy 4e: Access management standards shall be developed in conjunction with the functional classification system for Happy Valley to improve safety in Happy Valley.

- Provides full street connections with spacing of no more than 530 feet between connections except where prevented by barriers
- Provides bike and pedestrian access ways in lieu of streets with spacing of no more than 330 feet except where prevented by barriers
- Limits use of cul-de-sacs and other closed-end street systems to situations where barriers prevent full street connections
- Includes no close-end street longer than 200 feet or having no more than 10 dwelling units
- Includes street cross-sections demonstrating dimensions of ROW improvements, with streets designed for posted or expected speed limits

The arrows shown on Figure 8-2 indicate priority for local and neighborhood connections only. Other stub end streets in the road network may become cul-de-sacs, extended cul-de-sacs or provide collector or arterial connections. Pedestrian connections from the end of any stub end street that results in a cul-de-sac will be considered mandatory as future development occurs. The goal would continue to be improved city connectivity for all modes of transportation.

Topography and environmental conditions limit the level of connectivity in several areas of Happy Valley. The area north and south of Sunnyside Road between SE 152nd Avenue and Rock Creek and the Scouter Mountain area between 145th Avenue and 162nd Avenue are recognized as being particularly challenging and may require exceptional treatment to avoid overloading of narrow local streets.

The local street networks that are created adjacent to arterial street corridors, such as 172nd Avenue, are particularly important. They reduce reliance on the arterials for local trips and provide a street system that parallels those arterials. The City and community have carefully planned East Happy Valley and the 172nd-190th Avenue corridors. These plans integrate land use and transportation planning. Their success will depend, in part, on the development of a connected local street network in areas adjacent to the corridor. The ideal situation is that there is a continuous and connected local street system that parallels 172nd and 190th for the length of the corridor.

Functional Classification

The proposed functional classification of roadways was developed following detailed review of the existing Happy Valley TSP, Clackamas County TSP, the Rock Creek Comprehensive Plan, the East Happy Valley Comprehensive Plan and the 172nd-190th Avenue Corridor Management Plan, [and the Happy Valley Town Center Plan](#). A proposed roadway system has been developed within the planned growth areas of the TSP study area. The proposed functional classification of these roadways is shown in Figure 8-3.

In the January, 2011 update of the TSP, it was stated: “The following proposed Happy Valley TSP functional classifications are inconsistent with the Clackamas County TSP and/or the Rock Creek Comprehensive Plan or East Happy Valley Comprehensive Plan.

- 172nd Avenue changed from a minor arterial (County TSP) to a major arterial
- Monner Road changed from a local street (County TSP) to a neighborhood street
- 162nd Avenue (north of Sunnyside Road) changed from a local street (County TSP) to a collector street
- 152nd Avenue (north of Sunnyside Road) changed from a collector (County TSP and Rock Creek Plan) to a minor arterial

- Require that any comprehensive plan map/zoning map amendments or development code amendments that provide changes to land uses allowed in the existing zoning designations within the Interchange Management Areas shall be reviewed for transportation impacts in a manner that is consistent with OAR 660-012-0060. If the proposed new land uses are shown to exceed mobility standards at the interchange, the change either shall not be allowed or the developer shall be held responsible for required improvements to bring the interchange operation in line with urban mobility standards
- Support the implementation of state access management standards (OAR Chapter 734 Division 51 as amended and the Oregon Highway Plan) on state highway facilities within the Interchange Management Areas.
- Proposed development within the interchange management areas shall comply with the acknowledged comprehensive plan and land use regulations that implement the identified access management plan to maintain safe operations of the Sunrise interchanges. This may include property access consolidation, restriction or closure.
- Proposed future actions that would amend the local jurisdictional boundaries in the vicinity of the Sunrise interchanges will be monitored.
- Improve highway operations and safety by supporting construction of public roads that provide reasonable alternative access within the Interchange Management Areas. When reasonable access is provided, the City supports eliminating direct highway access to state highway facilities.
- Provide notice to ODOT for any land use actions proposed within the Interchange Management Areas as identified on Map V-12

172nd-190th Avenue Corridor Management Plan

Clackamas County, in coordination with Happy Valley, Damascus and Gresham, initiated the 172nd-190th Avenue Corridor Management Plan (CMP) to identify the future look and alignment of 172nd Avenue north of Sunnyside and to determine how it will connect to 190th Drive in the Gresham area. The project's purpose is to: accommodate the future traffic demand that will come with the buildout of developable land in Happy Valley, Damascus, and Gresham; and, provide a north-south connection to accommodate local and regional traffic growth. The CMP carefully evaluated multiple options for the 172nd-190th Avenue connection in the context of the area-wide transportation network, existing and planned land uses, environmental conditions and extensive community input. The CMP's recommendations are consistent with Happy Valley's land use and transportation planning conducted to date for East Happy Valley-. The CMP elevates past work to a more specific level of planning and design.

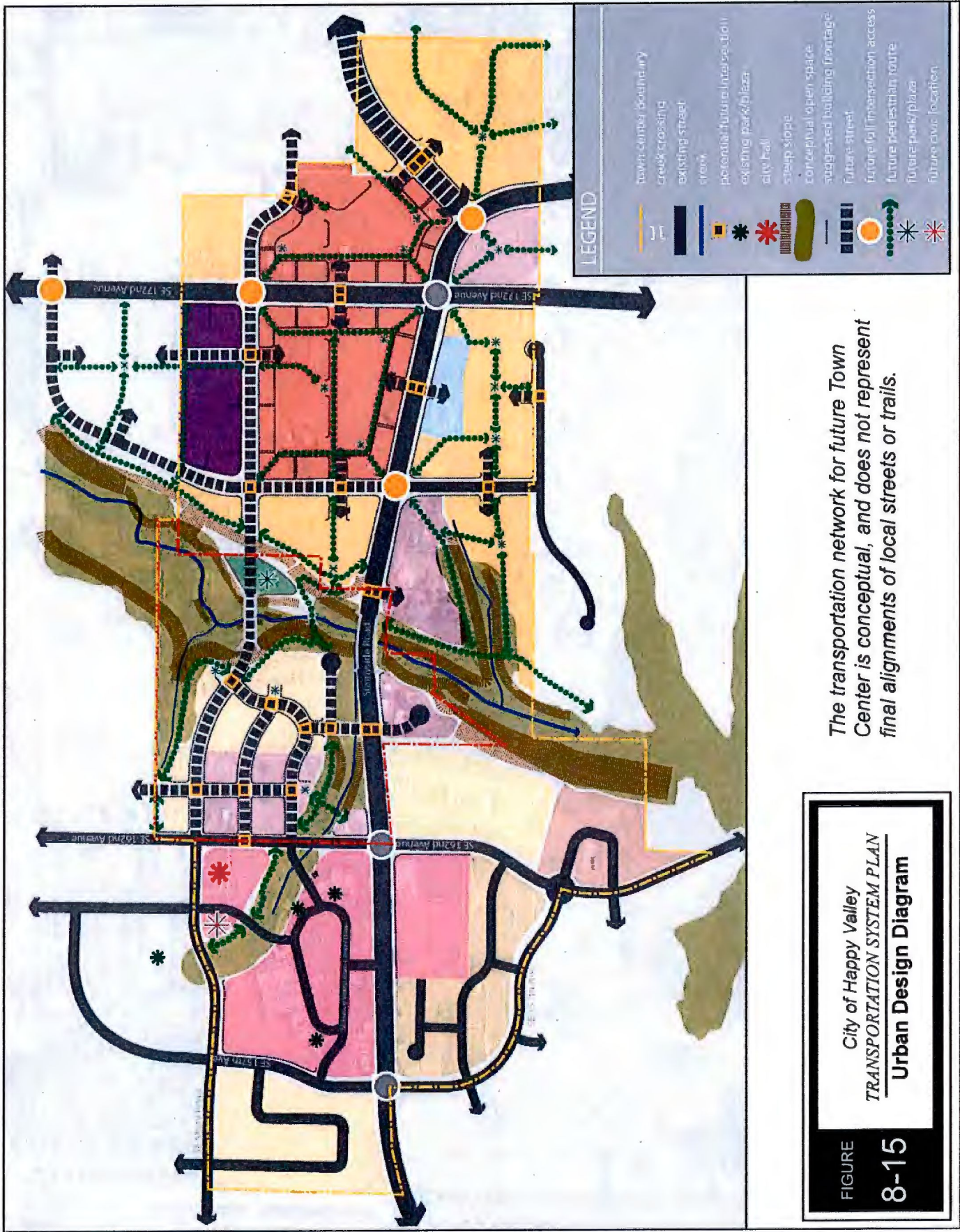
The City of Happy Valley supports the 172nd-190th Avenue Corridor Management Plan and will implement it. Accordingly, the CMP is adopted by reference as a part of this Transportation System Plan. Where a conflict arises between the CMP and other requirements of this TSP, the CMP supersedes.

Happy Valley Town Center Plan

The City of Happy Valley initiated the Happy Valley Town Center Plan (HVTCP) to re-locate the City of Happy Valley's Metro designated "Town Center" along Sunnyside Road. The new location, between approximately 157th and 172nd Avenues, is an area partially served by transit and

designated for medium to high density housing, commercial, and mixed uses. The HVTCP evaluated future year traffic operating conditions with the proposed land use changes in place, and provides recommendations for improvements that are included in this TSP. Figure 8-15 shows the urban design diagram for the Happy Valley Town Center, providing the general locations of transportation elements such as local streets and trails.

The HVTCP has been implemented through amendments to the City's Comprehensive Plan Policies, Development Code, Comprehensive Plan Map/Zoning Map, and this Transportation System Plan.



The transportation network for future Town Center is conceptual, and does not represent final alignments of local streets or trails.

FIGURE
8-15
City of Happy Valley
TRANSPORTATION SYSTEM PLAN
Urban Design Diagram

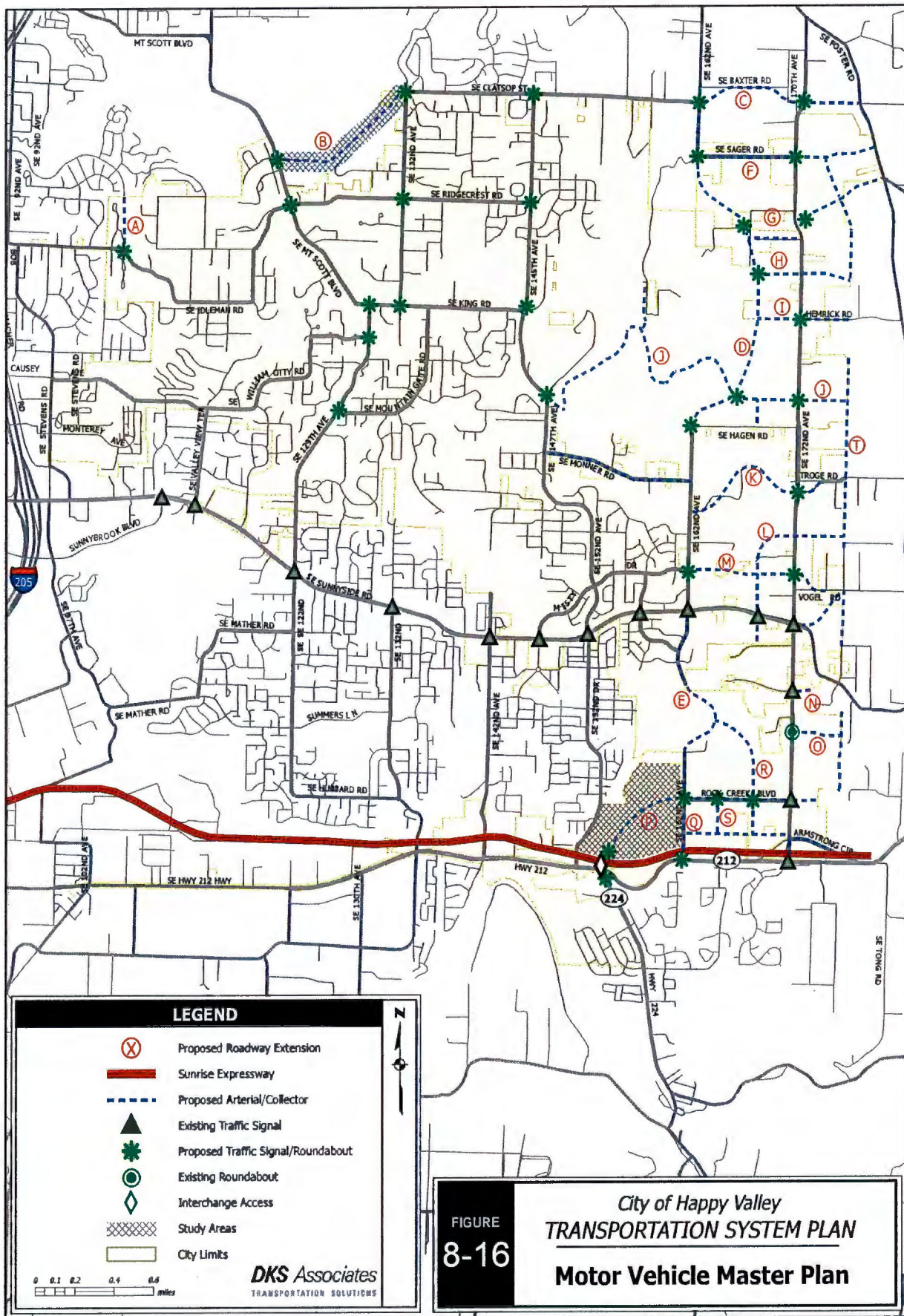


Table 8-11: 2025 Priority System PM Peak Hour Signal Warrant Analysis

Intersection	PM Peak Hour Signal Warrant Met?
172 nd Avenue/Hagen Road	No
147 th Avenue/Monner Road	No
162 nd Avenue/Monner Road	No
145 th Avenue/King Road	Yes
145 th Avenue/Ridgecrest Road	Yes
145 th Avenue/Clatsop Road	Yes
132 nd Avenue /King Road	Yes
132 nd Avenue/Ridgecrest Road	Yes
132 nd Avenue/Clatsop Road	Yes
122 nd Avenue/Spring Mountain Dr	No
129 th Avenue/Mountain Gate Road	Yes
129 th Avenue/William Otty Road	Yes
129 th Ave/King Road/Mt.Scott Blvd	Yes
William Otty Road/Kimberly Court	No
Mt. Scott Boulevard/Idleman Road/Ridgecrest Road	Yes
Valley View/William Otty Road	No
Clatsop Street/162 nd Avenue	Yes
Vogel Road/172 nd Avenue	Yes
Troge Road/172 nd Avenue	Yes
Hemrick Road/172 nd Avenue	Yes
Sager Road/172 nd Avenue	Yes
170 th Avenue (Baxter Road)/172 nd Avenue	Yes

Motor Vehicle Master Plan

The Motor Vehicle Master Plan combines both improvement projects identified in prior plans (Happy Valley TSP, Clackamas County TSP, Rock Creek Comprehensive Plan, East Happy Valley Comprehensive Plan, Metro RTP, 172nd-190th Avenue CMP, [Happy Valley Town Center Plan](#), etc.) and those determined as the outcome of the Happy Valley TSP update analysis. These improvements are shown in Figure 8-163 and listed below in Table 8-12. The proposed new roadways/extension projects listed in Table 8-12 have been identified (i.e. Roadway A) to correspond with the labels shown in Figure 8-163.

The planning level cost estimates provided are based on general unit costs for transportation improvements, but do not necessarily reflect the unique project elements that can significantly add to project costs. Each of these project costs will need further refinement to detail right-of-way requirements and costs associated with special design details as projects are pursued. The estimated cost to obtain required right-of-way was included in all of the roadway widening projects. Right-of-way costs were also included in the cost estimates for the 162nd Avenue extensions (north and south) and the Rock Creek major arterial. The construction of these roadways would be required prior to construction of the adjacent properties to support the future development. It was assumed that the new roadway/extension projects (except the 162nd Avenue

Project	Improvement	Cost (\$1,000s)
(Roadway I)	162 nd Avenue to 177 th Avenue.	
Scouter Mountain Road** (Roadway J)	Construct a new east-west collector on the south side of Scouter's Mountain between 147 th Avenue and 177 th Avenue.	\$7,600
Troge Road Extension** (Roadway K)	Construct a new 3-lane collector between 162 nd Avenue and 177 th Avenue.	\$2,700
169 th Avenue Extension** (Roadway L)	Construct a new 3-lane collector from Sunnyside Road to 177 th Avenue	\$2,950
Misty Drive Extension** (Roadway M)	Construct a new 3-lane east-west collector from 162 nd Avenue and 177 th Avenue.	\$3,200
Rock Creek Court Extension** (Roadway N)	Construct a new 3-lane east-west collector from 172 nd Avenue and 177 th Avenue.	\$1,000
Creekwood Road Extension** (Roadway O)	Construct a new 3-lane east-west collector from 172 nd Avenue and 177 th Avenue.	\$1,000
Rock Creek Boulevard** (Roadway P)	Construct a new 5-lane east-west major arterial from 177 th Avenue to the Sunrise Corridor Rock Creek interchange.	\$17,000
Rock Creek East-West Collector** (Roadway Q)	Construct a new 3-lane east-west collector between 162 nd Avenue and 172 nd Avenue.	\$2,100
Parklane Loop** (Roadway R)	Construct a new 3-lane north-south collector from 162 nd Avenue to Rock Creek Collector	\$2,450
167 th Avenue** (Roadway S)	Construct a new 3-lane north-south collector from Rock Creek Boulevard to Rock Creek Collector	\$650
177 th Avenue** (Roadway T)	Construct a new 3-lane north-south collector from Scouter Mountain East Roadway #1 to Armstrong Circle.	\$11,950
<i>Intersection Improvements</i>		
129 th Avenue/Mt. Scott Boulevard/King Road	Install a traffic signal or roundabout, add eastbound right turn lane	\$500
129 th Avenue/Mountain Gate Road	Install a traffic signal or roundabout	\$250
Mt. Scott Boulevard/Idleman Road/Ridgecrest Road	Install a traffic signal or roundabout, improve vertical curve, align eastbound and westbound approaches	\$500
Mt. Scott Boulevard/Clatsop Street	Install a traffic signal or roundabout	\$250
145 th Avenue/Ridgecrest Road	Install a traffic signal or roundabout	\$250
145 th Avenue/King Road	Install a traffic signal or roundabout	\$250
129 th Avenue/William Otty Road	Install a traffic signal or roundabout	\$250
145 th Avenue/Clatsop Road	Install a traffic signal or roundabout	\$250
132 nd Avenue/King Road	Install a traffic signal or roundabout	\$250
132 nd Avenue/Ridgecrest Road	Install a traffic signal or roundabout	\$250
132 nd Avenue/Clatsop Road	Install a traffic signal or roundabout	\$250
Johnson Creek Road/Idleman Road	Install a traffic signal or roundabout	\$250
172 nd Avenue/Clatsop Street	Install a traffic signal or roundabout	\$250
172 nd Avenue/Sager Road	Install a traffic signal or roundabout	\$250
172 nd Avenue/Scouter Mountain East Roadway #1	Install a traffic signal or roundabout	\$250
172 nd Avenue/Scouter Mountain East Roadway #2	Install a traffic signal or roundabout	\$250
172 nd Avenue/Hemrick Road	Install a traffic signal or roundabout	\$250
172 nd Avenue/Scouter Mountain Road	Install a traffic signal or roundabout	\$250
172 nd Avenue/Troge Road	Install a traffic signal or roundabout	\$250
172 nd Avenue/169 th Avenue Extension	Install a traffic signal or roundabout	\$250
172 nd Avenue/Misty Drive	Install a traffic signal or roundabout	\$250
Sunnyside Road/169 th Avenue	Install a traffic signal or roundabout	\$250
<u>Sunnyside Road/162nd Avenue</u>	<u>Add a separate northbound right turn lane</u>	<u>\$200</u>
162 nd Avenue/Clatsop Street	Install a traffic signal or roundabout	\$250

Project	Improvement	Cost (\$1,000s)
162 nd Avenue/Sager Road	Install a traffic signal or roundabout	\$250
162 nd Avenue/Scouter Mountain East Roadway #1	Install a traffic signal or roundabout	\$250
162 nd Avenue/Scouter Mountain East Roadway #2	Install a traffic signal or roundabout	\$250
162 nd Avenue/Hemrick Road	Install a traffic signal or roundabout	\$250
162 nd Avenue/Scouter Mountain Road	Install a traffic signal or roundabout	\$250
162 nd Avenue/Misty Drive	Install a traffic signal or roundabout	\$250
147 th Avenue/Scouter Mountain Road	Install a traffic signal or roundabout	\$250
162 nd Avenue/Parklane Loop	Install a traffic signal or roundabout	\$250
162 nd Avenue/Rock Creek Boulevard	Install a traffic signal or roundabout	\$250
162 nd Avenue/Rock Creek Collector	Install a traffic signal or roundabout	\$250
167 th Avenue/Rock Creek Boulevard	Install a traffic signal or roundabout	\$250
Parklane Loop/Rock Creek Boulevard	Install a traffic signal or roundabout	\$250
Total Motor Vehicle Master Plan Cost		\$215,14,950

**These projects would only occur with future development or redevelopment and would not be initiated by the City.
Note: Right-of-way is included in the cost estimates for the widening projects, the 162nd Avenue extensions (north and south), 172nd-190th Corridor improvements, and the new Rock Creek major arterial roadway.

Table 8-13 summarizes study intersection capacity operations for the 2025 Priority Plus scenario with includes the recommended Motor Vehicle Master Plan projects. The recommended improvements for each study intersection are summarized in Table 8-12 above. The majority of study intersections meet City operating standards.

The 122nd Avenue/Spring Mountain Drive intersection continues to operate with LOS F for the minor street approach under the 2025 Priority Plus scenario. Based on the 2025 forecast, this intersection does not meet warrants for a traffic signal or additional turn lanes. The local street connectivity within the Spring Mountain Drive neighborhood is adequate to provide alternative routes to signalized intersection at both 122nd Avenue and Sunnyside Road. Therefore, no improvements at the 122nd Avenue/Spring Mountain Drive intersection are recommended.

The signalized study intersections on Sunnyside Road from Valley View Terrace to 152nd Avenue continue to operate below minimum performance standards under the 2025 Priority Plus scenario. Major roadway improvements to this portion of Sunnyside Road have recently been constructed. Additional roadway improvements to this newly completed construction project are not feasible within the next 20 years. Therefore, no additional roadway projects are recommended at these intersections in the Motor Vehicle Master Plan.

The Sunnyside Road corridor within the TSP study area is forecasted to carry significant east-west volumes in the 2025 Priority Plus scenario which includes a four-lane Sunrise Corridor facility from I-205 to US 26. A large portion of the volume increase is attributed to nearby planned major growth areas, including Pleasant Valley and Damascus/Boring. Although local transportation plans (some preliminary) have been developed for these planned growth areas, their expected impacts to adjacent areas (including Happy Valley) and regional facilities will need to be addressed.

Motor Vehicle Action Plan

A motor vehicle system action plan project list was created to identify motor vehicle projects that are reasonably expected to be funded by the year 2025, which meets the requirements of the updated Transportation Planning Rule¹². Table 8-14 shows the action plan which combines projects identified in the RTP Priority scenario with additional projects that have been identified in the TSP update analysis. The construction of new collector and arterial facilities would only occur to support future development or redevelopment and would not be initiated by the City. The potential funding source serves as a guide for financing options the City should pursue. The estimated schedule is based on the RTP time line unless more current information is available.

Table 8-14: Motor Vehicle Action Plan Projects

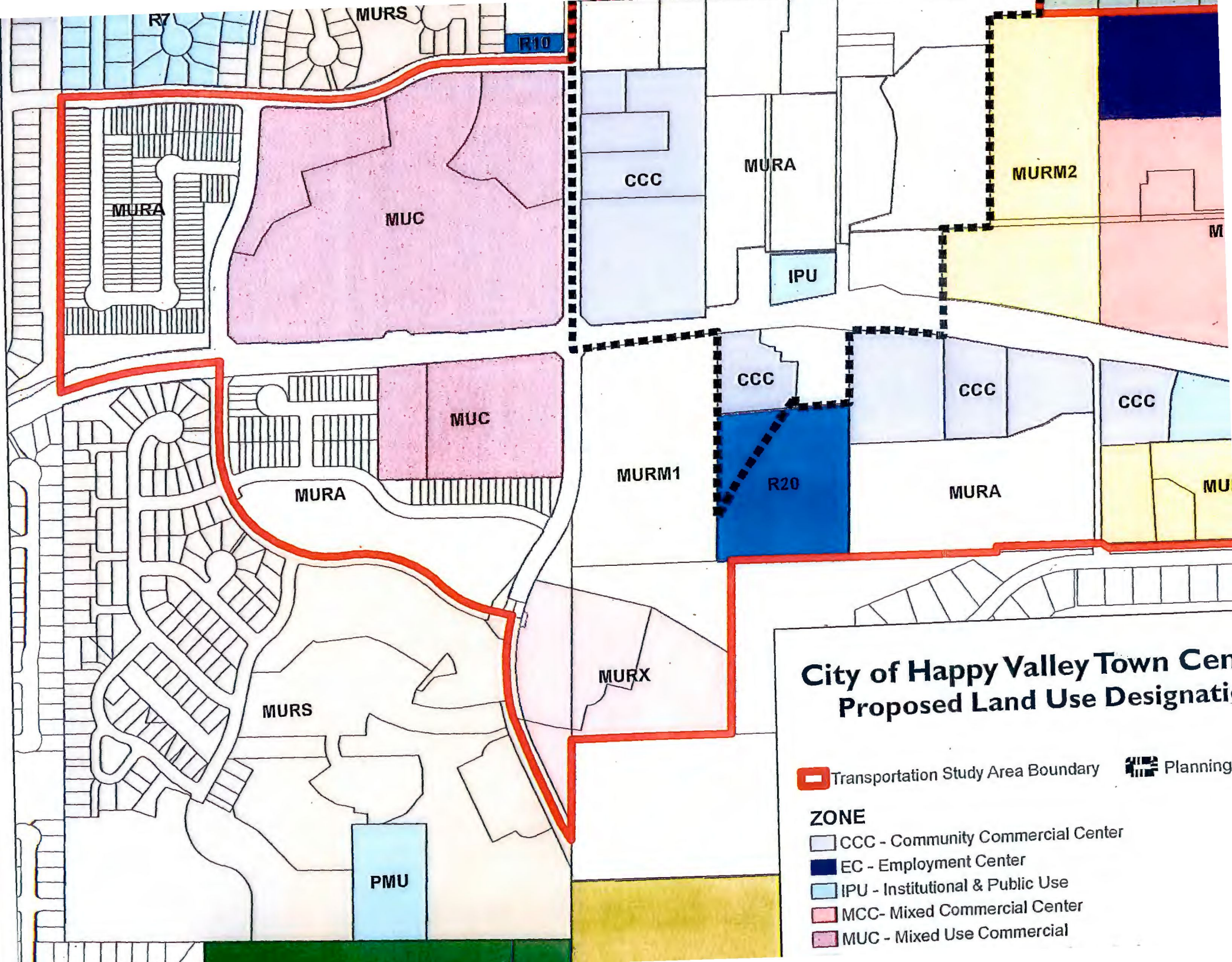
Project	Improvement	Potential Funding Source	Estimated Schedule	Cost (\$1,000s)
Sunnyside Road/162nd Ave.	Add a separate northbound right turn lane.	Joint SDC Fund/Other***	2021-2025	\$200
SE 172 nd Avenue (Sunnyside Rd to 172 nd -190 th Connector)	Widen roadway to 5-lane section per the 172 nd -190 th CMP.	Joint SDC Fund/Other***	2021-2025	\$43,400
SE 172 nd Avenue (172 nd -190 th Connector to Cheldelin Rd)	Widen roadway to 3-lane section per the 172 nd -190 th CMP.	Joint SDC Fund/Other***	2021-2025	\$10,100
SE 172 nd -190 th Connector (172 nd Ave to Foster Rd)	Construct a new 5-lane arterial per the 172 nd -190 th CMP.	Joint SDC Fund/Other***	2021-2025	\$10,400
122 nd /129 th Avenue Widening	Widen to 3-lane collector between Sunnyside Road and King Road and smooth curves.	Joint SDC Fund	2016-2025	\$4,800
162 nd Avenue Widening	Widen to 3-lane collector from Hagen Road to Palermo Avenue.	Joint SDC Fund	-	\$3,900
162 nd Avenue Extension South**	Construct a new 3-lane collector south of the Taralon development to Highway 212.	Joint SDC Fund	-	\$8,800
162 nd Avenue Extension North**	Construct a new 2/3-lane collector between Hagen Road and Clatsop Street.	Joint SDC Fund	-	\$14,600
Clatsop Street Extension East**	Construct a new 3-lane collector between 162 nd Avenue and 177 th Avenue.	Joint SDC Fund	-	\$3,400
Scouter Mountain Road**	Construct a new east-west collector on the south side of Scouter's Mountain between 147 th Avenue and 177 th Avenue.	Joint SDC Fund	-	\$7,600
Rock Creek Boulevard**	Construct a new 5-lane east-west major arterial from 177 th Avenue to the Sunrise Corridor Rock Creek interchange.	Joint SDC Fund	-	\$17,000
Total Motor Vehicle Project Costs (Joint SDCs)				\$81,400
Total cost of above projects				\$124,200

**These projects would only occur with development or redevelopment and would not be initiated by the City.

***Potential funding sources include state/federal grants.

***See Chapter 10 for more information on SDCs available for action plan projects.

¹² OAR Chapter 660, Department of Land Conservation and Development, Division 012, Transportation Planning, adopted on March 15, 2005, effective April 2005.



City of Happy Valley Town Center Proposed Land Use Designation

 Transportation Study Area Boundary  Planning

ZONE

-  CCC - Community Commercial Center
-  EC - Employment Center
-  IPU - Institutional & Public Use
-  MCC - Mixed Commercial Center
-  MUC - Mixed Use Commercial

205

MOUNT
TALBERT

MOUNT
SCOTT

DOWNTOWN
PORTLAND

CITY
HALL

SE 169TH AVENUE
SUMMERSIDE ROAD



HAPPY VALLEY - TOWN CENTER

CONCEPTUAL ILLUSTRATION

21 December 2011

EXHIBIT # 0

NOTICE OF PUBLIC HEARING

CITY OF HAPPY VALLEY PLANNING COMMISSION AND CITY COUNCIL

THIS IS TO NOTIFY YOU THAT THE CITY OF HAPPY VALLEY SEEKS TO IMPLEMENT A PLAN AND/OR LAND USE REGULATION THAT MAY AFFECT THE PERMISSIBLE USES OF YOUR PROPERTY.

This notice is provided in order to comply with Ballot Measure 56 - approved by Oregon voters on November 3, 1998. Ballot Measure 56 requires the City to print the following sentence: "The City has determined that adoption of this ordinance may affect the permissible uses of your property, and other properties in the affected zone, and may change the value of your property."

Notice is hereby given that the

HAPPY VALLEY PLANNING COMMISSION will hold a
PUBLIC HEARING on
TUESDAY, FEBRUARY 28, 2012 and the **HAPPY VALLEY CITY COUNCIL** will hold a subsequent **PUBLIC HEARING on TUESDAY, MARCH 20, 2012** both hearings to commence at **7:00 p.m.**

The hearings will be held at the Happy Valley City Hall
16000 SE Misty Drive,
Happy Valley, OR, 97086

The purpose of these hearings is to consider public testimony on:

AMENDMENTS TO THE CITY'S ROCK CREEK COMPREHENSIVE PLAN AND COMPREHENSIVE PLAN MAP/ZONING MAP REGARDING 18 PROPERTIES BEING AMENDED FROM CITY LOW DENSITY RESIDENTIAL – 10,000 SQ. FT. (R-10); CITY SINGLE FAMILY ATTACHED RESIDENTIAL (SFA); AND, CLACKAMAS COUNTY RURAL RESIDENTIAL FARM FOREST – 5-ACRE (RRFF-5) – TO CITY MIXED USE RESIDENTIAL-ATTACHED (MUR-A) AND COMMUNITY COMMERCIAL CENTER (CCC)

On February 28, 2012 and March 20, 2012, the City of Happy Valley will hold public hearings regarding proposed amendments to the City's Comprehensive Plan/Zoning Map (Local File No. CPA-07-11/LDC-07-11). Please see the attached materials. *The City of Happy Valley has determined that adoption of this plan may affect the permissible uses of your properties and may change the value of your property.* In broad terms, the proposed changes represent what is typically referred to as an "up-zone". The file is available for inspection at the City of Happy Valley City Hall located at 16000 SE Misty Drive, Happy Valley, OR 97086. A copy of the entire file may be obtained electronically (by e-mail); for the cost of electronic transfer to a writable CD; or, copying costs for paper copies. All written comments must be received by Tuesday, February 14, 2010 at the above address. For additional information concerning the file, please contact Michael D. Walter, AICP at 503-783-3839, or write to michaelw@ci.happy-valley.or.us. The Planning Commission holds a first evidentiary public hearing in regard to the proposed map amendments, followed by a recommendation to the City Council. The City Council is the final local review authority and will consider the map amendments and an Ordinance at the subsequent public hearing. Applicable criteria for this review are generally set forth in:

- Happy Valley Comprehensive Plan Policies;
- Happy Valley Development Code
- Metro Urban Growth Management Functional Plan; and,
- Oregon Statewide Planning Goals and Statutes.

Assistive Listening Devices (ALD) are available for persons with impaired hearing and can be scheduled for this meeting if requested at least 72 hours prior to the meeting. To obtain such services, please contact Marylee Walden, City Recorder, at 503.783.3800

NOTICE OF PUBLIC HEARING
City of Happy Valley Planning Commission and City Council

Notice is hereby given that the City of Happy Valley Planning Commission and City Council will hold public hearings on the following dates in regard to proposed Happy Valley Town Center Plan, which includes amendments to the City's Rock Creek Comprehensive Plan; Comprehensive Plan Map/Zoning Map; Title 16 of the Municipal Code (Development Code); and, Transportation System Plan (TSP).

Date & Time: Planning Commission, February 28, 2012 at 7:00 p.m.
City Council, March 20, 2012 at 7:00 p.m.

Hearing Location: City Hall, 16000 SE Misty Dr., Happy Valley, OR 97086;

File & Subject: CPA-07-11/LDC-07-11 (Happy Valley Town Center Plan).

Proposal: Adoption of the Happy Valley Town Center Plan includes amendments to the City's Rock Creek Comprehensive Plan; Comprehensive Plan Map/Zoning Map regarding 18 properties being amended from City Low Density Residential - 10,000 SQ. FT. (R-10); City Single Family Attached Residential, (SFA); and, Clackamas County Rural Residential Farm Forest -- 5-acre (RRFF-5) -- to City Mixed Use Residential-Attached (MUR-A) and Community Commercial, Center (CCC); the Development Code; and, the TSP.

Location: Happy Valley Town Center Plan Area

Applicant: City of Happy Valley

Applicable Criteria: Applicable Statewide Planning Goals; applicable Oregon Administrative Rule (OAR) sections; and, applicable Sections of Title 16 (Development Code) of the City of Happy Valley Municipal Code.

Staff Contact: Michael D. Walter, Economic & Community Development Director
503-783-3800

Interested parties are invited to attend this hearing or to submit comments in writing prior to the meeting time. Written testimony may be submitted in advance or in person at the hearing. Those wishing to present verbal testimony, either pro, con, or to raise questions, will be asked to speak after presentation of the reports.

Testimony should pertain to the applicable criteria. The decision will be made in accordance with said criteria, and may be appealed to the Land Use Board of Appeals. Failure to raise an issue in writing prior to or before the close of the written comment period or failure to provide sufficient specificity at the public hearing to afford the decision-making body an opportunity to respond to the issue precludes appeal to the Land Use Board of Appeals based upon that issue. The applicant and any person who submits written comments shall receive notice of the decision.

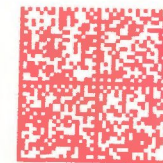
The failure of the applicant to raise constitutional or other issues relating to proposed amendments without sufficient specificity to allow the decision-making body to respond to the issue precludes an action for damages in circuit court.

The decision-making criteria, application, and records concerning this matter are available at the City of Happy Valley City Hall at the above address during working hours (8:00 a.m. to 5:00 p.m. weekdays), please call for an appointment. For additional information, contact Michael D. Walter, Economic & Community Development Director, at the above address and phone number.

The meeting site is accessible to handicapped individuals. Assistance with communications (visual, hearing) must be requested 72 hours in advance by contacting Marylee Walden, City Recorder at the above phone number.

EXHIBIT # Q

Y OF HAPPY VALLEY
6000 SE MISTY DRIVE
Y VALLEY, OREGON 97086



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Plan Amendment Specialist – Angela Houck
Dept. of Land Conservation & Development
635 Capital Street NE, Suite 150
Salem, OR 97301-2540

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LAND CONSERVATION
AND DEVELOPMENT