CITY OF BEAVERTON COUNCIL AGENDA

TELEVISED

FINAL AGENDA

FORREST C. SOTH CITY COUNCIL CHAMBER
4755 SW GRIFFITH DRIVE
BEAVERTON, OR 97005

REGULAR MEETING
JULY 12, 2004
6:00 p.m.

The Regular Meeting of the City Council will begin at 6:00 p.m. in the Forrest Soth City Council Chamber.

For the last agenda item of business, Agenda Bill 04154, the City Council will hold a Joint Dinner Meeting with the Metro Council in the First Floor Conference Room. This portion of the meeting will not be televised.

CALL TO ORDER:

ROLL CALL:

PRESENTATIONS:

04143 Presentation of Shields and Swearing In of Eight Officers to the Beaverton Police Department

CITIZEN COMMUNICATIONS:

COUNCIL ITEMS:

STAFF ITEMS:

CONSENT AGENDA:

Minutes for the Regular Meeting of June 28, 2004

04144 Liquor Licenses: Change of Ownership – Mai Thai Restaurant

04145 A Resolution Certifying that the City of Beaverton Provides Certain Services Necessary to be Eligible to Receive State-Shared Revenues Under ORS 221.760 (Resolution No. 3765)

04146 A Resolution Expressing the City of Beaverton's Election to Receive Distribution of a Share of Certain Revenues of the State of Oregon for Fiscal Year 2004-2005, Pursuant to ORS 221.770 (Resolution No. 3766)

04147 Traffic Commission Issues TC 552-555

04148 Final Order for Traffic Commission Issue No. TC 500 Regarding Left Turn Restrictions on SW Greenway at the Driveway Near Hall Boulevard

Contract Review Board:

04149 Bid Award – Cardlock Fueling Services

04150 Waiver of Sealed Bidding – Purchase One Backhoe/Loader From the State of Oregon Price Agreement

ORDINANCES:

First Reading:

04151 An Ordinance Amending Ordinance No. 4187, Figure III-1, the Comprehensive Plan Land Use Map and Ordinance No. 2050, the Zoning Map for Property Located South of NW Cornell Road and West of NW 114th Avenue; CPA 2004-0008/ZMA 2004-0008 (Ordinance No. 4316)

04152 An Ordinance Renaming SW Millikan Boulevard Between Murray Boulevard and Tualatin Valley Highway to "SW Millikan Way"; SNC 2004-0001 (Ordinance No. 4317)

04153 An Ordinance Amending Ordinance No. 2050, the Zoning Map, as to a Specific Parcel, From Office Commercial (OC) to Community Service (CS); ZMA 2004-0006 Summit View Zoning Map Amendment (Ordinance No. 4318)

RECESS: Council Meeting will reconvene in First Floor Conference Room

JOINT DINNER MEETING WITH METRO COUNCIL TO HEAR PRESENTATION

04154 Beaverton Downtown Regional Center Development Strategy

EXECUTIVE SESSION:

In accordance with ORS 192.660 (1) (h) to discuss the legal rights and duties of the governing body with regard to litigation or litigation likely to be filed and in accordance with ORS 192.660 (1) (d) to conduct deliberations with the persons designated by the governing body to carry on labor negotiations and in accordance with ORS 192.660 (1) (e) to deliberate with persons designated by the governing body to negotiate real property transactions. Pursuant to ORS 192.660 (3), it is Council's wish that the items discussed not be disclosed by media representatives or others.

ADJOURNMENT

This information is available in large print or audio tape upon request. In addition, assistive listening devices, sign language interpreters, or qualified bilingual interpreters will be made available at any public meeting or program with 72 hours advance notice. To request these services, please call 503-526-2222/voice TDD.

AGENDA BILL

Beaverton City Council
Beaverton, Oregon

SUBJECT: Presentation of Shields and Swearing In of Eight Officers to the Beaverton Police Department

FOR AGENDA OF: 07/12/04 **BILL NO:** 04143

MAYOR'S APPROVAL:

DEPARTMENT OF ORIGIN: Police

DATE SUBMITTED: 06/29/04

PRESENTATION: Presentation

EXHIBITS:

BUDGET IMPACT

EXPENDITURE REQUIRED $ 0	AMOUNT BUDGETED $ 0	APPROPRIATION REQUIRED $ 0

HISTORICAL PERSPECTIVE:
The Beaverton Police Department is in the process of filling eight officer positions that are vacant as a result of attrition. As part of the hiring process, these individuals are sworn in before the City Council during a brief ceremony.

INFORMATION FOR CONSIDERATION:
The department is pleased to swear in Nicholas W. Coplin, Bryan J. Dalton, Ryan J. Garbutt, Gregory A. Gottschalk, Michael J. Hanada, Jessica T. Hull, Michael P. Smith, and Christopher R. Warren.

RECOMMENDED ACTION:
City Council offer their support to the new officers through a presentation made during the City Council meeting.

DRAFT

BEAVERTON CITY COUNCIL
REGULAR MEETING
JUNE 28, 2004

CALL TO ORDER:

The Regular Meeting of the Beaverton City Council was called to order by Mayor Rob Drake in the Forrest C. Soth City Council Chamber, 4755 SW Griffith Drive, Beaverton, Oregon, on Monday, June 28, 2004, at 6:32 p.m.

ROLL CALL:

Present were Mayor Drake, Couns. Betty Bode, Dennis Doyle, Fred Ruby, Forrest Soth and Cathy Stanton. Also present were Chief of Staff Linda Adlard, Assistant City Attorney Bill Scheiderich, Finance Director Patrick O'Claire, Community Development Director Joe Grillo, Engineering Director Tom Ramisch, Operations/Maintenance Director Gary Brentano, Library Director Ed House, Human Resources Director Nancy Bates, Police Captain Stan Newland, Project Engineers Jim Brink, Joel Howie and Mark Boguslawski, Transportation Engineer Randy Wooley and Deputy City Recorder Catherine L. Jansen.

PROCLAMATION:

Vietnamese-American Heritage & Freedom Flag

Jean Bui expressed appreciation to the Mayor, Council and staff for recognition of the Vietnamese-American Heritage & Freedom Flag. She displayed the flag (yellow with three red stripes) and explained the red stripes represented North, Central and South Vietnam, as united in the national community. She explained how they left everything behind in Vietnam and risked their lives to come to America. She said the flag was the symbol of their hopes and dreams for freedom. She expressed appreciation for the opportunity to establish their homes and communities in America.

Ken Bui thanked the Mayor and Council on behalf of the Vietnamese community. He explained the flag was adopted as the Vietnamese-American Community Flag; they were happy to make Beaverton their home.

Jean Bui presented the Vietnamese Freedom Heritage Flag to the Mayor as a gift to the City. She noted there were over forty representatives from the Vietnamese community that participated in the presentation.

Mayor Drake read the proclamation recognizing and honoring the Vietnamese-American Heritage & Freedom Flag and presented the framed proclamation to Jean Bui.

PRESENTATIONS:

04128 Presentation by U. S. Department of Housing and Urban Development

Tom Cusack, Field Officer, U. S. Department of Housing and Urban Development (HUD), explained June 2004 was National Homeownership Month and the 70th Anniversary of the Federal Housing Administration. His presentation compared homeownership financial data in Beaverton with state and national data (in the record). He explained the information was available on the Oregon HUD Web site and could be downloaded for public use.

Cusack presented three key points regarding home ownership:

1) Renters cannot share in the increase in home values.

2) Homeownership rates vary by race and ethnicity throughout the United States. The Oregon homeownership rate in 2000 was less than it was in 1950; Oregon did not keep pace with the increase in homeownership rates in the U.S. during 1990 to 2000.

3) Programs that helped accelerate first-time homeownership accomplished many objectives, one of which was the opportunity to share in the wealth that comes from homeownership.

Cusack explained in the 1990's in Beaverton the return on a median value home (including reduction in loan principal) was $83,000; the rest of the country increased $26,000. He said this increase was reflected as a 714% rate of return in Beaverton compared to 195% in the rest of the United States.

Coun. Soth asked if there was any relation to the UGB laws in Oregon and the increase in home value.

Cusack said rather than the UGB, he thought the most significant factor was that Oregon started from a tremendously low base in 1990; home prices in 1990 were quite low compared to the rest of the country. He said that was one of the reasons for bringing outside investments into Oregon. He reviewed financial charts that indicated in the 1990's Oregon was behind the rest of the country in homeownership rates (in the record).

He reviewed new resources currently available to assist in homeownership. Those included: 1) the Oregon Housing State Bond (cash advantage option to assist in closing loans); 2) the 2005 FHA Zero Down Loan Program (if enacted); 3) the HUD Regulatory Barriers Clearinghouse (data base resource on what other jurisdictions were doing); and 4) the HUD American Dream Down Payment for first time homebuyers with income below 80% of median. He explained the focus on down payment assistance was the result of studies that indicated providing down payment assistance had the largest impact in increasing homeownership rates, especially for minority families.

Coun. Soth asked if the governing factor was the down payment, did it follow that the rent payments and mortgage payments were substantially the same.

Cusack replied he was not sure that was true. He said in most cases people paid more when they purchased a home as opposed to the current rent payment. He said one of the reasons was because people did not have the cash to purchase a home.

Cusack explained this year HUD established affordable housing and home purchasing goals for Fannie Mae and Freddie Mac, to increase the number of home purchases they processed. He said nationally, the number of loans purchased by Fannie Mae and Freddie Mac related to first-time home buyers was much less than their overall market share. He reviewed the history of the FHA and showed pictures of the home purchased through the first FHA home loan in Astoria in 1935.

Coun. Ruby asked how consumers accessed these first-time buyer loans.

Cusack replied all the programs were delivered by the private sector (mortgage bankers and brokers).

Mayor Drake asked if HUD then bought the loan or paid the interest.

Cusack explained the primary innovation of the FHA loan product was the lower down payment and the concept of a government guarantee. He said the idea was the American public could be trusted to make monthly payments on time and to encourage banks to make more ambitious loans. He said the owner never failed to make the payment and the buyer paid a mortgage insurance premium to HUD, so the program was self-supporting. He said HUD only made payments when foreclosures occurred. He said in the Portland Metro area FHA's maximum mortgage limit was $208,000. He reviewed HUD's FHA loan activity in Beaverton in 2003 (in the record). He said the majority of loans were for detached homes and estimated less than 20% of the loans were for common-wall homes.

Mayor Drake asked what was being done to encourage minority-home ownership.

Cusack explained for the past several years HUD conducted a series of public homeownership fairs; these fairs had a minority-focused component to provide information to minority citizens. He said HUD increased its marketing efforts to advise citizens of the many products now available to help them purchase homes.

Coun. Doyle asked if Beaverton had a lower rate of first time buyers because there were fewer properties available at the maximum mortgage limit of $208,000.

Cusack said he had not reviewed that in detail but he suspected in Washington County there were fewer properties that fell within that range. He noted there were other areas of Washington County where HUD loans were approved, Forest Grove and Aloha were examples. He said in Lake Oswego, twenty percent of the sales were within the FHA limit and he would be surprised if fifty to sixty percent of the sales in Beaverton were not within that price range.

Cusack explained FHA loans were delivered by the private sector and were totally self-supporting. He said FHA loans reduced the Federal Deficit by more than $2 billion in 2004.

Mayor Drake asked if the GI Bill had a lot to do with the strong homeownership rates in the 1950's.

Cusack said that could be true but the other side was that there was a more homogenous population in Oregon in the 1950's. There were not many newcomers to Oregon then and there wasn't the diversity in rental housing that exists today. He said one of the very positive things that happened in Portland during the 1990's, compared to the United States, was that residential segregation decreased because communities did an excellent job developing rental housing as well as single-family homeownership units. This improved the opportunities for people to live throughout the metropolitan area; either in rental or purchased units.

Coun. Soth said he started building his house in 1950. He said that was the first year when people who came back from WWII finished their education and were beginning to enter the homeownership mode.

Cusack concluded by stating the FHA Loan Program, along with the GI Bill, were programs that withstood the test of time and made wonderful contributions.

Mayor Drake thanked Cusack for the presentation.

CITIZEN COMMUNICATIONS:

There were none.

COUNCIL ITEMS:

Coun. Stanton thanked the Mayor's Office and staff for the excellent Picnic in Park last week.

STAFF ITEMS:

There were none.

CONSENT AGENDA:

Coun. Doyle MOVED, SECONDED by Coun. Soth, that the Consent Agenda be approved as follows:

Minutes for the Regular Meetings of June 14 and June 21, 2004

04129 Liquor Licenses: Change of Ownership - Izzy's Pizza Bar Classic Buffet

04130 Annual Resolution to Update Development Services Fees for Applications, Appeals, and Other Services (Resolution No. 3760)

04131 Compensation Changes

04132 Authorize Mayor to Enter into Intergovernmental Agreement with Washington County for HOME Funding and Select HOME Program Option

04133 Approve Application and Adopt Resolution of Support for Metro Metropolitan Transportation Improvement Program Project Proposal (Resolution No. 3761) Pulled for Separate Consideration

04134 Transfer of Road Jurisdiction from Washington County to the City of Beaverton (SW 110th Avenue) (Resolution No. 3762)

04135 A Resolution of Intent to Condemn Real Property Located Generally Along S.W. Barrows Road in Beaverton, Washington County, Oregon for Use for Public Right of Way (Resolution No. 3763)

04136 Authorize Mayor to Sign Participation Agreement and Trust Agreement for Police Employees VEBA Benefit Plan

Contract Review Board:

04137 Contract Award – Accessibility Rehabilitation Pilot Program

04138 Bid Award – Curb and Gutter Installation Project Fiscal Year 2004-05

04139 Bid Award – Street Profiling Project for In-House Overlays, Fiscal Year 2004-05

04140 Consultant Contract Award - Sterling Park Pond Reconstruction Project

Mayor Drake said Agenda Bill 04133 was pulled for separate consideration at the request of Coun. Stanton.

Coun. Doyle stated he was glad to see that the City was continuing with the Selection HOME Program Option in Agenda Bill 04132.

Question called on the motion. Couns. Bode, Doyle, Ruby, Soth and Stanton voting AYE, the MOTION CARRIED unanimously. (5:0)

04133 Approve Application and Adopt Resolution of Support for Metro Metropolitan Transportation Improvement Program Project Proposal (Resolution No. 3761)

Mayor Drake said that Rose Biggi Avenue (from Crescent Street to Hall Boulevard) was the project proposed for MTIP funding under this agenda bill.

Coun. Stanton said she would vote no on this project, because the 125th Avenue Extension had been on the books for a longer period of time, was in more need of being done, and had regional significance because it was between a regional and a town center.

Coun. Doyle MOVED, SECONDED by Coun. Soth, to approve Agenda Bill 04133, to Approve Application and Adopt Resolution of Support for Metro Metropolitan Transportation Improvement Program Project Proposal.

Coun. Soth stated while he sympathized with Coun. Stanton on the 125th Extension, he had no reason to doubt that all the criteria were considered and those involved in the selection process were objective in their consideration, so he would support this.

Mayor Drake said he talked with Metro's Planning Transportation Director Andy Cotugno and staff worked internally with Metro. He said the MTIP criteria was tightly focused and very little of the 125th Extension Project met the MTIP criteria.

Coun. Stanton asked if next time staff would show her how the 125th Project had not met the criteria. She said with this information she could approach Metro and ask for a shift in the criteria.

Question called on the motion. Couns. Doyle, Ruby and Soth voting AYE, Couns. Stanton and Bode voting NAY, the MOTION CARRIED. (3:2)

PUBLIC HEARINGS:

04141 Capital Improvements Plan for Fiscal Years 2004/05 through 2007/08 for Transportation, Water, Sewer and Storm Drain Projects

Engineering Director Tom Ramisch introduced Project Engineer/CIP Coordinator Jim Brink. Ramisch noted several Project Engineers were in attendance to answer questions on specific projects if needed.

Ramisch briefly summarized the sections of the new Capital Improvements Plan (CIP). He explained the Sanitary Sewer System Master Plan was virtually completed, and the Storm System Master Plan effort was on a basin-by-basin approach and was listed in storm section of the CIP. He explained in the years ahead, the water system had huge financial challenges due to increased capacity projects for the Joint Water Commission projects. He said these were million-dollar projects and they were also looking at the possibility of wholesale contracts with City of Portland.

Ramisch said in the next few months staff would embark on a careful re-estimate and re-evaluation of the data to date for Phase 3 of the 125th Extension Project. He said before they proceeded further he wanted to review what was done, what the PAC recommended, and the costs in today's dollars. He said staff would update Council on this at a future meeting.

Mayor Drake said he agreed with Ramisch's recommendation to get a tighter scope on what needs to be done and the actual costs for the 125th Extension. He agreed this project needed to get done and it was a critical element for the Transportation Plan. He said he thought there was more hope for this project than one would think.

Coun. Ruby said he was glad to see the straightening out of Lombard Avenue in the CIP. He spoke on the difficulty of navigating Lombard and how that made it difficult to use the Beaverton Transit Center.

Mayor Drake explained Lombard was approved in 1995 as part of the MSTIP and since the County wanted to phase in the projects, it took a while to get to this project.

Coun. Stanton confirmed with staff that the City was moving to Phase 2 of the 125th Extension Project and it was scheduled to be completed in 2006. She noted Phase 3 was scheduled for 2006-07 at a cost of $500,000. She questioned what was included in Phases 2 and 3.

Brink confirmed Phase 2 would take two years and that $715,000 was budgeted primarily for right-of-way acquisition.

Project Engineer Joel Howie explained the right-of-way funding was for the Phase 2 components that included wetland mitigation and storm drain improvements in the basin (assuming the 125th Extension was built). He said the right-of-way acquisition for the main road was already accomplished. For Phase 2, the wetland mitigation areas, with the Blankeney Pond Study, had funding for design only for the storm drainage portion downstream of the Phase 2 project.

Mayor Drake asked if he was talking about off-site mitigation.

Howie said it was on-site mitigation but additional area was needed which was identified in conjunction with the Blankeney Pond Study. He said the funding and the acquisition was only for the 125th Extension. He confirmed for Coun. Stanton there would not be any additional impact to the 125th Extension because of the Blankeney Project.

Project Engineer Mark Boguslawski explained there were existing flooding problems recorded in the Blankeney area and along BelAire Drive. He said the staff was working both programs together to the mutual benefit of each project. He said one of the things they would be doing in the low area, next to the Verizon switching station, was to increase the floodplain storage (detention) area to alleviate the downstream flooding constraints, and they would be doing floodplain enhancement with that detention.

Mayor Drake explained staff was taking a holistic viewpoint to mitigate two issues at one time; only breaking ground once and going through the permitting process once.

Coun. Stanton said she was not convinced that the BelAire Creek Storm Drainage/Blankeney Trunk Sanitary Sewer Improvement project was not increasing the mitigation that would have to take place in Phase 2 of 125th Extension.

Boguslawski replied it was not.

Coun. Stanton asked if Phase 3 was the storm and sewer work on that corridor. She questioned what was involved in the funds for Phase 3 and Phase 2.

Ramisch explained Phase 3 in Fiscal 2006-07 was $500,000 for the design phase for the street.

Howie said the $600,000 for Phase 2 was for the dirt moving for the wetland mitigation and the detention facilities.

Mayor Drake stated the staff was moving at a good pace on this project and there had been several changes along the way.

Coun. Stanton complimented staff for the setup on the storm, sewer and water portions of the CIP.

Coun. Doyle asked if the storm water detention would benefit the City in some other way if the road was not built.

Boguslawski said it would benefit the ultimate condition by relieving all residential flooding in that area for up to a 100-year storm event.

Mayor Drake noted several years ago the Council authorized a $1.00/month charge for storm drain improvements. He said that raised $1.2 million per year for retrofitting storm capacity and staff was aggressively working to improve storm capacity.

Mayor Drake opened the public hearing.

No one wished to testify.

Mayor Drake closed the public hearing.

Coun. Soth MOVED, SECONDED by Coun. Doyle to approve Agenda Bill 04141, the Capital Improvements Plan for Fiscal Year 2004/05 through 2007/08 for Transportation, Water, Sewer and Storm Drain Projects.

Coun. Stanton said though she voted no last year because of one transportation project, this year she would support this motion because she realized the water, sewer, storm and some transportation projects were very important.

Coun. Soth spoke on the importance of the water projects within the CIP. He said it was apparent that the region as a whole was going to be short of potable water in the next ten years unless something was done now. He said the projects the Joint Water Commission was interested in would alleviate some of that shortage. He noted time, cooperation and good will among all the agencies involved was needed to bring these projects to completion.

Coun. Bode said the CIP covered a variety of needs in the community and she would support the CIP. She reiterated the 125th Extension Project had been in the CIP for 30 years and she thought this project needed to be given a higher priority next year.

Coun. Doyle said he would support the motion. He said it was important to note the CIP was anticipating the needs for infrastructure replacement to meet the needs of the community and keep the City modern. He complimented staff for doing an excellent job in keeping track of these needs. He stated the CIP was a proactive document and he commended staff for the CIP.

Mayor Drake complimented Engineering staff for doing an excellent job.

Question called on the motion. Couns. Bode, Doyle, Ruby, Soth and Stanton voting AYE, the MOTION CARRIED unanimously. (5-0)

RECESS:

Mayor Drake called for a brief recess at 8:06 p.m.

RECONVENE:

Mayor Drake reconvened the meeting at 8:13 p.m.

04142 A Resolution Adopting a Budget for Fiscal Year Commencing July 1, 2004

Finance Director Patrick O'Claire stated this was the public hearing on the proposed Fiscal Year 2004-05 Budget, including the use of State Revenue Sharing Funds. He said included with the agenda bill was the resolution that approved the budget. He explained this was the same resolution adopted by the Budget Committee on June 8, 2004, with two amendments that were approved by the Budget Committee. He confirmed the two amendments were incorporated into the budget and there were no other changes to the document.

Mayor Drake thanked the City Councilors for the time they spend to read, review and understand the budget. He said it was good to have a Council that understood the budget and supported it.

Mayor Drake opened public hearing.

There was no one present who wished to testify.

Mayor Drake closed the public hearing.

Coun. Soth MOVED, SECONDED by Coun. Bode that Council approve Agenda Bill 04142, A Resolution Adopting a Budget for Fiscal Year Commencing July 1, 2004.

Coun. Soth stated since this was his last general budget, he wished to express his appreciation to all the staff, department heads and the Mayor for the budgets they had put together. He stated the City had done an excellent job in acceding to the wishes of the citizens of Beaverton, and the citizens had expressed their appreciation and support for everything the City had done by approving two financial ballot measures over the last ten years that included a tax base measure.

Coun. Stanton said she would support the motion even though the budget did not have enough money for the library and the 125th Extension Project.

Mayor Drake thanked Coun. Soth for his comments and stated the City had excellent department heads and staff. He said everyone carried their weight and this was a good organization to manage.

Question called on motion. Couns. Bode, Doyle, Ruby, Soth and Stanton voting AYE, the MOTION CARRED unanimously. (5-0)

ADJOURNMENT

There being no further business to come before the Council at this time, the meeting was adjourned at 8:19 p.m.

____
Catherine L. Jansen, Deputy City Recorder

APPROVAL:

Approved this ________ day of ______________, 2004.

____
Rob Drake, Mayor

AGENDA BILL

Beaverton City Council
Beaverton, Oregon

SUBJECT: LIQUOR LICENSES

CHANGE OF OWNERSHIP
Mai Thai Restaurant
11461 SW Scholls Ferry Rd
Beaverton, OR 97008

FOR AGENDA OF: **07/12/04** **BILL NO:** 04144

MAYOR'S APPROVAL:

DEPARTMENT OF ORIGIN: **Police**

DATE SUBMITTED: **06/29/04**

PROCEEDING: Consent Agenda

EXHIBITS: None

BUDGET IMPACT

EXPENDITURE REQUIRED $ 0	AMOUNT BUDGETED $ 0	APPROPRIATION REQUIRED $ 0

HISTORICAL PERSPECTIVE:

A background investigation has been completed and the Chief of Police finds that the applicant meets the standards and criteria as set forth in B.C. 5.02.240. The City has published in a newspaper of general circulation a notice specifying the liquor license request.

INFORMATION FOR CONSIDERATION:

Mai Thai Restaurant, formerly licensed by the OLCC to Thai Flavor, Inc., is undergoing a change of ownership. Holly Huynh has made application for a Full On-premises sales license under the trade name of Mai Thai Restaurant. The establishment will serve Thai food. It will operate Monday through Sunday from 11:00 a.m. to 9:00 p.m., serving lunch and dinner. There will be no entertainment offered. A Full On-Premises Sales License allows the sale of distilled spirits, malt beverages, wine and cider for consumption at the licensed business.

RECOMMENDED ACTION:

The Chief of Police for the City of Beaverton recommends City Council approval of the OLCC license.

AGENDA BILL

Beaverton City Council
Beaverton, Oregon

SUBJECT: A Resolution Certifying that the City of Beaverton Provides Certain Services Necessary to be Eligible to Receive State-Shared Revenues Under ORS 221.760

FOR AGENDA OF: 7-12--04 **BILL NO:** 04145

Mayor's Approval: [signature]

DEPARTMENT OF ORIGIN: Mayor's Office

DATE SUBMITTED: 05/25/04

CLEARANCES: Finance [signature]
City Attorney [initials]

PROCEEDING: CONSENT AGENDA

EXHIBITS: Resolution

BUDGET IMPACT

EXPENDITURE REQUIRED$-0-	AMOUNT BUDGETED$-0-	APPROPRIATION REQUIRED $-0-

HISTORICAL PERSPECTIVE:

State law requires that when a city has elected to receive state-shared revenues, it must submit a resolution certifying that certain services are provided by that city. The City of Beaverton has elected to receive those revenues this year and the attached resolution states that the City meets the eligibility requirements of state law.

RECOMMENDED ACTION:

City Council adopts the attached resolution certifying City services.

RESOLUTION NO. 3765

A RESOLUTION CERTIFYING THAT THE CITY OF BEAVERTON PROVIDES CERTAIN SERVICES NECESSARY TO BE ELIGIBLE TO RECEIVE STATE-SHARED REVENUES UNDER ORS 221.760

WHEREAS, the officer responsible for disbursing funds to the cities under ORS 323.455, 366.785 to 366.820, and 471.805 shall, in the case of a city located within a county having more than 100,000 inhabitants according to the most recent federal decennial census, disburse such funds only if the city provides four or more of the following services:

1) Police protection
2) Street construction, maintenance and lighting
3) Sanitary sewer
4) Storm sewers
5) Planning, zoning and subdivision control
6) One or more utility services; and

WHEREAS, the City Council for the City of Beaverton recognizes the desirability of assisting the State officer responsible for determining the eligibility of cities to receive such funds in accordance with ORS 221.760; now therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF BEAVERTON, OREGON:

The City of Beaverton hereby certifies that it provides all of the municipal services enumerated above.

Adopted by the Council this ________ day of _____________, 2004.

Approved by the Mayor this ________ day of _____________, 2004.

AYES ______ NAYS ______

ATTEST: APPROVED:

Sue Nelson, City Recorder

Rob Drake, Mayor

Agenda Bill No: 04145

AGENDA BILL

Beaverton City Council
Beaverton, Oregon

SUBJECT: A Resolution Expressing the City of Beaverton's Election to Receive Distribution of a Share of Certain Revenues of the State of Oregon for Fiscal Year 2004-2005, Pursuant to ORS 221.770

FOR AGENDA OF: 7/12/04 **BILL NO:** 04146

Mayor's Approval: Rob Drake

DEPARTMENT OF ORIGIN: Mayor's Office

DATE SUBMITTED: 5/25/04

CLEARANCES: Finance PDO
City Attorney AAR

PROCEEDING: CONSENT AGENDA

EXHIBITS: Resolution

BUDGET IMPACT

EXPENDITURE REQUIRED$-0-	AMOUNT BUDGETED$-0-	APPROPRIATION REQUIRED $-0-

HISTORICAL PERSPECTIVE:

State revenue sharing law requires cities to pass a resolution each year stating that they want to receive state revenue sharing money. The law also requires that cities certify that two public hearings were held. The Budget Committee and the City Council have each held separate public hearings to discuss possible and proposed uses of the funds.

RECOMMENDED ACTION:

City Council adopt the resolution expressing the City of Beaverton's election to receive distribution of a share of certain revenues of the State of Oregon for Fiscal Year 2004-2005, pursuant to ORS 221.770

RESOLUTION NO. 3766

A RESOLUTION EXPRESSING THE CITY OF BEAVERTON'S ELECTION TO RECEIVE DISTRIBUTION OF A SHARE OF CERTAIN REVENUES OF THE STATE OF OREGON FOR FISCAL YEAR 2004-2005, PURSUANT TO ORS 221.770

WHEREAS, the Oregon State Legislature has adopted a state revenue sharing program; and

WHEREAS, the City is required to express its election to receive distribution by enactment of a resolution to be filed with the Executive Department of the State of Oregon not later than July 31, 2004; and

WHEREAS, previous to the July 31, 2004 deadline, public hearings must be held before the Budget Committee, and before the City Council, giving citizens an opportunity to comment on the use of State Revenue Sharing monies; now, therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF BEAVERTON, OREGON:

Section 1. The City of Beaverton, Oregon, hereby elects to receive distribution of the appropriate share of certain revenues of the State of Oregon, which are to be apportioned among and distributed to the cities of the State of Oregon for general purposes for the Fiscal Year 2004-2005.

Section 2. On June 8, 2004, and June 28, 2004, public hearings were held before the Budget Committee of the City of Beaverton and before the City Council, giving an opportunity for citizen comment on the use of State Revenue Sharing monies.

Section 3. A certified copy of this resolution shall be filed by the City Recorder with the Executive Department of the State of Oregon not later than July 31, 2004. Certification by the City Recorder of the dates that public hearings were held on State Revenue Sharing before the Budget Committee of the City of Beaverton and before the City Council shall be sent to the State of Oregon's Intergovernmental Relations Division no later than July 31, 2004.

Adopted by the Council this ________ day of ______________, 2004.

Approved by the Mayor this ________ day of ______________, 2004.

AYES ______ NAYES ______

ATTEST: APPROVED:

Sue Nelson, City Recorder

Rob Drake, Mayor

AGENDA BILL

Beaverton City Council
Beaverton, Oregon

SUBJECT: Traffic Commission Issues TC 552-555

FOR AGENDA OF: 7-12-04 **BILL NO:** 04147

Mayor's Approval:

DEPARTMENT OF ORIGIN: Engineering

DATE SUBMITTED: 6-29-04

CLEARANCES: Transportation
City Attorney

PROCEEDING: Consent

EXHIBITS:
1. City Traffic Engineer's reports on Issues TC 552-555
2. Final Written Orders on Issues TC 554-555
3. Written comments received at the Traffic Commission meeting
4. Draft minutes of the meeting of June 3, 2004 (excerpt)

BUDGET IMPACT

EXPENDITURE REQUIRED $0	AMOUNT BUDGETED $0	APPROPRIATION REQUIRED $0

HISTORICAL PERSPECTIVE:

On June 3, 2004, the Traffic Commission considered the following issues:

- TC 552, Removal of Parking Restrictions on SW Angel Avenue Between Farmington Road and First Street;
- TC 553, Parking Restrictions on SW Davies Road near Deer Lane;
- TC 554, Traffic Calming Plan for NW 170th Drive Between Walker Road and 173rd Avenue;
- TC 555, Saturday Parking Limits on SW First Street Between Betts Avenue and Lombard Avenue and on SW Betts Avenue Between SW First and Second Streets;
- TC 556, Parking Restrictions on SW 158th Place South of Rigert Road.

Staff reports for Issues TC 552 - 555 are attached as Exhibit 1.

An appeal has been received on Issue TC 556. An appeal hearing will be scheduled and a separate agenda bill will be prepared for this issue.

INFORMATION FOR CONSIDERATION:

The Commission approved the staff recommendations on Issues TC 552 and 553 on consent agenda.

A public hearing was held on Issues TC 554-556. Following the public hearings, the Commission approved the staff recommendations on Issues TC 554 and 555.

RECOMMENDED ACTION:

Approve the Traffic Commission recommendations on Issues TC 552 through TC 555.

CITY TRAFFIC ENGINEER'S REPORT
ISSUE NO. TC 552

(Removal of Parking Restrictions on SW Angel Avenue Between Farmington Road and First Street)

May 12, 2004

Background Information

Staff is recommending that the existing two-hour parking limit be removed on SW Angel Avenue between Farmington Road and First Street. All-day parking would then be allowed on the street.

Mr. and Mrs. Michael Lang, owners of the Cady Building at Watson and Farmington, initially requested that Angel Avenue between Farmington and First be designated for permit parking. In a permit parking zone, those with permits can exceed the posted two-hour parking limit. Downtown residents and downtown employees are eligible to obtain permits. After discussion, the Langs have agreed that removal of the two-hour limit would accomplish their goal of providing an area where their residential tenants can park during the day.

Staff has another reason for recommending removal of the two-hour parking limit. That reason is to test the need for the existing parking limits on certain downtown streets. One reason for creating the existing permit parking program was to discourage the use of downtown streets as park-and-ride locations while still providing locations where downtown employees could park during the work day. With the opening of the light rail transit system in 1998, the demand for park-and-ride has shifted more to the areas around light rail stations. The demand for park-and-ride facilities south of Canyon Road appears to have significantly decreased.

The City's Economic Development Office has retained a consultant to review strategies for development in the regional center. A part of this review includes study of parking needs in the downtown area. The consultant team agrees that the Angel Avenue area is a good place to test the need for the current program. This test may help the consultants in determining the appropriate parking strategies for the future in the portion of downtown south of Canyon Road.

Currently, other two-hour and permit parking areas are available nearby on Watson Avenue, First Street, Broadway, and in the City parking lot at Angel and Farmington. Currently, Angel Avenue and the adjoining City parking lot see little use.

The owners of property along the east side of Angel have been notified of this proposal and have expressed no objections. The property along the west side is owned by the City.

Any changes to parking restrictions on Angel Avenue are probably temporary. The City is now working to facilitate the construction of a health clinic on the City property on the west side of Angel. As part of the planning for the clinic, it will be necessary to again review parking needs in the area, including the need for the clinic to provide on-site parking.

Staff recommends removal of the existing two-hour limits as a low-cost short-term solution to existing parking needs in the area. Future parking needs will be reviewed through the Regional

Center Strategy study, the transportation analysis that will be required for the proposed clinic and other planning projects.

Applicable Criteria

- 1d (accommodate the parking needs of residents and businesses in a safe and equitable fashion).

Conclusions:

Removal of the existing two-hour parking restrictions will accommodate the current needs of residents and businesses in the area. It will also provide a test case which will help to determine future parking needs in the area. Therefore, Criterion 1d is satisfied.

Recommendation:

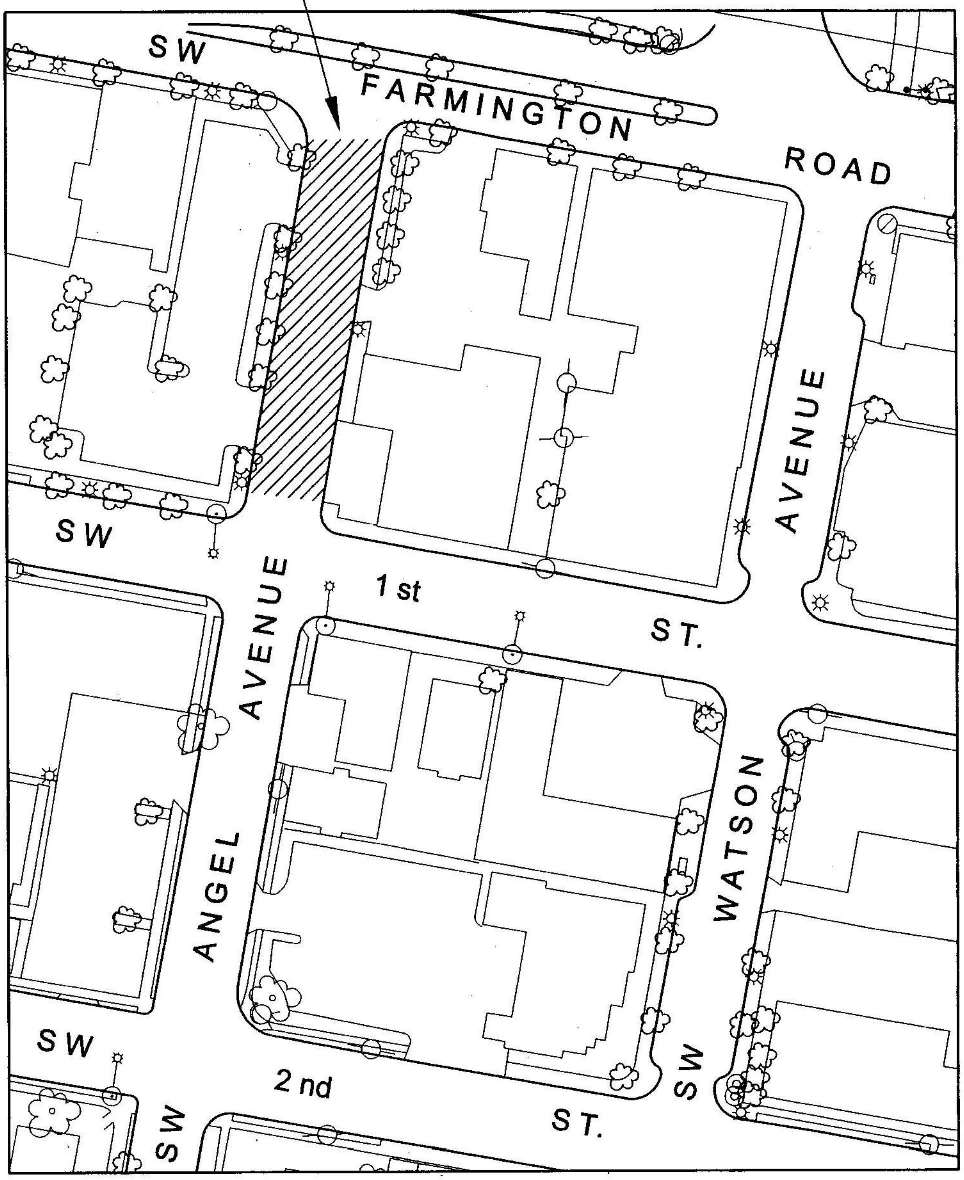
Remove all existing two-hour parking restrictions on SW Angel Avenue between Farmington Road and First Street.

Remove existing 2-Hour parking limit

TC 552

NORTH

1"=100'



Y: \ Traffic \ Drawings \ 2004 \ 04-49 Angel at 1st-Farmington Parking (TC 552).dwg

City Of Beaverton

Removal of Parking Restrictions on
SW Angel Ave between Farmington Rd & 1st St

ENGINEERING DEPARTMENT
TRANSPORTATION DIVISION

Drawn By: JR Date: 5/10/04
Reviewed By: ______ Date: ______
Approved By: ______ Date: ______

3

RECORD COPY

RECEIVED
APR 13 2004
ENGINEERING DEPT.

Lang Enterprises
P.O. Box 66004 Tel. (503) 775-0242
Portland, OR. 97290-6004

12 April, 2004

Mr. Randy Wooly,
City Hall, City of Beaverton.
P.O. Box 4755
Beaverton, OR. 97076

RE:CADY Bldg. (SW Watson & Farmington Rd.)
Tenant Parking

Dear Mr. Wooly,

We want to express our gratitude to you for your willingness to meet with us to discuss the tenant owned car parking issues that have surfaced since the City of Beaverton has sold the parking lot property located on Angel St. between SW Farmington and First.

Two of our tenants have recently had their automobiles towed. These are "working people", (some of whom work days, some work nights.) and tow fees are an expense they simply cannot afford. During the large "Urban Renewal Project" some years ago, the City of Beaverton assured us the City owned lot behind "Ringo's Tavern" on SW Angel St. would serve the need for tenant parking.

We recently learned the property has been sold to a private entity, and that a medical clinic facility will be built on the site of the parking lot. Therefore, we conclude the property will no longer be able to serve our neighborhood as a parking facility.

We suggested to you that if the City of Beaverton would permit tenants with "parking permits" to use both sides of SW Angel St., between Farmington & First at all hours. We understand there are no parking issues after 6 P.M.

After our meeting, we are comforted by your willingness to find a viable solution to the parking problems in the very near future.

Sincerely,

Mr. & Mrs. Michael H. Lang

Mr. & Mrs. Michael H. Lang
Dba Lang Enterprises
C/file
C/tenants of Cady Building

CITY TRAFFIC ENGINEER'S REPORT
ISSUE NO. TC 553

(Parking Restrictions on SW Davies Road Near Deer Lane)

May 12, 2004

Background Information

The Homeowners Association of Sunshine Creek Condominiums has requested parking restrictions near their driveway on Davies Road in order to improve sight distance. Similar parking restrictions have previously been approved near the driveways to Hearthstone (TC 504) and near the intersection of Deer Lane (TC 503) to address sight distance concerns at those locations. Parking has increased near the Sunshine Creek Condominium driveway since parking was prohibited in the other areas.

The vehicles parked on Davies Road on weekdays appear to be mostly the vehicles of employees of Hearthstone. In their original application for land-use approval, Hearthstone developers indicated that they would provide adequate employee parking on their site. However, it appears that most employees are parking on the street. Staff is working with Hearthstone to address this issue.

In response to the Sunshine Creek request, staff is proposing to prohibit parking within 75 feet of the driveway in order to assure good sight distance for vehicles exiting from the driveway.

Applicable Criteria

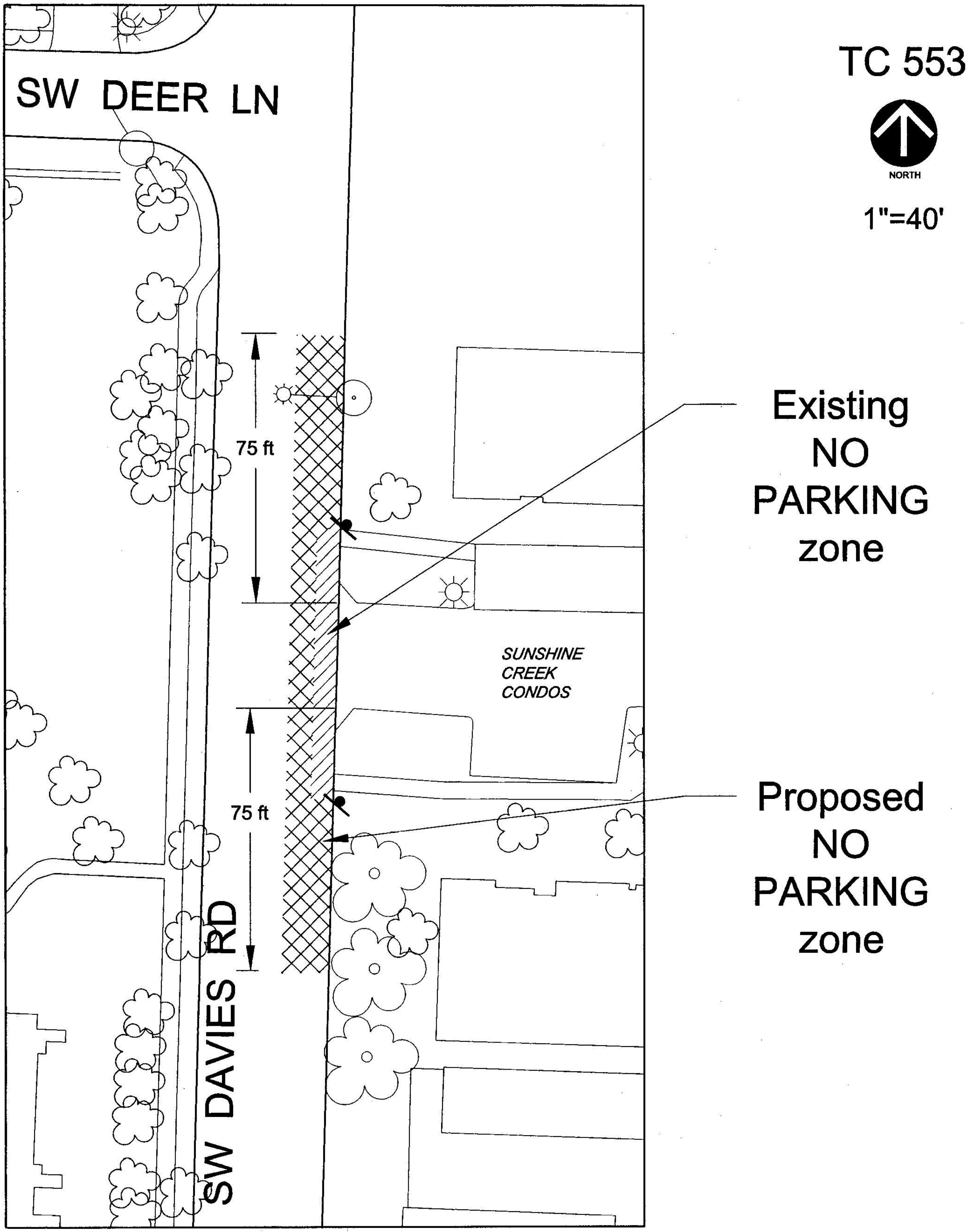
- 1a (provide for safe vehicle movements);
- 1d (accommodate the parking needs of residents and businesses in a safe and equitable fashion).

Conclusions:

- Removal of parking near the Sunshine Creek Condominium driveway will improve sight distance at the driveway, thereby improving safety for vehicles exiting from the driveway. Criterion 1a is satisfied.
- The parking restrictions are requested by the owners of the adjoining condominiums. The adjoining Hearthstone development has previously committed to providing adequate parking on its site. Therefore, Criterion 1d is satisfied.

Recommendation:

Prohibit parking along the east side of SW Davies Road within 75 feet of the driveway to Sunshine Creek Condominiums, located approximately 140 feet south of the intersection of Davies Road and Deer Lane.



Y: \ Traffic \ Drawings \ 2004 \ 04-50 Davies at Deer Ln Parking (TC 553).dwg

City Of Beaverton

Proposed Parking Restrictions on
SW Davies Road south of Deer Lane

ENGINEERING DEPARTMENT
TRANSPORTATION DIVISION

Drawn By: JR Date: 5/11/04
Reviewed By: ______ Date: ______
Approved By: ______ Date: ______

TC 553

RECEIVED
APR 9 2004
ENGINEERING DEPT.

March 22, 2004

Randall R. Wooley
City Transportation Engineer
City Of Beaverton
PO Box 4755
Beaverton, OR 97076

Re: Parking on Davies Road

Last fall I sent a letter requesting the city to address the parking situation on Davies Road at the driveway to Sunshine Creek Condominiums. It is an extremely dangerous driveway being used by over 50 residents. We received your letter written on September 11, 2003 that tried to address the problem. We appreciate your response and the quick action you took by installing the no parking signs on the interior side of our sidewalks next to our driveway. Your letter also spoke about trying to reduce the Hearthstone employee parking on Davies, and that you would consider more extensive parking restrictions if the safety was not improved.

Unfortunately our safety has not improved. The 10 feet currently allotted by the signs on each side of our driveway has not provided sufficient adequate sight. The parking to the south of our driveway is particularly dangerous for two reasons. This is the closest lane of traffic and therefore when looking south, you can not see oncoming traffic until your car is in the lane. Complicating the problem is that Davies goes uphill from our driveway, further reducing the ability to see.

One block from our residence is Deer Lane. This street has about 11 houses and is afforded a sufficient no parking zone of nearly 60 feet to the south and 30 feet to the north. Driving in and out of this street the sight lines are much safer.

We are extremely frustrated about the safety concern near our driveway and are requesting the no parking signs to be moved further to the south and north from our driveway. We feel at least three additional car lengths to the south and two additional car lengths to the north of our driveway are necessary for safe sight lines in both directions.

You will find attached to this letter a petition signed by 13 residents, and another paper with 15 residents originally supporting the safety improvements we are requesting. Also attached are a few pictures including the sight line we currently have, and a picture of the no parking zone at Deer Lane.

We deal with this concern on a daily basis, and look forward to working with you to fix this problem. Please contact us as soon as possible if you have any questions. We appreciate your concern for the safety of our guests and residents.

Jason Peterson

Jason Peterson
Resident of Sunshine Creek Condominiums
c/o Home Owners Association
10660 SW Davies Rd #37
Beaverton, OR 97008

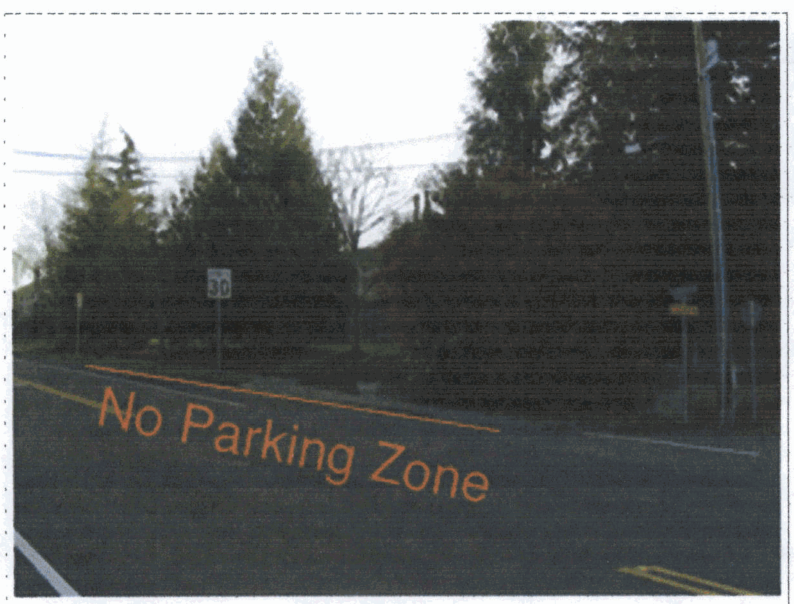
(503) 521-8462

TC 553 06/04

Picture taken from driver's sight looking south on Davies Rd. The front of the car is near the white shoulder line and the oncoming traffic can not be seen through these parked vehicles.

RECORD COPY

Often larger vehicles such as trucks or vans are parked here and increase the safety concern. There is no way to see beyond the truck and we have had many close calls. The speed limit on this road is 30 mph, however cars are often traveling faster.



This is the no parking zone to the south of Deer Lane. We feel a similar zone will provide us with a safe entrance and exit for all the members of the community that use our property on a daily basis, including our guests, our 50+ residents, and the maintenance such as garbage, mail, and trimet shuttle.

TC 553 06-2004

PETITION TO THE CITY OF BEAVERTON

We the homeowners at Sunshine Creek Condominiums located at 10620 through 10690 SW Davies Rd. in Beaverton want to have the no parking signs located at the corners of our driveway entrance moved back. It is still a dangerous situation to pull out of the driveway when cars, Vans, and trucks are parked close enough to obstruct the view north and south from our driveway. Please contact us as soon as possible in reference to this request.

Name	Address
Veronika Horvath	10690 SW Davies Rd #48 Beaverton 97008
Gregory & Yelena Rosenfeld	10690 SW Davies Rd #23 Beaverton 970
Haley Smith	10660 SW Davies Rd #31 Beaverton, OR 97008
[illegible]	10660 SW Davies Rd #36 Beaverton OR 97008
Sharon [illegible]	10690 SW Davies Rd #47 Beaverton 97008
Julie Immonvaara	10640 SW Davies Rd #26 Beaverton 97008
Barbara LaCombe	10640 S.W. Davies Rd. #22 Beaverton 97008
Susan Lowry	10660 SW Davies Rd. #45 Beaverton 97008
[illegible]	10640 SW DAVIES RD #19 Bvtn. 97008
DEL DAY	10640 SW DAVIES RODD #28 BEAVERTON, OR 97008
Lorraine Myers	10620 SW Davies Rd #7 Beav. 97008
Florence R Woodcock	10640 SW Davies Rd #25 Beav OR 97008
Jason Peterson	10660 SW DAVIES Rd #37 BVTN, OR 97008

TC 553

The residents of Sunshine Creek Condominiums are concerned about safety due to the parking along SW Davies Road near the driveway into our complex. Please provide a safe line of sight on both sides of our driveway by designating sufficient sized no parking areas to the north and south of our driveway.

Florence Woodcock	HOA Board Chairman	503-579-6511
Wayne K. Wayne	HOA Treasurer	579-3932
[illegible]	HOA SECRETARY	503-590-0768
Jason Peterson	Unit # 37	
Frank P. Aslanza	Unit # 34	
Leslie O'Keefe	Unit # 31	
Vickie Barnett	Unit # 43	
Catherine Paul	# 46	
Tripuri A. Thatte	# 21	
Kenneth R. Moorhead	# 51	
Jenny Jones	# 54	
Julie Iemmuvaiaca	# 26	
Jami Cloghessy	# 42	
Karen Sandey	# 40	
Barbara LaCombe	# 22	

CITY of BEAVERTON

4755 S.W. Griffith Drive, P.O. Box 4755, Beaverton, OR 97076 General Information (503) 526-2222 V/TDD

September 11, 2003

Residents of Sunshine Creek Condominiums
10660 SW Davies Road, #37
Beaverton, OR 97008

Re: Parking on Davies Road

I have reviewed your request for parking restrictions on SW Davies Road near your driveway. After review, I have directed that signs be installed to make the area between your two sidewalks a "no parking" zone. This will provide a clear zone of approximately one car length on each side of your driveway, which is usually sufficient to provide adequate sight distance for vehicles pulling out of a driveway. The signs should be installed in a few days.

In addition, I have begun discussions with Hearthstone, trying to reduce the need for their employees to park on Davies Road. If this effort is successful, I expect that it will eliminate any remaining parking concerns near your driveway. This effort may take a few weeks to complete.

If the additional signs and the work with Hearthstone fail to resolve your concerns, then we will consider more extensive parking restrictions.

Sincerely,

Randall R. Wooley

Randall R. Wooley
City Transportation Engineer

CITY TRAFFIC ENGINEER'S REPORT
ISSUE NO. TC 554

(Traffic Calming Plan for NW 170th Drive between Walker Road and 173rd Avenue)

May 13, 2003

Background Information

In February of 2003, the Traffic Commission approved the traffic calming project rankings for 2003 in Issue TC 509. Out of the two neighborhoods that were on the ranking list, 170th Drive ranked second. City Council approved the ranking list and directed staff to begin project development for the two projects.

Project design has been accomplished in accordance with the adopted traffic calming procedures. City staff held four meetings with the residents of NW 170th Drive project area. City staff and the residents assessed the needs for traffic calming throughout the project area. For those identified needs, two proposed traffic calming plans were developed and one was selected.

On April 5, 2004, the City held an open house to show the proposed selected plan and to receive feedback from the neighborhood. The proposed plan received high approval from the neighbors who attended the open house.

A support survey was conducted by the City to determine support for the proposed selected plan. The neighborhood requested to include all the homes within the Woodmere Home Owners Association, which exceeded the project area as defined in the Neighborhood Traffic Calming Program.

On April 21, 2004, a copy of the proposed selected plan and a response card was mailed to each home. Out of the 60 response cards that were delivered, 47 response cards were returned with a "Yes" response and 3 response cards were returned with a "No" response. The remaining 10 response cards were not returned.

The proposed selected plan received 78 percent approval rate, which exceeds the 67 percent majority approval rate required by the Neighborhood Traffic Calming Program. The estimated construction cost for the proposed selected plan is $95,000.

Applicable Criteria

Applicable criteria from Beaverton Code 6.02.060A are:

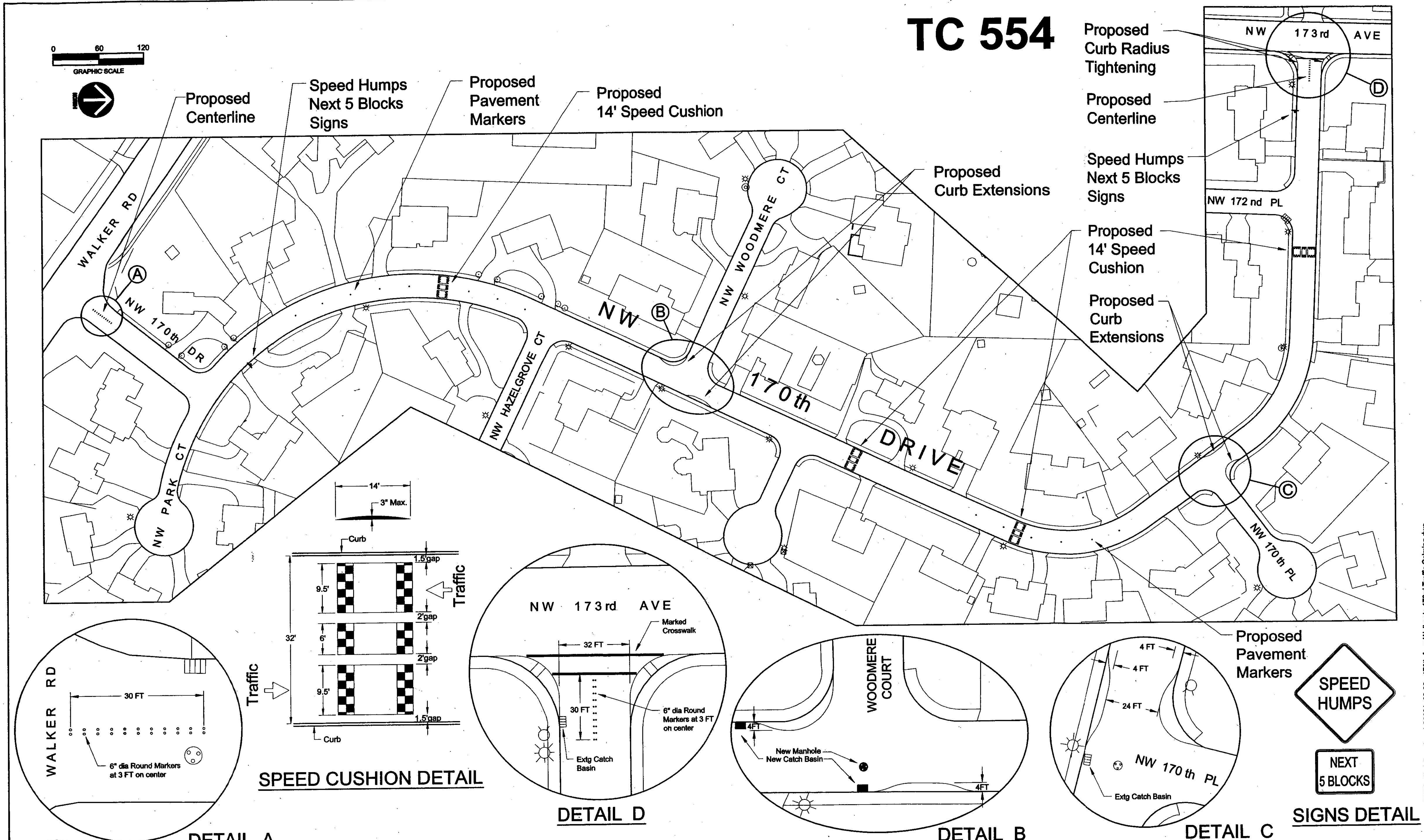
- 1a (provide for safe vehicle, bicycle and pedestrian movements);
- 1b (help ensure orderly and predictable movement of vehicles, bicycles, and pedestrians);
- 3 (all decisions shall comply with officially approved policies of the City Council, specifically, the Neighborhood Traffic Calming Program procedures adopted in July 1998 and revised in December 2000).

Conclusions

- Implementing the proposed selected traffic calming plan will provide safe and orderly movement of vehicles, bicycles, and pedestrians, satisfying Criteria 1a and 1b.
- The procedures and processes used in developing and selecting a traffic calming plan for NW 170th Drive comply with the Neighborhood Traffic Calming Program procedures, satisfying Criterion 3.

Recommendation

Approve the proposed selected NW 170th Drive traffic calming plan for construction as shown on the attached plan.



CITY OF BEAVERTON
ENGINEERING DEPARTMENT
TRANSPORTATION DIVISION

DESIGNED BY:	- JK	NO.	DATE	REVISION	BY
DRAWN BY:	- JR				
CHECKED BY:	-				
APPROVED BY:	-				

NW 170th Drive
between Walker Rd & NW 173rd Ave

PRELIMINARY
TRAFFIC CALMING PLAN

DATE: 4/01/04
PROJECT NO: 14
SHEET NO: 1 - OF - 1

CITY TRAFFIC ENGINEER'S REPORT
ISSUE NO. TC 555

(Saturday Parking Limits on SW First Street Between Betts Avenue and Lombard Avenue and on SW Betts Avenue Between SW First and Second Streets)

May 12, 2004

Background Information

Staff proposes that parking restrictions on the subject portions of First Street and Betts Avenue be revised to include Saturdays in the days when two-hour parking limits are in effect. As shown on the attached map, adjoining streets and parking lots in the area currently have Saturday parking limits.

The issue was initially raised by Judith Halter, owner of the shop at First and Lombard. (See attached letter.) She requested Saturday parking limits near her shop.

The two-hour parking limits in the downtown area are intended to prevent all-day employee parking on the streets and to keep on-street parking open for clients and customers of the downtown businesses. Businesses on First and Betts, including the post office, have customers on Saturdays. The Customer Service Supervisor for the Post Office has agreed that the proposed Saturday parking restrictions are appropriate, although an inconvenience for Post Office employees.

Applicable Criteria

- 1d (accommodate the parking needs of residents and businesses in a safe and equitable fashion).

Conclusions:

The proposed parking revision will help businesses by providing convenient short-term parking for customers. All-day parking for employees will remain available at more distant locations, as it currently is on weekdays. Therefore, Criterion 1d is satisfied.

Recommendation:

On SW First Street between Betts Avenue and Lombard Avenue and on SW Betts Avenue between First Street and Second Street, modify existing two-hour parking limits to include Saturdays as a day when the two-hour parking limits are in effect from 7 a.m. to 6 p.m.

RECEIVED

MAY - 3 2004

ENGINEERING DEPT.

April 28, 2004

Randy Wooley
City Traffic Engineering
City of Beaverton
4755 SW Griffith Dr
Beaverton, OR 97005

Dear Sir:

RE: Extension of two hour restricted parking

My business, Rubenesque is located at 12020 SW First St (on the corner of Lombard and First). I have parking for customers both in the back and on the side of my building, and Monday through Friday on-street parking is available directly in front of my business.

Monday through Friday, parking is restricted to two hours, which is great. The problem occurs on Saturday. On Saturday, since there is no time limit, the post office workers park all along the block, including in front of my business. They are there all day, from well before I open, till well after I close. I have written, what I thought to be polite notes, which I put on the post office worker's cars, requesting that they keep at least two spaces directly in front of my business available for my customers, but they still use all the parking along the street.

This is hurting my business greatly. Saturday could potentially be my big customer day. On the odd Saturday, when there is a space available on the street, I have customers. On the Saturdays when there is no on-street space available because of the post office workers, I will have no one in the shop. In spite of the fact that my customers could park in my off-street parking, no one will come in. I have had people call and tell me they decided not to come in because it looked as if I had too many customers.

I believe that extending the two hour parking to include Saturday's would not only help my business and the other businesses closer to the post office, but also free up some premium parking space for post office patrons.

I appreciate your attention and time in this matter.

Sincerely,

Judy Halter

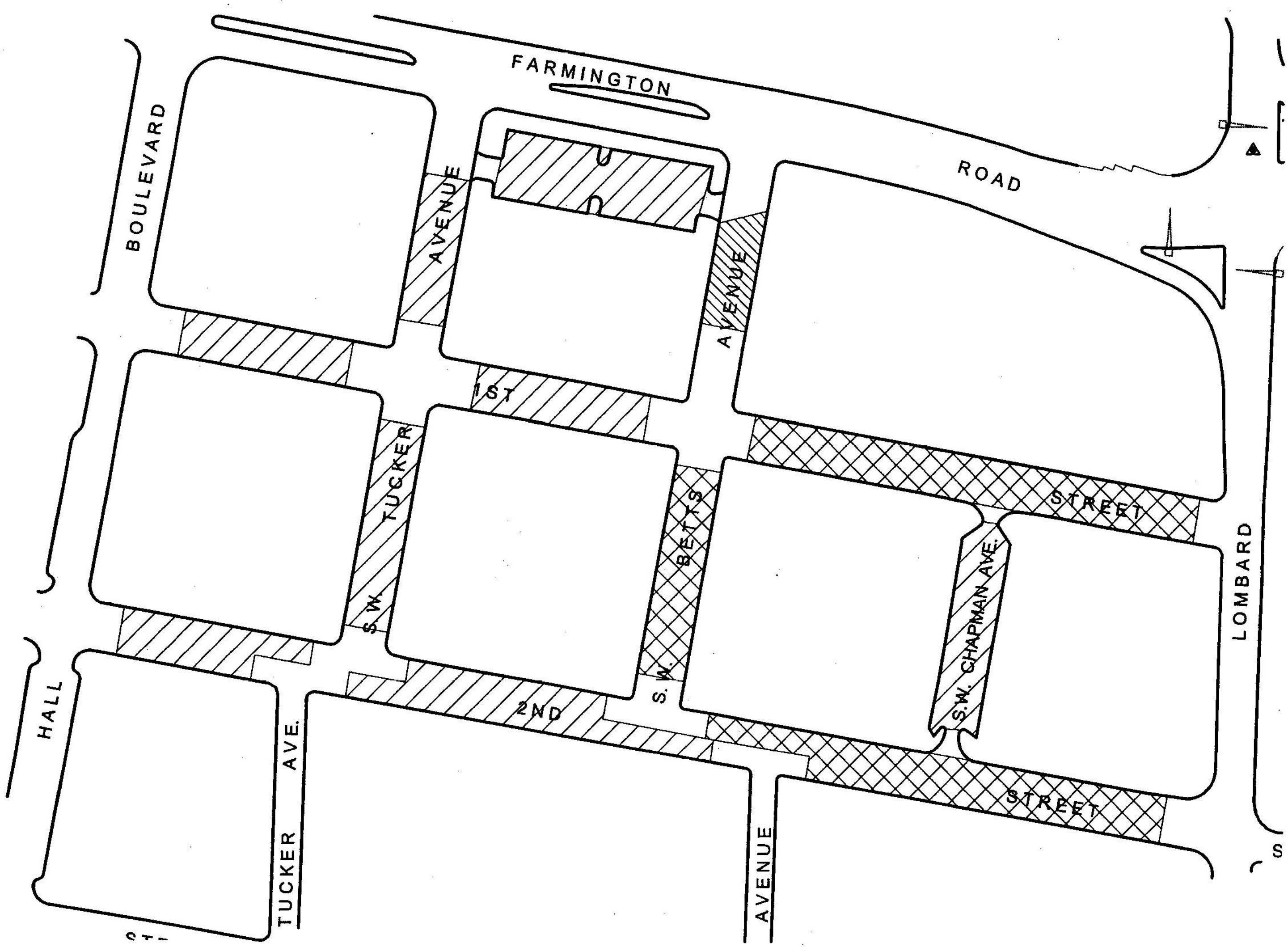
Judith A Halter

Existing

TC 555

NORTH

1"=150'



= 30 Minute Parking

= 2 Hour, Monday through Friday

= 2 Hour, Monday through Saturday

Y: \ Traffic \ Drawings \ 2004 \ 04-51 1st St & Betts Ave Parking (TC 555).dwg

City Of Beaverton

SATURDAY Parking Limits
on SW 1st St between Betts Ave & Lombard Ave
on SW Betts Ave between 1st St & 2nd St

ENGINEERING DEPARTMENT
TRANSPORTATION DIVISION

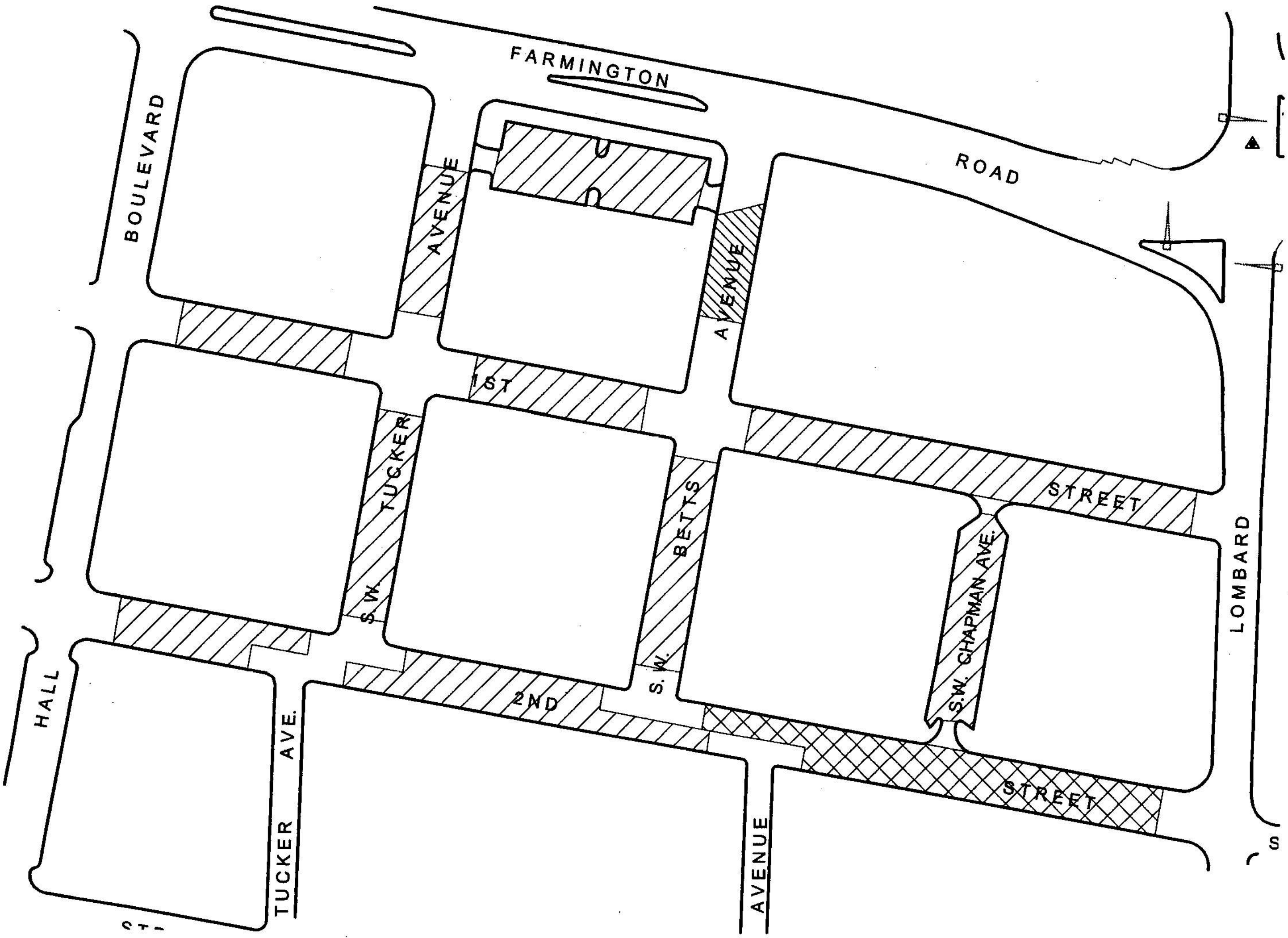
Drawn By: MC Date: 5/11/04
Reviewed By: ______ Date: ______
Approved By: ______ Date: 17

Proposed

TC 555

NORTH

1"=150'



= 30 Minute Parking

= 2 Hour, Monday through Friday

= 2 Hour, Monday through Saturday

Y: \ Traffic \ Drawings \ 2004 \ 04-51 1st St & Betts Ave Parking (TC 555).dwg

City Of Beaverton

SATURDAY Parking Limits
on SW 1st St between Betts Ave & Lombard Ave
on SW Betts Ave between 1st St & 2nd St

ENGINEERING DEPARTMENT

TRANSPORTATION DIVISION

Drawn By: MC Date: 5/11/04

Reviewed By: ______ Date: ______

Approved By: ______ Date: 18

EXHIBIT 2

CITY OF BEAVERTON

FINAL WRITTEN ORDER OF THE TRAFFIC COMMISSION

REGARDING ISSUE NUMBER TC 554
(Traffic Calming Plan for NW 170th Drive Between Walker Road and 173rd Avenue)

1. A hearing on the issue was held by the Traffic Commission on June 3, 2004.

2. The following criteria were found by the City Traffic Engineer to be relevant to the issue:
   - 1a (provide for safe vehicle, bicycle and pedestrian movements);
   - 1b (help ensure orderly and predictable movement of vehicles, bicycles, and pedestrians);
   - 3 (all decisions shall comply with officially approved policies of the City Council, specifically the Neighborhood Traffic Calming Program Procedures adopted July 1998 and revised December 2000).

3. In making its decision, the Traffic Commission relied upon the following facts from the staff report and public testimony:
   - In Traffic Commission Issue Number TC 509, NW 170th Drive between Walker Road and 173rd Avenue was previously determined to be eligible for the traffic calming program.
   - The proposed traffic calming plan was developed through a series of neighborhood meetings in accordance with the adopted Traffic Calming Procedures.
   - A support survey determined that more than 67 percent of the residents of the neighborhood support the proposed traffic calming plan.

4. Following the public hearing, the Traffic Commission voted (4 aye, 0 nay) to recommend the following action:
   - Approve the proposed traffic calming plan for construction on NW 170th Drive between Walker Road and 173rd Avenue.

5. The Traffic Commission decision was based on the following findings:
   - The proposed plan will improve safety on the residential streets and provide more orderly movement of vehicles, bicycles and pedestrians, satisfying Criteria 1a and 1b.
   - The plan was developed in accordance with the Neighborhood Traffic Calming Program Procedures, satisfying Criterion 3.

6. The decision of the Traffic Commission shall become effective upon formal approval of the City Council.

SIGNED THIS 7 DAY OF JUNE 2004

Scott Knees

Traffic Commission Chair

CITY OF BEAVERTON

FINAL WRITTEN ORDER OF THE TRAFFIC COMMISSION

REGARDING ISSUE NUMBER TC 555
(Saturday Parking Limits on SW First Street Between Betts Avenue and Lombard Avenue and on SW Betts Avenue Between SW First and Second Streets)

1. A hearing on the issue was held by the Traffic Commission on June 3, 2004.

2. The following criteria were found by the City Traffic Engineer to be relevant to the issue:
   - 1d (accommodate the parking needs of residents and businesses in a safe and equitable fashion).

3. In making its decision, the Traffic Commission relied upon the following facts from the staff report and public testimony:
   - Two-hour parking limits in the downtown area are intended to prevent all-day employee parking on the streets and to keep on-street parking available for clients and customers of downtown businesses.
   - Businesses along the subject streets, including the Post Office, have customers on Saturdays.
   - Most adjoining streets currently have two-hour parking limits on Saturdays.
   - On the subject streets, there is currently a two-hour parking limit only on weekdays.
   - The owner of a downtown business requested that the two-hour limit on First Street be extended to Saturdays near her shop.
   - The City Traffic Engineer recommended that parking limits be extended to include Saturdays on both subject streets in order to be consistent with existing parking limits on adjoining streets and parking lots.

4. Following the public hearing, the Traffic Commission voted (4 aye, 0 nay) to recommend the following action:

On SW First Street between Betts Avenue and Lombard Avenue and on SW Betts Avenue between First Street and Second Street, modify existing two-hour parking limits to include Saturdays as a day when the two-hour parking limits are in effect from 7 a.m. to 6 p.m.

5. The Traffic Commission decision was based on the following findings:

The proposed parking revision will help businesses by providing convenient short-term parking for customers. All-day parking for employees will remain available at more distant locations, as it currently is on weekdays. Therefore, Criterion 1d is satisfied.

6. The decision of the Traffic Commission shall become effective upon formal approval of the City Council.

SIGNED THIS 7 DAY OF JUNE 2004

Scott Knees

Traffic Commission Chair

RECORD COPY

EXHIBIT 3

RECEIVED

JUN - 1 2004

ENGINEERING DEPT.

MEMORANDUM

Beaverton Police Department

Chief David G. Bishop

DATE: June 1, 2004

TO: Randy Wooley

FROM: Jim Monger

SUBJECT: TC 552-556

TC 552. I concur with the traffic control changes as proposed for removal of parking restrictions on SW Angel Avenue between Farmington Road and First Street.

TC 553. I concur with the traffic control changes as proposed for parking restrictions on SW Davies Road near SW Deer Lane.

TC 554. I concur with the traffic control changes as proposed for a Traffic Calming Plan on NW 170th between Walker Road and 173rd.

TC 555. I concur with the traffic control changes as proposed for Saturday parking limits on SW First Street between SW Betts Avenue and SW Lombard and on SW Betts Avenue between SW First and SW Second Streets.

TC 556. I concur with the traffic control changes as proposed for parking restrictions on SW 158th south of Rigert Road. I do not believe "Resident Only" parking on SW 158th is a reasonable alternative.

TC 554

RECEIVED

MAY 2 8 2004

ENGINEERING DEPT.

May 26, 2004

RECORD COPY

Traffic Commission

Re: Merewood Traffic Calming Project

Hello,

Our neighborhood worked diligently under the guidance of Jabra Khasho to devise a plan that would meet with most homeowners' approval. We were pleased with the 78% approval (and relieved that we only received 3 no votes!) That tells us that the majority of the neighbors want the plan, realize that it is needed and feel it is "livable".

Thank you to the city for sponsoring and funding this program.

Many neighbors can't be present for the June 3, 2004 hearing. I am submitting a flyer, that our neighbors produced to share their opinions about the plan, in order to show the Commission the kind of support the Traffic Calming Project has received from Merewood homeowners.

Thanks again for the time, funding and staffing for such an extensive process! We are eager to learn of the implementation timeframe.

Very Truly,

Sheri Flynn

Sheri Flynn
Safety & Crime Prevention Chair
Merewood Homeowner's Association
16985 NW Hazelgrove Ct.
Beaverton, OR 97006

TC554

Here's Why Your Neighbors Support TRAFFIC-CALMING in Merewood...

RECORD COPY

"Giving our children an extra measure of safety is worth an extra 10 seconds to drive through the neighborhood."

–Mary Anne Woodell

"One day while waiting at the Woodmere Court elementary school bus stop, I witnessed one of our neighborhood children almost get hit by a car speeding past our stop. The horror of the memory of what might have happened makes me want to urge each of you to vote yes on the traffic calming. Please vote "YES!" to protect our children."

– Mira Prince

RECEIVED
MAY 2 8 2004
ENGINEERING DEPT.

"...Traffic will only get worse."

–Bill Swift

"...We need relief, *before* a nasty accident occurs...Please protect neighborhood children!"

–Barbara Guiol

"The new development at Walker and 173rd will have only one entrance, straight across from the entrance to Merewood! That will happen. At rush hour, cutting through Merewood is going to be very tempting. Traffic calming is the <u>only</u> way we can discourage them. If we let this become a cut-through neighborhood, property values will be impacted."

–Jeff Gregor

"We are very concerned when we have our children walking around the neighborhood and even more when we have guests/friends with small children."

–Susan & Scott Duyck

"Some traffic calming changes are imperative. Please vote for the proposed changes...I recently heard on NPR a study which reported speed bumps decreased traffic related fatalities in children by 50%. They WORK!!!"

–Greg & Julie Stanchfield

TC 554

RECORD COPY

Michael F. Stapleton
Mirnie S. Stapleton
16960 NW Park Ct.
Beaverton, OR 97006

RECEIVED
JUN - 1 2004
ENGINEERING DEPT.

Beaverton Traffic Commission
c/o City Traffic Engineer
City of Beaverton
P.O. Box 4755
Beaverton, Oregon 97076-4755

Dear Sirs,

My wife and I would like to go on record thanking the commission for their good and diligent work for our neighborhood traffic calming plan. We look forward to the commencement of the construction and the added safety when the project is complete.

Again, thank you very much. We regret that we will be out of town and unable to attend the public hearing.

Sincerely,

Michael F. Stapleton
Mirnie S. Stapleton

RECORD COPY

TC 554

May 30, 2004

RECEIVED

JUN - 2 2004

ENGINEERING DEPT.

Beaverton Traffic Commission
Attn: City Traffic Engineer
Beaverton, Or. 97076

Dear Sir,

We were notified that the traffic calming plan for the Merewood sub-division will be discussed at your evening meeting of June 3rd. We would like to attend but find that we will be out of town on that date.

We would like to speak in favor of the traffic calming plan. We feel that the proposed plan will be very helpful in making our neighborhood safer for both pedestrians and for car drivers. The problem is people driving thru our neighborhood at excessive speeds. We often see cars passing in front of our house doing 35 or 40 mph, while the posted speed limit is 25 mph. We live on a curve at the bottom of the hill on 170th drive and we are always a little nervous when we back out of our driveway, because drivers tend to speed up coming down the hill.

Also there has been a noticeable increase in traffic thru our area in the past few years. There is a new sub-division planned of 28 homes at 173rd and Walker Rd. with the entry directly facing the entry to Merewood across the street. This will cause more cars to cut thru our neighborhood.

We hope you will give approval to our traffic calming project, and thank you for your consideration.

Corinne J. Swift
Corinne J. Swift

William A. Swift
William A. Swift

WILLIAM A. SWIFT
891 N.W. 170th DR.
BEAVERTON, OR 97006

RECORD COPY

TC 554

May 28, 2004

RECEIVED

JUN - 2 2004

ENGINEERING DEPT.

Beaverton Traffic Commission
c/o City Traffic Engineer
P.O. Box 4755
Beaverton, OR 97076-4755

To the Traffic Commission:

Before you for your consideration at the June 3rd meeting is a traffic calming plan for the Merewood subdivision of Beaverton.

Many of our homeowners have spent the better part of the past year working with Jabra Khasho of the Traffic Engineer's office to develop a plan for our neighborhood. The completed plan was approved by a majority of our homeowners in the city's recent voting process.

The plan we've developed calls for traffic calming structures on 170th Drive, the street which must be traveled to access any of the cul-de-sacs on which most of our neighbors live. It also serves as the primary route for children walking to and from Five Oaks Middle School, or to their bus stops, all of which are located on 170th Drive.

The traffic on 170th Drive met the city's volume and speed requirements for traffic calming. Many of our families have significant safety concerns regarding increased traffic due to drivers cutting through our neighborhood to avoid the signal light at 173rd and Walker Rd. We expect traffic to further increase following the new housing development across from our Walker Rd. entrance.

I urge you to approve our traffic calming plan.

Sincerely,

Tom Rose

Tom Rose
Chairman, Merewood HOA
(503)547-2223 daytime
(503)690-3004 evenings

Rose
17151 NW Woodmere Ct
Beaverton, OR 97006

EXHIBIT 4

DRAFT

City of Beaverton

TRAFFIC COMMISSION

Minutes of the June 3, 2004, Meeting

CALL TO ORDER

Chairman Scott Knees called the meeting to order at 7:05 p.m. in the Forrest C. Soth City Council Chamber at Beaverton City Hall, Beaverton, Oregon.

ROLL CALL

Traffic Commissioners Scott Knees, Tom Clodfelter, Ramona Crocker, and Holly Isaak constituted a quorum.

Commissioners Louise Clark and Kim Overhage were absent and excused. Commissioner Andrea Soltman has resigned from the Commission.

The City of Beaverton was represented by Traffic Engineer Randy Wooley, Project Engineer Jabra Khasho, and Recording Secretary Debra Callender.

— EXCERPT START —

CONSENT ITEMS

Chairman Knees reviewed the consent agenda, including approval of the May 6, 2004, Traffic Commission minutes, TC 552, and TC 553.

Commissioner Clodfelter **MOVED** and Commissioner Isaak **SECONDED** a **MOTION** to approve the consent items consisting of the May 6, 2004, Traffic Commission minutes, TC 552, and TC 553.

The **MOTION CARRIED** unanimously, 4:0.

PUBLIC HEARINGS

ISSUE TC 554: TRAFFIC CALMING PLAN FOR NW 170TH DRIVE BETWEEN WALKER ROAD AND 173RD AVENUE

Chairman Knees opened the public hearing on TC 554.

Staff Report

Mr. Wooley made a correction to the draft final written order for TC 554. The first bullet in Item 3 should read, "In Traffic Commission Issue No. TC 509…"

Mr. Jabra Khasho said NW 170th Drive was second on the 2003 traffic calming ranking list. He said staff held four public meetings with this neighborhood to develop the traffic calming plan. Based on the needs and concerns of the neighborhood, staff and the meeting attendees worked together to develop a plan.

Mr. Khasho said the plan includes centerlines at the neighborhood entry, raised pavement markers on the curves, speed cushions, and curb extensions.

Mr. Khasho said the Merewood Home Owners Association requested that all 60 homes in their association be included in the final approval poll in order to ensure a strong neighborhood consensus. The Traffic Calming Program's guidelines specify that the polling area ends 250 feet beyond the proposed calming measures. The plan received 78 percent approval when these 60 homes were polled. If the area had been polled exactly according to Program criteria, Mr. Khasho calculated that the approval rate would have increased to 80 percent.

Based on the strong neighborhood support of this plan, Mr. Khasho asked the Commission to approve the traffic calming plan for NW 170th Drive as presented.

Commissioner Clodfelter asked if there was discussion about adding a crosswalk at the school bus stop located at Woodmere Court and 170th Drive.

Mr. Khasho answered that a crosswalk without a traffic control device, such as a stop sign or traffic signal, gives pedestrians a false and dangerous sense of security. It is more likely students will pause to check traffic before crossing the street if there is no marked crosswalk.

Commissioner Clodfelter asked about the average daily trips (ADT) on 170th Drive.

Mr. Khasho said the ADT is about 300 vehicles per day.

Public Testimony

Prior to the hearing, the Commission received and reviewed written testimony on this issue from Traffic Sergeant Jim Monger, Sheri Flynn, Mary Ann Woodell, Mira Prince, Barbara Guiol, Jeff Gregor, Susan and Scott Duyck, Greg and Julie Stanchfield, Michael F. and Mimie S. Stapleton, Corinne J. and William A. Swift, and Tom Rose. *(Written testimony is on file.)*

Norma Gregor, Beaverton, Oregon, thanked the City of Beaverton for providing the Traffic Calming Program and working with the neighborhood to develop a good design. Ms. Gregor said the Merewood neighborhood is very enthusiastic about this project. The safety of the neighborhood's children is their highest priority.

Ms. Gregor said she serves as Merewood's representative on the Five Oaks/Triple Creek Neighborhood Association Committee (NAC). Through the NAC information, she has watched plans develop for the widening of NW 173rd and also plans for a development of 28 new homes that will be built directly across Walker from 170th Drive. She believes these projects will bring a substantial amount of new traffic through the Merewood neighborhood.

Ms. Gregor said she witnessed a student pedestrian/vehicle collision near Merewood about three years ago. She personally observed that "the driver did everything right" from a safety standpoint, yet suddenly a student appeared and stepped in front of her car. She believes it is the community's duty to keep children as safe as possible and this project will help meet that goal.

Sheri Flynn, Beaverton, Oregon, identified herself as the Crime and Safety Coordinator for the Merewood HOA and a member of the board. Ms. Flynn said the primary problem is cut-through traffic and speeding. Several years ago, she asked neighbors to begin writing letters to the City to draw police attention to these traffic problems. They soon learned about the City's Traffic Calming Program, which she described as "lengthy but purposeful."

Ms. Flynn praised Mr. Khasho's work at the neighborhood meetings, saying he went out of his way to help the group reach consensus. She believes the resulting plan is a livable solution for the whole neighborhood. She said the HOA knew there was a risk in having the whole neighborhood included in the poll; however, because Merewood has always been a very "social and cohesive group" the HOA accepted that risk. They are delighted with the positive result.

Ms. Flynn is pleased that this project will proactively counter some of the cut-through traffic that could result from the new housing development on Walker. She said that 170th Drive has some areas of reduced visibility because the roadway is curved and has a slight incline. Slowing traffic will make these areas safer.

The Chairman thanked both neighbors for their testimony.

Staff Comments

Staff had no additional comments.

Chairman Knees closed the public hearing on TC 554.

Commission Deliberation

Commissioner Isaak asked about Detail B on the drawing. Why are a new catch basin and manhole included in a traffic calming plan?

Mr. Khasho answered that curb extensions collect runoff stormwater. The new catch basin and manhole connect to the existing storm drainage system.

Commissioner Isaak said the plan looks good to her.

Commissioner Crocker is impressed with the neighborhood's nearly unanimous consensus. It would be wonderful if all proposed traffic calming projects had this level of neighborhood approval. She said the plan is a good match for the neighborhood.

Commissioner Clodfelter observed that this is a gorgeous neighborhood. He said the plan looks good. He is impressed with the neighborhood's high approval rating and he hopes this project increases safety.

Commissioner Isaak asked if the response cards used for the poll had room for respondents to include additional written comments, especially if the respondent marked "no."

Mr. Khasho said the poll cards have three choices: yes, no, or abstain. This poll had only three "no" responses.

Commissioner Isaak asked if the traffic signal at 173rd and Walker would be renovated when the intersection is widened.

Mr. Wooley said it is too early to see actual signal design details. He acknowledged that some changes to the signal will be necessary.

Chairman Knees said he supports this plan because it is well thought out and well matched to this neighborhood's unique needs.

The Chairman called for a motion.

Commissioner Isaak **MOVED** and Commissioner Clodfelter **SECONDED** a **MOTION** to approve the proposed traffic calming plan for construction on NW 170th Drive between Walker Road and 173rd Avenue and to approve the draft final written order, correcting the first bullet in Item 3 to read, "In Traffic Commission Issue No. TC 509…"

There was no further discussion. The **MOTION CARRIED** unanimously, 4:0.

ISSUE TC 555: SATURDAY PARKING LIMITS ON SW FIRST STREET BETWEEN BETTS AVENUE AND LOMBARD AVENUE AND ON SW BETTS AVENUE BETWEEN SW FIRST AND SECOND STREETS.

Chairman Knees opened the public hearing on TC 555. He said he had received no testimony cards for this issue.

Staff Report

Mr. Wooley said the staff report on Issue TC 555 stands as written.

Public Testimony

Prior to the hearing, the Commission received and reviewed written testimony on this issue from Traffic Sergeant Jim Monger and Judith A. Halter. *(Written testimony is on file.)*

No one appeared to give public testimony.

Staff Comments

Mr. Wooley had no further comments.

Chairman Knees closed the public hearing on TC 555.

Commission Deliberation

Commissioner Isaak said she finds it ironic that this problem is caused by post office employees wanting to park closer to their worksite.

Discussion established that this issue is not in any way related to parking for the nearby Farmer's Market.

There was no further discussion.

Commissioner Isaak **MOVED** and Commissioner Crocker **SECONDED** a **MOTION** to accept the staff recommendation and the draft final written order as written on Issue TC 555, to modify existing two-hour parking limits to include Saturday as a day when the two-hour parking limits are in effect from 7 a.m. to 6 p.m. on SW First Street between Betts Avenue and Lombard Avenue and on SW Betts Avenue between First Street and Second Street.

There was no further discussion. The **MOTION CARRIED** unanimously, 4:0.

— EXCERPT END —

AGENDA BILL

Beaverton City Council
Beaverton, Oregon

SUBJECT: Final Order for Traffic Commission Issue No. TC 500 Regarding Left Turn Restrictions on SW Greenway at the Driveway Near Hall Boulevard

FOR AGENDA OF: 7-12-04 **BILL NO:** 04148

Mayor's Approval: [signature]

DEPARTMENT OF ORIGIN: Engineering

DATE SUBMITTED: 6-29-04

CLEARANCES: Transportation
City Attorney

PROCEEDING: Consent

EXHIBITS: 1. Final Order

BUDGET IMPACT

EXPENDITURE REQUIRED $0	AMOUNT BUDGETED $0	APPROPRIATION REQUIRED $0

HISTORICAL PERSPECTIVE:

On June 14, 2004, the City Council held a hearing on Traffic Commission Issue TC 500 in accordance with a 2003 direction by the Council. Following the hearing, the Council voted 3-2 to continue the left turn restrictions ordered in 2003 at the commercial driveway on Greenway.

Council also directed staff to prepare a budget proposal for the installation of flashing beacons in conjunction with the "no left turn" signing. Staff had estimated the cost of the beacons at $20,000.

INFORMATION FOR CONSIDERATION:

Section 6.02.065.H of the Beaverton Code requires that a final written order of the Council shall be prepared and presented to the Council for approval. The required final order has been prepared and is included as Exhibit 1.

After discussions with the Operations Department, it appears that the flashing beacons can be installed by Operations staff. Costs for materials will be funded from existing accounts for traffic control devices. Installation, which is the primary cost, will be performed by City staff at no additional cost to the City. Because the work will be performed as time permits between other responsibilities, the installation may take longer but is expected to cost less than work by an outside electrical contractor. The City currently has staff with the necessary electrical licenses to perform the work. Because the work will be done in-house using existing funding, no appropriation is needed.

RECOMMENDED ACTION:

Approve the final order on Traffic Commission Issue No. TC 500 as presented in Exhibit 1.

BEFORE THE CITY COUNCIL
FOR THE CITY OF BEAVERTON, OREGON

APPEAL FROM APPROVAL OF THE TRAFFIC COMMISSION ORDER ON ISSUE NO. TC 500 TITLED "LEFT TURN RESTRICTIONS ON SW GREENWAY AT THE DRIVEWAY NEAR HALL BOULEVARD"	**FINAL ORDER GRANTING THE APPEAL AND IMPOSING CONDITIONS**

1. Hearings on the issue were held by the Traffic Commission on December 5, 2002, and April 3, 2003. A Final Written Order of the Traffic Commission was approved on April 3, 2003. The Final Written Order recommended that left turns be prohibited at all times from southbound Greenway into the commercial driveway located approximately 250 feet south of Hall Boulevard, except motor trucks with a gross vehicle weight rating over 20,000 pounds. Mark Whitlow appealed the Traffic Commission's final order to the City Council on April 14, 2003. Whitlow included a request that the appeal hearing be de novo, which request was granted. The City Council conducted a hearing on June 16, 2003.

2. Following the June 2003 appeal hearing, the City Council adopted a final written order dated July 14, 2003. The final written order revised the left turn restrictions to apply only between 3 p.m. and 7 p.m. and eliminated the exemption for trucks. The order further established a trial period and directed that a new hearing be scheduled following the end of the trial period. The new hearing was held on June 14, 2004.

3. The following criteria (from BC 6.02.060.A) were found by the City Traffic Engineer to be relevant to the issue:

   - 1a (provide for safe vehicle, bicycle and pedestrian movements);
   - 1c (meet the overall circulation needs of the City)
   - 1g (carry anticipated traffic volumes safely).

4. In making its decision, the City Council relied upon the following facts from the staff report, the record of the Traffic Commission hearing, and from public testimony:

   - The City has received complaints about left turns from the southbound lane of SW Greenway into the driveway to the Albertson's store.
   - While waiting to turn left into the driveway, a vehicle blocks the single southbound lane of Greenway.

- A curve in Greenway limits the sight distance of a stopped vehicle for southbound motorists.
- During peak hours, a stopped vehicle may cause southbound traffic to queue into the Hall Boulevard intersection.
- At the intersection of Hall and Greenway, traffic demand frequently exceeds the intersection capacity during peak periods.
- Alternative access to the Albertson's store is available via a driveway on Hall Boulevard.
- The manager of the Albertson's store reported that trucks must use the Greenway driveway in order to safely access the store's loading dock.
- At the City Council hearing in June 2003, a report from Kittelson and Associates presented evidence that 3 pm to 7 pm is the time period when left turns are likely to cause traffic delays on Greenway. The report provided new evidence that had not been available at the Traffic Commission hearings.
- The City Council heard testimony that a full-time turn restriction would cause significant economic impact to the adjoining Albertson's store.
- The City Council heard testimony that Greenway could be widened to provide a separate turn lane in Greenway at the driveway, with estimated costs ranging from $70,000 to $115,000.
- At the June 2004 hearing, the Council received additional testimony from Kittelson and Associates indicating that the turn restrictions had reduced the incidence of queuing of southbound Greenway traffic but had not eliminated the problem.
- At the June 2004 hearing, the Council heard recommendations that the signing for the turn restrictions should be made more visible by using larger signs or by adding flashing beacons.

5. Following the public hearing, the City Council voted (3 aye, 2 nay) to reaffirm the decision to grant the appeal with the following revised conditions:

    - Prohibit left turns from the southbound lane of SW Greenway into the commercial (Alberton's) driveway located approximately 250 feet south of the Hall Boulevard intersection between the hours of 3 p.m. and 7 p.m. Monday through Friday. Staff is authorized and directed to install the appropriate signing.
    - The turn restrictions shall remain in place until such time as SW 125th Avenue is completed and opened to traffic between Greenway and Hall Boulevard.
    - Staff is directed to add flashing beacons to the "no left turn" signs with the beacons programmed to flash only during the times that left turns are prohibited.

6. The City Council decision was based on the following findings:

    - Restricting left turns will reduce the potential for rear-end collisions on Greenway at the driveway and will reduce the conflicts between left-turn traffic and northbound traffic, satisfying Criterion 1a.
    - Prohibiting left turns during peak hours will reduce restrictions to traffic capacity on Greenway. Limiting the prohibition to peak hours will allow the needed truck

circulation during the remainder of the day. The proposal is a compromise to satisfy the circulation needs per Criterion 1c and to improve the ability of Greenway to carry peak hour traffic volumes safely per Critierion 1g.

Approved and adopted this _____ day of July 2004.

Signed by:______________________
Mayor Rob Drake

Attest:_________________________
City Recorder

AGENDA BILL

Beaverton City Council
Beaverton, Oregon

SUBJECT: Bid Award – Cardlock Fueling Services

FOR AGENDA OF: 07-12-04 **BILL NO:** 04149

Mayor's Approval: [signature]

DEPARTMENT OF ORIGIN: Operations

DATE SUBMITTED: 6-21-04

CLEARANCES: Purchasing
Finance
City Attorney

PROCEEDING: Consent Agenda
Contract Review Board

EXHIBITS: Bid Summary

BUDGET IMPACT

EXPENDITURE REQUIRED$250,000	AMOUNT BUDGETED$250,000*	APPROPRIATION REQUIRED $0

*Line Item Account Number 602-85-0762-332 Garage Fund, Vehicle Fuel Account.

HISTORICAL PERSPECTIVE:

The City of Beaverton, Washington County, and the City of Hillsboro did a joint bid process for fuel. This process was possible due to the Cooperative Public Agencies of Washington County and the Intergovernmental Cooperative Purchasing Committee.

Estimated usage for the City of Beaverton for Fiscal Year 2004-05 is 121,000 gallons unleaded, 18,000 gallons of premium unleaded, and 26,000 gallons of diesel. The term of this agreement will be from July 1, 2004 through June 30, 2007, with an option to extend for one additional two-year period.

INFORMATION FOR CONSIDERATION:

Invitation for bid was advertised in the Daily Journal of Commerce on May 10, 2004. Bids were opened on May 27, 2004 at 11:00 AM at the Washington County Public Services Building. Bids were received from two (2) vendors (see attached bid summary for breakdown). The bid specifications required the vendor to specify the cost of fuels at six different locations. The location that the City of Beaverton uses the majority of the time is location "C". The low bid was received from Bretthaurer Oil Company of Hillsboro, Oregon.

RECOMMENDED ACTION:

Council, acting as Contract Review Board, award the contract to Bretthauer Oil Company of Hillsboro, Oregon, for cardlock fueling service as the low bid received.

BID SUMMARY

BID TITLE: CARDLOCK FUELING SYSTEM (#24000B)

BID OPENING: 11:00 A.M. THURSDAY, MAY 27, 2004

BIDDER	Location A	Location B	Location C	Location D	Location E	Location F
Jubitz	$ 739,741.32	**$ 115,276.19**	$ 287,060.00	$ 124,515.24	$ 15,430.00	**$ 8,807.60**
Bretthauer	**$ 719,333.40**	$ 116,803.53	**$ 279,474.40**	**$ 121,254.18**	**$ 15,200.00**	$ 9,317.00

Location A – Within 2-mile radius of Washington County Law Enforcement Center, Washington County
Location B – Within 2 miles radius of Murray Place Center, Washington County
Location C – Within 2 mile radius of City of Beaverton, Operations Center
Location D – Within 2-mile radius of City of Hillsboro, Tanasbourne Precinct
Location E – bulk diesel delivered to 4455 NW 229th Avenue, City of Hillsboro
Location F – bulk fuel delivered to Hagg Lake for Washington County

AGENDA BILL

Beaverton City Council
Beaverton, Oregon

SUBJECT: Waiver of Sealed Bidding – Purchase One Backhoe/Loader From the State of Oregon Price Agreement

FOR AGENDA OF: 7-12-04 **BILL NO:** 04150

Mayor's Approval: Rob Drake

DEPARTMENT OF ORIGIN: Operations

DATE SUBMITTED: 6-24-04

CLEARANCES: Purchasing, Finance, City Attorney

PROCEEDING: Consent Agenda (Contract Review Board)

EXHIBITS:

BUDGET IMPACT

EXPENDITURE REQUIRED $89,908	AMOUNT BUDGETED $106,000*	APPROPRIATION REQUIRED $

*Account number 502-85-0757-671 Sewer Fund, Sewer System Maintenance Capital Equipment Account. This account has a total budget appropriation of $90,000 for the purchase of a backhoe/loader.

HISTORICAL PERSPECTIVE:

The FY 2004-05 Budget includes funding to replace one backhoe/loader for the Sewer Maintenance section in the Operations Department. The Operations Department has three exsisting backhoe/loaders, a 1999 John Deere, a 1991 Case and a 1980 John Deere. The 1980 John Deere backhoe/loader will be sold through the State of Oregon surplus auction. The Oregon State Price Agreement incorporates the low bids from numerous vendors, which were obtained through the sealed bid process.

INFORMATION FOR CONSIDERATION:

The FY 2004-05 Budget includes $90,000 from the Sewer Maintenance Capital Equipment Account to purchase a replacement backhoe/loader. The backhoe/loader is currently available from Halton Tractor of Portland, Oregon, for immediate purchase from the State of Oregon Price Agreement No. 2176.

RECOMMENDED ACTION:

Council, acting as Contract Review Board, waive the sealed bidding requirements and authorize the Finance Department to issue a purchase order to Halton Tractor of Portland, Oregon, as the respective vendor for purchase of a backhoe/loader described above in the amount of $89,908 from the State of Oregon Price Agreement No. 2176.

AGENDA BILL

Beaverton City Council
Beaverton, Oregon

SUBJECT: An Ordinance Amending Ordinance No. 4187, Figure III-1, the Comprehensive Plan Land Use Map and Ordinance No. 2050, the Zoning Map for Property Located South of NW Cornell Road and West of NW 114th Avenue; CPA 2004-0008/ZMA 2004-0008

FOR AGENDA OF: 07/12/04 **BILL NO:** 04151

Mayor's Approval: Rob Drake

DEPARTMENT OF ORIGIN: CDD JMG

DATE SUBMITTED: 06/28/04

CLEARANCES: City Attorney AAR
Planning Services HB

PROCEEDING: First Reading

EXHIBITS: Ordinance
Exhibit A – Map
Planning Commission Order No. 1708
Draft PC Minutes of 06/16/04 Hearing
Staff Report Dated 05/25/04

BUDGET IMPACT

EXPENDITURE REQUIRED $0	AMOUNT BUDGETED $0	APPROPRIATION REQUIRED $0

HISTORICAL PERSPECTIVE:
On June 16, 2004, the Planning Commission held a public hearing on the request to assign a Comprehensive Plan Land Use Map designation and Zoning Map designation to property being annexed to the City through a different process. The request is to designate this parcel Town Center (TC) on the City's Comprehensive Plan Land Use Map and to designate it Town Center – High Density Residential on the Zoning Map. The Planning Commission voted to approve the requests as submitted. These decisions have not been appealed.

The City land use designations will take effect 30 days after Council approval and the Mayor's signature on this ordinance.

INFORMATION FOR CONSIDERATION:
These Comprehensive Plan Land Use Map and Zoning Map Amendments are to assign designations for a parcel being annexed into the City and are governed by the Washington County – Beaverton Urban Planning Area Agreement (UPAA). In this case, the UPAA was not specific as to the appropriate Land Use Map and Zoning Map designations and discretion was necessary to assign our most similar designations to the County's designations.

This ordinance makes the appropriate changes to Ordinance No. 4187, Figure III-1, the Comprehensive Plan Land Use Map and Ordinance No. 2050, the Zoning Map.

RECOMMENDED ACTION:
First Reading

ORDINANCE NO. 4316

AN ORDINANCE AMENDING ORDINANCE NO. 4187, FIGURE III-1, THE COMPREHENSIVE PLAN LAND USE MAP AND ORDINANCE NO. 2050, THE ZONING MAP FOR PROPERTY LOCATED SOUTH OF NW CORNELL ROAD AND WEST OF NW 114TH AVENUE; CPA 2004-0008/ZMA 2004-0008

WHEREAS, The intent of the proposed amendments to the Comprehensive Plan Land Use Map and Zoning Map is to assign appropriate City land use designations to a parcel annexed into the City through a different process; and

WHEREAS, On June 16, 2004, the Planning Commission held a public hearing to consider these amendments to the Comprehensive Plan Land Use and Zoning Maps and voted to recommend approval of the Town Center (TC) Comprehensive Plan Land Use Map designation and the Town Center – High Density Residential (TC - HDR) Zoning Map designation in place of the County designation of Transit Oriented: Residential 24-40 units per acre (TO: R 24-40); and

WHEREAS, The Council incorporates by reference the Community Development Department staff report on CPA 2004-0008/ZMA 2004-0008 by Senior Planner Alan Whitworth, dated May 25, 2004; now, therefore,

THE CITY OF BEAVERTON ORDAINS AS FOLLOWS:

Section 1. Ordinance No. 4187, the Comprehensive Plan Land Use Map, is amended to designate the subject property located south of NW Cornell Road and west of NW 114th Avenue (Tax Map 1S134C0, Tax Lot 101), Town Center (TC) on the Comprehensive Plan Land Use Map, as shown on Exhibit "A", in accordance with the Washington County - Beaverton Urban Planning Area Agreement (UPAA).

Section 2. Ordinance No. 2050, the Zoning Map, is amended to zone the same property specified in Section 1 Town Center – High Density Residential (TC – HDR), as shown on Exhibit "A", in accordance with the UPAA.

First reading this ________ day of ________________________, 2004.
Passed by the Council this ________ day of ________________, 2004.
Approved by the Mayor this ________ day of ________________, 2004.

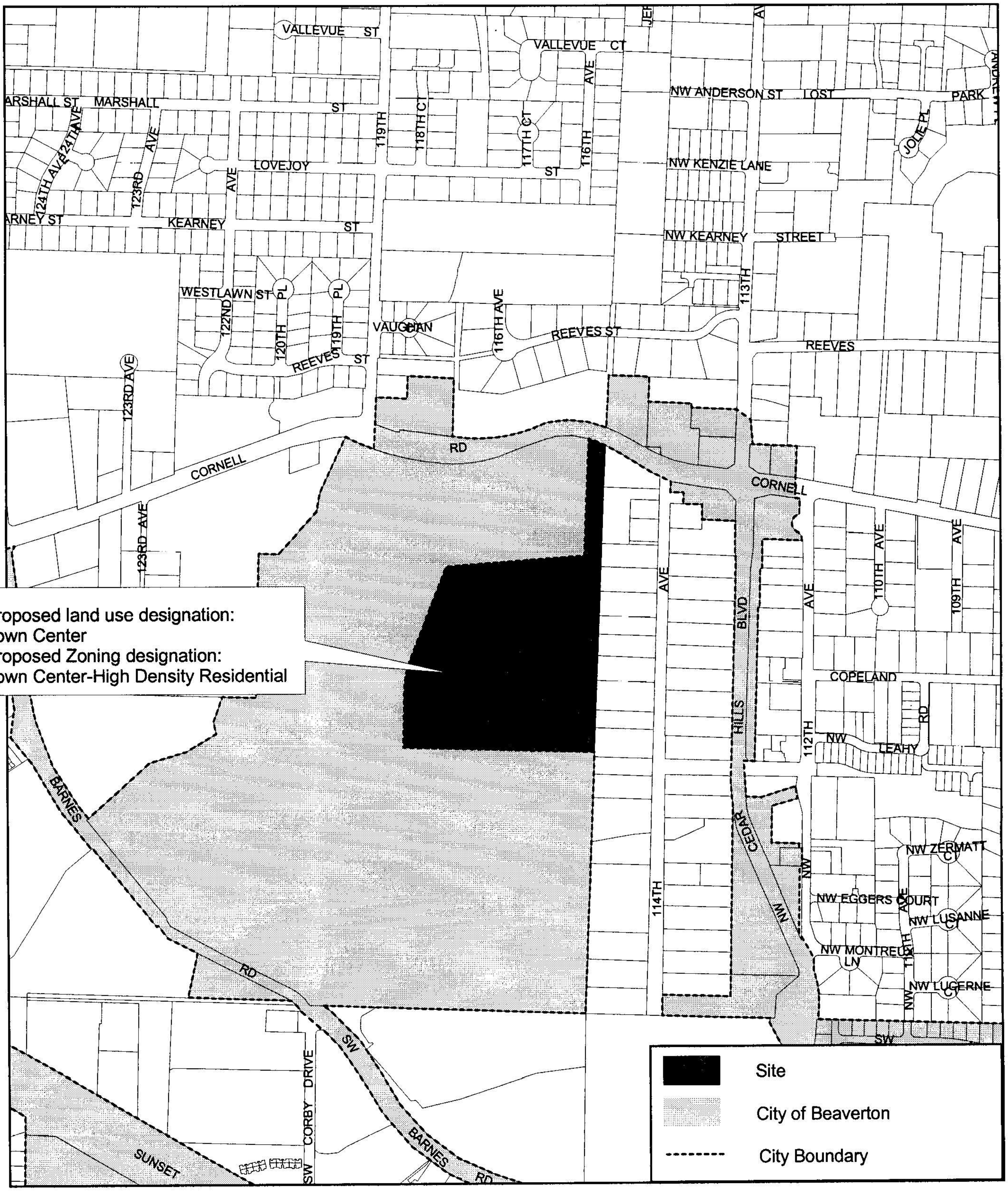
ATTEST: APPROVED:

SUE NELSON, City Recorder ROB DRAKE, Mayor

CPA/ZMA MAP

ORDINANCE NO. 4316

Exhibit "A"



City of Beaverton

BEAVERTON SCHOOL DISTRICT SITE COMPREHENSIVE PLAN LAND USE MAP AMENDMENT AND ZONING MAP AMENDMENT

COMMUNITY DEVELOPMENT DEPARTMENT

Planning Services Division

04/22/04	N
Map # 1n134c000101	
Application # CPA 2004-0008/ ZMA 2004-0008	

2

BEFORE THE PLANNING COMMISSION

FOR THE CITY OF BEAVERTON, OREGON

IN THE MATTER OF A REQUEST TO AMEND THE CITY COMPREHENSIVE PLAN LAND USE MAP TO ADD A DESIGNATION OF TOWN CENTER AND AMEND THE ZONING MAP TO ADD TOWN CENTER - HIGH DENSITY RESIDENTIAL (TC – HDR) TO ONE LOT BEING ANNEXED INTO THE CITY THROUGH A DIFFERENT PROCESS, ALAN WHITWORTH, CITY OF BEAVERTON, APPLICANT.	)	ORDER NO. 1708 CPA 2004-0008 ZMA 2004-0008 ORDER APPROVING REQUEST

The matter came before the Planning Commission on June 16, 2004, on a proposal to amend the Beaverton Comprehensive Plan Land Use Map to show Town Center and to amend the Zoning Map to show Town Center – High Density Residential (TC – HDR) for one lot that is being annexed into the City through a different process. There is no assigned street address. The property is located south of NW Cornell Road and west of NW 114th Avenue and more specifically identified as Tax Lots 00101 on Washington County Tax Assessor's Map 1N1-34C0.

Pursuant to Ordinance 4187 (Comprehensive Plan), Section 1.3.4.3 and Ordinance 2050 (Development Code), Section 50.45, the Planning Commission conducted a public hearing and considered testimony and exhibits.

The Planning Commission adopts the Staff Report dated May 25, 2004, as to applicable criteria contained in Section 1.3.1 of the Comprehensive Plan and Section 40.97.15.4.C of the Development Code and findings thereon; now, therefore:

IT IS HEREBY ORDERED that CPA 2004-0008 is **APPROVED** based on the facts and findings of the Planning Commission on June 16, 2004.

IT IS HEREBY ORDERED that ZMA 2004-0008 is **APPROVED** based on the facts and findings of the Planning Commission on June 16, 2004.

Motion **CARRIED** by the following vote:

AYES: Maks, Winter, Bliss, Pogue and Barnard.
NAYS: None.
ABSTAIN: None.
ABSENT: DeHarpport and Johansen.

Dated this 25th day of June, 2004.

To appeal the decision of the Planning Commission, as articulated in Order No. 1708 an appeal must be filed with the City of Beaverton Recorder's Office by no later than 5:00 p.m. on July 6, 2004.

PLANNING COMMISSION
FOR BEAVERTON, OREGON

ATTEST:

Alan Whitworth

ALAN WHITWORTH
Senior Planner

Hal Bergsma

HAL BERGSMA
Planning Services Manager

APPROVED:

Bob Barnard

BOB BARNARD
Chairman

DRAFT

PLANNING COMMISSION MINUTES

June 16, 2004

CALL TO ORDER: Chairman Bob Barnard called the meeting to order at 7:00 p.m. in the Beaverton City Hall Council Chambers at 4755 SW Griffith Drive.

ROLL CALL: Present were Chairman Bob Barnard, Planning Commissioners Gary Bliss, Eric Johansen, Dan Maks, Shannon Pogue, and Scott Winter. Commissioner Alan DeHarpport and Eric Johansen were excused.

Senior Planner John Osterberg, Senior Planner Alan Whitworth, Associate Planner Sambo Kirkman, Assistant City Attorney Ted Naemura and Recording Secretary Sheila Martin represented staff.

The meeting was called to order by Chairman Barnard, who presented the format for the meeting.

VISITORS:

Chairman Barnard asked if there were any visitors in the audience wishing to address the Commission on any non-agenda issue or item. There were none.

STAFF COMMUNICATION:

Staff indicated that there were no communications at this time.

A request was made to change the order of the agenda starting with New Business followed by Old Business portion.

NEW BUSINESS:

PUBLIC HEARINGS:

A. 5. **BEAVERTON SCHOOL DISTRICT SITE LAND USE MAP AMENDMENT AND ZONING MAP AMENDMENT**

This proposal is to amend the Land Use Map in the Comprehensive Plan and Zoning Map to designate one parcel being annexed into the City, by a separate process, Town Center on the Land Use Map and Town Center – High Density Residential on the Zoning Map in place of the current Washington County designation of Transit Oriented Residential: 24-40 units to the acre (TO; R24-40) with a Town Center design type. These are Beaverton's most similar land use and zoning designations to those that Washington County has placed on this property. The parcel is located south of NW Cornell Road, north of NW Barnes Road and west NW 114th Avenue.

Senior Planner Alan Whitworth presented the Staff Report and offered to respond to questions.

PUBLIC TESTIMONY:

No member of the public testified with regard to this proposal.

The public testimony portion of the Public Hearing was closed.

Observing that the proposal meets applicable approval criteria, Commissioners Maks, Winter, Pogue, Bliss and Chairman Barnard expressed their support of this application.

Commissioner Maks **MOVED** and Commissioner Winter **SECONDED** a motion for approval of CPA2004-0008/ZMA2004-0008 – Beaverton School District Site Land Use Map Amendment and Zoning Map Amendment, based upon the testimony, reports and exhibits, and new evidence presented during Public Hearings on the matter, and upon the background facts, findings and conclusions found in the Staff Report dated May 25, 2004.

Motion **CARRIED** by the following vote:

AYES:	Maks, Winter, Bliss, Pogue and Barnard.
NAYS:	None.
ABSTAIN:	None.
ABSENT:	DeHarpport and Johansen.

CITY of BEAVERTON

4755 S.W. Griffith Drive, P.O. Box 4755, Beaverton, OR 97076 General Information (503) 526-2222 V/TDD

STAFF REPORT

TO: Planning Commission

FROM: Alan Whitworth, Senior Planner Alan

REPORT DATE: May 25, 2004

HEARING DATE: June 16, 2004

REQUEST: **CPA2004-0008/ZMA2004-0008 (Beaverton School District Site Land Use Map Amendment and Zoning Map Amendment)** Quasi-judicial plan and zoning map amendments to add a City Comprehensive Plan Land Use Map designation of Town Center (TC) and Zoning designation of Town Center – High Density Residential (TC - HDR) to one lot that is being annexed into the City, through a different process. Involves tax lot 1N134C0 00101 that is shown on the attached map and described by the attached legal description.

APPLICANT: City of Beaverton

APPROVAL CRITERIA: Comprehensive Plan Section 1.3.1 and Development Code Section 40.97.15.4.C.

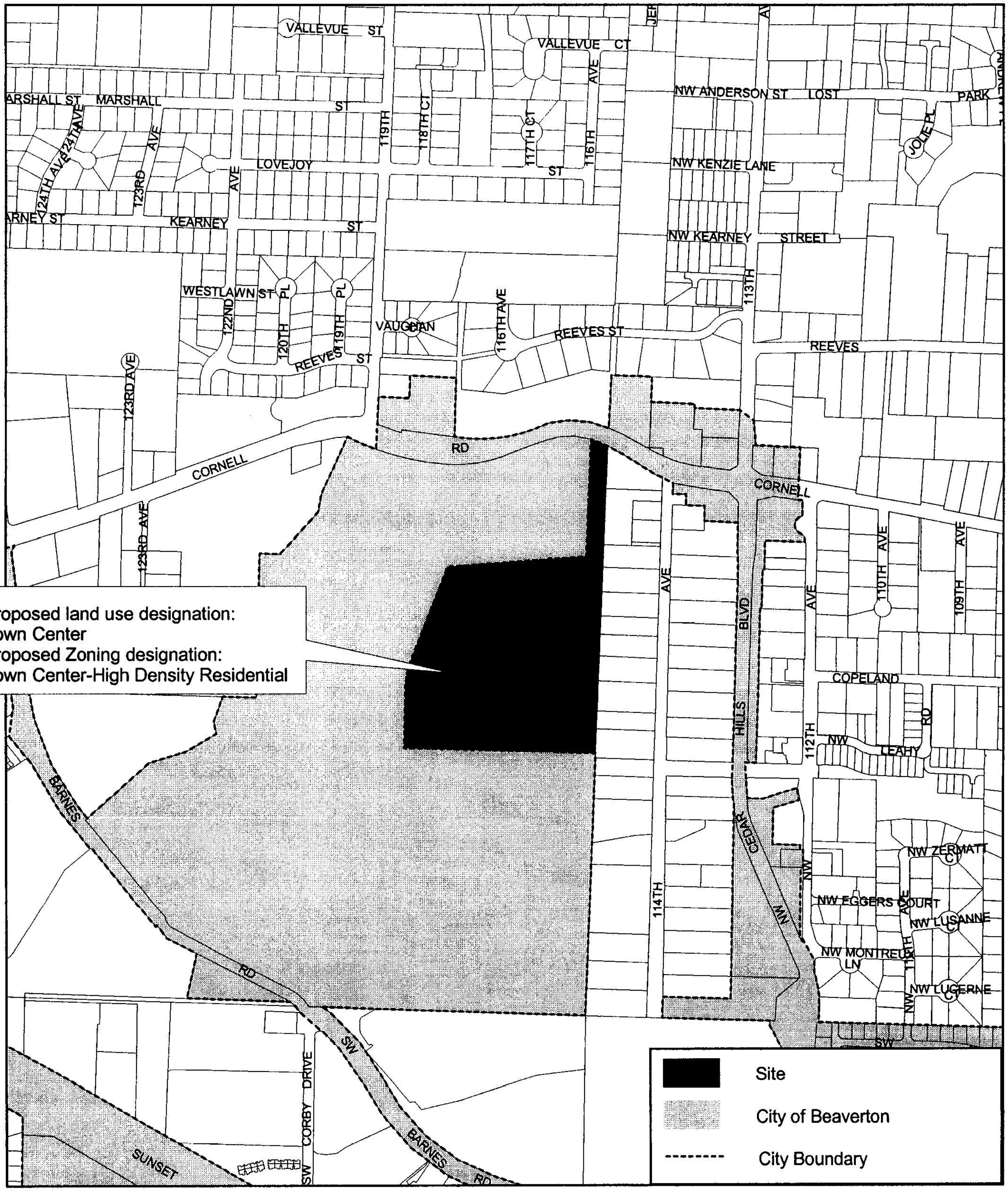
LOCATION: There is no assigned street address. The property is located south of NW Cornell Road and west of NW 114th Avenue.

EXISTING USE: The property is approximately 18 acres and undeveloped. Until recently the property functioned as a plant nursery.

RECOMMENDATION

Based on findings in this report that the criteria contained in Comprehensive Plan Section 1.3.1 and Development Code Section 40.97.15.4.C. are met, staff recommends approval of the Town Center Comprehensive Plan Land Use Map designation and Town Center – High Density Residential on the Zoning Map for tax lot 1N134C0 00101 that is shown on the attached map and described by the attached legal description.

CPA/ZMA MAP



City of Beaverton

BEAVERTON SCHOOL DISTRICT SITE COMPREHENSIVE PLAN
LAND USE MAP AMENDMENT AND ZONING MAP AMENDMENT

COMMUNITY DEVELOPMENT DEPARTMENT

Planning Services Division

04/22/04

Map #

1n134c000101

N

Application #

CPA 2004-0008/
ZMA 2004-0008

ANALYSIS OF COMPREHENSIVE PLAN AMENDMENT

The purpose of the proposed amendments to the Comprehensive Plan Land Use Map and Zoning Map is to assign appropriate City Land Use and Zoning designations to a parcel being annexed into the City of Beaverton through a different process. The Washington County - Beaverton Urban Planning Area Agreement (UPAA) calls for the City to assign our most similar Land Use Map and Zoning Map designations to those of the County's. This parcel is designated/zoned Transit Oriented: Residential 24-40 units to the acre by Washington County on the Cedar Hills-Cedar Mill Community Plan. In 2000 the County amended their Comprehensive Framework Plan to place a Town Center design type on this property. The UPAA is not specific as to the correct Comprehensive Plan designation because these designations did not exist when the UPAA was adopted. The Metro 2040 Growth Concept Map also shows this property as Town Center and both the County and the City adopted the Town Center to comply with Metro requirements. Staff finds that the City Land Use Map designation most similar to the County's Town Center design type is our Town Center designation. For these reasons staff recommends the Comprehensive Plan Land Use Map be amended to show this parcel as Town Center.

ANALYSIS OF ZONING MAP AMENDMENT

Washington County has designated this property Transit Oriented Residential: 24-40 units per acre (TO: R 24-40). The UPAA is not specific as to our appropriate zoning designation because this zoning designation did not exist when the UPAA was adopted. According to Section 3.14 of Beaverton's Comprehensive Plan, the Comprehensive Plan and Zoning District Matrix; Town Center - Multiple Use (TC-MU), High Density Residential (TC-HDR) or Medium Density Residential (TC-MDR) are the only zoning districts that can be applied to implement a Town Center Land Use Map designation. The TC-MU designation allows development that is primarily commercial and, therefore, is not a match for a designation that is primarily residential. The other two districts are primarily residential with the TC-HDR having a minimum density of 24 units per net acre and TC-MDR having a minimum density of 18 units to the net acre. Clearly the density of TC-HDR most closely matches that of Washington County's TO: R 24-40. For these reasons staff recommends the Zoning Map be amended to show TC-HDR on this property.

The UPAA requires the City to review the relevant Community Plan, which in this case is the Cedar Hills-Cedar Mill Community Plan. This property is in Area of Special Concern Number 4 of that Plan. The Community Plan has numerous conditions for the development of the former Teufel Nursery site. The County became aware that the School District was in the process of acquiring a portion of the Teufel Nursery property for a school site prior to adoption of a major amendment to the Community Plan relating to the Cedar Mill Town Center. The

County amended the Community Plan to exempt the School site from special conditions that applied to the former Teufel Nursery site. The County adopted the following:

> *D. At the time of adoption of the Cedar Mill Town Center Plan, the Beaverton School District had identified the need for additional school facilities in the area and was proceeding with condemning a portion of the Teufel Property at the northeast corner of the property for a future school site. If and when the School District acquires a portion of the property, a plan amendment changing the area to an institutional land use designation would need to be approved in order to build a school on the site. Additionally, if and when the School District condemns a portion of the Teufel Property for a future school site, the 1,946 residential units designated for the site will be commensurately reduced for the area taken by the School District for the school site. No other land use designation applicable to the Teufel Property will be affected by the School District's siting of a school on the Teufel Property. Development of a school on the site may proceed on the Property prior to the process outlined in A. above.*

The last sentence in the above Section D. exempts the School site from the requirements of Section A, which represents most of the special requirements contained in Area of Special Concern # 4.

Area of Special Concern # 4 Section B states:

> *Regarding street connectivity, the Teufel Property shall be developed consistent with the Design Option listed is Section 3.07.630 of Metro's Urban Growth Management Functional Plan.*

Metro's *2000 Regional Transportation Plan* states the following:

> *Prior to completion of this updated RTP, several transportation planning requirements were included in the Urban Growth Management Functional Plan (UGMFP), which was enacted to address rapid growth issues in the region while the Regional Framework Plan and other long-range plans were under development. This 2000 RTP now replaces and expands the performance standards required for all city and county comprehensive plans in the region contained in Title 6 of the UGMFP.*

The UGMFP is section 3.07 of Metro Code. The section of Metro Code referenced above was deleted in 2002. The City of Beaverton is in full compliance with the 2000 Regional Transportation Plan and with the recently adopted 2004 Regional Transportation Plan including all required amendments to our Development Code regarding street connectivity. This condition is no longer relevant because it has been superseded by new regulations that the City is in compliance with.

Area of Special Concern #4 Section C. states:

> *Except for the 22-acre portion designated TO: RC, the property shall be primarily developed as an area of high density housing. In keeping with*

regional objectives for intensification of development in mixed use areas well-served by transit to accommodate future population growth within the present urban area, the minimum amount of residential development on the property at build-out shall be 1,946 dwelling units. Provided that future plan amendments are for non-institutional uses, this number shall be achieved even if future plan amendments change the plan designations on the property. However, this number shall be reduced proportionally for future plan amendments which change residential development areas to institutional land use designations.

The last sentence of this section clearly is referencing the School District site because it would be the only part of the former Teufel Nursery site that would qualify for an institutional designation. The City does not have an institutional designation (educational institutions are an allowed use in Town Center – High Density Residential District) but it is clearly the intent of the last sentence to exempt the School District site from the density requirements.

The Community Plan does not indicate any wetlands or historic sites on the School District property. The Area of Special Concern conditions have been addressed and none of them require further action on the City's part.

COMPREHENSIVE PLAN AMENDMENT FINDINGS

Adoption by the City Council and Planning Commission of an amendment to the Plan must be supported by findings of fact, based on the record, that demonstrate the criteria of Comprehensive Plan Section 1.3.1 (Amendment Criteria) have been met. The City Council and Planning Commission may adopt by reference facts, findings, reasons, and conclusions proposed by the City staff or others. Affirmative findings to the following criteria are the minimum requirements for Land Use Map amendments.

Compliance with Plan Amendment Criteria:

1.3.1.1. The proposed amendment is consistent and compatible with the Statewide Planning Goals.

Of the 19 Statewide Planning Goals, Goal One: Citizen Involvement and Goal Two: Land Use Planning are applicable to the proposed map amendments.

Goal One: Citizen Involvement
To develop a citizen involvement program that insures the opportunity for citizens to be involved in all phases of the planning process.

This proposed application for a Comprehensive Plan Land Use Map amendment and zone change is subject to the public notice requirements of the City Charter, Comprehensive Plan Section 1.3.4.3 and Development Code Section 50.45. The following summarizes public involvement opportunities and notification requirements specified in these sections:

- Mailing notice to DLCD, Metro, the City's Neighborhood Office and the CCI Chair at least forty-five days prior to the public hearing.
- A Public Hearing before the Planning Commission that must be advertised 20 days in advance in the Valley Times and posted in three conspicuous places. Thirty days prior to the hearing, notice must be mailed to the owners of the subject property by certified mail and twenty days prior to the hearing notice must be mailed to residents and owners of property within 500 feet of the subject property.

The Planning Commission at their hearing considers written comments and oral testimony before they make a decision. The procedures outlined in Comprehensive Plan Section 1.3.4.3 and Development Code Section 50.45 allow for proper notice and public hearing opportunities on the proposed Comprehensive Plan Land Use Map amendment and zone change as required by this Statewide Planning Goal. These procedures have been followed.

Finding: ***Staff finds that the City through its Charter, Comprehensive Plan and Development Code and the State through numerous statutes have created proper procedures to insure citizens the opportunity to have input in these proposed Comprehensive Plan Map amendments and that those procedures have been or will be complied with.***

Goal Two: Land Use Planning
To 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 City of Beaverton adopted a Comprehensive Plan, which includes text and maps, in a three-part report (Ordinance 1800) along with implementation measures, including the Development Code (Ordinance 2050) in the late 1980's. The City adopted a new Comprehensive Plan (Ordinance 4187) in January of 2002 that was prepared pursuant to a periodic review work program approved by the State Department of Land Conservation and Development (DLCD). The proposed Plan, including a new Land Use Map, was the subject of numerous public hearings and considerable analysis before being adopted. The adopted Plan and findings supporting adoption were deemed acknowledged on pursuant to a series of Approval Orders from the Department of Land Conservation and Development, the last of which was issue on December 31, 2003. In 1989, the City and Washington County adopted the Washington County - Beaverton Urban Planning Area Agreement (UPAA), which is now section 3.15 of the Comprehensive Plan. The land use planning processes and policy framework described in the UPAA, Development

Code and Comprehensive Plan form the basis for decisions and actions, such as the subject amendments. In addition, both the Development Code and the Comprehensive Plan provide procedures to follow when assigning land use designations and zoning related to annexations.

Section II.D. of the UPAA states:

> *The CITY and the COUNTY agree that when annexation to the CITY takes place, the transition in land use designation from one jurisdiction to another should be orderly, logical and based upon a mutually agreed upon plan. Upon annexation, the CITY agrees to convert COUNTY plan and zoning designations to CITY plan and zoning designations which most closely approximate the density, use provisions and standards of the COUNTY designations. Such conversions shall be made according to the tables shown on Exhibit "B" to this agreement.*

This property is currently designated Transit Oriented Residential: 24-40 units per acre (TO: R 24-40). The Washington County Comprehensive Framework Plan places the property within a Town Center design type, consistent with the Metro 2040 Growth Concept. The UPAA does not reference either of these designations because they did exist when it was written. Since the County has designated this property Town Center in their Comprehensive Framework Plan staff recommends the Comprehensive Plan Land Use Map be amended to show this parcel as Town Center.

Washington County's Comprehensive Framework Plan is implemented by ten Community Plans. County Community Plan documents consist of both adopted Land Use District Maps and related Plan text. Each Community Plan Map shows the adopted land use designation for each parcel within the planning area.. The Community Plan text provides a written description of the Community Plan Map, Community Design Elements and Areas of Special Concern. Individual, site-specific policy design elements are sometimes included in the Community Plan text. City staff has reviewed the Cedar Hills-Cedar Mill Community Plan for relevant site-specific policies. The subject parcel is identified as being within Area of Special Concern No. 4. As discussed earlier in this report, the County has exempted this parcel owned by the Beaverton School District from the special policies that apply to the remainder of the former Teufel Nursery property. The Community Plan does not indicate any areas of significant natural resources, historic sites, or scenic views on the School District property.

<u>Finding:</u> Staff finds that the City and Washington County have established a land use planning process and policy framework as basis for assigning land use and zoning designations for recently annexed land. This amendment complies with Goal Two.

Summary Finding: ***Staff finds that the requested Comprehensive Plan change to Town Center is consistent with the Statewide Planning Goals and the requirements of Criterion 1.3.1.1 are met.***

1.3.1.2. The proposed amendment is consistent and compatible with Metro Regional Urban Growth Goals and Objectives and the Metro Regional Framework Plan.

Metro's Urban Growth Management Functional Plan Section 3.07.830 requires that any Comprehensive Plan change must be consistent with the requirements of the Functional Plan. The City is only required to address provisions in the Urban Growth Management Functional Plan, which is an Element of the Framework Plan. The Regional Framework Plan (which includes the RUGGOs and the Urban Growth Management Functional Plan) does not contain policies or criteria directly applicable to decisions of this type.

The Metro 2040 Growth Concept Map shows this property as a Town Center design type.

Finding: ***Staff finds that the requested Land Use Map designation of Town Center is consistent and compatible with regional plans and guidelines. The requirements of Criterion 1.3.1.2 are met.***

1.3.1.3 The proposed amendment is consistent and compatible with the Comprehensive Plan and other applicable local plans.

Section 2.6.3 of the City Comprehensive Plan addresses Annexation Related Map Amendments. This section explains that Comprehensive Plan and Zoning map amendments of annexed properties are subject to the provisions of the UPAA (the UPAA is Section 3.15 of the Plan). The UPAA does not reference TO: R 24-40 or Town Center because these designations did not exist when it was written. When the UPAA is not specific the City is to assign the most similar designations to the County designations. The County has defined this property in its Comprehensive Framework Plan as being a Town Center Area which matches our Town Center Land Use Map designation and Metro's Town Center design type. Staff is unaware of any other relevant plans affecting this decision. The Town Center Land Use designation allows for the TC-HDR zoning designation. Staff concludes that Town Center is the appropriate Land Use Map designation.

Finding: ***Staff finds that the requested Comprehensive Plan change to Town Center is consistent and compatible with Comprehensive Plan Sections 2.6.3 and 3.15 (UPAA), which are the relevant sections of the Plan. The requirements of Criterion 1.3.1.3 are met.***

1.3.1.4 Potential effects of the proposed amendment have been evaluated and will not be detrimental to quality of life,

including the economy, environment, public health, safety or welfare.

It is the intent of the UPAA to provide for a smooth transition from County designations to City designations by adopting designations that most closely approximate the County's designations. The transition does not significantly impact public services, economic factors or environmental elements. Residents and business owners may benefit from the application of City designations to their property when applying for development services since City employees are more familiar with City regulations than County regulations. Staff finds that the proposed amendments will not be detrimental to quality of life, including the economy, environment, public health, safety or welfare.

FINDING: ***Staff finds that the potential effects of the proposed amendment will not be detrimental to quality of life, including the economy, environment, public health, safety or welfare. Criterion 1.3.1.4 is met for the annexation related Comprehensive Plan Land Use Map amendment of Town Center as proposed in this staff report.***

1.3.1.5 ***The benefits of the proposed amendment will offset potential adverse impacts on surrounding areas, public facilities and services.***

The UPAA was developed to ensure that City designation of annexed parcels would have minimal impact to surrounding areas, public facilities and services. The assumption behind this is that the County went through a proper planning, evaluation and review process prior to assigning plan designations and issuing development approvals. The City reviewed impacts on public facilities and services as part of the annexation review process prior to approving the annexation (ANX 2004-0009). No adverse impacts on public facilities and services were identified.

FINDING: ***Staff finds the benefits of the proposed Land Use Map amendment will offset potential adverse impacts on surrounding areas, public facilities and services. Criterion 1.3.1.5 is met for the proposed Comprehensive Plan Land Use Map amendment.***

1.3.1.6 ***There is a demonstrated public need, which will be satisfied by the amendment as compared with other properties with the same designation as the proposed amendment.***

This amendment is associated with an annexation that will add property to the City. It is necessary for property within the City to have City Comprehensive Plan and zoning designations in place of the County designations.

FINDING: ***Criterion 1.3.1.6 does not apply to annexation related Comprehensive Plan Land Use Map amendments.***

ZONING MAP AMENDMENT FINDINGS

Adoption by the City Council and Planning Commission of an amendment to the Zoning Map must be supported by findings of fact based on the evidence provided by the applicant demonstrating the criteria of the Development Code Section 40.97.15.4.C (Discretionary Annexation Related Zoning Map Amendment - Approval Criteria) have been met. The City Council and Planning Commission may adopt by reference facts, findings, reasons, and conclusions proposed by the City staff or others. Affirmative findings to the following criteria are the minimum requirements for Zone Map amendments.

40.97.15.4.C.1. ***The proposal satisfies the threshold requirements for a Discretionary Annexation Related Zoning Map Amendment application.***

There is one threshold requirement that is "The change of zoning to a City zoning designation as a result of annexation of land to the City and the Urban Planning Area Agreement (UPAA) does not specify a particular corresponding City zoning designation and discretion is required to determine the most similar City zoning designation." The UPAA does not list TO: R 24-40 because the designation did not exist at the time it was written.

<u>FINDING:</u> Staff finds that the proposed request satisfies the threshold requirement for a Discretionary Annexation Related Zoning Map Amendment application.

40.97.15.4.C.2. ***All City application fees related to the application under consideration by the decision making authority have been submitted.***

<u>FINDING:</u> Since there are no fees for annexation related Land Use Map and Zoning Map Amendments. Staff finds that this criterion is not applicable.

40.97.15.4.C.3. ***The proposed zoning designation most closely approximates the density, use provisions, and development standards of the Washington County designation which applied to the subject property prior to annexation.***

The UPAA does not list TO: R 24-40. The County has placed this area in a Town Center design type in their Framework Plan and staff is recommending that the Land Use Map show this as Town Center. The Comprehensive Plan and Zoning District Matrix which is contained in Section 3.14 of the Comprehensive Plan only allows for TC-HDR, TC-MU or TC-MDR in Town Center areas. The TC-MU designation allows development that is primarily commercial and, therefore, is not a match for a designation that is primarily residential. The other two districts are primarily residential with the TC-HDR having a minimum density of 24 units per net acre and TC-MDR having a minimum density of 18 units to the net acre. Clearly the density of TC-HDR most closely matches that of Washington County's

TO: R 24-40. For these reasons staff recommends the Zoning Map be amended to show TC-HDR on this property.

***FINDING:** Staff finds that the proposed zoning designation is the closest available district to the County's as specified by the UPAA given the County's overlay designation of Town Center.*

40.97.15.4.C.4 ***The proposed zoning designation is consistent with any guidance contained within the UPAA concerning the application of non-specified zoning district designations.***

The UPAA does not reference the current County zoning designation but does require that we assign our most similar zoning designation to the one assigned by the County. The zoning matrix contained in section 3.14 of the Comprehensive Plan allows three zoning districts in the Town Center Land Use Category those being TC-HDR, TC-MU and TC-MDR. The TC-MU is primarily retail/commercial in nature and is not an appropriate match for a primarily residential district. The TC-HDR requires a minimum of 24 units to the net acre, whereas, the TC-MDR has a minimum requirement of 18 units to the net acre. Since the TO: R 24-40 has a minimum of 24 units to the acre, the TC-HDR is our most similar zoning for their TO: R 24-40 as specified by the UPAA and is in compliance with the guidance provided by the UPAA

***FINDING:** Staff finds that the proposed zoning designation is our most similar designation to that applied by the County as specified by the UPAA and, therefore, is consistent with it.*

40.97.15.4.C.5. ***Applications and documents related to the request, which will require further City approval, shall be submitted to the City in the proper sequence.***

The City processes Land Use Map and Zoning Map Amendments (CPA/ZMA) for property being annexed into the City and there are no further City approvals related to this request other than the Planning Commission, City Council and Mayor's approvals of this CPA/ZMA. The property owner may, in the future, submit a request to the City for modification or redevelopment of the property, but that is not related to this request.

***FINDING:** Staff finds that there are no proposals related to this request that will require further City approvals and, therefore, no additional applications or documents are required.*

PROCESS

Submission Requirements: An application for a Discretionary Annexation Related Zoning Map Amendment shall be made by the submittal of a valid annexation petition or an executed annexation agreement. An annexation petition has been submitted and an annexation agreement is in the process of being approved.

Public Hearing: Annexation Related Land Use Map amendments follow the procedures in the Comprehensive Plan and Annexation Related Zoning Map amendments follow the procedures in the City Charter and the Development Code. When the UPAA is not specific as to exactly which designations to assign, both processes require a public hearing before the Planning Commission. In this case the UPAA is not specific about either the Land Use Map or Zoning Map designations. This circumstance requires the Land Use Map and Zoning Map amendments to have a public hearing before the Planning Commission. The Zoning Map amendment will be processed as a Type 3 application. A public hearing has been scheduled before the Planning Commission on June 16, 2004 for the proposed amendments.

Public Notice: Section 43 of the City Charter, Section 1.3.4.3(a) of the Comprehensive Plan and Section 50.45.2 of the Development Code prescribe the notice to be provided for a public hearing on these types of applications.

Notice as described below for hearings on annexation related CPA's must be provided not less than twenty (20) calendar days prior to the City Planning Commission hearing and rezones must provided notice not less than seven (7) days prior to the hearing with the exception of the property owner who must, as required by the City Charter, be sent notice by certified mail at least thirty (30) calendar days prior to the hearing.

1. Legal notice was published in the Beaverton Valley Times on May 20, 2004.
2. Notice was posted at the Post Office, Beaverton Library and City Hall on or before May 27, 2004.
3. Notice was mailed to the Central Beaverton Neighborhood Association Committee and the Cedar Hills-Cedar Mill Citizen Participation Organization and persons within 500 feet of the proposed rezones on or before May 27, 2004.
4. Notice was mailed to the property owner by certified mail on or before May 27, 2004.

Notice was also mailed to Metro and the State Department of Land Conservation and Development on April 26, 2004 more than the 45 days in advance of the initial hearing as required by the Metro Code and Section 660-018-0020 of the Oregon Administrative Rules.

The Planning Commission has not directed staff to provide additional notice for this amendment beyond the notices described above. The notice requirements for this CPA/ZMA will be met.

Decision: Following a Planning Commission action, a Planning Commission order will be prepared and mailed to the property owner and any person submitting written comments prior to or at the hearing or testifying before the Planning Commission during the hearing.

Appeals: Appeals of the Commission decision regarding CPA's and rezones are made to the City Council. The procedure for filing such an appeal and the manner of the hearing is governed by Section 1.3.6 of the Comprehensive Plan for the CPA and Section 50.70 of the Development Code for the ZMA. The appeal request must be made in writing and delivered to the City within 10 calendar days of the land use order date. In addition, there is a non-refundable $620.00 fee, which must accompany the request for hearing. This fee is likely to increase effective July 1, 2004.

120-Day Rule: This rezone request is quasi-judicial. The applicant (City of Beaverton) has waived the 120-day rule (Oregon Revised Statutes Chapter 227 Section 178). The CPA is not subject to the 120-day rule.

FINDING: ***Applicable procedural requirements have been met for these proposed Land Use Map and Zoning Map amendments.***

Based on the findings in this report, staff concludes amending the Land Use Map to show Town Center, and the Zoning Map to show Town Center-High Density Residential, is appropriate.

Attachment: Legal Description

LEGAL DESCRIPTION
CPA 2004-0008/ZMA 2004-0008
BEAVERTON SCHOOL DISTRICT SITE CPA/ZMA

A parcel of land (consisting entirely of tax lot 1N 1 34C 101) situated in the West 1/2 of Section 34, Township 1 North, Range 1 West, Willamette Meridian, Washington County, Oregon; more particularly described as follows:

Beginning at the Center (as restored in Washington County survey no. 15,810) of said Section 34; thence along the East line of the Southwest 1/4 of said Section 34, South 00° 43′ 21″ East, a distance of 1415.60 feet; thence South 88° 26′ 51″ West, a distance of 899.67 feet; thence North 02° 01′ 43″ West, a distance of 270.54 feet, to a point of curvature; thence along the arc of a circular curve to the right (radius of 378.00 feet, central angle of 20° 55′ 03″, long chord bears North 08° 25′ 48″ East, a distance of 137.24 feet), a distance of 138.00 feet; thence North 18° 53′ 20″ East, a distance of 463.22 feet; thence North 82° 45′ 19″ East, a distance of 652.67 feet; thence North 00° 43′ 21″ West, a distance of 540.66 feet, to a point on the South line of NW Cornell Road; thence along said South line and the arc of a non-tangent circular curve to the right (radius point bears southwesterly 386.70 feet, central angle of 12° 36′ 22″, long chord bears South 71° 08′ 30″ East, a distance of 84.91), a distance of 85.08 feet; thence, leaving said South line, outh 00° 43′ 21″ West, a distance of 4.26 feet, to the point of beginning.

AGENDA BILL

Beaverton City Council
Beaverton, Oregon

SUBJECT: An Ordinance Renaming SW Millikan Boulevard Between Murray Boulevard and Tualatin Valley Highway to "SW Millikan Way"; SNC2004-0001.

FOR AGENDA OF: July 12, 2004 **BILL NO:** 04152

Mayor's Approval:

DEPARTMENT OF ORIGIN: CDD

DATE SUBMITTED: 06-29-04

CLEARANCES: City Attorney

PROCEEDING: First Reading

EXHIBITS: Ordinance
Exhibit A - Map

BUDGET IMPACT

EXPENDITURE REQUIRED $0	AMOUNT BUDGETED $0	APPROPRIATION REQUIRED $0

HISTORICAL PERSPECTIVE:

On June 14, 2004 the City Council voted to uphold the Planning Commission's recommendation of "SW Millikan Way" as the new street name for SW Millikan between Murray Boulevard and Tualatin Valley Highway.

INFORMATION FOR CONSIDERATION:

The attached ordinance implements this new name pursuant to BC9.02.060 and will be filed with Washington County and the Postmaster following second reading and signing by the Mayor.

RECOMMENDED ACTION:

First Reading

ORDINANCE NO. 4317

AN ORDINANCE RENAMING SW MILLIKAN BOULEVARD BETWEEN MURRAY BOULEVARD AND TUALATIN VALLEY HIGHWAY TO "SW MILLIKAN WAY"; SNC 2004-0001.

WHEREAS, the City of Beaverton processed an application for a street name change to establish a consistent street name along the entirety of Millikan, which should eliminate the potential for confusion due to multiple street names along this route; and

WHEREAS, the Planning Commission conducted a hearing on April 28, 2004 pursuant to B.C. 9.02.060 and after considering testimony and evidence presented, recommended that the City Council approve a name change for Millikan Boulevard to that of "SW Millikan Way"; and

WHEREAS, the proposed street of SW Millikan Way would extend from TV Highway on the west to Murray Boulevard on the east; and

WHEREAS, the Council conducted a public hearing on June 14, 2004 and heard and considered testimony and evidence presented on behalf of the proposed name change; and

WHEREAS, based upon the evidence and testimony presented at the public hearing, the City staff report dated April 21, 2004 and the Planning Commission Land Use Order No. 1700, the Council finds that it is in the best interest of the residents of the City and the public generally, that the application for street name change be granted as more specifically set forth below.

THE CITY OF BEAVERTON ORDAINS AS FOLLOWS:

Section 1. SNC 2004-0001 affecting a portion of SW Millikan, currently designated as SW Millikan Boulevard, depicted in Exhibit A, shall become known as "SW Millikan Way".

Section 2. The City Recorder is hereby directed to file a certified copy of this ordinance with the Washington County Recorder, the Washington County Department of Assessment and Taxation, the Washington County Surveyor and the Postmaster.

First reading this ____ day of ______________________, 2004.

Passed by the Council this ____ day of _______________, 2004.

Approved by the Mayor this ____ day of _______________, 2004.

ATTEST: APPROVED:

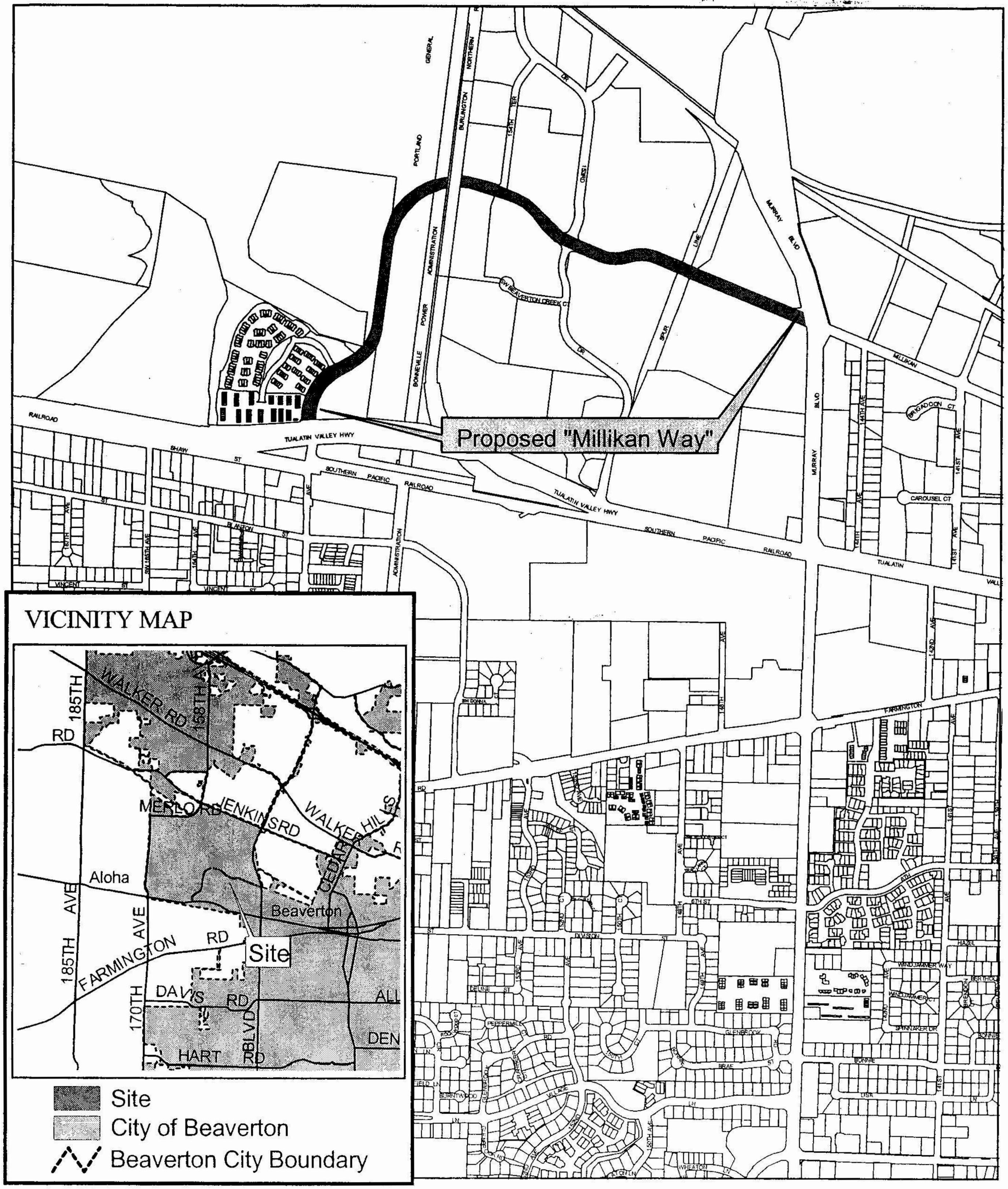
_____________________________ _____________________________

SUE NELSON, City Recorder ROB DRAKE, Mayor

DETAIL MAP

ORDINANCE NO. 4317

EXHIBIT # A



City of Beaverton	Millikan Boulevard to Millikan Way Street Name Change	3/3/04 Map #	N
	COMMUNITY DEVELOPMENT DEPARTMENT Development Services Division	Application # SNC 2004-0001	

AGENDA BILL

Beaverton City Council
Beaverton, Oregon

SUBJECT: An Ordinance Amending Ordinance No. 2050, The Zoning Map, As To A Specific Parcel, From Office Commercial (OC) to Community Service(CS); ZMA2004-0006 Summit View Zoning Map Amendment

FOR AGENDA OF: 07-12-04 **BILL NO:** 04153

Mayor's Approval: Linda G. Holland Mayor Pro Lingo

DEPARTMENT OF ORIGIN: CDD

DATE SUBMITTED: 07-01-04

CLEARANCES: Devel Serv
City Attorney

PROCEEDING: First Reading

EXHIBITS: Vicinity Map
Draft Ordinance
Land Use Order No. 1701

BUDGET IMPACT

EXPENDITURE REQUIRED $	AMOUNT BUDGETED $	APPROPRIATION REQUIRED $

HISTORICAL PERSPECTIVE:

On May 19, 2004, the Planning Commission held a public hearing to consider an application to amend Ordinance No. 2050, the Zoning Map, by redesignating the site located at 15900 SW Regatta Lane from Office Commercial (OC) to Community Service (CS).

The development site is specifically identified as Tax Lot 1500 on Washington County Assessor's Tax Map 1S1-05BA, which is generally located west of SW 158th Avenue and south of SW Walker Road. The property totals approximately 1.2 acres in size.

The Planning Commission has recommended approval of the request to rezone the property from Office Commercial (OC) to Community Service (CS) on the Zoning Map.

INFORMATION FOR CONSIDERATION:

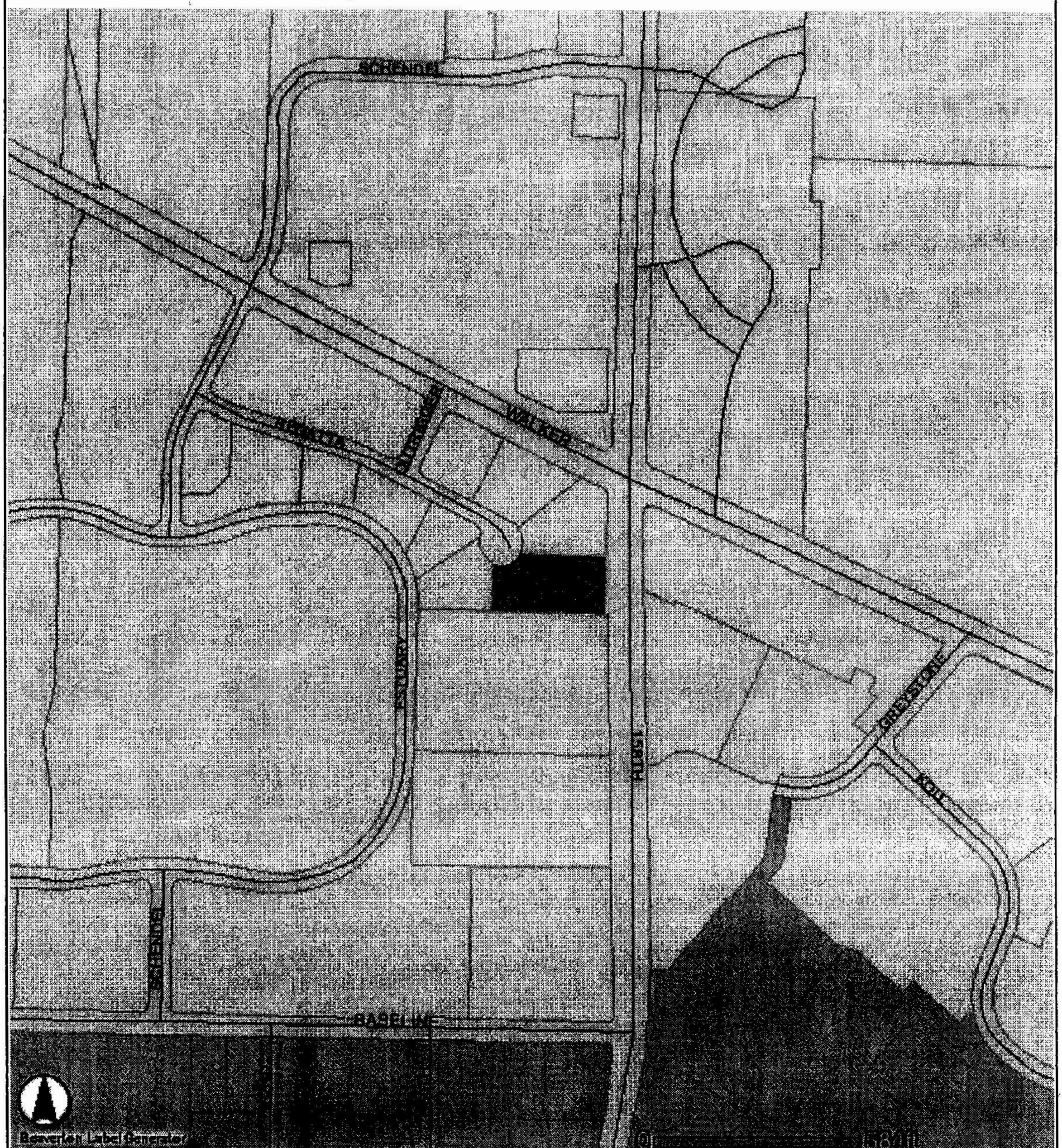
Since no City Council hearing is required and no appeal was filed from the Planning Commission's decision, this ordinance making the appropriate change to the Zoning Map is being presented for first reading at this time.

RECOMMENDED ACTION:

Conduct First Reading.

SS:sp

VICINITY MAP



Project: SUMMIT VIEW EVANGELICAL COVENANT CHURCH	Date: 03/12/04	**N**
	Map Number 1S105BA01500	
Department: COMMUNITY DEVELOPMENT ***Division: Development Services***	Application # ZMA2004–0006	

ORDINANCE NO. 4318

AN ORDINANCE AMENDING ORDINANCE NO. 2050,
THE ZONING MAP, AS TO A SPECIFIC PARCEL, FROM OFFICE COMMERCIAL (OC) TO COMMUNITY SERVICE (CS); ZMA 2004-0006.

WHEREAS, on May 19, 2004, the Planning Commission conducted a public hearing to consider an application to amend Ordinance No. 2050, the Zoning Map, redesignating the site located at 15900 SW Regatta Lane from Office Commercial (OC) to Community Service (CS); and

WHEREAS, the Planning Commission received testimony and exhibits and recommended approval of this zone change; and

WHEREAS, no appeals were filed with the City; and

WHEREAS, the Council adopts as to criteria applicable to this request and findings thereon Development Services Division Staff Report dated May 12, 2004 and Planning Commission Land Use Order No. 1701. Now, therefore,

THE CITY OF BEAVERTON ORDAINS AS FOLLOWS:

Section 1. Ordinance No. 2050, the Zoning Map, is amended to redesignate approximately 1.2 acres, located at 15900 SW Regatta Lane from Office Commercial (OC) to Community Service (CS).

Section 2. The property affected by this ordinance is depicted in the attached map, marked Exhibit "A" and incorporated herein. The property is more specifically described on the records of the Washington County Department of Assessment and Taxation as Tax Lot 1500, on Map 1S1-05BA, Beaverton, Washington County, Oregon.

First reading this _____ day of ____________________________, 2004.

Passed by the Council this ______ day of ____________________, 2004.

Approved by the Mayor this _______ day of ___________________, 2004.

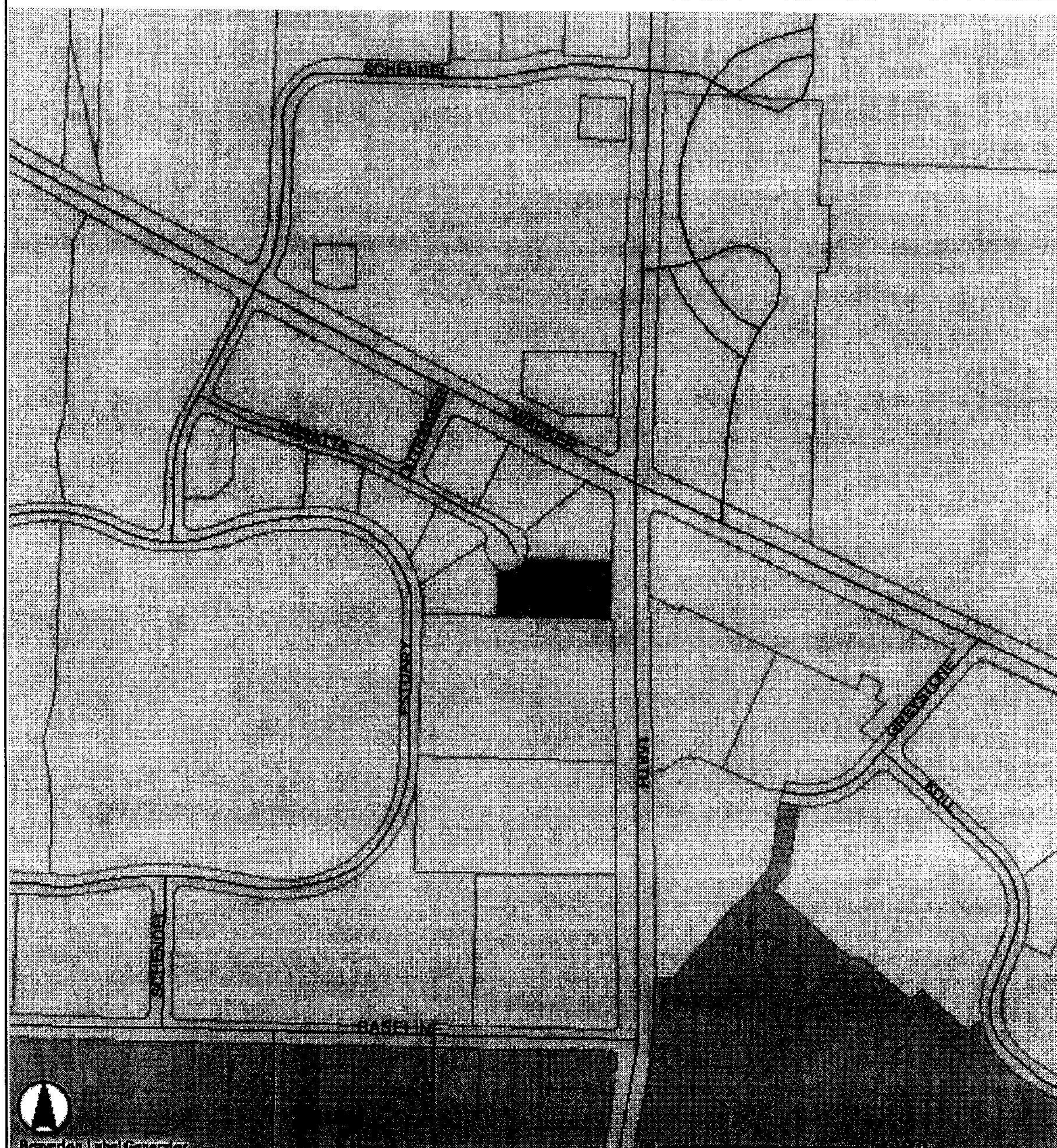
ATTEST: APPROVED:

_____________________________ _____________________________

SUE NELSON, City Recorder ROB DRAKE, Mayor

02

VICINITY MAP ORDINANCE NO. 4318 EXHIBIT A



Project: SUMMIT VIEW EVANGELICAL COVENANT CHURCH	Date: 03/12/04	N
	Map Number 1S105BA01500	
Department: COMMUNITY DEVELOPMENT *Division: Development Services*	Application # ZMA2004-0006	

BEFORE THE PLANNING COMMISSION

FOR THE CITY OF BEAVERTON, OREGON

IN THE MATTER OF A REQUEST FOR AN AMENDMENT TO THE CITY ZONING MAP APPLICABLE TO 15900 SW REGATTA LANE, (SUMMIT VIEW ZONING MAP AMENDMENT FROM 'OC' TO 'CS'), SUMMIT VIEW EVANGELICAL CHURCH, APPLICANT	)	ORDER NO. 1701 ZMA 2004-0006 ORDER APPROVING REQUEST

The matter came before the Planning Commission on May 19, 2004, on a request for an amendment to the City Zoning Map, providing for a change to the zoning designation on property located at 15900 SW Regatta Lane, specifically identified as Tax Lot 1500 on Washington County Assessor's Map 1S1-05BA. The zoning map designation for this property is currently Office Commercial (OC), which the applicant requests to change to Community Service (CS).

Pursuant to Ordinance 2050 (Development Code) Sections 50.45, the Planning Commission (Commission) conducted a public hearing and considered testimony and exhibits on the subject proposal, and approved the amendment.

The Commission adopts the following supplemental findings in support of its action, in response to key issues of concern, as identified herein.

Traffic Impacts: The Commission raised concern that the proposed zoning map amendment would increase the potential for future uses of the parcel to not comply with

04

the Commission's findings for the original Waterhouse Commons Subdivision approval, which anticipated a greater amount of office development in comparison to the retail development that is predominant in the subdivision today. The applicant stated that the zoning map amendment would not affect the findings or conditions of the Subdivision as they are not subject to the current zoning map amendment. Further, as the zoning map amendment required the applicant to address the worst-case scenario with regard to traffic generation on the subject site, both the 'CS' and the 'OC' zones allow for financial institutions which is a high traffic generating use. Therefore, the worst-case traffic impacts of the 'CS' zone analyzed by the amendment, are no greater than that allowed by the 'OC' zone. The Commission found that the proposed change in the zoning district for this parcel would not create a greater traffic impact to the area, and that the conditions of approval of the original Waterhouse Commons Subdivision would remain applicable to this property under the 'CS' zone.

The Commission, after holding the public hearing and considering all oral and written testimony, adopts the Staff Report dated May 12, 2004, and the supplemental findings contained herein, as applicable to the approval criteria contained in Sections 40.03 and 40.97.15.1.C of the Development Code.

NOW, THEREFORE, IT IS HEREBY ORDERED that ZMA 2004-0006 is **APPROVED**, based on the testimony, reports and exhibits presented during the public hearing on the matter and upon the background facts and findings and conclusions found in the Staff Report dated May 12, 2004.

Motion **CARRIED** by the following vote:

AYES:	DeHarpport, Bliss, Johansen, Maks, Pogue, Winter, and Barnard.
NAYS:	None.
ABSTAIN:	None.
ABSENT:	None.

Dated this 27th day of May, 2004.

To appeal the decision of the Planning Commission, as articulated in Land Use Order No. 1701, an appeal must be filed with the City of Beaverton Recorder's Office by no later than 5:00 p.m. on Monday, June 7, 2004.

PLANNING COMMISSION
FOR BEAVERTON, OREGON

ATTEST:

SAMBO KIRKMAN
Associate Planner

STEVEN SPARKS, AICP
Development Services Manager

APPROVED:

BOB BARNARD
Chairman

AGENDA BILL

Beaverton City Council
Beaverton, Oregon

SUBJECT: Beaverton Downtown Regional Center Development Strategy

FOR AGENDA OF: 07-12-04 **BILL NO:** 04154

Mayor's Approval: Rob Drake

DEPARTMENT OF ORIGIN: Mayor's Office

DATE SUBMITTED: 06-25-04

CLEARANCES: Economic Devel. DJ

PROCEEDING: PRESENTATION

EXHIBITS: Beaverton Downtown Regional Center Development Strategy

BUDGET IMPACT

EXPENDITURE REQUIRED $-0-	AMOUNT BUDGETED $-0-	APPROPRIATION REQUIRED $-0-

HISTORICAL PERSPECTIVE:

In August, 2003 Metro announced a Centers Development Initiative focused on reducing barriers and providing incentives for development. Metro appropriated $100,000 to undertake at least one pilot center study in 2004. The City of Beaverton competed with five other communities (Hillsboro, Oregon City, Lake Oswego, Milwaukie, and Gresham) through an application process prior to being awarded a grant to fund the Downtown Beaverton Regional Center Development Strategy.

INFORMATION FOR CONSIDERATION:

Johnson Gardner, LLC, a consulting firm specializing in real estate development and land use economics, was selected to complete the development strategy for Downtown Beaverton. Johnson Gardner has compiled information within the Downtown Beaverton Regional Center Strategy document into the following sections: Existing Conditions; Assets, Barriers, and Opportunities; Market Analysis; Incentives; and Action Plan. In the process of completing this final product, Johnson Gardner held two focus groups, analyzed results from a web survey, studied four sites within the Regional Center for potential redevelopment, and prepared pro formas for each site. The resulting strategy calls for regional contributions to the costs of infrastructure in Downtown Beaverton and outlines specific policies and actions to implement in order to realize the density and development of a 2040 center.

RECOMMENDED ACTION:

Staff respectfully recommends that the City Council and Metro Council listen to the presentation and provide feedback on implementation of the Development Strategy.

Beaverton Downtown Regional Center Development Strategy

Prepared For:

The City of Beaverton
Metro

This report was funded by a Grant from Metro

TABLE OF CONTENTS

CHAPTER 1: EXECUTIVE SUMMARY

CHAPTER 2: EXISTING CONDITIONS

I. INTRODUCTION ... 2-1
II. LAND TO BUILDING RATIO ... 2-1
III. OWNERSHIP PATTERNS ... 2-2
IV. POPULATION DENSITY ... 2-4
V. PHYSICAL CHARACTERISTICS ... 2-4
A. TRANSPORTATION OUTLETS ... 2-4
B. VACANT LAND ... 2-6
C. VISUAL APPEAL ... 2-7
D. VACANT BUILDING SPACE: ... 2-9
E. HISTORICAL ASSETS ... 2-10
VI. INVENTORY OF PARKING ... 2-10
VII. CULTURAL AMENITIES/ACTIVITIES/EVENTS ... 2-13
A. AMENITIES ... 2-13
B. CULTURAL ORGANIZATIONS: ... 2-14
C. EVENTS ... 2-14
VIII. ANALYSIS OF THE ORGANIZATION OF CIVIC USES AND SPACES ... 2-15
IX. INFRASTRUCTURE CAPACITY ... 2-16
A. SANITARY SEWER ... 2-17
B. STORMWATER ... 2-17
C. WATER ... 2-18
X. COMPRENSIVE PLAN CODE REVIEW ... 2-18
A. CHAPTER 2 – PUBLIC INVOLVEMENT ... 2-18
B. CHAPTER 3 – LAND USE ELEMENT ... 2-18
C. DOWNTOWN BEAVERTON REGIONAL CENTER COMMUNITY PLAN ... 2-19
D. CHAPTER 4 – HOUSING ... 2-19
E. CHAPTER 5 – PUBLIC FACILITIES AND SERVICES ELEMENT ... 2-20
F. CHAPTER 6 – TRANSPORTATION ELEMENT ... 2-20
G. CHAPTER 7 – NATURAL, CULTURAL, HISTORIC, SCENIC, ENERGY, AND GROUNDWATER RESOURCES ELEMENT ... 2-20
H. CHAPTER 8 – ENVIRONMENTAL QUALITY AND SAFETY ELEMENT ... 2-21
I. CHAPTER 9 - ECONOMY ELEMENT ... 2-21

CHAPTER 2: EXISTING CONDITIONS (CONTINUED)

J. DEVELOPMENT CODE OF THE CITY OF BEAVERTON 2-21
K. MAJOR PEDESTRIAN ROUTES 2-23
L. PARKING AND LOADING 2-23

CHAPTER 3: ASSETS, BARRIERS & OPPORTUNITIES

I. INTRODUCTION 3-1
II. COMMUNITY OUTREACH SUMMARY 3-1
A. BEAVERTON DOWNTOWN SURVEY 3-1
i. Respondent Demographics 3-1
ii. Survey Results 3-2
B. DEVELOPER FOCUS GROUP 3-5
i. Perception of Downtown Beaverton 3-5
ii. Two types of retail growth: 3-6
iii. Challenges to Regional Center Density Targets 3-6
iv. Review of Opportunity Sites 3-7
v. Beaverton Regional Center Overview 3-12
C. PROPERTY AND BUSINESS OWNER FOCUS GROUP 3-13
i. Concerns 3-14
ii. Assets 3-14
iii. Barriers 3-15
iv. Strategies 3-15
v. Themes 3-16
vi. Other Comments 3-17
III. ASSESSMENT OF CENTER NEEDS 3-17
IV. SUMMARY OF ASSETS, BARRIERS & OPPORTUNITIES.. 3-20
A. ASSETS 3-20
B. BARRIERS 3-21
C. OPPORTUNITIES 3-22
V. SUMMARY MATRIX 3-24

CHAPTER 4: MARKET ANALYSIS

I. BACKGROUND 4-1
II. EXECUTIVE SUMMARY 4-1
III. SITE DESCRIPTION 4-3
REGIONAL CONTEXT 4-3
IV. ECONOMIC/DEMOGRAPHIC TRENDS 4-4
A. REGIONAL ECONOMIC TRENDS 4-4

Chapter 4: Market Analysis (Continued)

B. Population, Income and Household Trends 4-5
C. Washington County High-Tech 4-6

V. OFFICE MARKET 4-8

A. Portland Metro Area Trends 4-8
B. Market Area Trends 4-9

VI. RETAIL MARKET 4-11

A. Portland Metro Area Trends 4-11
B. Market Area Trends 4-11
C. Retail Demand Analysis 4-14
D. Retail Revitalization Issues 4-17

VII. RESIDENTIAL MARKET 4-19

A. Rental Housing Market 4-19
B. Ownership Housing Market 4-22

VIII. REDEVELOPMENT ECONOMICS 4-25

IX. OPPORTUNITY IDENTIFICATION 4-26

A. Site Selection Criteria 4-26
b. Preliminary Selection of Sites 4-27
c. Final Selection of Sites 4-35

X. FINANCIAL ANALYSIS 4-43

Basic Assumptions 4-43
Summary of Findings 4-45

XI. APPENDIX A: GLOSSARY OF TERMS 4-50

XII. APPENDIX B: DETAILED MARKET EXHIBITS 4-52

Chapter 5: Incentives

I. BACKGROUND 5-1

II. POLICY TOOLS FOR ACHIEVING THE 2040 CENTER DESIGN TYPE IN BEAVERTON 5-1

Framework for evaluating policies 5-1
Incentive-based approaches 5-2
Regulatory approaches 5-7
Tools available, but not applicable in Beaverton 5-10

III. FINANCIAL IMPLICATIONS OF POTENTIAL ACTIONS 5-10

CHAPTER 5: INCENTIVES (CONTINUED)

III. FINANCIAL IMPLICATIONS OF POTENTIAL ACTIONS . 5-10
IV. THE ARGUMENT FOR REGIONAL FUNDING 5-12

CHAPTER 6: ACTION PLAN

I. BACKGROUND 6-1
II. ACTION PLAN 6-1
A. STATEMENT OF PROBLEM 6-1
B. PRIORITIES AND TIMING 6-1
i. Priorities 6-1
ii. Action Steps 6-2
C. BEAVERTON SPECIFIC POLICIES 6-5
i. Public Parking Program 6-5
ii. Reduce entitlement, planning, and information costs to developers 6-6
iii. Provide direct financial incentives for development 6-6
iv. Indirect incentives for development 6-8
v. Provide regulatory relief 6-8
vi. Work to maintain high demand for working and living in Beaverton 6-8
vii. Conduct a public awareness campaign 6-9
viii. Require high density within downtown 6-9
ix. Marketing 6-9

EXECUTIVE SUMMARY

I. BACKGROUND/PROBLEM

The Beaverton Downtown Regional Center Development Strategy is a comprehensive review regarding ways in which Beaverton can achieve a significant level of 2040 Regional Center design type development over the next 50 years. The 2040 Regional Center design type is characterized by mixed-use, pedestrian-oriented areas supporting higher densities of employment and housing. Metro is working with local jurisdictions to assist them in realizing 2040 centers. This pilot project is part of that effort.

The Urban Growth Management Functional Plan requires that all cities and counties with a center designated on the 2040 Growth Concept map must develop a strategy for implementing a center within their jurisdiction by 2007. This purpose of this project is to provide a model strategy that can be replicated in other centers.

The primary problem facing the Beaverton Regional Center is inducing private-sector development activity consistent with established goals and objectives for the area. As a regional center, the study area is expected to realize development densities which are significantly higher than this analysis indicates are currently viable in the area. The analysis indicates several obstacles to realizing targeted densities. Of these issues, financial viability is by far the most significant factor, primarily attributable to the cost of providing structured parking.

II. SUMMARY OF FINDINGS

A. EXISTING CONDITIONS

The City of Beaverton's Regional Center has a number of locational advantages. It occupies a central location within Washington County, with excellent regional accessibility and transit linkages. Historic development patterns have yielded a current improvement pattern that is relatively low-density, including a significant concentration of surface parked retail centers and auto dealerships. While there is a great deal of parcelization within the area, creating a challenge to redevelopment, there are also a number of large contiguous parcels in single ownerships.

B. ASSETS/BARRIERS & OPPORTUNITIES

A community outreach effort was conducted to assist in the asset, barriers and opportunities assessment. This included an online survey, as well as two focus groups. The City of Beaverton also held two focus groups to collect input regarding community and developer views on assets, barriers and opportunities within the Beaverton Regional Center.

The following table summarizes key assets and barriers identified within the Beaverton Regional Center:

Assets	Barriers
Park/Library/Farmer's Market	Visual Appeal
The Round	Downtown Definition
Transit Availability	Pedestrian Environment
Stable Schools	Canyon/Farmington Congestion
Retail Diversity	Parking Availability
Mature Trees	Auto-Oriented Nature
Free Parking	Lack of Housing Density
Demographics	Property Configuration
Auto Dealerships	North/South Division
Underutilized Property	Street Pattern
Character of Older Buildings	Auto Dealerships
Central Location	

A number of opportunities were also identified, which included the following:

- *Improvement of Traffic Congestion*
- *Bring more Mixed-Use Development*
- *Have Downtown Advocate on Staff*
- *Parking*
- *Develop a More Cohesive District*
- *Build on Small Business Concentrations*
- *Package Opportunity Sites*
- *Leverage Transit Linkages*
- *Public Amenities*

C. Market Analysis

Current real estate market trends relevant to the Beaverton Regional Center are not conducive to short-term development, with the exception of ownership housing, retail and medical office space. Achievable rent levels within the regional center are estimated to be largely consistent with the overall Washington County market, with no discernable premium currently being realized vis-à-vis more suburban locations. Retail development has been largely auto-oriented, with both national tenants as well as some local retailers with a regional draw. While demographics within a three mile ring of the study area are very strong, the level of local residential development is currently too limited to support a significant mix of less auto-oriented retail.

As part of this analysis, a number of development opportunity sites were identified within the Beaverton Regional Center. Preliminary development concepts were prepared for the sites, with four sites chose for more detailed design and financial review. The purpose of this component of the work scope was to establish some fundamental dynamics of development/redevelopment in the Beaverton Regional Center.

Prototypical development programs were developed on the four opportunity sites within the study area. The development programs are based on existing zoning codes currently on the sites evaluated. These programs were designed to test a number of potential permutations of development type, and are not intended to necessarily represent the highest and best use of the sites. A series of pro forma financial analyses were then run for these development programs, which evaluate the characteristics of the developments from an investment perspective. The pro forma analyses attempt to model potential developments at the four identified sites from the perspective of a developer.

The scenarios evaluated varied in their viability, with condominium units and ground floor commercial space proving to be largely viable. Structured parking and market rate rental apartments generally eroded yields in the area. The key conclusion from this component of the analysis was that the development programs modeled do not represent attractive returns, primarily due to the cost of providing structured parking. Unless this fundamental problem is substantively addressed, there should be no expectation that this type of development will occur, particularly as a speculative project.

D. Policy Tools

The analysis included an assessment of policy tools available to assist in achieving targeted densities in the regional center. These included both incentives as well as regulatory approaches. The tools were assessed based on their effectiveness, cost, equity, side effects and applicability to Beaverton.

Incentive-based approaches have been widely tried within the metropolitan area, by both Metro and local jurisdictions. These can be classified into four categories: allowing density to occur; providing information to facilitate development; providing financial incentives through regulatory relief; and providing direct financial assistance to developers.

Regulatory approaches represent more of a mandate, prohibiting or discouraging low-density development. Mandating high densities may reduce or preclude development if financial feasibility only exists for lower-density development. It is possible that the land values will eventually increase to facilitate the mandated density, as regional growth meets the supply constraints of the UGB. Another view, however, is that ongoing, steadily intensifying development is the most effective way of creating the higher land values that will lead to higher densities, and that density minimums that effectively stop development lead to decreasing land values that undermine the goal of higher density. Under either view, achievable rent levels would need to increase substantially in order for the market to develop to the higher densities.

The most useful policy tools available require significant public investment. We believe that a strong case can be made for more general sources of funding based on the observation that the beneficiaries of the kind of development desired in downtown Beaverton include all the other jurisdictions in the metropolitan urban growth boundary (UGB). State law and the Metro Growth Management Framework Plan call for, among other things, development that is: higher-density, transit-oriented, and environmentally sensitive, and geographically balanced. Through a regional process, downtown Beaverton was selected as a Regional Center. In order to protect prime farm land and balance growth, the region chose to increase density within the region. Other parts of the region are arguably better off in some ways because of that decision. Our conclusion is that there is a strong argument, consistent with the principles of public finance and payments by beneficiaries, for regional (and state) contributions to the costs of infrastructure in downtown Beaverton.

III. ACTION PLAN SUMMARY

The financial viability of the targeted development forms in the study area represents the most significant impediment to achieving the desired development patterns. Addressing the viability gap must be the ***primary*** consideration in any strategy to develop 2040 Center design types in the Beaverton Regional Center. The Action Plan outlined in this analysis addresses the primary impediments to achieving targeted development forms in the Beaverton Regional Center, financial viability and marketing.

As a rule, the development market is predictable in that it includes the actions of a number of rational participants. The key player in initiating development activity is the developer or development firm. The construct used in our analysis assumes that development is initiated when a developer is convinced of a compelling risk/return relationship. That is, the developer feels that the anticipated returns associated with a potential development are consistent with his perceived risks. While developers do lose money on projects, it is not typically intentional.

Viable development forms, including or excluding public participation, need to be identified and effectively marketed to property owners and the development community. If targeted development is not viable, there is no point in marketing it. The City has a number of tools at its disposal to encourage 2040 design types in the Regional Center, but should recognize that existing programs may be insufficient to bridge the identified viability gaps. High priority actions not currently in place, such as a public parking program and direct project subsidy, may be required to realize density objectives.

A large number of potential action items have been identified in the course of this analysis. The following is a list of action items consistent with improving the potential for realizing the targeted development types within the Beaverton Regional Center.

Short Term/Ongoing

Site and Market Analysis	A significant amount of market analysis has been generated by this report. Current information should be maintained at a regional center level, with the City offering ongoing assistance for interested parties seeking more site specific information.
Catalyst Developments	The City should identify potential catalyst development sites, evaluate development potential on these sites, and determine a marketable development program for outreach to the development community. The work done as part of this study could form a baseline for further site specific work, with marketable packages available within the next twelve months. The Mayor's Downtown Development Committee represents an appropriate group to serve as an advisory committee to this process.
Parking Requirements	Minimum parking requirements can be reduced through the code, potentially with a regional center overlay.
Entitlement Process	The City can further streamline entitlements, particularly for projects in the regional center meeting public objectives.
Direct Project Subsidy	The City and other public entities with an interest in achieving higher density development within the regional center will need to be willing and able to provide direct project assistance if needed.
Develop Collateral Materials	With assistance from Metro, the City should develop materials for distribution providing information on the Beaverton Regional Center.
Development Advocate	The City should assign an advocate for downtown development in the regional center. This position should coordinate efforts, including planning and outreach.
Developer Solicitation	The City should make a regular effort to market opportunities in the regional center to the development community.
Matchmaking	The City should actively help match willing property owners and developers. This reduces the effort required, increasing the likelihood of new development. A database and mailing list can be created of interested developers as well as property owners in the area.
Branding of Center	The regional center competes within a broader context, and should

	establish a brand with a positive market, marketable image.
Improve contact with downtown business and property owners	The City should initiate a program for more extensive outreach to business and property owners in the regional center. This would include establishing a mailing list of interested parties and initiating a regular newsletter.

Mid- to Long-Term

Public Parking Program	A program to provide structured parking within the Regional Center would be expected to greatly increase the likelihood of achieving higher-density housing, but would require a considerable public commitment. This is a City as well as regional issue, and the City, Metro and Tri-Met should evaluate a workable and equitable approach to meeting this need. While the need for this action is immediate, it is likely that planning and funding for such a program will push the implementation timeline out to the three to five year horizon.
Split Property Tax	Implementing a split property tax rate, which taxes land at a higher rate than improvements, would require statewide legislative action. While the effort related too getting this type of legislative action is high, it addresses a broader regional concern as opposed to merely an issue in the Beaverton regional center.

Realizing the targeted development patterns will require a concerted and sustained effort from the City of Beaverton, as well as interested regional entities such as Metro, Tri-Met and the State of Oregon.

Beaverton Downtown Regional Center Development Strategy

Chapter 2: Existing Conditions

CHAPTER 2: TABLE OF CONTENTS

I. INTRODUCTION 1

II. LAND TO BUILDING RATIO 1

III. OWNERSHIP PATTERNS 2

IV. POPULATION DENSITY 4

V. PHYSICAL CHARACTERISTICS 4

- A. TRANSPORTATION OUTLETS 4
- B. VACANT LAND 6
- C. VISUAL APPEAL 7
- D. VACANT BUILDING SPACE: 9
- E. HISTORICAL ASSETS 10

VI. INVENTORY OF PARKING 10

VII. CULTURAL AMENITIES/ACTIVITIES/EVENTS 13

- A. AMENITIES 13
- B. CULTURAL ORGANIZATIONS: 14
- C. EVENTS 14

VIII. ANALYSIS OF THE ORGANIZATION OF CIVIC USES AND SPACES ..15

IX. INFRASTRUCTURE CAPACITY 16

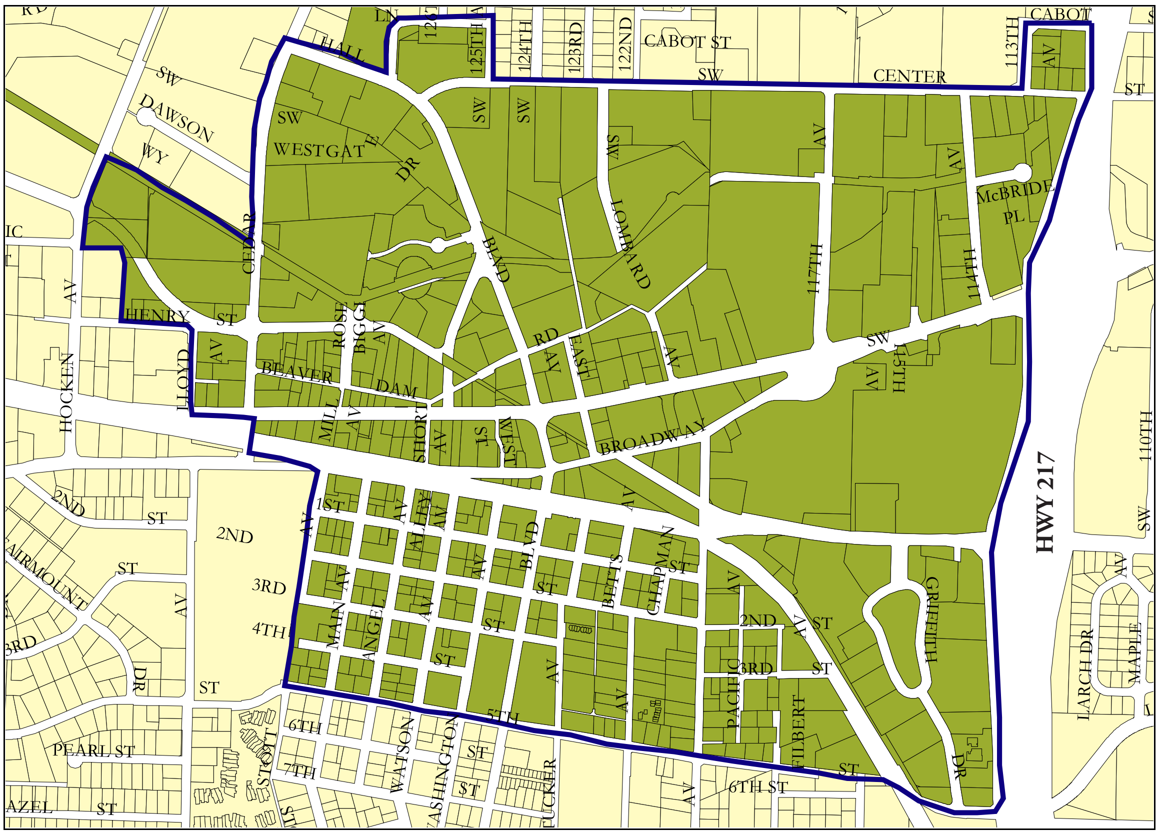
- A. SANITARY SEWER 17
- B. STORMWATER 17
- C. WATER 18

X. COMPRENSIVE PLAN CODE REVIEW 18

- A. CHAPTER 2 – PUBLIC INVOLVEMENT 18
- B. CHAPTER 3 – LAND USE ELEMENT 18
- C. DOWNTOWN BEAVERTON REGIONAL CENTER COMMUNITY PLAN 19
- D. CHAPTER 4 – HOUSING 19
- E. CHAPTER 5 – PUBLIC FACILITIES AND SERVICES ELEMENT 20
- F. CHAPTER 6 – TRANSPORTATION ELEMENT 20
- G. CHAPTER 7 – NATURAL, CULTURAL, HISTORIC, SCENIC, ENERGY, AND GROUNDWATER RESOURCES ELEMENT 20
- H. CHAPTER 8 – ENVIRONMENTAL QUALITY AND SAFETY ELEMENT 21
- I. CHAPTER 9 - ECONOMY ELEMENT 21
- J. DEVELOPMENT CODE OF THE CITY OF BEAVERTON 21
- K. MAJOR PEDESTRIAN ROUTES 23
- L. PARKING AND LOADING 23

I. INTRODUCTION

This report provides a summary of existing developments and cultural amenities in the Beaverton Regional Center. As shown in the following map, the Beaverton Regional Center is roughly delineated by Highway 217 to the east, Cedar Hills Boulevard to the west, Center Street to the north and 5th Street to the south.

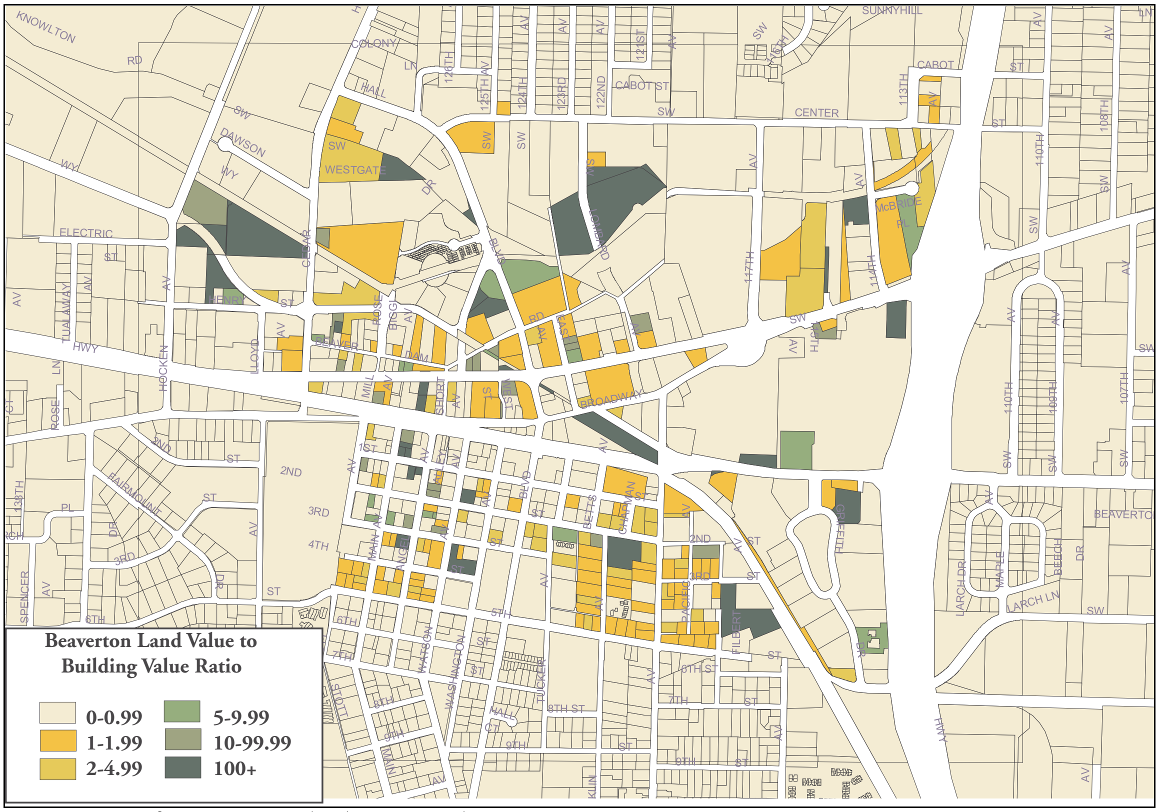


Data in this report has been provided by the City of Beaverton and Metro.

II. LAND TO BUILDING RATIO

The following map shows the land to building ratios of tax lots in the Regional Center. The ratio of land to building value is used as a proxy to assess the redevelopment potential of properties, under the assumption that low improvement values relative to land values indicate a higher likelihood of redevelopment.

All tax lots with a land to building ratio greater than one are displayed below. The darker the color of a tax lot, the greater is the development potential from a land and building value perspective. Lots with a lower ratio generally already have high value improvements, while lots with a higher ratio are considered under-utilized or vacant.



Source: City of Beaverton and Johnson Gardner

Within the Regional Center, 241 taxlots have a land to building ratio greater than one. Of these, 47 were either vacant lots containing no structures, or taxlots with low value structures. A total of 23 tax lots fall under the 10-99.99 category; 17 are classified in the 5-9.99 category; 47 in the 2-4.99 group; and 107 in the 1-1.99 range.

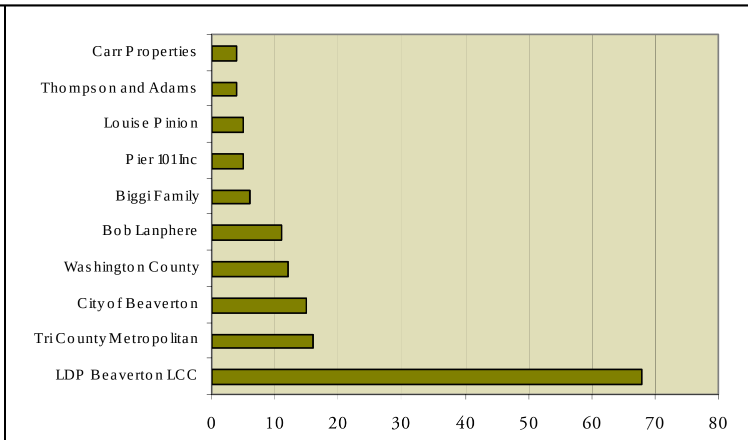
While land to building ratios are commonly used as a preliminary indicator of redevelopment potential, their usefulness is limited by a number of factors. These include the accuracy of the data. The data here is drawn from Washington County assessor records, and its relationship between land and improvement value is not always reliable. In addition, the information does not factor in other key predictors of redevelopment potential, such as owner disposition and operational value of businesses.

III. Ownership Patterns

A total of 592 parcels were identified in the Regional Center study area. Of these 592 parcels, 287 have duplicate owners. In the Regional Center study area there are 80 individuals who own multiple parcels. The following table demonstrates the top ten multiple property owners in the study area sorted by the number of parcels.

Ownership Breakdown

Owner	# of Parcels
LDP Beaverton LCC	68
Tri County Metropolitan	16
City of Beaverton	15
Washington County	12
Bob Lanphere	11
Biggi Family	6
Pier 101 Inc	5
Louise Pinion	5
Thompson and Adams	4
Carr Properties	4



Source: Metro and Johnson Gardner

LDP Beaverton LCC currently controls the most parcels, which is largely attributed to the fact that they own the condominiums at The Round. The next three largest owners in the region are public organizations.

Furthermore, the table presented below demonstrates the Regional Center's top property owners in regard to land size in square feet and total value. Though the order changes slightly, the same five owners top each category. The Biggi family is the largest property owner in the area, holding over 500,000 square feet of land with an indicated value of almost six million dollars with improvements. The Biggi's are closely followed by Lanphere Enterprises, Carr Properties, and the Eastgate Theatre. Washington County Investments ranks ninth in terms of size and seventh in total value.

TOP TEN PROPERTY OWNERS BY LAND SIZE AND TOTAL VALUE
BEAVERTON REGIONAL CENTER

PROPERTY OWNER	LAND SIZE	PROPERTY OWNER	TOTAL VALUE 1/
BIGGI INVESTMENTS PARTNERSHIP	576,151	BIGGI INVESTMENTS PARTNERSHIP	$ 5,928,670
LANPHERE ENTERPRISES INC	341,808	LANPHERE ENTERPRISES INC	$ 3,827,740
FRANCIS FAMILY TRUST	222,140	CARR PROPERTIES LLC	$ 3,047,800
CARR PROPERTIES LLC	211,473	EASTGATE THEATRE INC	$ 2,564,530
EASTGATE THEATRE INC	199,076	FRANCIS FAMILY TRUST	$ 2,471,140
VERIZON NORTHWEST INC	167,833	PINION, LOUISE R	$ 2,180,160
PINION, LOUISE R	153,301	RANDY FRANCIS	$ 1,845,480
PORTLAND GENERAL ELECTRIC	139,336	SHADRALL BEAVERTON, LP	$ 1,834,190
RANDY FRANCIS	130,668	TRADEWELL GROUP INC	$ 1,778,400
BURNSIDE, ROBERT E	99,484	KASTER, BLANCHE TRUSTEE	$ 1,536,620

1/ Total assessed land and building value
Source: Johnson Gardner and Metro

IV. Population Density

The density data provided by Metro via 2000 Census was derived from Census block groups 031303 and 031201. These two block groups make up the majority of residential housing in the Regional Center. The area consisted of 313 acres of land, on which 2,496 individuals reside. This yields a population density in the Regional Center of roughly eight individuals per acre.

V. Physical Characteristics

A. Transportation Outlets

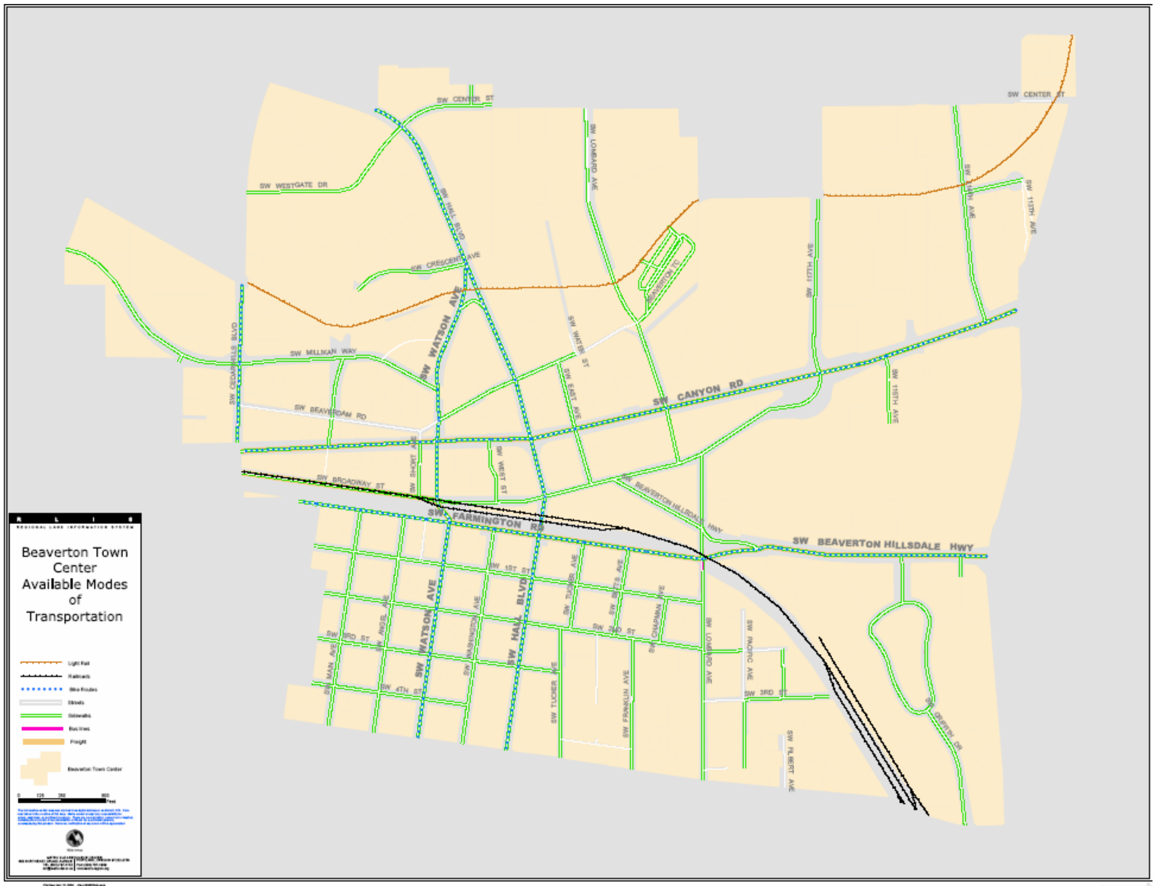
i. Mass Transit

One of the main attributes that will benefit the Downtown Beaverton Regional Center in the long run is the highly developed nature of its transportation alternatives. The Regional Center has the benefit of two separate light rail stations. The Beaverton Central Station is located in The Round, just north of SW Canyon Road, and the Beaverton Transit Center is located on SW Lombard. The Beaverton Transit Center also serves as the regions main hub for bus transit. As light rail becomes an increasingly important part of the regions transportation network, the value of this access will be increasingly valuable to future development.

The planned commuter rail link will provide an additional transit option, linking the Beaverton Transit Center with Washington Square, Tigard, Tualatin and Wilsonville.

ii. Main Arterials

The Regional Center has the benefit of several arterials entering the downtown from multiple directions. Major east/west arterials through The Downtown are Canyon Road and the Beaverton Hillsdale Highway/Farmington Road. The Regional Center will benefit from better access out of the East when the Beaverton Hillsdale Highway repaving project is completed in December of 2004. The Tualatin Valley Highway gives The Downtown a major connection to Hillsboro out of the west. Hall Boulevard and Watson Avenue serve as the vital north/south arteries through the Regional Center. The main arterial on the west is Cedar Hills Boulevard.



Source: Metro

iii. <u>Bike Paths</u>

The City of Beaverton currently has a limited network of bike paths serving the Regional Center. Only 5th and Center have continues bike lanes through the Regional Center. Currently, sufficient bike paths exist east/west on Beaverton Hillsdale Highway, Farmington Road, and Canyon Boulevard. North/south bike paths are present on Watson Avenue, and Hall Boulevard. Bicycle paths are needed on Cedar Hills Boulevard, as significant bicycle traffic is present. Lombard is a major line that runs north/south past the Beaverton Transit Center. Direct bicycle access from the station runs north toward Center Street but not south toward Canyon. However, the area is maneuverable for bicyclists.

iv. <u>Pedestrian Sidewalks:</u>

Sidewalks exist on almost every main street in the Regional Center. The only significant location where sidewalks are not present within the Regional Center are on Beaverdam Road, between Cedar Hills Boulevard and Watson Avenue, Millikan Road between Watson & Hall on the north side and, on Watson between Canyon and Millikan on the east side.

As development continues and the visual appearance of the Regional Center begins to take shape, sidewalk dimensions become an issue. The visual appeal of wide, landscaped sidewalks is significant. A beautiful example of such construction is located in the Regional Center on Lombard Avenue between Canyon Road and Center Street This stretch runs alongside the Beaverton Transit Center. Sidewalks here are quite wide (10') and meet the standard for a "major pedestrian path" within the Regional Center. Many young trees have been planted to enhance the appeal of the area.

v. Freeway Access:
The Regional Center's proximity to Highway 217 provides direct freeway access. Highway 217 is the major north/south business loop for the west side. Bordering the Regional Center on the east, Highway 217 provides direct access north to Highway 26 and south to Interstate-5.

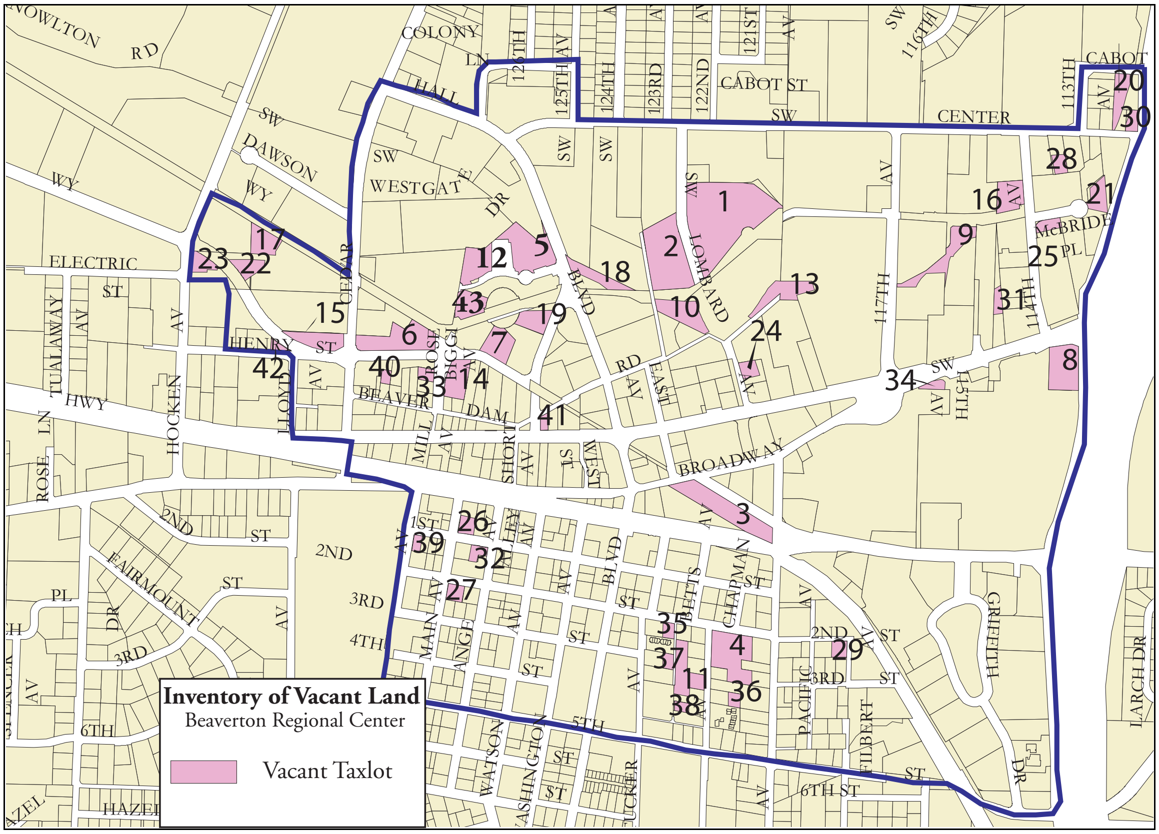
B. VACANT LAND

There are 42 different taxlots in the Regional Center that are, or contain vacant land. Vacant land in the area totals 1,216,524 square feet. Most of the vacant land is located north of Canyon Road. Several specific locations contain sizable portions of vacant land. The following table and map identifies each sizeable location and its corresponding amount of vacant land.

In general, considerable lots of vacant land exist near the Beaverton Transit Center, The Round, SW 114th Avenue and the southeastern residential blocks. A portion of these properties is impacted by wetlands or has environmentally sensitive habitat, which would limit or restrict development.

Inventory of Vacant Land
Beaverton Regional Center

Lot #	Area	Perimeter	Lot #	Area	Perimeter
Lot 1	197136	1958	Lot 23	15374	533
Lot 2	100102	1338	Lot 24	10504	412
Lot 3	69883	1577	Lot 25	10213	437
Lot 4	64263	1246	Lot 26	10169	405
Lot 5	62812	1390	Lot 27	10133	403
Lot 6	60304	1318	Lot 28	9570	398
Lot 7	29897	662	Lot 29	9316	386
Lot 8	50266	904	Lot 30	8416	387
Lot 9	37743	1617	Lot 31	8245	437
Lot 10	37039	897	Lot 32	8175	410
Lot 11	35888	1050	Lot 33	7487	351
Lot 12	35024	830	Lot 34	6969	398
Lot 13	33024	1117	Lot 35	6898	337
Lot 14	30809	725	Lot 36	6406	322
Lot 15	29870	886	Lot 37	6390	326
Lot 16	29158	699	Lot 38	5329	301
Lot 17	25447	670	Lot 39	5076	302
Lot 18	23771	1026	Lot 40	4999	287
Lot 19	22809	638	Lot 41	4596	295
Lot 20	22497	820	Lot 42	4471	355
Lot 21	18960	639	Lot 43	29897	693
Lot 22	16614	582			



C. Visual Appeal

i. Views:

The only vacant land locations with significant scenic view potential are near the Beaverton Transit Center and SW 114th Avenue. The SW 114th Avenue area, located at the gateway to the Regional Center and adjacent to highway 217, could potentially provide ample views of the hills in the east. It also benefits from proximity to Hall Creek. Land near the Beaverton Transit Center also provides views of the hills due east. A midrise development would provide scenic views of the hills and the 217 corridor.

ii. Landscaping

Attractive landscaping is important and works to soften the visual characteristics of the downtown area. The most beautifully landscaped area in Downtown Beaverton exists in the south at the library/park. This area serves as an attractive location for residential housing and Class C office space in the area. Center island and streetside landscaping is present at the 217 gateway on Canyon Road and throughout Farmington Road. As previously mentioned, wide sidewalks and landscaped trees on Lombard along the Beaverton Transit Center provide excellent visual appeal. In general, the landscaping appeal of the Regional Center is restricted to sporadic tree lined streets. The use of landscaping in mainline parking facilities would soften the Beaverton look of a giant car lot.

iii. <u>Architectural Style:</u>

Excluding buildings at The Round, Beaverton Town Square, and new construction such as the Davis law building, the library, and the new Damerow showroom, the visual amenities of structures downtown are lacking. This is especially apparent in retail buildings that front Canyon Road. In addition, retail centers located along Cedar Hills Boulevard contain similar structures. Many of theses structures are very plain both in color and design. The historic downtown area has some attractive buildings, including the Arthur Murray studio, Masonic Lodge and Cady Building.

Another issue is the existence of electrical wires above many streets. Though necessary in most areas, the presence of low height electrical wires is a detriment to the visual appeal of the Regional Center. The problem is specifically apparent on Canyon Road between SW Lombard and SW Cedar Hills Boulevard.

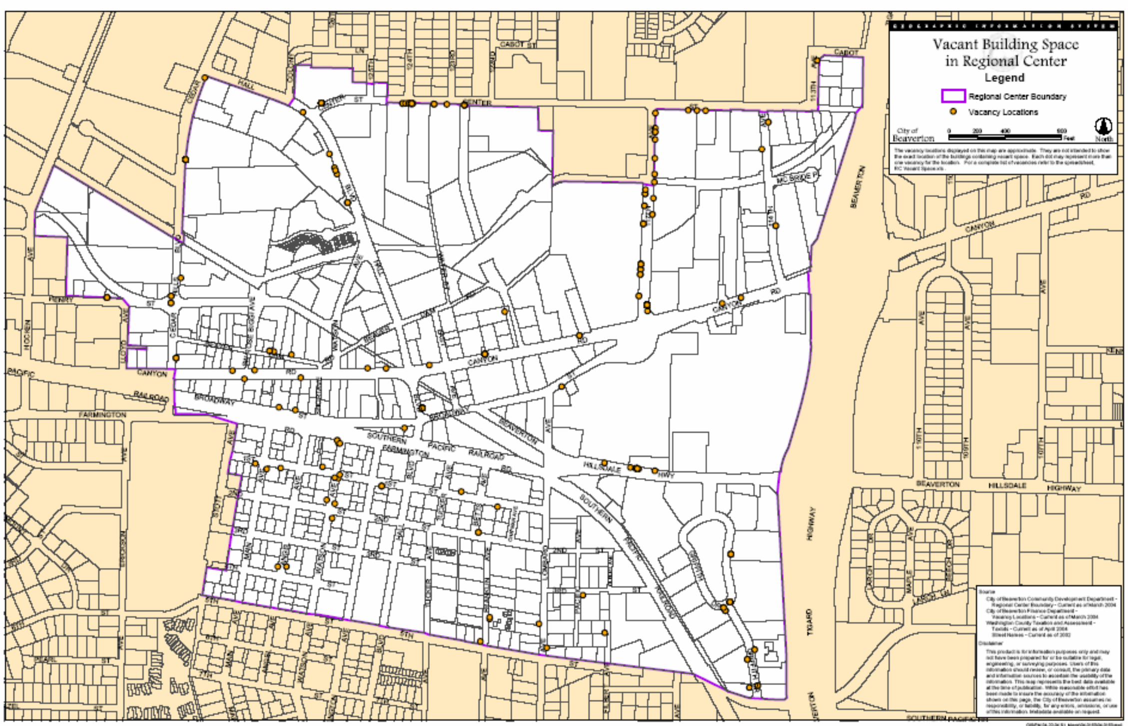
iv. <u>Gateway to Downtown:</u>

Many downtown areas take steps to manage the entrance into the City from the freeway. Currently, Beaverton has no marketable gateway appeal.

v. Natural Qualities:
The Downtown Beaverton Regional Center lacks unique natural physical appeal. Other than Beaverton Creek, there is no presence of natural water, landscaping, or mountain views. For the most part the entire region is a flat, solid area. In the south, there are several aged very appealing trees in the residential neighborhoods.

D. Vacant Building Space:

The City of Beaverton provided a list of businesses which held, but have not renewed, business licenses from the City. Using the corresponding addresses, this measure will be used as a proxy for vacant building space. There were a total 320 business that no longer hold licenses. Many of these businesses were concentrated in specific buildings or areas of the Regional Center. This table represents the leading specific areas with presumed vacant space. A large concentration of Businesses "disappeared" in and around 117th Avenue in the Canyon Square shopping center. There were also significant vacant units at BG Plaza on Cedar Hills Boulevard. Costar, a national commercial real estate information firm, reports this building is 31.7% vacant. Costar also reports significant vacancies at the Commercial Plaza Building (4800 Griffith Dr. (29.6%)) and the Park Place Center (4900 Griffith Dr. (13.6%)). An inventory of all current building vacancies is summarized in Exhibits 4.07 & 5.05.

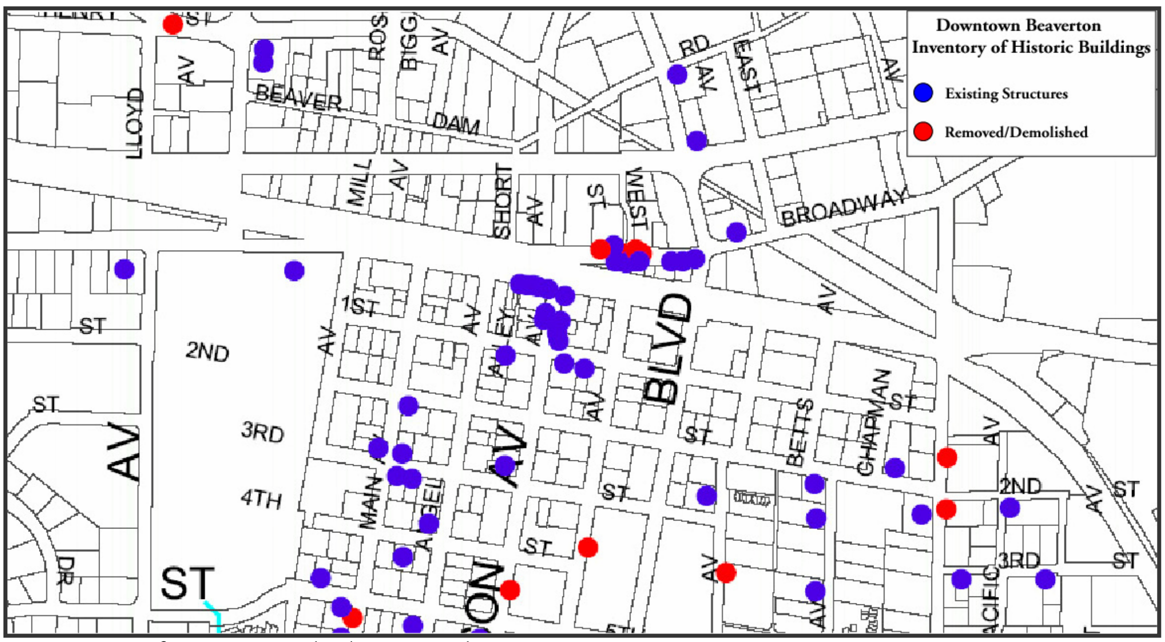


Source: Metro

E. Historical Assets

The Downtown area of Beaverton boasts significant historical appeal. In the immediate vicinity of the Regional Center, there are fifty existing buildings identified as historical structures. Half of these buildings are located in two distinct areas. The Beaverton historical district possesses ten existing historical structures on Broadway over a one-block stretch between Hall and Watson. Another "cluster" of historical buildings exists on the two blocks just south of Farmington Road bordered by Angel Avenue on the west, Washington Avenue on the east, and First Street on the south. A total of fourteen historical structures are on this site. The remaining historical buildings in the regional center are scattered about the residential area south of Farmington Road.

The City of Beaverton's Downtown Historic District was listed as a national historic district in 1986. The area listed is roughly bounded by S.W. Canyon Boulevard, S.W. East and S.W. Washington Streets., S.W. Second, and S.W. Watson Streets. The area includes approximately 101 acres and 14 buildings.



Source: City of Beaverton and Johnson Gardner

VI. Inventory of Parking

According to the 1999 parking management plan, 12,997 parking spaces are available within the Regional Center, of which less than 2,000 are specified as on-street parking. The 1999 parking study broke the Regional Center down by subareas. Parking inventory and long-term needs in each subarea are presented here.

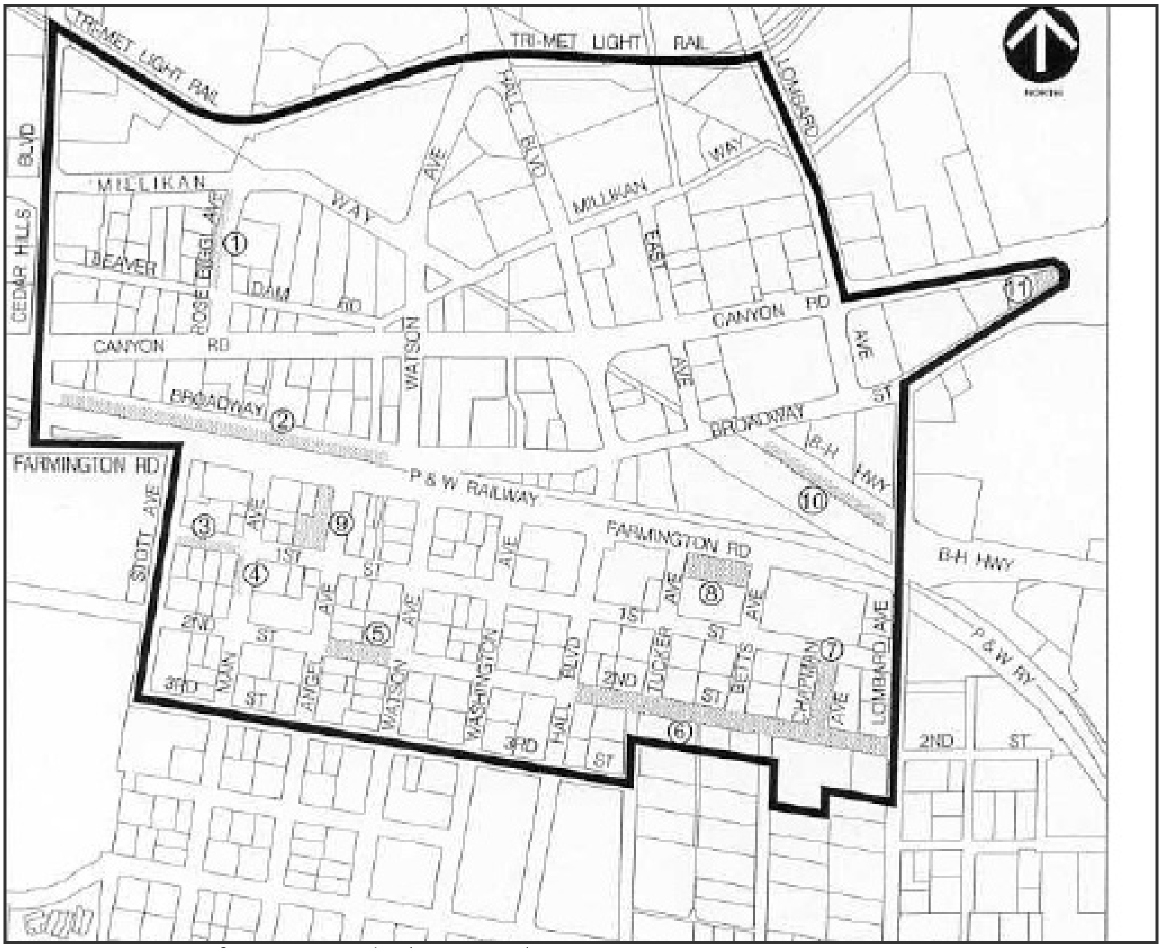
Beaverton Regional Center Parking Inventory By Subarea				
		Parking	2017 Expectations	
Subarea/Location	Type of Use	Spaces	Low	High
Subarea 1				
Griffith Park	Office	1,443	2,010	3,113
Subarea 2				
South Side/Farmers Market area	Residential/Retail	1,036	1,611	2,684
Subarea 3				
Old Town	Retail/Non-retail	1,164	1,141	1,604
Subarea 4				
The "wedge"	Commercial	290	1,221	1,745
Subarea 5				
Beaverton Town Square	Commercial/Retail	1,752	5,230	8,029
Subarea 6				
Beaverton Town Center	Office/Retail	5,446	8,668	12,964
Subarea 7				
Residential	Residential	1,866	8,308	13,166

Source: Kimley-Horn and Johnson Gardner

* Data is based on study conucted in 1999

The City of Beaverton's downtown permit parking district is bordered by 3rd Street in the south, Cedar Hills Boulevard in the west, Lombard Avenue in the east, and the Tri-Met light rail line in the north. Within this district, the city holds five lots designated for permit parking and allows permit parking at six street locations.

Permit Parking District



Source: City of Beaverton and Johnson Gardner

Permit Parking Streets		Permit Parking Lots	
1	<u>SW Rose Biggi Rd.</u> Between Beaverdam & Millikan	7	<u>SW Chapman Ave.</u> Between First and Second
2	<u>SW Broadway St.</u> Between Watson & Cedar Hills	8	<u>SW Betts Ave. & Farmington Rd.</u>
3	<u>SW First St.</u> Between Stott & Main	9	<u>SW Angel Ave. & Farmington Rd.</u>
4	<u>SW Main Ave.</u> Between First & Second	10	<u>SW Beaverton Hillsdale Hwy</u> Between Broadway & Lombard
5	<u>SW Second St.</u> Between Watson & Angel	11	<u>SW Broadway St. & Canyon Rd.</u> East of Gas Station
6	<u>SW Second St.</u> Between Hall & Lombard		

VII. CULTURAL AMENITIES/ACTIVITIES/EVENTS

A. AMENITIES

i. Beaverton City Park:
The city park is a wooded area complete with picnic tables, child play equipment, and public restrooms. An interactive fountain rests in the heart of the park. The parking lot adjacent to the park provides parking for both the park and the library. It is the permanent location of the Beaverton Farmers Market.

ii. Griffith Park:
Just off the Beaverton Hillsdale Highway, Griffith Park is an open area primed for picnics and larger events. Neighboring businesses and organizations include City Hall, Chamber of Commerce, Convention and Visitors Bureau of Washington County, and the YMCA.

iii. Beaverton Community Center:
The Beaverton Community Center is a centrally located meeting area for a variety of community groups. Currently, over 100 groups and individuals on behalf of a diverse array of causes make use of the center.

iv. Beaverton City Library:
With over 70,000 visitors each month and 1.7 million items per year, the Beaverton City Library is one of the busiest such facilities in the state of Oregon. It provides a variety of programs and classes designed to appeal across all age groups. Adjacent to the library is a used bookstore selling used books for under a dollar. All proceeds go to benefit the library.

v. Beaverton Swim Center:
This facility is a 25-yard "L-shaped" community pool offering swim lessons, fitness classes, and programs for the physically/developmentally challenged.

vi. Beaverton Town Square:
One of several community retail centers boasting over 40 stores and restaurants.

vii. Canyon Place & Canyon Center:
Another community center that services the city's retail needs.

viii. The Round at Beaverton:
This recently developed community is structured around a central urban light rail transit station. Architecture at The Round is representative of a European style theme. Broken up into two phases, phase one includes a five-story office building, a mixed-use condominium/retail building, apartments, a health club, and a public

plaza with a fountain. Phase two will comprise another public plaza, two parking structures, and more office, retail, and condominiums.

B. CULTURAL ORGANIZATIONS:

i. Beaverton Arts Commission:

The Beaverton Arts Commission displays monthly art exhibits at no charge. The group also organizes the "Beaverton Last Tuesday" at The Round, which consists of a display of art works and a free concert. In addition, it sponsors the art lecture series at the city library. This is a no charge program designed to increase knowledge about traditional and contemporary art forms. The Commission sponsors a total of approximately 20 programs per year, which draw between 100 and 500 people per event.

ii. Beaverton Community Band:

This is a group of 60+ volunteer Beaverton musicians that present three seasonal public concerts at schools and retirement centers. During the summer the band performs at several city events such as the Flag Day Ceremony at Griffith Park, and concerts on the lawn of the Beaverton City Library.

iii. Art Gallery (at Beaverton City Library):

The art gallery contains dozens of works by local artists as well as a collection documents characterizing the life of the Beaverton community historically and presently.

iv. Arts & Communication Magnet Academy:

The Arts & Communications Magnet Academy is the only stand-alone public art academy in the State of Oregon. The academy's program incorporates performing, visual, and communication arts. Productions from the school are performed at a variety of venues throughout the region.

v. Tualatin Valley Television:

This organization offers education for the public on community channels, video production classes and facilities, free public service announcements, and a community billboard. The free Commercial access television station provides information about community events, activities, and services.

C. EVENTS

i. Beaverton Saturday & Wednesday Farmers Market:

The largest of the Region's community farmers markets, providing fresh produce, ethnic foods, and live entertainment.

ii. SummerFest by Nike:

A corporate sponsored annual event at Griffith Park. Attractions include a parade, food/wine festival, and live entertainment.

iii. Visual Art Showcase & Sale:
Annual event to raise money for the Arts Commission.

iv. National Night Out:
This is a major annual carnival event. The purpose is to celebrate the ongoing partnership between the neighborhood and police department.

v. Mayor & City Council: "Picnic in the Park":
This is a monthly event held during the summer season held at various parks throughout the city. Here, residents can speak with the mayor and council members in a friendly casual environment.

vi. Flicks by the Fountain:
A corporate sponsored annual event at City Park. Movies are shown on a large inflatable screen and are free to the public.

VIII. Analysis of the Organization of Civic Uses and Spaces

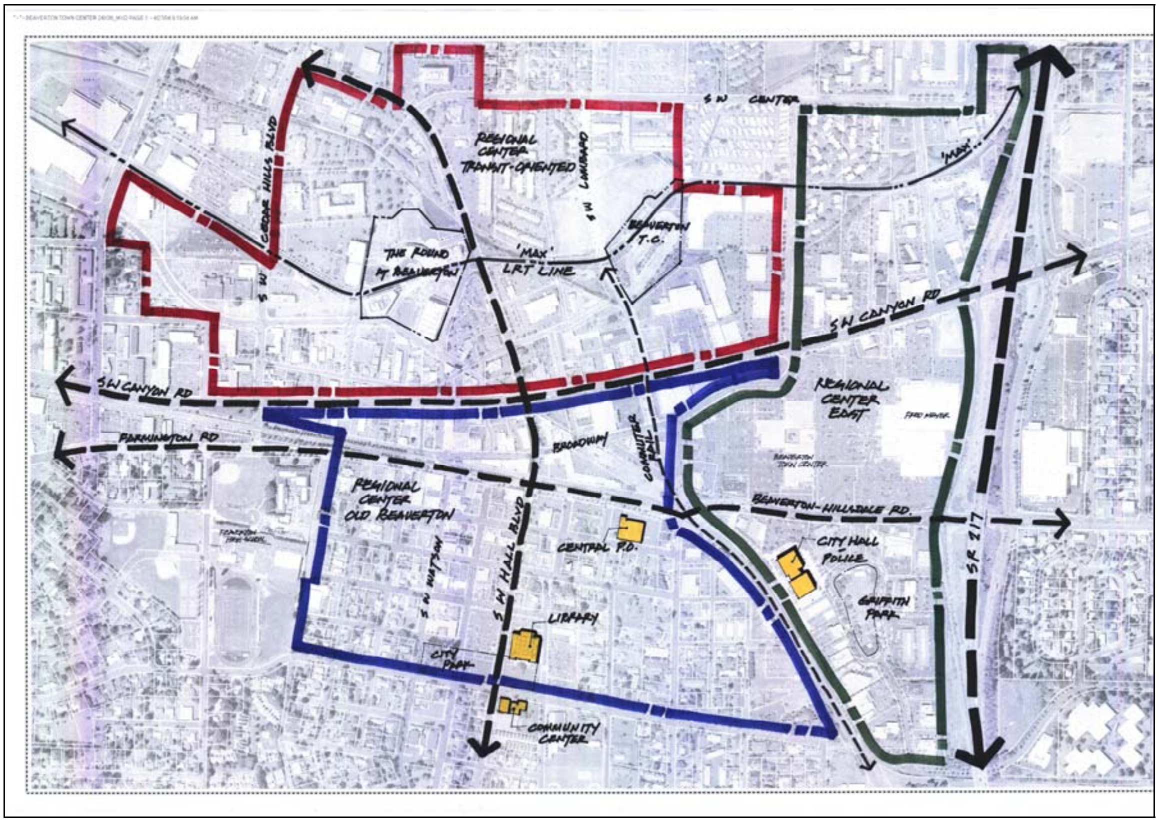
The Beaverton Regional Center is made up of remnants of a historic town center, intersections of farm-to-market roads, railroad crossings and early first tier suburban development.

From garlic fields to car lots; from small airfields to strip malls; from rural roads to inter-state highways, Beaverton's core has had many permutations since the early days of farmland and small town plank roads. Unlike traditional towns that grew up around an established town center, with clustered civic uses around the town common, Beaverton grew incrementally responding to the forces of transportation networks and an expanding Portland metro area hungry for postwar development.

What was once a town center became a place along a major transportation corridor. The adjacent neighborhood maintained the traditional grid pattern, but the commercial center of the town was now crisscrossed with roads, rail lines and suburban strip developments.
The Carr family located their first auto lots along these roads, the roads expanded to accommodate more traffic and the dye was cast.

The few buildings of historic note were re-used, city hall relocated to a new office park, large retailers took huge land areas to create shopping centers and auto related shopping malls. More and more auto dealers recognized the desirability of being on the regional transportation corridors and before long; the recognizable center of Beaverton was subsumed by post war suburban development losing its identity and continuity. City Hall was here, the central library there. The centroid of the town seemed to shift with the newest mall development and the latest street improvement project.

With the advent of regional planning, the arrival of light rail transit and two major stations in what was considered Beaverton center, the city began to re-establish the identity of a town center. The three regional center designations have added to the perceived cohesiveness of the Regional Center and have given focus to development efforts. The designations of Regional Center Old Town, Transit Oriented and East End have each promoted a certain scale, identity and character that will go a long way to promoting a more recognizable core area with cohesive uses and building types and the preservation of the best qualities that remain of the original town.



IX. INFRASTRUCTURE CAPACITY

The City of Beaverton has provided several documents for review of the existing utilities systems, including master plans and capital improvement programs. In general, the Downtown Regional Center is well-served by a network of utilities; however, certain issues exist such as the age of some facilities, some significant floodplain issues, and the basis of future programmed improvements which are directed by the current zoning densities.

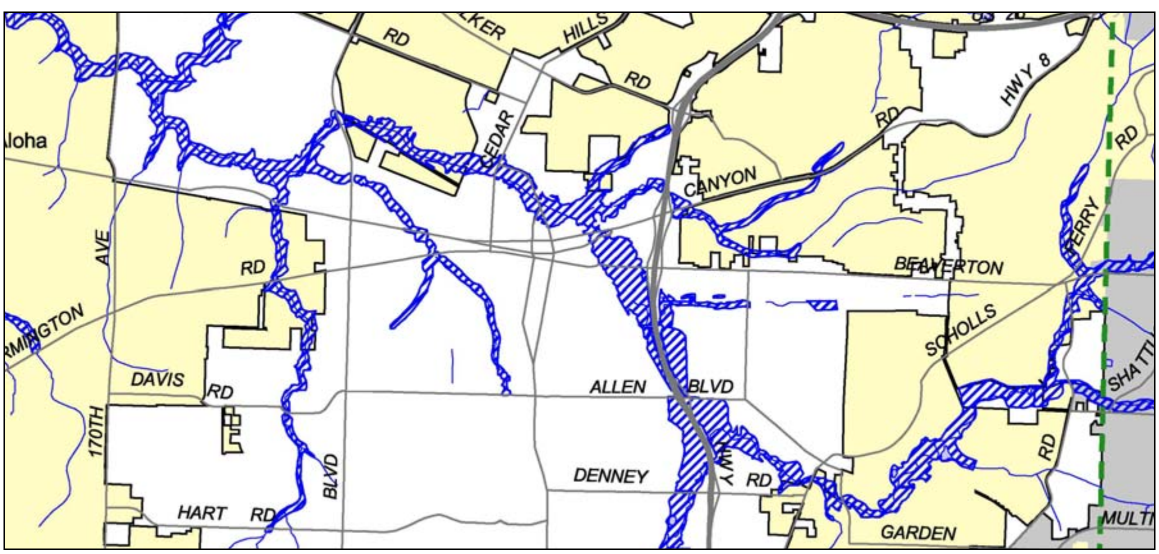
A. SANITARY SEWER

Currently, the City of Beaverton is in the process of updating its sanitary sewer master plan. The draft Sanitary Sewer Collection System Master Plan, by TetraTech/KCM and dated January 2004, was made available for review. Within the Downtown Regional Center, the document addresses the number of 1950s-era or earlier sewer pipes still in service and lists a range of rehabilitation areas programmed for replacement in phases over the next 18 years. The two earliest phases propose replacement primarily in the Old Beaverton subarea. One "high priority" improvement project is identified within the study area, a redirection of flows in the Alger Trunk, which connects an aging trunk line to the newer Fanno Creek system.

The Master Plan utilizes the Clean Water Services (CWS) model to estimate existing and projected 20-year flows, as enhanced by known City data. This model in turn is based on existing uses and redevelopment potential per current zoning, with per acre and per capita flows set at standard rates for single family, multifamily, commercial, and industrial flows.

B. STORMWATER

The Beaverton Creek Watershed Management Plan, by Brown & Caldwell and dated June 1999, was reviewed along with floodplain mapping of the downtown area provided by the City. These documents show significant 100-year FEMA floodplain coverage in both the transit-oriented and east subareas of the Regional Center along Hall and Beaverton Creeks. The management plan lists several undersized culverts within these creek basins and several proposed capital improvements, particularly downstream in Beaverton Creek. Listed projects include capacity upgrades, riparian enhancements, and culvert replacements at Lombard Street, Center Street, and 117th, as well as locations farther downstream planned to reduce flood impacts to the east.



C. WATER

The latest document available for review in terms of water supply is the December 1996 Carrying Capacity Analysis and Capital Improvement Plan for the Beaverton Regional Center and Tek Station Area. The document indicates the use of model that relies predominantly on City of Beaverton water supply for the entire network, with all Tualatin Valley Water District (TVWD) connections closed and limited use of West Slope Water District supply. The report lists some deficiencies toward water pressure and emergency water storage in the Metro 2015 and Metro 2040 model years and suggests additions and revisions to the Capital Improvement Program.

Similar to the planning effort toward sanitary sewer capacity, this report utilizes existing zoning and projected growth within the area in terms of vacant and redevelopable properties. The water model establishes and allocates this data on the Metro 2015 and 2040 forecasts, as they stood at the time of the report.

The City of Beaverton is currently working on a draft update of the water supply and system master plan, but this document was not available for review. City engineering staff did, however, specifically review the individual sites and provide input toward potential projects along frontages and in the local area.

X. COMPRENSIVE PLAN CODE REVIEW

The following provides an overview of the Comprehensive Plan as it relates to the Downtown Beaverton Regional Center.

A. CHAPTER 2 – PUBLIC INVOLVEMENT

The public involvement portion of this study ensure the goals and objectives of this chapter are met. Public involvement included community focus groups, an on-line Downtown Beaverton survey and public meetings before the city council, and Metro.

B. CHAPTER 3 – LAND USE ELEMENT

Regional Center development is discussed in Section 3.6 of the Land Use Element of the Comprehensive Plan. The goal for Regional Centers is to ensure that they "develop in accordance with community vision and consistent with the 2040 Regional Growth Concept Map." The Policies associated with this goal include applying the Regional Center land use designation to the area identified on the Metro 2040 Regional Growth Concept Map (completed); applying the RC-E, RC-OT, and RC-TO zoning districts to the area (completed); and adopting Community Plans identifying applicable Comprehensive Plan

Policies (completed, see below). The additional policy associated with Regional Centers requires the "regulation of development to ensure compact urban development" and to "maximize the public infrastructure investment in light rail." This policy is implemented through Section 3.5 of the Land Use Element, which is also applicable to the Regional Center.

The policies and actions of Section 3.5 are directed towards mixed use areas, which include Regional Centers. Included are requirements to adopt and apply land use regulations and incentives that encourage increased densities and the efficient use of land (completed); establishing use regulations that promote mixed use development (completed); several policies related to ensuring mixed use development is located and designed to be attractive and accessible to multiple transportation modes, including pedestrian, bicyclists, transit riders, and motor vehicles (incorporated into the Development Code); the review and regulation of streets, intersections, and parking facilities to ensure pedestrian safety (required with development approval); and the incorporation of usable open spaces throughout mixed use areas (incorporated into Development Code).

C. DOWNTOWN BEAVERTON REGIONAL CENTER COMMUNITY PLAN

The Downtown Beaverton Regional Center Community Plan includes three goals:

1. Promote the Downtown Beaverton Regional Center as "Downtown" Beaverton and create and maintain a positive image for the downtown area. This goal requires policies that establish downtown gateways by implementing Boulevard Design concepts, locating buildings close to the right-of-way on major streets, and limits the height of construction in the Beaverton National Historic District to two-story structures, while requiring multi-story structures for all other new development.

2. Create a Regional Center in Downtown Beaverton that is a focus for commerce, high density housing, and civic activities.
   Policies associated with this goal include creating a distinct downtown by encouraging new office development, public plazas, and close-in multi-family housing.

3. Provide multi-modal connections within downtown and between downtown and other parts of the community. Connecting the light rail stations by designated pedestrian routes and developing an overall pedestrian, bicycle, and open space network within the regional center are the requirements of this goal.

D. CHAPTER 4 – HOUSING

The goals and policies of this chapter are intended to maximize the use of buildable residential land and provide a variety of housing options for the citizens of Beaverton. This inventory of housing should include affordable housing. City policies and actions should also promote the retention of existing affordable housing while providing opportunities for new affordable housing. The mixed-use zoning of the Downtown Beaverton Regional

Center permits attached dwellings outright and promotes the development of high-density housing by establishing minimum housing densities per acre and providing standards for mixed-use development.

E. Chapter 5 – Public Facilities and Services Element

The Downtown Beaverton Regional Center is within the Urban Services Area, with all parcels served by city infrastructure including streets, police protection, water supply, development control, library services, solid waste collection and recycling services, and municipal court. While all services are provided to the subject area, and the zoning designations are intended to promote increased commercial activity and residential densities within the area; this increased density may require the upgrade of public facilities and services to accommodate increased demand. The existing infrastructure capacity is discussed in Section of this report. Schools, Parks and Recreation, Police, Fire and Emergency Medical Services may also need to be evaluated. However it should be noted that all of these elements would have been evaluated as part of the establishment of the Regional Center zoning.

F. Chapter 6 – Transportation Element

The goals and policies of this chapter ensure that the City's transportation system is safe, balanced, and efficient. The policies require the development of a street plan with street designations and design standards that provide for the multi-purpose nature of right-of-way and accommodate multiple transportation options including automobiles, pedestrians, bicycles, trucks and transit. The transportation system is also intended to reduce the number of trips and limit congestion, making the system accessible and provide the ability to easily maneuver throughout the region. The regional center area is a high traffic area and with the redevelopment of the area and increased densities anticipated with the development opportunities, increased traffic is anticipated. This element includes master plans for streets, pedestrian and bicycle improvements within the regional center. The continued evaluation and construction of these improvements as development occurs will be essential to ensuring that the quality of the system is maintained.

G. Chapter 7 – Natural, Cultural, Historic, Scenic, Energy, and Groundwater Resources Element

Natural resources within the Downtown Beaverton Regional Center are identified on the Local Wetland Inventory. As the majority of the area is developed, natural resources are limited in this area. The continued development and redevelopment of the regional center should consider and accommodate these existing features. The regional center also includes the Beaverton National Historic District which provides an inventory of historic structures within the center. This goal includes policies and actions to encourage the restoration and retention of these structures. The mixed use district of the regional center provides opportunities to reduce energy consumption with a compact urban environment which promotes higher densities and efficient transportation modes.

H. CHAPTER 8 – ENVIRONMENTAL QUALITY AND SAFETY ELEMENT

The goals and policies of this element maintain and improve the land, water, and air conditions and prevent or prohibit development within hazardous areas. The regional center contains minimal flood plain and hazardous areas. Building codes and development reviews ensure development is regulated in hazardous areas.

I. CHAPTER 9 - ECONOMY ELEMENT

This element is intended to ensure the City of Beaverton with a solid economic base with a variety of businesses and employment opportunities. Goals and policies are intended to promote an "entrepreneurial climate for existing and new businesses," provide a "strong public partnership for economic development," and ensure a high quality of life. The Downtown Beaverton Regional Center's mixed-use zoning provides business opportunities for commercial, residential, and supporting industrial uses. The development standards within these zones encourage high quality and high density development to increase these opportunities.

J. DEVELOPMENT CODE OF THE CITY OF BEAVERTON

Chapters 20.20.43 – 47 of the Development Code identifies the uses permitted in the RC-TO, RC- OT and RC-E zones of the Regional Center. All three zones permit a variety of commercial, institutional, residential and limited industrial uses and special restrictions apply for specific types of uses and are identified in these chapters. In general, the uses permitted in each zone are very similar with a few exceptions. Service stations and Residential Care Facilities only require Conditional Use approval in the RC-TO zone, Financial Institutions are permitted in the RC-TO and RC-E zones but are not listed in the RC-OT zone, Major Automotive Services are only permitted, by Conditional Use, in the RC-E zone, and Hospitals and Medical Clinics are permitted in the RC-OT and RC-E zones but require Conditional Use approval in the RC-TO zone. Within the RC-TO zone, drive-through/drive-up/drive-in uses are not permitted within 500 feet of a Light Rail Station, and require Conditional Use approval beyond 500 ft; require Conditional Use approval within the RC-OT and are not specifically mentioned in the RC-E zone. With eating and drinking establishments, outdoor seating over 750 SF requires additional parking in these zones.

i. <u>Beaverton Regional Center Development Standards</u>

Chapter 20.20.50.E of the Development Code lists the site development requirements for the Regional Center zones. The following chart provides an overview of these standards:

		RC-TO	RC-OT	RC- E
LOT AREA		No requirement	No requirement	No requirement
LOT DIMENSIONS		No requirement	No requirement	No requirement
YARD SETBACKS				
Front – Minimum		0 ft		
Front – Maximum[1]				
W/out Residential units on the ground floor	Major Pedestrian Route frontage	5 feet	5 feet	20 feet
	Other	10 feet	10 feet	20 feet
With Residential units on the ground floor		20 feet		
Side / Rear		None – except when abutting single-family residential zone, then 20 feet		
Building Height Maximum		120 ft	30 ft	80 ft
Building Height Maximum w/ Adjustment or Variance		200 ft	60 ft	200 ft
Min FAR for multiple use or non-residential development[2]		0.60	0.35	0.30
Max FAR for multiple use or non-residential development		Unlimited	Unlimited	1.00
Max FAR for multiple use w/ residential		Unlimited	Unlimited	Depends on % of residential floor area
Min residential density in residential only development[3]		20 units per acre	12 units per acre	N/A
Max residential density in residential only projects		60 units per acre	40 units per acre	40 units per acre
Options to increase FAR		20% increase - corner lot on Major Pedestrian Route and consolidated with adjacent lot for 150 ft minimum frontage 20% FAR bonus w/ PUD's on 1.5+ acres w/ 20% common open space		

ii. <u>Design Standards</u>

Supplementary regulations directing development are provided in subsection E of Chapter 20.20.60. These include requirements for building entrance orientation, sidewalk widths (10 ft wide on Major Pedestrian Routes; 8 ft wide on all other streets), open space – 15% in residential only developments, 10% in mixed use or nonresidential developments; location of parking – to the side or behind a landscape buffer, and screening of mechanical equipment and service areas.

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[1] Additional front yard setback is allowed with the provision of pedestrian amenities. Alternative maximum setback for large retail users

[2] Final Planned Unit Development process is available to achieve minimum FAR. Modifications allowed for existing smaller lots

[3] Further restriction on minimum residential density based on lot dimensions

For all standards, gross acreage is reduced by unbuildable land, such as wetlands, protected or regulated natural areas, other natural resource areas, drainage areas, or drainage facilities, which is set aside in an unbuildable tract of land or dedicated to the public and by other lands devoted to public or private streets or street right-of-way

K. MAJOR PEDESTRIAN ROUTES

Major Pedestrian Routes are identified on Map 20.20.60-1 of the Development Code (and also in the Downtown Beaverton Regional Center Community Plan. For development along Major Pedestrian Routes, additional standards also apply. These include requirements for ground floor windows, location of building entrances, and building heights within certain distances to the street. Design standards for parking areas and garages along Major Pedestrian Routes are also included and require ground floor commercial space within parking structures and landscaping buffers for parking lots.

L. PARKING AND LOADING

Chapter 60.30 of the Development Code includes parking requirements for development types. The Downtown Beaverton Regional Center is located within Zone A. Zone A includes those parcels that are located within one-quarter mile walking distance of bus transit stops that have 20 minute peak hour transit service or one-half mile walking distance of light rail station platforms that have 20 minute peak hour service. Parking ratios can be exceeded or reduced with specific approval. Structured parking is not included in maximum parking ratios

The following provides a general overview of the parking requirements for Zone A. Additional uses, and their requirements, can be found in Chapter 60.30:

- Residential – 1.0 – 1.l75 per unit (based on bedrooms)
- Public Buildings or other Structures – 2.7 – 3.4 per 1,000 SF
- Office – 2.7 – 3.4 per 1,000 SF
- Retail/Service Business – 3.0 – 5.1 per 1,000 SF
- Restaurants – 5.0 – 19.1 per 1,000 SF
- Bank – 3.0 – 5.4 per 1,000 SF

Bicycle parking and off-street loading requirements are also included in Chapter 60.

Beaverton Downtown Regional Center Development Strategy

Chapter 3: Assets Barriers & Opportunities

CHAPTER 3: TABLE OF CONTENTS

I. INTRODUCTION 1

II. COMMUNITY OUTREACH SUMMARY 1

A. BEAVERTON DOWNTOWN SURVEY 1
- *i. Respondent Demographics* *1*
- *ii. Survey Results* *2*

B. DEVELOPER FOCUS GROUP 5
- *i. Perception of Downtown Beaverton* *5*
- *ii. Two types of retail growth:* *6*
- *iii. Challenges to Regional Center Density Targets* *6*
- *iv. Review of Opportunity Sites* *7*
- *v. Beaverton Regional Center Overview* *12*

C. PROPERTY AND BUSINESS OWNER FOCUS GROUP 13
- *i. Concerns* *14*
- *ii. Assets* *14*
- *iii. Barriers* *15*
- *iv. Strategies* *15*
- *v. Themes* *16*
- *vi. Other Comments* *17*

III. ASSESSMENT OF CENTER NEEDS 17

IV. SUMMARY OF ASSETS, BARRIERS & OPPORTUNITIES 20

A. ASSETS 20

B. BARRIERS 21

C. OPPORTUNITIES 22

V. SUMMARY MATRIX 24

I. INTRODUCTION

This report summarizes the consultant team's assessment of the assets, barriers and opportunities that exist within the Regional Center and affect development. This work is extensively informed by the input received through outreach efforts conducted by the City of Beaverton. These included an online survey of community perceptions of Downtown Beaverton as well as two focus groups held as part of the overall analysis.

II. COMMUNITY OUTREACH SUMMARY

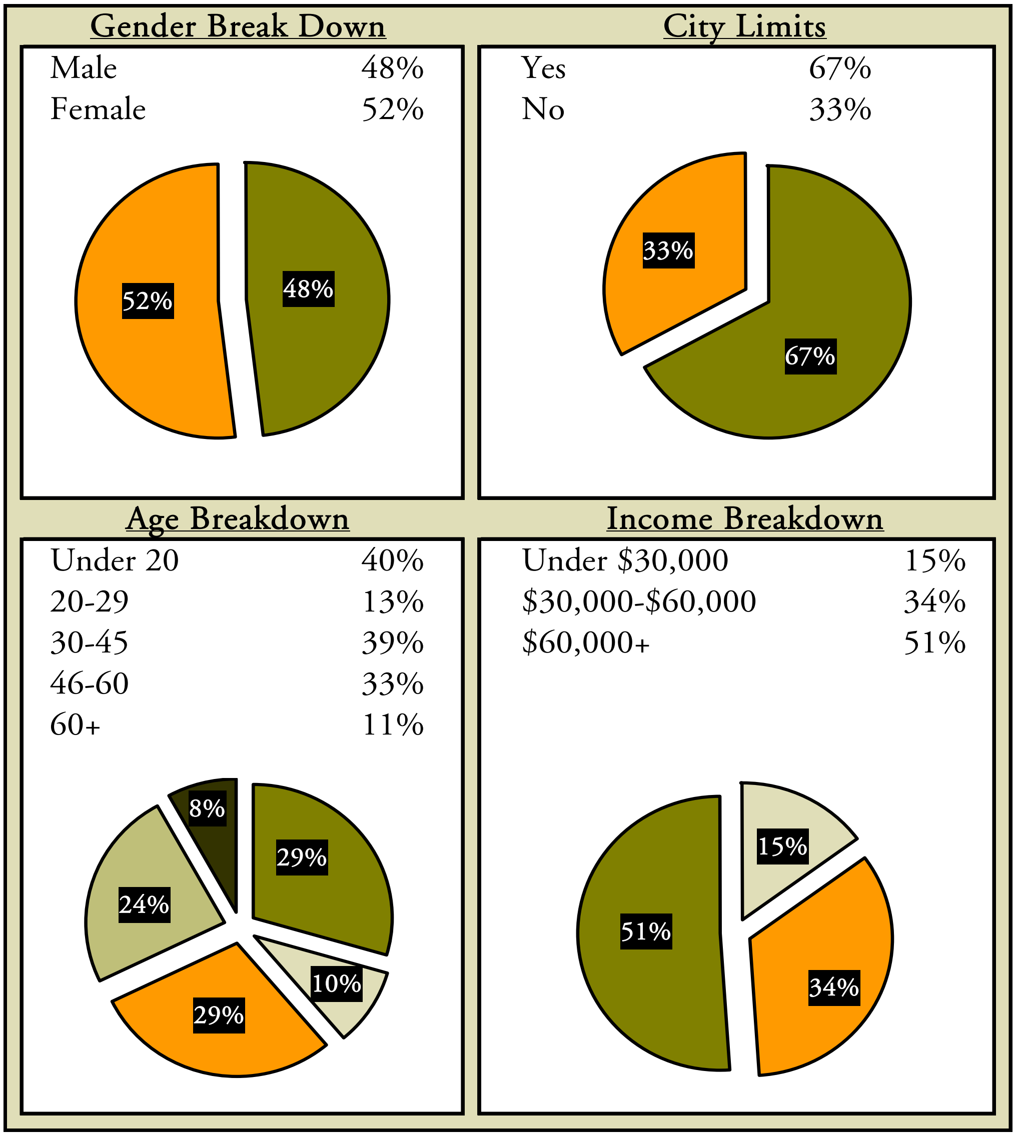
A community outreach effort was conducted to assist in the asset, barriers and opportunities assessment. This included an online survey, as well as two focus groups. The online survey ran for approximately 45 days, and gathered 118 completed responses. The City of Beaverton also held two focus groups to collect input regarding community and developer views on assets, barriers and opportunities within the Beaverton Regional Center. A focus group of developers was held on the morning of May 12th, while a focus group of property and business owners in the Regional Center was held on the evening of May 13th.

A. BEAVERTON DOWNTOWN SURVEY

The City of Beaverton frequently conducts surveys to better understand the issues concerning its residents. This section will summarize the most recent survey conducted. The survey ran from March 30, 2004 through May 12, 2004. It was viewed 415 times and 118 individual participated completely.

i. Respondent Demographics

- 52% of all respondents were female and 48% were male.
- 15% reported earning less than $30,000 per year, 34% reported earning $30,000 to $60,000, and 51% of respondents earns more than $60,000 per year.
- Only 67% of respondents actually live in the Beaverton city limits. 33% live elsewhere.
- The majority of respondents were at least 30 years of age. 4% were younger than 20 years, 13% were between the ages of 20 and 29, 39% fell on the 30-45 age group, 33% were 46 to 60 years old, and 11% of respondents were over the age of 60.
- There were no downtown business owners that participated in the survey.

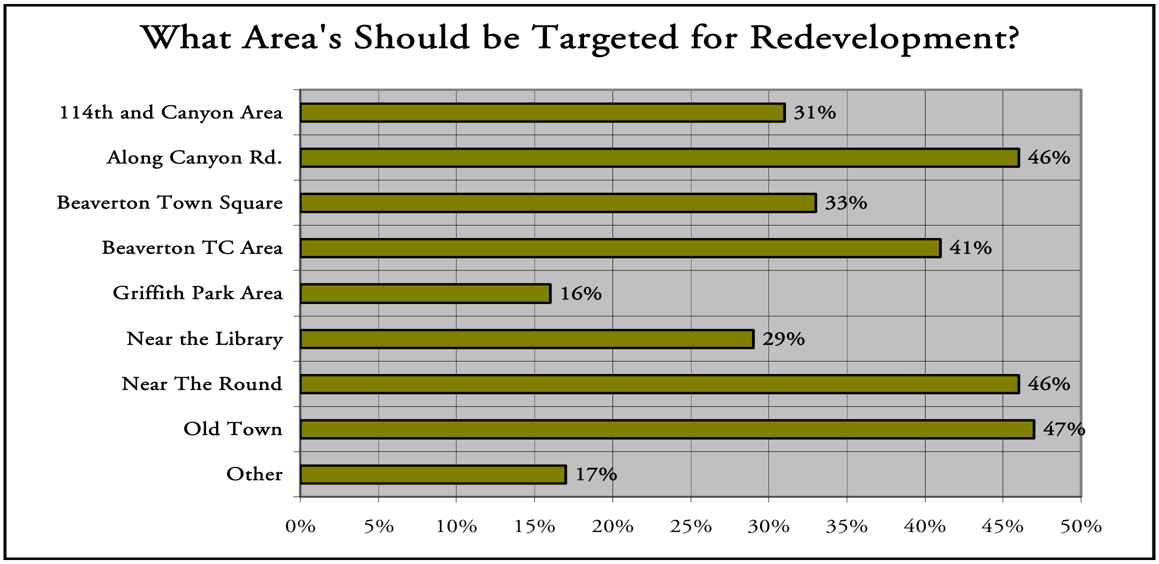


ii. Survey Results

- Only 59% of respondents could identify the physical dimensions of Downtown Beaverton. Respondents were given the opportunity to identify specific locations that they associate with Downtown. The most commonly identified area in The Downtown was the Library. 73% of respondents indicated this location. Other highly identified locations included Beaverton Farmer's Market (67%), Beaverton Bakery (66%), and the Post Office (60%).

- Roughly 36% of all respondents indicated that they visit downtown weekly, while 41% visit on a daily basis. The most common reason that individuals go downtown was to shop, as indicated by 73% of respondents. 55% indicated they come to use the post office, 52% to eat, and 45% come to use the library.

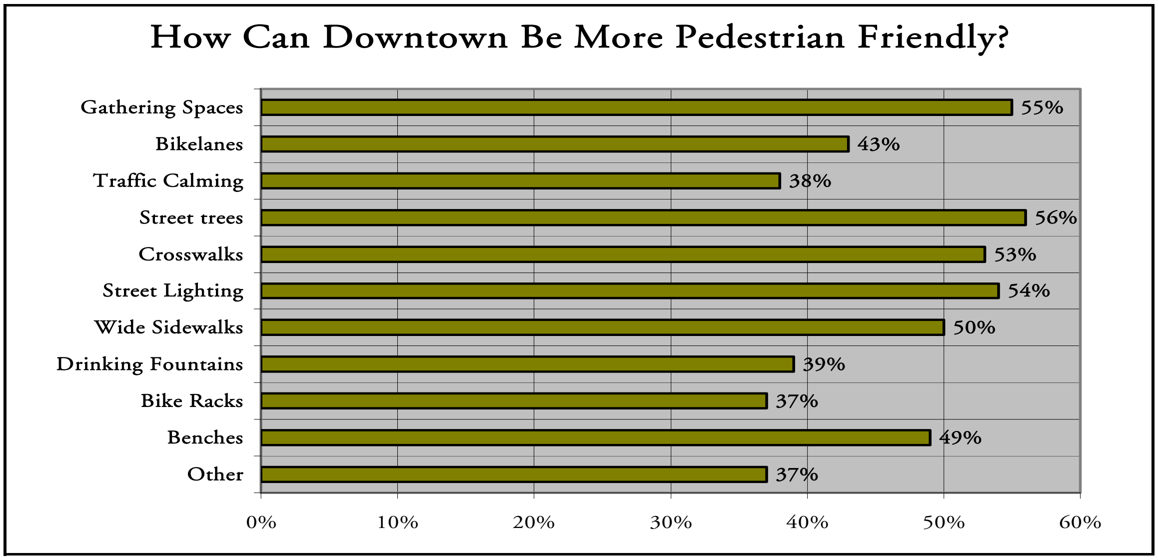
- When asked what areas of the Downtown should be targeted for future development, the most common responses were Old Town (47%), near The Round (46%), and along Canyon Road (46%). A distribution of all responses is presented below.



- When individuals were asked about their thoughts on the availability of parking, the responses were mixed. About 19% of individuals stated that more on-street parking was needed and 22% specified that more parking lots were needed. Meanwhile, 34% of the people surveyed indicated that parking needs should be met in the form of a parking structure. However, a leading 39% of the respondents said parking was not even an issue in The Downtown.

- Only 7% of the individuals surveyed live in Downtown Beaverton either as a renter or an owner. This is further reflected by the fact that 39% indicated they were "very uninterested" in living downtown. Only 13% stated that they would be very interested in living in Downtown Beaverton while an additional 15% said they would be somewhat interested.

- When asked what improvements could be made to make downtown more pedestrian friendly, results were fairly even across the board. The results are summarized in the following graph:



- Other useful suggestion made by respondents included landscaped planter boxes on sidewalks, outdoor dining/café areas, and information kiosks posting future cultural and community events.

- As a part of the survey, respondents had the option of writing in answers as to what they liked best and worst about The Downtown:

  - The Downtown has a lot of valuable assets that the community is definitely aware of. Responses touch on assets such as Old Town, the existence of mature trees, cleanliness and charm, and transit availability. However, three underlying themes emerged from the responses.
    1. *The overwhelming frontrunner was the Park/Library/Farmer's Market area. As previously mentioned, this is the area that the residents most identify with. This area's visual appeal charmed residents most.*
    2. *Secondly, respondents commented on The Round. Many individual expressed this development was the first step toward a more urbanized downtown setting.*
    3. *Thirdly, a large majority of individuals commented on the areas retail diversity and the convenience of having many shopping options.*

  - The Downtown has many aspects to it that the respondents were not reluctant to negatively discuss. Almost all of the responses in regards to what community members dislike about Downtown were concentrated within six areas.
    1. *The overwhelming complaint about the Downtown was traffic congestion. Respondents felt that traffic was the key issue because it is the cause of two of the other issues on this list, those being an unfriendly pedestrian environment and parking. Specific problem areas included Canyon Road and Farmington Road.*
    2. *Several respondents to the survey expressed frustration with what they saw as an increased concentration of adult-oriented businesses, such as Stars*

Cabaret and Hooters. This area of downtown was referred to by one respondent as the "red light district".

3. *A common complaint was the visual appeal of current buildings and retail centers. The "trashy" sensation of these structures were said to give The Downtown a "run down" feeling.*
4. *Another common complaint dealt primarily with the existence of the car dealerships. The respondents of the survey frequently stated that car dealerships are not characteristic of the larger vision of what downtown should be.*
5. *An additional issue that was important to the respondents is parking. Individuals stated that many areas, specifically The Round, are a hassle to go to because parking is an issue. In addition, some respondents made reference to an oversupply of commuter only parking in the Downtown.*
6. *Finally, a widespread statement was that The Downtown is not a pedestrian safe environment. Many of the complaints however, dealt primarily will traffic and aggressive driving.*

- Finally, the survey asked individuals what the Downtown area needed.
  - The most common response was to remedy the traffic congestion problems. Suggestions ranged from building an overpass to avoid the train tracks and adding new alternative routes to repaving and creating more one-way streets.
  - Individuals also wanted to get a better mix of small businesses. Examples include restaurants, gift shops, antique stores, and boutiques.
  - Respondents also expressed an interested in bringing in more mixed-use structures. The general theme was that the individuals who responded seriously indicated a desire for a more centrally located, urbanized Downtown similar to The Round.

B. DEVELOPER FOCUS GROUP

The developer focus group was held on the morning of May 12th, 2004 at Beaverton City Hall. Attendees at the session included the following:

Matt Grady	Gramor Northwest
Barry Cain	Gramor Northwest
Tom Kemper	KemperCO
Brian McCarl	Brian McCarl & Co.
David Bell	GSL Properties
Phil Whitmore	Metro Transit Oriented Development Program

The following is a summary of the views, opinions and perceptions expressed by the attendees at this session:

i. <u>Perception of Downtown Beaverton</u>

The downtown is a good area but there are a number of difficulties to overcome

- difficult properties to work with
- traffic congestion is an issue
- the City is not the easiest to deal with
- would not be the first place we would look to develop
- the downtown needs some definition
- there are distinct differences between north and south sections of the downtown
- the street pattern is fragmented
- the utilities needed to support redevelopment are not there, they are the oldest in the city
- would need to do more infrastructure improvements than generally anticipated and this can be too expensive
- The demographics for the area are good and many people pass through however the area is also avoided because of the traffic congestion
- Beaverton is associated with suburban patterns of development
- The traffic patterns are in conflict with changing to "interesting" (specialty, pedestrian oriented) retail
  - *Need a different scale to achieve this type of retail*
- The south grid is a strength but needs to be double loaded (buildings on both sides of the street)
- The land values are not high enough for non-subsidized structured parking in downtown Beaverton
- There will be a need for parking garages, and cooperation between developers and the City for assistance with land assembly

ii. Two types of retail growth:

Organic development

- *generally entrepreneurs*
- *generally local, mom and pop type retail*
- *need neighborhoods in existence with distinct bones*
- *need residential with character around it or potential to restore character (Mississippi St., Alberta St. in Portland)*

There is potential for this type of development in grid to the south

Build from the ground up

- *redevelopment of the malls and parking lots*
- *breaking the scale down to a more pedestrian level scale*
- *large surface parking lots are the antithesis to this scale*
- *requires concentration of effort to redevelop and support from the City*

iii. Challenges to Regional Center Density Targets

Challenges to achieving higher densities in downtown include:

- *The "migraine headache" of driving around*

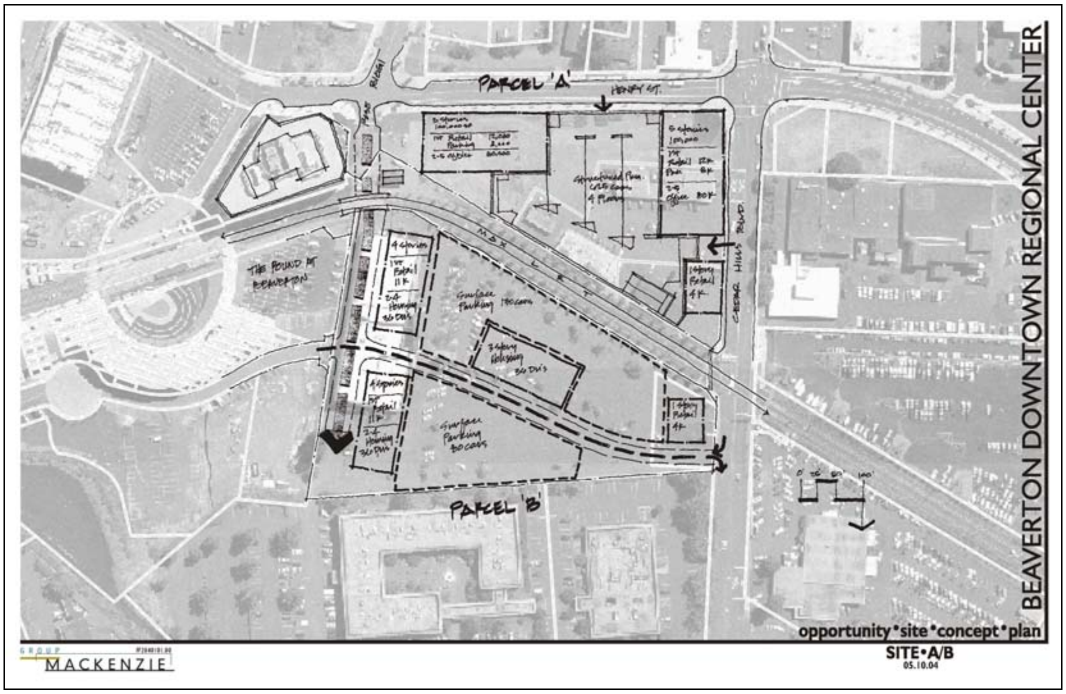
- *Need high density housing first to drive the demand for other amenities (will not be able to replicate concentration of offices as in Portland's downtown, nor the concentration of high-end condominiums)*
- *Need a vision with incremental phases for funding infrastructure*
- *Need to create a "sense of place"*
- *Need to have assistance from the public sector, including the backing of the City Council to provide public amenities such as parks and to assist with the pedestrian scale*

Elements for achieving the higher densities include:
- *Urban renewal or similar tools such as Local Improvement Districts*
- *Good city staff/knowledgeable, concerted efforts and backing of City Council*
- *Creation of a 24 hour, 7 days a week, year round place*
- *Need other amenities to support – parks, pedestrian scale*
- *Build on history, incremental steps will get somewhere unique*
- *More than just a big building, need to create a "sense of place"*
- *Create a contextual framework for development (such as River Place or the Pearl in Portland) – this will not be cheap but there needs to a commitment to great context*

iv. Review of Opportunity Sites

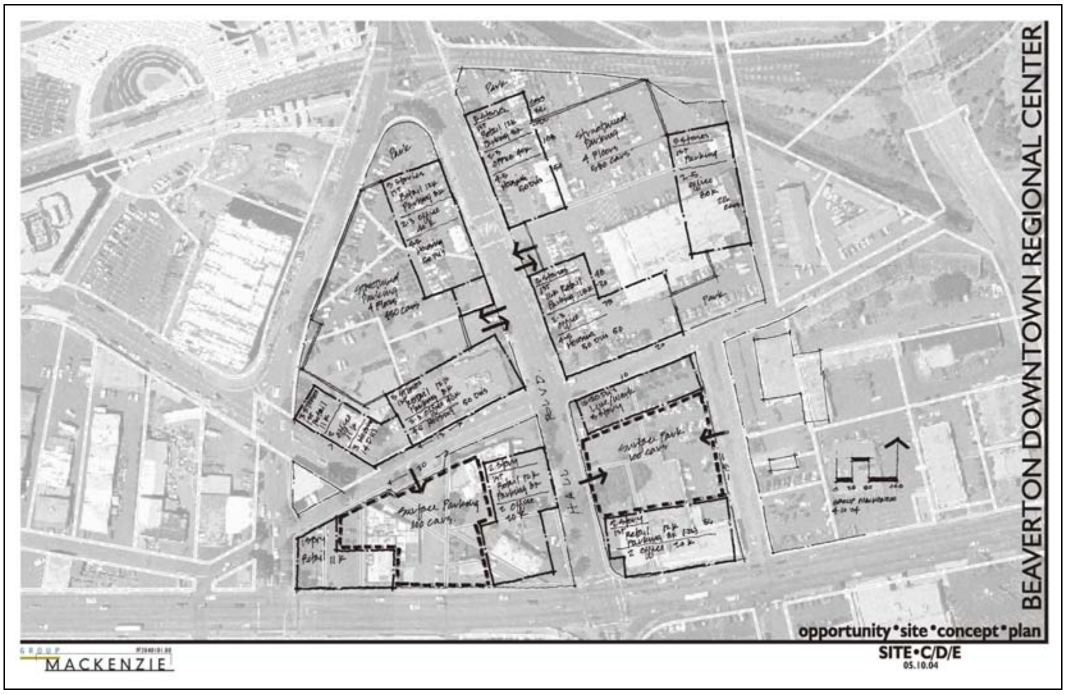
Ten (10) potential opportunity sites were reviewed. Potential development scenarios were developed for discussion purposes.

Sites A and B
- *On light rail and Cedar Hills*
- *Single Ownership*
- *Interesting property*
- *People have a lot of choices about where they can live – what is special about here?*
- *More housing will support the Round*
- *Recommendation: don't try to find one developer to do all of the development types*



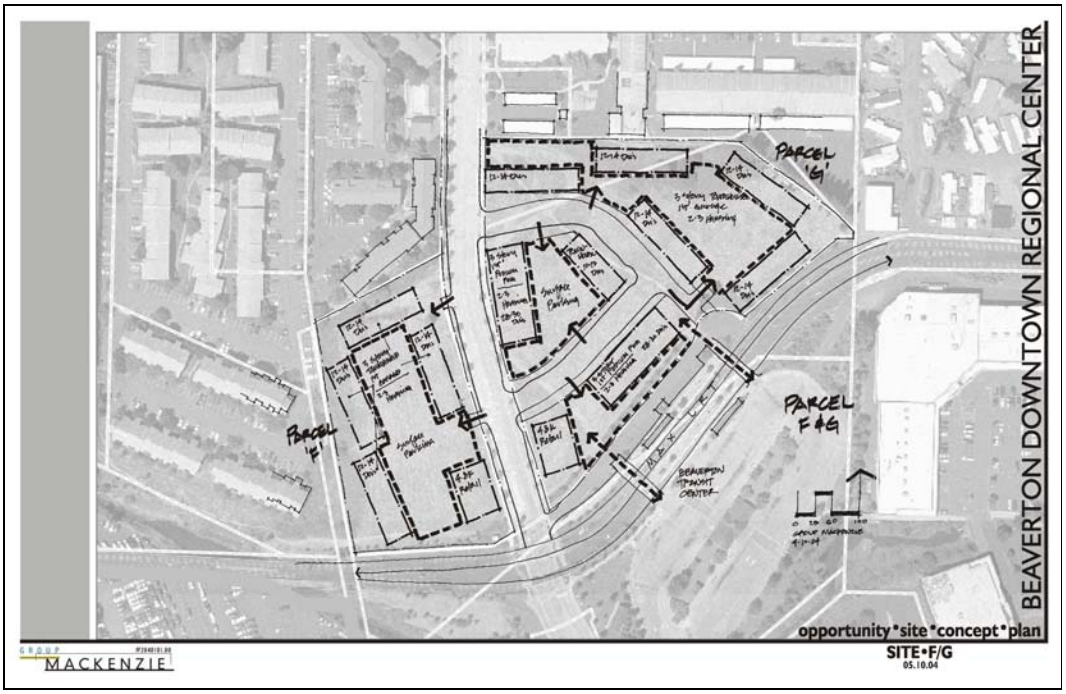
<u>Sites C, D and E</u>

- *East of the Round, north of Canyon*
- *Will require assembly*
- *Geometry is difficult, dependent on improved street pattern*
- *Break down the super blocks by creating a finer grid*
- *Will need a visionary developer*
- *If built, would change the perceptions of what is possible in Beaverton*
- *Capture character of the south for the north – make the link*

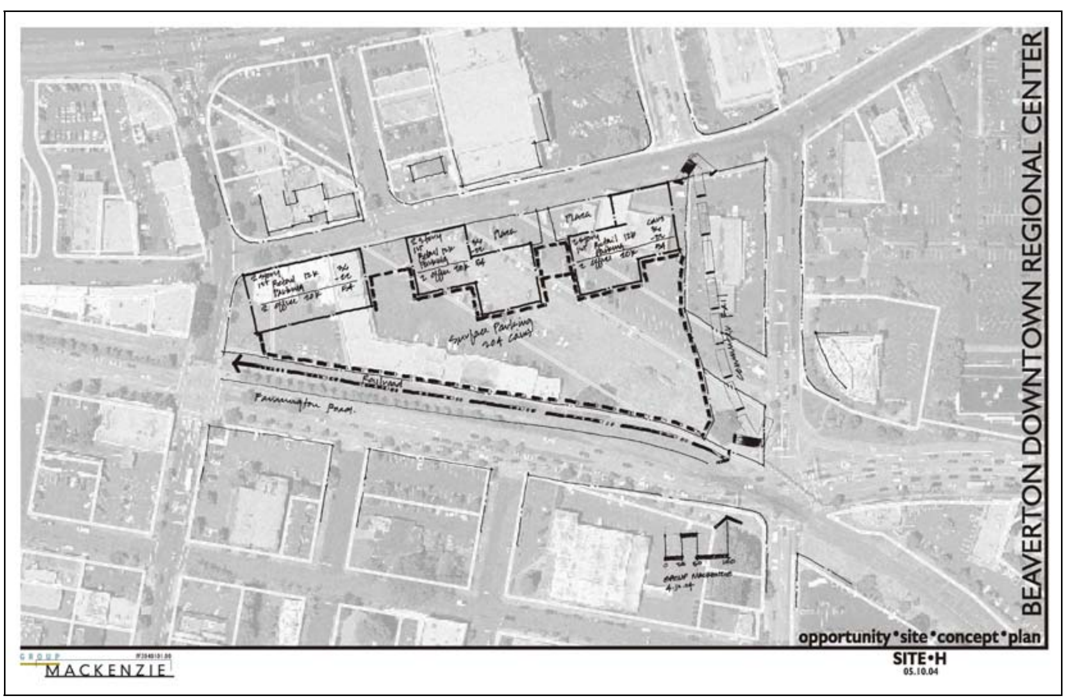


Sites F and G

- *North of the Transit Center*
- *Definitely a housing site*
- *Condo's with structured parking are expensive*
- *Why here? Need more "there" there*
- *Affordability can be one answer to why here*
- *Development of sites C,D and E would encourage these sites to develop*
- *Beaverton Creek could be an amenity*
- *Light rail connection*
- *There is a strong relationship between transit and affordable housing*
- *Affordable housing requires less parking when located on transit*
- *For every structure parking space not built, money is saved*
- *Structured parking is the largest unreturned cost in a suburban development*
- *City should build public structure parking and allow private development to leverage against it*
- *Unlikely to do expensive condo adjacent to a mobile home park*
- *Nervous about doing much less than 1:1 parking for ownership*
- *Lower priced ownership would be good for this site*

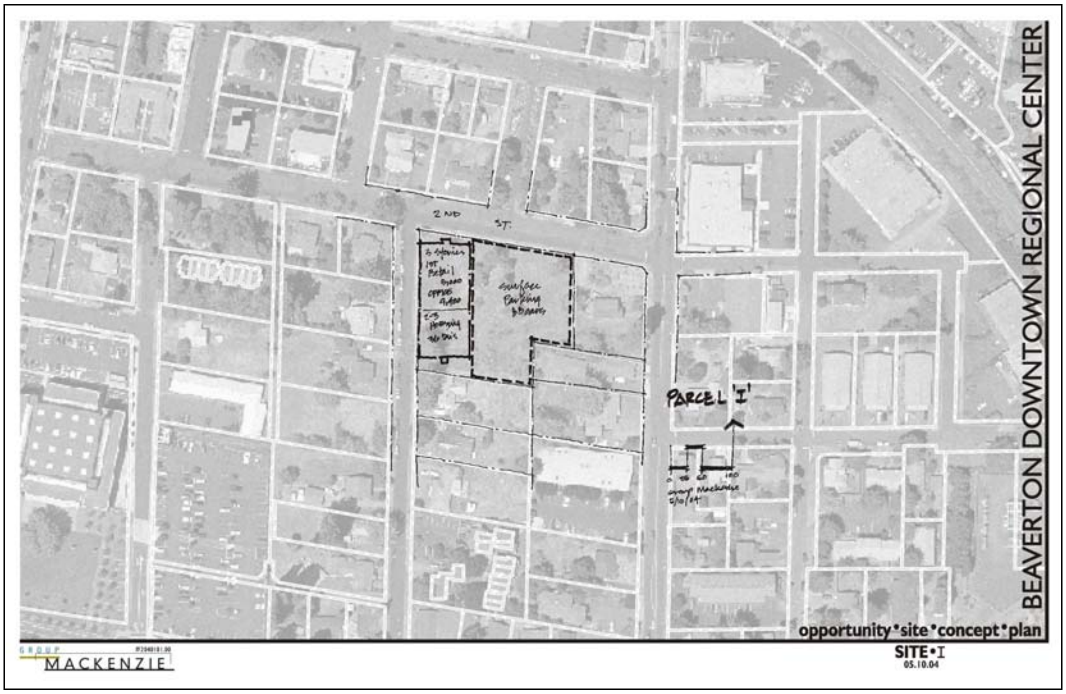


Site H
- *On Broadway across from the Beaverton Bakery*
- *Interesting site*
- *Some character in the area*
- *Did not think that would be a good location for office*
- *There is a lot of office development, office is a difficult market*
- *The adjacent heavy rail line could impact development of this site*



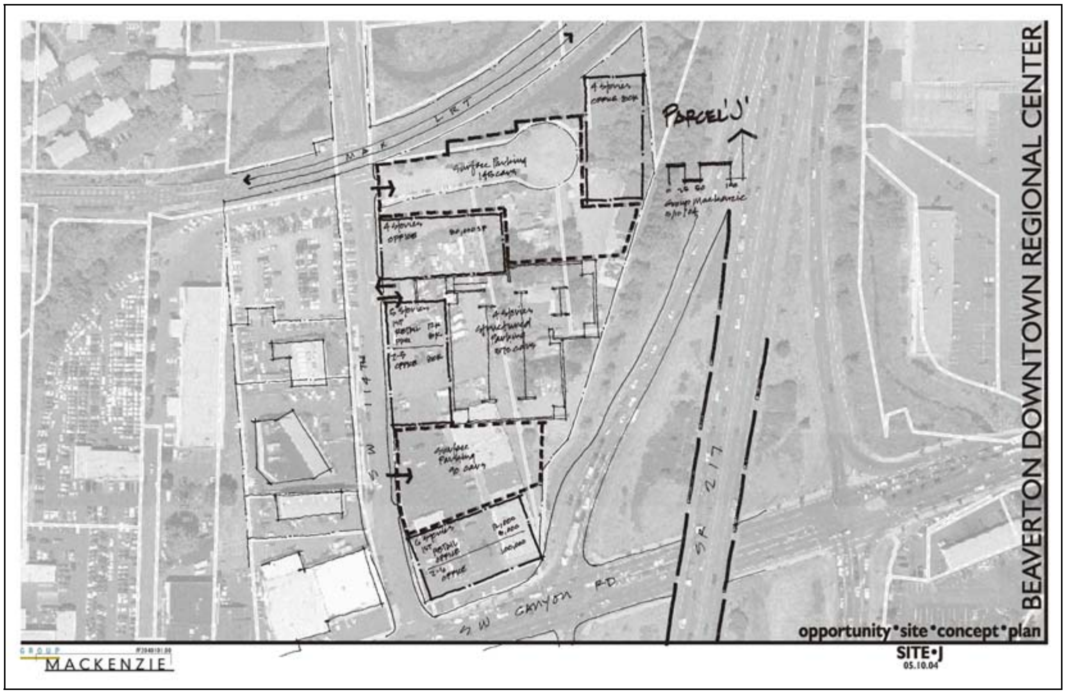
Site I

- *On 2^{nd} Avenue*
- *This site could be expanded to include properties to the north to 1^{st} Avenue to take advantage of the Post Office traffic*
- *2^{nd} Avenue would be a difficult location for retail and would need more signage to attract customers*
- *Would be a good housing site with podium parking with 5 stories or urban town houses (25 units to the acre)*



Site J

- *North of Canyon, west of Highway 217*
- *This site would be improved by extending it to a realigned 115^{th} and vacation on 114^{th}*
- *Needs assembly*
- *It is the gateway to the downtown and needs more than one-two story buildings*



v. Beaverton Regional Center Overview

Downtown Assets

- *Has the potential to be the center of a much larger area and play a much more significant role in the region*
- *Well located in the region*
- *Has a significant amount of drive-by traffic*
- *The grid in the south of the downtown provides an opportunity for smaller scale, pedestrian friendly development*
- *Access to light rail and other transit*
- *The transit and light rail is a plus for the downtown*

Downtown Barriers

- *Fragmented street system*
- *Barriers created by Canyon and Farmington*
- *Need to build the grid in the north – breakdown the super blocks*
- *Many through trips, a great deal of traffic*
- *As there is a perception that traffic is terrible, people do not want to come to downtown*
- *Difficulty of working in Beaverton (regulations, red tape)*
- *Numerous car dealers, but are part of business fabric*
- *High level of parcelization*
- *Beaverton bears the burden as a hub*
- *A number of major roads go through the downtown*

Advice to Beaverton

- *There are opportunities/good sites available*
- *It is good to look at the downtown as three districts*
- *Start with the sites that can be developed in the short term*
- *Look to the more difficult sites in the future*
- *It is important not to try to control every element of every site*
- *The City should set the goals for what it wants for the downtown*
- *Once the goals are in place, develop a framework for which development can occur that will support the goals*
- *Allow flexibility and provide incentives*
- *Have a downtown advocate on staff to expedite development that works within framework*
- *Provide for less restriction, more advocacy and don't micromanage*
- *Avoid the unpredictable and the irrational*
- *Need to balance the obligation to through traffic with Beaverton's goals*
- *Need to overcome the perception issue that the downtown is difficult to travel through and people do not want to go there*
- *As long as the traffic is accommodated it won't go away*
- *Consider building parking structures*

Available Tools

- Tax abatement (vertical housing)
- Transit Oriented Development funds
- The City has the ability to assemble land for non-public purposes (HB 3224)
- Assembly can be done without a developer but would easier work with a developer on a specific site

C. Property and Business owner Focus Group

The developer focus group was held on the evening of May 13th, 200 at Beaverton Library. The following is a list of participants:

Charlie and Carrie Ann Schubert	Beaverton Bakery
Michele and Nick Cortese	Giovanni's Restaurant
Vince and Roselba Piscitelli	Giovanni's Restaurant
Steve Holland	Holland Investments
Mike and Linda LeClaire	A&P Appliance
Bernard Kurtz	Peddler's Pack
Moji Momeni	Committee for Citizen Involvement
Randy Francis	Washington County Investments
Dominic Biggi	Biggi Development
Charles Wilson	Central Beaverton NAC
Cal Hamreus	Cal Hamreus Architect
Randy Kyte	Harsch Investment Properties
Bob Currey-Wilson	Fred Meyer

i. Concerns

- Traffic and parking
- *Downtown*
  - *Light rail*
- *Congestion as it relates to getting to I-5*
- Parking on commercial areas and catching light rail
- Parking
- No control over speed of traffic – danger to pedestrians
- Develop Downtown
- Parking
- Not enough pedestrians
- Safety
- Traffic
- Development issues – want to get developments approved
- Only ½ of Broadway is available to draw people in
- Need a theme
- Parking
- Construction issues
- Improve aesthetics
- Employee parking issues
- More pedestrians necessary
- Construction affects business, especially traffic and parking
- Want foot traffic
- City should advertise after construction for businesses
- Advertise the new downtown Beaverton
- Who pays for lost business due to construction?

ii. Assets

- Farmers Market
- Light Rail
- The Round (physical design)
- Commuter Rail
- Unique small business/services with good character
- Good location – convenient to many locations
- Surface parking (free)
- Point of destination businesses
- Employee parking – leverage unused parking not in front of businesses
- Old buildings have character and look good (although larger awnings would be better)
- Fixing buildings up creates a new experience
- Certainty from zoning changes (new code now)
- Stable schools
- Stable local government
- Properties underutilized
- Lots of traffic (many potential customers)

iii. Barriers

- East/west arterials and railroad
  - *Difficult for pedestrians and unfriendly*
- Traffic – too fast – dangerous
- Traffic/congestion
- Parking/lots
- Traffic permit impact fees are too high (almost like a tax)
- Beaverton is different than NW Portland
- Not as much residential close by
- No Development Commission to help
- City built parking structure in Lake Oswego
- One-way streets – people drive wrong way!
- Need more residents downtown
- RR is a barriers
  - *Trains run in middle of night and create noise and vibration*
- No one uses the lot behind Giovanni's
- People don't know where parking is located – no signage
- Don't have a parking system to take advantage of parking space
  - *Parking might not be so bad*
- Encourage people/employees to take MAX
- Service garages and detail businesses are a poor use for downtown
- Auto dealerships take up too much space with repairs/service/inventory
- Parking around the Station
- Need visual information about parking (signage!!)
- Parking doesn't work for everyone
- Enforcement (too much in areas, not enough in other areas)
- Employee parking

iv. Strategies

- No traffic impact fee[1]
  - *Don't require cash for fees*
- Structured parking won't work yet
- Provide soils info to property owners at get go
- Provide info on wetlands, buffer zones, floodways, floodplains
- Transition zoning to get to 2040 – how do we get people to 2040
  - *Help people get there*
- Parks and open space
- Create a parking study and determine if there is a problem
  - *If yes, then what should the City do….create a strategy*
- Parking problems exist in certain areas at certain times
- Policing of parking – laws are not enforced
- Free parking needs to be studied area by area

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[1] The TIF collected is a countywide ordinance, and waiving these fees would be difficult to accomplish. A strategy that may be more likely to succeed would be to work with the County to reduce TIF fees for multi-use development near light rail stations.

- City needs to study a focus on areas – look at price
- Need to bring more people into Beaverton
- Replace prime office space with retail – city should consider strategies that draw people into downtown
- Tunnel or bridge over Canyon/Farmington[2]
- Create a safety in the middle of the street to improve pedestrian crossings
    - *Is ODOT opposed to structures in the road?*
- Maximize on-street parking[3]
- Construction impact on business let people know construction is over
- Communication – city needs to help get information out
- Hard to get people engaged and listening to the message
- What makes a "Center"?
- How do you get to a "Center"?
- How do you make the process as painless as possible?
- Incentive for investment
    - *More carrot and less stick*
- Need strategy to overcome negative reputations
    - *Negative reputation of the Round*
    - *Negative reputation of being a difficult place to business*
- See owners step up and help redevelop
- City staff help come up with solutions – consistent among staff
    - *Consumer friendly*
- Auto dealer employees provide business to downtown businesses
- Auto customers bring business downtown
- Service orientation affects other businesses
- Keep citizens involved and informed
- Signage could be improved to tell people where downtown is – Gateways
- Is there a partnership between residents/businesses and the City?
- Why do people struggle to be downtown?
    - *Partner with the City*
- How do you develop relationships?
    - TriMet – more parking and more ridership
    - Bicycle group
    - Public partnerships
- Handicap parking enforcement
- Will the City advertise when construction is over?

v. Themes

- Unique location with good buildings
- Unique businesses
- Traffic = exposure
- New amenities (park, library)
- Excitement

[2] These types of facilities generally don't work well in flat terrain like Canyon and Farmington.
[3] Maximizing on-street parking typically requires wider streets, dedications of additional right of way and closing of driveways.

vi. Other Comments

- Foot traffic – safety issues – pedestrian friendly
- Bus/train issues
- City – "We can do" attitude, communicate "open for business
- Arrival to downtown
- Parking signage
- Communicate with businesses
- Partnerships – among all partners
- City is trying to do good stuff (kiosk, etc)
- Engaged citizens

III. ASSESSMENT OF CENTER NEEDS

As part of the ongoing 2040 planning process, Metro has created a guide of common elements that make up a vibrant, pedestrian-oriented, compact, mixed-use area. Below is a list of some basic elements assembled by Metro.

Local Planning Framework

- *Master Plan for the Center*
- *Vision for the Center*
- *Zoning Code that promotes Center development:*
- *Compact, higher density development encouraged*
- *Land consumptive uses discouraged*
- *Auto related uses limited*
- *Mix of uses required, encouraged*
- *Infill and redevelopment encouraged*
- *Design standards*
- *Green building practices*
- *Building Orientation*
- *Orientation of buildings and primary entrances to the street*
- *Ability for direct pedestrian movements between transit, mixed land uses and surrounding areas*
- *"Active" and pedestrian-oriented first floor uses*

Range of Uses in Place/Permitted

- *A range of housing types to accommodate people at all stages in life in terms of cost, tenure and size*
- *Civic and Institutional uses*
- *city hall*
- *community center*
- *library*
- *school*[4]
- *post office*
- *government offices*[5]
- *court houses*
- *churches*
- *Public spaces for community gathering*
- *central plaza*
- *town square*
- *Parks and Trails*
- *Cultural uses*
- *Retail services*
- *Grocery store*
- *Drug store*
- *Hardware*
- *Clothiers*

[4] A number of Centers have existing schools located within or adjacent to them. These tend to be smaller, older facilities that are more than just schools but offer community recreational facilities and meeting places as well. Good connections between the schools and other components of the Center provide opportunities for walking trips for children and adults that might otherwise have been made by auto. However, not all schools are appropriately located in Centers. The trend towards 10-plus acre campuses for elementary school, 20-plus acre campuses for middle schools and 40-plus acre campuses for high schools to not complement the compact urban form sought for Centers. These types of schools should locate outside of Centers but be well connected to the Center to promote bicycle and transit trips between the two.

[5] Jurisdictions, Districts, the Region and State should be strongly encouraged to locate administrative offices and facilities that serve the community in Centers. Public buildings that require parking for construction, maintenance, etc. vehicles would not be appropriate for Centers.

- *Music and video*
- *Wine Shop*
- *Specialty stores/Boutiques*
- *Other services*
- *Day care*
- *Cleaners*
- *Medical offices*
- *Veterinarians*
- *Repair services*[6]
- *Fitness center*
- *Restaurants*
- *Open for Breakfast, Lunch and/or Dinner*
- *Full service/self service*
- *Pubs*
- *Deli*
- *Coffee shops*
- *Bakeries*
- *Offices*
- *Lodging and Tourist attractions*

Transportation Access and Options

- *Adequate opportunities for through travel on arterial streets and local access to community destinations*
- *Community level transit service that connections to regional transit service*
- *A well connected street system*
- *Major arterial access to the Centers*
- *Bikeways are designated on arterials and collector streets*
- *Safe and convenient access for pedestrians and bicyclists across barriers such as rivers and freeways*

Street Design

- *Pedestrian routes and crossings buffered from traffic*
- *Continuous bicycle routes to and through the Center*
- *Safe crossing for pedestrians and bicyclists at arterials*
- *Convenient walking and bicycling routes for residents and employees with special pedestrian features on transit streets*
- *Continuous sidewalks along both sides of all streets that connect to side streets and adjacent sidewalks and buildings*
- *Streetscape features including landscaping, street trees, stormwater treatment*
- *Sidewalks along the site frontage*

[6] This could include auto services that are compact in nature. There are numerous examples of these in the region. Those located in Centers provide the opportunity for a person to leave a car for service and walk to work or enjoy the amenities of the Center on foot.

- *Public promenade*
- *Key sites designated for "transit-friendly" land uses and densities (i.e., walkable, mixed-use, not dominated by activities associated with significant automobile use)*
- *Uses are allowed near transit: densities, mix, auto-oriented*
- *Mix of uses to generate pedestrian traffic within walking distance of transit*
- *High quality transit services*

Parking

- *Minimum/maximum parking requirements - reduced in close proximity to transit*
- *Structured parking*
- *On-street parking*
- *Limited surface parking to the rear or side of a building*
- *Parking charges*
- *Shared parking*
- *Bicycle parking*
- *Parks and Open Spaces*
- *Range of types of open spaces*
- *Central plaza*
- *Natural areas to protect resources*
- *Children's play areas for varying ages*
- *Well located throughout the center*
- *Easily accessed by pedestrians, including children*
- *Well connected system of trails leading to and through the center*
- *Level of service standards in place, deficiencies identified*

Amenities

- *Amenities provided to create an interesting and enjoyable pedestrian environment along and between buildings*
- *Lighting: pedestrian-scale, seasonal*
- *Benches*
- *Landscaping – theme*
- *Window boxes, hanging baskets, street planters*
- *Newspaper stands*
- *Informational signs, banners*
- *Sidewalk vendors*
- *Trashcans*
- *Water features*
- *Stormwater treatment*
- *Bicycle racks and lockers*

Sponsored Activities

- *Farmers' market*
- *Annual festivals*
- *Fund raising events (runs/walks)*
- *Programmed cultural events*

Active Organizations

- *Merchants Association*
- *Urban Renewal Districts*

- *Transportation Demand Association: Implement trip reduction programs with area businesses, employees and residents*
- *Public/private partnerships in place*

The Beaverton Regional Center has many of the identified elements currently in place. General areas that could be better developed include transportation access, street design and parking. While the identified elements are consistent with and supportive of pedestrian-oriented mixed-use areas, the presence of these elements do not necessarily translate into the desired development environment.

IV. Summary of Assets, Barriers & Opportunities

This section summarizes the assets, barriers and opportunities identified for the Beaverton Regional Center. A number of characteristics are cited as both assets as well as barriers, reflecting the duel nature of many of these attributes.

A. Assets

The results of the public outreach effort, as well as opinions of the consulting team, have been coalesced into the following list of identified assets of the Beaverton Regional Center.

Identified Asset	Comments
Park/Library/Farmers Market Area	This area is seen as having significant visual appeal, as well as serving as an attractor to the downtown.
The Round	This development begins to establish the downtown as a more urbanized environment. In addition, it helps to establish achievable urban rent levels.
Retail Diversity	Range of small, diverse retail businesses are consistently seen as a strength.
Mature Trees	The concentration of mature trees is seen as a key asset in the southern portion of the center.
Transit Availability	Light Rail, Commuter Rail, Transit Center
Farmers Market	The Farmers Market is important both from the standpoint of generating traffic as well as from establishing a Beaverton identity. It provides a regional draw into the downtown.
Central Location	The Beaverton Regional Center occupies a central location within Washington County, making it a strong candidate for regional serving uses, both retail and office.
Free Parking	The availability of free parking is seen as positive for commercial uses.

Identified Asset	Comments
Demographics	The demographics of the surrounding area are supportive of retail development, as well as community-serving office.
Character and Look of Older Buildings	While limited in number, the character of some of the older buildings is seen as providing a historical context.
Stable Schools	The Beaverton School District remains a marketing advantage, particularly for residential uses.
Underutilized Property	The low intensity and age of current development makes redevelopment more likely.
Lots of Traffic	Consistent with the areas' central location, the traffic flow is seen as an asset to commercial development.
Auto Dealerships	The dealerships were seen to be drawing people into the area, as well as providing for employment, both of which supported local businesses

B. BARRIERS

A similar exercise was completed for the barriers identified in the outreach effort.

Identified Barrier	Comments
Traffic Congestion	The traffic congestion in the area, particularly along Canyon and Farmington, discourages visits to the downtown area while harming the pedestrian environment.
Visual Appeal	The run-down nature of many of the buildings in the downtown area was cited as negatively impacting perceptions of downtown.
Auto Dealerships	The dealerships were seen as an impediment to creating an urban density and environment.
Parking	Some areas, particularly The Round, have difficult parking arrangements. In addition, the use of downtown parking by commuters was cited as a problem.
Pedestrian Environment	The downtown area does not offer an attractive pedestrian environment.

Identified Barrier	Comments
Lack of Housing Density	A lack of density is seen as an impediment to getting more urban commercial development.
Property Configuration	Many properties are poorly configured, or in difficult to assemble parcels.
Downtown Definition	The downtown is not clearly defined.
Street pattern	The street pattern, particularly north of Farmington, is fragmented. The block sizes in this area are also inconsistent with a pedestrian-oriented specialty retail district.
Utilities	The utilities in the area are not adequate to support the planned intensity of development
Parking	Rent levels are inadequate to support structured parking, limiting effective density.
East/West Division	Canyon, Farmington and the railroad limit north/south access.
Parking Lots	People don't know if parking is available or allowed on local lots. While the City controls no public lots at this time, a lack of clarity regarding appropriate usage in existing private lots was cited as a problem.

C. OPPORTUNITIES

In addition to a fairly wide-ranging discussion of assets and barriers regarding the development environment in downtown Beaverton, a number of broad opportunities were discussed to improve the local development environment.

Identified Opportunities	Comments
Improvement of Traffic Congestion	A substantial improvement in the function of the local transportation system could significantly increase the attractiveness of downtown Beaverton.
Build on Small Business Concentration	The local concentration of small businesses could serve as a differentiating characteristic for a retail district.
Bring More Mixed-Use Developments	This was repeatedly cited, often with The Round as an example.
Package Opportunity Sites	The City could package key opportunity sites, providing information regarding soils, environmental assessments and potential assistance with assembly.

Identified Opportunities	Comments
Have Downtown Advocate on Staff/ Mayor's Downtown Advisory Group	Participants in the focus groups expressed a desire to have someone at the City who would serve as a development advocate to assist property owners, business owners or developers in realizing developments consistent with the City's expressed policies.
Leverage Transit Linkages	The existing transit linkages, enhanced by the commuter rail line, should support a greater level of commercial and residential development.
Parking	Parking can be more comprehensively dealt with, potentially through a parking district or public facilities.
Public Amenities	Parks, lighting, pedestrian facilities can be provided to encourage development.
Signage	Signage could be improved to give a better sense of place, as well as providing consistent and intuitive information about parking.
Natural Amenities	The creek in the northern portion of the Regional Center could be better utilized as an amenity.

V. Summary Matrix

Assets and Barriers

	Category	Comments	Recommendations
Public Investments			
Park/Library Farmers Market Area	Asset	The concentration of public investment in this area has created a definable and publicly recognized amenity.	The strength of this area should support an increased level of development activity in the southern portion of the regional center.
The Round	Asset	While perceived in the focus groups as an asset, the lack of market success for components of this project will need to be addressed.	The City, in association with Metro, should openly evaluate the project experience, and make available a summary of "lessons learned".
Transit Availability	Asset	Transit is a highly marketable amenity for residential and office uses.	City support for commuter rail, and improved linkages to transit within the regional center.
Stable Schools	Asset	The Beaverton School District remains a marketing advantage for residential development.	Ongoing support for school district funding and other needs.
Visual Appeal	Barrier	This factor also appears in the market section.	Consistent signage, lighting standards, landscaping. Design review process on buildings.
Downtown Definition	Barrier	The community does not have a clear perception of the physical boundaries of downtown Beaverton.	Consistent signage, lighting standards, landscaping. Design review process on buildings.
Pedestrian Environment	Barrier	The north/south pedestrian linkages are a particular problem.	Improve crossings of Canyon and Farmington.
Utilities/Infrastructure	Barrier	Ability of the current infrastructure to handle higher density development.	The transportation infrastructure has limited capacity to accommodate additional trip generation.
Market			
Retail Diversity	Asset	Consistent redevelopment of the area may threaten this asset, which requires a mix of lower cost space.	Care should be taken to allow for retention of local businesses. A clear contact person or conduit to the City should be maintained to monitor and respond to concerns of existing businesses
Mature Trees	Asset	The concentration of mature trees, particularly south of Farmington, provides a marketable amenity.	The City should review current tree policies to ensure that this amenity is not unduly eroded with new development.

	Category	Comments	Recommendations
Free Parking	Asset	The character of current development does not support parking charges, particularly for retail uses.	Parking for retail must remain free, but available parking could be made clearer.
Demographics	Asset	The positive demographics in the area are outside of walking distance, making the are strong for more regional-draw retail.	Encouraging more residential development can bolster the demand for less auto-dependent retail.
Auto Dealerships	Asset	These businesses appear to be thriving, and benefit significantly from the current agglomeration of dealerships in the area.	The dealerships are unlikely to redevelop in the short term, but rising land values in the center may change their format to being less land intensive.
Underutilized Property	Asset	Rising land values should increase redevelopment pressure on relatively low-value current uses.	The City can assist in assemblage of properties if necessary.
Visual Appeal	Barrier	The area is seen to have little visual appeal from the street.	Design standards should be developed in the regional center, perhaps with programs such as storefront improvement grants.
Parking	Barrier	Many businesses have limited parking availability, and little ability to expand parking.	Establishment of a parking program, which may include a parking district, could clarify and improve parking options.
Parking Lots	Barrier	The auto oriented nature of businesses leads to large surface parking lots along frontages. Surface parking remains the only viable option at this time.	New development should be oriented towards creating more urban and pedestrian-friendly streets.
Auto Dealerships	Barrier	The dealerships consume a great deal of land in low density uses.	Over time, rising property values in the district would be expected to increase the intensity of use on the existing dealership properties.
Lack of Housing Density	Barrier	A lack of local residential development limits the ability to develop neighborhood-serving and pedestrian retail.	Encourage new residential development in the regional center.
Physical			
Character and Look of Older Buildings	Asset	The city has limited areas in the center providing historical context, but these are seen a an asset.	Design review and urban design exercises can protect and enhance the current character of districts.
Central Location	Asset	The regional center is centrally located within Washington County.	No action is required.
Traffic Congestion	Asset	Linked with the central location, the regional center serves as a conduit for traffic neither originating in nor destined for the center.	Continued implementation of transportation improvement plans to lessen impact.
Property Configuration	Barrier	Historic development patterns have left the area highly parcelized, with may odd-shaped parcels.	The City can help with assembly.

	Category	Comments	Recommendations
East/West Division	Barrier	Canyon and Farmington roads serve as effective barriers to north/south movement, particularly pedestrian.	The major arterial nature of these roads make solutions difficult. The development of better crossings could help.
Traffic Congestion	Barrier	Traffic congestion related to regional trips diminishes the attractiveness of the area as a destination.	Traffic signalization could be altered to diminish the attractiveness of these arterials for through traffic.
Street Pattern	Barrier	North of Farmington, the street pattern is not clear and provides pedestrian-unfriendly superblocks.	Efforts can be made to promote a pedestrian friendly circulation route through these areas when approving new development.

OPPORTUNITIES

Opportunity	Comments	Recommendations
Improvement of Traffic Congestion	A substantial improvement in the function of the local transportation system could significantly increase the attractiveness of downtown Beaverton.	The City has done a great deal of planning regarding this issue, which remains one of the primary problems in the regional center.
Build on Small Business Concentration	The local concentration of small businesses could serve as a differentiating characteristic for a retail district.	Concerted City effort to actively support retention and expansion of local businesses.
Bring More Mixed-Use Developments	Encouraging mixed-use developments will likely take some level of public investment, particularly if structured parking is required.	Package sites and potential assistance programs for the development community, with an active and ongoing outreach effort to attract quality development.
Package Opportunity Sites	The City could package key opportunity sites, providing information regarding soils, environmental assessments and potential assistance with assembly.	This represents a more pro active effort, which could be coordinated with the previous recommendation.
Have Downtown Advocate on Staff/ Mayor's Downtown Advisory Group	Projects consistent with the City's expressed policies should be actively encouraged and assisted in the local regulatory process.	Designate an ombudsman at the City level to assist property owners, business owners or developers in realizing developments.
Leverage Transit Linkages	Transit access is an asset that should be exploited to the extent possible.	Improve linkages to transit facilities throughout the regional center.
Parking	The availability of parking varies widely throughout the district, with few shared parking opportunities supportive of cross shopping.	Creation of a parking district or other mechanism to better coordinate parking provision in the regional center.
Public Amenities	Parks, lighting, pedestrian facilities can be provided to encourage development.	Parks, lighting, pedestrian facilities can be provided to encourage development.

Opportunity	Comments	Recommendations
Natural Amenities	The Regional Center has waterways that are currently underutilized.	Assess ways to utilize the creek as a natural amenity within the Regional Center.
Develop a More Cohesive District	Delineation and awareness of the downtown district needs to be enhanced.	The City can coordinate with the downtown merchants and property owners to better market the district, while providing consistent signage to delineate the district.

Beaverton Downtown Regional Center Development Strategy

Chapter 4:
Market Analysis

CHAPTER 4: TABLE OF CONTENTS

I. BACKGROUND.......1
II. EXECUTIVE SUMMARY.......1
III. SITE DESCRIPTION.......3
REGIONAL CONTEXT.......3
IV. ECONOMIC/DEMOGRAPHIC TRENDS.......4
A. REGIONAL ECONOMIC TRENDS.......4
B. POPULATION, INCOME AND HOUSEHOLD TRENDS.......5
C. WASHINGTON COUNTY HIGH-TECH.......6
V. OFFICE MARKET.......8
A. PORTLAND METRO AREA TRENDS.......8
B. MARKET AREA TRENDS.......9
VI. RETAIL MARKET.......11
A. PORTLAND METRO AREA TRENDS.......11
B. MARKET AREA TRENDS.......11
C. RETAIL DEMAND ANALYSIS.......14
D. RETAIL REVITALIZATION ISSUES.......17
VII. RESIDENTIAL MARKET.......19
A. RENTAL HOUSING MARKET.......19
B. OWNERSHIP HOUSING MARKET.......22
VIII. REDEVELOPMENT ECONOMICS.......25
IX. OPPORTUNITY IDENTIFICATION.......26
A. SITE SELECTION CRITERIA.......26
B. PRELIMINARY SELECTION OF SITES.......27
C. FINAL SELECTION OF SITES.......35
X. FINANCIAL ANALYSIS.......43
BASIC ASSUMPTIONS.......43
SUMMARY OF FINDINGS.......45
APPENDIX A: GLOSSARY OF TERMS.......50
APPENDIX B: DETAILED MARKET EXHIBITS.......52

I. BACKGROUND

The Beaverton Downtown Regional Center Development Strategy is a comprehensive review regarding ways in which Beaverton can achieve a significant level of 2040 Regional Center design type developments over the next 50 years. The 2040 Regional Center design type is characterized by mixed-use, pedestrian-oriented areas supporting higher densities of employment and housing. Metro is working with local jurisdictions to assist them in realizing 2040 centers. This pilot project is part of that effort.

The Urban Growth Management Functional Plan requires that all cities and counties with a center designated on the 2040 Growth Concept map must develop a strategy for implementing a center within their jurisdiction by 2007. This purpose of this project is to provide a model strategy that can be replicated in other centers.

This memo is part of the larger Beaverton Centers study. The purpose of this memo is to identify incentives, initiatives, and investments that can help the City achieve the 2040 Center design type in downtown Beaverton. This memo will inform the final task of the project, the development of the Action Plan.

II. EXECUTIVE SUMMARY

The Beaverton Regional Center benefits from outstanding regional access and a central location within Washington County. The proximity to freeways, major arterials, and a centrally located mass transit system provide a foundation for future urban growth and development.

The Portland-Vancouver metropolitan area's economy was significantly impacted by the recent national recession. While the regional economy has lagged significantly behind the rest of the nation in the current recovery, it appears to have turned the corner and begun to enter an expansionary phase. In March of 2004, the market added 2,600 new jobs, with high expectations on the horizon. From a real estate standpoint, the economic downturn has contributed to a substantial amount of over-supply. This is particularly apparent in the speculative office, flex and rental apartment markets.

The local office market has been considerably overbuilt in recent years, with the high-tech implosion of the late 1990s leaving the Westside market considerably oversupplied. The total vacancy rate for speculative office space in the Beaverton/217 corridor was an unusually high 22.6%, reflecting 1,195,001 square feet of space currently vacant. However, total vacancy in the more narrowly defined Beaverton Hillsdale submarket posted a rate of 12.1%, strong by comparison. Furthermore, vacancy rates within the regional center were reported at roughly 15%, faring better than the regional average of 17.7%. While vacancy rates have improved, effective lease rates remain quite low, with competition from cheaper locations keeping achievable lease rates down.

The Beaverton submarket posted an 8.8% vacancy rate for speculative retail space in the first quarter of 2004. This was more or less on par with the Portland metro area at large. Absorption in the submarket is expected to be weak, as vacancy rates are not expected to show much movement over the next twelve months. In the closer vicinity of the Regional Center, vacancy jumps to 15.5%. This can be largely attributed to 28,000 square feet of vacant space at The Round and another 26,000 at Canyon Place. The regional center remains highly marketable for more regionally-serving retail users, with a weak close-in demographic limiting new retail development to largely auto-oriented uses. A number of specialty stores with a regional draw have located in the area, such as the Dutch Store and Tranquility Pond.

From a residential perspective, persistently low interest rates have continued to fuel the ownership housing market at the expense of the rental market. The current homeownership rate is at its highest point in twelve years. Strength in the for-sale residential market has been accompanied by persistent weakness in the rental apartment market. Washington County's rental apartment market has suffered through several consecutive years of double digit vacancy in many projects, with negligible escalation in quoted lease rates and frequent concessions. An expected rise in interest rates, in association with renewed local employment growth, should allow the rental market to recover in the next few years. With current rent levels below what is necessary to justify new construction, rental apartment pricing should begin to rise quickly as soon as market conditions improve.

The rental apartment market in the Beaverton area is currently soft, with rent levels depressed below what would be necessary to justify new market-rate construction. With no new supply anticipated and an increasing level of demand, the rental apartment market in the Beaverton/Aloha submarket should display significant tightening over the next year. Overall occupancy is expected to rise from 91.3% to 94.6% by the first quarter of 2005.

There is currently an over supply of high-end condominium units in and around the regional center. Specifically, nearly 50-units are still available at The Round. Current sales for attached housing units have ranged from $90 up to $224 per square foot.

Based on current market conditions, Johnson Gardner would anticipate the following achievable lease rates/sales prices per square foot for new construction in the Beaverton Regional Center:

Land Use	Market Rates	Submarkets	Comments
Rental Apartments	Achievable lease rates of $0.90 to $1.10 psf in an urban setting. These price levels are not yet proven.	The southern portion of the regional center has the most residential feel, while the highest rates are likely close to the light rail line.	The market is displaying upward momentum. Occupancy is expected to climb in 2004.
Condominiums	Sales prices of $130-$220 psf. Higher rates in more urban settings such as The Round, or amenitized residential districts.	In the short-term, a more residential location such as in the southern portion of the regional center will likely market better. The urban locations will require development of a more active local environment.	Attached home sales have been strong in the region, but are subject to interest rate risk. New projects, particularly in an urban setting, should provide secure, direct access parking.
Office Space	Net lease rates of $15-$20 psf for Class A space	Office space will prefer to have arterial exposure, as well as good regional access.	Current vacancy rates are quite high, with competition from suburban product limiting achievable lease rates
Retail Space	Lease rates of $18-$26 psf Net.	The central and northern portions of the site can support regional-draw retailers, with the southern portion supporting lower-intensity retail development.	The regional center remains strong for well-configured retail. The lack of a local residential concentration will limit short-term retail to auto-oriented.

The success of local specialty stores with a regional draw such as the Dutch Store and Beaverton Bakery is consistent with the need for retail in the center to draw support from auto traffic.

III. SITE DESCRIPTION

Regional and local access is very good in the Beaverton Regional Center, which is less than fifteen minutes from downtown Portland. Regional access is available via Highway 217, which links the Regional Center to both Highway 26 and Interstate 5. A number of major arterials link the Regional Center to a number of major employment and entertainment concentrations.

The Regional Center incorporates two of the west side's principal transit centers. The Beaverton Transit Center consists of both light rail and bus services, with commuter rail planned. Further west the Beaverton Central Station at The Round provides an urbanized pedestrian transit location.

Regional Context

The Beaverton Regional Center is centrally located within Washington County, between the Hillsboro and Washington Square regional centers. Surrounding town centers include Tanasbourne, Cedar Mill, Raleigh Hills, Sunset Transit Center, Aloha and Murray/Scholls. The Beaverton center competes for regional growth with a range of centers, corridors and other areas within Washington County and the broader region. The following table summarizes some regional context by land use:

Land Use	Comments
Retail	Major regional retail concentrations have emerged in the Washington Square and Tanasbourne areas, which compete for expenditures with downtown Beaverton. While an additional regional mall such as Washington Square is unlikely to be constructed in Washington County in the foreseeable future, the demand for this type of retailers remains strong, as evidenced by the current Bridgeport Village development in Tualatin and shops at Tanasbourne.
Office Space	The Beaverton Regional Center competes with the Washington Square and Kruse Way office concentrations to the south, as well as the recently completed space in the Sunset Corridor to the Northwest. Office development is widespread in the Sunset Corridor, typically in a business park setting such as Cornell Oaks, Amberglen and the Standard Insurance property. The ease of entry is quite low in these markets, with rents adequate to justify new construction difficult to achieve.
Residential	There are a wide range of suburban residential alternatives in close proximity to the regional center, as well as more urban options in areas such as Orenco Station. Many of the households that prefer an urban location have chosen to locate closer to the Portland CBD, which offers a wide range of urban housing options.

The Beaverton Regional Center competes for market share not only in realized demand, but also with attracting development interest. To a large extent, the center's ability to attract new demand is a function of its ability to attract entrepreneurial development activity that will deliver marketable product.

Submarkets

The Beaverton Regional Center has been divided into three submarkets, which have distinct physical and market characteristics.

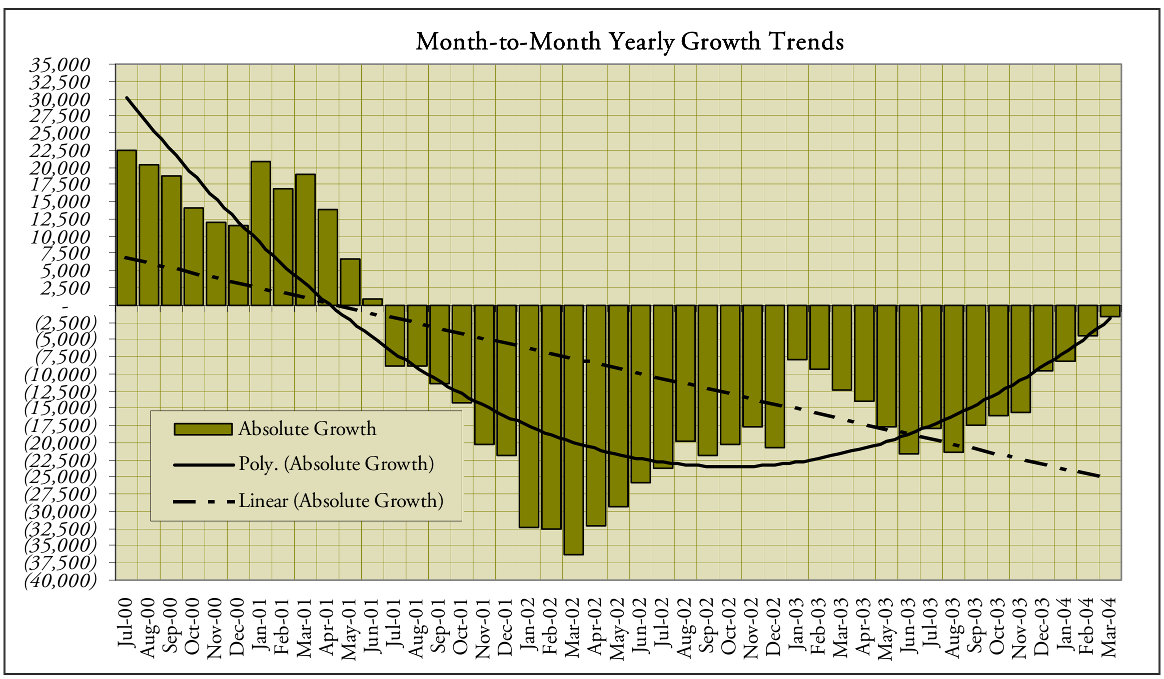
Area Description	Comments
North of Canyon Road and west of 117th (Regional Center, Transit Oriented)	This area is bisected east to west by the light rail line, as well as Beaverton Creek. The subarea is characterized by oddly shaped parcels, and contains many of the largest potential development parcels in the regional center. The Round is located in this area, as is the Beaverton Transit Center. The area also includes a large number of very small parcels on both sides of

	Beaver Dam Road.
South of Canyon Road and west of the railroad (Regional Center, Old Town)	This area contains many of the older structures in the regional center. Recent public investments south of Farmington Road, such as the Library, have created a highly-amenitized district with an existing grid street network. The area between Farmington and Canyon is separated from this area by a heavy rail line.
West of Highway 217 and east of the railroad (Regional Center, East)	Enjoying strong exposure from Highway 217, this area has seen a considerable amount of regional retail development, with office space concentrated along Griffith Drive south of Farmington.

IV. ECONOMIC/DEMOGRAPHIC TRENDS

A. REGIONAL ECONOMIC TRENDS

Though Portland has lagged behind many major metropolitan areas in regards to job recovery, the employment market is beginning to show signs of life. In the month of March the unemployment rate dropped slightly for the second consecutive month to 7.6% with the addition of 2,600 new jobs. Employment in the Portland-Vancouver metropolitan area has contracted at an estimated rate of -0.25% during the period beginning in March 2003 and ending March 2004. Net job loss totaled 2,500 jobs over this interval. The manufacturing sector suffered the most losses (-1,000 jobs or -1.19%). The next three job loosing sectors were Financial Activities (-1,200 jobs, or -1.78%), Leisure & Hospitality (-1,100 jobs, or -1.33%) and Education & Health Services (-700 jobs, or -0.68%). The only sectors to report any significant net growth were government (+1,600 jobs or +1.22%), and Construction (+1,300 jobs, or +2.78%). However, month-to-month yearly growth trends continue to display a declining rate of job losses in the Region.



With a local unemployment rate last estimated at 7.6%, local unemployment is 1.9% higher than the national average. This severely impacts the regions ability to attract individuals from other regions. Traditionally, the greatest migration into the region has been paralleled by unemployment rates below the national average. In addition, migration into the region is impacted through comparison to neighboring regions, specifically major metropolitan regions in Washington and Northern California. Our current 7.6% unemployment rate is significantly higher than Seattle's 5.9% Sacramento's 5.1% and San Francisco's 5.0%. The tightness of these markets relative to the Portland-Vancouver metropolitan area should raise concerns about possible out-migration.

B. Population, Income and Household Trends

The City of Beaverton has experienced modest levels of population growth in the last decade. From 1990 until 2002, the areas population has increased by a rate of 3.2% annually from 53,307 to 77,990. This change accounted for 16% of the population increase in Washington County. Beaverton now ranks fifth in population size among cities in Oregon.

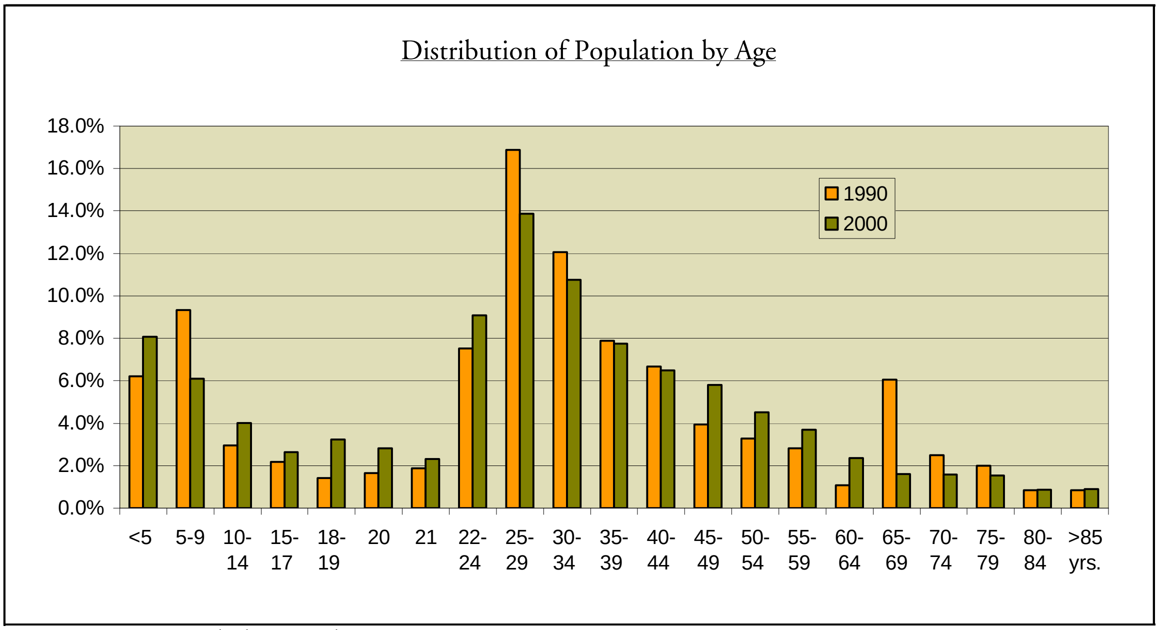
For the purpose of demographic evaluation, the primary trade area is defined as a half-mile radius incorporating the Regional Center and its surrounding area. The area's population has increased from 2,923 in 1990 to 3,550 in 2002, reflecting an annual growth rate of 1.6%. The rate of household growth was markedly lower at only 0.2%, increasing from 1,429 in 1990 to 1,466 in 2002.

Projections for population and household growth are expected to remain relatively low over the next four years. By 2007 the total population in the market area is expected to reach 3,874 individuals. The number of households is projected to be 1,584 in 2007 reflecting an expected growth rate of only 0.6% annually. The average size of households in the primary trade area is expected to increase just slightly from 2.35 to 2.42 persons per household.

As was the case in many areas in the region, income growth was solid in the primary trade area over the past decade. Per capita income increased from $14,209 in 1989 to $21,239 in 2002 for an annual growth rate of 3.1%. Over the same interval, average household income increased from $29,064 to $51,031, for a growth rate of 4.5%. Projection for future growth in both categories are expected to return roughly 3% annual growth through 2007. These figures are more or less on par with the Portland-Vancouver metropolitan region.

The median population age in 2000 was just under 30 years old. From 1990 to 2000 there was a subtle change in age distribution in the primary trade area. The largest age demographic remains to be the 25-29 and 30-34 year range. Collectively these two groups make up 24.7% of the total population, compared to 29% in 1990. Another 24% of the population in 2000 were children of high school age and younger. Notable changes in distribution occurred in the 10-24 year old range and the 45-64 year old range. In general the population within the primary trade area is slowly getting older. This has an impact income distribution and purchasing power. As reflected above, gradual changes of the distribution of income have moved consistently with age. With little out-migration, the primary area is representing a largely family oriented population with more children entering their teenage years. In 2000 over 60% of household units were defined as family households with an average household size of 2.35 individuals. Two-thirds of the population in the area is identified as being in a "family" household.

The market area population is predominately white, but the area is diversifying rapidly. As of the 2000 Census, people that identified themselves as not white made up 31% of the population, and are now projected to comprise 44% of the population by 2009. [1] Asians (7%), people of two or more races (5%) and Other[2] races (20%) currently make up the largest non-white ethnic groups.



Source: U.S. Census and Johnson Gardner

C. WASHINGTON COUNTY HIGH-TECH

Technology-driven industry has evolved over the past fifty years to emerge as one of the most important sectors in the Portland metropolitan area economy.[3] Growth in high-tech industry was particularly robust during the 1990s. In the ten years ending in 1998, high-tech was the fastest growing industry[4] in the region. Although firms are located in different communities throughout the region, the great majority of high-tech firms and employment are in Washington County as will be discussed below. Regionwide, the industry grew more than 6% annually, compared to 3.5% annual growth for all Portland metro area industries combined. Electronics manufacture, the largest single sector of the high-tech industry, expanded by an impressive 10% annually. As of 1998, Portland metro area high-tech firms directly employed 61,000 workers, or 6.5% of total metro area employment that year. The industry generates even more jobs indirectly, via economic activity by suppliers to high-tech firms and private spending by those employed in the industry.

Growth and evolution of the sector have made the Washington County-centered industry one of the fastest-growing and most concentrated high-tech centers in the nation. The local rate of high-tech growth nearly tripled the national rate between 1992 and 1997. High-tech industry is roughly 50% more concentrated locally than the nation as a whole. Electronics and electrical machinery manufacture, the largest single subsector of the local high-tech industry, is nearly twice as concentrated in the local economy than nationwide, as measured in the following table.

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[1] Source: Claritas Inc, a statistical information firm.
[2] Other races includes single races alone that are not black/African American, American Indian, Pacific Islander or Asian. Many people with Hispanic origins fall into this category.
[3] Cortright and Mayer, "Overview of the Silicon Forest," October 1999.
[4] Defined as computer manufacture (standard industrial classification code 357), electrical equipment manufacture (SIC 36), instruments manufacture (SIC 38) and software services (SIC 737).

High-Tech Sector	Location Quotient*
Computers	1.45
Electronic & Electrical Machinery	1.94
Instruments	1.71
Software & Computer Services	1.18
Total High-Tech Cluster	1.50

*Proportion of industrial employment locally compared to the proportion nationally.
SOURCE: Cortright and Mayer, 1999

Importance of "Industry Clusters" in Regional Competitive Advantage

To survive and grow given increasing importance of knowledge, innovation and competition, current economic literature finds that industries will evolve into distinct, geographically proximate "clusters." In forming a high-tech cluster, firms select sites based on: work force education and quality of life; proximity to existing firms or clusters of suppliers, customers or competitors; proximity to research institutions; existence of infrastructure adequate for future expansion; and adequate public services.

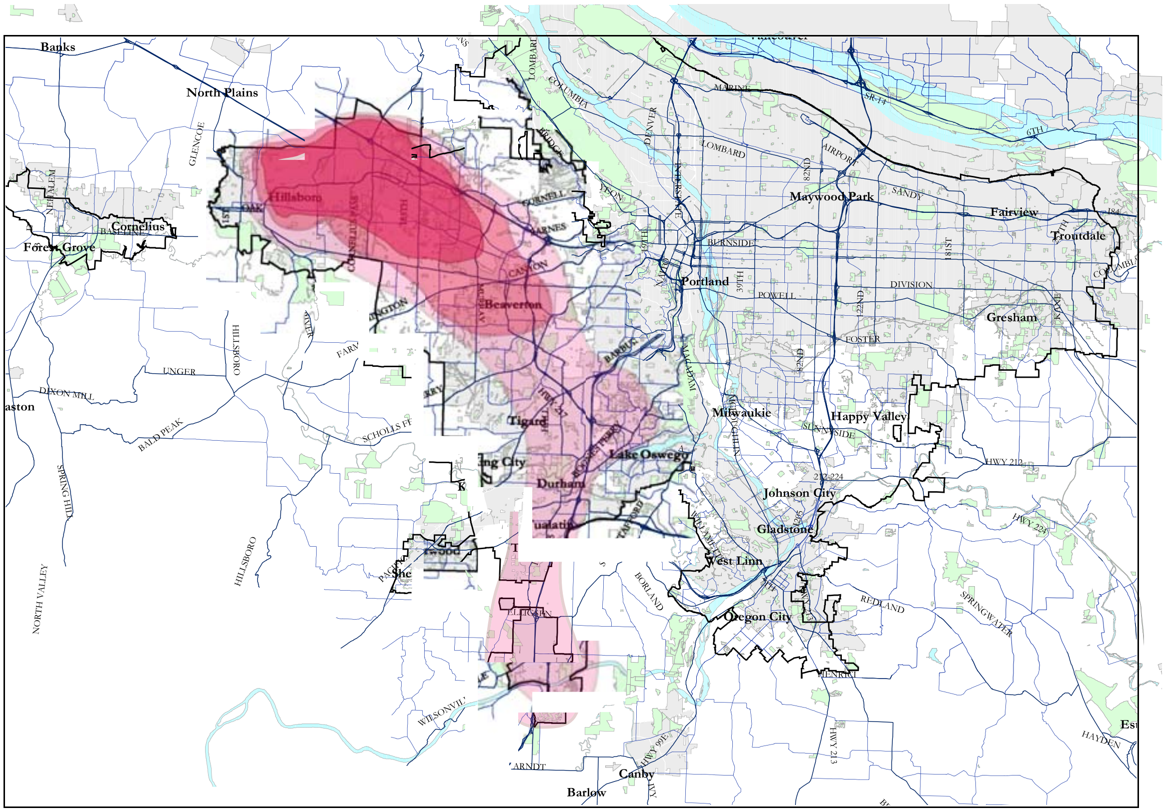
Washington County's concentration of high-tech firms have been identified as a competitive high-tech cluster. Specifically, the local high-tech network of highly proximate firms, their suppliers, support services and customers operates as a high-density center for microprocessor design, silicon wafer fabrication, semiconductor test and measurement equipment, electronic design automation software, display technology, and high frequency, mixed signal integrated circuits. Tektronix and Intel have filled the role of "seed trees" or incubators of more than 95 high-tech businesses, which in turn have generated more than 50 new, second-generation start-ups. Many of those firms have remained in the Washington County high-tech cluster, most notably Lattice Semiconductors, Planar Systems, TriQuint Semiconductors and RadiSys Corporation. Most commonly, former employees of Tektronix or Intel garnered venture capital and utilized work experience and colleague networks to start new high-tech companies.

The Washington County high-tech cluster is home to a very specialized high-tech industry mix and is one of the most technologically innovative clusters in the nation.[5] The Washington County cluster is the sixth largest in the country as measured by employment. Only San Jose and Boston have larger electrical equipment manufacture employment. Besides semiconductors which are produced in several different regions, the local high-tech cluster specializes in wafers, semiconductor manufacturing equipment, electronic design automation software, and display technology which are less common specializations elsewhere.

The majority of firms, including all Intel facilities and most other major Washington County high-tech employers, are located within Hillsboro city limits or nearby in Aloha, Beaverton, Cedar Mill, or Tualatin as indicated in the figure below. The degree of high-tech employment concentration is reflected by the darker gradients within the contours.

[5] Cortright, Joseph and Heike Mayer, "A Comparison of High Technology Centers," April, 2000.

CONCENTRATION OF HIGH-TECH EMPLOYMENT



As shown in the preceding map, the Beaverton Regional Center is centrally located within the Westside technology cluster, which is expected to provide much of the region's economic vitality over the next decade. Washington County's technology cluster accounted for 86% of regional job growth in the electric and electronic equipment industry between 1976 and 1999. The cluster pays wages averaging over $77,000, or 136% greater than the Portland metro area average.

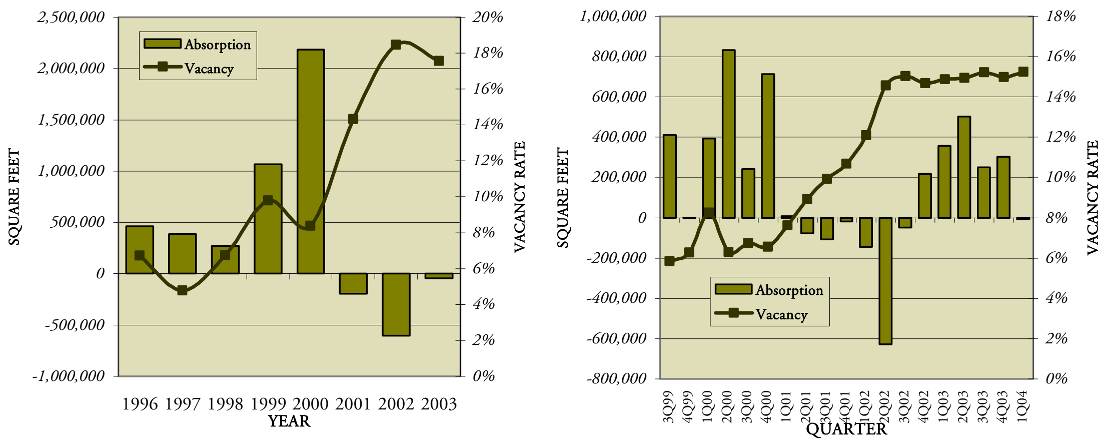
V. OFFICE MARKET

A. PORTLAND METRO AREA TRENDS

The total vacancy rate in the Portland metropolitan area's office market has reached a plateau and continues to hover within one percentage point of 18%, as it has for the last seven quarters. Absorption in the first quarter was negative for the first time since the third quarter of 2002. The quarterly percentage change was a dismal +0.15% in the first quarter of 2004. However, year-end 2003 posted the first annual decrease in the total vacancy rate since 2000. Although, the small magnitude of this change is paralleled by new construction in the region remaining almost stagnate with the addition of only 147,398 square feet or +0.24%. Roughly 9.1 million square feet of space is directly vacant, while another 1.48 million square feet is posted for sublease.

	Speculative Inventory	New Construction	Inventory Adjustments	Net Absorption	Vacancy Direct	Vacancy Sublease	Vacancy Direct	Vacancy Total
BREAKOUT BY CLASS								
Class A	25,583,191	132,679	-563,662	37,369	3,107,666	827,580	12.15%	15.38%
Class B	22,189,220	14,719	979,915	55,575	3,934,509	567,224	17.73%	20.29%
Class C	11,958,727	0	364,089	-100,858	2,060,994	87,870	17.23%	17.97%
Total	59,731,138	147,398	780,342	-7,915	9,103,169	1,482,674	15.24%	17.72%

NET ABSORPTION AND VACANCY RATE TRENDS



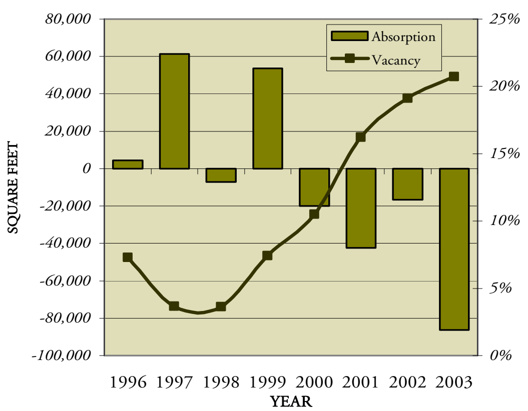
Broken down by subregion, Sunnyside and Clark County reported the highest vacancy rates at 30% and 27.6%, respectively. The Beaverton/217 Corridor finished +1.2% off the average for the region, posting a direct vacancy rate of 16.4%, while the Sunset Corridor finished –0.3% off the regional average with a 14.9% vacancy rate. Modest changes in vacancy rates and absorption both indicate little future change in the demand for office space over the next 12 months.

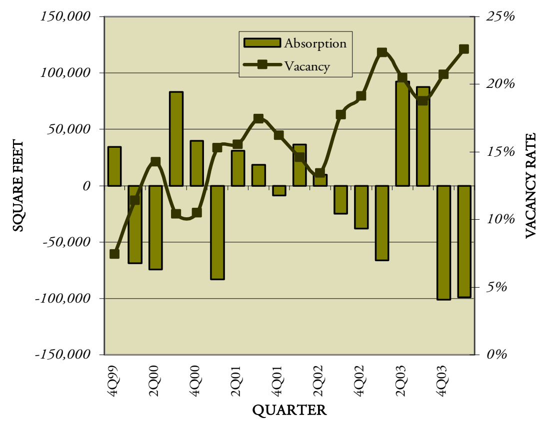
B. Market Area Trends

Though the vacancy rate on direct office space was an average 16.4%, the total vacancy rate for the Beaverton/217 Corridor was a much higher 22.58%, up 1.88% from the previous quarter. Total vacancy space in the Beaverton/217 Corridor totaled 1,195,001 square feet in the first quarter of 2004. This figure was an increase of 92,488 square feet, or 8.4% from the previous quarter. Net absorption in the quarter was down drastically for the second consecutive quarter by -98,804 square feet. Again, like fourth quarter 2003, most of the decrease was lost in the sublease market, which displayed an increase of 70,945 square feet of vacant space.

Despite a weak but stable market for office space in the subregion, the Beaverton-Hillsdale submarket is strong by comparison. Direct and total vacancy rates are 9.66% and 12.06%, respectively. Meanwhile, vacancy rates in neighboring submarket Cedar Hills/ Sunset Corridor are 23.85% and 34.34% respectively. Nevertheless, despite extremely low achievable rent levels, vacancy rates in the teens and largely negative absorption strongly indicate a weak demand for office space in the Beaverton subregion. The demand for office space in the Beaverton-Hillsdale/Canyon submarket is expected to be negative in 2004, and then pick up only modestly by the first quarter of 2006. With no new construction planned in the market through 2005, vacancy rates will only drop slightly over the next two years.

NET ABSORPTION AND VACANCY RATE TRENDS

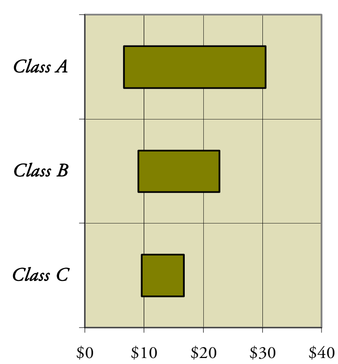


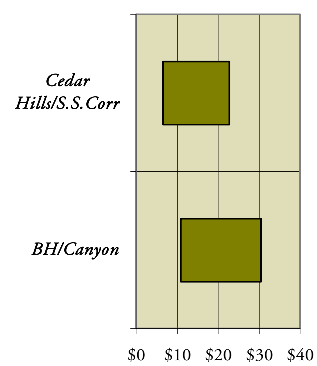


QUOTED RENT RANGES

BY CLASS	Low	High
Class A	$6.60	$30.50
Class B	$9.00	$22.75
Class C	$9.60	$16.75
Total	$6.60	$30.50

BY SUBMARKET	Low	High
Cedar Hills/S.S.Corr	$6.60	$22.75
BH/Canyon	$10.85	$30.50
Total	$6.60	$30.50





SOURCE: CoStar and Johnson Gardner

Rent rates in the Beaverton-Hillsdale submarket are extremely low especially for Class B and Class C space. At current, Class A space is relatively costly reflecting the lack of supply. In the immediate area of the Regional Center, the only Class A space available is approximately 23,600 square feet at The Round.

In the area more strictly defined as the Downtown Regional Center, results are similar. Of the 573,907 square feet of rentable office space in the Regional Center, 88,392 or 15.4% is currently vacant. Vacancy rates for class A, B, and C space are 24.6%, 7.2%, and 21.9%, respectively. Quoted rents in the Regional Center are relatively locked by class. Class A space is only available at The Round for $22.50 per square foot. Class B space is only available at $16.50. And Class C space varies only slightly with a price of $17.50 on the high and $12.50 on the low.

Five speculative office buildings were surveyed within the Regional Center. These developments comprise a total of 322,287 square feet of office space, which is currently 78% occupied. Rents range from between $12.50 and $22.50 per square foot. These comparables indicate that a new Class A development in the area would be expected to achieve gross rents from between $18.00 and $24.00 per square foot. Extremely high vacancy rates in the Regional Center and much of the Portland metro area are expected to remain high through 2004 and much of 2005.

Building Name/ Location	Class	Year Built	Total SF	Vacant SF	Vacancy Rate	Asking Rate	Lease Type 1/
The Round at Beaverton 12725 SW Millikan Way	A	2002	105,582	26,005	25%	$ 22.50	fs
Griffith Park Corp Center 4900 SW Griffith Dr	B	1980	54,605	7,419	14%	$ 16.50	fs
Western Bank Center 12655 SW Center	B	1976	68,100	0	0%	n/a	fs
Beaver Creek Village 3803 SW Hall Blvd	C	1979	75,000	23,801	32%	$ 12.50	fs
BG Plaza 3800 SW Cedar Hills Blvd	C	NA	19,000	12,213	64%	$ 14.92	fs
Total/Average			322,287	69,438	22%	$12.50-$22.50	

1/ fs= full service lease

VI. RETAIL MARKET

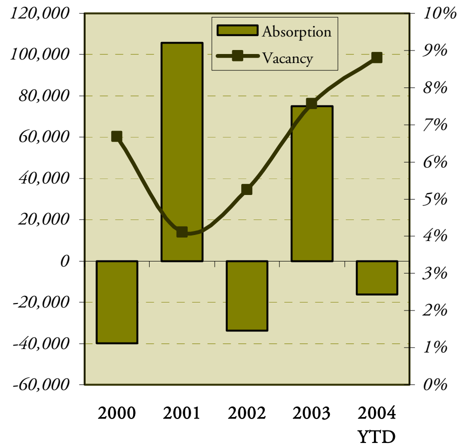
A. PORTLAND METRO AREA TRENDS

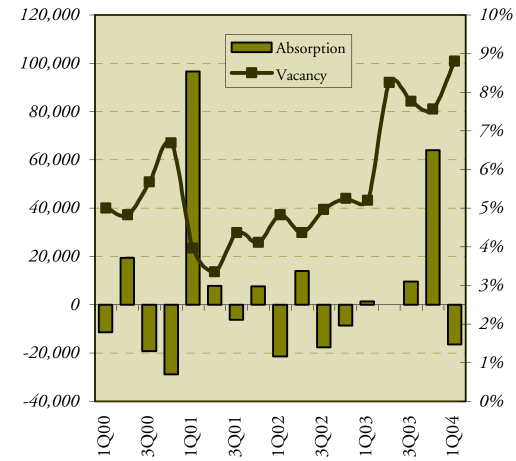
Net absorption of space in the retail market was 1,591,476 square feet in the first quarter of 2004. This was a 231% increase in activity over the previous quarter. The greatest activity in the region was strip, specialty, and urban retail space, closely followed by power/regional. The overall vacancy rate in the Portland-Vancouver metropolitan was down for the second straight quarter to 8.5%. There is a significant variability between submarkets. The highest vacancy rate was posted in the Gresham/Troutdale (13.9%) subregion, followed by Central City (12.0%), and Clark County (10.1%).

B. MARKET AREA TRENDS

Despite falling vacancy rates in much of the region, the Beaverton submarket posted a 1.23% increase in the vacancy rate in the first quarter. The vacancy rate in the first quarter of 2004 was 8.8%, which is slightly over the 8.5% average for the region. Net absorption was -16,316 square feet in the quarter.

NET ABSORPTION AND VACANCY RATE TRENDS

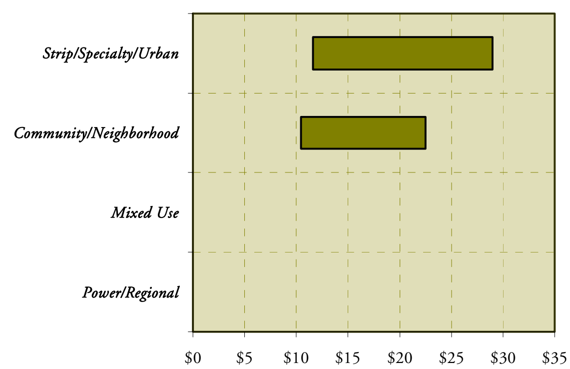




QUOTED RENT RANGES

BY CLASS	Low	High
Strip/Specialty/Urban	$11.63	$28.96
Community/Neighborhood	$10.47	$22.50
Mixed Use	$17.00	$17.00
Power/Regional		

BY SUBMARKET	Low	High
Beaverton	$10.47	$28.96
Total	$10.47	$28.96



SOURCE: CoStar and Johnson Gardner

There were no additions to the supply of retail space in the first quarter of 2004. With no additions slated for completion through at least 2006, the supply of retail space in the Beaverton submarket will be largely fixed over the next few years with the exception of limited pad space development. There is a significant amount of vacant retail space in the downtown area, specifically in the Canyon Place Retail Center adjacent to 117th. In addition, demand for retail space is not forecasting significant increases in the next 24 months. Decreases in the vacancy rate attributed to absorption are only projected to amount to 0.61% over the next two years.

Total rentable retail space in the immediate boundaries of the Regional Center totals 627,527 square feet. With a vacancy rate of just over 15.5%, the primary area is significantly higher than the 8.5% average for the region. As mentioned above, the Beaverton submarket reports a total vacancy rate of 8.8%. This means the downtown area is doing far worse in terms of vacancy rates than its surrounding areas.

Approximately 66% of the vacant space in the Regional Center exists at two of eighteen locations. A total of 28,000 square feet is directly available at the newly developed Crescent/Promenade building at The Round, and 26,572 at Canyon Place. A summary of each building individually is included in Exhibit 5.05.

As a part of our analysis, Johnson Gardner identified seven major retail buildings in the Regional Center. These selected comparable comprise 343,928 square feet of rentable space in the Regional Center. As of April 2004, 65,974 square feet, or 19% of this space was vacant. Their rents vary widely from $16.00-28.96 per square foot. Based on the comparables surveyed, Johnson Gardner predicts that new retail development in the Regional Center would expect achievable rents in the $20.00-$26.00 range.

Location	Year Built	Total SF	Vacant SF	Vacancy Rate	Asking Rate	Lease Type
Beaverton Town Square						
SW Beaverton Hillsdale Hwy	1981	113,500	3,830	3%	$28.96	NNN
Canyon Place Shopping Center						
11701 SW Canyon Rd	1986	156,378	26,572	17%	$18.17	NNN
Canyon Town Center						
11865-11915 SW Canyon Rd	n/a	60,707	1,700	3%	$16.00	NNN
BG Village						
3645 SW Hall Blvd	n/a	18,000	2,416	13%	n/a	n/a
Hall Street Center						
3700-3850 SW Hall St	1991	33,000	3,456	10%	18	NNN
Crescent/Promenade Bldg						
SW Watson Ave @ SW Hall Blvd	2003	38,843	28,000	72%	n/a	n/a
Building 3						
SW Watson Ave @ SW Millikan W	2003	37,000	0	0%	n/a	n/a
Total/Average		343,928	65,974	19%	$16.00-$28.96	

C. Retail Demand Analysis

The demand for retail development in the Regional Center will be comprised of a number of communities in and around the study area. For the purpose of this analysis, Johnson Gardner has defined a primary, secondary and tertiary market area. The market areas are delineated through the use of radii at one mile, three miles, and five miles; with the focal point at the intersection of Broadway and Hall. Separating the market area into progressively broader units displays the marginal benefits of capturing individuals from a progressively greater distance.

The delineated trade areas are estimated to have approximately 7,200; 50,000; and 119,000 households, respectively. Growth in the primary trade area over the next five years is expected to be negligible, reflecting a projected increase of only 57 households, or 0.79%. The modest anticipated rate of growth is based on the trending methodology utilized by Claritas, and reflects the low level of historic residential development within the area. When the delineation is extended to three miles, the trade area realizes significant gains in anticipated growth. The projected increase over the next five years in the secondary market area is a robust 14,112 households, or 28%. In addition, the average annual household expenditure jumps from by over $10,000 from $32,571 in the primary area to $43,309 in the secondary trade area. Obviously, any retail development should attempt to capture households from beyond one mile, perhaps in the form of a diverse community shopping center.

Consumer Expenditure Forecast (2004-2024)

Consumer expenditure forecasts are useful in estimating the demand for retail space within a designated market area. The forecast used is a demographically driven, no-income growth methodology. This model estimated expenditures by maintaining constant real per capita income and only adjusting the number of households. This methodology is fairly conservative, since it does not account for increases in the real income of residents in the area.

PROJECTIONS OF HOUSEHOLD RETAIL SALES
BEAVERTON, OREGON
2004-2024

One Mile Radius			Household Retail Spending in Millions (Households)					
		Per Household	2004	2009	2014	2019	2024	'04-'24
NAICS	Category	Expenditures 1/	*7,199*	*7,256*	*7,313*	*7,371*	*7,430*	*231*
4413	Automotive Parts, Accessories and Tire Stores	$4,043	$29.1	$29.3	$29.6	$29.8	$30.0	$0.9
442	Furniture and Home Furnishings Stores	$695	$5.0	$5.0	$5.1	$5.1	$5.2	$0.2
443	Electronics and Appliance Stores	$1,861	$13.4	$13.5	$13.6	$13.7	$13.8	$0.4
444	Building Materials and Garden Equipment	$632	$4.5	$4.6	$4.6	$4.7	$4.7	$0.1
445	Food and Beverage Stores	$6,072	$43.7	$44.1	$44.4	$44.8	$45.1	$1.4
446	Health and Personal Care Stores	$1,648	$11.9	$12.0	$12.1	$12.1	$12.2	$0.4
448	Clothing and Clothing Accessories Stores	$3,076	$22.1	$22.3	$22.5	$22.7	$22.9	$0.7
451	Sporting Goods, Hobby, Book and Music Stores	$1,546	$11.1	$11.2	$11.3	$11.4	$11.5	$0.4
452	General Merchandise Stores	$946	$6.8	$6.9	$6.9	$7.0	$7.0	$0.2
453	Miscellaneous Store Retailers	$533	$3.8	$3.9	$3.9	$3.9	$4.0	$0.1
722	Foodservices and Drinking Places	$3,116	$22.4	$22.6	$22.8	$23.0	$23.2	$0.7
	Totals/Weighted Averages	**$24,168**	**$174.0**	**$175.4**	**$176.8**	**$178.2**	**$179.6**	**$5.6**

Three Mile Radius			Household Retail Spending in Millions (Households)					
		Per Household	2004	2009	2014	2019	2024	'04-'24
NAICS	Category	Expenditures 1/	*50,273*	*64,385*	*82,458*	*105,605*	*135,249*	*84,976*
4413	Automotive Parts, Accessories and Tire Stores	$5,658	$284.4	$364.3	$466.5	$597.5	$765.2	$480.8
442	Furniture and Home Furnishings Stores	$1,126	$56.6	$72.5	$92.8	$118.9	$152.3	$95.7
443	Electronics and Appliance Stores	$2,609	$131.2	$168.0	$215.1	$275.5	$352.9	$221.7
444	Building Materials and Garden Equipment	$1,181	$59.4	$76.0	$97.4	$124.7	$159.7	$100.4
445	Food and Beverage Stores	$6,856	$344.7	$441.4	$565.3	$724.0	$927.3	$582.6
446	Health and Personal Care Stores	$2,074	$104.3	$133.5	$171.0	$219.0	$280.5	$176.2
448	Clothing and Clothing Accessories Stores	$4,211	$211.7	$271.1	$347.2	$444.7	$569.5	$357.8
451	Sporting Goods, Hobby, Book and Music Stores	$2,294	$115.3	$147.7	$189.2	$242.3	$310.3	$194.9
452	General Merchandise Stores	$962	$48.4	$61.9	$79.3	$101.6	$130.1	$81.7
453	Miscellaneous Store Retailers	$787	$39.6	$50.7	$64.9	$83.1	$106.4	$66.9
722	Foodservices and Drinking Places	$3,686	$185.3	$237.3	$303.9	$389.3	$498.5	$313.2
	Totals/Weighted Averages	**$31,444**	**$1,580.8**	**$2,024.5**	**$2,592.8**	**$3,320.6**	**$4,252.8**	**$2,672.0**

Five Mile Radius			Household Retail Spending in Millions (Households)					
		Per Household	2004	2009	2014	2019	2024	'04-'24
NAICS	Category	Expenditures 1/	*119,054*	*129,053*	*139,892*	*151,641*	*164,377*	*45,323*
4413	Automotive Parts, Accessories and Tire Stores	$3,855	$459.0	$497.5	$539.3	$584.6	$633.7	$174.7
442	Furniture and Home Furnishings Stores	$1,343	$159.9	$173.3	$187.9	$203.7	$220.8	$60.9
443	Electronics and Appliance Stores	$2,993	$356.3	$386.3	$418.7	$453.9	$492.0	$135.7
444	Building Materials and Garden Equipment	$1,447	$172.3	$186.7	$202.4	$219.4	$237.9	$65.6
445	Food and Beverage Stores	$7,264	$864.8	$937.4	$1,016.2	$1,101.5	$1,194.0	$329.2
446	Health and Personal Care Stores	$2,216	$263.8	$286.0	$310.0	$336.0	$364.3	$100.4
448	Clothing and Clothing Accessories Stores	$4,870	$579.8	$628.5	$681.3	$738.5	$800.5	$220.7
451	Sporting Goods, Hobby, Book and Music Stores	$2,678	$318.8	$345.6	$374.6	$406.1	$440.2	$121.4
452	General Merchandise Stores	$972	$115.7	$125.4	$136.0	$147.4	$159.8	$44.1
453	Miscellaneous Store Retailers	$907	$108.0	$117.1	$126.9	$137.5	$149.1	$41.1
722	Foodservices and Drinking Places	$3,972	$472.9	$512.6	$555.7	$602.3	$652.9	$180.0
	Totals/Weighted Averages	**$32,517**	**$3,871.3**	**$4,196.4**	**$4,548.9**	**$4,930.9**	**$5,345.0**	**$1,473.8**

1/ Claritas, Inc. average retail sales figures for the City of Beaverton in 2003 dollars.

According to the aforementioned methodology, retail expenditures in the primary trade area will see $174 million spent in 2004, increasing relatively modestly by a margin of $1.4 million by 2009. In the secondary market, the effects of robust household growth are significant. Specifically, retail expenditures will increase almost $444 million by 2009. The distant 20-year forecast used a continuous growth methodology based on current household growth rates to estimate the future number of households. This methodology estimates that an additional $5.6 million in retail spending will emerge in the primary trade area by 2024. Furthermore, the secondary trade area can expect to realize and additional $2.67 billion in new retail demand by 2024.

The forecasted expenditures for the delineated trade areas were used to estimate the amount of supportable retail space through 2024. This was done by taking the estimated expenditures by S.I.C. and dividing them by their respective sales support factors. The sales support factor is defined as being the dollar value of expenditures per square foot needed to support the average business within the S.I.C. The projections indicate the primary trade area could support approximately 7,452 square feet by 2009 and 30,166 square feet by 2024. In the secondary trade area however, supportable square feet projections total 2.5 million by 2009 and an additional 14.8 million square feet by 2024.

<u>Daytime Employment</u>

Persons employed in the Regional Center are another source of retail support. A profile of workplace population was run for a half mile radius, which includes most of the Regional Center. The market area was more limited, recognizing that daytime population retail expenditures are typically related to convenience and are more time sensitive.

Market Area Workplace Population

Major Industry	Work Here 1/	Live Here 2/	Work Here/ Live Here
Private Sector Employees			
Mining	14	0	--
Construction	154	462	0.33
Manufacturing (Non-dur. Goods)	154	458	0.34
Manufacturing (Durable Goods)	111	526	0.21
Transportation	183	388	0.47
Communications & Other Pub Util	250	241	1.04
Wholesale Trade	85	391	0.22
Retail Trade	3,380	3,231	1.05
Finance, Ins., and Real Estate.	330	762	0.43
Business and Repair Services...	442	895	0.49
Personal Services	393	439	0.90
Entertainment/Recreation	279	416	0.67
Professional & Rel. Health Serv	1,792	1,062	1.69
Professional & Rel. Educ. Serv.	6,166	3,404	1.81
Other Professional & Rel. Serv.	1,992	1,690	1.18
Totals	15,823	14,533	1.09

1/ 2002 Population age 16+ that work in this area
2/ 2002 Employed Population age 16+ that live in this area
3/ Transportation, Communications and Public Utilities (TCPU)
4/ Finance, Insurance and Real Estate (FIRE)
Source: Claritas

As shown in the preceding table, an estimated 7,000 persons are employed within this more limited trade area; while less than 1,900 live in the area.

D. RETAIL REVITALIZATION ISSUES

The Beaverton Regional Center has a number of advantages as a retail location. The demographics within a three mile ring of downtown are quite good, although the population within one mile is rather weak. The retail market is highly dynamic, with new retail concepts and formats quickly replacing outdated forms. Over time, we would expect that retail projects will reformat and reposition, increasing their general attractiveness as well as improving their competitive position vis-à-vis alternative locations.

The current mix of retail in the district reflects the relatively high level of support for auto-oriented retail space. While this type of demand has supported a significant level of development over the years, transitioning into a less auto-dependent retail form will require a significantly higher level of local residential development.

Increasing the local residential population, and subsequently buying power, would be supportive of retailers more consistent with pedestrian and neighborhood orientation. Previous work commissioned by Metro has classified these retail types as "Main Street' retailers. These types of retailers serve a local area, rather than an entire region, which leads to a higher proportion of convenience-type retailing than of discretionary or comparison shopping. Convenience retailing is dominated by food and sundries but also includes the gamut of personal services, such as dry cleaning and hair care. Specialty clothing boutiques, pet stores, florists, music and record stores, brewpubs, coffee shops, and bookstores are prevalent in these areas.

Requirements for Success[6]
Successful main streets appear to offer many, although not always all, of the following elements.

Well-Situated
Clearly, a main street needs to be in a fairly central location in terms of nearby population and the demand for goods and services that they generate. A successful main street usually is located in an area which has a higher than average population density. While the Regional Center has some residential development, increased population densities in the immediate area would bolster local retail development. The daytime population, primarily consisting of locally employed persons, provides an important source of demand.

Mixed Use
In contrast to more traditional shopping centers, main streets can offer a more disparate range of services. Although office uses are not dominant, many sole practitioners or small offices of lawyers, accountants, and doctors/dentists/chiropractors are located side-by-side with book stores, travel agents, restaurants, clothing retailers, and so on. Commonly, housing and retail are intertwined—often (and particularly in older urban areas) housing exists above commercial space along a main street. Within the retail sector, main streets include a wide variety of storefronts, although particular neighborhoods may develop specialized shop clusters.

[6] 2040 Means Business Retail Report, ECONorthwest

Community Identity

Successful main street areas develop a sense of cohesiveness, which allows the individual property owners and retailers a larger market presence. The main street merchants and property owners must be motivated and involved in promoting the area, organizing public events, and restore local buildings. In addition to a community feel, some main street areas may develop a "specialization" such as fine dining, specialty clothing, or live music to differentiate the area to outsiders.

Design Considerations

Accommodating automobile traffic is one of the most critical elements in supporting commercial development, particularly in areas without substantial immediate densities. The high level of traffic flow along Canyon, Farmington and Cedar Hills allows for a high level of visibility, while also creating problems mixing through traffic, commercial parking and pedestrian activity.

Attractive and convenient sidewalks and streetscape encourage a greater degree of cross shopping between businesses, as well as better defining the area as a commercial district. In addition, the development of an appealing streetscape can increase curb appeal for the area.

Public Sector Involvement

Both to create new main streets and to regenerate historic ones, some element of public involvement is often necessary. In the case of new, targeted main streets, the public sector may encourage development by providing park benches, landscaping, sidewalk trees, and traffic alterations. In the rehabilitation of older areas, public agencies may help with small business loans or historic rehabilitation grants to attract creative and entrepreneurial small businesses. To facilitate the re-use of existing older buildings (particularly in specific or designated main street areas), local authorities may expedite the permit review process for desirable projects or ease zoning laws to provide encouragement to mixed-use development.

Slow, "Organic" Development

A thriving, dense, mixed-use area cannot be created by government fiat. One of the most prevalent errors made in encouraging more intensive development in an area is to require densities and development forms that are not viable. This precludes any unsubsidized development in the area. To the extent that development does not occur, densities and land values will not increase to the threshold necessary to trigger the desired development forms.

Benefits of Residential Development

During the 1990s, many communities began to focus attention on proximate residential development as a tool to support retail districts. Demographic trends are helping spur growth and interest in urban density housing. The increase in empty nesters from the baby boomer generation and young professionals are the two key populations leading this trend. The other emerging population trend driving the urban housing market is young professionals in their 20s and 30s who have yet to start families. This group—often consumers of amenities such as coffeehouses and nightclubs—are frequently in the market for low-maintenance, urban housing convenient to work and amenities.[7]

Increases in full-time residents have many implications. The ability to conveniently access shopping and services is a key attraction for many residents, which imply benefits to retail sales for local

[7] *Life at the Center: The Rise of Downtown Housing*, Rebecca Sohmer and Robert E. Lang, Housing Facts and Findings, Spring 1999, Vol 1. Issue 1, Fannie Mae Foundation

merchants. This becomes a "captured" market, in that local retailers will have a sustainable advantage in attracting these consumers.

This section of our report addresses the marginal impact on retail demand associated with residential development In addition to additional retail sales and the multiplier effect of those sales, this report evaluates other potential impacts of new local housing, including:

- *Creating vital urban environments*
- *Increasing the hours of activity*
- *Decreased demand on road systems*
- *Creating demand for other urban amenities such as museums, theaters, etc.*

The main source of quantifiable benefits is additional retail demand in the local area. Key areas of support include the following:

- Food. *The main categories of food expenditures are (1) food at home, (2) food away from home, and (3) food prepared by consumer on out of town trips.*
- Apparel and services.
- Health care.
- Entertainment. *Entertainment is broken into the following categories (1) fees and admissions, (2) television, radios, and sound equipment, (3) pets, toys, and playground equipment, and (4) other entertainment expenditures.*
- Personal care products and services.
- Reading. *This category includes books and magazines.*
- Tobacco products and smoking supplies.

In addition to the direct retail impacts of consumer expenditures by households living in close proximity, the Beaverton Regional Center could experience multiplier effects. Impacts to downtown retailers are not the only impacts associated with residential development in the area.

Other potential impacts include:

- *Property value impacts and property tax impacts*
- *Infrastructure impacts*
- *Parking impacts*
- *Impacts to the attractiveness of downtown as a location*
- *Impacts on downtown activity*
- *Safety impacts*
- *Impacts to sense of place*

Housing development in the district fits into a broader community development framework and can achieve multiple objectives and create multiple benefits. Residential development increases the duration of activity in the district, supporting longer business hours and a more vital environment. More activity in the district can create the perception of a safer environment.

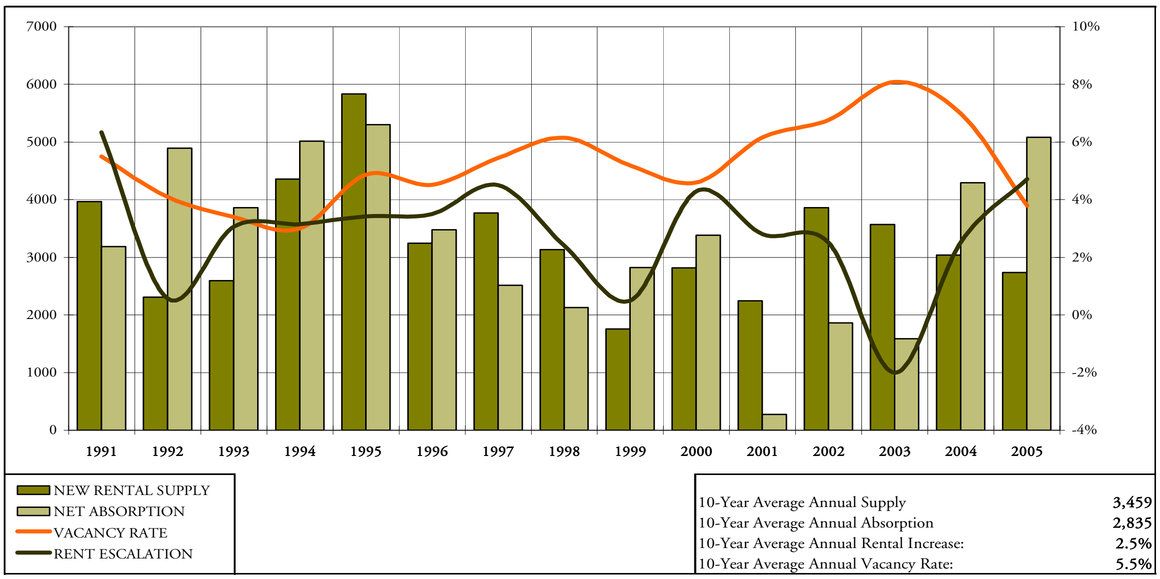
VII. RESIDENTIAL MARKET

A. RENTAL HOUSING MARKET

The discussion contained in this section will entail a summary of the trends and conditions surrounding the apartment rental market in the Portland-Vancouver metropolitan area. A twelve-month forecast in demand will also be included.

The overall occupancy rate in the Portland-Vancouver metropolitan area in the first quarter of 2004 was 92.3%. Occupancy in the region showed very little variation across submarkets in the first quarter. The highest occupancy was reported in Clark County at 93.3% while the lowest occupancy in the region is located in the Beaverton/Aloha Submarket at 91.3%.

RENTAL APARTMENT MARKET TRENDS - MARKET RATE UNITS
PORTLAND/VANCOUVER METROPOLITAN AREA
TEN-YEAR SUMMARY/TWO-YEAR FORECAST



SOURCE: Johnson Gardner

New rental apartment supply in the Portland-Vancouver metropolitan area increased by 3,860 units (3.1%) in 2002, and 3,569 units (2.7%) in 2003. New apartment rental supply is expected to drop to roughly 3,000 new units through 2004. Occupancy rates are expected to remain relatively unchanged over the next twelve months as demand is expected to keep up with the new supply. We expect occupancy to rise only 0.3% over this interval.

Since 2002, rent levels in most market have shown significant declines. However, average rent levels began to stabilize in the first quarter of 2004. Average rent levels in the region decreased by only -0.27% from the first quarter of 2003 to the first quarter of 2004. Rent escalation should increase significantly over the next 12 months, as the economy gains upward momentum and landlords take advantage of healthier demand.

Four existing market rate apartment developments were considered as comparables for the sake of this market analysis. The following projects were chosen based on two criteria; 1) Age of development; 2) Proximity to the Regional Center. The comparables represent 678-units with an overall occupancy rate of roughly 94%. The average rent level was $693 per month, reflecting affordable rents of $0.77 per square foot.

Project Name/	Unit Characteristics Total	Size (S.F.)	Units occupied	Occupancy Rate (%)	Monthly Rents Price	Price/S.F.
Summer Creek	150	995	146	97%	$830	$0.83
Preston's Crossing	228	812	214	94%	$670	$0.83
Club at The Green	254	940	241	95%	$622	$0.66
Hite Landing 1/	46	885	33	72%	$747	$0.84
Total/Average	678	905	634	94%	$693	$0.77

1/ Hite Landing began lease-up in November 2003

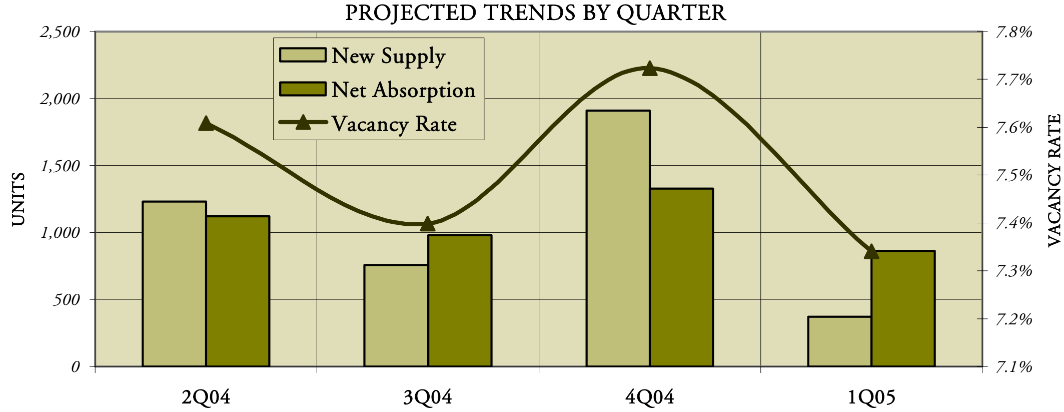
Given current market conditions, Johnson Gardner predicts rents from $0.85-$0.95 per square foot would be achievable in the Regional Center. This prediction reflects a premium over the comparable properties, as they are not located directly within The Downtown.

EXHIBIT 2.04

CURRENT AND PROJECTED CONDITIONS
PORTLAND-VANCOUVER MARKET-RATE RENTAL APARTMENTS
15+ Unit Complexes

Submarket	1Q04 Inventory	1Q04 Occupancy	New Supply	Net Absorption	1Q05 Inventory	1Q05 Occupancy
Beaverton/Aloha	16,977	91.3%	0	557	16,977	94.6%
Hillsboro/Tanasbourne	14,879	92.5%	426	478	15,305	93.0%
Tigard/Tualatin/Wilsonville	12,903	93.0%	302	261	13,205	92.8%
Sunnyside/Clackamas	5,313	93.1%	0	175	5,313	96.4%
Lake Oswego/West Linn	4,921	93.2%	10	119	4,931	95.5%
Oregon City/Gladstone	7,237	92.6%	0	104	7,237	94.0%
Gresham/Troutdale	20,738	91.6%	380	544	21,118	92.5%
Close-In Westside	9,761	92.7%	855	427	10,616	89.3%
Close-In Eastside	12,289	92.5%	960	541	13,249	89.8%
Central City	6,112	91.6%	855	521	6,967	87.8%
Clark County	20,885	93.3%	479	565	21,364	93.9%
Metro Area Total	132,015	92.4%	4,267	4,294	136,282	92.7%

PROJECTED TRENDS BY QUARTER

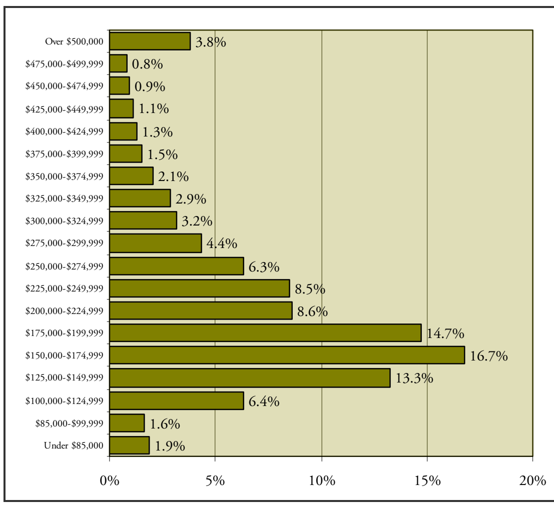


As defined under these submarkets, the Downtown Beaverton Regional Center is located within the Beaverton/Aloha submarket. There is no new supply of rental units expected to be added to the Beaverton/Aloha submarket through 2004. Conversely, net absorption in the primary area is expected to grow significantly faster than the rest of the region, absorbing more absolute units than any other submarket except Clark County. The result is a tightening of the market, as demand in the submarket will exceed supply in 2004 causing a substantial 3.3% increase in the occupancy rate to 94.6%.

B. OWNERSHIP HOUSING MARKET

Portland Metro Area Trends

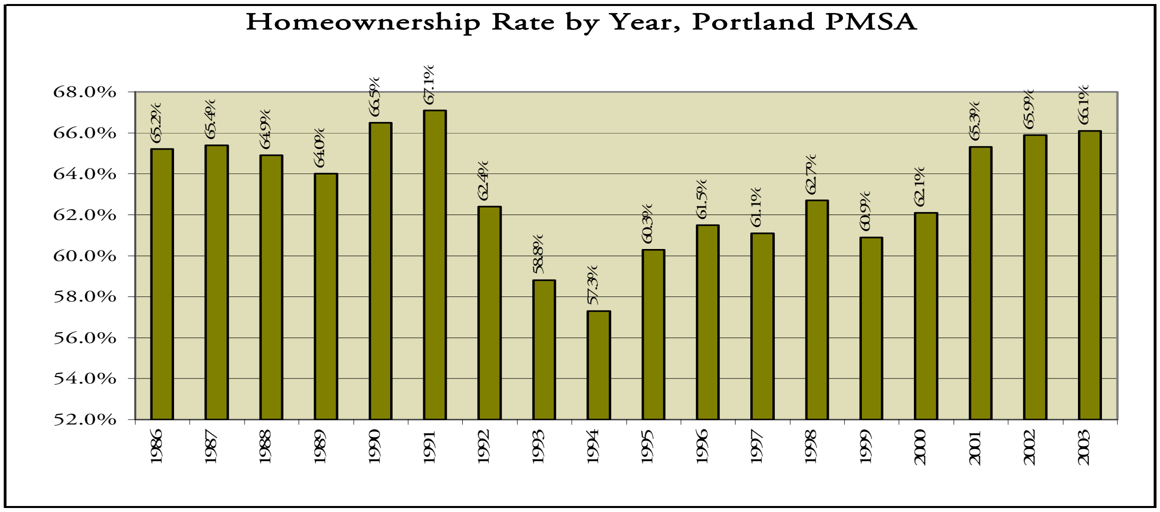
The Federal Reserve's persistent dedication to economic growth has kept interest rates at historically low levels, although recent language indicated at least a 0.25% hike at the next FOMC meeting at the end of June. As a result, homebuyers are getting continued opportunity to purchase a home, fueling the ownership market. However, overall sales activity in the first quarter of 2004 declined sharply by 19.5% over the previous quarter. First quarter 2004 marked the second consecutive quarter of declining sales activity. Annually, sales volume for both attached and detached homes were +14.5% and -.02%, respectively as compared to the same quarter a year ago.



Price Range	Total Sales 1/ Detached	Total Sales 1/ Attached	Distribution
Under $85,000	57	64	1.9%
$85,000 - $99,999	54	50	1.6%
$100,000 - $124,999	280	126	6.4%
$125,000 - $149,999	682	166	13.3%
$150,000 - $174,999	944	126	16.7%
$175,000 - $199,999	881	60	14.7%
$200,000 - $224,999	508	42	8.6%
$225,000 - $249,999	504	38	8.5%
$250,000 - $274,999	370	35	6.3%
$275,000 - $299,999	259	19	4.4%
$300,000 - $324,999	193	10	3.2%
$325,000 - $349,999	169	15	2.9%
$350,000 - $374,999	126	5	2.1%
$375,000 - $399,999	90	6	1.5%
$400,000 - $424,999	73	10	1.3%
$425,000 - $449,999	66	4	1.1%
$450,000 - $474,999	59	1	0.9%
$475,000 - $499,999	47	7	0.8%
$500,000 & Over	231	13	3.8%
Total	5,593	797	100%

The new construction market added 765 new-detached homes in the first quarter. The highest priced new, single-family homes were located in the Inner West-Side submarket ($550,103). Coming in second was the Lake Oswego/West Lynn submarket ($515,190). The lowest priced homes in the region continued to be located in North Portland ($171,459), and Northeast Portland ($197,308). The inclusion of resales displays that North Portland, Gresham, and Oregon City have the lowest average prices for detached homes.

The homeownership market in the region continues to display upward momentum. Homeownership in 2003 was at its highest level in twelve years. As interest rates remain low and net migration continues to be meek, the tenure split in the region will continue to shift from rentals toward homeownership.

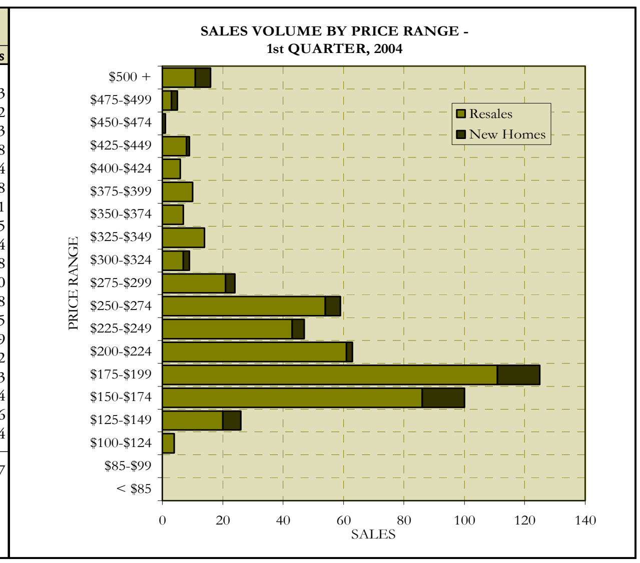


Local Trends

Sales volume in the market for detached housing was very weak in the first quarter of 2004. Sales of new homes were down -21% from the fourth quarter of 2003 while resales of existing homes was down -20% in the Beaverton submarket.

Single Family Home Sales

Price Range	1Q-04 New	1Q-04 Resales	YTD Total Sales New	YTD Total Sales Resales
Under $85,000	0	0	0	3
$85,000 - $99,999	0	0	0	2
$100,000 - $124,999	0	4	1	33
$125,000 - $149,999	6	20	24	188
$150,000 - $174,999	14	86	91	594
$175,000 - $199,999	14	111	60	638
$200,000 - $224,999	2	61	26	341
$225,000 - $249,999	4	43	16	295
$250,000 - $274,999	5	54	30	234
$275,000 - $299,999	3	21	18	148
$300,000 - $324,999	2	7	8	100
$325,000 - $349,999	0	14	7	78
$350,000 - $374,999	0	7	4	55
$375,000 - $399,999	0	10	6	49
$400,000 - $424,999	0	6	1	32
$425,000 - $449,999	1	8	6	23
$450,000 - $474,999	1	0	2	14
$475,000 - $499,999	2	3	2	6
$500,000 & Over	5	11	26	74
Total	59	466	328	2,907
Average Sales Price (All Sales)			*$278,969*	
Average Sales Price (New Construction)			*$296,265*	

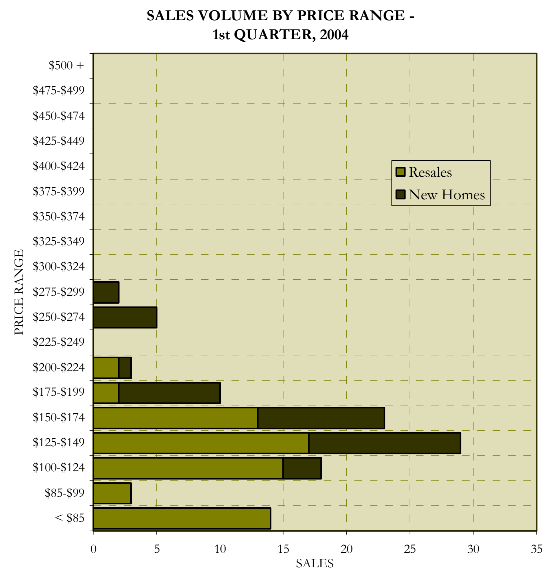


The greatest concentration of home sales in the submarket during the first quarter occurred in the $150,000 to $200,000 range. Nearly half of all new home sales fell on this interval as well. The average sale price of a single-family new home in the submarket was $296,265. Annually, there were 269 new-detached homes sold in 2003, down 35% from 2002. Average sale price in the submarket was up 17% from 2002.

In the market for attached housing, sales of new units were down a remarkable -39% from a quarter ago, while resale volume was down -27%. Sales volume in the attached market concentrated in the $125,000 to $175,000 range. The distribution of sales was split between new (38.3%), and resale (61.7%) units. The average price of a new attached unit in the first quarter was $187,574. If resales are included the average price of all units was $132,175.

Attached Home Sales	1Q-04		YTD Total Sales	
Price Range	New	Resales	New	Resales
Under $85,000	0	14	0	65
$85,000 - $99,999	0	3	0	66
$100,000 - $124,999	3	15	14	106
$125,000 - $149,999	12	17	97	154
$150,000 - $174,999	10	13	111	106
$175,000 - $199,999	8	2	33	24
$200,000 - $224,999	1	2	10	5
$225,000 - $249,999	0	0	5	1
$250,000 - $274,999	5	0	6	0
$275,000 - $299,999	2	0	3	2
$300,000 - $324,999	0	0	3	1
$325,000 - $349,999	0	0	0	0
$350,000 - $374,999	0	0	0	0
$375,000 - $399,999	0	0	0	0
$400,000 - $424,999	0	0	0	0
$425,000 - $449,999	0	0	0	0
$450,000 - $474,999	0	0	0	0
$475,000 - $499,999	0	0	0	0
$500,000 & Over	0	0	0	0
Total	41	66	282	530

Average Sales Price (All Sales) *$132,175*
Average Sales Price (New Construction) *$187,574*



Johnson Gardner identified eight recent condominium projects as comparables for the purpose of this market analysis. Condominiums sales and listings were identified over the twelve month period beginning in April of 2003 and ending in April of 2004. A total of 194-units were included. All of the subject locations were constructed from 2003 or sooner. The average annual sales rate during the interval was nearly 70%.

SUMMARY OF COMPETITIVE CONDOMINIUM PROJECTS
Sales and Listings, April 2003-April 2004

Project Name/ Location	Unit Characteristics: Number Sold	Number Listed	Size Range: Low	High	Average	Sales Characteristics: Price Range: Low	High	Average	Price/ (S.F.)
Sexton Place	58	1	801 -	1,471	1,146	$114,990 -	$194,500	$152,818	$133
Farrmington Estates	10	5	1,375 -	1,534	1,471	$133,900 -	$157,900	$151,450	$103
Autmn Medows	4	0	1,526 -	1,530	1,527	$136,950 -	$138,950	$138,075	$90
Fountain Court	13	4	1,201 -	2,277	1,643	$150,000 -	$259,900	$204,189	$124
Murray Ridge	8	0	2,304 -	2,772	2,484	$259,923 -	$302,631	$272,979	$110
Scholls Pointe	17	2	1,068 -	1,471	1,291	$138,990 -	$191,159	$161,936	$125
The Round at Beaverton	12	47	728 -	1,970	1,215	$160,000 -	$325,000	$218,377	$180
Hall Street Village	13	0	1,560 -	1,580	1,565	$149,950 -	$169,950	$158,059	$101
Totals/Averages:	**135**	**59**	**1,248 -**	**2,193**	**1,678**	**$144,331 -**	**$295,577**	**$171,828**	**$102**

SOURCE: Johnson Gardner LLC

The price average price range in the preceding table reflects the weighted average of the column, and not the absolute minimum or maximum.

Of the projects surveyed, Autumn Meadows and Hall Street Village deliver the best value with an average price per square foot of $90 and $101, respectively. The Round at Beaverton is the highest priced property evaluated, averaging $180 per square foot. The property's sales experience has been poor, reflecting what we consider to be programmatic limitations, most notably a lack of secure, covered and direct access parking to the units. In suburban locations, direct access covered and secure parking is seen as critical for success, and represents a key omission in the Round's residential program.

Based on this survey, we would anticipate that new condominium development in the Regional Center could be expected to achieve sales prices of between $130 and $220 per square foot. This reflects a substantial premium vis-à-vis the comparables, with location and the quality of execution a key factor in establishing an appropriate price point.

VIII. REDEVELOPMENT ECONOMICS

A significant quantity of the land in the Regional Center has already been developed. As a result, redevelopment of existing properties will represent a substantial share of marginal growth. Though many current uses in the Regional Center may not be considered intensively developed, redevelopment may still not be achievable from a market prospective. Presented in this section are several concrete conditions where redevelopment is feasible.

The process of redevelopment traditionally begins with an evaluation of the existing ratio of improvement to land value. This variable works to identify parcels where the value of the improvement is relatively low when compared to the value of the land. However, there are several restrictions to this type of analysis:

1. *Properties are not always being actively marketed. That is, the property owner's decision to sell is not foreseeable and is affected by personal factors as well as economic conditions.*

2. *Many properties in their current uses offer the community significant economic value. Typically, this value is likely to be greater than the value of the land for redevelopment. Under such circumstances, it would not be feasible to continue redevelopment of the property. Our analysis uses the "real market value" of a property as a proxy for the costs of acquisition.*

When determining the practicability of a redevelopment site, an essential variable to track is residual land value, or the value of the land under a proposed development strategy. Presented here are several conditions that are favorable for redevelopment:

1. *The land value under an alternative development surpasses the sum of the land value and improvements under the current use;*

2. *The improved property yields higher achievable rent levels that are capable of offsetting the associated costs; or*

3. *The depreciation of the improvements on a property has reached a point where the improvement has no effective value.*

There are many alternative factors that determine the feasibility of redevelopment within a specific area. These factors create difficulties in the identification of specific sites targeted for redevelopment. Several such factors include:

1. **Owner Disposition:** The financial condition and goals of the property owner can adversely affect redevelopment potential of a site. Such variable include the property owner's level of capitalization, investment objectives, tax implications, sensitivity to risk, and perception of return.

2. **Current Lease Structure:** The lease structure that exists on a current property can either prevent major improvements or hinder the ability realize significant return on major improvements. This is especially apparent in retail leases where term lengths are relatively longer and contain extension options.

3. **Leaseholder Disposition:** Another leading factor in regards to improvement potential is the leaseholder's willingness to absorb the cost of higher rent levels associated with the improvement. Not only is this the case for specific leaseholders, the overall marketplace and the disposition of potential leaseholders play a critical role as well.

The most commonly made mistake in redevelopment strategies is to require unviable densities and development forms. This precludes any unsubsidized development in the area. Urban development is cyclical in nature. Development activity yields higher densities and greater demand. This in turn, creates a need for redevelopment and marginally higher densities over extended periods of time.

IX. OPPORTUNITY IDENTIFICATION

As part of this analysis, a number of development opportunity sites were identified within the Beaverton Regional Center. Preliminary development concepts were prepared for the sites, with four sites chose for more detailed design and financial review.

A. SITE SELECTION CRITERIA

The purpose of this study is to establish some fundamental dynamics of development/redevelopment in the Beaverton Regional Center. While discrete sites will be evaluated in this analysis, we want to stress that the intent of the study is to evaluate a range of prototypical development types that will have wide applicability within the area. The selection criteria reflect a desire to evaluate a diversity of sites, which illustrate a range of product types and development issues.

The basic issues considered were the suitability of the site as a development opportunity, availability for development, general economics of developing the site, catalyst potential of the site and the applicability of site issues to the broader market. Not all criteria are weighted equally, with suitability and catalyst potential given a high level of importance.

The following is a list of criteria that were considered in our selection of sites for inclusion in our analysis:

Suitable/Appropriate Development Location

- Physical Characteristics
    - *Site Scale and Configuration*

- *Existing Improvements*
- *Slope*

- Site Context
  - *Accessibility: parking, transit, employment concentrations, retail/entertainment*
  - *Surrounding land uses: conflicts and opportunities*

Availability

- Ownership: City or other public entity
- Already identified for acquisition
- Interest in selling
- Owner/Developer interest
- Complexity of assemblage
- Disposition of current owner(s)

Development Economics

- Acquisition costs, cost/value of property & improvements
- Viable development forms
- Eligibility for special funding sources
- Ability to serve as a catalyst development
- Ability to achieve development through private market vs. with public incentives

Broad Applicability of Prototypes

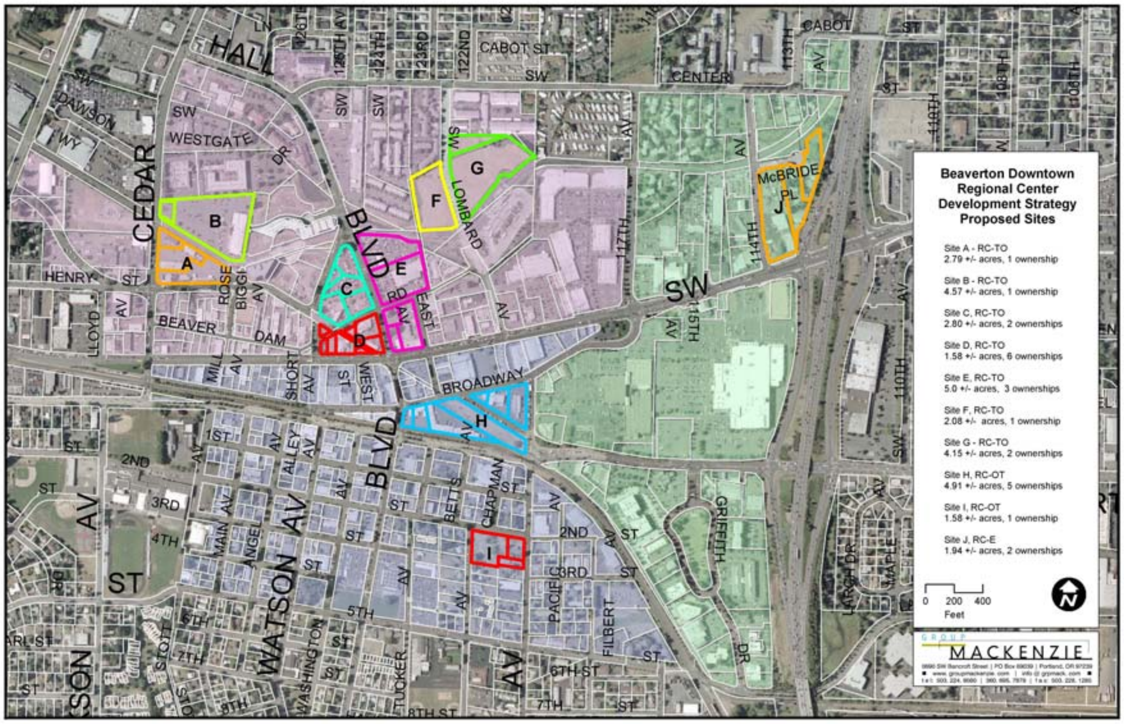
- Diversity of site issues
  - *Geographic location*
  - *Type of site: Greenfield, renovation, tear down and redevelopment*
  - *Assemblage*
  - *Site scale and/or configuration*

The level of information available on individual sites is limited at this time, particularly with respect to development economics and the disposition of property owners. Professional experience was relied upon to evaluate development economics at this stage, with more detailed analysis to be completed in later phases.

B. PRELIMINARY SELECTION OF SITES

Summary of Sites

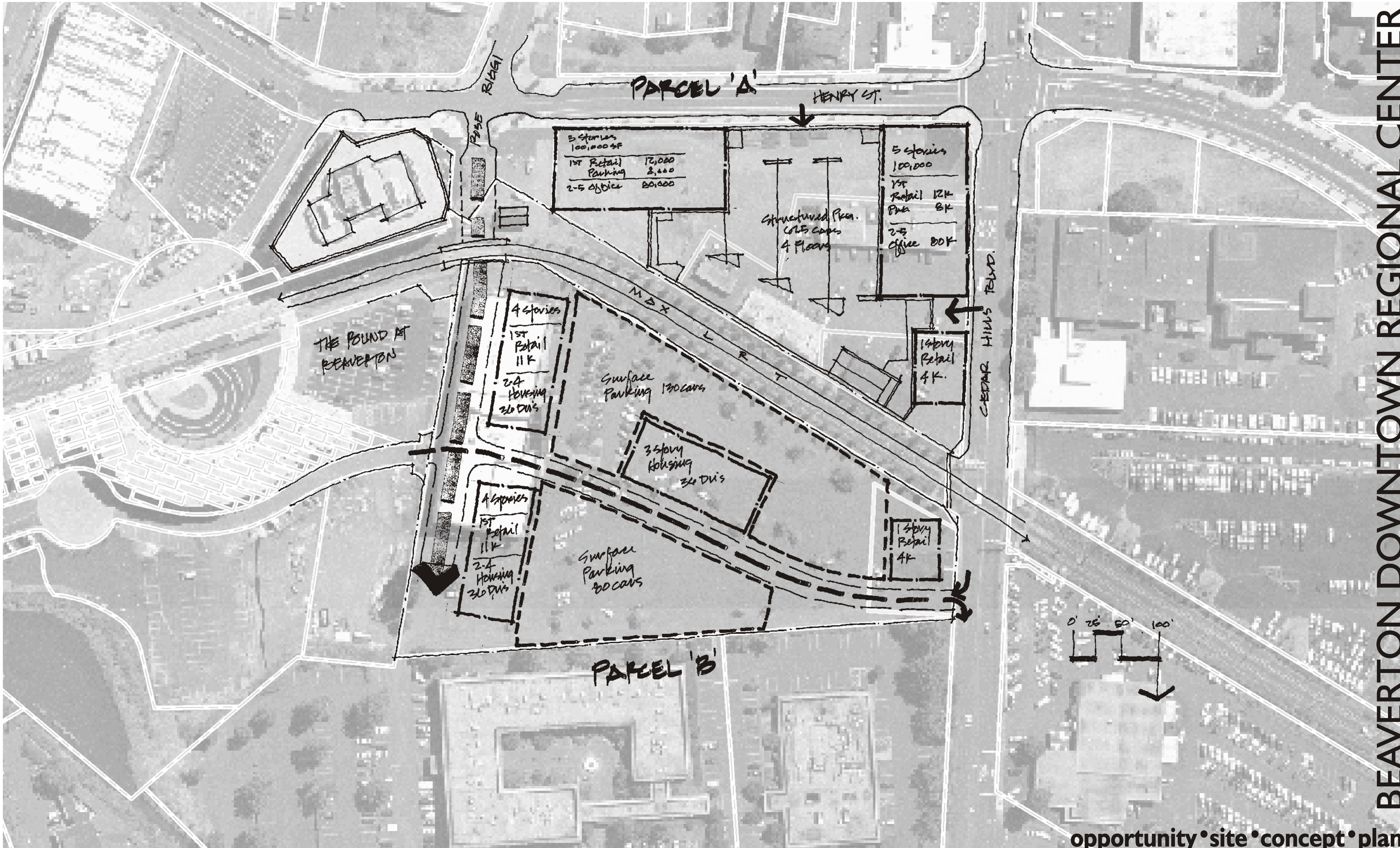
The following map delineates a total of ten sites for preliminary evaluation.



These sites were chosen based on the aforementioned criteria, with input from the consultant team as well as City and Metro staff. The sites address a range of development issues, including complex assembly, thriving current uses and clear-field development.

Preliminary Site Concepts

Initial design concepts were prepared for each of the ten sites, evaluating the general development potential of the sites. The design concepts were presented to the developer focus group as well as to the project management committee for review and comment. The following drawings summarize the preliminary concepts developed for these sites.



BEAVERTON DOWNTOWN REGIONAL CENTER

opportunity•site•concept•plan

GROUP MACKENZIE

#2040101.00

The conceptual development plan shown is an example of how development could occur on the site.
It was created only for the purpose of estimating the potential of a sample site in downtown Beaverton.
It is not intended to represent any actual development proposed for this site.

SITE•A/B

05.10.04

BEAVERTON DOWNTOWN REGIONAL CENTER

opportunity • site • concept • plan

GROUP MACKENZIE #2040101.00

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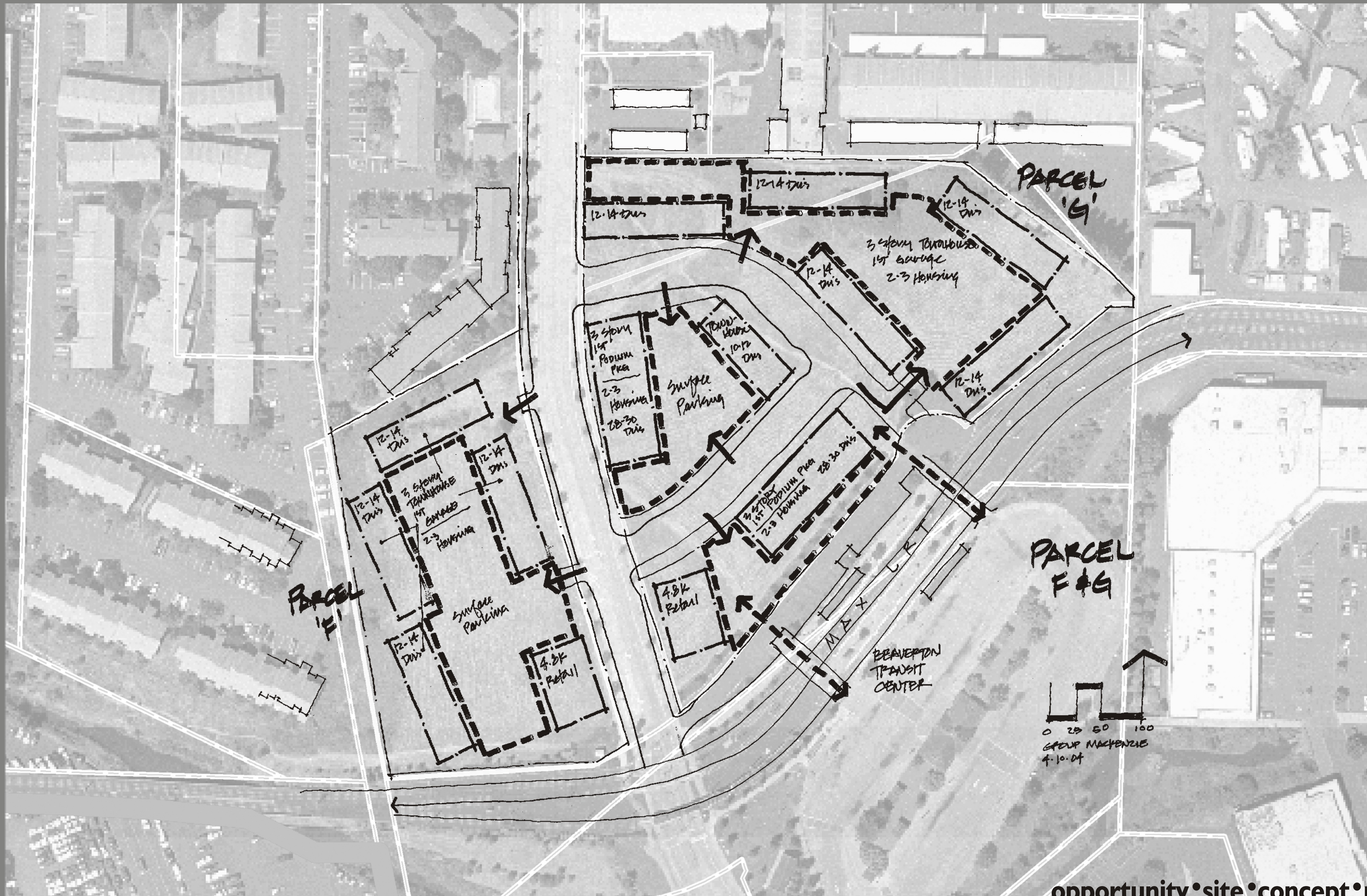
SITE • C/D/E
05.10.04

BEAVERTON DOWNTOWN REGIONAL CENTER



opportunity•site•concept•plan

GROUP MACKENZIE #2040101.00

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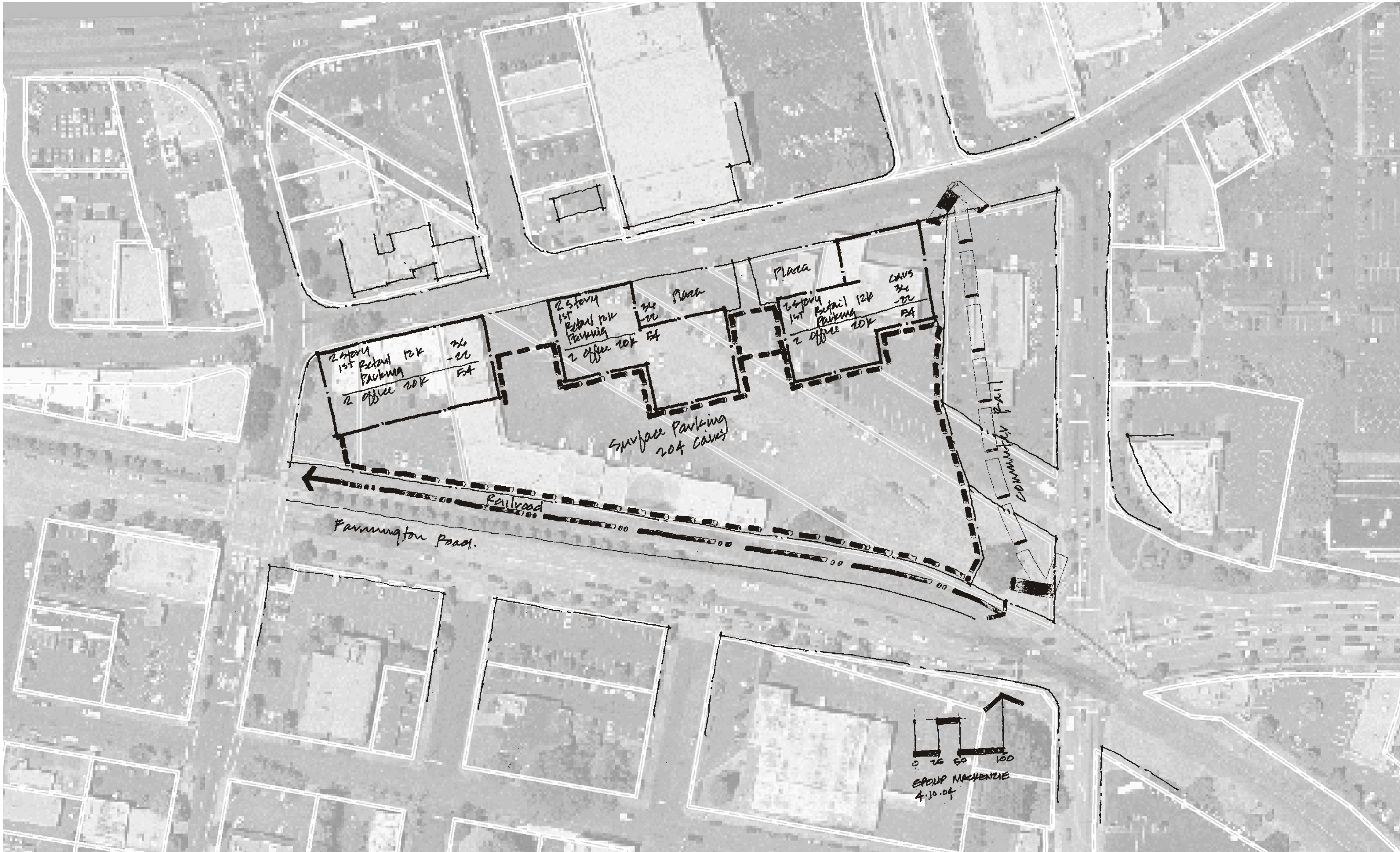
SITE•F/G
05.10.04



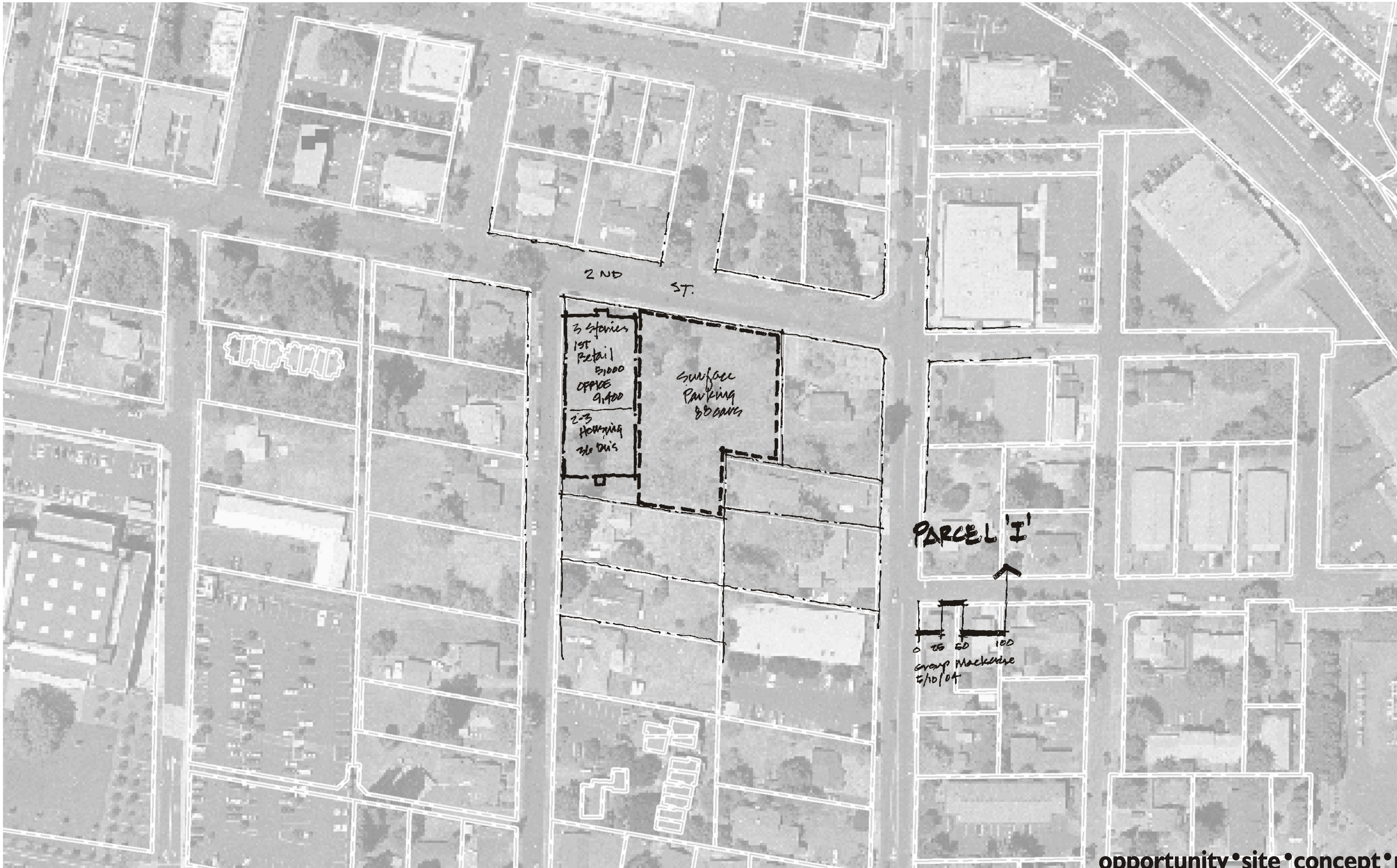
BEAVERTON DOWNTOWN REGIONAL CENTER

opportunity • site • concept • plan

GROUP MACKENZIE #2040101.00

SITE • H
05.10.04

BEAVERTON DOWNTOWN REGIONAL CENTER



opportunity • site • concept • plan

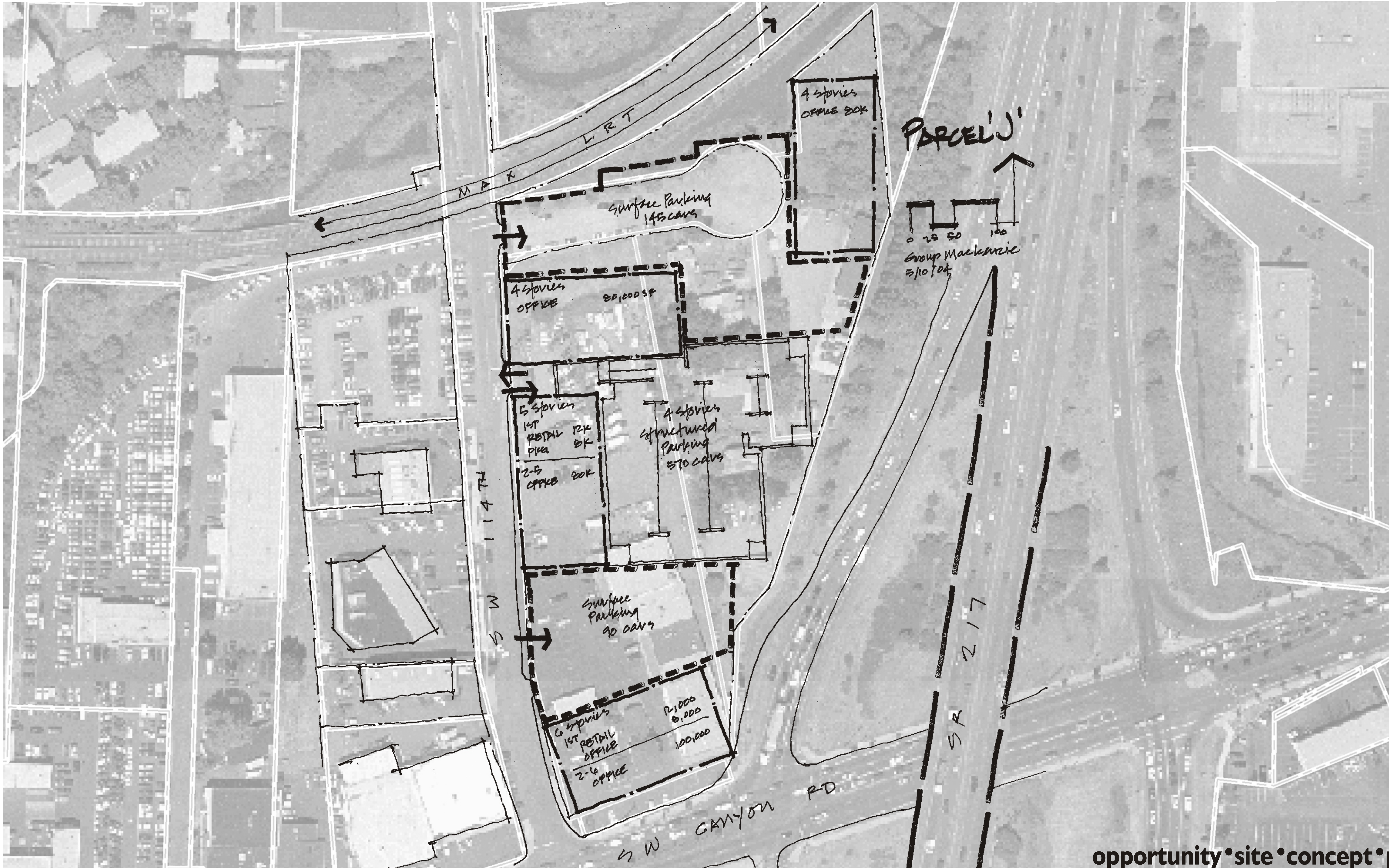
SITE • I

05.10.04

GROUP MACKENZIE

#2040101.00

BEAVERTON DOWNTOWN REGIONAL CENTER



opportunity•site•concept•plan

GROUP MACKENZIE

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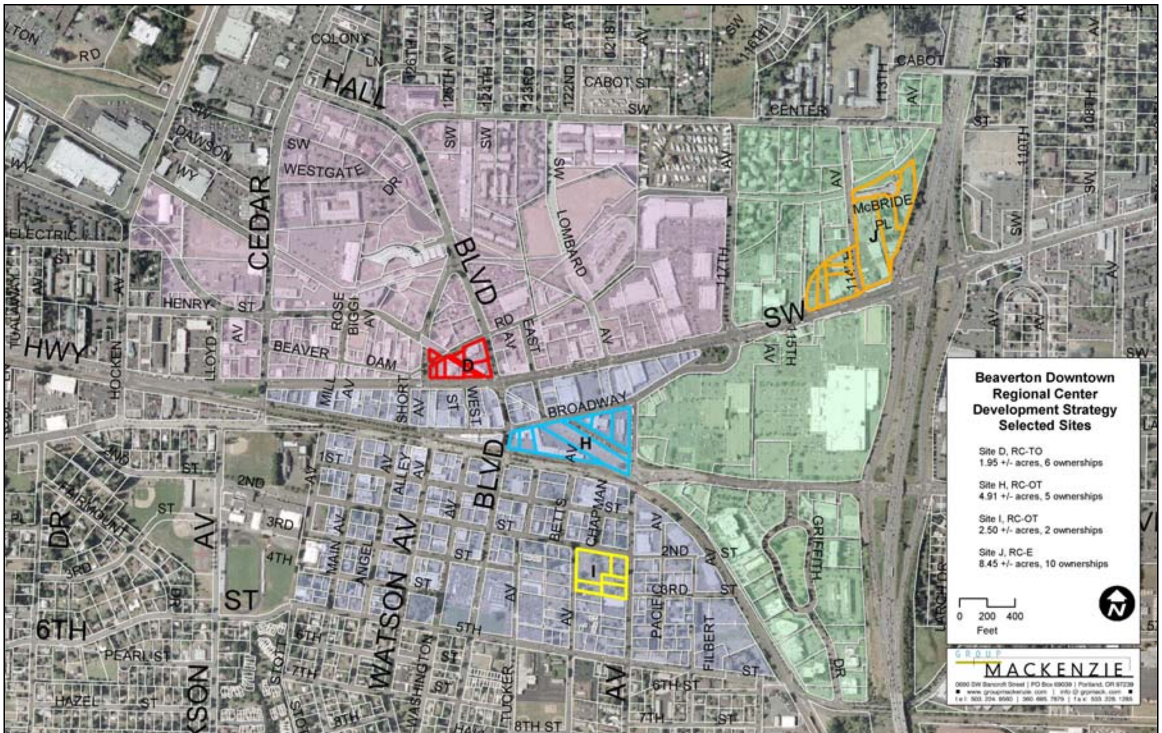
It is not intended to represent any actual development proposed for this site.

SITE•J
05.10.04

C. FINAL SELECTION OF SITES

A total of four sites were chosen from the ten preliminary sites for further examination, based on the input of the project management team. These sites represent both short-term opportunities as well as sites considered to have a high level of importance to the overall fabric of Downtown Beaverton. The following map and table shows the location and briefly describes the four sites chosen:



Site	Acreage	Zoning	Comments
D	RC-TO	1.95 acres 6 ownerships	This site will require a complex assemblage. The site is strategically located, and addresses a common problem in the Regional Center.
H	RC-OT	4.91 acres 5 ownerships	While this site also has multiple ownerships, the eastern edge is being acquired as part of the right of way for the commuter rail line. The site is bounded by a heavy rail line to the south, but offers the potential for a nice storefront on the north and west.
I	RC-OT	2.5 acres 2 ownerships	This site has largely been assembled, and represents an opportunity to build upon the recent activity in the southern portion of the regional center.
J	RC-E	8.45 acres 10 ownerships	Parcel J occupies a strategic entry point to the city center. Planned transportation improvements at the intersection of 115th and TV Highway will allow for a left out movement, making the site much more marketable for more intensive uses. This area is well developed, with many active businesses.

Specific Study Sites

Through review of the available documents and discussions with City of Beaverton staff, the four sites under study have a range of utility infrastructure projects planned either along their direct frontage or within the local area. These projects will serve to replace aging systems or increase capacity to benefit not only the specific sites, but also the overall utility systems. As such, costs of upgrades and improvements were not allocated to the specific sites; rather it is assumed the costs of these improvements are distributed system-wide.

Site D

No stormwater or sanitary sewer projects are noted in the vicinity of Site D; however the City's 100-year floodplain mapping shows the northeast tip of the site to lie within the inundation area. Several downstream capacity and riparian improvements projects are contained in the City's plans, which may relieve the flooding at this site. The existing 8" waterline on the west edge of the site may require upsizing to 12", pending the completion of the current water master plan update.

Site H

This site lies within an area scheduled for replacement of aging sanitary sewer lines and near the location of a trunk relocation. Each project is scheduled within the 2004-2009 time frame, and the overall cost of the two tasks is estimated at approximately $750,000. The realignment of Lombard Street along the east edge of the site will likely be paired with a storm system replacement as well. No firm estimate is available for these improvements. Water system upgrades are planned for the north (an upgrade to 12" along Broadway) and south (an 8" loop along the railroad) sides of the site.

Site I

This site lies within an area scheduled for replacement of aging sanitary sewer lines and is scheduled within the 2010-2016 time frame. The overall cost of this task is estimated at approximately $400,000. The City believes the existing waterline in this area is due for replacement due to its age, and also believes the line in Lombard and Chapman may be undersized. All new waterlines would be a minimum of 8" diameter where required.

Site J

No stormwater or sanitary sewer projects are noted in the vicinity of Site J; however the City's 100-year floodplain mapping shows the north portion of the site to lie within the inundation area. Several downstream capacity and riparian improvements projects are contained in the City's plans, which may relieve the flooding at this site. Site J is within the West Slope Water District service area and capacity has been noted as adequate. The District is planning system improvements in the vicinity on the current 10-year Capital Improvement Projects list, including the completion of a 12" line along the north side of Canyon Road, but these projects are not due to insufficiency in the local area.

Final Site Concepts

More detailed design concepts were developed for these four sites, pushing densities to the extent possible. The following pages present the results, which will be evaluated from a financial perspective in the next section.

The following chart provides a summary of the construction cost estimates for the proposed conceptual development of the four selected sites. These costs were developed by Group Mackenzie with input from a prominent local construction firm, to help the City of Beaverton and Metro understand the general "order of magnitude" for the concept plans proposed. They are based on knowledge gained from recent comparable projects. These cost ranges vary considerably due to the uncertainty of the final design parameters, building materials and construction market conditions. It should be noted that the final construction costs will also be significantly impacted, based on actual project circumstances and timing. These cost ranges do not include "soft costs" such as architectural and engineering fees, permitting fees, and system development charges. We recommend that prior to any significant outlay of funding, a project have specific cost estimates prepared, to confirm the accuracy of our estimate relative to that particular project.

SITE D					
	SF	Cost/SF		Total Cost	
Use		Low	High	Low	High
Building A					
Retail	21,900	$93	$105	$2,025,750	$2,299,500
Housing - 54 units	54,000	$130	$150	$7,020,000	$8,100,000
Building B					
Office	75,000	$155	$175	$11,625,000	$13,125,000
Retail	5,000	$93	$105	$462,500	$525,000
Parking					
Structured - 339 stalls	118,650	$38	$45	$4,449,375	$5,339,250
Total Cost				**$25,582,625**	**$29,388,750**

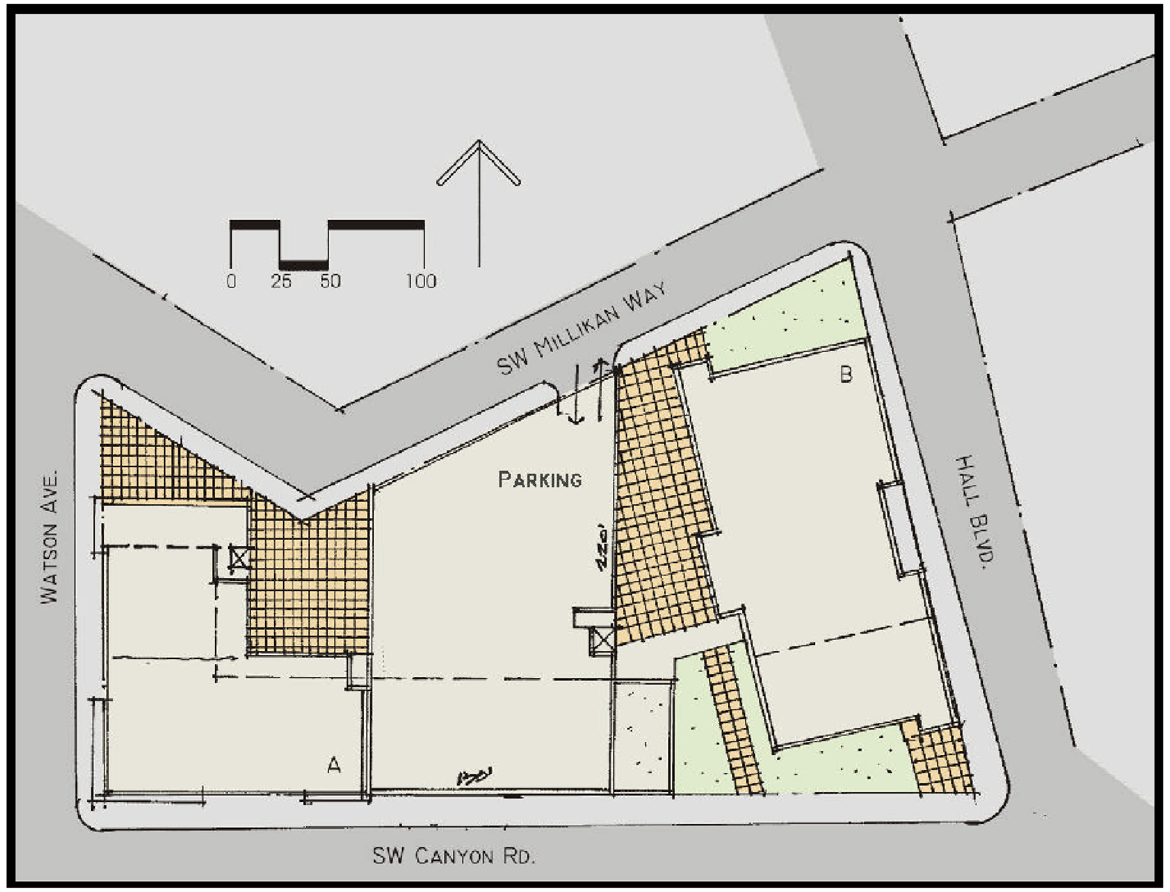
SITE H					
	SF	Cost/SF		Total Cost	
Use		Low	High	Low	High
Building A					
Retail	10,000	$93	$105	$930,000	$1,050,000
Building B					
Retail	10,000	$93	$105	$930,000	$1,050,000
Office	45,000	$155	$175	$6,975,000	$7,875,000
Building C					
Retail	8,000	$93	$105	$740,000	$840,000
Housing - 40 units	40,000	$130	$150	$5,200,000	$6,000,000
Building D					
Office	40,000	$155	$175	$6,200,000	$7,000,000
Building E					
Retail	6,000	$93	$105	$555,000	$630,000
Parking					
Structured - 330 stalls	112,500	$38	$45	$4,218,750	$5,062,500
Surface - 68 stalls		included in base costs			
Total Cost				**$25,748,750**	**$29,507,500**

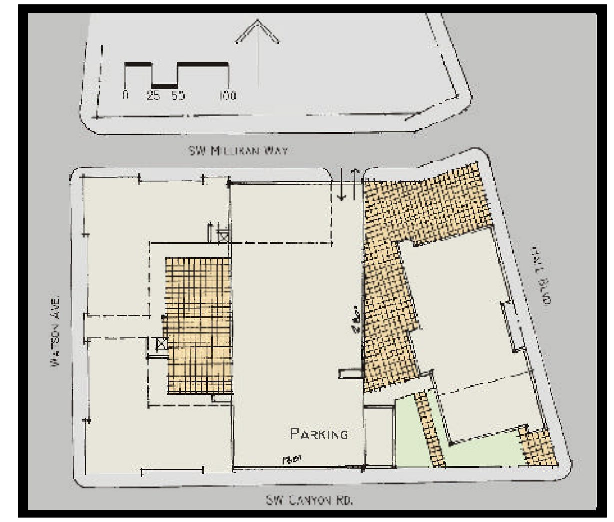
SITE I					
	SF	Cost/SF		Total Cost	
Use		Low	High	Low	High
Housing - 80 units Surface Parking - 80 stalls	80,000	$130 included in base costs	$150	$10,400,000	$12,000,000
Total Cost				**$10,400,000**	**$12,000,000**

SITE J					
	SF	Cost/SF		Total Cost	
Use		Low	High	Low	High
Building A					
Retail	5,000	$93	$105	$465,000	$525,000
Office	148,000	$155	$175	$22,940,000	$25,900,000
Building B					
Office	80,000	$155	$175	$12,400,000	$14,000,000
Parking					
Structured - 630 stalls	204,000	$38	$45	$7,650,000	$9,180,000
Surface - 37 stalls		included in base costs			
Building D					
Housing - 93 units	93,000	$105	$130	$9,765,000	$12,090,000
Parking below - 66 stalls		included in base costs			
Surface parking - 37 stalls		included in base costs			
Total Cost				**$53,220,000**	**$61,695,000**

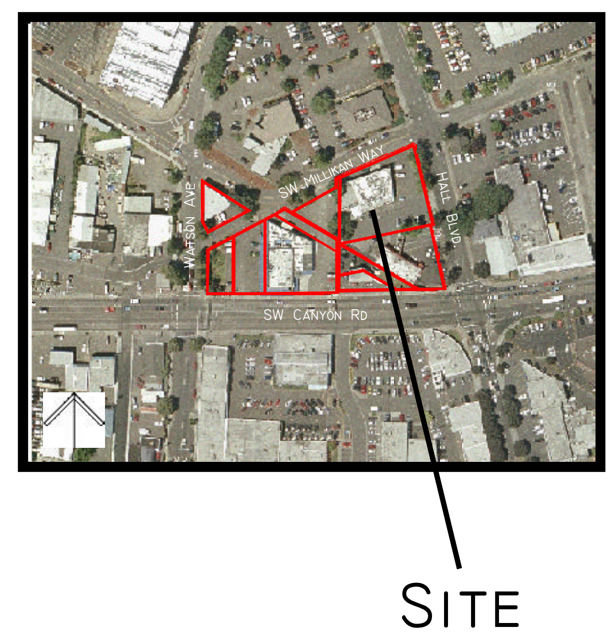
Note: The Site Work / Surface Parking costs and demolition costs are included in the base square footage costs.

Beaverton Downtown Regional Center Development Strategy





Potential Future Build Out With Street Realignment



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Site D

LOCATION

1S116AA
tl's: 201,3501,3600,3700,6400,100,1200,1300,1400,5900

SITE INFORMATION

ZONING	RC-TO
SIZE	1.95 +/- acres
KEY DEVELOPMENT STANDARDS	
FAR	.60 min., no max.
Building Height	120ft. max. (200 ft. max. with variance)
Building Setbacks	0ft. min., 20ft. max.
Parking Ratio	Retail - 3.0-5.1/1,000SF Office - 2.7-3.5/1,000SF Housing - 1.0-1.75/unit

CONCEPT DATA

USE	Mixed Use - Office, Retail, Housing
BUILDING SF	Bldg. A: Retail - 21,900SF Housing (54 units) - 54,000SF Bldg. B: Retail - 5,000SF Office - 75,000SF
TOTAL SF	Retail - 26,900SF Housing - 54,000SF Office - 75,000SF
PARKING	339 stalls

CONCEPT DEVELOPMENT COSTS

CONCEPT PLAN	Bldg. A: Retail - $1,752,000-$2,036,700-$2,299,500 Housing - $4,320,000-$5,670,000-$7,020,000 Bldg. B: Retail - $400,000-$465,000-$525,000 Office - $7,875,000-$9,000,000-$10,125,000 Parking: Structured - $3,559,500-$4,508,700-$5,339,250
TOTAL	$17,906,500-$21,680,400-$25,308,750

·The costs provided are preliminary estimates providing general "order of magnitude" costs for the concept plans. Prior to any significant out lay of funding, it is recommended that specific cost estimates be prepared. Off-site infrastructure costs are not included.

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Job # 2040101.00

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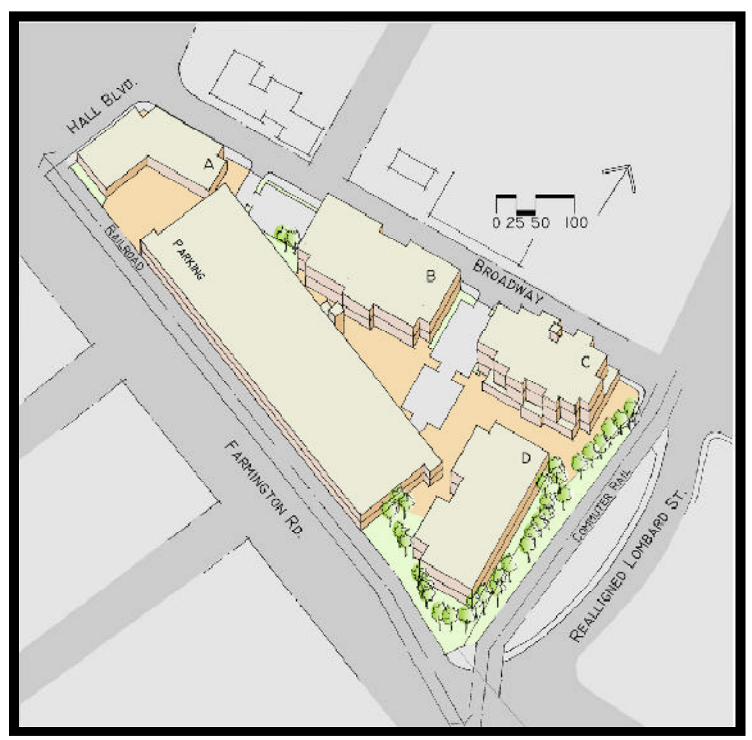
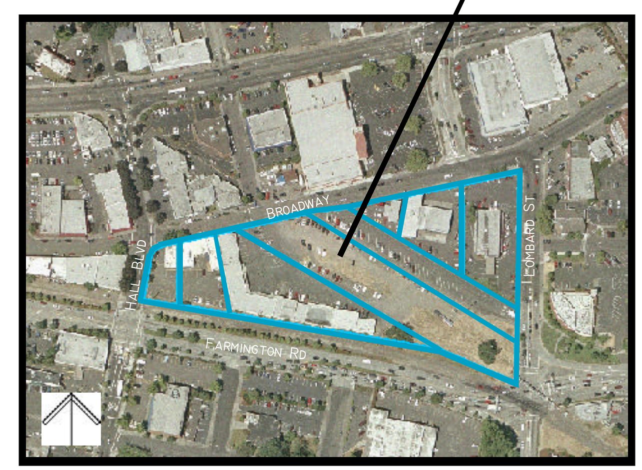
Beaverton Downtown Regional Center Development Strategy



SITE



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Site H

LOCATION

1S115BB
tl's 3700,4000,4200,4400,4500,4600,5800

SITE INFORMATION

ZONING	RC-OT
SIZE	4.91 +/- acres
KEY DEVELOPMENT STANDARDS	
FAR	.33 min., no max.
Building Height	30ft. max. (60ft. max. with variance)
Building Setbacks	0ft. min., 20ft. max.
Parking Ratio	Housing - 1.0-1.75 Office - 2.7-3.5/1,000SF Retail - 3.0-5.1/1,000SF

CONCEPT DATA

USE	Mixed Use - Retail, Office, Housing
BUILDING SF	Bldg. A: Retail - 10,000SF Bldg. B: Retail - 10,000SF Office - 45,000SF Bldg. C: Retail - 8,000SF Housing(40 units) - 40,000SF Bldg. D: Office - 40,000SF
TOTAL SF	Office - 85,000SF Retail - 34,000SF Housing - 40,000SF
PARKING	398 stalls

CONCEPT DEVELOPMENT COSTS

CONCEPT PLAN	Bldg. A: Retail - $800,000-$930,000-$1,050,000 Bldg. B: Retail - $800,000-$930,000-$1,050,000 Office - $4,725,000-$5,400,000-$6,075,000 Bldg. C: Retail - $640,000-$744,000-$840,000 Housing - $3,200,000-$4,200,000-$5,200,000 Bldg. D: Office - $4,200,000-$4,800,000-$5,400,000 Parking: Structured - $3,375,000-$4,275,000-$5,062,500
TOTAL	$17,740,000-$21,279,000-$24,677,500

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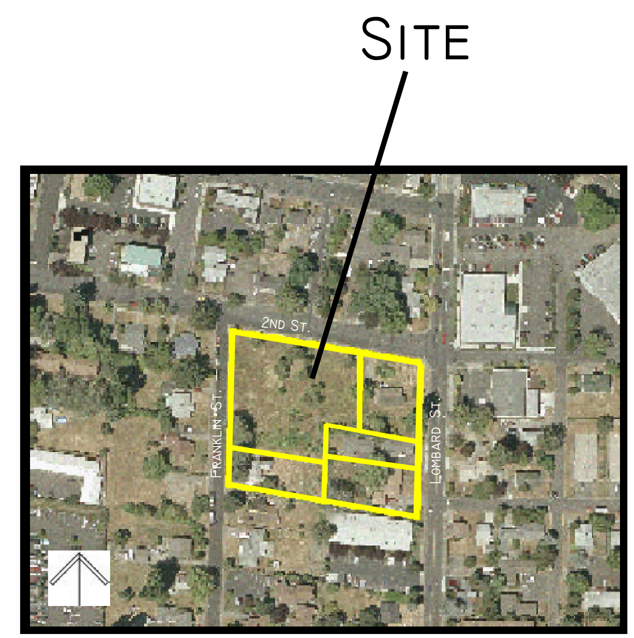
Beaverton Downtown Regional Center Development Strategy

Site I



LOCATION

1S115BC
tl's 3900,4100,4101,5000,5400

SITE INFORMATION

ZONING	RC-OT
SIZE	2.5 +/- acres
KEY DEVELOPMENT STANDARDS	
Residential Density	12-40 units per acre
Building Height	30 ft. max. (60 ft. max. with variance)
Building Setbacks	0ft. min., 20ft. max.
Parking Ratio	1.0-1.75/unit

CONCEPT DATA

USE	Housing
BUILDING SF	Housing(80 units) - 80,000SF
PARKING	80 stalls (1 space/unit) and on-street

CONCEPT DEVELOPMENT COSTS

CONCEPT PLAN

Housing - $6,400,000-$8,400,000-$10,400,000

TOTAL $6,400,000-$8,400,000-$10,400,000

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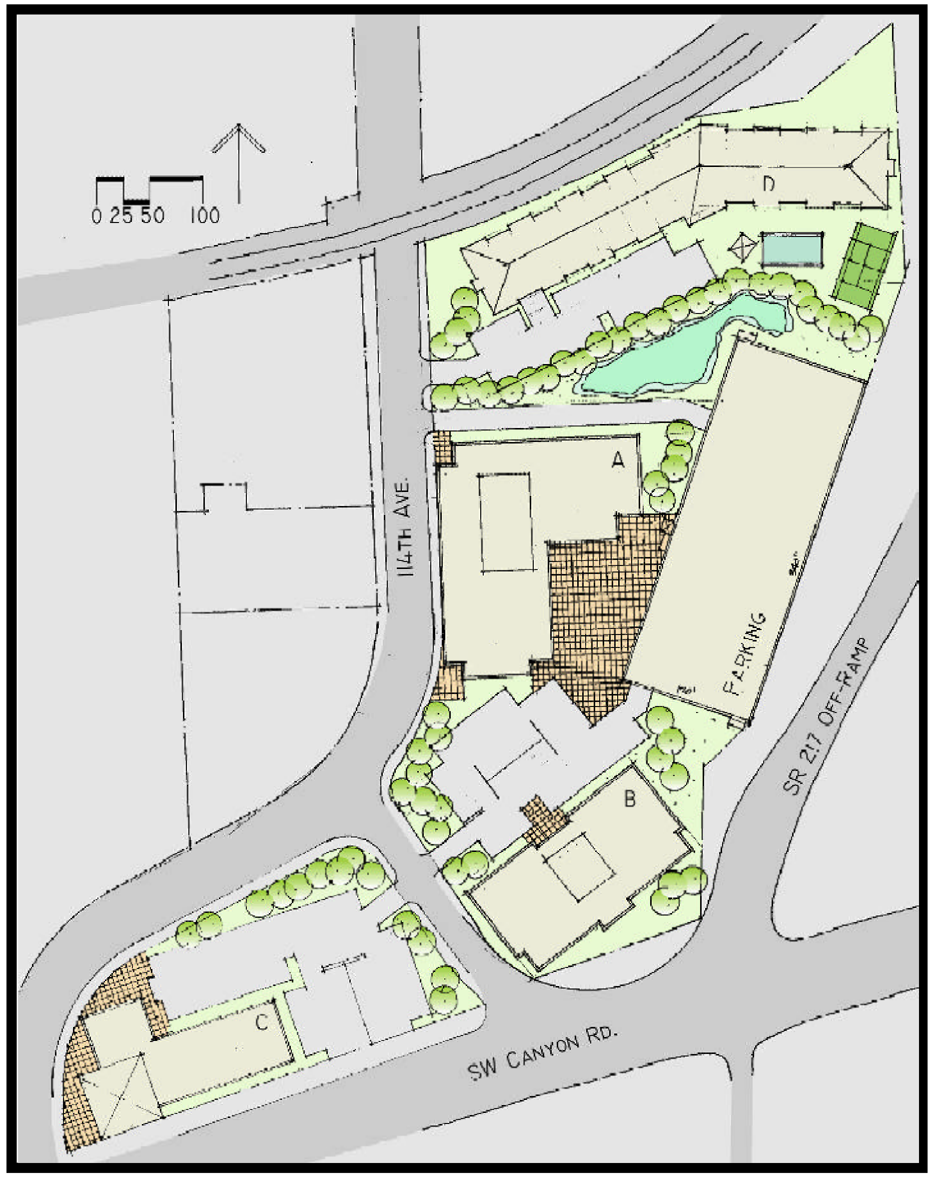
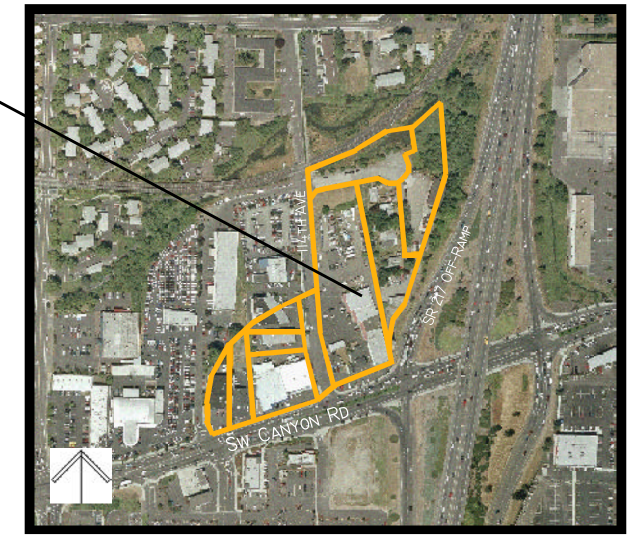


SITE



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Site J

LOCATION

1S110DC tl's 1304,1500,1601,2500,901,1306,1400,2700,2600
1S110CD tl's 400

SITE INFORMATION

ZONING	RC-E
SIZE	8.45 +/- acres
KEY DEVELOPMENT STANDARDS	
FAR	.30 min., 1.0 max.
Building Height	80ft. max. (200 ft. max. with variance)
Building Setbacks	0ft. min., 20ft. max.
Parking Ratio	Retail - 3.0-5.1/1,000SF Office - 2.7-3.5/1,000SF Housing - 1.0-1.75/unit

CONCEPT DATA

USE	Mixed Use - Retail, Office Residential
BUILDING SF	Bldg. A: Retail - 5,000SF Office - 148,000SF Bldg. B: Office - 80,000SF Bldg. C: Retail - 17,900SF
PARKING	724 stalls
BUILDING SF	Bldg. D: Housing (93 units) - 93,000SF
PARKING	103 stalls
TOTAL SF	Retail - 22,900SF Office - 228,000SF Housing - 93,000SF

CONCEPT DEVELOPMENT COSTS

CONCEPT PLAN	Bldg. A: Retail - $400,000-$465,000-$525,000 Office - $19,980,000-$22,940,000-$25,900,000 Bldg. B: Office - $10,800,000-$12,400,000-$14,000,000 Bldg. C: Retail - $1,432,000-$1,664,700-$1,879,500 Bldg. D: Housing - $7,440,000-$9,765,000-$12,090,000 Parking: $6,120,000-$7,752,000-$9,180,000
TOTAL	$46,172,000-$54,986,700-$63,574,500

X. FINANCIAL ANALYSIS

As part of our evaluation of mixed-use development opportunities, prototypical development programs were assumed on four development sites within the study area. The development programs are based on existing zoning codes currently on the sites evaluated. The development programs were designed to test a number of potential permutations of development type, and are not intended to necessarily represent the highest and best use of the sites. A series of pro forma financial analyses were then run for these development programs, which evaluate the characteristics of the developments from an investment perspective.

The purpose of this component of the analysis was to provide a more comprehensive understanding of the development characteristics of the sites from a financial perspective. This section and the attached pro formas summarize our findings with respect to the financial characteristics of the prototypical development programs.

The pro forma analyses attempt to model potential developments at the four identified sites from the perspective of a developer. A number of assumptions have been made as part of this analysis, which may vary substantively from those used by an individual developer. As a result, conclusions reached by a developer with respect to the underlying value of the property or viability of development may vary widely.

Schematic programs were developed for these sites as well as cost estimates were generated by Group Mackenzie. Assumed income and financial variables were provided by Johnson Gardner. The purpose of the analysis was to provide a more comprehensive understanding of the development characteristics of the concepts from a financial perspective.

Our expectation is that careful program evaluation and tuning by a developer will likely enhance the yield identified in this analysis. Cost estimates are based on typical product types, while lease rates and sales prices are based on professional opinion.

This chapter of the report summarizes the general conclusions of our analysis, with the detailed pro formas made available as a stand-alone appendix.

Basic Assumptions

Each development and individual components were evaluated using a ten-year cash flow, with a reversion value at the end of the period.[8] The scenarios assumed fee simple ownership of the property by the developer and conventional financing.

Estimates of construction costs were based on estimates provided by Group Mackenzie. The numbers assumed by developers may vary substantively, depending upon variations in design and finish quality. Cost estimates for acquisition are based on the 2003 real market value figures contained in the Washington County Assessor's records. While these are used in this analysis as a proxy for value, actual values could vary substantively.

Financial assumptions were made with respect to lending terms based on recent experience. The interest rates are a bit above current levels, reflecting our expectation that rates will be higher by the

[8] An estimated sales price at the end of the period.

time that this project proceeds. The following is a brief summary of financial assumptions common throughout the analysis:

Capitalization Rate:	
Rental Apartments	8.00%
Office/Retail	8.00%
Minimum Debt Coverage Ratio	1.20
Loan to Value Ratio Max	80%
Construction Loan Interest Rate	6.00%
Points on Construction Loan	1.00%
Permanent Loan Interest Rate	7.50%
Points on Permanent Loan	1.00%
Threshold Return on Sales/Condos	12.50%
Threshold Return on Cost/Income	9.00%

Income and sales assumptions were based upon the professional opinion of Johnson Gardner, and necessarily assume a fairly generic product. These included the following:

Condominiums	
Sales Price/S.F.	$195 per square foot
Rental Apartments	
Lease Rate/S.F.	$1.10 per square foot
Office Space (Class A)	
Net Lease Rate/S.F.	$17.50 per square foot
Retail Space	
Net Lease Rate/S.F.	$20.00 per square foot

The assumed sales price for the condominiums is at the upper limits of what would be considered achievable in the current market, and would require a very high level of project execution to be realized.

While we feel that these numbers are appropriate baseline assumptions, developers evaluating project feasibility may vary in their assumptions, which would either increase or decrease their perceived need for assistance. The office space was assumed to have a stabilized vacancy rate of 10%, which is well below current market conditions. The local speculative office market would need to recover substantially to support this assumption.

The analysis assumed threshold requirements in terms of a minimum return necessary for development to occur. A 9.0% return on investment was assumed for income properties, including office, retail and rental apartments. Return on investment is defined as the net operating income (NOI) during the first stabilized year divided by the total project cost. The threshold for condominiums was assumed at a 12.5% net return on sales, which reflects the net yield from sales divided by the cost. The yield that an individual developer or investor may be willing to accept can vary significantly, and these measures should be viewed merely as guidelines.

Summary of Findings

The scenarios evaluated varied in their viability, with condominium units and ground floor commercial space proving to be largely viable. Structured parking and market rate rental apartments generally eroded yields in the area. The following table summarizes the overall development costs, parking costs and the calculated financing gap associated with each of the development programs evaluated:

Development Program	Estimated Cost	Parking Cost	Cost/ Space	Financing Gap ($)	Financing Gap % of Cost
Site D					
Option A: Retail, Office, Condominiums & Parking	$32,287,669	$6,615,926	$19,516	$6,807,780	21%
Option B: Retail, Office, Apartments & Parking	$31,612,669	$6,615,926	$19,516	$8,198,201	26%
Site H					
Option A: Retail, Office, Condominiums & Parking	$34,334,896	$6,852,214	$17,220	$6,929,475	20%
Option B: Retail, Office, Apartments & Parking	$34,334,896	$6,852,214	$17,220	$9,687,665	28%
Site I					
Option A: Condominiums & Surface Parking	$10,639,890	$280,000	$3,500	($483,244)	-5%
Option B: Apartments & Surface Parking	$9,139,890	$280,000	$3,500	$2,925,694	32%
Site J					
Option A: Retail, Office, Condominiums & Parking	$72,757,540	$11,174,652	$16,754	$13,778,787	19%
Option B: Retail, Office, Apartments & Parking	$72,757,540	$11,174,652	$16,754	$20,189,865	28%

The following sections will review in more detail the program and indicated financial performance of the assumed development programs on the demonstration sites.

Site D

Site D is an oddly shaped site of 1.95 acres bordered on the north by SW Milliken Way; on the south by SW Canyon Road; on the east by SW Hall Blvd.; and on the west by SW Watson Avenue. The site would require a complex land assembly to be developed.

Because of the shape of the site it was felt that to maximize the development potential a parking structure would have to be provided to support office, retail and housing. It was also felt that the design should be able to accommodate expansion of the site if Milliken was ever realigned, adding additional land area to this parcel.

The five-level garage takes up the central portion of the block and is connected by a bridge to the office building on the east and directly to the mixed-use building on the west. The mixed-use building anchors the SW corner of the site. Retail space and a lobby for the housing above occupy the ground level. Retail also occupies the lower portion of the garage on both Canyon and Milliken. The office building on the east portion of the site has a first floor with a portion in retail, a lobby and office. The remaining 3 floors are office.

The expanded version of this development will add additional retail and housing units to the mixed-use building on the west, and additional parking capacity. The office building remains the same with an expanded out-door plaza on the north portion of the site.

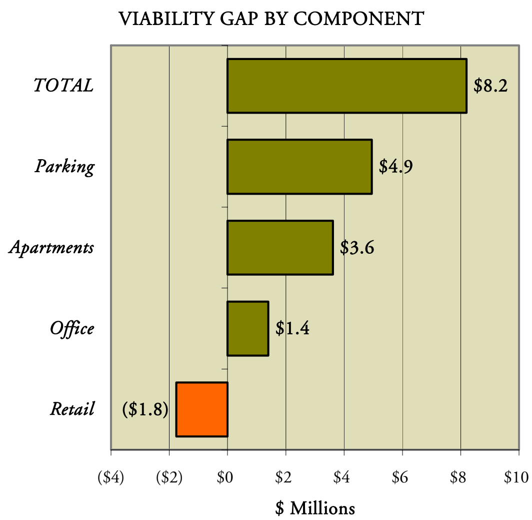
The current real market value on the property is $2.4 million, reflecting a value of just over $8.85 per square foot.

The project was evaluated assuming either rental apartment or condominium development of the residential units. Under the rental apartment scenario, the project showed a gap equal to 26% of total cost, while the gap under a condominium assumption declined to 21% of total cost.

RENTAL APARTMENTS

	Cost	Value 1/	Value/Cost
Retail	$3,597,000	$6,165,000	171%
Office	$13,710,000	$14,900,000	109%
Apartments	$7,678,000	$4,342,000	57%
Parking	$6,627,000	$1,893,000	29%
TOTAL	**$31,612,000**	**$27,300,000**	**86%**

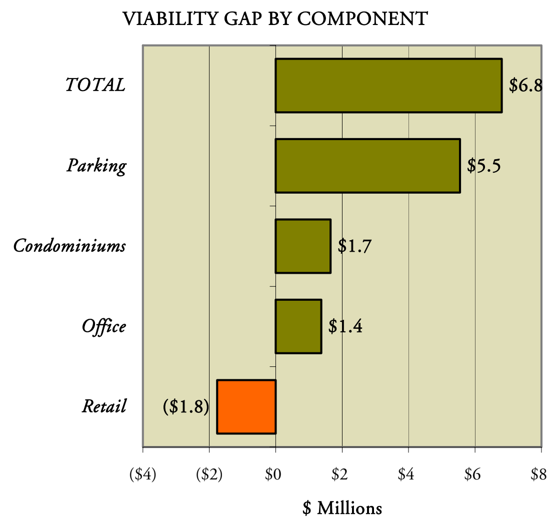
1/ Based on 2nd year stabilized NOI for income components;



CONDOMINIUMS

	Cost	Value 1/	Value/Cost
Retail	$3,591,000	$6,234,000	174%
Office	$13,687,000	$13,852,000	101%
Condominiums	$8,394,000	$8,216,000	98%
Parking	$6,616,000	$1,928,000	29%
TOTAL	**$32,288,000**	**$30,230,000**	**94%**

1/ Based on 2nd year stabilized NOI for income components;



Under both scenarios, the structured parking garage represented a substantial portion of the viability gap. The market rate rental apartments also perform poorly, with an estimated value equal to only 29% of cost. Only the retail component is viable without assistance in this scenario, although including the cost of required retail parking would increase retail costs by around $1.2 million.

The parking garage provides 339 spaces at an average cost of just over $19,500 per space.

Site H

Centrally located to what is considered the old downtown of Beaverton, this site also is oddly shaped and bordered on the north by Broadway, on the south by the railroad and SW Farmington Road; on the east by a realigned Lombard St. and the proposed commuter rail line; and on the west by SW Hall Blvd.

The intention with this development scheme was to activate the Broadway side of the site with street level commercial uses and some housing, and buffer the site on the south from the railroad with a parking platform.

The building on the west end of the site anchors the corner with a 1-11/2 story retail building. Next the plaza is also an entry to the single level 300 car parking structure on the southern portion of the site. The next building on the north side is an office structure with street level retail and office with an additional floor of office. Next, there is a mixed-use building with ground-level retail and two floors of housing. The last building facing what will be the right of way for the proposed commuter rail line is a two-story office building with some retail on the ground level. Plazas, some surface parking and green spaces make up the remainder of the site.

The real market value of the site is $5.3 million, or just over $19.40 per square foot.

The program includes provides for 40 residential units, approximately 185,000 square feet of leasable office space, and 34,000 square feet of retail space. Parking is provided with a 398 stall parking garage, backed up to the rail line on the southern edge of the site. Estimated cost of the project, including land acquisition, is $34.3 million.

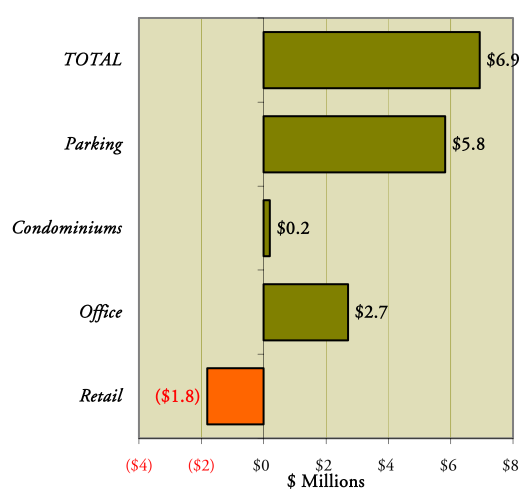
As modeled, the income components of the project yields a 6.8% return on investment, which is below the threshold return assumed in this analysis. This would indicate that the project would not be considered viable under the assumptions used, with the viability gap approximately 20% to 28% of total cost. The gap is primarily attributable to the parking structure, with an average cost per space of almost $17,000 fully loaded. As with the previous site, market rate rental apartments perform poorly, increasing substantially the viability gap.

CONDOMINIUMS

	Cost	Value 1/	Value/Cost
Retail	$4,965,000	$7,617,000	153%
Office	$16,316,000	$15,310,000	94%
Condominiums	$6,202,000	$6,086,000	98%
Parking 2/	$6,852,000	$1,844,000	27%
TOTAL	$34,335,000	$30,857,000	90%

1/ Based on 2nd year stabilized NOI for income components;
Assumes 6% agent fee for condominium sales.
2/ Parking costs listed are for structural parking only.
Surface parking costs are included in base costs of improvements.

VIABILITY GAP BY COMPONENT

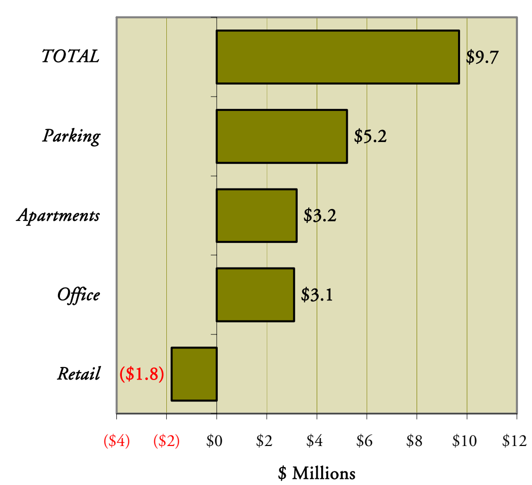


RENTAL APARTMENTS

	Cost	Value 1/	Value/Cost
Retail	$4,965,000	$7,792,000	157%
Office	$16,316,000	$15,345,000	94%
Apartments	$6,202,000	$3,216,000	52%
Parking 2/	$6,852,000	$1,375,000	20%
TOTAL	$34,335,000	$27,728,000	81%

1/ Based on 2nd year stabilized NOI for income components;
Assumes 6% agent fee for condominium sales.
2/ Parking costs listed are for structural parking only.
Surface parking costs are included in base costs of improvements.

VIABILITY GAP BY COMPONENT



Subsidized rental apartments, receiving Low Income Housing Tax Credits from the State of Oregon, would likely be more viable in light of current achievable lease rates in the area. Assuming 4% credits for a ten year period discounted at 12% per year, the program would have a current value equal to about a quarter of the cost of new construction.

Site I

Located in the Beaverton old town area, bordered on the north by 2nd Street; on the south by single-family dwellings; on the east by Lombard and on the west by Franklin Street. This site is strictly a residential, multi-family site.

The design concept for this site keeps surface parking in the center of the site and the multi-family buildings facing the street on the east and west ends. 2nd Street is a relatively heavily trafficked street, so the intention was to keep the buildings facing somewhat quieter residential streets.

Surface parking can be handled in an open configuration, or in small garages as indicated by the structure on the south. This is a fairly straight-forward approach to integrating larger scale housing development into an established residential neighborhood.

The current real market value for the approximately 2.5 acre parcel is $1.1 million, reflecting a price of $14.25 per square foot. As with the previous sites, the development program was tested as a rental apartment as well as a condominium development. As modeled, the program yielded a total of 80 residential units. Development cost would be $9.1 million as rental apartments, or $10.6 million as condominiums.

In this configuration, the condominium program generates a compelling return for the project, while the rental apartment project provides an inadequate return to support new construction in this format. The condominium program generates no need for gap assistance, while the rental apartment program would require a $2.9 million gap, equal to 32% of project cost.

Site J

This site is considered a "gateway" site on the east end of the Downtown Regional Center and is a very highly regarded "image" site for the City. The site is bordered on the north by the MAX light rail right-of-way; on the south by SW Canyon Road; on the east by the SR 217 off-ramp; and on the west by 114th Avenue.

The development scenario assumes a re-alignment of 114th Avenue, creating a smaller access road from Canyon onto 114th. This reconfiguration creates a small development parcel in the SW corner of the site and a single, larger parcel on the east side of 114th.

The smaller SW corner parcel is occupied by a single story retail building with surface parking. The eastern portion is occupied by multiple story office building with a small portion of ground-level retail. In order to support the parking needs of the office buildings, a 725 car parking structure is shown on the freeway side of the site.

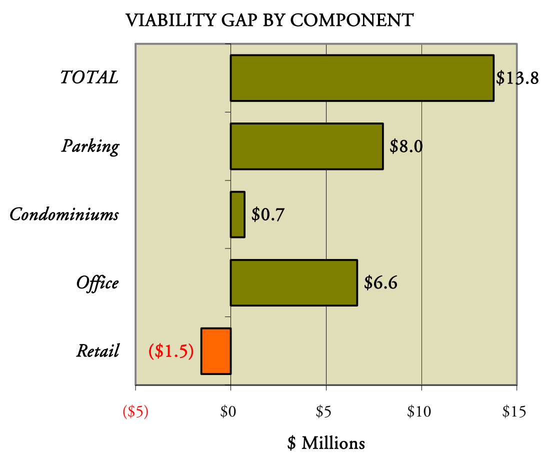
A large detention pond occupies the northern portion of the site. This pond could become an amenity feature for the office complex. Adjacent to the LRT tracks is proposed a multi family housing development with tuck-under and surface parking and site amenities.

The site is estimated at 8.45 acres in size, with a real market value of $4.2 million ($8.06 per square foot). The program modeled on this site would yield a total of 93 residential units, 22,900 square feet of retail space, 228,000 square feet of office space and a 630 stall parking garage.

The following is a summary of the financial returns associated with this scenario as modeled:

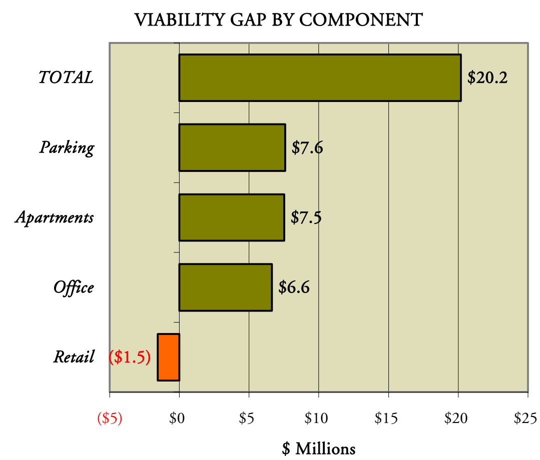
CONDOMINIUMS	Cost	Value 1/	Value/Cost
Retail	$3,011,000	$5,130,000	170%
Office	$44,061,000	$42,110,000	96%
Condominiums	$14,511,000	$14,149,000	98%
Parking 2/	$11,175,000	$3,600,000	32%
TOTAL	**$72,758,000**	**$64,989,000**	**89%**

1/ Based on 2nd year stabilized NOI for income components;
Assumes 6% agent fee for condominium sales.
2/ Parking costs listed are for main parking garage only.



RENTAL APARTMENTS	Cost	Value 1/	Value/Cost
Retail	$3,011,000	$5,248,000	174%
Office	$44,061,000	$43,448,000	99%
Apartments	$14,511,000	$7,478,000	52%
Parking 2/	$11,175,000	$4,117,000	37%
TOTAL	**$72,758,000**	**$60,291,000**	**83%**

1/ Based on 2nd year stabilized NOI for income components;
Assumes 6% agent fee for condominium sales.
2/ Parking costs listed are for main parking garage only.



As modeled, this project indicated a strong return for retail and a fair return for the condominium component. Other land uses were weak, particularly rental apartments and the structured parking garage. The average loaded costs of parking in this scenario were just under $15,000 per space, reflecting a mix of structured and surface spaces.

APPENDIX A: GLOSSARY OF TERMS

Capitalization Rate or Cap Rate – The rate of return used to derive the capital value of an income stream. The value of a real estate asset is commonly set on the basis of dividing net operating income (NOI) by a capitalization rate.

Debt Coverage Ratio – Defined as net operating income divided by annual debt service. This measure is often used as underwriting criteria for income property mortgage loans, and limits the amount of debt that can be borrowed. Standard minimum debt coverage ratios would be in the 1.20 to 1.30 range. A debt coverage ratio of 1.20 indicates that in your first year of stabilized occupancy, your net operating income (NOI, gross income less expenses) is equal to 120% of your debt service requirements (principal and interest).

Discounting – The process of estimating the present value of an income stream by reducing expected cash flow to reflect the time value of money. A Discount Rate is a compound interest rate used to convert future income to a present value. The higher the discount rate, the lower the present value of a future cash flow.

Equity – The interest or value that the owner has in real estate over and above the liens held against it.

Internal Rate of Return (IRR) – The true annual rate of earnings on an investment. Equates the value of cash returns with cash invested, considering the application of compound interest factors.

Modified Internal Rate of Return (MIRR) – Similar to an IRR, the MIRR considers both the cost of the investment and the interest received on reinvestment of cash. This measure of return recognizes that cash flows are reinvested at an alternative rate.

Net Operating Income (NOI) – Income from property after operating expenses have been deducted, but before deducting income taxes and financing expenses.

Net Present Value (NPV) – A method of determining whether expected performance of a proposed investment promises to be adequate. This measure discounts future cash flows into present dollars using a set discount rate.

Residual Value – The realized value of a fixed asset after costs associated with the sale. In this analysis, the residual value represents the capitalized value of the development at the end of the period less sales costs.

Return on Cost – Net operating income in the initial year, divided by total project cost. This measure is also commonly referred to as the going-in cap rate.

Return on Equity or Equity Yield Rate – The rate of return on the equity portion of an investment, taking into account periodic cash flow. In this analysis, the return on equity represents the initial rate of return, and is defined as the net cash flow after interest costs divided by the developer equity.

Return on Sales – Defined as net profit as a percent of net sales. This measure is most commonly used with for-sale development such as condominiums.

Tenant Improvements (TIs) – Those changes, typically to office, retail, or industrial property, to accommodate specific needs of a tenant. Include moving interior walls or partitions, carpeting or other floor covering, shelving, windows, toilets, etc. The cost of these is negotiated in the lease.

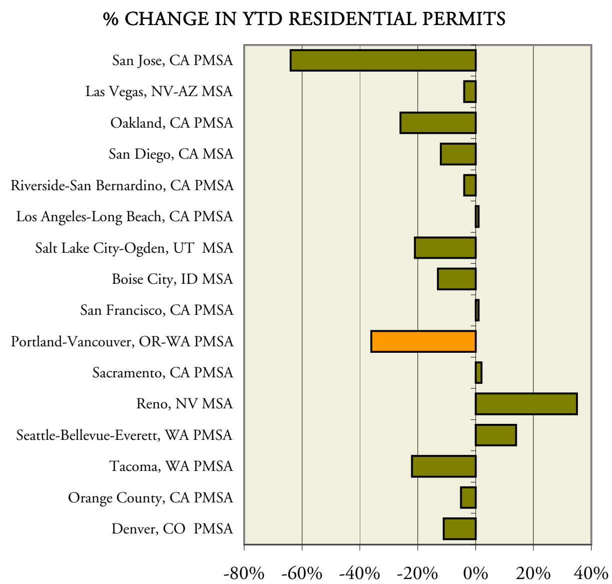
Triple-Net Lease – A lease in which the tenant is to pay all operating expenses of the property, the landlord receives a *net* rent. Operating expenses include taxes, utilities, insurance, repairs, janitorial services and license fees.

XII. APPENDIX B: DETAILED MARKET EXHIBITS

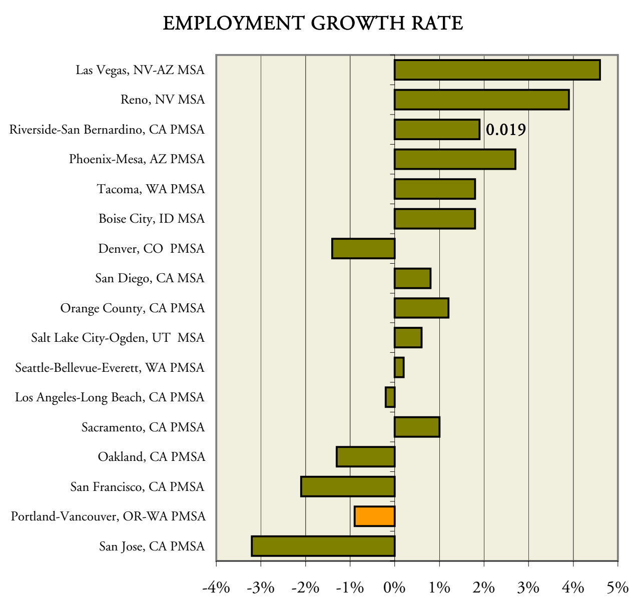
EXHIBIT 1.01

EMPLOYMENT AND MIGRATION TRENDS
MAJOR WESTERN METROPOLITAN AREAS

BUILDING PERMITS Metropolitan Area	YTD Febuary 2004	YTD % Change
Denver, CO PMSA	2.44	-11%
Orange County, CA PMSA	1.90	-5%
Tacoma, WA PMSA	0.66	-22%
Seattle-Bellevue-Everett, WA PMSA	2.50	14%
Reno, NV MSA	1.01	35%
Sacramento, CA PMSA	3.02	2%
Portland-Vancouver, OR-WA PMSA	**1.66**	**-36%**
San Francisco, CA PMSA	0.32	1%
Boise City, ID MSA	0.96	-13%
Salt Lake City-Ogden, UT MSA	1.36	-21%
Los Angeles-Long Beach, CA PMSA	3.57	1%
Riverside-San Bernardino, CA PMSA	6.17	-4%
San Diego, CA MSA	2.46	-12%
Oakland, CA PMSA	1.37	-26%
Las Vegas, NV-AZ MSA	6.01	-4%
San Jose, CA PMSA	0.58	-64%



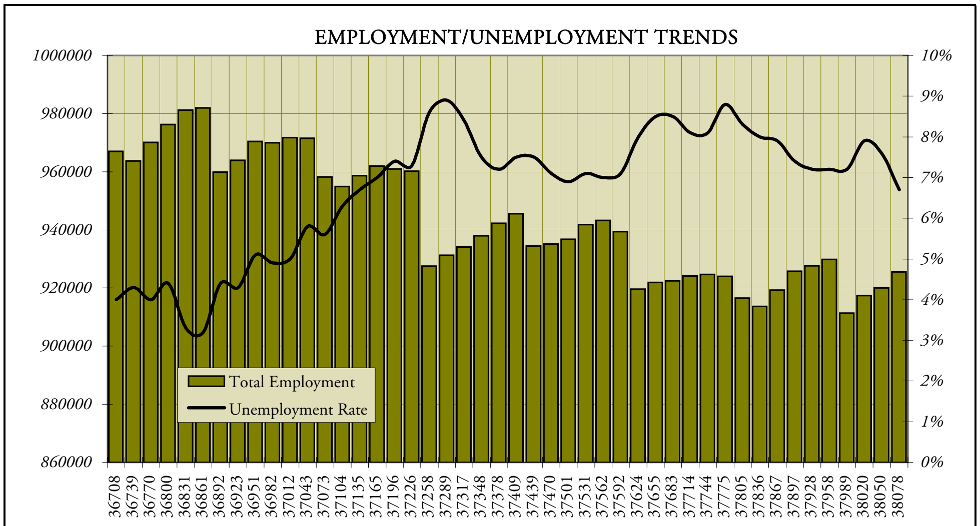
NON-AG EMPLOYMENT Metropolitan Area	Growth Rate Jan03-Jan04	Net Growth 000s
San Jose, CA PMSA	-3.2%	-28.0
Portland-Vancouver, OR-WA PMSA	**-0.9%**	**-9.0**
San Francisco, CA PMSA	-2.1%	-20.0
Oakland, CA PMSA	-1.3%	-13.0
Sacramento, CA PMSA	1.0%	8.0
Los Angeles-Long Beach, CA PMSA	-0.2%	7.0
Seattle-Bellevue-Everett, WA PMSA	0.2%	3.0
Salt Lake City-Ogden, UT MSA	0.6%	4.0
Orange County, CA PMSA	1.2%	17.0
San Diego, CA MSA	0.8%	10.0
Denver, CO PMSA	-1.4%	-16.0
Boise City, ID MSA	1.8%	4.0
Tacoma, WA PMSA	1.8%	5.0
Phoenix-Mesa, AZ PMSA	2.7%	43.0
Riverside-San Bernardino, CA PMSA	1.9%	21.0
Reno, NV MSA	3.9%	8.0
Las Vegas, NV-AZ MSA	4.6%	37.0

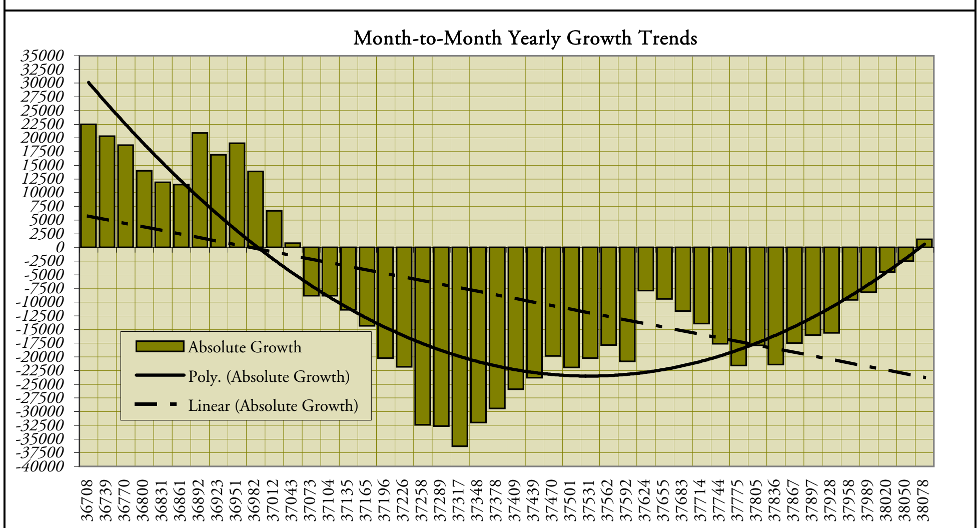


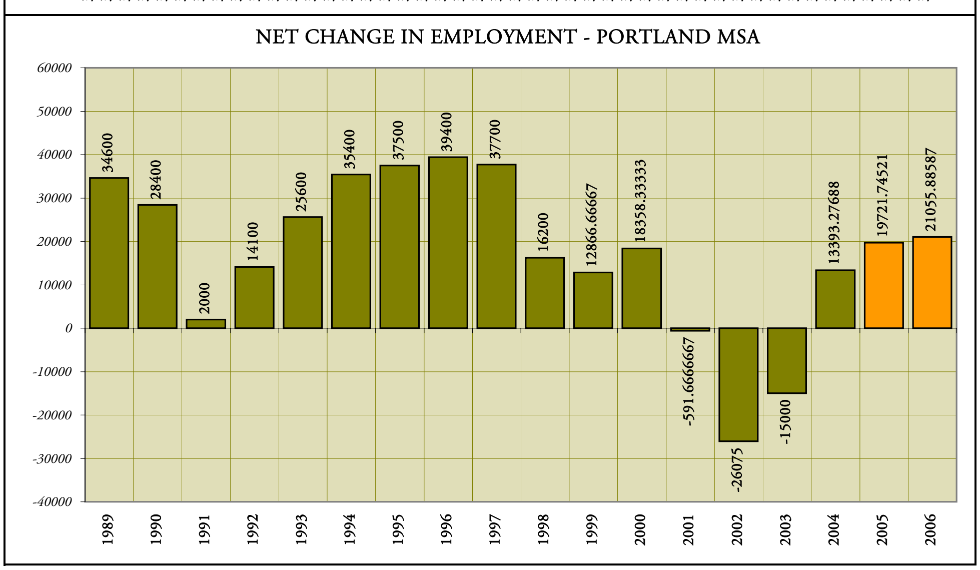
Source: National Asociation of Home Builders and Johnson Gardner

EXHIBIT 1.02

HISTORIC EMPLOYMENT GROWTH PATTERNS
PORTLAND-VANCOUVER PMSA



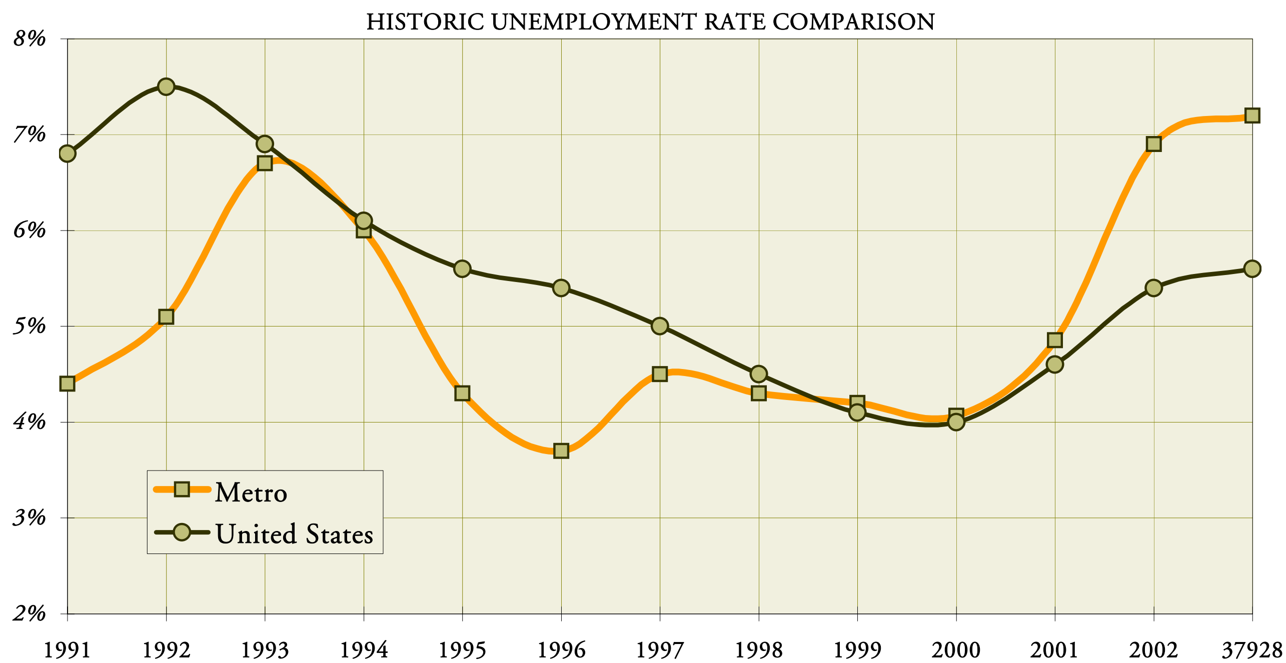


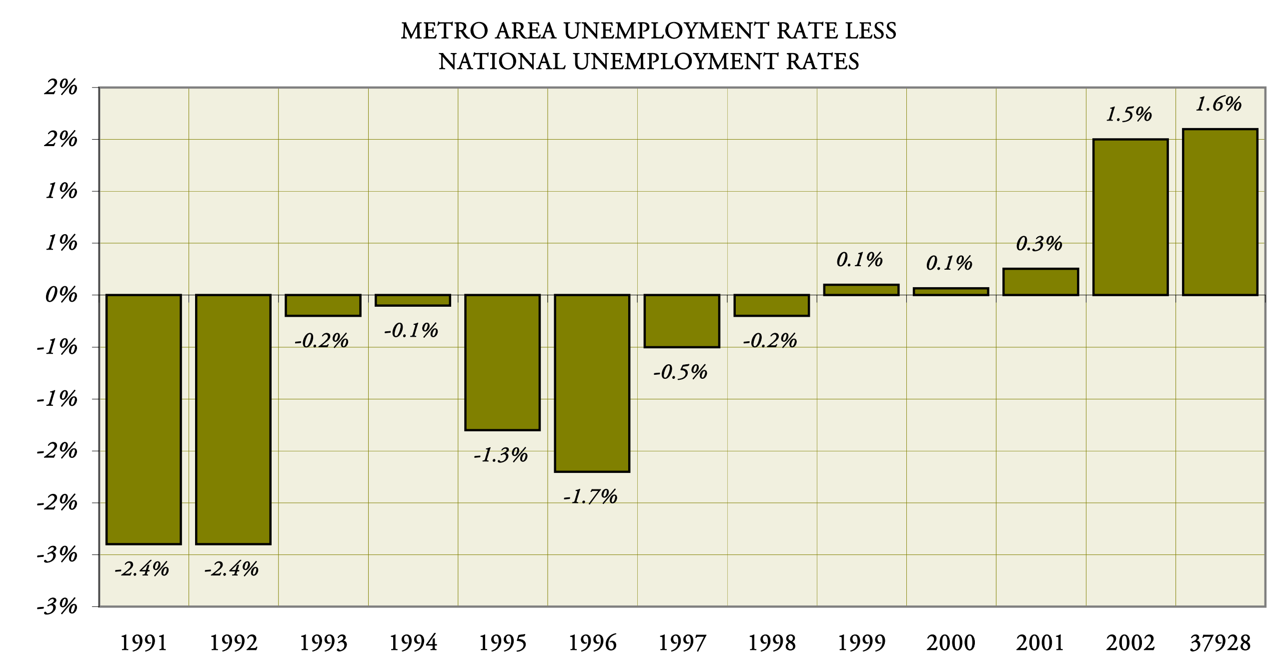


SOURCE: Oregon Labor Market Information System

EXHIBIT 1.03

HISTORIC UNEMPLOYMENT RATE TRENDS
PORTLAND-VANCOUVER PMSA





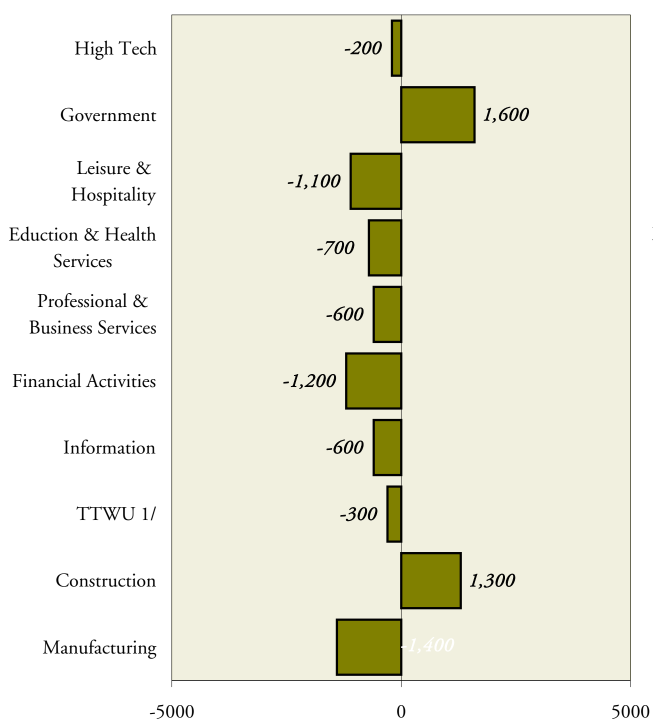
Negative values indicate that Portland -Vancouver's unemployment rate was lower than the national average.

EXHIBIT 1.04

EMPLOYMENT BY INDUSTRY
PORTLAND-VANCOUVER PMSA

INDUSTRY	Nov-02		Nov-03	
	Employment	% Growth	Employment	% Growth
TOTAL NONFARM EMPLOYMENT	943,200	--	927,600	-1.7%
Manufacturing	121,500	--	117,400	-3.4%
Construction	53,100	--	50,900	-4.1%
Transportation, Warehousing, Utilities	192,200	--	188,700	-1.8%
Information	24,300	--	23,900	-1.6%
Financial Activities	65,700	--	66,100	0.6%
Professional & Business Services	120,400	--	119,200	-1.0%
Eduction & Health Services	113,800	--	115,500	1.5%
Leisure & Hospitality	83,200	--	80,600	-3.1%
Government	132,900	--	129,200	-2.8%
High Tech	36,300	--	34,200	-5.8%

ABSOLUTE GROWTH



PERCENT GROWTH

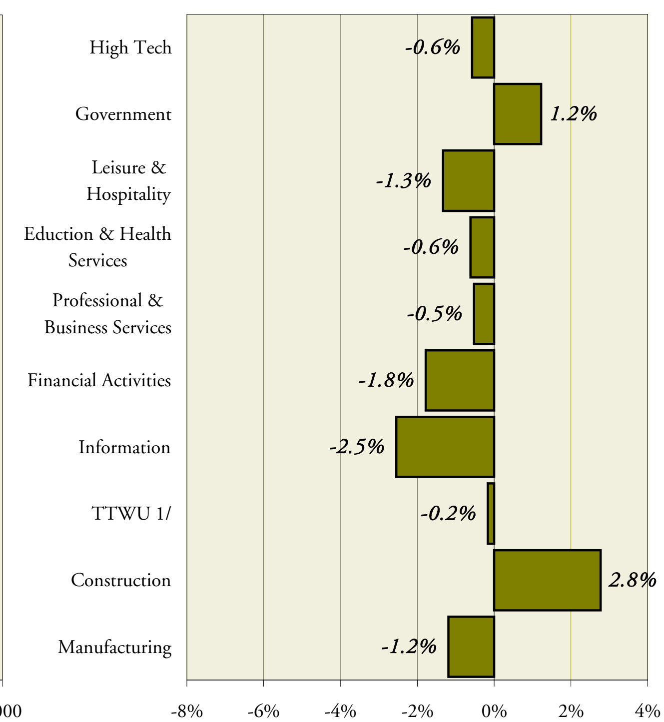
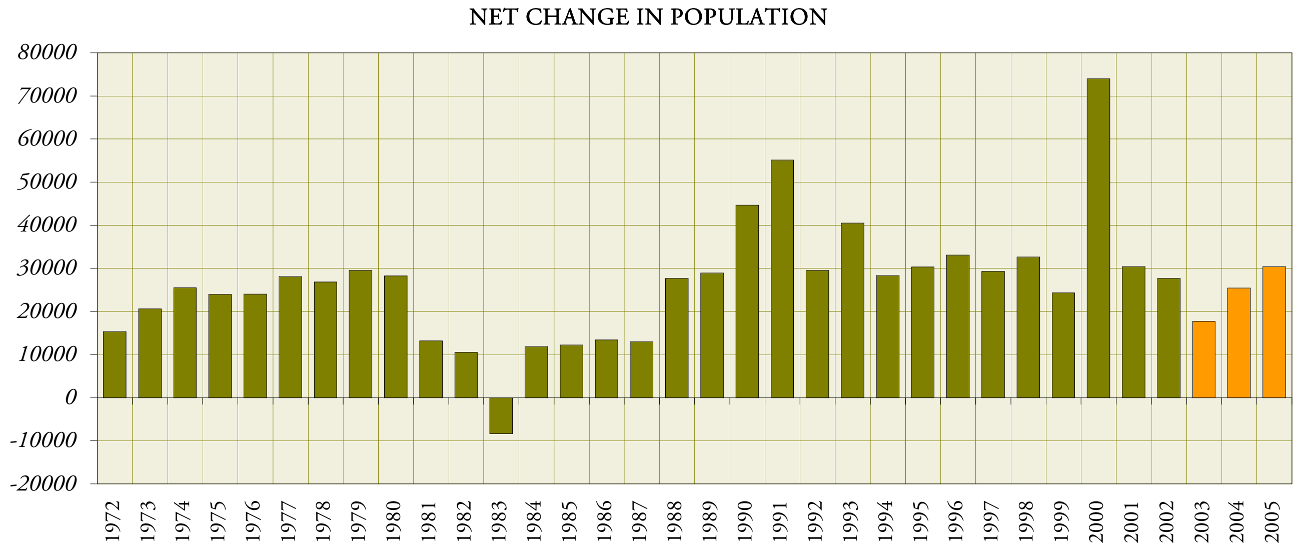
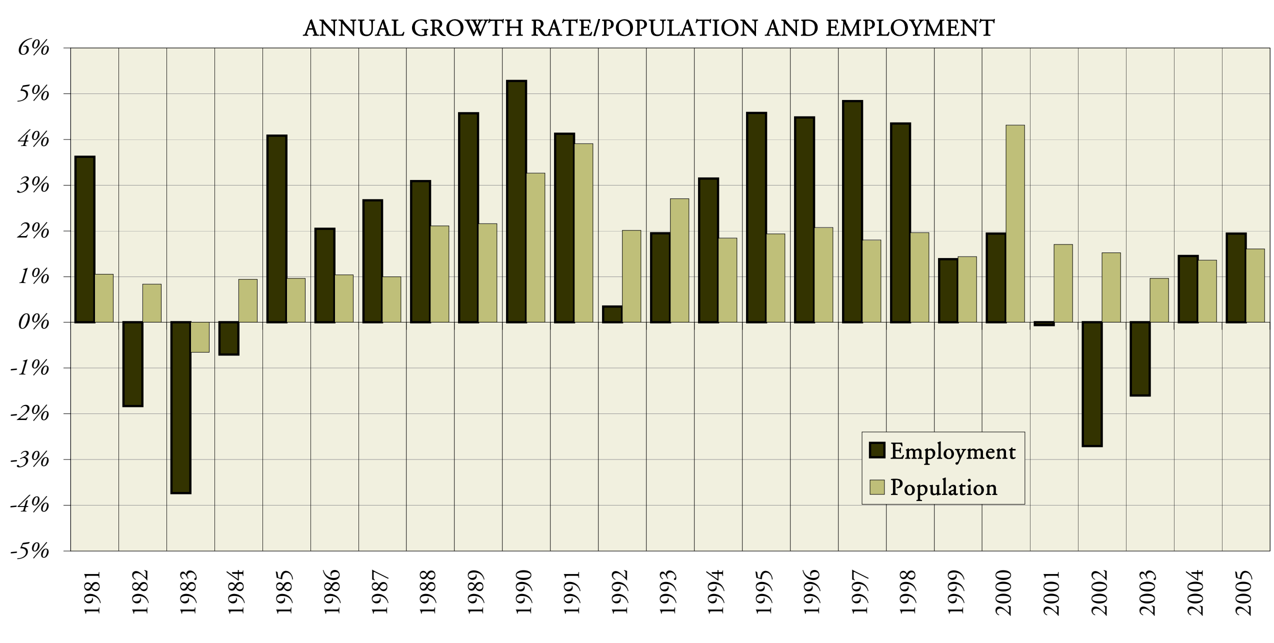


EXHIBIT 1.05

HISTORICAL POPULATION GROWTH
PORTLAND METROPOLITAN AREA





*Reflects 2000 Census; updated historical data not yet available.

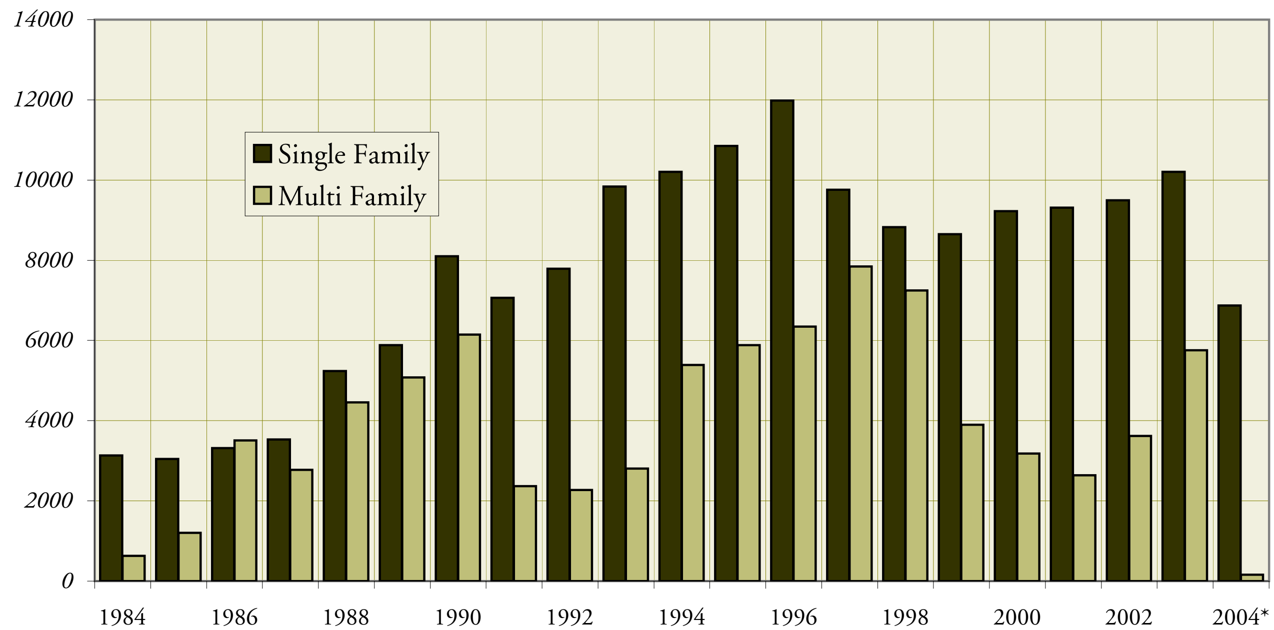
SOURCE: Center for Population Research and Census, State of Washington Office of Finance, and Johnson Gardner

EXHIBIT 1.06

HISTORIC RESIDENTIAL PERMIT TRENDS
CLACKAMAS, CLARK, MULTNOMAH, & WASHINGTON COUNTIES

	Clackamas		Clark		Multnomah		Washington	
	S.F.	M.F.	S.F.	M.F.	S.F.	M.F.	S.F.	M.F.
1995	1,605	1,347	2,948	758	1,645	1,171	4,654	2,611
1996	1,922	1,037	3,599	837	1,764	2,401	4,698	2,075
1997	1,938	1,123	3,504	1,385	1,703	2,692	2,614	2,648
1998	1,560	455	3,352	1,043	1,859	4,026	2,058	1,720
1999	1,839	598	2,929	671	1,473	2,010	2,407	620
2000	1,743	522	2,917	920	1,420	1,171	3,144	566
2001	1,712	257	2,732	307	1,688	1,208	3,182	870
2002	1,519	312	3,111	653	1,718	1,564	3,149	1,087
*2003	1,490	95	3,320	804	1,570	3,268	2,972	1,112
2004	200	3	325	0	209	23	412	1

RESIDENTIAL PERMIT ACTIVITY



* 2003 data include permit activity through November. The graph above includes permitting projections for December of 2003
SOURCE: Bureau of the Census and Johnson Gardner
*2004 data include permit activity through Feb.

EXHIBIT 1.07

GENERAL DEMOGRAPHIC PROFILE
PRIMARY TRADE AREA

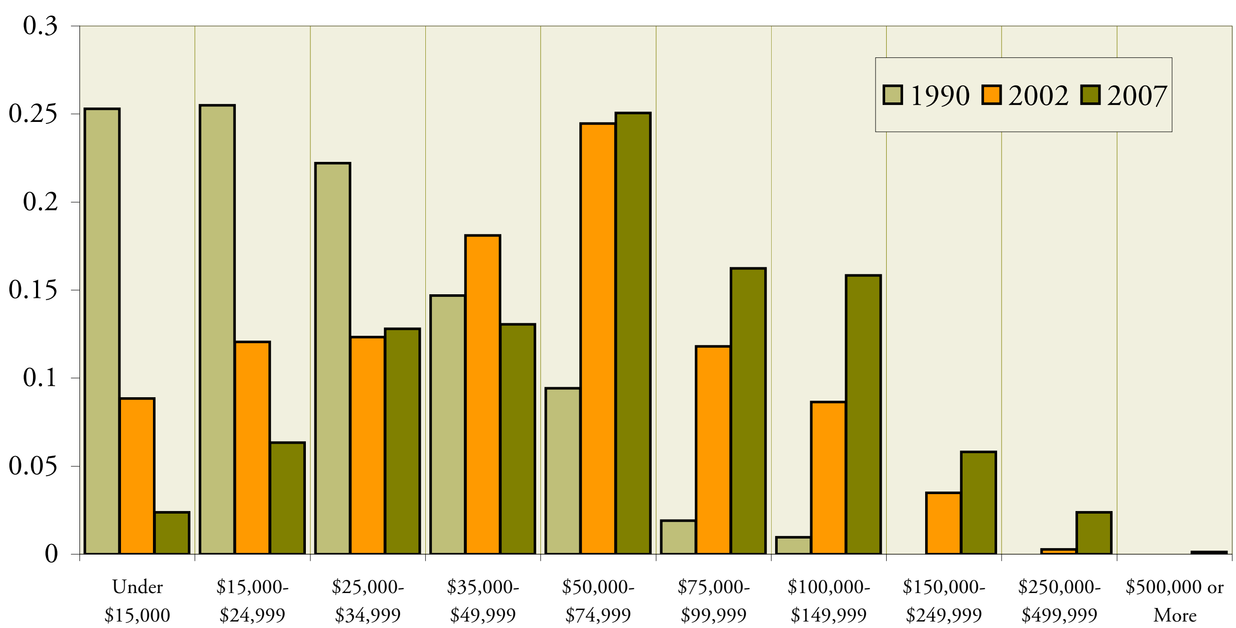
Population, Households, Families, and Year-Round Housing Units

	1990 (Census)	2002 (Est.)	Growth Rate 90-02	2007 (Proj.)	Growth Rate 02-07
Population	2,923	3,550	1.6%	3,874	0.7%
Households	1,429	1,466	0.2%	1,584	0.6%
Families	671	725	0.6%	765	0.4%
Housing Units	1,501	1,569	0.4%	1,595	0.1%
Household Size	2.03	2.35	1.2%	2.42	0.2%

Income

	1989 (Census)	2002 (Est.)	Growth Rate 89-02	2007 (Proj.)	Growth Rate 02-07
Per Capita ($)	$14,209	$21,239	3.1%	$24,657	3.0%
Average HH ($)	$29,064	$51,431	4.5%	$60,304	3.2%

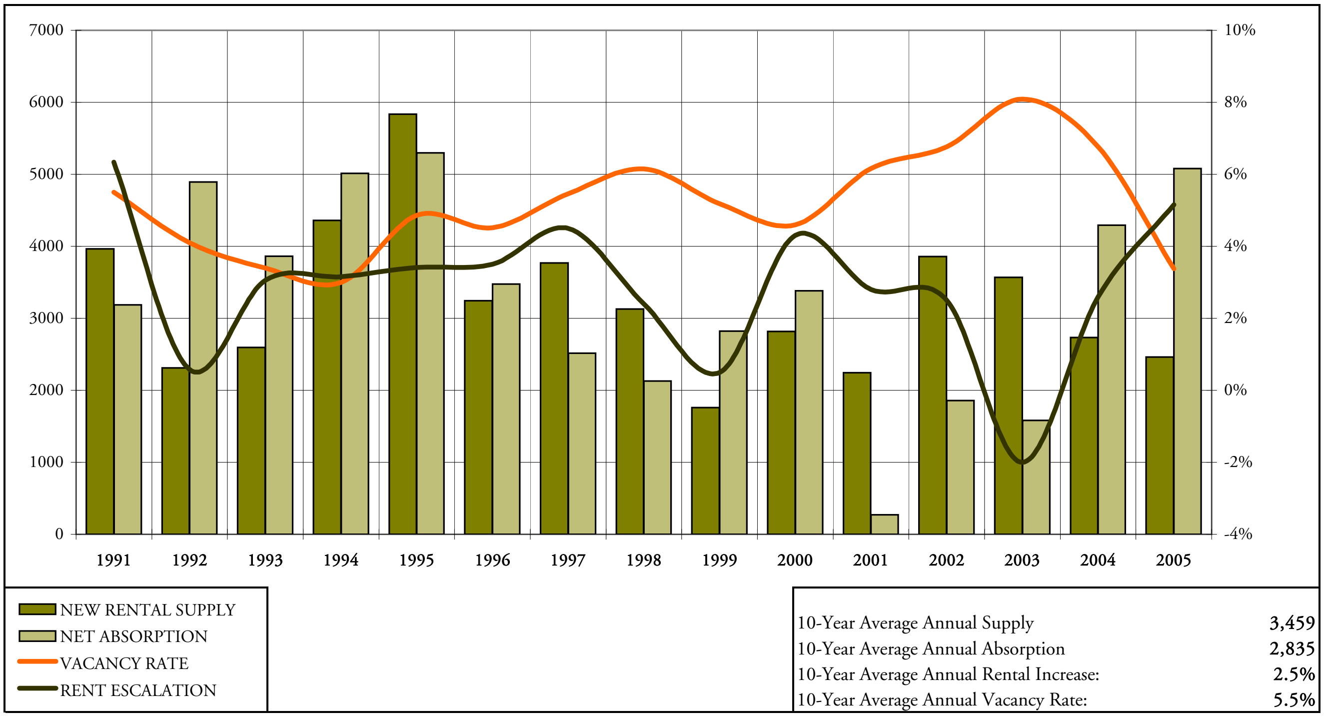
Distribution of Households by Annual Income (2002)



Source: Claritas and Johnson Gardner

EXHIBIT 2.01

RENTAL APARTMENT MARKET TRENDS - MARKET RATE UNITS
PORTLAND/VANCOUVER METROPOLITAN AREA
TEN-YEAR SUMMARY/TWO-YEAR FORECAST



10-Year Average Annual Supply	3,459
10-Year Average Annual Absorption	2,835
10-Year Average Annual Rental Increase:	2.5%
10-Year Average Annual Vacancy Rate:	5.5%

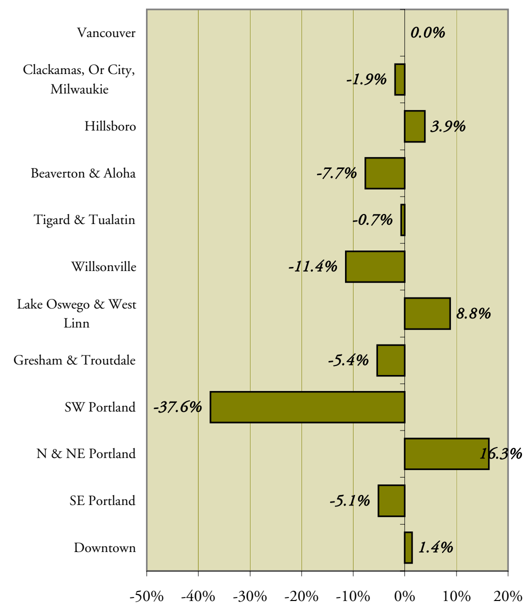
SOURCE: Johnson Gardner

EXHIBIT 2.02

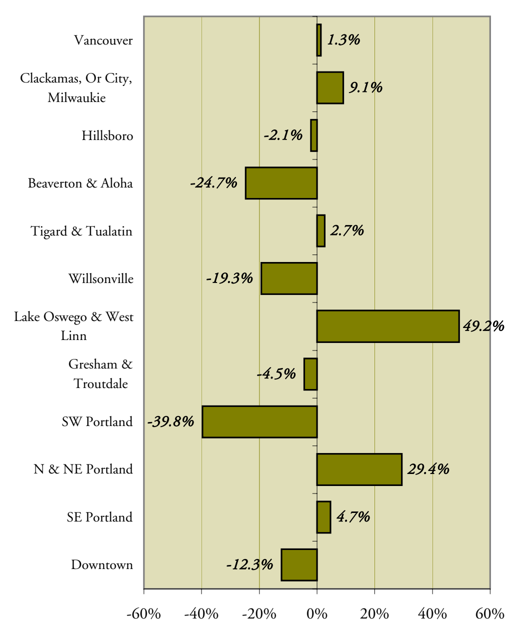
ANNUALIZED RENT TRENDS
PORTLAND-VANCOUVER METROPOLITAN AREA

	AVERAGE RENT 1Q03 *	AVERAGE RENT 1Q04	PERCENT CHANGE
Overall			
Downtown	$1,063	$1,078	1.41%
SE Portland	$720	$683	-5.14%
N & NE Portland	$621	$722	16.26%
SW Portland	$1,097	$684	-37.65%
Gresham & Troutdale	$689	$652	-5.37%
Lake Oswego & West Linn	$821	$893	8.77%
Willsonville	$821	$727	-11.45%
Tigard & Tualatin	$702	$697	-0.71%
Beaverton & Aloha	$770	$711	-7.66%
Hillsboro	$770	$800	3.90%
Clackamas, Or City, Milwaukie	$694	$681	-1.87%
Vancouver	$689	$689	0.00%
Overall	$748	$746	-0.27%
New Units			
Downtown	$943	$827	-12.30%
SE Portland	$767	$803	4.69%
N & NE Portland	$694	$898	29.39%
SW Portland	$991	$597	-39.76%
Gresham & Troutdale	$693	$662	-4.47%
Lake Oswego & West Linn	$882	$1,316	49.21%
Willsonville	$882	$712	-19.27%
Tigard & Tualatin	$783	$804	2.68%
Beaverton & Aloha	$850	$640	-24.71%
Hillsboro	$850	$832	-2.12%
Clackamas, Or City, Milwaukie	$707	$771	9.05%
Vancouver	$746	$756	1.34%
Overall	$772	$768	-0.52%
Seasoned Units			
Downtown	$1,103	$1,109	0.54%
SE Portland	$702	$671	-4.42%
N & NE Portland	$598	$685	14.55%
SW Portland	$1,361	$694	-49.01%
Gresham & Troutdale	$620	$650	4.84%
Lake Oswego & West Linn	$790	$861	8.99%
Willsonville	$790	$733	-7.22%
Tigard & Tualatin	$662	$686	5.00%
Beaverton & Aloha	$731	$716	-2.05%
Hillsboro	$731	$793	8.48%
Clackamas, Or City, Milwaukie	$689	$677	-1.74%
Vancouver	$652	$678	3.99%
Overall	$723	$743	-0.65%
Metro Area Total	$748	$746	-0.27%

AVERAGE RENT TREND
OVERALL MARKET



AVERAGE RENT TREND
NEW UNITS

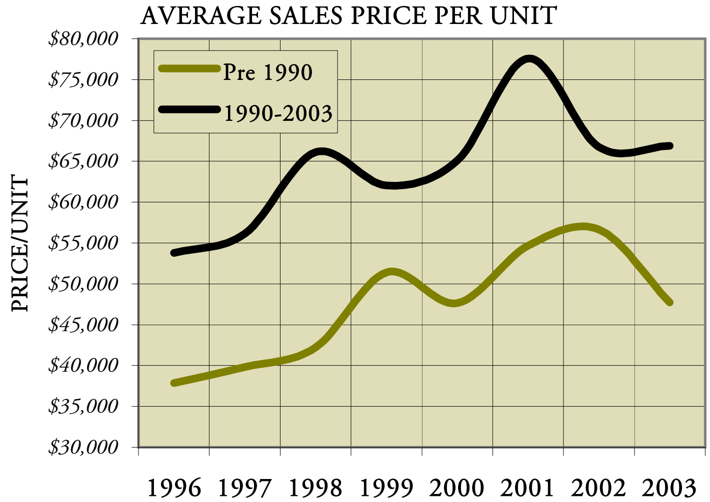


* These number are not a representative comparison to previous quarters as the market areas have been redifined for the 1st Quarter 1994.
SOURCE: Norris Beggs & Simpson

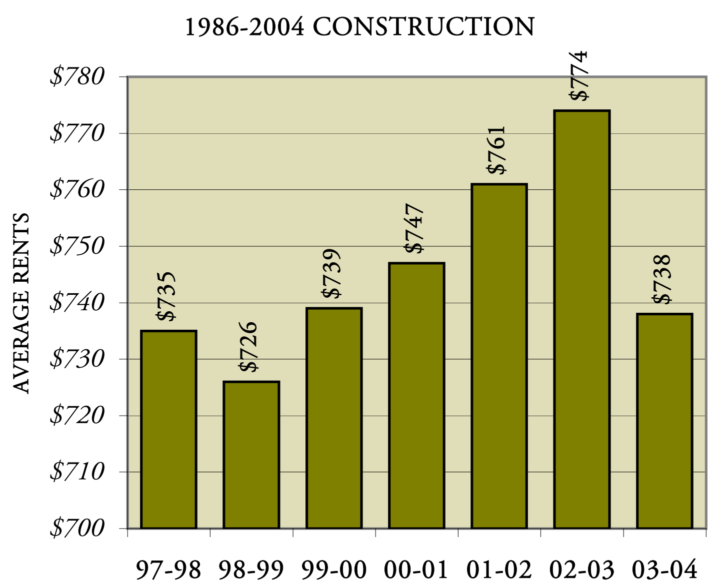
EXHIBIT 2.03

AVERAGE PRICE/UNIT FOR APARTMENT SALES
1996-2003

Year	Average Price/Unit
PRE 1990 CONSTRUCTION	
1996	$37,867
1997	$39,812
1998	$42,212
1999	$51,418
2000	$47,642
2001	$54,689
2002	$56,628
2003	$47,709
1990-2003 CONSTRUCTION	
1996	$53,772
1997	$56,121
1998	$66,099
1999	$62,048
2000	$65,103
2001	$77,574
2002	$66,741
2003	$66,899



Period	Average Rent for 2 Bedroom Units
PRE 1986 CONSTRUCTION	
97-98	$735
98-99	$726
99-00	$739
00-01	$747
01-02	$761
02-03	$774
03-04	$738
1986-2003 CONSTRUCTION	
97-98	$735
98-99	$726
99-00	$739
00-01	$747
01-02	$761
02-03	$774
03-04	$738

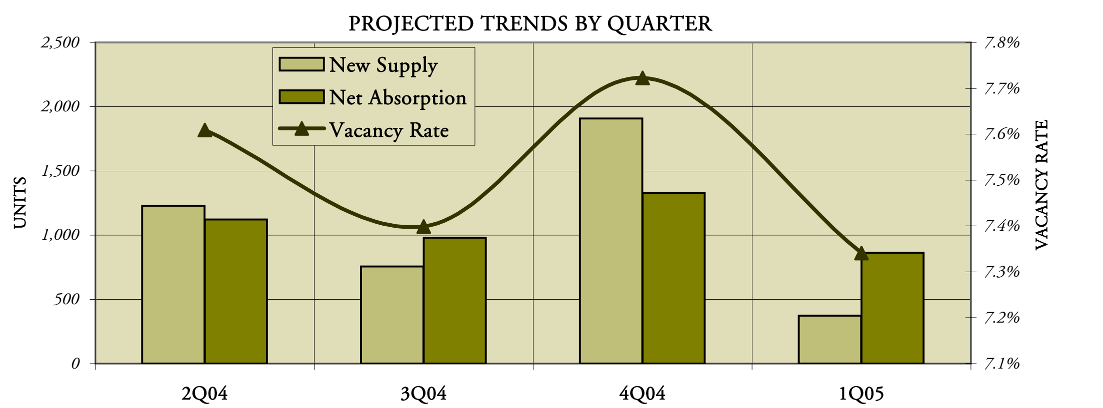


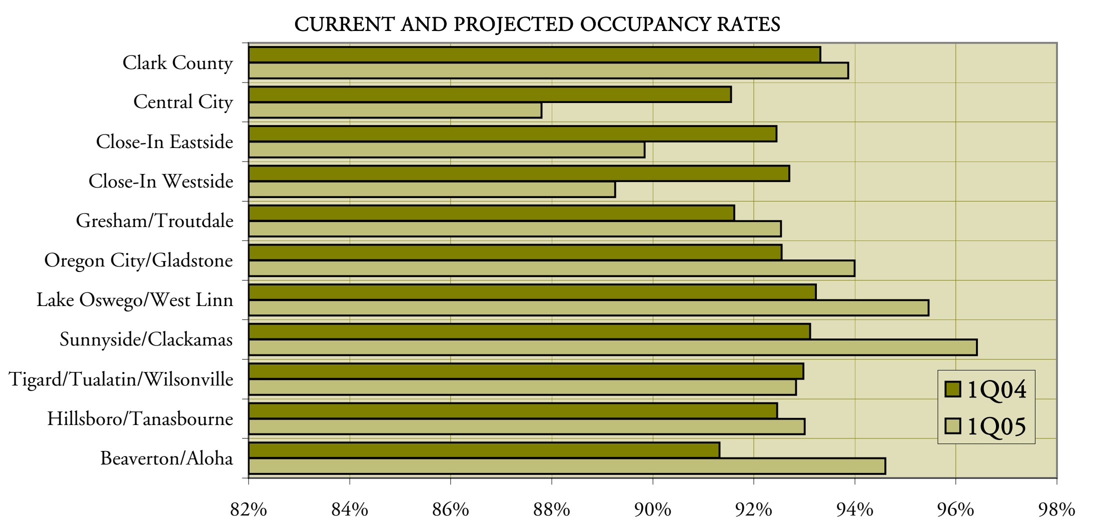
SOURCE: Norris & Stevens and Johnson Gardner

EXHIBIT 2.04

CURRENT AND PROJECTED CONDITIONS
PORTLAND-VANCOUVER MARKET-RATE RENTAL APARTMENTS
15+ Unit Complexes

Submarket	1Q04 Inventory	1Q04 Occupancy	New Supply	Net Absorption	1Q05 Inventory	1Q05 Occupancy
Beaverton/Aloha	16,977	91.3%	0	557	16,977	94.6%
Hillsboro/Tanasbourne	14,879	92.5%	426	478	15,305	93.0%
Tigard/Tualatin/Wilsonville	12,903	93.0%	302	261	13,205	92.8%
Sunnyside/Clackamas	5,313	93.1%	0	175	5,313	96.4%
Lake Oswego/West Linn	4,921	93.2%	10	119	4,931	95.5%
Oregon City/Gladstone	7,237	92.6%	0	104	7,237	94.0%
Gresham/Troutdale	20,738	91.6%	380	544	21,118	92.5%
Close-In Westside	9,761	92.7%	855	427	10,616	89.3%
Close-In Eastside	12,289	92.5%	960	541	13,249	89.8%
Central City	6,112	91.6%	855	521	6,967	87.8%
Clark County	20,885	93.3%	479	565	21,364	93.9%
Metro Area Total	132,015	92.4%	4,267	4,294	136,282	92.7%





SOURCE: Johnson Gardner

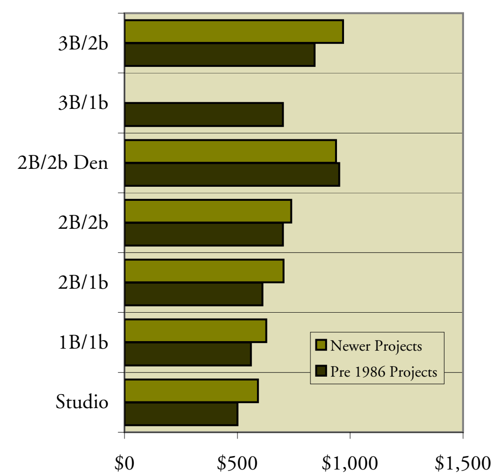
EXHIBIT 2.05

SUBMARKET TRENDS
BEAVERTON/ALOHA RENTAL APARTMENT MARKET
FIRST QUARTER, 2004

Norris & Stevens

Product Age / *Unit Type*	Average Rent/Unit	Average S.F./Unit	Average Rent/S.F.
Beaverton - Newer Projects			
Studio	$591	484	$1.22
1B/1b	$628	696	$0.90
2B/1b	$704	899	$0.78
2B/2b	$739	963	$0.77
2B/2b Den	$937	1,132	$0.83
3B/1b	--	--	--
3B/2b	$969	1,237	$0.78
Beaverton - Pre 1986			
Studio	$501	429	$1.17
1B/1b	$561	667	$0.84
2B/1b	$611	885	$0.69
2B/2b	$703	976	$0.72
2B/2b Den	$952	1,047	$0.91
3B/1b	$703	984	$0.71
3B/2b	$843	1,203	$0.70

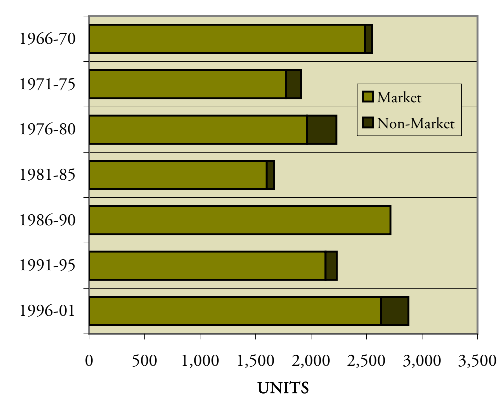
AVERAGE MONTHLY RENT



Johnson Gardner

Year Built	Market Rate Units	Non-Market Units	% Non-Market
1996-01	2,633	247	8.6%
1991-95	2,130	104	4.7%
1986-90	2,716	0	0.0%
1981-85	1,600	68	4.1%
1976-80	1,964	268	12.0%
1971-75	1,773	138	7.2%
1966-70	2,485	66	2.6%
1961-65	510	0	0.0%
<1961	521	0	0.0%
Total in Survey	16,332	891	5.2%

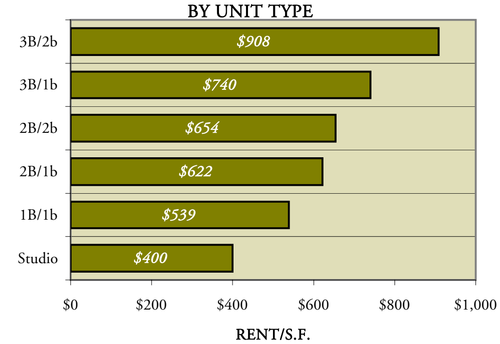
UNITS BY YEAR BUILT



Norris Beggs & Simpson

New Construction Unit Type	Average Rent/Unit	Average Size S.F.	Average Rent/S.F.
Studio	$400	404	$0.99
1B/1b	$539	642	$0.84
2B/1b	$622	889	$0.70
2B/2b	$654	1,038	$0.63
3B/1b	$740	987	$0.75
3B/2b	$908	1,261	$0.72
Weighted Average	$640	853	$0.75

AVERAGE RENT
BY UNIT TYPE



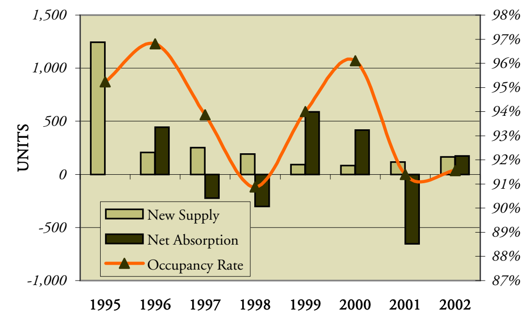
SOURCE: Norris & Stevens, Marathon Management, Norris Beggs & Simpson and Johnson Gardner

EXHIBIT 2.06

SUBMARKET TRENDS
BEAVERTON/ALOHA RENTAL APARTMENT MARKET
FIRST QUARTER, 2004

HISTORICAL TRENDS

Year	Year End Inventory 1/	Net Additions 2/	Net Absorption	Occupied Units	Occupancy Rate
1995	*15,392*	1,243	--	14,658	95.2%
1996	*15,599*	206	443	15,101	96.8%
1997	*15,850*	251	-223	14,879	93.9%
1998	*16,040*	190	-301	14,577	90.9%
1999	*16,132*	92	588	15,165	94.0%
2000	*16,215*	83	418	15,583	96.1%
2001	*16,332*	117	-655	14,928	91.4%
2002	*16,495*	163	174	15,101	91.6%
2003	*16,924*	429	221	15,322	90.5%



OCCUPANCY FORECAST

Quarter	Inventory	Net Additions	Net Absorption	Occupied Units	Occupancy Rate
4Q03	16,977	--	--	15,503	91.3%
1Q04	16,977	0	140	15,643	92.1%
2Q04	16,977	0	140	15,783	93.0%
3Q04	16,977	0	140	15,923	93.8%
4Q04	16,977	0	140	16,063	94.6%

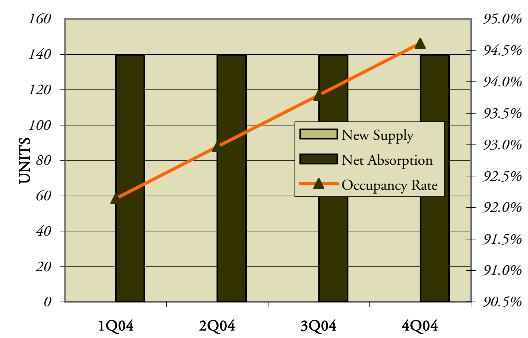
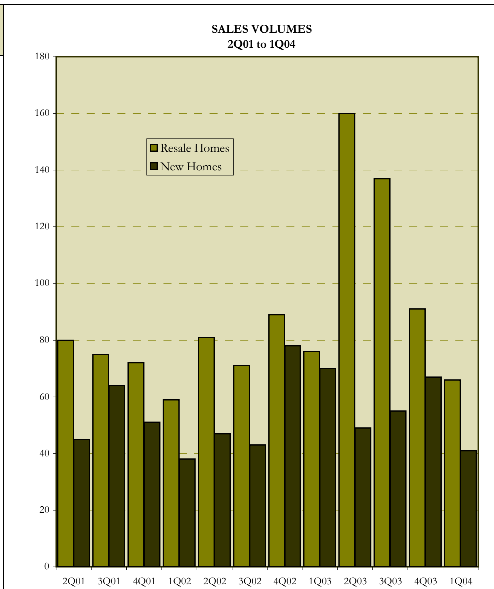


EXHIBIT 3.01

ATTACHED HOME SALES TRENDS
BEAVERTON
First Quarter, 2004

Sales Volume Trends

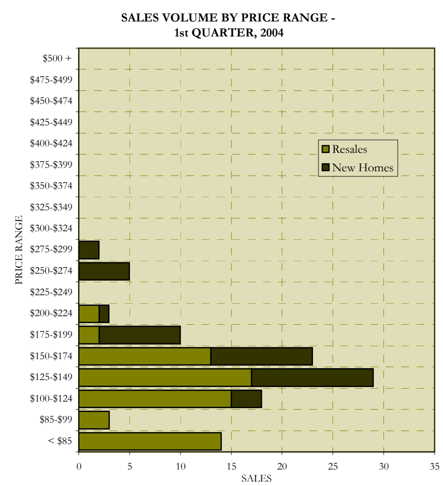
Quarter	Sales Volume New	Sales Volume Resale	Rate of Change New	Rate of Change Resale
1Q97	36	998	--	--
2Q97	69	1,824		
3Q97	63	1,718		
4Q97	69	1,697	---	---
1Q98	65	1,421	81%	42%
3Q98	22	47		
4Q98	53	60	141%	28%
1Q99	31	48	-42%	-20%
2Q99	30	74	-3%	54%
3Q99	20	76	-33%	3%
4Q99	13	46	-35%	-39%
1Q00	11	76	-15%	65%
#REF	20	59	82%	-22%
3Q00	36	55	80%	-7%
4Q00	9	60	-75%	9%
1Q01	29	75	222%	25%
2Q01	45	80	55%	7%
3Q01	64	75	42%	-6%
4Q01	51	72	-20%	-4%
1Q02	38	59	-25%	-18%
2Q02	47	81	24%	37%
3Q02	43	71	-9%	-12%
4Q02	78	89	81%	25%
1Q03	70	76	-10%	-15%
2Q03	49	160	-30%	111%
3Q03	55	137	12%	-14%
4Q03	67	91	22%	-34%
1Q04	41	66	-39%	-27%



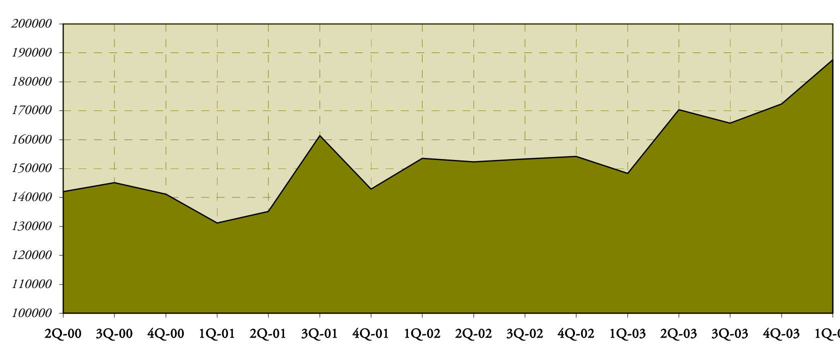
Attached Home Sales

Price Range	1Q-04 New	1Q-04 Resales	YTD Total Sales New	YTD Total Sales Resales
Under $85,000	0	14	0	65
$85,000 - $99,999	0	3	0	66
$100,000 - $124,999	3	15	14	106
$125,000 - $149,999	12	17	97	154
$150,000 - $174,999	10	13	111	106
$175,000 - $199,999	8	2	33	24
$200,000 - $224,999	1	2	10	5
$225,000 - $249,999	0	0	5	1
$250,000 - $274,999	5	0	6	0
$275,000 - $299,999	2	0	3	2
$300,000 - $324,999	0	0	3	1
$325,000 - $349,999	0	0	0	0
$350,000 - $374,999	0	0	0	0
$375,000 - $399,999	0	0	0	0
$400,000 - $424,999	0	0	0	0
$425,000 - $449,999	0	0	0	0
$450,000 - $474,999	0	0	0	0
$475,000 - $499,999	0	0	0	0
$500,000 & Over	0	0	0	0
Total	41	66	282	530

Average Sales Price (All Sales) *$132,175*
Average Sales Price (New Construction) *$187,574*



AVERAGE SALES PRICE/NEW CONSTRUCTION



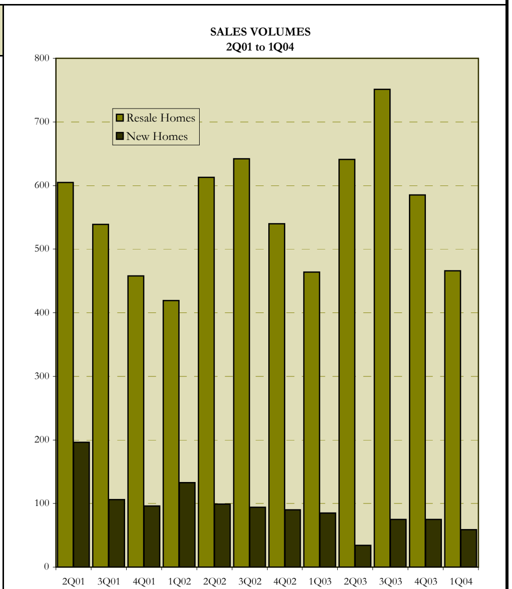
SOURCE: RMLS & Johnson Gardner LLC

EXHIBIT 3.02

SINGLE FAMILY HOME SALES TRENDS
BEAVERTON
First Quarter, 2004

Sales Volume Trends

Quarter	Sales Volume New	Sales Volume Resale	Rate of Change New	Rate of Change Resale
1Q97	36	998	--	--
2Q97	69	1,824		
3Q97	63	1,718		
4Q97	69	1,697	---	---
1Q98	65	1,421	81%	42%
3Q98	70	430		
4Q98	123	556	76%	29%
1Q99	131	423	7%	-24%
2Q99	132	629	1%	49%
3Q99	125	628	-5%	0%
4Q99	124	474	-1%	-25%
1Q00	71	391	-43%	-18%
#REF	95	568	34%	45%
3Q00	149	746	57%	31%
4Q00	155	461	4%	-38%
1Q01	234	629	51%	36%
2Q01	196	605	-16%	-4%
3Q01	106	539	-46%	-11%
4Q01	96	458	-9%	-15%
1Q02	133	419	39%	-9%
2Q02	99	613	-26%	46%
3Q02	94	642	-5%	5%
4Q02	90	540	-4%	-16%
1Q03	85	464	-6%	-14%
2Q03	34	641	-60%	38%
3Q03	75	751	121%	17%
4Q03	75	585	0%	-22%
1Q04	59	466	-21%	-20%

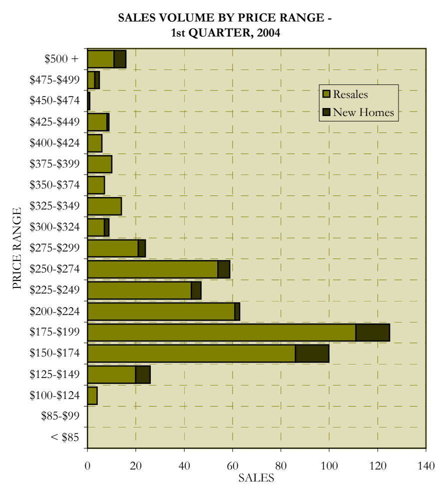


Single Family Home Sales

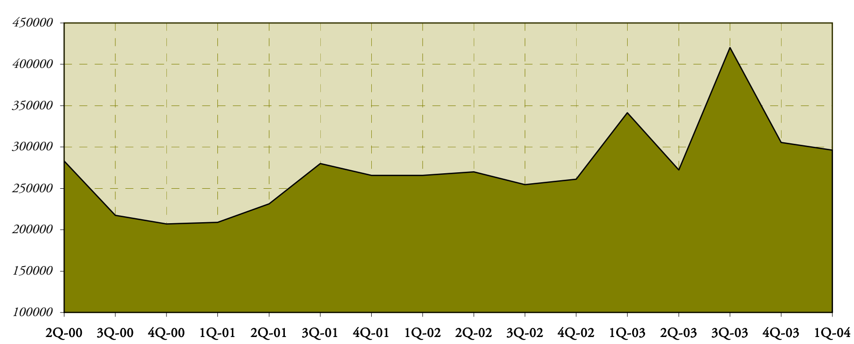
Price Range	1Q-04 New	1Q-04 Resales	YTD Total Sales New	YTD Total Sales Resales
Under $85,000	0	0	0	3
$85,000 - $99,999	0	0	0	2
$100,000 - $124,999	0	4	1	33
$125,000 - $149,999	6	20	24	188
$150,000 - $174,999	14	86	91	594
$175,000 - $199,999	14	111	60	638
$200,000 - $224,999	2	61	26	341
$225,000 - $249,999	4	43	16	295
$250,000 - $274,999	5	54	30	234
$275,000 - $299,999	3	21	18	148
$300,000 - $324,999	2	7	8	100
$325,000 - $349,999	0	14	7	78
$350,000 - $374,999	0	7	4	55
$375,000 - $399,999	0	10	6	49
$400,000 - $424,999	0	6	1	32
$425,000 - $449,999	1	8	6	23
$450,000 - $474,999	1	0	2	14
$475,000 - $499,999	2	3	2	6
$500,000 & Over	5	11	26	74
Total	59	466	328	2,907

Average Sales Price (All Sales) *$278,969*

Average Sales Price (New Construction) *$296,265*



AVERAGE SALES PRICE/NEW CONSTRUCTION



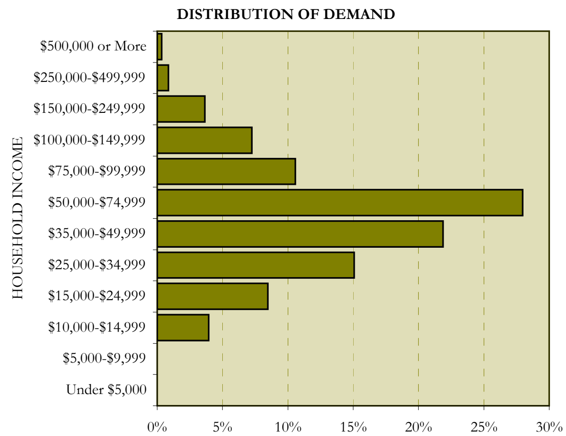
SOURCE: RMLS & Johnson Gardner LLC

EXHIBIT 3.03

PROJECTED DEMAND FOR OWNERSHIP HOUSING
BEAVERTON
First Quarter, 2004 through First Quarter, 2005

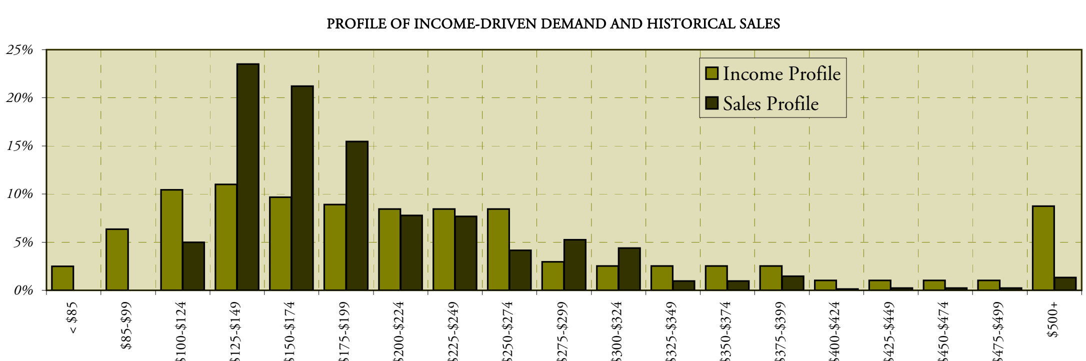
Profile of Demand by Household Income

Household Income	Net Growth	Turnover Demand	Demand Profile Total	Demand Profile %
Under $5,000	0	0	0	0.0%
$5,000-$9,999	0	0	0	0.0%
$10,000-$14,999	51	91	143	3.9%
$15,000-$24,999	111	196	307	8.5%
$25,000-$34,999	197	350	547	15.1%
$35,000-$49,999	286	508	794	21.9%
$50,000-$74,999	366	649	1,015	28.0%
$75,000-$99,999	138	245	384	10.6%
$100,000-$149,999	95	168	263	7.3%
$150,000-$249,999	48	85	133	3.7%
$250,000-$499,999	11	20	31	0.9%
$500,000 or More	4	8	12	0.3%
Total	1,308	2,318	3,629	100.0%



Projected Demand for New Housing by Price Range

Price Range ($000s)	Previous Volume Detached	Previous Volume Attached	Previous Volume Total	Projected Volume Detached	Projected Volume Attached	Projected Volume Total	% Change from Previous Year Detached	% Change from Previous Year Attached	% Change from Previous Year Total
< $85	0	0	0	8	0	8	---	---	---
$85-$99	0	0	0	21	0	21	---	---	---
$100-$124	1	40	41	2	81	83	109%	103%	103%
$125-$149	83	110	193	114	152	266	38%	38%	38%
$150-$174	138	36	174	189	50	239	37%	39%	38%
$175-$199	125	2	127	178	3	181	42%	50%	42%
$200-$224	64	0	64	104	0	104	63%	---	63%
$225-$249	63	0	63	103	0	103	63%	---	63%
$250-$274	34	0	34	68	0	68	101%	---	101%
$275-$299	43	0	43	61	0	61	42%	---	42%
$300-$324	36	0	36	51	0	51	42%	---	42%
$325-$349	8	0	8	18	0	18	122%	---	122%
$350-$374	8	0	8	18	0	18	122%	---	122%
$375-$399	12	0	12	23	0	23	88%	---	88%
$400-$424	1	0	1	5	0	5	355%	---	355%
$425-$449	2	0	2	6	0	6	187%	---	187%
$450-$474	2	0	2	6	0	6	187%	---	187%
$475-$499	2	0	2	6	0	6	187%	---	187%
$500+	10	1	11	38	4	42	277%	300%	279%
Total	632	189	821	1,018	290	1,308	61%	53%	59%



1/ Based upon sales volume over the previous twelve months and demand projections for the next twelve months.

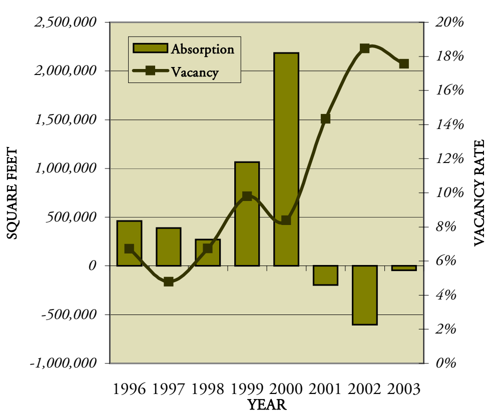
SOURCE: RMLS & Johnson Gardner LLC

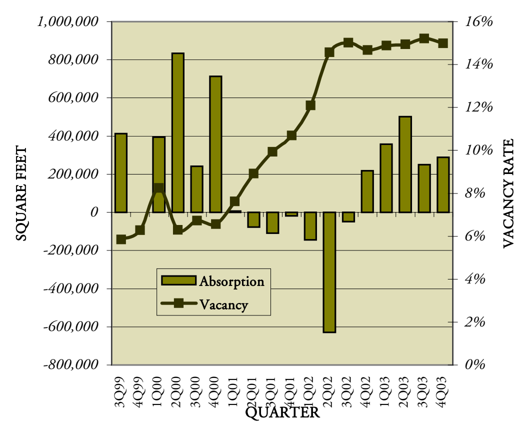
EXHIBIT 4.01

OVERVIEW OF SPECULATIVE OFFICE TRENDS
PORTLAND-VANCOUVER METROPOLITAN AREA

	Speculative Inventory	New Construction	Inventory Adjustments	Net Absorption	Vacancy Direct	Vacancy Sublease	Vacancy Direct	Vacancy Total
QUARTERLY TRENDS								
3Q99	29,584,698	0	366,251	412,296	2,135,882	409,036	5.84%	8.60%
4Q99	30,605,883	604,626	416,559	345	2,618,911	379,179	6.28%	9.80%
1Q00	30,933,551	25,756	301,912	394,190	2,550,095	455,808	8.24%	9.72%
2Q00	31,351,072	212,561	204,960	833,256	1,972,267	400,999	6.29%	7.57%
3Q00	31,832,663	17,050	400,519	242,556	2,142,311	453,053	6.73%	8.15%
4Q00	32,730,586	624,182	321,747	713,794	2,147,450	597,772	6.56%	8.39%
1Q01	32,941,994	438,751	-111,377	6,640	2,509,205	707,816	7.62%	9.77%
2Q01	33,710,268	138,254	11,555	-76,655	3,005,616	1,125,153	8.92%	12.25%
3Q01	34,155,456	138,254	273,934	-108,055	3,390,705	987,472	9.93%	12.82%
4Q01	34,409,553	1,291,328	-1,217,190	-17,539	3,679,427	1,250,141	10.69%	14.33%
1Q02	34,999,469	847,852	-257,936	-144,112	4,231,657	1,108,883	12.09%	15.26%
2Q02	35,080,628	495,691	-414,532	-629,491	5,111,066	1,138,101	14.57%	17.81%
3Q02	35,045,583	200,049	-235,094	-48,723	5,262,891	1,084,924	15.02%	18.11%
4Q02	35,462,274	255,715	160,976	218,251	5,205,244	1,343,797	14.68%	18.47%
1Q03	55,011,671	94,482	19,454,915	356,909	8,187,068	1,659,693	14.88%	17.90%
2Q03	56,487,133	82,180	1,393,282	502,454	8,437,692	1,285,207	14.94%	17.21%
3Q03	57,326,424	317,935	-317,935	250,741	8,720,214	1,276,799	15.21%	17.44%
4Q03	58,803,398	384,648	1,092,326	288,418	8,812,347	1,517,690	14.99%	17.57%
BREAKOUT BY CLASS								
Class A	26,014,174	316,679	153,974	154,646	3,089,738	877,077	11.88%	15.25%
Class B	21,194,586	67,969	709,311	152,281	3,883,214	496,373	18.32%	20.66%
Class C	11,594,638	0	229,041	-18,509	1,839,395	144,240	15.86%	17.11%
Total	58,803,398	384,648	1,092,326	288,418	8,812,347	1,517,690	14.99%	17.57%

NET ABSORPTION AND VACANCY RATE TRENDS

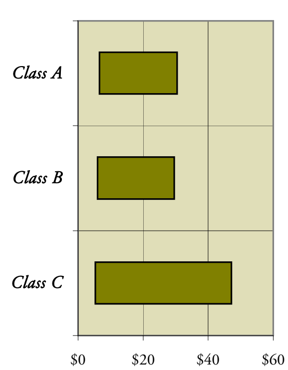


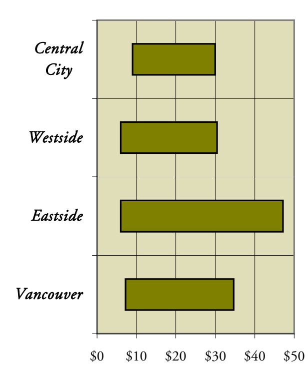


QUOTED RENT RANGES

BY CLASS	Low	High
Class A	$6.60	$30.50
Class B	$6.00	$29.62
Class C	$5.32	$47.22
Total	$5.32	$47.22

BY AREA	Low	High
Central City	$9.00	$30.03
Westside	$6.00	$30.50
Eastside	$6.00	$47.22
Vancouver	$7.20	$34.75





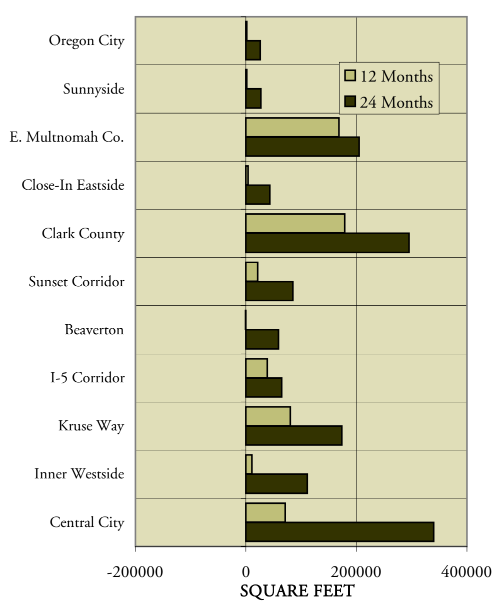
SOURCE: CoStar and Johnson Gardner

EXHIBIT 4.02

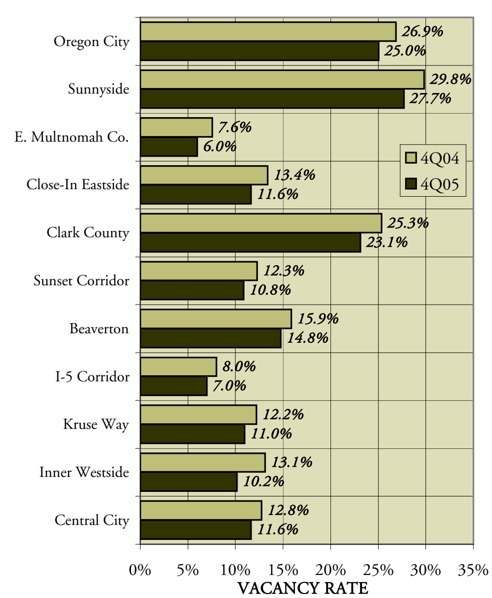
PROJECTED DEMAND BY SUBREGION AND SUBMARKET
PORTLAND-VANCOUVER METROPOLITAN AREA

Subregion	4th Quarter 2003		New Supply		Forecasted Demand		Projected Vacancy Rate	
Submarket	Speculative Inventory	Vacancy Rate	1Q04-4Q04	1Q05-4Q05	1Q04-4Q04	1Q05-4Q05	4Q04	4Q05
Central City	**24,162,298**	**13.1%**	**0**	**0**	**70,950**	**268,578**	**12.8%**	**11.6%**
CBD	19,731,054	12.7%	0	0	56,859	215,134	12.4%	11.3%
CBD Perimeter	2,119,457	13.1%	0	0	6,237	23,610	12.8%	11.7%
Lloyd District	2,311,787	16.3%	0	0	7,854	29,834	16.0%	14.7%
Inner Westside	**2,689,352**	**13.5%**	**0**	**23,000**	**10,705**	**100,137**	**13.1%**	**10.2%**
Barbur Blvd	1,200,581	14.5%	0	23,000	4,997	99,711	14.1%	7.5%
Johns Landing	1,045,785	14.9%	0	0	4,440	333	14.5%	14.5%
Sylvan	442,986	7.6%	0	0	1,268	94	7.3%	7.3%
Kruse Way/Washington Sq.	**7,360,702**	**12.8%**	**41,815**	**0**	**80,595**	**92,699**	**12.2%**	**11.0%**
Kruse Way	1,988,313	8.8%	41,815	0	74,215	18,628	7.0%	6.1%
Tigard	2,400,213	8.3%	0	0	2,074	23,854	8.2%	7.2%
Washington Square	2,972,176	19.1%	0	0	4,307	50,216	19.0%	17.3%
I-5 South Corridor	**2,642,211**	**8.8%**	**18,417**	**0**	**38,643**	**26,082**	**8.0%**	**7.0%**
Lake Oswego/West Linn	856,076	12.1%	0	0	1,026	9,948	12.0%	10.8%
Tualatin/Wilsonville	1,786,135	8.7%	18,417	0	37,616	16,134	7.5%	6.6%
Beaverton/217 Corridor	**5,319,295**	**15.9%**	**0**	**0**	**-860**	**59,711**	**15.9%**	**14.8%**
Beaverton/Cedar Hills	2,421,807	21.3%	0	0	-482	33,588	21.3%	19.9%
Beaverton-Hillsdale/Canyon	2,897,488	11.3%	0	0	-378	26,123	11.3%	10.4%
Sunset Corridor/Hillsboro	**4,430,017**	**12.8%**	**0**	**0**	**21,416**	**63,804**	**12.3%**	**10.8%**
Clark County	**5,170,578**	**27.6%**	**81,670**	**0**	**178,792**	**116,525**	**25.3%**	**23.1%**
Vancouver CBD	1,504,523	23.8%	51,670	0	108,773	28,200	19.4%	17.6%
Suburban	3,666,055	29.2%	30,000	0	70,020	88,325	27.9%	25.5%
Close-In Eastside	**2,247,195**	**13.5%**	**0**	**0**	**3,766**	**39,333**	**13.4%**	**11.6%**
Close-In Northeast	1,341,099	5.1%	0	0	1,355	13,915	5.0%	4.0%
Close-In Southeast	906,096	26.0%	0	0	2,411	25,419	25.8%	23.0%
E. Multnomah Co.	**2,260,105**	**11.6%**	**84,293**	**0**	**168,363**	**36,522**	**7.6%**	**6.0%**
Airport Way	556,409	23.1%	0	0	1,050	17,706	22.9%	19.7%
Gresham	352,256	19.5%	84,293	0	166,285	1,917	-3.0%	-3.5%
I-205 Corridor	1,351,440	4.7%	0	0	1,028	16,898	4.6%	3.4%
Sunnyside	**1,190,441**	**30.0%**	**0**	**0**	**1,807**	**25,287**	**29.8%**	**27.7%**
Oregon City/Milwaukie	**1,331,204**	**27.0%**	**0**	**0**	**1,383**	**24,209**	**26.9%**	**25.0%**
Metropolitan Area Total	**58,803,398**	**15.0%**	**226,195**	**23,000**	**575,560**	**852,888**	**14.3%**	**12.9%**

PROJECTED ABSORPTION BY SUBREGION



PROJECTED VACANCY RATE BY SUBREGION



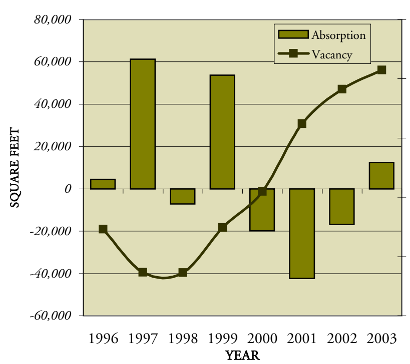
SOURCE: Johnson Gardner

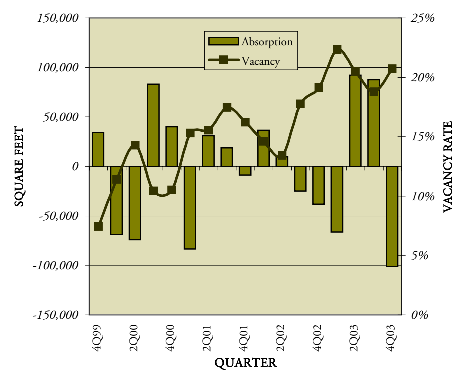
EXHIBIT 4.03

OVERVIEW OF SUBMARKET TRENDS
BEAVERTON SUBREGION

	Speculative Inventory	New Construction	Inventory Adjustments	Net Absorption	Vacancy Direct	Vacancy Sublease	Vacancy Direct	Vacancy Total
QUARTERLY TRENDS								
1Q98	1,668,600	26,000	--	1,134	60,077	44,468	3.60%	6.27%
2Q98	1,685,600	17,000	0	12,022	48,055	34,514	2.85%	4.90%
3Q98	1,703,860	0	18,260	-21,325	69,380	32,696	4.07%	5.99%
3Q99	1,703,860	0	-69,636	14,575	62,926	41,929	3.69%	6.15%
4Q99	1,840,889	72,000	65,029	34,283	100,643	36,153	5.47%	7.43%
1Q00	1,843,117	0	2,228	-68,775	169,418	40,787	9.19%	11.40%
2Q00	1,876,082	0	32,965	-74,182	243,600	24,135	12.98%	14.27%
3Q00	1,876,082	0	0	83,106	160,494	34,922	8.55%	10.42%
4Q00	2,005,922	42,000	87,840	39,981	174,101	36,428	8.68%	10.50%
1Q01	2,005,922	0	0	-83,258	257,359	49,624	12.83%	15.30%
2Q01	2,015,922	0	10,000	30,986	226,373	86,998	11.23%	15.54%
3Q01	2,034,922	19,000	0	18,667	226,706	128,414	11.14%	17.45%
4Q01	1,984,912	0	-50,010	-8,688	235,394	86,591	11.86%	16.22%
1Q02	1,988,409	0	3,497	36,458	198,936	91,252	10.00%	14.59%
2Q02	1,988,409	0	0	9,633	189,303	77,450	9.52%	13.42%
3Q02	2,053,591	140,821	-75,639	-24,794	322,331	42,037	15.70%	17.74%
4Q02	2,053,591	0	0	-38,047	360,378	32,142	17.55%	19.11%
1Q03	4,920,004	0	2,866,413	-66,271	945,659	153,516	19.22%	22.34%
2Q03	5,169,731	0	249,727	92,277	972,600	85,406	18.81%	20.47%
3Q03	5,167,708	0	-2,023	87,749	882,264	87,613	17.07%	18.77%
4Q03	5,319,295	0	151,587	-101,256	844,164	258,389	15.87%	20.73%
BREAKOUT BY CLASS								
Class A	3,319,092	0	141,489	-130,607	510,085	224,347	15.37%	22.13%
Class B	1,572,758	0	0	28,903	267,508	17,288	17.01%	18.11%
Class C	427,445	0	10,098	448	66,571	16,754	15.57%	19.49%
Total	5,319,295	0	151,587	-101,256	844,164	258,389	15.87%	20.73%
BREAKOUT BY SUBMARKET								
Cedar Hills/S.S.Corr	2,421,807	0	159,489	-112,770	515,741	225,894	21.30%	30.62%
BH/Canyon	2,897,488	0	-7,902	11,514	328,423	32,495	11.33%	12.46%
		0						
Total	5,319,295	0	151,587	-101,256	844,164	258,389	15.87%	20.73%

NET ABSORPTION AND VACANCY RATE TRENDS

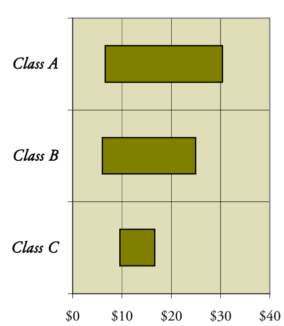


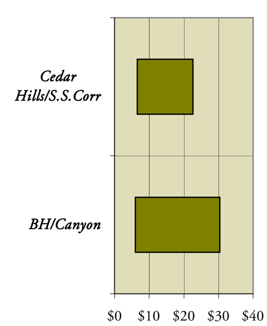


QUOTED RENT RANGES

BY CLASS	Low	High
Class A	$6.60	$30.50
Class B	$6.00	$25.00
Class C	$9.60	$16.75
Total	$6.00	$30.50

BY SUBMARKET	Low	High
Cedar Hills/S.S.Corr	$6.60	$22.75
BH/Canyon	$6.00	$30.50
Total	$6.00	$30.50



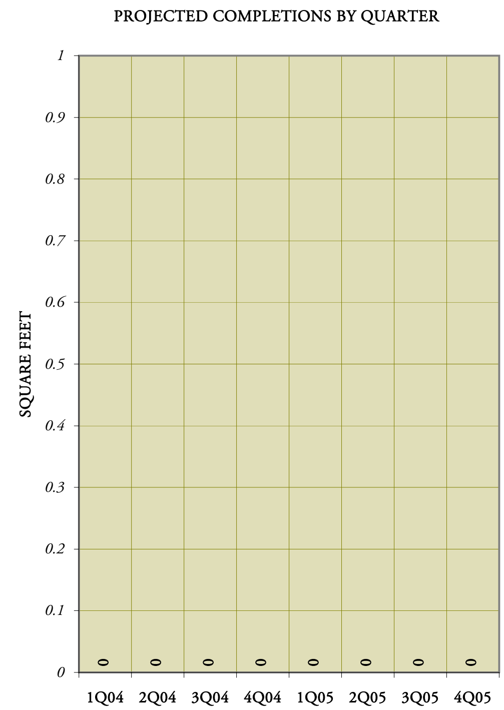


SOURCE: CoStar and Johnson Gardner

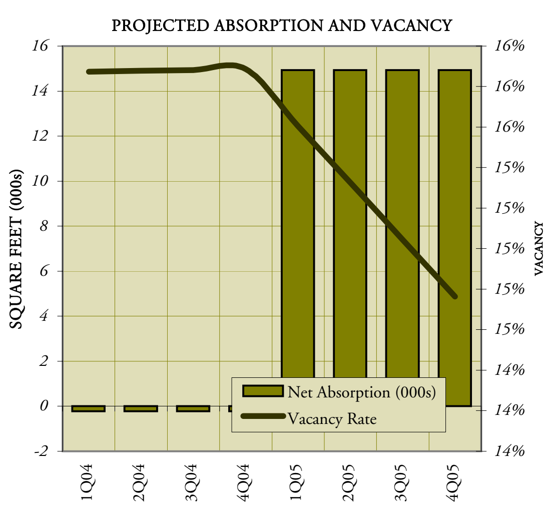
EXHIBIT 4.04

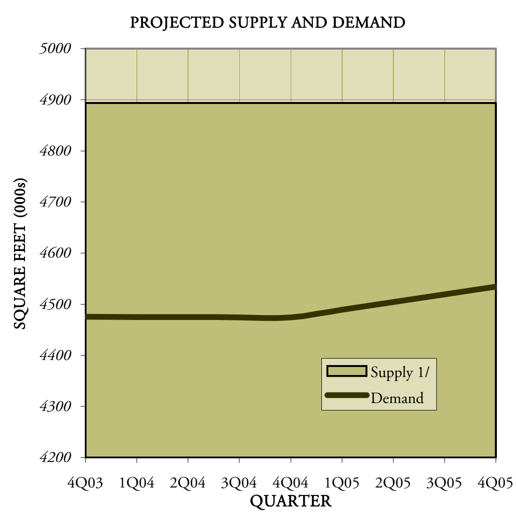
PROJECTED MARKET CONDITIONS
BEAVERTON SUBREGION

Project Name	Submarket	Square Feet	Time Period
Under Construction			
No projects are currently under construction			
Total		0	
Planned & Proposed			
4225 SW 109th Ave.	Beaverton	3,900	BTS/TBD
Four Greystone	Beaverton/Cedar Hil	45,089	BTS/TBD
NW 206th	Beaverton/Cedar Hil	157,787	BTS/TBD
NW Amberlen	Beaverton/Cedar Hil	269,000	BTS/TBD
19700 Gibbs Dr.	Beaverton/Cedar Hil	52,000	BTS/TBD
Total		523,876	



PROJECTIONS	4Q03	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05
Inventory (000s)	5,319.3	5,319.3	5,319.3	5,319.3	5,319.3	5,319.3	5,319.3	5,319.3	5,319.3
New Supply (000s)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Absorption (000s)		-0.2	-0.2	-0.2	-0.2	14.9	14.9	14.9	14.9
Occupied Space (000s)	4,475.1	4,474.9	4,474.7	4,474.5	4,474.3	4,489.2	4,504.1	4,519.1	4,534.0
Vacancy Rate - Period End	15.87%	15.87%	15.88%	15.88%	15.89%	15.61%	15.32%	15.04%	14.76%





1/ Assumes a stabilized 8% vacancy rate.

SOURCE: CoStar and Johnson Gardner

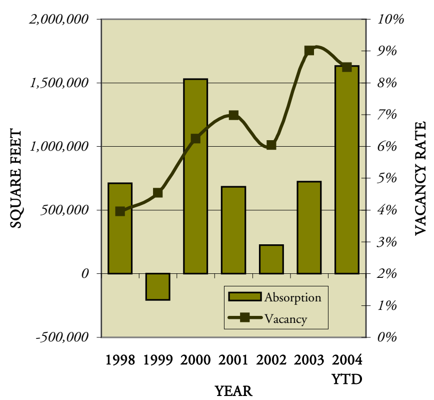
EXHIBIT 5.01

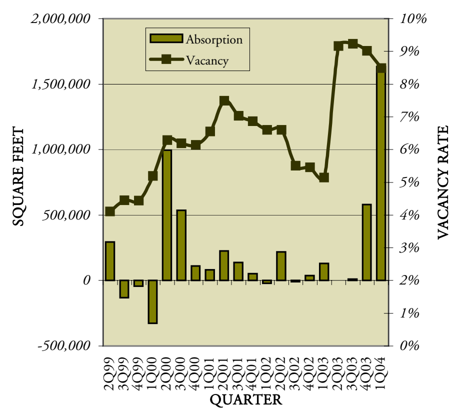
OVERVIEW OF SUBMARKET TRENDS
PORTLAND METROPOLITAN AREA

	Speculative Inventory	New Construction	Inventory Adjustments	Net Absorption	Vacancy S.F.	Vacancy Rate
QUARTERLY TRENDS						
2Q99	33,018,632	--	--	295,245	1,356,278	4.1%
3Q99	32,905,631	--	--	-130,477	1,463,150	4.4%
4Q99	33,033,387	0	127,756	-41,899	1,465,586	4.4%
1Q00	33,332,243	0	298,856	-327,289	1,730,950	5.2%
2Q00	35,718,578	786,585	1,599,750	995,185	2,246,799	6.3%
3Q00	37,281,022	898,566	663,878	535,088	2,306,880	6.2%
4Q00	37,194,805	85,000	-171,217	111,115	2,281,809	6.1%
1Q01	37,797,502	0	602,697	81,002	2,474,288	6.5%
2Q01	36,100,411	0	-1,697,091	225,762	2,701,608	7.5%
3Q01	36,294,910	0	194,499	136,857	2,551,611	7.0%
4Q01	36,093,520	0	-201,390	53,001	2,475,856	6.9%
1Q02	36,534,408	0	440,888	-20,978	2,424,687	6.6%
2Q02	36,591,936	0	498,416	217,394	2,424,687	6.6%
3Q02	36,611,936	20,000	498,416	-9,382	2,028,969	5.5%
4Q02	36,611,936	0	317,026	37,106	1,998,031	5.5%
1Q03	36,885,936	0	792,416	131,592	1,896,944	5.1%
2Q03	33,989,675	106,738	-3,002,999	N/A	3,113,628	9.2%
3Q03	34,353,528	94,430	269,423	10,791	3,171,129	9.2%
4Q03	34,903,331	69,425	480,378	580,357	3,146,940	9.0%
1Q04	36,579,196	634,192	1,591,476	1,633,264	3,103,794	8.5%

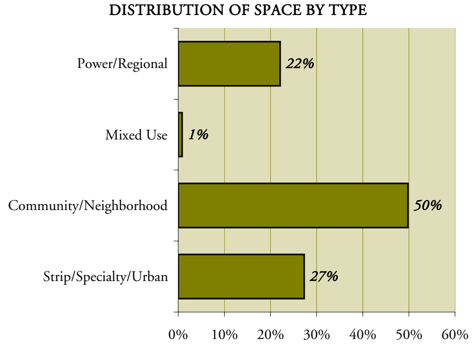
	Speculative Inventory	New Construction	Inventory Adjustments	Net Absorption	Vacancy S.F.	Vacancy Rate
BREAKOUT BY TYPE						
Strip/Specialty/Urban	9,974,902	153,192	5,603,239	833,149	1,672,035	16.8%
Community/Neighborhood	18,219,922	106,000	-6,051,355	-79,263	1,272,111	7.0%
Mixed Use	316,663	0	316,663	69,152	73,634	23.3%
Power/Regional	8,067,709	375,000	-809,479	810,226	86,014	1.1%
Total	36,579,196	634,192	-940,932	1,633,264	3,103,794	8.5%

NET ABSORPTION AND VACANCY RATE TRENDS

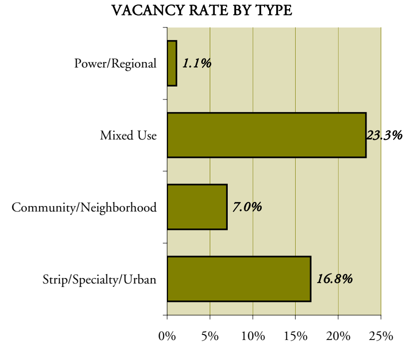




DISTRIBUTION OF SPACE BY TYPE



VACANCY RATE BY TYPE



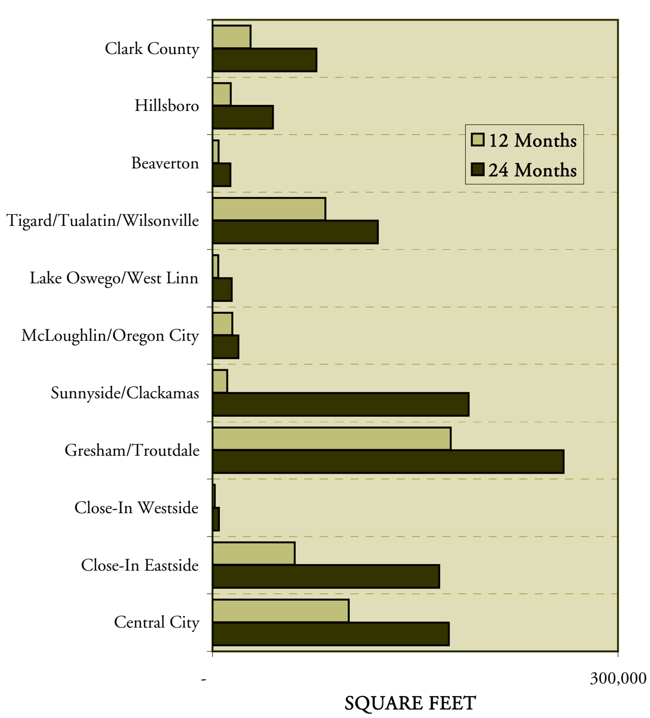
SOURCE: CoStar and Johnson Gardner

EXHIBIT 5.02

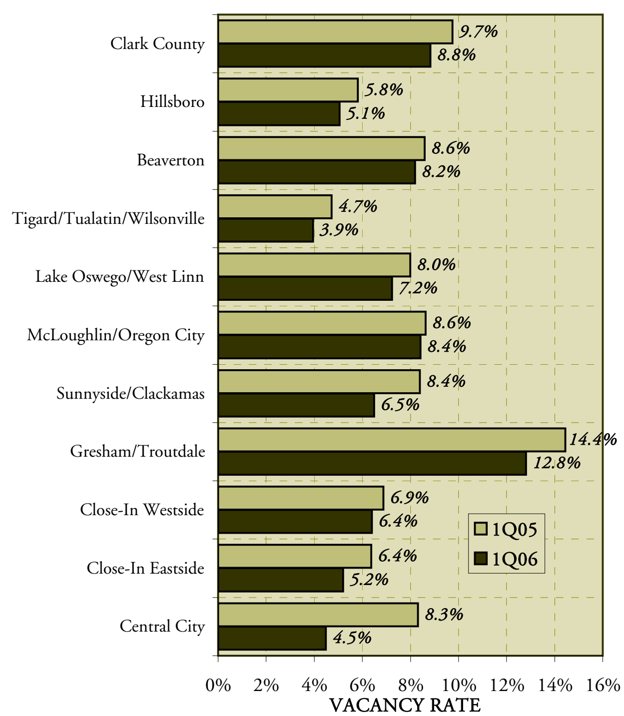
PROJECTED DEMAND BY SUBREGION AND SUBMARKET
PORTLAND-VANCOUVER METROPOLITAN AREA RETAIL MARKET

Subregion	1st Quarter 2004		New Supply		Forecasted Demand		Projected Vacancy Rate	
Submarket	Speculative Inventory	Vacancy Rate	2Q04-1Q05	2Q05-1Q06	2Q04-1Q05	2Q05-1Q06	1Q05	1Q06
Central City	**1,899,795**	**12.0%**	**34,402**	**0**	**100,835**	**74,016**	**8.3%**	**4.5%**
CBD	1,640,701	12.3%	34,402	0	97,418	63,961	8.3%	4.5%
Northwest	259,094	9.8%	0	0	3,417	10,055	8.5%	4.6%
Close-In Eastside	**5,352,280**	**6.3%**	**69,000**	**46,000**	**60,810**	**106,860**	**6.4%**	**5.2%**
Eastside/Mall 205	2,158,626	6.4%	39,000	23,000	35,846	55,780	6.4%	4.9%
North/Jantzen	1,099,750	4.5%	30,000	23,000	24,964	51,080	4.8%	2.3%
Close-In Westside	**661,803**	**7.1%**	**0**	**0**	**1,539**	**3,244**	**6.9%**	**6.4%**
Gresham/Troutdale	**4,885,261**	**13.9%**	**234,904**	**0**	**176,248**	**83,576**	**14.4%**	**12.8%**
Airport Way	752,203	22.5%	0	0	5,833	20,903	21.7%	18.9%
Gresham/Gateway	2,642,245	15.1%	234,904	0	170,415	62,673	16.1%	13.9%
Sunnyside/Clackamas	**3,751,975**	**8.7%**	**0**	**115,000**	**10,781**	**178,711**	**8.4%**	**6.5%**
McLoughlin/Oregon City	**2,239,339**	**8.5%**	**19,450**	**0**	**14,605**	**4,579**	**8.6%**	**8.4%**
SE Outlying	319,094	1.9%	0	0	449	956	1.7%	1.4%
Oregon City	1,190,348	14.8%	19,450	0	12,387	3,624	15.1%	14.8%
Lake Oswego/West Linn	**1,279,328**	**8.3%**	**0**	**0**	**4,350**	**9,797**	**8.0%**	**7.2%**
Lake Oswego	661,012	8.5%	0	0	3,043	6,852	8.0%	7.0%
West Linn	278,410	8.7%	0	0	1,306	2,945	8.3%	7.2%
Tigard/Tualatin/Wilsonville	**4,908,251**	**4.3%**	**111,500**	**0**	**83,609**	**38,671**	**4.7%**	**3.9%**
Tigard	1,026,382	6.8%	0	0	3,482	12,436	6.4%	5.2%
Washington Square	2,284,228	3.0%	0	0	5,240	18,088	2.8%	2.0%
Tual.-Wilsonville-Sherwood	1,597,641	4.5%	111,500	0	74,887	8,147	6.3%	5.9%
Beaverton	**2,165,564**	**8.8%**	**0**	**0**	**4,485**	**8,853**	**8.6%**	**8.2%**
Hillsboro	**4,100,680**	**6.1%**	**0**	**0**	**13,547**	**31,090**	**5.8%**	**5.1%**
Clark County	**5,334,920**	**10.1%**	**11,375**	**0**	**28,189**	**48,603**	**9.7%**	**8.8%**
Metropolitan Area Total	***36,579,196***	***8.5%***	***480,631***	***161,000***	***499,000***	***588,000***	***8.3%***	***7.1%***

PROJECTED ABSORPTION BY SUBREGION



PROJECTED VACANCY RATE BY SUBREGION



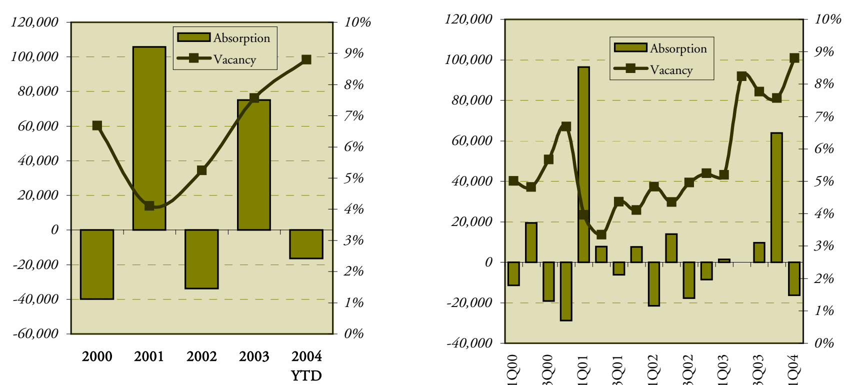
SOURCE: Johnson Gardner

EXHIBIT 5.03

OVERVIEW OF SUBMARKET TRENDS
BEAVERTON SUBREGION

	Speculative Inventory	New Construction	Inventory Adjustments	Net Absorption	Vacancy S.F.	Vacancy Rate
QUARTERLY TRENDS						
1Q00	2,670,674	0	0	-11,427	133,696	5.01%
2Q00	2,777,766	0	107,092	19,469	133,924	4.82%
3Q00	2,839,366	0	61,600	-19,120	161,144	5.68%
4Q00	2,839,366	0	0	-28,750	189,894	6.69%
1Q01	3,041,366	0	202,000	96,521	120,373	3.96%
2Q01	2,888,277	0	0	7,722	96,866	3.35%
3Q01	2,958,958	0	70,681	-6,118	129,224	4.37%
4Q01	2,958,958	0	0	7,664	121,560	4.11%
1Q02	2,958,958	0	0	-21,432	142,992	4.83%
2Q02	2,958,958	0	0	13,903	129,089	4.36%
3Q02	2,958,958	0	0	-17,629	146,718	4.96%
4Q02	2,958,958	0	0	-8,576	155,294	5.25%
1Q03	2,958,958	0	0	1,499	153,795	5.20%
2Q03	2,002,236	38,843	-995,565	N/A	165,100	8.25%
3Q03	2,085,804	0	83,568	9,684	161,903	7.76%
4Q03	2,152,999	37,000	30,195	63,937	162,877	7.57%
1Q04	2,165,564	0	12,565	-16,316	190,652	8.80%
BREAKOUT BY TYPE						
Strip/Specialty/Urban	667,699		525	-9,504	93,571	14.01%
Community/Neighborhood	1,020,723		0	9,458	60,331	5.91%
Mixed Use	22,142		12,040	4,230	6,750	30.49%
Power/Regional	455,000		0	-20,500	30,000	6.59%
Total	2,165,564	0	12,565	-16,316	190,652	8.80%
BREAKOUT BY SUBMARKET						
Beaverton	2,165,564		12,565	-16,316	190,652	8.80%
Total	2,165,564	0	12,565	-16,316	190,652	8.80%

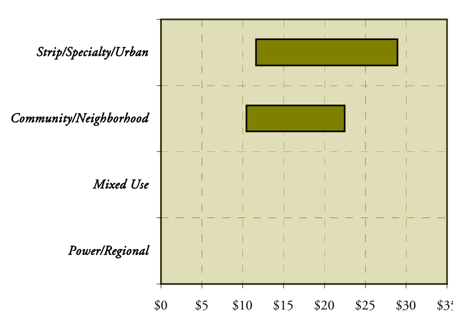
NET ABSORPTION AND VACANCY RATE TRENDS



QUOTED RENT RANGES

BY CLASS	Low	High
Strip/Specialty/Urban	$11.63	$28.96
Community/Neighborhood	$10.47	$22.50
Mixed Use	$17.00	$17.00
Power/Regional		

BY SUBMARKET	Low	High
Beaverton	$10.47	$28.96
Total	$10.47	$28.96

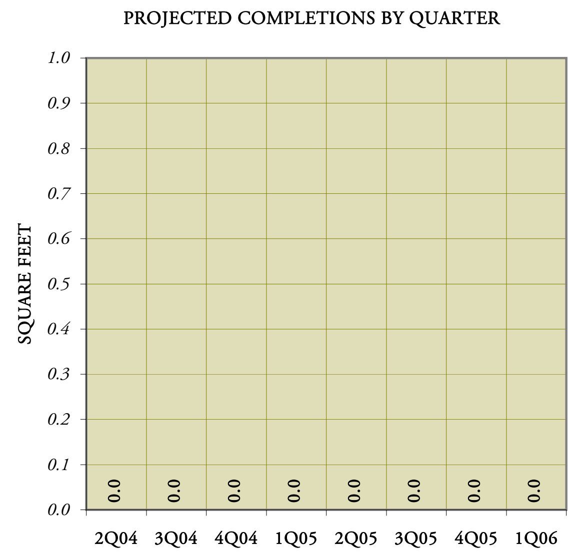


SOURCE: CoStar and Johnson Gardner

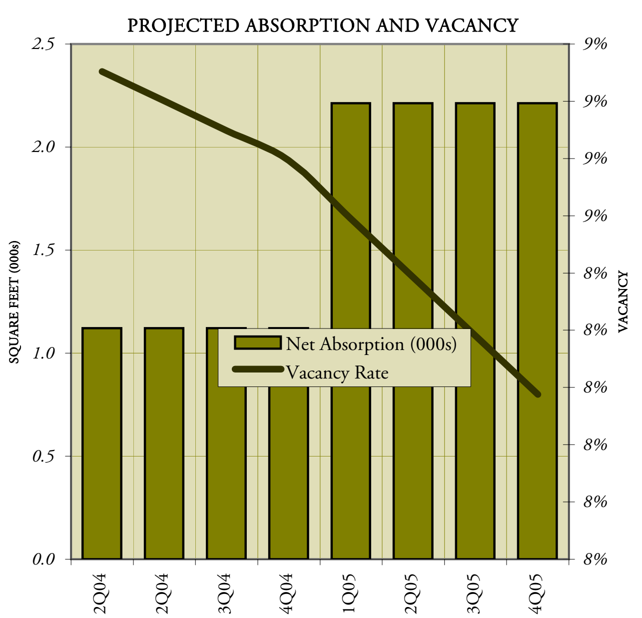
EXHIBIT 5.04

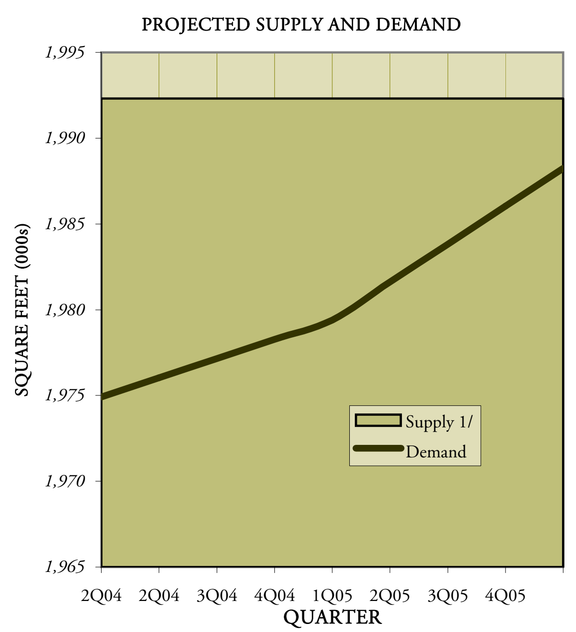
PROJECTED MARKET CONDITIONS
BEAVERTON SUBREGION

Project Name	Submarket	Square Feet	Time Period
Under Construction			
Total		0	
Planned & Proposed			
Beaverton Town Square Two	Beaverton	20,000	
8345 SW Beaverton HD Hwy	Beaverton	5,500	
Total		5,500	



PROJECTIONS	2Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05	1Q06
Inventory (000s)	2,165.6	2,165.6	2,165.6	2,165.6	2,165.6	2,165.6	2,165.6	2,165.6	2,165.6
New Supply (000s)		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net Absorption (000s)		1.1	1.1	1.1	1.1	2.2	2.2	2.2	2.2
Occupied Space (000s)	1,974.9	1,976.0	1,977.2	1,978.3	1,979.4	1,981.6	1,983.8	1,986.0	1,988.3
Vacancy Rate - Period End	8.80%	8.75%	8.70%	8.65%	8.60%	8.49%	8.39%	8.29%	8.19%





1/ Assumes a stabilized 8% vacancy rate.

SOURCE: Norris Beggs & Simpson and Johnson Gardner

Exhibit 5.05
Inventory of Existing Retail Buildings
Beaverton Regional Center Market Area
April 2004

Building Name/ Location	Year	# of Stories	Parking Spaces	Parking Ratio	Rentable S.F.		Vacant S.F.	Vacancy Rate	Quoted Rent	Leasing Activity QTD	Leasing Activity YTD	Net Absorbtion QTD	Net Absorbtion YTD
Canyon Square													
4130 SW 117th Ave	NA	1	NA	NA	12,000	Direct	0	0.0%	$ -	0	0	0	0
						Sublet	0	0.0%	$ -	0	0	0	0
						Total	0	0.0%	$ -	0	0	0	0
Beaverton Town Square													
SW Beaverton Hillsdale Hwy	1981	1	Free Surface	NA	113,500	Direct	3,830	3.4%	$ 28.96	0	0	0	0
						Sublet	0	0.0%	$ -	0	0	0	0
						Total	3,830	3.4%	$ 28.96	0	0	0	0
Beaverton Town Square Two													
SW Beaverton Hillsdale Hwy	Proposed	1	NA	NA	20,000	Direct	0	0.0%	$ -	0	0	0	0
						Sublet	0	0.0%	$ 16.50	0	0	0	0
						Total	0	0.0%	$ 16.50	0	0	0	0
Unknown Name													
11880 SW Beaverton Hillsdale Hwy	NA	1	44	6/1000	7,370	Direct	0	0.0%	$ -	0	0	0	0
						Sublet	0	0.0%	$ -	0	0	0	0
						Total	0	0.0%	$ -	0	0	0	0
Lombard Crossing													
11900 SW Beaverton Hillsdale Hwy	NA	1	Free Surface		7,430	Direct	0	0.0%	$ -	0	0	0	0
						Sublet	0	0.0%	$ -	0	0	0	0
						Total	0	0.0%	$ -	0	0	0	0
Unknown Name													
12250 SW Broadway St	1973	1	52	3/1000	17,020	Direct	8,500	49.9%	$ 14.07	0	2,700	0	-500
						Sublet	0	0.0%	$ -	0	0	0	0
						Total	8,500	49.9%	$ 14.07	0	2,700	0	-500
Copeland's Sports Beaverton													
11959 S Canyon Rd	NA	1	Free Surface		28,000	Direct	0	0.0%	$ -	0	0	0	0
						Sublet	0	0.0%	$ -	0	0	0	0
						Total	0	0.0%	$ -	0	0	0	0
Canyon Place Shopping Center													
11701 SW Canyon Rd	1986	1	782	5/1000	156,378	Direct	26,572	17.0%	$ 18.17	0	9,136	0	7,994
						Sublet	0	0.0%	$ -	0	0	0	0
						Total	26,572	17.0%	$ 18.17	0	9,136	0	7,994
Canyon Town Center													
11865-11915 SW Canyon Rd	NA	1	NA	NA	60,707	Direct	1,700	2.8%	$ 16.00	0	0	0	0
						Sublet	0	0.0%	$ -	0	0	0	0
						Total	1,700	2.8%	$ 16.00	0	0	0	0
Unknown Name													
12650 SW Canyon Rd	NA	1	Free Surface		3,000	Direct	3,000	100.0%	$ 14.00	0	0	0	0
						Sublet	0	0.0%	$ -	0	0	0	0
						Total	3,000	100.0%	$ 14.00	0	0	0	0
Standard Center													
13227 SW Canyon Rd	1986	1	73	5/1000	14,560	Direct	4,357	29.9%	$ 22.26	0	0	0	0
						Sublet	0	0.0%	$ -	0	0	0	0
						Total	4,357	29.9%	$ 22.26	0	0	0	0
Unknown Name													
13281 SW Canyon Rd	1986	1	Free Surface		14,700	Direct	0	0.0%	$ -	0	0	0	8,260
						Sublet	0	0.0%	$ -	0	0	0	0
						Total	0	0.0%	$ -	0	0	0	8,260
Unknown Name													
12150 SW First St	NA	1	NA	NA	1,019	Direct	0	0.0%	$ -	0	0	0	0
						Sublet	0	0.0%	$ -	0	0	0	0
						Total	0	0.0%	$ -	0	0	0	0
BG Village													
3645 SW Hall Blvd	NA	1	Free Surface		18,000	Direct	2,416	13.4%	$ -	0	0	0	0
						Sublet	0	0.0%	$ -	0	0	0	0
						Total	2,416	13.4%	$ -	0	0	0	0
Hall Street Center													
3700-3850 SW Hall St	1991	1	Free Surface		33,000	Direct	3,456	10.5%	$ 18.00	0	0	0	0
						Sublet	0	0.0%	$ -	0	0	0	0
						Total	3,456	10.5%	$ 18.00	0	0	0	0
Unknown Name													
4450 SW Lombard Ave	NA	1	NA	NA	1,800	Direct	0	0.0%	$ -	0	0	0	0
						Sublet	0	0.0%	$ -	0	0	0	0
						Total	0	0.0%	$ -	0	0	0	0
Crescent/Promenade Bldg													
SW Watson Ave @ SW Hall Blvd	2003	7	NA	NA	38,843	Direct	28,000	72.1%	$ -	0	0	0	0
						Sublet	0	0.0%	$ -	0	0	0	0
						Total	28,000	72.1%	$ -	0	0	0	0
Health Club Building													
SW Watson Ave @ SW Millikan W	2003	4	NA	NA	37,000	Direct	0 0	0.0%	$ -	0	0	0	0
						Sublet	0	0.0%	$ -	0	0	0	0
						Total	0	0.0%	$ -	0	0	0	0
			Retail Building Totals		584,327	Direct	81,831	14.00%	$11.51	0	11,836	0	15,754
						Sublet	0	0.00%	$0.00	0	0	0	0
						Total	**81,831**	**14.0%**	**$ 11.51**	**0**	**11,836**	**0**	**15,754**

Source: Johnson Gardner and Costar

JOHNSON
GARDNER

Beaverton Downtown Regional Center Development Strategy

Task IV:
Market Analysis
Appendix C: Detailed Pro Formas

Prepared For:
Metro
The City of Beaverton

PORTLAND
520 SW Sixth Avenue, Suite 914, Portland, OR 97204
503/295-7832 503/295-1107 (fax)

SEATTLE
157 Yesler Way, Suite 508
Seattle, WA 98104

SITE D

OPTION A
RETAIL, OFFICE AND CONDOMINIUMS

SITE D
RETAIL, OFFICE AND CONDOMINIUMS
SUMMARY INFORMATION

July 2, 2004

AREA SUMMARY:	
Parcel Size (SF)	84,942
Building Size (SF)	274,550
Efficiency Ratio (Residential)	83%
Saleable and Leasable Area (SF)	261,620
Units	54
Density (Units/Acre)	27.69

CONSTRUCTION LOAN ASSUMPTIONS:	
Construction Loan Amount	**$24,049,400**
Interest Rate	6.00%
Term (months)	18
Drawdown Factor	0.55
Construction Interest (Capitalized)	**$793,630**
Construction Loan Fee (%)	1.00%
Construction Loan Fee ($)	**$240,494**

INCOME SUMMARY:	Total SF	Average Price/SF	Gross Sales Income
Condominiums	44,820	$217.19	$9,734,400
			Gross Income
Rental Apartments	0	$0.00	$0
Office Space	71,250	$24.00	$1,710,000
Retail	26,900	$20.00	$538,000
Parking	118,650	$0.87	$103,680
Vacancy/Collection			($235,168)
TOTAL	216,800	$9.76	$2,116,512

PERMANENT FINANCING ASSUMPTIONS:	DCR	LTV
Interest Rate	7.50%	7.50%
Term (Years)	30	30
Debt-Coverage Ratio	**1.20**	
Loan-to-Value		**80%**
Stabilized NOI (Year 2)	$1,686,364	$1,686,364
CAP Rate		8.00%
Supportable Mortgage	**$16,748,600**	**$16,863,644**
Annual Debt Service	**$1,405,304**	**$1,414,957**

COST SUMMARY:	Per SF		Total
Acquisition Cost	$8.85		$2,430,560
Direct Construction Cost	$87.00		$23,885,688
Other Construction	$0.00		$0
Soft Costs	$21.75		$5,971,422
TOTAL	$117.60		**$32,287,669**

MEASURES OF RETURN:	
Indicated Value @ Stablization	$21,079,555
Value/Cost	94%
Return on Investment (ROI)	7.3%
Return on Sales (ROS)	-5.6%
Internal Rate of Return	11.7%
Modified Internal Rate of Return @ 8% Reinventment	10.8%

EQUITY ASSUMPTIONS:		
Total Development Cost		**$32,287,669**
(-) Loan		(16,748,600)
(-) Applied Condominium Revenue		(9,150,336)
Net Equity Required	27.6%	**$6,388,734**

ESTIMATION OF VIABILITY GAP	
Targeted Return on Sales	12.50%
Calculated ROS	-5.55%
Calculated Gap-Condos	$1,651,910
Targeted Return on Investment (ROI)	9.0%
Calculated ROI	7.3%
Calculated Gap-Income Components	$5,155,870
Overall Gap as % of Development Cost	21.1%

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE D
RETAIL, OFFICE AND CONDOMINIUMS
INCOME ASSUMPTIONS

FOR-SALE RESIDENTIAL PROGRAM

	NO. OF UNITS	LEASABLE SF	SALES PRICE/S.F.	PARKING SALES 1/	AVG PRICE/ UNIT	TOTAL INCOME
Condominiums	54	44,820	$195	$18,417	$180,267	$9,734,400
TOTAL	54	44,820	$195		$161,850	$9,734,400

RENTAL RESIDENTIAL PROGRAM

	NO. OF UNITS	TOTAL SF	MONTH RENT/S.F.	AVERAGE RENT	MONTHLY INCOME	ANNUAL INCOME
Rental Apartments	0	0	$1.00	$0	$0	$0
TOTAL	0	0	$0.00		$0	$0

OFFICE

	TOTAL SF	NET/ GROSS	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Speculative Office	75,000	95%	71,250		$24.00	$1,710,000
TOTAL	75,000		71,250		$24.00	$1,710,000

RETAIL

	TOTAL SF	NET/ GROSS	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Retail-Building A	21,900	100%	21,900		$20.00	$438,000
Retail-Building B	5,000	100%	5,000		$20.00	$100,000
TOTAL	26,900		26,900		$20.00	$538,000

PARKING

	# OF SPACES		TOTAL SF		ANNUAL RENT/SF	ANNUAL INCOME
For-Sale Parking	66		23,205		$0.00	$0
Retail Parking	81		28,245		$0.00	$0
Income Parking	192		67,200		$1.54	$103,680
TOTAL	339		118,650		$0.87	$103,680

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE D
RETAIL, OFFICE AND CONDOMINIUMS
DEVELOPMENT COST ESTIMATE

	Area (S.F.)	Cost/ S.F.	Cost	Total Cost
Acquisition Cost:				$2,430,560
Construction Costs:				
Building A				
Retail	21,900	$98.75	$2,162,625	
Housing	54,000	$115.00	$6,210,000	
Building B				
Office	75,000	$135.00	$10,125,000	
Retail	5,000	$98.75	$493,750	
Parking				
Structural (339 stalls)	118,650	$41.25	$4,894,313	
TOTAL				$23,885,688
Total Soft Costs @ 25%				$5,971,422
TOTAL DEVELOPMENT COSTS				$32,287,669

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE D
RETAIL, OFFICE AND CONDOMINIUMS
TEN-YEAR CASH FLOW

		Lease-up	*Stabilized*	YEAR							
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Scheduled Income/Residential		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Gross Scheduled Income/Office		$1,710,000	$1,761,300	$1,814,139	$1,868,563	$1,924,620	$1,982,359	$2,041,829	$2,103,084	$2,166,177	$2,231,162
Gross Scheduled Income/Retail		538,000	554,140	570,764	587,887	605,524	623,689	642,400	661,672	681,522	701,968
Gross Scheduled Income/Parking		103,680	106,790	109,994	113,294	116,693	120,194	123,799	127,513	131,339	135,279
Miscellaneous Income		0	0	0	0	0	0	0	0	0	0
Vacancy & Collection Loss		(1,175,840)	(242,223)	(249,490)	(256,974)	(264,684)	(272,624)	(280,803)	(289,227)	(297,904)	(306,841)
EFFECTIVE GROSS INCOME		**$1,175,840**	**$2,180,007**	**$2,245,408**	**$2,312,770**	**$2,382,153**	**$2,453,617**	**$2,527,226**	**$2,603,043**	**$2,681,134**	**$2,761,568**
(-) Operating Expenses - Residential		0	0	0	0	0	0	0	0	0	0
(-) Operating Expenses - Office		(463,125)	(477,019)	(491,329)	(506,069)	(521,251)	(536,889)	(552,995)	(569,585)	(586,673)	(604,273)
(-) Operating Expenses - Retail		(16,140)	(16,624)	(17,123)	(17,637)	(18,166)	(18,711)	(19,272)	(19,850)	(20,446)	(21,059)
NET OPERATING INCOME		**$696,575**	**$1,686,364**	**$1,736,955**	**$1,789,064**	**$1,842,736**	**$1,898,018**	**$1,954,959**	**$2,013,607**	**$2,074,016**	**$2,136,236**
(-) Annual Debt Service		0	(1,405,304)	(1,405,304)	(1,405,304)	(1,405,304)	(1,405,304)	(1,405,304)	(1,405,304)	(1,405,304)	(1,405,304)
CASH FLOW (PRE-TAX)		**$696,575**	**$281,061**	**$331,652**	**$383,760**	**$437,432**	**$492,714**	**$549,655**	**$608,304**	**$668,712**	**$730,932**
Total Developer Cash Flow		$696,575	$281,061	$331,652	$383,760	$437,432	$492,714	$549,655	$608,304	$668,712	$730,932
Return on Equity	$6,388,734	10.90%	4.40%	5.19%	6.01%	6.85%	7.71%	8.60%	9.52%	10.47%	11.44%
Present Value		$8,707,188	$21,079,555	$21,711,942	$22,363,300	$23,034,199	$23,725,225	$24,436,982	$25,170,091	$25,925,194	$26,702,950
Cap Rate	8.00%										
Primary Debt Coverage Ratio			1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48	1.52
Total Debt Coverage Ratio			1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48	1.52
Return on Investment (NOI/Cost)			5.2%	5.4%	5.5%	5.7%	5.9%	6.1%	6.2%	6.4%	6.6%

SOURCE: Johnson Gardner

SITE D

OPTION B
RETAIL, OFFICE AND APARTMENTS

SITE D
RETAIL, OFFICE AND APARTMENTS
SUMMARY INFORMATION

July 2, 2004

AREA SUMMARY:				
Parcel Size (SF)				84,942
Building Size (SF)				274,550
Efficiency Ratio (Residential)				83%
Saleable and Leasable Area (SF)				261,620
Units				54
Density (Units/Acre)				27.69

CONSTRUCTION LOAN ASSUMPTIONS:	
Construction Loan Amount	**$20,929,260**
Interest Rate	6.00%
Term (months)	18
Drawdown Factor	0.55
Construction Interest (Capitalized)	**$690,666**
Construction Loan Fee (%)	1.00%
Construction Loan Fee ($)	**$209,293**

INCOME SUMMARY:	Total SF	Average Price/SF	Gross Sales Income
Condominiums	0	$0.00	$0
			Gross Income
Rental Apartments	44,820	$13.20	$591,624
Office Space	71,250	$24.00	$1,710,000
Retail	26,900	$20.00	$538,000
Parking	118,650	$1.38	$163,350
Vacancy/Collection			($270,716)
TOTAL	**261,620**	$10.44	**$2,732,258**

PERMANENT FINANCING ASSUMPTIONS:	DCR	LTV
Interest Rate	7.50%	7.50%
Term (Years)	30	30
Debt-Coverage Ratio	**1.20**	
Loan-to-Value		**80%**
Stabilized NOI (Year 2)	$2,107,302	$2,107,302
CAP Rate		8.00%
Supportable Mortgage	**$20,929,260**	**$21,073,021**
Annual Debt Service	**$1,756,085**	**$1,768,147**

COST SUMMARY:	Per SF		Total
Acquisition Cost	$8.85		$2,430,560
Direct Construction Cost	$85.03		$23,345,688
Other Construction	$0.00		$0
Soft Costs	$21.26		$5,836,422
TOTAL	$115.14		**$31,612,669**

MEASURES OF RETURN:	
Indicated Value @ Stablization	$26,341,277
Value/Cost	83%
Return on Investment (ROI)	6.7%
Return on Sales (ROS)	0.0%
Internal Rate of Return	7.8%
Modified Internal Rate of Return @ 8% Reinventment	7.9%

EQUITY ASSUMPTIONS:		
Total Development Cost		**$31,612,669**
(-) Loan		(20,929,260)
(-) Applied Condomium Revenue		0
Net Equity Required	**33.8%**	**$10,683,409**

ESTIMATION OF VIABILITY GAP	
Targeted Return on Sales	12.50%
Calculated ROS	0.00%
Calculated Gap-Condos	$0
Targeted Return on Investment (ROI)	9.0%
Calculated ROI	6.7%
Calculated Gap-Income Components	$8,198,201
Overall Gap as % of Development Cost	25.9%

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE D
RETAIL, OFFICE AND APARTMENTS
INCOME ASSUMPTIONS

FOR-SALE RESIDENTIAL PROGRAM

	NO. OF UNITS	LEASABLE SF	SALES PRICE/S.F.	PARKING SALES 1/	AVG PRICE/ UNIT	TOTAL INCOME
Condominiums	0	0	$195	$0	$0	$0
TOTAL	0	0	$0		$0	$0

RENTAL RESIDENTIAL PROGRAM

	NO. OF UNITS	LEASABLE SF	MONTH RENT/S.F.	AVERAGE RENT	MONTHLY INCOME	ANNUAL INCOME
Rental Apartments	54	44,820	$1.10	$913	$49,302	$591,624
TOTAL	54	44,820	$1.10		$913	$591,624

OFFICE

	TOTAL SF	NET/ GROSS	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Speculative Office	75,000	95%	71,250		$24.00	$1,710,000
TOTAL	75,000		71,250		$24.00	$1,710,000

RETAIL

	TOTAL SF	NET/ GROSS	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Retail-Building A	21,900	100%	21,900		$20.00	$438,000
Retail-Building B	5,000	100%	5,000		$20.00	$100,000
TOTAL	26,900		26,900		$20.00	$538,000

PARKING

	# OF SPACES		TOTAL SF		ANNUAL RENT/SF	ANNUAL INCOME
Apartment Parking	66		23,205		$2.57	$59,670
Retail Parking	81		28,245		$0.00	$0
Income Parking	192		67,200		$1.54	$103,680
TOTAL	339		118,650		$1.38	$163,350

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE D
RETAIL, OFFICE AND APARTMENTS
DEVELOPMENT COST ESTIMATE

	Area (S.F.)	Cost/ S.F.	Cost	Total Cost
Acquisition Cost:				$2,430,560
Construction Costs:				
Building A				
Retail	21,900	$98.75	$2,162,625	
Housing (54 units)	54,000	$105.00	$5,670,000	
Building B				
Office	75,000	$135.00	$10,125,000	
Retail	5,000	$98.75	$493,750	
Parking				
Structural (339 stalls)	118,650	$41.25	$4,894,313	
TOTAL				$23,345,688
Total Soft Costs @ 25%				$5,836,422
TOTAL DEVELOPMENT COSTS				$31,612,669

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE D
RETAIL, OFFICE AND APARTMENTS
TEN-YEAR CASH FLOW

		Lease-up	*Stabilized*	YEAR							
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Scheduled Income/Residential		$591,624	$609,373	$627,654	$646,484	$665,878	$685,854	$706,430	$727,623	$749,452	$771,935
Gross Scheduled Income/Office		$1,710,000	$1,761,300	$1,814,139	$1,868,563	$1,924,620	$1,982,359	$2,041,829	$2,103,084	$2,166,177	$2,231,162
Gross Scheduled Income/Retail		538,000	554,140	570,764	587,887	605,524	623,689	642,400	661,672	681,522	701,968
Gross Scheduled Income/Parking		163,350	168,251	173,298	178,497	183,852	189,367	195,048	200,900	206,927	213,135
Miscellaneous Income		0	0	0	0	0	0	0	0	0	0
Vacancy & Collection Loss		(1,501,487)	(278,838)	(287,203)	(295,819)	(304,693)	(313,834)	(323,249)	(332,947)	(342,935)	(353,223)
EFFECTIVE GROSS INCOME		**$1,501,487**	**$2,814,226**	**$2,898,652**	**$2,985,612**	**$3,075,180**	**$3,167,436**	**$3,262,459**	**$3,360,332**	**$3,461,142**	**$3,564,977**
(-) Operating Expenses - Residential		(207,068)	(213,280)	(219,679)	(226,269)	(233,057)	(240,049)	(247,250)	(254,668)	(262,308)	(270,177)
(-) Operating Expenses - Office		(463,125)	(477,019)	(491,329)	(506,069)	(521,251)	(536,889)	(552,995)	(569,585)	(586,673)	(604,273)
(-) Operating Expenses - Retail		(16,140)	(16,624)	(17,123)	(17,637)	(18,166)	(18,711)	(19,272)	(19,850)	(20,446)	(21,059)
NET OPERATING INCOME		**$815,154**	**$2,107,302**	**$2,170,521**	**$2,235,637**	**$2,302,706**	**$2,371,787**	**$2,442,941**	**$2,516,229**	**$2,591,716**	**$2,669,467**
(-) Annual Debt Service		0	(1,756,085)	(1,756,085)	(1,756,085)	(1,756,085)	(1,756,085)	(1,756,085)	(1,756,085)	(1,756,085)	(1,756,085)
CASH FLOW (PRE-TAX)		**$815,154**	**$351,217**	**$414,436**	**$479,552**	**$546,621**	**$615,702**	**$686,856**	**$760,144**	**$835,631**	**$913,382**
Total Developer Cash Flow		$815,154	$351,217	$414,436	$479,552	$546,621	$615,702	$686,856	$760,144	$835,631	$913,382
Return on Equity	$10,683,409	7.63%	3.29%	3.88%	4.49%	5.12%	5.76%	6.43%	7.12%	7.82%	8.55%
Present Value		$10,189,420	$26,341,277	$27,131,515	$27,945,460	$28,783,824	$29,647,339	$30,536,759	$31,452,862	$32,396,448	$33,368,341
Cap Rate	8.00%										
Primary Debt Coverage Ratio			1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48	1.52
Total Debt Coverage Ratio			1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48	1.52
Return on Investment (NOI/Cost)			6.7%	6.9%	7.1%	7.3%	7.5%	7.7%	8.0%	8.2%	8.4%

SOURCE: Johnson Gardner

SITE H

OPTION A

RETAIL, OFFICE AND APARTMENTS

SITE H
RETAIL, OFFICE AND APARTMENTS
SUMMARY INFORMATION

June 14, 2004

AREA SUMMARY:	
Parcel Size (SF)	213,880
Building Size (SF)	271,500
Efficiency Ratio (Residential)	83%
Saleable and Leasable Area (SF)	280,000
Units	40
Density (Units/Acre)	8.15

INCOME SUMMARY:	Total SF	Average Price/SF	Gross Sales Income
Condominiums	0	$0.00	$0
			Gross Income
Rental Apartments	33,200	$13.20	$438,240
Office Space	76,500	$24.00	$1,836,000
Retail	34,000	$20.00	$680,000
Parking	136,300	$1.17	$159,942
Vacancy/Collection			($289,506)
TOTAL	280,000	$10.09	$2,824,676

COST SUMMARY:	Per SF		Total
Acquisition Cost	$19.41		$5,268,490
Direct Construction Cost	$85.65		$23,253,125
Other Construction	$0.00		$0
Soft Costs	$21.41		$5,813,281
TOTAL	$126.46		$34,334,896

EQUITY ASSUMPTIONS:		
Total Development Cost		**$34,334,896**
(-) Loan		(22,031,178)
(-) Applied Condomium Revenue		0
Net Equity Required	35.8%	**$12,303,718**

CONSTRUCTION LOAN ASSUMPTIONS:	
Construction Loan Amount	**$22,031,178**
Interest Rate	6.00%
Term (months)	18
Drawdown Factor	0.55
Construction Interest (Capitalized)	**$727,029**
Construction Loan Fee (%)	1.00%
Construction Loan Fee ($)	**$220,312**

PERMANENT FINANCING ASSUMPTIONS:	DCR	LTV
Interest Rate	7.50%	7.50%
Term (Years)	30	30
Debt-Coverage Ratio	**1.20**	
Loan-to-Value		**80%**
Stabilized NOI (Year 2)	$2,218,251	$2,218,251
CAP Rate		8.00%
Supportable Mortgage	**$22,031,178**	**$22,182,508**
Annual Debt Service	**$1,848,542**	**$1,861,240**

MEASURES OF RETURN:	
Indicated Value @ Stablization	$27,728,135
Value/Cost	81%
Return on Investment (ROI)	6.5%
Return on Sales (ROS)	0.0%
Internal Rate of Return	6.8%
Modified Internal Rate of Return @ 8% Reinventment	7.0%

ESTIMATION OF VIABILITY GAP	
Targeted Return on Sales	12.50%
Calculated ROS	0.00%
Calculated Gap-Condos	$0
Targeted Return on Investment (ROI)	9.0%
Calculated ROI	6.5%
Calculated Gap-Income Components	$9,687,665
Overall Gap as % of Development Cost	28.2%

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE H
RETAIL, OFFICE AND APARTMENTS
INCOME ASSUMPTIONS

FOR-SALE RESIDENTIAL PROGRAM

	NO. OF UNITS	LEASABLE SF	SALES PRICE/S.F.	PARKING SALES 1/	AVG PRICE/ UNIT	TOTAL INCOME
	0	0	$195	$0	$0	$0
TOTAL	0	0	$0		$0	$0

RENTAL RESIDENTIAL PROGRAM

	NO. OF UNITS	TOTAL SF	MONTH RENT/S.F.	AVERAGE RENT	MONTHLY INCOME	ANNUAL INCOME
	40	33,200	$1.10	$913	$36,520	$438,240
TOTAL	40	33,200	$1.10		$913	$438,240

OFFICE

	TOTAL SF	NET/ GROSS	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Office-Building B	45,000	90%	40,500		$24.00	$972,000
Office-Building D	40,000	90%	36,000		$24.00	$864,000
TOTAL	85,000		76,500		$24.00	$1,836,000

RETAIL

	TOTAL SF	NET/ GROSS	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Retail-Building A	10,000	100%	10,000		$20.00	$200,000
Retail-Building B	10,000	100%	10,000		$20.00	$200,000
Retail-Building C	8,000	100%	8,000		$20.00	$160,000
Retail-Building E	6,000	100%	6,000		$20.00	$120,000
TOTAL	34,000		34,000		$20.00	$680,000

PARKING

	# OF SPACES		TOTAL SF		ANNUAL RENT/SF	ANNUAL INCOME
Apartment Parking	55		19,337		$2.64	$51,036
Retail Parking	136		46,376		$0.00	$0
Income Parking	207		70,587		$1.54	$108,906
TOTAL	398		136,300		$1.17	$159,942

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE H
RETAIL, OFFICE AND APARTMENTS
DEVELOPMENT COST ESTIMATE

	Area (S.F.)	Cost/ S.F.	Cost	Total Cost
Acquisition Cost:				$5,268,490
Construction Costs:				
Building A				
Retail	10,000	$99.00	$990,000	
Building B				
Retail	10,000	$99.00	$990,000	
Office	45,000	$130.00	$5,850,000	
Building C				
Retail	8,000	$98.75	$790,000	
Housing-40 units	40,000	$105.00	$4,200,000	
Building D				
Office	40,000	$130.00	$5,200,000	
Building E				
Retail	6,000	$98.75	$592,500	
Parking				
Structural - 330 stalls	112,500	$41.25	$4,640,625	
Surface - 68 stalls			Included in base costs	
TOTAL				$23,253,125
Total Soft Costs @ 25%				$5,813,281
TOTAL DEVELOPMENT COSTS				$34,334,896

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE H
RETAIL, OFFICE AND APARTMENTS
TEN-YEAR CASH FLOW

		Lease-up	*Stabilized*			YEAR					
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Scheduled Income/Residential		$438,240	$451,387	$464,929	$478,877	$493,243	$508,040	$523,281	$538,980	$555,149	$571,804
Gross Scheduled Income/Office		$1,836,000	$1,891,080	$1,947,812	$2,006,247	$2,066,434	$2,128,427	$2,192,280	$2,258,048	$2,325,790	$2,395,564
Gross Scheduled Income/Retail		680,000	700,400	721,412	743,054	765,346	788,306	811,956	836,314	861,404	887,246
Gross Scheduled Income/Parking		159,942	164,740	169,682	174,773	180,016	185,416	190,979	196,708	202,609	208,688
Miscellaneous Income		0	0	0	0	0	0	0	0	0	0
Vacancy & Collection Loss		(1,557,091)	(298,191)	(307,137)	(316,351)	(325,842)	(335,617)	(345,686)	(356,056)	(366,738)	(377,740)
EFFECTIVE GROSS INCOME		**$1,557,091**	**$2,909,416**	**$2,996,698**	**$3,086,599**	**$3,179,197**	**$3,274,573**	**$3,372,810**	**$3,473,995**	**$3,578,214**	**$3,685,561**
(-) Operating Expenses - Residential		(153,384)	(157,986)	(162,725)	(167,607)	(172,635)	(177,814)	(183,149)	(188,643)	(194,302)	(200,131)
(-) Operating Expenses - Office		(497,250)	(512,168)	(527,533)	(543,359)	(559,659)	(576,449)	(593,743)	(611,555)	(629,901)	(648,798)
(-) Operating Expenses - Retail		(20,400)	(21,012)	(21,642)	(22,292)	(22,960)	(23,649)	(24,359)	(25,089)	(25,842)	(26,617)
NET OPERATING INCOME		**$886,057**	**$2,218,251**	**$2,284,798**	**$2,353,342**	**$2,423,943**	**$2,496,661**	**$2,571,561**	**$2,648,707**	**$2,728,169**	**$2,810,014**
(-) Annual Debt Service		0	(1,848,542)	(1,848,542)	(1,848,542)	(1,848,542)	(1,848,542)	(1,848,542)	(1,848,542)	(1,848,542)	(1,848,542)
CASH FLOW (PRE-TAX)		**$886,057**	**$369,708**	**$436,256**	**$504,800**	**$575,400**	**$648,118**	**$723,018**	**$800,165**	**$879,626**	**$961,471**
Total Developer Cash Flow		$886,057	$369,708	$436,256	$504,800	$575,400	$648,118	$723,018	$800,165	$879,626	$961,471
Return on Equity	$12,303,718	7.20%	3.00%	3.55%	4.10%	4.68%	5.27%	5.88%	6.50%	7.15%	7.81%
Present Value		$11,075,711	$27,728,135	$28,559,979	$29,416,778	$30,299,282	$31,208,260	$32,144,508	$33,108,843	$34,102,109	$35,125,172
Cap Rate	8.00%										
Primary Debt Coverage Ratio			1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48	1.52
Total Debt Coverage Ratio			1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48	1.52
Return on Investment (NOI/Cost)			6.5%	6.7%	6.9%	7.1%	7.3%	7.5%	7.7%	7.9%	8.2%

SOURCE: Johnson Gardner

SITE H

OPTION B
RETAIL, OFFICE AND CONDOMINIUMS

SITE H
RETAIL, OFFICE AND CONDOMINIUMS
SUMMARY INFORMATION

June 14, 2004

AREA SUMMARY:	
Parcel Size (SF)	213,880
Building Size (SF)	271,500
Efficiency Ratio (Residential)	83%
Saleable and Leasable Area (SF)	282,250
Units	40
Density (Units/Acre)	8.15

CONSTRUCTION LOAN ASSUMPTIONS:	
Construction Loan Amount	**$24,539,196**
Interest Rate	6.00%
Term (months)	18
Drawdown Factor	0.55
Construction Interest (Capitalized)	**$809,793**
Construction Loan Fee (%)	1.00%
Construction Loan Fee ($)	**$245,392**

INCOME SUMMARY:	Total SF	Average Price/SF	Gross Sales Income
Condominiums	33,200	$217.10	$7,207,680
			Gross Income
Rental Apartments	0	$0.00	$0
Office Space	78,750	$24.00	$1,890,000
Retail	34,000	$20.00	$680,000
Parking	136,300	$0.73	$99,611
Vacancy/Collection			($266,961)
TOTAL	**249,050**	$9.65	**$2,402,650**

PERMANENT FINANCING ASSUMPTIONS:	DCR	LTV
Interest Rate	7.50%	7.50%
Term (Years)	30	30
Debt-Coverage Ratio	**1.20**	
Loan-to-Value		**80%**
Stabilized NOI (Year 2)	$1,926,486	$1,926,486
CAP Rate		8.00%
Supportable Mortgage	**$19,133,436**	**$19,264,861**
Annual Debt Service	**$1,605,405**	**$1,616,432**

COST SUMMARY:	Per SF		Total
Acquisition Cost	$19.41		$5,268,490
Direct Construction Cost	$85.65		$23,253,125
Other Construction	$0.00		$0
Soft Costs	$21.41		$5,813,281
TOTAL	$126.46		**$34,334,896**

MEASURES OF RETURN:	
Indicated Value @ Stablization	$24,081,077
Value/Cost	90%
Return on Investment (ROI)	6.8%
Return on Sales (ROS)	9.2%
Internal Rate of Return	8.9%
Modified Internal Rate of Return @ 8% Reinventment	8.7%

EQUITY ASSUMPTIONS:		
Total Development Cost		**$34,334,896**
(-) Loan		(19,133,436)
(-) Applied Condominium Revenue		(6,201,599)
Net Equity Required	32.0%	**$8,999,861**

ESTIMATION OF VIABILITY GAP	
Targeted Return on Sales	12.50%
Calculated ROS	9.25%
Calculated Gap-Condos	$201,580
Targeted Return on Investment (ROI)	9.0%
Calculated ROI	6.8%
Calculated Gap-Income Components	$6,727,896
Overall Gap as % of Development Cost	20.2%

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE H
RETAIL, OFFICE AND CONDOMINIUMS
INCOME ASSUMPTIONS

FOR-SALE RESIDENTIAL PROGRAM

	NO. OF UNITS	LEASABLE SF	SALES PRICE/S.F.	PARKING SALES 1/	AVG PRICE/ UNIT	TOTAL INCOME
Condominiums	40	33,200	$195	$18,342	$180,192	$7,207,680
TOTAL	40	33,200	$195		$161,850	$7,207,680

RENTAL RESIDENTIAL PROGRAM

	NO. OF UNITS	TOTAL SF	MONTH RENT/S.F.	AVERAGE RENT	MONTHLY INCOME	ANNUAL INCOME
Rental Apartments	0	0	$1.10	$0	$0	$0
TOTAL	0	0	$0.00		$0	$0

OFFICE

	TOTAL SF	NET/ GROSS	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Office-Building B	45,000	95%	42,750		$24.00	$1,026,000
Office-Building D	40,000	90%	36,000		$24.00	$864,000
TOTAL	85,000		78,750		$24.00	$1,890,000

RETAIL

	TOTAL SF	NET/ GROSS	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Retail-Building A	10,000	100%	10,000		$20.00	$200,000
Retail-Building B	10,000	100%	10,000		$20.00	$200,000
Retail-Building C	8,000	100%	8,000		$20.00	$160,000
Retail-Building E	6,000	100%	6,000		$20.00	$120,000
TOTAL	34,000		34,000		$20.00	$680,000

PARKING

	# OF SPACES		TOTAL SF		ANNUAL RENT/SF	ANNUAL INCOME
For-Sale Parking	49		17,291		$0.00	$0
Retail Parking	136		46,376		$0.00	$0
Income Parking	213		72,633		$1.37	$99,611
TOTAL	398		136,300		$0.73	$99,611

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE H
RETAIL, OFFICE AND CONDOMINIUMS
DEVELOPMENT COST ESTIMATE

	Area (S.F.)	Cost/ S.F.	Cost	Total Cost
Acquisition Cost:				$5,268,490
Construction Costs:				
Building A				
Retail	10,000	$99.00	$990,000	
Building B				
Retail	10,000	$99.00	$990,000	
Office	45,000	$130.00	$5,850,000	
Building C				
Retail	8,000	$98.75	$790,000	
Housing-40 units	40,000	$105.00	$4,200,000	
Building D				
Office	40,000	$130.00	$5,200,000	
Building E				
Retail	6,000	$98.75	$592,500	
Parking				
Structural - 330 stalls	112,500	$41.25	$4,640,625	
Surface - 68 stalls			Included in base costs	
TOTAL				$23,253,125
Total Soft Costs @ 25%				$5,813,281
TOTAL DEVELOPMENT COSTS				$34,334,896

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE H
RETAIL, OFFICE AND CONDOMINIUMS
TEN-YEAR CASH FLOW

		Lease-up	*Stabilized*	YEAR							
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Scheduled Income/Residential		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Gross Scheduled Income/Office		$1,890,000	$1,946,700	$2,005,101	$2,065,254	$2,127,212	$2,191,028	$2,256,759	$2,324,462	$2,394,195	$2,466,021
Gross Scheduled Income/Retail		680,000	700,400	721,412	743,054	765,346	788,306	811,956	836,314	861,404	887,246
Gross Scheduled Income/Parking		99,611	102,599	105,677	108,848	112,113	115,476	118,941	122,509	126,184	129,970
Miscellaneous Income		0	0	0	0	0	0	0	0	0	0
Vacancy & Collection Loss		(1,334,805)	(274,970)	(283,219)	(291,716)	(300,467)	(309,481)	(318,766)	(328,328)	(338,178)	(348,324)
EFFECTIVE GROSS INCOME		**$1,334,805**	**$2,474,729**	**$2,548,971**	**$2,625,440**	**$2,704,204**	**$2,785,330**	**$2,868,890**	**$2,954,956**	**$3,043,605**	**$3,134,913**
(-) Operating Expenses - Residential		0	0	0	0	0	0	0	0	0	0
(-) Operating Expenses - Office		(511,875)	(527,231)	(543,048)	(559,340)	(576,120)	(593,403)	(611,206)	(629,542)	(648,428)	(667,881)
(-) Operating Expenses - Retail		(20,400)	(21,012)	(21,642)	(22,292)	(22,960)	(23,649)	(24,359)	(25,089)	(25,842)	(26,617)
NET OPERATING INCOME		**$802,530**	**$1,926,486**	**$1,984,281**	**$2,043,809**	**$2,105,123**	**$2,168,277**	**$2,233,325**	**$2,300,325**	**$2,369,335**	**$2,440,415**
(-) Annual Debt Service		0	(1,605,405)	(1,605,405)	(1,605,405)	(1,605,405)	(1,605,405)	(1,605,405)	(1,605,405)	(1,605,405)	(1,605,405)
CASH FLOW (PRE-TAX)		**$802,530**	**$321,081**	**$378,876**	**$438,404**	**$499,718**	**$562,872**	**$627,920**	**$694,920**	**$763,930**	**$835,010**
Total Developer Cash Flow		$802,530	$321,081	$378,876	$438,404	$499,718	$562,872	$627,920	$694,920	$763,930	$835,010
Return on Equity	$8,999,861	8.92%	3.57%	4.21%	4.87%	5.55%	6.25%	6.98%	7.72%	8.49%	9.28%
Present Value		$10,031,631	$24,081,077	$24,803,509	$25,547,614	$26,314,042	$27,103,464	$27,916,568	$28,754,065	$29,616,687	$30,505,187
Cap Rate	8.00%										
Primary Debt Coverage Ratio			1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48	1.52
Total Debt Coverage Ratio			1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48	1.52
Return on Investment (NOI/Cost)			5.6%	5.8%	6.0%	6.1%	6.3%	6.5%	6.7%	6.9%	7.1%

SOURCE: Johnson Gardner

SITE I

OPTION A

RETAIL, OFFICE AND CONDOMINIUMS

SITE I
RETAIL, OFFICE AND CONDOMINIUMS
SUMMARY INFORMATION

June 14, 2004

AREA SUMMARY:			
Parcel Size (SF)			108,900
Building Size (SF)			80,000
Efficiency Ratio (Residential)			83%
Saleable and Leasable Area (SF)			66,400
Units			80
Density (Units/Acre)			32.00
INCOME SUMMARY:			
	Total SF	Average Price/SF	Gross Sales Income
Condominiums	66,400	$199.52	$13,248,000
			Gross Income
Rental Apartments	0	$0.00	$0
Office Space	0	$0.00	$0
Retail	0	$0.00	$0
Parking	0	$0.00	$0
Vacancy/Collection			$0
TOTAL	0	$0.00	$0
COST SUMMARY:			
	Per SF		Total
Acquisition Cost	$14.25		$1,139,890
Direct Construction Cost	$95.00		$7,600,000
Other Construction	$0.00		$0
Soft Costs	$23.75		$1,900,000
TOTAL	$133.00		**$10,639,890**
EQUITY ASSUMPTIONS:			
Total Development Cost			**$10,639,890**
(-) Loan			0
(-) Applied Condomium Revenue			(10,639,890)
Net Equity Required			**$0**

CONSTRUCTION LOAN ASSUMPTIONS:		
Construction Loan Amount		**$9,936,000**
Interest Rate		6.00%
Term (months)		18
Drawdown Factor		0.55
Construction Interest (Capitalized)		**$327,888**
Construction Loan Fee (%)		1.00%
Construction Loan Fee ($)		**$99,360**
PERMANENT FINANCING ASSUMPTIONS:		
	DCR	LTV
Interest Rate	7.50%	7.50%
Term (Years)	30	30
Debt-Coverage Ratio	**1.20**	
Loan-to-Value		**80%**
Stabilized NOI (Year 2)	$0	$0
CAP Rate		8.00%
Supportable Mortgage	**$0**	**$0**
Annual Debt Service	**$0**	**$0**
MEASURES OF RETURN:		
Indicated Value @ Stablization		$0
Value/Cost		117%
Return on Investment (ROI)		n/a
Return on Sales (ROS)		17.0%
Internal Rate of Return		n/a
Modified Internal Rate of Return @ 8% Reinventment		n/a
ESTIMATION OF VIABILITY GAP		
Targeted Return on Sales		12.50%
Calculated ROS		17.04%
Calculated Gap-Condos		($483,244)
Targeted Return on Investment (ROI)		9.0%
Calculated ROI		n/a
Calculated Gap-Income Components		$0
Overall Gap as % of Development Cost		-4.5%

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE I
RETAIL, OFFICE AND CONDOMINIUMS
INCOME ASSUMPTIONS

FOR-SALE RESIDENTIAL PROGRAM						
	NO. OF UNITS	SALEABLE SF	SALES PRICE/S.F.	PARKING SALES 1/	AVG PRICE/ UNIT	TOTAL INCOME
Condominium Units	80	66,400	$195	$3,750	$165,600	$13,248,000
TOTAL	80	66,400	$195		$161,850	$13,248,000
RENTAL RESIDENTIAL PROGRAM						
	NO. OF UNITS	TOTAL SF	MONTH RENT/S.F.	AVERAGE RENT	MONTHLY INCOME	ANNUAL INCOME
Rental Apartments	0	0	$1.00	$0	$0	$0
TOTAL	0	0	$0.00		$0	$0
OFFICE						
	TOTAL SF	NET/ GROSS	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
	0	90%	0		$21.00	$0
TOTAL	0		0		$21.00	$0
RETAIL						
	TOTAL SF	NET/ GROSS	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Retail-Building A	0	100%	0		$22.00	$0
Retail-Building B	0	100%	0		$22.00	$0
TOTAL	0		0		$0.00	$0
PARKING						
	# OF SPACES		TOTAL SF		ANNUAL RENT/SF	ANNUAL INCOME
For-Sale Parking	80		0		$0.00	$0
TOTAL	80		0		$0.00	$0

1/ Assumes no parking sales. Planned parking will all be surface parking.

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE I
RETAIL, OFFICE AND CONDOMINIUMS
DEVELOPMENT COST ESTIMATE

	Area (S.F.)	Cost/ S.F.	Cost	Total Cost
Acquisition Cost:				$1,139,890
Construction Costs:				
Building A				
Housing-80 units	80,000	$95.00	$7,600,000	
Parking				
Surface (80 stalls)			Included in base costs	
TOTAL				$7,600,000
Total Soft Costs @ 25%				$1,900,000
TOTAL DEVELOPMENT COSTS				$10,639,890

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE I

OPTION B

RENTAL APARTMENTS

SITE I
RENTAL APARTMENTS
SUMMARY INFORMATION

June 14, 2004

AREA SUMMARY:	
Parcel Size (SF)	108,900
Building Size (SF)	80,000
Efficiency Ratio (Residential)	83%
Saleable and Leasable Area (SF)	73,400
Units	80
Density (Units/Acre)	32.00

INCOME SUMMARY:	Total SF	Average Price/SF	Gross Sales Income
Condominiums	0	$0.00	$0
			Gross Income
Rental Apartments	66,400	$13.20	$876,480
Office Space	0	$0.00	$0
Retail	0	$0.00	$0
Parking	7,000	$2.57	$18,000
Vacancy/Collection			($44,724)
TOTAL	73,400	$11.58	$849,756

COST SUMMARY:	Per SF		Total
Acquisition Cost	$14.25		$1,139,890
Direct Construction Cost	$80.00		$6,400,000
Other Construction	$0.00		$0
Soft Costs	$20.00		$1,600,000
TOTAL	$114.25		$9,139,890

EQUITY ASSUMPTIONS:		
Total Development Cost		**$9,139,890**
(-) Loan		(5,554,622)
(-) Applied Condominium Revenue		0
Net Equity Required	39.2%	**$3,585,268**

CONSTRUCTION LOAN ASSUMPTIONS:	
Construction Loan Amount	**$5,554,622**
Interest Rate	6.00%
Term (months)	18
Drawdown Factor	0.55
Construction Interest (Capitalized)	**$183,303**
Construction Loan Fee (%)	1.00%
Construction Loan Fee ($)	**$55,546**

PERMANENT FINANCING ASSUMPTIONS:	DCR	LTV
Interest Rate	7.50%	7.50%
Term (Years)	30	30
Debt-Coverage Ratio	**1.20**	
Loan-to-Value		**80%**
Stabilized NOI (Year 2)	$559,278	$559,278
CAP Rate		8.00%
Supportable Mortgage	**$5,554,622**	**$5,592,776**
Annual Debt Service	**$466,065**	**$469,266**

MEASURES OF RETURN:	
Indicated Value @ Stablization	$6,990,971
Value/Cost	76%
Return on Investment (ROI)	6.1%
Return on Sales (ROS)	0.0%
Internal Rate of Return	4.8%
Modified Internal Rate of Return @ 8% Reinventment	5.4%

ESTIMATION OF VIABILITY GAP	
Targeted Return on Sales	12.50%
Calculated ROS	0.00%
Calculated Gap-Condos	$0
Targeted Return on Investment (ROI)	9.0%
Calculated ROI	6.1%
Calculated Gap-Income Components	$2,925,694
Overall Gap as % of Development Cost	32.0%

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE I
RENTAL APARTMENTS
INCOME ASSUMPTIONS

FOR-SALE RESIDENTIAL PROGRAM						
	NO. OF UNITS	LEASABLE SF	SALES PRICE/S.F.	PARKING SALES 1/	AVG PRICE/ UNIT	TOTAL INCOME
Condominiums	0	0	$175	$0	$0	$0
TOTAL	0	0	$0		$0	$0
RENTAL RESIDENTIAL PROGRAM						
	NO. OF UNITS	TOTAL SF	MONTH RENT/S.F.	AVERAGE RENT	MONTHLY INCOME	ANNUAL INCOME
Rental Apartments	80	66,400	$1.10	$913	$73,040	$876,480
TOTAL	80	66,400	$1.10		$913	$876,480
OFFICE						
	TOTAL SF	NET/ GROSS	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
	0	90%	0		$21.00	$0
TOTAL	0		0		$21.00	$0
RETAIL						
	TOTAL SF	NET/ GROSS	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Retail-Building A	0	100%	0		$22.00	$0
Retail-Building B	0	100%	0		$22.00	$0
TOTAL	0		0		$0.00	$0
PARKING						
	# OF SPACES		TOTAL SF		ANNUAL RENT/SF	ANNUAL INCOME
Apartment Parking	20		7,000		$2.57	$18,000
TOTAL	20		7,000		$2.57	$18,000

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE I
RENTAL APARTMENTS
DEVELOPMENT COST ESTIMATE

	Area (S.F.)	Cost/ S.F.	Cost	Total Cost
Acquisition Cost:				$1,139,890
Construction Costs:				
Building A				
Housing-80 units	80,000	$80.00	$6,400,000	
Parking				
Surface (80 stalls)			Included in base costs	
TOTAL				$6,400,000
Total Soft Costs @ 25%				$1,600,000
TOTAL DEVELOPMENT COSTS				$9,139,890

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE I
RENTAL APARTMENTS
TEN-YEAR CASH FLOW

		Lease-up	*Stabilized*	YEAR							
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Scheduled Income/Residential		$876,480	$902,774	$929,858	$957,753	$986,486	$1,016,081	$1,046,563	$1,077,960	$1,110,299	$1,143,608
Gross Scheduled Income/Office		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Gross Scheduled Income/Retail		0	0	0	0	0	0	0	0	0	0
Gross Scheduled Income/Parking		18,000	18,540	19,096	19,669	20,259	20,867	21,493	22,138	22,802	23,486
Miscellaneous Income		0	0	0	0	0	0	0	0	0	0
Vacancy & Collection Loss		(447,240)	(46,066)	(47,448)	(48,871)	(50,337)	(51,847)	(53,403)	(55,005)	(56,655)	(58,355)
EFFECTIVE GROSS INCOME		**$447,240**	**$875,249**	**$901,506**	**$928,551**	**$956,408**	**$985,100**	**$1,014,653**	**$1,045,093**	**$1,076,445**	**$1,108,739**
(-) Operating Expenses - Residential		(306,768)	(315,971)	(325,450)	(335,214)	(345,270)	(355,628)	(366,297)	(377,286)	(388,605)	(400,263)
(-) Operating Expenses - Office		0	0	0	0	0	0	0	0	0	0
(-) Operating Expenses - Retail		0	0	0	0	0	0	0	0	0	0
NET OPERATING INCOME		**$140,472**	**$559,278**	**$576,056**	**$593,338**	**$611,138**	**$629,472**	**$648,356**	**$667,807**	**$687,841**	**$708,476**
(-) Annual Debt Service		0	(466,065)	(466,065)	(466,065)	(466,065)	(466,065)	(466,065)	(466,065)	(466,065)	(466,065)
CASH FLOW (PRE-TAX)		**$140,472**	**$93,213**	**$109,991**	**$127,273**	**$145,073**	**$163,407**	**$182,291**	**$201,742**	**$221,776**	**$242,411**
Total Developer Cash Flow		$140,472	$93,213	$109,991	$127,273	$145,073	$163,407	$182,291	$201,742	$221,776	$242,411
Return on Equity	$3,585,268	3.92%	2.60%	3.07%	3.55%	4.05%	4.56%	5.08%	5.63%	6.19%	6.76%
Present Value		$1,755,900	$6,990,971	$7,200,700	$7,416,721	$7,639,222	$7,868,399	$8,104,451	$8,347,584	$8,598,012	$8,855,952
Cap Rate	8.00%										
Primary Debt Coverage Ratio			1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48	1.52
Total Debt Coverage Ratio			1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48	1.52
Return on Investment (NOI/Cost)			6.1%	6.3%	6.5%	6.7%	6.9%	7.1%	7.3%	7.5%	7.8%

SOURCE: Johnson Gardner

SITE J

OPTION A

RETAIL, OFFICE AND CONDOMINIUMS

SITE J
RETAIL, OFFICE AND CONDOMINIUMS
SUMMARY INFORMATION

June 14, 2004

AREA SUMMARY:	
Parcel Size (SF)	368,082
Building Size (SF)	530,000
Efficiency Ratio (Residential)	83%
Saleable and Leasable Area (SF)	569,830
Units	93
Density (Units/Acre)	11.01

CONSTRUCTION LOAN ASSUMPTIONS:	
Construction Loan Amount	**$52,842,593**
Interest Rate	6.00%
Term (months)	18
Drawdown Factor	0.55
Construction Interest (Capitalized)	**$1,743,806**
Construction Loan Fee (%)	1.00%
Construction Loan Fee ($)	**$528,426**

INCOME SUMMARY:	Total SF	Average Price/SF	Gross Sales Income
Condominiums	77,190	$215.02	$16,597,050
			Gross Income
Rental Apartments	0	$0.00	$0
Office Space	216,600	$24.00	$5,198,400
Retail	22,900	$20.00	$458,000
Parking	253,140	$1.23	$310,716
Vacancy/Collection			($596,712)
TOTAL	492,640	$10.90	$5,370,404

PERMANENT FINANCING ASSUMPTIONS:	DCR	LTV
Interest Rate	7.50%	7.50%
Term (Years)	30	30
Debt-Coverage Ratio	1.20	
Loan-to-Value		**80%**
Stabilized NOI (Year 2)	$4,067,227	$4,067,227
CAP Rate		8.00%
Supportable Mortgage	**$40,394,806**	**$40,672,273**
Annual Debt Service	**$3,389,356**	**$3,412,637**

COST SUMMARY:	Per SF		Total
Acquisition Cost	$8.06		$4,270,540
Direct Construction Cost	$103.38		$54,789,600
Other Construction	$0.00		$0
Soft Costs	$25.84		$13,697,400
TOTAL	$137.28		$72,757,540

MEASURES OF RETURN:	
Indicated Value @ Stablization	$50,840,342
Value/Cost	91%
Return on Investment (ROI)	7.0%
Return on Sales (ROS)	7.5%
Internal Rate of Return	9.6%
Modified Internal Rate of Return @ 8% Reinventment	9.3%

EQUITY ASSUMPTIONS:		
Total Development Cost		**$72,757,540**
(-) Loan		(40,394,806)
(-) Applied Condominium Revenue		(14,511,112)
Net Equity Required	30.6%	**$17,851,622**

ESTIMATION OF VIABILITY GAP	
Targeted Return on Sales	12.5%
Calculated ROS	7.5%
Calculated Gap-Condos	$723,774
Targeted Return on Investment (ROI)	9.0%
Calculated ROI	7.0%
Calculated Gap-Income Components	$13,055,013
Overall Gap as % of Development Cost	18.9%

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE J
RETAIL, OFFICE AND CONDOMINIUMS
INCOME ASSUMPTIONS

FOR-SALE RESIDENTIAL PROGRAM						
	NO. OF UNITS	LEASABLE SF	SALES PRICE/S.F.	PARKING SALES 1/	AVG PRICE/ UNIT	TOTAL INCOME
Condominiums	93	77,190	$195	$16,613	$178,463	$16,597,050
TOTAL	93	77,190	$195		$161,850	$16,597,050
RENTAL RESIDENTIAL PROGRAM						
	NO. OF UNITS	TOTAL SF	MONTH RENT/S.F.	AVERAGE RENT	MONTHLY INCOME	ANNUAL INCOME
Rental Apartments	0	0	$1.10	$0	$0	$0
TOTAL	0	0	$1.10		$0	$0
OFFICE						
	TOTAL SF	NET/ GROSS	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Office-Building A	148,000	95%	140,600		$24.00	$3,374,400
Office-Building B	80,000	95%	76,000		$24.00	$1,824,000
TOTAL	228,000		216,600		$24.00	$5,198,400
RETAIL						
	TOTAL SF	NET/ GROSS	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Retail-Building A	5,000	100%	5,000		$20.00	$100,000
Retail-Building C	17,900	100%	17,900		$20.00	$358,000
TOTAL	22,900		22,900		$20.00	$458,000
PARKING						
	# OF SPACES		TOTAL SF		ANNUAL RENT/SF	ANNUAL INCOME
For-Sale Parking	103		36,050		$0.00	$0
Retail Parking	92		31,236		$0.00	$0
Income Parking	575		185,854		$1.67	$310,716
TOTAL	770		253,140		$1.23	$310,716

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE J

RETAIL, OFFICE AND CONDOMINIUMS

DEVELOPMENT COST ESTIMATE

	Area (S.F.)	Cost/ S.F.	Cost	Total Cost
Acquisition Cost:				$4,270,540
Construction Costs:				
Building A				
Retail	5,000	$99.00	$495,000	
Office	148,000	$135.00	$19,980,000	
Building B				
Office	80,000	$135.00	$13,200,000	
Parking				
Structural - 630 stalls	204,000	$41.25	$8,415,000	
Surface - 37 stalls			Included in base cost	
Building C				
Retail	17,900	$99.00	$1,772,100	
Building D				
Housing - 93 units	93,000	$117.50	$10,927,500	
Parking				
Below housing - 66 stalls			Included in	
Surface parking - 37 stalls			base cost	
TOTAL				$54,789,600
Total Soft Costs @ 25%				$13,697,400
TOTAL DEVELOPMENT COSTS				$72,757,540

1/ Partial taxlots in development were not included in real market value. Actual acquisition cost may be higher.

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE J
RETAIL, OFFICE AND CONDOMINIUMS
TEN-YEAR CASH FLOW

		Lease-up	*Stabilized*	YEAR							
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Scheduled Income/Residential		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Gross Scheduled Income/Office		$5,198,400	$5,354,352	$5,514,983	$5,680,432	$5,850,845	$6,026,370	$6,207,161	$6,393,376	$6,585,178	$6,782,733
Gross Scheduled Income/Retail		$458,000	$471,740	$485,892	$500,469	$515,483	$530,948	$546,876	$563,282	$580,181	$597,586
Gross Scheduled Income/Parking		$310,716	$320,037	$329,639	$339,528	$349,714	$360,205	$371,011	$382,141	$393,606	$405,414
Miscellaneous Income		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Vacancy & Collection Loss		($2,983,558)	($614,613)	($633,051)	($652,043)	($671,604)	($691,752)	($712,505)	($733,880)	($755,896)	($778,573)
EFFECTIVE GROSS INCOME		**$2,983,558**	**$5,531,517**	**$5,697,462**	**$5,868,386**	**$6,044,437**	**$6,225,771**	**$6,412,544**	**$6,604,920**	**$6,803,068**	**$7,007,160**
(-) Operating Expenses - Residential		$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
(-) Operating Expenses - Office		($1,407,900)	($1,450,137)	($1,493,641)	($1,538,450)	($1,584,604)	($1,632,142)	($1,681,106)	($1,731,539)	($1,783,486)	($1,836,990)
(-) Operating Expenses - Retail		($13,740)	($14,152)	($14,577)	($15,014)	($15,464)	($15,928)	($16,406)	($16,898)	($17,405)	($17,928)
NET OPERATING INCOME		**$1,561,918**	**$4,067,227**	**$4,189,244**	**$4,314,921**	**$4,444,369**	**$4,577,700**	**$4,715,031**	**$4,856,482**	**$5,002,177**	**$5,152,242**
(-) Annual Debt Service		$0	($3,389,356)	($3,389,356)	($3,389,356)	($3,389,356)	($3,389,356)	($3,389,356)	($3,389,356)	($3,389,356)	($3,389,356)
CASH FLOW (PRE-TAX)		**$1,561,918**	**$677,871**	**$799,888**	**$925,565**	**$1,055,013**	**$1,188,344**	**$1,325,675**	**$1,467,126**	**$1,612,820**	**$1,762,886**
Total Developer Cash Flow		$1,561,918	$677,871	$799,888	$925,565	$1,055,013	$1,188,344	$1,325,675	$1,467,126	$1,612,820	$1,762,886
Return on Equity	$17,851,622	8.75%	3.80%	4.48%	5.18%	5.91%	6.66%	7.43%	8.22%	9.03%	9.88%
Present Value		$19,523,975	$50,840,342	$52,365,552	$53,936,518	$55,554,614	$57,221,252	$58,937,890	$60,706,027	$62,527,208	$64,403,024
Cap Rate	8.00%										
Primary Debt Coverage Ratio			1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48	1.52
Total Debt Coverage Ratio			1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48	1.52
Return on Investment (NOI/Cost)			5.6%	5.8%	5.9%	6.1%	6.3%	6.5%	6.7%	6.9%	7.1%

SOURCE: Johnson Gardner

SITE J

OPTION B
RETAIL, OFFICE AND APARTMENTS

SITE J
RETAIL, OFFICE AND APARTMENTS
SUMMARY INFORMATION

June 14, 2004

AREA SUMMARY:					CONSTRUCTION LOAN ASSUMPTIONS:		
Parcel Size (SF)				368,082	**Construction Loan Amount**		**$46,988,151**
Building Size (SF)				530,000	Interest Rate		6.00%
Efficiency Ratio (Residential)				83%	Term (months)		18
Saleable and Leasable Area (SF)				569,830	Drawdown Factor		0.55
Units				93	**Construction Interest (Capitalized)**		**$1,550,609**
Density (Units/Acre)				11.01	Construction Loan Fee (%)		1.00%
					Construction Loan Fee ($)		**$469,882**
INCOME SUMMARY:					**PERMANENT FINANCING ASSUMPTIONS:**		
	Total SF	Average Price/SF		Gross Sales Income		DCR	LTV
					Interest Rate	7.50%	7.50%
Condominiums	0	$0.00		$0	Term (Years)	30	30
				Gross Income	Debt-Coverage Ratio	**1.20**	
Rental Apartments	77,190	$13.20		$1,018,908	Loan-to-Value		**80%**
Office Space	216,600	$24.00		$5,198,400	Stabilized NOI (Year 2)	$4,731,091	$4,731,091
Retail	22,900	$20.00		$458,000	CAP Rate		8.00%
Parking	253,140	$1.37		$347,586	**Supportable Mortgage**	**$46,988,151**	**$47,310,907**
Vacancy/Collection				($651,344)	**Annual Debt Service**	**$3,942,576**	**$3,969,657**
TOTAL	**569,830**	$11.18		**$6,371,550**	**MEASURES OF RETURN:**		
COST SUMMARY:					Indicated Value @ Stablization		$59,138,634
	Per SF			Total	Value/Cost		81%
Acquisition Cost	$8.06			$4,270,540	Return on Investment (ROI)		6.5%
Direct Construction Cost	$103.38			$54,789,600	Return on Sales (ROS)		0.0%
Other Construction	$0.00			$0	Internal Rate of Return		6.9%
Soft Costs	$25.84			$13,697,400	Modified Internal Rate of Return @ 8% Reinventment		7.1%
					ESTIMATION OF VIABILITY GAP		
TOTAL	$137.28			**$72,757,540**	Targeted Return on Sales		12.50%
EQUITY ASSUMPTIONS:					Calculated ROS		0.00%
Total Development Cost				**$72,757,540**	Calculated Gap-Condos		$0
(-) Loan				(46,988,151)	Targeted Return on Investment (ROI)		9.0%
(-) Applied Condomium Revenue				0	Calculated ROI		6.5%
					Calculated Gap-Income Components		$20,189,865
Net Equity Required			35.4%	**$25,769,389**	Overall Gap as % of Development Cost		27.7%

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE J
RETAIL, OFFICE AND APARTMENTS
INCOME ASSUMPTIONS

FOR-SALE RESIDENTIAL PROGRAM						
	NO. OF UNITS	LEASABLE SF	SALES PRICE/S.F.	PARKING SALES 1/	AVG PRICE/ UNIT	TOTAL INCOME
Condominiums	0	0	$195	$0	$0	$0
TOTAL	0	0	$0		$0	$0
RENTAL RESIDENTIAL PROGRAM						
	NO. OF UNITS	TOTAL SF	MONTH RENT/S.F.	AVERAGE RENT	MONTHLY INCOME	ANNUAL INCOME
Rental Apartments	93	77,190	$1.10	$913	$84,909	$1,018,908
TOTAL	93	77,190	$1.10		$913	$1,018,908
OFFICE						
	TOTAL SF	NET/ GROSS	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Office-Building A	148,000	95%	140,600		$24.00	$3,374,400
Office-Building B	80,000	95%	76,000		$24.00	$1,824,000
TOTAL	228,000		216,600		$24.00	$5,198,400
RETAIL						
	TOTAL SF	NET/ GROSS	LEASABLE SF		ANNUAL RENT/SF	ANNUAL INCOME
Retail-Building A	5,000	100%	5,000		$20.00	$100,000
Retail-Building C	17,900	100%	17,900		$20.00	$358,000
TOTAL	22,900		22,900		$20.00	$458,000
PARKING						
	# OF SPACES		TOTAL SF		ANNUAL RENT/SF	ANNUAL INCOME
Apartment Parking	103		36,050		$2.57	$92,700
Retail Parking	92		31,236		$0.00	$0
Income Parking	575		185,854		$1.37	$254,886
TOTAL	770		253,140		$1.37	$347,586

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE J
RETAIL, OFFICE AND APARTMENTS
DEVELOPMENT COST ESTIMATE

	Area (S.F.)	Cost/ S.F.	Cost	Total Cost
Acquisition Cost: 1/				$4,270,540
Construction Costs:				
Building A				
Retail	5,000	$99.00	$495,000	
Office	148,000	$135.00	$19,980,000	
Building B				
Office	80,000	$165.00	$13,200,000	
Parking				
Structural - 630 stalls	204,000	$41.25	$8,415,000	
Surface - 37 stalls			Included in base cost	
Building C				
Retail	17,900	$99.00	$1,772,100	
Building D				
Housing - 93 units	93,000	$117.50	$10,927,500	
Parking				
Below housing - 66 stalls			Included in base cost	
Surface parking - 37 stalls				
TOTAL				$54,789,600
Total Soft Costs @ 25%				$13,697,400
TOTAL DEVELOPMENT COSTS				$72,757,540

1/ Partial taxlots in development were not included in real market value. Actual acquisition cost may be higher.

SOURCE: Group Mackenzie and Johnson Gardner LLC

SITE J
RETAIL, OFFICE AND APARTMENTS
TEN-YEAR CASH FLOW

		Lease-up	*Stabilized*	YEAR							
		YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
Gross Scheduled Income/Residential		$1,018,908	$1,049,475	$1,080,959	$1,113,388	$1,146,790	$1,181,194	$1,216,629	$1,253,128	$1,290,722	$1,329,444
Gross Scheduled Income/Office		$5,198,400	$5,354,352	$5,514,983	$5,680,432	$5,850,845	$6,026,370	$6,207,161	$6,393,376	$6,585,178	$6,782,733
Gross Scheduled Income/Retail		458,000	471,740	485,892	500,469	515,483	530,948	546,876	563,282	580,181	597,586
Gross Scheduled Income/Parking		347,586	358,013	368,754	379,816	391,211	402,947	415,036	427,487	440,311	453,521
Miscellaneous Income		0	0	0	0	0	0	0	0	0	0
Vacancy & Collection Loss		(3,511,447)	(670,884)	(691,011)	(711,741)	(733,093)	(755,086)	(777,739)	(801,071)	(825,103)	(849,856)
EFFECTIVE GROSS INCOME		**$3,511,447**	**$6,562,696**	**$6,759,577**	**$6,962,364**	**$7,171,235**	**$7,386,372**	**$7,607,964**	**$7,836,203**	**$8,071,289**	**$8,313,427**
(-) Operating Expenses - Residential		(356,618)	(367,316)	(378,336)	(389,686)	(401,376)	(413,418)	(425,820)	(438,595)	(451,753)	(465,305)
(-) Operating Expenses - Office		(1,407,900)	(1,450,137)	(1,493,641)	(1,538,450)	(1,584,604)	(1,632,142)	(1,681,106)	(1,731,539)	(1,783,486)	(1,836,990)
(-) Operating Expenses - Retail		(13,740)	(14,152)	(14,577)	(15,014)	(15,464)	(15,928)	(16,406)	(16,898)	(17,405)	(17,928)
NET OPERATING INCOME		**$1,733,189**	**$4,731,091**	**$4,873,023**	**$5,019,214**	**$5,169,791**	**$5,324,884**	**$5,484,631**	**$5,649,170**	**$5,818,645**	**$5,993,204**
(-) Annual Debt Service		0	(3,942,576)	(3,942,576)	(3,942,576)	(3,942,576)	(3,942,576)	(3,942,576)	(3,942,576)	(3,942,576)	(3,942,576)
CASH FLOW (PRE-TAX)		**$1,733,189**	**$788,515**	**$930,448**	**$1,076,639**	**$1,227,215**	**$1,382,309**	**$1,542,055**	**$1,706,594**	**$1,876,069**	**$2,050,629**
Total Developer Cash Flow		$1,733,189	$788,515	$930,448	$1,076,639	$1,227,215	$1,382,309	$1,542,055	$1,706,594	$1,876,069	$2,050,629
Return on Equity	$25,769,389	6.73%	3.06%	3.61%	4.18%	4.76%	5.36%	5.98%	6.62%	7.28%	7.96%
Present Value		$21,664,864	$59,138,634	$60,912,793	$62,740,177	$64,622,382	$66,561,054	$68,557,886	$70,614,622	$72,733,061	$74,915,053
Cap Rate	8.00%										
Primary Debt Coverage Ratio			1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48	1.52
Total Debt Coverage Ratio			1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48	1.52
Return on Investment (NOI/Cost)			6.5%	6.7%	6.9%	7.1%	7.3%	7.5%	7.8%	8.0%	8.2%

SOURCE: Johnson Gardner

Beaverton Downtown Regional Center Development Strategy

Chapter 5:
Incentives

CHAPTER 5 - TABLE OF CONTENTS

I. BACKGROUND 1
II. POLICY TOOLS FOR ACHIEVING THE 2040 CENTER DESIGN TYPE IN BEAVERTON..1
FRAMEWORK FOR EVALUATING POLICIES 1
INCENTIVE-BASED APPROACHES.. 2
REGULATORY APPROACHES.. 7
TOOLS AVAILABLE, BUT NOT APPLICABLE IN BEAVERTON.. 10
III. FINANCIAL IMPLICATIONS OF POTENTIAL ACTIONS 10
IV. THE ARGUMENT FOR REGIONAL FUNDING 12

I. BACKGROUND

The Beaverton Downtown Regional Center Development Strategy is a comprehensive review regarding ways in which Beaverton can achieve a significant level of 2040 Regional Center design type developments over the next 50 years. The 2040 Regional Center design type is characterized by mixed-use, pedestrian-oriented areas supporting higher densities of employment and housing. Metro is working with local jurisdictions to assist them in realizing 2040 centers. This pilot project is part of that effort.

The Urban Growth Management Functional Plan requires that all cities and counties with a center designated on the 2040 Growth Concept map must develop a strategy for implementing a center within their jurisdiction by 2007. This purpose of this project is to provide a model strategy that can be replicated in other centers.

The purpose of this chapter is to identify incentives, initiatives, and investments that can help the City achieve the 2040 Center design type in downtown Beaverton. This chapter provides a general description of incentives, initiatives, and investments. It informs specific recommendations in the Action Plan component of this analysis.

II. POLICY TOOLS FOR ACHIEVING THE 2040 CENTER DESIGN TYPE IN BEAVERTON

Framework for evaluating policies

ECONorthwest has conducted similar evaluations for numerous other jurisdictions, including a 2001 study for Metro that included an evaluation of the density of development.[1] The Metro report included a list of policies designed to increase development densities that is relevant to the Beaverton Centers Pilot Project. This section was taken from that report and relevant information adapted for this report. The purpose of the overview is to provide an inventory of possible policy options.

In general, the City can organize policies to implement the 2040 Regional Center design type into two categories: incentive-based approaches and regulatory approaches. The incentive-based approaches are typically voluntary and offer various 'carrots' to developers to encourage them to build at higher densities. The City of Beaverton uses a variety of the incentive based approaches in varying degrees.

Regulatory approaches are not voluntary. They are requirements, and can take at least two forms. First, they can require that developers in Regional Centers meet density goals through mandated policies. Second, they can require things in other zones that increase the costs of development in those zones, making development in Regional Centers more attractive by comparison. These policies do not directly encourage higher-density development in Regional Centers, but they encourage redevelopment and infill in Regional Centers, a precondition for increased densities.

We keep the evaluation simple, looking at five criteria:

[1] ECONorthwest for Metro, "Metro Urban Centers: An Evaluation of the Density of Development" July 2001.

- **Effectiveness.** How great an effect is the policy likely to have on increasing density, given the likely range of its application and the existing policy framework in the Metro region?

- **Cost.** What will it take to implement the policy?

- **Equity.** Who is likely to pay that cost?

- **Side effects.** What other effects might accompany the policy if it is implemented?

- **Applicability to Beaverton.** How would the policy affect the density of development in downtown Beaverton?

Entire studies have been done on each of the many policies we are summarizing. Our charge in this study is synthesis, not analysis. We are trying to provide a broad overview for the City Council so that they can decide which changes in policy, if any, are likely to be, on net, beneficial.

In the Action Plan, we proceed from the assumption that policymakers will want to do something to bring actual and allowed densities of new development closer to each other, and we recommend ways that that could be done.

Incentive-based approaches

Table 1 summarizes the different policy tools government can use to make it easier for developers to do what elected officials, and the citizens they represent, want.

The table is organized from the least direct to the most direct incentives. The first four allow density to occur. The next three provide guidance or information that facilitates development. The next three provide financial incentives through regulatory relief—not a direct transfer of funds, but a means of allowing a developer to keep more of its financial resources. The final five provide direct financial assistance to developers.

TABLE 1. INCENTIVE BASED APPROACHES

Policy	Mechanism; Comments	Effect on Density	Cost	Who Pays	Side Effects	Applicability for Beaverton
Allow dense development						
Increased permitted density Density bonus	Allows densities at higher level than previously allowed	In theory, strong. In practice, limited potential in region. The assumption is that density is already allowed but is not being built.	Small: requires change to zoning code	Taxpayers through local government	Perceived impact on community character	Downtown Community Plan policy identifies density bonuses as a possible incentive and encourages development of multi-family housing in downtown.
Accessory apartments on residential lots	Zoning code specifically allows more than 1 unit on a lot Need to ensure good design	Moderate: Usually allows only two units per lot. Already allowed regionally as part of Metro Functional Plan.	Small: requires change to zoning code Low-cost unit makes sense for owner	Taxpayers through local government pay for zoning change Cost of unit paid by owner	Allows affordable housing in established neighborhoods; homeowner receives rent income Neighborhoods get impacts of more density, but typically smaller than impacts of larger projects	Beaverton does allow more than 1 unit on a lot.
Purchase or transfer of development rights	Permits owners of land in development-restricted area to sell or transfer development rights to owners in development-encouraged districts	Moderate: Would not increase density in the aggregate, but could increase it locally in downtown.	Costly and difficult because of complex individual transactions at both ends Suitable development sites must be identified	Landowners in high-density areas pay for low-density areas' loss of value, and for transaction costs		In practice, little potential in Beaverton as higher density than is being realized is already allowed in downtown.
Mixed-Use zoning	Allows flexibility to mix uses. This policy can be either an incentive ("allow") or a regulation ("require")	Weak: May or may not increase density. Already allowed in Beaverton.	Small: requires change to zoning code	Taxpayers through local government	Shorter trips More transit use Potential conflict between uses	Beaverton currently allows mixed-use in downtown

Policy	Mechanism; Comments	Effect on Density	Cost	Who Pays	Side Effects	Applicability for Beaverton
Reduce planning and information costs						
Specific-Area development plan (e.g. restoration plan for stream corridor downtown)	A master plan that includes more detail than is usually found in a zoning ordinance; used to guide redevelopment, infill, and high-density development	Moderate: guides but does not incent development. Does not necessarily focus on high-density development	Small: cost of planning	Taxpayers through local government Developer builds structures	Can be used to encourage transportation-efficient land uses	The Downtown Community Development Plan, created in November 2000 could be updated to reflect the activities listed in the Action Plan (Chapter 6 of this report).
Research and education	Collection and dissemination of data. If public policy is right—that density is a good idea that the market is not quite ready for—then part of the problem could be that the market (both developers and consumers) do not understand its long-term advantages.	Moderate: changes perceptions of costs, not costs themselves. For the market to be affected, the long-term advantages must be tangible enough to consumers that they are willing to pay for them.	Small to moderate	Taxpayers through local government Foundations through non-profit research organizations	Potential benefits high for Beaverton by educating developers and the public regarding potential projects and activities.	Significant potential to increase research and information for both developers and consumers of high-density development. Focus group participants indicated that they want more information about the City's activities. The City can help build demand for high-density development by promoting its attributes and the incentives (financial, regulatory, and other incentives) provided by the City to encourage high density development.
Development Advocate	Appoint an advocate for downtown business owners and potential downtown developers	Moderate to high: The ombudsman can prioritize work to focus on projects that result in high density 2040 Center design projects.	Moderate: City must hire and train staff	Taxpayers through local government		Potential benefits high for Beaverton. Developers may become more proactive with a champion at the City with which they can work. However, this may backfire if benefits aren't realized quickly.
Provide regulatory relief						
Regulatory relief: permit process	Streamline permitting Local gov't can make all permits available in one place, make all info about requirements to secure a permit readily available, and allow flexibility for innovative development	Moderate: direct effect on the cost of development, but not specifically on cost of high-density development	Small: requires re-organization of processes	Taxpayers through local government	Can reduce oversight and allow potentially undesirable projects Encourages all development, not just 2040 Center or high-density development.	May help reduce the perception that the City of Beaverton is difficult to work with and encourage development projects (both high density and other projects) in the City of Beaverton.

Policy	Mechanism; Comments	Effect on Density	Cost	Who Pays	Side Effects	Applicability for Beaverton
Regulatory relief: fee reduction	Wide range: reduces SDCs, building fees, exactions, etc.	Strong: direct effect on the cost of development Especially strong if targeted for high-density development only	Moderate to high: loss in revenue to local government	Taxpayers through local government	Reduces funding for other local services	Beaverton needs fees to fund infrastructure projects necessary to provide capacity for high density development. Replacement funds necessary if this approach is taken.
Regulatory relief: design standards	Wide range: allows narrower streets, less parking, smaller setbacks, less landscaping Saves land for buildings	Strong: increases density directly and can decrease developer costs by increasing revenue-generating space	Small: requires change to zoning code	Taxpayers through local government	Narrow streets encourage car traffic to drive at a slower pace, creating a more pedestrian-friendly environment, but may increase congestion Less parking may lead to increased transit usage, but mandating less parking may discourage development	While the City has allowed for considerable flexibility in the current code, it should remain flexible with respect to requirements if necessary performance standards can be demonstrated.
Provide direct financial incentives to developers						
Land assembly	Acquisition, by voluntary negotiation or eminent domain, of contiguous parcels to create large developable tracts	Strong: increases desirability of downtown Does not necessarily increase the desirability of higher density development within downtown	Moderate	Taxpayers through local government	Reduces demand for "greenfield" development and reduces pressure on Corridors and other active commercial areas	High potential in Beaverton may include Metro TOD Program funding

Policy	Mechanism; Comments	Effect on Density	Cost	Who Pays	Side Effects	Applicability for Beaverton
Subsidy for development/ public investment	Direct grants or guaranteed or low-interest loans for land, infrastructure, parking, etc. Parking subsidy is helpful for structured parking, which is needed for high density development Property Tax Abatements Business Improvement Districts Local Improvement Districts.	Strong: direct effect on the cost of development Increases the desirability of downtown Does not necessarily increase the desirability of higher density development within downtown, unless the subsidy is for structured parking or other high-density facilitators	High: significant use of public funds	Taxpayers through local, state, or federal government Financing tools include Urban Renewal (Tax-Increment Financing) or non-local funding sources	Creates expectations and precedent Diverts resources from other public services	Urban renewal is effectively prohibited in Beaverton; other sources of subsidy must be identified. There is potential for urban renewal funding in the area, but it will require legislative action.
Location Efficient Mortgages	Fannie Mae recognizes that people save money by living close to workplace and commercial districts, raises level of available loan.	Increases demand for urban infill housing Does not necessarily increase density within that urban infill	Moderate	Fannie Mae assumes greater risk by raising loan amount Homebuyer pays for house	Could increase housing prices in inner-cities, unless developers respond to increased demand by building more infill.	Metro is partnering with Sallie Mae. The $5 million project is expected to launch in Summer 2004. Beaverton residents close to public transit stops/stations will be eligible.
Split Rate Property Tax	Shifts property tax to value of land, eliminating tax on capital improvements Encourages developers to spend less on land and more on improvements, thereby increasing density	Moderate: some states mandate equal tax for property and capital improvement A. Downs reports these taxes have been ineffective at stopping growth or making regions compact	Small: little change to total tax	Landowner pays tax Large lot residences in inner core will see property taxes rise		Change in state law necessary to implement split rate property tax in Beaverton and elsewhere in the State of Oregon
Low Income Housing Tax Credits	Tax credit program administered by OHCS	Can improve the viability of rental housing projects	Low: federally funded	HUD	LIHTC developments can pay more for land, squeezing out market rate projects	The program could allow for rental development at higher densities, which is not viable for market rate rental projects at this time.

Source: ECONorthwest, Metro Urban Centers: An Evaluation of the Density of Development, July 2001.

Many of these approaches are not necessarily focused on increasing density, but on encouraging redevelopment and infill. Redevelopment and infill are important because of the already developed landscape in downtown. It is possible, however, that new development in downtown could continue to be at lower densities than the 2040 Center design type describes.

We summarize what we believe to be some of the key points related to incentive-based approaches, with the caveat that these are our judgments and that others may come to different conclusions:[2]

- Taxpayers usually pay for these approaches through increased costs to local government.

- Many incentives encourage development in downtown but do not directly address the density within Downtown area. That said, redevelopment and infill is a necessary precondition to higher density, given the lower-density development that presently occupies much of downtown.

- Some incentives make all development easier, not just development in downtown.

- Most of these incentives have other side effects, some of which are intended and beneficial, others of which are unintended and negative.

- Local jurisdictions in the Metro area have already tried many of these incentives, particularly those that merely allow high-density development.

Regulatory approaches

Table 2 summarizes the different policy tools local governments can use to make it harder for developers to do what elected officials, and the citizens they represent, do not want.

[2] Though Table 1 contains a lot of information, each row has been the subject of several, if not dozens of articles and book chapters. The literature is not unanimous about all the characteristics of these policies.

TABLE 2. REGULATORY APPROACHES

Policy	Mechanism; Comments	Effect on Density	Cost	Who Pays	Side Effects	Applicability to Beaverton
Require higher density or make lower density more difficult inside Regional Centers						
Minimum-density zoning	Requires that development meet some minimum requirement for density Uniform application throughout jurisdiction or region ensures development doesn't shift to a less restrictive zone	Strong: ensures minimum expectations are met But can preclude any development if market is not ready for higher-density development Already done in downtown Beaverton	Requires fundamental change to zoning code and comprehensive plan Reduces the value of land when it precludes development of the property under its highest and best use	Taxpayers through local government for code or plan changes Landowners lose value if highest and best use was at the lower density zoning	Unless minimum density accurately reflects the market, the regulations could drive some developers to other parts of the region or outside the region, where they can develop at lower densities.	Beaverton currently requires minimum-density zoning in downtown.
Interim development standards	Regulations that limit development through large lot zoning, development moratoria, or land banking until the land can be developed at planned densities	Moderate: prevents lower than desirable density for areas that will become part of the urban area in the future. Not as relevant in already urbanized areas such as downtown	Small: requires change to zoning code and possibly Comprehensive Plan Possible temporary lowering of property values on the urban fringe	Taxpayers through local government for the code and plan changes Landowners on the urban fringe have loss in property values	Can divert demand to substitution markets, which may reduce pressure on rents necessary to achieve higher densities in the future.	This policy applies to land on the urban fringe, and is not applicable to downtown Beaverton.
Phased Development	Allows placement of buildings to allow future infill	Strong: prevents preclusion of higher future densities but allows development to occur.	Small: additional planning, some higher development costs	Taxpayers through local government for planning Developer pays for any additional costs of development		Limited applicability in downtown Beaverton as there are few vacant lots. May be applicable if a developer consolidated parcels and proposed a phased development.
Mandated mixed use	Requires commercial uses to mix with residential.	Weak: may or may not increase density	Small: requires change to zoning code	Taxpayers through local government Developers pay for the development	Shorter trips More transit use Potential conflict between uses	Mixed use is encouraged, but not required in downtown Beaverton.

Source: ECONorthwest, Metro Urban Centers: An Evaluation of the Density of Development, July 2001.

Regulatory approaches can affect development both in and out of downtown. For example, within its downtown, Beaverton requires minimum-density levels of development, making it harder to develop at low densities. The first four approaches in Table 2 are examples of this strategy. Outside of the downtown area, the City can raise the cost of development with fees or development requirements that, though justified, would have the effect of increasing costs and, thus, reducing development (other things being equal). The last two approaches are examples of this strategy. Note, however, that while these approaches encourage development in downtown, they do not guarantee that the density will occur at the high levels desired. These strategies can also be implemented at the regional level, both in and outside of the UGB, with the cooperation of Metro and other jurisdictions.

We summarize what we believe to be some of the key points related to regulatory approaches, with the caveat that these are our judgments and that others may come to different conclusions:

- The costs of regulations are initially borne by developers, not local government. Developers may pass the costs on to homebuyers and businesses, or back to the landowner. Developers are unlikely to bear any substantial portion of the cost over the long run.

- Mandating high densities may reduce or preclude development if financial feasibility only exists for lower-density development. It is possible that the land values will eventually increase to facilitate the mandated density, as regional growth meets the supply constraints of the UGB. Another view, however, is that ongoing, steadily intensifying development is the most effective way of creating the higher land values that will lead to higher densities, and that density minimums that effectively stop development lead to decreasing land values that undermine the goal of higher density. Under either view, achievable rent levels would need to increase substantially in order for the market to develop to the higher densities.

- Among the factors contributing to higher land values that support higher densities are the UGB and high demand for the quality of life and economic opportunities offered by the region.

- Development may instead occur elsewhere within the UGB. However, the existence of the UGB will raise overall land values in a way that makes the high-density allowances in downtown more appealing.

- Regulations that restrict development in areas outside of downtown Beaverton or the UGB do not guarantee that development will occur within downtown. The businesses that currently use suburban land may not find it profitable to do business in downtown Beaverton. The result could be that this sector of the economy, rather than re-locating in a denser environment in downtown, will simply disappear or re-locate outside the region. To the extent that the regional economy depends on the existence of these other segments of the economy, the regional economy could be weakened rather than strengthened by these regulations.

- The regulations that restrict development outside of Centers do not necessarily guarantee that the development within Centers will be at higher densities than at present. That said, redevelopment and infill in Centers is a necessary precondition to higher density in the Centers, given the lower-density development that presently occupies much land in them.

- Regulations can create cross-jurisdictional movement if not uniformly applied across all jurisdictions.

Tools available, but not applicable in Beaverton

Chapter 3 details the assets, barriers, and opportunities that exist in the Regional Center and affect development. Based on these issues, and given our understanding of the development environment, some of the policies listed in Tables 1 and 2 are either indirect (Beaverton could take the role of supporting policies of other jurisdictions, Metro, or the state) or not applicable to Beaverton. These policies and why they were not included in the Action Plan (Chapter 6) include:

- **Transfer of development rights.** Little potential in Beaverton as higher densities are already allowed in downtown.

- **Regulatory relief (fee reduction).** The City should only consider fee reduction if they can receive infrastructure funding from other sources (Metro, state, or federal).

- **Subsidy for development (Urban Renewal).** The City Charter effectively prohibits Urban Renewal Districts in Beaverton.

- **Split rate property taxes.** This policy is not currently an option in Beaverton (or anywhere in Oregon). It could be a potential long-term strategy if the legislature can pass supporting legislation.

- **Interim development standards/shadow platting.** The majority of downtown Beaverton is already developed, thus interim development standards and shadow platting would have only a small impact on downtown density. The exception is if a developer consolidated several parcels and wanted to do a phased development. Shadow platting could help to design the site to allow the design to accommodate higher densities in later phases.

- **Restrictions on land development outside of Regional Centers.** Beaverton can support other jurisdictions and Metro and Washington, Clackamas, and other surrounding Counties to restrict land development outside of the Regional Centers.

- **Increase developer impact fees on greenfield development.** Beaverton has little or no control regarding developer impact fees in greenfield areas (either inside Beaverton City boundaries or in other areas in the UGB).

The remaining policies are included in the Action Plan (Chapter 6). Specifically, the Action Plan includes how the policies address how Beaverton can address the barriers to high-density development identified in Chapter 3 in downtown Beaverton.

III. FINANCIAL IMPLICATIONS OF POTENTIAL ACTIONS

A number of potential actions have been identified to encourage higher density development forms within the Regional Center. This section addresses the tangible general implications of these actions to the viability of a development.

First of all, it is important to recognize that the primary obstacle to achieving 2040 densities in the regional center is related to financial feasibility. As noted in previous work completed by Metro, the higher construction costs associated with higher density development forms cannot be justified under achievable rent levels in suburban locations. This is particularly true for structured parking, which has only limited income potential in a suburban location.

The following is a brief summary of the implications of potential actions on the general viability of projects.

<u>Allowing Dense Development</u>
The impact on viability of allowing density is relatively limited in an area in which higher densities are not viable.

<u>Reduce Planning and Information Costs</u>
The reduction of planning and information costs improves viability in a number of ways. Increased certainty regarding what will be approved and abbreviated approval timelines lowers the level of uncertainty associated with entitlement, which lowers holding costs and may lower the required return parameters. This can have a substantial financial impact on the development, as well as lowering the required yield to induce new development. Readily available and current information lowers predevelopment costs. More importantly, it can broaden interest in the area by lowering the "learning costs" associated with understanding the local market.

<u>Land Assembly</u>
By assisting in land assembly, the City can reduce carrying costs as well as uncertainty.

<u>Direct Grants/Parking Subsidy</u>
These types of actions have a direct impact on the bottom line, delivering a large impact but at a large cost. The present value of grants is fairly straightforward to calculate, as is removing the cost of structured parking from a project. Low interest loans provide a number of benefits. First of all, they typically reduce the equity requirement for the project, with equity carrying a relatively high cost for the development. This can be through a better debt coverage ratio associated with lower-cost funds, and/or a lower equity requirement per the terms of the debt. A commonly used tool is subordinated or second position debt, which is debt secured by a second position in the property. This can be used to reduce equity requirements. This type of debt is not typically available in the market, as it is not adequately secured by real property.

<u>Location Efficient Mortgages</u>
These types of mortgages, which raise lending limits for qualified areas, impact viability through a combination of higher achievable sales prices and a faster sales pace. The impact of higher sales prices has a direct financial impact, while a faster pace of absorption reduces carrying costs and may reduce a developer's minimum threshold returns if he perceived less risk in the deal.

<u>Split Rate Property Tax/Tax Abatement</u>
Measures to reduce ongoing property taxes have a significant impact on viability. Tax abatement programs are the most commonly used of these types of measures, typically with a term of ten years on qualifying projects. As shown in the table to the right, a ten year tax abatement has a discounted value roughly equal to between 11%

Residential Tax Abatement	
Assessed Value (AV)	$160,000
Tax Rate	1.50%
Annual Property Taxes	$2,400
Abatement Period/Years	10
Assumed Escalation Rate	3.0%
Total Value	$27,513
Assumed Discount Rate	10%
Present Value (Discounted)	$18,173
Present Value/Assessed Value	11.4%

and 12% of assessed value. For an income property such as a rental apartment project, this value is realized directly by the developer. For a condominium unit, the abatement goes to the purchaser, and the developer needs to realize a pricing premium on the unit consistent with the value of the abatement.

A split rate property tax would have a similar but larger impact, as it applies to commercial components of a project as well and doesn't expire after a ten year period.

Low Income Housing Tax Credits

HUD, through the State of Oregon's Housing and Community Services, provides tax credits for affordable housing projects. These credits significantly improve the viability of many rental projects, despite limits on rents that can be charged. As shown in the table to the right, the present value of a 4% tax credit can be equal to a quarter of qualified cost. While qualifying projects typically must demonstrate a rent advantage relative to what is achievable in the market of 15%, the program still provides for a net boost in viability.

Low Income Housing Tax Credits	
Qualified Cost	$90,000
Credit Percentage	4.00%
Credit Period/Years	10
Total Value	$36,000
Assumed Discount Rate	12%
Present Value (Discounted)	$22,782
Present Value/Qualified Cost	25.3%

IV. THE ARGUMENT FOR REGIONAL FUNDING

The previous section describes specific strategies that the City of Beaverton can do to achieve the 2040 Center design type densities. However, the City can make the argument that by adopting policies that lead to a 2040 Center design type in downtown Beaverton, the City is benefiting the broader region. Who should pay the costs for higher densities? One of the principles of public finance is that beneficiaries should pay. Who are the beneficiaries of a 2040 Center design type in downtown Beaverton? They are:

- **Current property owners.** Or are they? Some owners would prefer that Downtown remain the same. They would prefer not to have to sell, redevelop at higher densities, or move to a less expensive location. Other property owners may be happy with the windfall profit as the value of their land increases due to increasing allowed densities, but there is a question about how much profit will be there if they have to pay the full costs of the infrastructure necessary to redevelop at higher densities. At this time, it is not entirely clear that increasing allowed densities translates into higher property values, while minimum density standards may negatively impact property values if they are higher than the current highest and best use of the property.

- **Developers.** Most people understand that a development business, like any business, has to make a normal profit to be successful. The complaints come from those who believe that developers make extraordinary profits. How can they do that? One possibility is by sharp negotiation they can get land at less than fair market value, but (1) that is not easy, especially in this case, because property owners know that they are slated for higher density development and probably have inflated ideas of their land value, given the costs of infrastructure, and (2) that is just a transfer from the property owner to the developer. A more likely possibility is that through skill and good luck they can develop at less cost than expected, or that the market for their product is stronger than expected. In a competitive development market, extraordinary profits cannot be assumed.

- **Future property owners.** These are the homeowners, businesses, institutions, and investors that buy the developers' products. The assumption is that the price they pay reflects the marginal value of the product; therefore no unusual benefit would accrue.

- **All future residents of the area, whether owners or not.**

- **Households and businesses *outside* the area planned for development.**

In summary, every beneficiary faces costs. How much developers benefit depends on the cost of their development (including land) and market conditions. Future property owners presumably get some net benefit: if not, they would not buy the property. But depending on market conditions (demand and prices), their benefits could be small or large. If they are small, that means developers and property owners are benefiting more. Which of them captures the value of urban development depends on demand and supply conditions that cannot be predicted based only on theory.

But those points are just background for one that is more germane to this project. What happens if the cost of developing at higher densities is very high?

Developers understand development arithmetic. In most cases they will take market prices for various real estate products as given (maybe with some upward adjustment for their optimism about the quality of their products and future demand conditions): that gives them an estimate of the value of (revenue from) their project. Then they subtract their best estimate of all the hard costs (buildings and on-site facilities) and soft costs (entitlements, design, financing, other). Assuming the resulting number is positive (revenue exceeds costs), they subtract what they believe to be a reasonable rate of return on their investment based on perceived risk. What is left is what they can afford to pay for the land, typically referred to as the residual land value.

If getting services to the land is very expensive, high density construction is high, parking costs are high, or if land owners otherwise have big expectations about the value of their land, the probability increases that the project "will not pencil out," that the developer will not buy the land, and that development will not occur.

That scenario is a real possibility for the Beaverton area. If the full cost of developing parking, higher construction costs, and infrastructure must be paid by property owners or developers and capitalized into the value of the land, there is a possibility that land owners and developers will not be able to agree on a price: land owners will want a lot (because they see this as now valuable urban land); but developers may be willing to pay little because capitalizing the costs of all those services into the price of the land and the cost of the finished product will price it out of the expected market.

We believe that a strong case can be made for more general sources of funding based on the observation that the beneficiaries of the kind of development desired in downtown Beaverton include all the other jurisdictions in the metropolitan urban growth boundary (UGB). Why?

State law and the Metro Growth Management Framework Plan call for, among other things, development that is: higher-density, transit-oriented, and environmentally sensitive, and geographically balanced. Through a regional process, downtown Beaverton was selected as a Regional Center. In order to protect prime farm land and balance growth, the region chose to increase density within the region. Other parts of the region are arguably better off in some ways because of that decision. Everyone benefits from the UGB's efforts to preserve farmland. Traffic congestion is less in other parts of the region because growth is going to Beaverton.

Our conclusion is that there is a strong argument, consistent with the principles of public finance and payments by beneficiaries, for regional (and state) contributions to the costs of infrastructure in downtown Beaverton. Without such contributions, the amount, type, and speed of development may be less than what the region is hoping for as it tries to accommodate forecasted growth.

This project is an example of the state and Metro's commitment to the 2040 design types. Metro and the state have invested significant resources in land efficient planning in the region. Additionally, they are beginning to provide other tools and incentives. The TOD Program and location efficient mortgages are just two examples.

Beaverton Downtown Regional Center Development Strategy

Chapter 6:
Action Plan

TABLE OF CONTENTS

I. BACKGROUND 1
II. ACTION PLAN 1
A. Statement of Problem 1
B. Priorities and Timing 1
i. Priorities *1*
ii. Action Steps *2*
C. Beaverton Specific Policies 5
i. Public Parking Program *5*
ii. Reduce entitlement, planning, and information costs to developers *6*
iii. Provide direct financial incentives for development *6*
iv. Indirect incentives for development *8*
v. Provide regulatory relief *8*
vi. Work to maintain high demand for working and living in Beaverton *8*
vii. Conduct a public awareness campaign *9*
viii. Require high density within downtown *9*
ix. Marketing *9*

I. Background

The Beaverton Downtown Regional Center Development Strategy is a comprehensive review regarding ways in which Beaverton can achieve a significant level of 2040 Regional Center design type development over the next 50 years. The 2040 Regional Center design type is characterized by mixed-use, pedestrian-oriented areas supporting higher densities of employment and housing. Metro is working with local jurisdictions to assist them in realizing 2040 centers. This pilot project is part of that effort.

The Urban Growth Management Functional Plan requires that all cities and counties with a center designated on the 2040 Growth Concept map must develop a strategy for implementing a center within their jurisdiction by 2007. This purpose of this project is to provide a model strategy that can be replicated in other centers.

The purpose of this chapter is to provide actions steps that should be taken to achieve the 2040 Center design type in downtown Beaverton.

II. Action Plan

A. Statement of Problem

The primary problem facing the Beaverton Regional Center is inducing private-sector development activity consistent with established goals and objectives for the area. As a regional center, the study area is expected to realize development densities significantly higher than currently viable in the area.

Our analysis indicates several obstacles to realizing the densities:

- Financial Viability – The primary obstacle is that the development forms necessary to achieve targeted densities are not financially viable under current market conditions in the Beaverton Regional Center.
- Pedestrian Linkages – The district is bisected by both Canyon and Farmington Roads, which greatly reduce the cohesiveness of the center.
- Parcelization – Ownership patterns in the district are fragmented, with a number of important parcels requiring complex assemblages if they are to develop.

Of these issues, financial viability is by far the most significant factor. The following sections address these problems, as well as strategies and potential solutions.

B. Priorities and Timing

i. Priorities

The financial viability of the targeted development forms in the study area represents the most significant impediment to achieving the desired development patterns. Addressing the viability gap must be the ***primary*** consideration in any strategy to develop 2040 Center design types in the Beaverton Regional Center. There are a number of direct and indirect ways in which viability can be addressed. Direct methods include project specific actions, such as property tax abatements, ownership of parking, SDC waivers and land write-downs. Indirect methods include public parking programs, directed public improvements and marketing.

Another category of actions that should be initiated in the short-term is marketing related. The City needs to better package and disseminate information regarding development potential, opportunities and tools available to property owners and the development community. We consider the cost effectiveness of these types of actions to be relatively good.

The following table presents a summary of what we consider to be priority actions necessary to increase the potential to achieve 2040 densities in the Beaverton Regional Center.

General Issue/Action	Description	Comments
High Priority		
Project Feasibility	▪ Property Tax Abatements ▪ Public Parking Programs ▪ Allow for Phased Development ▪ Direct Project Subsidy ▪ Site and Market Analysis ▪ Land Assembly ▪ Off-Site Improvements	Most of these tools are already available within the City, but their availability is not widely known.
Medium Priority		
Marketing	▪ Development Advocate ▪ Improve Contact with Downtown Business Owners ▪ Create Specific Plans for Catalyst Developments ▪ Matchmaking between property owners and developers ▪ Collateral materials (brochures, etc.)	The City's posture needs to be more proactive with respect to property owners and the development community.

As outlined, these steps can be largely categorized as pertaining either to enhancing project feasibility or more actively marketing the regional center.

Viable development forms, including or excluding public participation, need to be identified and effectively marketed to property owners and the development community. If targeted development is not viable, there is no point in marketing it. The City has a number of tools at its disposal to encourage 2040 design types in the Regional Center, but should recognize that existing programs may be insufficient to bridge the identified viability gaps. High priority actions not currently in place, such as a public parking program and direct project subsidy, may be required to realize density objectives.

ii. Action Steps

A large number of potential action items have been identified in the course of this analysis. This section outlines a suggested course of action, which we feel is consistent with improving the potential for realizing the targeted development types within the Beaverton Regional Center. The order and timing of actions relates to both the expected importance of these actions, as well as to the relative difficulty in completing individual steps.

General Issue/Action	Timeline	Comments
Project Feasibility		
Public Parking Program	Mid-Term	The cost of structured parking remains the primary obstacle to achieving targeted densities outside of the Portland CBD. A program to provide structured parking within the Regional Center would be expected to greatly increase the likelihood of achieving higher-density housing, but would require a considerable public commitment. This is a City as well as regional issue, and the City, Metro and Tri-Met should evaluate a workable and equitable approach to meeting this need. While the need for this action is immediate, it is likely that planning and funding for such a program will push the implementation timeline out to the three to five year horizon.
Direct Project Subsidy	Ongoing	The City and other public entities with an interest in achieving higher density development within the regional center will need to be willing and able to provide direct project assistance if needed. This will require an allocation of funding to be made available, such as that available through Metro's TOD program. As demonstrated in the financial analysis portion of Chapter IV, the need for public participation can be significant.
Site and Market Analysis	Short-Term/ Ongoing	A significant amount of market analysis has been generated by this report. Current information should be maintained at a regional center level, with the City offering ongoing assistance for interested parties seeking more site specific information.
Catalyst Developments	Short-Term	The City should identify potential catalyst development sites, evaluate development potential on these sites, and determine a marketable development program for outreach to the development community. The work done as part of this study could form a baseline for further site specific work, with marketable packages available within the next twelve months. The Mayor's Downtown Development Committee represents an appropriate group to serve as an advisory committee to this process.
Parking Requirements	Short-Term	Minimum parking requirements can be reduced through the code, potentially with a regional center overlay.
Entitlement Process	Short-Term	The City can further streamline entitlements, particularly for projects in the regional center meeting public objectives.

General Issue/Action	Timeline	Comments
Marketing		
Develop Collateral Materials	Short-Term	With assistance from Metro, the City should develop materials for distribution providing information on the Beaverton Regional Center. Packages can be tailored to developer, property owner and business owner needs. In addition, a web site should be established tracking planning efforts, development trends and news in the regional center. The City of Vancouver's economic development department has an outstanding site, tracking public and private sector activities in their downtown development area.
Development Advocate	Short Term/ Ongoing	The City should assign an advocate for downtown development in the regional center. This position should coordinate efforts, including planning and outreach.
Developer Solicitation	Short-Term/ Ongoing	The City should make a regular effort to market opportunities in the regional center to the development community. This not only keeps the development community aware of any opportunities, but demonstrates commitment by the jurisdiction to facilitating new development.
Matchmaking	Short-Term/ Ongoing	The City should actively help match willing property owners and developers. This reduces the effort required, increasing the likelihood of new development. A database and mailing list can be created of interested developers as well as property owners in the area.
Branding of Center	Short-Term/ Ongoing	The regional center competes within a broader context, and should establish a brand with a positive market, marketable image. If successful, this can enhance general desirability and more importantly from a viability standpoint, increase achievable lease rates. Probably the most successful example of branding within the Portland metro area is the "Pearl District". Branding of the district should clarify boundaries, as well as include joint marketing. Consistent signage, lighting, street treatments and other aspects of the physical environment should be coordinated to reinforce the brand, creating an identifiable sense of place.
Improve contact with downtown business and property owners	Short-Term/ Ongoing	The City should initiate a program for more extensive outreach to business and property owners in the regional center. This would include establishing a mailing list of interested parties and initiating a regular newsletter.
Broader Policy		
Split Property Tax	Mid- to Long-Term	Implementing a split property tax rate, which taxes land at a higher rate than improvements, would require statewide legislative action. While the effort related too getting this type of legislative action is high, it addresses a broader regional concern as opposed to merely an issue in the Beaverton regional center.

C. BEAVERTON SPECIFIC POLICIES

Tables 1 and 2 in Chapter 4 of the overall report condense (and over-simplify) a lot of information about policies to increase urban density. There is plenty to discuss but, in our opinion, little that has not already been discussed in the Portland region. In this section we get more specific about a subset of the policies that we think are more likely to have measurable effects on density in downtown Beaverton. We list policies that we believe are the most effective ways to increase density in downtown Beaverton.

There are several issues that Beaverton must address to be able to achieve 2040 Centers density: the City must have structured parking in downtown Beaverton and it must provide incentives that make it financially feasible for developers to construct higher density projects before the market is otherwise ready. These two issues are discussed below, followed by incentives and regulatory-based policies that may lead to 2040 Center design types in Beaverton.

i. Public Parking Program

One of the most significant barriers to achieving the density in downtown Beaverton required by the 2040 Center design type is adequate parking. On street parking will not provide all parking spaces required by the City and potential funding institutions to accommodate the amount of development that the higher-density zoning would allow. Within the next 10 years, the City must ensure that structured parking is available in downtown Beaverton.

- **Long-term parking strategies.** Parking must be addressed as a long-term problem. The City should consider parking strategies over a 20-year (or more) period. Reinvestment and public infrastructure construction is not economically feasible over a three to five year basis.

- **Public investment.** Structured parking will require public and private investments that involve risk capital and long payout periods. This will require public investment as private investors typically look for a return on their investment in five years or less. It will be difficult, if not impossible, for private developers to make a profit on a project that includes structured parking in the short-term. Thus, if the City of Beaverton Region wants structured parking, they may have to build public funded and financed parking structures. Jurisdictions such as the City of Vancouver have taken direct ownership of parking structures that were necessary to achieve high-density development programs but not viable under achievable lease rates. The City of Salem has publicly-owned parking structures, with developments in the central city able to pay to have public parking meet their on-site parking requirements.

- **Manage surface parking.** One of the first strategies the City should implement is to manage existing surface parking. Focus group participants indicated that parking was an issue for customers (who can't find parking spots in front of the businesses the businesses they wish to visit), and for employees (who park in front of businesses where business owners would prefer customers). Participants indicated that there are several parking lots that are underutilized. A program that helps match parking resources to needs, as well as appropriate remuneration, may allow for better utilization of parking in the area.

- **Reduce Minimum Parking Requirements.** The minimum parking requirements should be reduced if a lower need or hardship can be demonstrated. This can facilitate less parking intensive uses such as senior housing.

- **Improve parking signage.** The City could provide signage so that Downtown customers know where they can legally park. This may help improve the perception that parking is difficult in Downtown.

- **Encourage multiple use of parking.** The demand for parking is different for different businesses. For example, a health club may need parking early in the morning for members that exercise before going to work. A lawyer's office or an accountant will need parking between 9 a.m. and 5 p.m. A restaurant may need parking in the evening. Structured parking is more sustainable if it is used 20 hours per day, instead of four to five hours per day.

ii. Reduce entitlement, planning, and information costs to developers

- **Area development plans.** Use specific-area development plans to guide redevelopment, infill, and high-density development in downtown when it is likely that the plans would help developers understand the requirements and possibilities of developing in downtown. The City has been preparing this type of plan in areas such as 114th.

- **Conduct research, provide information.** Beaverton (with or without Metro) could continue to conduct research and education, which can point out the benefits of higher densities and the ways in which costs can be lower than originally perceived. Focus group participants indicated that they would appreciate more information from the City regarding projects that affect their business (such as the construction information). Many of the participants indicated that they would like the City to continue and increase communication and education efforts regarding downtown planning and construction activities. This can be done through a newsletter, the City's Downtown Advisory Committee and a dedicated web site tracking activity as well as opportunities in the regional center area.

- **Downtown Development Advocate.** Beaverton could assign a downtown development advocate that can guide property owners through the regulatory process and encourage projects that enhance the 2040 Centers design type. This position can be responsive to inquiries, but also more pro-active in outreach to property owners and the development community.

iii. Provide direct financial incentives for development

- **City consolidation of parcels.** Beaverton could assemble contiguous developable parcels in Regional Centers to create large development sites that are more attractive to developers. This can be done without a specific development proposal or in response to a proposal. Voluntary negotiation is usually preferable to eminent domain for political reasons, but it takes longer. The City of Beaverton has the authority to acquire properties in this way under House Bill 3224. The Bill authorizes cities with more than 50,000 residents to issue non recourse bonds to provide for retail, commercial and industrial development, as well as authorizing cities to loan bond proceeds for low income housing and other housing development.

- **Metro TOD Program.** Metro's Transit-oriented Development Implementation Program (TOD Program) may provide funding around MAX stations for consolidating parcels. The purpose of the program[1] is to create "transit villages," a concentration of mixed-use retail, housing, and jobs around regional light-rail systems and other transit lines. Projects must concentrate land uses

[1] This section is summarized from Metro's website http://www.metro-region.org/article.cfm?ArticleID=140 and information provided by Marc Guichard, senior joint development specialist.

scaled for pedestrians, increase non-auto transportation choices, and decrease regional congestion and air pollution. Approximately $3 million is available for the light rail station areas and frequent corridors and $3 million for the Regional Centers program through the Metropolitan Transportation Improvement Program (MTIP) for 2006-09. If successful, the City of Beaverton could expect to receive only a portion of the available funding, as the $6 million is available for projects proposed throughout the Metro area. It is conceivable that Beaverton could spend the entire $3 million available for Regional Centers in downtown Beaverton.

The TOD Program requires a series of cooperating agreements between Metro, local jurisdictions, and private developers. Funds are used primarily for site acquisition. Once appropriate parcels are purchased with TOD Program funds, they are resold to private developers with the condition that they construct transit-oriented development and/or dedicate streets, plazas, and other pedestrian-enhancing facilities to the local government. The land value is often written down to cover extraordinary development costs for the TOD project. This tool is used to establish the "highest and best transit use" appraisal to establish the sale price.

While this program has the ability to significantly impact the degree to which targeted development is viable, the current level of funding sharply limits its effectiveness. As demonstrated in the financial analysis component of Chapter IV, the entire regional allotment for this program could easily be exhausted in a single project.

- **State financing for development.** Oregon statute provides several other avenues for financing development projects. ORS 280.410 to 280.485 grants cities with more than 300,000 residents authority to issue bonds for industrial, retail, and commercial development; HB 3224 extends that authority to cities with population over 50,000. This legislation essentially broadens the definition of land acquisition for public use and permits cities to loan bond proceeds for low-income or other residential development. Even if the City uses state financing tools, ultimately, Beaverton residents will have to pay for the bonds by taking money from other programs, or, through user fees or property taxes.

- **Vertical Housing Abatement.** The City can also encourage higher-density development with vertical housing abatements. As defined by State law in 2001 (S.B. 763), Vertical Housing Development Zones must be located near mass transit facilities and or be recognized as "core urban areas." Through a vertical housing subsidy, proposed development projects within these zones—specifically "mixed-use" buildings with first floor commercial space and upper floor residential units—can apply for a ten-year property tax exemption. Available through Oregon's Economic and Community Development Department, the subsidies apply to new or reconstructed buildings and exempt property taxes on either the entire new building or its incremental change in value, respectively.

- **Public loans**. The City may also want to consider providing public loans to match private investments. Public loans can cover a wide range of activities. The City should be explicit about the public good supported by the loan. For example, the City may determine that an historical theme in downtown will result in the highest and best use of downtown property. The aesthetically pleasing theme will increase property tax income at a higher rate than the current development pattern. The City can then supplement a private loan to renovate a building with a public loan, which generally provides a lower interest rate.

- **Business and/or Local Improvement Districts.** The City should evaluate the establishment of improvement districts to provide for local improvements supportive of the general environment in the area. These types of districts can provide funding for infrastructure and design improvements benefiting the broader district.

- **Split Property Tax.** The split property tax is an innovative approach to encourage redevelopment and discourage land speculation by decreasing taxes on buildings, and increasing taxes for land. By taxing land at a higher rate than buildings, the tax makes land more expensive, decreasing demand. Holding vacant land becomes more expensive, encouraging property owners to develop their land, and realize a return on their investment. This method of taxation is not currently allowed in Oregon and would require legislation before it could be implemented in Beaverton.

iv. Indirect incentives for development

- **Site and Market Analysis.** Provide packaged information regarding relevant market and site information to potential developers. This reduces predevelopment costs and often perceived risk, and may lower threshold return parameters.

v. Provide regulatory relief

- **Continue to improve the permitting process.** Developers and property owners that participated in focus groups indicated that they believed that it is difficult to conduct business with the City. The City should review the steps downtown property owners must interact with City staff and determine if there is a way the City can improve the process. For example, the City may want to further streamline the permitting process for development in downtown—not by removing oversight from the process, but by centralizing permitting information, making permitting information more accessible, and allowing greater flexibility for innovative development where possible. A downtown advocate could help applicants through the permitting process.

- **Reduce fees.** Beaverton could reduce fees for high-density development, especially that which uses existing excess infrastructure rather than requiring new infrastructure. While this may be available on an ad hoc basis, a formal policy could be established.

vi. Work to maintain high demand for working and living in Beaverton

- **Preserve & enhance the natural environment and cultural opportunities.** The City of Beaverton must work to maintain and enhance a working and living environment commensurate with what is required to establish and maintain high commercial and residential demand. Further, the City must preserve the natural environment and cultural opportunities that make Beaverton attractive to local residents and workers.

- **Encourage location efficient mortgages.** Metro is currently working with Sallie Mae to launch the Smart Commute Initiative, a $5 million program intended to provide location-efficient mortgages for homes located close to public transit facilities. Scheduled to begin Summer 2004, the Program will target downtown Beaverton and assumes that money homebuyers save using public transportation can in turn be applied to home purchases. The City can become a partner and provide information about location efficient mortgages to encourage purchases of housing in downtown.

vii. Conduct a public awareness campaign

- **Inform the public about activities in downtown.** Focus group participants emphasized that they, and all Beaverton residents, are generally unaware of the City's planning and construction activities. The City could consider partnering with organizations such as the Chamber of Commerce and the Mayor's Downtown Advisory Committee to ensure that the business community and the public are aware of the improvements taking place in Downtown. Actions may include establishment of a downtown newsletter and internet presence.

viii. Require high density within downtown

- **Re-examine minimum-density requirements.** Beaverton could continue to maintain minimum-density zoning requirements in downtown. If minimum zoning requirements are set too high, however, they can stifle the organic, iterative process that causes development to gradually intensify and land values to rise high enough to support gradual densification. Exceptions may exist where minimum-density zoning requirements might be temporarily ahead of the market, but where future land prices are expected to rise to a level where the market will build at that zoning. In this case, downtown must be perceived to be desirable enough that it will eventually develop even if new development has been temporarily halted by minimum-density requirements. While the current minimums in place doe not appear unworkable, the city should allow some flexibility if site specific hardship can be demonstrated.

- **Continue to use phased development.** Beaverton could encourage or require the use of phased developments, which requires the placement of buildings in a way that allows future infill at some minimum density. Unlike simple minimum-density requirements that are ahead of the market, phased development plans allow development to occur and generate the gradually increasing land values that are absent in the case of a development moratorium. At the same time, phased development arranges the buildings constructed in the early phases of development in a way that allows future buildings to be placed on the site in an infill manner, increasing density without requiring demolition of existing buildings. Careful consideration must be given to design and streetscape issues so that key streets and intersections are not dominated by unattractive, uninviting, un-built space like vast surface parking lots.

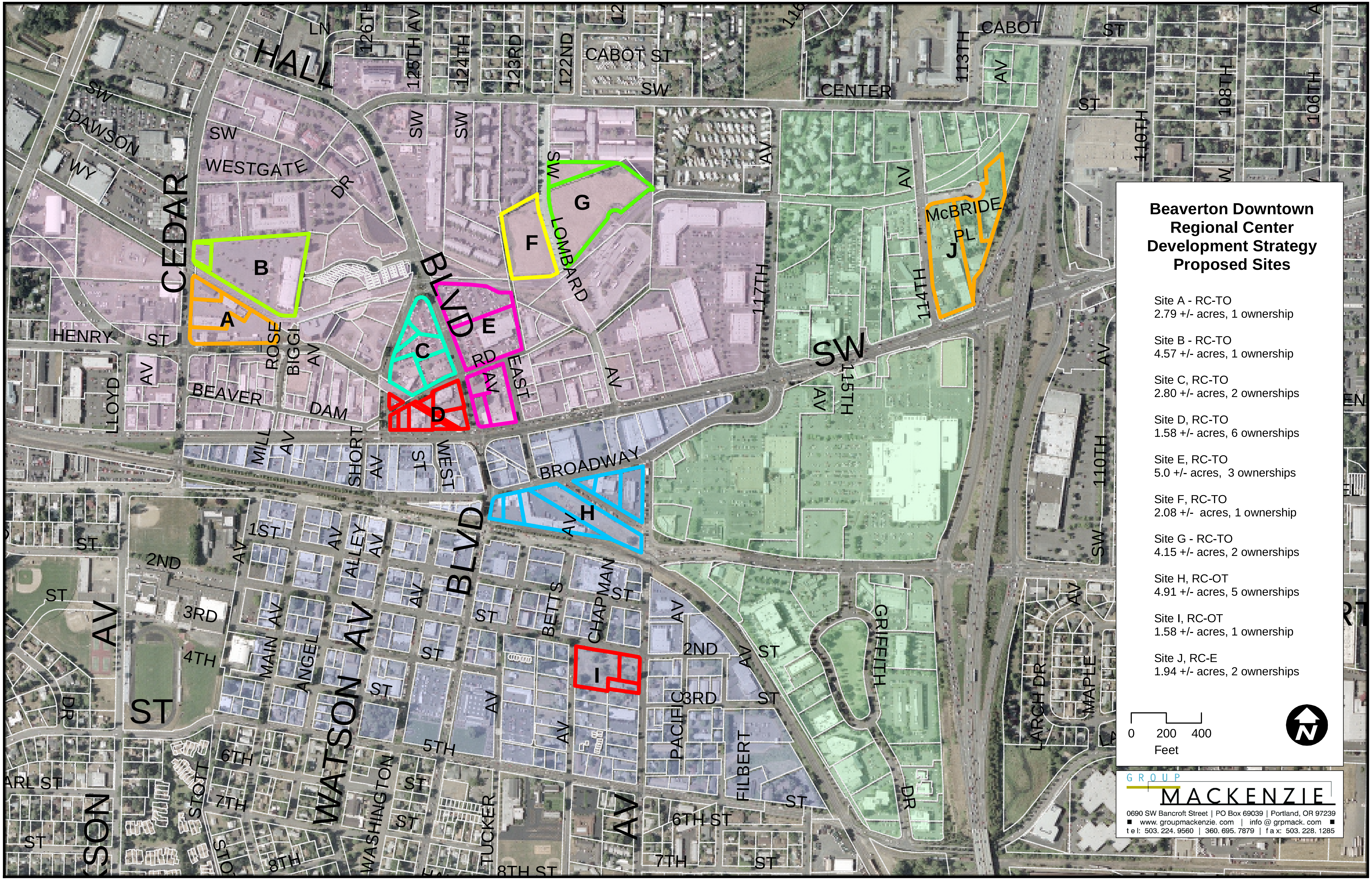
ix. Marketing

- **Developer Solicitation.** The City should make a regular effort to market opportunities in the regional center to the development community. Ongoing developer outreach should be conducted regarding opportunities in the regional center, as well as local property owners. This demonstrates commitment by the jurisdiction, as well as increasing recognition of potential development opportunities.

- **Develop Collateral Materials.** The City should prepare a brochure and information packets on regional center. This would include information on available programs and outline opportunity sites. This lowers the effort required by a developer to become familiar with local opportunities and programs.

- **Matchmaking.** Actively help match willing property owners and developers. This again reduces the effort required for both property owners as well as for developers.

- **Enhance Branding of Center.** The regional center should be "branded", clarifying boundaries as well as joint marketing efforts. Signage, lighting, street treatments and other design aspects should be coordinated to reinforce the brand. The regional center competes within a broader context, and should establish a brand with a positive marketable image. If successful, this may enhance general desirability and more importantly from a viability standpoint, achievable lease rates.


Beaverton Downtown Regional Center Development Strategy Proposed Sites
Site A - RC-TO
2.79 +/- acres, 1 ownership
Site B - RC-TO
4.57 +/- acres, 1 ownership
Site C, RC-TO
2.80 +/- acres, 2 ownerships
Site D, RC-TO
1.58 +/- acres, 6 ownerships
Site E, RC-TO
5.0 +/- acres, 3 ownerships
Site F, RC-TO
2.08 +/- acres, 1 ownership
Site G - RC-TO
4.15 +/- acres, 2 ownerships
Site H, RC-OT
4.91 +/- acres, 5 ownerships
Site I, RC-OT
1.58 +/- acres, 1 ownership
Site J, RC-E
1.94 +/- acres, 2 ownerships
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0690 SW Bancroft Street | PO Box 69039 | Portland, OR 97239
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tel: 503. 224. 9560 | 360. 695. 7879 | fax: 503. 228. 1285
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CABOT ST
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GRIFFITH
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BETTS
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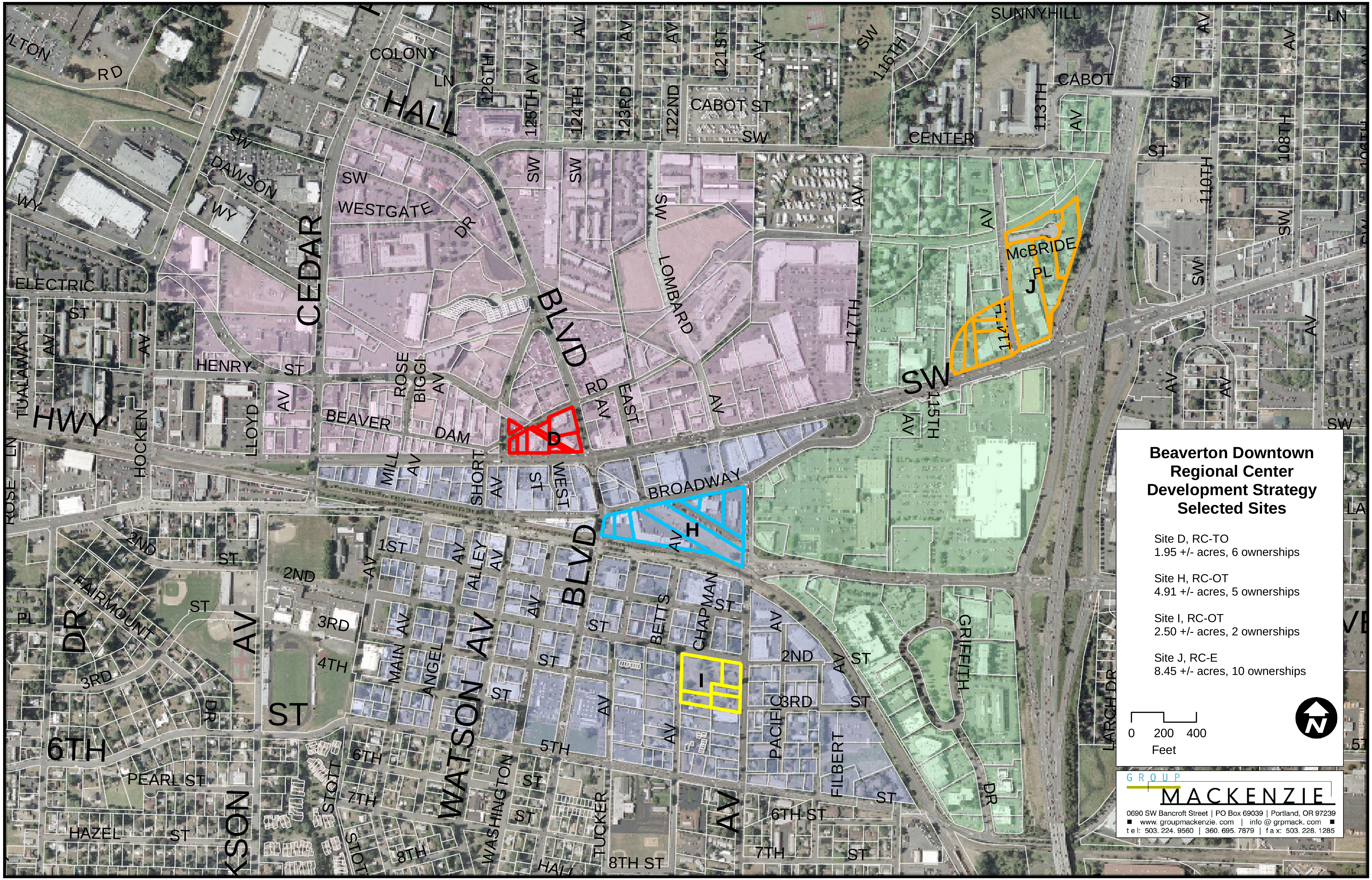
Beaverton Downtown Regional Center Development Strategy Selected Sites
Site D, RC-TO
1.95 +/- acres, 6 ownerships
Site H, RC-OT
4.91 +/- acres, 5 ownerships
Site I, RC-OT
2.50 +/- acres, 2 ownerships
Site J, RC-E
8.45 +/- acres, 10 ownerships
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0690 SW Bancroft Street | PO Box 69039 | Portland, OR 97239
www.groupmackenzie.com | info@grpmack.com
tel: 503. 224. 9560 | 360. 695. 7879 | fax: 503. 228. 1285
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