

**CITY OF CENTRAL POINT  
City Council Meeting Agenda  
January 22, 2015**

**Central Point  
City Hall  
541-664-3321**

**City Council**

**Mayor**  
Hank Williams

**Ward I**  
Bruce Dingler

**Ward II**  
Michael Quilty

**Ward III**  
Brandon Thueson

**Ward IV**  
Allen Broderick

**At Large**  
David Douglas  
Rick Samuelson

**Administration**  
Chris Clayton, City  
Manager  
Deanna Casey, City  
Recorder

**Community  
Development**  
Tom Humphrey,  
Director

**Finance**  
Bev Adams, Director

**Human Resources**  
Barb Robson, Director

**Parks and Public  
Works**  
Matt Samitore,  
Director  
Jennifer Boardman,  
Manager

**Police**  
Kris Allison Chief

Next Res. 1416  
Next Ord. 2000

**I. REGULAR MEETING CALLED TO ORDER – 7:00 P.M.**

**II. PLEDGE OF ALLEGIANCE**

**III. ROLL CALL**

**IV. PUBLIC APPEARANCES – Comments will be limited to 3 minutes per individual or 5 minutes if representing a group or organization.**

**V. CONSENT AGENDA**

Pages 1-7    A. Approval of January 8, 2015 Council Minute  
Pages 8-9    B. Child Trafficking Proclamation  
Page 10      C. Financial Report

**VI. ITEMS REMOVED FROM CONSENT AGENDA**

**VII. PUBLIC HEARING, ORDINANCES, AND RESOLUTIONS**

11 - 15    A. Ordinance No. \_\_\_\_ An Ordinance amending the comprehensive plan map (Minor) to add approximately 48 acres to the Central Point Urban Growth Boundary east of Interstate 5, North of Upton Road to the Seven Oaks interchange (Exit 35) including Dean Creek Road (Humphrey)

16 - 34    B. Ordinance No. \_\_\_\_ An Ordinance amending an agreement between the City of Central Point, Oregon (City) and Jackson County, Oregon (County) for the joint management of the Central Point Urban Growth Boundary (Humphrey)

35 - 53    C. Ordinance No. \_\_\_\_ An Ordinance amending the Central Point Zoning Ordinance, Chapter 17.08.010 Definitions; 17.64.040, Land Use – TOD District; 17.65.050 Zoning Regulations – TOD District; 17.65.070 Zoning Regulations = TOD Corridor

- 54 - 67            D.        Ordinance No. \_\_\_\_ An Ordinance amending the Central Point Comprehensive Plan (MAP) from residential low density to civic and the City Zoning Map from R-1-6 and park to civic for approximately five acres located east of South Fourth Street and between Bush and Ash Streets. (37S2W11BA, TL 2200 and 37S2W11BB, Tls 6300, 8200, 8300 & 8301) (Humphrey)

**VIII. BUSINESS**

- 68 - 76            A.        Water Rate Increase – Medford Water Commission (Clayton)

- 77 - 106          B.        Main Street Revitalization Act Endorsement/Resolution (Clayton)

**IX. MAYOR’S REPORT**

**X. CITY MANAGER’S REPORT**

**XI. COUNCIL REPORTS**

**XII. DEPARTMENT REPORTS**

**XIII. EXECUTIVE SESSION**

The City Council may adjourn to executive session under the provisions of ORS 192.660. Under the provisions of the Oregon Public Meetings Law, the proceedings of an executive session are not for publication or broadcast.

**XIV. ADJOURNMENT**

**CITY OF CENTRAL POINT  
City Council Meeting Minutes  
January 8, 2015**

**I. REGULAR MEETING CALLED TO ORDER**

Mayor Williams called the meeting to order at 7:00 p.m.

**II. PLEDGE OF ALLEGIANCE**

**III. ROLL CALL:** Mayor: Hank Williams  
Council Members: Allen Broderick, Bruce Dingler, Mike Quilty, Rick Samuelson, David Douglas, and Brandon Thueson were present.

City Manager Chris Clayton; City Attorney Sydnee Dreyer; Police Chief Kris Allison; Community Development Director Tom Humphrey; Parks and Public Works Director Matt Samitore; and City Recorder Deanna Casey were also present.

**IV. PUBLIC APPEARANCES**

**V. CONSENT AGENDA**

**A. Approval of December 11, 2014 City Council Minutes**

**Bruce Dingler moved to approve the Consent Agenda as presented.** Mike Quilty seconded. Roll call: Hank Williams, yes; Bruce Dingler, yes; Mike Quilty, yes; Allen Broderick, yes; David Douglas, yes; Rick Samuelson, yes; and Brandon Thueson, yes. Motion approved.

**VI. ITEMS REMOVED FROM CONSENT AGENDA - None**

**VII. PUBLIC HEARINGS, ORDINANCES AND RESOLUTIONS**

**A. Public Hearing – First Reading of an Ordinance Amending an Agreement Between the City of Central Point, Oregon and Jackson County, Oregon for the Joint management of the Central Point Urban Growth Boundary**

Community Development Director Tom Humphrey explained that the Regional Plan Element includes a provision that prior to expansion of the Central Point Urban Growth Boundary the City and County shall adopt an agreement for the management of Gibbons/Forest Acres Containment Area. In order to do this both the City and the County have agreed the pre-existing City/County agreement should be amended.

City and County staff introduced a draft of the City/County Urban Growth Boundary Management Agreement at a joint meeting of the City and County

Planning Commissions on November 20, 2014. Additional new declarations were added along with new definitions, the intent and purpose of the agreement and a few new policies to clarify infrastructure in the Tolo area and the creation of two new areas of Mutual Planning Concern. Each Planning Commission unanimously recommended approval of the agreement to their respective elected officials. Two minor revisions were made and are reflected in the agreement.

The proposed major text amendment will serve to bring the City of Central Point Urban Growth Boundary Management Agreement into compliance with the Greater Bear Creek Valley Regional Plan Performance Indicators. The proposal is consistent with the Central Point Municipal Code-Comprehensive Plan and Urban Growth Boundary Amendments And will serve to bring the City of Central Point Urban Growth Boundary Management Agreement into compliance with the City's Regional Plan Element.

There was discussion regarding Gibbon/Forest Acres and the Jackson County Expo property. Any growth that may happen in these areas will be discussed between the two agencies to the satisfaction of both.

Mayor Williams opened the Public Hearing. No one came forward and the public hearing was closed.

**Mike Quilty moved to second reading an Ordinance Amending An Agreement Between the City of Central Point, Oregon and Jackson County, Oregon for the Joint management of the Central Point Urban Growth Boundary.** Rick Samuelson seconded. Roll call: Hank Williams, yes; Bruce Dingler, yes; Mike Quilty, yes; Allen Broderick, yes; David Douglas, yes; Rick Samuelson, yes; and Brandon Thueson, yes. Motion approved.

**B. Public Hearing – First Reading of an Ordinance Amending the Comprehensive Plan Map (Minor) to Add Approximately 48 Acres to the Central Point Urban Growth Boundary East of Interstate 5, North of Upton Road to the Seven Oaks Interchange (Exit 35) Including Dean Creek Road**

Mr. Humphrey explained that the proposed Minor Map Amendment would amend the County and City Comprehensive Plan Maps by adding approximately 48 acres of Bear Creek Greenway and Open Space land to the Central Point UGB. The land proposed for amendment includes property that is in the public ownership of Central Point, Jackson County and the Oregon Department of Transportation. The land being added to the UGB will retain the County Comprehensive Plan designation and zoning until such time as the properties are annexed and the appropriate City Zoning is applied.

The proposed Minor Boundary Line Adjustment is consistent with the Central Point Municipal Code and with the City/County UGBMA and it also satisfies the requirements of the GBCVRP and the City's Regional Plan Element. The proposed area will remain park and open space except for one lot. The property

owner requested during the Regional Problem Solving process that they be included in the City UGB.

There was discussion of Dean Creek Road. The County has agreed to make improvements prior to the city taking jurisdiction. Once the Park Master Plan is complete we can proceed with an expansion to include the Tolo area to the Central Point UGB. We have met the Regional Plan conditions, performance measures, and findings.

Mayor Williams opened the public hearing. No one came forward and the public hearing was closed.

**Rick Samuelson moved to second reading an Ordinance Amending the Comprehensive Plan Map (Minor) to Add Approximately 48 Acres to the Central Point Urban Growth Boundary East of Interstate 5, North of Upton Road to the Seven Oaks Interchange (Exit 35) Including Dean Creek Road.** Brandon Thueson seconded. Roll call: Hank Williams, yes; Bruce Dingler, yes; Mike Quilty, yes; Allen Broderick, yes; David Douglas, yes; Rick Samuelson, yes; and Brandon Thueson, yes. Motion approved.

**C. Public Hearing – First Reading of an Ordinance Amending the Central Point Zoning Ordinance, Chapter 17.08.010 Definitions; 17.64.040, Land Use – TOD District; 17.65.050 Zoning Regulation – TOD District; and 17.65.070 Zoning Regulations – TOD Corridor**

Mr. Humphrey explained that the proposed ordinance is recommended because of a recent request to change the zoning density for Twin Creeks Retirement. During that request staff realized that there were issues in the tables referring to senior housing. It is recognized that congregate housing, as a use, has employees for housekeeping, administration, common dining options, etc., which sets it apart from an apartment complex. For this reason the allowance of congregate housing within the LMR zone has been restricted to those incidences where is its part of, and under the same ownership of, an abutting congregate housing project in the MMR or HMR zoning district. The design of a congregate housing project in the LMR district will be subject to LMR residential design and development standards, including density.

There was discussion regarding assisted living facilities, and if they are included in the TOD zoning area. City Attorney Dreyer explained that this discussion should be contained to the topic at hand which is for congregate housing. Assisted Living facilities would not be included in this type of zoning. Congregate Housing would be covered in any of these TOD zoning areas.

Mayor Williams opened the public hearing. No one came forward and the public hearing was closed.

**Mike Quilty moved to second reading an Ordinance Amending the Central Point Zoning Ordinance, Chapter 17.08.010 Definitions; 17.64.040, Land Use – TOD District; 17.65.050 Zoning Regulation – TOD District; and 17.65.070**

**Zoning Regulations – TOD Corridor.** Rick Samuelson seconded. Roll call: Hank Williams, yes; Bruce Dingler, yes; Mike Quilty, yes; Allen Broderick, yes; David Douglas, yes; Rick Samuelson, yes; and Brandon Thueson, yes. Motion approved.

**D. Ordinance No. 1998, Amending Central Point Municipal Code Chapter 6.08 Animal Control**

Police Chief Kris Allison explained that there were no changes recommended for the proposed Ordinance at the first reading. She did state that she is working with the local veterinarians to see if they would be able to assist the Police Department in housing dogs that are found at large until the Jackson County Animal Control can take them or the owners can be found. She also mentioned that she has heard good feedback from citizens regarding the Ordinance. There was discussion regarding the definition of a dangerous animal and the penalties imposed.

**Allen Broderick moved to approve Ordinance No. 1998, Amending Central Point Municipal Code Chapter 6.08 Animal Control.** Bruce Dingler seconded. Roll call: Hank Williams, yes; Bruce Dingler, yes; Mike Quilty, yes; Allen Broderick, yes; David Douglas, yes; Rick Samuelson, yes; and Brandon Thueson, yes. Motion approved.

**E. Ordinance No. 1999, An Ordinance Amending the Central Point Zoning Map on Lot 33 of Twin Creeks Crossing, Phase 1 (1.81 Acres) From TOD-HMR, High Mix Residential to TOD-LMR, Low Mix Residential Zoning**

Mr. Humphrey stated that there were no changes recommended at the first reading of the proposed ordinance. The developer will have to submit plans for approval to qualify for the congregate housing requirements. This zone change is specific to a specific lot in Twin Creeks.

There was a discussion regarding median density and trip cap limits. Staff explained that there have been other density changes to Twin Creeks and that the median density is still within the requirement levels. The Master Plan for Twin Creeks was approved a few months ago in anticipation of these changes.

**Mike Quilty moved to approve Ordinance No. 1999, An Ordinance Amending the Central Point Zoning Map on Lot 33 of Twin Creeks Crossing, Phase 1 (1.81 Acres) From TOD-HMR, High Mix Residential to TOD-LMR, Low Mix Residential Zoning.** David Douglas seconded. Roll call: Hank Williams, yes; Bruce Dingler, yes; Mike Quilty, yes; Allen Broderick, yes; David Douglas, yes; Rick Samuelson, yes; and Brandon Thueson, yes. Motion approved.

**VIII. BUSINESS**

**A. Planning Commission Report**

Community Development Director Tom Humphrey presented the Planning Commission report for January 6, 2015:

- Approved a Resolution recommending amendments to the Central Point Municipal Code to add Chapter 17.08.010-Definition, "Congregate Housing"; Chapter 17.64.040, Off-Street Parking Requirements, Table 17.64.02A adjusting parking requirements for Congregate Housing; Chapter 17.65.050 Zoning Regulations, TOD District, Tables 1 through 3; and Chapter 17.65.070 Zoning Regulations, TOD Corridor, Tables 4 and 5, to delete the term "Senior Housing" and replace the term with "Congregate Housing". The Commission discussed the context of the amendments with staff who explained the dilemma between a previous map amendment and undefined code language. The new definition and terms clean up inconsistencies and will allow the Twin Creeks Retirement Center to add cottages to their campus.
- Approved a Resolution to change approximately 5 acres of land in a city core area designated low density residential to civic to reflect actual land uses as a park, a park service yard and city corporation yard. They considered a city initiated Comprehensive Plan and zoning amendment to change land from residential use to civic use. The land is owned by the city and has been used for public purposes until this time. The new designation would also afford the city more options when considering a site for a Community Center or something similar.
- Continued a Resolution to approve a conceptual land use and transportation plan for CP-1B, for an Urban Reserve Area of Central Point. The Commission continued this public hearing to their February meeting on order to allow property owners in the CP-1B area to receive individual notice and to receive a recommendation from the Citizens Advisory Commission.
- Approved a Resolution authorizing Testing Laboratories as a similar and compatible use within the C-2(M), C-5 and M-1 zoning districts. The Commission was asked to make a determination regarding testing laboratories and the zones in which they might be permitted. The Municipal Code has broad classifications for scientific labs and the prospective business applicant in this case was very transparent about the fact that they are testing various types of herbs including cannabis. The Commission determined that the proposal qualifies as a scientific lab as the term is used in the municipal code.

## IX. MAYOR'S REPORT

Mayor Williams stated that at the first meeting of each year a Council President must be appointed. He opened the floor to nominations. Rick Samuelson nominated Bruce Dingler, no other nominations were offered.

**Rick Samuelson nominated Bruce Dingler for Council President.** David Douglas seconded. Roll call: Hank Williams, yes; Bruce Dingler, yes; Mike Quilty, yes; Allen Broderick, yes; David Douglas, yes; Rick Samuelson, yes; and Brandon Thueson, yes. Motion approved.

Mayor Williams reported that:

- He met with Representative Sal Esquivel regarding a Vietnam Memorial Wall in Central Point. They will be working with City staff to plan a wall in Don Jones Memorial Park.
- He attended the Peoples Bank Chamber Mixer.
- He attended the Medford Water Commission meeting. They will be raising the rates for outside customers by 5%.
- The Local Committee Assignment list has been handed to everyone. Please let him know what committees they would like to represent and he will appoint members at a meeting in February.

## **X. CITY MANAGER'S REPORT**

City Manager Chris Clayton reported that:

- OLCC would like the Council to provide input regarding the rules association with Measure 91. He will send out the link with his weekly report tomorrow.
- January 27<sup>th</sup> is the Employee Awards Breakfast at Twin Creeks Retirement. Council Members are invited to attend.
- He will be meeting with RCC to discuss options regarding a campus in Central Point next week.
- Staff will be asking Council to consider the condemnation of a strip of land to complete the turn lane at Beebe and Hamrick. The property is worth about \$250 and not worth purchasing the entire lot.
- The Study Session for January has been moved to a Tuesday to accommodate a guest speaker. It will be on the 27<sup>th</sup> at 6:00 p.m.

## **XI. COUNCIL REPORTS**

Council Member David Douglas stated that this will be his last meeting. He has purchased property outside of the city limits and will be submitting his letter of resignation to the Mayor.

Council Member Mike Quilty reported that he has been in Portland attending the Connect Oregon 5 Meeting. They are prioritizing projects. He will be attending an ACT and MPO meeting next week.

## **XII. DEPARTMENT REPORTS**

Parks and Public Works Director Matt Samitore reported that:

- The Police Department has been making contact with the people who have been causing problems at the skate park. Thanks to them and the cameras things have been a little better over the last few weeks.
- There will be a preconstruction meeting the first of February for Freeman Road.
- He spoke with Budget Committee Member Bill Stultz regarding RVSS and the issues regarding storm water quality. It might be a good idea to have a pre-budget meeting to explain these issues to the members so we do not have the extensive discussion like last year during the budget meetings.



Police Chief Kris Allison reported that:

- They are reviewing their annual goals for the Police Department and will present a report to the Council soon.
- There will be an article regarding the Central Point Police Department and our Body Worn Cameras. We have had them for several years.

Community Development Director Tom Humphrey reported that the previous owner of Red Oak Glass has passed away. He will be attending the service next week.

**XIII. EXECUTIVE SESSION - None**

**XIV. ADJOURNMENT**

Mike Quilty moved to adjourn, Rick Samuelson seconded, all said "aye" and the Council Meeting was adjourned at 8:52 p.m.

The foregoing minutes of the January 8, 2015, Council meeting were approved by the City Council at its meeting of January 22, 2015.

Dated:

\_\_\_\_\_  
Mayor Hank Williams

ATTEST:

\_\_\_\_\_  
City Recorder

## **Child Trafficking Proclamation**



# Child Trafficking Awareness Proclamation

**WHEREAS,** Hundreds of thousands of underage girls and boys living in the United States, and vastly greater numbers more abroad, suffer in silence under the intolerable yoke of modern slavery; and

**WHEREAS,** The great majority of men and women over the age of 18 were first trafficked as minors; and

**WHEREAS,** the victims of this scourge of modern day slavery lose not only their freedom, but also their dignity, families, emotional and psychological health—and too often their lives; and

**WHEREAS,** We stand with all those who are held in compelled service; we recognize the people, organizations, and government entities that are working to combat child trafficking; and we recommit to bringing an end to this inexcusable human rights abuse; and

**WHEREAS,** The steadfast defense of human rights is an essential part of our national identity, and as long as children suffer the violence of sexual and forced-labor slavery, we must continue the fight; and

**WHEREAS** The President of the United States has declared January each year as National Slavery and Human Trafficking Prevention Month, so we also add our support to this important initiative.

**NOW THEREFORE,** Be It Resolved, I, Hank Williams, Mayor of Central Point, do hereby proclaim the month of January 2015, to be

## “Child Trafficking Awareness Month”

And call upon citizens to recognize the vital role we can play in ending modern slavery and to observe this month with appropriate programs and activities.

IN WITNESS WHEREOF, I hereby set my hand this 22nd, day of January, 2015.

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Mayor Hank Williams  
City of Central Point

**GREG WALDEN**  
SECOND DISTRICT, OREGON  
DEPUTY WHIP

**ENERGY AND COMMERCE**  
SUBCOMMITTEES:  
COMMUNICATIONS AND TECHNOLOGY  
CHAIRMAN

E-MAIL VIA WEBSITE:  
<http://walden.house.gov>



**Congress of the United States**  
**House of Representatives**

January 14, 2014

WASHINGTON, DC OFFICE:  
2182 RAYBURN HOUSE OFFICE BUILDING  
WASHINGTON, DC 20515-3702  
TELEPHONE: (202) 225-6730

DISTRICT OFFICES:  
14 N CENTRAL AVENUE, SUITE 112  
MEDFORD, OR 97501  
TELEPHONE: (541) 776-4646  
TOLL FREE: (800) 533-3303

1051 NW BOND STREET, SUITE 405  
BEND, OR 97701  
TELEPHONE: (541) 388-4400

1211 WASHINGTON AVENUE  
LA GRANDE, OR 97850  
TELEPHONE: (541) 624-2400

Mr. Caleb LaPlante  
ACT Southern Oregon  
405 NE 6<sup>th</sup> Street  
Grants Pass, OR 97526

Mrs. Rebecca Bender  
Rebecca Bender Ministries  
Grants Pass, OR 97526

Dear Rebecca and Caleb:

Congratulations on your efforts to bring attention to the hidden threat of human trafficking in southern Oregon and working with Jackson and Josephine Counties in proclaiming January 2014 as Child Trafficking Awareness Month.

Throughout January, communities around the country will mark National Slavery and Human Trafficking Awareness Month with activities to prevent the coercion, predation and exploitation of women, men and, especially, children by education and promoting practical community engagement in order to end the tragedy of trafficking.

As you well know, human trafficking victims come from anywhere in society. It is estimated that there are more than 100,000 children in the sex trade in the United States each year. In the first six months of 2013 alone, 140 calls and 23 cases of potential trafficking were reported in Oregon. These numbers show that this is more than a simple law enforcement matter; it is a human rights abuse epidemic.

Through the efforts of organizations, advocates and survivors like you, I am confident that these victims can overcome the horrors and stigma of their plight and their communities can gain a greater awareness of the magnitude of this issue.

Thank you again for all that you do to help bring an end to human trafficking and heal the lives of those affected by it. It is an honor to represent you in Congress.

Sincerely,

Greg Walden  
Member of Congress






Staff Report

Finance Department  
Bev Adams, Finance Director

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To: Mayor & Council  
From: Bev Adams, Finance Director   
Date: January 22, 2015  
Subject: 2nd Quarter Financial Statements

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**Background:**

The second quarter financial statements for the period ending December 31, 2014 will be handed out to you at the meeting tonight. The due date for agenda items to be included in this packet was just a bit earlier than the final work needed to complete the statements.

Now that the 2013/14 year end audit is completed, all entries resulting from the audit have been posted and the beginning fund balances shown are audited balances.

The recent refinance of debt is now completed and final payments on the old series were made in December.

In a preliminary review of the second quarter, revenues and expenses are in line with this time period and no significant changes or exceptions noted.

We are in the process of preparing a mid-year budget report to be presented at the February 12<sup>th</sup> council meeting. This mid-year report will provide detail of the individual funds.

**Recommended Action:**

That Council review and accept the second quarter financial statements and report.

**Ordinance No. \_\_\_\_ An Ordinance amending the comprehensive plan map (Minor) to add approximately 48 acres to the Central Point Urban Growth Boundary east of Interstate 5, North of Upton Road to the Seven Oaks interchange (Exit 35) including Dean Creek Road.**



## STAFF REPORT

January 22, 2015

### **AGENDA ITEM: File No. 14003**

Second reading to amend the Comprehensive Plan Map (Minor) to add approximately 48 acres to the City of Central Point Urban Growth Boundary (UGB) east of Interstate 5, north of Upton Road to the Seven Oaks Interchange (Exit 35) including Dean Creek Road. County File No. 439-14-00025-LRP and City File No. 14003; **Applicant:** City of Central Point.

### **STAFF SOURCE:**

Tom Humphrey AICP , Community Development Director

### **BACKGROUND:**

The adoption of the proposed Minor Map Amendment would amend the County and City Comprehensive Plan Maps by adding approximately 48 acres of Bear Creek Greenway and Open Space land to the Central Point UGB. The City Council passed a Resolution of Intent (No. 1378) in August 2013 to initiate changes to its UGB in response to a request by Cardmoore Trucking to bring their property at Seven Oaks Interchange into the City of Central Point. In order to extend the UGB to the Cardmoore property, the City first needs to add land from Urban Reserve Area CP-4D.

The land proposed for amendment includes property that is in the public ownership of Central Point, Jackson County and the Oregon Department of Transportation (ODOT). The land being added to the UGB will retain the County Comprehensive Plan designation and zoning until such time as the properties are annexed and the appropriate City zoning is applied. The City Council conducted a public hearing on this item at their last meeting, made no revisions and moved the Ordinance to this second reading.

### **ISSUES:**

City and County's Regional Plan Elements include a provision *that prior to expansion of the Central Point Urban Growth Boundary into any Urban Reserve Area, the City and Jackson County shall adopt an agreement (Area of Mutual Planning Concern) for the management of Gibbons/Forest Acres Unincorporated Containment Boundary* (Performance Indicators 4.1.9.5). The two agencies concluded that the best way to address this condition was to amend the pre-existing City/County agreement (This is the subject of another item on the City Council's agenda). The UGBMA must be adopted before the UGB can be amended.

Other conditions of the Regional Plan Element include; 1) the creation of Conceptual Land Use and Transportation Plans (Performance Measure 2.7 and 2.8); 2) the restriction of new roadway access into CP-4D (Performance Measure 2.9.3); and 3) the formation of and receipt of recommendations from a County Appointed Agricultural Task Force (Performance Measure 2.22).

Each of these conditions have been or are being addressed. The City Council may recall its approval of a Conceptual Plan for URA CP-4D. This plan has been vetted and approved by the Rogue Valley MPO and by the Rogue River Valley Irrigation District. Regarding issues of roadway access, City and County staff have worked out an intergovernmental agreement to transfer jurisdiction of Dean Creek Road when property from CP-4D is annexed. City staff participated in the Agricultural Task Force and contributed to



the recommendations the County Board of Commissioners incorporated in the County Comprehensive Plan.

**FINDING:** The proposed UGB Amendment may proceed having satisfied conditions and being in compliance with the GBCVRP Performance Indicators, adopted pursuant to the requirements of ORS 197.656(2)(b)(C).

The City has criteria for initiating amendments to the comprehensive plan or the urban growth boundary (ref. CPMC Section 17.96.200). The Urban Growth Boundary Management Agreement with Jackson County also provides a process for considering and adopting this UGB Amendment.

**FINDING:** The proposed Minor Boundary Line Adjustment is consistent with the Central Point Municipal Code - *Comprehensive Plan and Urban Growth Boundary Amendments* and with the City/County UGBMA and it also satisfies the requirements of the GBCVRP and the City's Regional Plan Element.

**ATTACHMENTS:**

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Attachment "A" – Ordinance No. \_\_\_ An Ordinance Amending the Comprehensive Plan Map (Minor) to Add Approximately 48 acres to the Central Point Urban Growth Boundary east of Interstate 5, north of Upton Road to the Seven Oaks Interchange (Exit 35) including Dean Creek Road.

**ACTION:**

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Conduct the second reading of the proposed admendment to the Urban Growth Boundary and 1) approve the ordinance; 2) approve the ordinance with revisions; 3) deny the proposal.

**RECOMMENDATION:**

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Adopt the ordinance and approve an amendment to the UGB.

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AMENDING THE COMPREHENSIVE PLAN MAP (MINOR) TO ADD APPROXIMATELY 48 ACRES TO THE CENTRAL POINT URBAN GROWTH BOUNDARY EAST OF INTERSTATE 5, NORTH OF UPTON ROAD TO THE SEVEN OAKS INTERCHANGE (EXIT 35) INCLUDING DEAN CREEK ROAD.

Recitals:

- A. The City of Central Point (City) is authorized under Oregon Revised Statute (ORS) Chapter 197 to prepare, adopt and revise comprehensive plans and implementing ordinances consistent with the Statewide Land Use Planning Goals.
- B. The City has coordinated its planning efforts with the State in accordance with ORS 197.040(2)(e) and OAR 660-030-0060 to assure compliance with goals and compatibility with City Comprehensive Plans.
- C. Pursuant to authority granted by the City Charter and the ORS, the City may amend the Central Point Urban Growth Boundary with Jackson County which was originally adopted on September 26, 1984 and has been amended at various times since.
- D. Pursuant to the requirements set forth in CPMC Chapter 17.96.100 Comprehensive Plan and Urban Growth Boundary Amendments – Purpose and Chapter 17.05.010, Applications and Development Permit Review Procedures, the City has accepted an application and conducted the following duly advertised public hearings to consider the proposed amendment:
  - a) Planning Commission hearing on November 20, 2014
  - b) City Council hearings on January 8, 2015 and January 22, 2015.

THE PEOPLE OF THE CITY OF CENTRAL POINT DO ORDAIN AS FOLLOWS:

Section 1. Based upon all the information received, the City Council adopts the findings of fact and conclusions of law set forth in the City staff report, File No. 14003 and public records; determines that changing community conditions, needs and desires justify the amendments and hereby adopts the changes entirely.

Section 2. The City Urban Growth Boundary (UGB) is hereby amended as set forth in Exhibit 1 which is attached hereto and by this reference incorporated herein.

Section 3. The City Manager is directed to conduct post acknowledgement procedures defined in ORS 197.610 et seq. upon adoption of the changes to the UGB.

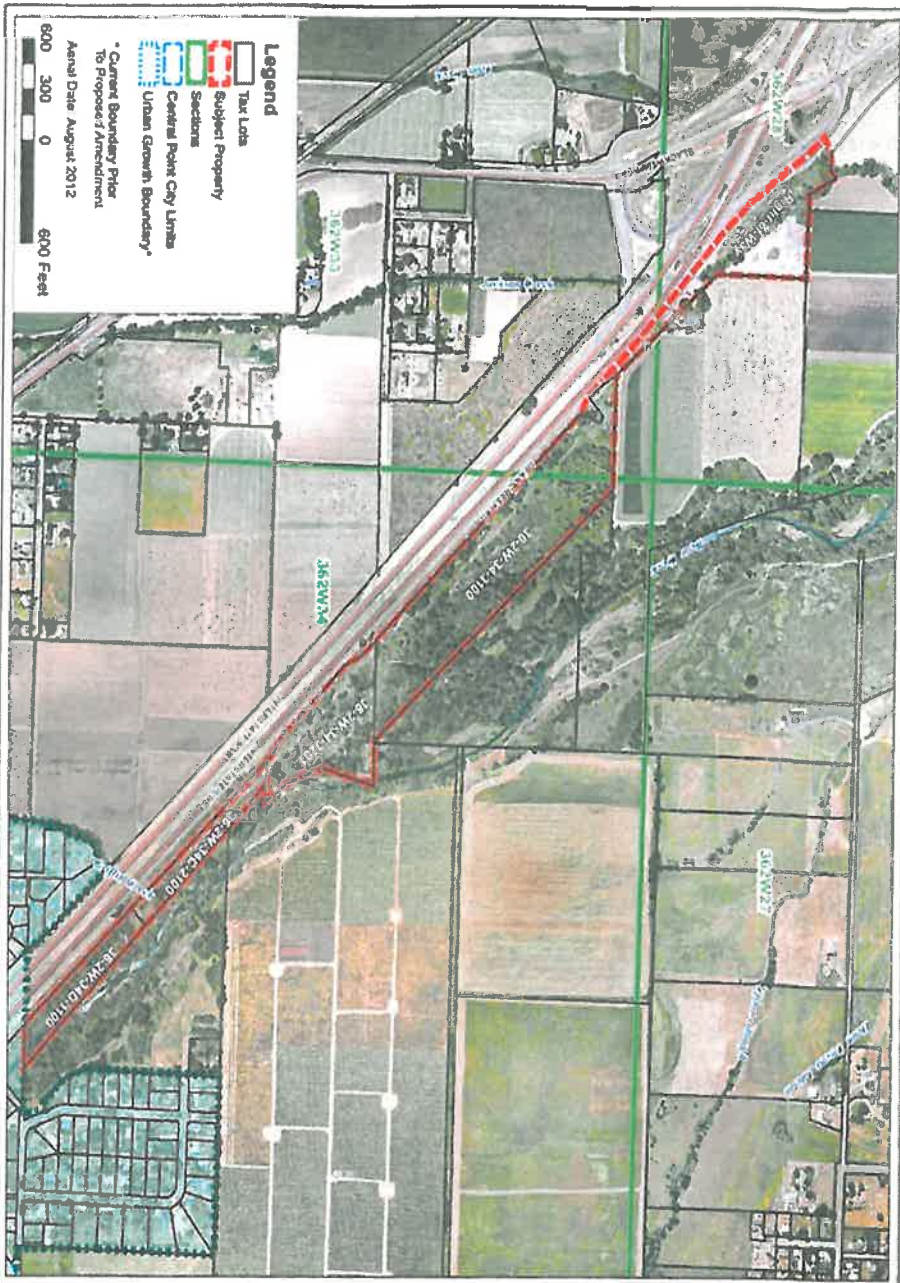
Section 4. Effective date. The Central Point City Charter states that an ordinance enacted by the council shall take effect on the thirtieth day after its enactment. The effective date of this ordinance will be the thirtieth day after the second reading.

Passed by the Council and signed by me in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Mayor Hank Williams

ATTEST:

\_\_\_\_\_  
City Recorder



**Legend**

- Tax Lots
- Subject Property
- Sections
- Central Point City Limits
- Urban Growth Boundary\*

\* Current Boundary Prior To Proposed Amendment  
 Amend Date August 2012

800 300 0 600 Feet

**URBAN GROWTH BOUNDARY AMENDMENT**

**Subject Property  
on Aerial**



6/2013

Atlas Page 2

**Ordinance No. \_\_\_\_\_. An Ordinance amending an agreement between the City of Central Point, Oregon (City) and Jackson County, Oregon (County) for the joint mamnamement of the Central Point Urban Growth Boundary**

City of Central Point, Oregon  
140 S 3rd Street, Central Point, OR 97502  
541.664.3321 Fax 541.664.6384  
[www.centralpointoregon.gov](http://www.centralpointoregon.gov)



Community Development  
Tom Humphrey, AICP  
Community Development Director

## STAFF REPORT

January 22, 2015

### **AGENDA ITEM: File No. 14010**

Second Reading to revise the Urban Growth Boundary Management Agreement (UGBMA) between the City of Central Point and Jackson County to improve consistency with the Greater Bear Creek Valley Regional Plan and the City's Regional Plan Element. Principal revisions add Forest/Gibbon Acres and Jackson County Expo and Fairgrounds as "Areas of Mutual Planning Concern" to insure coordinated land use preservation and/or development. County File No. 439-14-00030-LRP and City File No. 14010; **Applicants:** Jackson County/City of Central Point.

### **STAFF SOURCE:**

Tom Humphrey AICP , Community Development Director

### **BACKGROUND:**

The City and County's Regional Plan Elements includes a provision *that prior to expansion of the Central Point Urban Growth Boundary into any Urban Reserve Area, the City and Jackson County shall adopt an agreement (Area of Mutual Planning Concern) for the management of Gibbons/Forest Acres Unincorporated Containment Boundary* (Performance Indicators 4.1.9.5). The two agencies have concluded that the best way to address this condition is to amend the pre-existing City/County agreement (Attachment A). City and County staff have also added Jackson County Expo and Fairgrounds as an Area of Mutual Planning Concern for two reasons: 1) the County recently added the Expo property to an Enterprise Zone and 2) *during the first Coordinated Periodic Review process for the Regional Plan, Jackson County shall consider including the land occupied by the Jackson County Expo to the City of Central Point's Urban Reserve Area* (Performance Indicator 4.1.19). For this reason, both jurisdictions thought it wise to instigate early coordination through the UGBMA.

City and County staff introduced a draft of the City/County UGBMA to a joint meeting of the City and County Planning Commissions on November 20, 2014, which was last revised in 1998. Additional *new* declarations were added along with *new* definitions, the *intent and purpose* of the agreement and a few *new policies* to clarify infrastructure in the Tolo Area and the creation of two new Areas of Mutual Planning Concern. Each Planning Commission unanimously recommended approval of the agreement to their respective elected officials. Two minor revisions were made and are reflected in italics on pages 8 and 10. The City Council conducted a public hearing on this item at their last meeting, made no further revisions and moved the Ordinance to this second reading.

### **ISSUES:**

The adoption of this proposed Major Text Amendment (Legislative) would amend the County's Urban Growth Boundary Agreement with the City of Central Point in order to address the Greater Bear Creek Valley Regional Plan's (GBCVRP) Performance Measure 2.9.5 which states:

Prior to the expansion of the Central Point Urban Growth Boundary into any Urban Reserve Area, the City and Jackson County shall adopt an agreement (Area of Mutual Planning Concern) for the

management of Gibbons/Forest Acres Unincorporated Containment Boundary (same as previously referenced in the City's Regional Plan Element).

Section 3.7.1 of the County's Land Development Ordinance defines a Major Text Amendment (Legislative) as:

Amendments that directly affect adopted goals, policies, or patterns of land use. Examples include, but are not limited to: adopting a new policy or implementation strategy; or revising goals of the Plan.

The proposed amendment would effectively result in new policy and/or implementation strategies within the Urban Growth Boundary Management Agreement with the City of Central Point and therefore falls within the definition of a Major Text Amendment. Jackson County LDO Section 3.7.2(A)(1) states that such amendments must be initiated through a County action such as an order approved by the Board of Commissioners. Order No. 163-14, which was included in the record of the Planning Commission proceedings, is the Board's action that initiated this proposal.

Major text amendments must conform to the approval criteria contained in LDO 3.7.3(B) which read:

The amendment will correct a substantive error, implement a change in policy, or bring the Comprehensive Plan into compliance with State and Federal laws or administrative rules. Such amendments may have widespread and significant impacts, which could require individual property owner notice.

**FINDING:** The proposed major text amendment will serve to bring the City of Central Point Urban Growth Boundary Management Agreement into compliance with the GBCVRP Performance Indicator 2.9.5, adopted pursuant to the requirements of ORS 197.656(2)(b)(C).

The City has similar criteria for initiating amendments to the comprehensive plan or the urban growth boundary (ref. CPMC Section 17.96.200). In this case, the City Council passed a Resolution of Intent (No. 1378) in August 2013 to initiate changes to its Urban Growth Boundary and its Urban Growth Boundary Management Agreement with Jackson County.

**FINDING:** The proposed major text amendment is consistent with the Central Point Municipal Code - *Comprehensive Plan and Urban Growth Boundary Amendments* and will serve to bring the City of Central Point Urban Growth Boundary Management Agreement into compliance with the City's Regional Plan Element.

**ATTACHMENTS:**

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Attachment "A" – Ordinance No. \_\_\_\_ An Ordinance Amending an Agreement Between The City of Central Point, Oregon (City) and Jackson County, Oregon (County) for the Joint Management of the Central Point Urban Growth Boundary.

**ACTION:**

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Conduct the second reading of the proposed admendment to the Urban Growth Boundary Management Agreement (UGBMA), and 1) approve the ordinance; 2) approve the ordinance with revisions; 3) deny the proposal.

**RECOMMENDATION:**

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Adopt the ordinance and approve an amendment to the UGBMA.

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ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AMENDING AN AGREEMENT BETWEEN THE CITY OF CENTRAL POINT, OREGON (CITY) AND JACKSON COUNTY, OREGON (COUNTY) FOR THE JOINT MANAGEMENT OF THE CENTRAL POINT URBAN GROWTH BOUNDARY.

Recitals:

- A. The City of Central Point (City) is authorized under Oregon Revised Statute (ORS) Chapter 197 to prepare, adopt and revise comprehensive plans and implementing ordinances consistent with the Statewide Land Use Planning Goals.
- B. The City has coordinated its planning efforts with the State in accordance with ORS 197.040(2)(e) and OAR 660-030-0060 to assure compliance with goals and compatibility with City Comprehensive Plans.
- C. Pursuant to authority granted by the City Charter and the ORS, the City may amend the Central Point Urban Growth Boundary Management Agreement with Jackson County which was originally adopted on September 26, 1984 and has been amended at various times since.
- D. Pursuant to the requirements set forth in CPMC Chapter 17.96.100 Comprehensive Plan and Urban Growth Boundary Amendments – Purpose and Chapter 17.05.010, Applications and Development Permit Review Procedures, the City has accepted an application and conducted the following duly advertised public hearings to consider the proposed amendment:
  - a) Planning Commission hearing on November 20, 2014
  - b) City Council hearings on January 8, 2015 and January 22, 2015.

THE PEOPLE OF THE CITY OF CENTRAL POINT DO ORDAIN AS FOLLOWS:

Section 1. Based upon all the information received, the City Council adopts the findings of fact and conclusions of law set forth in the City staff report and file records; determines that changing community conditions, needs and desires justify the amendments and hereby adopts the changes entirely.

Section 2. The City Urban Growth Boundary Management Agreement (UGBMA) is hereby amended as set forth in Exhibit 1 which is attached hereto and by this reference incorporated herein.



Section 3. The City Manager is directed to conduct post acknowledgement procedures defined in ORS 197.610 et seq. upon adoption of the changes to the UGBMA.

Section 4. Effective date. The Central Point City Charter states that an ordinance enacted by the council shall take effect on the thirtieth day after its enactment. The effective date of this ordinance will be the thirtieth day after the second reading.

Passed by the Council and signed by me in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Mayor Hank Williams

ATTEST:

\_\_\_\_\_  
City Recorder

**AGREEMENT BETWEEN THE CITY OF CENTRAL POINT, OREGON (CITY)  
AND JACKSON COUNTY, OREGON (COUNTY)  
FOR THE JOINT MANAGEMENT OF THE CENTRAL POINT URBAN  
GROWTH BOUNDARY**

**WHEREAS**, under ORS 190.003 to 190.030, and 197.175, et seq. City and County are authorized to enter into intergovernmental agreements and are required to prepare and adopt Comprehensive Plans consistent with Statewide Planning Goals; and

**WHEREAS**, under ORS 197 - State Land Use Goal 14, Urbanization, the "Establishment and change of the boundary shall be a cooperative process between a city and the county or counties that surround it"; and

**WHEREAS**, City and County have adopted a Regional Plan which necessitates revisions to the previous agreement; and

**WHEREAS**, City and County recognize the importance of providing an orderly transition of urban services from County to City jurisdiction and administration as the Urban Reserve transitions from a rural to an urban character; and

**WHEREAS**, ORS 190.003, et seq. requires that an intergovernmental agreement relating to the performance of functions or activities by one unit of local government for another shall be adopted and shall specify the responsibilities between the parties;

NOW, THEREFORE, the City and County adopt the following urban growth policies which shall serve as the basis for decisions pertaining to development and land uses in the area between the City limits of Central Point and its urban-growth boundary, and other lands that are of mutual interest or are of significant importance to Central Point's long-range growth and development.

DEFINITIONS

1. Area of Mutual Planning Concern: A geographical area lying beyond the adopted urban growth boundary in which the City and County have an interest in terms of that area's types and levels of development, land uses, environment, agriculture, and other unique characteristics. The area is not subject to annexation within the current planning period but may be in the path of longer-range urban growth. Therefore, the City and County will fully coordinate land use activity within this area.
2. BOC: Jackson County Board of Commissioners.
3. Comprehensive Plan: State-acknowledged comprehensive plan adopted by City or County.

4. Contract Annexation: A process whereby the City, County, and other involved parties enter into a contract that permits:
  - A) The parties to administer urban land use regulations on the development of property following an annexation decision while the property remains under County jurisdiction; and
  - B) The City to annex property developed to City densities and uses, with the improvement to appear on the County tax rolls prior to the effective date of annexation, resulting in a greater benefit to the tax base of the community.
5. Council: City of Central Point City Council
6. Develop: To bring about growth or create new opportunities for growth; to cause the expansion of available lands; to extend public facilities or services; to construct, alter or expand a structure, to conduct a mining operation; to make a change in the use of appearance of land; to divide land into smaller parcels; to create or terminate rights of access, etc.
7. LDO: Jackson County's Land Development Ordinance.
8. Non-Resource Land: Land that is not subject to the statewide Goals listed in OAR 660-004-0010(1)(a) through (g) except subsections (c) and (d).
9. Planning Services: Legislative activities, such as adoption and amendment of comprehensive plan text and maps, adoption and amendment of land use regulations, and quasi-judicial processing of land use actions.
10. Resource Land: Land that *is* subject to the statewide Goals listed in OAR 660-004-0010(1)(a) through (g) except subsections (c) and (d).
11. Subdivide or Partition Land: The act of dividing the legal ownership of land into smaller units, as set forth in Oregon Revised Statutes 92.010.
12. Urban/Public Facilities and Services: Basic facilities that are planned for and provided by either the private or public sector, and are essential to the support of development in accordance with the City's Comprehensive Plan. Such facilities and services include, but are not limited to, police and fire protection, sanitary facilities, public water and storm drain facilities; planning, zoning, and subdivision controls; health services; recreation facilities and services; energy and communication services; and community governmental services including schools and transportation.
13. Urban Growth Boundary: A site specific line on the Official Plan and Zoning Map of Jackson County, which identifies and encompasses urban and urbanizable lands within the County, including:

A) URBAN LAND: Residential areas generally comprised of parcels smaller than one acre, or highly developed commercial and industrial areas which are within incorporated cities or which contain concentrations of persons who reside or work in the areas, including land adjacent to and outside cities, and which have supporting urban public facilities and services.

B) URBANIZABLE LAND: Areas within an officially adopted urban growth boundary which are needed for the expansion of that urban area, and which have been determined to be necessary and suitable for development as future urban land and which can be served with necessary urban public facilities and services.

14. Urban Reserve Areas (URA): Land outside of a UGB identified as highest priority (per ORS 197.298) for inclusion in the UGB when additional urbanizable land is needed in accordance with the requirements of Statewide Planning Goal 14.

#### INTENT AND PURPOSE OF AGREEMENT

The intent and purpose of this Agreement is for City and County to:

1. Enhance long-range planning in the Urban Growth Boundary and the Urban Reserve.
2. Maintain and improve coordination and communication between City and County.
3. Develop consistent policies and procedures for managing urban growth and development within the Urban Growth Boundary.
4. Minimize impacts to property owners, local governments and service providers related to the transition of property from within the Urban Growth Boundary to within the City Limits.

#### URBAN GROWTH POLICIES

1. The City of Central Point shall have primary responsibility for all future urban level development that takes place within the City and urban growth boundary area. Additionally:
  - A) All urban level development shall conform to City standards, shall be consistent with the adopted City Comprehensive Plan, and shall meet all appropriate requirements of the City Zoning Ordinance and Map.

- B) The term "urban level development" shall be generally defined, for purposes of this agreement, as any commercial or industrial development, and any residential development, partitioning, or subdivision that creates actual or potential densities greater than allowed by the City's Residential Low-density District (R-L). The expansion or major alteration of legally existing commercial or industrial use shall also be considered urban level development.
  - C) Urban level development proposals submitted through County processes must be accompanied by a contract to annex to the City.
2. A change in the use of urbanizable land from a use designated on the Jackson County Comprehensive Plan/Zoning Map to uses shown on the City Comprehensive Plan shall occur only upon annexation or contractual intent to annex to the City. Additionally:
- A) Development of land for uses designated in the Comprehensive Plan shall be encouraged on vacant or underdeveloped lands adjacent to or within the City limits prior to the conversion of other lands within the urban growth boundary.
  - B) Urban facilities and services must be adequate in condition and capacity to accommodate the additional level of growth, as allowed by the Comprehensive Plan, prior to or concurrent with the land use changes.
  - C) The City may initiate annexation and zone changes of lands outside the City limits and within the UGB that are under a County "Exclusive Farm Use" designation or otherwise enjoying farm-related tax incentives when such lands are needed for urban development.
3. City annexation shall only occur within the framework of the City's Comprehensive Plan and within the Urban Growth Boundary.
4. Except as provided in Policy 11 of this agreement, specific annexation decisions shall be governed by the City of Central Point. The City will provide opportunities for the County and all affected agencies to respond to pending requests for annexation with the response time limited to sixty days to minimize any unnecessary and costly delay in processing.
5. The establishment of the Urban Growth Boundary does not imply that all lands within the Boundary must be annexed to the City.
6. Jackson County shall retain jurisdiction over any land use decisions, other than annexations, within the unincorporated urbanizable area, in conformance with these adopted policies. Additionally:

- A) The City shall be requested to respond to pending applications for land use changes in the unincorporated urbanizable area. If no response is received within fourteen days, the County will assume the City has no objections to the request
  - B) The City will request that the County respond to pending applications for land use changes within the incorporated area which could affect land under County jurisdiction. If no response is received within fourteen days, the City will assume the County has no objections to the request.
  - C) Recognizing that unincorporated areas within the Urban Growth Boundary could ultimately become part of Central Point, the City's recommendations will be given due consideration. It is the intent of the County to administer a mutually adopted City/County policy in the urbanizable area until such time as the area is annexed.
7. Lands in the vicinity of the Seven Oaks Interchange, as delineated on Map 1 attached, are considered unique because of the transportation facilities present. The I-5 Interchange Area Management Plan (IAMP) for Exit 35 addresses the unique characteristics of the area and recommendations from the plan will be incorporated into the City and County Comprehensive Plans. Portions of this area are in Central Point's Urban Reserve while the remainder is designated an *Area of Mutual Planning Concern* and shall be protected from premature development. Additionally:
- A) The County shall ensure that the area remains in a rural character so that a priority is placed on urban development within the UGB, as planned.
  - B) The Seven Oaks Interchange Area of Mutual Planning Concern shall retain its present County Comprehensive Plan and Zoning Map designation, or similar "rural" designation, until such time as the area can be shown to be needed for the City's urbanization, in accordance with the seven urbanization factors of Statewide goal 14 and the provisions of this agreement that pertain to City-initiated comprehensive plan amendments.
8. Lands in the vicinity of and including Forest/Gibbon Acres west of Table Rock Road, as delineated on Map 2 attached, are considered remote to Central Point at this time. Although located outside of any Urban Reserve, this area is designated an *Area of Mutual Planning Concern* and shall be protected from premature or more intense development. Additionally:
- A) The County shall ensure that the area remains in a rural character so that a priority is placed on urban development within the UGB and URAs, as planned.

- B) The Forest/Gibbon Acres *Area of Mutual Planning Concern* shall retain its present County Comprehensive Plan and Zoning Map designation, or similar "rural" designation, until such time as the area can be shown to be needed for the City's urbanization or for inclusion in Medford or in White City should it incorporate. Inclusion in a planning area will occur in accordance with the seven urbanization factors of Statewide goal 14 and the provisions of this agreement that pertain to City-initiated comprehensive plan amendments.
9. Lands under the ownership of Jackson County between Gebhard Road and Interstate-5 north of Pine Street, including the Jackson County Expo (fairgrounds) and property in the ownership of Jackson County adjacent to the Expo as delineated on Map 3 attached, are designated an *Area of Mutual Planning Concern* and shall be protected from uncoordinated land use development. Additionally:
- A) The County shall ensure that all land use planning that occurs will be coordinated with the City so that a priority is placed on urban development within the UGB and URAs, as planned.
  - B) The Jackson County Expo *Area of Mutual Planning Concern* shall retain its present County Comprehensive Plan and Zoning Map designation, or designations unique to the fairground master plan, until such time as the area can be shown to be needed for the City's urbanization, in accordance with the seven urbanization factors of Statewide goal 14 and the provisions of this agreement that pertain to City-initiated comprehensive plan amendments.
  - C) During the first coordinated Periodic Review process for the Regional Plan, Jackson County shall consider including the land occupied by the Jackson County Expo to the City of Central Point Urban Reserve Area.
  - D) The impacts of County development upon City and Regional infrastructure shall be assessed and mitigated in order to obtain a mutually beneficial outcome to both entities.
10. Lands within the urbanizable area which currently support a farm use shall be encouraged, through zoning and appropriate tax incentives, to remain in that use for as long as is "economically feasible".
- A) "Economically feasible", as used in this policy, shall be interpreted to mean feasible from the standpoint of the property owner. Implementation of this policy will be done on a voluntary basis.
  - B) "Exclusive Farm" or other appropriate low-intensity rural zoning designation shall be applied to areas within the UGB by the County for the

purpose of maintaining agricultural land uses and related tax incentives until such time as planned annexation and urban development occur.

- C) "Suburban Residential" or other zoning designations that would permit non-agricultural land uses to develop prematurely could result in obstacles to future planned and coordinated growth and, therefore, should be restricted to only those areas that are already developed to such levels.
- D) Agricultural zoning policies contained herein apply only to areas identified by the City or County as agricultural lands within the UGB, URA's or Seven Oaks Area of Mutual Planning Concern and shall not be used as a standard to review other land use applications within these areas.

11. The City and County acknowledge the importance of protecting agricultural lands. Therefore:

- A) While properties are in agricultural use, the City will apply the below standards when adjacent lands are proposed for urban residential development:
  - i. To mitigate the potential for vandalism, the development's design should incorporate the use of visible public or semipublic open space adjacent to the agricultural lands.
  - ii. To mitigate nuisances originating from agricultural noise, odors, irrigation run-off, and agricultural spray drift, the development's design should incorporate:
    - a. The use of landscaping and berms where a positive buffering benefit can be demonstrated.
    - b. The orientation of structures and fencing relative to usable exterior space such as patios, rear yards and courts, such that the potential impacts from spray drift, dust, odors, and noise intrusion are minimized.
    - c. The design and construction of all habitable buildings, including window and door locations, should be such that the potential impact of spray drift, noise, dust, and odors upon interior living/working areas will be minimized.
    - d. Physical separation between agricultural lands and urban development shall be utilized to the greatest extent possible to minimize adverse impacts. Site design emphasizing the appropriate use of open space areas, streets, and areas not



designed specifically for public recreation or assembly shall be considered.

- B) The City and County mutually agree herewith that the buffering standards established by the Jackson County Regional Plan and adopted by the City of Central Point have or can and will be met, prior to annexation or urban development of lands.
  - C) The City and County mutually agree to involve affected Irrigation Districts prior to annexation or when contemplating urban development of lands.
12. The City, County, and other affected agencies shall coordinate the expansion and development of all urban facilities and services within the urbanization area. Additionally:
- A) Provisions for urban facilities and services shall be planned in a manner limiting duplication in an effort to provide greater efficiency and economy of operation.
  - B) A single urban facility or service extended into the urbanizable area must be coordinated with the planned future development of all other facilities and services appropriate to that area, and shall be provided at levels necessary for expected uses, as designated in the City's Comprehensive Plan.
13. All County road construction and reconstruction resulting from new development, redevelopment, or land division, in the urbanizable area shall be to urban standards, except that the term "reconstruction" does not include normal road maintenance by the County.
14. Except for URAs, no other land or *non-municipal* improvements located outside the Urban Growth Boundary shall be permitted to connect to the water line serving Erickson unless it is first included in the Urban Growth Boundary or a "reasons" exception is taken to applicable Statewide Land Use Planning Goals which allows such connection. The owners of such benefited property must sign an irrevocable consent to annex to the City of Central Point.

#### AMENDMENTS AND CORRECTIONS TO THE URBAN GROWTH BOUNDARY

The procedure for joint City and County review and amendment of urban growth boundary and urbanization policies are established as follows:

## MAJOR REVISIONS

Major revisions in boundary or policies will be considered amendments to both the City and County comprehensive plans and, as such, are subject to a legislative review process. A major revision shall include any boundary change that has widespread and significant impact beyond the immediate area, such as quantitative changes allowing for substantial changes in population or significant increases in resource impacts; qualitative changes in the land use itself, such as conversion of residential to industrial use, or spatial changes that affect large areas of many different ownerships. Any change in urbanization policies is considered a major revision.

Major revisions will be considered by the City and County at periodic intervals in accordance with the terms of the mutually adopted urban growth boundary agreements between the County and each municipal jurisdiction. It is the intent of the governing bodies to review the urban growth boundary and urbanization policies for consistency upon completion of the City and County Comprehensive Plans.

A request for major revision can be initiated only by the County or City governing bodies or their respective planning commissions. Individuals, groups, citizen advisory committees, and affected agencies may petition the County or appropriate City in accordance with the procedural guidelines adopted by the jurisdiction for initiating major legislative amendments. The party who seeks the revision shall be responsible for filing adequate written documentation with the City and County governing bodies. Final legislative action on major revision requests shall be based on the factors stated in each mutually adopted urban growth boundary agreement. Generally these are:

- A) Demonstrated need to accommodate unpredicted population trends, to satisfy urban housing needs, or to assure adequate employment opportunities;
- B) The orderly and economic provision of public facilities and services;
- C) Maximum efficiency of land uses within the current urbanizable area;
- D) Environmental, energy, economic and social consequences;
- E) Compatibility of the proposed change with other elements of the City and County comprehensive plans; and,
- F) The other statewide planning goals.

Major revision proposals shall be subject to a mutual City and County review and agreement process involving affected agencies, citizen advisory committees, and the general public. The review process has the following steps:

- A) CAC and planning commissions review and *make recommendations* to the City Council and Board of County Commissioners;
- B) Proposal mailed to the affected agencies and property owners; and,
- C) Proposal heard and acted upon by City Council and Board of County Commissioners.

### MINOR BOUNDARY LINE ADJUSTMENTS

Minor adjustments to an urban growth boundary line may be considered subject to similar procedures used by the City and County in hearing zoning requests. A minor amendment is defined as focusing on specific individual properties and not having significant impacts beyond the immediate area of the change.

Application for a minor boundary line amendment can only be made by property owners, their authorized agents, or by a City or County governing body. Written applications for amendments may be filed in the office of the Jackson County Department of Planning and Development on forms prescribed by the County. The standards for processing an application are as indicated in the mutually adopted urban growth boundary agreement. Generally these are the same factors as for a major urban growth boundary amendment.

### CORRECTION OF ERRORS

- A. An error is generally considered to be a cartographic mistake, or a misprint, omission, or duplication in the text. They are technical in nature and not the result of new information or changing attitudes or policies.
- B. If the City Council and Board of County Commissioners become aware of an error in the map(s) or text of this mutually-adopted urbanization program, both bodies may cause an immediate amendment to correct the error, after mutual agreement is reached.
- C. Corrections shall be made by ordinance, following a public hearing conducted by both governing bodies, but hearings before the planning commissions shall not be required when an amendment is intended specifically to correct an error.

### REVIEW, AMENDMENT AND TERMINATION OF AGREEMENT

- A. This Agreement may be reviewed and amended at any time by mutual consent of both parties, after public hearings by the Council and the Board of Commissioners.

- B. Any modifications to this Agreement will be consistent with City and County comprehensive plans and state law.
- C. Staff from City and County will attempt to informally resolve any disputes regarding the terms, conditions, or meaning of this Agreement. For any disputes not resolved through this informal process, the Council and the BOC will meet jointly in an attempt to resolve those disputes. Either party may request the services of a mediator to resolve any dispute.
- D. This Agreement may be terminated by either party subsequent to dissolution of a URA or an Area of Mutual Planning Concern. Such termination shall proceed through a properly noticed public hearing process.

This agreement supersedes the prior agreement between the parties on the same subject matter approved by the County on \_\_\_\_\_, 20\_\_\_\_, and by the City on \_\_\_\_\_, 20\_\_\_\_.

CITY OF CENTRAL POINT

JACKSON COUNTY  
BOARD OF COMMISSIONERS

\_\_\_\_\_  
Hank Williams, Mayor      DATE

\_\_\_\_\_  
Doug Breidenthal, Chair      DATE

APPROVED AS TO FORM:

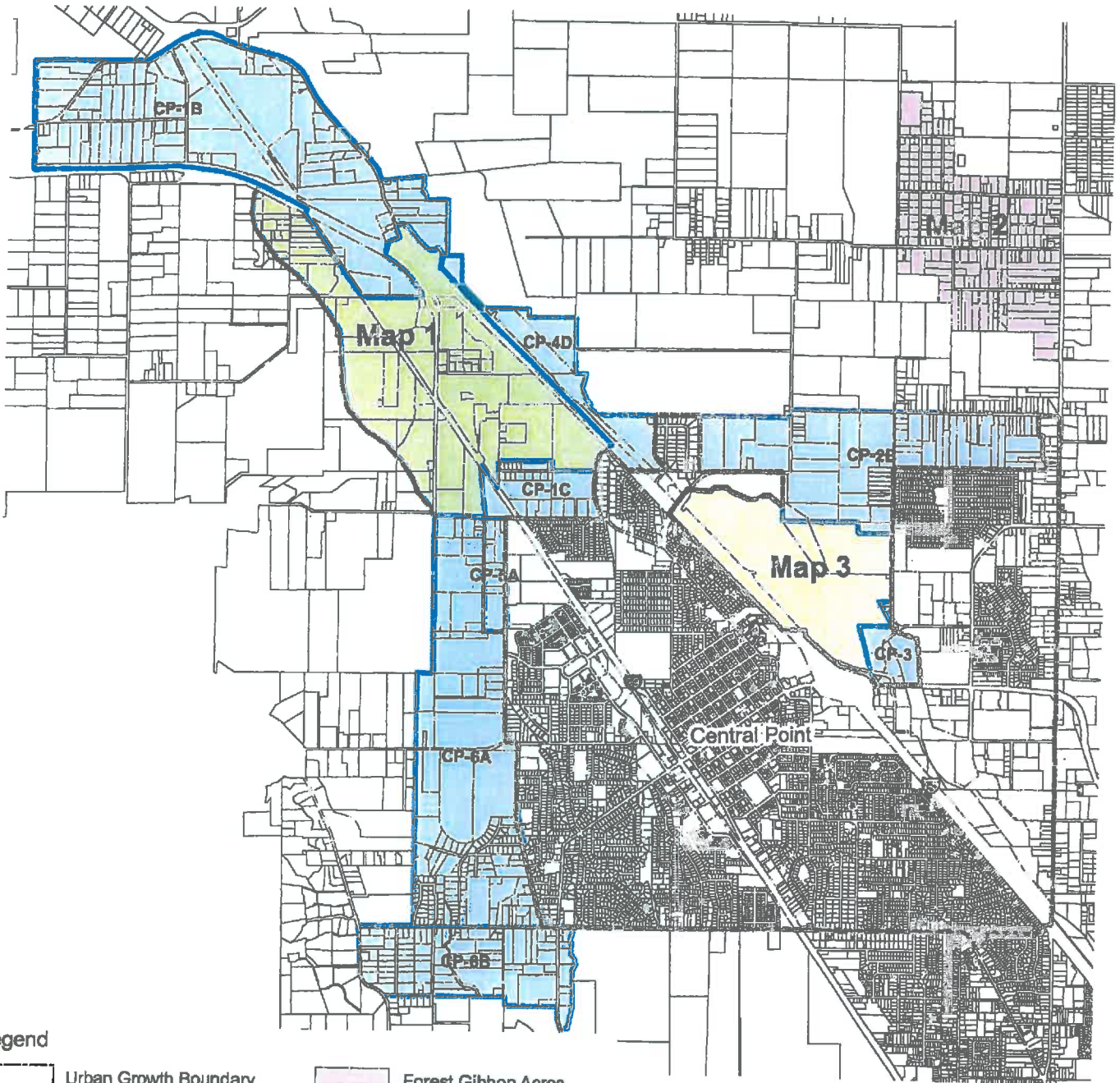
\_\_\_\_\_  
County Counsel

ATTEST:

ATTEST:

\_\_\_\_\_  
City Administrator

\_\_\_\_\_  
Recording Secretary

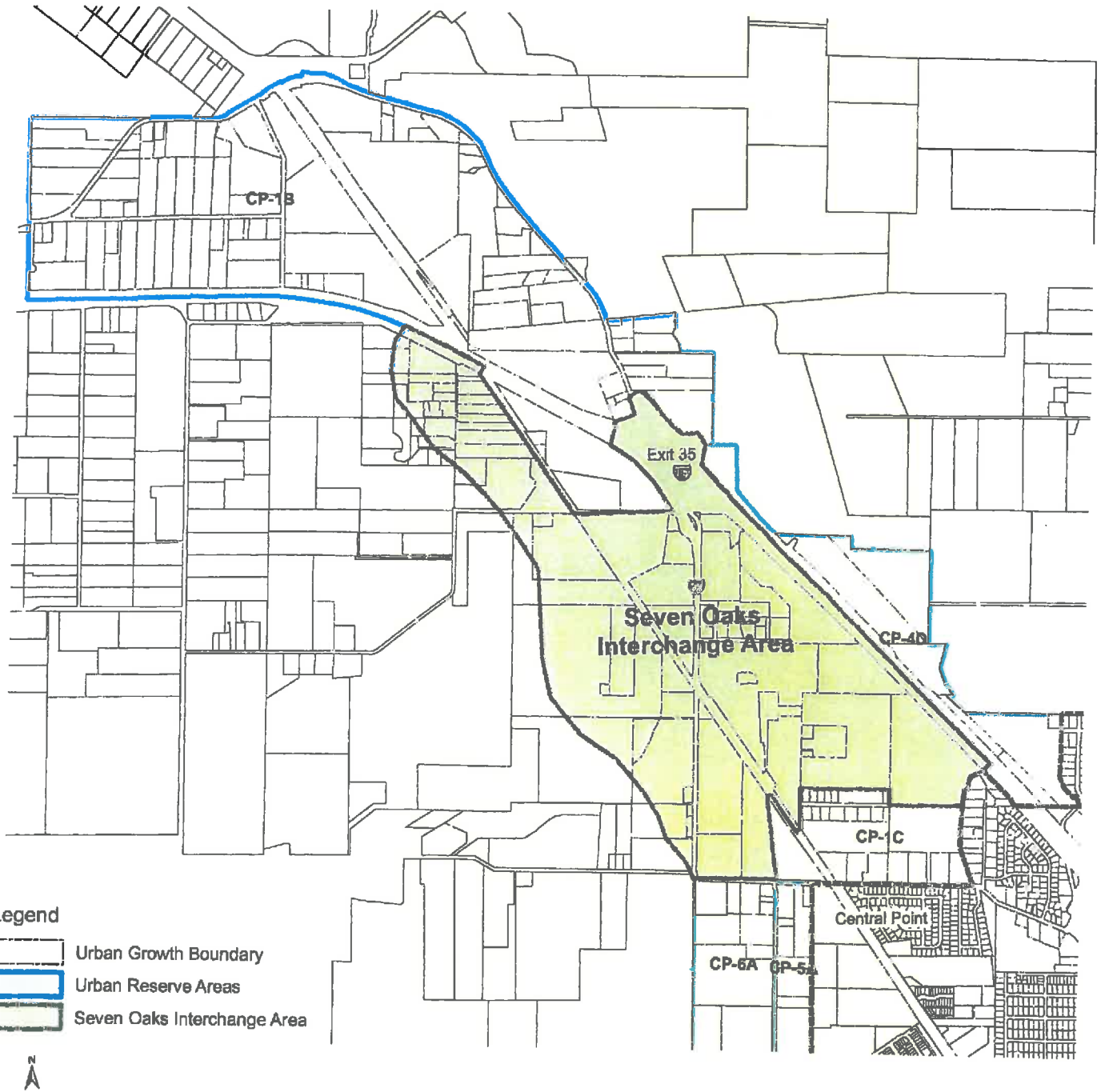


**Legend**

- |   |                             |   |                          |
|---|-----------------------------|---|--------------------------|
|  | Urban Growth Boundary       |  | Forest Gibbon Acres      |
|  | Urban Reserve Areas         |  | Jackson County Expo Area |
|  | Seven Oaks Interchange Area |  |                          |

**Central Point**

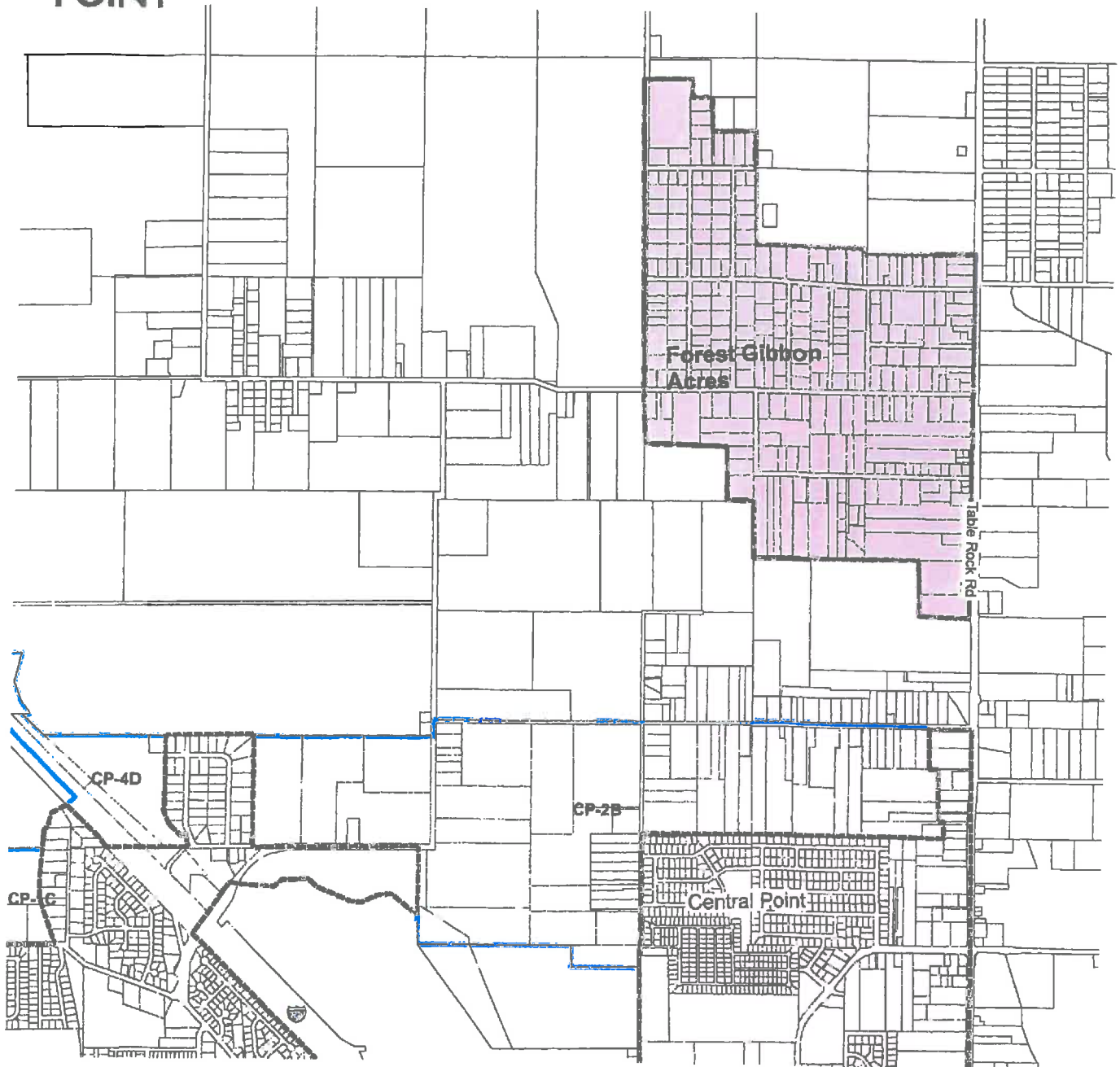
**Urban Growth Boundary  
Areas of Mutual Planning Concern  
Index Map**



**Central Point**

**Map 1**

Urban Growth Boundary  
 Areas of Mutual Planning Concern  
 Seven Oaks Interchange Area



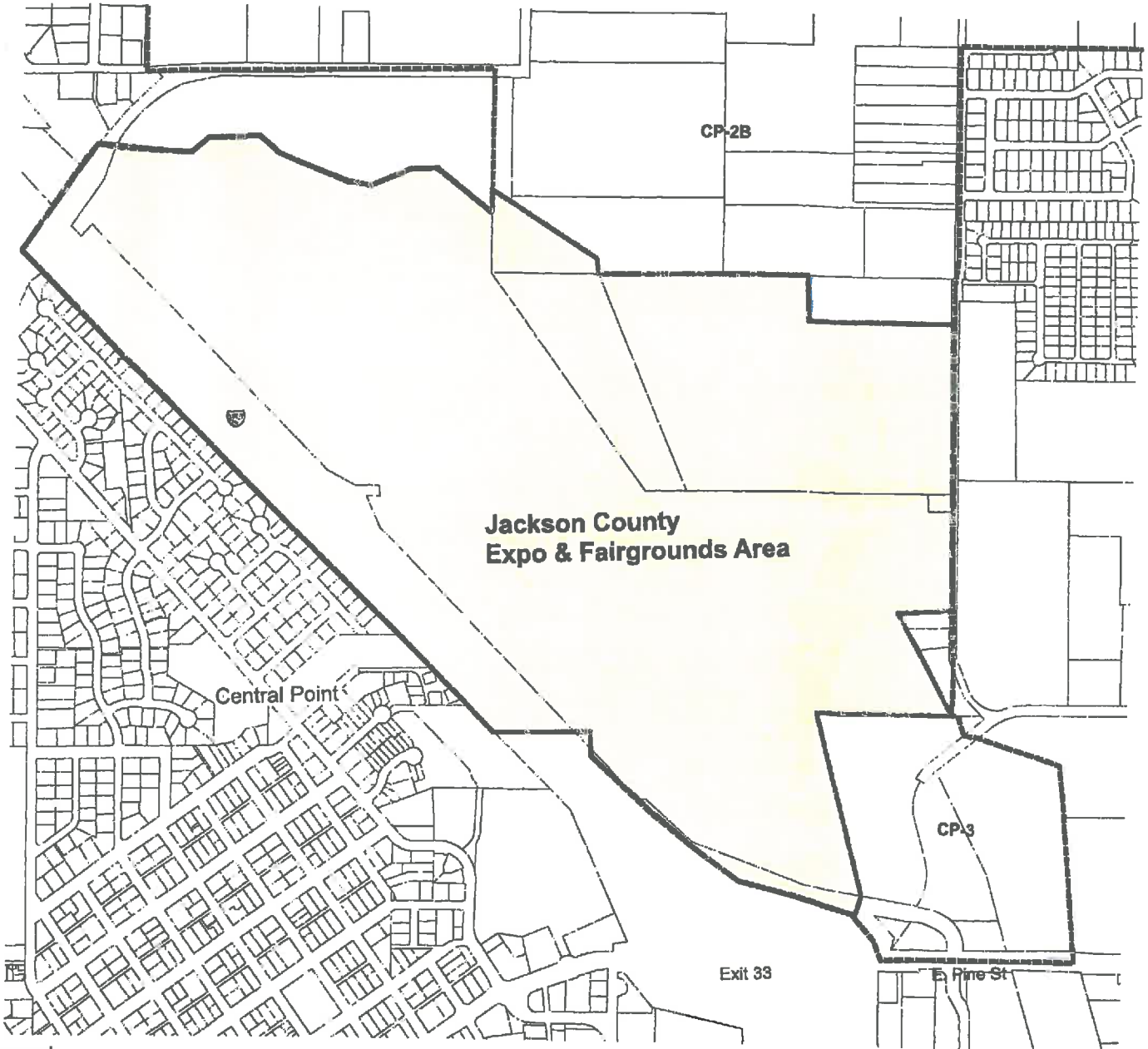
Legend

-  Urban Growth Boundary
-  Urban Reserve Areas
-  Forest Gibbon Acres



**Central Point**

**Map 2**  
Urban Growth Boundary  
Areas of Mutual Planning Concern  
Forest Gibbon Acres



Legend

-  Urban Growth Boundary
-  Urban Reserve Areas
-  Jackson County Expo Area

**Central Point**

**Map 3**  
Urban Growth Boundary  
Areas of Mutual Planning Concern  
Jackson County Expo Area



**Ordinance No. \_\_\_\_\_. An Ordinance amending the Central Point Zoning Ordinance, Chapter 17.08.010 Definitions; 17.64.040, Land Use – TOD District; 17.65.050 Zoning Regulations – TOD District; 17.65.070 Zoning Regulations – TOD Corridor**



**STAFF REPORT**

January 22, 2015

**AGENDA ITEM: File No. 14022**

Second reading to amend the Central Point Municipal Code, Chapter 17.08 .010 Definitions, defining the term "Congregate (Senior) Housing"; 17.64.040, Off-Street Parking Requirements, Table 17.64.02A adjusting parking requirements for Congregate (Senior) Housing, 17.65.050 Zoning Regulations, TOD District, Tables 1 through 3, and 17.65.070 Zoning Regulations, TOD Corridor, Tables 4 and 5, to delete the term "Senior Housing" and replace the term "Senior Housing" with the term "Congregate (Senior) Housing"; **Applicant:** City of Central Point.

**STAFF SOURCE:**

Tom Humphrey, AICP

**BACKGROUND:**

As the result of a recent application three issues came to the attention of the Community Development Department as follows:

1. Section 17.65.050, Tables 1 and 4 refers to "Senior Housing" as a use; however, the term "Senior Housing" is not defined. It is proposed that the term "Senior Housing" be replaced with "Congregate (Senior) Housing" a more generally acknowledged and accepted term within the housing industry. Additionally, Congregate (Senior) Housing will be listed under the multifamily dwelling housing category in Tables 1 through 5 in Sections 17.65.050 and 17.65.070.

*It is proposed that Section 17.08.010 Definitions be amended to add the term "Congregate (Senior) Housing" to mean a multi-family living arrangement, with common dining facilities, designed for healthy older adults in which residents live in their own living unit and have various opportunities for socialization with other residents. Housekeeping and maintenance services are provided, but health maintenance services are scheduled independently by the residents.*

2. Section 17.65.050, Tables 1 and 4 prohibits "Senior Housing" within the LMR district. The proposed amendment will allow Congregate (Senior) Housing within the LMR district, but only when part of an existing or proposed congregate housing project located on abutting property under the same ownership within the MMR or HMR district.
3. Table 17.64.02A Residential Off-Street Parking Requirements currently requires 1 parking space per dwelling unit. It is proposed that the required parking be reduced to .5 spaces per dwelling unit per the Institute of Transportation Engineers, Parking Generation, 3<sup>rd</sup> Edition.

On January 6, 2015 the Planning Commission reviewed the proposed amendments and by Resolution No. 812 forwarded a recommendation to the City Council to approve the amendments. The City Council conducted a public hearing on this item at their last meeting, accepted staff revisions and moved the ordinance to this second reading.

**ISSUES:**

It is recognized that congregate housing, as a use, has employees for housekeeping, administration, common dining, etc., which sets it apart from an apartment complex. For this reason the allowance of congregate housing within the LMR zone has been restricted to those instances where it is part of, and under the same ownership of, an abutting congregate housing

project in the MMR or HMR zoning district. The design of a congregate housing project in the LMR district will be subject to the LMR residential design and development standards, including density.

**ATTACHMENTS:**

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Attachment "A" – Ordinance No. \_\_\_\_ An Ordinance Amending the Central Point Zoning Ordinance, Chapter 17.08.010 Definitions; 17.64.040, Land Use – TOD District; 17.65.050 Zoning Regulations – TOD District; and 17.65.070 Zoning Regulations – TOD Corridor.

**ACTION:**

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Conduct the second reading of the proposed amendments to the zoning ordinance and 1) approve the ordinance; 2) approved the ordinance with revisions; 3) deny the proposal.

**RECOMMENDATION:**

---

Adopt the ordinance and approve amendments to the zoning ordinance.

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AMENDING THE CENTRAL POINT ZONING ORDINANCE,  
CHAPTER 17.08 .010 DEFINITIONS; 17.64.040, LAND USE – TOD DISTRICT;  
17.65.050 ZONING REGULATIONS - TOD DISTRICT; 17.65.070 ZONING  
REGULATIONS - TOD CORRIDOR

Recitals:

- A. The City of Central Point (City) is authorized under Oregon Revised Statute (ORS) Chapter 197 to prepare, adopt and revise comprehensive plans and implementing ordinances consistent with the Statewide Land Use Planning Goals.
- B. The City has coordinated its planning efforts with the State in accordance with ORS 197.040(2)(e) and OAR 660-030-0060 to assure compliance with goals and compatibility with City Comprehensive Plans.
- C. Pursuant to the requirements set forth in CPMC Chapter 17.10.100 Zoning Map and Zoning Code Text Amendments – Purpose and Chapter 17.05.010, Applications and Development Permit Review Procedures, the City has accepted an application and conducted the following duly advertised public hearings to consider the proposed amendment:
  - a) Planning Commission hearing on January 6, 2015
  - b) City Council hearings on January 8, 2015 and January 22, 2015.

THE PEOPLE OF THE CITY OF CENTRAL POINT DO ORDAIN AS FOLLOWS:

Section 1. Based upon all the information received, the City Council adopts the findings of fact and conclusions of law set forth in the City staff report; determines that changing community conditions, needs and desires justify the amendments and hereby adopts the changes entirely.

Section 2. The City zoning text is hereby amended as set forth in Exhibit A which is attached hereto and by this reference incorporated herein.

Section 3. The City Manager is directed to conduct post acknowledgement procedures defined in ORS 197.610 et seq. upon adoption of the changes to the zoning ordinance.

Section 4. Effective date. The Central Point City Charter states that an ordinance enacted by the council shall take effect on the thirtieth day after its enactment. The effective date of this ordinance will be the thirtieth day after the second reading.

Passed by the Council and signed by me in authentication of its passage this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Mayor Hank Williams

ATTEST:

\_\_\_\_\_  
City Recorder

## EXHIBIT "A"

### Chapter 17.08 DEFINITIONS

#### 17.08.010 Definitions, specific

"Congregate (Senior) Housing" means a multi-family living arrangement, with common dining facilities, designed for healthy older adults in which residents live in their own living unit and have various opportunities for socialization with other residents. Housekeeping and maintenance services are provided, but health maintenance services are scheduled independently by the residents.

"Dwelling Unit, Living Unit" means one or more rooms designed for occupancy by one family and having no more than one cooking facility.

### Chapter 17.64 Off-Street Parking and Loading

#### 17.64.040 Off-Street parking requirements

TABLE 17.64.02A

#### RESIDENTIAL OFF-STREET PARKING REQUIREMENTS

Use Categories	Minimum Vehicle Parking Requirement (fractions rounded down to the closest whole number)
<b>RESIDENTIAL</b>	
Single-Family Residential	2 spaces per dwelling unit, both of which must be covered.
Accessory Dwelling Unit	1 space per accessory dwelling unit.
Two-Family	2 spaces per dwelling unit, both of which must be covered.
Multiple-Family	1 space per studio or 1-bedroom unit;
	1.5 spaces per 2-bedroom unit; and
	2 spaces per 3+-bedroom unit.
	plus 1 guest parking space for each 4 dwelling units or fraction thereof.
Mobile Home Parks	2 spaces per dwelling unit on the same lot or pad as the mobile home (may be tandem); plus 1 guest space for each 4 mobile homes.
Residential Home	2 spaces per dwelling unit, both of which must be covered.
Residential Facility	.75 spaces per bedroom

**EXHIBIT "A"**

**TABLE 17.64.02A**

**RESIDENTIAL OFF-STREET PARKING REQUIREMENTS**

Use Categories	Minimum Vehicle Parking Requirement (fractions rounded down to the closest whole number)
Congregate (Senior) Housing	4.5 spaces per dwelling unit
Boarding Houses, Bed and Breakfast	1 space per guest unit; plus 1 space per each 2 employees

**CHAPTER 17.65 TOD DISTRICTS AND CORRIDORS**

**17.65.050 Zoning regulations – TOD district**

Table 1 TOD District Land Uses							
Use Categories	Zoning Districts						
	LMR	MMR	HMR	EC	GC	C	OS
Residential							
Dwelling, Single-Family							
Large and standard lot	P	L5	N	N	N	N	N
Zero lot line, detached	P	P	N	N	N	N	N
Attached row houses	P	P	P	C	N	N	N
Dwelling, Multifamily							
Multiplex, apartment	P	P	P	L1	L1	N	N
<u>Congregate (Senior) Housing</u>	<u>L6</u>	<u>P</u>	<u>P</u>	<u>L1</u>	<u>L1</u>	<u>N</u>	<u>N</u>
Accessory Units	P1	P1	P1	C	N	N	N
Boarding/Rooming House	N	C	C	N	N	N	N

**EXHIBIT "A"**

Table 1 TOD District Land Uses							
Use Categories	Zoning Districts						
	LMR	MMR	HMR	EC	GC	C	OS
<b>Family Care</b>							
Family day care	P	P	P	N	N	N	N
Day care group home	C	C	P	N	N	N	N
Adult day care	C	C	C	N	N	N	N
<b>Home Occupation</b>							
Home Occupation	P	P	P	P	N	N	N
<b>Residential Facility</b>							
Residential Facility	P	P	P	N	N	N	N
<b>Residential Home</b>							
Residential Home	P	P	P	N	N	N	N
<b>Senior Housing</b>							
Senior Housing	N	P	P	L1	N	C	N
<b>Commercial</b>							
<b>Entertainment</b>							
Entertainment	N	N	C	P	P	N	N
<b>Professional Office</b>							
Professional Office	C	L3	L3, L4	P	P	P	N
<b>Retail Sales and Service</b>							
Sales-oriented	C	L3	L3	P	P	N	N
Personal service-oriented	C	C	C	P	P	N	N
Repair-oriented	N	N	N	P	P	N	N
Drive-through facilities	N	N	N	P	P	N	N
Quick vehicle service	N	N	N	P	P	N	N
Vehicle sales, rental and repair	N	N	N	P	P	N	N
<b>Tourist Accommodations</b>							
Motel/hotel	N	N	C	P	P	N	N
Bed and breakfast inn	C	C	P	P	P	N	N
<b>Industrial</b>							
Manufacturing	N	N	N	N	P	N	N



**EXHIBIT "A"**

Table 1 TOD District Land Uses							
Use Categories	Zoning Districts						
	LMR	MMR	HMR	EC	GC	C	OS
Industrial Service							
Light	N	N	N	N	P	N	N
Heavy	N	N	N	N	C	N	N
Wholesale Sales	N	N	N	N	P	N	N
Civic							
Community Services	C	C	C	N	N	P	C
Hospital	C	C	C	C	N	C	N
Public facilities	C	C	C	C	C	C	N
Religious assembly	C	C	C	C	N	P	N
Schools	C	C	C	N	N	P	L2
Utilities	C	C	C	C	C	C	C
Open Space							
Parks and Open Space	P	P	P	P	P	P	P

N--Not permitted.

P--Permitted use.

P1--Permitted use, one unit per lot.

C--Conditional use.

L1--Only permitted as residential units above ground floor commercial uses.

L2--School athletic and play fields only. School building and parking lots are not permitted.

L3--Ground floor business within a multifamily building. Maximum floor area of ten thousand square feet per tenant.

L4--Second story offices may be permitted in areas adjacent to EC zones as a conditional use.

# EXHIBIT "A"

L5--Only permitted as a transition between lower density zones and/or when adjacent to an environmentally sensitive area.

L6--Permitted only when part of an existing or proposed congregate housing project on abutting property under the same ownership within the MMR or HMR district..

Table 2 TOD District Zoning Standards							
Standard	Zoning Districts						
	LMR	MMR	HMR	EC	GC	C	OS
Density--Units Per Net Acre (f)							
Maximum	12	32	NA	NA	NA	NA	NA
Minimum	6	14	30	NA	NA	NA	NA
Dimensional Standards							
Minimum Lot or Land Area/Unit							
Large single-family	5,000 SF	NA	NA	NA	NA	NA	NA
Standard single-family	3,000 SF	NA	NA	NA	NA	NA	NA
Zero lot line detached	2,700 SF	2,700 SF	NA	NA	NA	NA	NA
Attached row houses	2,000 SF	1,500 SF	1,200 SF	NA	NA	NA	NA
Multifamily <del>and senior housing</del>	NA	NA	NA	NA	NA	NA	NA
Average Minimum Lot or Land Area/Unit							
Large single-family	7,500 SF	NA	NA	NA	NA	NA	NA
Standard single-family	4,500 SF	NA	NA	NA	NA	NA	NA
Zero lot line detached	3,000 SF	3,000 SF	NA	NA	NA	NA	NA
Attached row houses	2,500 SF	2,000 SF	1,500 SF	NA	NA	NA	NA
Multifamily <del>and senior housing</del>	NA	NA	NA	NA	NA	NA	NA

**EXHIBIT "A"**

Table 2 TOD District Zoning Standards							
Standard	Zoning Districts						
	LMR	MMR	HMR	EC	GC	C	OS
<b>housing</b>							
Minimum Lot Width							
Large single-family	50'	NA	NA	NA	NA	NA	NA
Standard single-family	50'	NA	NA	NA	NA	NA	NA
Zero lot line detached	30'	30'	NA	NA	NA	NA	NA
Attached row houses	24'	22'	18'	NA	NA	NA	NA
Multifamily <b>and senior housing</b>	NA	NA	NA	NA	NA	NA	NA
Minimum Lot Depth	50'	50'	50'	NA	NA	NA	NA
Building Setbacks							
Front (min./max.)	10'/15'	10'/15'	0'/15'	0'	15'	5'	15'
Side (between bldgs.) (detached/attached)	5' detached 0' attached (a)(c)	5' detached 0' attached (a)(c)	5' detached 0' attached (a)	0' 10' (b)	0' 15' (b)	0' 20' (b)	5'
Corner (min./max.)	5'/10'	5'/10'	0'/10'	5'/10'	15'/30'	5'/10'	15'/NA
Rear	15'	15'	10'	0' 10' (b)	15' (b) 0'	0' 20' (b)	5'
Garage Entrance	(d)	(d)	(d)	(e)	(e)	(e)	NA
Maximum Building Height	35'	45'	60'	60'	60'	45'	35'
Maximum Lot Coverage (g)	80%	80%	85%	100%	100%	85%	25%
Minimum Landscaped Area (i)	20% of site area	20% of site area	15% of site area	0% of site	15% of site	15% of site area	NA

**EXHIBIT "A"**

Table 2 TOD District Zoning Standards							
Standard	Zoning Districts						
	LMR	MMR	HMR	EC	GC	C	OS
			(j)	area (h)	area		
Housing Mix							
Required housing types as listed under Residential in Table 1.	<p>&lt; 16 units in development: 1 housing type.</p> <p>16--40 units in development: 2 housing types.</p> <p>&gt; 40 units in development: 3 or more housing types (plus approved master plan)</p>						

Notes:

NA--Not applicable.

- (a) The five-foot minimum also applies to the perimeter of the attached unit development.
- (b) Setback required when adjacent to a residential zone.
- (c) Setback required is ten feet minimum between units when using zero lot line configurations.
- (d) Ten feet behind front building facade facing street.
- (e) Garage entrance shall not protrude beyond the face of the building.
- (f) Net acre equals the area remaining after deducting environmental lands, exclusive employment areas, exclusive civic areas and right-of-way.
- (g) Lot coverage refers to all impervious surfaces including buildings and paved surfacing.

## EXHIBIT "A"

- (h) Parking lot landscaping and screening requirements still apply.
- (i) Landscaped area shall include living ground cover, shrubs, trees, and decorative landscaping material such as bark, mulch or gravel. No pavement or other impervious surfaces are permitted except for pedestrian pathways and seating areas.
- (j) Rooftop gardens can be used to help meet this requirement.

<b>Table 3</b>	
<b>TOD District and Corridor Parking Standards</b>	
<b>Use Categories</b>	<b>Minimum Required Parking</b>
<b>Residential</b>	
Dwelling, Single-Family Large and standard lot Zero lot line, detached Attached row houses	2 spaces per unit.
Dwelling, Multifamily Plexes Apartments and condominiums	1.5 spaces per unit. 1.5 spaces per unit
<u>Congregate (Senior) Housing</u>	<u>.5 spaces per dwelling unit</u>
Dwelling, Accessory Unit	1 space per unit.
Boarding/Rooming House	1 space per accommodation, plus 1 space for every 2 employees.
Family Care Family day care Day care group home Adult day care	1 space for every 5 children or clients (minimum 1 space); plus 1 space for every 2 employees.
Home Occupation	Shall meet the parking requirement for the residence.
Residential Facility	1 space per unit.
Residential Home	1 space per unit.
<u>Senior Housing</u>	<u>1 space per unit.</u>

**EXHIBIT "A"**

<b>Table 3</b> <b>TOD District and Corridor Parking Standards</b>	
Use Categories	Minimum Required Parking
<b>Commercial</b>	
Entertainment	1 space per 250 square feet of floor area, except for theaters which shall provide 1 space per 4 seats.
Professional Office	1 space per 400 square feet of floor area.
Retail Sales and Service	
Sales-oriented	1 space per 500 square feet of floor area.
Personal service-oriented	1 space per 500 square feet of floor area.
Repair-oriented	1 space per 500 square feet of floor area.
Drive-through facilities	Parking as required by the primary use.
Quick vehicle service	1 space per 750 square feet of floor area.
Vehicle sales, rental and repair	1 space per 1,000 square feet of floor area.
Tourist Accommodations	1 space per guest unit, plus 1 space for every 2 employees.
Motel/hotel	
Bed and breakfast inn	
<b>Industrial</b>	
Manufacturing	1 space per employee of the largest shift.
Industrial Service	1 space per employee of the largest shift.
Light	
Heavy	
Wholesale Sales	1 space per employee of the largest shift.
<b>Civic</b>	
Community Services	Number to be determined as part of site plan or conditional use review.
Hospital	1 space per 500 square feet of floor area.
Public Facilities	Number to be determined as part of site plan or conditional use

**EXHIBIT "A"**

Table 3 TOD District and Corridor Parking Standards	
Use Categories	Minimum Required Parking
Religious Assembly	review. 1 space per 100 square feet of floor area for the main assembly area.
Schools	2 spaces per classroom.
Utilities	Number to be determined as part of site plan or conditional use review.
Open Space	
Parks and Open Space	Number to be determined as part of site plan or conditional use review.

(Ord. 1981 §4 (Exh. D), 2014; Ord. 1971 §4 (Exh. C) (part), 2013; Ord. 1867 §4(part), 2006; Ord. 1815 §1(part), Exh. B(part), 2000).

Table 4 TOD Corridor Land Uses				
Use Categories	Zoning Districts			
	LMR	MMR	EC	GC
<b>Residential</b>				
Dwelling, Single-Family				
Large and standard lot	P	L4	N	N
Zero lot line, detached	P	P	N	N
Attached row houses	P	P	N	N
Dwelling, Multifamily				
Multiplex, apartment	P	P	L1	L1
<u>Congregate (Senior)Housing</u>	<u>L5</u>	<u>P</u>	<u>L1</u>	<u>N</u>
Accessory Units	P1	P1	C	N

**EXHIBIT "A"**

Table 4 TOD Corridor Land Uses				
Use Categories	Zoning Districts			
	LMR	MMR	EC	GC
Boarding/Rooming House	N	C	N	N
Family Care				
Family day care	P	P	N	N
Day care group home	C	C	N	N
Adult day care	C	C	N	N
Home Occupation	P	P	P	N
Residential Facility	P	P	N	N
Residential Home	P	P	N	N
<del>Senior Housing</del>	<del>N</del>	<del>P</del>	<del>L1</del>	<del>N</del>
Commercial				
Entertainment	N	N	P	P
Professional Office	C	L3	P	P
Retail Sales and Service				
Sales-oriented	C	L3	P	P
Personal service-oriented	C	C	P	P
Repair-oriented	N	N	P	P
Drive-through facilities	N	N	P	P
Quick vehicle service	N	N	P	P
Vehicle sales, rental and repair	N	N	N	P
Tourist Accommodations				
Motel/hotel	N	N	P	P
Bed and breakfast inn	C	C	P	P
Industrial				



## EXHIBIT "A"

Table 4 TOD Corridor Land Uses				
Use Categories	Zoning Districts			
	LMR	MMR	EC	GC
Manufacturing	N	N	N	P
Industrial Service				
Light	N	N	N	P
Heavy	N	N	N	C
Wholesale Sales	N	N	N	P
Civic				
Community Services	C	C	N	N
Hospital	C	C	C	N
Public Facilities	C	C	C	C
Religious Assembly	C	C	C	N
Schools	C	C	N	N
Utilities	C	C	C	C
Open Space				
Parks and Open Space	P	P	P	P

N--Not permitted.

P--Permitted use.

P1--Permitted use, one unit per lot.

C--Conditional use.

L1--Only permitted as residential units above ground floor commercial uses.

L2--School athletic and play fields only. School building and parking lots are not permitted.

L3--Ground floor business within a multifamily building. Maximum floor area of ten thousand square feet per tenant.

**EXHIBIT “A”**

L4—Only permitted as a transition between adjacent lower density zones and/or when adjacent to an environmentally sensitive area.

L5—Permitted only when part of an existing or proposed congregate housing project on abutting property under the same ownership within the MMR or HMR district.

Table 5 TOD Corridor Zoning Standards				
Standard	Zone Districts			
	LMR	MMR	EC	GC
Density—Units Per Net Acre (f)				
Maximum	12	32	NA	NA
Minimum	6	14	NA	NA
Dimensional Standards				
Minimum Lot Area or Land Area/Unit				
Large single-family	5,000 SF	NA	NA	NA
Standard single-family	3,000 SF	NA	NA	NA
Zero lot line detached	2,700 SF	2,700 SF	NA	NA
Attached row houses	2,000 SF	1,500 SF	NA	NA
Multifamily <del>and senior housing</del>	<del>2,000 SF</del> <u>NA</u>	<del>2,000 SF</del> <u>NA</u>	<del>1,000 SF</del> <u>NA</u>	NA
Average Minimum Lot or Land Area/Unit				
Large single-family	7,500 SF	NA	NA	NA
Standard single-family	4,500 SF	NA	NA	NA
Zero lot line detached	3,000 SF	3,000 SF	NA	NA
Attached row houses	2,500 SF	2,000 SF	NA	NA
Multifamily <del>and senior housing</del>	<del>2,000 SF</del> <u>NA</u>	<del>2,000 SF</del> <u>NA</u>	<del>1,000 SF</del> <u>NA</u>	NA

**EXHIBIT "A"**

<b>Table 5</b>				
<b>TOD Corridor Zoning Standards</b>				
<b>Standard</b>	<b>Zone Districts</b>			
	<b>LMR</b>	<b>MMR</b>	<b>EC</b>	<b>GC</b>
Minimum Lot Width				
Large single-family	50'	NA	NA	NA
Standard single-family	50'	NA	NA	NA
Zero lot line detached	30'	30'	NA	NA
Attached row houses	24'	22'	NA	NA
Multifamily <del>and senior housing</del>	NA	NA	NA	NA
Minimum Lot Depth	50'	50'	NA	NA
<b>Building Setbacks</b>				
Front (min./max.)	10'/15'	10'/15'	0'	15'
Side (between bldgs.) detached/attached)	5' detached 0' attached (a) (c)	5' detached 0' attached (a) (c)	0' 10' (b)	0' 15' (b)
Corner (min./max.)	5'/10'	5'/10'	5'/10'	15'/30'
Rear	15'	15'	0' 10' (b)	0' 15' (b)
Garage Entrance	(d)	(d)	(e)	(e)
Maximum Building Height	35'	45'	60'	60'
Maximum Lot Coverage (g)	80%	80%	100%	85%
Minimum Landscaped Area (i)	20% of site area	20% of site area	0% of site area	15% of site area
<b>Housing Mix</b>				
Required housing types as listed under Residential in Table 3.	< 16 units in development: 1 housing type  16--40 units in development: 2 housing types		NA	NA

**EXHIBIT "A"**

<b>Table 5</b>				
<b>TOD Corridor Zoning Standards</b>				
<b>Standard</b>	<b>Zone Districts</b>			
	<b>LMR</b>	<b>MMR</b>	<b>EC</b>	<b>GC</b>
	> 40 units in development: 3 or more housing types (plus approved master plan).			

NA--Not applicable

Notes:

- (a) The five-foot minimum also applies to the perimeter of the attached unit development.
- (b) Setback required when adjacent to a residential zone.
- (c) Setback required is ten feet minimum between units when using zero lot line configurations.
- (d) Ten feet behind building facade facing street.
- (e) Garage entrance shall not protrude beyond the face of the building.
- (f) Net acre equals the area remaining after deducting environmental lands, exclusive employment areas, exclusive civic areas and right-of-way.
- (g) Lot coverage refers to all impervious surfaces, including buildings and paved surfacing.
- (h) Parking lot landscaping and screening requirements still apply.
- (i) Landscaped area shall include living ground cover, shrubs, trees, and decorative landscaping material such as bark, mulch or gravel. No pavement or other impervious surfaces are permitted except for pedestrian pathways and seating areas.

**An Ordinance amending the Central Point Comprehensive Plan (MAP) from residential low density to civic and the City Zoning Map from R-1-6 and park to civic for approximately five acres located east of South Fourth Street and between Bush and Ash Streets.  
(37S2W11BA, TL 2200 and 37S2W11BB, TLs 6300, 8200, 8300 & 8301)**



## STAFF REPORT

January 22, 2015

### **AGENDA ITEM: File No. 14020**

Consideration of a Comprehensive Plan (map) Amendment from Residential Low Density to Civic and a Zoning (map) Amendment from R-1-6 and Park to Civic zoning for approximately five (5) acres located east of South Fourth Street, between Bush Street and Ash Street. The Project Site is identified on the Jackson County Assessor's map as 37S2W 11BA, Tax Lot 2200 and 37S2W1 1BB, Tax Lots 6300, 8200, 8300 and 8301. **Applicant:** City of Central Point.

### **STAFF SOURCE:**

Tom Humphrey AICP, Community Development Director

### **BACKGROUND:**

During the course of evaluating the above referenced properties as the site for a prospective Community Center and/or other uses, it came to City staff's attention that the zoning would not only restrict the development of such uses but that the zoning and land use designations were inconsistent with one another. Furthermore, the Parks maintenance yard is a legally non-conforming use in 'Park' zoning and the Public Works maintenance yard is a legally non-conforming use in R-1-6, Residential Single Family zoning. Should these uses continue or should the properties be redeveloped for a use like a Community Center, the 'Civic' zoning would be more compatible and appropriate.

### **ISSUES & NOTES:**

There are 4 issues/Notes relative to this application as follows:

1. **Zoning Map and Zoning Code Text Amendments, CPMC Chapter 17.10.** This municipal code section provides standards and procedures for major and minor amendments to the Central Point city zoning map. In this case, the application was initiated by the City for property in its ownership and the action is considered a 'minor' amendment and a Type III process. The amendment should be based on the following criteria; 1) its consistency with the City's Comprehensive Plan, 2) findings demonstrating that adequate public services and transportation networks will serve the property and 3) compliance with the State's Transportation Planning Rule.
2. **Comprehensive Plan Compliance.** Approval of the proposed zone change must be found consistent with the City's Comprehensive Plan Land Use Plan Map. If the Comprehensive Plan designation is changed to Civic on the five lots in question, then Tax Lot 2200 would immediately be compliant (the skate park is already zoned civic) and the other four lots will become compliant when they are rezoned from R-1-6 and Park to a 'Civic' zoning (refer to Attachment A).
3. **Compatibility with Surrounding Land Uses and Zoning.** The proposed land use designation to the west is Jackson County School District #6 property (CPE and District Administration) which is already designated 'Civic' in the City's Comprehensive Plan Map.

Land to the north, south and east is designated residential and is typically compatible with schools, churches, parks and other public uses.

4. **Transportation Planning Rule (TPR) Compliance, OAR 660-012-0060.** Criteria for TPR compliance is addressed in the City findings (Attachment B) demonstrating adequate public services and transportation networks. In this case, Plan Amendments will legitimize existing uses on the properties involved and which are already receiving public services and are part of a transportation network. Public facility master plans identify various future public improvements including the replacement of a traffic signal at Fourth and Pine Streets.

**CONDITIONS OF APPROVAL:**

---

Although a decision to approve a minor amendment may include conditions, staff has not identified the need to impose any conditions at this time. This item was reviewed and discussed by the City Planning Commission on January 6, 2015 and their unanimous recommendation of approval is attached in Resolution No. 813 with findings (Attachment B).

**ATTACHMENTS:**

---

Attachment "A" – Ordinance No. \_\_\_\_ An Ordinance Amending The Central Point Comprehensive Plan (Map) From Residential Low Density To Civic And The City Zoning Map From R-1-6 And Park To Civic For Approximately Five Acres Located East Of South Fourth Street And Between Bush And Ash Streets.

Attachment "B" – Planning Commission Resolution No. 813 and Findings

**ACTION:**

---

Open public hearing and consider the proposed amendment to the Comprehensive Plan (Map) and Zoning map, close public hearing and 1) move ordinance to a second reading; 2) move to a second reading with revisions; or 3) deny the proposal.

**RECOMMENDATION:**

---

Direct Staff to schedule the second reading for the next City Council meeting (February 12, 2015) to approve amendments to the Comprehensive Plan (Map) and zoning map.

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AMENDING THE CENTRAL POINT COMPREHENSIVE PLAN (MAP) FROM RESIDENTIAL LOW DENSITY TO CIVIC AND THE CITY ZONING MAP FROM R-1-6 AND PARK TO CIVIC FOR APPROXIMATELY FIVE ACRES LOCATED EAST OF SOUTH FOURTH STREET AND BETWEEN BUSH AND ASH STREETS. (37S2W11BA, TL 2200 and 37S2W11BB, TLs 6300, 8200, 8300 & 8301)

Recitals:

- A. The City of Central Point (City) is authorized under Oregon Revised Statute (ORS) Chapter 197 to prepare, adopt and revise comprehensive plans and implementing ordinances consistent with the Statewide Land Use Planning Goals.
- B. The City has coordinated its planning efforts with the State in accordance with ORS 197.040(2)(e) and OAR 660-030-0060 to assure compliance with goals and compatibility with City Comprehensive Plans.
- C. Pursuant to authority granted by the City Charter and the ORS, the City may amend the Central Point Zoning Map which was originally adopted on August 29, 1980 and has been amended at various times since.
- D. Pursuant to the requirements set forth in CPMC Chapter 17.10.100 Zoning Map and Zoning Code Text Amendments – Purpose and Chapter 17.05.010, Applications and Development Permit Review Procedures, the City has accepted an application and conducted the following duly advertised public hearings to consider the proposed amendment(s):
  - a) Planning Commission hearing on January 6, 2015
  - b) City Council hearings on January 22, 2015 and February 12, 2015.

THE PEOPLE OF THE CITY OF CENTRAL POINT DO ORDAIN AS FOLLOWS:

Section 1. Based upon all the information received, the City Council adopts the findings of fact and conclusions of law set forth in the City staff report; determines that changing community conditions, needs and desires justify the amendments and hereby adopts the changes entirely.

Section 2. The City Comprehensive Plan (Map) is hereby amended as set forth in Exhibit 1 which is attached hereto and by this reference incorporated herein.



Section 3. The City zoning map is hereby amended as set forth in Exhibit 2 which is attached hereto and by this reference incorporated herein.

Section 4. The City Manager is directed to conduct post acknowledgement procedures defined in ORS 197.610 et seq. upon adoption of the changes to the zoning and Comprehensive Plan maps.

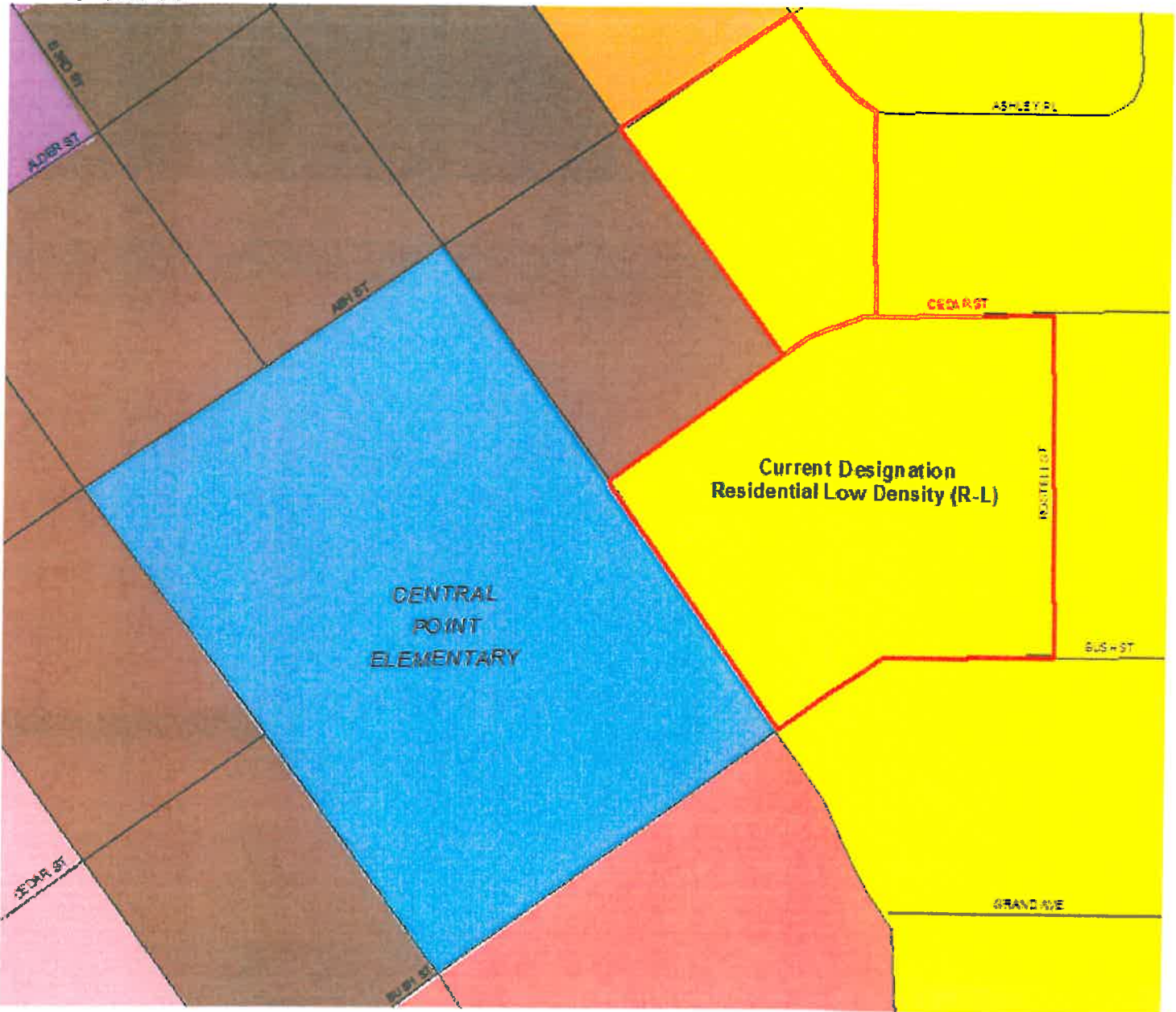
Section 5. Effective date. The Central Point City Charter states that an ordinance enacted by the council shall take effect on the thirtieth day after its enactment. The effective date of this ordinance will be the thirtieth day after the second reading.

Passed by the Council and signed by me in authentication of its passage this  
\_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Mayor Hank Williams

ATTEST:

\_\_\_\_\_  
City Recorder



Legend

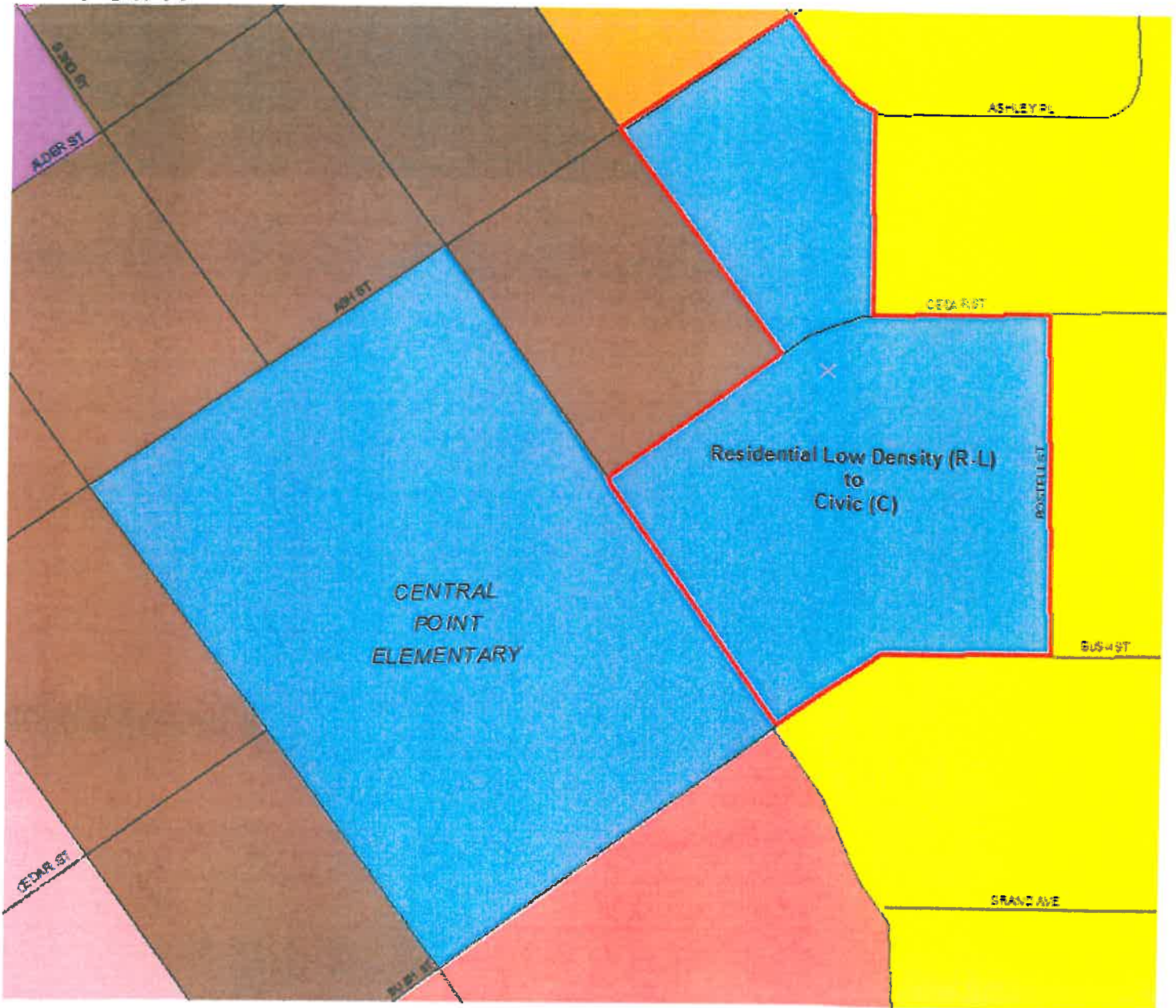
<p>--- UGB</p>					
<b>Mixed Use</b>	<b>East Side TOD</b>	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Civic and Open Space</b>
TOD Corridor	Civic* (C)	Very Low Density	Neighborhood Convenience Center	Light	Parks and Open Space
TOD District	Low Mix* (LMR)	Low Density	Tourist and Office Professional	General	Civic
	Medium Mix* (MMR)	Medium Density	Thoroughfare Commercial		
		High Density			

\*All development within the ETOD subject to special conditions per DPMD Section 17.65.25(A), ETOD Trip Cap.

**Comprehensive Land Use Plan  
2008-2030**

Approved: 06/16/10  
 Date: 06/16/10

This map is intended for informational purposes only. It is not a legal document. For more information, please contact the Planning Department at 314.388.1000.



**Legend**

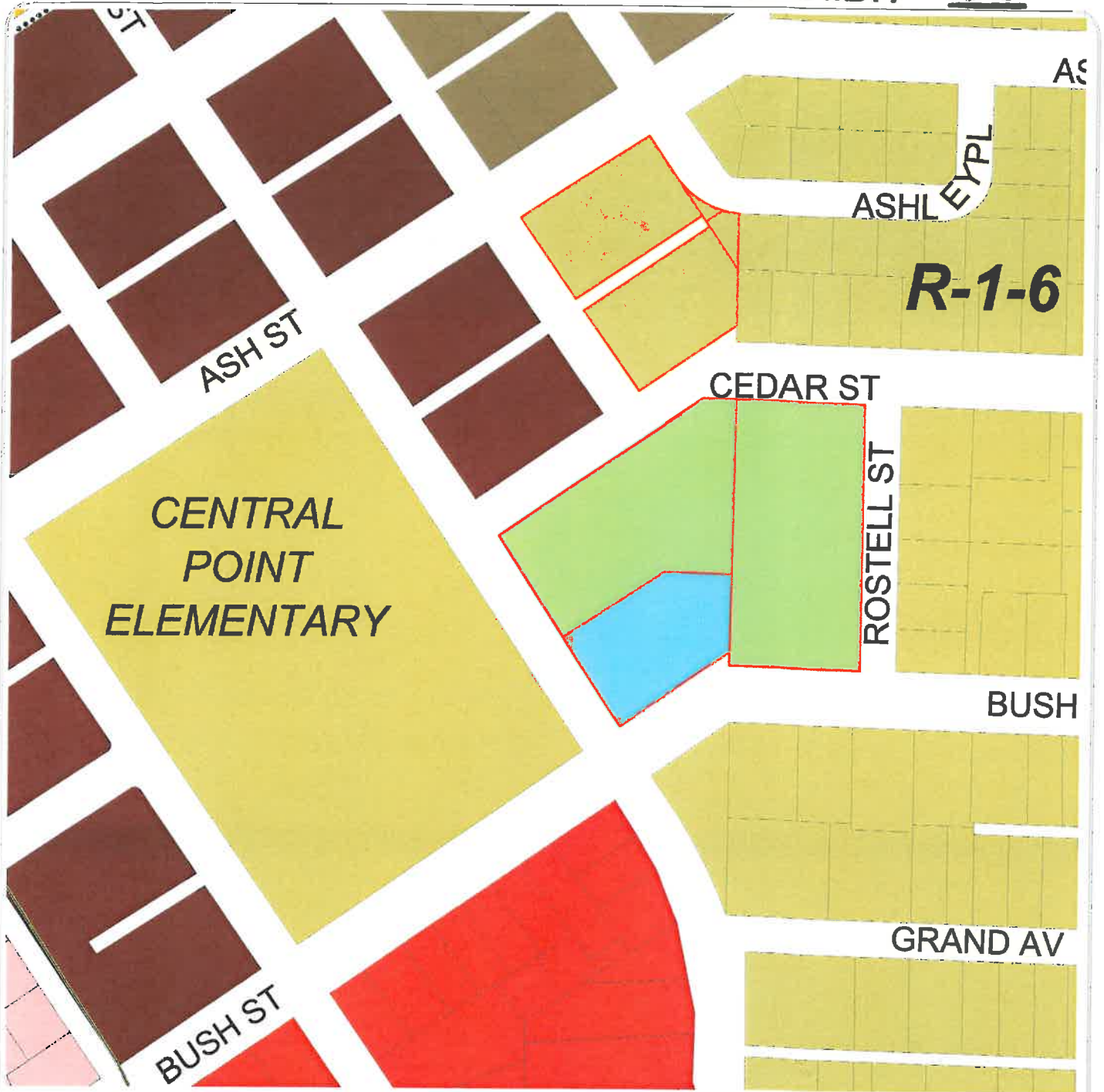
- UGB
- Mixed Use**
  - TOD Corridor
  - TOD District
- East Side TOD**
  - Civic\* (C)
  - Low Mix\* (LMR)
  - Medium Mix\* (MMR)
- Residential**
  - Very Low Density
  - Low Density
  - Medium Density
  - High Density
- Commercial**
  - Neighborhood Convenience Center
  - Thurst and Office Professional
  - Thoroughfare Commercial
- Industrial**
  - Light
  - General
- Civic and Open Space**
  - Parks and Open Space
  - Civic

\*All developments within the ETOD subject to special conditions per CP/ND Section 17.66.20(4), ETOD Trip Cap

**Comprehensive Land Use Plan  
2008-2030**

City of Central Point  
2008-2030

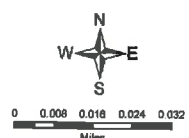
This map is intended for informational purposes only. It is not a legal document. For more information, please contact the City of Central Point.



**CENTRAL POINT**  
**Zoning Map**  
 Population 17,235

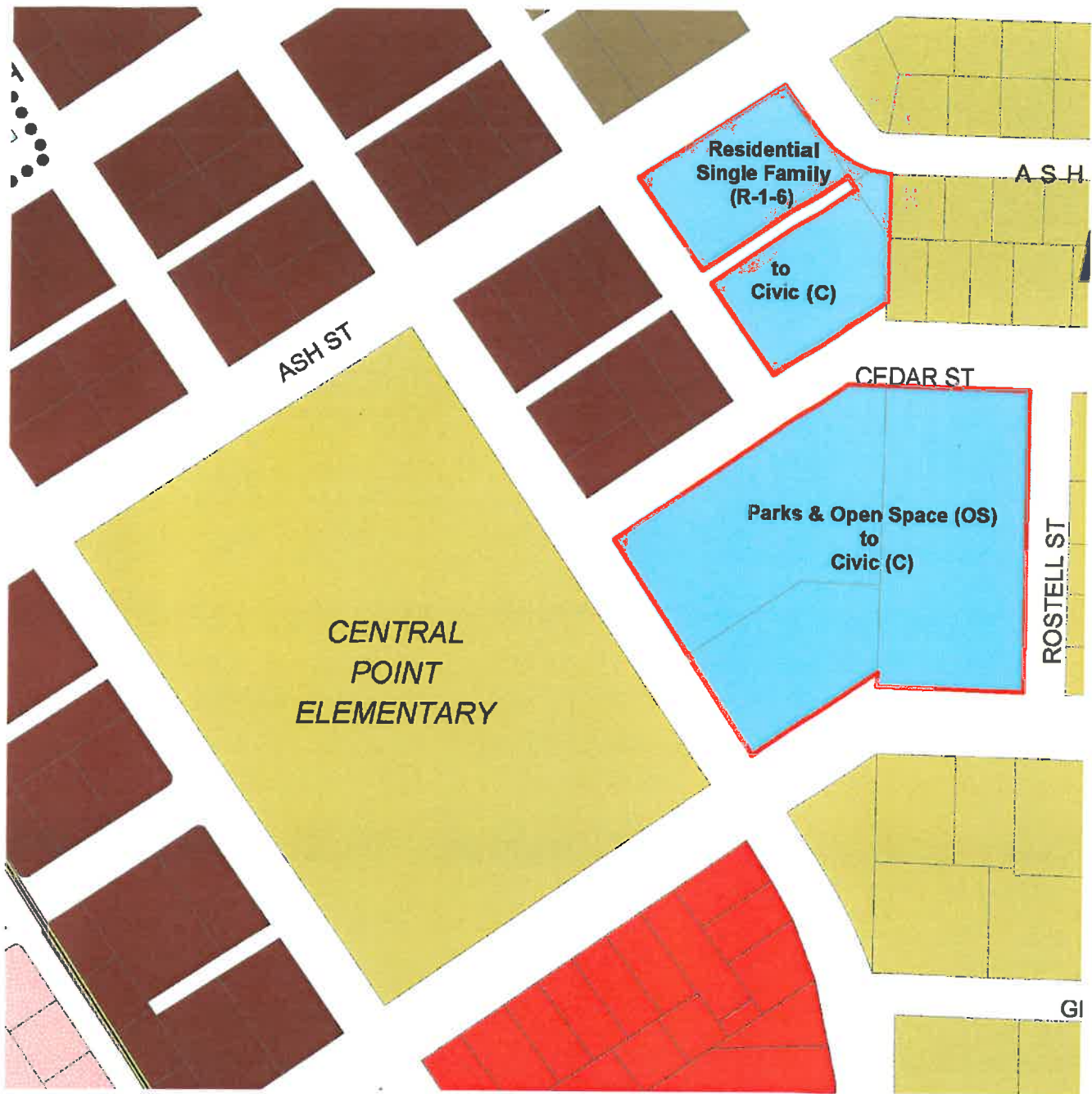
Source:  
 City of Central Point Planning Department  
 Jackson County Smartmap  
 This map is intended for graphic display and reference purposes only. Some parcels are not represented in this map.  
 MHO 29 OCT 2012  
 cityzoning 04x18.mxd

Legend	
	BCG = Bear Creek Greenway
	C-2 (M) = Commercial - Medical District
	C-4 = Tourist and Office
	C-5 = Thoroughfare Commercial
	CN = Neighborhood Commercial
	Civic (TOD)
	EC = Employment Commercial (TOD)
	GC = General Commercial (TOD)
	HMR = High Mix Residential/Commercial (TOD)
	LMR = Low Mix Residential (TOD)
	M-1 = Industrial
	M-2 = Industrial General
	MMR = Medium Mix Residential (TOD)
	OS = Open Space (TOD)
	R-3 = Multiple Family Residential
	R-2 = Two-Family Residential
	R-1-6 = SF Residential - 6,000
	R-1-8 = SF Residential - 8,000
	R-1-10 = SF Residential - 10,000
	R-L = Low Density Residential



	City Hall/Police		Parks
	Fire Department		UGS
	TOD Corridor		city limits
	TOD District		
	Highway 99		
	Streams		
	Railroad		

# EXHIBIT " 2 "

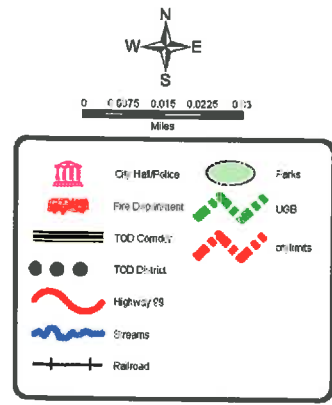


## CENTRAL POINT Zoning Map

Population 17,235

Public  
City of Central Point Planning Department  
©2008 County SmartMap  
This map is intended for graphic display and reference purposes only. Some parcels are not represented in this map.  
MHC 28 OCT 2012  
c:\2008\28\2812.mxd

Legend	
	BCO - Bear Creek Overway
	C-2 BA - Commercial - Industrial District
	C-4 - Tourist and Office
	C-8 - Thoroughfare Commercial
	CN - Neighborhood Commercial
	Cvo (TOD)
	EC - Employment Commercial (TOD)
	GC - General Core (with TOD)
	HMD - High Mid Residential/Commercial (TOD)
	LAR - Low Mid Residential (TOD)
	M1 - Industrial
	M2 - Industrial General
	MNB - Medium Mid Residential (TOD)
	OJ - Open Space (TOD)
	R-3 - Multiple Family Residential
	R-2 - Two Family Residential
	R-1-6 - 1F Residential - 6,000
	R-1-8 - 1F Residential - 8,000
	R-1-10 - 1F Residential - 10,000
	RL - Low Density Residential



PLANNING COMMISSION RESOLUTION NO. 813

**A RESOLUTION FORWARDING A FAVORABLE RECOMMENDATION TO THE CITY COUNCIL TO APPROVE THE COMPREHENSIVE PLAN (MAP) AMENDMENT AND REZONING OF APPROXIMATELY FIVE (5) ACRES EAST OF SOUTH FOURTH STREET BETWEEN BUSH AND ASH STREETS FROM LOW DENSITY RESIDENTIAL TO CIVIC  
FILE NO. 14020**

Applicant: City of Central Point;

**WHEREAS**, the proposed Comprehensive Plan (Map) designation and zone change constitute a *minor* amendment; and

**WHEREAS**, Section 17.50.400 of the municipal code dictates that the City Planning Commission shall make a recommendation to the City Council on an application for a comprehensive plan map amendment; and

**WHEREAS**, the Plan Amendment and Zone Change from Residential to Civic uses will make existing legal non-conforming uses, permitted uses in the zone and will also be more compatible with long range plans the City has discussed relative to other community-related uses; and

**WHEREAS**, As evidenced in findings and conclusions, the proposed plan amendment and zone change are consistent with applicable standards and criteria in the Central Point Municipal Code, including the Statewide Planning Goals (where applicable), the Comprehensive Plan, and Statewide Transportation Planning Rule.

**NOW, THEREFORE, BE IT RESOLVED**, that the City of Central Point Planning Commission, by this Resolution No. 813, does recommend that the City Council approve the Comprehensive Plan (Map) amendment and zone change from Low Density Residential to Civic. This decision is based on the Staff Report dated January 6, 2015 attached hereto by reference and incorporated herein.

**PASSED** by the Planning Commission and signed by me in authentication of its passage this 6<sup>th</sup> day of January, 2015.

\_\_\_\_\_  
Planning Commission Chair

ATTEST:

\_\_\_\_\_  
City Representative  
Approved by me this 6<sup>th</sup> day of January, 201

**FINDINGS OF FACT  
AND CONCLUSIONS OF LAW  
File No.: 14020**

**Before the City of Central Point Planning Commission  
Consideration of a Comprehensive Plan (Map) and Zone Change (Map) Amendment Application  
on approximately five (5) acres located east of South Fourth Street, north of Bush Street and  
South of Ash Street. The property is identified on the Jackson County Assessor's map as 37S2W  
11BA, Tax Lot 2200 and 37S2W11BB, Tax Lots 6300, 8200, 8300 and 8301.**

<b>Applicant:</b>	)	Findings of Fact
City of Central Point, Oregon	)	and
	)	Conclusion of Law

**PART 1  
INTRODUCTION**

It is requested that the above referenced tax lots be redesignated and rezoned to a Civic use to reflect current land use activities and to minimize land use limitations for future uses contemplated by the City. These findings have been prepared with the understanding that both the Comprehensive Plan (Map) and Zoning Map will be changed to become consistent with one another.

The zone change request is a quasi-judicial map amendment, which is processed using Type III application procedures. Type III procedures set forth in Section 17.05.400 provide the basis for decisions upon standards and criteria in the development code and the comprehensive plan, when appropriate.

Applicable development code criteria for this Application include:

1. Statewide Planning Goals
2. Comprehensive Plan
3. State Transportation Planning Rule
4. CPMC, Chapter 17.10

Findings will be presented in four (4) parts addressing the requirements of Section 17.05.300 as follows:

1. Introduction
2. Statewide Planning Goals
3. Comprehensive Plan
4. Summary Conclusion

**PART 2  
STATEWIDE PLANNING GOALS**

A finding of consistency with the applicable statewide planning goals is generally reserved for major amendments only (reference CPMC, Chapter 17.10.400 Approval criteria).

**Finding:** The proposed Comprehensive Plan (Map) designation and zone change constitute a *minor* amendment and are consequently not subject to the Statewide Planning Goals. The Oregon Department of Land Conservation and Development was notified and has chosen not to comment on this amendment.

**Conclusion:** Consistent with Statewide Planning Goals.

### PART 3 COMPREHENSIVE PLAN

The Comprehensive Plan Land Use Map currently designates five acres of land as Low Density Residential this is being used for Civic purposes (City Corporation Yard, Parks Maintenance Yard, Skate Park and soccer field). The Civic land use designation will legitimize these legal non-conforming uses and be more consistent with plans that the City has discussed relative to a Community Center.

**Finding:** The project site consists of approximately five (5) acres of Low Density Residential land being used for various civic purposes. The Plan Amendment and Zone Change to Civic uses will make legal non-conforming uses, permitted uses and will also be more compatible with long range plans the City has discussed relative to other community-related uses.

**Conclusion:** Consistent.

### PART 4 STATEWIDE TRANSPORTATION RULE

*Section 660-012-0060(1) Where an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation would significantly affect an existing or planned transportation facility, the local government shall put in place measures as provided in section (2) of this rule to assure that allowed land uses are consistent with the identified function, capacity, and performance standards (e.g. level of service, volume to capacity ratio, etc.) of the facility. A plan or land use regulation amendment significantly affects a transportation facility if it would:*

- a) Change the functional classification of an existing or planned transportation facility;*
- b) Change standards implementing a functional classification system; or*
- c) As measured at the end of the planning period identified in the adopted transportation system plan:*
  - (A) Allow types or levels of land uses that would result in levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;*
  - (B) Reduce the performance of an existing or planned transportation facility below the minimum acceptable performance standard identified in the TSP or comprehensive plan; or*



*(C) Worsen the performance of an existing or planned transportation facility that is otherwise projected to perform below the minimum acceptable performance standard identified in the TSP or comprehensive plan.*

**Finding 660-012-0060(1)(a):** The proposed plan amendment and zone change does not change the functional classification of an existing or planned transportation facility. The proposed zone change may increase Average Daily Trip (ADT) generation over time, as shown in Table 1. The current trips being generated by the City-related uses provide the minimum ADT while a heavier use (i.e. a community center or school campus) provide the maximum ADT. The proposed zone change will not cause any changes to the functional classification of any existing or planned transportation facilities.

Zoning	Site Acreage	Min Density	Min Units	Min ADT	Max Density	Min Units	Max ADT
Civic	5.00	N/A	N/A	389.5	N/A	60K GFA	1649.4
R-1-6	5.00	4	20.0	190.4	6	30.0	285.6

**Conclusion 660-012-0060(1)(a):** No significant affect.

**Finding 660-012-0060(1)(b):** The proposed plan amendment and zone change could increase the ADTs over time (Table 1). However, the proposed amendments will not cause a change to standards implementing the City’s transportation system.

**Conclusion 660-012-0060(1)(b):** No significant affect.

**Finding 660-012-0060(1)(c)(A):** The proposed plan amendment and zone change will not cause an increase in land uses that would result in levels of travel or access that would be inconsistent with the City’s functional street classification system for existing and planned transportation facilities. As shown in Table 1, the proposed changes may increase ADTs over time but not significantly more than those non-conforming uses already generating trips.

**Conclusion 660-012-0060(1)(c)(A):** No significant affect.

**Finding 660-012-0060(1)(c)(B):** The proposed plan amendment and zone change may result in a gradual increase in ADTs over time and as property redevelops as demonstrated in Table 1. The proposed zone change will not reduce the performance of any existing or planned transportation facilities below the minimum acceptable performance standard identified in the Master Plan, or in the City’s Transportation System Plan.

**Conclusion 660-012-0060(1)(c)(B):** No significant affect.

**Finding 660-012-0060(1)(c)(C):** The proposed plan amendment and zone change will not cause the worsening of an existing or planned transportation facility that is otherwise projected to perform below the minimum acceptable performance standard identified in the Master Plan or Comprehensive Plan. Captital improvements are scheduled in the City’s TSP that are anticipated to mitigate the impacts of redevelopment in this sector of the community.

**Conclusion 660-012-0060(1)(c)(C):** No significant affect.

**PART 5  
ZONING ORDINANCE**

**17.10.300 Quasi-judicial amendments.**

*A. Applicability of Quasi-Judicial Amendments. Quasi-judicial amendments are those that involve the application of adopted policy to a specific development application or code revision, and not the adoption of new policy (i.e., through legislative decisions). Quasi-judicial zoning map amendments shall follow the Type III procedure, as governed by Section 17.05.400, using standards of approval in subsection B of this section. The approval authority shall be as follows:*

- 1. The planning commission shall review and recommend land use district map changes that do not involve comprehensive plan map amendments;*
- 2. The planning commission shall make a recommendation to the city council on an application for a comprehensive plan map amendment. The city council shall decide such applications; and*
- 3. The planning commission shall make a recommendation to the city council on a land use district change application that also involves a comprehensive plan map amendment application. The city council shall decide both applications.*

**Finding 17.10.300(A):** A plan amendment and zone change application has been submitted to redesignate five acres from Low Density Residential to Civic and to rezone R-1-6, SF Residential to Civic District. The proposal will be considered by the planning commission and a recommendation will be made to the City Council for final decision.

**Conclusion 17.10.300(A):** Consistent.

*B. Criteria for Quasi-Judicial Amendments. A recommendation or a decision to approve, approve with conditions or to deny an application for a quasi-judicial amendment shall be based on all of the following criteria:*

- 1. Approval of the request is consistent with the applicable statewide planning goals;*

**Finding 17.10.300(B)(1):** See Part 2, Statewide Planning Goals findings and conclusions.

**Conclusion 17.10.300(B)(1):** Consistent

- 2. Approval of the request is consistent with the Central Point comprehensive plan;*

**Finding 17.10.300(B)(2):** See Part 3, Comprehensive Plan findings and conditions.

**Conclusion 17.10.300(B)(2):** Consistent.

- 3. The property and affected area is presently provided with adequate public facilities, services and transportation networks to support the use, or such facilities, services and transportation networks are planned to be provided in the planning period; and*

**Finding 17.10.300(B)(3):** Public facilities, services and transportation networks have been established pursuant to the City's TSP and are sufficient to serve the allowable uses. The proposal will not significantly increase the demand on public facilities over the current uses.

**Conclusion 17.10.300(B)(3):** Consistent.

4. *The change is in the public interest with regard to neighborhood or community conditions, or corrects a mistake or inconsistency in the comprehensive plan or land use district map regarding the property which is the subject of the application.*

**Finding 17.10.300(B)(4):** The proposed plan amendment and zone change are consistent with Strategic Planning goals, are in the interest of the community, are compatible with surrounding land uses and correct inconsistencies in the Comprehensive Plan and zoning maps.

**Conclusion 17.10.300(B)(4):** Consistent.

**17.10.600 Transportation planning rule compliance.**

*Section 660-012-0060(1) Where an amendment to a functional plan, an acknowledged comprehensive plan, or a land use regulation would significantly affect an existing or planned transportation facility, the local government shall put in place measures as provided in section (2) of this rule to assure that allowed land uses are consistent with the identified function, capacity, and performance standards (e.g. level of service, volume to capacity ratio, etc.) of the facility. A plan or land use regulation amendment significantly affects a transportation facility if it would:*

- a) *Change the functional classification of an existing or planned transportation facility;*
- b) *Change standards implementing a functional classification system; or*
- c) *As measured at the end of the planning period identified in the adopted transportation system plan:*
  - (A) *Allow types or levels of land uses that would result in levels of travel or access that are inconsistent with the functional classification of an existing or planned transportation facility;*
  - (B) *Reduce the performance of an existing or planned transportation facility below the minimum acceptable performance standard identified in the TSP or comprehensive plan; or*
  - (C) *Worsen the performance of an existing or planned transportation facility that is otherwise projected to perform below the minimum acceptable performance standard identified in the TSP or comprehensive plan.*

**Finding 17.10.600(1):** See Part 4, Statewide Transportation Planning Rule findings and conclusions.

**Conclusion:** Consistent.

**Summary Conclusion:** As evidenced in findings and conclusions, the proposed plan amendment and zone change are consistent with applicable standards and criteria in the Central Point Municipal Code, including the Statewide Planning Goals (where applicable), Comprehensive Plan, and Statewide Transportation Planning Rule.





January 8, 2015

TO: Honorable Mayor and City Council  
FROM: Matt Samitore, Parks & Public Works Director  
SUBJECT: Water Rate Update 2015

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**PURPOSE:**

The Medford Water Commission has recently updated their rate model which will have an impact on our rates. Additionally, per our water rate plan, the City also needs an increase to accommodate for recent construction related inflation. Inflationary cost increases of both constructions materials and labor are now impacting the City's adopted Capital Improvement Plan (CIP).

**SUMMARY:**

The Medford Water Commission sent notice that they will be increasing the bulk water rates to the other cities, which includes Central Point, by 5%. The winter rate will increase from \$0.46 to \$0.48 and the summer rate from \$0.64 to \$0.67. In the 2013/2014 budget, the City purchased \$599,000 dollars' worth of water from the Medford Water Commission. A five percent (5%) increase will equate to an additional \$30,000 in costs. In order to cover these costs, based upon 2013/2014 water purchases, we will need to increase currents by \$0.38 per customer per month.

In 2012 and 2013, the City updated its water rate model. The updated 2013 model removes water related projects that will be associated with specific Urban Renewal projects. By removing the projects associated with Urban Renewal the amount of revenue needed to keep up with inflation and the revised CIP is 1 to 1.5%. The rate is anticipated to increase that same amount each year for three consecutive years. The increase can be split numerous ways on the base charge, R&R charge or consumptive rate charges. Several options are proposed for Council consideration. Additional information is provided comparing Central Point to the state average for both base rate and consumptive rates.

**Configuring Water Rate Model.**

Staff has proposed several options for adjustments to the rate model, including one option which is just an increase to adjust for the Medford Water Commission increase (Option A). The rates shown below are shown on a per month basis.

**Option A: Medford Water Commission Only**

Option A

	Current Base Rate	R& R Rate	Volume Charge First 8 ccf	Volume Charge 8 - 22 ccf	Volume Charge Over 22 ccf
Current	\$ 12.00	\$ 1.00	\$ 0.86	\$ 1.67	\$ 2.75
Medford Increase	\$ 12.38	\$ 1.00	\$ 0.86	\$ 1.67	\$ 2.75
Difference	\$ 0.38				

**Option B: Medford and Central Point Increase split evenly.**

Option B

	Current Base Rate	R& R Rate	Volume Charge First 8 ccf	Volume Charge 8 - 22 ccf	Volume Charge Over 22 ccf
Current	\$ 12.00	\$ 1.00	\$ 0.86	\$ 1.67	\$ 2.75
Medford	\$ 0.38	\$ 1.00	\$ 0.87	\$ 1.68	\$ 2.76
Central Point	0.12				
Difference	\$ 0.50		0.01	0.01	0.01

**Option C: Medford and Central Point Increases base charges only.**

Option C

	Current Base Rate	R& R Rate	Volume Charge First 8 ccf	Volume Charge 8 - 22 ccf	Volume Charge Over 22 ccf
Current	\$ 12.00	\$ 1.00	\$ 0.86	\$ 1.67	\$ 2.75
Medford	\$ 0.38	\$ 1.00	\$ 0.86	\$ 1.67	\$ 2.75
Central Point	0.42				
Difference	\$ 0.80		0	0	0

**Option D. Medford and Central Point Increases, Medford Base, Central Point consumptive only**

	Current Base Rate	R & R Rate	Volume Charge First 8 ccf	Volume Charge 8 - 22 ccf	Volume Charge Over 22 ccf
Current	\$ 12.00	\$ 1.00	\$ 0.86	\$ 1.67	\$ 2.75
Medford	\$ 0.38	\$ 1.00	\$ 0.88	\$ 1.70	\$ 2.79
Central Point	0				
Difference	\$ 0.38		\$ 0.02	\$ 0.03	\$ 0.04

**Option E: Medford Increase, All three years of Central Points Increases spread over all rates.**

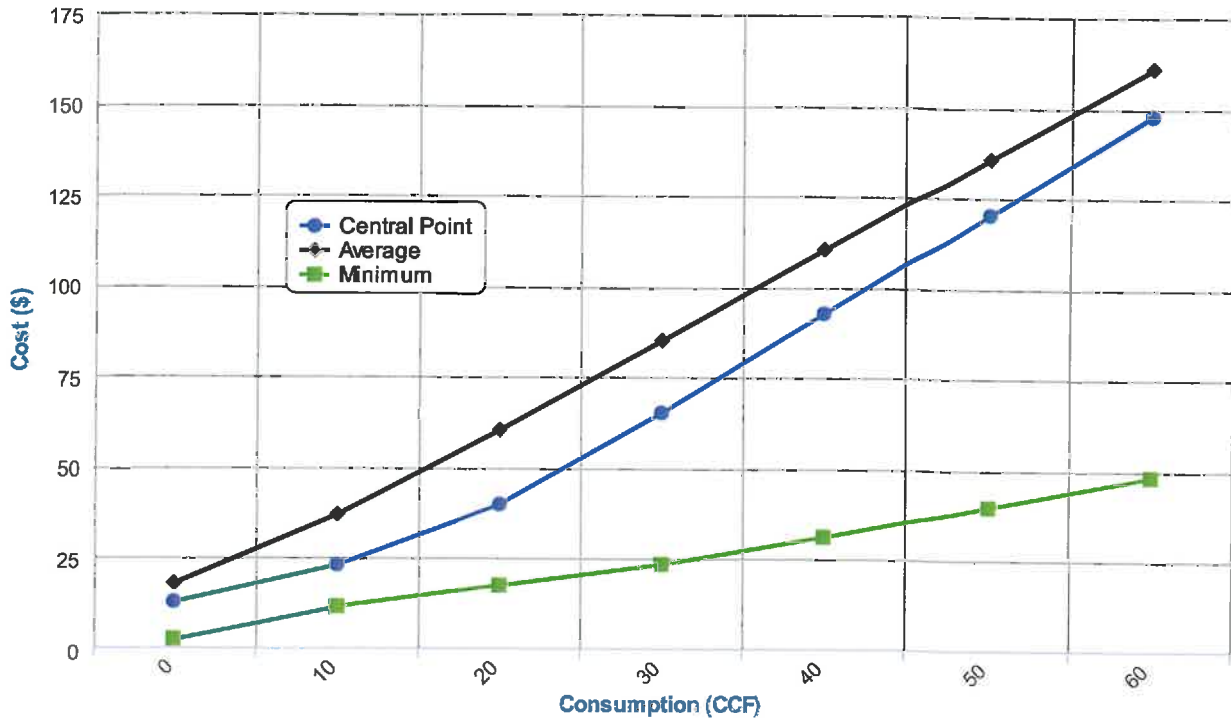
Option E

	Current Base Rate	R & R Rate	Volume Charge First 8 ccf	Volume Charge 8 - 22 ccf	Volume Charge Over 22 ccf
Current	\$ 12.00	\$ 1.00	\$ 0.86	\$ 1.67	\$ 2.75
Medford	\$ 0.38	\$ 1.00	\$ 0.89	\$ 1.72	\$ 2.83
Central Point	0.37				
Difference	\$ 0.75		\$ 0.03	\$ 0.05	\$ 0.08

**RECOMMENDATION:**

Discussion of options and a recommendation to staff on which option to bring back for formal resolution.

# Water Utility Total Costs Report



65 Entities



Search parameters: Water | Average, Minimum | Central Point | Oregon | Population 0 - Max | Distance 0 - Max | Single Family | 5/8" meter | Usage 0 - 60

## Entities

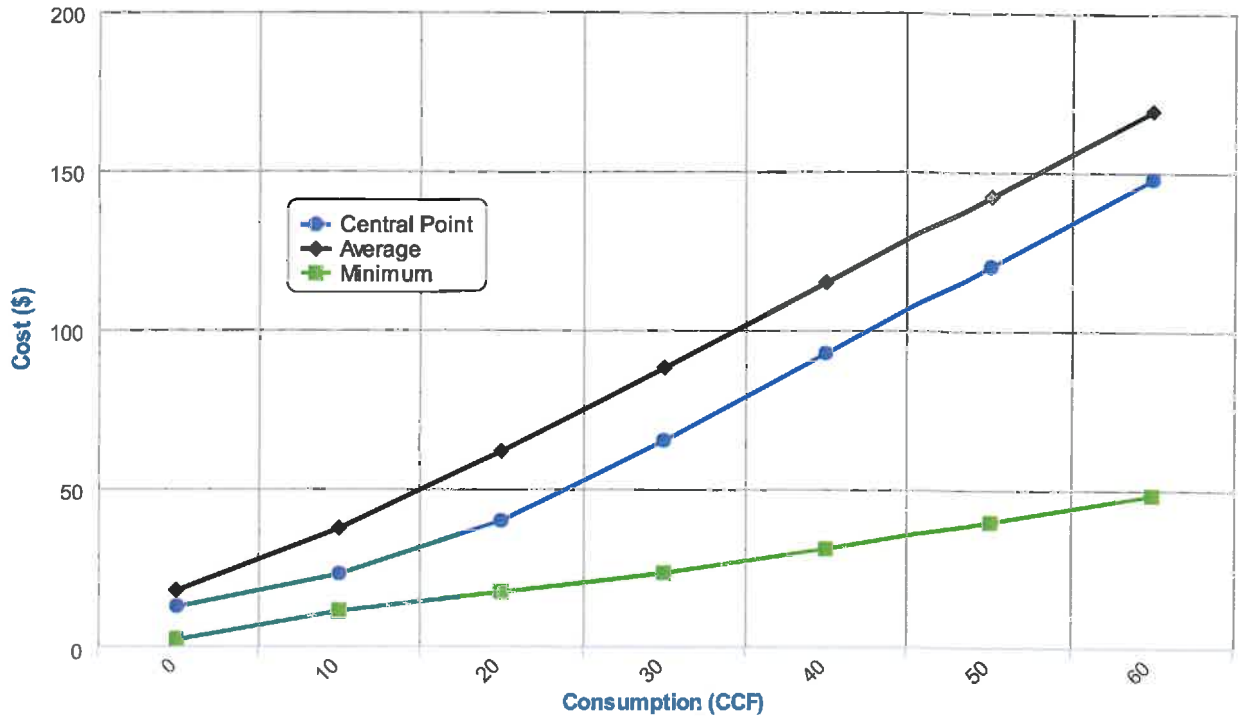
Entity Name	Location	Population	Cost						
			0	10	20	30	40	50	60
Albany	Albany, OR	50,520	\$17.58	\$50.96	\$75.76	\$100.56	\$125.36	\$150.16	\$174.96
Ashland	Ashland, OR	21,460	\$21.37	\$47.04	\$83.44	\$125.14	\$172.14	\$219.14	\$266.14
Astoria	Astoria, OR	10,110	\$18.09	\$44.95	\$71.80	\$98.66	\$125.51	\$152.37	\$179.22
Baker City	Baker City, OR	9,890	\$32.37	\$37.13	\$43.93	\$50.73	\$57.53	\$64.33	\$71.13
Beaverton	Beaverton, OR	90,835	\$12.00	\$40.70	\$69.40	\$98.10	\$126.80	\$155.50	\$184.20
Bend	Bend, OR	76,925	\$16.44	\$26.52	\$43.32	\$60.12	\$76.92	\$93.72	\$110.52
Central Point	Central Point, OR	17,205	\$13.00	\$23.22	\$39.92	\$65.26	\$92.76	\$120.26	\$147.76
Coos Bay North Bend Water Board	Coos Bay, OR	25,720	\$18.50	\$37.58	\$64.83	\$92.08	\$119.33	\$146.58	\$173.83
Corvallis	Corvallis, OR	54,520	\$15.04	\$33.14	\$58.24	\$84.84	\$111.44	\$138.04	\$164.64
Dallas	Dallas, OR	14,620	\$16.10	\$28.21	\$45.51	\$62.81	\$80.11	\$97.41	\$114.71
Fairview	Fairview, OR	9,745	\$16.92	\$36.52	\$56.12	\$75.72	\$95.32	\$114.92	\$134.52
Florence	Florence, OR	8,470	\$16.74	\$36.44	\$60.09	\$85.89	\$111.69	\$137.49	\$163.29
Forest Grove	Forest Grove, OR	21,500	\$21.29	\$34.93	\$60.88	\$98.53	\$136.23	\$173.93	\$211.63
Garibaldi	Garibaldi, OR	780	\$24.50	\$34.07	\$54.64	\$75.21	\$95.79	\$116.36	\$136.93



Grants Pass	Grants Pass, OR	34,660	\$16.82	\$25.62	\$36.92	\$49.27	\$62.67	\$76.07	\$89.47
Gresham	Gresham, OR	105,795	\$15.47	\$37.37	\$60.68	\$89.26	\$122.46	\$155.66	\$188.86
Hermiston	Hermiston, OR	16,865	\$16.48	\$22.08	\$31.00	\$38.70	\$46.41	\$54.11	\$61.82
Hillsboro	Hillsboro, OR	92,350	\$12.93	\$30.49	\$56.83	\$90.13	\$123.43	\$156.73	\$190.03
Junction City	Junction City, OR	5,670	\$9.70	\$31.70	\$53.70	\$75.70	\$97.70	\$119.70	\$141.70
Keizer	Salem, OR	36,715	\$5.01	\$18.01	\$31.01	\$44.01	\$57.01	\$70.01	\$83.01
Klamath Falls	Klamath Falls, OR	21,480	\$2.80	\$21.84	\$40.88	\$59.92	\$78.96	\$97.99	\$117.03
La Grande	La Grande, OR	13,095	\$18.35	\$21.61	\$31.41	\$41.21	\$51.01	\$60.81	\$70.05
Lake Oswego	Lake Oswego, OR	36,725	\$23.88	\$51.16	\$99.80	\$167.40	\$235.00	\$302.60	\$370.20
Lebanon	Lebanon, OR	15,565	\$19.46	\$64.66	\$109.86	\$155.06	\$200.26	\$245.46	\$290.66
Lincoln City	Lincoln City, OR	7,960	\$21.23	\$40.31	\$72.11	\$103.91	\$135.71	\$167.51	\$199.31
Madras	Madras, OR	6,046	\$25.55	\$32.05	\$45.05	\$58.05	\$71.05	\$84.05	\$97.05
Medford Water Commission	Medford, OR	75,180	\$7.62	\$11.78	\$17.69	\$23.60	\$31.23	\$39.76	\$48.29
Milton Freewater	Milton-Freewater, OR	7,055	\$19.80	\$23.37	\$34.14	\$44.92	\$55.69	\$66.46	\$77.23
Milwaukie	Milwaukie, OR	20,400	\$6.81	\$37.71	\$68.61	\$99.51	\$130.41	\$161.31	\$192.21
Molalla	Molalla, OR	7,800	\$11.13	\$35.53	\$59.93	\$84.33	\$108.73	\$133.13	\$157.53
Monmouth	Monmouth, OR	9,720	\$13.57	\$33.07	\$52.57	\$72.07	\$91.57	\$111.07	\$130.57
Myrtle Creek	Myrtle Creek, OR	3,440	\$47.00	\$59.00	\$79.00	\$99.00	\$119.00	\$139.00	\$159.00
Newberg	Newberg, OR	22,230	\$11.48	\$48.78	\$86.08	\$123.38	\$160.68	\$197.98	\$235.28
Newport	Newport, OR	10,065	\$19.85	\$43.50	\$70.81	\$98.11	\$125.42	\$152.72	\$180.02
Ontario	Ontario, OR	11,375	\$11.70	\$23.52	\$35.34	\$47.16	\$58.98	\$70.80	\$82.62
Oregon City	Oregon City, OR	32,220	\$14.70	\$39.30	\$63.90	\$88.50	\$113.10	\$137.70	\$162.30
Pendleton	Pendleton, OR	17,515	\$18.15	\$29.65	\$41.25	\$53.75	\$66.25	\$78.75	\$91.25
Phoenix	Phoenix, OR	4,550	\$34.00	\$38.61	\$55.16	\$73.04	\$90.91	\$108.79	\$126.67
Portland	Portland, OR	585,845	\$33.40	\$70.22	\$107.04	\$143.86	\$180.68	\$217.50	\$254.32
Prineville	Prineville, OR	9,260	\$17.21	\$35.11	\$53.01	\$70.91	\$88.81	\$106.71	\$124.61
Redmond	Redmond, OR	26,305	\$14.32	\$25.82	\$37.32	\$48.82	\$60.32	\$71.82	\$83.32
Salem	Salem, OR	157,460	\$6.32	\$32.12	\$57.92	\$83.72	\$109.52	\$135.32	\$161.12
Sandy	Sandy, OR	9,780	\$6.40	\$31.00	\$55.60	\$80.20	\$104.80	\$129.40	\$154.00
Scappoose	Scappoose, OR	6,665	\$15.70	\$44.13	\$72.55	\$100.98	\$129.40	\$157.83	\$186.26
Seaside	Seaside, OR	6,490	\$40.40	\$56.12	\$82.32	\$108.52	\$134.72	\$160.92	\$187.12
Sherwood	Sherwood, OR	18,255	\$18.74	\$56.89	\$95.04	\$137.23	\$196.32	\$255.42	\$314.52
Silverton	Silverton, OR	9,265	\$14.92	\$36.22	\$57.52	\$78.82	\$100.12	\$121.42	\$142.72
Sisters	Sisters, OR	2,040	\$20.59	\$20.59	\$30.59	\$40.59	\$50.59	\$60.59	\$70.59
Springfield Utility Board	Springfield, OR	50,000	\$13.80	\$29.55	\$46.19	\$63.21	\$80.23	\$97.25	\$114.27
Stanfield	Stanfield, OR	2,315	\$26.00	\$37.22	\$48.44	\$59.66	\$70.88	\$82.10	\$93.32
Stayton	Stayton, OR	7,660	\$23.46	\$32.06	\$40.67	\$49.27	\$57.87	\$66.47	\$75.08
St. Helens	St. Helens, OR	12,890	\$10.40	\$62.20	\$114.00	\$165.80	\$217.60	\$269.40	\$321.20
Sutherlin	Sutherlin, OR	7,880	\$23.41	\$45.93	\$68.44	\$90.96	\$113.48	\$135.99	\$158.51
Sweet Home	Sweet Home, OR	9,005	\$17.90	\$53.60	\$113.10	\$172.60	\$232.10	\$291.60	\$351.10
Talent	Talent, OR	6,095	\$12.00	\$30.74	\$66.41	\$102.69	\$138.97	\$175.25	\$211.53

The Dalles	The Dalles, OR	14,440	\$55.30	\$55.30	\$63.63	\$76.20	\$88.77	\$101.34	\$113.90
Tigard	Portland, OR	48,415	\$24.38	\$61.68	\$111.03	\$163.73	\$216.43	\$269.13	\$321.83
Tillamook	Tillamook, OR	4,905	\$11.25	\$39.30	\$67.35	\$95.41	\$123.46	\$151.51	\$179.56
Tualatin	Tualatin, OR	26,060	\$6.90	\$30.80	\$54.70	\$78.60	\$102.50	\$126.40	\$150.30
Umatilla	Umatilla, OR	6,530	\$12.38	\$21.73	\$31.08	\$40.43	\$49.78	\$59.13	\$68.48
Veneia	Veneia, OR	4,610	\$15.15	\$41.40	\$70.80	\$106.07	\$141.38	\$176.69	\$212.00
West Linn	West Linn, OR	25,250	\$19.48	\$26.20	\$48.60	\$71.00	\$93.40	\$115.80	\$138.20
Wilsonville	Wilsonville, OR	19,565	\$19.56	\$45.88	\$78.78	\$111.68	\$144.58	\$177.48	\$210.38
Woodburn	Woodburn, OR	24,080	\$12.81	\$29.66	\$51.14	\$78.54	\$105.94	\$133.34	\$160.74
Wood Village	Troutdale, OR	3,120	\$24.19	\$34.03	\$50.43	\$66.83	\$83.23	\$99.63	\$116.03

# Water Utility Total Costs Report

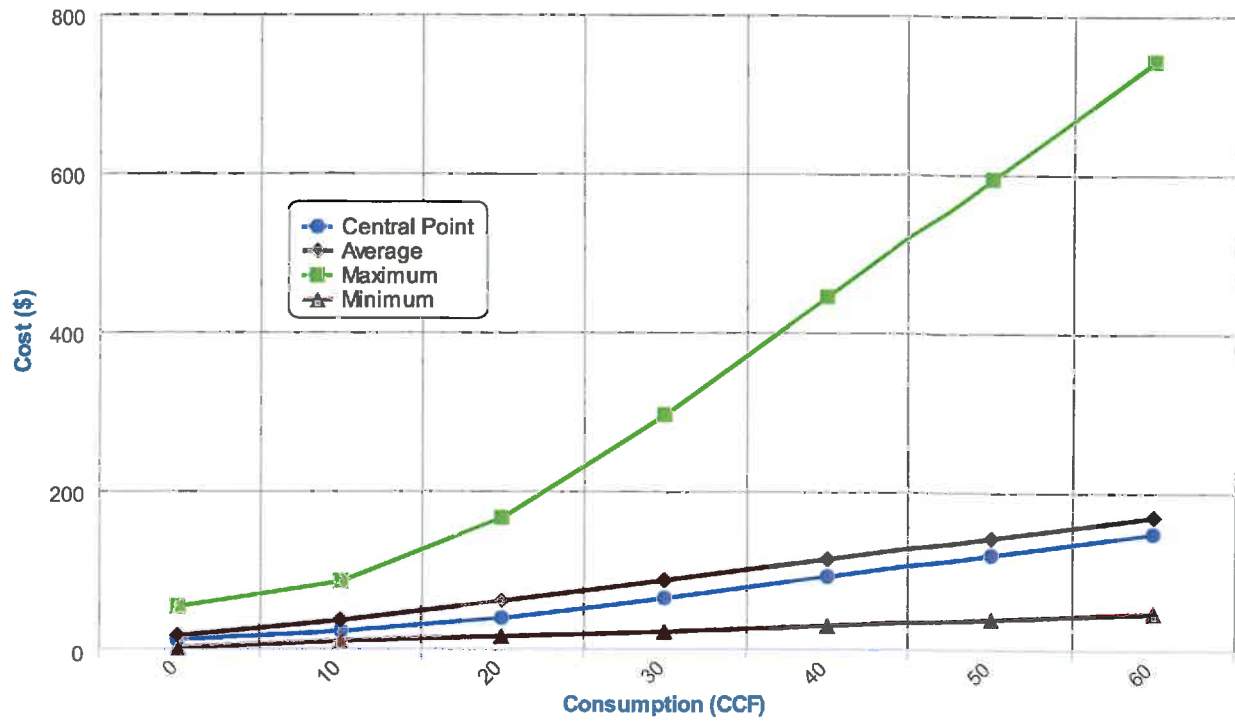


80 Entities



**Search parameters:** Water | Average, Minimum | Central Point | Oregon | Population 0 - Max | Distance 0 - Max | Single Family | 5/8" meter | Usage 0 - 60

# Water Utility Total Costs Report

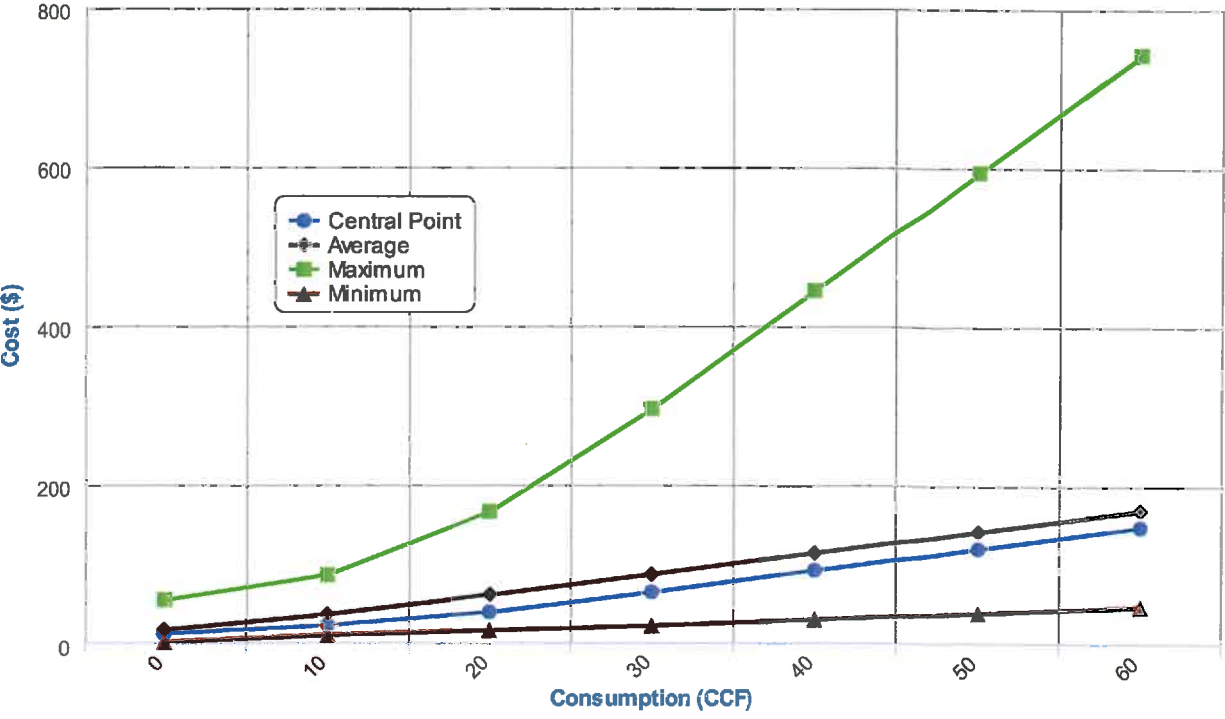


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**Search parameters:** Water | Average, Maximum, Minimum | Central Point | Oregon | Population 0 - Max | Distance 0 - Max | Single Family | 5/8" meter | Usage 0 - 60

# Water Utility Total Costs Report



80 Entities



Search parameters: Water | Average, Maximum, Minimum | Central Point | Oregon | Population 0 - Max | Distance 0 - Max | Single Family | 5/8" meter | Usage 0 - 60

**Main Street Revitalization Act Endorsement/Resolution**



## **ADMINISTRATION DEPARTMENT**

140 South 3<sup>rd</sup> Street · Central Point, OR 97502 · (541) 664-7602 · [www.centralpointoregon.gov](http://www.centralpointoregon.gov)

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### **STAFF REPORT**

January 22, 2015

**AGENDA ITEM: Briefing and discussion on issues related to the Oregon Revitalize Main Street Act.**

#### **STAFF SOURCE:**

Chris Clayton, City Manager

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#### **BACKGROUND/SYNOPSIS:**

The Revitalize Main Street Act would authorize a statewide 25% rebate program for the rehabilitation of historic commercial buildings – stores, hotels, theaters, apartments, factories, mills, etc. The Central Point comprehensive plan (chapter 6) identifies historically registered structures within the City. It is assumed that properties identified in the City's comprehensive plan would be eligible for this funding source should the Revitalize Main Street Act legislation be ratified. The rebate would help offset the high cost of restoration, seismic retrofitting, and code compliance for property owners/developers. Funded by the auction of state income tax credits at a capped amount (similar to the successful film production credit), a significant percentage of this incentive would be directed toward rural communities.

This modest, cost-effective investment by the state will help revitalize Oregon's downtowns and pay dividends for decades to come in the form of new jobs, income and property taxes, cultural heritage and tourism, business incubation, seismic safety, and the reuse of existing infrastructure.

An economic impact study conducted by EcoNorthwest projects that in 2018, with a state investment of just \$10.6M, we would see:

- 4 times more buildings restored than without the state incentive.
- 1,369 Oregon jobs per year generating income of \$25.5M.
- \$2.3M net increase in property taxes per year to pay for schools and services.
- \$13.3M new federal Historic Tax Credit dollars invested in Oregon per year.
- \$35.8M net increase per year in direct development spending.

#### **ATTACHMENTS:**

1. Data Sheet on Revitalize Main Street Legislation/Program
  2. ECONorthwest Economic Analysis
  3. Letter of support template
-

**RECOMMENDATION:**

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1. Council motion directing staff to prepare letter of support (Mayor's signature) for the Revitalize Main Street Act.

**PUBLIC HEARING REQUIRED:**

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No – Public Comment can be accepted on this discussion item, but no public hearing is required.

**SUGGESTED MOTION:**

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I move to direct staff as follows.....



# Jobs & Economic Development on Main Street



*Many of Oregon's historic downtowns are suffering from a downward spiral of disinvestment and neglect. Its time to turn that around. We can attract new investment to revitalize our Main Streets as desirable places to live, work, and shop.*

## Proposed: The Revitalize Main Street Act

- A 25% rebate for certified rehabilitation of historic commercial buildings – stores, hotels, theaters, apartments, fraternal lodges, factories, mills, etc. (Would not apply to single family homes.)
- Requires a minimum investment of \$10,000; targets the most important properties – those listed on the National Register of Historic Places; must retain historic character.
- Funded by the auction of state income tax credits at a capped amount. (Like the film production credit, and we end up with a tangible asset that lasts for decades.)

## Why Do We Need It?

- The high cost of restoration, code upgrades, and seismic reinforcement often creates a funding gap, making rehabilitation financially out of reach.
- The state rehab rebate can be paired with the federal Historic Tax Credit (20%) to close the financial gap keeping many buildings from being restored.
- Oregon's current financial toolkit falls short. Federal and local incentives are available, but the state is the missing partner needed to attract more investment.
- Investment in rural communities is especially important. Approx. 2,600 buildings in 77 towns could use the credit. Two-thirds are outside of Portland.



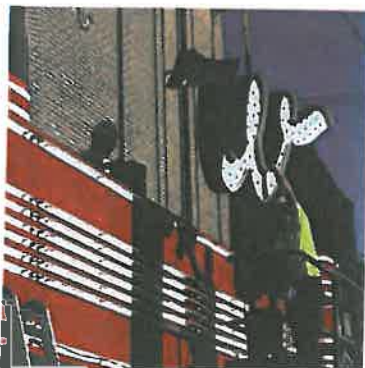
## How Would Our State Benefit?

- **Job creation.** Rehabilitation of old buildings creates more jobs dollar-for-dollar than new construction, manufacturing, mining, and most other industries.
- **Reactivated Main Streets.** Upper floors become occupied, new businesses move in, tourists pull off the highway to eat and shop.
- **More income tax revenues.** New jobs will be created through construction, suppliers, services, and the businesses that move into the refurbished buildings.
- **More local tax revenues** from improved property values to pay for local services.
- **Safer, seismically upgraded buildings** with ADA and fire code compliance.
- **Reuse of existing infrastructure.** Saves money and the environment.
- **Productive, tangible assets** that contribute to their community for decades.

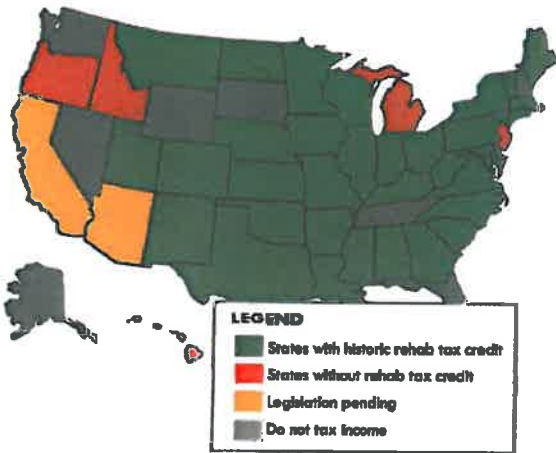
## Our Main Streets Matter. Raise Your Voice!

Rehab incentives have a proven track record for economic development in 35 states. It's time Oregon had one, too!

- Add your name to the list of those endorsing the Historic Rehabilitation Incentive at [www.RestoreOregon.org/rehab-tax-credit](http://www.RestoreOregon.org/rehab-tax-credit).
- Join Restore Oregon and make a donation to support our legislative effort.
- Contact your state Representative and Senator, tell them you need this, and ask them to support the Revitalize Main Street Act.
- Share examples of historic buildings on your Main Street that can't be refurbished without the help of a state incentive.



# Rehabilitation Incentives are Well-Tested in 35 States



- 35 states offer a rehabilitation incentive or tax credit. In 2013 Texas and Alabama added one, Wisconsin quadrupled their credit, and California passed a bill unanimously that takes effect in 2015.
- The Federal Historic Tax Credit (HTC) has generated a 26% return for the government's investment. \$21 billion in credits generated \$26.6 billion in federal tax revenues.
- State incentives create a ripple effect in local economies. In North Carolina, every dollar generates \$12.51 in economic benefit.
- According to a 2013 Rutgers University study, a \$1 million investment in historic rehabilitation yields markedly better effects on employment, income, Gross State Product, and state and local taxes than an equal investment in new construction, manufacturing, or services.

**VIRGINIA:** In 10 years, \$355M in state credits spurred:

- Rehabilitation of more than 1,200 landmark buildings.
- An economic impact of nearly \$1.6 billion in the state.
- More than 10,700 jobs.
- 93% of property owners indicated state tax credits were essential to their decision to undertake the project.

**MINNESOTA:** The first year after passage in 2010, an investment of \$49.1M in rehab credits generated:

- 14 rehabilitation projects totaling \$343M of expenditures.
- Every \$1 of state investment was matched by \$7 in private investment, and generated \$8.32 in economic activity.
- State economic output increased \$451M.
- 2,948 new jobs were created with income of \$152.4M.

**MARYLAND:** From 1996–2008, \$213M in tax credits resulted in:

- Commercial project expenditures over \$1B.
- Each \$1 tax credit yielded \$8.53 in total economic output
- 15,120 new jobs
- Over one-third of state's investment was paid back before construction was complete or the credits paid out.

**OHIO:** For the \$246.4M invested between 2007–2013:

- Every \$1 in rehab credits generated \$8.24 in construction spending
- Every \$1M in credits created 83 new construction jobs.
- 6,976 new jobs annually with wages totaling \$5.41B.

## PROJECTED FOR OREGON:

— by 2018 with a state investment of just \$10.6M —

- 4x more buildings rehabbed than without the state incentive.
- 1,369 jobs per year generating income of \$25.5M.
- \$2.3M net increase in property taxes per year to pay for schools and services.
- \$13.3M new federal Historic Tax Credit dollars spent in Oregon per year.
- \$35.8M net gain per year in direct development spending.

Sources: EcoNorthwest Economic Impact Study



This proposal is brought to you by the Coalition to Revitalize Main Street and Restore Oregon  
 Contact: Peggy Moretti, Restore Oregon | 503 243-1923 | [PeggyM@RestoreOregon.org](mailto:PeggyM@RestoreOregon.org)

Sources: Economic Impact of Historic Preservation Tax Credits in Virginia; Virginia Commonwealth University Center of Urban & Regional Development, January 2014. An Analysis of Economic & Environmental Impacts of the Maryland Historic Tax Credit Program by Joseph Orslyn and Evers Paul, AWH Foundation, 2009. Maryland Dept. of Planning, Jan. 2014. Economic Impact of Projects Leveraged by Minnesota Historic Rehabilitation Tax Credit; University of Minnesota Extension Center for Economic Viability, 2011. Estimates of the Economic Impact of the Ohio Historic Tax Credit Program on the State of Ohio; Great Lakes Environmental Finance Center, Cleveland State University, May 2011. Rutgers University, Annual Report on the Economic Impact of the Federal Historic Tax Credit for FY 2012 (Washington: National Park Service, 2013). Economic Impact of a Historic Rehabilitation Incentive in Oregon, 2014, EcoNorthwest; data cited is projection for 2018.



# Economic Analysis of a State Rehabilitation Incentive Proposed for Oregon

October 2014

PREPARED BY:

**ECONorthwest**  
ECONOMICS • FINANCE • PLANNING



# **ECONorthwest**

**ECONOMICS • FINANCE • PLANNING**

Robert Whelan, Carsten Jensen, and Tina Morgan prepared this report.  
ECONorthwest is solely responsible for its content.

ECONorthwest specializes in economics, planning, and finance. Established in 1974, ECONorthwest has over three decades of experience helping clients make sound decisions based on rigorous economic, planning and financial analysis.

For more information about ECONorthwest, visit our website at [www.econw.com](http://www.econw.com).

For more information about this report, please contact:

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**Robert Whelan**  
ECONorthwest  
222 SW Columbia Street  
Portland, OR 97201  
503-998-5071  
email: [whelan@econw.com](mailto:whelan@econw.com)

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The St. Francis Hotel is a cornerstone of Albany's Main Street, but will continue to sit largely empty and deteriorating without a state rehabilitation incentive.

## Executive Summary

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## EXECUTIVE SUMMARY

Restore Oregon engaged ECONorthwest for an economic study of a proposed state Historic Rehabilitation Incentive (hereafter referred to as "HRI") in Oregon. A capped amount of income tax credits would be auctioned to Oregon taxpayers and used to fund the program. The fund would pay for up to 25 percent of the qualified rehabilitation expenses of historic buildings. The goal of the HRI is to revitalize historic Main Streets across Oregon—Restore Oregon believes many of these are in a downward economic spiral—and to provide jobs throughout the state.

Restore Oregon was founded in 1977 as the Historic Preservation League of Oregon. It is a statewide non-profit that engages local communities in efforts to save valued historic buildings.

ECONorthwest is an Oregon-based economic consulting firm known for objective research. Established in 1974, today ECONorthwest has over 35 professionals with degrees in economics, planning, mathematics, and physical sciences.

For this study, ECONorthwest specifically considered the net impact of an HRI over the period of 2016 - 2025, answering the question:

**Is Oregon's economy better off having a state Historic Rehabilitation Incentive or not?**

In conducting its research objectively, relying primarily on the historical record of projects originating from the Internal Revenue Service and other federal government sources, ECONorthwest determined the following:

**The state of Oregon would indeed be better off with a state HRI.**

We concluded that, at a cost of \$9.6 million in 2016 and growing modestly to \$11.5 million in 2025, the impact of the proposed HRI to Oregon's economy would be:

- **Net new economic output of \$32.0 million in 2016, rising to \$43.5 million in 2025.**
  - **Between 428 and 581 net new jobs per year in construction and related services.**
  - Each job would average over \$53,000 in wages and benefits, and add a net \$22.8 million to \$31 million in labor income to Oregon's economy.
  - More than double the amount of federal Historic Tax Credit dollars spent in Oregon - \$11.9 million more in 2016, growing to \$16 million in 2025.
  - A net increase of \$30.1 to \$40.9 million a year in Oregon's Gross Domestic Product (GDP).
  - A four-fold increase in the number of certified rehabilitation construction projects, from the current pace of less than seven to 26 to 41 projects per year.
  - By 2025, the net increase in real market value of historic properties rehabilitated as a result of the HRI will exceed \$919 million and pay an additional \$9 million in local property taxes per year.
  - The buildings rehabilitated and reoccupied as a result of the HRI will house over 12,000 jobs by 2025.
  - In addition, by 2025, state and local revenues will grow by \$2.8 million from higher rehabilitation construction spending because of the HRI.
- Additional impacts of a state Historic Rehabilitation Incentive that can be inferred but were not quantified in this study, include:
- Environmental benefits of reusing the materials and embodied energy of existing buildings.

- A positive economic "halo" effect on surrounding property values from the restoration of a historic building.
- Local government savings from projects using existing downtown infrastructure rather than being extended to outlying areas of towns.
- Increased heritage tourism attracted by more historic destinations.
- The restoration of tangible assets to service in their communities for decades to come.

**A snapshot of the impact of an HRI on direct development spending in Oregon for 2018 shows:**

Gross total development spending with a state HRI:	<b>\$102.6M</b>
(Less) total rehab that would have happened without an HRI:	<b>\$22.3M</b>
(Less) cost of an HRI to state government:	<b>\$10.6M</b>
(Less) private spending diverted from elsewhere in Oregon:	<b>\$33.8M</b>
<b>Net direct spending increase due to an HRI in Oregon:</b>	<b>\$35.8M</b>

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# Economic Analysis of a State Rehabilitation Incentive Proposed for Oregon

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## INTRODUCTION

Restore Oregon proposes a 25 percent Oregon state Historic Rehabilitation Incentive or HRI. It would go into effect in 2016. The incentive applies to spending on projects renovating historic commercial buildings, rather than owner-occupied houses. The buildings must be income producing, on the National Register of Historic Places, or be contributing buildings in a National Register Historic District. The incentive is limited to no more than \$2 million per project, which means that only the first \$8 million in rehabilitation spending on a project would be eligible for the Oregon HRI.

Many projects are large enough to also take advantage of the federal Historic Tax Credit (HTC). It requires that rehabilitation spending exceeds the owner's adjusted basis in the property, but this is a substantial threshold. However, Oregon has many small downtowns with historic buildings that need more modest rehabilitation work. Recognizing this, the HRI envisioned by Restore Oregon has a simple \$10,000 minimum spending requirement.<sup>1</sup>

Once an HRI provision passes, owners can combine the 20 percent federal and 25 percent state HRIs, making significantly more historic rehab projects financially feasible. Less expensive projects, typical in smaller downtowns, may use only the state HRI.

### Proposed Oregon HRI

Restore Oregon proposes a Historic Rehabilitation Incentive structured similarly to the popular Oregon film production credit. It would provide a 25 percent rebate on qualified rehabilitation expenses (QREs). Twenty-five percent is the most common rate in the

country. The minimum qualified spending requirement is \$10,000. Restore Oregon proposes this low minimum so that small projects, common in small downtowns throughout Oregon, are eligible for support. We anticipate that many of these projects are below the minimums necessary for receiving federal HTC's, making the state incentive even more important in rural communities.

Restore Oregon also proposes an upper limit. The maximum HRI available to any one project is \$2 million. That would be available to projects with \$8 million or more in QREs.

For any one year, the proposal limits sets an aggregate cap of \$12 million and our analysis projects the cost for 2016 at just under \$10M as the program ramps up.

Thirty-five other states offer a historic rehabilitation incentive, typically in the form of a state tax credit, which is usually transferred to an investor for cash to pay for construction. Transferring credits can be complex and inefficient as they are discounted and incur transaction costs. Therefore, Restore Oregon proposes modeling the HRI after the Oregon Production Investment Fund ("OPIF") that is available to film and video productions within the state.

The OPIF method is a cost-effective system from the state's perspective. It works by having the Oregon Department of Revenue auction off \$500 tax credit certificates. The auction is electronic and over the internet, so administrative costs are low. The minimum bid is \$475. In the October 2013 auction, the average bid for \$500 certificates was \$497.<sup>2</sup>

The money collected goes into a fund. Money from the fund is awarded to Oregon film and video productions

based on a percentage of their local spending. Certificate buyers apply the credits at face value against their Oregon state income tax liabilities. They also deduct the cost of certificates from their federal income taxes as a donation (the deduction is inapplicable on Oregon income taxes.)

For this analysis, ECONorthwest assumes the Oregon HRI goes into effect on January 1, 2016 and our projections run through December 31, 2025.



Restoring the historic arch in Lake Oswego's Iron Works.

<sup>1</sup>ECONorthwest conducted its research under the assumption of \$25,000 minimum spending per project in accordance with Restore Oregon's initial plan. Restore Oregon, after consultations throughout Oregon, found strong interest in a lower minimum. They now propose \$10,000. ECONorthwest believes the number of small projects forecast in this report could well prove too low, but in the interest of being conservative, we assume the levels shown here.

<sup>2</sup>McDonald, S. "A Monster Deal." The Eugene Register Guard, May 11, 2014.

## BACKGROUND/CONTEXT

Rehabilitating historic buildings is expensive, especially given the need for seismic upgrades and other safety improvements. Old buildings often need costly restoration, code compliance, elevators, and modern upgrades in heat, insulation, air conditioning, and wiring.

High rehabilitation costs are one reason why 35 states offer tax credits that, together with a federal HTC, make more restoration projects affordable. Oregon does not have a state funded HRI. As a result, many of Oregon's historic buildings sit empty, lifeless, and deteriorating. Ultimately, they become scars on our downtowns, affecting adjoining properties.

Another reason why states offer credits is simple economic development for depressed places. Historic buildings tend to be in old neighborhoods and rural areas. State governments see credits, especially since they are matched with federal dollars, as a good way to put people to work in areas where high paying jobs are scarce. Rehabilitation projects, using the vernacular of economics, are labor-intensive. They employ many local workers at good wage rates.

Long-term benefits are a third purpose of having state credits. This is particularly relevant in mid- to small-towns where deteriorating, old buildings repel residents and visitors alike. Fixing up one or two key historic buildings can trigger new developments around them.<sup>3</sup>

The economic literature suggests that historic building restorations add value to communities through the renewal of the venerable structures themselves and

through enhancing neighboring buildings, as evidenced through their higher market prices.

### The Public Benefit of HRIs

Building owners derive value from their properties, but if they are historic buildings, the local community may also place a significant value on them as places to work, shop, eat, reside, or fill out a neighborhood. Thus, while there are private benefits (value to the owner), buildings can also have substantial public benefits because of their historical presence in their communities. Problems arise when historic buildings are in disrepair, not up to code, or lack modern amenities. They need rehabilitation and it is expensive.

In many cases, private owners do not have a financial ability to restore buildings. In Oregon, owners of historic commercial buildings often lease their ground floors while leaving upper floors vacant, due to safety and other building concerns that are just too costly to fix. Unfortunately, it is also common for owners to have no viable business alternative but to tear down these buildings.

These are rational decisions for private goods—enterprises that are run for the benefit of a private owner. But historic buildings are also public goods. If they are not restored or maintained, the local public loses the benefits of having them in their town.

Historically relevant buildings are usually interwoven into their communities. Having an actively-used, well-maintained, and attractive historic building in town is a valued amenity, especially by longtime residents. They evoke nostalgia, a sense of place and history, and a sense of the town as a true, shared community.

This improves the area's desirability as a place to live and visit.

As a classic public good, the value the public places on historic buildings is external to the private decisions of owners. The technical term for this is "positive externality." Sometimes such externalities manifest as higher neighboring property values. Economic research suggests that this is true for neighboring buildings with close proximity to well-maintained historic structures.<sup>4,5</sup>

Buyers and renters of properties near a restored historic building may pay a premium for their proximity to it. But for others in the public enjoying the benefits of the building, there may be no measurable cost. Economists refer to this as a "free rider" effect.

In recognition of externalities, free ridership, and the public benefit of keeping historic buildings in useful condition, the federal government and most states offer tax credits that owners can use for renovating historic buildings. By doing so, the public effectively pays some of the costs for saving them.

### Basics of the Federal HTC

The federal Historic Tax Credit program is available nationwide. It applies to certified historic structures, as determined by the National Park Service. It became law in 1976 and went through a series of changes. The current law provides an income tax credit of 20 percent of the qualified rehabilitation expenses (QRE) on certified historic buildings.<sup>6</sup>

<sup>3</sup>Rypkema, Donovan; Catalyst for Change – the Impact of the Federal Historic Tax Credit; Transforming Communities; June 2014

<sup>4</sup>Narwold, A. "Estimating the value of the historical designation externality." International Journal of Housing Markets and Analysis. Pp. 288-295. 2008.

<sup>5</sup>Montgomery, S. and Lahr, M. "Historic preservation, property values, and tax rates: A municipal-level analysis in New Jersey." Rutgers University, 2009.

<sup>6</sup>See: <http://www.nps.gov/tps/tax-incentives/before-you-apply.htm>

The rules for the federal HTC are strict. The buildings must be income-producing, so private homes cannot qualify. The property must be listed on the National Register of Historic Places or be a contributing building in a National Register Historic District. Assuming the building itself is historic, rehabilitation costs are eligible for the 20 percent HRI, but only for QREs, as defined in Treasury Regulation 1.48-1(e)(2).

Qualified expenses include construction costs and labor for repairing and installing structural components. These include walls, plumbing, floors, ceilings, windows, central air conditioning and heating systems, electrical work, elevators, seismic reinforcements, and other components attached to the building. The IRS also allows many soft costs that get charged to capital accounts, such as interest and taxes during construction, and engineering, construction management, and architectural fees, to qualify for the HTC as well.

The National Park Service estimates that on average 83 percent of total project costs qualify for an HTC. The remaining 17 percent includes furniture, landscaping, carpeting, outdoor lighting, parking, sidewalks, signage, and other work unattached to the structure itself. The expense of acquiring the building and land is not counted in the total development cost and never qualifies for the HTC.

Although Oregon lacks a state HRI, building owners use federal historic tax credits, albeit at a low level. Oregon averages about seven projects a year. In the last twelve years, about two-thirds of the federal HTC projects were in Portland. The rest were in other cities throughout the state including La Grande, Medford, Roseburg, Condon, North Bend, Albany, Salem, Ashland, and The Dalles. The average historic development project in Oregon costs \$7.2 million, of which nearly \$6 million qualified for the 20 percent federal tax credit.

<sup>1</sup>See: <http://www.nps.gov/tps/tax-incentives/before-you-apply.htm>



Clatsop Community College students learn how to restore historic plaster.

### State HRIs

Over the 38-year history of federal HTC-s, most states have introduced their own incentives. One let their program expire. Many such as Wisconsin, expanded them. Currently, 35 states offer HRIs that building owners can use in combination with federal credits to make more historic rehabilitation projects financially feasible.

State HRIs vary in size and coverage. Most cover only buildings listed on the National Register of Historic Places or contributing buildings in a National Register Historic District. They also usually apply towards the same federally accepted QREs designated by the IRS.

The most common state HRI rate is 25 percent. Many others are set at 20 percent. Two states have higher rates, four less, and several limit credits by type of expense and location with in their state.

## TERMINOLOGY, ASSUMPTIONS, AND DEFINITIONS

ECONorthwest bases its forecast on the HRI as proposed by Restore Oregon. Details of the methodology appear on Page 17. We based the methodology on several assumptions and relied on independent government data sources. From these, we allowed the actual market data to reveal the effect state HRIs have on total rehabilitation spending. ECONorthwest then used an economic impact model of Oregon to forecast economic impacts.

The main economic question that Restore Oregon asked of ECONorthwest was, what impact would the proposed state HRI have on Oregon's economy? In other words, what would its economic impact be, how many jobs would be created, how much economic activity (that is output) would the HRI stimulate? These questions require determining both gross and net impacts.

### Gross versus net

ECONorthwest distinguishes between gross and net impacts. Gross impacts arise from the total amount of historic development spending in Oregon after an HRI is instituted. Net impacts are less. They are the net change in total development spending attributable to the HRI. Importantly, net impacts also exclude dollars expended in Oregon that would have been spent in the state anyway, even if there were no HRI.

Thus, gross impacts measure all the effects stemming from HRIs regardless of the origin of the funds or the effects of having or not having a state HRI. Net impacts measure how much more economic activity goes on in Oregon because of the HRI, compared to an economy



Historic buildings in Oakland need repair, seismic upgrades, and vacant upper floors made code compliant.

without a state credit.

For example, consider a building owner who spends \$100,000 renovating a historic building because of the HRI. If there were no HRI, that same owner would only have spent 60 percent of that money in Oregon. Thus, the gross direct impact is \$100,000 and the part of the net is \$40,000 (i.e., by having an HRI the owner spends \$100,000 in Oregon instead of \$60,000).

The additional \$40,000 comes from spending savings, diverting spending that would have been done out of state back into Oregon, or a combination of both. But besides this private capital, there is a second source of net impacts. That is the federal HTC.

Federal tax credits are an out-of-state source of money

that, when spent on rehabilitation projects, have impacts. A state HRI causes more development and greater use of federal credits. Building owners spend those federal dollars buying construction in Oregon. It is money added to Oregon's economy that would otherwise not be spent in Oregon. In our example, the owner gets \$16,600 in federal HTC money that is spent in Oregon.<sup>7</sup> The combined direct net impact on Oregon's economy is \$56,600.

The effect of state HRIs in stimulating greater use of federal credits is clear from the data, which was analyzed by ECONorthwest, and in academic research.<sup>8</sup> The assumptions used for this research are driven by the data available.

<sup>7</sup>The total project was \$100,000. The assumed ratio of QREs to total development cost is 0.83. The federal HTC is 20 percent of QREs. Thus, the federal credit received for the example project is \$16,600 or \$100,000 times 0.83 time 20 percent.



Workers convert a long-empty warehouse into modern office space.

**Economic Impact Model**

ECONorthwest has measured economic impacts using the economic impact modeling software IMPLAN, with 2012 data for the state of Oregon. IMPLAN is widely respected and used by over 1,500 public and private agencies. The model employed uses U.S. Census and other economic data collected from Oregon businesses and households.

The advantage of IMPLAN, and the reason why ECONorthwest uses it for this study, is that it can count all the subsequent rounds of spending and labor income effects that originate from the initial production. IMPLAN has economic data that allow us to track how much spending and employment stays in the state as well as the negative effects of savings and taxes on spending impacts. Thus, the model and results in this report show just the economic impacts of spending that occur in Oregon.

**Assumptions**

ECONorthwest forecasted the GDP of construction in Oregon using the Oregon State economic forecast. We then determined how much QREs occur per million dollars of construction GDP in states with no HRI (current situation of Oregon) and states with 20 percent or higher HRIs (as proposed by Restore Oregon). The ratios of QRE to GDP are directly calculated from all 720 federal HTC projects nationally in 2012.

The analysis by ECONorthwest uses several other key assumptions regarding the application of state tax credits:

We used the construction employment and GDP deflator forecasts published by the State of Oregon's Department of Economic Analysis June 2014.<sup>10</sup> The GDP deflator is a measure of national inflation. The effects of inflation are reflected in this report's forecast.

**Data**  
 ECONorthwest received twelve years of data (2002 to 2013) on all projects receiving federal HTC approvals. The data came from the Technical Preservation Services Department of the U.S. National Park Service. Since data for 2013 may be subject to revision, ECONorthwest conducted its research primarily using 2012 projects, as the dataset for that year was complete.

ECONorthwest also used state gross domestic product (GDP) of construction. This data come from the U.S. Bureau of Economic Analysis (BEA).<sup>9</sup> GDP of an industry is the value of an industry's output minus the value of goods and services (the output of other industries) the industry used in producing its output.

<sup>9</sup> Oskman, J. and Ward, M. "Leveraging federal economic development resources with state historic rehab tax credits." Proceedings of the National Tax Association 105th Annual Conference on Taxation, January 31, 2013. <http://www.bea.gov/table> accessed August 8, 2014.

<sup>10</sup> Accessed September 2, 2014 at <http://www.oregon.gov/DAS/oea/Pages/revenue.aspx>

1. ECONorthwest assumes that the ratio of federally qualified rehabilitation work to total construction GDP in Oregon will average what the historical national data show. We forecast rehabilitation spending under the proposed credit using the national ratio for states with credits of 20 percent or more. We forecast the no-HRI case using the ratio for states without an HRI.

2. QRE are 83 percent of the total cost of construction done when rehabilitating buildings (same assumption used by the National Park Service).

3. For this study, total development spending (direct output) is split between construction and professional services (architects, engineering, and designers). We assume professional service output equals 16 percent of the total cost of construction.<sup>11</sup>

4. The difference between the total cost of construction and the state and federal tax credits is the amount of private investment for building rehabilitation.

5. Forty percent the private rehabilitation investment is net new spending in the state economy (that is either paid from savings or from diverting out-of-state spending to projects in Oregon).

### Definitions of Terms

In economic impact studies, total impacts include the value and work done directly for a project and all subsequent impacts that result. Thus, total impacts include jobs, output, and income indirectly related to the original construction project even if they are many steps removed from it.

**Qualified rehabilitation expense** is the money spent on building construction and professional services that the IRS bases the federal HTC. As noted in the assumptions, QREs average 83 percent of total

**development spending.** The total development cost is the amount spent on the entire construction project and include components not attached to the building, such as sidewalks and landscaping.

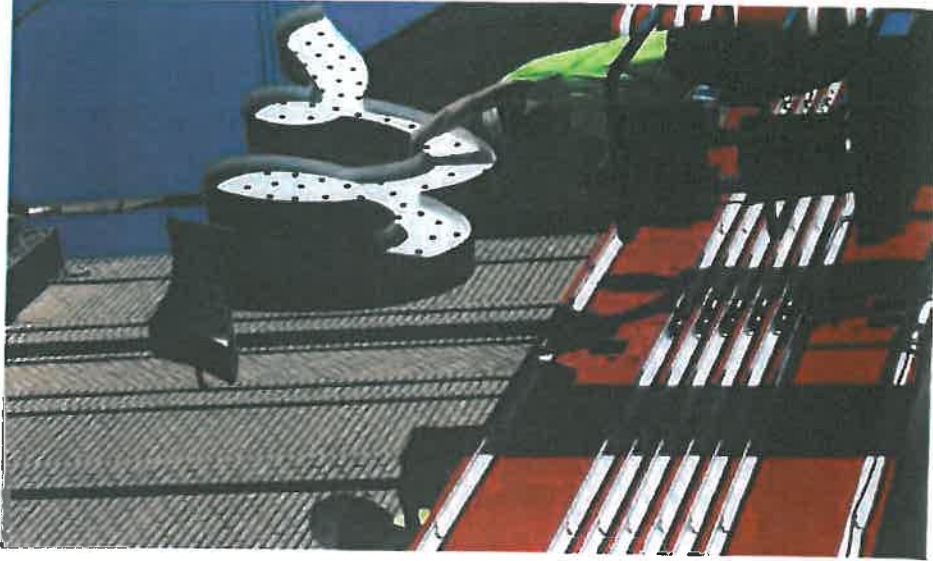
Impact studies measure employment in terms of **full year equivalent jobs.** One job equals twelve person-months of work.

**Labor income**, as reported in IMPLAN, equals the sum of wages, salaries, self-employment earnings, and benefits.

In economic impact analysis, **output** is the value of production sold due to a project. **GDP** is the net value of production added to Oregon. The difference between these is output sold from one industry in Oregon to another. **GDP** is a net number. For example, the **GDP** of construction is its output (value of the construction done) minus purchases of output from other industries, such as lumber mills, used in construction.

**State and local taxes and fees** are reported by IMPLAN. In Oregon, these are largely business and personal income taxes plus various construction related fees. But it also includes other government revenue sources, such as motor fuel taxes, utility franchise fees, and vehicle registrations.

IMPLAN measures one-year economic impacts. Some effects of the proposed state HRI are ongoing and forecast separately from IMPLAN. An important impact is **property tax**, which appears in Table 3. ECONorthwest calculated the property taxes that finished rehabilitation work generates.



Whiteside Theater Marquee, Corvallis.

<sup>11</sup>This ratio comes from the RS Means construction cost estimator. See [www.rsmeans.com](http://www.rsmeans.com).

## FINDINGS

ECONorthwest forecast gross and net direct output using the methodologies, data, and assumptions described in this report. A description of how we calculate net output, or more specifically net direct spending, is found in the Methodology section. Our findings for the full forecast period can be found on Table 1, on the following page.

Total development spending on rehabilitation projects financed in part by the state HRI is forecast to be \$92.3 million in 2016. This rises as program awareness widens and the economy grows. In 2025, total development spending is \$123.1 million. These are gross impacts, as some of the money spent on development comes from within Oregon's economy.

Net direct development spending comes from dollars that are net new to Oregon's economy. In 2016, we forecast \$32.0 million in net new direct output. This rises to \$43.5 million in 2025.

The forecast of net direct development spending is the net direct output applied to the IMPLAN model, which forecasts overall economic impacts and jobs statewide. Since, by their very nature, economic models forecast averages and not the peaks and troughs of cycles, we expect a wide and unpredictable variance around the forecast averages (see caveat on Page 21).

### Tax Credit and Project Forecast

ECONorthwest forecast the cost of the HRI to state government by estimating the QREs of projects and excluding amounts in excess of \$8 million for large projects. The project cap reduces the state cost by about half. Although projects in excess of \$8 million represent about one-in-eight, their total cost is high.

We forecast the number of projects in Oregon under the HRI using the analysis of National Park Service



Empty upper floors and shuttered storefronts present opportunity in Chinatown, Portland.

We project 15 projects receiving federal HTC's in 2016, rising to 20 in 2025. Including small projects not availing themselves to the federal program, the number of projects rises from 26 in 2016 to 41 ten years later. Historically, Oregon has averaged about 6½ federal HTC projects annually.

### Statewide Gross and Net Economic Impacts

ECONorthwest ran its economic impact model for Oregon using the direct output forecasts shown on Table 1. Although the source data for the model is from 2012, the forecasts reflect the effects of inflation over time and higher construction GDP, as illustrated in Figure 1. ECONorthwest ran the impact analysis using

**Table 1: Forecast of Gross and Net Output, QREs Applicable to State An HRIs, and Total Number of Projects, 2016**

Output Calculations (Millions \$)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Oregon GDP of construction	\$8,301	\$8,691	\$9,003	\$9,250	\$9,501	\$9,741	\$9,960	\$10,242	\$10,515	\$10,796
Gross direct output due to a state HRI:										
Rehab using federal HTC if no state HRI	\$20.6	\$21.6	\$22.3	\$23.0	\$23.6	\$24.2	\$24.7	\$25.4	\$26.1	\$26.8
Increased federal HTC rehab due to a state HRI	70.7	74.5	78.4	80.6	82.8	84.9	86.8	89.2	91.6	94.1
Small projects using state but not federal credits	1.0	1.3	1.8	1.9	1.9	2.0	2.0	2.0	2.1	2.2
<b>Gross direct output</b>	<b>\$92.3</b>	<b>\$97.4</b>	<b>\$102.6</b>	<b>\$105.5</b>	<b>\$108.3</b>	<b>\$111.0</b>	<b>\$113.5</b>	<b>\$116.7</b>	<b>\$119.8</b>	<b>\$123.1</b>
Net direct output due to a state HRI:										
Increase in federal HTC money spent	\$11.9	\$12.6	\$13.3	\$13.7	\$14.1	\$14.4	\$14.7	\$15.2	\$15.6	\$16.0
Plus private spending & savings diverted to Oregon	20.1	21.3	22.5	23.4	24.0	24.6	25.1	25.8	26.5	27.5
<b>Net direct output</b>	<b>\$32.0</b>	<b>\$33.9</b>	<b>\$35.8</b>	<b>\$37.1</b>	<b>\$38.0</b>	<b>\$39.0</b>	<b>\$39.9</b>	<b>\$41.0</b>	<b>\$42.1</b>	<b>\$43.5</b>
Alternative calculation of net direct output:										
Gross direct output	\$92.3	\$97.4	\$102.6	\$105.5	\$108.3	\$111.0	\$113.5	\$116.7	\$119.8	\$123.1
(Less) rehab using federal HTC if no state HRI	(20.6)	(21.6)	(22.3)	(23.0)	(23.6)	(24.2)	(24.7)	(25.4)	(26.1)	(26.8)
(Less) cost of an HRI to the state government	(9.6)	(9.8)	(10.6)	(10.4)	(10.7)	(11.0)	(11.2)	(11.5)	(11.9)	(11.5)
(Less) private spending & savings diverted from Oregon	(30.1)	(32.0)	(33.8)	(35.0)	(36.0)	(36.9)	(37.7)	(38.8)	(39.8)	(41.3)
<b>Net direct spending change due to the RTC</b>	<b>\$32.0</b>	<b>\$33.9</b>	<b>\$35.8</b>	<b>\$37.1</b>	<b>\$38.0</b>	<b>\$39.0</b>	<b>\$39.9</b>	<b>\$41.0</b>	<b>\$42.1</b>	<b>\$43.5</b>
QREs eligible for state HRI:										
Gross total QREs	\$76.6	\$80.8	\$85.1	\$87.5	\$89.9	\$92.1	\$94.2	\$96.9	\$99.4	\$102.2
Amount ineligible due to project size (over \$8 Million)	(38.4)	(41.5)	(42.5)	(45.9)	(47.0)	(48.2)	(49.4)	(50.7)	(52.0)	(56.0)
QREs applicable to state HRI	\$38.2	\$39.3	\$42.6	\$41.6	\$42.9	\$43.9	\$44.8	\$46.1	\$47.4	\$46.2
Number of projects using the state HRI:										
Over \$1 million in QREs	8	8	8	8	8	9	9	9	9	9
Under \$1 million and using the federal HTC	7	8	11	11	11	11	11	11	11	11
Projects too small for the federal HTC	11	14	19	20	20	20	20	20	20	21
<b>Total projects</b>	<b>26</b>	<b>30</b>	<b>38</b>	<b>39</b>	<b>39</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>40</b>	<b>41</b>

Source: ECONorthwest.



the tax rates and caps proposed by Restore Oregon. These are constant values over time.

Table 2 shows the total economic impacts of the state HRI. They are the sum of the direct impacts (work directly done on historic rehabilitation projects) and the indirect and induced impacts. Dollar impacts are in millions. Job impacts are in full year equivalents. Thus, a job is equal to employment for one over twelve months in a year. Jobs can be full-time, part-time, or self-employed positions.

With the 25 percent HRI and at the predicted levels of use shown on Table 1, \$170.0 million in economic activity in 2016 would be linked to the HRI and this will increase to \$226.6 million in 2025. In terms of GDP, the impact will grow from \$86.7 million to \$115.7 million over those years. Most of the GDP will appear as labor income, rising from \$65.7 to \$87.7 million. State and local governments will see \$5.9 million in revenues in 2016, rising to \$7.9 million in 2025 from active construction each year. A total of 1,232 jobs in 2016 would be linked to having an HRI in Oregon. In 2025, 1,643 jobs would.

On a net basis, relevant because it forecasts an overall improvement in economic activity, the HRI raises output by \$58.9 million in 2016. This grows to \$80.1 million in 2025. The GDP is higher by \$30.1 million in 2016 and \$40.9 million in 2025. The net increase in jobs rises from 428 to 581 over the same period.

There are also net fiscal impacts. State and local government revenues from active construction, on a net basis, will range from \$2.1 to \$2.8 million. Government will also see higher property tax receipts, which are not included in the IMPLAN results on Table 2, from the investments in building rehabilitation. Such work enhances the value of structures put in place and a large portion of that is subject to property taxation.



These picturesque storefronts in Jacksonville could collapse in a major earthquake. The proposed rehabilitation incentive could be used for seismic upgrades.

Neighboring properties may also increase in taxable value. In addition, the restored buildings become places of work and those employed become taxpayers.

## OTHER ECONOMIC EFFECTS

Besides economic spending impacts, restoring historic buildings has other effects. Several research studies claim halo effects, which is the improvement in values of properties neighboring restored historic buildings. Another is the increase in property taxes resulting from the direct investment in restoring buildings. And

**Table 2: Total Gross and Net Economic Impacts from Implementing a State 25 percent HRI in Oregon, 2016 – 2025**

Total Economic Impacts	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Gross Impacts:</b>										
Output (\$M)	\$170.0	\$179.3	\$188.8	\$194.2	\$199.4	\$204.4	\$209.0	\$214.9	\$220.6	\$226.6
GDP (\$M)	86.7	91.5	96.4	99.1	101.8	104.3	106.7	109.7	112.6	115.7
State/local taxes & fees (\$M)*	5.9	6.2	6.6	6.8	6.9	7.1	7.3	7.5	7.7	7.9
Labor income (\$M)	65.7	69.3	73.0	75.1	77.1	79.1	80.8	83.1	85.3	87.7
Jobs (full year equivalent)	1,232	1,299	1,369	1,408	1,446	1,482	1,515	1,557	1,599	1,643
<b>Net Impacts:</b>										
Output (\$M)	\$58.9	\$62.5	\$66.0	\$68.2	\$70.0	\$71.8	\$73.4	\$75.5	\$77.5	\$80.1
GDP (\$M)	30.1	31.9	33.7	34.8	35.7	36.6	37.5	38.5	39.5	40.9
State/local taxes & fees (\$M)*	2.1	2.2	2.3	2.4	2.4	2.5	2.6	2.6	2.7	2.8
Labor income (\$M)	22.8	24.2	25.5	26.4	27.1	27.8	28.4	29.2	30.0	31.0
Jobs (full year equivalent)	428	453	478	495	507	521	532	547	561	581

\*IMPLAN reports state and local taxes and fees arising from the construction work done rehabilitating historic buildings each year, but not property taxes due to rehabilitation, as those occur in future years. ECONorthwest estimated future property taxes in Table 3.

Source: ECONorthwest.



since restorations are motivated primarily by expected revenues from businesses occupants, there are the jobs contained in the rehabilitated buildings, which may be construed as beneficial, especially in otherwise underperforming downtowns.

**Halo Effect**

A widely cited benefit of historic building restoration is the halo effect. That is, by converting an otherwise unused or deteriorated historic building into an attractive, actively-occupied structure, neighboring buildings benefit. In a sense, this creates a halo around the restored building, making the area more desirable. Economists measure this using a method called "hedonic" analysis. It compares changes in the market prices of buildings to see if proximity to a restored historic building has a positive effect.

Hedonic analysis is challenging and costly. ECONorthwest did not perform one for this report, but we did review the economic literature and found most studies citing increases in neighboring properties from having historic buildings rehabilitated. We found studies focus on housing, not commercial buildings because accurate assessments of market value effects

require large numbers of transactions of similar building types. In most communities, there are ample housing sales data but commercial building transactions are few in number and similarity.

Most research on the halo effect of housing shows a positive impact on neighboring properties. One of the better papers on the halo effect, for example, states, "The results suggest that a house's value is increased by 3.8 percent by having a historical house within 250 ft. and by 1.6 percent by having a historical home located between 250 and 500 ft. away."<sup>12</sup>

**Property Tax Effect**

Renovating buildings raises their market values. Assessors base property taxes on those values. ECONorthwest estimated the effect of the Oregon HRI on property taxes. This was done by determining the net change in total rehabilitation work assuming the HRI is in effect and subtracting the amount of such spending that would have occurred without there being an HRI. Adjustments were made for inflation and increases are cumulative, as buildings are long-lived assets.

In Table 3, we used an assessed-to-real market value

ratio of 78.4 percent and that 21.7 percent of the real estate would be exempt (government-owned, social welfare, or other exemption). The average statewide property tax rate is \$16.30 per \$1,000 on taxable assessed values. These assumptions are drawn from state property tax statistics for 2013.<sup>13</sup>

We find that property taxes would be \$0.7 million higher in 2016 because of the state HRI and that this will increase to \$9.0 million by the year 2025.

**Table 3: Net Increased Real Market Value and Property Tax Assessments on Restored Buildings, 2016 – 2025, Million \$**

Value and Property Taxes - Million \$	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Cumulative real market value	\$71.7	\$148.7	\$231.6	\$318.1	\$408.3	\$502.3	\$600.0	\$702.3	\$808.5	\$919.1
Estimated property tax*	0.7	1.5	2.3	3.1	4.0	4.9	5.9	6.9	8.0	9.0

\*Assume a 78.4 percent taxable assessed to real market value ratio with 21.7 percent of property value exempt from property taxes.  
Source: ECONorthwest

<sup>12</sup>Narwold, A. and Sandy, J. "Historic designation and residential property values," International Real Estate Review, 2008, Vol. 11, pages 83-95.  
<sup>13</sup>Oregon Property Tax Statistics, Fiscal year 2013-14, Page 3 and tables 1.5 and 1.7.

### Jobs Contained in Buildings

One effect of renovating historic buildings is that it often brings them back into use for commercial purposes. ECONorthwest estimated the number of jobs in buildings that would be renovated should an HRI be enacted in Oregon. The forecast is based on proprietary employment and building stock data.

As shown in Table 4, our analysis forecasts employment in buildings benefitting from historic rehabilitative tax credits between 2016 and 2025, eventually growing to 12,378. This is the expected employment in the buildings given the cumulative amount of rehabilitation spending, normal vacancy rates, and ECONorthwest-calculated employment densities. These densities vary from 262 square feet per job in offices to 22,318 square feet for multifamily buildings (the employees being building maintenance, apartment leasing agents, and the like).

Jobs contained in restored buildings are not necessarily net increases in employment for Oregon because job locations are mobile. A business moves into a historic building not at the exclusion of employing anyone at all, but rather the alternative of moving into a modern vacant building elsewhere in the community. However, since historic buildings typically are in downtowns, improving them so that they can house jobs makes use of central locations and existing infrastructure. Thus, many of the jobs shown on Table 4 will have the effect of improving the vibrancy of historic downtowns.

### CONCLUSION

ECONorthwest analyzed hard economic data originating from federal government sources and primarily from the IRS. Our analysis was rigorous and unbiased. Although, clearly in gross impact terms construction spending results in many jobs, we were initially skeptical that the HRI would support job growth in net impact terms. However, the analysis demonstrates, and by a substantial margin, that indeed the proposed HRI would result in Oregon having more employment, higher payrolls, and greater net economic output. The HRI would be clearly a net plus for the economy and, as designed, the traditional main streets of towns throughout the state would capture many of those impacts.



Empty storefront with potential upper story apartments awaits restoration in Klamath Falls.

**Table 4: Employment Contained in Rehabilitated Buildings, 2016 – 2025**

Jobs Contained in Rehab Buildings	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Employees	1,136	2,315	3,536	4,769	6,014	7,268	8,528	9,800	11,083	12,378

Source: ECONorthwest.

# Appendix

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## METHODOLOGY

Any comparisons between states require consideration for differences in the size of states construction spending.

This analysis also used descriptions of state HRI programs as reported by the National Trust for Historic Preservation.<sup>14</sup> In some cases, ECONorthwest went to state websites to verify reported tax credit levels or dates they were enacted.

ECONorthwest based its forecast of construction in Oregon on the long-term forecast of construction employment and the GDP price deflator from the June 2014 state economic forecast published by the state Office of Economic Analysis.<sup>15</sup> The state forecast extends to 2024. ECONorthwest extended that by one year to 2025, so that a forecast for the Oregon HRI matched the ten-year period proposed by Restore Oregon. The data were extended by simple application of the 2023-24 year growth rate to 2025.

### Analytical Steps

In the first step of its analysis, ECONorthwest compared the total QREs on federally approved historic rehabilitation projects in states with HRIs of 20 percent or more to expenditures in states without any HRIs. ECONorthwest divided these two totals by the aggregate GDP of all construction in each set of states. The GDP of construction is a measure of construction activity. From this we found the ratios of QREs to construction GDP.

ECONorthwest did the calculations for 2012, the last year for which a full set of data was available. Importantly, ECONorthwest had access to useable descriptions of existing state HRI programs that were consistent through that calendar year. Such data were unavailable

for all but 2007. This precluded an assemblage of a time series (i.e., set of observations taken over time that allows economists to see cause and effect relationships).<sup>16</sup> Although a time series analysis was preferable, the QRE to GDP ratios for 2012 were similar to those of 2007.

The second step of analysis was the forecast of Oregon construction GDP. ECONorthwest calculated the ten-year average ratio of real construction GDP to construction employment in Oregon (2004–2013). Assuming this continues, ECONorthwest applied the ratio to the state's forecast of construction employment and the GDP price deflator so to forecast the Oregon GDP of the construction sector in current dollars.

ECONorthwest multiplied the observed ratios to the GDP forecast, yielding two projections. The first, using the ratio of states with no tax credits, gave us a forecast of how much QREs would occur in Oregon if an HRI is not present. The second uses the ratio of states with HRIs of 20 percent or more. The result is a forecast of total QREs in Oregon if the state were to have a 25 percent HRI.

The proposal has a \$2 million tax credit cap (equal to \$8 million in QREs). The cap is not inflation adjusted, so over time the number of projects affected increases. Using the National Park Service data on all projects nationally and adjusting the reported QREs for inflation, ECONorthwest estimated how many Oregon projects each year from 2016 to 2025 would exceed the \$8 million QRE cap and by how much.

The forecast shows that in 2016, about 11.8 percent of all federally approved projects will incur over \$8 million in QREs and do so by an average of \$18.1 million. By 2025, 13.5 percent will exceed the cap by an average \$19.8 million each. This cap favors smaller projects and limits

the total amount of state incentives applied. Between 2001 and 2013, nineteen of the 86 projects in Oregon that used federal HTC exceeded \$8 million in qualified expenses and would have been unable to take the full 25 percent state HRI had one been available.

"Minor projects" are those in Oregon that are too small to qualify for the federal HTC, but would use the state HRI. Our analysis assumes the number of minor projects will equal the number of federal HTC projects, albeit with a low QRE of \$75,000 on average (in 2016) per project. We forecast this rising with inflation. We also assume a ramp-up in the number of minor projects, at 60 percent of federal projects in 2016, 75 percent in 2017, and 100 percent thereafter.

"Small projects" are those using the federal HTC, but with QREs under one million dollars. They too are expected to ramp up at 60 percent, 75 percent, and 100 percent over the first three years of the program. Restore Oregon expects a ramp-up because building owners of small projects have less knowledge about historic rehabilitation programs. The ramp-up reflects outreach and education efforts by Restore Oregon and the State Historic Preservation Office.

ECONorthwest forecast the number of small projects in Oregon based on the National Park Service database of all projects (2012-13) nationally. From that, ECONorthwest forecasts that 58.7 percent of federally approved projects will spend less than \$1 million on qualified rehabilitation in 2016. This falls to 55.6 percent by 2025 because inflation pushes more projects over the upper boundary.

As stated earlier, ECONorthwest built an IMPLAN model for Oregon. We calculated the direct output (i.e., spending) for each of the ten years, 2016 – 2025. Direct output is the total cost of rehabilitation construction

<sup>14</sup><http://www.preservationnation.org/take-action/advocacy-center/additional-resources/historic-tax-credit-maps/states-rehabilitation-tax.html> accessed August 12, 2014.  
<sup>15</sup>[http://www.oregon.gov/DAS/OEA/pages/economic.aspx#most\\_recent\\_forecast](http://www.oregon.gov/DAS/OEA/pages/economic.aspx#most_recent_forecast) accessed August 15, 2014.  
<sup>16</sup>ECONorthwest was able to calculate QRE to construction GDP ratios for 2007 and the results were similar to those reported here for 2012.

projects above what they would be without an HRI. The results of running this data through the IMPLAN model are the total gross economic impacts of instituting the Oregon HRI.

ECONorthwest also ran the net direct spending through the IMPLAN model, which yielded the total net economic impacts of the Oregon HRI. The initial steps, however, are the calculations of construction spending in Oregon and the proportion of spending that would be for projects under the state HRI. The calculations of these are explained below:

## CALCULATIONS OF MODEL INPUTS

Before running the IMPLAN model, ECONorthwest first calculated the gross and net direct output. For that, we measured the historic effect of state HRIs has on historic building rehabilitation spending. We also forecast total state construction output.

### Ratio Calculation

A critical input into this analysis is the ratio of QREs to total construction GDP by state. The ratio determines how ECONorthwest forecast the amount of rehabilitation spending in Oregon with and without an HRI. Using 2012 data, which is the last full set of data available to us, we sorted states according to their HRI programs.

ECONorthwest used 2012 National Trust for Historic Preservation data on the amount of rehabilitation construction by state under the federal HTC. We identified the 24 states that have statewide HRIs of 20 percent or more.<sup>17</sup> Their average HRI rate was 24 percent. We summed the total amount of rehabilitation

construction for them. We did the same for 20 states that had no HRI in 2012. The result was a set of two numbers. They are total federal HTC construction in states with 20 percent or more HRIs and total federal HTC in states with no HRI.

Since the amount of rehabilitation construction activity in a state is a function of the total construction industry (i.e., large states naturally would have more projects), ECONorthwest divided the two numbers by the total construction, of all types, in each set of states. For this ECONorthwest used 2012 construction GDP data from the BEA for the 50 states and District of Columbia. Construction GDP is the value of construction output. That is approximately the same as the value of what is built minus the costs of fuels, materials, and services purchased from other industries used by the construction industry.

As shown in Table 5, the twenty states, including Oregon, that lacked any state HRI saw 87 rehabilitation projects totaling \$559 million in qualified expenses, which equals 0.206 percent of all construction output in those states. The 24 states that had at least a 20 percent HRI had 544 projects with \$2.127 billion in QREs. That is 0.929 percent of total construction in those states – more than a four-fold increase.

ECONorthwest used these findings in its forecast for Oregon. For the base case, where no HRI is instituted, we assume Oregon will average QRE spending on historic buildings receiving federal HTCs equal to 0.206 percent of Oregon's construction GDP. For the case where Oregon does have a 25 percent incentive, we assume QREs will be 0.929 percent of construction output with two small modifications. As noted in assumptions, we include a two-year ramp up period

for projects under a million and a small number of minor projects receiving state credits, but too small for the federal HTC.

### State Construction GDP Forecast

ECONorthwest ran its construction forecast off of the State of Oregon's official forecast. Specifically, we used the state forecast of construction employment. We compared the ratio of real (inflation adjusted) construction GDP in Oregon to state construction employment and assumed that ratio would apply for the ten-year forecast. We then put inflation back in, using the same official state economic forecast, to arrive at a forecast of Oregon construction industry output. Figure 1 is an illustration of the forecast.

### Gross and Net Direct Output

ECONorthwest ran IMPLAN using gross output and net output. Gross direct output is the increase in total development spending in Oregon if Oregon has a 25 percent HRI. Net direct output is the portion of total development spending that is both a net increase due to the HRI and is paid for from sources outside of Oregon.

Table 6 is an example of how ECONorthwest calculates gross and net direct output. It uses 2018 because this is the first forecast year that the HRI is fully implemented and adopted in small projects.

## CAVEATS

### Value of an Economic Impact Analysis

Although widely reported, economic impact analysis is often misunderstood. Economic impact studies measure spending effects from the point of the initial

<sup>17</sup>In 2012 the following states had statewide HRIs of 20 percent or more: Arkansas, Colorado, Connecticut, Delaware, Georgia, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Minnesota, Missouri, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Utah, Virginia, and Wisconsin.

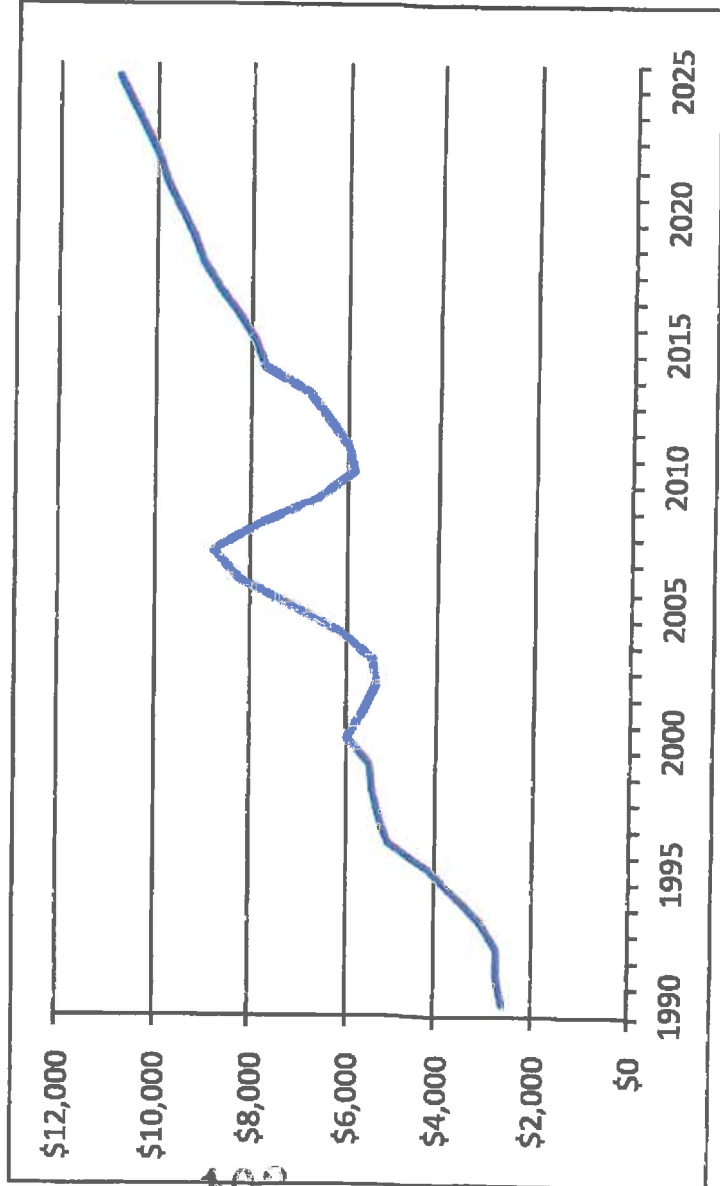
**Table 5: Ratio of Federal HTC Rehabilitation Spending to Total Construction by State According to Status of HRI Programs, 2012**

2012 Federal HTC Rehabilitation Activity		No State HRI	Low HRI (5%-10%)	20%+ State HRI	Total
Number of states		20	7	24	51
Total rehabilitation projects		87	89	544	720
Total QRE (\$ million)		\$559	\$453	\$2,127	\$3,139
State GDP, construction (\$ million)		271,433	80,770	228,870	581,073
QRE as % of construction GDP		0.206%	0.561%	0.929%	0.540%

Sources: Technical Preservation Services Department of the U.S. National Park Service, BEA, and calculations by ECONorthwest

Note: District of Columbia is included in the BEA data as a state.

**Figure 1: Oregon GDP of the Construction Sector, Millions \$**



Sources: BEA, Oregon Office of Economic Analysis, and ECONorthwest



Table 6: Calculations of Gross and Net Direct Development Spending Due to a State HRI, 2018

Gross and Net Direct Calculations	Million \$ in 2018
<b>Gross direct output (total development spending):</b>	
Rehab construction using federal HTC if no state HRI	\$22.3
Increased federal HTC rehab spending due to state HRI	78.4
Small rehab projects using a state HRI, but not federal HTC	1.8
Gross total development spending with a state HRI	\$102.6
<b>Net direct output (total development spending):</b>	
Increase in out-of-state money sources approach:	
Increase in federal HTC money spent due to a state HRI	\$13.3
Plus private spending & savings diverted into Oregon	22.5
Net direct spending change due to the HRI	\$35.8
<b>In-state spending changes approach:</b>	
Gross total development spending with a state HRI	\$102.6
(Less) total rehab that would have happened without an HRI	(22.3)
(Less) cost of an HRI to the state government	(10.6)
(Less) private spending diverted from elsewhere in Oregon	(33.8)
Net direct spending change due to the HRI	\$35.8

Source: ECONorthwest.

spending (direct impacts) up through the chain of suppliers of goods and services (indirect impacts), as well as subsequent spending by households (induced impacts). These are “supply-chain” effects. But those are not the only impacts a proposal may have on an economy.

By its very nature, economic impact analysis does not tell you how much better off the economy is with that initial spending than without. Nor does it say include downstream impacts, such as on those benefiting from whatever was built, like the businesses and households that would occupy the building or who would work or shop there.

Importantly, economic impacts are spending impacts, not measures of benefits. And not all spending impacts are benefits. Some are costs. For example, a teenager going down a street at night breaking car windows causes large economic impacts because all the car owners have to spend money replacing their windows. The window companies make greater sales, the tow-truck drivers get more work hours, and the glass installers have more jobs. If the teenager breaks even more windows, you get even higher economic impacts. But there is no benefit. Indeed, not all spending is productive, efficient, wise, or positive.

That being said, as long as there is a recognized improvement to the overall economy from a policy, in this case offering a state HRI, net economic impacts are positive and relevant. And in the context of Restore Oregon’s questions, knowing the net economic impacts of an HRI is especially important.

An economic impact study tells how much work (jobs) arises from spending caused from having an HRI. An impact analysis works through the complex math and measures the statewide increases in sales, wages, incomes, and taxes. Critical for a state policymaker is whether or not those impacts are better than

what otherwise would occur. In other words, are there net economic impacts? ECONorthwest conducted its research with that question in mind, and found that there are indeed positive net economic impacts from having an HRI like the one proposed by Restore Oregon.

### **Volatility**

At the state level, the records of historic rehabilitation projects are lumpy. That is, there are relatively few projects in any one year, especially compared to the thousands of construction projects we see, and some rehabilitation projects are much more costly than others.

For consideration: according to the National Park Service, 86 projects received federal HTCs between 2001 and 2013 in Oregon. The eight most expensive projects accounted for over half the total QREs incurred in Oregon. One year there was just one project and in another, 16. There were two years with less than a million dollars in total QREs. In five, total QREs exceeded \$50 million. The average change from one year to the next was plus-or-minus \$46 million.

The lumpy quality of the data does matter. Economic forecasts, by their very purpose, forecast the most probable outcomes, which are averages. When forecasting a volatile series, like historic rehabilitation spending in Oregon, the actual outcomes will vary considerably around the forecast. That is because of the lumpy character of the data, policymakers must expect considerable volatility.

Gross direct output is total spending in Oregon on rehabilitation projects using the state HRI. The calculation begins with the \$22.3 million that would be spent anyway in Oregon on federal HTC rehab projects, even if there were no state HRI. We add to that the increase in federal HTC rehab spending that Oregon would attract if it has an HRI in 2018. That is an additional \$78.4 million. Finally, owners of projects that do not qualify for the federal credits will use the state HRI and spend about \$1.8 million on them. The sum is the gross output of \$102.6 million.<sup>18</sup>



Facade restoration in Astoria's historic downtown.

Net direct impacts are the shares of gross spending that is net new to Oregon's economy. There are two ways to calculate it and both arrive at the same number. The simpler method is to estimate how much additional federal HTC money would be spent because the state HRI makes more historical rehabilitation projects feasible, and add to it the net increase in private spending done in Oregon as a result.

Our analysis estimates that building owners in Oregon will apply for and spend \$13.3 million in additional federal HTCs. Add to that the amount of additional spending private building owners and developers will spend in Oregon due to more projects becoming feasible. As assumed, 40 percent of the increased private spending will come from one of two sources. They are diversions from spending that would have gone out-of-state, but are attracted back to Oregon because the HRI makes work in Oregon more feasible. The other source is private money that is pulled from savings and invested in rehabilitation. This is estimated at \$22.5 million in 2018.

Thus the net direct impact is \$35.8 million. Out of the entire \$102.6 million in rehabilitation spending using the state HRI during 2018, the net direct impact is slightly more than a third of that. This is money building owners will spend in Oregon that otherwise would not have been spent in the state but for the availability of an HRI.

Table 6 shows an alternative calculation, where we

deduct dollars from in-state sources from the gross total. In-state sources are the state tax credit, private spending that would have been spent in Oregon anyway even if the HRI were not in place, and rehabilitation work that would have occurred even if Oregon did not have an HRI in 2018. The result of both methods is the same. Net direct output impact is \$35.8 million.

Thus the net direct impact is \$35.8 million. Out of the entire \$102.6 million in rehabilitation spending using the state HRI during 2018, the net direct impact is slightly more than a third of that. This is money building owners will spend in Oregon that otherwise would not have been spent in the state but for the availability of an HRI.



Construction on Furman Hall, Oregon State University.

<sup>18</sup>The calculation is complex. It begins by multiplying the 2018 forecast for construction GDP in Oregon, which for 2018 is about \$9.0 billion by 0.206 percent. The latter is the 2012 QRE to construction GDP ratio of states with no HRI. This comes from Table 5. The result of the multiplication is \$18.6 million. That is the amount of QREs on projects receiving federal HTCs in Oregon in 2018 if the state does not have an HRI. We convert that into total development spending by dividing by 0.83, the share of rehab construction spending that is qualified (one of the key assumptions). The result is \$22.3 million. If Oregon has a 25 percent HRI, the QRE to GDP ratio would be 3.51 times higher (0.929 versus 0.206 percent), so total development spending would go up by \$78.4 million. We add too that about \$1.8 million in qualified rehabilitation spending, resulting from the state HRI, but on projects too small to qualify for federal credits. This is 19 projects (the same number as receiving federal HTCs and based on the 2012 analysis on Table 5) times \$75,000 in state QRE with adjustments for inflation and the 0.83 total to QRE assumption. The grand total is \$102.6 million of rehab construction done in 2018 that uses federal credits and/or state credits.

**MAIN STREET MATTERS!**  
**PASS THE REVITALIZE MAIN STREET ACT (LC 1 034)**

January 2015

**Senator or Representative Name**  
**Address**

Dear \_\_\_\_\_,

Our historic downtown is the cultural and economic core of the community and members of our Main Street business association and city government are working hard to bring the district back to life. But the cost of much-needed building restoration, code compliance, and seismic retrofitting remains financially out of reach in many cases. The **[Insert building name(s) here]** is an example.

We urge you to support and advocate for **The Revitalize Main Street Act** as a modest, cost-effective investment that will help revitalize our downtown and pay dividends for decades to come in the form of new jobs, income and property taxes, cultural heritage and tourism, business incubation, seismic safety, and the reuse of existing infrastructure.

The Revitalize Main Street Act would create a state **Historic Rehabilitation Fund** to provide a 25% rebate for the certified rehabilitation of historic commercial buildings – stores, hotels, theaters, apartments, factories, mills, etc. It would be funded by the auction of state income tax credits at a capped amount (similar to the Oregon Film Production Credit). The money stays here in Oregon and we end up with long term, tangible assets.

An economic impact study conducted by EcoNorthwest states that Oregon would be economically better off with this incentive. In 2018 with a state investment of just \$10.6M we would see:

- 4X more buildings restored than without the state incentive.
- 1,369 jobs per year generating income of \$25.5M.
- \$2.3M net increase in property taxes per year to pay for schools and services.
- \$13.3M new federal Historic Tax Credit dollars invested in Oregon per year.
- \$35.8M net increase per year in direct development spending.

Historic rehabilitation incentives have been proven **effective in 35 other states** as a targeted means to **attract private investment and capture more federal tax credit dollars**. This is particularly important in smaller towns.

It's time for the state to invest in Oregon's Main Streets and pass the Revitalize Main Street Act in 2015.

Sincerely,