

I'm here to talk about the North Bethany addition to the Urban Growth Boundary and how it potentially impacts Rock Creek.

In December, 2002, the Metro council voted to expand the UGB. Included in this expansion was approximately 800 acres in the North Bethany area, roughly located north of Springville Rd & east of PCC-Rock Creek to the county line. Presently, about 557 acres are developable, resulting in between 5000 and 6000 new dwelling units, at a density of 10 to 12.7 units/acre.

North Bethany's location on the "fringe" of the UGB, as well as the rigorous financial times in which it's being planned, presents some difficult challenges for Washington County Planners and North Bethany developers. North Bethany's rural character means that there is almost no on-site service infrastructure that can be leveraged during development. Additionally, much off-site infrastructure that leads into North Bethany will require enhancements. The reality is that North Bethany will require significant, up-front capital investments to get off the ground. Preliminary estimates are that it will cost between \$519 to \$540 million to provide new and enhanced infrastructure for NB.

Unfortunately, there's a fairly large funding gap of almost \$245 million between the estimated cost of infrastructure and traditional revenue streams to cover those costs. Transportation costs represent the largest share of unfunded infrastructure: approximately \$103 million for on-site and \$131 million for off-site.

The present financial realities have led to a "paradigm shift" in who should fund development infrastructure. Traditionally, the general public has financed 80% to 85% of development infrastructure, with developers covering the remainder through System Development Charges and Impact Fees. Unfortunately, Federal and state grants for funding infrastructure have pretty much evaporated. Add to this the general public's resistance to additional taxes, and you can see that now neither the money nor the political mandate exists for the traditional arrangement. As a consequence, the future trend is that developers and the property owners in the developing area will be expected to shoulder the majority, if not all, of the infrastructure costs.

This leads us to the question of how this impacts Rock Creek? Why should we care? There are three potential threats to Rock Creek that we need to consider:

First, the financing gap for off-site transportation infrastructure is leading transportation consultants to recommend planning alternatives that will allow the deferment of the maximum dollar amount of off-site transportation projects. Two of the three transportation alternatives recommended include the extension of Springville Rd to a terminus at the intersection of NW Neakahnie Ave & NW West Union Rd. This segment is projected to carry an additional 9,000 vehicles per day. To accommodate this increased load, the planned widening of West Union Rd to 5 lanes between 185th and Cornelius Pass Rd would probably need to be accelerated.

The net result would be that there would be a significant increase in “cut through” vehicle trips through the 3, north-side entrances to Rock Creek from West Union Rd, with the vast majority entering through Neakahnie. Traffic modeling projections show between 82 to 114 additional peak-hour vehicles traveling between Neakahnie and Rock Creek Blvd. Over the course of a day, this translates to between 800 and 1100 additional vehicles driving through Rock Creek.

Second, Developers are generally not happy with their portion of the financial responsibility for on-site infrastructure costs. They bought raw land in North Bethany under the assumption that the traditional funding arrangement for infrastructure would apply. As a consequence, they paid top dollar for the raw land.

County planners have deferred the addressing the how to pay for off-site transportation infrastructure until some undetermined point in the future. For the on-site funding gap, they are looking for developers to pay approximately \$66 million in increased systems development charges, with future North Bethany homeowners paying the balance through county service district taxes. This represents an increase of developer-paid systems development charges from approximately \$17,000 per lot to almost \$30,000 per lot. Development hard costs are going up significantly, while average real estate prices are going down. The prevalent feeling among developers is that costs are so high that they can't sell their projects and make a profit. Therefore, they will wait to develop their North Bethany land until prices rise to the point when it becomes profitable.

In the interim, there is a strong incentive to develop and build elsewhere, where they can make a profit. This potentially includes places such as Rock Creek.

At the February 23rd North Bethany Stakeholder Work Group meeting, Wally Remmers stood up and spoke. Wally is the secretary and co-founder of West Hills Development Company, which is the parent company of Arbor Homes. Wally said that given the cost of the land and the system development costs he'll have to pay, he'd have to “give it away”. He said that instead, he'll plant Christmas trees on his North Bethany land and will go other places to develop. I wonder where he might want to go?

Third, we have to wonder whether the golf course owners are our only adversaries in our fight to keep the golf course as open space. Delna Jones is the lobbyist who stood up for the golf course owners at last July's CPO7 meeting. At every North Bethany Stakeholder Work Group meeting I went to, Delna Jones was there to lobby on behalf of West Hills Development and Arbor Homes. As recently as January, she was listed on the Metro website as a licensed lobbyist for West Hills Development. Also, Michael Robinson, who represented the golf course owners in the open space text amendment, has represented West Hills Development and Arbor Homes on “various Arbor subdivisions” since 2004. This is stated on Perkins Coie webpages that tout Mr. Robinson's work experience. I ask you to just ponder the extreme

coincidence that the golf course owners' lobbyist and attorney also happen to be West Hills Development's lobbyist and attorney. Hmm...

Lastly, for those of you who are interested in learning more about North Bethany and offering input into the process, the final North Bethany open house is scheduled for 4:30 to 7:00 p.m. on Thursday, June 4th, in the Washington County Public Services Building cafeteria. The Public Services Building is located at 155 N. 1st Avenue, in Hillsboro. See the North Bethany website, at www.BethanyPlan.org, for more information.

Now, I'd like to introduce one of Rock Creek's longest-tenured residents. He has lived on the golf course on Melrose Drive since 1966. He sold many of the first homes in Rock Creek for the Allen C. Edwards Company. He also took me to the Zoo, bought me hamburgers, and took me for joy rides when I was a kid. He's my dear uncle, Fred Hoene...