



**PARK SDC COMMITTEE RECOMMENDATION**

**Date:** February 19, 2016

**To:** Mike Abbaté, Director

**From:** Sarah Huggins, Park SDC Program Manager

**RE:** **Park SDC Qualified Public Improvement Review Committee Recommendation related to Portland Guild Loft Partners LLC request for Park SDC Credits for capital improvement donations pursuant Building Permit 2014-245178000-00.CO**

**Attachments:** Record of Vote  
 Sign in Sheet  
 Staff Report  
 2.17.16 Meeting Minutes  
 Portland Guild Loft Partners LLC SDC Credit Application Materials

**Copy:** Harry Auerbach  
 Trang Lam

Director Abbaté,

On Wednesday, February 17, 2016, the Parks SDC Credit Review Committee met to consider the Portland Guild Loft Partners LLC request for \$139,367 of Park SDC Credits for the donation of a capital improvement related to their development.

The Committee found that the proposed donation met the definition of a qualified public improvement and voted 5-0 to approve the Staff Recommendation (included in the Staff Report) to award \$128,457 (their construction estimate, minus the included contingency), in SDC Credits, with two conditions:

- 1) The SDC Credits will not be issued until the City of Portland holds an easement for the area over which the trail will be constructed.
- 2) The total amount of credits issued when construction is complete cannot exceed the original estimate (\$128,457) plus contingency (\$10,910) for a total not to exceed SDC credit amount of \$139,367. If the total construction cost and SDC credits sought exceed this amount, then the applicant will need to return to the SDC Credit Review Committee to request additional credits.

Per City Code, the Committee makes their recommendation to the Director, who will issue a decision. Please indicate your decision below.

**Agree with Committee Recommendation**

**Disagree with Committee Recommendation**

Signature Mike Abbaté

Date 2.19.16

**Administration**  
 1120 S.W. 5th Ave., Suite 1302  
 Portland, OR 97204  
 Tel: (503) 823-7529 Fax: (503) 823-6007

PortlandParks.org  
 Amanda Fritz, Commissioner  
 Mike Abbaté, Director





# PORTLAND PARKS & RECREATION

Healthy Parks, Healthy Portland

February 22, 2016

Jonathan Fore  
Portland Guild Loft Partners LLC  
C/O Fore Property Company  
1741 Village Center Circle  
Las Vegas, NV 89134

RE: Portland Guild Loft Partners LLC Request for Park SDC Credit for Qualified Public Improvement

Dear Mr. Fore:

In accordance with the City Code, PP&R convened a citizen "Park SDC Credit Review Committee," (Committee) to review Portland Guild Loft Partner LLC's request. The committee met on February 17, 2016. I appreciate the attendance of Lee Novak at the meeting to clarify committee questions related to your project. Committee members present were Debbie Aiona (League of Women Voters), Jim Owens (Portland Parks Board), Bob Sallinger (Portland Audubon Society), and Jill Sherman (Developer at Large). Jon Kloor (Portland Homebuilders) reviewed the materials and voted by email.

The Committee recommended approval of Portland Guild Loft Partner LLC's request for a credit of \$128,457 for the estimated construction cost of the trail segment associated with Permit 2014-245178000-00.CO, with two conditions:

- 1) The SDC Credit Transfer Certificate will not be issued until the City of Portland holds an easement for the area over which the trail will be constructed.
- 2) The total amount of credits issued when construction is complete cannot exceed the original estimate (\$128,457) plus contingency (\$10,910) for a total not to exceed SDC Credit amount of \$139,367. If the total construction cost and SDC credits sought exceed this amount, then the applicant will need to return to the SDC Credit Review Committee to request additional credits.

I am endorsing and adopting the recommendations of the committee in full.

Please do not hesitate to contact us if you have any questions.

Sincerely,

Mike Abbate  
Director

*Assistant Director Warren Jimenez  
on behalf of Director Abbate.*

Copy: Sarah Huggins, Park SDC Program Manager  
Harry Auerbach, Chief Deputy City Attorney  
Trang Lam, Property & Business Development Manager  
City Auditor

#### Administration

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[www.PortlandParks.org](http://www.PortlandParks.org)  
Amanda Fritz, Commissioner  
Mike Abbate, Director



*Sustaining a healthy park and recreation system to make Portland a great place to live, work and play.*



# PORTLAND PARKS & RECREATION

Healthy Parks, Healthy Portland

## Portland Parks and Recreation Parks SDC Qualified Public Improvement Review Committee

Meeting Minutes  
February 17, 2016  
1:00 – 3:00 PM

1120 SW 5<sup>th</sup> Avenue, Peninsula Park Conference Room, Portland, OR 97204

### ATTENDANCE

#### Committee Members Present:

Jim Owens (Parks Board)  
Bob Sallinger, Audubon Society of Portland (Coalition for a Livable Future)  
Debbie Aiona (League of Women Voters)  
Jill Sherman (Developer-at-Large)

#### Committee Members Excused:

Jon Kloor (Metropolitan Home Builders Association) voted by email in favor of staff recommendations

#### Committee Members Not Present:

Raihana Ansary (Portland Business Alliance)

#### Staff:

Harry Auerbach (City Attorney)  
Sarah Huggins (Parks SDC Administrator/Program Manager)  
Pooja Bhatt (Commissioner Fritz's Office)

#### Public / Applicants:

Lee Novak (Fore Property Co)  
Kakumyo Lowe-Charde (Dharma Rain Zen Center)

#### Meeting Handouts (attached to these minutes)

1. Portland Guild Loft Partners LLC Staff Report (Dated: February 8, 2016)
2. Portland Guild Loft Partners LLC SDC Credit Request
3. Northwest Zen Sargha Staff Report (Dated: February 8, 2016)
4. Northwest Zen Sargha SDC Credit Request
5. City Code 17.13.070 SDC Credit and SDC Reimbursements and City Code 17.13.020.HH Definitions – Qualified Public Improvement

Sarah opened the meeting with introductions and went over the meeting agenda.

#### 1. Discussion of the Portland Guild Loft Partners LLC Parks SDC Credit Request for capital improvement donation

Sarah described the Portland Guild Loft Partners proposed capital improvement of construction of a missing link in the Northwest Greenway Trail, which would connect their current development and required construction of a segment of greenway trail across their property to existing constructed greenway trail to the south. Sarah clarified that the segment they are requesting SDC Credits for is not a segment that they would otherwise be required to build by Code. The amount of the request is for \$139,367, and the amount of SDCs paid by the applicant for their development was \$824,724.

Lee Novak drew a diagram and described the specifics of the trail connection, including that they have worked with Parks staff to ensure that the trail connection will meet PP&R trail design standards.

Bob Sallinger inquired whether anyone would be required to build that missing segment – Harry responded that the property to the South was not required to build it at the time of their development, and could not be compelled to build it at this time. Sarah noted that Fore Construction is not required to build it as it is not on their property. Lee clarified that Fore Construction does not yet have an easement to build that segment, but they are working on obtaining it from the owner of the property to the south, and that the easement will also involve coordination with ODOT.

Sarah walked through the staff report, indicating the staff finding that the proposed capital improvement does meet the requirements set forth in City Code. Debbie Aiona asked when the check would be cut for the SDC credits. Sarah clarified for the Committee that for capital improvements, the SDC code says that credits will be granted based on an estimate of the project cost, but adjusted later to reflect actual construction costs. So, for example, if the project cannot be constructed, then the SDC credits would not be awarded. Sarah outlined her staff recommendation that the SDC credits be awarded, but not include the \$10,910 contingency on the initial award.

Bob Sallinger expressed concern that an actual construction cost could come in significantly higher than a construction estimate of SDC credits. Lee Novak acknowledged that the estimate was based on early schematic design drawings, and actual construction costs could vary. Lee offered to come back once they have construction documents finalized and a better idea of cost. Harry stated that the Committee could recommend a cap. Bob Sallinger stated that he believed the contingency should serve as the cap.

Bob Sallinger inquired whether having the developer build this trail was the most effective way to get it built. Sarah responded yes, that the PP&R cost estimator looked at the proposed costs and project, and that the indicated costs were similar to what it might cost if it were constructed by PP&R. However, there would be efficiencies in having the applicant obtain the easement for the City, and not having to construct the project, including all the necessary land use and permitting, as a stand-alone project.

The SDC Committee had no more questions for Lee Novak and he left the meeting.

## **2. Discussion of the Northwest Zen Sargha Parks SDC Credit Request for Real Property Interest donation**

Sarah described the Northwest Zen Sargha proposed Real Property Interest of an easement, over which Northwest Zen Sargha has constructed a public access trail that provides better connectivity from neighborhood to the east through their development site to a signalized intersection of 82<sup>nd</sup> avenue, across from Glenhaven Park. Sarah clarified that the application is for the value of the easement, not the cost of constructing the trail. The amount of the request is for \$157,000, and the amount of SDCs to be paid by the applicant for their development is estimated at \$174,592.

Kakumyo Lowe-Charde described the process of working with the community to identify the desire for the access trail, working with metro to obtain grant funding to construct the trail, and working with PP&R to transfer the easement as required to be eligible for the Metro trail construction grant.

Sarah walked through the staff report, indicating the staff finding that the proposed capital improvement could meet the requirements set forth in City Code, if the Committee found that the development increased the capacity of the park and recreation system, if it met the definition of either a habitat area or local access, and if it met either the criteria of being included in plans approved by a review body, or general director approval. The easement does not meet the definition of a trail, as it is not a trail in the Comprehensive Plan. Sarah outlined her staff recommendation that the \$157,000 in SDC credits be awarded, if the Committee found that the proposed Real Property Interest met the criteria of Qualified Public Improvement. Sarah stated that the requested SDC credit amount was reviewed by PP&R Property Management staff, who reviewed the appraisal and concluded that the appraised value and requested amount were reasonable.

Bob Sallinger asked Kakumyo to describe the habitat component of their project. The site is a 14 acre development, of which roughly 1/3 will be native habitat. From a user standpoint, Kakumyo feels that the habitat experience will be larger than just the 1 acre of easement area. There is no easement over the rest of the habitat area on the site to ensure that at some point in the future it wouldn't be developed into residential.

Jim Owens asked whether this would be considered a City of Portland trail. Sarah explained that PP&R currently has an easement for the trail – Northwest Zen Sargha is requesting SDC credits for that prior easement. There is nothing in code preventing them from requesting SDC Credits for a prior donation if it is related to their current development. The trail is not on the city's comprehensive plan, but Kakumyo stated that the trail will have signage indicating it is for public use, and that they have worked with the city to ensure that the trail will be reflected on trail maps in the future. Jim Owens stated that it might also be an opportunity to add the trail to the Transportation System Plan maps.

Debbie Aiona questioned whether this would meet the definition of trail under the second criteria. Sarah and Harry confirmed that it did not meet the definition of a trail as it is not on the City Comprehensive Plan. However, depending on the Committee interpretation, it could meet the definition of habitat or local access. Bob Sallinger questioned whether those had implications on the amount of SDC

Credits – Sarah confirmed that the category did not impact the amount of SDC credits, it is based on the appraised value of the easement.

Jill questioned why the SDC Credits are being requested after the easement was already given to the City. Kakumyo stated that the order of the request was because they were not aware of the SDC Credit process prior to granting the easement. Sarah confirmed that requesting SDC Credits for a prior donation is allowable per code.

Jill questioned whether this project met the criteria of 17.13.010.HH.4.C.2, because something included in a building permit could be value engineered out at a later stage and is not required as a condition of approval. Debbie suggested this could also meet 17.13.010.HH.4.d if needed, which is a general discretionary category. Harry confirmed his interpretation that 17.13.010.HH.4.d applies to 17.13.010.HH.4 a-c, but not the other sections under 17.13.010.HH.

The SDC Committee had no more questions for Kakumyo Lowe-Charde, and he left the meeting.

### **3. Committee Recommendation to the Parks Director on Portland Guild Loft Partners LLC SDC Credit Request**

The Committee agreed that the trail met the code definition for a Qualified Public Improvement of a capital improvement, but expressed concern about the City not paying SDC Credits before having an easement in hand, and about actual construction costs potentially being much higher.

Jim Owens submitted a motion to accept the staff report recommendation, awarding \$128,457 in SDC Credits for the Portland Guild Loft Partners LLC donation of capital improvements, with two conditions:

- 1) That the SDC Credits would not be issued until the City of Portland holds an easement for the trail area
- 2) The total amount of credits issued when construction is complete cannot exceed the original estimate (\$128,457) plus contingency (\$10,910) for a total not to exceed SDC credit amount of \$139,367. If the total construction cost and SDC credits sought exceed this amount, then the applicant will need to return to the SDC Credit Review Committee to request additional credits.

Bob Sallinger seconded the motion.

Bob Sallinger noted that it would be helpful if the City would consider habitat restoration and interpretation opportunities along the greenway in general – Sarah encouraged him to contact the West Zone planning liaison with the suggestion.

The Committee voted 4-0 to support the Staff's recommendation with the two caveats suggested by Jim Owens. (Note: Jon Kloor, who was excused from the meeting, submitted his review and recommendation via email to support the staff recommendation, which was included in the total tally of 5-0)

#### **4. Committee Recommendation to the Parks Director on Northwest Zen Sargha SDC Credit Request**

The Committee agreed that the proposed real property interest would enhance the capacity of the park system. The Committee agreed that the real property interest best met the definition of providing enhanced local access, rather than as habitat. The Committee suggested that the proposed real property interest could either meet 17.13.010.HH.4.c.2, or alternatively 17.13.010.HH.4.d. Based on those findings, Jim Owens submitted a motion to accept the staff report recommendation, awarding \$157,000 in SDC Credits for the Northwest Zen Sargha Real Property Donation of an easement. Bob Sallinger seconded the motion.

The Committee voted 4-0 to support the Staff's recommendation. (Note: Jon Kloor, who was excused from the meeting, submitted his review and recommendation via email which was included in the total tally of 5-0)

#### **5. Comments or suggestions from the Committee regarding the process.**

The Committee suggested clarifying code language for 17.13.010.HH.4.c.2.

Debbie Aiona stated that she appreciated the meeting format and having only Committee members present during the deliberations and vote. She also appreciated the objectivity of the staff reports.



# PORTLAND PARKS & RECREATION

Healthy Parks, Healthy Portland

Meeting Date: February 17, 2016

## RECORD OF VOTE: Parks SDC Qualified Public Improvement Review Committee

### Regarding Portland Guild Loft Partners LLC request for Park SDC Credits for donation of capital improvements.

BY EMAIL VOTED IN FAVOR

1. \_\_\_\_\_ Representing: Metropolitan Home Builders Association  
Jon Kloor

Approved  Denied  Abstained

2. Bob Sallinger Representing: Portland Audubon Society  
for Coalition for a Livable Future

Approved  Denied  Abstained

3. Debbie Aiona Representing: League of Women Voters

Approved  Denied  Abstained

4. Jill Sherman Representing: Developer at Large

Approved  Denied  Abstained

5. Jim Owens Representing: Portland Parks Board

Approved  Denied  Abstained

6. \_\_\_\_\_ Representing: Portland Business Alliance  
Raihana Ansary

Approved  Denied  Abstained

APPROVE STAFF RECOMMENDATION w/ 2 CONDITIONS  
1) CONTINGENT ON EASEMENT BEING GRANTED TO CITY PRIOR TO SDC CREDIT ISSUE  
2) IF FINAL CONSTRUCTION COST EXCEEDS ORIGINAL CREDIT + CONTINGENCY, CREDIT REQUEST RETURNS TO SDC REVIEW COMMITTEE.

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Amanda Fritz, Commissioner  
Mike Abbaté, Director





# PORTLAND PARKS & RECREATION

Healthy Parks, Healthy Portland

## Staff Report Park SDC Credit Request

**Date:** February 8, 2016

**To:** Park SDC Qualified Public Improvement Review Committee

**Prepared By:** Sarah Huggins, Park SDC Program Manager

**RE:** Portland Guild Loft Partners LLC request for Park SDC Credits for capital improvement donations pursuant to building permit 2014-245178000-00.CO

**Attachments:** Portland Guild Loft Partners LLC SDC Credit Request Materials (5 Attachments)

**Copy:** Harry Auerbach, City Attorney  
Trang Lam, Parks Property & Business Development Manager

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### Summary

Portland City Code 17.13.070 allows applicants to request SDC credits for Qualified Public Improvements. On 10/28/15 Portland Guild Loft Partners LLC submitted a Request for Parks SDC Credit for Qualified Public Improvement. Staff reviewed the request and deemed it incomplete on 1/27/2016. The applicant subsequently provided additional materials as requested on 1/28/16, and staff deemed the application complete on 1/28/16.

Portland Guild Loft Partners LLC has requested SDC credits in the amount of \$139,367. The assessment of their SDC fees which this SDC credit would be applied to is anticipated to be approximately \$824,724.

### Staff Findings

To be eligible, SDC credit requests must meet the definitions of Qualified Public Improvements as set forth in 17.13.010.HH, items 1-6.

#### Administration

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17.13.010.HH.1: Staff finds that the construction of a gap of the Willamette Greenway Trail will enhance the capacity of the Portland Park & Recreation System.

17.13.010.HH.2: Staff finds that the proposed trail segment to be constructed meets the definition of a trail, and is identified as a recreational trail on the City's Comprehensive Plan.

17.13.010.HH.3: The committee will develop a recommendation for the Director.

17.13.010.HH.4: The proposed Qualified Public Improvement must meet one of five categories, a-d. Staff finds that the proposed development meets the qualifications of 17.13.010.HH.4.B. The trail is designated on the Official Zoning Maps, is within the Willamette River Greenway overlay zone, is within the Central City plan boundary area, and exceeds development standards (the applicant is not required to build this section of trail as a condition of land use).

17.13.010.HH.5: Staff finds that the applicant has submitted a cost estimate from a contractor bid (Fore Construction Memo) that meets the requirements of 17.13.070.B.2. PP&R Cost Estimator has prepared a low-confidence internal estimate that results in a similar cost if the project were constructed in-house, indicating that the estimate is reasonable. Staff notes that the contractor estimate includes a contingency of \$10,910. Per 17.13.070.B.2, the City will give credits based on estimates, but will provide a subsequent adjustment based on actual costs; including a refund to the applicant or additional SDC to be paid by the applicant. Staff does not recommend that the initial credit be calculated to include the contingency.

17.13.010.HH.6: The applicant is not proposing a credit request based on long-term enhanced maintenance, so is not required to meet this criterion.

### **Staff Recommendation to Committee**

Staff recommends that the Committee approve the SDC credit if the Committee agrees with the findings above. Staff recommends that the Committee consider reducing the initial credit amount to exclude the \$10,910 contingency, for an initial credit of \$128,457.

### **Attachments**

Item 1: Portland Guild Loft Partners LLC Request for Parks SDC Credit for Qualified Public Improvement Form

Item 2: Map showing location of Proposed Trail Construction

Item 3: Memo from Fore Property Company describing how the Qualified Public Improvements meet SDC Code, and clarifying Construction Estimate

Item 4: Construction Estimate Detail from Fore Construction, LLC

Item 5: Construction Drawings from Cardno



City of Portland  
Parks System Development Charge

Request for Parks SDC Credit for  
Qualified Public Improvement

Applicant Name: Portland Guild Left Partners LLC  
Building Permit #: 2014-245178000-00-00

**CREDITS**

You may apply for credits against (reductions of) the amount of SDC's you owe. Credits may be given by Portland Parks & Recreation for the value of the donation of land, an improvement or another asset, which is considered a "qualified public improvement".

**"Qualified Public Improvements"**

**To be considered a qualified public improvement your public improvement must:**

1. increase the capacity of the City's Parks & Recreation System;
2. pertain only to the park categories (as defined in *Park Futures*): urban, neighborhood or community parks, trails, or habitat. If the proposed donation is a habitat, it must be adjacent to a Portland Parks property, or it must be a minimum of 3 contiguous acres with at least 66% of its area covered by the City's environmental overlay zone. If the proposed donation is a trail, it must be designated as a recreational trail on the City's Comprehensive Plan;
3. be approved by the Director of Parks; and
4. be in any of the following categories:
  - A. Is a capital improvement listed on the City's Parks and recreation SDC-CIP or two year funded list of City of Portland Parks and Recreation Capital Improvement Program, regardless of the improvement's proximity to the Applicant's New Development site, and is not a Real Property Interest already committed by contract or other obligation to public recreational use;
  - B. Is a public recreational trail improvement within the Willamette River Greenway overlay zone as designated on the Official Zoning Maps within the Central City plan boundary, and that exceeds all development standards currently contained in PCC Title 33 (Chapter 33.440, 33.272, and 33.248). Credits will be given for improvements which will result in enhancement for habitat or public recreational use on the landward side of the top of the bank. Credits will be valued at 100% of the value of Real Property Interests that ensures perpetual public access (subject to reasonable temporary closures) and/or improvements that occur on the land-ward side of the required 25' minimum Greenway setback width, if the increase of width is at least 5'. The credit transfer mechanism described in 17.13.070 E is applicable to Real Property Interests at 25% of its appraised value. The use of Greenway credit transfers are valid only for New Development within the Central City plan boundary, and is not available to Applicants that are using the Willamette River Greenway Bonus Option described in City Code 33.510.210 C. 9.

Reasonable improvements within the required 25' minimum Greenway setback shall also receive full Credit only for improvements that exceed the current basic required standards described in PCC Title 33 (Chapters 33.440, 33.272, and 33.248) or landscaping or mitigation plantings that are required as a Condition of Development Approval. The Credit transfer mechanism described in 17.13.070 E is not applicable to Greenway improvements. Greenway improvement SDC Credits may be used only on the New Development that included the Greenway improvement, including subsequent phases of multi-phase Development.

- C. Is a conveyance of Real Property Interests or capital improvements for public recreational use that is required as a condition of development approval. For purposes of this section, the phrase "required as a condition of development approval" means
1. requirements to construct improvements or convey Real Property Interests for public recreational use that are imposed as specifically listed conditions pursuant to a Code provision authorizing such conditions, or
  2. features of a development that are specifically stated as an element of a proposal that is approved by the review body.
  3. An improvement or conveyance of Real Property Interests for parks and recreational use which does not otherwise meet the requirements of this section, is not already committed by contract or other obligation to public recreational use, and in the opinion of the Director of Parks in his or her reasonable discretion the improvement or conveyance serves the City's public parks and recreation needs as well or better than the improvements or conveyance described above.

**EXPLANATION OF COMPLIANCE WITH CRITERIA FOR QUALIFIED PUBLIC IMPROVEMENTS**

Pursuant to PCC § 17.13.070(B), the applicant for SDC credits must explain how an improvement meets the requirements for a qualified public improvement. The definition of 'qualified public improvement' contains four parts, as described above. Attach a detailed description of how each part of this definition is met by the proposed improvement, including any documentation necessary to demonstrate compliance with the elements of the definition other than part 3, approval by the Director of Parks.

**PROPOSED PUBLIC IMPROVEMENT**

Please attach a detailed description including site maps and drawings of your proposed public improvement, the value and a copy of a professional certified appraisal. If your public improvement is the conveyance of Real Property please complete the following:

Tax Lot #: R298550

Property Owner: The Realty Associates Fund IX, LP

Property Address: 1650 NW Naito, bld 304

Size: 737 Improvements: Yes  No

Assessed Value of Land: \$ 0 Assessed Value of Improvements: \$ 132,000

Total Assessed Value of Property: \$ 132,000

(Attach copy of appraisal)

139,367  
W

139,367  
W

**SIGNATURE AND DATE**

I certify that the information presented above is current and accurate to the best of my knowledge

  
\_\_\_\_\_  
Signature

10/28/15  
\_\_\_\_\_  
Date

Lee Nowak  
\_\_\_\_\_  
Printed Name



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Feet

PORTLAND PARKS & RECREATION  
Healthy Parks. Healthy Portland