



COMPREHENSIVE PLAN UPDATE – PRELIMINARY SCENARIOS ASSESSMENT

Lake Oswego is planning for its future. By 2035, the population within the Lake Oswego urban services boundary is expected to be between 47,000 to 51,000 people. As more people are expected to move to the region, and Lake Oswego has a State mandate to plan for housing and job growth for the next 20 years, the community is assessing how best to plan for the future growth while maintaining and improving the community's quality of life today and for future generations.

More than 1,500 Lake Oswegans have participated in surveys, workshops and open houses to help draft a community vision for 2035 (see Appendix A). A Citizens Advisory Committee (CAC) has helped to guide the process. The draft vision paints a picture of what community members' value and how they want the city to function and look like in the years ahead.

In January, the community's draft vision was translated into a set of conceptual scenarios for the future of Lake Oswego. These ideas were refined to develop three conceptual scenarios for public consideration:

- Existing Comprehensive Plan
- Villages
- LOconomy

The conceptual scenarios are a starting point for discussion about ways the draft 2035 vision can be achieved. Each scenario presents a unique development pattern for future Lake Oswego homes and businesses. Maps for these scenarios are included in Appendix B. These scenarios share several assumptions.

1. Future residents and employees will be accommodated within Lake Oswego's current Urban Services Boundary (USB). Based on current policies, the City will not expand its USB into the Stafford area. All scenarios can provide the opportunity to accommodate population, dwellings and jobs that are expected by 2035 through redevelopment and other strategies. Some changes to the City's Development Code will be required in all scenarios.
2. To meet the requirements of the State's Metropolitan Housing Rule, Lake Oswego will need to provide the opportunity for additional homes in the range of 1,874 – 3,560 equivalent dwelling units¹ over the next 20 years. Providing the opportunity for this growth does not mean the growth must occur. Future development and redevelopment will occur according to market conditions.
3. In conducting an updated Economic Opportunities Analysis as required by the current periodic review of the city's long range Comprehensive Plan, approximately 1,377 to 4,665 jobs are anticipated over the next 20 years.

The following is a preliminary assessment of how well the three scenarios meet the draft 2035 vision. The assessment is relative in nature, evaluating the scenarios in relation to the each other, the action areas of the draft vision and using the City's sustainability filter. The CAC directed City staff to assess the scenarios using low and medium growth forecasts for housing and low and medium-high growth forecasts for employment (jobs). This preliminary assessment focuses on the medium forecast for housing and medium-high forecast for employment in order to evaluate how well the scenarios would function if the greater growth forecasts are needed to comply with state and regional land use planning requirements. Population and employment forecasts can be scaled up or down for further assessment and public discussion.

¹ Insert definition of equivalent dwelling unit.

The following is a summary table of the assessment. Preliminary ratings of “very well” “well” and “moderately well” are intended to indicate the relative strength of the scenarios’ ability to implement future vision concepts. Concepts that did not perform well were not carried forward. The remainder of the document contains narrative descriptions of each scenario including information on assessment methodologies and results. More detailed information on the assessment can be found in the appendix.

	Existing Comprehensive Plan Reflects 1994 Comprehensive Plan and other adopted planning documents. Retains current mix of urban and suburban development and densities guided by existing zoning.	Villages Village-scale neighborhood centers and nodes offering various types of neighborhood services. Smaller mixed-use centers are located in existing commercial areas and complement two larger village centers.	LOconomy Provides for a prosperous community, home to a diverse mix of local employment opportunities and locally-sourced goods and services. New housing in mixed-use areas is concentrated on the east and west ends of the City.
Overall Assessment Rating			
Sustainability Filter - Strategic Questions			
1) Is it moving the community towards the community vision?			
2) Is it consistent with the sustainability principles?			
a. What we take does not build up in and harm nature or people			
b. What we make does not build up in and harm nature or people			
c. We protect natural systems from degradation			
d. We support people to meet their own needs			
3) Is it a good financial investment?			
4) Moving towards sustainability?			
2035 Community Vision			
Complete Neighborhoods & Housing	◐	●	◐
Economic Vitality	◐	●	●
Connected Community	◐	◐	●
Healthy Ecosystems	○	◐	◐
Community Culture	◐	●	●
Community Health & Public Safety	●	●	●
Inspiring Spaces & Places	◐	●	◐

● Very well ◐ Well ○ Moderately well



LAKE OSWEGO SUSTAINABILITY FILTER

1. Does the scenario move Lake Oswego toward the Community Vision?

2. Is the scenario consistent with the Sustainability Principles?

- 1) What we take can be restored.
- 2) What we make does not build up in and harm nature or people.
- 3) We protect natural systems from degradation.
- 4) We support people to meet their own needs.

3. Is the scenario a good financial investment?

Purpose

The following is a summary assessment of local fiscal impacts expected after build-out of the growth scenarios. The purpose of this fiscal impact analysis is to understand the relative costs and revenues that the city of Lake Oswego will realize over time with respect to impacts on its General Fund, along with potential impacts the city could realize on its enterprise funds for sewer, water, stormwater, and parks. While there will be other potential benefits (and costs) that may be realized from the broader county, region, state and federal government perspective, this analysis is intended to focus on the local (city) perspective. A more detailed description of the fiscal assessment methodology and results can be found in Appendix C.

Methodology

The method used to estimate the net fiscal impacts on the Lake Oswego involved the following steps:

1. Document current fiscal year budgets (expenses) attributed to Lake Oswego payroll, materials and services.
2. Estimate the existing (2010) and projected change (2035) in population, dwellings, average people per dwelling, and employment for the Lake Oswego Urban Service Boundary (USB).
3. Utilize the results from step 2 along with other supporting local data to determine an estimate of equivalent resident units (ERUs) for dwellings and employment. For simplicity purposes, the ERU conversion factors for residents and employees are calculated using the method adopted as part of the Lake Oswego Parks SDC Methodology Report (September 2008). Determine the net new ERUs expected under the growth scenarios being considered in the Comprehensive Plan update.
4. Calculate the annual cost of serving new ERU growth in terms of annual payroll, materials and service costs per ERU.
5. Estimate the annual revenue potential the city realizes from residential and employment development, as measured by property tax collections, state shared tax revenue collections, franchise fee revenue collections, and enterprise fund revenues for utility charges—based on current rate structures and estimated current levels of dwelling units, employment, and assessed valuation.
6. Calculate the net revenues and expenses that are anticipated upon build-out of the Comprehensive Plan growth scenarios, based on the results of steps 1-5.

Results

After comparing the expected annual increase in fiscal costs with the expected increase in fiscal revenues, the city of Lake Oswego is likely to experience a net decrease in General Fund revenues but a net overall increase in total fiscal revenues, which include utility fee collections. The level of added fiscal revenues associated with the three growth scenarios is summarized in Table 14, and ranges from approximately \$2.0 million per year in the low-growth scenario to \$3.9 million per year in the medium-growth scenario, and \$4.3 million per year in the medium-growth scenario for housing and medium-high growth scenario for employment (at build-out).

4. Does the scenario provide a stepping stone toward the vision and sustainability?



COMPLETE NEIGHBORHOODS & HOUSING

Purpose

Evaluate how well the three scenarios perform against the draft 2035 vision for Complete Neighborhoods and Housing.

We manage growth by providing the opportunity for a variety of attractive and compatible housing that serves a range of ages, incomes and household. Our distinct and walkable neighborhoods contribute to the city's small town feel. Mixed-use districts enhance adjacent residential areas by providing access to quality jobs, housing, transit, entertainment, services and shopping. Higher density housing is located along transportation corridors and town centers to preserve the character of our existing neighborhoods.

Methodology

The medium growth forecast from the Housing Needs Analysis was used as directed by the Citizen Advisory Committee. Needed dwelling units were conceptually allocated to areas according to the geographic representations in the Existing Comprehensive Plan, Villages and LOconomy scenario maps. These conceptual allocations are being tested against the buildable lands inventory to ensure the vacant, part-vacant and redevelopable land can satisfy expected population growth in these scenarios. A summary table from the Housing Needs Analysis can be found in Appendix D.

Results

The Existing Comprehensive Plan lays a solid foundation for discussion about the best future for Lake Oswego. The current focus on downtown has resulted in successful commercial development and a well-designed downtown. Notably, that area has been supported by its urban renewal district and the public funds that are used to help catalyze private investment. To keep the downtown as a solid focal point for the community and spread continued public investment more equitably across the city in smaller nodes and centers, the Villages scenario seems best suited to meet the draft 2035 vision for Complete Neighborhoods & Housing.

Existing Comprehensive Plan: ☹ Well

- Has provided a solid foundation for growth and development in Lake Oswego. The City's development code allows for inefficient development in certain areas in terms of capacity and has the potential for growth to be greatly dispersed throughout the city in an inefficient manner which may impact existing neighborhoods.

Villages: ● Very well

- In terms of "providing the opportunity for a variety of attractive and compatible housing that serves a range of ages, incomes and households." the Villages scenario encourages amenities in various nodes across the city, providing greater access to these amenities for future residents. Nodes may be simple open gathering places for future community events (e.g., farmers' markets), or more formal locations for small-scale grocery stores or other outlets that would serve neighborhoods and provide some limited services available to residents in walking distance of their homes. Others may include opportunities for office environments. This scenario appears to offer the greatest opportunities for a range of future residents – those that want to age in place as well as younger people and families.
- Focusing on smaller nodes in capital improvement planning leads to "distinct and walkable neighborhoods" that contribute to Lake Oswego's small town feel. A more decentralized residential development pattern

found in the Villages scenario performs better in this regard than in the Existing Comprehensive Plan or LOconomy scenarios.

- Lake Oswego retains the opportunity to locate desired housing in village and town centers and can more easily preserve the character of existing neighborhoods.

LOconomy: Well

- The LOconomy scenario focuses development and future investment in a two locations at the east and west ends of Lake Oswego. It may not provide the same range housing types for young and aging families in a as wide a range of settings (close to schools, transit, shopping and other services) as the Villages scenario.
- Lake Oswego retains the opportunity to locate desired housing in village and town centers and can more easily preserve the character of existing neighborhoods.



ECONOMIC VITALITY

Purpose

Evaluate how well the three scenarios perform against the draft 2035 vision for Economic Vitality.

We are a community where people can live, work, play and meet their daily needs for goods and services. We build upon the intellectual capital of the community to attract new ventures, retain local businesses and connect to the global economy. We are business-friendly and a regional model for employment and mixed-use centers that attract quality jobs.

Methodology

The medium-high growth forecast from the draft Economic Opportunities Analysis was used as directed by the Citizen Advisory Committee. Projected new jobs were conceptually allocated to areas according to the geographic representations in the Existing Comprehensive Plan, Villages and LOconomy scenario maps. These conceptual allocations are being tested against the buildable lands inventory to ensure the vacant, part-vacant and redevelopable land can satisfy expected employment growth in these scenarios. A summary table from the Economic Opportunities Analysis can be found in Appendix E.

Results

The Villages and LOconomy scenarios appear to best meet the draft 2035 vision for Economic Vitality. The key difference is in the scale and location of employment. The Villages scenario produces a greater range of employment locations and types in various nodes where the LOconomy scenario focuses new jobs in more traditional employment areas at the east and west ends of the city.

Existing Comprehensive Plan: ☹ Well

- The Existing Comprehensive Plan meets the vision for Economic Vitality, but may not provide as much diversity in employment type and location as envisioned and desired.

Villages: ● Very well

- Community amenities along with limited public investment in infrastructure and other incentives can attract diverse employment opportunities ranging from startup home-based and small-scale business to the clean advanced design/manufacturing and creative/professional services expressed in the Community Development Objectives in the draft Economic Opportunities Analysis.
- The Villages scenario best meets the vision for dispersed ‘mixed use centers’ that attract quality jobs as expressed in the vision.

LOconomy: ● Very well

- Focuses attention on development within Lake Oswego’s transitional employment areas of Kruse Way, Lake Grove, the SW Industrial District and Downtown. This scenario seems better suited to help reach the aspiration of “build[ing] upon the intellectual capital of the community to attract new ventures, retain local businesses and connect to the global economy” as expressed in the vision.



A CONNECTED COMMUNITY

Purpose

Evaluate how well the three scenarios perform against the draft 2035 vision for Economic Vitality.

***We have safe, efficient and convenient transportation choices.** There are frequent and reliable public transportation options that make it easy to move around our city and the region. Pathways, sidewalks, roadways and bike routes encourage residents of all neighborhoods to walk and bike safely.*

Methodology and Assumptions

The transportation assessment highlights which existing transportation corridors will be most impacted, and examines the relative differences in “trip capture” (walk, bike, transit, linked trip) between the three scenarios. The assumptions for each scenario follow:

Existing Comprehensive Plan:

- Employment growth occurs as “in-fill,” primarily to existing employment areas. It generally occurs in similar geographic areas to those in LOconomy, but is less organized and synergistic. It tends to support the local community, but not as directly as Villages. Wage ranges and proportions of jobs in entry, middle, and high income are similar to existing conditions.
- New housing is attracted to the amenities of established centers (employment or village) and to the Foothills area. In-fill and redevelopment occur where market forces realize opportunities, including in some “developing” village centers. Housing that occurs elsewhere in the community is not significant enough to have an appreciable effect on the transportation system, favorable or unfavorable.

Villages:

- Employment growth is focused on meeting daily needs of local neighborhoods, which results in a dispersed employment pattern across Lake Oswego. The majority of new jobs are entry-level to middle income (retail and service) and are filled by employees that come from within and beyond the city. An equal or greater proportion of Lake Oswego residents must work outside the city compared to existing conditions. Only the portion of new jobs that occur along existing transit routes will be eligible to use transit, since insufficient employment densities will occur in new areas of the city that would justify expanded transit service.
- New housing is attracted to the amenities of village/neighborhood centers. Complete village/neighborhood centers occur where efforts have already begun (such as Lake Grove), while others grow toward being complete with complementary housing and employment to the surrounding areas. Housing that occurs elsewhere in the community is not significant enough to have an appreciable effect on the transportation system, favorable or unfavorable.

LOconomy:

- A greater proportion of jobs generated in Lake Oswego are medium and high-wage jobs. This results in a greater proportion of residents being employed within the community. Jobs located along Lower Boones Ferry Road and Kruse Way have relatively low transportation impact on the community, if filled by non-Lake Oswego residents, due to their locations at the edges of the community and ease of access via I-5 and Highway 217. Supporting jobs, including retail and service, are likely to locate in close proximity (i.e. mixed use on same or surrounding sites and/or Lake Grove Village Center), minimizing travel distance for many job-

related trips. An employment district arises in the downtown core (and/or Foothills area) that is an equal mix of entry, middle, and high-income jobs. For the most part, these are “local” businesses, started and owned by Lake Oswegans. Most jobs are filled by Lake Oswego residents with the balance being filled by non-residents from immediately adjacent communities (i.e. West Linn, Sellwood, Tualatin, and Tigard). Employment that occurs elsewhere in the community is not significant enough to have an appreciable effect on the transportation system, favorable or unfavorable.

- The adjacencies of housing to employment centers provides further support for capturing trips and allowing them to be shorter distance and less auto-oriented than with more dispersed development forms. The location and attractiveness of the Lake Grove Village to the housing that develops along Lower Boones Ferry and Kruse Way supports the full development potential of this area, bringing increased transit service and fully connected pedestrian and bicycle facilities, as well. Housing that occurs elsewhere in the community is not significant enough to have an appreciable effect on the transportation system, favorable or unfavorable.

Results

Category	Existing Comp Plan	Villages	LOconomy
Opportunity for internal capture of home-based work trips	Moderate	Low	High
<i>Opportunity for internal capture of home-based work trips in neighborhood centers as non-auto trips or short auto trips</i>		<i>High</i>	
Per capita average home-based work trip length	Moderate	Moderate	High (shortest)
Per capita job-related vehicle miles traveled	Moderate	Moderate	High (fewest)
Potential for home-based work trips to be met by non-auto modes	Moderate	Moderate	High
Total vehicle miles traveled on Lake Oswego roadway system by on-resident employees	Moderate	Low (most)	High (fewest)
Level of mid-day travel congestion on major travel corridors	Moderate	Moderate	High (lowest)
<i>Potential for mid-day congestion in downtown</i>			<i>Low</i>
Per capita work-related transit ridership	Moderate	Low	High
Transit mode split for commute trips from Lake Oswego	Moderate	Moderate	High
<i>Frequency of transit service on Kruse Way and the Boones Ferry, Country Club-A Street, and State Street-Highway 43 corridors</i>			<i>High</i>
<i>Potential for improved transit service between higher density residential areas in Lake Oswego, major transit corridors, and major employment areas</i>			<i>High</i>
Internal capture of home based trips for most neighborhoods	Low	Moderate	High
<i>Internal capture of home-based trips results in shortest average trip-length for those new households in the major residential/employment centers.</i>			<i>High</i>
<i>Level of walk and bike trips for those new households in the major residential/employment centers.</i>			<i>High</i>

Existing Comprehensive Plan: Well

- Potential improvement to frequency of transit service on any of the following corridors, Kruse Way and the Boones Ferry, Country Club-A Street, and State Street-Highway 43, depending on resulting employment densities.
- Transit service is likely to remain constant (compared to today) or improve slightly to downtown and along Kruse Way.

Villages: ☹ Well

- No change to frequency of transit service on Kruse Way and the Boones Ferry, Country Club-A Street, and State Street-Highway 43 corridors.
- Per capita work-related transit ridership is low due to employment being dispersed to neighborhood centers that are off major transit routes.
- Transit mode split for commute trips from Lake Oswego is moderate due to a lower proportion of new homes being located along established major transit routes.
- Transit service is likely to remain constant (compared to today) with some of the partially developed village/neighborhood centers having limited or no transit service.

LOconomy: ● Very well

- Provides the best opportunity for Lake Grove Village Center to achieve full development potential and serve entire Lake Grove/Westlake/Waluga area, minimizing trip lengths and total vehicle-miles traveled for non-work trips from these residential areas.
- Mid-day travel congestion is low because many trips being captured within the major employment districts or the nearby village centers.
- Potential for mid-day congestion in downtown is high due to highest employment density, although congestion may be combination of high pedestrian and high auto.
- Per capita work-related transit ridership is high due largely to the ability to serve concentrations of employment, link between employment centers, and easily connect to established transit centers.



HEALTHY ECOSYSTEMS

Purpose

Evaluate of how well the three scenarios perform against the draft 2035 vision for Healthy Ecosystems.

***We are good stewards of our environment.** Our urban forest, natural areas and watersheds are valued and cared for as essential environmental, economic, and cultural assets. We are recognized for effectively balancing today's community needs with the need to preserve clean air, water and land resources for future generations. The built environment is designed to protect, enhance and be integrated with natural systems.*

Methodology

The natural environment is one of this community's greatest assets and one that is strongly valued. This action area focuses on the balance between the community's need with conservation of the environment.

Results

The Existing Comprehensive Plan does a good job of preserving the environment and natural resources, however by focusing growth in appropriate centers and nodes as proposed in the Villages and LOconomy scenarios, it reduces the amount of impervious surfaces which better preserves air, water and land resources.

Existing Comprehensive Plan: ○ Moderately well

- Current policies provide the opportunity for innovation natural resources management and integrating public facilities with the natural systems. An example is the 2009 Clean Streams Plan which encourages the use of natural low impact strategies to manage storm water. The storm water code and design manual is currently being amended to implement some of the recommendations from the Clean Streams Plan.
- The Existing Comprehensive Plan continues the same land use and development patterns, which in part relies more heavily on infill development in low density areas. Continued infill in these areas increase impervious surfaces and provide the potential for more conflict with protected tree groves, streams and wetlands.

Village: ☹ Well

- This strategy encourages smaller mixed use centers along with the two larger village centers in strategic areas along major transportation corridors throughout the city. Focusing development in mixed use centers allows preservation of natural areas and more pervious surfaces to remain in its natural state.

LOconomy: ☹ Well

- This scenario is very similar to the Village concept, except that it focuses mixed use developments and more employment in the east and west ends of the city.



COMMUNITY CULTURE

Purpose

Evaluate of how well the three scenarios perform against the draft 2035 vision for Community Culture.

Our educational, cultural and recreational opportunities strengthen the social fabric of the community. Our top-rated schools offer excellent education and reinforce the value of the community as a desirable place to raise a family. Our outstanding library, parks, and community amenities provide a wide range of programs and special events. Public art and historic resources enrich our cultural identity.

Methodology

Community culture is the heart and soul of this community and is what draws and keeps people in this community. This action area identifies those special and unique attributes that the community values and contributes to its identity.

Results

The Village and LOconomy scenarios build upon the existing civic, cultural and recreation foundation of the Existing Comprehensive Plan and expand those opportunities in select mixed use areas.

Existing Comprehensive Plan: ◡ Well

- The existing goals and policies provided the direction for the facilities and programs that this community enjoys today such as the library, parks and recreation program and the farmers' market.
- While there are many public parks on the west side of town, many of the locations for major public activities and spaces are located on the east end of town. The major population center is located on the west side of town in the Mountain Park area.

Village: ● Very well

- The Village scenario support the "20-minute neighborhood" concept where residents can meet many of their daily needs for jobs, services and recreation within walking or biking distances of their home. This provides the opportunity for more community interaction, which strengthens the social fabric.
- These mixed use areas provide the opportunity for a range of housing opportunity for first-time buyers, empty-nesters and young professionals. With and increased population focused in these vibrant areas you typically see an increase in civic and cultural activities and spaces.
- Hubs provide the opportunity for community gathering places that could include small neighborhood coffee carts, periodic farmers markets, or other neighborhood scale events.

LOconomy: ● Very well

- This scenarios focus on both the east and west side of town provides a balance of opportunities for mixed use centers for civic, commercial and cultural activities. Their urban form and village feel attract local shoppers and provides setting for local cultural and civic events.
- Hubs provide the opportunity for community gathering places that could include small neighborhood coffee carts, periodic farmers markets, or other neighborhood scale events.



INSPIRING SPACES AND PLACES

Purpose

Evaluate of how well the three scenarios perform against the draft 2035 vision for Inspiring Spaces and Places.

***Our architecture and natural setting inspire people to live here.** Development respects the physical environment and meets the highest quality of community design to foster the distinctive character and beauty of this special place. We are a regional leader. By sharing the example of our successes and our active engagement with other metropolitan area governments, we help preserve the region's quality of life and Lake Oswego's unique place in it.*

Methodology

This considers the continuation of design standards to ensure that the community character and aesthetics is preserved.

Results

All scenarios perform very well in this action. Community design, aesthetics and showcasing successes such as Millennium Park and Lakeview Village are cornerstones of Lake Oswego. It is expected that this would continue with any scenario.

Existing Comprehensive Plan: ● Very well

- Village scale revitalization has been guided by the existing downtown plan and many of the projected listed in the Redevelopment Plan have been built.
- The Lake Grove Village Center Plan and its design standards set the stage for design sensitive development to occur on the east side of town.

Village: ● Very well

- The Village scenario support the "20-minute neighborhood" concept where residents can meet many of their daily needs for jobs, services and recreation within walking or biking distances of their home. This provides the opportunity for more community interaction, which strengthens the social fabric.
- These mixed use areas provide the opportunity for a range of housing opportunity for first-time buyers, empty-nesters and young professionals. With and increased population focused in these vibrant areas you typically see an increase in civic and cultural activities and spaces.

LOconomy: ● Very well

- This scenarios focus on both the east and west side of town provides a balance of opportunities for mixed use centers for civic, commercial and cultural activities. Their urban form and village feel attract local shoppers and provides setting for local cultural and civic events.



COMMUNITY HEALTH AND PUBLIC SAFETY

Purpose

Evaluate of how well the three scenarios perform against the draft 2035 vision for Community Health and Public Safety.

***Our community is a safe place to live and supports lifelong active and healthy living.** We are known for excellent public safety response systems that work together with an involved community to ensure peace and safety. There are opportunities for active lifestyles that promote the health and social interaction of our residents. Easily-available foods from local community gardens and farmers' markets support healthy nutrition.*

Methodology

This considers the continuation of design standards to ensure that the community character and aesthetics is preserved.

Results

The Village scenario performed slightly better in this action area because more emphasis is given to creating a citywide network of pedestrian and bike linkages that connect the different centers and hubs. In addition emphasis is also given to expanding the opportunity for access to fresh local produce. All scenarios perform equally well in public safety.

Existing Comprehensive Plan: ☹ Well

- Village scale revitalization has been guided by the existing downtown plan and many of the projected listed in the Redevelopment Plan have been built.
- The Lake Grove Village Center Plan and its design standards set the stage for design sensitive development to occur on the east side of town.

Village: ● Very well

- A citywide network of walkways and bikeways connects centers and hubs to adjacent neighborhoods.
- 20-minute neighborhoods emphasize increase pedestrian and bikeways within centers to jobs, services, and recreation.

LOconomy: ☹ Well

- Walkways and bikeways connect neighborhoods to their adjacent commercial and employment centers.
- Emphasis is given to developments on the east and west side, but bike and pedestrian interconnections between the east and west centers are not as emphasized.

APPENDIX A: VISION

APPENDIX B: CONCEPTUAL SCENARIO MAPS

APPENDIX C: FISCAL ASSESSMENT

INTRODUCTION

This memorandum includes draft findings from the supplemental planning analysis of the local fiscal impacts expected after build-out of the growth scenarios now being considered as part of the Lake Oswego Comprehensive Plan update.

The primary objective of this supplemental fiscal impact analysis is to understand the relative costs and revenues that the city of Lake Oswego will realize over time with respect to impacts on its General Fund, along with potential impacts the city could realize on its enterprise funds for sewer, water, stormwater, and parks.

While there will be other potential benefits (and costs) that may be realized from the broader county, region, state and federal government perspective, this analysis is intended to focus on the local (city) perspective.

METHODOLOGY

The steps taken to estimate the net fiscal impacts on the Lake Oswego are generally consistent with other fiscal impact work that FCS GROUP has conducted in other cities throughout the United States. The method used involved the following steps:

7. Document current fiscal year budgets (expenses) attributed to Lake Oswego payroll, materials and services (the variable expenses that are likely to change as additional development occurs and residents and employees demand local public services).
8. Estimate the existing (2010) and projected change (2035) in population, dwellings, average people per dwelling, and employment that is associated with the long range planning scenarios for the Lake Oswego Urban Service Boundary (USB).
9. Utilize the results from step 2 along with other supporting local data to determine an estimate of equivalent resident units (ERUs) for dwellings and employment. For simplicity purposes, the ERU conversion factors for residents and employees are calculated using the method adopted as part of the Lake Oswego Parks SDC Methodology Report (September 2008). Determine the net new ERUs expected under the growth scenarios being considered in the Comprehensive Plan update.
10. Calculate the annual cost of serving new ERU growth in terms of annual payroll, materials and service costs per ERU.
11. Estimate the annual revenue potential the city realizes from residential and employment development, as measured by property tax collections, state shared tax revenue collections, franchise fee revenue collections, and enterprise fund revenues for utility charges—based on current rate structures and estimated current levels of dwelling units, employment, and assessed valuation.
12. Calculate the net revenues and expenses that are anticipated upon build-out of the Comprehensive Plan growth scenarios, based on the results of steps 1-5.

These steps were conducted using available background data and current assumptions, derived from the adopted Lake Oswego Budget for FY 2009/2010, and draft Housing Needs Analysis (May 1, 2011) and draft Economic Opportunities Analysis (May 2, 2011). All costs and revenues mentioned in this analysis are provided in current year (2011) dollar amounts, unless otherwise stated.

ANNUAL GENERAL FUND COST ASSUMPTIONS

As new population and employment is added to the Lake Oswego USB, there will increasing levels of demand for public services, including staff time attributed to planning and development, public works, general administration, libraries, police, parks, and emergency services. These types of expenditure are accounted for in the city's annual budget for payroll, materials, and services, which are summarized in **Table 1**.

These budget items amounted to \$47.5 million in local expenditures during FY 2009/2010.

FISCAL REVENUE ASSUMPTIONS

Local governments must “balance their books” each year with respect to the costs of “running a city” and must meet strict federal accounting and state accounting regulations regarding long-term liabilities, such as debt service and capital facility replacement. Lake Oswego, like most local municipal governments in Oregon is funded primarily through property taxes and a variety of local development charges and fees, and state transfer payments. New development (and redevelopment and annexations) provide several types of direct and indirect fiscal benefits, to the City of Lake Oswego, including:

- **Property tax revenues**, as private assessed property values increase;
- **System development charge revenues**, as new development is required to pay for its direct impacts on local public facilities;
- **Franchise fee revenues**, when new development generates additional demand from utility service providers that are licensed to serve local customers;
- **Utility revenues**, when new development is within the city’s water, sewer, stormwater, or street districts;
- Pass-through of **state transfer payments** when new population is added based on formula share distributions for state taxes on selected items such as motor vehicle fuel taxes, cigarette taxes, and liquor taxes.
- **Other miscellaneous fees and fines** (such as business license fees, pet license fees, library fines, etc.) that vary by household or business type. These are relatively small in comparison to the other revenues and have not been estimated in this memorandum.

Lake Oswego’s major sources of revenue include property taxes, franchise fees, program and service fees, utility fees and state revenue sharing. Total budgeted revenue from all sources (excluding beginning fund balances) for FY 2010-11 is \$134,983,000.²

² Derived from *Lake Oswego Centennial 1910-2010 Proposed Budget, 2010-11*.

Table 1. Lake Oswego FY 2009/2010 Budget for Payroll, Materials and Services

Department Description	Payroll, Materials & Services
General:	
General	\$ 946,600
Library	\$ 3,075,000
Municipal Court	\$ 625,000
Adult Community Center	\$ 994,000
Planning & Building	\$ 3,016,000
Police	\$ 9,251,000
Fire	\$ 7,871,000
Parks & Recreation	\$ 4,754,000
Subtotal	\$ 30,532,600
Public Works:	
Water	\$ 3,489,000
Wastewater	\$ 4,607,000
Surface Water	\$ 522,000
Street	\$ 1,649,000
Systems Development Charges	\$ 30,000
Maintenance Services & Motor Pool	\$ 1,122,000
Engineering	\$ 2,707,000
LO-Tigard Water Supply Partnership	\$ 1,408,000
Subtotal	\$ 15,534,000
Other Parks & Recreation:	
Golf Course	\$ 774,000
Tennis Facility	\$ 281,000
Subtotal	\$ 1,055,000
Other:	
Streetcar	\$ 126,000
Tourism	\$ 175,000
Percent for Art	\$ 93,000
Assessment Project	-
Bicycle Path	-
Subtotal	\$ 394,000
Total	\$ 47,515,600

Source: City of Lake Oswego, Annual Budget FY 2009/2010.

Property taxes make up the City's largest discretionary revenue source and serves as the primary funding source for basic government services, such as police, fire, parks and recreation, library and planning. The City's local property tax rate is approximately \$0.065 (or slightly more depending upon location) and is set at a level that is below the city's maximum tax levy authority, and is well below many surrounding cities, including Portland, Beaverton, Milwaukie and Oregon City.

For analysis purposes, FCS GROUP developed a comparison of three residential development typologies, ranging from a relatively large single family home to a much smaller apartment or townhome dwelling.

Comparative findings, shown in **Table 2**, indicate that a single family detached (SFD) home with a market value of \$750,000 and an assessed value of \$525,000 would generate approximately \$8,704 in total property tax revenues, of which approximately \$2,520 would be allotted to the City of Lake Oswego's general government levy. In addition, the Lake Oswego School District would receive \$2,910 in annual operations revenues.

A smaller single family home with an assessed value of \$367,500 would generate approximately \$1,764 per year in property revenue for the City (general government levy) and another \$2,037 for the School District operations.

A townhome or apartment unit with an assessed value of \$245,000 would generate approximately \$1,176 per year in property revenue for the City (general government levy) and another \$1,358 for the School District operations.

Other City of Lake Oswego revenues would also be enhanced including, City of Lake Oswego Bond fund, and the Lake Oswego School District facilities bond fund.

If we extrapolate the average annual local property tax revenues to the City of Lake Oswego from Table 2 to land area required for various types of development density levels, we can estimate the relative benefit to the City of Lake Oswego for various housing types. As indicated in **Table 3**, there is a significant fiscal benefit from relatively higher density development patterns. However, achieving higher density development usually requires more significant public facility and service demand levels, and is often difficult to implement in relatively low-density suburban settings; hence the costs of serving higher density development and community acceptance must be carefully weighed against any relative fiscal advantage.

Table 2. Relative Comparison of Property Tax Revenues Attributed to Residential Housing Typologies, City of Lake Oswego (inside School District)

		Estimated Annual Prop. Tax Revenues**		
	Tax Rate*	Example A Above Avg. SFD Home	Example B Nice Home/ Condo	Example C Smaller Townhome or Apt.
Estimated Market Value Per DU		\$750,000	\$525,000	\$350,000
Estimated Assessed Value Per DU		\$525,000	\$367,500	\$245,000
Property Tax Rates and Revenues				
Portland Community College	0.2740	\$144	\$101	\$67
Clackamas ESD	0.3503	\$184	\$129	\$86
Lake Oswego School Dist.	4.3235	\$2,270	\$1,589	\$1,059
Lake Oswego School Dist. Local Option	1.2185	\$640	\$448	\$299
Total Education	6.1663	\$3,237	\$2,266	\$1,511
City of LK Oswego Inside School Dist.	4.8006	\$2,520	\$1,764	\$1,176
Clackamas County	2.3246	\$1,220	\$854	\$570
County Soil Conserv. Dist.	0.0000	\$0	\$0	\$0
Port of Portland	0.0669	\$35	\$25	\$16
Lake Oswego Road Dist. 3	0.0000	\$0	\$0	\$0
Metro SRV 2 - Oregon Zoo	0.0919	\$48	\$34	\$23
UR County SP	0.0996	\$52	\$37	\$24
Urban Renewal County	0.0142	\$7	\$5	\$3
Urban Renewal Lake Oswego	0.5399	\$283	\$198	\$132
Vector Control	0.0063	\$3	\$2	\$2
Vector Control - Local Option	0.0242	\$13	\$9	\$6
Total General Government	7.9682	\$4,183	\$2,928	\$1,952
City of Lake Oswego Bond	0.7274	\$382	\$267	\$178
Portland Comm. Coll. Bond	0.1997	\$105	\$73	\$49
Lake Oswego School Dist. Bond	1.2518	\$657	\$460	\$307
Metro SRV 2 Bond	0.1727	\$91	\$63	\$42
TriMet Trans. Bond	0.0925	\$49	\$34	\$23
Total, Excluded from Limitation	2.4441	\$1,283	\$898	\$599
Total Per Dwelling Unit (DU)	16.5846	\$8,704	\$6,093	\$4,062

Notes:

* Derived from Clackamas County Assessor data for Lake Oswego Tax Code: 007-002, year 2009

* Based on the following assumptions:

Residential Dwelling Assumptions	Market Value	RMV to AV Ratio	Est. Assessed Value
Large Home	\$ 750,000	70%	\$ 525,000
Average Home	\$ 525,000	70%	\$ 367,500
Small Home/Cottage/Townhome	\$ 350,000	70%	\$ 245,000

Table 3. Relative Annual Property Tax Revenues Per Acre for General Government Tax Levy Based on Average Density Levels and Housing Type, City of Lake Oswego, 2010

	Example A Above Avg. Home	Example B Avg. Home/ Condo	Example C Smaller Townhome or Apt.
Low Density	\$11,341	\$7,939	
Medium Density	\$20,163	\$14,114	
Townhome Density	\$30,244	\$21,171	\$14,114
Apartment Density (3 levels)	\$55,447	\$38,813	\$25,875
High Density (4-5 levels, parking underneath)	\$100,813	\$70,569	\$47,046
Higher Density (6-8 levels, parking underneath)	\$201,625	\$141,138	\$94,092

Source: analysis by FCS GROUP.

To measure the relative fiscal benefit associated with local franchise revenues and state shared tax revenues, historic trends between FY 2000 and FY 2009. As indicated in **Table 4**, the annual population growth in Lake Oswego has varied from 0.43 percent to 0.45 percent since FY 2001. Local property taxes have grown at an average annual rate of 5.1% since FY 2002 (in spite of no increases in tax rates and low residential growth). Most of this increase is attributed to increased assessments from remodels and new residential and commercial developments.

Local franchise fee revenues recorded a slight decline between FY 2008 and FY 2009 in the wake of the recent economic recession. State transfer payments based on motor vehicle fuel tax revenues have declined by nearly 3% since FY 2003, due in part to improved vehicle fuel economies, slower population growth rates and the recent economic recession. State transfer payments based on alcoholic beverage tax revenues picked up by nearly 40% since FY 2003 (6.6% annual increase).

Table 4. Local Property Tax Revenues, Franchise Tax and State Allocated Remittances and Population, City of Lake Oswego, FY 2000 to FY 2009

		State-allocated remittances			
Fiscal Year	Property Tax	Franchise Tax	Motor Fuel Tax	Alcoholic Beverage Tax	Total
2000					
2001					
2002					
2003	\$22,863,038	\$1,932,405	\$1,447,352	\$309,928	\$26,552,723
2004	\$24,467,913	\$1,845,056	\$1,616,831	\$336,032	\$28,265,832
2005	\$26,058,276	\$1,958,160	\$1,742,832	\$348,583	\$30,107,851
2006	\$26,981,047	\$2,164,721	\$1,743,384	\$375,831	\$31,264,983
2007	\$27,847,561	\$2,363,736	\$1,670,244	\$379,498	\$32,261,039
2008	\$29,106,537	\$2,557,856	\$1,574,305	\$430,649	\$33,669,347
2009	\$30,314,960	\$2,528,804	\$1,404,495	\$432,498	\$34,680,757

Fiscal Year	Population	Motor Fuel Tax Revenue/ Person	Alcoholic Beverage Tax/Person	Pop. Growth Rate
2000	35,278			
2001	35,436			0.45%
2002	35,594			0.45%
2003	35,751	\$40.48	\$8.67	0.44%
2004	35,909	\$45.03	\$9.36	0.44%
2005	36,067	\$48.32	\$9.66	0.44%
2006	36,225	\$48.13	\$10.38	0.44%
2007	36,382	\$45.91	\$10.43	0.44%
2008	36,540	\$43.08	\$11.79	0.43%
2009	36,698	\$38.27	\$11.79	0.43%

Source: City of Lake Oswego Consolidated Annual Financial Report, 2009; compiled by FCS GROUP.

State-shared tax remittances are allocated to localities based on a formula that takes into account local population levels and net revenue collections. If we assume that the average population per dwelling unit type varies as indicated in **Table 5**, and adjust the franchise fee revenues for non-residential development, we can estimate the relative amount of revenues attributed to various housing types. The analysis indicates that the expected level of combined annual average franchise fee revenue and state shared tax revenues ranges from approximately \$177/year (\$90 plus \$87) for the average multifamily dwelling to \$305/year (\$155 plus \$150) for the average single-family dwelling unit.

Table 5. Comparison of Estimated Annual Franchise Fee Revenues and State Shared Tax Remittances Attributed to Housing Types

	Above Avg. Single-Family Home	Avg. Single-Family Home	Multifamily Avg.	Townhome or Condo Dwelling	Small Lot SFD or Apartment Dwelling
Annual Local Property Tax Revenues					
<i>City of Lake Oswego Inside School Dist.</i> ¹	\$2,520	\$1,764	\$1,176	\$1,176	\$1,176
Annual State Shared Tax Revenue ²	\$186	\$155	\$90	\$105	\$75
Annual Local Franchise Tax Revenue ²	\$179	\$150	\$87	\$101	\$72

Notes:

¹ represents current tax rate for Lake Oswego general government.

² Derived from Table 3. Assumes 20% higher-than-average revenue with larger homes.

³ Derived from Table 5. Assumes 20% higher-than-average revenue with larger homes.

Source: FCS GROUP.

Utility revenues to the City of Lake Oswego for water, sewer, streets and surface water would also be enhanced if new development is annexed or developed within one of the city's utility districts. Lake Oswego's typical bi-monthly utility bill has been increasing steadily since FY 2002-03, and currently totals approximately \$180 per dwelling unit. Average annual utility revenues can be estimated for selected housing development types by assuming relative utility demand and usage levels that take into account housing occupancy and design characteristics. As indicated in **Table 6**, the relative annual average utility rate revenues is expected to range from \$793/year for multifamily dwellings and \$1,079/year for the average single family detached home.

Table 6. Average Annual Utility Rate Revenues by Housing Development Types ¹

	Estimated Local Revenues				
	Above Avg. Single-Family Home	Avg. Single-Family Home	Multifamily Avg.	Townhome or Condo Dwelling	Small Lot SFD or Apartment Dwelling
Annual Utility Revenues ³					
Water	\$382	\$318	\$239	\$279	\$199
Sanitary Sewer	\$726	\$605	\$457	\$533	\$381
Surface Water	\$129	\$108	\$63	\$73	\$52
Streets	\$58	\$48	\$34	\$34	\$34
<i>Subtotal Utility Revenues</i>	\$1,295	\$1,079	\$793	\$920	\$667

¹ Represents current tax rate for Lake Oswego general government.

² Assumes 20% higher-than-average revenue with larger homes.

³ Assumes 20% higher-than-average revenue with larger homes.

Source: FCS GROUP.

Non-residential development impacts were derived using the results from the Clackamas County Economic Landscape Study, May 2010 (by FCS GROUP et. al.). That analysis included a detailed assessment of the Kruse Way Corridor business impacts and associated local government general fund impacts. The economic and fiscal benefit estimates from the Kruse Way Corridor is summarized in **Table 7**. The results indicate that for each job, the city receives a value from associated real property assessments that equates to approximately \$509/year in annual general fund revenues. The city also receives an additional \$155/year in local bond levy assessments; however, these revenues will cease once the bond levies sunset.

While the results for the non-residential fiscal impact analysis are limited to the Kruse Way Corridor, they can be applied elsewhere in the Lake Oswego USB because there is a proportional relationship between job density and real property assessed valuation. In other words, an industrial area in comparison to an office area would have lower job density and lower assessed value per acre; hence the overall impact of general fund revenue added per job would be relatively similar. In light of limited data and budget, the non-residential fiscal impact analysis for the Lake Oswego UGB is based on the results shown in Table 7.

Table 7. Estimated Annual Local Property Tax Collection Per Job in Kruse Way Corridor

Est. Assessed Value Per Developed Acre on Employment Land	\$2,166,836
Est. Annual Property Tax Revenue Per Developed Acre on Emp. Land	\$22,666
General Government (City of Lake Oswego)	\$17,370
Local Bond Levies (City of Lake Oswego)	\$5,296
Jobs Per Acre in Analysis Area	34.1
Est. Annual Local Property Tax Revenue Per Job	
General Government (City of Lake Oswego)	\$509
Local Bond Levies (City of Lake Oswego)	\$155

Notes:

¹ derived from Clackamas Economic Landscape Study, by FCS GROUP et.al., 2010; data reflects findings for the Kruse Way area in 2006.

Source: compiled by FCS GROUP.

Other important sources of revenues from new housing development are derived from new system development charges (SDC) and fees. However, SDCs are one-time revenues that are paid upfront as development occurs, and are not analyzed as part of this fiscal impact analysis.

GROWTH ASSUMPTIONS

Existing (2010) and long-term (2035) projections for dwellings and employment within the Lake Oswego USB are the basis for determining local fiscal impacts. As indicated in **Table 8**. The Lake Oswego USB had an estimated 19,166 dwelling units and 43,094 people in 2010.

Table 8. Lake Oswego USB 2010 Dwellings and Population Estimates

	Dwelling Unit Est.	Pop. Estimate	Pop. Per Dwelling Estimate
Single family	12,617	32,173	2.55
Multifamily	6,549	10,921	1.67
Total	19,166	43,094	2.25

Source: estimates by City of Lake Oswego and FCS GROUP.

Because residents have greater impacts on local public services (such as roads, library, police and emergency services), it is necessary to compare residents and non-residents using a method to convert population and employment to equivalent resident units (ERUs). FCS GROUP utilized the city of Lake Oswego’s existing adopted method for calculating ERUs based on the city’s Parks SDC Methodology Update Report (September 2008). That report determined that the ERUs conversion for resident population is 100%, and each job has a fiscal impact that is only 18.3% of a typical resident. The ERUs factors and estimates for Lake Oswego are provided in **Table 9**.

Table 9. Lake Oswego Equivalent Resident Unit (ERU) Estimates

	Residents ¹	Jobs ²	ERU Factor ₃	ERUs ⁴
Single Family	32,173		100%	32,173
Multifamily	10,921		100%	10,921
Employment		20,538	18.3%	3,758
Total	43,094	20,538		46,852

Notes:

¹ derived from Table 8.

² job estimate based on 2010 estimate reported in Lake Oswego Economic Opportunities Analysis, May 2011.

³ ERU factor derived from Lake Oswego Parks SDC Methodology Update Report, Sept. 2008.

⁴ ERU calculations equal to residents or jobs x the ERU factor.

Source: compiled by FCS GROUP.

The amount of new growth in Lake Oswego over the 2010-2035 timeframe is expected to vary depending upon whether local plan policies and vision supports the low-growth, medium-growth, and medium-high growth scenario. As indicated in **Table 10**, the amount of net new ERUs that are expected under the three growth scenarios ranges from 4,768 ERUs to 9,250 ERUs.

NET FISCAL IMPACTS

The current fiscal expenses in Lake Oswego for FY 2009/2010 of \$47.5 million can be divided by the estimated ERUs in the Lake Oswego USB (46,852) to determine an annual cost per ERU of \$1,014. This cost is intended to represent the annual payroll, materials and service costs that one ERU will demand of the city each year related to public administration, planning, engineering, library, community facilities, parks, police, emergency services, etc. (see **Table 11**).

To determine the net annual fiscal cost of adding the amount of growth that is assumed under the three growth forecasts being considered by the Comprehensive Plan, the average cost per ERU is applied to the amount of net new ERUs added in each growth scenario. The level of added fiscal expense associated with servicing the three growth scenarios is summarized in **Table 12**, and ranges from \$4.8 million in the low-growth scenario to \$9.2 million in the medium-growth scenario, and \$9.5 million in the medium-growth scenario for housing and medium-high growth scenario for employment.

To determine the net annual fiscal revenues associated with adding the amount of growth that is assumed under the three growth forecasts being considered by the Comprehensive Plan, the average revenue per dwelling unit (single family and multifamily) and per job is applied to the amount of net new dwellings and jobs expected under each growth scenario. The level of added fiscal revenues associated with the three growth scenarios is summarized in **Table 13**, and ranges from \$4.6 million in the low-growth scenario to \$8.7 million in the medium-growth scenario, and \$9.3 million in the medium-growth scenario for housing and medium-high growth scenario for employment.

After comparing the expected annual increase in fiscal costs with the expected increase in fiscal revenues, the city of Lake Oswego is likely to experience a net decrease in General Fund revenues but a net overall increase in total fiscal revenues, which include utility fee collections. The level of added fiscal revenues associated with the three growth scenarios is summarized in **Table 14**, and ranges from approximately \$2.0 million per year in the low-growth scenario to \$3.9 million per year in the medium-growth scenario, and \$4.3 million per year in the medium-growth scenario for housing and medium-high growth scenario for employment (at build-out).

**Table 10. ERU Growth Projections for the Lake Oswego USB
Low Growth Forecast, Net New Development, 2010 to 2035**

	Dwellings ¹	Residents ¹	Jobs ²	ERU Factor ³	ERUs ⁴
Single Family	1,445	3,685		100%	3,685
Multifamily	429	715		100%	715
Employment			2,008	18.3%	367
Total	1,874	4,400	2,008		4,768

Medium Growth Forecast, Net New Development, 2010 to 2035

	Dwellings ¹	Residents ¹	Jobs ²	ERU Factor ³	ERUs ⁴
Single Family	2,745	7,000		100%	7,000
Multifamily	816	1,361		100%	1,361
Employment			3,815	18.3%	698
Total	3,561	8,360	3,815		9,059

Medium Housing Growth Forecast & Medium-High Jobs Growth Forecast, 2010 to 2035

	Dwellings ¹	Residents ¹	Jobs ²	ERU Factor ³	ERUs ⁴
Single Family	2,745	7,000		100%	7,000
Multifamily	816	1,361		100%	1,361
Employment			4,859	18.3%	889
Total	3,561	8,360	4,859		9,250

¹ Derived from Lake Oswego Housing Needs Assessment, with avg. pop.: dwelling ratio from Table 8.

² Job estimate based on 2010 estimate reported in Lake Oswego Economic Opportunities Analysis, May 2011.

³ ERU factor derived from Lake Oswego Parks SDC Methodology Update Report, Sept. 2008.

⁴ ERU calculations equal to residents or jobs x the ERU factor.

Source: compiled by FCS GROUP.

Table 11. Annual General Fund Costs Per Equivalent Resident Unit (ERU), 2010 Est.

Lake Oswego Annual Budget Expense in FY 2009/2010 ¹	\$47,515,600
Equivalent Resident Units (ERU) in 2010 ²	46,852
Annual Expense Per ERU (2010 estimate)	\$1,014

Notes:

¹ Derived from Table 1, reflects annual costs of city payroll, materials and services for all departments.

² Derived from Table 9.

Source: compiled by FCS GROUP.

**Table 12. Annual Local General Fund Expense Associated with Planned Development
Low Growth Forecast, Net New Development, 2010 to 2035**

	ERUs ¹	Annual Local Payroll, M&S Costs ²
Single Family	3,685	\$3,736,863
Multifamily	715	\$725,519
Employment	367	\$372,665
Total	4,768	\$4,835,047

Medium Growth Forecast, Net New Development, 2010 to 2035

	ERUs ¹	Annual Local Payroll, M&S Costs ²
Single Family	7,000	\$7,098,747
Multifamily	1,361	\$1,380,008
Employment	698	\$708,026
Total	9,059	\$9,186,781

Medium Housing Growth Forecast & Medium-High Jobs Growth Forecast, 2010 to 2035

	ERUs ¹	Annual Local Payroll, M&S Costs ²
Single Family	7,000	\$7,098,747
Multifamily	1,361	\$1,380,008
Employment	889	\$901,783
Total	9,250	\$9,380,537

Notes:

¹ Derived from Table 10.

² Annual local payroll, materials and service costs derived from Table 11.

³ ERU factor derived from Lake Oswego Parks SDC Methodology Update Report, Sept. 2008.

⁴ ERU calculations equal to residents or jobs x the ERU factor.

Source: compiled by FCS GROUP.

Table 13. Annual Local Government Revenues Associated with Planned Development

Low Growth Forecast, Net New Development, 2010 to 2035

	Dwellings ¹	Jobs ²	Annual Local Prop. Tax Revenues ³	Annual State Shared Tax Revenues ³	Annual Local Franchise Tax Revenues ⁴	Total Annual Gen. Fund Revenues
Single Family	1,445		\$2,549,299	\$224,230	\$216,073	\$2,989,602
Multifamily	429		\$504,567	\$38,654	\$37,248	\$580,469
Employment		2,008	\$1,022,843			\$1,022,843
Total	1,874	2,008	\$4,076,709	\$262,885	\$253,321	\$4,592,914

Medium Growth Forecast, Net New Development, 2010 to 2035

	Dwellings ¹	Jobs ²	Annual Local Prop. Tax Revenues ³	Annual State Shared Tax Revenues ³	Annual Local Franchise Tax Revenues ⁴	Total Annual Gen. Fund Revenues
Single Family	2,745		\$4,842,785	\$425,960	\$410,464	\$5,679,209
Multifamily	816		\$959,736	\$73,524	\$70,849	\$1,104,109
Employment		3,815	\$1,943,301			\$1,943,301
Total	3,561	3,815	\$7,745,822	\$499,484	\$481,313	\$8,726,619

Medium Housing Growth Forecast & Medium-High Jobs Growth Forecast, 2010 to 2035

	Dwellings ¹	Jobs ²	Annual Local Prop. Tax Revenues ³	Annual State Shared Tax Revenues ³	Annual Local Franchise Tax Revenues ⁴	Total Annual Gen. Fund Revenues
Single Family	2,745		\$4,842,785	\$425,960	\$410,464	\$5,679,209
Multifamily	816		\$959,736	\$73,524	\$70,849	\$1,104,109
Employment		4,859	\$2,475,098			\$2,475,098
Total	3,561	4,859	\$8,277,619	\$499,484	\$481,313	\$9,258,416

Notes:

¹ Derived from Lake Oswego Housing Needs Assessment; with avg. pop.: dwelling ratio from Table 8.

² Job estimate based on 2010 estimate reported in Lake Oswego Economic Opportunities Analysis, May 2011.

³ Derived from average revenue forecast shown in Tables 5, 6 and 7.

⁴ Derived from Table 5 for residential development, and assumes equivalent non-residential development generates 20% of the revenues generated by residential development.

Source: compiled by FCS GROUP.

**Table 14. Net Total Fiscal Impacts Associated with Planned Development
Low Growth Forecast, Net New Development, 2010 to 2035**

	Annual Local Payroll, M&S Costs ¹	Total General Fund Revenues ²	Annual Net New Gen. Fund Revenues	Annual Utility Fee Revenues ³	Total Annual Revenues
Single Family	(\$3,736,863)	\$2,989,602	(\$747,261)	\$1,559,039	\$811,778
Multifamily	(\$725,519)	\$580,469	(\$145,050)	\$340,223	\$195,173
Employment	(\$372,665)	\$1,022,843	\$650,178	\$318,493	\$968,671
Total	(\$4,835,047)	\$4,592,914	(\$242,132)	\$2,217,756	\$1,975,623

Medium Growth Forecast, Net New Development, 2010 to 2035

	Annual Local Payroll, M&S Costs ¹	Total General Fund Revenues ²	Annual Net New Gen. Fund Revenues	Annual Utility Fee Revenues ³	Total Annual Revenues
Single Family	(\$7,098,747)	\$5,679,209	(\$1,419,537)	\$2,961,635	\$1,542,098
Multifamily	(\$1,380,008)	\$1,104,109	(\$275,899)	\$647,137	\$371,239
Employment	(\$708,026)	\$1,943,301	\$1,235,274	\$605,105	\$1,840,379
Total	(\$9,186,781)	\$8,726,619	(\$460,162)	\$4,213,878	\$3,753,716

Medium Housing Growth Forecast & Medium-High Jobs Growth Forecast, 2010 to 2035

	Annual Local Payroll, M&S Costs ¹	Total General Fund Revenues ²	Annual Net New Gen. Fund Revenues	Annual Utility Fee Revenues ³	Total Annual Revenues
Single Family	(\$7,098,747)	\$5,679,209	(\$1,419,537)	\$2,961,635	\$1,542,098
Multifamily	(\$1,380,008)	\$1,104,109	(\$275,899)	\$647,137	\$371,239
Employment	(\$901,783)	\$2,475,098	\$1,573,315	\$770,696	\$2,344,011
Total	(\$9,380,537)	\$9,258,416	(\$122,121)	\$4,379,469	\$4,257,348

Notes:

¹ derived from Table 12.

² derived from Table 13.

³ derived from Table 6; assumes revenues per job are equal to 20% of residential utility payments.

Source: analysis by FCS GROUP.

While this analysis focuses only on the potential annual fiscal impacts that the city of Lake Oswego could potentially receive from various housing and employment development types, it would also be beneficial to understand the local infrastructure costs and potential local SDC revenues of serving various types of development. In the *Portland Metro Regional Infrastructure Study* (by FCS GROUP et al.), it was determined that the cost of serving new developments varies widely depending on development location, scale and mix. It is recommended that the city conduct additional analysis of specific locations to more fully understand how public infrastructure capital costs compare with anticipated development revenues to optimize public return on investment.

APPENDIX D: HOUSING NEEDS ANALYSIS SUMMARY TABLE**Residential Dwelling Capacity and Projected Housing Demand, Lake Oswego USB, 2010 to 2035**

Land Use Classifications	Potential Net Buildable Land Area in USB (acres)					Average Density Assumption (Dwellings Per Acre)		Potential New Dwelling Capacity Under Current Zoning	Potential New Dwellings Needed to Meet Population Forecast and Attainability Levels		Potential Dwelling Unit Surplus/Defecit		Potential Land Need (acres)		Potential Land Surplus/Defecit (Acres)	
	Vacant	Part Vacant	Redev: R Zones	Redev: Mixed-Use Zones	Total Acres	Likely Density (DU/acre)	Potential Density (DU/acre)	Potential Total Dwelling Units	Low Forecast (dwellings)	Medium Forecast (dwellings)	Low Forecast (dwellings)	Medium Forecast (dwellings)	Low Forecast (acres)	Medium Forecast (acres)	Low Forecast (acres)	Medium Forecast (acres)
Low Density (R-7.5, R-10, R-15)	69.2	502.7	-----	-----	571.9	2.9	4.8	1,646	415	795	1,231	851	86.1	165.0	485.8	406.9
Medium Density (R-3, R-5)	5.5	30.6	104.3	-----	140.4	7.2	10.2	1,017	719	1,366	298	(349)	70.5	134.1	69.9	6.3
High Density (RO, R-2, R-2.5, GC, NC/RO, OC/R3, EC, HC, CR&D, EC/RO, OC)	2.6	5.6	22.8	106.6	137.6	21.2	33.7	2,911	740	1,400	2,171	1,511	22.0	41.6	115.6	96.0
Total	77.3	538.9	127.1	106.6	849.9			5,574	1,874	3,560	3,700	2,014	178.7	340.6	671.2	509.3

Notes:

¹ derived from Table 18.² derived from Table 12.

Source: compiled by FCS Group.

Further detail on future demographic and housing trends can be found in the draft Housing Needs Analysis.

APPENDIX E: ECONOMIC OPPORTUNITIES ANALYSIS SUMMARY TABLE**Employment Land Need and Supply, Lake Oswego USB, 2010 to 2035 (gross buildable acres)**

Commercial and Mixed Use	Low	Medium	Med-High	High
Land Supply	133.5	133.5	133.5	133.5
<i>Vacant</i>	12.3	12.3	12.3	12.3
<i>Redevelopment</i>	121.2	121.2	121.2	121.2
Land Demand	10.0	20.0	40.0	95.0
Land Surplus or (Deficit)	123.5	113.5	93.5	38.5
Institutional	Low	Medium	Med-High	High
Land Supply	6.9	6.9	6.9	6.9
Land Demand	1.0	1.0	9.0	21.0
Land Surplus or (Deficit)	5.9	5.9	(2.1)	(14.1)
Industrial	Low	Medium	Med-High	High
Land Supply	1.0	1.0	1.0	1.0
Land Demand	1.0	2.0	0.0	24.0
Land Surplus or (Deficit)	0.0	(1.0)	1.0	(23.0)

Source: Compiled by FCS GROUP and Cogan Owens Cogan.

Further detail on future demographic and employment trends can be found in the draft Economic Opportunities Analysis.