

**Numanoglu, Jessica**

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**From:** jeff novak [cohollc@hotmail.com]  
**Sent:** Friday, May 03, 2013 11:40 AM  
**To:** Numanoglu, Jessica  
**Cc:** 'Waluga Neighborhood'  
**Subject:** LU12-0052. Follow up to comments by Traffic Engineer.  
**Attachments:** KW\_Vacancies042213bw.pdf

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MAY 03 2013

CITY OF LAKE OSWEGO  
Community Development Dept.

<<...>>

Hi Jessica,

We have additional comments in relation to the responses provided by Chris Brehmer of Kittelson & Associates regarding my e-mails of April 17<sup>th</sup> and April 23<sup>rd</sup> and attached to the Staff Report as Exhibit F-17. Can you please assure they get forwarded to the appropriate parties and added to the record?

Thanks,

Jeff Novak, Chairman

Waluga Neighborhood Association

(We also appreciate the speed to which Mr. Brehmer responded to our questions.)

One overriding point we want to make is that it is the general point for Traffic Engineers to state that "their development" only adds a handful of trips to a neighborhood and that they are working for the Developer to support the Development. However, in relating to the negative impact on the Neighborhood due to traffic, the issue to the neighborhoods also includes the aggregation of all of the trips, how they fit prior planning decisions about land use in the area and especially how they impact areas where a small change can represent a significant negative impact. The easy example...if the neighborhood were a beaker of water being heated, we would not be concerned about raising the temperature 1° (all temperatures in Fahrenheit) when the water is at 50°, 100° or even 150°. However if we are at 210° or 211° we have a significant issue caused by the same, tiny, 1° increase in temperature (and over 212° we cease to exist). Quarry Road is well over 200° by our analogy, we have been tracking, mitigating and planning since the Neighborhood Association formed in 1976 to deal with the Traffic issues. This specific development poses a major "change" to the underlying assumptions over the last 30 years that did not include any type of retail strip mall or other uses of such intensity.

Regarding Mr. Brehmer's responses to:

**Comment #1**, while your estimate that "12 net new site-generated trips will impact Quarry..." is a small number, that is our point. Based on our observations, traffic counts and experience managing Quarry Road, specifically the past 20 years, your assumptions underestimate the number of vehicles; however if your

numbers are really as conservative as you point out, even though the fact that the 20% threshold is a small number, it implies your numbers may not be conservative AND that your assumptions have large, unstated variability. We welcome your recommendations for what might be a more viable threshold as well as to understand the variances related to your averages. We will be bringing recommendations for opportunities to divert and calm traffic to Quarry and Galewood to the DRC hearing.

**Comment #3.** The use of the “Fruit Stand” is highly variable and is also related to the time of year. For example, in the months of January through most of March, the Fruit Stand is not open at all. That is, 0 trips versus your Daily assumption of 410 trips and Peak Hour of 41 trips—a significant difference. Further, in order to provide statistically relevant assumptions in the manner ITE assumptions are developed would require significantly more observations over a longer period of time. The number of trips you assume for the Fruit Stand does have a substantial impact on your analysis and conclusions and should be removed from the baseline. We will provide additional actual traffic counts at the DRC hearing that show the assumptions are overstated.

**Comment #5.** The traffic counts graphed were from traffic counts provided by the City of Lake Oswego Traffic Engineering which we have saved over the past 20 years.

The suggestion that “...the proposed Kruse Village should help capture many of the existing employee vehicle trips within the area, reducing the need for them to travel to and from the employment area by vehicle” is not substantiated in the data nor does the comment address the counter issue that “The intent of this project is to develop commercial uses...that will serve the CR&D zone and surrounding neighborhoods.” (Exhibit F-1 Page 9.) The development actually encourages traffic from the surrounding areas.

Thank you for confirming our request that the need for additional data is required to determine whether the PM peak is really somewhere between 4PM and 6PM, or around noon. Our point was that recent traffic counts on Meadows conducted by the City of Lake Oswego show that lunch hour volumes are almost equal to PM peak volumes. As you point out, high turnover sit-down restaurants draw more traffic during the lunch hour than the PM peak; the development is proposing a large high turnover sit-down restaurant and as such would call in to reason that the lunch hour in 2014 would possibly be more representative of the PM peak that is required for analyzing the traffic impact after taking into consideration the land uses being proposed. We suspect that data may have been collected in your study and only needs to be analyzed and included in your TIA; otherwise it merits capturing the data.

**Comment #6.** Your point on adding one car every 5 minutes is a concern. Right now, one car enters Quarry at the rate of one every 11 seconds based on your data in Figure 5 for background conditions and that is unacceptable to the Neighborhood, so adding even a single extra car exacerbates the current condition. Where do all of those other vehicles come from? It would seem reasonable to have more detailed information about the assumptions.

From a sensitivity / variability perspective, you do not provide any facts to support your assertions.

- You state that it is conceivable that counts could be reduced by allowances for walkers but provide no data. Clearly walkers may decrease internal capture trips, but extending that assumption to external trips is not supported. Given this is a suburban use and there is only one bus line passing the development, your facts support the ITE data and counter your assertion that the numbers are conservative.

- Your argument that no reduction for internal capture / shared trips was taken is unsupported for this development. You would need to present scenarios that show this is likely.
- If there will be no banks with drive through windows and there is a better alternative (banks without drive through windows), then the most accurate definition should have been used. This clearly implies there are known inaccuracies in the TIA. Further, for example, we notice there is no allowance for “Coffee Shops”...no Starbucks, no Peetes, no JavaMan, no Dutch Brothers, etc. Yet one would expect that this is a likely “need” of the employment area and is typical for any such development. Based on your conservative logic, why are there no allowances for Coffee Shops (ITE Code 936)?
- Regarding your comment on diverted trips. I assume you are aware that the impact of diverted trips is to add traffic to streets directly adjacent to the development site (i.e. Quarry Road for example) and not nearby major roadways. This would also explain why the assumptions for Quarry are not accurate. Your point on diverted trips directly supports that additional trips would go to Quarry rather than Kruse Way, in that a diverted trip is defined as a passby trip that diverts to a local street rather than a major roadway.

**Comment #7.** The assumptions for 1% growth of traffic per year due to vacant office space recovering are just plain incorrect and greatly underestimate the future conditions. While the “pre-recession” impact on current traffic counts may not be a requirement, it is relevant to the future assumptions for which you have made an assumption inconsistent with the facts. (Please reference the attached article that outlines the vacancy rates in the Kruse Way area.) Note that the vacancy rates do not include unused / underutilized space in leased properties.

- Vacancies increased 6% in 2012 going from around 24% at the beginning of the year to 18% at the end of the year. Fact: this is 6x your assumption.
- Vacancies grew (causing a decrease in traffic) from 10%-to-25% in a 3-year period from the beginning of 2008 through the end of 2010, or over 8% per year. Fact: this is 8x your assumption.

**Comment #4 (Updated #4).** Again, your logic supports our request and contradicts your position. You state that “Pass-by trip[s]...were assigned to the site driveways in proportion to the adjacent street traffic.” Yet you assign 79.6% of the trips to the Carman driveway (5) when the proportion of traffic is 51.2%. That is, you do not assign the driveways proportionally as you state, therefore significantly underestimating the intensity of traffic at the Meadows driveway (8).

Furthermore, it is not clear why the ratio of cars entering and exiting the new driveways are so different...and why in total, 104 cars enter property and only 90 exit.

Given the inconsistencies and contradictions that resulted from our questions, we are even more concerned about the validity of the TIA and would ask the City to require the additional assumptions and sensitivity analyses to be performed to show the true impact of this development. At this point there are still many concerns about the accuracy of the assumptions behind the model and subsequent conclusions.

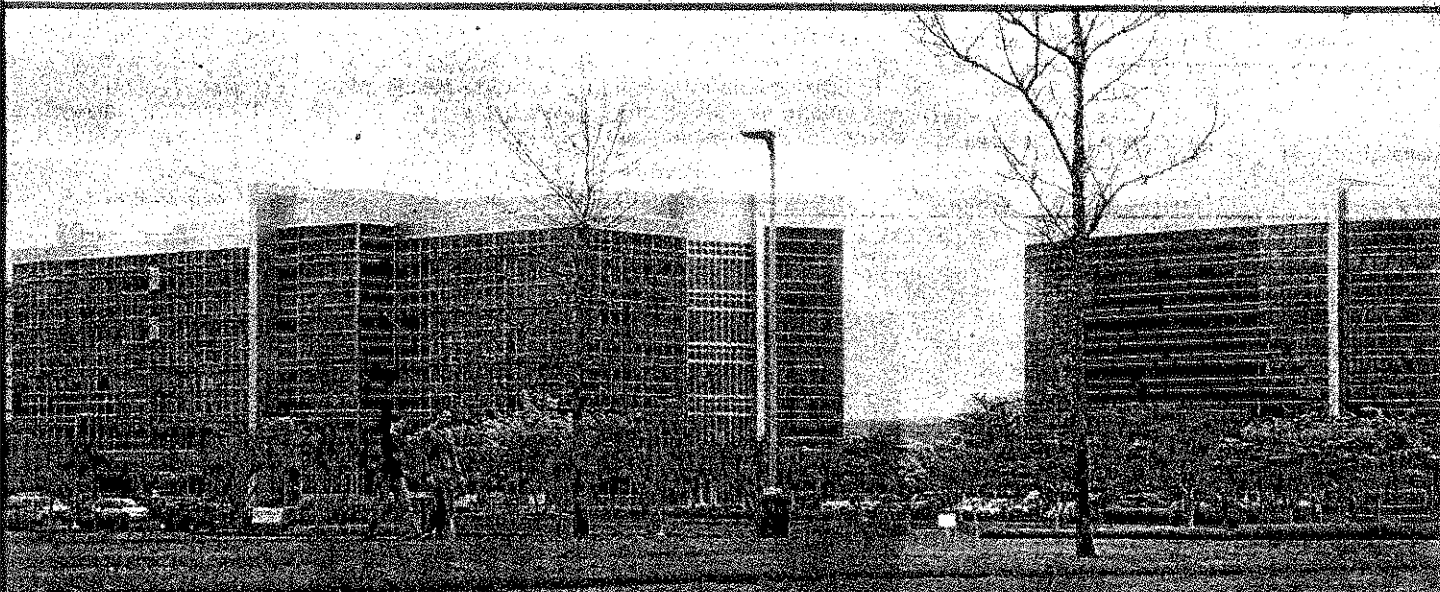
- Quarry Road assumptions are not in proportion to the other traffic and are significantly understated.
- Comments about the conservatism of the study are not accurate as the site fits the typical ITE profile and, again, comments on diverted traffic would support that Quarry is substantially underestimated.

- The data for the Fruit Stand is not reflective of the actual use and does not take into account the variability of the use, including that the site is closed almost 3 months of the year.
- Net new traffic for the new driveways is not in proportion to the adjacent street traffic.
- The assumption of 1% year growth is woefully inadequate in the face of the factual data showing that the recessions caused vacancies to increase at a rate of over 8% per year (8x the assumption) and resultant leveling of the economy saw vacancies decrease 6% in 2012 or 6x the assumption.

We are continuing to review the data in more detail.

Thanks again,

Jeff



# Sunset Corridor is back

Oregonian, April 21, 2013

Westside office building vacancies, after a miserable decade, are now on par with downtown

By ELLIOT NJUS  
THE OREGONIAN

When the bubble burst, the Sunset Corridor west of Portland collapsed spectacularly, as small tech companies folded and established firms slashed personnel and office space.

The dot-com bubble, that is. In the year 2000, more than one-third of the suburban corridor's office space was empty and the area faced a meager decade ahead.

Today, after a steady, if slow and drawn-out, recovery, the area has finally clawed its way back below 10 percent vacancy, according to numbers from brokerages CBRE and Cushman & Wakefield. That's a level comparable with the downtown central business district.

With major leases already in the books this year and the prospect of major local employers expanding further in Washington County, rising rents and new construction are on the horizon for an area that has been more associated with empty build-

ings and affordable leases. Until that construction arrives, though, the corridor's rebound means large, available spaces are going to be harder to find for Portland-area firms.

"It used to be that the Sunset Corridor was where people went when they wanted large blocks of space," said Dan Swift, senior director at Cushman & Wakefield. "Now those spaces have long gone away."

Just across the interstate from the Sunset Corridor, the Kruse Way business district has seen its fortunes shift in the other direction. Where the Sunset Corridor has a high concentration of technology and sports apparel businesses, Kruse Way has a higher concentration of real estate, construction, financing and related firms, which tied its fortunes closely with the housing industry.

Kruse Way boasted a low 4.6 percent vacancy rate and commanded premium rents at the height of the housing bubble. That rate spiked to nearly 25 percent by 2011 and still re-

mains significantly higher than similarly situated commercial real estate elsewhere.

Downtown Portland's central business district, already built up and with few opportunities to add new space, has seen its vacancy hover around 10 percent for years.

The Sunset Corridor has served as a relief valve for firms that can't find what they need, or can afford, in the heart of the city.

Bigger chunks of commercial real estate open only rarely downtown. So bigger users, even those that can afford downtown rents, are often forced to the suburbs.

Most recently, software company Salesforce.com leased 118,000 square feet in Hillsboro for an Oregon hub. Its choice: a building constructed 13 years ago by design software company Synopsys Inc. and left vacant since.

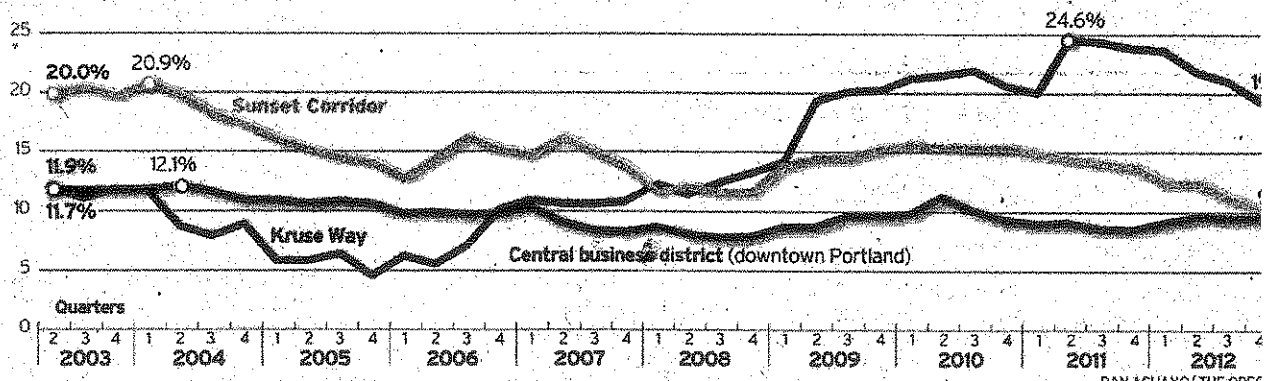
"The ability to find that much space in one building in the market was obviously a critical factor," said

The lease of a long-vacant 118,000-square foot office building (above left) in Hillsboro by Synopsys Technology Park by Salesforce, reflects the cycle of fortune in the Sunset Corridor. The area has built on its tech and sportsweat mainstays and now boasts a vacancy rate comparable to that of downtown Portland's central business district.

DOUG BEGHTLE  
THE OREGONIAN

Please see OFFICE, Page D3

supply of vacant office space in the urban Sunset Corridor has declined in the past decade to levels comparable with downtown Portland. The more stable housing-dependent Kruse Way market, meanwhile, saw vacancy climb in wake of the housing sector's collapse.



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## Office

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Hillsboro Economic Development Director Mark Clemons. "That was one of the few unique opportunities in the region."

Lower vacancy means similar opportunities are disappearing from the market.

Clemons said the next Salesforce might look at the Hillsboro headquarters of Lattice Semiconductor, which the firm said in February it would vacate and put up for sale. The 200,000-square-foot complex could accommodate several major tenants. Lattice is seeking a new, smaller space.

Cost is a different matter. Sunset Corridor rents remain depressed from years of excess space, although that may be about to change, said Mike Wells, CBRE managing director.

Rising rents may send some potential tenants to other regional office districts. Tech firms are already looking at

the pricier Kruse Way and other districts with more available space, and that could lift other struggling markets in the region.

But tech and sports apparel firms may ultimately be willing to pay a premium to be near like-minded companies, particularly those that do business with the likes of Intel and Nike.

"Wanting to be in close proximity to Intel or Nike, having an affinity for one of those clusters, means the tenants will pay more rent," Wells said.

And rising rents are also likely to set off plans from developers who have been sitting on shovel-ready land for years.

Wells said he would expect to see new construction beginning in a year to 18 months if economic growth accelerates, though it could be up to three years if growth continues at its current rate.

"There are sites that are ready to go ... in a lot of different locations," said Scott Weigel, senior associate with CBRE. "If we continue to see this downward pressure, we may see more office options in the not-too-distant future."