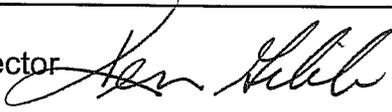


MEMORANDUM

From: Ken Gibb, Community Development Director 
To: Mayor, City Council, and Planning Commission
Date: June 9, 2004
Re: Incentives Report - Natural Features Project

I. ISSUE

As the "Draft Preferred Land Use Scenario" was developed, which identifies locations and types of natural resources and hazards that are to receive at least some level of protection, staff was asked to ensure that incentives that would foster protection would receive proper consideration. Attached is a consultant's report that identifies and indicates the initial developer/land owner preferences regarding such incentives and "industry standards" programs identified by the consultants.

II. BACKGROUND

The implementation portion of the Natural Features Project is the culmination of a number of efforts that are aimed at meeting the City's periodic review requirements related to natural resources (Goal 5) and also aimed at addressing other Comprehensive Plan policies and the recent listing of salmonids in the upper Willamette River basin. These projects include the Natural Features Scoping Project, the Natural Features Inventory Project, completion of the Stormwater Master Plan, and development of the Endangered Species Act Salmon Response Plan. Early in the process associated with this Natural Features Project, the concept of providing incentives to developers and property owners to make protection of natural features more palatable was raised as an important issue to be considered. As the development of the actual implementation provisions (Code and map changes) was begun, Winterbrook Planning Services was engaged to complete a "White Paper" that would identify incentives, evaluate the literature and history of such incentives, and consult with local and other developers and land owners regarding their suggestions of incentives and their views on the effectiveness and attractiveness of incentives. The attached *Incentives Report- Corvallis Natural Features Project* provides the requested information. This memo provides a review of the information contained in the report and identifies some further issues that decision-makers will need to evaluate as some of the incentives are considered. It is not intended to be all-inclusive in terms of incentive ideas, nor does it include a full evaluation of all the implications (financial, legal, staffing, political, etc.) of each identified incentive. Implication analyses will still need to be conducted for the incentive ideas that the decision-makers wish to explore further. Additionally, the incentives program will need to be considered in the context of other on-going work efforts such as the City's Open Space Management Plan, etc.

III. DISCUSSION

Table A below identifies the incentives from the white paper, and indicates those that are already incorporated into the Draft 1 Land Development Code provisions, and those that County staff are

discussing with County decision-makers. It also indicates those that would require additional evaluation for implications, if chosen as incentives to investigate further by the decision-makers. These implications include such issues of concern as:

- New or increased maintenance costs with no funding mechanism;
- Other new out-of-pocket expenses;
- Shifts in funding burden (from one funding source to another, etc.); and
- Specific legal implications, including those associated with identifying and complying with State laws and City Charter provisions.

A more specific review of identified incentive ideas will likely yield other implications that need to be considered.

Table A

INCENTIVE IDEAS FROM JUNE, 2004, INCENTIVES REPORT	STATUS
Regulatory Incentives	
Increase certainty of outcome for development and natural resource areas via clear and objective standards (most desired incentive from development community), while maintaining the option of the PD process (at discretion of property owner/developer to use)	Done with respect to natural features and hazards via the Code-related changes in Draft 1 (and as refined in subsequent drafts)
Simplify and reduce risks inherent in the public review and hearing process, including use of clear and objective standards for natural features and hazards and introducing more staff level reviews, and the use of a Hearings Officer for more complex applications (as opposed to current system of more discretionary public hearings)	Done with respect to clear and objective standards for natural features and hazards via the Code-related changes in Draft 1 (and as refined in subsequent drafts) Portion related to introducing more staff level reviews, and the use of a Hearings Officer for more complex applications (as opposed to current system of more discretionary public hearings) would need to be evaluated to assess implications.
Allow for automatic adjustments (permitted outright) to dimensional or design standards where necessary to allow for full density transfer and resource protection. Examples included adjustments to building height, building setbacks, lot coverage, and floor area ratios.	Done with respect to natural features and hazards via Code-related changes in Draft 1 (and as refined in subsequent drafts).
Allow for automatic adjustments (permitted outright) to parking standards. Examples included parking space dimensions, and elimination of some interior landscape islands when natural landscaping preserved nearby.	Would need to be evaluated to assess implications. However, possible to review and consider some elements as part of revisions to Draft 1.

<p>Allow for automatic adjustments (permitted outright) to street and public facility standards. Examples included reduction of street widths, alterations and/or reductions of sidewalks, and allowing more private streets when access to other properties is not required.</p>	<p>Would need to be evaluated to assess implications. However, possible to review and partially consider as part of revisions to Draft 1. For example, to achieve the reduced street widths allowed in the Transportation Plan, that TP currently requires a PD. Such reductions could be allowed outright under specific circumstances, etc.</p>
<p>Automatically count protected natural areas toward meeting landscaping requirements.</p>	<p>Planned to be incorporated into housekeeping changes in Chapter 4.2.</p>
<p>Relief from stormwater infrastructure requirements for situations where stormwater impacts reduced as a result of retention of natural areas.</p>	<p>Would need to be evaluated to assess implications.</p>
<p>Allow for automatic (permitted outright) clustering of development, through on-site and off-site density transfer. Examples included smaller lot sizes and a variety of housing types for residential development, and transfer of floor area ratios for commercial and industrial development.</p>	<p>Automatic (permitted outright) clustering and on-site density transfer of development done with respect to natural features and hazards via Code-related changes in Draft 1 (and as refined in subsequent drafts). However, such density transfer allowed to extent possible by automatic adjustments to development standards. Smaller lot sizes included.</p> <p>Variety in housing types and more substantial reductions in minimum lot sizes and other development standard changes already approved via Phase I of the LDC Update (currently under appeal). Allowance for significantly smaller lot sizes and a variety of housing types, such as those allowed via Phase I of the LDC Update, were accomplished as a package in which design standards addressing the compatibility impacts, etc. (Chapter 4.10) were addressed. Absent that package of mitigating design standards, it may be difficult to allow substantial reductions in development standards.</p> <p>Off-site density transfer would need to be evaluated to assess implications.</p>
<p>Interim Development Incentives within the Urban Fringe</p>	
<p>Allow continued agricultural use of property where farming now occurring within protected natural areas. New ag uses not allowed to extend into the natural areas.</p>	<p>Being suggested by County staff to County decision-makers for County's Code-related changes.</p> <p>Issue of pesticide use not resolved yet with County decision-makers.</p>
<p>Allow for one-time harvest of Douglas Fir and other commercial trees species (except Oregon White Oak) subject to certain standards.</p>	<p>Being presented by County staff to County decision-makers as one of several options to discuss and consider for addressing timber harvesting.</p>
<p>Intensified cluster development in the Urban Fringe, consistent with a specific area plan (e.g. North, West, or South Corvallis Area Plans) and resource protection plan/conservation easement. Example included use of community sewer and water systems, as well as 2:1 density transfers for land protected for natural features, provided conservation easement provided.</p>	<p>Intensified cluster development in the Urban Fringe, consistent with specific standards, being suggested by County staff to County decision-makers for County's Code-related changes.</p>
<p>Extension of services (specifically sanitary sewer) to serve a clustered development</p>	<p>Would need to be evaluated to assess implications.</p>

Contractual Agreement regarding preservation of development rights.	Would need to be evaluated to assess implications.
Allow for narrower streets and private streets in interim development and/or pay for additional cost of paving connecting streets that must be routed through natural feature areas. Examples included reduced right-of-way, paving width, and sidewalk standards where needed to preserve natural features.	Would need to be evaluated to assess implications.
Additional small residential lot under certain circumstances.	Being suggested by County staff to County decision-makers for County's Code-related changes.
Riparian setback reduction where restoration or enhancement is proposed within riparian corridor.	Would need to be evaluated to assess implications.
Relief from voter annexation.	Requires a charter amendment.
Non-Regulatory Incentives	
Dedication of natural resource areas to local government whereby local government absorbs maintenance responsibilities and liability.	Would need to be evaluated to assess implications.
Land Trust Partnerships	Would need to be evaluated to assess implications.
Allow credits for Parks SDC's	Would need to be evaluated to assess implications.
Purchase natural features sites	Would need to be evaluated to assess implications.
Conservation easements	Would need to be evaluated to assess implications.
Land Exchange	Would need to be evaluated to assess implications.
Public mitigation banking for wetlands	Would need to be evaluated to assess implications.
Recognition and education programs	Would need to be evaluated to assess implications.
Volunteer programs	Would need to be evaluated to assess implications.
Dedicated tax revenues for natural area improvement or purchase programs	Would need to be evaluated to assess implications.
Waiving or reducing Systems Development Charges and/or apply credits when they are used for wetland, riparian corridor, or tree restoration projects as a means of reducing surface water flows and/or reducing infiltration and inflow into sanitary sewer system	Would need to be evaluated to assess implications.
Property tax relief via open space tax deferral under ORS 308A.306.	Would need to be evaluated to assess implications.
Cost sharing for restoring and/or enhancing natural areas	Would need to be evaluated to assess implications.

IV. REQUESTED ACTION

At this time, the City has two more work sessions (June 22nd and June 29th) in which to refine and give direction on Draft 1. Benton County has one additional work session on June 24th. As indicated above, a number of the identified incentives will have funding or other implications that require additional evaluation prior to implementation. Some of these could be implemented in the

Land Development Code, and others would be implemented in other ways unrelated to land use ordinances, such as the potential adoption of an open space maintenance utility fee, etc.

Staff recommends that the City Council and Planning Commission review the list of incentives at the June 29th work session and provide the following:

1. Direction on any Code-related incentives that have not already been incorporated into Draft 1, including comments on those incentives identified in the incentives report and any other suggested Code-related incentives; and
2. Direction as to which non-Code-related incentives that staff should take to the next step of evaluating for implications, including comments on those non-Code-related incentives identified in the incentives report and any other suggested non-Code-related incentives.

To the extent possible, Code-related incentives will be inserted into the Code-related portion of the Natural Features Project implementation program (text and map amendments) that will be presented to the City of Corvallis and Benton County Planning Commissions at the August 31, 2004, joint public hearing.

A memorandum evaluating the implications of the non-Code-related incentives that the decision-makers direct staff to consider will be developed on a separate track. This memorandum will be developed by a coordinated effort among the affected City departments and appropriate advisory boards.

Review and Concur:



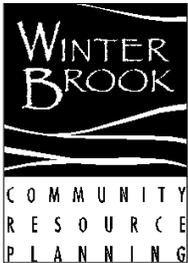
Jon S. Nelson, City Manager

Incentives Report

Corvallis Natural Features Project



Prepared by



Winterbrook Planning
June 2004

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Appendix F	Benton County Planned Development Chapter 100
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Introduction

The principal objective of the Corvallis-Benton County Natural Features Project is to provide the information necessary for the community to make informed choices among the trade-offs between natural resource conservation and urban development objectives. City and County decision-makers are committed to the twin objectives of meeting future housing and employment needs and conserving the natural features that are highly valued by citizens. Corvallis and Benton County planning commissioners and elected officials have made it clear that they seek to achieve balance between these sometimes competing objectives.

In most cases, natural resources are protected by land use (zoning and subdivision) regulations. However, City and County officials recognize that sole reliance on land use regulations to protect natural features addresses only half of the solution. Incentive programs are also necessary to achieve long-term community-wide support. While natural resource conservation benefits the entire community, the burden of complying with land use regulations falls squarely on the shoulders of property owners. To redress this imbalance, the Corvallis City Council and Benton County Board of Commissioners directed their respective staffs to develop an effective incentive program to encourage landowner and developer participation in achieving community resource conservation goals. To sustain a truly balanced program over time, there must be broad community support. To achieve such support in the long-term there needs to be an effective combination of regulations and incentives.

A. Purpose of this Report

The purpose of this Report is to describe and analyze a range of regulatory and non-regulatory incentives for consideration by City and County decision-makers. Based on input from Corvallis and Benton County property owners and developers, the Report makes recommendations regarding the components of an effective incentives program. Following a careful evaluation of the fiscal, legal, and policy ramifications of each potential incentive measure, Corvallis and Benton County will be in a position to adopt a comprehensive incentives program to complement the regulatory program required by Statewide Planning Goal 5 (Natural Resources).¹

¹ This report is intended to introduce and evaluate the *effectiveness* of a broad range of potential incentive measures. The list is not all-inclusive and does not preclude consideration of additional incentive



The incentives program recognizes that different approaches are needed, depending on the location of the natural feature relative to the Corvallis City Limits and the probable timing of urban development for affected properties within the unincorporated Urban Fringe. The incentive program can be used by Corvallis and Benton County decision-makers in assessing the trade-offs between resource conservation and development and can be incorporated into an overall program to protect natural resources while providing sufficient buildable land to meet housing, employment, and livability needs over at least the next 20 years.

B. Corvallis Natural Features Project

The Natural Features Project information will be used, in conjunction with other information and with substantial public input, to implement the Corvallis 2020 Vision Statement and the Corvallis Comprehensive Plan (1998). The Natural Features Project is a multi-year community project to inventory and prioritize the natural features within the Corvallis UGB. The project balances the community's need for buildable land for housing and economic development with its need to protect natural resources and reduce risks from natural hazards. The Natural Features Project has four major phases, consistent with State requirements:

Phase 1 - Scoping

The Natural Features Scoping Project was completed in January 2002. It determined what natural features to inventory, provided a methodological framework for conducting natural feature inventories, and established preliminary criteria for ranking each of the natural features.

Phase 2 - Inventory

The natural features identified by the Scoping Project were systematically mapped and described. The inventory includes detailed and site-specific natural features inventories that meet the requirements of the Oregon statewide planning goals, primarily Goals 5 (Natural Resources), 6 (Water Quality), and 7 (Natural Hazards), and associated administrative rules. The Natural

measures. The project scope did not include an exhaustive evaluation of the financial, legal, political or staffing implications of each incentive measure. This task, appropriately, is left to local government staff, legal counsel, and elected officials.



Resources Inventory Report, completed in June 2003, accounts for wetlands, riparian areas, wildlife habitats and tree groves. A separate Natural Hazards Inventory Report accounts for natural hazards: floodplains, steep slopes/hillsides, earthquake-associated hazards, landslides, alluvial fans (landslide debris runout areas), and wildfires.

The draft inventories were completed in Fall 2002, and all of the reports, maps and data sheets were available on the City's web site. Property owners within the draft resource sites were sent notice of the inventory availability and invited to open houses to review the draft maps and findings. Over 85 people participated in the open houses in January 2003. The final inventory report was subject to two rounds of public and peer review comments.

Phase 3 - Establish Significance and Priorities, and Balance Needs (June 2003 – March 2004)

Not all natural features identified in the inventories were to be considered significant and to warrant protection. During this stage, the community established criteria for determining the level of significance for each type of resource. (Wetlands are an exception because they are defined and controlled by State of Oregon administrative rules.) Alternative scenarios analyzed some of the economic, social, environmental, and energy (ESEE) consequences of different levels of significance and protection.

During the winter of 2003-04, City and County planning commissioners developed and reviewed draft land use scenarios. Following a public review process, each planning commission recommended a distinct "Scenario C" to its elected officials. On March 8, 2004, the Benton County Board of Commissioners met with the Corvallis City Council to consider preliminary acceptance of a joint "Scenario D" as the basis for Phase 4 of the Natural Features Project. Scenario D establishes a draft preferred land use program for resolving conflicts between urban development and resource conservation. At the joint work session, elected officials from both jurisdictions agreed that Scenario D must incorporate both regulations and incentives to be effective. On March 9, 2004, the County Board met independently and voted to accept Scenario D, emphasizing the provisional nature of this vote, and the



importance of developing and implementing an effective incentives program.

Phase 4 - Develop Implementation Program (April – December 2004)

The City and County are now in the process of developing a combination of incentives, educational materials, and regulations to protect the significant natural features, reduce the risks associated with natural hazards, and ensure that individual property rights are considered in the process. Significant natural features maps, revised Comprehensive Plan maps, revised Zoning maps, and an effective incentive program are to be adopted. Resource protection programs will incorporate clear and objective protection standards in the Land Development Code and provide more certainty to property owners and the broader community regarding where development can occur, and where it will be limited. The incentives program will enhance and complement the proposed code amendments and is intended to encourage continued stewardship by area property owners. The County's portion of the implementation program may be completed by December 2004, but may also be extended into 2005, should the County decision-makers need additional time.

C. Goal 5 Requirements

Statewide Planning Goal 5 is implemented by the Goal 5 administrative rule (OAR Chapter 660, Division 23). This rule requires that local governments consider the economic, social, environmental, and energy (ESEE) consequences of three decision options: full natural resource area protection, "limited" resource area protection, and no protection (allow conflicting uses without local review) for significant natural resource areas. Corvallis is in the process of evaluating the economic, social, environmental, and energy (ESEE) consequences of the three decision options outlined above for Natural Resource Areas within the UGB.

Corvallis and Benton County have tentatively decided to protect some significant resource areas and not to protect others, and to give some types of resource areas a higher level of protection than others. The balanced approach represented by the Draft Preferred Land Use Scenario (Scenario D), for the Corvallis and Benton County program, will combine both regulations and incentives to provide for limited resource protection.



A balanced approach avoids the extremes of allowing unrestricted development on the one hand, and prohibiting all conflicting urban development uses on the other.

Incentives that are included with the Draft Preferred Land Use Scenario will be incorporated into the draft ESEE analysis for the "limited protection decision," consistent with the Goal 5 administrative rule. The final ESEE analysis will consider the incentives program approved by City and County elected officials. Thus, the final ESEE analysis will evaluate the consequences of both the regulatory and incentive components of the Land Use Scenario that is ultimately adopted.

D. Identifying and Analyzing Incentive Measures

The City of Corvallis requested that Winterbrook Planning prepare a complete list of potential incentive programs, analyze and refine the list, and make recommendations regarding which incentives are likely to be most effective in the local context.

During the months of April and May of this year, Winterbrook carried out this broad objective by taking the following steps:

1. Conducted a brain-storming session with local planners to develop a preliminary list of incentives that would be effective. As part of this session, we considered the utility of Benton County Planned Development Chapter 100, which applies within the Urban Fringe. (See Appendix F)
2. Reviewed available literature to develop a broader list of potential incentives.² These incentives included both regulatory and non-regulatory measures. (See Appendix A, References)
3. Facilitated two, 3-hour "focus group" sessions with property owners and developers in the Corvallis area. (See Appendix D for a compilation of the results of these sessions.)

² Greg Winterowd, Tim Brooks, and Tom Armstrong have helped prepare three incentives studies over the last 10 years for the Oregon Transportation and Growth Management Program and the Metropolitan Service District. These documents are listed in Appendix A, References at the end of this report.



4. Consulted with an economic analysis firm, ECONorthwest, to obtain advice on what incentives are effective from a market standpoint. (See Appendix C.)
5. Consulted with Portland-area developers to refine the list and to gain their perspective on what works, and what does not. (See Appendix B.)
6. Prepared a draft report that incorporated three types of incentives programs.
7. Provided a draft of the Corvallis Incentives Report for outside peer review to Otak, and to Corvallis and Benton County staff for their comments. (See Appendix E.)
8. Considered all of the above research in preparing final edits to the Incentives Report now before City and County decision-makers.

E. Factors to Consider

Developing an effective incentives program requires consideration of several factors. Key among these are: who benefits, where will the benefits work, and when will they become effective?

1. Who Benefits from the Program?

Natural resource protection programs have effects on several primary groups: (1) owners of buildable land; (2) developers; (3) consumers of housing and jobs; and (4) the broader community. Our focus is on the first two groups, because they are essential to providing the land, investment and skills necessary for development to occur, and they are most likely to be affected financially by regulatory and incentives components of the limited protection program.

Property owners and developers are likely to be affected in different ways.

- Property owners are more likely to perceive land use regulations as reducing the buildable area of their property, which is directly related to its potential sales price to a developer. (Positive economic effects of natural areas are



discussed elsewhere in this report)

- Developers pay for land based on its buildable area, and the corresponding potential for dwelling units or commercial floor area. When buildable area on a site is reduced by zoning or other regulations, developers will pay less for the property.

A developer who is holding land for future development will have both perspectives.

2. Where Will the Benefits be Effective?

The effectiveness of incentives programs will vary depending on the location of the property relative to urban services.

- If property is within the Corvallis City Limits, where public facilities and services are immediately available, then the most effective incentives will relate to a streamlined development approval process, consideration for the value of natural features that are protected through the conditions of development approval, and management costs for open space.
- If property is located at the outer edges of the Urban Fringe, where public facilities and services are not immediately available, then incentives will be more related to management of the land for rural, farm, or forest uses – rather than for development purposes. However, limited “interim development” incentives may be appropriate incentives, provided that the long-term urban land use efficiencies are maintained.
- Finally, property may be located just outside the City Limits, with nearby urban facilities and services. In this case, assured annexation could be an effective incentive – but this option is beyond the control of Corvallis or Benton County decision-makers. For properties just outside the City, a wide range of regulatory and non-regulatory incentives is available to assist property owners in maximizing both development and resource conservation objectives.



3. When Will the Benefits be Effective?

The timing of incentives is closely related to a property's location within the Corvallis UGB, because the provision of urban services necessary to support development is directly related to a property's location relative to the City Limits.

- If services are immediately available, the property owner is more likely to focus on urban development incentives.
- If services are more than 10 years in the future, then the property will be managed for its rural land use values for many years before urban development becomes a pressing issues.
- If services are between 2 and 10 years in the future, a combination of incentives may be appropriate.

F. Corvallis Natural Areas

Because location and timing of urban services are so important when considering the effectiveness of incentive programs, natural features within the Corvallis UGB have been divided into 16 Natural Resource Analysis Areas (NRAs). Each NRA includes a complex of natural features that will be considered as a "resource site" in the final Goal 5 ESEE Analysis.

The NRAs are divided into three categories based on their proximity to the City Limits.

- Five NRAs are located entirely or mostly outside the City Limits (Vineyard Mountain, Jackson Frazier, Lewisburg, Bald Hill, and Airport).
- Seven NRAs are split more or less evenly by the City Limits (Walnut Park, Sequoia Creek, Oak Creek, West Hills, Dunawi Creek, County Club, and Confluence). However, most of the natural features in these NRAs are located within the Urban Fringe.
- Only four NRAs are within or mostly within the Corvallis City Limits (Timberhill, Dixon Creek, Village Green, and Riverfront Central).



Except for Timberhill, these NRAs are largely developed and have relatively few natural features.

These figures support what is evident from reviewing the Natural Features Inventory Maps: most of the natural features are located outside the City Limits, where urban development has not yet occurred.

G. Types of Incentives

The incentives program will have both regulatory and non-regulatory (market, technical assistance, and education based) aspects. Also, incentives will be tailored to conditions in both the Corvallis City Limits and the Urban Fringe—the unincorporated area administered by Benton County outside the City Limits but inside the Urban Growth Boundary.

This report covers three general types of incentives:

1. Regulatory Incentives.

Regulatory incentives are suitable for incorporation into the Corvallis Land Development Code (CLDC) and would apply primarily to land within the Corvallis City Limits. Regulatory incentives fall into four basic categories, and include incentives that:

- increase development certainty consistent with state public notice requirements;
- simplify and streamline the development review process, especially where discretionary review and public hearings are required;
- relax development standards to protect natural features – outside of the Planned Development process – without compromising public safety or transportation mobility requirements; and / or
- allow for density or floor area ratio transfer and more efficient use of buildable land.

Regulatory incentives may also be applied to land within the Urban Fringe (outside the Corvallis City Limits but inside the UGB) where



limited urban development may be permitted. The report builds upon considerable literature on the subject of "Incentive Zoning."

2. Interim Development Incentives.

Interim Development Incentives would apply within the Urban Fringe (i.e., outside the City Limits) and would be implemented primarily by the Benton County Development Code (BCDC). Interim Development Incentives fall into three basic categories:

- Category (a) would allow for limited farm and forest management uses within significant natural areas while providing for long-term resource restoration and enhancement.
- Category (b) applies to land that is adjacent to the City Limits that can be readily provided with urban services.
- Category (c) would be served by interim community systems.

Both Categories (b) and (c) would allow for intensified cluster development without annexation to the City where there are approved specific area and resource protection plans. (The North Corvallis Area Plan is an example of a "specific area plan.")

3. Non-Regulatory Incentives.

Non-regulatory incentives could apply to natural features under either City or County jurisdiction and are explained in greater detail below. Broad categories of non-regulatory incentives include:

- public education and recognition programs;
- public or non-profit acquisition;
- public / private resource management partnerships; and
- tax and systems development charge incentives.



Section 1. Regulatory Incentives

Regulatory incentives are found in City and County land use regulations. If the regulatory incentive is critical to the balance achieved in the Draft Preferred Land Use Scenario D, it must be clear and objective. Regulatory incentives are more likely to apply inside the City Limits, where urban development is supported by urban services. Regulatory incentives that may be appropriate within the Urban Fringe are considered in Section 2 of this report.

This report identifies four general types of regulatory incentives that may be implemented outside of the discretionary Planned Development process:

- A. Increase certainty of outcome in the development and resource conservation process – both for neighbors and for developers.
- B. Simplify and reduce risks inherent in the public review and hearing process.
- C. Allow for automatic adjustments to dimensional or design standards where necessary to allow for full density transfer and resource protection.
- D. Allow for automatic clustering of development, through on-site and off-site density transfer.

Background

One of the more common complaints heard from the development community is this: “Just tell me what the rules are – where I can develop and where I can’t – rather than going through an expensive and uncertain process.” Another common complaint is that the process for getting City or County approval takes too long and is fraught with uncertainty and the potential for appeal and legal challenges. Developers and property owners often will go to great lengths to avoid the public hearing process altogether. These complaints were spoken loudly and clearly during the Focus Group sessions held in May of 2004.

When developers purchase or option land, they want to know how much of the land is buildable, how many and what types of dwelling units (or what types and how much building square footage) will be allowed, and how much will infrastructure improvements cost. When people buy into a neighborhood they have different but related concerns: what existing open space will remain, how



much will traffic increase, will there be a new road or tall building by my back yard?

The most common complaint heard by developers and property owners is that there is little certainty when it comes to approving development applications on sites with natural resource areas. For years, Corvallis has relied on the discretionary Planned Development process. Although the general location of natural resource areas is known, an extensive mapping and evaluation process is required. The precise location of natural resource areas – wetlands, riparian corridors, wildlife habitat areas, significant vegetation and natural hazards – is determined on a case-by-case basis. Similarly, the nature and extent of development that may be approved through the process is unknown until the final decision, or decision on appeal, is rendered.

The result is higher cost associated with increased risk and uncertainty, which affects land values and the public's perception of local government. As evidenced by Focus Group results (Appendix D), the lack of certainty in the Corvallis development review process posed a major problem for property owners and developers. Several Focus Group members noted a distinct "lack of trust" regarding the City's ability to fairly administer this process.

At the same time, all of the participating developers and property owners agreed that there is sometimes a need for flexibility to address site-specific concerns and design objectives. In Oregon, public notice is required whenever discretion is applied in land use permitting decisions. During Focus Group sessions, all participants wanted to retain the option of choosing to go through the Planned Development process where necessary to achieve this flexibility.

Goal: Increased Certainty in Resource Mapping, Development Review Standards, and Process, While Maintaining Flexibility in Site Planning and Design.

Winterbrook specifically asked Focus Group members and Portland area developers whether they agreed with this goal, and to what extent its achievement would serve as an incentive for protection of natural resource areas. All participants agreed that this goal – if achieved – would be extremely effective in building the trust necessary for land owners and developers to willingly protect significant natural areas on their property. However, most of the participants were skeptical as to whether Corvallis decision-makers would be willing to implement this goal.



As discussed below, there are a number of measures that can be taken to achieve the goal of certainty in the development review process. We consider and analyze a number of potential measures below.

A. *Increase Certainty of Outcome for Development and Natural Resource Areas*

There are a number of ways to increase certainty of development outcome on a site-specific basis. As noted above, under the existing process, there is uncertainty regarding the site area that will be approved for development, and the area that will be protected as open space. Under the proposed process, there will be much greater certainty regarding buildable land area and density. Reduced developer risk is a powerful incentive to simply avoid designated natural areas, while clustering development on buildable areas of a site.

1. Goal 5 ESEE Analysis

The Goal 5 process begins with a determination of significant natural features – riparian corridors, wetlands, wildlife habitat areas and tree groves. The Corvallis-Benton County ESEE Analysis process then considers the economic, social, environmental and energy consequences of full resource area protection, and recommends a substantial reduction in the land area that will be subject to natural resource area overlay zones. Thus, the ESEE process itself considers property owner and developer impacts, and ensures that sufficient buildable land remains within the Corvallis Urban Growth Boundary to meet long-term housing, employment, and livability needs.

2. Site-Specific Mapping of Protected Natural Resource Areas

There was general agreement among Focus Group participants and Portland area developers that legislatively approved, site-specific mapping of protected natural resource areas would be helpful in reducing development risk and associated uncertainty costs. Land owners and developers have the information necessary to determine property “yield” – the number and quality of lots or dwelling units allowable under zoning – or the allowable commercial or industrial square footage and parking. They would



also be able to assess the degree to which amenities provided by natural features are maintained through the development process. Neighbors will know in advance how much natural resource area must be protected, and how much is buildable and available for development.

3. Option to Rely on Legislative Site-Specific Resource Mapping

It is equally important that property owners and developers be able to rely on site-specific mapping when preparing development applications. Under the current system, developers must devote considerable time and expense to preparation of site-specific resource inventories and assessments. Opponents often submit contrary information, and Planning Commissioners must sort through this information in making land use decisions.

Established and approved maps reduce developer costs and reduce the need for public hearings. Because the community has already determined which natural areas will be protected, the Planning Commission need not make this determination on a site-by-site basis.

Approved site-specific resource mapping also reduces the risk of appeal because protected areas are specified in advance. This also prevents additional land from becoming off-limits to development as a result of the public hearing process.

Finally, site-specific resource area mapping also provides a basis for determining "automatic" density transfer and zoning adjustments to protect resource areas, as discussed below.

4. Option to Conduct More Detailed Site-Specific Mapping

Focus Group participants supported having the option to conduct more detailed resource studies in situations where legislative mapping may be in error. In most cases, this approach would require discretionary review and a public hearing.

One way to minimize the need for discretionary review, while providing for greater accuracy in determining resource area location, would be to base required setbacks on a defined natural feature. For example, if a 100 foot setback were required from a



perennial stream, then the developer could have the option of measuring the setback from the top-of-bank noted on the City's maps or from the top-of-bank of an actual survey done on the site. Another example would be to either maintain a 25-foot setback from on the City's maps or no setback if the wetland is delineated and the delineation is approved by the DSL.

B. Simplified and Expedited Public Review Process

The issues that evoked the greatest concern among Focus Group participants were the uncertainty and perceived arbitrariness of the Corvallis development review and public hearing process, and the resulting potential for long delays in reaching land use decisions. The Focus Group was uncomfortable with the existing discretionary review process with public hearings before the Planning Commission. The participants strongly favored the option of a ministerial (staff review) process for simpler applications, and review by a Hearings Officer for more complex applications.³ (As noted above, all participants wanted to reserve the right to file a Planned Development application where site conditions or development objectives warrant, to maintain flexibility in the review process.)

1. Ministerial (Staff) Review

Where natural areas are mapped in advance, and development review standards are clear and objective, land use applications may be approved by staff – without a public hearing. This makes sense because the basic policy decisions – which land will be retained as protected open space, where major streets will be located, and how much density will be allowed on buildable portions of the site – have already been made. The option of staff review provides a strong incentive to protect natural resource areas on a site, rather than face the uncertainties and delays associated with a discretionary review process and public hearings.

³ Corvallis and Benton County staff already review many types of development applications for compliance with non-discretionary development standards, without the need for a public hearing. However, such review is not possible for properties in Corvallis are subject to a Planned Development overlay district, which requires discretionary review and a public hearing. In many cases, property owners have requested the discretionary Planned Development review process to increase development flexibility. In other cases, the City has applied the Planned Development overlay district to specific properties in part to minimize environmental impacts. Benton County requires Planned Development review under Chapter 100 for residential subdivision applications within the Urban Fringe.



2. Review by Land Use Hearings Officer

Focus Group participants strongly preferred that more complex land use applications be reviewed by a Hearings Officer, rather than the Planning Commission. They emphasized the importance of impartial review based on reasonably objective standards.

3. Maintain Developer Option for Discretionary Review

All Focus Group participants wanted to retain the option of applying for a Planned Development as a means of maintaining flexibility and allowing for greater creativity. This approach is allowed under the Goal 5 administrative rule and requires a public hearing. As noted above, the Focus Group strongly preferred a public hearing before a Hearings Officer, rather than the existing Planning Commission.

C. Adjustments to Dimensional or Design Standards

Adjustments to zoning standards such as building height, building setback, lot coverage, and floor area ratios typically are allowed through the Planned Development process. Such adjustments are often granted through the Planned Development review process to allow for more intensive use of buildable land in exchange for avoidance of natural areas on a site. However, the Planned Development process is discretionary, and subjects the developer to additional costs, uncertainty and delay.

1. Automatic Adjustments to Zoning Dimensional Standards

Focus Group participants and Portland area developers were unanimous in their support for “automatic” or “pre-approved” adjustments to zoning standards for sites with protected natural areas. Such adjustments or exceptions could be approved outright, without the need for discretionary review. The public benefit in granting such adjustments would be protection of natural areas valued by the community as a whole.

2. Automatic Adjustments to Parking Standards

Most Focus Groups felt that adjustments to the number of required parking spaces, or to parking space and driveway dimensional standards, could be useful in encouraging developers to avoid natural areas. Interior landscaping requirements in parking lots may not be necessary if their function (providing shade, breaking up large parking areas) is met by surrounding natural areas. However, several



cautioned that this incentive should not be used to require parking space reductions.

3. Automatic Adjustments to Street and Public Facility Standards

There was strong support for automatically reducing street width and sidewalk requirements where necessary to minimize impacts to natural areas, without having to go through the Planned Development process. For example, the Transportation Systems Plan (TSP) could be amended to allow for narrower streets on properties with protected natural areas without Planned Development review. This makes sense since narrower streets reduce impervious surface area and consume less space on constrained sites. There was also support for allowing private streets in cases where access to other properties is not required.

4. Landscaping and Buffering Requirements

There was general agreement that protected natural areas should count, automatically, towards meeting required landscaping and buffering requirements. This would allow more intensive use of buildable areas and meet the intent of landscaping and buffering requirements by providing greenery and open space as part of a development.

5. Relief from Stormwater Infrastructure Requirements

The City of Portland recognizes the benefits that natural areas provide for on-site stormwater management. For example, if stormwater is treated at the source by saving trees or reducing pavement, then stormwater infrastructure requirements should be correspondingly reduced. This view also is reflected in Corvallis' recent stormwater master planning efforts.

D. Automatic Density Transfer and Reduced Lot Sizes

Density transfer is permitted through the discretionary Planned Development process. Because of the uncertainties of this process, developers sometimes opt for a standard subdivision. Automatically allowing for smaller lot sizes, a variety of housing types, and density transfer can be a major incentive to avoid natural areas. It is important that automatic density transfer provisions be combined with automatic



adjustments to zoning dimensional standards; otherwise, the incentive effect of density transfer could be lost.

1. Smaller Lot Sizes

Focus Group participants and Portland area developers were unanimous in their view that smaller lot sizes than allowed under the base zone should be permitted outright on sites with protected natural areas. Since the buildable land area on such sites is necessarily reduced, it makes sense to allow for smaller lot sizes on the remaining buildable land – without the need for discretionary review.

2. Variety of Housing Types

There was mixed support for allowing housing types that would not otherwise be permitted in the underlying zone without going through the Planned Development process. There was a broad perception that the market for non-single family housing types is limited and that an apartment unit does not represent a fair “trade” for a single-family home on an individual lot.

3. On-Site Density Transfer

In districts where attached single-family or multiple-family development is permitted, on-site density transfer should be automatic. Dimensional standards should be adjustable as indicated in Subsection C, above.

4. On-Site FAR Transfer

In districts where commercial and industrial development is permitted, on-site Floor Area Ratio (FAR) transfer should be automatic. Dimensional standards should be adjustable as indicated in Subsection C, above.

5. Transferable Development Rights (TDR)

There was mixed support for implementation of a transferable development rights program in Corvallis. Such programs are expensive to establish and maintain and have not proven to be particularly effective as incentives for protection of natural areas within Oregon. This is especially true in communities such as Corvallis, where minimum density standards are sometimes viewed as a problem. Moreover, finding density transfer “receiving areas” can also be a problem, due to perceived neighborhood impacts.



Section 2. Urban Fringe Interim Development Incentives

These incentives would apply to land between the Corvallis City Limits and the Urban Growth Boundary (UGB) – or the Urban Fringe. Most of this land is zoned for density based on a ratio of 5-10 acre minimum lot sizes (UR-5 or UR-10). Current Benton County regulations allow for continued agriculture and management of timber resources through the FPA (Forest Practices Act). However, agricultural and forest practices often conflict with preservation of natural features.

Chapter 100 of the Benton County Development Code, which governs development in the Corvallis Urban Fringe, requires clustered residential developments – in a manner that facilitates future urban development – through the Planned Development process. The number of permitted lots is based on the parcel area divided by the minimum lot size. Thus, a 20-acre parcel zoned UR-5 could have four clustered lots. Chapter 100 provides for a discretionary density bonus of up to 25% for, among other things, protection of sensitive areas, such as natural or scenic features on a site. However, these areas are not precisely mapped as natural areas, and their location is determined at the time of development. Many of the proposed interim development incentives build upon Chapter 100 (PD) provisions.

The Draft Preferred Land Use Scenario identifies natural areas located in the Urban Fringe that the community desires to remain largely intact until annexed to the City of Corvallis. When reviewing the draft “Scenario D,” the Benton County Board of Commissioners expressed concern regarding its effects on property owners within the Urban Fringe. Some of these property owners manage their land for timber or agricultural uses, and have for many years. Others are miles and years away from annexation, urban services, and urban development.

The following incentives are intended to encourage land owners to continue good stewardship practices by managing protected natural areas so they can be incorporated into the design and layout of future urban development upon annexation to the City. The intent is to ensure that land within the Urban Fringe is used efficiently, that protected natural areas are protected for the long-term, and that property owners have certainty regarding what can and cannot occur on land within the Urban Fringe.



A. Farm and Forest Uses

Farm and forest uses are currently allowed within the Urban Fringe. However, they can adversely affect natural areas. There is increasing community concern with appropriate management of such practices. Property owners in the Focus Group felt that agricultural and forest practices should not be restricted by programs to protect natural areas. In an attempt to allow continued farm and forest practices in an increasingly urbanized context, the following incentives are suggested.

1. Agricultural Practices

Allow for continued agricultural use of property where farming is now occurring within protected natural areas. New agricultural uses would not be allowed to extend into streams or wetlands, and native vegetation or trees would remain intact.

2. Forest Management

Allow for one-time harvest of Douglas fir and other commercial trees species – except for Oregon white oak – subject to the following standards: (a) Timber harvest practices would meet FPA standards – except for replanting. (b) The replanting and stewardship plan would be designed to create long-term urban wildlife habitat and improve water quality, consistent with objective City or County standards, and would occur within 6 months of the beginning of the timber harvest. (c) A conservation easement, or dedication to the City or County, could be required for “protected areas” where logging and replanting have occurred. The conservation easement or dedication would be recognized by the City when urban development occurs in future.

This program would encourage forest management within the UGB that complements future urban development while recognizing that development may be many years away, and that there are costs associated with holding property within the Urban Fringe.

B. Relief from Voter Annexation Requirements

Focus Group members felt that voter annexation was a major disincentive to planning for urban development and natural resource protection within the Urban Fringe. However, they also recognized that this charter provision has strong community support and has been upheld on appeal.



C. Cluster Development Incentives

The principle behind cluster development incentives is to allow limited development at urban density (intensity) while reserving most of the land for natural area protection and future development with full urban services. The problem with existing approaches is that they focus on individual lots and individual property owners.

1. Interim Development with Corvallis Extra-Territorial Services

Through the Chapter 100 (PD) process, allow for extra-territorial extension of Corvallis sanitary sewer to serve clustered development, provided that designated Natural Areas are protected with a conservation easement or dedicated to the City. Only a portion of the site would be developed at urban densities, with the remaining buildable area reserved for future urban development upon annexation. The Focus Group was skeptical about this approach, given Corvallis' long-standing policy against extra-territorial extension of services. Portland area developers thought this would provide an excellent incentive for protection of natural features.

2. Interim Clustered Development Using On-Site Services

Through the Chapter 100 (PD) process, allow for community sewer and water systems to serve clustered development, provided that designated Natural areas are protected with a conservation easement or dedicated to the City. Only a portion of the site would be developed at urban densities, with the remaining buildable area reserved for future urban development upon annexation. The Focus Group was skeptical about this approach, given the paucity of successful Chapter 100 applications. Portland area developers thought this would provide a reasonably good incentive for protection of natural features.

3. Increased Density Transfer

Where cluster development is allowed through Benton County's Chapter 100 (Planned Development), there was strong support for allowing for increased density in exchange for protection of legislatively mapped natural features. The measure would require an amendment to Chapter 100 (PD) to allow for an automatic 2:1 density transfer for land with protected natural areas – provided that such mapped features are included within a conservation easement or dedicated as open space to the City or County. (For example, a 20



acre UR-5 parcel with 10 acres of protected Natural areas, would be allowed to have an interim cluster development of 6 rather than 4 units.)

4. Contractual Arrangement

Where property is protected by a property owner through dedication or conservation easement, with the understanding that future development rights are guaranteed, there was strong support for a contractual agreement between the local government and property owner that recognizes the specified future development rights. If future elected officials make the policy choice not to allow the specified development rights, then the protected property would revert back to the original donor.

5. Street Design and Costs

Allow for narrower streets and private streets in interim developments and/or pay for the additional cost of paving connecting streets that must be routed through protected natural features. Through the Chapter 100 (PD) process, allow for reduced right-of-way, paving width, and sidewalk standards where necessary to protect natural areas on a site. The Focus Group supported this change because they did not feel that streets outside the City should be constructed to full urban standards.

D. Additional Small Residential Lot

For existing residential parcels with less than 10 acres and with more than an acre of Natural Area, allow for an additional parcel of less than 10,000 square feet on buildable land. This would occur through the partitioning process – provided that the remaining Natural Area is protected with a conservation easement or dedication to City or County and the house is sited to avoid planned transportation facilities.

E. Riparian Setback Reduction

Provide for reduction in development requirements (e.g., building setbacks from streams) where restoration or enhancement is proposed within riparian corridor. This measure was favored strongly by property owners.



Section 3. Non-Regulatory Incentives

These incentives could apply to land within the Urban Growth Boundary (UGB) – both within and outside the Corvallis City Limits. The Draft Preferred Land Use Scenario provides full or limited protection for designated natural areas. Both the Benton County Board of Commissioners and the Corvallis City Council expressed concern regarding its effects on property owners and developers. Both agreed that non-regulatory incentives were necessary to accomplish the objectives of the Natural Features program. The non-regulatory incentives listed below are supported by Portland area developers and Focus Group participants. We included only those incentives that were deemed to have some value through the interview and discussion process.

A. Parks and Open Space Management Incentives

1. Dedication to Local Government

Reduce costs, inconvenience, and the liability of managing natural areas and creating homeowners associations, by encouraging dedication to the City and County. Under such circumstances, the City or County would assume substantial long-term maintenance and liability costs.

Both Portland area developers strongly supported this measure and the value that large areas of publicly-owned open space has for residential developments. They felt that willingness to accept natural area dedications indicated the level of a local government's commitment to long-term natural area management. Corvallis Focus Group members also recognized that public management of dedicated open space can reduce long-term maintenance costs and liabilities for developers and homeowners associations.

One funding mechanism to assist local government in providing the maintenance for these areas could be a City-wide fee of some kind, which recognizes that management and protection of these areas is a community-wide benefit.

2. Land Trust Partnerships

Land trust partnerships include formal and informal working agreements between public agencies and private land trusts.



Partnerships may take many forms, from informal information sharing and coordination agreements, to more formalized agreements under which public agencies assist land trusts (or vice versa) by providing funding, staffing, technical assistance, or other services or activities. Under such agreements, land trusts may act as a “broker” or negotiator, ultimately passing land on to public ownership. In other cases, the land trust may hold easements or provide technical assistance to a public agency.

Land trust partnerships have primarily been used to facilitate fee simple acquisitions or purchase of conservation easements to protect upland forests, river corridors, scenic resources, greenways, and wildlife habitat. Land trusts also can assume responsibility for monitoring and enforcing conservation easements.

The Wetlands Conservancy, the Three Rivers Land Conservancy, and the Columbia Land Trust are local land trusts active in the Portland region. In addition, three national organizations—The Trust For Public Land (TPL), The Nature Conservancy (TNC), and River Network—have offices in Portland. The TPL has also worked in the Corvallis area, and the Greenbelt Land Trust is active in Benton County.

As long as the conservation goals of both public agencies and land trusts are generally consistent, this tool has the potential to apply to any targeted resource. Partnerships may be particularly useful where local governments seek to supplement their staff and want to delegate administration and management of programs, such as a conservation easement program, to a local land trust.

Local land trusts may have closer (or different) relationships with landowners because they are not regulators. The nature of these relationships can help to build trust and cooperation with landowners. In other cases where there is mistrust or hesitancy to work with a local government, partnerships may be a valuable tool to bring reluctant landowners to the table.

Reduce costs, inconvenience, and the liability of managing natural areas and creating homeowners associations, by encouraging gifting or relinquishing management responsibilities to a land trust or other conservation-oriented non-profit. Under such



circumstances, the land trust or non-profit would assume substantial long-term maintenance and liability costs.

Land trust partnerships may be used to complement other tools and to capitalize on the skills and support of land trusts. For example, partnerships could be used to support purchase of conservation easement programs, acquisition programs, and development of long-term management and use agreements.

3. Park SDC Credits

Many communities in Oregon credit the land area or value of natural area dedications against park impact fees. This measure received very strong support from the Focus Group and Portland area developers. To the extent that natural areas are important as scenic and passive recreational areas for the community, participants felt that these values should be considered by allowing credits towards park impact fees for developers.

B. Acquisition

1. Purchase

Local governments may purchase fee simple or easement rights for highly significant and threatened natural areas. This is the surest method for controlling development on a property but also requires substantial financial resources.

2. Conservation Easements

The property owner may apply a legal instrument to the deed that restricts development on the land that contains the natural area. Conservation easements allow owners to continue holding title to the entire property, while still protecting natural resources on the site from future development.

3. Land Exchange

Local government may exchange publicly owned buildable areas for privately owned natural areas. This is an attractive option in situations where publicly held land is more appropriate for development and privately held land is more appropriate for conservation.



4. Public Mitigation Banking

Provide public wetland mitigation areas where the Draft Preferred Land Use Scenario does not protect the wetland. [Note: This occurs in two situations (1) where the wetland does not meet state criteria for significance, and (2) for specific South Corvallis wetlands.]

C. Recognition

1. Recognition Programs

Recognition programs for good land stewardship – letters from government officials, media recognition, signs, etc. A few of the land owners in the Incentives Focus Group said that public recognition programs could help build trust between local governments and property owners.

City and County recognition of property owners who have dedicated open space could also help to educate voters at the time of the annexation vote. The intent is to make sure that voters know that the property owner has already dedicated natural areas to the public prior to annexation.

2. Volunteer Programs

Volunteer programs to work on-site with property owners to improve resource area quality through tree plantings, in-stream restoration, and the like.

D. Public / Private Partnerships

1. Dedicated Tax Revenues

Dedicated tax revenues for natural area improvement or purchase programs. This can be a new tax, or a set-aside of existing tax revenues.

2. System Development Charges (Stormwater, Sewer, Water)

Recognize value of natural areas to stormwater management and water quality, by waiving or reducing stormwater management impact fees for developers.



Apply stormwater and sanitary sewer user fees towards wetland, riparian corridor, and tree restoration projects in recognition of these projects' ability to (a) reduce surface water flows, and (b) reduce infiltration and inflow to sanitary sewer system.

3. Information Center

Educating property owners regarding advantages of state property tax relief programs for open space management. Before and during the development review process, connect property owners with non-profits and land trusts to work together to ensure long-term protection of natural areas while also benefiting property owners.

4. Property Tax Relief

Property owners within designated natural areas may be eligible for open space⁴ tax deferral under Oregon law (ORS 308A.306). This process allows for a lower assessment and therefore lower property taxes on land that is designated open space.

The assessed "open space value" of land is determined under a process outlined by the state law and is typically lower than other standard assessments. As with farm and forest tax deferrals, penalties would be applied if the land were ever removed from open space deferral.

⁴ To qualify as "open space" for purposes of tax relief, the property must meet the following criteria (ORS 308A.300):

- (1) "Open space land" means:
- (a) Any land area so designated by an official comprehensive land use plan adopted by any city or county; or
 - (b) Any land area, the preservation of which in its present use would:
 - (A) Conserve and enhance natural or scenic resources;
 - (B) Protect air or streams or water supply;
 - (C) Promote conservation of soils, wetlands, beaches or tidal marshes;
 - (D) Conserve landscaped areas, such as public or private golf courses, which reduce air pollution and enhance the value of abutting or neighboring property;
 - (E) Enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries or other open space;
 - (F) Enhance recreation opportunities;
 - (G) Preserve historic sites;
 - (H) Promote orderly urban or suburban development; or
 - (I) Retain in their natural state tracts of land, on such conditions as may be reasonably required by the legislative body granting the open space classification.



Local governments must follow criteria in state law when evaluating whether a property should receive an open space assessment.

5. Cost Sharing

Establish dedicated local funding to help pay for the substantial costs of restoring and enhancing natural areas. Local funding can be provided by local government agencies, federal grants, or non-profit conservation groups.

For example, the City of Portland offers landowners a dollar-for-dollar match to pay for natural resource enhancement projects. The Watershed Revegetation Program reduces costs for local landowners, and helps the city meet federal water quality mandates. Initial funding for the program came from the U.S. Environmental Protection Agency. (A full description of the Watershed Revegetation Program is provided as Appendix G.)

Economic Evaluation

ECONorthwest Economist Ed MacMullan evaluated the incentive programs and measures suggested in the Focus Group Discussion Paper (Appendix C).

His major conclusions include the following:

- Municipalities throughout the U.S. have adopted similar incentives for the same reasons Corvallis staff, stakeholders, and decision-makers are considering them: an interest in developing a regulatory process that promotes efficient land use, protects significant natural resources, and provides property owners with more certainty regarding developing their land.
- Incentives that promote resource protection also help protect or enhance the amenity and market values for properties that contain, or are adjacent to, the resources.
- Incentives that streamline the regulatory process help reduce uncertainty and risk for developers, while reducing the time and expense that staff spends processing and administering permits. A drawback of implementing incentives that streamline the regulatory



process is that they likely required up-front investments in time and resources to develop outreach material, conduct public hearings, and generate relevant technical material, e.g., maps.

- The streamlining incentives may help reduce the cost of compliance because developers can better anticipate tasks and plan ahead with more certainty. By improving the certainty of the regulatory process the incentives may also help stabilize the property market for larger parcels on Corvallis' Urban Fringe.
- Incentive zoning encourages resource protection by increasing the allowable density for residential developments in exchange for not building in areas that contain resources. Developers benefit because they gain additional or "bonus" building lots; the public benefits because the development avoids natural resources and protects open space. The resulting cluster or more-compact development can also improve land-use efficiency regarding the cost of providing municipal services such as roads, water, and sewer. Incentives that promote increased development densities in the more rural Urban Fringe may generate conflicts with area residents associated with the traffic, noise, and visual, and other impacts of these developments.
- Non-regulatory incentives, such as educational and technical assistance, can effectively promote natural-resource protection beyond the protection afforded by regulations and regulatory-based incentives, e.g., incentive zoning. Successful assistance programs include a range of projects that appeal to a variety of property owners and are appropriate for different land-use conditions.



Appendix A
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City of Corvallis
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Appendix B

Portland Area Developers Discussion

City of Corvallis

Incentives Report

Prepared by



COMMUNITY
RESOURCE
PLANNING

Winterbrook Planning

Corvallis Incentives Portland Area Developers Discussion

June 4, 2004

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Summary

To assess the effectiveness of potential incentive measures, we conducted informal interviews with two Portland area professionals – one developer and one consulting engineer – who have been involved in scores of development projects throughout the Portland region.¹ We asked both developers to discuss the relative effectiveness of three types of incentives:

- (1) **Regulatory Incentives** that would apply at the time of urban development review. Thus, they would apply mainly, but not exclusively, inside the Corvallis City Limits.
- (2) **Interim Development Incentives** that would apply *within the Urban Fringe* before full urban development and could encourage good stewardship of the land. Interim development incentives would allow for some agricultural and forest practices, and limited “cluster” development until the land is annexed to the City.

¹ During May of 2004, we interviewed Cascade Communities President Donald Oakley, P.E., and Alpha Engineer President Jerry Palmer, P.E.



- (3) **Non-Regulatory Incentives**, ranging from property acquisition to education to assistance in managing natural resource areas. Non-regulatory incentives would occur entirely outside the land use process, but are intended to complement this process.

Their advice was direct, useful and consistent – and is summarized below. More specific observations with respect to the 64 incentive measures suggested in the discussion paper developed for the Corvallis Incentives Focus Group² are found in the second part of this document.

Regulatory Incentives

- A. Both strongly agreed with the twin goals of (a) increasing certainty in the development review process, while (b) allowing for flexibility to address site-specific design and local market conditions. Both agreed that any program to reduce uncertainty and risk associated with the Corvallis and Benton County development review processes should incorporate the following:**
- 1. Clear and Objective Review Standards:** Both developers strongly supported adoption of clear and objective development review standards that limit the opportunity for opponents to attack a project that meets such standards. However, both wanted to reserve the option of applying under a discretionary review process that would allow for greater design and market creativity.
 - 2. Ministerial Review:** Both agreed that staff review (rather than review by the Planning Commission) was appropriate for many types of development. However, both recognized that the political context makes a great deal of difference. In some communities, Planning Commissions and elected officials may take a broader view than staff.
 - 3. Hearings Officer:** Both supported review by an appointed hearings officer (rather than the Planning Commission) for re complex development applications. This is common in the Portland area.
 - 4. Legislative Resource Area Mapping:** Both agreed that site-specific mapping of natural features overlay zones is useful, so that developers know

² See Appendix D-3 for a copy of the discussion questionnaire that served as the basis for developer interviews.



in advance what is buildable and what is not, and redundant on-site mapping is not required.

5. **Density Transfer:** Both supported clear and objective density transfer provisions and smaller lot size standards are useful incentives to protect natural areas. Both agreed that the rules of the game should be known in advance, and not “discovered” through the public hearing process.
6. **Pre-Approved Exceptions:** Both supported “automatic” exceptions to dimensional standards (lot coverage, setback, height, floor area ratio, solar access, and similar numerical code provisions) to protect mapped natural features.
7. **Self-Correcting Mapping:** Both agreed that mapping based on an existing natural feature – such as a wetland edge or top-of-stream bank, provided a more objective means of determining buildable and non-buildable areas.
8. **Landscaping Credit:** Both agreed that protected natural features should count towards minimum landscaping standards. Both thought that providing a “safe harbor” option for meeting landscaping and environmental mitigation requirements would be useful.
9. **Stormwater Management:** Both felt that relief from stormwater management improvements should be provided where protected natural features (e.g., trees and wetlands) perform the same function. The *Portland Stormwater Manual* was cited as a good example of this approach.

B. Although all participants supported adoption of clear and objective standards, there was broad consensus that the City and County should allow for a discretionary alternative³ that allows for good design and exercise of judgment. This alternative would apply when requested by the developer or property owner, and would be applied in the following situations:

1. **Automatic Lot Size Adjustments:** Both felt that allowing automatic modifications to lot area size standards (e.g., going from 8,000 to 6,000 sq. ft. minimum lot sizes if resource areas are avoided) would be extremely effective.

³ Note: The Goal 5 administrative rule allows for such a two-tiered approach, so long as the choice of whether to follow a “clear and objective” or “discretionary” review process is left up to the applicant.



2. **Map Changes:** The developer should be able to provide substantial factual evidence when the resources on a particular site were improperly mapped. (For example, a wetland delineation approved by the Division of State Lands would trump the Locally Significant Wetland Inventory.)
3. **Reduced Street Standards:** Both agreed that reduced right-of-way and street width standards can be extremely effective in reducing impacts to natural areas.
4. **Parking Standards:** Both agreed that reductions in parking design requirements can be useful in reducing impacts to natural areas, provided that they are optional rather than a back door way to reduce the number of spaces demanded by the market.
5. **Performance Standards:** Both agreed that the developer should be allowed to meet performance standards, where an improved design can equally or better meet the objectives the "clear and objective" standard was intended to meet.
6. **Variances:** A variance to clear and objective standards is requested, but is not on the list of automatic, or pre-approved, adjustments or exceptions.
7. **Design or Market Goals:** Where the developer wants to achieve design or market goals that would be difficult to meet by following the objective standards found in the code.
8. **Reduced Application Requirements:** Both agreed that *if* a developer completely avoids a natural area, then special resource impact studies should not be required.

Interim Development Incentives

The Portland area developers had less experience with Interim Development incentives as a means of encouraging natural resource protection. However, both understood the concept and felt that ordinances such as Benton County's Chapter 100, could be useful tools. The developers agreed on the following:

1. **Cluster Development:** Both supported cluster development provisions (with urban services or with community sewer or water systems) in exchange for long-term protection of designated natural features.



2. **Density Bonus:** Where cluster development is allowed through Benton County's Chapter 100 (Planned Development), respondents favored allowing for increased density in exchanged for protection of legislative mapped natural features.
3. **Street Design and Costs:** Both supported allowing narrower streets and private streets in interim developments. Both felt that paying the additional cost of paving connecting streets through protected natural features would be a very effective incentive.

Non-Regulatory Incentives

Both developers supported non-regulatory incentives that provided financial benefits such as reduces taxes or impact fees, as opposed to educational or public recognition benefits.

1. **Public Acceptance of Tracts:** Both recognized the value of City or County acceptance of dedications of land with protected natural features. They agreed that long-term maintenance and liability costs are substantial. They also felt that *if* a local government was strongly committed to resource protection, then it *should* be willing to accept open space tracts that form part of a larger system.
2. **Waive Systems Development Charges (SDCs):** Both supported reducing or waiving park or storm water impact fees where natural areas are protected.
3. **Use SDCs to Acquire Resource Sites:** Similarly, both developers supported the use of park and stormwater impact fees to purchase land with natural features that performs community park or stormwater management functions.
4. **Public and Non-Profit Purchase:** Both favored local government or non-profit organizations purchase of land with protected natural features. Both had benefited from such programs in the Portland region.
5. **Dedicated Tax:** Both supported ear-marking tax revenues for acquisition and management of land with protected natural features. They both cited the Metro Greenspaces Program.



6. **Positive Market Impacts:** Both recognized that location of developments near open space provides a substantial premium in lot values. Both specialize in such developments. One offered the following maxim: “maximize shoreline.” Both recognized that protected natural features near residential development provides substantial marketing benefits, in terms of project identity and increased per lot or dwelling unit value.

Ranking of Specific Incentive Measures

The following text includes excerpts from the “Corvallis Incentives Focus Group Discussion Paper,” which was used as the basis for interviews with two prominent Portland area developers. The full text of the discussion paper is found in Appendix D-3.

During an informal interview, we asked each respondent to rank suggested incentives based on their perceived effectiveness. We also asked for comments and additional suggestions regarding incentive measures that they found to be particularly effective.

Corvallis and Benton County decision-makers directed that the Preferred Land Use Scenario protection program should include *both* regulations and incentives. Natural Features regulations must have clear and objective development standards to resolve conflicts between development and resource site protection. The regulatory program will also allow developers to choose to be reviewed under the more flexible, but discretionary, planned development review process.

Corvallis and Benton County decision-makers have made it very clear that the incentive component must be effective, complement proposed regulations, recognize impacts on property rights, and encourage developers to create livable communities. The focus of this discussion is the **incentives component for developers – what works and what doesn’t.**

The interviews had three purposes:

- (1) listen to developer’s views regarding a draft list of incentives;
- (2) identify incentives that we may not have considered; and
- (3) provide a list of the most effective incentives for consideration by Corvallis and Benton County decision-makers.



The incentive program targets two primary groups that may benefit from different types of incentive programs:

- (1) Developers who manage land for farm or forest use, but will probably sell the land to a developer eventually.
- (2) Property owners who typically purchase or option land from a property owner with the intent of developing the land for residential, industrial, or commercial use.

We asked two Portland area developers to respond to the measures indicated below – from the point of view of a developer rather than a property owner. The informal ranking system applied in the tables below works as follows:

- 0 = low to no benefit;**
- 1 = moderate benefit; and**
- 2 = highly beneficial.**

As used in this discussion, the term “natural area” means land with one or more natural features that is proposed for protection under the “Preferred Land Use Scenario” management program.

Regulatory Incentives

A. Goal: Increased Certainty in Resource Mapping, Development Review Standards and Process, While Maintaining Flexibility in Site Planning and Design.

One of the more common complaints heard from the development community is this: “Just tell me what the rules are – where I can develop and where I can’t – rather than going through an expensive and uncertain process.” Another common complaint is that the *process* for getting city or county approval takes too long and is fraught with uncertainty and the potential for appeal and legal challenges. Developers often will go to great lengths to avoid the public hearing process altogether. At the same time, developers often want “flexibility” to address site-specific concerns and design objectives. Some developers are willing go through the public hearing process to achieve this flexibility.



The developer and consultant ranked the following measures in terms of their ability to address certainty, delay, risk and flexibility issues. In addition to numerical ranking, oral comments are been included in the right-hand column.

Type of Certainty / Flexibility Incentive	Effectiveness Ranking
<p>A.1 Increase Certainty and Reduce Risk and Delay in Development Review Process – As General Objective.</p>	<p>Both developers gave this goal a “high” ranking. However, the development consultant observed that his firm’s competitive advantage derived in part for its ability to address complex permitting and design problems in the Portland region. Composite Ranking: 2.0.</p>
<p>A.2 Maintain Flexibility in Application of Development Review Standards and in Determining Resource Site Location – Even if it Requires Notice and / or Public Hearing – as General Objective.</p>	<p>Both developers gave this goal a “high” ranking. One respondent noted that a flexible approach is frequently necessary to achieve a high quality project. Composite Ranking: 2.0.</p>
<p>A.3 Establish clear and objective (numerical) development review standards – No surprises, reduces likelihood of appeals, allows for staff review.</p>	<p>Both developers gave this measure a “high” ranking. However, one developer cautioned that over-reliance on objective standards can result in a cookie-cutter effect. Composite Ranking: 2.0.</p>
<p>A.4 Allow staff review (without notice) based on clear and objective (numerical) development review standards – No public hearing required.</p>	<p>Both developers gave this measure a “high” ranking. There was some skepticism as to whether it would be possible to have entirely non-discretionary review standards, given Oregon’s legal system. Both agreed that public hearings increase risk and delay. Composite Ranking: 2.0.</p>
<p>A.5 Allow Staff Review (with notice) based on <i>mostly</i> clear and objective (limited discretion) development review standards – No public hearing required.</p>	<p>Reactions to this measure were mixed, with one developer giving a “medium” ranking and one developer suggesting that difficult public review processes can raise the bar for experienced developers. Composite Ranking: 1.0.</p>
<p>A.6 Provide option for discretionary review (e.g., PD process for special circumstances) – even if Planning Commission hearing required</p>	<p>Both developers gave this measure a “high” ranking. Although both agreed that public hearings increase risk and delay, both have a successful track record with discretionary reviews in metropolitan area communities, such as planned developments. Composite Ranking: 2.0.</p>



Type of Certainty / Flexibility Incentive	Effectiveness Ranking
A.7 Utilize hearings officer rather than Planning Commission for appeal of staff decisions, to increase certainty and legal defensibility.	Both developers gave this measure a “high” ranking. Both agreed that planning commissions sometimes can reach unexpected decisions, and don’t always follow review criteria. Hearings Officers tend to be more reliable in terms of rendering decisions that comply with applicable review criteria. Composite Ranking: 2.0.
A.8 Continue to Utilize Land Development Hearings Board for appeal of staff decisions, to maintain flexibility, judgment, and sensitivity to local issues.	Both developers gave this measure a “low” ranking. Both preferred a hearings officer for review of appeals. Composite Ranking: 0.0.
A.9 Appeals from hearings officer or staff decisions go directly to LUBA, rather than elected officials, to increase certainty.	Both developers gave this measure a “low” ranking. Both agreed that its more effective to bring appeals directly to elected officials. There is also a legal reason to do this, because under Oregon law, deference is given to Council and Board decisions. Composite Ranking: 0.0.
A.10 Appeals from hearings officer or staff decisions go directly to City Council or County Board, to maintain flexibility, judgment, and political accountability.	Both developers gave this measure a “high” ranking for reasons listed above. Composite Ranking: 2.0.
A.11 Legislatively delineate and map resource sites and buildable areas, eliminating the need for developers / developers to inventory and map resources at time of development.	Views were mixed on this question. There was skepticism about the accuracy of local government mapping and a preference for on-site mapping. Both had bad experiences in certain Portland area jurisdictions regarding the accuracy of resource area mapping. Composite Ranking: 1.0.
A.12 Allow opportunity for developers / developers to conduct site-specific inventories and mapping to determine location of resource and buildable areas <i>if</i> preferred.	Views were mixed on this question as well. If standards are clear and objective, then on-site mapping makes more sense than if review standards are highly discretionary. Composite Ranking: 1.0.
A.13 Self-correcting mapping: e.g., setback measured from streambank or wetland edge, rather than drawing inflexible overlay district lines.	Both developers felt that this is a good approach, because its based on actual “on the ground” conditions. Composite Ranking: 2.0.



Type of Certainty / Flexibility Incentive	Effectiveness Ranking
A.14 Presumptive standards: e.g., follow planting plan in regulatory appendix as "safe harbor."	Both developers felt that this is a good approach, provided that there is a choice between the "presumptive standard" and coming up with an equally effective plan. Composite Ranking: 2.0.
A.15 Performance standards: e.g., allow alternative means of meeting conservation objectives based on measurable standards.	Both developers felt that this is a reasonably good approach, provided that the "performance standards" are reasonable. Composite Ranking: 1.0.
A.16 Legislatively determine locations for future streets and public facilities, eliminating need to review impacts on natural features at time of development.	Both developers could see the pros and cons of this approach. If a local government mapped roads <i>inflexibly</i> , this could be a problem. If, on the other hand, the road locations were general and merely indicated the need for a road in the vicinity, it could be helpful. Composite Ranking: 1.0.
A.17 Allow opportunity for developers / developers to adjust street and public facility locations based on site-specific information.	Both developers gave this a "high" ranking. Composite Ranking: 2.0.
<i>Other Incentives Related to Development Review Certainty or Flexibility</i>	
1. Allowing projects to be developed as condominiums rather than subdivisions can result in increased flexibility.	

B. Goal: Simplify Process to Modify Dimensional and Density Standards Without Formal Variance or PD.

Another common concern from the development community is that zoning standards in the underlying zone are inflexible. Often, zoning standards that work fine for parcels without natural features can be onerous for the property owner or developer when the remaining buildable land area on a site is small. Sure, the argument goes, it's possible to adjust zoning standards through the PD process, but this process is uncertain and often results increased costs and delay. There should be a way to reduce minimum lot sizes, decrease setbacks, increase building height and bulk, and reduce right-of-way and pavement widths outside the uncertain and time-consuming PD process.



The two respondents ranked the following in terms of their ability to use land more efficiently, protect protected natural areas on a development site, *and not* expose the developer to increased uncertainty and delay costs.

Zoning and Density Incentives	Effectiveness Ranking
B.1 Allow for “automatic” modifications to zoning dimensional standards where necessary to protect natural areas on a site – rather than go through the PD process.	Both developers gave this measure a “high” ranking. However, they were skeptical regarding such an approach because it is unusual. Composite Ranking: 2.0.
B.2 Allow smaller lot sizes through the clustered subdivision process (no PD necessary) on buildable portions of the site where necessary to protect natural areas on a site.	Both developers gave this measure a “high” ranking. Hillsboro uses this approach. Composite Ranking: 2.0.
B.3 Allow for automatic modifications to residential height, lot coverage, and setback standards where necessary to protect natural areas on a site.	The developers gave this measure a “high” and “moderate” ranking. Composite Ranking: 1.5.
B.4 Allow for reduced right-of-way, paving width, and sidewalk standards where necessary to protect natural areas on a site.	Both developers gave this measure a “high” ranking. This approach is used in a number of Portland area jurisdictions. Composite Ranking: 2.0.
B.5 Allow for a reduction in parking requirements (number and design) where necessary to protect natural areas on a site.	Both developers gave this measure a “low” ranking, due to skepticism of local government motives. Increasingly in the Portland area, cities and counties are setting parking maximums, which often are unrealistic. Composite Ranking: 2.0.
B.6 Allow for a reduction in building and garage design standards where necessary to protect natural areas on a site.	Both developers gave this measure a “moderate” ranking. They both gave qualified support for such standards, because they can result in a more attractive, pedestrian-oriented design. Composite Ranking: 1.0.
B.7 Allow for automatic modifications to commercial, industrial, and public Floor Area Ratio (FAR), height, lot coverage, setback, and related dimensional standards where necessary to protect natural areas on a site.	The reaction was mixed. Both developers focused mainly on residential projects. Composite Ranking: 0.5.



Zoning and Density Incentives	Effectiveness Ranking
B.8 Allow for automatic modifications to commercial, industrial, and public parking and parking lot dimensional standards where necessary to protect natural areas on a site.	The reaction was mixed. Both developers focused mainly on residential projects. Composite Ranking: 2.0.
B.9 Allow for automatic on-site density transfer, including multiple-family and rowhouse development in single family zones, where necessary to protect natural areas on a site.	Both developers gave this measure a “high” ranking. Many Portland area jurisdictions use this approach. One respondent noted that features such as “automatic density transfer” may create a backlash from neighborhood activists. Composite Ranking: 2.0.
B.10 Allow for private street access where connectivity is not required where necessary to protect natural areas on a site.	Both developers gave this measure a “high” ranking. Sandy and Troutdale use this approach. Composite Ranking: 2.0.
B.11 Establish Transferable Density Rights (TDR) or Transferable Commercial Floor Area Rights programs, with designated transfer and receiving areas, and TDR / FAR “banks” within the Corvallis UGB.	The reaction was mixed. Neither developer had seen this approach used effectively, but were open to the possibility. Composite Ranking: 1.0.
B.12 Upzone buildable portions of properties in exchange for dedicating natural areas to the City or County (“givings”).	Both developers gave this measure a “high” ranking. They viewed this as a variation on the density transfer theme. Composite Ranking: 2.0.
B.13 Allow preserved natural areas to meet landscape and recreational area requirements.	Both developers gave this measure a “high” ranking. Most Portland area jurisdictions use this approach. Composite Ranking: 2.0.
B.14 Reduce application information requirements if <i>avoid</i> natural area. For example, do not require an on-site tree survey if avoid mapped natural areas completely.	Both developers gave this measure a “high” ranking. Sandy uses this approach. Composite Ranking: 2.0.
B.15 Relief from stormwater infrastructure requirements: e.g., if treat at source by saving trees or reducing pavement, then reduce pipe (hardware) requirements.	Both developers gave this measure a “medium” ranking. Portland uses this approach. Composite Ranking: 2.0.



Interim Development (ID) Incentives within Urban Fringe

These incentives would apply to land between the Corvallis City Limits and the Urban Growth Boundary (UGB) – or the Urban Fringe, where land is typically zoned for 5-10 acre parcels. Current Benton County regulations allow for continued agriculture and management of timber resources through the FPA (Forest Practices Act). However, agricultural and forest practices often conflict with preservation of natural features. Chapter 100 of the Benton County Development Code requires clustered residential developments – in a manner that facilitates future urban development – through the Planned Development (PD) process. The number of permitted lots is based on the parcel area divided by the minimum lot size.

The Draft Preferred Land Use Scenario identifies natural areas located in the Urban Fringe that the community desires to remain largely intact until annexed to the City of Corvallis. When reviewing the draft “Scenario D,” the Benton County Board of Commissioners expressed concern regarding its effects on developers and landowners within the Urban Fringe. Many of landowners manage their land for timber or agricultural uses, and have for many years. Others are miles and years away from annexation, urban services, and urban development.

The two developers ranked the following in terms of their ability to permit profitable interim development while encouraging protection of natural areas. The intent is to ensure that land within the Urban Fringe is used efficiently, that protected natural areas are protected *for the long-term*, and that developers have certainty regarding what can and cannot occur on land within the Urban Fringe.



Interim Development Incentive	Effectiveness Ranking
ID.1 Allow for continued agricultural use of property <i>where farming is now occurring</i> within protected natural areas. New agricultural uses would <i>not</i> be allowed to extend into streams or wetlands, and native vegetation or trees would remain intact.	Neither developer had a strong opinion on this issue. Composite Ranking: 1.0.
ID.2 Allow for increased rural residential density (e.g., 1 unit / 2 acres) in “unbuildable” hillside protection areas in exchange for conservation easements.	Both developers supported this approach. Composite Ranking: 2.0.
ID.3 Legislatively delineate and map resource sites and buildable areas, eliminating the need for developers / developers to inventory and map resources at time of development.	Both developers supported this approach. Composite Ranking: 2.0.
ID.4 Allow for one-time harvest of Douglas fir and other commercial trees species.	Neither developer had a strong opinion on this issue, since neither manages commercial forest land. Composite Ranking: 1.0.
ID.5 Allow opportunity for developers / developers to conduct site-specific inventories and mapping to determine location of resource and buildable areas <i>if</i> preferred.	Both developers supported this approach. Composite Ranking: 2.0.
ID.6 Legislatively determine locations for future streets and public facilities through specific area planning process, eliminating need to review impacts on natural areas at time of development.	Both developers supported this approach. Composite Ranking: 2.0.
ID.7 Allow opportunity for developers / developers to adjust street and public facility locations based on site-specific information.	Both developers supported this approach. Composite Ranking: 2.0.
ID.8 Amend Chapter 100 (PD) to allow for an automatic 2:1 density transfer for land with protected Natural areas – provided that such mapped features are included within a conservation easement or dedicated as open space to the City or County.	Both developers supported this approach. Both agreed that interim clustered development could work if properly administered. Composite Ranking: 2.0.



Interim Development Incentive	Effectiveness Ranking
<p>ID.9 Through the Chapter 100 (PD) process, allow for extra-territorial extension of Corvallis sanitary sewer, stormwater and / or water services to a site – provided that designated Natural areas are protected with a conservation easement or dedicated to the City.</p>	<p>Both developers supported this approach. Both are used to service districts in Washington and Clackamas County providing urban services outside of City Limits. Composite Ranking: 2.0.</p>
<p>ID.10 Through the Chapter 100 (PD) process, allow for reduced right-of-way, paving width, and sidewalk standards where necessary to protect natural areas on a site.</p>	<p>Both developers supported this approach. Streets often are overly wide, although most Portland jurisdictions now have “skinny street” standards. Composite Ranking: 2.0.</p>
<p>ID.11 Through the Chapter 100 (PD) process, allow for private street access where connectivity is not required and where necessary to protect natural areas on a site.</p>	<p>Both developers supported this approach. Composite Ranking: 2.0.</p>
<p>ID.12 Public preparation of “specific area plans” or master development plans for larger areas within the Urban Fringe. The intent would be to simplify the County PD Review process and to reduce property owner risk. These plans would show precise locations of streets, facilities and natural areas, and would designate appropriate locations for interim clustering on buildable land.</p>	<p>Both developers supported this approach. Both agreed that master planning is necessary to determine future street locations. Composite Ranking: 2.0.</p>
<p>ID.13 Allow for “automatic” modifications to zoning dimensional standards where necessary to protect natural areas on a site through the subdivision and partition process – rather than go through the PD process.</p>	<p>Both developers supported this approach Composite Ranking: 2.0.</p>
<p>ID.14 For existing residential parcels of with < 10 acres with ≥ one acre Natural Feature, allow for an additional parcel ≤ 10,000 square feet on buildable land through partitioning process – provided that remaining the Natural Feature area is protected with a conservation easement or dedication to City or County, and house is sited to avoid planned transportation facilities.</p>	<p>Both developers felt that this had little relevance to their business. Composite Ranking: 1.0.</p>



Interim Development Incentive	Effectiveness Ranking
<p>ID.15 Establish Transferable Density Rights (TDR) or Transferable Commercial Floor Area Rights programs, with designated transfer and receiving areas, and TDR / FAR “banks” within the Corvallis UGB.</p>	<p>The reaction was mixed. Neither developer had seen this approach used effectively, but were open to the possibility. Composite Ranking: 1.0.</p>

Non-Regulatory (NR) (Market, Technical Assistance or Educational) Incentives

These incentives would apply to land within the Urban Growth Boundary (UGB) – both within and outside the Corvallis City Limits. The Draft Preferred Land Use Scenario is intended to provide full or limited protection of designated natural areas. When reviewing the draft “Scenario D,” both the Benton County Board of Commissioners and the Corvallis City Council expressed concern regarding its effects on developers. Both agreed that regulatory and non-regulatory incentives were necessary to accomplish the objectives of the Natural Features program.

Portland area developers ranked the following in terms of their ability to encourage developers to incorporate natural areas into the design and layout of their projects.

Non-Regulatory Incentive	Effectiveness Ranking
<p>NR.1 Reduce costs, inconvenience, and liability of managing natural areas and creating homeowners associations, by encouraging dedication to the City and County. Under such circumstances, the City or County would assume substantial long-term maintenance and liability costs.</p>	<p>Both developers strongly supported this measure. Neither was particularly fond of homeowners’ associations because of their set-up costs and long-term maintenance needs. Both felt that if a City or County is truly committed to natural resource preservation, they should “walk the walk.” Composite Ranking: 2.0.</p>
<p>NR.2 Recognize value of natural areas by waiving or reducing park impact fees for developers.</p>	<p>Both developers supported this approach. Composite Ranking: 2.0.</p>



Non-Regulatory Incentive	Effectiveness Ranking
NR.3 Recognize value of natural areas to stormwater management and water quality, by waiving or reducing stormwater management impact fees for developers.	Both developers thought this measure had some value. Composite Ranking: 1.0.
NR.4 Apply stormwater and sanitary sewer user fees towards wetland, riparian corridor and tree preservation restoration projects as a means of (a) reducing surface water flows, and (b) reducing infiltration and inflow to sanitary sewer system. (Portland Bureau of Environmental Services example.)	Both developers thought this measure had limited value. Composite Ranking: 1.0.
NR.5 Local government purchase of fee simple or easement rights for highly significant and threatened natural areas.	Both developers thought this measure had supported this measure. Composite Ranking: 2.0.
NR.6 Exchange publicly owned buildable areas for privately owned natural areas.	Both developers thought this measure had some potential value. Composite Ranking: 1.0.
NR.7 Provide public wetland mitigation areas where the Draft Preferred Land Use Scenario does not protect the wetland. [Note: This occurs in two situations (1) where the wetland does not meet state criteria for significance, and (2) for specific South Corvallis wetlands.]	Neither developer was particularly supportive of this measure. Neither does industrial development. Composite Ranking: 0.0.
NR.8 Recognition programs for good land stewardship – letters from government officials, media recognition, signs, etc.	Neither developer was influenced by “recognition programs,” although they had both received public recognition for quality developments and natural resource restoration projects. Composite Ranking: 0.0.
NR.9 Volunteer programs to work on-site with developers to improve resource area quality through tree plantings, in-stream restoration, and the like.	Both developers thought this measure had some potential value, but more for “feel good” than practical reasons. Composite Ranking: 1.0.
NR.10 Pay for consulting services to advise developers on best natural area management practices.	Both developers thought this measure had some potential value. Composite Ranking: 1.0.
NR.11 University or school programs to advise developers regarding best management practices.	Both developers thought this measure had some potential value. Composite Ranking: 1.0.
NR.12 Dedicated tax revenues for natural area improvement or purchase programs.	Both developers supported this measure. Both had been involved in Metro land purchases through the Greenspace program. Composite Ranking: 2.0.



Non-Regulatory Incentive	Effectiveness Ranking
NR.13 Educating developers regarding advantage of state property tax relief programs for open space management.	Neither developer felt that they would benefit from educational programs. Composite Ranking: 0.0.
NR.14 Provide UGB wide "information center" or ombudsman to provide information to developers and developers regarding the sources of funding, preservation techniques, and local incentive and regulatory programs.	Both developers thought this measure had some potential value. Composite Ranking: 1.0.
NR.15 Advocate for private property insurance reductions where natural hazards are avoided.	Neither developer felt that they would benefit from educational programs. Composite Ranking: 0.0.
NR.16 Before and during the development review process, connect developers with non-profits and land trusts to work together to (a) ensure long-term protection of natural areas, while (b) benefiting developers.	Neither developer felt that they would benefit from such facilitation. Composite Ranking: 0.0.
NR.17 City and County recognition of developers who have dedicated open space, at time of annexation vote. The intent is to make sure that voters know that the property owner has <i>already</i> dedicated natural areas to the public prior to annexation.	The reaction here was mixed. One developer had been through a recent voter annexation request, and appreciated city council support. Composite Ranking: 0.0.
NR.18 Establish dedicated local funding to help pay for the substantial costs of restoring and enhancing natural areas.	Both developers supported this measure. Composite Ranking: 2.0.



Appendix C

Economic Aspects of Development Incentives

City of Corvallis

Incentives Report

Prepared by

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June 4, 2004

TO: Greg Winterowd
FROM: Ed MacMullan
SUBJECT: ECONOMIC ASPECTS OF DEVELOPMENT INCENTIVES

During our meeting on May 11th, we discussed the Corvallis Natural Features Program and potential development incentives that encourage protecting natural resources. You requested a memo for use by Corvallis decision-makers that summarizes the relevant economic aspects of the types of incentives discussed in your draft “white paper” and under consideration by a Corvallis Focus Group and Corvallis and Benton County decision-makers. We agreed that ECO’s description should focus on the incentives’ economic rational and/or benefits.

This memo describes the results of our analysis. See subsection VI. Conclusion for a summary of results.

This memorandum is organized as follows:

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I. Introduction

The draft incentives target landowners and/or potential developers within in the Corvallis City Limits and on the Urban Fringe of Corvallis. As designed, the incentives promote residential development in ways that increase the protection of significant natural resources, e.g., riparian areas and wildlife habitat. The incentives will complement proposed regulations that also target resource protection.

I reviewed information you provided (within the budget constraint for the analysis) on the following incentive programs:

- Improved mapping of significant natural resources, established protection guidelines, and streamlined regulatory processes specific to developing parcels that contain significant resources.
- Incentive zoning that promotes cluster or higher-density developments in exchange for public amenities such as protecting open space or natural areas.
- Non-regulatory incentives including educational and technical assistance.
- Market-based incentives that pay a premium for parcels that contain or are adjacent to protected natural resources such as riparian areas or open space.

II. Improved Mapping, Established Protection Measures, and Streamlined Regulatory Process

The regulatory, zoning and approval processes that affect residential developments are more complex, involve more agencies and stakeholders, take longer and require more information today than in the past. Implications of this trend for developers include a longer and more expensive design and review process, and increased uncertainty regarding the ultimate outcome of their proposals. A more complex review and approval process also increases demands on municipal staff at a time when many communities face declining municipal budgets.

A nationwide survey of municipal staff and developers in rapidly-growing communities conducted in 1976, and followed-up in 2002, found the following attitudes and perceptions on this topic:

- Developers consider government regulations the most significant problem in planning and executing residential developments.
- Since 1976, the number of delays in the approval process grew as the process increased in complexity and with the addition of new requirements.
- Some public officials attributed approval delays to the inability of developers to present adequate information. Many acknowledge, however, that a

bureaucratic process that requires approval by multiple agencies and understaffing also delay approvals.

- In both the 1976 and 2002 surveys, developers stated that subdivision standards and zoning regulations increased the cost of homes they built and decreased densities (Ben-Joseph 2003)¹.

A study conducted by staff at the Economic Development Administration (EDA) found similar results. The EDA researchers identified direct and indirect costs associated with complex regulatory processes. The direct costs include the time and expense associated with:

- Identifying the necessary permits and application processes.
- Identifying available compliance options and assessing how each fits the firm's overall business strategy.
- Filing permit applications and tracking their progress.
- Monitoring and reporting requirements to maintain the legitimacy of permits after initial approval.

Indirect costs include the time and expense associated with:

- Production delays due to extended permit preparation and review.
- Uncertainty that increases search costs. Risk that the firm may fail to obtain its permits can make it impossible (or at least more costly) to acquire financing (Robinson 1999).

Academic textbooks on real-estate finance describe the investment risk associated with regulatory uncertainty as "legislative risk."

"Legislative Risk: Real estate is subject to numerous regulations such as ... zoning, and other restrictions imposed by government. Legislative risk results from the fact that changes in regulations can adversely affect the profitability of the investment." (Brueggeman and Fisher 2001, page 309)

As described by researchers at Florida State University, streamlining and simplifying the regulatory process is one way of minimizing the development costs and uncertainty associated with a complex and data-intensive permitting and approval process. On this point these researchers conclude:

"How can communities reduce regulatory uncertainty and create a more stable and predictable regulatory environment? One answer is to streamline and consolidate the procedures,

¹ We note that these results and others described in this section focus on the costs associated with a complex regulatory environment and the benefits of incentives that reduce the costs and uncertainties associated with such a process. This analysis does not address the potential economic benefits of the regulations and approval processes at issue in our review. That is, we assume the *benefits* of the regulations at issue remain unchanged or improved, while the incentives help reduce the *complexity, uncertainty and costs* of complying with the regulations.

administrative designs and requirements of the regulatory permitting processes for new development. Efforts to centralize, coordinate, and streamline these programs provide an effective means to reduce uncertainty in the regulatory environment.” (Jeong and Feiock 2001, page 1)

The draft incentives target the regulatory complexity, uncertainty, risk and the associated economic costs described above. The incentives include improving the certainty of the regulatory process, providing flexibility in meeting requirements, and generally streamlining the regulatory process. Specific incentives include:

- Establish clear and objective (numerical) development review standards.
- Utilize a hearings officer rather than the Planning Commission for appeals of staff decisions in an effort to increase regulatory certainty and legal defensibility.
- Legislatively delineate and map resource sites and buildable areas, eliminating the need for property owners/developers to inventory and map resources at time of development.
- Establish performance standards that allow alternative means of meeting conservation objectives based on measurable standards.
- Legislatively determine locations for future streets and public facilities, eliminating the need to review impacts on natural features at the time of development.

A drawback of implementing these types of streamlining incentives is that they likely require up-front investments in time and resources for municipal staff, stakeholders and decisionmakers. These up-front investments may include developing public-outreach material, scheduling and holding public hearings, and developing relevant technical and regulatory data, e.g., resource maps. We note, however, that for some incentives, such as developing maps of resource and buildable areas, implementing the incentives may be more cost effective in the long term compared with the alternative, in this example, of developing and reviewing multiple maps for individual developments.

III. Incentive Zoning

Incentive zoning allows developers to build at greater densities than they otherwise would be allowed in exchange for providing public benefits, such as including low-income housing in a development or preserving existing open space. (Tompkins County Planning 2004; Morris 2000) In an example specific to protecting significant natural resources, incentive zoning benefits developers by allowing them additional, or “bonus,” building lots in exchange for not building in areas that contain resources. Incentive zoning may also contain provisions that encourage smaller-than-allowed lots in clustered developments (Benson 2001; Ohm 1999). The resulting higher-density developments minimize impacts on significant natural resources and make more efficient use of land so that developing roads and extending City services may cost less compared with more dispersed developments. (Pace Law School 2004)

A cursory internet search found examples of incentive zoning, such as those under consideration by Corvallis and Benton County, are used by municipalities in Georgia, Wisconsin, Virginia, Florida, and New York. As described by the Land Use Law Center of Pace University, incentive zoning includes:

“The purpose of incentive zoning is to advance the locality’s physical, cultural and social objectives, in accordance with the comprehensive plan, by having land developers provide specific amenities in exchange for zoning incentives. ... One cost effective way of providing ... municipal services and facilities is to concentrate new development in serviceable districts by providing density bonuses, or incentives, to developers in such districts on the condition that they provide or pay for the services and facilities needed in the area or in the community as a whole.”

“[B]ecause economic incentives are used to encourage developers to provide needed benefits and because such systems are voluntary, they tend not to be opposed by developers who often challenge impact fees and mitigation requirements where no benefits are offered to them. ... [B]ecause an incentive zoning system can be designed with the needs of an entire district or service area in mind, it can be a more potent system of meeting community facility and service needs than proceeding one development project at a time.” (Pace Law School 2004)

A guidebook published by the Wisconsin Department of Natural Resources and University of Wisconsin on including consideration of natural resources in local comprehensive planning lists incentive zoning as an effective means of protecting open space and natural resources (University of Wisconsin 2002). Benson (2001) describes the use of incentive zoning in Wisconsin and the associated economic benefits for developers.

“In the past two weeks, one community has passed—and another is considering—zoning changes that reward builders with “bonus” lots for plotting homesites in clusters and dedicating larger tracts for open space.”

“Bonus lots give developers an economic incentive to build cluster, or conservation, developments, a relatively new technique for preserving open spaces uses as an alternative to large-lot requirements.”

“Without cluster designs, open spaces ‘otherwise would be somebody’s backyard,’ said Henry Elling, planner for the Town of Summit, which was the first southeastern Wisconsin community to write a bonus ordinance, doing so two years ago.”

“The concept got an additional boost last month from the University of Wisconsin Extension, which issued a model

ordinance paper suggesting how communities can reward cluster design developments with additional homesites.”

“It essentially gives the developer an economic incentive to do it this way.” (Benson 2001)

The overall goals of the incentive-zoning portion of the Corvallis – Benton County Program include efficiently developing lands while protecting significant natural resources and giving land owners more certainty regarding what they can and can't do on their land.

You asked that I consider interim development incentives that may be applied by Benton County within the Urban Fringe. Before adopting Chapter 100, Planned Development, it is my understanding that Benton County's zoning regulations allowed for residential developments on lots of from 5-10 acres. This resulted in grid-type, low-density residential developments without regard for the impacts on significant natural resources. This large-lot pattern may parse the resource into relatively small units, with resulting negative impacts on biophysical factors such as habitat connectivity and resource integrity. In addition, the cost of developing urban streets and extending City services, such as water and sewer, will be greater for more dispersed developments compared with developments that cluster smaller-sized lots. Thus, the future per-unit cost of annexing properties on the Urban Fringe into the City may be greater for more dispersed developments.

Chapter 100 addresses many of these issues by requiring clustered housing and avoidance of natural features. However, until recently, these natural features had not been comprehensively mapped. Your “white paper” suggests possible ways to improve Chapter 100 consistent with incentive zoning principles.

Specific examples of potential incentive zoning within the Urban Fringe include:

- Allowing smaller lot sizes through cluster developments on buildable portions of a site where necessary to protect the sites natural areas.
- Allowing reduced right-of-way, paving width, and sidewalk standards where necessary to protect natural areas on a site.
- Allowing automatic on-site density transfer, including multiple-family and rowhouse development in single family zones, where necessary to protect natural areas on a site.
- Allowing an automatic 2:1 density transfer for land with protected natural areas—provided that such mapped features are included within a conservation easement or dedicated as open space to the City or County. (For example, a 20 acre UR-5 parcel with 10 acres of protected natural area, would be allowed an interim cluster development of 6 rather than 4 units.)

These draft measures provide an economic incentive to developers as a tradeoff for protecting natural areas. As described above, similar provisions implemented

elsewhere have proven effective methods of protecting natural areas. The resulting cluster or more-compact development form will also improve land-use efficiency regarding the cost of providing municipal services.

A concern regarding incentive zoning for land on the Urban Fringe is that it could promote higher-density development in more rural areas. In effect, this zoning could allow pockets of urban-type housing developments in rural areas, with the associated traffic, visual and other impacts. Neighbors may find the higher density inconsistent with a more rural quality and pace of life. (Pace Law School 2004) However, in Corvallis Urban Fringe, the density is still low enough that such impacts are relatively insignificant.

IV. Non-Regulatory Incentives

In addition to the regulatory incentives described above, the Winterbrook “white paper” suggests non-regulatory incentives as a means of minimizing negative impacts of regulatory provisions on property owners and developers. The overall goals of the non-regulatory incentives are the same as those for the regulatory approach: encourage land owners to adopt and continue good-stewardship practices and developers to incorporate natural areas into the design and layout of their projects.

Specific non-regulatory incentives include:

- Supporting volunteer programs to work on-site with property owners to improve the quality of resource areas through tree plantings, in-stream restoration and related projects.
- Pay for consulting services to advise property owners on best management practices for natural areas.
- Develop or support university or school programs to advise property owners on best management practices for natural areas.
- Dedicate tax revenue for improving and/or purchasing natural areas.
- Provide a UGB-wide information center or ombudsman to provide information to property owners and developers regarding the sources of funding, preservation techniques, and local incentive and regulatory programs.

These incentives can be effective means of promoting protection of natural resources beyond the protection afforded by regulations and regulatory-based incentives. Some non-regulatory incentives will be more appropriate than others, depending on the details of the program and land-use conditions. Successful incentive programs, therefore, have a range of projects that appeal to a variety of property owners and are appropriate for different land-use conditions. Typically, however, landowners most interested in non-regulatory incentives already have some understanding of resource protection before becoming involved in the

program. See Winterbrook Planning and Adolfsen Associates (2001) for more information on a range of non-regulatory incentive programs.

V. Market-Based Incentives

Property markets provide some incentives for resource protection. For example, markets place a premium on properties with amenity values associated with scenic views, proximity to water, or access to urban parks, open space or other natural areas. Examples of market-based premiums attributed to natural resources include:

- Benson et al. (1998) report that homes in the Bellingham, Washington area with an unobstructed view of Puget Sound sell for approximately 60 percent more than comparable homes without a view.
- In a study specific to riparian corridors, Colby and Wishart (2002) report that homes within 0.1 miles of riparian areas in Tucson, Arizona sold for 6 percent more than comparable homes 1.5 miles from the riparian area.
- Espey and Owusu-Edusei (2001) found that homes within 1,500 feet of urban parks in Greenville, South Carolina sold for approximately 8.5 percent more than comparable homes located further from the park.
- Thorsnes (2002) reports that building lots adjacent to a forest preserve sold for between 19 and 35 percent more than comparable lots that did not border the preserve.
- In a study conducted in Portland, Oregon, Bolitzer and Netusil (2000) found that homes within 1,500 feet of open space sold for approximately 3 percent more than comparable homes located further from the open space.

The value of these types of market-based incentives derive directly from the type and quality of the natural resource and from the economic forces and trends that influence property markets. To the extent that regulatory and non-regulatory incentives described above support or enhance natural resources, they will also enhance the related amenity values as measured by property markets.

VI. Conclusion

The major conclusions from my review of available information on the types of incentives considered in your draft white paper include:

- Municipalities throughout the U.S. have adopted similar incentives for the same reasons Corvallis staff, stakeholders and decisionmakers are considering them: an interest in developing a regulatory process that promotes efficient land use, protects significant natural resources, and provides property owners with more certainty regarding developing their land.
- Incentives that promote resource protection also help protect or enhance the amenity and market values for properties that contain, or are adjacent to, the resources.
- Incentives that streamline the regulatory process help reduce uncertainty and risk for developers, while reducing the time and expense that staff spends processing and administering permits. A drawback of implementing incentives that streamline the regulatory process is that they likely required up-front investments in time and resources to develop outreach material, conduct public hearings, and generating relevant technical material, e.g., maps.
- The streamlining incentives may help reduce the cost of compliance because developers can better anticipate tasks and plan ahead with more certainty. By improving the certainty of the regulatory process the incentives may also help stabilize the property market for larger parcels on Corvallis' Urban Fringe.
- Incentive zoning encourages resource protection by increasing the allowable density for residential developments in exchange for not building in areas that contain resources. Developers benefit because they gain additional or "bonus" building lots, the public benefits because the development avoids natural resources and protects open space. The resulting cluster or more-compact development can also improve land-use efficiency regarding the cost of providing municipal services such as roads, water and sewer. Incentives that promote increased development densities in the more rural Urban Fringe may generate conflicts with area residents associated with the traffic, noise, visual and other impacts of these developments.
- Non-regulatory incentives, such as educational and technical assistance, can effectively promote natural-resource protection beyond the protection afforded by regulations and regulatory-based incentives, e.g., incentive zoning. Successful assistance programs include a range of projects that appeal to a variety of property owners and are appropriate for different land-use conditions.

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Appendix D

Results of Natural Features Incentives Focus Group Sessions

City of Corvallis

Incentives Report

Prepared by



COMMUNITY
RESOURCE
PLANNING

Winterbrook Planning



MEMORANDUM

To: Kathy Gager, Natural Features Project Manager
 From: Greg Winterowd
 Date: May 24, 2004
 Re: **Results of Natural Features Incentives Focus Group Sessions**

This memorandum summarizes the results of two Corvallis Focus Group Sessions held on Tuesday May 4, and Thursday, May 13, 2004 at Corvallis City Hall. The purpose of the focus groups was to solicit information on land development incentives that can protect natural features.

Generally, the Focus Group members indicated the greatest support for regulatory incentives that reduce risk for developers by providing clear and objective review standards and a streamlined, impartial review process. Focus Group members were particularly interested in having an appointed Hearings Officer review development applications, rather than the Planning Commission.

The Focus Group also identified a major *disincentive* – their perceived lack of trust in the existing Corvallis review process. Several spoke of “the Corvallis way” of development review in pejorative terms. Several cited specific examples where they felt that they had been treated unfairly in the process. Several cited the high risks involved in the development review process and the subjective nature of land use decision-making in Corvallis and (to a lesser extent) in Benton County.

The Discussion Paper

Each focus group participant was given a document entitled “Corvallis Incentives Focus Group Discussion” (Discussion Paper). The Discussion Paper:

- described the purpose of the Incentives Report;
- explained broad types of incentive programs and the rationale for each;
- included a detailed list of potential incentives for each type of program; and
- provided an opportunity to rank each program measure in terms of its effectiveness.

Attachments 1 and 2 summarize written and oral comments related to each of 64 incentive measures listed in the Discussion Paper. Attachment 1 is a narrative summary; Attachment 2 is a simple numerical spreadsheet.



Focus Group Participants

Twelve people participated in at least one of the focus group sessions. Four provided written responses to the questionnaire. Table 1 identifies who participated in which session, their role in the development process, and whether they filled out the questionnaire found in the Discussion Paper.

Table 1. Focus Group Participants and Level of Participation

Name and Role	May 4 Session	May 13 Session	Filled Out Questionnaire?
David Dodson Land Use Consultant	Yes	No	Yes
Lyle Hutchins Developer	Yes	No	No
Feres Kekhia, P.E. Otak	Yes	No	Yes
Darrin Stairs, P.E. Otak	No	Yes	No ¹
Terri Valiant Land Use Consultant	Yes	No	No ¹
Dennis Pahlesch Developer	Yes	No	Parts A, B
Carol Harman Land Owner	No	Yes	No ²
Joe Harman Land Owner	Yes	No	No ²
Lynn Nordhausen Land Owner	Yes	Yes	Yes
George Mears Land Owner	Yes	Yes	No ²
Patty McIntosh OSU Planner	Yes	No	No
Rick South Land Owner, Contractor	Yes	No	No

¹ Did not fill out the questionnaire because someone from their organization, or who they represent, did fill out the questionnaire.

² Did not fill out the questionnaire because of concerns about how the questionnaires might be used in the process.



Broad Incentives Categories

The preliminary incentives list was divided into three broad categories:

- (1) **Regulatory Incentives** that would apply at the time of urban development review. Thus, they would apply mainly, but not exclusively, inside the Corvallis City Limits.
- (2) **Interim Development Incentives** that would apply *within the Urban Fringe* before full urban development and would encourage good stewardship of the land. Interim development incentives would allow for some agricultural and forest practices, and limited “cluster” development until the land is annexed to the City.
- (3) **Non-Regulatory Incentives**, ranging from property acquisition to education to assistance in managing natural resource areas. Non-regulatory incentives would occur entirely outside the land use process, but are intended to complement this process.

Under each of these broad categories, 15 to 18 specific incentives were provided for review.

Observations

Focus Group participants provided excellent advice, and came to fairly broad consensus regarding incentive programs. General observations are listed below. More specific observations with respect to the 64 specific measures are found in Attachment 1 to this document.

A spreadsheet showing survey responses and an analysis of the data is found in Attachment 2. Relatively few participants filled out the written questionnaire, so because of the small sample size, the value of this data is limited.

I. Regulatory Incentives

- A. All agreed that any program to reduce uncertainty and risk associated with the Corvallis and Benton County development review processes, and thereby build trust, should incorporate the following:
 1. **Clear and Objective Review Standards:** Establish clear and objective development review standards. Limit the opportunity for opponents to attack a project that meets adopted standards.
 2. **Ministerial Review:** Allow for staff review (rather than review by the Planning Commission) for most types of development.
 3. **Hearings Officer:** Allow for review by an appointed hearings officer (rather than the Planning Commission) for more complex development applications. Several



respondents strongly emphasized the importance of an impartial hearings officer who would not be swayed unduly by neighborhood opposition.

4. **Legislative Resource Area Mapping:** Provide site-specific mapping of natural features overlay zones, so that landowners and developers know in advance what is buildable and what is not, and redundant on-site mapping is not required.
 5. **Density Transfer:** Provide clear and objective density transfer and lot size standards, so that the rules of the game are known in advance, and not “discovered” through the public hearing process.
 6. **Pre-Approved Exceptions:** Allow for “automatic” exceptions to dimensional standards (lot coverage, setback, height, floor area ratio, solar access, and similar numerical code provisions) to protect mapped natural features.
 7. **Landscaping Credit:** Allow protected natural features to count towards minimum landscaping standards.
 8. **Stormwater Management:** Provide relief from stormwater management improvements where protected natural features (e.g., trees and wetlands) perform the same function.
- B. Although all participants supported adoption of clear and objective standards, there was broad consensus that the City and County should allow for a discretionary alternative¹ that allows for good design and exercise of judgment. This alternative would apply when requested by the developer or property owner, and would be applied in the following situations:
1. **Map Changes:** The developer provides substantial factual evidence that the resources on a particular site were improperly mapped. (For example, a wetland delineation approved by the Division of State Lands would trump the Locally Significant Wetland Inventory.)
 2. **Performance Standards:** The developer shows that the goals of the objective standard (e.g., water quality, scenic views, or wildlife habitat) are better met through a different design or approach.
 3. **Variations:** A variance to clear and objective standards is requested, but is not on the list of automatic, or pre-approved, adjustments or exceptions.
 4. **Design or Market Goals:** Where the developer wants to achieve design or market goals that would be difficult to meet by following the objective standards found in the code.

¹ Note: The Goal 5 administrative rule allows for such a two-tiered approach, so long as the choice of whether to follow a “clear and objective” or “discretionary” review process is left up to the applicant.

II. Interim Development Incentives

Focus Group participants did not appear to be as enthusiastic about the potential for Interim Development incentives as they were for more direct regulatory incentives. There were some notable differences in emphasis (but not overall direction) between professional consultants and developers on the one hand, and long-term landowners on the other.

Generally, the Focus Group agreed on the following:

1. **Farm and Forest Uses:** Long-term landowners were more likely to favor interim standards that allow for continued farm and forest management practices in the Urban Fringe. Developers have less interest in long-term management of natural resources.
2. **Cluster Development:** Developers were more likely to support Interim Development incentives which would allow for cluster development (with urban services or with community sewer or water systems) in exchange for long-term protection of designated natural features. Property owners were skeptical regarding the effectiveness of Benton County's existing Planned Development regulations, and pointed out that Chapter 100 had been used infrequently due to the complexities of homeowners' associations, and community sewer and water systems.
3. **Density Bonus:** Where cluster development is allowed through Benton County's Chapter 100 (Planned Development), respondents favored allowing for increased density in exchanged for protection of legislative mapped natural features.
4. **Contractual Arrangement:** Where property is protected by a property owner through dedication or conservation easement, there was strong support for a contractual agreement between the local government and property owner that recognizes future development rights. If future elected officials make the policy choice not to allow the specified development rights, then the protected property would revert back to the original donor.
5. **Street Design and Costs:** Allow for narrower streets and private streets in interim developments, and/or pay for the additional cost of paving connecting streets that must be routed through protected natural features.
6. **Additional Small Building Lot:** For developed parcels of 10 acres or more, allow for one additional building lot through a ministerial (clear and objective) process in exchange for protecting mapped natural features on a site.



III. Non-Regulatory Incentives

In general, Focus Group participants were more supportive of non-regulatory incentives that provided financial benefits such as reduces taxes or impact fees, as opposed to educational or public recognition benefits.

1. **Public Acceptance of Tracts:** There was general support for encouraging the City or County to accept dedications of land with protected natural features, so that property owners and developers would not bear long-term maintenance and liability costs for land with little or no development potential. However, participants stressed the importance of a “reversionary clause” to ensure *quid pro quos* are recognized by future decision-makers.
2. **Waive Systems Development Charges (SDCs):** There was strong support for reducing or waiving park or storm water impact fees where natural areas are protected.
3. **Use SDCs to Acquire Resource Sites:** Similarly, Focus Group participants supported the use of park and stormwater impact fees to purchase land with natural features that performs community park or stormwater management functions.
4. **Public and Non-Profit Purchase:** All favored local government or non-profit organizations purchase of land with protected natural features.
5. **Mitigation Banking:** There was support for providing public wetland mitigation banks. This concept could be extend to other types of natural features as well.
6. **Dedicated Tax:** The group supported ear-marking tax revenues for acquisition and management of land with protected natural features.
7. **Educational Programs:** There was general support for public programs to educate property owners regarding the value and location of protected natural features, how the Natural Features Program works in Corvallis and Benton County, and incentives for and benefits of good stewardship.
8. **Networking:** There was limited support for programs to facilitate communication among agencies, non-profits and land trusts to encourage dedication or gifting of property in exchange for tax or other financial benefits.
9. **Positive Market Impacts:** Focus Group members generally recognize that protected natural features near residential development provides marketing benefits, in terms of increase per lot or dwelling unit value.



Appendix D-2

Questionnaire Responses of Corvallis Incentives Focus Group Discussion

City of Corvallis

Incentives Report

Prepared by



COMMUNITY
RESOURCE
PLANNING

Winterbrook Planning

Questionnaire Responses of Corvallis Incentives Focus Group Discussion

Room C, Corvallis City Hall

2:15 – 5:00 p.m.

Tuesday, May 4, and Wednesday, May 13, 2004

The following individuals did not submit written responses to the questionnaire:
Hutchens, Valiant, Pahlesch, Harman, Mears, McIntosh, South.

Scoring is as follows: 0 = low to no benefit, 1 = moderate benefit, 2 = highly beneficial.

	David Dodson Consulting Land Planner	Feres Kekhia Consulting Engineer	Dennis Pahlesch Developer	Lynn Nordhausen Land Owner	Average Score
Category A:					
Increased Certainty in Resource Mapping, Development Review Standards and Process, While Maintaining Flexibility in Site Planning and Design					
A.1	2	2	2	2	2.00
A.2	2	2	1	2	1.75
A.3	2	2	1	2	1.75
A.4	2	1	2	2	1.75
A.5	2	2	2	0	1.50
A.6	2	2	1	2	1.75
A.7	2	2	2	2	2.00
A.8	0	0	0	0	0.00
A.9	0	0	0	0	0.00
A.10	1	2	2	2	1.75
A.11	2	2	2	0	1.50
A.12	2	2	2	2	2.00
A.13	1	2	2	2	1.75
A.14	2	2	0	0	1.00
A.15	1	2	2	2	1.75
A.16	1	0	1	1	0.75
A.17	2	2	0	1	1.25
Category A Averages	1.53	1.59	1.29	1.29	



David Dodson Consulting Land Planner	Feres Kekhia Consulting Engineer	Dennis Pahlesch Developer	Lynn Nordhausen Land Owner	Average Score
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Category B:

Simplify Process to Modify Dimensional and Density Standards Without Formal Variance or PD

B.1	2	2	2	2.00
B.2	1	2	2	1.67
B.3	2	2	2	2.00
B.4	2	1	2	1.67
B.5	2	0	2	1.33
B.6	1	2	1	1.33
B.7	1	2	1	1.33
B.8	0	2	2	1.33
B.9	1	2	2	1.67
B.10	1	2	2	1.67
B.11	0	2	2	1.33
B.12	2	2	0	1.33
B.13	2	2	2	2.00
B.14	2	2	2	2.00
B.15	1	2	2	1.67

**Category B
Averages**

1.33

1.80

1.73

David Dodson Consulting Land Planner	Feres Kekhia Consulting Engineer	Dennis Pahlesch Developer	Lynn Nordhausen Land Owner	Average Score
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Category ID:

Interim Development Incentives within Urban Fringe

ID.1	1		0	0.50
ID.2	2		2	2.00
ID.3	2		0	1.00
ID.4	2		0	1.00
ID.5	2		1	1.50
ID.6	0		0	0.00
ID.7	2		1	1.50
ID.8	1		0	0.50
ID.9	1		2	1.50
ID.10	2		2	2.00



ID.11	2	2	2.00
ID.12	2	0	1.00
ID.13	2	2	2.00
ID.14	2	1	1.50
ID.15	1	1	1.00

Category ID Averages **1.60** **0.93**

	David Dodson	Feres Kekhia	Dennis Pahlesch	Lynn Nordhausen	Average Score
	Consulting Land Planner	Consulting Engineer	Developer	Land Owner	

Category NR:

Non-Regulatory (Market, Technical Assistance or Educational) Incentives

NR.1	1	2	1.50
NR.2	2	2	2.00
NR.3	1	2	1.50
NR.4	1	2	1.50
NR.5	2	2	2.00
NR.6	1	0	0.50
NR.7	1	2	1.50
NR.8	0	1	0.50
NR.9	1	1	1.00
NR.10	0	0	0.00
NR.11	0	0	0.00
NR.12	1	2	1.50
NR.13	1	2	1.50
NR.14	0	0	0.00
NR.15	0	1	0.50
NR.16	1	1	1.00
NR.17	0	2	1.00
NR.18	1	0	0.50

Category NR Averages **0.78** **1.22**



Appendix D-1

Detailed Results of Corvallis Incentives Focus Group Discussion

City of Corvallis

Incentives Report

Prepared by



COMMUNITY
RESOURCE
PLANNING

Winterbrook Planning

**Detailed Results of
Corvallis Incentives Focus Group Discussion**

Room C, Corvallis City Hall

2:15 – 5:00 p.m.

Tuesday, May 4, and Wednesday, May 13, 2004

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Introduction

[Note to Corvallis and Benton County decision-makers: This document, in slightly modified form, served as the basis for discussions with the Natural Features Incentives Focus Group. The composite ranking for each specific incentive measure is included in tables below. As noted below, several Focus Group members chose not to fill out the ranking questionnaire. However, in our view, those who did fill out the questionnaire generally reflected the views of the group as a whole.]



The Corvallis Natural Features Program, when completed, will include several elements:

- A comprehensive inventory of natural features (riparian corridors, wetlands, wildlife habitat, tree groves, and natural hazards such as floodplains and steep slopes),
- A determination of which of these natural features are “significant” and which are not;
- An evaluation of the economic, environmental, social and energy consequences of alternative courses of action (Goal 5 ESEE analysis) to determine which natural features will be protected as “natural areas” and which will not; and
- A management program (Goal 5 program) that prescribes how natural areas will be protected. In April of 2004, Corvallis and Benton County decision-makers approved a “Preferred Land Use Scenario” (Scenario D) – as the basis for the natural features management program for the Corvallis UGB.

Corvallis and Benton County decision-makers directed that the Preferred Land Use Scenario protection program should include *both* regulations and incentives. Natural Features regulations must have clear and objective development standards to resolve conflicts between development and resource site protection. The regulatory program will also allow property owners to choose to be reviewed under the more flexible, but discretionary, planned development review process.

Corvallis and Benton County decision-makers have made it very clear that the incentive component must be effective, complement proposed regulations, recognize impacts on property rights, and encourage developers to create livable communities. The focus of this “white paper” is the **incentives component – what works, what doesn’t, and who benefits.**

The May discussion groups had three purposes:

- (1) listen to member views regarding a draft list of incentives;
- (2) come up with incentives that we may not have considered; and
- (3) provide a list of the most effective incentives for consideration by Corvallis and Benton County decision-makers.



The incentive program has two primary targets who may benefit from different types of incentive programs:

- (1) Property owners often manage land for farm or forest use, but probably will eventually sell the land to a developer.
- (2) Developers – who typically purchase or option land from a property owner with the intent of developing the land for residential, industrial, or commercial use.

Note: As used in this discussion, the term “natural area” means land with one or more natural features that is proposed for protection under the “Preferred Land Use Scenario” management program.

Discussion Topics

As a result of Winterbrook Planning’s literature review, our experience in working with developers around the state, our interviews with developers outside the Corvallis area, and a brainstorming session with Corvallis and Benton County planning staff, we came up with a list of potential incentives for consideration by the Incentives Focus Group. **[Note: The left-hand column in the tables below shows the incentives that were originally presented to the Focus Group. The right-hand column shows the Focus Group’s ranking of the proposed incentive. In most cases, the ranking represents the Focus Group consensus. Where it does not, we have so indicated.]**

The Incentives List

The incentives program will have both regulatory and non-regulatory (market, technical assistance, and education based) aspects, and will be tailored to conditions in both the Corvallis City Limits and the Urban Fringe (the unincorporated area administered by Benton County outside the City Limits but inside the Urban Growth Boundary). We divided our preliminary incentives list into three categories:



- (1) **Regulatory Incentives** that would apply at the time of urban development review. Thus, they would apply mainly, but not exclusively, inside the Corvallis City Limits.
- (2) **Interim Development Incentives** that would apply *within the Urban Fringe* before full urban development and would encourage good stewardship of the land. Interim development incentives could allow for some agricultural and forest practices, and limited “cluster” development until the land is annexed to the City.
- (3) **Non-Regulatory Incentives**, ranging from property acquisition to education to assistance in managing natural resource areas. Non-regulatory incentives would occur entirely outside the land use process, but are intended to complement this process.

[Note: The Focus Group suggested additional incentives in each of the above categories.]

Regulatory Incentives

A. Goal: Increased Certainty in Resource Mapping, Development Review Standards and Process, While Maintaining Flexibility in Site Planning and Design.

One of the more common complaints heard from the development community is this: “Just tell me what the rules are – where I can develop and where I can’t – rather than going through an expensive and uncertain process.” Another common complaint is that the *process* for getting city or county approval takes too long and is fraught with uncertainty and the potential for appeal and legal challenges. Developers and property owners often will go to great lengths to avoid the public hearing process altogether. In Oregon, public notice is required whenever discretion is applied in land use permitting decisions.

At the same time, developers and property owners often want “flexibility” to address site-specific concerns and design objectives. Some developers and property owners sometimes are willing go through the public hearing process to achieve this flexibility.

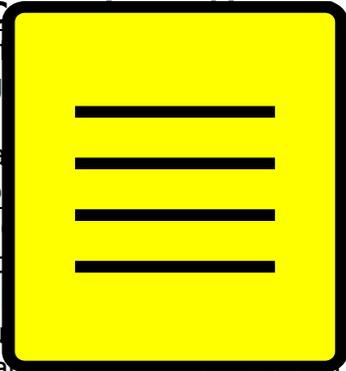


[Note: Several of the respondents ranked the following measures in terms of their ability to address certainty, delay, risk and flexibility issues. Oral comments from the Focus Group meetings have also been included in the right-hand column.]

Type of Certainty / Flexibility Incentive	Effectiveness Ranking
<p>A.1 Increase Certainty and Reduce Risk and Delay in Development Review Process – As General Objective.</p>	<p>The composite ranking for this measure was a perfect 2.0, indicating that all respondents strongly supported this goal. However, there was a great deal of skepticism as to whether Corvallis or Benton County would actually take steps to achieve the goal. Composite Ranking: 2.0.</p>
<p>A.2 Maintain Flexibility in Application of Development Review Standards and in Determining Resource Site Location – Even if it Requires Notice and / or Public Hearing – as General Objective.</p>	<p>The composite ranking for this measure was high – 1.75, indicating that most respondents strongly supported this goal. Again, there was a great deal of skepticism as to whether Corvallis or Benton County would actually take steps to achieve the goal. Composite Ranking: 1.75.</p>
<p>A.3 Establish clear and objective (numerical) development review standards – No surprises, reduces likelihood of appeals, allows for staff review.</p>	<p>The composite ranking for this measure was high – 1.75, indicating that most respondents strongly supported replacing discretionary development review standards with clear and objective (measurable) standards. Composite Ranking: 1.75.</p>
<p>A.4 Allow staff review (<i>without</i> notice) based on clear and objective (numerical) development review standards – No public hearing required.</p>	<p>The composite ranking for this measure was also 1.75, indicating that most respondents strongly supported staff review of development applications. Composite Ranking: 1.75.</p>
<p>A.5 Allow Staff Review (with notice) based on <i>mostly</i> clear and objective (limited discretion) development review standards – No public hearing required.</p>	<p>The composite ranking for this measure was 1.5, indicating that most respondents strongly supported staff review of development applications, recognizing that notice is required in Oregon whenever staff exercise even limited discretion. Composite Ranking: 1.5.</p>



Type of Certainty / Flexibility Incentive	Effectiveness Ranking
A.6 Provide option for discretionary review (e.g., PD process for special circumstances) – even if Planning Commission hearing required	The composite ranking for this measure was also 1.75, indicating that most respondents strongly supported allowing the developer to choose discretionary (planned development) review to account for site specific conditions or market/design objectives. Composite Ranking: 1.75.
A.7 Utilize hearings officer rather than Planning Commission for appeal of staff decisions, to increase certainty and legal defensibility.	The composite ranking for this measure was a perfect 2.0, indicating that all respondents strongly supported using an impartial hearings officer to review development requests such as planned developments. Composite Ranking: 2.0.
A.8 Continue to Utilize Land Development Hearings Board for appeal of staff decisions, to maintain flexibility, judgment, and sensitivity to local issues.	The composite ranking for this measure was a perfect 0.0, indicating that all respondents opposed continued use of the LDHB to review development appeals. Co
A.9 Appeals from hearings officer or staff decisions go directly to LUBA, rather than elected officials, to increase certainty.	The composite ranking was a perfect 0.0, indicating that all respondents preferred to leave open the option for local elected officials, rather than to directly to LUBA. Co
A.10 Appeals from hearings officer or staff decisions go directly to City Council or County Board, to maintain flexibility, judgment, and political accountability.	Not surprisingly, based on the results of Question A.9, The composite ranking for this measure was high - 1.75, indicating that most respondents strongly supported allowing the developer to appeal hearings officer's decisions to elected officials. Composite Ranking: 1.75.



Type of Certainty / Flexibility Incentive	Effectiveness Ranking
<p>A.11 Legislatively delineate and map resource sites and buildable areas, eliminating the need for property owners / developers to inventory and map resources at time of development.</p>	<p>The composite ranking for this measure was 1.50, indicating support for mapping protected natural features in advance, so that developers can rely on such mapping when preparing development applications. The group was somewhat divided on this issue, with developers strongly supporting such mapping, and property owners relating some concern regarding impacts on property values. However, one property owner noted that reliable mapping information would provide a solid basis for determining buildable land area, which would provide a more useful means of determining actual property values than the current system. Composite Ranking: 1.5.</p>
<p>A.12 Allow opportunity for property owners / developers to conduct site-specific inventories and mapping to determine location of resource and buildable areas <i>if</i> preferred.</p>	<p>The composite ranking for this measure was a perfect 2.0, indicating that all respondents strongly supported allowing property owners and developers to conduct site-specific studies, where they felt that the Natural Features Inventory was in error. Composite Ranking: 2.0.</p>
<p>A.13 Self-correcting mapping: e.g., setback measured from streambank or wetland edge, rather than drawing inflexible overlay district lines.</p>	<p>This is a variation of question A.12. The composite ranking for this measure was high - 1.75, indicating that most respondents strongly supported allowing the developer or property owner to conduct site specific mapping based on observable, on-the-ground features. Composite Ranking: 1.75.</p>
<p>A.14 Presumptive standards: e.g., follow planting plan in regulatory appendix as "safe harbor."</p>	<p>The composite ranking for this measure was 1.0, indicating limited support for providing "cookie cutter" plans that could be relied upon to meet regulatory standards. In other jurisdictions, this approach has received higher approbation. One possible reason for the lower ranking in Corvallis might be distrust in what the "safe harbor" standard might look like, or that it might set an unreasonably higher standard. Composite Ranking: 1.0.</p>



Type of Certainty / Flexibility Incentive	Effectiveness Ranking
A.15 Performance standards: e.g., allow alternative means of meeting conservation objectives based on measurable standards.	This is a variation of question A.14. The composite ranking for this measure was high - 1.75, indicating that most respondents strongly supported the notion of "performance standards" as an option for meeting more inflexible Euclidean zoning standards (e.g., setbacks.) Composite Ranking: 1.75.
A.16 Legislatively determine locations for future streets and public facilities, eliminating need to review impacts on natural features at time of development.	The composite ranking for this measure was 0.75, indicating a low level of support for mapping public facilities in advance. The concern was that facilities such as future roads, would take on a life of their own. Respondents expressed concern that such mapping would be interpreted in an inflexible manner, thus reducing the developer's and local government's problem solving options. Composite Ranking: 0.75.
A.17 Allow opportunity for property owners / developers to adjust street and public facility locations based on site-specific information.	Not surprisingly, based on the response to Question A.16, The composite ranking for this measure was higher - 1.25, indicating that most respondents supported allowing the developer to work with local government to adjust public facilities locations based on "on the ground" conditions. Composite Ranking: 1.25.
<i>Other Incentives Related to Development Review Certainty or Flexibility Proposed by Focus Group</i>	
A.17 Include special (reduced impact) standards for public infrastructure that must pass through protected natural features.	There was general consensus that standards for street widths, especially, should be reduced where streets must pass through natural features to achieve connectivity objectives. (See Measure B.4, below.)

B. Goal: Simplify Process to Modify Dimensional and Density Standards Without Formal Variance or PD.

Another common concern from the development community is that zoning standards in the underlying zone are inflexible. Often, zoning standards that work fine for parcels without natural features can be onerous for the property owner or developer when the remaining buildable land area on a site is small. Sure, the argument goes, it's possible to adjust zoning standards through the PD



process, but this process is uncertain and often results increased costs and delay. There should be a way to reduce minimum lot sizes, decrease setbacks, increase building height and bulk, and reduce right-of-way and pavement widths outside the uncertain and time-consuming PD process.

Respondents ranked the following in terms of their ability to use land more efficiently, protect protected natural areas on a development site, *and* not expose the developer to increased uncertainty and delay costs.

Zoning and Density Incentives	Effectiveness Ranking
<p>B.1 Allow for “automatic” modifications to zoning dimensional standards where necessary to protect natural areas on a site – rather than go through the PD process.</p>	<p>The composite ranking for this measure was a perfect 2.0, indicating that all respondents strongly supported pre-approved exceptions to zoning standards (e.g., setbacks or building heights) to on parcels with protected natural features – without being <i>required</i> to go through the planned development review process. Composite Ranking: 2.0.</p>
<p>B.2 Allow smaller lot sizes through the clustered subdivision process (no PD necessary) on buildable portions of the site where necessary to protect natural areas on a site.</p>	<p>The composite ranking for this measure was high - 1.67, indicating that most respondents support allowance for small lots through the subdivision (rather than planned development) process where necessary to protect natural features on a parcel. Composite Ranking: 1.67.</p>
<p>B.3 Allow for automatic modifications to residential height, lot coverage, and setback standards where necessary to protect natural areas on a site.</p>	<p>This question is a variation of B.1, but would go further by writing objective standards for exceptions approval by staff “over the counter.” Composite Ranking: 2.0.</p>
<p>B.4 Allow for reduced right-of-way, paving width, and sidewalk standards where necessary to protect natural areas on a site.</p>	<p>This measure was suggested by Focus Group members independently in the suggested measure A.17. The composite ranking for this measure was high - 1.67, indicating strong support for pre-approved exceptions to public facilities and street standards to protect natural features. Composite Ranking: 1.67.</p>



Zoning and Density Incentives	Effectiveness Ranking
<p>B.5 Allow for a reduction in residential parking requirements (number and design) where necessary to protect natural areas on a site.</p>	<p>The composite ranking for this measure was moderate - 1.33, indicating some support for exceptions to residential parking and driveway standards that result in reduced impact to protected natural features. One consultant gave this incentive a "low" ranking due to concerns that needed parking might be limited, contrary to the wishes of the developer.</p> <p>Composite Ranking: 1.33.</p>
<p>B.6 Allow for a reduction in building and garage design standards where necessary to protect natural areas on a site.</p>	<p>The composite ranking for this measure was moderate - 1.33, indicating some support for exceptions to building and garage design standards that result in reduced impact to protected natural features. The reason for a moderate ranking is that several felt it would unrealistic to expect Corvallis to modify recently-adopted design standards that have strong community support.</p> <p>Composite Ranking: 1.33.</p>
<p>B.7 Allow for automatic modifications to commercial, industrial, and public Floor Area Ratio (FAR), height, lot coverage, setback, and related dimensional standards where necessary to protect natural areas on a site.</p>	<p>The composite ranking for this measure was moderate - 1.33, indicating some support for exceptions to zoning standards for non-residential development that result in reduced impact to protected natural features.</p> <p>Composite Ranking: 1.33.</p>
<p>B.8 Allow for automatic modifications to commercial, industrial, and public parking and parking lot dimensional standards where necessary to protect natural areas on a site.</p>	<p>The composite ranking for this measure was moderate - 1.33, indicating some support for exceptions to <u>non-residential</u> parking and driveway standards that result in reduced impact to protected natural features. One consultant gave this incentive a "low" ranking due to concerns that needed parking might be limited, contrary to the wishes of the developer. Others felt that allowing more compact spaces would limit pervious surface areas and protect open space.</p> <p>Composite Ranking: 1.33.</p>
<p>B.9 Allow for automatic on-site density transfer, including multiple-family and rowhouse development in single family zones, where necessary to protect natural areas on a site.</p>	<p>The composite ranking for this measure was high - 1.67, indicating strong support for allowing multiple-family development in single-family residential zones, where necessary to allow for effective on-site density transfer.</p> <p>Composite Ranking: 1.67</p>



Zoning and Density Incentives	Effectiveness Ranking
B.10 Allow for private street access where connectivity is not required where necessary to protect natural areas on a site.	The composite ranking for this measure was high - 1.67, indicating strong support for allowing private streets, with reduced standards, that essentially “dead end” on a property <i>because</i> of the impacts to natural features that would result from a through street. Composite Ranking: 1.67.
B.11 Establish Transferable Density Rights (TDR) or Transferable Commercial Floor Area Rights programs, with designated transfer and receiving areas, and TDR / FAR “banks” within the Corvallis UGB.	The composite ranking for this measure was moderate - 1.33, indicating some support for a TDR program within the Corvallis UGB. The consultant who gave this a low ranking was aware of the considerable administrative difficulties that accompany TDR programs, and their limited success in other communities. Composite Ranking: 1.33.
B.12 Upzone buildable portions of properties in exchange for dedicating natural areas to the City or County (“givings”).	The composite ranking for this measure was moderate - 1.33, indicating some support for a TDR program within the Corvallis UGB. Composite Ranking: 1.33.
B.13 Allow preserved natural areas to meet landscape and recreational area requirements.	The composite ranking for this measure was a perfect 2.0, indicating that all respondents strongly supported allowing natural features to be used to meet landscaping requirements. Composite Ranking: 2.0.
B.14 Reduce application information requirements if a proposal <i>avoids</i> natural areas. For example, do not require an on-site tree survey if mapped natural areas are avoided completely.	The composite ranking for this measure was a perfect 2.0, indicating that all respondents strongly supported code provisions that allow the developer to rely on Natural Features mapping. If the developer simply avoids the protected Natural Feature as mapped by the City, then no further review is required. Composite Ranking: 2.0.
B.15 Relief from stormwater infrastructure requirements: e.g., if stormwater is treated at the source by saving trees or reducing pavement, then reduce pipe (hardware) requirements.	The composite ranking for this measure was high - 1.67, indicating strong support giving credit to developers who use “green” solutions for stormwater management. This system is used effectively in the City of Portland. Composite Ranking: 1.67.



Other Modifications to Standards or Density Transfer Provisions Proposed by Focus Group

B.16 Allow modifications to solar access standards where necessary to protect natural features.	Everyone agreed that modifying solar access requirements to preserve natural features makes sense, especially since protected vegetation and hillsides often block solar access. Composite Ranking: 2.0.
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Interim Development Incentives within Urban Fringe

These incentives would apply to land between the Corvallis City Limits and the Urban Growth Boundary (UGB) – or the Urban Fringe. Most of this land is zoned for 5-10 acre minimum lot size density rates (UR-5 or UR-10), although clustering is required. Current Benton County regulations allow for continued agriculture and management of timber resources through the FPA (Forest Practices Act). However, agricultural and forest practices often conflict with preservation of natural features.

Chapter 100 of the Benton County Development Code requires clustered residential developments – in a manner that facilitates future urban development – through the Planned Development (PD) process. The number of permitted lots is based on the parcel area divided by the minimum lot size. Thus, a 20 acre parcel zoned UR-5 could have four clustered lots. Chapter 100 provides for a discretionary density bonus of *up to 25%* for, among other things, protection of sensitive areas, such as natural or scenic features on a site. However, these areas are not precisely mapped as natural areas, and their location is determined at the time of development. Many of the proposed interim development incentives build upon Chapter 100 (PD) provisions.

The “ Preferred Land Use Scenario” identifies natural areas located in the Urban Fringe that the community desires to remain largely intact until annexed to the City of Corvallis. When reviewing the draft “Scenario D,” the Benton County Board of Commissioners expressed concern regarding its effects on property owners within the Urban Fringe. Many of these property owners manage their land for timber or agricultural uses, and have for many years. Others are miles and years away from annexation, urban services, and urban development.



Several participants ranked the following in terms of their ability to encourage land owners to continue good stewardship practices, by managing protected natural areas so they can be incorporated into the design and layout of future urban development upon annexation to the City. Others participated in the discussion, but did not fill out the questionnaire. The intent is to ensure that land within the Urban Fringe is used efficiently, that protected natural areas are protected *for the long-term*, and that property owners have certainty regarding what can and cannot occur on land within the Urban Fringe.

Interim Development Incentive	Effectiveness Ranking
<p>ID.1 Allow for continued agricultural use of property <i>where farming is now occurring</i> within protected natural areas. New agricultural uses would <i>not</i> be allowed to extend into streams or wetlands, and native vegetation or trees would remain intact.</p>	<p>This measure was intended to allow property owners to continue to manage their land for farm and forestry uses in locations where they are now occurring. There is increasing pressure in Oregon communities to restrict such practices, especially inside UGB, where they conflict with protected natural features. <u>The group ranked this measure low</u>, with a composite score of 0.5. Most Focus Group participants felt that agriculture and forestry should not be regulated <i>at all</i> in the Urban Fringe. Composite Score: 0.5.</p>
<p>ID.2 Allow for increased rural residential density (e.g., 1 unit / 2 acres) in “unbuildable” hillside protection areas in exchange for conservation easements.</p>	<p>Everyone agreed that increasing rural residential density in exchange for conservation easements (or dedications). Note that there was less consensus regarding the clustering of transfer density on small lots in the Urban Fringe: see discussion below. Composite Ranking: 2.0.</p>
<p>ID.3 Legislatively delineate and map resource sites and buildable areas, eliminating the need for property owners / developers to inventory and map resources at time of development.</p>	<p>The composite ranking for this measure was 1.0, indicating limited support for mapping protected natural features in advance, so that property owners and developers can rely on such mapping when preparing development applications. The group was somewhat divided on this issue, with developers strongly supporting such mapping, and property owners relating some concern regarding impacts on property values. Note that only two participants – one land use consultant and one property owner – answered this set of questions. Composite Ranking: 1.0.</p>



Interim Development Incentive	Effectiveness Ranking
<p>ID4. Allow for one-time harvest of Douglas fir and other commercial trees species – except for Oregon white oak – subject to the following standards:</p> <p>(a) Timber harvest practices would meet FPA standards – except for replanting.</p> <p>(b) The replanting and stewardship plan would be designed to create long-term urban wildlife habitat and improve water quality, consistent with objective city or county standards, and would occur within 6 months of the beginning of the timber harvest.</p> <p>(c) A conservation easement, or dedication to the city or county, could be required for “protected areas” areas where logging and replanting have occurred. The conservation or dedication would be recognized by the city when urban development occurs in future.</p>	<p>This measure was intended to allow one commercial timber harvest for properties within the Urban Fringe, to guarantee property owners a final cut before the highest and best use for their property becomes urban in nature. There is increasing pressure in Oregon communities to restrict timber harvests within UGBs. <u>The group ranked this measure moderate</u>, with a composite score of 1.0. The land use consultant thought it was a good idea, and the property owner thought it was overly restrictive.</p> <p>Composite Ranking: 1.0.</p>
<p>ID.5 Allow opportunity for property owners / developers to conduct site-specific inventories and mapping to determine location of resource and buildable areas <i>if</i> preferred.</p>	<p>This measure applies to land within the Urban Fringe and is similar to A.12 that received a perfect score of 2.0, and applied to immediately developable properties inside the City Limits.</p> <p>Composite Ranking: 1.5.</p>
<p>ID.6 Legislatively determine locations for future streets and public facilities through a specific area planning process, eliminating need to review impacts on natural areas at time of development.</p>	<p>No one liked this idea, because it was felt that insufficient information exists to precisely map future street and public facility locations. [Note how this point of view relates to suggested Measure 1D.16.]</p> <p>Composite Ranking: 0.0.</p>
<p>ID.7 Allow opportunity for property owners / developers to adjust street and public facility locations based on site-specific information.</p>	<p>Focus Group members generally supported this measure in our meetings.</p> <p>Composite Ranking: 1.5.</p>



Interim Development Incentive	Effectiveness Ranking
<p>ID.8 Amend Chapter 100 (PD) to allow for an automatic 2:1 density transfer for land with protected Natural areas – provided that such mapped features are included within a conservation easement or dedicated as open space to the City or County. [For example, a 20 acre UR-5 parcel with 10 acres of protected Natural areas, would be allowed to have an interim cluster development of 6 rather than 4 units.]</p>	<p>This measure is similar to ID.2, and is intended to allow property owners to increase density through the Benton County planned development chapter, in exchange for conservation easements over, or dedication of, natural areas. <u>The group ranked this measure low</u>, with a composite score of 0.5. Several Focus Group participants felt that Chapter 100 was a failure because it did not offer realistic incentives. Some thought that problems associated with homeowners agreements and community sewer and water systems make planned developments under Chapter 100 unrealistic.</p> <p>Composite Ranking: 0.5.</p>
<p>ID.9 Through the Chapter 100 (PD) process, allow for extra-territorial extension of Corvallis sanitary sewer, stormwater and / or water services to a site – provided that designated Natural areas are protected with a conservation easement or dedicated to the City.</p>	<p>Focus Group members generally supported this measure in our meetings. However, they noted that this approach was inconsistent with long-standing city policy regarding extension of city services outside the City Limits.</p> <p>Composite Score: 1.5.</p>
<p>ID.10 Through the Chapter 100 (PD) process, allow for reduced right-of-way, paving width, and sidewalk standards where necessary to protect natural areas on a site.</p>	<p>There was general agreement that standards for streets and utilities should be lower for development within the Urban Fringe than within the City Limits, especially on sites with protected natural features.</p> <p>Composite Ranking: 2.0.</p>
<p>ID.11 Through the Chapter 100 (PD) process, allow for private street access where connectivity is not required and where necessary to protect natural areas on a site.</p>	<p>The composite ranking for this measure was high – 2.0, indicating strong support for allowing private streets, with reduced standards, that essentially “dead end” on a property <i>because</i> of the impacts to natural features that would result from a through street. (See also ID.18.)</p> <p>Composite Ranking: 2.0.</p>



Interim Development Incentive	Effectiveness Ranking
<p>ID.12 Public preparation of “specific area plans” or master development plans for larger areas within the Urban Fringe. The intent would be to simplify the County PD Review process and to reduce property owner risk. These plans would show precise locations of streets, facilities and natural areas, and would designate appropriate locations for interim clustering on buildable land.</p>	<p>This provision was ranked “high” by the land use planner and “low” by the property owner. (GW Note: For interim development in the Urban Fringe <i>not</i> to interfere with efficient urban development in the future, it needs to be part of a larger plan. The <i>North Corvallis Plan</i> represents the type of planning effort referred to in ID.12.] Composite Ranking: 1.0.</p>
<p>ID.13 Allow for “automatic” modifications to zoning dimensional standards where necessary to protect natural areas on a site through the subdivision and partition process – rather than go through the PD process.</p>	<p>The composite ranking for this measure was high – 2.0, indicating strong pre-approved exceptions or adjustments to standards where necessary to protect natural areas. Composite Ranking: 2.0.</p>
<p>ID.14 For existing residential parcels with < 10 acres with \geq one acre Natural Feature, allow for an additional parcel \leq 10,000 square feet on buildable land through partitioning process – provided that the remaining Natural Feature area is protected with a conservation easement or dedication to City or County, and house is sited to avoid planned transportation facilities.</p>	<p>This measure, too, was ranked “high” by the land use planner and “low” by the property owner. Composite Ranking: 1.0.</p>
<p>ID.15 Establish Transferable Density Rights (TDR) or Transferable Commercial Floor Area Rights programs, with designated transfer and receiving areas, and TDR / FAR “banks” within the Corvallis UGB.</p>	<p>This proposal received a low to moderate ranking of 1.0 from both the land use planner and the property owner. (See also B.11.) Composite Ranking: 1.0.</p>
<p><i>Other Modifications to Interim Development Provisions Proposed by Focus Group</i></p>	
<p>ID.16 Where land is dedicated to the public in exchange for future development rights, require reversionary clause in case the city or county reneges on agreement.</p>	<p>This provision received universal acclamation from Focus Group participants. The concern related in part to the underlying “trust” issue, and in part to the recognition that elected officials change over time. Probable Composite Ranking: 2.0.</p>



Interim Development Incentive	Effectiveness Ranking
ID.17 Provide for reduction in development requirements (e.g., building setbacks from streams) where restoration or enhancement is proposed within riparian corridor.	This measure was suggested by a landowner and appeared to have group support. Probable Composite Ranking: 2.0.
ID.18 Local Government—through SDC’s and other funding mechanisms—would pay for public street or facility extensions that do not directly benefit the developer, but which are required to pass through natural areas to serve neighboring properties.	This measure was suggested by a Corvallis staff member for situations where no rational nexus exists, and had strong group support. Probable Composite Ranking: 2.0.
ID.19 Allow for placement of homes on larger Urban Fringe parcels based on a “shadow plat” for the entire property, showing potential future streets and lots.	This measure was suggested by three property owners at the second meeting. Apparently, Benton County used to rely on shadow plats, but rejected this approach several years ago in favor of the Chapter 100 Planned Development Chapter.

Non-Regulatory (Market, Technical Assistance or Educational) Incentives

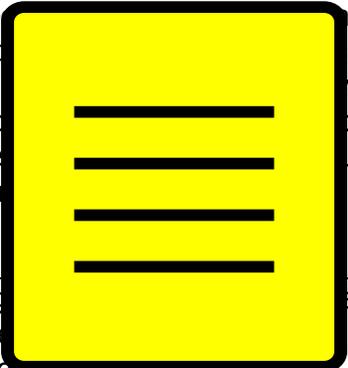
These incentives would apply to land within the Urban Growth Boundary (UGB) – both within and outside the Corvallis City Limits. The Focus Group spent relatively little time on these suggested incentives, and only two participants actually filled out the forms. Much of the discussion in the right-hand column represents my distillation of their opinions based on generalized discussion.

The “preferred Land Use Scenario” is intended to provide full or limited protection of designated natural areas. When reviewing the draft “Scenario D,” both the Benton County Board of Commissioners and the Corvallis City Council expressed concern regarding its effects on property owners and developers. Both agreed that regulatory and non-regulatory incentives were necessary to accomplish the objectives of the Natural Features program.



The following ranking estimates the ability of each measure to encourage land owners to continue good stewardship practices, and developers to incorporate natural areas into the design and layout of their projects.

Non-Regulatory Incentive	Effectiveness Ranking
<p>NR.1 Reduce costs, inconvenience, and liability of managing natural areas and creating homeowners associations, by encouraging dedication to the City and County. Under such circumstances, the City or County would assume substantial long-term maintenance and liability costs.</p>	<p>Focus Group members generally supported this measure in our meetings, and recognized that public management of dedicated open space could reduce long-term property owner / developer costs and liabilities. Composite Ranking: 1.5.</p>
<p>NR.2 Recognize value of natural areas by waiving or reducing park impact fees for developers.</p>	<p>The composite ranking for this measure was a perfect 2.0, indicating that both respondents strongly supported park fee reductions of waivers in exchange for protection of natural features. Composite Ranking: 2.0.</p>
<p>NR.3 Recognize value of natural areas to stormwater management and water quality, by waiving or reducing stormwater management impact fees for developers.</p>	<p>The composite ranking for this measure was a high 1.5, indicating that both respondents supported reductions in storm water impact fees where protected Natural Features perform the same function. Composite Ranking: 1.5.</p>
<p>NR.4 Apply stormwater and sanitary sewer user fees on a corridor and the means of (a) and (b) reducing sanitary sewer of Environmental</p>	<p>The composite ranking for this measure was a high 1.5, indicating that both respondents supported spending storm water user fees to restore natural areas. Note that the Portland Bureau of Environmental Services (BES) also has a program to encourage green demonstration projects that reduce impacts to the stormwater system. Composite Ranking: 1.5.</p>
<p>NR.5 Local simple or eas significant and threatened natural areas.</p>	<p>The composite ranking for this measure was a perfect 2.0, indicating that both respondents strongly felt that purchase of land with natural features would be an extremely effective incentive for property owners. Composite Ranking: 2.0.</p>
<p>NR.6 Exchange publicly owned buildable areas for privately owned natural areas.</p>	<p>The composite ranking for this measure was a 0.5, indicating little support for this measure. However, the land use planner saw greater utility in this approach than the property owner. Composite Ranking: 0.5.</p>



Non-Regulatory Incentive	Effectiveness Ranking
<p>NR.7 Provide public wetland mitigation areas where the "Preferred Land Use Scenario" does not protect the wetland. [Note: This occurs in two situations (1) where the wetland does not meet state criteria for significance, and (2) for specific South Corvallis wetlands.]</p>	<p>The composite ranking for this measure was a high 1.5, indicating that both respondents supported public wetland mitigation banks. Composite Ranking: 1.5.</p>
<p>NR.8 Recognition programs for good land stewardship – letters from government officials, media recognition, signs, etc.</p>	<p>The composite ranking for this measure was a 0.5, indicating little support for this measure. However, the property owner saw greater value in this approach than the land use planner. Composite Ranking: 0.5.</p>
<p>NR.9 Volunteer programs to work on-site with property owners to improve resource area quality through tree plantings, in-stream restoration, and the like.</p>	<p>The composite ranking for this measure was a moderate 1.0, indicating some level of support for volunteer programs. Composite Ranking: 1.0.</p>
<p>NR.10 Pay for consulting services to advise property owners on best natural area management practices.</p>	<p>This measure received no overt support. Composite Ranking: 0.0.</p>
<p>NR.11 University or school programs to advise property owners regarding best management practices.</p>	<p>This measure received no overt support. Composite Ranking: 0.0.</p>
<p>NR.12 Dedicated tax revenues for natural area improvement or purchase programs.</p>	<p>The composite ranking for this measure was a high 1.5, indicating that both respondents supported dedicating tax revenues for natural area purchase and management. However, there was some skepticism about the likelihood of this actually happening. Composite Ranking: 1.5.</p>
<p>NR.13 Educating property owners regarding advantage of state property tax relief programs for open space management.</p>	<p>The composite ranking for this measure was a high 1.5, indicating that both respondents supported education programs. Interestingly, the property owner ranked this measure higher than the land use planner. Composite Ranking: 1.5.</p>
<p>NR.14 Provide UGB wide "information center" or ombudsman to provide information to property owners and developers regarding the sources of funding, preservation techniques, and local incentive and regulatory programs.</p>	<p>This measure received no overt support. Composite Ranking: 0.0.</p>



Non-Regulatory Incentive	Effectiveness Ranking
NR.15 Advocate for private property insurance reductions where natural hazards are avoided.	This measure received minimal support. Composite Ranking: 0.0.
NR.16 Before and during the development review process, connect property owners with non-profits and land trusts to work together to (a) ensure long-term protection of natural areas, while (b) benefiting property owners.	The composite ranking for this measure was a moderate 1.0, indicating some level of support for facilitating the involvement of non-profits and land trusts in an effort to arrange attractive agreements for property owners that also protect natural areas. Composite Ranking: 1.0.
NR.17 City and County recognition of property owners who have dedicated open space, at time of annexation vote. The intent is to make sure that voters know that the property owner has <i>already</i> dedicated natural areas to the public prior to annexation.	The composite ranking for this measure was a moderate 1.0, indicating some level of support for public recognition programs. Again, on this "soft" issue, the property owner ranked this measure higher than the land use planner. Composite Ranking: 1.0.
NR.18 Establish dedicated local funding to help pay for the substantial costs of restoring and enhancing natural areas.	The composite ranking for this measure was a 0.5, indicating little support for this measure. However, the land use planner saw greater value in this approach than the property owner. There was discussion about such funding being unlikely. Composite Ranking: 0.5.
<i>Other Non-Regulatory Incentives Proposed by Focus Group</i>	
NR.18. Open Space Tax Deferral.	Greg Winterowd mentioned the availability of state tax deferral for long-term preservation of open space. The group felt that if this program exists, it should be publicized.



Appendix D-3

Focus Group Discussion Paper

City of Corvallis

Incentives Report

Prepared by



COMMUNITY
RESOURCE
PLANNING

Winterbrook Planning

Corvallis Incentives Focus Group Discussion
Room C, Corvallis City Hall
2:15 – 5:00 p.m.
Tuesday, May 4, 2004

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Introduction

The Corvallis Natural Features Program includes several elements:

- A comprehensive inventory of natural features (riparian corridors, wetlands, wildlife habitat, tree groves and natural hazards such as floodplains and steep slopes),
- A determination of which of these natural features are “significant” and which are not;
- An evaluation of the economic, environmental, social and energy consequences of alternative courses of action (Goal 5 ESEE analysis) to determine which natural features will be protected as “natural areas” and which will not; and
- A management program (Goal 5 program) that prescribes how natural areas will be protected. In April of 2004, Corvallis and Benton County decision-makers approved “Scenario D” – as the natural features management program for the Corvallis UGB.

“Scenario D” includes *both* regulations and incentives. Natural Features regulations must have clear and objective development standards to resolve conflicts between development and resource site protection. The regulatory program will also allow property owners to choose to be reviewed under the more flexible, but discretionary, planned unit development review process.

Corvallis and Benton County decision-makers have made it very clear that the incentive component must be effective, complement proposed regulations, recognize impacts on property rights, and encourage developers to create livable communities. The focus of our discussion today will be on the **incentives component – what works, what doesn't, and who benefits.**

The discussion today has three purposes:

- (1) to listen to your views regarding a draft list of incentives;
- (2) to come of with incentives that we may not have considered; and
- (3) to provide a list of the most effective incentives for consideration by Corvallis and Benton County decision-makers.

The incentive program has two primary targets who may benefit from different types of incentive programs:

- (1) Property owners often manage land for farm or forest use, but probably will eventually sell the land to a developer.
- (2) Developers – who typically purchase or option land from a property owner with the intent of developing the land for housing, industrial or commercial use.

Note: As used in this discussion, the term “natural area” means land with one or more natural features that is proposed for protection under the “Scenario D” management program.

Discussion Topics

As a result of Winterbrook Planning's literature review, our experience in working with developers around the state, our interviews with developers outside the Corvallis area, and a brainstorming session with Corvallis and Benton County planning staff, we've come up with a list of potential incentives. We emphasize that our list is preliminary, and is intended to provoke – not limit – discussion. You should feel free to suggest incentives that are not on our list at any time.

The Preliminary Incentives List

The incentives program will have both regulatory and non-regulatory (market , technical assistance and education based) aspects, and will be tailored to conditions in both the Corvallis City Limits and the Urban Fringe (the unincorporated area administered by Benton County outside the City Limits but inside the Urban Growth Boundary).

We've divided our preliminary incentives list into three categories:

- (1) **Regulatory Incentives** that would apply at the time of urban development review. Thus, they would apply mainly, but not exclusively, inside the Corvallis City Limits.
- (2) **Interim Development Incentives** that would apply *within the Urban Fringe* before full urban development and would encourage good stewardship of the land. Interim development incentives would allow for some agricultural and forest practices, and limited "cluster" development until the land is annexed to the City.
- (3) **Non-Regulatory Incentives**, ranging from property acquisition to education to assistance in managing natural resource areas. Non-regulatory incentives would occur entirely outside the land use process, but are intended to complement this process.

Regulatory Incentives

A. Goal: Increased Certainty in Resource Mapping, Development Review Standards and Process, While Maintaining Flexibility in Site Planning and Design.

One of the more common complaints heard from the development community is this: "Just tell me what the rules are – where I can develop and where I can't – rather than going through an expensive and uncertain process." Another common complaint is that the *process* for getting city or county approval takes too long and is fraught with uncertainty and the potential for appeal and legal challenges. Developers and property owners often will go to great lengths to avoid the public hearing process altogether. In Oregon, public notice is required whenever discretion is applied in land use permitting decisions.

At the same time, developers and property owners often want “flexibility” to address site-specific concerns and design objectives. Some developers and property owners sometimes are willing go through the public hearing process to achieve this flexibility.

Please rank the following in terms of their ability to address certainty, delay, risk and flexibility issues.

Type of Certainty Incentive	Effectiveness Ranking		
	High	Medium	Low
Increase Certainty and Reduce Risk and Delay in Development Review Process – As General Objective			
Maintain Flexibility in Application of Development Review Standards and in Determining Resource Site Location – Even if Requires Notice and / or Public Hearing – as General Objective			
Establish clear and objective (numerical) development review standards – No surprises, reduces likelihood of appeals, allows for staff review			
Allow staff review (<i>without</i> notice) based on clear and objective (numerical) development review standards – No public hearing required			
Allow Staff Review (with notice) based on <i>mostly</i> clear and objective (limited discretion) development review standards – No public hearing required			
Provide option for discretionary review (e.g., PUD process for special circumstances) – even if Planning Commission hearing required			
Utilize hearings officer rather than Planning Commission for appeal of staff decisions, to increase certainty and legal defensibility			
Utilize Planning Commission for appeal of staff decisions, to maintain flexibility, judgment, and sensitivity to local issues			

Appeals from hearings officer or staff decisions go directly to LUBA, rather than elected officials, to increase certainty			
Appeals from hearings officer or staff decisions go directly to City Council or County Board, to maintain flexibility, judgment and political accountability			
Legislatively delineate and map of resource sites and buildable areas, eliminating the need for property owners / developers to inventory and map resources at time of development			
Allow opportunity for property owners / developers to conduct site-specific inventories and mapping to determine location of resource and buildable areas <i>if</i> preferred			
Legislatively determine locations for future streets and public facilities, eliminating need to review impacts on natural features at time of development			
Allow opportunity for property owners / developers to adjust street and public facility locations based on site-specific information			
<i>Other Incentives Related to Development Review Certainty or Flexibility?</i>			
1.			
2.			
3.			
<i>Comments Related to Development Review Standards and Process?</i>			

B. Goal: Simplify Process to Modify Dimensional and Density Standards Without Formal Variance or PUD.

Another common concern from the development community is that zoning standards in the underlying zone are inflexible. Often, zoning standards that work fine for parcels without natural features can be onerous for the property owner or developer when there remaining buildable land area on a site is small. Sure, the argument goes, it’s possible to adjust zoning standards through the PUD process, but this process is uncertain, and often results increased costs and delay. There should be a way to reduce minimum lot sizes, decrease setbacks, increase building height and bulk, and reduce right-of-way and pavement widths outside the uncertain and time-consuming PUD process.

Please rank the following in terms of their ability to use land more efficiently, protect protected natural areas on a development site, *and* not expose the developer to increased uncertainty and delay costs.

Type of Zoning Incentive	Effectiveness Ranking		
	High	Medium	Low
Allow for “automatic” modifications to zoning dimensional standards where necessary to protect natural areas on a site – rather than go through the PUD process.			
Allow smaller lot sizes through the clustered subdivision process (no PUD necessary) on buildable portions of the site where necessary to protect natural areas on a site.			

Type of Zoning Incentive	Effectiveness Ranking		
Allow for automatic modifications to residential height, lot coverage, and setback standards where necessary to protect natural areas on a site.			
Allow for reduced right-of-way, paving width, and sidewalk standards where necessary to protect natural areas on a site.			
Allow for a reduction in parking requirements (number and design) where necessary to protect natural areas on a site.			
Allow for a reduction in building and garage design standards where necessary to protect natural areas on a site.			
Allow for automatic modifications to commercial, industrial and public Floor Area Ratio (FAR), height, lot coverage, setback and related dimensional standards where necessary to protect natural areas on a site.			
Allow for automatic modifications to commercial, industrial and public parking and parking lot dimensional standards where necessary to protect natural areas on a site.			
Allow for automatic on-site density transfer, including multiple-family and rowhouse development in single family zones, where necessary to protect natural areas on a site.			
Allow for private street access where connectivity is not required where necessary to protect natural areas on a site.			
Establish Transferable Density Rights (TDR) or Transferable Commercial Floor Area Rights programs, with designated transfer and receiving areas, and TDR / FAR "banks" within the Corvallis UGB.			
Upzone buildable portions of properties in exchange for dedicating natural areas to the City or County ("givings").			

Type of Zoning Incentive	Effectiveness Ranking		
Allow preserved natural areas to meet landscape and recreational area requirements.			
<i>Other Modifications to Standards or Density Transfer Provisions?</i>			
1.			
2.			
3.			
<i>Comments Related to Zoning Modification or Density Transfer?</i>			

Interim Development Incentives within Urban Fringe

These incentives would apply to land between the Corvallis City Limits and the Urban Growth Boundary (UGB) – or the Urban Fringe. Most of this land is zoned for 5-10 acre minimum lot sizes (RR-5 or RR-10). Current Benton County regulations now allow for continued agriculture and management of timber resources through the FPA (Forest Practices Act). However, agricultural and forest practices often conflict with preservation of natural features.

Chapter 100 of the Benton County Development Code allows for clustered residential developments – in a manner that facilitates future urban development

– through the Planned Development (PD) process. The number of permitted lots is based on the parcel area divided by the minimum lot size. Thus, a 20 acre parcel zoned RR-5 could have four clustered lots. Chapter 100 provides for a discretionary density bonus of *up to 25%* for, among other things, protection of sensitive areas, such as natural or scenic features on a site. However, these areas are not precisely mapped as natural areas, and their location is determined at the time of development. Many of the proposed interim development incentives build upon Chapter 100 (PD) provisions.

“Scenario D” would ensure that protected natural areas located in the Urban Fringe remain largely intact until annexed to the City of Corvallis. When reviewing the draft “Scenario D,” the Benton County Board of Commissioners expressed concern regarding its effects on property owners within the Urban Fringe. Many of these property owners manage their land for timber or agricultural uses, and have for many years. Others are miles and years away from annexation, urban services and urban development.

Please rank the following in terms of their ability to encourage land owners to continue good stewardship practices, by managing protected natural areas so they can be incorporated into the design and layout of future urban development upon annexation to the City. The intent is to ensure that land within the Urban Fringe is used efficiently, that protected natural areas are protected *for the long-term*, and that property owners have certainty regarding what can and cannot occur on land within the Urban Fringe.

Type of Interim Incentive	Effectiveness Ranking		
	High	Medium	Low
Allow for continued agricultural use of property <i>where farming is now occurring</i> within protected natural areas. New agricultural uses would <i>not</i> be allowed to extend into streams or wetlands, and native vegetation or trees would remain intact.			

Type of Interim Incentive	Effectiveness Ranking		
<p>Allow for one-time harvest of Douglas fir and other commercial trees species – except for Oregon white oak – subject to the following standards:</p> <p>(a) Timber harvest practices would meet FPA standards – except for replanting.</p> <p>(b) The replanting and stewardship plan would be designed to create long-term urban wildlife habitat and improve water quality, consistent with objective city or county standards, and would occur within 6 months of the beginning of the timber harvest.</p> <p>(c) A conservation easement, or dedication to the city or county, would be required for “protected areas” areas where logging has occurred.</p>			
<p>Legislatively delineate and map of resource sites and buildable areas, eliminating the need for property owners / developers to inventory and map resources at time of development.</p>			
<p>Allow opportunity for property owners / developers to conduct site-specific inventories and mapping to determine location of resource and buildable areas <i>if</i> preferred.</p>			
<p>Legislatively determine locations for future streets and public facilities through specific area planning process, eliminating need to review impacts on natural areas at time of development.</p>			
<p>Allow opportunity for property owners / developers to adjust street and public facility locations based on site-specific information.</p>			

Type of Interim Incentive	Effectiveness Ranking		
Amend Chapter 100 (PD) to allow for an automatic 2:1 density transfer for land with protected Natural areas – provided that such mapped features are with included within a conservation easement or dedicated as open space to the City or County. [For example, a 20 acre RR-5 parcel with 10 acres of protected Natural areas, would be allowed to have an interim cluster development of 6 rather than 4 units.]			
Through the Chapter 100 (PD) process, allow for extra-territorial extension of Corvallis sanitary sewer, stormwater and / or water services to a site – provided that designated Natural areas are protected with a conservation easement or dedicated to the City.			
Through the Chapter 100 (PD) process, allow for reduced right-of-way, paving width, and sidewalk standards where necessary to protect natural areas on a site.			
Through the Chapter 100 (PD) process, allow for private street access where connectivity is not required and where necessary to protect natural areas on a site.			
Public preparation of “specific area plans” or master development plans for larger areas within the Urban Fringe. The intent would be to simplify the County PD Review process and to reduce property owner risk. These plans would show precise locations of streets, facilities and natural areas, and would designate appropriate locations for interim clustering on buildable land.			
Allow for “automatic” modifications to zoning dimensional standards where necessary to protect natural areas on a site through the subdivision and partition process – rather than go through the PUD process.			

Type of Interim Incentive	Effectiveness Ranking		
For existing residential parcels of with < 10 acres with ≥ one acre Natural Feature, allow for an additional parcel ≤ 10,000 square feet on buildable land through partitioning process – provided that remaining Natural Feature area protected with conservation easement or dedication to City or County, and house sited to avoid planned transportation facilities.			
Establish Transferable Density Rights (TDR) or Transferable Commercial Floor Area Rights programs, with designated transfer and receiving areas, and TDR / FAR “banks” within the Corvallis UGB.			
<i>Other Modifications to Interim Development Provisions?</i>			
1.			
2.			
3.			
<i>Comments Related to Interim Development Provisions?</i>			

Non-Regulatory (Market, Technical Assistance or Educational) Incentives

These incentives would apply to land within the Urban Growth Boundary (UGB) – both within and outside the Corvallis City Limits.

“Scenario D” would ensure the full or limited protection of designated natural areas. When reviewing the draft “Scenario D,” both the Benton County Board of Commissioners and the Corvallis City Council expressed concern regarding its effects on property owners and developers. Both agreed that regulatory and non-regulatory incentives were necessary to accomplish the objectives of the Natural Features program.

Please rank the following in terms of their ability to encourage land owners to continue good stewardship practices, and developers to incorporate natural areas into the design and layout of their projects.

Type of Incentive	Effectiveness Ranking		
	High	Medium	Low
Reduce costs, inconvenience and liability of managing natural areas and creating homeowners associations, by encouraging dedication to the city and county. Under such circumstances, City or County would assume substantial long-term maintenance and liability costs.			
Recognize value of natural areas by waiving or reducing park impact fees for developers.			
Recognize value of natural areas to stormwater management and water quality, by waiving or reducing stormwater management impact fees for developers.			
Local government purchase of fee simple or easement rights for highly significant and threatened natural areas.			
Exchange publicly owned buildable areas for privately owned natural areas.			

Type of Incentive	Effectiveness Ranking		
Provide public wetland mitigation areas where "Scenario D" does not protect the wetland. [Note: This occurs in two situations (1) where the wetland does not meet state criteria for significance, and (2) for South Corvallis "farmed" wetlands in industrial areas.]			
Recognition programs for good land stewardship – letters from government officials, media recognition, signs, etc.			
Volunteer programs to work on-site with property owners to improve resource area quality, through tree plantings, in-stream restoration, and the like.			
Pay for consulting services to advise property owners on best natural area management practices.			
University or school programs to advise property owners regarding best management practices.			
Dedicated tax revenues for natural area improvement or purchase programs.			
Educating property owners regarding advantage of state property tax relief programs for open space management.			
Provide UGB wide "information center" or ombudsman to provide information to property owners and developers regarding the sources of funding, preservation techniques, and local incentive and regulatory programs.			
Advocate for private property insurance reductions where natural hazards are avoided.			
Before and during the development review process, connect property owners with non-profits and land trusts to work together to (a) ensure long-term protection natural areas, while (b) benefiting property owners.			

Type of Incentive	Effectiveness Ranking		
City and County recognition of property owners who have dedicated open space, at time of annexation vote. The intent is to make sure that voters know that the property owner has <i>already</i> dedication natural areas to the public prior to annexation.			
Establish dedicated local funding to help pay for the substantial costs of restoring and enhancing natural areas.			
<i>Other Non-Regulatory Incentives?</i>			
1.			
2.			
3.			
<i>Comments Related to Non-Regulatory Incentives?</i>			

Appendix E
Peer Review

City of Corvallis
Incentives Report

Prepared by





Memorandum

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Date: June 9, 2004
To: Fred Towne, Corvallis Planning
cc: Greg Winterowd
From: Joe Dills, AICP
Subject: Review of Draft Incentives Report

Introduction

As requested, I have reviewed the draft report titled "Incentives Report – Corvallis Natural Features Project", dated June 2004, prepared by Winterbrook Planning. My assignment was to conduct a "peer review," resulting in a brief memorandum commenting on the report and suggesting refinements. As scoped, my comments are based upon professional experience and opinions, not research.

In sum, this memo is a brief commentary on the incentives proposals based on my experience in both public planning projects and land use permitting in Corvallis, as well as similar experience in other communities.

Overall Comment

In my opinion, Winterbrook Planning and the other contributors have done an excellent job. The report is very comprehensive and provides good advice on the incentives that should be considered for implementation.

I believe the key challenge will be sorting through the broad range of options to select the group of most effective incentives, and then putting them into action. In the spirit of trying to advance this cause, the following section identifies those incentives that I consider being the Top Incentives for Implementation. The following list is not intended to exclude other incentives for consideration.

Top Incentives for Implementation

Regulatory Incentives

A.1 through A.4 – The "Mapping Package" of Incentives. I agree with those who favor up-front mapping of resource areas. Providing publicly approved maps (that are correctable through a discretionary process) will likely reduce the overall number and/or intensity of hearings. It will, therefore, save public and private costs while still yielding predictable public benefits. I view Incentives A.1 through A.4 not as four different incentives, but as one

package of incentives that will work together to increase predictability for all parties. Corvallis has invested in parcel-based thematic mapping that has a relatively high level of registration to land features. Natural resource maps (to the same level of accuracy) are the “natural” extension of this excellent database.

B.1 through B.3 – The “Less Burden on the Planning Commission” Package of Incentives.

Many communities (e.g. Portland, Washington County, and Clackamas County) have successfully implemented procedural reforms that reduce the number of discretionary reviews that take place before the Planning Commission. These communities have implemented what is suggested in Incentives B.1 through B.3, i.e. delegate selected reviews to an administrative process, and use a Hearings Officer for many discretionary reviews. Developers and land use consultants generally favor Hearings Officers because they perceive them as less likely to vary from objective application of a case’s facts to the applicable criteria. Corvallis’ Planning Commissioners are among the best, but they are only human, as the saying goes. The Hearings Officer approach has its downsides, but overall, I believe this procedural addition could serve the Corvallis community well and result in an equal level of resource protection as under current procedures.

C.1, C.3 and C.4 – Adjustments. The ability to efficiently obtain reasonable adjustments in return for resource protection will particularly benefit smaller, constrained sites. This technique, therefore, could serve a dual role of protecting resources while assisting with infill within the city.

D.1 – Smaller Lot Sizes. Of all the incentives identified, this one is likely to be especially effective in increasing predictability for developers, landowners, and resource protection interests. It is called “lot size averaging” in many communities. Most codes establish a lower limit for the smallest allowable lot size. It also can help provide more affordable housing types, again serving more than one objective within Corvallis’ Comprehensive Plan.

Urban Fringe Incentives

I do not have a lot of experience with the Urban Fringe areas of Corvallis, so my comments are limited. The cluster and bonus lot provisions in Incentives C.2, C.3, and D look reasonable. However, they need to be balanced with provisions that ensure the areas of the Fringe that are planned for future urbanization can indeed urbanize in the future.

Non-Regulatory Incentives

A.2 - Land Trust Partnerships. Land Trusts offer great potential, especially if they facilitate agreements and buy land before development proposals comes to light. The City should look for ways to support local Land Trusts, perhaps even to the extent of an active partnership role.

Other Suggested Refinements to the Report

Page 1 – Suggested edits (new text in underlined type): “...Incentive programs that are used and provide demonstrable results are also necessary to achieve long term community-wide support”.

Page 6 – Add commentary regarding how developers will choose not to proceed with otherwise reasonable land investments when they perceive the uncertainty of approvals to be too high.

Section 1 – Consider an additional incentive: Specific Area Planning and Refinement Plans. Corvallis’ use of sub-area master planning offers potential for increasing certainty in the protection of resources and in the development review processes, which follow the public planning process. While time consuming, sub-area master planning has the benefit of pre-planning the integration of land use, natural resources, transportation networks, and public facilities, as opposed to the more limited balancing process that occurs during land use reviews.

Page 13 – 18, General Comment – Within the general topic of increasing certainty, Corvallis should consider reducing the number of land use reviews that involve application of Comprehensive Plan policies as review criteria. In concept, requiring findings of consistency with Plan policies is a good idea because it links previous public input into policies with specific land use decision-making. In practice however, it can result in very unpredictable decisions. Corvallis has hundreds of Plan policies that are extremely comprehensive in scope. This results in the unintended situation of being able to justify just about any side of an argument as being consistent with the Comprehensive Plan. The City’s great staff work, professional legal advice, and seasoned elected and appointed officials mitigates this problem somewhat, but it is still an impediment to predictability in the land use process.

Thank you for the opportunity to comment on the Incentives Report.

Appendix F

Benton County Development Code
Chapter 100

City of Corvallis

Incentives Report

Prepared by



COMMUNITY
RESOURCE
PLANNING

Winterbrook Planning

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Chapter 100

Planned Unit Development in Corvallis Urban Fringe

100.000 Scope and Purpose.

(1) All applications for land divisions in the Urban Residential (UR) and Flood Plain Agriculture (FPA) zones within the Corvallis urban growth boundary are subject to the provisions of this chapter. Applications for partitions and subdivisions of land between the Corvallis city limits and urban growth boundary shall comply with the applicable provisions of BCC Chapters 95 and 97 and this chapter. The procedures, standards, and criteria in this chapter shall be applied when the requirements in another section of this code are not consistent with the provisions of this chapter.

(2) The procedures and requirements of this chapter are established to accomplish the following purposes:

- a. To insure, to the greatest extent possible, that land within the urban growth boundary is used for or kept available for urban uses;
- b. To establish standards that provide for the efficient and orderly transition of land within the urban growth boundary to planned urban uses considering existing natural features and planned future uses;



- c. To allow new or innovative design and technology; to promote appropriate land use; to facilitate adequate and economic provision of public and / or private services and facilities; and to protect the natural and scenic features of the site.

(3) Creation of a parcel for any of the purposes listed in subsection (a) below is exempt from the requirements of Chapter 100, provided the requirements of this section are met.

- a. To be exempt from Chapter 100, the parcel shall be created for only publicly owned open space, a publicly owned park or a publicly owned recreation facility.
- b. For a parcel created pursuant to and for the purposes of the provisions in subsection (a) of this section, the property owner shall sign a deed covenant to be recorded into the County Deed Records prior to creation of the parcel prohibiting use of that parcel for residential development or any use other than publicly owned open space, publicly owned park, publicly owned recreation facility or undeveloped open space owned by a not-for-profit land conservation organization, until the property is annexed to the city.
- c. Development and use of the property shall be subject to the approval requirements of the zone.
- d. A request for an exemption pursuant to this section shall be accompanied by a statement from the public entity proposing to acquire the property indicating intent to acquire the property and describing the proposed use of the property.
- e. Land divided under this section shall be considered in calculating the number of residential lots or parcels that may be created on the remainder parcel pursuant to BCC 100.205(6)(b).
- f. Creation of a parcel under this section does not disqualify the parent parcel from the density bonus provision of BCC 100.205(6)(c); however, a parcel created under this section shall not be used to justify a density bonus if the parcel is sold, rather than donated, to the receiving public entity.

[Ord. 2001-0168]

100.105 Letter of Intent to Partition or Subdivide. The applicant shall inform the Planning Official in writing of the intention to apply for a partition or subdivision and request a pre-application conference. A sketch plan and narrative must accompany the letter of intention with sufficient detail to outline the development plan.

100.110 Pre-application Conference. The Planning Official shall schedule a pre-application conference within twenty-one days following receipt of the letter of intention. Representatives of public and private agencies may attend or may submit such information and recommendations that will assist the applicant in preparing the application. The applicant or Planning Official may request additional meetings. The



Planning Official shall provide written documentation of the substance of the meeting to the applicant within ten working days after the meeting.

100.150 Application Requirements.

(1) In addition to the application requirements for partitions and subdivisions contained in Chapters 95 and 97, respectively, an application for a land division within the Corvallis urban growth boundary shall contain the following information and documentation:

- a. The location of existing structures, including building types, driveways, and off-street parking;
- b. The location of streams, lakes, ponds, drainageways, floodplains, wetlands, hydric soils, significant vegetation, riparian areas, and other significant natural features;
- c. Soils and soil characteristics, including shrink-swell potential, erosion hazard, slide potential, and any other potential limitations, using USDA Soil Conservation Service information or field studies prepared from specific site data;
- d. The location of any known sensitive or endangered species of flora or fauna, or significant historic or cultural resource on the property;
- e. Any proposed open spaces, including proposed ownership, use, and maintenance;
- f. The location of existing utility systems including sanitary sewer, storm sewer, drainageways, and water, where appropriate;
- g. Any proposed significant topographic changes including contours at intervals sufficient to indicate topographic conditions (generally two or five foot contours), including identification of areas subject to slide, slump, erosion or flooding hazards;
- h. Any measures proposed to mitigate impacts to identified sensitive lands;
- i. The proposed circulation system including roads, bikeways, and access to roads. Public or private ownership of each facility shall be clearly identified. The current condition of public facilities shall be identified, as well as the proposed standard to which the facility will be improved or constructed by the applicant;
- j. A narrative that provides:
 - A. A phased development schedule if the development is to be phased;
 - B. A schedule for construction of all improvements;
 - C. The proposed method for providing water supply for each parcel or lot;
 - D. The proposed method for providing sewage disposal for each parcel or lot;
 - E. A description of the impact of the proposed development on water, sewer, fire protection, law enforcement, schools, hospitals, solid waste disposal, and other services;
 - F. A description of all community facilities or systems including a maintenance program for all proposed systems; and
 - G. A copy of tentative covenants, conditions, and restrictions, if any, proposed by the applicant.



2. The Planning Official, in the application process, may waive any of the requirements of this section where it is determined, in the judgment of the Planning Official, that the information is not necessary to properly evaluate the application. The Planning Official may require additional information deemed necessary to evaluate the application.

100.205 Design Standards.

(1) **General.** An application for a Planned Unit Development shall comply with all applicable development standards of this code.

(2) **Access.**

- a. Streets and roads interior to the proposed development shall be located and aligned according to the provisions of Chapter 99 and constructed to the applicable urban standards identified in the Corvallis Transportation Plan and Corvallis Land Development Code. Streets and roads interior to the development shall be constructed to full urban standards concurrent with the approval of the land division and development of the property except as provided in BCC 100.205(2)(b).
- b. In exceptional circumstances, the approving authority may allow construction of streets and roads to a transitional standard. Construction to a transitional standard may only be allowed if the approving authority finds that exceptional engineering considerations make it not practical to construct streets or roads to urban standards concurrent with the proposed development. The approving authority shall consult with the City and County Engineers in making a determination to allow a transitional standard.
- c. If an exception is granted under 100.205(2)(b), the approving authority shall impose conditions that specify how streets will be improved to the applicable urban standards with subsequent development of the property. The conditions of approval shall provide mechanisms that insure that the financial obligation of present and future owners of the property to fully finance the construction of streets and roads to the applicable urban standards is met. These conditions may include but are not limited to:
 - A. Posting of a financial guarantee;
 - B. An irrevocable petition for public improvements;
 - C. An agreement to participate in future Improvement Districts;



- D. Specific provisions in covenants, conditions, and restrictions that specify the future obligation of the property owner(s) and which are attached to the property; and
- E. Other means deemed necessary and appropriate by the approving authority.

(3) Sewage Disposal.

- a. The sewage disposal system for the proposed development shall comply with the provisions of Chapter 99 and the requirements of the Oregon Department of Environmental Quality. The sewage disposal area may be located on-site or off-site. A deed restriction shall be placed on each property in the PUD which requires structures with individual sewage disposal systems to be connected to the City of Corvallis sewer system at the expense of the property owner when it is available to the property and which also states the owner, or future owner, will not remonstrate against connection to the city sewage disposal system.
- b. Conditions of approval shall require installation of city standard sewer lines and other applicable system improvements that can be connected to the city sewage system when the property is annexed to the city or when city services otherwise become available.
- c. The requirement for installation of city standard sewer lines and other system improvements may be modified or waived if the approving authority finds that, because of the length of time before city services may be available, site characteristics, and / or engineering considerations, it is not practical to install these improvements concurrent with the proposed development. The approving authority shall consult with the County Sanitarian and City and County Engineers in making this determination. In all cases, community systems, if utilized, shall be constructed to City of Corvallis standards and designed to be incorporated into the City system. Community systems, if utilized by the developer, will be designed and constructed to City of Corvallis standards, be publicly owned and maintained, or if privately owned, provide adequate assurances through a formal agreement that provide for adequate levels of ongoing maintenance and operation and will ensure a smooth transition to public ownership.
- d. If city standard sewer lines and other applicable system improvements are not required with approval of the application, the approving authority shall impose conditions that provide mechanisms that insure, to the greatest extent possible, that the financial obligation of present and future owners of the property to



fully finance urban level sewage system improvements is met. These conditions may include but are not limited to:

- (A) Posting of a financial guarantee;
- (B) An irrevocable petition for public improvements;
- (C) An agreement to participate in future Improvement Districts;
- (D) Specific provisions in covenants, conditions, and restrictions that specify the future obligation of the property owner(s) and which are attached to the property; and
- (E) Other means deemed necessary and appropriate by the approving authority.

(4) Water.

- a. The water supply for the development shall comply with the provisions of Chapter 99 and the requirements of the Oregon Health Division. The water source may be located on-site or off-site. A deed restriction shall be placed on each property in the PUD which requires the water supply to be connected to the City of Corvallis water system at the expense of the property owner when it is available to the property and which also states the owner, or future owner, will not remonstrate against connection to the city water system.
- b. Conditions of approval shall require the installation of city standard water lines and other applicable system improvements that can be connected to the city water system when the property is annexed to the city or when city services otherwise become available.
- c. The requirement for installation of city standard water lines and other system improvements may be modified or waived if the approving authority finds that, because of the length of time before city services may be available, site characteristics, and / or engineering considerations, it is not practical to install these improvements concurrent with the proposed development. The approving authority shall consult with the County Sanitarian and City and County Engineers in making this determination. In all



cases, community systems, if utilized, shall be constructed to City of Corvallis standards and designed to be incorporated into the City system. Community systems, if utilized by the developer, will be designed and constructed to City of Corvallis standards, be publicly owned and maintained, or if privately owned, provide adequate assurances through a formal agreement that provide for adequate levels of ongoing maintenance and operation and will ensure a smooth transition to public ownership.

- d. If city standard water lines and other applicable system improvements that can be connected to the city water system are not required with the approval of the application, the approving authority shall impose conditions that insure, to the greatest extent possible, that the financial obligation of present and future owners of the property to fully finance urban level water system improvements is met. These conditions may include but are not limited to:

(A) Posting of a financial guarantee;

(B) An irrevocable petition for public improvements;

(C) An agreement to participate in future Improvement Districts;

(D) Specific provisions in covenants, conditions, and restrictions that specify the future obligation of the property owner(s) and which are attached to the property; and

(E) Other means deemed necessary and appropriate by the approving authority.

(5) Drainage.

- a. Natural drainageways necessary to convey storm water through and from the subject property shall be reserved or dedicated to the public for such purposes. The area required to be dedicated or reserved for future drainageway shall be identified as determined by the Corvallis Land Development Code.
- b. Drainage improvements shall be constructed to the applicable City of Corvallis urban standards.



- c. In exceptional circumstances, the approving authority may allow construction of drainage improvements to a transitional standard. Construction to a transitional standard may only be allowed if the approving authority finds that exceptional engineering considerations make it not practical to construct improvements to urban standards concurrent with the proposed development. The approving authority shall consult with the City and County Engineers in making a determination to allow a transitional standard.
- d. If an exception is granted under 100.205(5)(b), the approving authority shall impose conditions that specify how the drainage system will be improved to the applicable urban standards with subsequent development of the property. The conditions of approval shall provide mechanisms that insure, to the greatest extent possible, that the financial obligation of present and future owners of the property to fully finance urban standard drainage improvements is met. These conditions may include but are not limited to:
 - A. Posting of a financial guarantee;
 - B. An irrevocable petition for public improvements;
 - C. An agreement to participate in future Improvement Districts;
 - D. Specific provisions in covenants, conditions, and restrictions that specify the future obligation of the property owner(s) and which are attached to the property;
 - E. Other means deemed necessary and appropriate by the approving authority.

(6) Parcel or Lot Size

- a. Parcels or lots created shall be located in a manner that allows for the orderly and efficient transition of the entire property to urban uses. Parcels or lots shall be the minimum size necessary to provide for reasonable development and for the provisions of streets, sewage disposal, water, drainage, and other improvements pursuant to the applicable provisions of this code. Parcels and lots shall contain a minimum of 5,000 square feet and a maximum of 20,000 square feet, except that the remainder parcel resulting from the creation of these parcels and lots need not comply with the 20,000 square foot maximum. In addition, the following exceptions apply:



- A. A one-time exemption to the maximum parcel size of 20,000 square feet shall be allowed to create one parcel with a minimum size of 1 acre. Only tracts, as defined in (C)(i) below, that are at least 10 acres in the UR-5-and FPA zones or 20 acres in the UR-10 zone shall qualify for such exemption. Such a parcel shall count as one of the parcels permitted in subsection (b). All other lots or parcels created pursuant to this chapter shall comply with the minimum and maximum size requirements in subsection (a) above.
- B. The owner of a tract is eligible for only one exemption in subsection (A) above for the entire tract as it existed on November 6, 1998. The remaining portions of the tract will not be eligible for the exemption
- C. As a condition of approval, the owner shall sign a deed covenant to be recorded into the County Deed Records against all lots and parcels contained in the tract as it existed on November 6, 1998. The covenant shall notify all future owners contained in the tract that those lots and parcels shall not be eligible for the exemptions allowed by subsection (A) above.

- i. For the purpose of this section "tract" means one or more contiguous lots or parcels in the same ownership.

- ii. For the purposes of this section "owner" is defined in Section 51.020.

- b. The maximum number of parcels or lots that may be created from an existing parcel is determined by dividing total acreage of the subject property, as it existed on the effective date of these provisions, November 6, 1998, by the minimum parcel size in the zoning district and taking the resulting whole number of lots. For example: (a) a 29.9 acre parcel in a UR-5 zone could be divided into five lots; and (b) an 89.9 acre parcel in a UR-10 zone could be divided into eight lots.
 - c. A density bonus, in addition to the maximum number of lots prescribed by subsection (b) above, may be approved through the PUD approval when it is found that the PUD provides amenities, as defined below, that warrant a density bonus. The number of lots may be increased up to twenty-five (25) percent beyond the maximum otherwise allowed where the proposed PUD provides for overall public benefit beyond the minimum level necessary to support the development of the PUD. All lots shall conform to all other development standards of this Code.
 - d. In order for a development to be eligible for a density bonus, it must be demonstrated that there is a public benefit beyond what is required by the



Benton County Development Code and other applicable regulations and provide at least one of the following amenities:

1. **Park/Open Space:** A bonus may be allowed if the proposed PUD contains areas allocated for park or recreation use. The park or open space shall be compatible with the applicable City or County Master Plan. If the proposed park is within or abutting the developed area of the PUD, the park shall be developed and dedicated to the City, County or other public entity prior to issuance of building or manufactured home placement permits. If a park or open space is explicitly delineated on an acknowledged City or County Master Plan and is on the undeveloped portion of the property then the land for the park or open space shall be dedicated to the City, County or other public entity as a condition of final plat approval. If the park or open space is not explicitly delineated in the City or County Master Plan, the land for the park need not be dedicated, but only reserved on the final plat. In the latter case, the reservation on the final plat may include limitations on uses within the reserved area to maintain the public park values of the land.
2. **Trails:** A bonus may be allowed if the proposed PUD contains a trails system connecting the PUD to public amenities such as other trails, parks and school facilities. The trail shall be compatible with the applicable City or County Master Plan. If the proposed trail is within the developed area of the PUD, the trail shall be developed and dedicated to the City, County or other public entity prior to issuance of building or manufactured home placement permits. If a trail is explicitly delineated on an acknowledged City or County Master Plan and is on the undeveloped portion of the property then the land for the trail shall be dedicated to the City, County or other public entity as a condition of final plat approval. If the trail is not explicitly delineated in the City or County Master Plan, the land for the trail need not be dedicated, but only reserved on the final plat. In the latter case, the reservation on the final plat may include limitations on uses within the reserved area to maintain the public trail values of the land.
3. **Infrastructure:** A bonus may be allowed if public facilities such as street improvements, or utilities are provided that are in excess of those required under the provisions of this code. The infrastructure elements shall be constructed at the time of the initial PUD development, and shall meet the applicable City or County public improvement standards.



4. Sensitive Areas: This bonus is based on the preservation of sensitive natural area, such as steep slopes, wetlands or significant vegetation, in excess of the preservation requirements of this Code or other applicable regulations. The affected area may be deeded to a public agency or protected by restrictive covenant. The sensitive area shall be controlled by the same party as the applicant, but does not need to be within the property subject to the PUD application.
5. Urban Development Pattern: This bonus is based on an urban development pattern that proposes all of the lots be 8,000 square feet or smaller laid out in a manner that allows the proposed development to be consistent with the City of Corvallis' Comprehensive Plan designation and Land Development Code provisions.
6. Affordable Housing: This bonus is based on providing affordable housing, as defined in the definition chapter of the City of Corvallis' Land Development Code.
7. Other Amenities: The decision making body and the developer may identify and agree upon other amenities which meet the goal of this provision, through this review and approval process.
8. Covenants: Any amenities, as described above, which are the basis for a density bonus shall be constructed as part of the PUD and accepted by the applicable public agency, or guaranteed by restrictive covenants that run with the land affected by the PUD approval, or by posting of a financial guarantee, an irrevocable petition for public improvements, an agreement to participate in future Improvement Districts, specific provisions in covenants, conditions, and restrictions that specify the future obligation of the property owner(s) and which are attached to the property, or other means deemed necessary and appropriate by the approving authority. Terms of the covenants may include initial commitment of the amenity, on-going maintenance or long term future commitments. The form, content, and terms of the covenants are subject to approval by the County through the PUD approval process.

(7) Clustering of Parcels or Lots. Parcels or lots created under the provisions of this chapter shall be clustered except as allowed in (6) above. For purposes of this chapter, "cluster" is defined as: "A development technique wherein lots and parcels are generally arranged together along a road, street, or cul-de-sac."

(8) Use of Parcels or Lots. Subject to the standard approval provisions of this code, all parcels or lots may contain any of the uses permitted in the zoning



district, including a single-family residence and accessory uses in the Urban Residential zone.

(9) Utilities. All utilities shall be installed underground by the developer at the time that services are available and prior to road construction, if feasible.

(10) Service Districts. Phases of the Planned Development shall identify the parcels or lots that are to be served by service districts for sewage and water systems prior to the provision of city services. Prior to the formation of a service district, the applicant shall submit documentation showing how the district will operate, including finances, rules, and ownership. A review shall be completed by the Planning Official, County Engineer, and County Counsel to determine the feasibility of the district. [Ord 99-0154]

100.305 Review Procedure.

Applications subject to the provisions of this chapter shall be reviewed pursuant to the applicable procedures for partitions and subdivisions contained in BCC Chapters 95, 97, and 100.

100.405 Conditions of Approval. In addition to the applicable conditions of approval for partitions and subdivisions contained in BCC Chapters 95, 97, and 99, the following conditions may be required for approval of Planned Developments within the Corvallis urban growth boundary:

1. The approving authority may impose any other conditions deemed necessary to comply with applicable provisions of this code or state or federal law;
2. The property owner(s) may be required to enter into agreement(s) providing for guarantees for the future provision of all improvements on the property at full city standards;
3. The property owner(s) may be required to enter into a planned development agreement with the county;
4. The property owner(s) shall be required to record a covenant prohibiting further division of the parcel or lot until annexation occurs when the parcel or lot, as it existed on the effective date of these provisions (*[insert date]*), has been divided into the maximum number or lots or parcels allowed pursuant to BCC 100.205(6);
5. The property owner(s) may be required to annex to existing adjacent service districts, to create new service districts, or to provide an alternative suitable method approved by the approving authority, for the monitoring, maintenance, and repair of the following services:
 1. Streets;



2. Street lights;
 3. Water systems;
 4. Sewage disposal systems;
 5. Storm drainage;
 6. Police services in addition to those normally provided by the Sheriff;
 7. Park maintenance and improvements; and
 8. Other services determined to be necessary by the approving authority.
6. At time of annexation, a public or private service district shall be dissolved upon inspection of improvements and a determination that the system served by the service district meets City standards.

100.505 Extension of Effective Period.

An extension of the preliminary approval period for an application subject to the provisions of this chapter shall be subject to the applicable approval extension provisions and procedures of Chapter 95 for partitions and Chapter 97 for subdivisions.

100.610 Final Plat Approval and Filing.

Final plat approval and filing shall be subject to the applicable provisions and procedures of Chapter 95 for partitions and Chapter 97 for subdivisions.

100.615 Final Plat Signatures.

Final plat signatures shall be subject to the applicable provisions and procedures of Chapter 95 for partitions and Chapter 97 for subdivisions.

100.620 Final Plat Approval by the Board.

Final plat approval by the Board of County Commissioners shall be subject to the applicable provisions and procedures of Chapter 95 for partitions and Chapter 97 for subdivisions.

100.625 Filing the Final Plat.

The final plat shall be filed subject to the applicable provisions and procedures of Chapter 95 for partitions and Chapter 97 for subdivisions. [Ord 98-0141]



Appendix G

Case Study:
Watershed Revegetation Program

City of Corvallis

Incentives Report

Prepared by



COMMUNITY
RESOURCE
PLANNING

Winterbrook Planning

Case Study: Watershed Revegetation Program

Through its Watershed Revegetation Program (WRP), City of Portland Bureau of Environmental Services forms partnerships with public and private landowners to restore degraded stream bank, wetland and upland areas. The WRP provides up to 50% cost share with local landowners to implement projects aimed at improving water quality, controlling erosion, reducing stormwater pollution, enhancing wildlife habitat and aiding long-term salmon recovery. One primary goal of the program is to help the City meet its federal water quality (NPDES) mandates.



Since 1996, the WRP has planted over 3 million trees and shrubs and managed over 3,600 acres of land. More than 63 miles of Portland-area streambanks have been revegetated. While most of this land is public (owned by the City, Metro or other public agency), more than 134 private projects covering 380 acres are currently managed by the WRP.

How the Program Works

The WRP provides native plants, contract labor, materials, and technical assistance to both public and private landowners. Where possible, the WRP tries to work with groups of landowners so that larger sites can be effectively restored. WRP staff manages revegetation projects from start to finish, including site preparation, herbaceous seeding, planting, site maintenance, and monitoring. For most projects, five-year agreements are established with each landowner to insure consistency in site monitoring, management prescriptions and implementation. Some landowners have recently renewed their agreements for an additional five-year period. The WRP handles all required permitting for each project.

Total project cost per acre is approximately \$15,000. The landowner share is thus \$7,500/acre or more, depending on available funding (see below). However, landowners have the option of providing in-kind services such as labor or equipment as part of their match.

Funding

The program received a major federal grant (approximately \$4 million) from the EPA in the mid-1990s to help meet federal water quality mandates by supporting the revegetation program and the 50% match with local landowners. Since the EPA grant expired a few years ago, the City match has dropped below 50% for most projects. Other partners such as ODFW and Metro have helped bridge some of the gap by providing grants for specific projects.



Landowner Benefits

- Cost sharing – The WRP provides up to 50% of the total project cost (a cost typically far lower than that for commercially available plant materials and contracting services).
- Streamlining red tape – WRG shepherds the project through local (and where needed, state and federal) permit processes. The WRP has a blanket permit that offers certainty for the landowner, as well as an expedited processing schedule.
- Maintenance and monitoring – The City’s commitment to five years of monitoring and maintenance (e.g., weeding, mulching, inter-planting and watering) has helped to ensure successful plant establishment and overall project success, and has earned WRP credibility within the local landowners and the community.

Broader Program Benefits

- Partnerships – The program combines the efforts of many agencies, businesses, and individuals to restore riparian areas and watersheds. The program has helped to break down barriers and bring disparate groups together to work toward a common goal.
- Local labor and materials – Local contract nurseries and farm-forest contractors provide over 95 percent of the project labor and plant materials. The WRP helps establish links to contractors (such as the contractor used for the recent revegetation efforts in Avery Park in Corvallis).
- Native plant promotion – The program has developed a large-scale plant propagation program for more than 75 native woody and herbaceous species. This program includes seed collection, processing and mixing; grow-out contracts; plant handling and allocation; and reference site data collection.
- Cost effectiveness – Using professional forestry contractors and reforestation techniques, 78% of project funds are spent on the planting and maintenance. A large-scale program increases wholesale purchasing power for labor, plants, and materials.

For more information about the Watershed Revegetation Program, logon to www.cleanrivers-pdx.org/clean_rivers/watershed_revegetation.htm.

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