



**Tualatin Hills Park & Recreation District
Minutes of a Regular Meeting of the Board of Directors**

A Regular Meeting of the Tualatin Hills Park & Recreation District Board of Directors was held on Monday, March 7, 2016, at the HMT Recreation Complex, Dryland Training Center, 15707 SW Walker Road, Beaverton. Executive Session 6:30 pm; Regular Meeting 7 pm.

Present:

Larry Pelatt <i>(via telephone)</i>	President/Director
Jerry Jones Jr.	Secretary/Director
John Griffiths	Secretary Pro-Tempore/Director
Ali Kavarianian	Director
Bob Scott	Director
Doug Menke	General Manager

Agenda Item #1 – Executive Session (A) Personnel (B) Land

Secretary Jerry Jones Jr. called executive session to order for the following purposes:

- To conduct deliberations with persons designated by the governing body to carry out labor negotiations, and
- To conduct deliberations with persons designated by the governing body to negotiate real property transactions.

Executive session is held pursuant to ORS 192.660(2)(d)and(e), which allows the board to meet in executive session to discuss the aforementioned issues.

Secretary Jones noted that representatives of the news media and designated staff may attend the executive session. All other members of the audience were asked to leave the room. Representatives of the news media were specifically directed not to disclose information discussed during executive session. No final action or final decision may be made in executive session. At the end of executive session, the board will return to open session and welcome the audience back into the room.

Agenda Item #2 – Call Regular Meeting to Order

The Regular Meeting of the Tualatin Hills Park & Recreation District Board of Directors was called to order by Secretary Jerry Jones Jr. on Monday, March 7, 2016, at 7:00 pm.

Agenda Item #3 – Action Resulting from Executive Session

Bob Scott moved that the board of directors authorize staff to acquire a property in the southwest quadrant of the district, using natural resource bond funds, subject to standard due diligence review and approval by the General Manager. Ali Kavarianian seconded the motion. The motion was UNANIMOUSLY APPROVED.

Agenda Item #4 – Clean Water Services Tree for All Award

Bruce Barbarasch, superintendent of Natural Resources & Trails Management, introduced Laura Porter and Rich Hunter, representatives from Clean Water Services, to recognize THPRD with the Tree for All Award.

Laura and Rich noted that the Tree for All program began ten years ago with the goal to plant one million trees in ten years, which was accomplished in 2013. The next goal was to plant two million native trees and shrubs in one year, which was met with the help from their partners, including THPRD. The district is responsible for planting over 500,000 native trees and shrubs since 2005. Laura and Rich thanked THPRD for its partnership and played a video providing a detailed overview of the Tree for All program and its successful efforts.

Agenda Item #5 – Audience Time

There was no public testimony during audience time.

Agenda Item #6 – Board Time

John Griffiths asked whether the district is exploring mitigation actions should interest rates continue to drop, thereby having a detrimental effect on the district's pension plan.

- ✓ Keith Hobson, director of Business & Facilities, replied that the district recently changed its structure of providers for the pension plan, noting that the new plan facilitator is reevaluating the district's investment strategy in order to determine what the district's risk tolerance should be for its investments.

John asked whether a change in investment strategy would come before the board for review.

- ✓ Keith replied that this is likely, noting that an additional step will be the creation of a fiduciary committee that would provide more active oversight. Future board review could be expected around the end of June.

John expressed concern regarding recent forecasts concerning the world's central banks, noting that the low return on investment currently being experienced may become a long-term issue.

Jerry Jones Jr. commented on the district's new advisory committee structure, noting that his attendance as a board liaison at a recent Parks & Facilities Advisory Committee meeting was welcomed by the committee and that he found the meeting motivating and educational.

- ✓ John agreed, noting that he recently attended a Nature & Trails Advisory Committee meeting and plans on attending at least once per quarter.

Agenda Item #7 – Consent Agenda

Bob Scott moved that the board of directors approve consent agenda items (A) Minutes of February 1, 2016 Regular Board Meeting, (B) Monthly Bills, (C) Monthly Financial Statement, (D) Resolution Authorizing Local Government Grant Program Application for SW Quadrant Community Park, (E) Resolution Authorizing Land and Water Conservation Fund Grant Program Application for Somerset West Park, (F) Resolution Reappointing Parks Bond Citizen Oversight Committee Members, and (G) Westside/Waterhouse Trail Connection Project. Ali Kavarian seconded the motion. The motion was UNANIMOUSLY APPROVED.

Agenda Item #8 – Unfinished Business

A. Resolutions Amending System Development Charge Methodology and Adopting System Development Charge

Steve Gulgren, superintendent of Design & Development, provided a brief overview of the memo included within the board of directors' information packet, noting that a public hearing was held at the January 12, 2016 board meeting regarding the proposed update to the district's System Development Charge (SDC) methodology, followed by the February 1, 2016 board meeting, during which district staff reviewed options for implementing the new SDC rates supported by the updated methodology. The options included full implementation, a phased-in implementation, and a discounted implementation. Based on the feedback received, staff is recommending implementing the full fee without a phase-in, but discounting the fee in the North Bethany planning area by 3%.

Steve also provided an overview of district staffs' meetings with representatives from the Homebuilders Association of Metropolitan Portland (HBA), noting that the HBA has provided written testimony for the board's consideration this evening, a copy of which has been entered into the record.

Steve noted that the action requested of the board is approval of the resolution adopting the 2015 SDC Methodology Report, as well as approval of the resolution implementing an SDC rate increase based on the new methodology at full fee in the base area, South Cooper Mountain and Bonny Slope West subareas, and discounts the fee 3% in the North Bethany subarea. Steve offered to answer any questions the board may have.

Bob Scott referenced the portion of the letter from the HBA regarding the district's SDC credit policy and asked for confirmation that the specifics regarding the district's SDC credit program would be included within the SDC Administrative Guidelines rather than the SDC Methodology Report under board consideration this evening.

- ✓ Keith Hobson, director of Business & Facilities, confirmed this, noting that the administrative guidelines would be updated based on the adoption of a new methodology.

Bob asked whether the board would be asked to formally approve the administrative guidelines.

- ✓ Steve noted that the resolution adopting the methodology references that any document produced must be in compliance with the adopted methodology, but that it is at the board's discretion whether to review the administrative guidelines prior to implementation.

Bob requested the administrative guidelines be shared with the board prior to going into effect.

- ✓ Larry Pelatt commented that the individual SDC credit projects are always brought before the board for review and approval, which is an additional layer of oversight as to how SDC credits are applied.
- ✓ Jerry Jones Jr. expressed agreement with the HBA's request that if the district is calculating the SDC fee using a certain method, that this same method be applied when determining the credit amount.

Bob noted his understanding of the HBA's most recent letter of testimony is that it represents a reiteration of ongoing points needing clarification, not new areas of interest or contention.

Secretary Jones opened the floor for public testimony.

Paul Grove, 15555 SW Bangy Road, Lake Oswego, is before the board of directors this evening representing the Home Builders Association of Metropolitan Portland (HBA). Paul thanked the board for the opportunity provided to meet with district staff, noting that district staff has been very responsive to the HBA's requests for additional information. The documentation provided by district staff far exceeds the information that has been provided by other jurisdictions the HBA has worked with in the past, and has provided the HBA and its consultant the ability to conduct a thorough review. The result of this review is the three items outlined in the letter submitted into the record this evening: valuation of community parks land, request for a graduated SDC implementation, and the SDC credit policy.

Jerry inquired when the new SDC fees would go into effect.

- ✓ Keith replied that, technically speaking, the new fees would go into effect immediately upon adoption; however, it will take some administrative work to provide the new rates to Washington County and the City of Beaverton, approximately 30 days. In addition, the city and county will freeze the SDC fees at current rates for six months for any development that is already in process, even if permits have not yet been pulled.

Jerry referenced the portion of HBA's letter regarding the valuation of community parks. He asked when the \$635,000/acre value was calculated.

- ✓ Steve described how this value was calculated, noting that an average cost was determined through the district's current work for the Southwest Quadrant Community Park project, which is currently out to bid, and the Cedar Hills Park project.
- ✓ Keith noted that the February board meeting staff report acknowledged that this value was based on the current cost estimates, but staff felt that the \$700,000/acre included in the methodology was reasonable as these were only cost estimates.

Jerry explained that the percentage increases the district has experienced between the engineer estimate and actual true construction cost is reflected in the higher valuation per acre.

- ✓ President Pelatt expressed agreement, noting that his experience through his work is that engineer estimates in the current development climate tend to be significantly lower than the actual construction cost.

Jerry expressed agreement, noting that he has found this to be true through his work, as well.

John Griffiths moved that the board of directors approve Resolution 2016-06 amending the district's System Development Charge methodology, and approve Resolution 2016-07 adopting the System Development Charge rate increases based on the new methodology. Bob Scott seconded the motion. Roll call proceeded as follows:

John Griffiths	Yes
Bob Scott	Yes
Ali Kavianian	Yes
Jerry Jones Jr.	Yes
Larry Pelatt	Yes

The motion was UNANIMOUSLY APPROVED.

B. Athletic Facilities Functional Plan

Aisha Panas, director of Park & Recreation Facilities, provided a brief overview of the memo included within the board of directors' information packet, noting that district staff is requesting board adoption of the Athletic Facilities Functional Plan (AFFP) this evening. This functional plan was recommended for development within the 2013 Comprehensive Plan Update and provides direction and guidance for facility development, service levels, Access for All programming, and cost recovery and identifies methods to monitor success. An initial outline for the AFFP was presented to the board at their March 2, 2015 regular meeting, followed by presentation of a draft plan at the board's January 12, 2016 regular meeting. Aisha described the minor changes to the draft report as noted within the memo that were made after conducting additional public outreach. Aisha introduced Scott Brucker, superintendent of Sports, to answer any additional questions the board might have.

Bob Scott commented that each of the five functional plans the board has reviewed have been filled with a tremendous amount of information. He congratulated staff on a job well done.

- ✓ Jerry Jones Jr. expressed agreement, noting that it is helpful for the board to have these guiding documents, which were developed in partnership by staff and the community.

Bob Scott moved that the board of directors approve the Athletic Fields Functional Plan as presented. Ali Kavianian seconded the motion. Roll call proceeded as follows:

John Griffiths	Yes
Bob Scott	Yes
Ali Kavianian	Yes
Jerry Jones Jr.	Yes
Larry Pelatt	Yes

The motion was UNANIMOUSLY APPROVED.

C. General Manager's Report

General Manager Doug Menke provided an overview of his General Manager's Report included within the board of directors' information packet, including the following:

- Second Annual Access for All Initiative Program Summit
 - Julie Rocha, Athletic Center supervisor, provided a detailed overview of the second annual Access for All Initiative Program Summit that took place February 4 at Providence Park.
- Board of Directors Meeting Schedule

Doug offered to answer any questions the board may have.

Bob Scott inquired whether the Access for All Initiative Program Summit, along with the networking that occurs via this platform, has provided grant opportunities that the district might qualify for.

- ✓ Julie confirmed this and provided a few examples of doors that have been opened to grant and sponsorship opportunities through the Access for All Program.

Agenda Item #9 – New Business

A. Resolution to Authorize the Use of Tax Exemption Program for Affordable Housing in the City of Beaverton

Keith Hobson, director of Business & Facilities, provided an overview of the memo included within the board of directors' information packet requesting that the board approve a resolution authorizing the City of Beaverton's use of affordable housing tax exemptions, which will result in the district forgoing the anticipated property tax revenue from qualified projects. This would be a continuation of an exemption program that the district had previously approved in August 2013 that had a two year sunset provision. Keith noted that the financial impact to the district would be nominal if the exemption is approved and that the only affected properties are those that qualify as affordable housing owned and operated by non-profit corporations. Keith introduced Cheryl Twete, Community Development Director for the City of Beaverton, to provide an overview of the program.

Cheryl provided a detailed overview of the City of Beaverton's affordable housing tax exemption program, stating that it is one of the most effective public financing tools available for affordable housing in the state of Oregon. She highlighted the impacts that this program has on the city's low-income population, noting that rent in Beaverton has increased over 14% in the past year. She described the characteristics of a non-profit affordable housing provider, commenting that in general they offer a high-caliber, long-term operation that serves the community well. There have been three qualifying development projects in the last two years within the City of Beaverton, with one additional development project expected in the upcoming fiscal year. Most of these types of projects, if not all, have multiple public financing tools involved and take a few years in order to bring the project to fruition. Cheryl concluded by stating that although the tax exemption is a wonderful tool to have, it is by no means the only solution to addressing affordable housing, and offered to answer any questions the board may have.

John Griffiths asked for confirmation that the projections indicate that by the year 2025 the district would be forgoing \$75,000 annually in tax revenue through the affordable housing tax exemption program. He stated that he is hesitant to commit the district to a permanent exemption without a renewal date.

- ✓ Keith replied that the structure of the resolution approving the exemption states that no board can bind future boards permanently. Although the resolution does not include a sunset provision and would operate on a continual basis, that does not preclude a future board from taking action to discontinue the program. Short of that action, the exemption would continue on an ongoing basis. The Tualatin Valley Fire & Rescue District is

expected to approve the tax exemption with the understanding that the city will provide periodic updates on the program as a condition of continued participation. City staff have confirmed that these same updates would be made available to THPRD.

Ali Kavianian suggested that perhaps the board should be given the opportunity to review the program every four to five years in order to evaluate the impact and discuss whether continuation of the program is desired.

- ✓ Keith replied that if this is the direction of the board, district staff could return with an updated resolution for the board's consideration at a future board meeting.

John suggested that the board be provided updated information on an annual basis in order to be aware of the cumulative effect of the exemption. Although the initial amount of tax revenue is nominal, over time it may grow to a more impactful amount.

- ✓ Keith asked for clarification that the board wishes to review the annual reports, but that the resolution is acceptable without a stated sunset clause.
- ✓ General Manager Doug Menke confirmed that an annual update would be provided to the board.

John confirmed this, noting that he would like to understand via the annual update how effective the exemption is in terms of providing affordable housing.

Jerry Jones Jr. commented that he is happy to see that the Bridge Meadows affordable housing development continued to fruition.

Bob Scott moved that the board of directors approve Resolution 2016-08, Authorizing the Use of a Low Income Housing Tax Exemption Program by the City of Beaverton. Ali Kavianian seconded the motion. Roll call proceeded as follows:

John Griffiths	Yes
Bob Scott	Yes
Ali Kavianian	Yes
Jerry Jones Jr.	Yes
Larry Pelatt	Yes

The motion was UNANIMOUSLY APPROVED.

Agenda Item #10 – Adjourn

There being no further business, the meeting was adjourned at 7:55 pm.

Larry Pelatt, President

Jerry Jones Jr., Secretary

Recording Secretary,
Jessica Collins