Exhibit SSSS

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Memorandum

To: Mayor Gary Wheeler and
Medford City Council Members

Date: October 1, 2015

Subject: Hillcrest District (MD-4) - Conceptual Land Use Plan

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The Hillcrest District (MD-4) conceptual land use plan proposed by the property owners for adoption by the City of Medford is shown in the figure below:

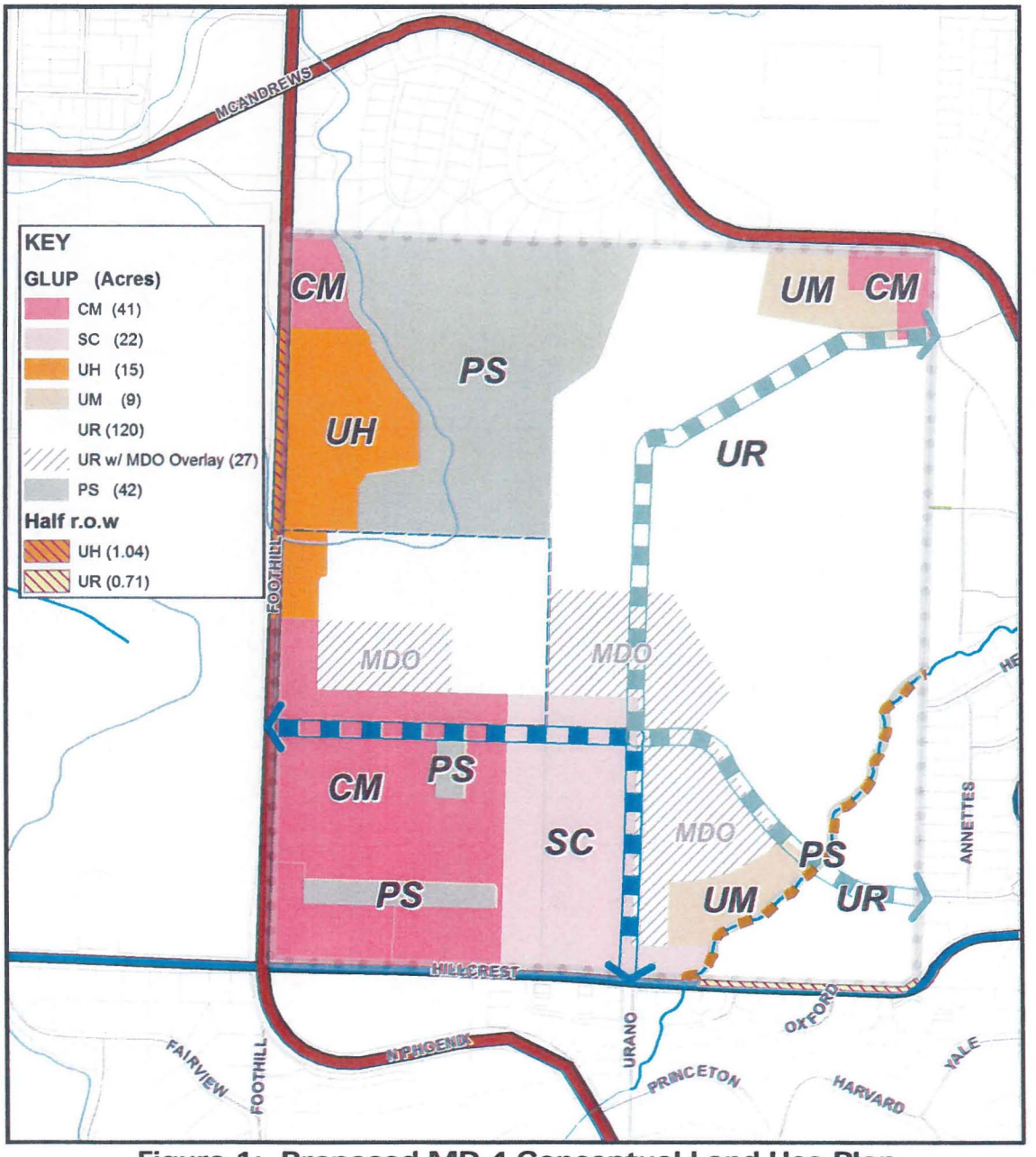

Figure 1: Proposed MD-4 Conceptual Land Use Plan

This memorandum includes findings in evidence that the MD-4 Concept Plan for the Hillcrest District as proposed by the property owners complies with the requirements of the Greater Bear Creek Valley Regional Plan.

The Regional Plan in whole has been incorporated as Chapter 25 of the Jackson County Comprehensive Plan. Portions of the plan that are applicable to Medford have been incorporated by the city as the Regional Plan Element of its own comprehensive plan. Conceptual Land Use Plan requirements for urban reserves are established at subsection 2.8 in Chapter 5 of the county adopted Regional Plan, and at subsection 4.1.8 of the City of Medford's Regional Plan Element. The below findings of compliance are directed to the relevant section of the City's adopted Regional Plan Element.

Section 4.1.8 in the Regional Plan Element of the Medford Comprehensive Plan provides:

"**4.1.8 Conceptual Land Use Plans.** A proposal for a UGB Amendment into a designated UR shall include a Conceptual Land Use Plan prepared by the City in collaboration with the Rogue Valley Metropolitan Planning Organization, applicable irrigation districts, Jackson County, and other affected agencies for the area proposed to be added to the UGB as follows:

a. **Target Residential Density.** The Conceptual Land Use Plan shall provide sufficient information to demonstrate how the residential densities of Section 4.1.5 above will be met at full build-out of the area added through the UGB amendment.

b. **Land Use Distribution.** The Conceptual Land Use Plan shall indicate how the proposal is consistent with the general distribution of land uses in the Regional Plan, especially where a specific set of land uses were part of the rationale for designating land which was determined by the Resource Lands Review Committee to be commercial agricultural lands as part of an urban reserve, which applies to the following URs: CP-1B, CP-1C, CP-6A, CP-2B, MD-4, MD-6, MD-7mid, MD-7n, PH-2, TA-2, TA-4.

c. **Transportation Infrastructure.** The Conceptual Land Use Plan shall include the transportation infrastructure required in Section 4.1.7 above.

d. **Mixed Use/Pedestrian Friendly Areas.** The Conceptual Land Use Plan shall provide sufficient information to demonstrate how the commitments of Section 4.1.6 above will be met at full build-out of the area added through the UGB amendment."

Requirement 1

Section 4.1.8(a): Section 4.1.8(a) requires conceptual land use plans to demonstrate how the residential densities of Section 4.1.5 will be met at full build-out of the area added through the UGB amendment. Section 4.1.5 in the Regional Plan Element of the Medford Comprehensive Plan provides:

> "**Committed Residential Density**. Land within an urban reserve and land currently within an Urban Growth Boundary (UGB) but outside of the existing City Limit shall be built, at a minimum, to the following residential densities. This requirement can be offset by increasing the residential density in the City Limit.

City	Dwelling units per gross acre 2010-2035	2036-2060
Central Point	6.9	7.9
Eagle Point	6.5	7.5
Medford	6.6	7.6
Phoenix	6.6	7.6
Talent	6.6	7.6

a. Prior to annexation, each city shall establish (or, if they exist already, shall adjust) minimum densities in each of its residential zones such that if all areas build out to the minimum allowed the committed densities shall be met. This shall be made a condition of approval of a UGB amendment."

Findings: The City of Medford is currently considering expanding its urban growth boundary to accommodate projected population growth through the year 2029. The City has committed, as part of the Regional Plan, to build out residential land that will be added from urban reserves between years 2010 and 2035 at 6.6 units per gross acre. The proposed Hillcrest District conceptual land use plan (Urban Reserve Area MD-4) as depicted in Figure 1 above will assure an overall residential density of 6.76 units per gross acre as shown in Table 1 below:

Acreages including portion of right of way to centerline between proposed Residential and current City residential and Portion UR w/ SFR-10 minimum

GLUP		Sq Feet	Acre	1/2 r.o.w.	Total Acre	Rounded	Percent	GLUP Percent
Residential	Urban High Density	651,843	14.964258	1.04	16.004258	16	5.76%	62%
	Urban Medium Density	411,122	9.438071		9.438071	9	3.40%	
	Urban Res	5180881.694	118.936678	0.71	119.646678	120	43.07%	
	Urban Res / SFR-10	1185461.747	27.214457		27.214457	27	9.80%	
Commercial	Commercial	1,780,940	40.884762		40.884762	41	14.72%	23%
	Service Commercial	969,451	22.255543		22.255543	22	8.01%	
Parks Schools	Parks Schools	1,845,901	42.376048		42.376048	42	15.25%	15%
		12,025,601	276.069817	1.75	277.819817	278		

Acre	Gross density	Units
16	20	320
9	10	94
120	4	479
27	10	272
172		**1165**
	Overall Density	**6.76**

Table 1 - Land Use Area and Density Calculations

The City's commitment to achieve a minimum residential density of 6.6 units per gross acres must be met in a manner that is also consistent with the City's projected need for a mix of housing types over the planning period in order to comport with the adopted Housing Element in the Medford Comprehensive Plan. The property owners' proposed conceptual land use plan for MD-4 was crafted with the understanding that the City desires to adopt concept plans utilizing its existing General Land Use Plan Map designations to be applied when lands are annexed into the City. The majority of the City's projected residential land use need is for Urban Residential land by GLUP map. In order to assure a minimum density of 6.6 units per gross acres will be achieved in a manner that does not oversupply medium (UM) and high (UH) residential land area, the property owners have proposed a minimum density overlay be enacted by the City and consistent with Regional Plan Element subsection 4.1.5 (a) which would require that 27 acres of the UR designated land around the commercial core area be built out at a minimum of 10 units per gross acre, which is the standard maximum density for the highest density UR zoning district (SFR-10). A code amendment is needed to legislatively create such an overlay and such an amendment would appropriately be enacted as part of the City's urban growth boundary amendment proposal.

Section 10.345 of the Medford Land Development Code anticipates the need for overlay districts:

"**10.345 Purpose of Overlay Districts**

Overlay districts impose additional or different land development regulations or procedures on certain parcels or areas of the City. They generally coincide with a special area plan or implement a specific Comprehensive Plan policy, such as identifying those parcels containing historic resources that are subject to specific regulations. Overlay districts address issues not addressed by the underlying zoning district. The boundaries of each overlay district are shown on the official zoning map of the City of Medford. See Section 10.251 regarding Exceptions to the site development standards contained in the overlay districts."

A Minimum Density Overlay (MDO) District could be created to assure the committed residential density policy of the Regional Plan Element without need to alter the normal minimum density standard of the underlying zoning districts. The Conceptual Land Use Plans required to be adopted for each urban reserve area would include future GLUP map designations to be applied at the time land is included into the urban growth boundary and - if needed to assure that committed densities will be achieved - future MDO District boundaries that specify what minimum residential density is to be achieved within targeted areas to achieve the committed density standard. The overlay would further serve to refine the future urban form.

An MDO District could be codified in the Medford Land Development Code at Sections 10.345 - 10.407.

The Hillcrest District property owners have proposed that the City enact a minimum density overlay zone at MLDC Section 10.347 with the following draft code language offered:

"**10.347 Minimum Density Overlay District, MDO**

A. Purpose: To implement the Committed Residential Density strategy adopted in accordance with Section 4.1.5 of the Regional Plan Element. This overlay functions to increase the minimum required residential density over any base zoning district other than SFR-00, which is a holding zone.

B. Applicability: Upon annexation, this overlay shall be applied to land designated for residential use and subject to an adopted Conceptual Land Use Plan requirement that the Minimum Density Overlay be applied to all or a portion of the planning area in order to achieve a specified residential density target. When SFR-00 zoning is initially adopted as a holding zone, the overlay will still be adopted in accordance with the adopted Conceptual Land Use Plan but will not apply until the land is re-zoned to another residential zone. This overlay may also be applied to other land within the City in combination with planning of mixed-use neighborhoods, town centers, and activity centers.

C. Minimum Density Overlay Designation: An adopted Minimum Density Overlay shall be designated on the Zoning Map with the letters "MDO" followed by a numeral integer that specifies the minimum residential density per acre that is to be required for residential development within the overlay area. For example, "MDO-8" applied over an SFR-10 zoning district requires that a minimum density of eight units per acre for residential development rather than the standard minimum density of six units per acre for that zoning district.

D. Base Zoning District: The Minimum Density Overlay specified for a particular area by an adopted Urban Reserve Conceptual Land Use Plan shall be paired with a base zoning district that both accommodates the MDO specified density and is consistent with the GLUP Map Designation for the area. For example, an MDO-10 overlay for UR designated land on the GLUP Map would be paired with SFR-10 zoning rather than MFR-15 zoning.

E. Removal/Amendment: The overlay may be removed or amended to comply with changes to the Regional Plan Element or to implement an alternative strategy demonstrating that the committed residential density requirements of the Regional Plan will be met. For example, an MDO-10 overlay of lesser area could be substituted for an MDO-8 overlay to achieve the same overall target density for the planning area."

Alternatively, the City could enact a minimum density overlay as part of the General Land Use Plan Element as an addition to the General Land Use Map Designations. Individual property owners are not authorized to initiate code or comprehensive plan text amendments that will be needed to create the planning tools that will be needed as lands are ultimately annexed and re-zoned in the future to implement the City's growth plans. There may be other appropriate methods for the City to assure that its minimum density commitments under the Regional Plan Element Section 4.1.5 are met, but the overlay approach is suitable and appropriate to the Hillcrest District as it will also assure that the envisioned town center described in the Regional Plan Element for Urban Reserve Area MD-4 will be created to support higher residential densities for the planning area.

Requirement 2

Section 4.1.8(b): Subsection (b) requires that a Conceptual Land Use Plan shall indicate how the proposal is consistent with the general distribution of land uses in the Regional Plan, especially where a specific set of land uses were part of the rationale for designating land which was determined by the Resource Lands Review Committee to be commercial agricultural lands as part of an urban reserve - which includes MD-4.

The general distribution of land uses for MD-4 are shown in Figure 3.3-4 of the Regional Plan Element, which proposed that MD-4 include 63% residential, 15% open space/parks, and 22% employment land by area. The proposed Hillcrest District conceptual land use plan allocation is, rounded to the nearest integer, 62% residential, 23% commercial, and 15% for open space/parks. *See,* Table 1 herein above. The Regional Plan Element does not specify where land use areas are to be arranged but does indicate that the City envisions a master planned mixed-use area with residential and commercial uses including a town center to support higher densities. The proposed concept plan's land use allocations are within a percentage point of the Regional Plan's distribution and can reasonably be concluded to be consistent with the general distribution at a concept scale. The spatial distribution is arranged to establish the existing ensemble of historic buildings in the southwest corner of the District as the focal point of the planned town center. Residential densities of at least 10 units per acre around the town center will promote a village style mixed use pattern around the town center, and PS designated areas within the center will ensure that a park or garden will be located adjacent to the historic residence and that a community plaza or park will be located along the main street that will extend west from Foothill Road along the north entry to the town center.

Smaller commercial areas at the northwest and northeast will adjoin planned high and medium density residential areas. A PS GLUP Map designation over approximately 40 acres will ensure that the highest density residential area will have ample useable open space preserved nearby. The property owners coordinated with the Rogue Valley Transit District in the concept design. Arranging the high density district along North Foothill Road will provide for the highest number of residents to be located along what will be the main transit service trunk route for the east side of Medford. The transit district has provided a letter acknowledging that the proposed concept plan is designed to promote efficient transit with the district's strategic plan.

A mixed-use arrangement of medium density and commercial will also be designated at the northeast corner of the district. An existing cluster of buildings located there will provide for an interesting focal point for the smaller commercial district, and the arrangement will complement the adjacent existing Vista Pointe Planned Unit Development which includes a mix of commercial and small lot residential uses within the adjacent UGB area. The arrangement also promotes a gateway into the Hillcrest District by way of the existing Vista Pointe street which extends from the arterial McAndrews Road to the east. Vista Pointe will then be connected as a primary connection from McAndrews Road to the Hillcrest District town center, Hillcrest Road, and North Foothills Road. Multiple connections to the surrounding neighborhood will promote the success of a multi-modal town center in the manner envisioned for the Hillcrest District as articulated in the Regional Plan.

Requirement 3

Section 4.1.8(c): Subsection (c) requires that a Conceptual Land Use Plan shall include the transportation infrastructure required in Section 4.1.7 of the Regional Plan Element. Section 4.1.7, in turn, provides as follows:

"**4.1.7 Conceptual Transportation Plans.** Conceptual Transportation Plans shall be prepared early enough in the planning and development cycle that the identified regionally significant transportation corridors within each of the URs can be protected as cost-effectively as possible by available strategies and funding. A Conceptual Transportation Plan for an urban reserve or appropriate portion of an urban reserve shall be prepared by the City in collaboration with the Rogue Valley Metropolitan Planning Organization, applicable irrigation districts, Jackson County, and other affected agencies, and shall be adopted by Jackson County and the respective city prior to or in conjunction with and the respective city prior to or in conjunction with a UGB amendment within that UR.

a. **Transportation Infrastructure.** The Conceptual Transportation Plan shall identify a general network of regionally significant arterials under local jurisdiction, transit corridors, bike and pedestrian paths, and associated projects to provide mobility throughout the Region (including intracity and intercity, if applicable)."

The Hillcrest District is located adjacent to two major arterial roadways (North Foothill Road and McAndrews Road) that are both currently inside the existing UGB boundary and which are both regionally significant. The conceptual land use plan as proposed by the property owners identifies essential internal street connections and alignments, but no additional arterial roadways will be needed through the district. Commercial streets adequate to function as collector streets will service the town center itself by joining Urano Street north from Hillcrest Drive to intersect with Spring Street which will be extended from North Foothill Road to the west. The Spring Street alignment would extend east of Urano Street into the planned residential area to a designated crossing point at Lazy Creek. The crossing is planned at the mid-point of the stream

reach through the Hillcrest District in order to minimize the number of stream encroachments for streets. The alignment would then connect with Hidden Valley Court in the adjacent Greyson Heights subdivision, to ultimately replace an existing substandard emergency-only access that now connects to Hillcrest Road. That existing residential development is serviced by a network of lower order minor residential streets that would not appropriately provide for through collector roadway connection to the McAndrews Road arterial to the east. Consequently, the street alignment between the creek and Greyson Heights would appropriately be service by a a standard residential street network. A collector is not needed east of the creek - the city's adopted connectivity standards for subdivision will serve to assure that existing local streets connections will be made. The Hillcrest District plan does anticipate the need for a collector level street to connect through to the arterial McAndrews Road by way of linking to Vista Pointe Drive which is currently stubbed to the Hillcrest District's eastern boundary one block west of McAndrews Road. Vista Pointe Drive, in that area, services a commercial area of an existing mixed-use planned unit development. A collector level connection to the Hillcrest District's town center to McAndrews Road would enhance overall neighborhood connectivity between major activity areas without need to route that traffic through the Greyson Heights lower order street system.

As established under Requirement 2 herein above, the local transit district's strategic plan is to establish a transit route along North Foothill Road. In that way, transit connections between planned nodal development neighborhoods (e.g. SE Neighborhood Plan) on the east side of Medford can be linked efficiently and connected by way of McAndrews Road to existing transit routes at Crater Lake Avenue to the west.

A pedestrian trail is designated along Lazy Creek which would connect to the Vista Pointe planned development to the east, and bicycle lanes are required along all collector and arterial roadway by code. The Medford Irrigation District has responded that the irrigation canal will need to be piped if housing development is considered on either side of the open canal. Development plans for that portion of MD-4 will be required to satisfy the irrigation district's requirement. A trail and open space planned for that area would ultimately link up with the Bella Vista PUD private park along the canal to the north within the existing UGB.

The requirement for the City to collaborate with the MPO, the County, the irrigation district, and other agencies is ongoing as the City proceeds in refining its growth plans. The property owners have otherwise diligently coordinated with all required parties to assure that the transportation infrastructure requirements of Regional Plan Element section 4.1.7 are met.

Requirement 4

Section 4.1.8(d): Subsection (d) requires that Conceptual Land Use Plans shall provide sufficient information to demonstrate how the commitments of Section 4.1.6 of the Regional Plan Element will be met at full build-out of the area added through the UGB amendment. Section 4.1.6, in turn, requires as follows:

"**4.1.7 Mixed-Use/Pedestrian Friendly Areas.** For land within an urban reserve and for land currently within a UGB but outside of the existing City Limit, each city shall achieve the 2020 benchmark targets for the number of dwelling units (Alternative Measure no. 5) and employment (Alternative Measure no. 6) in mixed-use/pedestrian-friendly areas as established in the 2009 Regional Transportation Plan (RTP) or most recently adopted RTP. Beyond the year 2020, cities shall continue to achieve the 2020 benchmark targets, or if additional benchmark years are established, cities shall achieve the targets corresponding with the applicable benchmarks. Measurement and

definition of qualified development shall be in accordance with adopted RTP methodology. The requirement is considered met if the city or the region overall is achieving the targets or minimum qualifications, whichever is greater. This requirement can be offset by increasing the percentage of dwelling units and/or employment in the City Limit. This requirement is applicable to all participating cities."

The most recently adopted version of the Regional Transportation Plan ("RTP") is dated March 26, 2013. Alternative Measures in the RTP for the region were approved by LCDC in lieu of meeting Oregon's Transportation Planning Rule requirement (then at OAR Section 660-012-0035(5)) to reduce per capita VMT (i.e., vehicle miles travelled) by 5 percent. The current version of the RTP includes the RVMPO Alternative Measures at Appendix B of the plan.

Alternative Measure 5 is "Percent of New Dwelling Units in Mixed Use/Pedestrian-Friendly Areas" and Alternative Measure 6 is "Percent of New Employment in Mixed-Use Pedestrian-Friendly Areas." The respective 2020 target benchmarks are 49% for Measure 5 and 44% for Measure 6.

The methodology for Measure 5, as stated in RTP Table B-8, is that the measure is determined by tracking building permits to calculate the ratio between new dwelling units in transit-oriented districts (TODs) and total new dwelling units in the region.

The methodology for Measure 6, as also stated in RTP Table B-8, is estimated from annual employment filings from the State for the ratio of new employment in TODs over total regional employment.

The RTP explains that the objective of these measures is to demonstrate progress towards creating mixed use, pedestrian-friendly developments in the MPO. Progress towards meeting the benchmarks and targets for this measure would be determined by monitoring development after the appropriate land use and development regulations have been adopted. Mixed-use, pedestrian-friendly development occurring within downtown areas, it is explained, as well as within proposed TOD sites, would count towards meeting the benchmark and target figures shown in RTP Table B-8.

MD-4, pursuant to the Regional Plan and as proposed by the property owners for the Hillcrest District Conceptual Land Use Plan, is to be a master-planned mixed-use are with residential and commercial areas including a town center to support higher densities. The plan has been designed to include a mix of housing types and employment areas arrayed throughout the District such that all homes will be located within a quarter-mile of designated employment and activity centers. The planned land use arrangement is designed to increase the convenience of walking, bicycling, and transit and thereby reduce automobile dependency. As such, it is reasonable to conclude that all (100%) of the dwelling units and all (100%) of new employment in the Hillcrest District (MD-4) will be in Mixed-Use Pedestrian Friendly Areas.

The requirement at Regional Plan Element Section 4.1.8 as stated is ambiguous because the RTP benchmarks are measured as ratios of new dwellings and employment constructed/created within mixed-use pedestrian friendly areas relative to new dwellings/employment to be built or created outside mixed-use pedestrian friendly areas throughout the entire region. However, the text of Section 4.1.8 allows the ratios to be met by increasing percentage of dwelling units in "the City limit", which could reasonably be construed to mean that the Alternative Measure benchmarks with respect to design of Conceptual Land Use Plans for urban reserves are to be met as ratios of dwellings/employment within the boundary of the respective urban reserve areas. In that context, a conceptual plan could be designed to be tied to an area identified within the existing city limit where an increased ratio is planned to offset a deficiency with a particular urban reserve area. However, the Hillcrest District

will exceed both of the Alternative Measure 5 and 6 year 2020 benchmarks as explained above.

The RTP, at Page 14 in Appendix B, provides a summary finding for Alternative Measure 5 of actual measurements taken for the year 2007 by the MPO. At that time, the finding explains that the MPO only counted new dwelling units that were permitted at a density of 10 units per acre or greater within TODs, downtowns and activity centers. The finding does not explain why the ten units per acre minimum measure was applied rather than the actual stated alternative measure (being all dwellings permitted in mixed-use pedestrian friendly areas). However, if that methodology were to be utilized the Hillcrest District Plan will in any case meet the 2020 target benchmark (49%). As established in Table 1 herein above, the Hillcrest District's proposed minimum density overlay in combination with the UM and UH designations will assure that 686 of 1165 dwelling units (based on otherwise established minimum density standards) - being 59% - throughout the district will be constructed at a density of 10 units per acre or greater.

In previous testimony to the City Council, I explained that the Regional Plan requirements were fundamental to the design approach taken. An illustrative plan was also prepared and presented to show how the concept plan may be built out based on the City's current design standards and in a manner that the property owners support. The concept plan itself, utilizing generally existing GLUP Map Designation arrangements with a simple overlay approach to assure minimum densities will also provide a reasonable amount of flexibility to make reasonable changes to the underlying illustrative plan that will necessarily still meet the requirements of the Regional Plan for MD-4. The above offered findings specific to the Regional Plan requirement will, I trust, better explain how the requirements were specifically met.

Very truly yours,

CSA Planning, Ltd.

Raul G. Woerner
Principal

RGW/m

Attachments (2): Letter from RVTD dated July 30, 2015
Letter from Medford Irrigation District dated May 21, 2014

3200 Crater Lake Ave
Medford, OR 97504
(541) 779-5821
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TTY# (541) 734-9292

July 30, 2015

Michael Montero, Principal
Montero & Associates, LLC
4497 Brownridge Terrace, Site 202
Medford, Oregon 97504

Re: Conceptual Transportation Coordination-Medford UGB

Dear Mr. Montero:

Rogue Valley Transportation District acknowledges that your firm met with senior transit district staff to coordinate development of the conceptual transportation plan associated with the Hillcrest District Plan property identified by the City of Medford as MD4. The corridor discussed is the regional connection along North Foothills Rd. between McAndrews and Hillcrest Rd. The District agrees that should MD4 develop as a *town center* nodal development designed to promote transit would represent an effective alternative transportation option.

As discussed, transit is an essential element of the MPO's adopted alternative measures intended to reduce regional vehicle miles traveled in the region. These same alternative measures represent an essential element in local and regional land use policy.

The conceptual plans discussed with the District are consistent with Rogue Valley Transportation District's 10-year Strategic Plan for future transit services, contingent upon funding.

Our thanks to your clients for their consultation and commitment to continue working with the District in the development of their conceptual plans being forwarded to the City of Medford as part of its Urban Growth Boundary review process.

Sincerely,

Julie Brown

Julie Brown, General Manager
Rogue Valley Transportation District

MEDFORD IRRIGATION DISTRICT

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Montero & Associates, LLC
Consultants in Urban Development
4497 Browridge Terrace, Suite 105
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RE: City of Medford Urban Reserve Coordination

Date May 21, 2014

Dear Michael,

The Medford Irrigation District has reviewed the Concept Plan for the proposed alternative MD-4 Plan.

If we understand your request; to identify any District requests involving the District's canal and related facilities as to future development of lands surrounding the facilities and changes in the land designations. The District will require the canal to be piped by the developer if any housing development is considered on either side of currently open irrigation canal. Public safety issues arise when the lands are populated near the canals, also the ditch banks along the open canals cannot be used for public walk ways, only after the canals are piped and if the landowners agree.

The Medford Irrigation District has participated at the Ag Task force meetings and will continue. We ask developers and cities to communicate with us early on in their development planning so no surprises arise at the last minute.

Sincerely

Carol Bradford

Carol Bradford
Medford Irrigation District Manager