

**CONSTRUCTION EXCISE TAX GRANT
INTERGOVERNMENTAL AGREEMENT
Metro – City of Tigard
Downtown Mixed-Use Development Projects**

This Construction Excise Tax Grant Intergovernmental Agreement (“CET Grant IGA”) is effective on the last date of signature below, and is entered into by and between Metro, a metropolitan service district organized under the laws of the state of Oregon and the Metro Charter, located at 600 Northeast Grand Avenue, Portland, OR, 97232-2736 (“Metro”), and the City of Tigard (“City”), located at 13125 SW Hall Blvd., OR 97223, collectively referred to as “Parties.”

WHEREAS, Metro has established a Construction Excise Tax (“CET”), Metro Code Chapter 7.04, which imposes an excise tax throughout the Metro regional jurisdiction to fund regional and local planning that is required to make land ready for development after inclusion in the Urban Growth Boundary; and

WHEREAS, the CET is collected by local jurisdictions when issuing building permits, which the local jurisdictions then remit to Metro pursuant to Construction Excise Tax Intergovernmental Agreements to Collect and Remit Tax (“CET Collection IGAs”) entered into separately between Metro and the local collecting jurisdictions; and

WHEREAS, the City has submitted a CET Grant Request (“Grant Request”) for the Downtown Tigard Mixed-Use Development Projects (“Project”); and

WHEREAS Metro has agreed to provide the City CET Grant funding for the Project in the amount of \$100,000 subject to the terms and conditions set forth herein, and the parties wish to set forth the funding amounts, timing, procedures and conditions for receiving grant funding from the CET fund for the Project.

NOW THEREFORE, the Parties hereto agree as follows:

1. Metro Grant Award. Metro shall provide CET grant funding to the City for the Project as described in the City’s CET Grant Request, attached hereto as Exhibit B and incorporated herein (“Grant Request”), in the amounts and at the milestone and deliverable dates as set forth in Exhibit A attached hereto and incorporated herein (“Deliverables Schedule”), subject to the terms and conditions in this Agreement.
2. City Responsibilities. The City shall perform the Project described in the Grant Request and as specified in this Agreement and in Exhibit A, subject to the terms and conditions specified in this Agreement and subject to the “funding conditions” identified by the Screening Committee as stated in Metro Council Resolution No. 13-4450, Exhibit A. The City shall obtain all applicable permits and licenses from local, state or federal agencies or governing bodies related to the Project, and the City shall use the CET funds it receives under this Agreement only for the purposes specified in the Grant Request and to achieve the deliverables and/or milestones set forth in Exhibit A.
3. Payment Procedures. Within 30 days after the completion of each deliverable/milestone as set forth in Exhibit A, the City shall submit to Metro an invoice describing in detail its expenditures as may be needed to satisfy fiscal requirements. Within 30 days of receiving the City’s invoice and supporting documents, and subject to the terms and conditions in this Agreement, Metro shall reimburse the City for its eligible expenditures for the applicable deliverable as set forth in Exhibit A. Metro shall send CET payments to:

City of Tigard
Attention: Sean Farrelly
13125 SW Hall Blvd.
Tigard, OR 97223

4. Funding Provisions.

(a) CET Funds. Metro's funding commitment set forth in this Agreement shall be fulfilled solely through the programming of CET funds; no other funds or revenues of Metro shall be used to satisfy or pay any CET Grant funding commitments. The parties recognize and agree that if the CET is ever held to be unenforceable or invalid, or if a court orders that CET funds may no longer be collected or disbursed, that this Agreement shall terminate as of the effective date of that court order, and that Metro shall not be liable in any way for funding any further CET grant amounts beyond those already disbursed to the City as of the effective date of the court order. In such case the City shall not be liable to Metro for completing any further Project deliverables as of the date of the court order.

(b) Waiver. The parties hereby waive and release one another for and from any and all claims, liabilities, or damages of any kind relating to this Agreement or the CET.

5. Project Records. The City shall maintain all records and documentation relating to the expenditure of CET Grant funds disbursed by Metro under this Agreement. The City shall provide Metro with such information and documentation as Metro requires for implementation of the CET grant process. The City shall establish and maintain books, records, documents, and other evidence in accordance with generally accepted accounting principles, in sufficient detail to permit Metro or its auditor to verify how the CET Grant funds were expended. Metro and its auditor shall have access to the books, documents, papers and records of the City that are directly related to this Agreement, the CET grant moneys provided hereunder, or the Project for the purpose of making audits and examinations.

6. Audits, Inspections and Retention of Records. Metro and its representatives shall have full access to and the right to examine, during normal business hours and as often as they deem necessary, all City records with respect to all matters covered by this Agreement and Exhibit A. Such representatives shall be permitted to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls and other matters covered by this Agreement. All documents, papers, time sheets, accounting records, and other materials pertaining to costs incurred in connection with the project shall be retained by the City and all of their contractors for three years from the date of completion of the project, or expiration of the Agreement, whichever is later, to facilitate any audits or inspection.

8. Term. This Agreement shall be effective on the date it is executed by both parties, and shall be in effect until all deliverables/milestones have been achieved, all required documentation has been delivered, and all payments have been made as set forth in Exhibit A, unless terminated earlier pursuant to this Agreement.

9. Amendment. This CET Grant IGA may be amended only by mutual written agreement of the Parties.

10. Other Agreements. This CET Grant IGA does not affect or alter any other agreements between Metro and the City.

11. Authority. City and Metro each warrant and represent that each has the full power and authority to enter into and perform this Agreement in accordance with its terms; that all requisite action has been taken by the City and Metro to authorize the execution of this Agreement; and that the person signing this Agreement has full power and authority to sign for the City or Metro, respectively.

Metro

City of Tigard

By: _____
Martha Bennett

By: _____
John Cook

Title: Metro Chief Operating Officer

Title: Mayor

Date: _____

Date: _____

Approved as to Form:

Approved as to Form:

By: _____
Alison R. Kean

By: _____

Title: Metro Attorney

Title: _____

Date: _____

Date: _____

Attachments:

Exhibit A – Deliverables Schedule

Exhibit B - City's Grant Request

Exhibit A

IGA for Community Planning and Development Grants funded with CET City of Tigard – Mixed-Use Development Projects Milestone and Deliverables Schedule for Release of Funds

This project provides pre-development services for two sites located in Downtown Tigard. Site 1, the public works site, is owned by the City. Site 2 is an as yet to be identified site. The Developer partner has the responsibility to secure control of Site 2. Secure control means the Developer partner has a vested interest and has shown serious commitment to purchase Site 2; a purchase option including earnest money commitment if warranted has been executed (or similar commitment), with site purchase contingent on the outcomes of the deliverables described below. As such, milestone due dates may be different for tasks accomplished for both sites, depending on when Developer achieves control of Site 2. The table below includes the best estimates for milestone due dates.

Milestone*	Deliverable	Date Due**	Grant Payment
1.	Execution of IGA Grant	November 26, 2013 ¹	\$0
2.	Retain Project Management Consultant <ul style="list-style-type: none"> a) RFP and consultant selection b) Agreement and authorization c) Negotiate an Memorandum Of Understanding (MOU) with Developer d) Matching funding commitments provided to Metro e) Criteria approved by City Center Advisory Commission (CCAC) for making recommendations to the City Center Development Agency (CCDA) Board and City Council on project feasibility and how to proceed. 	October 30, 2013 December 1, 2013 (MOU complete)	\$0
3.	Undertake Environmental Investigations² <ul style="list-style-type: none"> a) Developer to demonstrate control of Site 2 b) Consultant selection for environmental investigations c) Phase 1 and 2 Environmental Assessment Report for Site 2 d) Comments by City and Metro on reports for Sites 1 and 2 and determination whether or not to proceed 	January 1, 2014 (Site 1) February 1, 2014 (Site 2)	\$30,000

¹ Tigard City Council Hearing on IGA

² This task refers to Site 2 only. The City will fund a level 2 environmental assessment for Site 1 to be completed by January 1, 2014.

	e) Progress report including environmental assessment report and decision whether or not to proceed		
4.	Undertake Appraisals and Land Surveys a) Consultant selections for appraisals and surveys b) Appraisal reports for Sites 1 and 2 c) Surveys for two downtown sites d) Comments by City and Metro on reports e) Progress report for milestone	February 15, 2014 (Site 1) March 1, 2014 (Site 2)	\$15,000 \$15,000
5.	Conduct Market Studies for 2 Sites a) Consultant selection for market studies b) Market studies for Sites 1 and 2 c) Comments by City and Metro on reports d) Progress report for milestone	April 1, 2014	\$15,000
6.	Prepare Conceptual Design and Cost Estimates a) Architect selected with participation by Developer b) Draft design plans and cost estimates for Sites 1 and 2 c) Comments by City and Metro on draft plans d) Final design plans and cost estimates e) Progress report for milestone	June 1, 2014	\$20,000
7.	Evaluate Development Feasibility a) Pro-forma analysis for Sites 1 and 2 b) Report evaluating financing and if gaps exist, public financing strategies c) Comments by City and Metro of draft reports d) Final pro-forma and financing strategies e) Progress report for milestone	July 15, 2014	\$0
8.	Development Agreements and Approvals a) Draft and final development agreements for Sites 1 and 2 b) Comments by City and Metro of draft agreements c) Comments by City Center Advisory Commission and recommendations to the City Center Development Agency Board d) Final agreements e) CCDA Board review and approval of the development agreements and	September 1, 2014	\$5,000

	recommendations to the City Council f) City Council acceptance of the development agreements		
TOTAL REIMBURSABLE AMOUNT			\$100,000

*If the Grant contained any Funding Conditions, Grantee shall demonstrate satisfaction with those conditions at the applicable milestone or deliverable due dates.

**Due dates are intended by the parties to be hard estimates of expected milestone completion dates. If the City anticipates that a due date cannot be met due to circumstances beyond its control, it shall inform Metro in writing no later than ten (10) days prior to the due date set forth above and provide a revised estimated due date; and Metro and the City shall mutually agree upon a revision to the milestone due dates set forth in this Agreement.

Note: City of Tigard match = \$130,340

Exhibit B

City Grant Request

[attach]

Exhibit B



April 11, 2013

City of Tigard

Martha Bennett, Metro Chief Operating Officer
Community Development and Planning Grants
Attn: Gerry Uba
600 NE Grand Ave.
Portland, OR 97232

Re: CET Grant Application-Downtown Tigard Mixed-Use Development Projects

Dear Martha,

On behalf of the City of Tigard and the Tigard City Council, I am pleased to submit this grant application to help stimulate much-needed mixed-use development activity in downtown Tigard.

This grant application is proposed by Tigard's City Center Development Agency (the city's Urban Renewal Agency) and George Diamond Properties, a development company active in this city. A letter of commitment from Mr. Diamond is included with this application.

The Downtown Tigard Mixed-Use Development project is for pre-development feasibility assistance that will lead to:

- Acquisition by Mr. Diamond of two sites within Tigard's downtown Urban Renewal District,
- Definition of the Urban Renewal District's role and financial commitments to the project, and
- Construction of two, mixed-use residential projects totaling approximately 300 units with ground floor retail and active use spaces. One site, currently owned by the city, will also include Fanno Creek Greenway improvements. It is anticipated that Phase 1 construction activities will be underway within one year after successful completion of this project.

Very little private investment has occurred in the downtown over the past few years. With the economy improving, public investments like street improvements, façade renovations and a WES station already in place, we are anxious to find private partners to help fulfill our vision for a "vibrant and active urban village at the heart of the community". With Metro's assistance, this project will demonstrate that downtown Tigard is a great place to invest.

This grant application is one of two requests the City of Tigard has for CET grant funds. The River Terrace Community Plan Implementation Project is our highest priority.

If you have any questions concerning this application, please contact Kenny Asher, Community Development Director at 503-718-2443 or KennyA@tigard-or.gov.

Sincerely,

A handwritten signature in black ink that reads "John L. Cook".

John L. Cook, Mayor

Community Planning and Development Grant Cover Sheet

Check one:
 Letter of Intent
 Full Application

Project Name	Downtown Tigard Mixed-Use Dev. Projects	Applicant Organization	City of Tigard
Contact Name	Kenny Asher, Community Development Director	Address	13125 SW Hall Blvd., Tigard, OR 97223
Phone	503-718-2443	Fax	503-718-2748
Email	kennya@tigard-or.gov	Fed. Tax ID #	93-0503940

Fiscal Agent Organization (if different from applicant) _____

Contact Name	_____	Address	_____
Phone	_____	Fax	_____
Email	_____		

Project Location Description (25 words or less)

The Downtown Tigard Mixed-Use Development Projects are two sites located in the Tigard Town Center Area. Both sites are also within the Tigard Urban Renewal District.

Project Summary (50 words or less)

The Tigard Mixed-Use Development Project will focus on two significant catalytic redevelopment opportunities that require pre-development analysis and strategy in order to be successful. George Diamond Properties and the City's urban renewal agency will partner on: a site owned by the City of approximately 3.26 acres; and a separate 3 acre site to be acquired by the developer.

Construction Excise Tax Grant funding request	\$	100,000	If submitting more than one proposal, please rank this proposal in order of priority	Metro Council District of Project
Total project cost	\$	230,340		

We, the undersigned, attest that to the best of our knowledge the information in this application is true and that all signatories have authorization to submit this grant application to Metro's Construction Excise Tax Planning Grants Program.

Applicant

Organization Name Tigard City Center Development Agency

Printed Name Marty Wine, Executive Director

Signature  Date 4/18/13

Fiscal Agent

Organization Name _____

Printed Name _____

Signature _____ Date _____

To ensure complete letter of intent or full application, please see section 2 of the Grants Application Handbook for a complete list of necessary documents for submittal.



Downtown Tigard Mixed-Use Development Projects-CET Grant Application

April 18, 2013

PROJECT NARRATIVE

Project Description:

This grant application is proposed by the City of Tigard/City Center Development Agency (CCDA, the City of Tigard's Urban Renewal Agency) and George Diamond Properties (GDP), a development company based in Portland, Oregon. A letter of commitment from GDP is included with this application.

The Downtown Tigard Mixed-Use Development project is for pre-development feasibility assistance that will lead to:

- Acquisition by GDP of two sites within Tigard's Downtown Urban Renewal District,
- Definition of the Urban Renewal District's role and financial commitments to the project, and
- Construction of two mixed-use residential projects, totaling approximately 300 units with ground floor retail and active use spaces. One site, currently owned by the City will also include Fanno Creek Greenway and pathway improvements. It is anticipated that first phase construction activities will be underway within one year after successful completion of this project.

The Tigard Mixed-Use Development project will focus on two significant catalytic redevelopment opportunities that require pre-development analysis and strategy in order to be successful. GDP and the CCDA will partner on:

- A site owned by the City of approximately 3.26 acres that abuts Fanno Creek (the Public Works Yard). Development of mixed-use housing and extension of Fanno Creek Park are anticipated.
- GDP intends to acquire another large Downtown site of approximately 3 acres. A preliminary development concept calls for mixed-use housing and ground floor retail.

The Project will include the following pre-development tasks: environmental investigation; property options/acquisition; appraisals and surveys; market studies; conceptual design and evaluation of alternative construction types and cost estimates; pro-forma analysis; identification of financing gaps; identification of public investments/financing to overcome gaps; and preparation and approval of a development agreement outlining public and private roles and responsibilities (including new street and pedestrian/bike facilities), timelines, performance, etc. A more detailed work scope is outlined below.

The Budget Narrative in the following section identifies CCDA staff, consultant and GDP responsibilities for completing work scope tasks, and budgets for each task. This grant application proposes to use the CET grant to fund consultant work related to tasks 1, 3, 4 and 5. These tasks and related deliverables are shown below. The total budget for the Project is estimated at \$230,000. The grant request is for

\$100,000. The Budget Narrative included in the following section provides more detail on estimated budgets and work task responsibilities.

Downtown Tigard Mixed-Use Development Project Work Scope

1 Environmental Investigations

- 1.1 Complete phase 2 assessment on City-owned site.
- 1.2 Conduct phase 1 and 2 assessments on a second downtown site. **CET Grant.**
- 1.3 Project Team Meetings.
Milestone #1-Deliverable: Phase 1 and 2 Environmental Assessment Report.

2 Property Options/Acquisitions

- 2.1 Negotiate property acquisition options and earnest money deposits.

3 Appraisals and Land Surveys

- 3.1 Conduct appraisals and surveys for 2 separate properties. **CET Grant.**
- 3.2 Project Team Meetings.
Milestone #2-Deliverable: Appraisal Reports and Surveys for two Downtown sites.

4 Market Studies

- 4.1 Conduct market studies for 2 separate properties. The scope for the market studies is to identify value, preferred uses, unit size and mix, and anticipated rent and lease rates. **CET Grant.**
- 4.2 Project Team Meetings.
Milestone #3-Deliverable: Market Studies for two Downtown sites.

5 Conceptual Design and Cost Estimates

- 5.1 Develop conceptual site plans and massing diagrams for 2 sites. Based on the results of the market studies, site plans and conceptual massing studies will be prepared for both Downtown sites. Design will be sufficient to identify building placement, unit sizes, parking arrangements, and construction types. **The CET grant will fund 50% of the design work.**
- 5.2 Prepare planning level cost estimates for 2 sites.
- 5.3 Project Team Meetings.
Milestone #4-Deliverable: Design Plans and Cost Estimates for two Downtown sites.

6 Pro-forma Analysis

- 6.1 Prepare pro-forma analysis for 2 sites.
- 6.4 Project Team Meetings.
Deliverable: Pro-forma Analysis for two Downtown sites.

7 Public/Private Financing Strategies

- 7.1 Evaluate private financing and identify financing gaps for 2 sites. Based on results from the pro-forma analysis, CCDA still will be responsible for evaluating results of the analysis, and identifying funding gaps as applicable. A financial consultant will assist the analysis at the expense of CCDA.
- 7.2 Evaluate public financing to address financing gaps for 2 sites.
- 7.3 Develop recommended financing strategies. This task will be undertaken by CCDA staff and financing consultant. It is anticipated that a primary source of potential public investment will be urban renewal funds, and the CCDA board will be consulted throughout this task.

7.4 Project Team Meetings.
Deliverable: Draft and Recommended Financing Strategies

8 Development Agreements

8.1 Prepare draft development agreements for 2 separate properties. CCDA staff with assistance from the city’s contract legal counsel will complete this task.
8.2 Finalize development agreements.
8.3 Project Team Meetings.
Deliverable: Draft and Recommended Development Agreements

9 CCD A Board Approvals

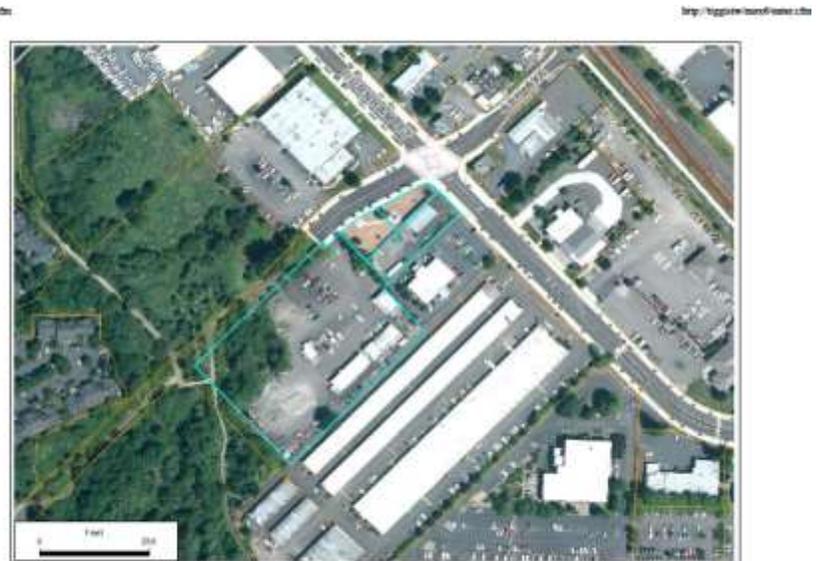
9.1 Provide briefings to CCD A board on all project elements. CCD A staff will provide regular updates and hold worksession throughout the project with the CCD A board and other city boards and commissions as needed.
9.2 Review draft and final development agreements and approvals
9.3 Project Team Meetings.
Deliverable: Executed Development Agreements

Sustainability

The City anticipates that development agreements between CCD A and GDP will reflect the goals and action items contained in the “City of Tigard Sustainability Action Plan,” January 2013. These two sites and the preliminary development programs identified to date, already satisfy fundamental sustainability criteria for dense, mixed-use developments; high levels of connectivity and pedestrian facilities; proximity to employment and retail services; enhancement of open spaces; and direct access to high quality transit service. Targets for achieving LEED or other certifications for individual developments will be considered during negotiations leading to development agreements.

Project Site Description:

The public site is currently occupied by the Tigard Public Works Department with a total of 3.26 acres, of which only 2.64 acres is actually developable. The site lies directly adjacent to Fanno Creek (park is to the south) with easy access to the trail system serving Fanno Creek and beyond. Also adjacent to the site is a newly constructed dog park. The site concept anticipates a residential development of up to 100 multifamily units. See aerial photo to the right.



GDP is in the process of identifying and negotiating a purchase option for another Downtown site. The location and characteristics of this site will be available once negotiations are completed.

Project Background:

The City of Tigard adopted a “Downtown Improvement Plan” and “Downtown Urban Renewal Plan” in 2005 to reflect the area’s designation as a Town Center in Metro’s 2040 Growth Concept, and plans for the Washington County Commuter Rail (WES) project with a station in Downtown Tigard. The plans call for a “vibrant and active urban village at the heart of the community” and provide a funding stream to implement planned improvements. Over the past 8 years, approximately \$21 million in public improvements have been completed in the urban renewal district including the WES commuter rail station and park & ride; Burnham Street and Ash Avenue street and streetscape improvement projects; intersection improvements at Pacific Highway/Main Street and Pacific Highway/Hall Blvd. The Main Street Green Street project is in the final design stages and will be constructed in 2013-14. The Agency has participated in the funding of nine façade improvement projects on Main Street.

Other than the Knoll at Tigard senior affordable housing development, there have been only relatively minor private investments in Downtown. These investments have not served as catalysts to additional development that would implement the vision for Downtown, realign market perception for what is possible, and stimulate other similar investments. Due to the recession, virtually all downtowns including Downtown Tigard have experienced very little development since 2008 because of highly constrained capital markets, lack of investment confidence, and consumer caution. As a result, tax increment revenues available to the CCDA are significantly constrained.

In an effort for the CCDA Board to better understand how the private development community views Tigard, its downtown, and several sites either owned by the City or potentially acquired by the City, the CCDA initiated a developer interview process to gather vital information in support of adopted City Center Urban Renewal Plan goals. The survey, *“Tigard Developer Interviews Report”*, Leland Consulting Group, January 2013 included six developers with a history of successful urban development generally knowledgeable of the City of Tigard. One primary goal of this survey was to reintroduce developers to investment opportunities in Downtown Tigard and communicate the CCDA’s willingness to become involved with public-private partnerships.

During the past year, GDP has acquired several properties on Main Street and is currently in the process of constructing significant seismic and remodeling improvements on its holdings. Conversations with CCDA staff and GDP have led to discussion of other development and redevelopment opportunities in Downtown Tigard, and have resulted in the partnership proposed for this Project.

Evaluation Criteria:

Expected Development Outcomes:

Opportunity sites with catalyst potential: The City of Tigard considers both opportunity sites, one now publically owned and one privately owned, to have significant catalytic potential that will lead to additional private investments in Downtown Tigard. The City will partner with GDP, who plans to acquire both sites. The project will identify conceptual designs and private investment objectives, and actions the CCDA can take to achieve public objectives and result in a financially feasible development. The intent of the project is to demonstrate how desirable development types can be achieved in Downtown Tigard with a public/private partnership.

Another project intent is to increase private property values within the urban renewal district and stimulate additional private investments. This will increase tax increment potential within the urban renewal district, and make additional urban renewal resources available to fund other downtown improvements.

Probability that development permits will be issued within two years: It is anticipated that development permits for approximately 100 apartments and/or condominium units will be issued for the city-owned site within 2 years of completing the project.

Probability that development permits will be issued within five years: Within 5 years of completing the project, permits for a total of approximately 300 housing units and ground floor retail are anticipated for both sites.

Level of community readiness and local commitment: Both opportunity sites are located in Downtown Tigard within the Tigard Urban Renewal District. Appropriate land use entitlements are in place, and attracting mixed-use development projects such as those anticipated with this application, is a primary urban renewal objective. The City and CCDA are prepared to be an active partner with GDP, and are committed to proceed with preparation of a development agreement for both sites that outlines private and public roles and responsibilities that will lead to redevelopment, including public investments.

Roles and responsibilities of applicant: The CCDA's role will be to evaluate how proposed development concepts meet public objectives, and to identify public investments and other commitments that will lead to project feasibility. GDP's role will be that of a private developer, negotiating site acquisition, developing design concepts and financial pro-formas, and working with the urban renewal agency to establish project feasibility.

Regionally Significant:

As noted above, Downtown Tigard is envisioned as a "vibrant and active urban village at the heart of the community." Many of the public investments in the downtown made by the CCDA include new streetscapes that include pedestrian and bicycle facilities, making it possible to walk to the WES station/Tigard Transit Center, parks and recreation opportunities along Fanno Creek, local employers and commercial services along Main Street from any location Downtown. This grant project will define

how a public/private partnership can stimulate new mixed-use residential developments Downtown, a necessary component of a vibrant community. The project will also show how private investments can take advantage of the public investments already made in the town center area, and achieve the regional vision for town center areas.

As an element of the Metro's SW Corridor Plan, the City of Tigard recently completed "*Concepts for Potential Station Communities-High Capacity Transit Land Use Plan*", June 2012. This effort identifies potential station communities in order to help shape the route for high capacity transit improvements in the SW Corridor. Downtown Tigard is already designated as a Town Center in *Metro's 2040 Growth Concept Plan* and was identified as a potential station community in the HCT Land Use Plan. The station development typology proposed for the Downtown is Town Center/Main Street-Specialty Retail, Office, Dining and Medium to High-Density Residential. The development projects anticipated to result from this Project are consistent with this vision will help implement an important station community objective within the SW Corridor. This criterion is met.

Location:

Both catalytic sites are located within the Tigard Town Center and urban renewal district. Both sites are located within 0.25 miles of the WES station/Tigard Transit Center. As discussed earlier, Downtown Tigard was also identified as a potential station community in the recently completed High Capacity Transit Land Use Plan. This criterion is met.

Best Practices Model:

This project will demonstrate how public/private partnerships can develop mixed-use residential projects that meet design, density and use requirements in town centers. The primary benefit of this project to the applicants is to establish the financial feasibility for two catalyst projects in Downtown Tigard that will lead to other similar developments. To the extent that similar conditions exist in other town centers, the project will demonstrate best practices that can be utilized in other locations.

Leverage:

This planning grant will leverage additional investments by CCDA and GDP, estimated to be approximately \$130,000. The grant request is for \$100,000 which represents 43% of the total project cost. The Budget Narrative section below provides more detailed budget estimates.

Matching Fund/Potential:

As noted above, it is estimated that the total project will require approximately \$230,000 with the grant funding 43 percent of the total cost. Both CCDA and GDP will provide funding for the project.

Equity:

During the past 7 years, a total of \$348,542 in CET revenues has been generated by the City of Tigard. The City has received no direct CET grants during that same period.

The “*Tigard Goal 10 Population and Housing Review*”, 2013 underscored the need for more rental units at the bottom end of the price spectrum (below \$620 in 2012 dollars). This pattern is common in most communities, because those in the lowest income cohorts generally must stretch to pay for housing near the median rent price. Truly low-cost housing is generally limited to units which are subsidized through affordable housing programs.

In Downtown Tigard and within the urban renewal district, revenue available from the development of market rate housing could be used to fund projects which are subsidized through affordable housing programs. This would be in support of Tigard Comprehensive Plan policy 15.2.6, “New housing in downtown shall provide for a range of housing types, including ownership, workforce, and affordable housing in a high quality living environment.”

The City of Tigard is committed to providing housing at a range of prices. The most recent Regional Inventory of Affordable Housing compiled by Metro regional government in 2011, identified 18 separate subsidized housing properties in Tigard offering 705 units. This is roughly 10% of the units in the County. In terms of number of subsidized units, Tigard trails Hillsboro and unincorporated areas, but exceeds all other jurisdictions, including the larger City of Beaverton.

Public Involvement:

The City Center Advisory Commission is an appointed group representing Downtown property and businesses owners, residents and the general public. The Commission will be involved in all aspects of the project and will make recommendations to the CCDA Board. A letter from the City Center Advisory Commission in support of this application is attached.

Collaborations:

The public partners that have agreed to participate in this project are the City of Tigard and the CCDA. CCDA and GDP will participate financially in this project.

Proposed Milestones and Deliverables:

As described earlier in the Project Description section, CET grant funding is proposed for consultant created work products associated with four of the nine tasks proposed for the work scope. This Project is unlike a traditional planning project where a final report is produced incorporating all previous work, and resulting in a single plan adopted by a local jurisdiction. Tasks proposed for this work scope result in discrete work product deliverables that all contribute to decisions and negotiations necessary for a development agreement between CCDA and GDP.

We propose that the proposed milestones and deliverables related directly to tasks proposed to be funded by the CET grant:

1 Environmental Investigations

- Conduct phase 1 and 2 assessments on a second downtown site. ***CET Grant.***
Milestone #1-Deliverable: Phase 1 and 2 Environmental Assessment Report.

3 Appraisals and Land Surveys

- Conduct appraisals and surveys for 2 separate properties. **CET Grant.**
Milestone #2-Deliverable: Appraisal Reports and Surveys for two Downtown sites.

4 Market Studies

- Conduct market studies for 2 separate properties. The scope for the market studies is to identify value, preferred uses, unit size and mix, and anticipated rent and lease rates. **CET Grant.**
Milestone #3-Deliverable: Market Studies for two Downtown sites.

5 Conceptual Design and Cost Estimates

- Develop conceptual site plans and massing diagrams for 2 sites. Based on the results of the market studies, site plans and conceptual massing studies will be prepared for both Downtown sites. Design will be sufficient to identify building placement, unit sizes, parking arrangements, and construction types, including cost estimates. **The CET grant will fund 50% of the design/cost estimating work.**
Milestone #4-Deliverable: Design Plans and Cost Estimates for two Downtown sites.

The City is prepared to discuss other milestone and/or deliverable arrangements if awarded the CET grant request.

Project Management:

The project manager for the Downtown Tigard Mixed-Use Development Projects is Sean Farrelly, Downtown Redevelopment Manager. sean@tigard-or.gov, 503-718-2420. Mr. Farrelly works under the direct supervision of Kenny Asher, Community Development Director. Both Sean and Kenny will be involved in all work tasks.

Sean has been the City of Tigard's Redevelopment Project Manager since 2010 managing all aspects of the downtown urban renewal program. Projects he has managed include: Downtown Code Amendments; Downtown Future Vision; Downtown Connectivity Plan; Pacific Highway Vision; Façade Improvement Program; Numerous Development Opportunity Studies; and the HCT Land Use Plan (asst. project manager).

BUDGET DOCUMENTS

Budget Narrative

A detailed task by task budget is shown on a spreadsheet that is included with this application and summarized in the budget forms provided by Metro. The overall work plan for the entire project is summarized below. Costs for the full project will be shared by the CCDA, GDP and the CET Grant. Consultant deliverables for tasks 1, 3, 4 and 5 are proposed to be funded by the CET Grant, and completion of each task deliverable is proposed as a project milestone for purposes of the CET Grant. It is anticipated that all deliverables, regardless of funding source, will be solely owned by the City of Tigard.

1 Environmental Investigations

- 1.1 Complete phase 2 assessment on City-owned site. This will be a CCDA expense.
- 1.2 Conduct phase 1 and 2 assessments on a second downtown site. The consulting cost for these assessments is proposed for the CET grant.
- 1.3 Project Team Meetings. All City staff expenses for all tasks will be borne by the CCDA/City.
Milestone #1-Deliverable: Phase 1 and 2 Environmental Assessments.

2 Property Options/Acquisitions

- 2.1 Negotiate property acquisition options and earnest money deposits. GDP will negotiate property acquisitions for the second Downtown site. Any earnest money needed to secure a sales agreement will be the responsibility of GDP.

3 Appraisals and Land Surveys

- 3.1 Conduct appraisals and surveys for 2 separate properties. Consulting costs for appraisals of both properties along with survey work will be covered by the CET grant.
- 3.2 Project Team Meetings.
Milestone #2-Deliverable: Appraisal Reports and Surveys for two Downtown sites.

4 Market Studies

- 4.1 Conduct market studies for 2 separate properties. The scope for the market studies is to identify value, preferred uses, unit size and mix, and anticipated rent and lease rates. This is a consulting cost to be covered by the CET grant.
- 4.2 Project Team Meetings.
Milestone #3-Deliverable: Market Studies for two Downtown sites.

5 Conceptual Design and Cost Estimates

- 5.1 Develop conceptual site plans and massing diagrams for 2 sites. Based on the results of the market studies, site plans and conceptual massing studies will be prepared for both Downtown sites. Design will be sufficient to identify building placement, unit sizes, parking arrangements, and construction types. The CET grant will fund 50% of the design work, GDP will fund the remainder.
- 5.2 Prepare planning level cost estimates for 2 sites. Costs for this task are also shared by the grant and GDP.
- 5.3 Project Team Meetings.
Milestone #4-Deliverable: Design Plans and Cost Estimates for two Downtown sites.

6 Pro-forma Analysis

- 6.1 Prepare pro-forma analysis for 2 sites. GDP will be responsible for preparing pro-forma analysis for each site, under the direction of CCDA staff.
- 6.4 Project Team Meetings.
Deliverable: Pro-forma Analysis for two Downtown sites.

7 Public/Private Financing Strategies

- 7.1 Evaluate private financing and identify financing gaps for 2 sites. Based on results from the pro-forma analysis, CCDA still will be responsible for evaluating results of the analysis, and identifying funding gaps as applicable. A financial consultant will assist the analysis at the expense of CCDA.
- 7.2 Evaluate public financing to address financing gaps for 2 sites. CCDA responsibility.

7.3 Develop recommended financing strategies. This task will be undertaken by CCDA staff and financing consultant. It is anticipated that a primary source of potential public investment will be urban renewal funds, and the CCDA board will be consulted throughout this task.

7.4 Project Team Meetings.

Deliverable: Draft and Recommended Financing Strategies

8 Development Agreements

8.1 Prepare draft development agreements for 2 separate properties. CCDA staff with assistance from the city’s contract legal counsel will complete this task.

8.2 Finalize development agreements.

8.3 Project Team Meetings.

Deliverable: Draft and Recommended Development Agreements

9 CCDA Board Approvals

9.1 Provide briefings to CCDA board on all project elements. CCDA staff will provide regular updates and hold worksession throughout the project with the CCDA board and other city boards and commissions as needed.

9.2 Review draft and final development agreements and approvals

9.3 Project Team Meetings.

Deliverable: Executed Development Agreements

Partner Commitment and Matching Funds:

Table 1 below summarizes the project task budget for CCDA staff, consultant work paid for by the CCDA and CET Grant, partner budget, and total task budget. The CCDA commits the staff resources as indicated in the table and attached spreadsheet. Consulting expenses by CCDA are included in the draft 2013-14 CCDA budget. GDP commits funding and in-kind services as indicated in their letter of support.

Table 1- Downtown Tigard Mixed-Use Development Project-Budget Summary

Tasks	Staff Budget	Consultant Budget		Partner Budget	Totals
		CCDA	CET Grant		
1 Environmental Investigations	\$ 3,400	\$10,000	\$35,000		\$48,404
2 Property Options/Acquisitions	560			\$20,000	20,560
3 Appraisals and Land Surveys	3,878		30,000		33,878
4 Market Studies	3,954		15,000		18,954
5 Conceptual Design and Cost Estimates	12,558		20,000	20,000	52,558
6 Pro-forma Analysis	3,616			10,000	13,616
7 Public/Private Financing Strategies	12,168	10,000			22,1686
8 Development Agreements	6,323	5,000			11,323
9 CCDA Board Approvals	8,873				8,873
Totals	\$55,340	\$25,000	\$100,000	\$50,000	\$230,340

APPENDICIES AND FORMS

Attached to this grant application are:

Figure 1- Downtown Tigard Mixed-Use Development Projects-Location

Figure 2- Downtown Tigard Mixed-Use Development Projects- Urban Renewal District and Project Location

Downtown Tigard Mixed-Use Development Projects Budget Spreadsheet

Budget Form

Match Form

Letter of Support and Commitment: George Diamond, George Diamond Properties

Letter of Support: Debi Mollahan, CEO, Tigard Chamber of Commerce

Letter of Support: Elise C. Shearer, Chair, Tigard City Center Advisory Commission



Figure 1: Downtown Mixed-Use Development Projects
City of Tigard CET Grant Letter of Intent - February 2013

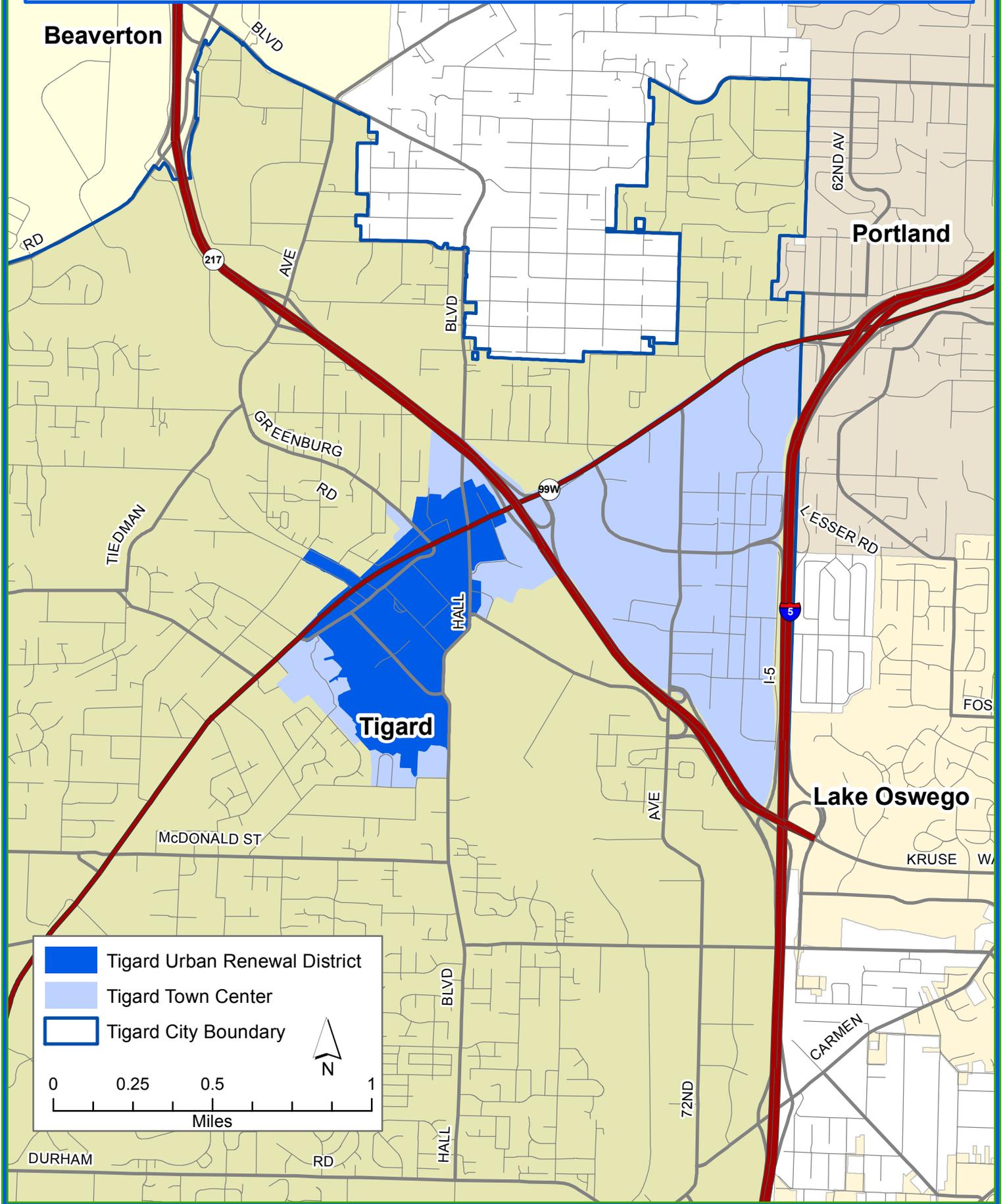
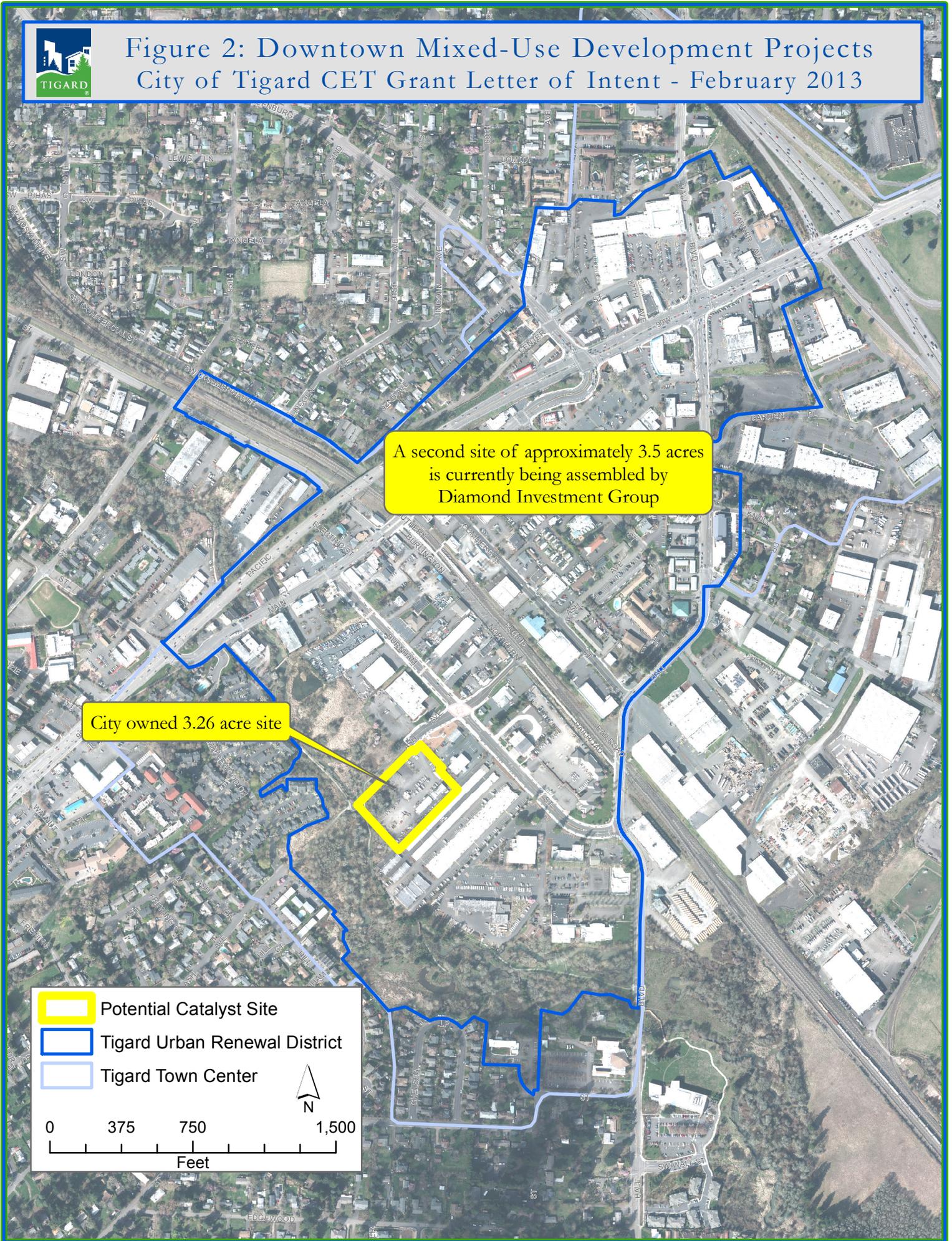




Figure 2: Downtown Mixed-Use Development Projects
City of Tigard CET Grant Letter of Intent - February 2013



Downtown Tigard Mixed-Use Development Projects

Cost Estimate

City of Tigard

<i>Task</i>	<i>Description</i>	Project Manager	Comm. Dev. Director	Project Admin Asst.	City Engineer	<i>Total Hours</i>	<i>Staff Budget by Task</i>
1	Environmental Investigations						\$3,404
1.1	Complete phase 2 assessment	4	1			5	\$560
1.2	Conduct phase 1 and 2 assessments	4	2	2	2	10	\$1,123
1.3	Project Team Mtg.	4	4	2	4	14	\$1,721
2	Property Options/Acquisitions						\$567
2.1	Negotiate property acquisition options and earnest money deposits	2	2	1		5	\$567
3	Appraisals and Land Surveys						\$3,878
3.1	Conduct appraisals and surveys for 2 separate properties	10	4		4	18	\$2,216
3.2	Project Team Mtg.	4	4	1	4	13	\$1,662
4	Market Studies						\$3,954
4.1	Conduct market studies for 2 separate properties	15	10	5		30	\$3,344
4.2	Project Team Mtg.	3	2			5	\$610
5	Design and Cost Estimates						\$12,558
5.1	Develop conceptual site plans and massing diagrams for 2 sites	40	20		4	64	\$7,709
5.2	Prepare planning level cost estimates for 2 sites	10	10		4	24	\$3,128
5.3	Project Team Mtgs.	4	4	2	4	14	\$1,721
6	Pro-forma Analysis						\$3,616
6.1	Prepare pro-forma analysis for 2 sites	10	10			20	\$2,541
6.4	Project Team Mtgs	4	4	1		9	\$1,075
7	Public/Private Financing Strategies						\$12,168
7.1	Evaluate private financing and identify financing gaps for 2 sites	30	10			40	\$4,581
7.2	Evaluate public financing to address financing gaps for 2 sites	20	10	2		32	\$3,678
7.3	Develop recommended financing strategies	10	10	2		22	\$2,658
7.4	Project Team Mtgs.	4	4	4		12	\$1,251
8	Development Agreement						\$6,323
8.1	Prepare draft development agreements for 2 separate properties	20	10			30	\$3,561
8.2	Finalize development agreements	10	4			14	\$1,628
8.3	Project Team Mtgs.	4	4	2		10	\$1,134
9	CDDA Approvals						\$8,873
9.1	Provide briefings to CDDA on all project elements	20	20			40	\$5,082
9.2	Review draft and final development agreements and approvals	10	10			20	\$2,541
9.3	Project Team Mtgs.	4	4	4		12	\$1,251
	<i>Total Hours</i>	246	163	28	26	463	
	<i>Total Billing Rate</i>	\$102.02	\$152.06	\$58.60	\$146.77		
	<i>Billing Rate (Direct Salary)</i>	\$38.21	\$56.49	\$21.95	\$54.97		
	<i>Overhead/Indirect Salary Rate</i>	\$63.81	\$95.57	\$36.65	\$91.80		
	Project Total						\$55,340

**Community Planning and Development Grant Program
F1 - Project Budget Form**

Project Costs

Downtown Tigard Mixed-Use Development Projects

Personnel Costs	Financial Match	InKind Match	CET Grant Request	TOTAL
CCDA Agency staff (labor only)		\$20,727		\$20,727
Consultants	\$25,000		\$100,000	\$125,000
GDP-Partner	\$40,000	\$10,000		\$50,000
Other, please list				\$0
Total for Planning Services	\$65,000	\$30,727	\$100,000	\$195,727

Other Costs	Financial Match	InKind Match	CET Grant Request	TOTAL
Labor Overhead/Indirect costs		\$34,613		\$34,613
Total for Other Costs		\$34,613	\$0	\$34,613

TOTAL PROJECT COSTS	\$65,000	\$65,340	\$100,000	\$230,340
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Note: See pages 18 and 19 of the Application Handbook for detail instructions.

Community Planning and Development Grants Program
 F2 - Match Form

DOWNTOWN

Instructions: If your “Match Source” is a professional or technical service received as “In Kind,” use the market average or actual salary or bid for that individual or service. Use the “Notes” field to document methodology.

Match Source	Choose One		Choose One		Amount	Notes
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	

Total \$ _____

GEORGE DIAMOND PROPERTIES
2839 SW 2nd Ave
Portland, OR 97201
503-222-1655

February 13, 2013

Kenny Asher
Community Development Director
City of Tigard, OR

RE: City Center Development Agency Letter of Commitment from George Diamond Properties

Dear Mr. Asher,

This Letter of Commitment is the outcome of the multiple conversations between George Diamond and the City Center Development Agency (CCDA) to work together in a public/private partnership to create mixed-use redevelopments within Tigard's urban core. George Diamond is an experienced real estate developer, investor and broker with over 30 years working in the Portland – Metropolitan area. During that time George Diamond, through multiple partnerships, has personally participated as a principal in over 40 commercial real estate transactions including multi-family, retail and office both suburban and office. In addition, as a Partner and President of Real Estate Investment Group has brokered over \$2 billion of real estate transactions of all asset types.

Over the past ten years George Diamond has been an active investor and developer in downtown Tigard, purchasing two buildings and undergoing the renovation of a mixed-use building on Main Street, Tigard. George Diamond, through a future created entity, is committed to partnering with the City of Tigard and the CCDA to continue investing in the redevelopment of downtown Tigard.

Through this partnership we believe the market timing is right to begin working the feasibility of at minimum two redevelopment projects that we believe will spur future investment in Tigard. One of these two projects includes the 3.26 acre site that abuts Fanno Creek and is owned by the City of Tigard – known as the Public Works Yard. We also believe there is ability to acquire and redevelopment at least one additional 3+ acre site. To do so will require additional upfront feasibility of the market demand as well as identified redevelopment sites which will require

GEORGE DIAMOND PROPERTIES

2839 SW 2nd Ave

Portland, OR 97201

503-222-1655

further study in order to design and build a financially feasible development that encourages responsible urban development. Initially it will require selecting the appropriate consultants to help design projects that meet the goals of the redevelopment agency.

George Diamond and his team, in conjunction with the CCDA, will commit adequate resources to identify, acquire and develop identified sites. These resources will include capital, time, knowledge, management and additional resources invested to help create catalyst projects for future private development in downtown Tigard.

For more information please do not hesitate to contact me.

Sincerely,



George N. Diamond
(503) 222-2178

CC: John Spencer, Spencer & Kupper

TIGARD AREA



Where Business Soars!

12345 SW Main Street ♦ Tigard, OR 97223 ♦ www.tigardchamber.org ♦ 503.639.1656

CET Grant Review Committee
Metro
600 NE Grand Avenue
Portland, OR 97232

April 9, 2013

To Whom It May Concern,

I am writing in support of the CET Grant submitted by the City of Tigard/City Center Development Agency that would fund pre-development feasibility assistance for mixed-use development projects in Downtown Tigard.

This grant would provide the opportunity for the city to partner with the private development community. Attracting new development, especially new residential development to Downtown Tigard is the key to implementing the vision of Downtown Tigard as an urban village. More residential units within walking distance of Main Street also will result in new customers to support the mainly small, locally owned businesses on Main Street.

As a Downtown Tigard business, I believe that this project is important for Tigard's continued and future livability and strongly endorse the grant application to fund pre-development feasibility assistance development in Downtown Tigard.

Sincerely,

A handwritten signature in blue ink, appearing to read "Debi Mollahan". The signature is fluid and cursive.

Debi Mollahan
CEO, Tigard Chamber of Commerce

CET Grant Review Committee

Metro

600 NE Grand Avenue

Portland, OR 97232

April 10, 2013

To the Committee Members;

As a member of the Tigard City Center Advisory Commission for Urban Renewal, our commission was recently informed of the CET Grant application submitted by the City of Tigard. Our commissioners strongly support this application as it would fund the pre-development analysis and strategic planning required for the mixed-use development projects in Downtown Tigard.

Our City Center Development Agency has the opportunity to partner with private development in two proposed projects that promise to be catalytic investments within the Downtown Urban Renewal District. These projects are vital to the vision for the Downtown, reflecting the area's designation as a Town Center in Metro's 2040 Growth Concept Plan; calling for a "vibrant and active urban village at the heart of the community", with residential units within walking distance of the small, locally owned businesses on Main Street.

As a commission, we endorse the City of Tigard's grant application for pre-development feasibility assistance, as these development projects would realign market perception for what is possible, stimulate other similar investments, and address the Downtown portion of the Housing Strategies Report most recently prepared for the city.

Sincerely,

A handwritten signature in cursive script, reading "Elise C. Shearer".

Elise C. Shearer

Chairman,

Tigard City Center Advisory Commission