City *of* Tigard
Tigard City Council Special Meeting and CCDA
Meeting of March 5, 2013

SPECIAL TIGARD CITY COUNCIL MEETING

1. A. At 6:32 p.m. Mayor Cook called the Tigard City Council meeting to order.

   B. Deputy City Recorder Krager called the roll.

	Present	Absent
Mayor Cook	✓	
Councilor Buehner		✓
Council President Henderson	✓	
Councilor Snider	✓	
Councilor Woodard	✓	

Staff present: City Manager Wine, Assistant City Manager Newton, Community Development Director Asher, Streets and Transportation Senior Project Engineer McCarthy and Deputy City Recorder Krager

2. EXECUTIVE SESSION: Mayor Cook announced that the Tigard City Council will enter into an Executive Session to discuss real property transaction negotiations under ORS 192.660(2)(e). Council met in the Red Rock Creek Conference Room. The Executive Session ended at 7:10 p.m.

3. At 7:10 p.m. City Council adjourned and reconvened in Town Hall for the CCDA meeting,

CITY CENTER DEVELOPMENT AGENCY MEETING

1. A. Chair Cook called the meeting of the Tigard City Center Development Agency to order.

B. Deputy City Recorder Krager called the roll:

	Present	Absent
CCDA Chair Cook	✓	
CCDA Director Buehner		✓
CCDA Director Henderson	✓	
CCDA Director Snider	✓	
CCDA Director Woodard	✓	

C. Call to Board and Staff for Non-Agenda Items – CCDA Director Woodard reported that the March Clackamas River Water Providers meeting was cancelled

2. CONSIDER AWARD OF A TARGETED IMPROVEMENT PROGRAM GRANT

Redevelopment Project Manager Farrelly said he was pleased to request CCDA Board approval for the first downtown Tigard targeted improvement grant. The grants are designed to attract and offset tenant improvements for new businesses that would lend vitality to the downtown. An application from Symposium Coffee was received in response to the RFP and the Façade Improvement Joint Committee reviewed the proposal and gave it extremely high ratings. Estimates are that it will leverage more than three times the amount in private investment. He said Symposium Coffee's owners also have a coffee shop in Sherwood and are interested in remodeling and using the front half of the Tigard Chamber of Commerce building for their business, which will bring 18-hour activity to Main Street.

CCDA Director Henderson asked for the Symposium Coffee Shop representatives to give an overview of their business. Director Henderson said he had occasion to drop into their Sherwood location and liked the atmosphere.

Kevin Bates, 16419 SW Wildlife Haven Court, Sherwood, Oregon, and Jake Floog, 22472 SW Washington Street, Sherwood, Oregon were present.

Mr. Bates said the Symposium Coffee Shop in Sherwood is a great community living room and venue for people to do business. Their location in Sherwood is an old house with a lot of character and they plan to build some of this character into their remodel of the Tigard Main Street location. Business hours in Tigard will be 6:00 a.m. until midnight. Symposium features Stumptown Coffee, Steven Smith Tea and utilizes area bakeries, including Bridge City from Tigard. Quiches, sandwiches, lunch and dinner items will be sold and there is seating planned for 38 people. Their marketing studies found the same age group would frequent the Tigard location as the Sherwood location, with the Tigard location providing easier access for college students. He said their projections indicate they will be

successful, doubling projections at their Tigard location and they are excited to be here. They project a mid-April opening.

CCDA Chair Cook welcomed them to downtown Tigard.

There being no further discussion, Chair Cook asked for a motion to approve CCDA Resolution No. 13-01. Director Snider moved for approval of CCDA Resolution No. 13-01 and Director Woodard seconded the motion. Motion passed.

CCDA Resolution No. 13-01 - A RESOLUTION AWARDING A TARGETED INVESTMENT PROGRAM GRANT AS RECOMMENDED BY THE FAÇADE IMPROVEMENT JOINT COMMITTEE

		Yes	No
CCDA Chair Cook		✓	
CCDA Director Buehner	(absent)		
CCDA Director Henderson		✓	
CCDA Director Snider		✓	
CCDA Director Woodard		✓	

CCDA Chair Cook announced that he may have to leave the meeting early to speak at the Lake Oswego City Council meeting about the joint water project.

3. ANNUAL JOINT MEETING WITH THE CITY CENTER ADVISORY COMMISSION

Redevelopment Project Manager Farrelly said the CCAC would present their annual report and 2013 goals. He said they request CCDA feedback and recommendations on their work plan. He said staff prepared a chart of their work plan and he and Community Development Director Asher will make a presentation to the CCDA.

Newly elected CCAC Chair Elise Shearer introduced the following CCAC members in attendance: Commissioners Deanie Bush, Paul Miller, Corinne Arendes, Thomas Murphy and Laura Fisher. Four other members were unable to attend.

Chair Shearer presented the 2012 CCAC Annual Report.

Goal No. 1 - Project Infrastructure

- Main Street Green Street Project: The CCAC maintained an active interest in this project, receiving numerous staff updates and advocating for close monitoring of construction through completion in 2014. Reports from Project Manager McMillan and the selected construction team to the CCAC regarding mitigation efforts at prior job sites indicate that the city is sensitive to the businesses directly affected by the upcoming construction.

- Commissioners provided comments and oversight on public art selection for the main street gateways, assisted by consultant Valerie Otani, staff and a subcommittee. An RFP issued in late summer led to selection of artist Brian Borello.
- The CCAC has actively worked with staff and CCDA to provide input for potential property acquisitions for public plaza space and hope to find a permanent location in the immediate future.

Goal No. 2 - Economic Development

- The CCAC supported the efforts of downtown businesses and property owners to better market the area with events, providing oversight last year to the efforts of event coordinator Bridget Bayer. The CCAC strongly advocates for continued funding of these downtown activities.

Goal No. 3 - Development

- The CCAC continued to support downtown Tigard. They reviewed the developer incentives matrix and advocated implementation with CCDA. The CCAC improved their knowledge of downtown businesses and their customer base using census information, cultural demographics, trends and other statistics.
- CCAC members received feedback from the development community last November following the developer outreach effort taken on by city staff.

Goal No. 4 – Façade Improvement Program

- The CCAC promoted the creation of a new tenant improvement program to encourage infill of desired businesses.
- Commissioners continued to provide oversight for the façade improvement program by promoting, expanding and adjusting this growing program by joint participation in the Façade Improvement Committee. Six matching grants were awarded. A recent, minor adjustment to the program requests that grantees provide sales figures to build metrics for measuring program performance.

Goal No. 5 - Land Use and Transportation Planning

- The CCAC reviewed the downtown circulation plan for recommendation before final adoption of the CCDA, and advocated on behalf of priority elements and key projects with the Planning Commission, staff and TTAC.
- Commissioners provided input on the Capital Improvement Plan (CIP).
- The CCAC works with TTAC and actively participates on Metro's SW Corridor planning.

Goal No. 6 - Communications

- The CCAC strives to improve communication with other groups by providing regular liaisons to PRAB, TTAC, CCDA, Budget Committee and other boards. A joint subcommittee with PRAB was formed to facilitate better communication.

Goal No. 7 – Ongoing Processes

- These are items that CCAC works on each year.

Redevelopment Project Manager Farrelly said the CCAC members would present their 2013 Work Plan and feedback from the CCDA is requested.

Project Infrastructure

CCAC Commissioner Bush outlined ways the CCAC will help with the Main Street Green Street upgrade such as assisting several businesses to upgrade facades, and spending money, energy and time to create and foster events to attract customers to the downtown. During construction, Main Street business owners need to be protected so the least destruction is caused to their businesses. There will be signs informing customers that the downtown is open and letting them know how to access businesses and where to park. Finding locations for customer and employee parking is very important. Tigard must carefully orchestrate the economic development activities to achieve a healthy vibrant downtown.

Economic Development

Commissioner Murphy said, "If infrastructure is the bones of the urban renewal district, then economic development is its heart." He noted the Tigard City Council adopted Ordinance 89-05, creating the City Center Development Agency, 24 years ago. Economic Development is the core reason of the urban development.

CCAC Commissioner Fisher mentioned the findings of the Blue Ribbon Task Force, which highlight the importance of economic development in the downtown area. The CCAC took initiatives in 2011-12 to organize, promote and market downtown businesses. She said the CCAC proposes continued support of these positive efforts. She said the CCAC desires to continue to improve their knowledge of the downtown businesses and their customer base using market research, census and other statistics.

CCAC Commissioner Murphy asked everyone to think back a few years ago and remember what Burnham Street used to be and then project ahead and imagine what an enhancement Main Street Green Street will be for the downtown. He said while it is underway it could be tough for the Main Street merchants. It is a CCAC goal to reduce the negative impacts as much as possible by drawing on the recent Burnham Street experience, utilizing what worked and preventing friction as much as possible.

He said the CCAC hopes to build upon the initiative city staff began in 2012 when they interviewed developers to explore what makes downtown Tigard attractive to developers and what the barriers are. He said the CCAC wants to promote the urban renewal district to developers and businesses and it is time to revisit the developer incentive matrix and examine if the incentives still make sense. He said the CCAC believes it may be time to move forward on land acquisition and assembly in the urban renewal district.

Façade Improvement and Targeted Incentive Programs

CCAC Chair Shearer said these programs help businesses attract more customers and improve building façades in the downtown. Some successful projects include Tigard Liquor Store, which was an excellent project to start with as it is in the heart of downtown and very visible. Other successful projects are Sherry's Jewel Box, Tigard Dry Cleaners, and Rojas Market. She noted that the dry cleaners reused their vintage 50s neon sign. Tools the businesses receive are the ability to put up new awnings, a consultation with an architectural paint color consultant, and an upgraded hardscape program for larger projects. She said the CCAC hopes to continue this program on Main Street and perhaps extend it to other streets in the future. She said the Targeted Incentive Program covers interior renovations. These are expensive so we need to help subsidize improvements. We have a great business (Symposium Coffee) starting soon.

Land Use and Transportation

CCAC Commissioner Arendes said the three main CCAC transportation concerns are: 1) limiting impacts to businesses on 99W and Main Street during future construction; 2) ensuring access to Main Street as new projects come on line; and 3) improving pedestrian access and facilities. There is a lot of potential investment coming with the SW Corridor Improvement planning. She said it is important that the CCAC is there to advocate to the TTAC and CCDA on behalf the top three priority connectivity plan elements:

- Ash Avenue Rail Crossing
- Scoffins/Hunziker intersection realignment
- Commercial/Main intersection realignment.

She said the CCAC will begin an action plan to cover the remaining years of the urban renewal district.

CCAC Commissioner Miller spoke about the Façade Program from a business owner's perspective. He has owned the dry cleaning building on north Main Street since the 1970s and said this third attempt to revitalize downtown Tigard is the best yet. He said the Façade Improvement Project is the key. He used this process and found it easy and the communication and help from Redevelopment Project Manager Farrelly was excellent.

He noted that surrounding cities have used façade improvements to improve their downtowns and it is the difference "between night and day."

Communications

CCAC Chair Shearer said the CCAC communications goal is to work closely with other boards and committees. Transparency is important. She said it has been difficult to reach certain demographics within Tigard, especially people under age 35. They are seeking ways to reach this group, including forms of communication other than the Cityscape or the city's website.

Director Woodard commended the CCAC members for sharing and communicating with other city boards and committees and their efforts at transparency.

CCAC Chair Shearer asked what role the CCAC should play in the CCDA's Strategic Plan. She said, "We are looking to keep downtown healthy and alive and want to know what we can do for you." Director Woodard referred to three-, five-, ten-, and fifteen- year prioritizations and asked them to help council identify things that might be missing. He suggested using previous reports such as the Tigard Visioning Beyond Tomorrow document as an audit checklist to see if we remain on track.

Director Henderson said the CCAC is doing a good job and agreed that it is difficult to move from year to year and figure out which of the many important goals are top priorities. He suggested that the CCAC makes sure new members are educated and come on board understanding the original vision.

Chair Cook commented that the strategic plan is evolving. The city's executive staff is working on the process and it will go to the boards and commissions and the public before returning to council. He said there are two spots for CCAC involvement; at the commission level and at the public level. He said the strategic plan is something, "we will build together."

Chair Cook agreed with the talking points on communication and said using Twitter and Facebook is a great start. He said the city needs to communicate with the public more about where we are in each stage of a project. People hear about a downtown parking lot or the Tigard Street Trail but see that the projects are not finished and wonder why. Yet we are actually working on all of these projects. He said, "We would love to have everything there now, but until the developers come forward, we don't get the tax increment financing (TIF's)." He advised the CCAC to remain involved.

Director Woodard referred to Commissioner Murphy's comments on land assembly and said another good strategy is beginning discussions about what type of credits and opportunities are available and how we can pull people together. He urged the CCAC to keep looking for opportunities.

Urban Renewal Staff Work Plan

Redevelopment Project Manager Farrelly explained the mechanics of a bubble chart reflecting the urban renewal work plan from a staff perspective. A copy of this chart has been added to the packet for this meeting.

He interpreted the color and size elements of the bubbles. The size of the circle represents the relative impact in achieving the goals of urban renewal. Orange colored outlines indicate brownfield properties. Blue outlined projects are those currently moving along well.

In response to a question from Director Henderson, Redevelopment Project Manager Farrelly said the level of effort indicates staff's estimation of their time required. Director Snider noted that it is an indicator of complexity that staff recognizes but may not be apparent to others.

Community Development Director Asher pointed out four things on the chart:

- Number of projects – There may be frustration in town that everything is not getting accomplished but there are a lot of projects and this represents a full workload for staff. If new and different projects arise we need a discussion on subtractions or reductions. If we change the work plan we may need to reconsider some of the smaller, lower impact projects.
- Timing of projects – We won't see any large, highly visible projects for another few years. There will be coffee shops and storefront improvements in the near future which is great, but the larger, high visibility projects are a few years out.
- If in a few years we are not heavily engaged in some pretty complicated and exciting redevelopment projects, something has gone wrong. Community Development Director Asher said, "On the one hand I am asking for some patience as we get this going, but on the other I am calling out for accountability, because we are not five years or ten years away. We are a just a couple of years away if we can keep on track."
- Brownfields - This is a near-term and important focus. Every bubble on the chart with an orange ring around it is a brownfield project and indicates a need to get ahead of these issues so redevelopment can happen. People may not notice our efforts on this but it is a high priority.

CCDA Director Henderson commented that how well this is done in the downtown will resonate to projects in the greater downtown and the rest of the city. He noted that while Redevelopment Project Manager Farrelly continues work on this area, the city's other planners are busy at work on other areas of Tigard. Community Development Director Asher added, "It doesn't take a lot of success. It takes a win to raise the level of confidence in people who might want to invest or reinvest here." He said this doesn't detract from any work being done anywhere else such as in the Triangle or River Terrace.

Redevelopment Project Manager Farrelly encouraged the CCAC members to stay for the next agenda item and participate in the discussion.

4. RECEIVE REPORT ON DEVELOPER INTERVIEWS

Consultant Chris Zahas of Leland Consulting Group said they were asked by the city to take a fresh look at downtown Tigard through the eyes of a developer. Six developers with a history of successful urban development were interviewed to obtain insights on three specific opportunity sites. He said he would cover their general opinions on development in Tigard and then address the particular sites.

Consultant Zahas reported that in general, there is a very positive perception that Tigard is a good place to do business, unlike some jurisdictional neighbors. Downtown Tigard is one of only a few authentic, downtown main street environments on the west side that is affordable. Being in an urban renewal district adds another layer of financial flexibility and helps bring brownfield issues to the table. Brownfields are not unique to Tigard and many downtowns have to contend with those challenges. Urban renewal brings tools to the table and help projects pencil out that otherwise would not. Small lots and fractured ownership are barriers, making the assembly of land packages desirable. Parking and aging infrastructure are problems that the urban renewal district can help overcome by leveling the playing field for developers.

Consultant Zahas said from the market perspective, building apartments is strong regionally. There is a large pent-up demand with ongoing population growth and changes in demographics. Generation Y and retiring baby boomers are not buying single-family dwellings and this fits nicely with the downtown revitalization strategy. He said real estate always moves in cycles and we are in the middle of a 5-7 year window of opportunity to introduce multi-family housing and capture development while the market is on an upswing. Missing out would mean waiting until the next cycle.

Developer reactions to three specific opportunity sites included:

1. Corner of Ash and Burnham Streets - The feedback from developers was neutral. Developers approached it as property for a smaller infill or as part of assembly for a larger site.

2. Public Works Yard – There is a very high level of interest in this property, specifically for apartments. 100 units of housing are possible once you remove floodplain property along the back. Proximity to Fanno Creek and the Ash Street Dog Park was seen as advantageous. A dog park adjacent to a property is seen as a selling point in recruiting tenants and would alleviate some on-site issues that the developer would otherwise have to accommodate to serve the pets. He suggested the strategy for the city would be to do an RFQ to select a developer but advised not relocating the Public Works Department until there is a developer at the table and a deal is in place.

3. Saxony-Pacific – There is also a lot of interest in this property because it is right on Main Street and Fanno Creek. It has more potential for mixed use rather than housing only. He said it is not just the site that is interesting, but what is going on around it, with the upcoming Main Street Green Street construction, and the improvements to the George Diamond property. There is also an opportunity to get the Dolans involved in revitalizing their property. He suggested not looking at it as a single property, but bringing all of the nearby property owners together into a discussion about making something larger happen here so the whole is greater than the sum of its parts. He said there is a real opportunity to make this happen in the next two years.

Consultant Zahas summarized that they found each of the three sites is unique. The public works yard is a distinct and immediate opportunity for housing. It and the Saxony-Pacific property were seen as the top two priorities. In their outreach to the development community he saw interest in these two properties.

Director Henderson asked about mixed use on Main Street and questioned whether the highway isn't a negative. Consultant Zahas said architectural design could mitigate the noise and whether the use is residential or office space, he would expect to orient the building towards the creek or the street, with its back to the highway. Director Henderson asked about the hillside. Consultant Zahas suggested the city discuss this with the developer and come up with some creative landscaping. Director Henderson said it is ODOT property and Consultant Zahas agreed that presents a challenge.

Director Woodard asked if the developers were concerned about through traffic on south Main Street. Consultant Zahas replied that if it is purely at peak time and is relatively safe for pedestrians, congestion is OK in a downtown retail environment. Redevelopment Project Manager Farrelly added that there were no specific concerns for existing traffic but they looked forward to the Main Street Green Street project slowing traffic somewhat and making the area more pedestrian-friendly.

Director Snider said there are not many opportunities to hear from a business or development community group, and mentioned previous comments that said Tigard was at least better than other local districts. He asked whether Tigard was good or just better than the worst, and Consultant Zahas said, "You are at least at the good level."

At 8:15 p.m. Mayor Cook left the CCDA meeting to attend a Lake Oswego City Council meeting related to the water partnership.

Director Henderson said he was unfamiliar with the developers that were interviewed. Mr. Zahas replied that all on the list have a track record of building quality projects for mixed use or residential. Redevelopment Project Manager Farrelly said he can supply links to past projects to anyone interested. Mr. Zahas said RFPs could include conditions on design performance standards and milestones of securing tenant or certain levels of financing, etc. That can give the city assurance that the property will not be handed over

and sit empty because the developer was unable to follow through. Director Henderson said that addresses his concerns.

CCAC Chair Shearer asked about the possibility of a public/private partnership for the land assembly of the Zuber and De'Angelo properties. Redevelopment Project Manager Farrelly said the previous proposal brought to council had too large a funding gap but the city plans on talking with Mr. De'Angelo again in the future.

CCAC Chair Shearer mentioned that there are two pots of money available for brownfield development, public money through state and federal sources, plus money for private developers. Redevelopment Project Manager Farrelly said the plan is to access those sources through grant opportunities for an initiative to identify and help solve potential contamination problems that may be holding back development. He will report to the CCAC at their meeting next week.

CCDA Executive Director Wine said there has been an effort on the city's part in the last few weeks to acknowledge that in order for some projects to move forward we need to address these brownfield issues and leverage the funding available. Councilor Henderson commented that when public and private entities work together they become a more powerful force to leverage these cleanup funds than either could be alone. He said cleaning up brownfields also helps neighboring properties and takes care of many problems at once.

CCAC Commissioner Murphy said he assumes that Tigard is not the only city looking for a quality developer to set up shop. He asked what the city can do to remain on a developer's shortlist. Consultant Zahas replied that communication is just as important as having a long list of activities. He suggested making sure word gets out through the city's website, public meetings and one-on-one outreach to developers. He advised, "Be patient. Things take longer than anticipated. No two (public/private partnerships) are alike so having leadership at the board level and creativity will send a message to the development community that Tigard 'gets it.' Flexibility is crucial." He has seen projects fail when cities have been too prescriptive.

Richard Shavey, 11371 SW Sycamore, Tigard, OR referred to the original Leland Consulting Group report from October 2007 and said Leland had organizational recommendations including the appointment of a downtown liaison. The liaison's primary function would be to simplify the process and strengthen Tigard's reputation among the development community. He said he is working with landowners and others and he does not get the same perception from developers and some of their architects, who find it difficult to work with Tigard. Consultant Zahas said he worked on that initial report and the city has done some work since to improve things, such as elevating Redevelopment Project Manager Farrelly's status to act as that downtown liaison and manager for urban renewal. In terms of perception, things are relative and questions were framed in this round of developer interviews more in terms of how Tigard is doing relative to nearby communities rather than within Tigard itself.

Redevelopment Project Manager Farrelly said the original Leland report is six years old and in that time the city staff has become a lot more receptive to development. He said there are development standards for a reason; developers don't always see eye to eye on that.

Mr. Shavey asked, "Is there a person on staff that walks a development scheme through the process at the city and makes it easy to get a permit in the city?" Redevelopment Project Manager Farrelly said it is more of a team that does that. CCDA Executive Director Wine said it depends on the applicant and on the process. She said there was not a specific assignment on staff. Mr. Shavey said there is a perception that things are changing and in response to a question from Director Snider said, "This is a good thing."

Director Woodard said the plan is to move towards having a downtown manager. He said Redevelopment Project Manager Farrelly is doing a great job but a lot of what Mr. Shavey is talking about would be done through an economic development format. He said the question is how to pay for that person. He said he is supportive of the idea but we need to figure out a way to get there.

Director Snider said that Mr. Shavey's message is broader than the downtown. Executive Director Wine said there is a large slate of focus activities a city can do that all come under the heading of economic development, including facilitating applicants through the development process. She said the downtown association discussion is focused on the existing downtown businesses and their needs, which is a different set of activities. City staff will be proposing an economic development strategy which focuses on specific activities so Tigard can make the investment suggested by Director Woodard.

Director Woodard said he agreed with Director Snider's comment that we are looking at the entire city, not just the downtown.

CCAC Commissioner Murphy said that he was not representing the CCAC for the following comments, but was speaking as a Tigard citizen and Vice President of CPAH (Community Partners for Affordable Housing). He said the largest project currently in the urban renewal district is the Knoll Senior Housing project by CPAH. He said he was interested as a citizen, in how the development process was being handled by city staff and he checked frequently about this with CPAH. They reported that they were always treated very well. He said Tigard is a leader in the county for affordable housing the city did an outstanding job of allowing this project to succeed.

Director Woodard said momentum is slow but he is seeing some progress. He said hits to the economy and budget reductions have not helped. He said he shared Mr. Shavey's concerns and appreciated his feedback.

Redevelopment Project Manager Farrelly announced there will be a visioning session with the artist selected for the downtown artwork on March 27 to get public input.

5. NON AGENDA ITEMS - None

6. ADJOURNMENT

At 8:49 p.m. Director Woodard moved for adjournment. Director Snider seconded the motion and the motion passed.

	Yes	No
CCDA Chair Cook	(absent after 8:15 p.m.)	
CCDA Director Buehner	(absent)	
CCDA Director Henderson	✓	
CCDA Director Snider	✓	
CCDA Director Woodard	✓	

Carol A Krager

Carol A. Krager, Deputy City Recorder

Attest:

John L Cook

Chair, Tigard City Center Development Agency

Date: May 7, 2013