City *of* Tigard
City Council/City Center Development Agency
Meeting Minutes – December 4, 2012

1. CITY COUNCIL & CITY CENTER DEVELOPMENT AGENCY BOARD MEETING

   A. At 6:34 p.m. Chair Dirksen called the December 4, 2012, City Council/City Center Development Agency meeting to order.

   B. Deputy City Recorder Krager called the roll.

	Present	Absent
CCDA Director Woodard	✓	
CCDA Director Wilson	✓	
CCDA Director Buehner	✓	
CCDA Chair Dirksen	✓	
CCDA Director Henderson	✓	

Staff present: Assistant City Manager Newton, City Attorney Hall, Redevelopment Project Manager Farrelly and Deputy City Recorder Krager

   C. Call to Council and Staff for Non Agenda Items - None.

2. NON AGENDA ITEMS

Director Buehner said she will present a report at the next council business meeting.

3. PRESENTATION FROM GREATER PORTLAND, INC. REPRESENTATIVES

Redevelopment Project Manager Farrelly introduced this item and said there is a lot of interest in exploring how the city can promote local economic development. During the joint meeting with the City Center Advisory Commission in October there were a lot of different opinions expressed on what economic development is. He said what the city is doing in the urban renewal district is economic development, but acquiring more open space and improving roads is also form of economic development because it attracts more people

to live here and may also attract more businesses. He said one way Tigard is active regionally is being an economic development partner (small city consortium investor) in Greater Portland, Inc. (GPI) for several years. He said a representative from GPI was present to give council information on their program.

Derrick Olsen, Vice President of Regional Strategy & Coordination for Greater Portland, Inc. gave a presentation. His PowerPoint and information about GPI are in the meeting packet. He said he grew up in Tigard, attending Templeton Elementary and Fowler Middle School, and graduated from Tigard High. He said he was excited to talk with Tigard about something he strongly believes in, which is working together to build the area's economic future. He commented that Redevelopment Project Manager Farrelly is a regular at their monthly luncheon meetings.

Mr. Olsen said GPI is a regional, public/private consortium that helps companies expand and locate to the Portland-Vancouver area, and includes seven counties in two states. The five counties in Oregon are Clackamas, Columbia, Multnomah, Yamhill and Washington. He said Tigard is part of the small cities consortium. The next leader of this group is likely to be Tualatin Mayor Ogden, who is running unopposed.

Director Buehner asked how memberships for small and large cities differ. Mr. Olsen said the membership costs are on a sliding scale. Tigard is the top end of the small cities consortium, which has cities as small as Fairview. The large cities consortium includes Portland, Vancouver, Hillsboro, Gresham and Beaverton.

Director Henderson asked about first tier and second tier cities. Mr. Olsen said GPI is establishing partnership rules of the game to learn how to work together and avoid actions such as poaching potential businesses from other cities. He noted for example, Portland has a different set of issues than a smaller city that does not have fulltime, dedicated, economic development staff.

Mr. Olsen said GPI sees this as a global competition, not regional or local. Trade sector jobs are key to a faster growing economy. Many metro areas in the United States are joining regional, public/private partnerships, including Austin, Denver, Charlotte and Pittsburgh. He said GPI is looking at other partnerships to learn what the best practices are. Director Buehner said she attended a presentation on the differences between Seattle and Portland metropolitan areas and the presenter commented that in Portland and the eastside, there seems to be a real split in where they want to go, which gets in the way of progress. She heard that Washington County was pulling the rest of the region along. She asked, "Why is there a benefit for us to be involved in a regional effort when other places are dragging us back?" Mr. Olsen said that while Washington County, especially with Intel, is an economic leader, GPI takes the approach that what is good for one is good for all. He said, "There is a good bet that a plant in Gresham hires people who live in Tigard. That crossover is important. We have very strong partners in the east Metro area." He noted that Intel is one

of Vancouver, Washington's top-five employers even though they do not have a facility located there.

Mr. Olsen said GPI's objective is to position the greater Portland region as a global center for high-quality economic growth. The three key aspects comprising this action-oriented plan are: Business Development, Marketing and Branding, and Regional Strategy and Coordination. Business Development includes retention, expansion and targeted recruitment of businesses for the region's four target clusters:

- Athletic and outdoor apparel and gear
- High-tech/software
- Advanced manufacturing (includes everything from food processing to transportation equipment)
- Clean technology

Director Buehner asked if statistics are kept on where these new businesses land; is it Portland or the rest of the Metro area. Mr. Olsen said GPI's goal is to "land the region." He said they remain neutral but a company moving here will have preferences for particular infrastructure or work force requirements. He said GPI does not get into transportation policy or education funding issues. He said these are critical areas for a company choosing a location but GPI feels there are other agencies with greater expertise in those longer-term issues.

Director Buehner asked if GPI gets involved with helping new companies work through local regulatory processes. Mr. Olsen said city partners handle that coordination, but GPI always works in concert with the locality.

Mr. Olsen said that for marketing and branding, GPI uses real-life regional business leaders to demonstrate the case. Information is published in in-flight magazines, Oregon Live.com and in areas where most of their expansion comes from.

Director Woodard referred to marketing and branding and asked if cities load map data and other information themselves or if GPI hires an outside consultant to make sure companies are getting the latest available information. He asked what kind of tech support is given to members. Mr. Olsen said cities can load as much information as possible to share information and highlight issues. Director Woodard confirmed that the city would have to provide the resources to upload the data. Mr. Olsen agreed and said the more the city gets involved, the more they will get out of it.

Director Woodard commented that GPI's role seemed to him to be that of a regional integrator for economic development. Mr. Olsen agreed and said GPI tries to get as many cities involved as possible so that when a company comes looking for a location, they have many choices and are likely to "land" here.

Director Buehner referred to a situation in Wilsonville that ended with a company being "poached" from them by Portland. She asked if GPI has policies to help reduce or eliminate this. Mr. Olsen said it was his understanding that the City of Wilsonville is now working on what types of incentives they can offer. He said GPI has regional principles of cooperation and recruitment protocols, or "how to play nicely," and tries to avoid creating problems or hostility between cities.

Director Wilson asked what site selectors are looking for from GPI. Mr. Olsen replied that they pull the region together for them and get their questions answered. He said they do some targeted advertising to get leads but don't spend much money on advertising. He said bigger companies have their own site selectors. Other companies may contract with a professional. Site selectors can cover a variety of industries. He said GPI's job is to keep the information out there and on their minds so when an opportunity presents itself, they think of this region.

Mr. Olsen said he focuses on the Comprehensive Economic Development Strategy which ties together the work of the whole region in economic development and is a precursor for key federal funding. There is some support from the U.S. Department of Commerce but what has also opened up are grant opportunities on workforce training, called the Jobs Innovation Accelerator Challenge Grant, which is a multiple federal agency grant. He said they received one grant last year focused on clean technology and won another this year on advanced manufacturing. He said, "The closer we work together, it is noticed, and is helpful when we apply for federal grants."

Mr. Olsen discussed the Greater Portland Export Initiative. He said the region is currently exporting $21 billion, which makes us one of the top ten exporters in the country. He said the goal of the initiative is to double that in five years. He said doubling the investment in exports would potentially create over 100,000 jobs. He said Metro is very positive about this and he was excited that Mayor Dirksen would be on the Metro Council next year.

Director Woodard asked for examples of matching grants. Mr. Olsen said that so far the most significant source is the Jobs Innovation Accelerator Challenge Grant program. The export initiative is being done by in-kind contributions and with help from the Brookings Institute.

Director Wilson asked, based on their discussions with site selectors, what GPI sees as Tigard's advantages and disadvantages. Mr. Olsen identified access to I-5, the railroad, a talented workforce, and a high quality of life as advantages. Disadvantages include long-term education funding and traffic snarls, which the region as a whole faces, not Tigard uniquely. Redevelopment Project Manager Farrelly added that a main challenge is the lack of developable land. Director Buehner said that is why she is hoping to dedicate a large chunk of the newly annexed areas to commercial zoning.

Director Henderson asked if the urban growth boundary is seen as a challenge to companies desiring to locate here. Mr. Olsen said it is an opportunity and a challenge. Some companies like the result of having boundaries and they thrive because they like living here. He said there are also states that give land away but Oregon and Washington do not. Chair Dirksen said, "That is a good point… Tigard isn't competing with Gresham and Wilsonville isn't competing with Portland; the Portland metro area is competing with Charlotte and Austin. Economically, what benefits Beaverton, benefits Tigard."

Director Buehner said she has been researching grants and there is a big cut-off line for grants for cities with populations of under fifty-thousand. She said Tigard is just about to reach fifty-thousand in population. She said, "We need to start looking ahead at playing with the big boys. Being the biggest fish in a small pond is not the best way." Chair Dirksen agreed that this is a conversation the city needs to hold, but noted that if a decision is made to step up to the larger city consortium, the dues will be more expensive.

Assistant to the City Manager Newton said she made note of the need to examine where Tigard should be as the economic develop strategy progresses. Director Henderson asked if staff could put together a list of pros and cons of larger vs. smaller city membership in GPI. Mr. Olsen referred council to a page in their information packet. Chair Dirksen thanked him for his presentation and commented that there is a lot for the city to consider.

4. APPROVE CITY CENTER DEVELOPMENT AGENCY MINUTES FOR:

   A. September 4, 2012

Director Buehner moved and Director Henderson seconded the motion to approve the September 4, 2012, CCDA minutes. The motion passed unanimously.

	Yes	No
CCDA Director Woodard	✓	
CCDA Director Wilson	✓	
CCDA Director Buehner	✓	
CCDA Chair Dirksen	✓	
CCDA Director Henderson	✓	

5. DISCUSSION OF STRATEGIES FOR VACANT PROPERTIES AND TARGETED IMPROVEMENT PROGRAM

Redevelopment Project Manager Farrelly updated council on an economic development strategy currently being pursued, the targeted investment program. He said the idea behind it is that increasing the number of food-related businesses will increase the vitality on Main Street. There are sixty storefronts on Main Street and five are currently vacant. This is an eight-percent vacancy rate, a number on par with downtown Portland. He noted that Jeffrey Allen is moving into the building on the corner of Main and Burnham Streets, and while their store appears to be vacant, they are actually in the process of renovation. He has recommended they put up a sign telling people they are coming to downtown.

He said the targeted improvement RFP was sent out on September 6, 2012, to vacant property owners, their agents, and restaurant brokers and their clients. He contacted others with potential interest through direct contact or email. He said the amount of money offered is generous but is not enough to bring in someone who was not already planning a relocation. He said there has been interest from a café that may need the timeline moved forward. He said Pacific Paint has signed a lease to move into a portion of the vacant A-Boy building so now the paint store on Main Street will be vacant.

Redevelopment Project Manager Farrelly said there had been some interest among the CCDA to consider buying and subletting properties as a way to jump-start development. However, staff was cautioned against this by the Portland Development Commission. They said it was fairly risky. Having a relationship with a broker is the recommended way to recruit businesses.

Director Wilson said he agreed that trying to lease and then sub-lease may not be a good idea, but suggested what might be productive is having a good relationship with the building owner which would encourage the right mix and may lead to mutually beneficial interests. Redevelopment Project Manager Farrelly thanked Director Wilson for meeting with the Dolans recently and describing the city's vision and programs.

Director Buehner suggested recruiting a Powell's bookstore for the downtown. She said the former Powell's on Cascade Avenue moved partly due to competition from Barnes and Noble. Barnes and Noble has since moved to Bridgeport. Redevelopment Project Manager Farrelly said the current outreach was focused on food-related businesses but there was no reason another type of retail could not be contacted.

Director Buehner commented that the space remaining in the former A-Boy building after the paint store moves into a portion of it may be too large for a restaurant. Director Henderson suggested a good use would be artist spaces and a gallery. Redevelopment Project Manager Farrelly agreed that artists are often willing to take a chance on a neighborhood with lower rents and art can also revitalize an area.

Director Wilson said he was approached by the owner of Max's Fanno Creek Brew Pub regarding the parking lot idea and would like to set up a meeting to continue the discussion.

6. EXECUTIVE SESSION: At 7:42 p.m. Chair Dirksen announced that the Tigard City Center Development Agency was entering into an executive session to conduct deliberations with persons designated by the governing body to negotiate real property transactions, under ORS 192.660 (2) (e). The executive session ended at 8:09 p.m.

7. ADJOURNMENT

At 8:10 p.m. Chair Buehner moved and Director Woodard seconded the motion to adjourn the meeting. All voted in favor.

	Yes	No
CCDA Director Woodard	✓	
CCDA Director Wilson	✓	
CCDA Director Buehner	✓	
CCDA Chair Dirksen	✓	
CCDA Director Henderson	✓	

Carol A Krager

Carol A. Krager, Deputy City Recorder

Attest:

Chair, Tigard City Center Development Agency

Date: 2/5/2013