City *of* Tigard
City Center Development Agency Meeting Minutes – April 1, 2014

1. CITY CENTER DEVELOPMENT AGENCY BOARD MEETING

A. Chair Cook called the meeting to order at 6:31 p.m.

B. Roll Call:

Name	Present	Absent
Chair Cook	✓	
Board Member Henderson		✓
Board Member Buehner	✓	
Board Member Snider	✓	
Board Member Woodard	✓	

C. Call to Council and Staff for Non Agenda – See agenda item No. 7.

Director Buehner read the following Executive Session citation:

- The CCDA will enter into an executive session in the Red Rock Creek Conference Room to discuss real property negotiations, under ORS 192.660 (2) (e). All discussions are confidential and those present may disclose nothing from the Session. Representatives of the news media are allowed to attend Executive Sessions, as provided by ORS 192.660(4), but must not disclose any information discussed. No Executive Session may be held for the purpose of taking any final action or making any final decision. Executive Sessions are closed to the public.

Executive Session concluded at 7:27 p.m.

2. APPROVE CITY CENTER DEVELOPMENT AGENCY MINUTES

- February 4, 2014 CCDA Minutes
- March 4, 2014 CCDA Minutes

Motion by Director Snider seconded by Director Buehner to approve the CCDA minutes as listed.

The motion passed by a unanimous vote of City Center Development Agency Board members present:

Chair Cook	Yes
Director Buehner	Yes
Director Henderson	Absent
Director Snider	Yes
Director Woodard	Yes

Director Buehner left the meeting.

3. UPDATE FROM CITY CENTER ADVISORY COMMISSION

Redevelopment Project Manager Farrelly introduced two new members of the CCAC: Richard Shavey and Henry March. Another new CCAC member, Lynn Scroggin was unable to attend tonight's meeting. Mr. Shavey and Mr. March shared with the CCDA board why they volunteered to serve on the CCAC.

CCAC Chair Tom Murphy presented the update to the CCDA board. Highlights:

- At the next meeting the CCAC will be considering its goals for the remainder of 2014.
  - He noted Michele Reeves will be making a presentation on downtown public spaces to the CCDA board at its May meeting. Chair Murphy asked what feedback the board would like from the CCAC on this topic.
    - Director Snider said the CCDA board would be looking for advice and information on what the commission collectively thinks is important on that subject. This is becoming an important topic.
    - Chair Cook said specifically the CCDA would like to know what CCAC thinks would be integral components to a large plaza location or, if there was only smaller "pocket plaza locations," what would those consist of. Director Snider added the CCDA board would be interested in hearing proposals for important criteria; i.e., what are the "must haves" and the "nice to haves." Chair Cook asked for thoughts on what would attract people; i.e., the uses and functions of these spaces. Amenities such as a water feature might be

one or more of the elements in the public spaces. Chair Cook asked how the public spaces could be utilized for everything from a community garden to a farmers market. What is the best timing for creating the plaza; that is, if a large parcel of property can be purchased soon, should the CCDA invest in improvements now or wait until after additional business development happens?

- Redevelopment Project Manager Farrelly said he thought that for the upcoming CCAC meeting, the CCAC will put together the collective thoughts on what else they would like to see Michele Reeves review. The CCAC developed criteria to site a public plaza about three years ago.
- Director Woodard suggested the CCAC examine opportunities and risk for activation of a public space. As an example, should connectivity hubs be identified (trail systems) to site public meeting areas. Another suggestion was to perform a gap analysis (identify the current situation and the future state desired). Policies also need to be identified and articulated regarding public spaces and storefronts; i.e., are street vendors acceptable in these spaces, and if so, what types of vendors are desired. Would different spaces call for different ambiances/characterizations?

- CCAC Chair Murphy said he would comment on the commission's discussion on the concept of a vertical housing zone after Economic Development Manager Purdy's presentation later on the agenda.
- CCAC Chair Murphy referred to the impact of Measure 34-210 on the Urban Renewal District. Mr. Murphy prefaced his remarks and advised Measure 34-210 was not discussed by the CCAC and the following statements were his opinion:
  - In the short-term the approval of Measure 34-210 will have little or no impact. It is likely that substantial new development in the area is several years out, with the exception of the development of the public works yard. He anticipates that the city will continue to work with what is in existence in the area in the short term.
  - Substantial new development must be the goal for the Urban Renewal Area since this is the only way the tax increment will grow to fund the urban renewal process. Over the long term, Mr. Murphy said he believes that Measure 34-210 is a negative because it introduces delay and uncertainty into the development process. He said he is unsure if the area has adequate HCT transit to support a vibrant VHDZ and this translates to uncertainty to developers as well.
  - Mr. Murphy said he believes the passage of Measure 34-210 will burden and complicate any new development of substantial scale in the Urban Renewal District. The only way to deal with this is to mitigate the delay and eliminate the uncertainty.
  - Redevelopment Project Manager Farrelly commented that the presence of WES in the downtown area would "give us some points."

4. PREVIEW DOWNTOWN PUBLIC SPACE PRESENTATION

Redevelopment Project Manager Farrelly gave the preview. He advised that Consultant Michele Reeves will be at the CCDA Board meeting in May to give a presentation on the downtown public space. In preparation, she asked for input from the board members on topics. Redevelopment Project Manager Farrelly reviewed her draft presentation outline:

- What is public space?
- What makes public space successful?
- Review of the mechanics of plazas and squares, green spaces, hybrid spaces.
- Impact of public spaces in commercial districts.
- Phasing public space development.
- Leveraging public space for economic development goals.

Director Snider said he thinks the CCAC should have a conversation about this topic before and after Ms. Reeves' presentation. Redevelopment Project Manager Farrelly confirmed that the CCAC and others will be invited to hear Ms. Reeves' presentation to the CCDA Board.

Councilor Snider commented that as future projects are scheduled for discussion, could Ms. Reeves be asked to participate in this discussion. City Manager Wine and Community Development Director Asher agreed this is a possibility. City Manager Wine referred to a report distributed to the CCDA board from Ms. Reeves on a plaza site. Councilor Snider said he thought it would be worth the expense of including Ms. Reeves' participation when it comes time to make decisions on large investments in the downtown. City Manager Wine said staff will give thought about how to incorporate or formulate a plan based on Councilor Snider's suggestion. Community Development Director Asher said the city will get the best of Ms. Reeves' thinking about downtown revitalizations, main streets and how public spaces work within the next month. If the board and staff are looking to Ms. Reeves for tactical advice, Community Development Director Asher proposed that this could be accomplished in an affordable manner. Mr. Asher urged the board members to be prepared with questions and take advantage of Ms. Reeves' visit next month.

Director Snider advanced a question he has for Ms. Reeves and asked that Redevelopment Project Manager Farrelly transmit this to her: "If money and regulation and who owned what was no object…where would she put a plaza and what it would look like…" After a brief discussion, general consensus was that the report prepared by Ms. Reeves three years ago was based upon the elements of Director Snider's question. Community Development Director Asher said staff would ask Ms. Reeves the question to give any updates on this question that she might have.

5. UPDATE ON TARGETED IMPROVEMENT PROGRAM FUNDED PROJECTS

Redevelopment Project Manager Farrelly advised that Peter Luong from Jeffrey Allen Home Décor had been present earlier tonight, but because the agenda was reorganized, he was unable to stay to give his update. Mr. Farrelly shared photographs on recent activity rehabilitating the downtown property owned by Mr. Luong for his design business. These photos are on file with the record copy of the meeting packet and included depictions of:

- Façade improvements
- An addition to the rear of the building (orchid greenhouse)
- Outdoor display area
- Exterior lighting
- Interior remodeling

This business is scheduled for a July opening. This business has taken advantage of a Façade Improvement Grant and a Targeted Improvement Incentive Grant, which is the reason why the business owners decided to locate in the downtown. Community Development Director Asher added the city has given the business owners additional help with permitting and navigation through code requirements. Community Development Director Asher said this project would have never happened without the presence of the urban renewal district and staff assistance providing the incentive and support. This project is generating additional enthusiasm for the potential of the downtown. Mr. Murphy advised the owners of Jeffrey Allen Home Décor have initiated some preliminary participation in the Tigard Downtown Alliance, including paying dues.

6. DISCUSS PROCEEDING WITH A VERTICAL HOUSING DEVELOPMENT ZONE (VHDZ)

Economic Development Manager Purdy presented the staff report on this agenda item:

- No request for a decision from the board at this meeting; the presentation is intended to prepare board members to consider a VHDZ when it comes before the City Council.
- A PowerPoint was used to illustrate key points.
- A VHDZ is an economic development tool that includes:
  - Working with partners (public, private).
  - Leveraging private sector development investment.
  - Business assistance.
  - Solving problems with multiple tools.
- Mixed-use development is utilized by pairing first-story commercial activity with residential activity above.
- VHDZ occurs within a state-legislated process to qualify for a ten-year tax abatement based upon some restrictions.
- Once the district is created, the city has two options:

    - Let it stand for the ten-year life of the district, or
    - Cancel the district.
- Tax abatements are only applied to the value of the building; the land is excluded.
- An application from a developer has to be submitted to the state before January 2016 to utilize this program. The state might extend this program.
- All other taxing districts are notified and they have the option to opt out; however, the city could still choose to move forward with district formation.
- If the City Council endorses formation of a VHDZ, staff will begin the process of notifying the overlapping taxing districts to give them ample time to work with the city to understand the benefits of the VHDZ.
- Examples from other areas were reviewed: Hillsboro, Milwaukie and Gresham.
- VHDZ spaces are attractive to small business owners.
- State preferences for VHDZ properties were reviewed:
    - Located in areas zoned for mixed-uses.
    - Located within a half-mile radius of existing or planned rail stations or within a one-quarter mile radius of fixed-route transit.
    - Completely within the core area of an urban center.
- Reviewed potential logical sites in existence for a VHDZ in downtown Tigard and the type of development possible. Also reviewed was the increased amount of tax revenue generated by such a development, which is incentivized to occur because of the tax abatement and urban renewal.
- Discussion occurred on the importance of educating the other taxing districts on the benefits of a VHDZ, including basic information on land use development.
- Reviewed the scope and scale of the collective amount of potential VHDZ sites in the downtown area.
- Director Woodard noted he would like to have a discussion about expanding the urban renewal zone; the added area (Center Street) might also be prime for a VHDZ.
- Discussion occurred about the potential of areas near Washington Square that could benefit from VHDZ.
- Economic Development Manager Purdy said he would like to proceed with discussing a VHDZ with other taxing districts over the next two-and-one-half months. He would return to the City Council with a proposed resolution identifying properties for a VHDZ. Director Snider suggested that initial contacts be between elected officials.
- Director Woodard introduced thoughts about how many stories should be encouraged for VHDZ development. The downtown is limited to six stories (eighty feet) while other areas, such as the Triangle, could be built higher. The limit to downtown was based on requirements from the Oregon Department of Transportation because of traffic impacts (trip caps). Similar issues on traffic impacts will be subjects to resolve in the development of the Triangle.

- Chair Cook pointed to arguments from supporters and detractors of VHDZ. Detractors might argue that the city would be subsidizing "big business" with taxpayer dollars. Another opposing argument would be a question as to whether the city is trying to force density into an area where they do not want it.
    - Community Development Director Asher responded to Chair Cook's request for responses to the detractors. Mr. Asher advised he did not think it was accurate to say that an individual's taxpayer dollars would be serving big business, because these tax dollars are not available or present in the community. The concept of a subsidy is ostensibly forgoing some public revenue for the sake of some public purpose. If the audience does not buy into the "public purpose" of the object of subsidy, then a reasonable conversation is unlikely.
    - Community Development Director Asher said the intent is not to force anything – the city is attempting to implement long-standing plans. The city has for a long time supported working toward a downtown environment that would attract a certain kind of retail and this retail needs people in the proximity (density). These plans are for the sake of livability, walkability and community. The market apparently will not produce this by itself without support from the city/CCDA.
    - Economic Development Manager Purdy referred to plans and regulations, other than the downtown plan, that would support proceeding with a VHDZ: Triangle plan, Goal 9 and Comprehensive Plan Goal 10. Mr. Asher said the best way to communicate/persuade is to talk about value added; i.e., livability.
    - CCAC Chair Murphy advised CCAC discussed VHDZ at its March meeting.
        - CCAC members were cautiously optimistic about this idea as an incentive tool. Members were cautious because of the newness of the idea.
        - Initially, Mr. Murphy was put off because of a reduction of a portion of the increment for the district and he acknowledged this might be the reaction of other taxing districts when they first hear about VHDZ. However, he realized the value that might be gained that would not otherwise be possible without the use of this tool.
        - CCAC members noted they liked that VHDZ would incentivize residential development, which is a key to success for the urban renewal district.
        - There is some loss of local control to the state. But, the city can opt out of the VHDZ at any time on a go-forward basis; that is, abatements already granted would continue, but the program could be stopped for future abatements if the city decides to do so.
        - CCAC thinks it would be worthwhile to receive input from other communities who have VHDZ projects.
        - CCAC also would like input from developers on VHDZ projects. Community Development Director Asher advised developers think the VHDZ is essential to make projects viable. Mr. Asher noted that VHDZ would only be available to mixed-use sites. The Public Works yard is not

mixed use and available only for residential development (no visibility for commercial development), so other tools to assist development will be sought.
        - Chair Murphy said because of the 10-year length of the tax abatement, the city might want to consider extending the duration of the existence of the urban renewal district plan. This would be to give time after the expiration of the VHDZ abatements to place the released taxes into the increment. The City Council can extend the urban renewal district duration indefinitely.
    - Community Development Director Asher spoke in support of Councilor Snider's recommendation to immediately share this idea with other taxing jurisdictions before the city is in a hurry to get a project done. This will be of benefit to this endeavor as well as begin relationship building and partnering that is needed if the city ever wants to extend, expand or do another urban renewal district. These conversations should be had with the long-term health and prosperity of these areas in mind.
    - City Manager Wine confirmed that a meeting with the School District Board is being targeted for this summer.
- Consensus of the board members present was for Economic Development Manager Purdy to pursue establishment of VHDZ in as many locations as might be possible.
- In response to a question by Chair Murphy, the Mayor Cook and Redevelopment Project Manager Farrelly said a letter of support of VHDZ from the CCAC would be appreciated.

7. NON AGENDA ITEMS

- Following the Executive Session Financial and Information Services Director LaFrance advised that Standard & Poor's bond rating for the City of Tigard was advanced to AA+; this is the second highest rating possible. Financial and Information Services Director LaFrance distributed to council a letter and report regarding this new rating.
- City Manager Wine briefed the City Center Development Agency that staff has come to terms with the Oregon Department of Transportation and Portland Western Railroad on a 99-year, zero consideration lease that will allow the city to use the space next to Symposium Coffee for the Tigard Street Trail. The lease allows the city to make improvements that includes the development of the public space, fencing and trail. The city will spend money on the maintenance, insurance and installation of improvements. The railroad could decide, at any point, to use this line as they will retain their exclusive easement to convert back to a rail use with six months' notice. The city would be required to pull the improvements made. This lease will be before the City Council next week to approve. This lease will allow the city to remain competitive for a Connect Oregon V grant. City Manager Wine recited the value added with the ability to make this connection to the downtown.
- City Manager Wine said that the Portland Water Bureau advised Tigard today that they tested positive for e-coli in a Reservoir No. 5 (Mount Tabor) water sample. If the sample taken tomorrow is the same, then the city will be under a "boil water advisory." Staff is preparing, in the event this happens, to lift Tigard out of the advisory as quickly as possible. Notification process was reviewed.

- City Recorder Wheatley submitted to the Council/City Center Development Agency members present a letter announcing she is retiring effective, July 7, 2014.

8. ADJOURNMENT – 9:04 p.m.

Motion by Director Snider, seconded by Director Woodard, to adjourn the meeting.

The motion passed by a unanimous vote of the board present:

Chair Cook	Yes
Director Buehner	Absent
Director Henderson	Absent
Director Snider	Yes
Director Woodard	Yes

Catherine Wheatley
Catherine Wheatley, City Recorder

Attest:

Chair, City of Tigard City Center Development Agency

Date: May 6, 2014