



City of Tigard

City Center Development Agency Board - Agenda

TIGARD CITY CENTER DEVELOPMENT AGENCY BOARD

MEETING DATE AND TIME: September 2, 2014 - 6:30 p.m.

MEETING LOCATION: City of Tigard - Red Rock Creek Conference Room
13125 SW Hall Blvd., Tigard, OR 97223

PUBLIC NOTICE:

Times noted are estimated.

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Upon request, the City will also endeavor to arrange for the following services:

- Qualified sign language interpreters for persons with speech or hearing impairments; and
- Qualified bilingual interpreters.

Since these services must be scheduled with outside service providers, it is important to allow as much lead time as possible. Please notify the City of your need by 5:00 p.m. on the Thursday preceding the meeting by calling: 503-639-4171, ext. 2410 (voice) or 503-684-2772 (TDD - Telecommunications Devices for the Deaf).

SEE ATTACHED AGENDA



City of Tigard City Center Development Agency Board - Agenda

TIGARD CITY CENTER DEVELOPMENT AGENCY BOARD

MEETING DATE AND TIME: September 2, 2014 - 6:30 p.m.

MEETING LOCATION: City of Tigard - Red Rock Creek Conference Room - 13125 SW Hall Blvd., Tigard, OR 97223

6:30 PM

1. CITY CENTER DEVELOPMENT AGENCY BOARD MEETING
 - A. Call to Order- City Center Development Agency
 - B. Roll Call
 - C. Call to Board and Staff for Non-Agenda Items
2. DISCUSSION WITH TIGARD DOWNTOWN ALLIANCE BOARD OF DIRECTORS
6:35 pm estimated time
3. UPDATE ON ASH AVE/BURNHAM STREET HOUSING DEVELOPMENT
7:05 pm estimated time
4. UPDATE ON MAIN STREET GATEWAY ART PROJECT 8:00 pm estimated time
5. NON AGENDA ITEMS
 - EXECUTIVE SESSION: The Tigard City Center Development Agency will go into Executive Session 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. 8:10 pm estimated time
6. ADJOURNMENT 8:40 pm estimated time

AIS-1855

2.

CCDA Agenda

Meeting Date: 09/02/2014

Length (in minutes): 30 Minutes

Agenda Title: Meet with Tigard Downtown Alliance Board of Directors

Submitted By: Sean Farrelly, Community
Development

Item Type: Update, Discussion, Direct Staff **Meeting Type:** City Center
Development
Agency

Public Hearing: No

Publication Date:

Information

ISSUE

Meet with Tigard Downtown Alliance Board of Directors

STAFF RECOMMENDATION / ACTION REQUEST

No action is requested for this agenda item. The Board of the CCDA is requested to participate in the discussion.

KEY FACTS AND INFORMATION SUMMARY

The Tigard Downtown Alliance (TDA) is a collaboration between downtown stakeholders dedicated to creating a vibrant and thriving downtown Tigard. The group of volunteers incorporated the TDA in 2014 in order to guide, support and encourage public and private sector downtown revitalization efforts. The board of directors follows the National Trust 4-point approach for downtown revitalization. The founding board of directors includes: President Steve DeAngelo, Vice President Mike Stevenson, Treasurer Debi Mollahan, Secretary Elise Shearer, and Members-at-Large Tom Murphy and Phil Thornburg.

Activity areas in which the TDA focuses resources include 1. Beautification and Design, 2. Marketing and Promotions, 3. Economic Development, and 4. Organization and Capacity Building. The volunteer leaders of the TDA have produced a monthly Downtown Dialogue to engage downtown stakeholders, raised over \$15,000 in private sector funding in 2014, partnered with the Chamber of Commerce to produce the August 16th Explore Downtown Tigard Street Fair, and authored a grant request to the Washington County Visitors Association seeking funds to add streetscape amenities to Main Street.

Supporting the formation of a Downtown organization was identified as a priority by Michele Reeves in her 2011 Identity and Recommendation report, and in the 2011 Five Year Review of Urban Renewal and 2007 Downtown Development Strategy (Leland).

OTHER ALTERNATIVES

COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS

DATES OF PREVIOUS COUNCIL CONSIDERATION

July 9, 2013 Roundtable discussion with Tigard Downtown Alliance

Attachments

No file(s) attached.

AIS-1847

3.

CCDA Agenda

Meeting Date: 09/02/2014

Length (in minutes): 25 Minutes

Agenda Title: Ash Ave/Burnham Street Housing Development

Submitted By: Sean Farrelly,
Community
Development

Item Type: Update, Discussion,
Direct Staff

Meeting Type: City Center
Development
Agency

Public Hearing No

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Receive update on the pre-development work on the Ash Avenue/Burnham Street redevelopment including development concepts.

STAFF RECOMMENDATION / ACTION REQUEST

Staff requests the Board's comments on the presentation.

KEY FACTS AND INFORMATION SUMMARY

In September, 2013, Tigard was awarded a \$100,000 Community Planning and Development Grant from Metro to fund pre-development work on two sites in the Downtown urban renewal district. The goal of the work is to deliver the first significant new market-rate residential units in downtown. The Development Agency has partnered with a local developer, George Diamond Properties and signed a Memorandum of Understanding which outlines expectations for the project (see attachment 2). The two sites being studied are the city's Ash Avenue Public Work Yard and Ash Ave Dog Park (Site 1) and a site on Commercial Street to be acquired by the developer (Site 2).

The development team, made up of the developer, Agency staff, John Spencer Consulting, Leland Consulting and Holst Architecture had completed several tasks:

1. Market Analysis. Leland Consulting completed an analysis of the market opportunity for development of rental apartments on each of the sites, together with a detailed development

program with unit types, quantity, density, mix, amenities, parking requirements, and achievable rents (see attachment 3).

2. Holst Architecture completed conceptual site plans and building massing for the two sites, informed by the market analysis.

Site 1: The preferred alternative includes 128 units across four buildings on 2.4 buildable acres. Three of the buildings would be along Fanno Creek Park and would be three stories tall, with a shared public space adjacent to the park between buildings 1 and 2. The fourth building would be on the SW corner of Ash and Burnham and would be 5 stories tall, with approximately 5,000 square feet of space on the ground floor for commercial or amenity use. The parking ratio would be 1:1, resulting in 128 parking spaces on a surface lot on the south end of the parcel with some “tuck under” parking beneath buildings 1, 2, and 4.

Site 2: A number of concepts were developed, with varying site sizes. The developer currently has an option on one Commercial Street site. A concept on just this 14,000 sf mid-block parcel would have 20 units in a four story building including 2800 sf of ground floor space for retail, lobbies, and amenities. If the neighboring site is included, additional units could be accommodated.

3. Phase III Environmental Site Assessment was performed on the Public Works Site. The site was found to have no major environmental issues that would be an obstacle to redevelopment.

4. Phase I Environmental Site Assessments of the Site 2 properties

5. Surveys and appraisals of Sites 1 and 2

6. The developer has completed a pro forma on Site 1 and the city’s development team has reviewed and commented on it.

7. Concept Review Workshop

On August 11, a review of the conceptual designs was held at the American Institute of Architects Center for Architecture in Portland. Seventeen stakeholders attended including Councilor Marland Henderson, Metro Councilor Craig Dirksen, and representatives from the City Center Advisory Commission, Tigard Downtown Alliance, Tigard Planning Commission, Tigard Dog Park Committee and Tigard Transportation Advisory Committee. Holst Architecture also presented a number of precedent photos to the group including similar local projects, sustainable projects, modern vs. traditional designs, and open space / exterior designs.

The following summarizes some of the comments (a meeting summary is included in attachment 4)

- Preference for aesthetics that are sympathetic to the nature of Fanno Creek
- Avoid “risky” or “uncomfortable” or “dead space” designs.
- Design should be a realistic blend of traditional aesthetics that can bridge to the younger generations.

· Capitalize on Fanno Creek and the natural environment surrounding the site – integrate the creek whenever possible.

As part of the redevelopment of Site 1, the Ash Avenue Dog Park will be relocated to one of two nearby sites (see attachment 5). Staff has had a preliminary meeting with a representative of the Dog Park Committee and has posted a sign at the dog park to notify the users of the relocation. The city will commit to having the new dog park constructed before the old one is redeveloped. The costs of the relocation of the dog park will be included in the development financials.

The CCAC reviewed the development concepts at their August 13 meeting and was supportive of the conceptual designs.

Next Steps:

Agency staff, consultant, and the City Attorney will work on a draft Development and Disposition Agreement (DDA) that will outline city and developer responsibilities in the public-private partnership to develop the sites. The agreement will include provisions to minimize the city’s risk in the partnership. Among the points to be negotiated are the construction schedule, responsibilities for public improvements, and potential incentives.

The completed draft DDA will be brought to the CCAC for comments and CCDA Board for review in the next four to six weeks.

OTHER ALTERNATIVES

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

2013-14 Council Goals, Downtown: Finalize downtown redevelopment opportunities (if issues can be addressed)

City Center Urban Renewal Plan

DATES OF PREVIOUS CONSIDERATION

February 4, 2014, Downtown Mixed Use Development Projects Presentation and Discussion
November 26, 2013, Authorize the Mayor to Execute an IGA with Metro for Downtown Mixed-Use Development Projects CET Grant

Fiscal Impact

Cost: \$80,340

Budgeted (yes or no): Yes

Where Budgeted (department/program): CCDA/Community Development

Additional Fiscal Notes:

City/Agency funds:

\$25,000 match for consulting services (CCDA Budget)

\$55,340 in-kind match, (Community Development staff resources)

in addition to CET Grant: \$100,000 and developer resources (\$50,000)

Attachments

Attachment 1: Site 1 and 2 Concepts

Attachment 2: MOU with George Diamond Properties

Attachment 3: Market Analysis Report

Attachment 4: Concept Review Workshop Meeting Notes

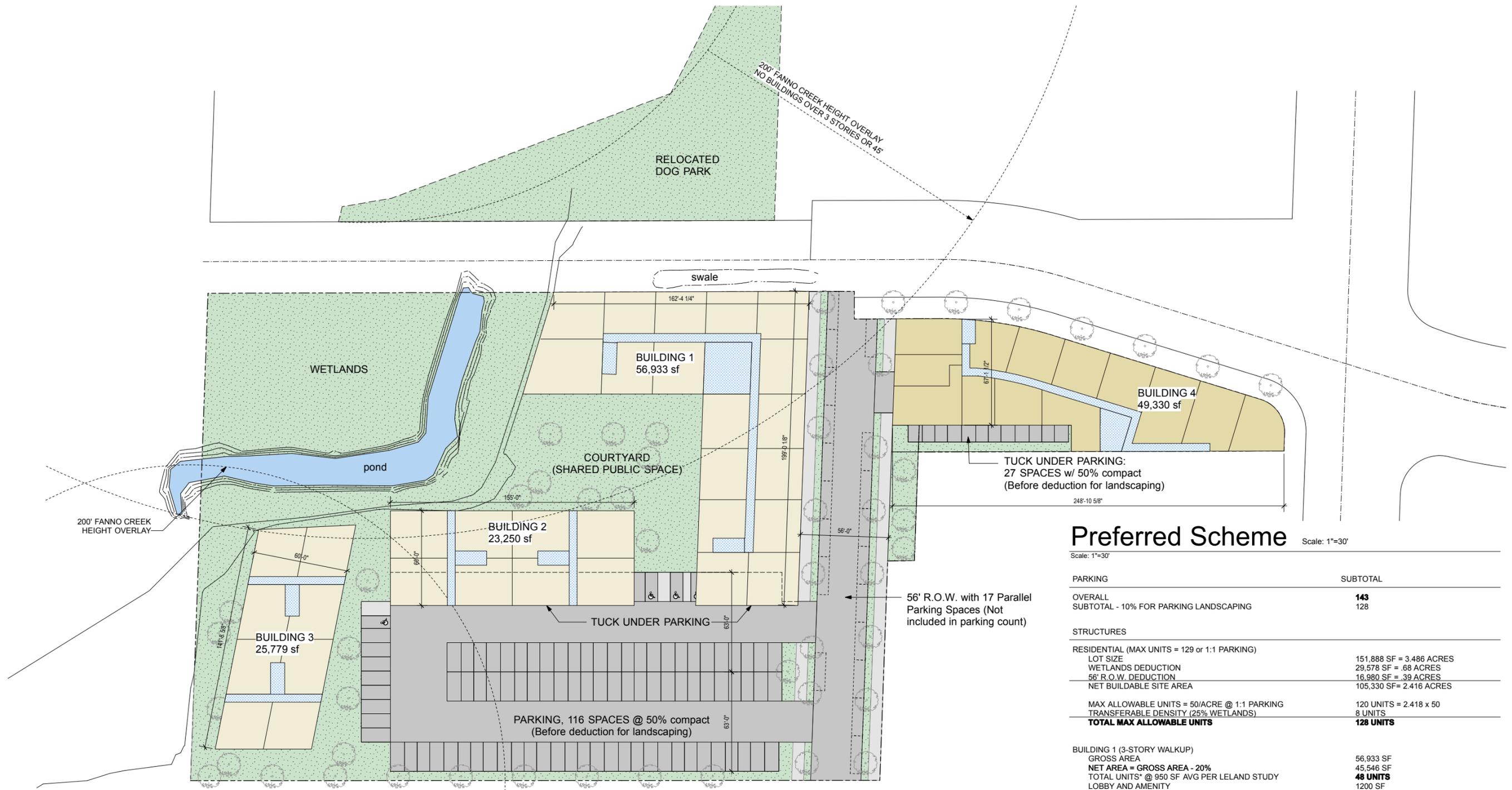
Attachment 5: Potential Sites for Relocated Dog Park



Downtown Tigard Opportunity Sites



0 125 250 500 750 Feet



Preferred Scheme

Scale: 1"=30'

PARKING	SUBTOTAL
OVERALL	143
SUBTOTAL - 10% FOR PARKING LANDSCAPING	128

STRUCTURES	
RESIDENTIAL (MAX UNITS = 129 or 1:1 PARKING)	
LOT SIZE	151,888 SF = 3.486 ACRES
WETLANDS DEDUCTION	29,578 SF = .68 ACRES
56' R.O.W. DEDUCTION	16,980 SF = .39 ACRES
NET BUILDABLE SITE AREA	105,330 SF = 2.416 ACRES
MAX ALLOWABLE UNITS = 50/ACRE @ 1:1 PARKING TRANSFERABLE DENSITY (25% WETLANDS)	120 UNITS = 2.418 x 50 8 UNITS
TOTAL MAX ALLOWABLE UNITS	128 UNITS

BUILDING 1 (3-STORY WALKUP)	
GROSS AREA	56,933 SF
NET AREA = GROSS AREA - 20%	45,546 SF
TOTAL UNITS* @ 950 SF AVG PER LELAND STUDY LOBBY AND AMENITY	48 UNITS 1200 SF
BUILDING 2 (3-STORY WALKUP)	
GROSS AREA	23,250 SF
NET AREA = GROSS AREA - 20%	18,600 SF
TOTAL UNITS* @ 950 SF AVG PER LELAND STUDY	19 UNITS
BUILDING 3 (3-STORY WALKUP)	
GROSS AREA	25,779 SF
NET AREA = GROSS AREA - 20%	20,623 SF
TOTAL UNITS* @ 950 SF AVG PER LELAND STUDY	22 UNITS
BUILDING 4 (4 OVER 1 - ELEVATOR BUILDING)	
GROSS AREA	49,330 SF
NET AREA = GROSS AREA - 20%	39,464 SF
TOTAL UNITS* @ 950 SF AVG PER LELAND STUDY LOBBY AND AMENITY	39 UNITS 5000 SF

LEGEND

- CIRCULATION
- 3-STORY BUILDING
- 5-STORY BUILDING

NORTH



View from North



View from West



View from East



View from South



City of Tigard, Oregon
 13125 SW Hall Blvd., Tigard, OR 97223
 503-639-4171
"A Place to Call Home"



George Diamond Properties

SITE 1 - (PUBLIC WORKS YARD)
SW ASH AVENUE OFF OF SW BURNHAM ST
 Conceptual Design
 Date: June 26, 2014



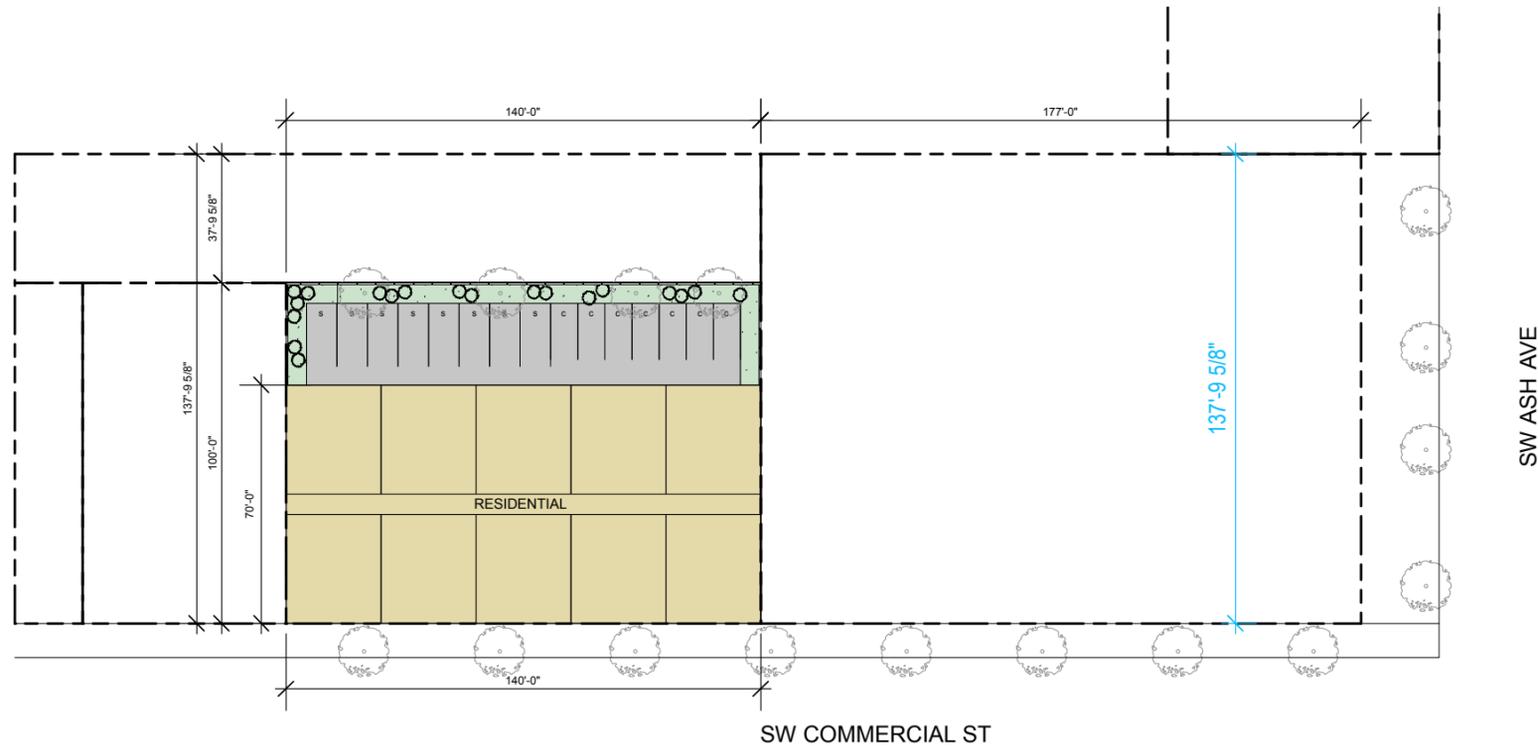
John C. Spencer Consultants
 City Planning/ Urban Design/ Development Services

Holst Architecture

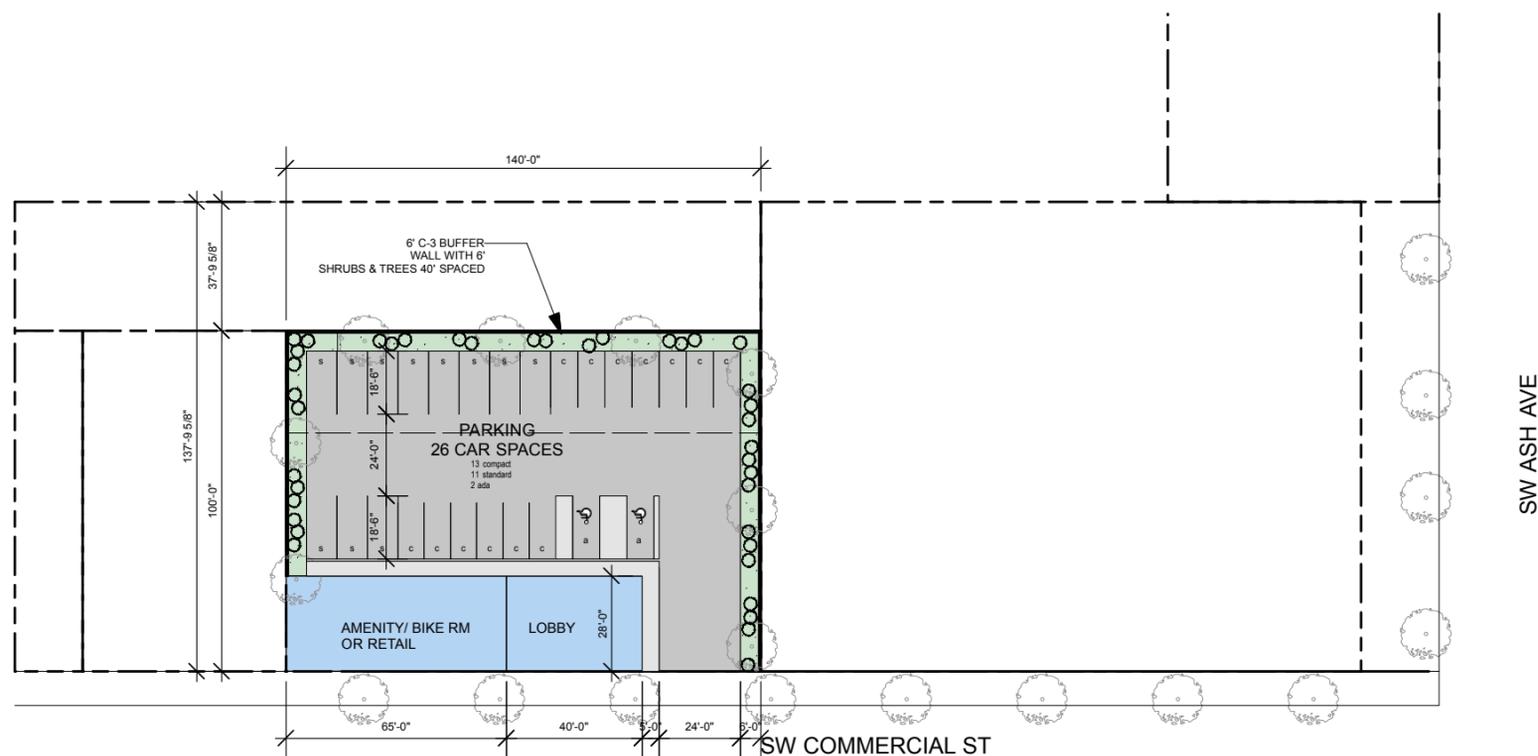
holstaro.com

110 so 8th portland or 97214
 v 503 233 9886 f 503 232 7135

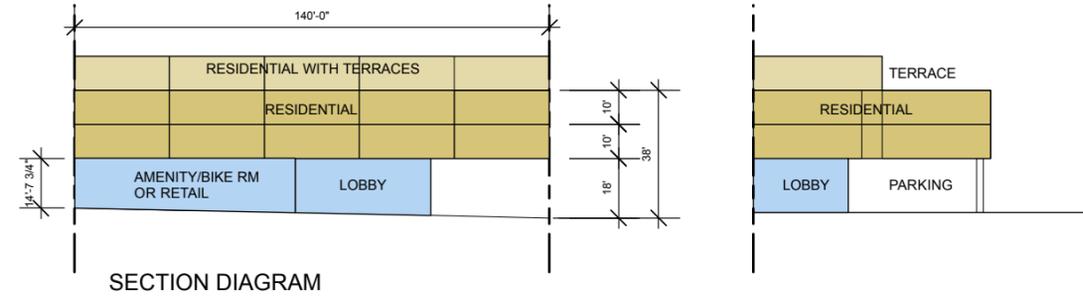




ROOF PLAN



GROUND FLOOR PLAN



SECTION DIAGRAM

Scheme D - Site 2 Original

Scale: 1"=30'

	SUBTOTAL
PARKING	
OVERALL	26
SUBTOTAL - 10% FOR LANDSCAPING (ASSUMED)	24
RETAIL* 3/1000SF - (25% Reduc. in transit zone) *25% reduction for transit zone	4 = 5 - (1)
REMAINDER FOR RESIDENTIAL	20
MINIMUM RESIDENTIAL PARKING RATIO	1.0
STRUCTURES	
RETAIL	
GROSS SF	1820 SF
RESIDENTIAL (MAX UNITS = 70 or 1:1 PARKING)	
LOT SIZE	14,000 SF = .321 ACRES
MAX ALLOWABLE UNITS = 80/ACRE @ 1:1 PARKING	25 UNITS MAX IF 1:1 PARKING
GROSS SF	23,500 SF
NET SF (GROSS - 20%)	18,800 SF
NUMBER OF UNITS (BASED ON 1:1 PARKING RATIO)	20
AVERAGE UNIT SIZE* PER LELAND STUDY	840 SF
SHARED OUTDOOR SPACE = 10% OF DEVELOPED SITE	1000 SF
LOBBY	1000 SF
IF NO RETAIL	
RESIDENTIAL (MAX UNITS = 70 or 1:1 PARKING)	
NUMBER OF UNITS (BASED ON 1:1 PARKING RATIO)	24
GROSS SF	28,725 SF
NET SF (GROSS - 20%)	22,980 SF
AVERAGE UNIT SIZE* PER LELAND STUDY	840 SF
SHARED OUTDOOR SPACE = 10% OF DEVELOPED SITE	1820 SF
LOBBY	1000 SF





Downtown Tigard Mixed-Use Development Projects-Memorandum of Understanding *November 21, 2013 (Revised December 9, 2013)*

This Memorandum of Understanding (MOU) is between the City of Tigard, Oregon/City Center Development Agency (CCDA, the City of Tigard's Urban Renewal Agency)(City) and George Diamond Properties (GDP), a development company based in Portland, Oregon. The MOU describes the duties, responsibilities and performance measures for both parties in undertaking and completing the Downtown Tigard Mixed-Use Development Project (Project) 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 as applicable.

This Project provides pre-development services for two sites located in Downtown Tigard. Site 1 is approximately 3.26 acres that abuts Fanno Creek (the Public Works Yard) and is owned by the City. Site 2 is a to be identified site located within the City's downtown urban renewal district. GDP has the responsibility to secure control of Site 2.

The intent of the Project is to develop information that both parties can use for decision-making related to future construction of two developments. Information includes: costs for land acquisition and any remediation; costs related to construction; market support and likely leasing rates and absorption; financial performance of the developments, and if financial performance does not meet industry standards, potential public investments and activities that will result in an acceptable financial return to GDP. Public investments include such activities as land cost write down, remediation assistance, infrastructure construction, site preparation, fee waivers, etc. authorized by the City Center Urban Renewal Plan. It is understood that conceptual designs for Sites 1 and 2 will be consistent with applicable City of Tigard development and design standards and guidelines, consistent with goals and policies of the City Center Urban Renewal Plan, and reflective of the the market conditions discovered as part of this Project.

The Project consists of 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 between the City and GDP outlining public and private roles and responsibilities. The Project is expected to be completed by September 1, 2014.

The City, with support and participation by GDP, proposed and was awarded a \$100,000 CET Grant by Metro to fund a portion of the work tasks necessary for the Project. Exhibit A is attached to this MOU and outlines the various tasks, responsibilities, deliverables, delivery dates and grant payment schedule

for the Project. Note that the Deliverable tasks shown in Exhibit A do not include all tasks shown in Table 1 below. This is because Exhibit A refers only to tasks funded by the CET Grant, and Table 1 refers to tasks to be undertaken by the City and GDP. Tasks referenced in this MOU refer to Table 1 only.

City Duties, Responsibilities and Performance Measures

1. Table 1 summarizes the project task budget for City staff, consultant work to be paid for by the CCDA and the CET Grant, GDP budget, and total task budget. The City commits the staff resources as indicated in the table, consulting expenses indicated for CCDA, and dedication of the CET Grant resources. Consulting expenses by City are included in the 2013-14 CCDA budget.

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

Tasks	Staff Budget	Consultant Budget		GDP Budget	Totals
		CCDA	CET Grant		
1 Execution of IGA Grant					
2 Retain Project Management Consultant					
3 Environmental Investigations	\$ 3,400	\$10,000	\$30,000		\$43,404
4 Property Options/Acquisitions	560			\$20,000	20,560
5 Appraisals and Land Surveys	3,878		30,000		33,878
6 Market Studies	3,954		15,000		18,954
7 Conceptual Design¹ and Cost Estimates	12,558		20,000	20,000	52,558
8 Pro-forma Analysis	3,616			10,000	13,616
9 Public/Private Financing Strategies	12,168	10,000			22,1686
10 Development Agreements	6,323	5,000			11,323
11 CCDA Board Approvals	8,873		5,000		13,873
Totals	\$55,340	\$25,000	\$100,000	\$50,000	\$230,340

2. The City has retained John Spencer, Spencer Consulting (Contractor) to serve as project manager for all work tasks for the Project. Contractor will also retain sub-contractors to perform the following tasks (Task numbers refer to Table 1):
 - a. Task 6-Preparation of Market Studies Sites 1 and 2,
 - b. Task 7-Preparation of Architectural Conceptual Design and Cost Estimates for Site 1. Selection of an architect will be jointly made by GDP and the City.
 - c. Task 9-Analysis and Advice on Public/Private Financing Strategies for Sites 1 and 2.

The City and Contractor executed an agreement for the work described above on October 30, 2013. Completion dates for these tasks are shown on Exhibit A.

3. The City will provide all applicable plans, reports, studies, etc. related to the Project and Sites 1 and 2, and undertake and complete the following tasks:

¹ Conceptual design for Sites 1 and 2 will be consistent with applicable City of Tigard development and design standards and guidelines, and consistent with goals and policies of the City Center Urban Renewal Plan.

- a. Task 3-Environmental Investigations-retain consultant to complete level 2 environmental investigation for Site 1, and level 1 and 2 investigations for Site 2,
- b. Task 5-Appraisals and Surveys-retain consultant to complete appraisals and survey work for Sites 1 and 2,
- c. City will also dedicate staff time as shown in Table 1, and coordinate as needed with the City Center Advisory Commission, CCDA Board, city departments, City Council, other boards and commissions and Metro. Staff resources will be devoted to review and participation in all Project tasks.

Completion dates for these tasks are shown on Exhibit A.

- 4. During the Project, City will retain ownership of Site 1 and will not enter into a purchase agreement with any other party other than GDP as long as GDP fulfills the duties, responsibilities and performance measures outlined below. City retains the right to solicit interest in the Project from other parties if significant progress has not been made by GDP to secure control of Site 2 in a timely manner. If the City engages another party, GDP will be compensated for usable work products GDP has funded for conceptual design work on Site 2 if Site 2 is retained by the other party.

GDP Duties, Responsibilities and Performance Measures

- 1. GDP has the responsibility to secure control of Site 2. "Secure control" means acquisition or a purchase option has been executed (including earnest money commitment if warranted). Control of Site 2 should be completed by February 1, 2014.
- 2. The purpose of GDP's potential acquisition of Site 1 and site control of Site 2 is to cause the redevelopment of both sites consistent with goals and policies of the City Center Urban Renewal Plan. GDP has the responsibility to make a good faith effort to complete development of both sites on a timeframe that is suitable for its business purposes, but in no event after January 1, 2017.
- 3. GDP will provide all applicable plans, reports, studies, etc. related to the Project and Sites 1 and 2, which shall be paid for as broken down in Table 1 above, and undertake and complete the following tasks:
 - a. Task 4-Property Options/Acquisition-any and all expenses associated with securing control of Site 2,
 - b. Task 7-Preparation of Architectural Conceptual Design and Cost Estimates for Site 2,
 - c. Task 8-Pro-forma Analysis- conduct financial feasibility analysis utilizing the results from Tasks 3-7 for Sites 1 and 2,
 - d. Participate in review, comment and analysis necessary for the successful completion of all Project tasks.

Completion dates for these tasks are shown on Exhibit A.

4. GDP has the exclusive rights to acquire Site 1 from the City during the Project. It is understood that if GDP cannot secure control of Site 2 as described in 1 above, the City has the right to solicit interest in the Project from other parties.



Marty Wine
Executive Director
City Center Development Agency



George Diamond Properties (GDP)

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 ²	\$0
2.	Retain Project Management Consultant 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 Investigations³ 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	January 1, 2014 (Site 1) February 1, 2014 (Site 2)	\$30,000

² Tigard City Council Hearing on IGA

³ 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.

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

	development agreements and recommendations to the City Council f) City Council action on 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



DOWNTOWN TIGARD MIXED-USE DEVELOPMENT



MARKET ANALYSIS REPORT

PREPARED FOR



City of Tigard

PREPARED BY



www.lelandconsulting.com

Contents

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General Limiting Conditions

Every reasonable effort has been made to ensure that the data contained in this report reflects the most accurate information possible, and it is believed to be reliable. This report is based upon estimates, assumptions and information developed by Leland Consulting Group from independent research, general knowledge of the industry and consultations with the client and the client's representatives. No responsibility is assumed for inaccuracies in reporting by the client, client's agent and representatives of any other data source used.

This report is based upon information that was current as of April 1, 2014. Leland Consulting Group has not undertaken any update of its research since that date. Possession of this report does not carry with it the right of publication or use of the name Leland Consulting Group without first obtaining prior written consent. No abstracting, excerpting or summarization of this report may be made without first obtaining prior written consent. This report is not to be used in conjunction with any public or private offering of securities or other similar purpose where it may be relied upon to any degree by any person other than the client without first obtaining prior written consent. This report may not be used for any purpose other than that for which it is prepared for without prior written consent.

This report is qualified in its entirety by, and should be considered in light of these limitations, conditions and considerations.

Introduction

Leland Consulting Group (LCG) was engaged by the City of Tigard to conduct a market analysis and recommend development programs for the potential build out of two sites near Main Street in Downtown Tigard. This assignment is part of a much larger ongoing effort by the City to redevelop and revitalize Downtown Tigard and the areas south of and adjacent to the downtown bounded by Pacific Highway (99W) to the northwest, Hall Boulevard to the northeast and south, and Burnham Street to the southwest.

Figure 1. Location of Study Areas



Source: Bing Maps

The City has received a Metro Construction Excise Tax (CET) grant to fund this project and LCG is part of a team that will evaluate, plan, and implement development of the sites by formulating development programs that capitalize on current market opportunities and represent the highest and best use for each of the properties. In addition to the City of Tigard staff and LCG, this team includes:

- John Spencer: Spencer and Kupper; Planning and Development Services
- George Diamond: Real Estate Investment Group, Developer
- Jeffrey Stuhr: Holst Architecture

This report summarizes Leland Consulting Group's findings and recommendations, including an analysis of the market opportunity for development of rental apartments on each of the sites, together with a detailed development program with unit types, quantity, density, mix, amenities, parking requirements, and achievable rents

This analysis has been completed in order to provide an independent, third party evaluation of the properties' potential for residential development. The objective of this engagement is to understand the

market, to develop pragmatic business strategies to successfully position the project against the competition, and to formulate a market-driven development program that is consistent with the identified needs of the target markets.

Location and Site Descriptions

Two project sites are being considered in this analysis, as shown in Figure 1. The objective of the City of Tigard is to develop the properties as mixed use to the highest density possible, within the constraint of being economically and financially feasible and in compliance with the maximum height limits and densities of the zoning.

After visiting the properties and meeting with the City and the rest of the development team on March 5, 2014, all parties were in agreement that the highest and best use for Site One was apartments (density to be determined) without ground-floor retail.

The highest and best use for Site Two was a somewhat denser, more urban form of rental apartments, possibly with ground-floor retail, office, or structured parking if the site is large enough to accommodate these uses and still provide adequate structured parking. Because the land area for Site Two is much smaller, the number of apartments will be less than the units that will be constructed on Site One.

The two project sites are in good locations within walking distance to Main Street in downtown Tigard. The area is close to Highway 217, which provides good access to I-5 and U.S. 26. The location (downtown Tigard in general, incorporating both sites) is near Washington Square, the Kruse Way employment center, St. Vincent and Meridian Park hospitals, and is a manageable commute to downtown Portland, Beaverton, Nike, and even the Sunset Corridor in Hillsboro. Downtown Tigard has been the target of revitalization efforts by the City for several years and the City is dedicated to a continuation of this process.

The only vacant apartment land remaining within approximately a three-mile radius of the locations are smaller infill sites. Thus, the only competition from new apartments within this radius is Eddyline at Bridgeport, adjacent to Bridgeport Village, approximately three miles to the south at the jurisdictional border between Tigard and Durham.

The location does have some challenges.

- Access onto Hall Boulevard and Main Street from Pacific Highway can be problematic during rush hour.
- There is no visibility from Pacific Highway or any other major arterials that go through the area. The area is difficult to get to unless one knows where they are going.
- Traffic on Pacific Highway, Highway 217, and I-5 is challenging during the A.M. and P.M. rush hour.
- Downtown Tigard lacks an image. Most people who are not familiar with the area do not think of Tigard as having a downtown.
- Redevelopment and revitalization of the area is only just beginning. The area is still somewhat lacking in urban amenities and the creation of a pedestrian friendly environment is in the early stages.
- The recent referendum to require a vote before implementing additional mass transit infrastructure could be a deterrent to future downtown urbanization, revitalization, and growth.

A description of the character and location of the sites, and their surrounding environment, is the first step in determining the most appropriate concept for the properties and the likely target markets they will serve. The wants and needs of these target markets, in turn, dictate the design and unit mix for the apartments

that is most appropriate for each of the properties. Site One and Site Two are quite different in their size and character and, therefore, the target markets they are likely to serve will be different.

Site One: (Public Works Yard) SW Ash Avenue off of SW Burnham Street

- Site One is located at the end of SW Ash Avenue, a dead-end road that connects to SW Burnham Street to the northeast. Ash Avenue is approximately 900 feet southeast of Main Street.

Figure 2. Public Works Yard Study Area



Source: Bing Maps

- The gross area of the site is 3.16 acres with .64 acres of floodplain, leaving a net developable area of 2.52 acres. The property is an infill site, which has the advantage of limited direct competition from other new apartments.
- The site is owned by the City of Tigard and currently houses the Public Works yards for the City. A public/private joint venture between the City and a developer is the proposed structure for building out the property.
- In addition to a location in close proximity to Main Street in downtown Tigard, the primary amenity of the site is its adjacency to the 32-acre Fanno Creek Park. The park stretches between Main Street to the north and Hall Boulevard to the south. Fanno Creek bisects the park in a north/south direction and provides wetlands that create a natural environment with trails and bridges through quiet grassy meadows and wooded areas.
- A dog park, owned by the City is also adjacent to the property on the corner of Burnham and Ash. This amenity provides an opportunity to create “pet friendly” residences that could differentiate the project from other apartments in the area.
- The site is zoned MU-CBD with the following requirements:

Table 1. Site One Summary Zoning Regulations

Zoning Designation	Mixed Use - Central Business District (MU-CBD) Fanno-Burnham St. Subarea Medium scale residential or mixed use development
Residential Density Minimum	15 units per acre
Maximum	50 units per acre
Maximum Site Coverage	80%
Minimum Landscaping	20%
Minimum Parking; Residential	1 space per unit. No visitor parking required
Building Height Minimum	20 feet
Maximum	80 feet/6 stories 45 feet/3 stories within 300 feet of Fanno Creek Park

Source: Spencer & Kupper

- In general, the site is of the highest quality in an excellent location. There are no known environmental cleanup requirements. The only potential adverse condition is the mini storage warehouse complex adjacent to the property to the southeast. However, site buffering can mitigate this condition. The cost of demolishing the buildings on the site needs to be taken into consideration when establishing the value of the land.

Site Two: SW Commercial Street

- Site two is located on the east side of SW Commercial Street approximately 600 feet from Main Street in downtown Tigard, just north of SW Ash Avenue, directly across the street from the Ballroom Dance Company. The Tigard Transit Center is also approximately one-half block to the northwest.

Figure 3. SW Commercial Street Study Area



Source: Bing Maps

- The proposed site is 14,000 square feet in size and fronts on Commercial Street.
- Real Estate Investment Group has recently tied up the site for a private sector apartment development.
- The site is located in a more urban environment than Site One. Therefore, a higher density mixed-use development, possibly with some ground floor retail or office, and structured parking is a more appropriate residential product.

However, the primary challenge for Site Two is that it is on a busy street, but is not located directly in an attractive urban environment or neighborhood, especially in comparison to other urban apartments in west side suburban locations. The buildings in the immediate vicinity of the site are old and relatively unattractive and development along Commercial Street is best characterized as “strip commercial.”

Table 2. Site Two Summary Zoning Regulations

Zoning Designation	Mixed Use - Central Business District (MU-CBD) Scaffins - Commercial Subarea Higher density residential and commercial uses. Residential only buildings are permitted.
Residential Density Minimum	25 units per acre
Maximum	50 units per acre (80 units per acre in transit overlay)
Maximum Site Coverage	90%
Minimum Landscaping	10%
Minimum Parking; Residential	1 space per unit. No visitor parking required 10% - 50% parking reduction possible thru adjustment process
Building Height Minimum	20 feet
Maximum	80 feet/6 stories

Source: Spencer & Kupper

Target Markets

The geographical primary market area for the two downtown Tigard properties is loosely defined as the geographical area from which approximately 60 to 70 percent of the tenancy in the proposed residential buildings will be derived. This market area is estimated to be within approximately a three-mile radius of the project sites, reaching to Beaverton to the north, south Tualatin to the south, Lake Oswego to the east, and SW 175th and Roy Rogers Road to the west. Secondary markets could come from nearly anywhere in the rest of the region, or outside the region, although an estimated 90 percent of the market will originate from somewhere in the southwest suburbs. The project is likely to draw current renters and other households from the communities of Tualatin, Sherwood, and Wilsonville seeking a location closer to downtown Portland and the nearby shopping and employment centers.

The majority of households who become tenants in either of the two locations will currently be renting an apartment in another location and will move to Tigard because it is more convenient and closer to work, or because they are attracted to the lifestyle of a more urban environment than what a typical two or three story garden apartment has to offer.

With regards to demographics and psychographics, households can be divided by generation: Baby Boomers, Generation X, and Generation Y. There are important socioeconomic and cultural distinctions between these groups that are reflected in housing needs and wants. While there is no precise consensus on the age range of each of these groups, the approximate ages and characteristics are as follows:

Table 3. Characteristics of Generational Groups

Group	Approximate Years Born	Approximate Age Range	Characteristics
Baby Boomers	1946 - 1964	50 - 68	<ul style="list-style-type: none"> Associated with privilege Rejection or redefinition of traditional values Active, physically fit Received peak levels of income
Generation X	1961 - 1981	33 - 53	<ul style="list-style-type: none"> Highest education levels of any generation Family oriented, balanced, active, happy, more heterogenous population MTV generation, idealist generation Embrace social diversity (race, religion, ethnicity, culture, gender, identity) Respect entrepreneurship
Generation Y	1981 - 1995	19 - 33	<ul style="list-style-type: none"> Also called Millenials and Echo Boomers "Generation Me" sense of entitlement Distinctly different behaviors, values, and attitudes Response to technological & economic implications of internet Multitask with ease Above is more applicable to affluent whites growing up in suburbs Not as applicable to blacks and hispanics

Source: Leland Consulting Group

Generation Y households are the most important group for apartments, particularly urban apartments. Nearly all of the new apartments in and around the downtown Portland and Lloyd Center are targeting this group. Many Generation Y's are making the choice to become lifetime renters. They prefer the mobility rental apartments offer and do not want to be saddled with the responsibility of homeownership. These households prefer to use their income to support a more urban lifestyle that includes recreation, an active social life, and upscale clothes and cars.

Older, baby boomers and empty nester households who want to downsize from the responsibilities of their single-family homes are the second most important generational group for apartments. They want to travel, they may have a second home in a warmer climate where they live for three to six months out of the year, they want single-level living, and they place a high value on security. Multifamily housing provides a "lock and leave" product.

Prior to 2008, this group tended to be condominium buyers, but have since become disillusioned with condominiums. Publicity surrounding construction litigation, rising homeowners association (HOA) fees with no ceiling, high property taxes, the internal politics of HOA's, and the absence of appreciation in suburban wood-frame condominiums combine to create a strong deterrent to condominium ownership.

The relative importance of generational groups will be different for Site One and Site Two. Conceptually, Site One is a more laid back quiet environment with Fanno Creek Park serving as a major attraction. The likely profile of households who move to this location include:

- Young Generation X and older Generation Y families with one or two younger children will be attracted to the location. The area is safe and at the end of a dead end road, which eliminates traffic in front of the apartment buildings and provides a very safe environment for children. Families who are currently renting will be more likely to become tenants than those who already own a home.
- The quiet environment and the park will also be attractive to older empty nesters and the site is still within walking distance of Main Street. The property will be highly appealing to baby boomer

households who want to downsize and move out of their single family home, but do not want to buy a condominium.

- Single women will respond to the security offered by the project. Older widows and divorcees are included in this group.
- Divorced men, particularly men with children who visit on weekends, will be attracted to the location.

Site Two provides an opportunity to construct a denser, more urban apartment complex of perhaps three to four stories over ground floor retail and structured parking. Parking will be the density constraint. Smaller studio, one-bedroom, and two-bedroom apartments will attract renters seeking a more urban lifestyle.

- Generation Y single men and women will be an important market.
- Childless younger professional couples (late 20's to mid 40's). These people are devoted to their jobs and work long hours. They include doctors, lawyers, and other professional avocations and do not want the responsibility of home ownership.
- Older single women, widows and divorcees, will be attracted to the security of a building with structured parking, a secure lobby, and elevators.

Demographics

The following table shows the demographic characteristics and depth of the primary target market within approximately a three-mile radius of the project sites.

Table 4. Demographic Characteristics of Households (Three-Mile Radius)

Demographic (2013 estimate--unless otherwise noted)	Percent	Number
Population	100.00%	122,787
Annual Growth Rate (2013-2018 projection)	0.93%	
Average Household Size		2.94
Total Households		41,764
Households by size (2010 Census)		
1 - 2 Person Households	65.4%	27,314
3 - 4 Person Households	27.6%	7,539
5+ Person Households	7.0%	1,912
Households with Children	29.7%	12,404
Housing Tenure		
Housing Units		54,833
Owner occupied housing	54.7%	29,994
Renter occupied housing	40.1%	21,988
Education		
Less than high school	6.0%	7,367
High school or equivalent	17.8%	21,856
Some college or Associate's	32.4%	39,783
Bachelor's or higher	43.7%	53,658
Median Household Income		\$56,440
Households by Income		
Less than \$35,000	20.9%	8,729
\$35,000 - \$49,999	14.2%	5,931
\$50,000 - \$74,999	17.8%	7,434
\$75,000 - \$99,999	11.5%	4,803
\$100,000 - \$149,000	15.4%	6,432
\$150,000 or more	11.5%	4,803
Per Capita Income		\$34,519
Median Age		39.4
Population by age		
15 - 24	12.0%	14,734
25 - 34	14.1%	17,313
35 - 44	13.6%	16,699
45 - 54	14.2%	17,436
55 - 64	13.8%	16,945
65+	14.3%	17,559
Generation Groups (Estimated)		
Generation Y (19 - 33)	20.5%	25,212
Generation X (34 - 50)	23.1%	28,309
Baby Boomers (51 - 68)	27.8%	34,109
Under 19 & Over 68	28.6%	35,157

Source: ESRI

The Competitive Environment - Apartments

Multifamily Building Permits

The following shows multifamily building permit trends for the tri-county area and selected cities in the southwest suburbs.

Table 5. Multifamily Building Permits for the Tri-County Area

Year	Tri-County Region	Multnomah County	Washington County	Clackamas County
2009	917	470	319	128
2010	906	689	212	5
2011	1,693	852	473	368
2012	2,761	1,601	725	435
2013	<u>4,565</u>	<u>2,903</u>	<u>1,531</u>	<u>131</u>
Total	10,842	6,515	3,260	1,067
Annual Average	2,168	1,303	652	213
Percent	100.0%	60.1%	30.1%	9.8%

Source: SOCDS Building Permits Database

Table 6. Multifamily Building Permits for Selected Cities in the Southwest Suburbs

Year	Total	Tigard	Tualatin Durham & Sherwood	Wilsonville	Beaverton
2009	271	0	96	0	175
2010	143	50	0	0	93
2011	361	0	0	327	34
2012	575	30	213	288	44
2013	<u>388</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>388</u>
Total	1,738	80	309	615	734
Annual Average	348	16	62	123	147
Percent	100.0%	4.6%	17.8%	35.4%	42.2%

Source: SOCDS Building Permits Database

As indicated, there has been a steady and substantial increase in permitting activity since 2011. Multnomah and Washington County dominate the market with over 90 percent of the total permits issued.

Within the selected southwest suburban cities shown, Beaverton and Wilsonville have accounted for 77.6 percent of the total permits issued in the last five years. There has been very little activity in Tigard, Tualatin, Durham, and Sherwood. The 213-unit project permitted in 2012 is the recently opened Eddyline at Bridgeport Village.

Apartment Market Trends

A summary of general apartment market trends in Portland and the southwest suburbs of the Portland Region are summarized from the Metro Multi-Family Housing Association Apartment Report (Fall 2013), the Barry Report (Construction Report – Winter 2013 and The Barry Apartment Report; Spring 2014), Norris & Stevens (Apartment Investors Journal; Spring 2014), and other industry sources:

- Nationally, apartment demand remains strong and demographics clearly favor the apartment sector as Generation Y (echo boomers) move out of their parents' homes and choose to live alone or with a significant other rather than roommates. The aging population of baby boomers who are attracted to urban living, but are less inclined to purchase a condominium, is also a rapidly growing market segment.
- Investment capital is competing for apartments because lenders are correctly convinced that apartments have consistently higher occupancy and less financial risk than other forms of real estate.
- A decline in homeownership is increasing the demand for apartments. Nationally, in 2008 the home ownership rate was 69 percent and fell to 68 percent in 2009. However, currently, homeownership in the West has dropped below 60 percent, and is under 37 percent for those younger than 36 years of age. Almost all newly formed households are going into apartments.
- In Portland, the apartment market continues to produce steady results, reflecting a healthy environment for investors. Strong fundamentals include:
 - The economy of Portland continues to expand. In 2013 15,000 jobs were added and unemployment dropped from 7.7 percent to 6.6 percent. During the recession Portland lost 80,000 jobs and the metro area is now only 16,000 jobs short of the 2008 peak. The region is forecasted to grow by 25,000 jobs in 2014 with an additional 23,000 jobs in 2015.
 - Portland is one of the healthiest apartment markets in the nation and is a favored asset class among investors. The greater Portland area apartment market has everything going for it. "In 2013, apartments remained the golden child of real estate investments" (Barry Apartment Report; Spring 2014).
 - The U.S. Census Bureau lists the Portland Region as having the 13th lowest apartment vacancy rate in the nation. Vacancy fell from 3.6 percent in the first quarter of 2013 to 3.1 percent by the end of 2013. The vacancy rate by unit type in the Fall of 2013, from a sample size of 9,147 units, is shown in the table below.

Table 7. Vacancy by Unit Type (Portland Region)

Unit Type	Percent Vacant
Studios	3.1%
1 Bed / 1 Bath	6.0%
1 Bed / 2 Bath	3.4%
2 Bed / 1 Bath	14.9%
2 Bed / 2 Bath	3.8%
3 Bed / 1 Bath	4.2%
3 Bed / 2 Bath	3.7%

Source: Metro Multi Family Apartment Report (Fall 2013).

*The report's Portland regional data includes information 98 properties that contain a total of 9,147 units.

- 2012 was the beginning of a new apartment construction cycle. A total of 5,369 units came on the market from late 2012 through the fall of 2013. Another 6,000 units are currently under construction and scheduled for completion in late 2013 or 2014. There are 16,000 proposed units, but not all of these will come on line. In 2014 and 2015 completion of approximately 12,000 new apartments is expected.

Table 8. Recently Completed Apartments and Pipeline by Submarket

Tri-County Area	Completed 2013	Under Construction	Proposed	Total
Suburban South				
Tigard	44	0	0	44
Tualatin	0	367	0	367
Wilsonville	<u>518</u>	<u>0</u>	<u>112</u>	<u>630</u>
Subtotal	562	367	112	1,041
Percent of Total	12.2%	8.8%	1.0%	5.1%
Suburban West				
Beaverton	794	555	164	1,513
Washington County	336	0	2,617	2,953
Hillsboro	<u>428</u>	<u>0</u>	<u>1,148</u>	<u>1,576</u>
Subtotal	1,558	555	3,929	6,042
Percent of Total	33.9%	13.2%	33.7%	29.6%
Close-In Westside	1,424	664	3,688	5,776
Percent of Total	31.0%	15.8%	31.6%	28.3%
Close-In Eastside	548	1,647	2,040	4,235
Percent of Total	11.9%	39.3%	17.5%	20.7%
Remainder of Area	507	957	1,887	3,351
Percent of Total	11.0%	22.8%	16.2%	16.4%
Total	4,599	4,190	11,656	20,445
Percent of Total	100.0%	100.0%	100.0%	100.0%
Percent of Total	22.5%	20.5%	57.0%	100.0%

Source: *The Barry Apartment Construction Report; Fall 2013*

- As shown in the above table, the Suburban South submarket appears to be underserved outside of Wilsonville. The only significant new competition is the 367 unit Eddyline Apartments at Bridgeport Village in Tualatin. Tigard and Tualatin together, without Wilsonville, only represents two percent of the potential new tri-county apartment inventory in the three categories shown. The Suburban West submarket, on the other hand, is 30 percent of this potential inventory.
- Nearly one half of the newly completed apartments, and those expected to come on line over the next two years, are in the close-in east side and close-in west side submarkets. These communities cater to the national trend favoring a more urban lifestyle, particularly among the younger generation.
- Between 2012 and 2013, rents in newly constructed apartments increased 14 percent. Rent in apartments 10 years or older rose 6 percent during the same time period. However, due to the

number of new apartments coming on the market in 2014 and 2015 future rent increases will slow significantly and are only expected to rise another one percent to three percent in 2014.

Table 9. Rents by Unit Type in Selected Submarkets (Newer - Built after 2000)

Submarket	Studio	1BR / 1BTH	2BR / 1BTH	2BR / 2BTH	3BR / 2BTH
Tigard / Tualatin					
Average Rent	\$988	\$812	\$1,225	\$1,034	\$1,341
Average Size (SF)	612	671	943	970	1,251
Average Rent/SF	\$1.61	\$1.21	\$1.30	\$1.07	\$1.07
Wilsonville					
Average Rent	\$826	\$982	\$1,041	\$1,306	\$1,481
Average Size (SF)	531	751	975	1,102	1,271
Average Rent/SF	\$1.56	\$1.31	\$1.07	\$1.19	\$1.08
Portland Westside					
Average Rent	NA	\$959	\$1,220	\$1,285	\$1,567
Average Size (SF)	NA	720	1,020	1,045	1,368
Average Rent/SF	NA	\$1.33	\$1.20	\$1.23	\$1.15
Beaverton					
Average Rent	NA	\$814	\$922	\$978	\$1,205
Average Size (SF)	NA	685	973	1,004	1,251
Average Rent/SF	NA	\$1.19	\$0.95	\$0.97	\$0.96
Hillsboro / Tanasbourne					
Average Rent	\$1,031	\$1,006	\$1,045	\$1,155	\$1,366
Average Size (SF)	593	742	959	1,009	1,287
Average Rent/SF	\$1.74	\$1.36	\$1.09	\$1.14	\$1.06

Source: Norris & Stevens; Apartment Investors Journal; Spring 2014

- Barriers to entry in the central city apartment market are increasing rapidly, which bodes well for less expensive suburban apartments, particularly suburban apartments that offer an urban lifestyle. Land scarcity in the central city and the close-in east and west sides is causing land prices to rise rapidly. Obtaining entitlements is becoming increasingly difficult and expensive. Construction costs are rising and system development charges and other fees are approaching \$15,000 per unit.
- Apartment land prices in the close-in east and west side markets are averaging \$114 per-square-foot, which equates to \$25 per-square-foot of building area, adding significantly to the total project cost. However, overall, land values are averaging approximately \$15,000 to \$20,000 per unit closer in where density is much higher than in the suburbs. Lower land costs and larger units with lower rents are making suburban apartments increasingly attractive and competitive, particularly in suburban neighborhoods with urban amenities.
- Rising costs and rents in the closer-in markets will displace lower income renters currently residing in these locations. As rents rise, affordability issues push these households outward to the suburbs where lower land and construction costs translate into lower rents and a better value.
- This past year was the best year on record for apartment sales transactions. Apartment values were up approximately two percent in 2013. Cap rates are ranging from:
 - 4.5% to 5.25% for newer/inner city urban apartments;

- 5.5% to 6.25% for closer-in projects; and
 - 6.5% to 7.25% for suburban apartments.
- With strong economic growth, 2014 is likely to be another banner year for apartments. However, with the current and projected rate of new construction, apartment expansion in Portland is expected to peak in 2015. Rent increases will be more modest and vacancy will increase and stabilize at more normal levels in the five percent range as the underserved market of the last three years reaches a balance between supply and demand.
 - The largest threat is rising interest rates, which could cause cap rates to increase. While overbuilding in some markets is a possibility, abnormally low vacancy rates and household growth should defer overbuilding into the foreseeable future.
 - Some submarkets, however, where only limited construction has occurred, like the Tigard/Tualatin/Sherwood submarkets, are likely to remain underserved longer with lower vacancy and rising rents.

Amenities

The apartments being built today are quite different from the past.

- The best locations for new apartments are locations near city centers, neighborhood centers, and public transportation.
- New units are typically smaller with more compact and efficient living spaces.
- Prospective renters place a high value on energy efficiency. LEED certification with better insulation results in lower utility costs for the tenants.
- Unit finishes include quality appliances, stainless steel or granite countertops, designer interiors with a selection of color palettes, washer and dryers in the unit, walk-in closets, nine to 10-foot ceilings, and larger windows that capture more natural light.
- Community amenities include Wi-Fi hotspots, high-speed internet and cable connections, fitness centers, a community room, and often a shared sundeck or patio with a barbeque. Access is often controlled through a gate with card key entry.
- New apartments are less likely to include a spa, pool, outdoor sports court, or playground. Pools in some older apartments are being filled in because of the high maintenance cost.

Comparable and Competitive Apartments

The majority of new apartment construction in the southwest suburbs is taking place in Wilsonville to the south, the Barnes Road Cedar Mill area to the north, the Beaverton area around Nike, Bethany area north of US 26, and Hillsboro. New apartments in and around Orenco Station in Hillsboro are transitioning into a more urban form. The rest are primarily traditional three-story garden apartments without elevators or structured parking. These areas are the submarkets where there is still available undeveloped land.

Given the characteristics of the location, this competitive analysis is focused on comparable and competitive apartments within or near Tigard and south into Wilsonville. There are no new apartment complexes near Tigard because land is in short supply. Apartments in Tigard and the nearby Murrayhill area, while somewhat competitive, were built out in the 1990s and are traditional low-density two- and three-story garden apartments.

The Beaverton, Washington County, and Hillsboro communities, from Highway 217 west along the Sunset Corridor, are their own submarket and are not directly competitive with downtown Tigard. Because of a

location much closer to downtown Portland, Washington Square, Kruse Way, Beaverton, and other significant employment centers, Tigard has a competitive advantage over Wilsonville. The large number of apartments being constructed in Wilsonville is mostly a function of the quantity of available land at a lower cost than most other locations within the southwest suburbs.

Nine apartment complexes were selected as a comparable and competitive set to provide guidance on rents, unit mix, and sizes. These apartments include a mix between more urban-style apartments in suburban locations and traditional garden apartments. Six of these projects were completed in 2012, 2013, or 2014. Only one apartment is older than 2007.

The Timber Ridge apartments in Cedar Mill, west of St. Vincent hospital is the least competitive location to the project sites and was included to provide guidance as to the rent structure of this area in relation to other submarkets like Wilsonville.

Table 10. Comparable and Competitive Apartments Surveyed

Urban Apartments	Location	Year Opened	Stories	Density (units / AC)	Absorption (units / mo.)
Headwaters	30th & Barbur Blvd.	2007	5	57	stabilized
Cannery Row	Old Town Sherwood	2013	3	56	14
Bell Tower at Old Town Square	Wilsonville	2013	4	57	stabilized
Domaine @ Villebois (Bellecourt)*	Wilsonville	2008	4	NA	stabilized
Eddyline at Bridgeport (Ph. 1)	Tigard/Durham	2014	4	41	under constr.
Garden Apartments					
Main Street Village	Downtown Tigard	1994	2/3	NA	stabilized
Timber Ridge	Cedar Mill	2013	3/4	43	stabilized
Domaine @ Villebois (Beauparc)*	Wilsonville	2008	3	NA	stabilized
Jory Trail	Wilsonville	2012	3	14	102
Terrene	Wilsonville	2013	3	NA	14

*One of the 12 buildings at Domaine at Villebois is an urban apartment. The rest are garden apartments.

Source: Real Facts and Leland Consulting Group

Table 10. (continued) Comparable and Competitive Apartments Surveyed

Urban Apartments	Elevators	Ground Floor Retail	Structured Parking	Parking Ratio	Subsidized
Headwaters	yes	no	yes	NA	yes
Cannery Row	yes	no	Tuck Under	1:1	yes
Bell Tower at Old Town Square	yes	yes	yes	1:1	yes
Domaine @ Villebois (Bellecourt)*	yes	yes	no	NA	no
Eddyline at Bridgeport (Ph. 1)	yes	no	yes	1:1.6	no
Garden Apartments					
Main Street Village	no	no	no	NA	no
Timber Ridge	no	no	no	NA	no
Domaine @ Villebois (Beauparc)*	no	no	no	NA	no
Jory Trail	no	no	no	1:1.6	no
Terrene	no	no	no	NA	no

*One of the 12 buildings at Domaine at Villebois is an urban apartment. The rest are garden apartments.

Source: Real Facts and Leland Consulting Group

The table below shows the unit count, occupancy, size, and average rent for the apartments surveyed. Appendix A contains a detailed analysis of these apartments including unit sizes, mix, rents by unit type, and other characteristics.

Table 11. Selected Characteristics of Competitive and Comparable Apartments Surveyed

Urban Apartments	Units	Occupancy*	Average Square Feet	Average Rent	Average Rent / SF
Headwaters	100	99%	706	\$1,153	\$1.63
Cannery Row**	101	in lease up	826	\$1,137	\$1.38
Bell Tower at Old Town Square	52	96%	663	\$985	\$1.48
Domaine @ Villebois (Bellecourt)***	48	94%	840	\$1,186	\$1.44
Eddyline at Bridgeport (ph. 1)**	154	in lease up	810	\$1,290	\$1.59
Total/Average	455	96%	777	\$1,180	\$1.52
Garden Apartments					
Main Street Village	237	98%	1,003	\$1,090	\$1.09
Timber Ridge	336	95%	878	\$1,282	\$1.46
Domaine @ Villebois***	235	93%	956	\$1,260	\$1.30
Jory Trail	324	91%	972	\$1,128	\$1.16
Terrene**	288	in lease up	1,019	\$1,308	\$1.28
Total/Average	1,420	94%	962	\$1,216	\$1.26

Source: Real Facts and Leland Consulting Group

*Occupancy rates as of March 20, 2014.

**Still in lease-up

***One of the 12 buildings at Domaine at Villebois is an urban apartment. The rest are garden apartments.

Some of the more salient features and characteristics of the apartments surveyed include:

- Cannery Row is an excellent example of what may be the best product for Site One (Public Works yard). It is relatively dense and urban in character, but has not incurred the high expense of structured parking under the whole building. Parking needs are served mostly with surface parking with some tuck-under park on the backside of the two buildings.
 - At the current rate of absorption, Cannery Row should be fully leased and stabilized by the end of July of this year.
 - The project is drawing tenants from Sherwood, Newberg, Tualatin, Tigard, Beaverton, and Wilsonville, the same market the downtown Tigard apartments will appeal to.
- Bell Tower at Old Town Square is a good example of the product that would be most appropriate for Site Two.
- Three out of the five urban apartments are public/private joint ventures and are subsidized.
 - Headwaters received \$14.7 million in subsidies including City-sponsored revenue bonds, PDC housing investments funds, and a property tax exemption.
 - Cannery Row received a 20-year \$8.5 million state loan which is being paid back with urban renewal dollars.
 - Subsidies for Bell Tower included a land write-down by Gramor, the shopping center developer, and urban renewal funds.
- Eddyline at Bridgeport is the most significant competition to apartments on both of the project sites. Eddyline is in an excellent location next to Bridgeport Village and has good access and high exposure to traffic on I-5. The project is achieving the highest rents in the south suburbs. The

design is attractive and the first phase of approximately 154 units, out of a total of 367 units, will be completed in November of 2014. With 367 units, Eddyline will have the luxury of a large marketing budget.

- The most popular floor plans at Eddyline are three-bedroom apartments. Current vacancy is almost entirely one-bedroom apartments.
- The Main Street Village apartments, located at the northwest end of Fanno Creek Park with an entry on Main Street, are in very close proximity to the two project sites, particularly Site One. Main Street Village opened in 1994 and is nearly 20 years old. Thus, the finishes and quality of the apartments will be inferior to new apartments on the two project sites, and therefore, not directly competitive. They are 98 percent occupied, however. The high occupancy could be indicative of a shortage of apartments in downtown Tigard.
- The Timber Ridge apartments on Barnes Road in Cedar Mill (Teuffel Nursery site) are receiving unusually high rents for a suburban garden apartment (\$1.46 per-square-foot), probably because of the desirable location. The density is high at 43 units per acre. The apartments are constructed on a slope and the ground floor is a daylight style basement with single car garages on the south side of the buildings. There are three residential stories above the garages and the entry is on the second floor on the north side, which is the ground floor given the topography.
- Jory Trail and Terrene apartments are both Holland Residential properties. They are within one quarter of a mile of each other and have similar floor plans and design. Jory Trail open in 2012 and absorbed at an average of 102 units per month. However, the similar Terene apartments are only absorbing at 14 units per month. This could be an indication that the Wilsonville market is approaching saturation, or it could be because the rents are 10 percent higher than Jory Trail.
 - The Terene apartments include Corporate Suites, which is an interesting concept.
- Cannery Row and Jory Trail have floor plans with second story lofts. The lofts are open to the living area below. There could be an unmet need for this type of floor plan with essentially no competition.
- Relatively luxurious finishes with granite countertops, high quality stainless steel appliances, nine to 10-foot ceilings, large windows that provide more natural light, walk-in closets in the master bedrooms, and bike and personal storage are the norm in new apartments.

Development Program

Overview

Preparing a development program for Sites One and Two in downtown Tigard begins with establishing a statement of the recommended overall theme and identity for the project. It is analogous to the mission statement in a business plan. It is the guiding statement against which later program details can be tested for compliance in support of the overall theme and business objective.

A development program is a narrative and quantitative description of how a property should be developed. The program serves as a guide to planners (architects, landscape architects, and others) who are responsible for translating the program into a physical design. The development program describes an overall identity for the project including theme, image, and attributes. The overall objective is to achieve greater penetration of target markets than the competition, maintain economically viable conditions, and create a positive, long-term identity and brand.

In addition to the traditional factors of market conditions, site conditions, city policies, access, visibility, infrastructure and other related factors, programming for the two project sites could be further influenced by

an array of interests. Downtown Tigard is within an urban renewal district and therefore the sites are in competition for a fixed amount of public funding capacity. Hence, decisions regarding the allocation of public resources will be social, financial, and political.

The planning objectives and marketing plan for the two project sites should take into consideration the following:

- **Creating a Lifestyle Community** – The concept of livability and lifestyle is much more than just the physical product. The opportunity for social interaction, recreation, security, and the general quality of life is of great importance. Most of the apartments in the southwest suburbs are nondescript copies of each other characterized as “commodity housing.”

A carefully planned apartment needs to be designed to respond to the current market, differentiate the project from the rest of the competition, and create emotional attachment and excitement in the minds of future tenants. The marketing message must communicate and emphasize lifestyle. With urban apartments much of the lifestyle and excitement is created at the street level in concert with the many amenities and services within a short distance.

- **Competitive Differentiation** – Competitive market differentiation is important. The human brain is hardwired to notice what is different. Many developers view their product as the home itself and these developments are not distinctive. As potential renters shop one development against another they see the same products, with only subtle differences, and become bored, increasingly confused and hesitant to make a decision. Making a choice about where to live should be an exciting adventure for potential tenants.
- **Competitive Positioning** – In addition to differentiation, it is important to understand how to position the product offered against the primary competitors. The market places a high value on location.
- **Branding** – Branding is a promise, a vision, and an experience that communicates the concept of the apartments to the market. Innovation is what gives brands traction in the marketplace. Branding is a strategic process for developing a long-term vision for a place that is relevant and compelling to key audiences. Branding has the effect of enhancing local and regional awareness and position. A brand is more than the name and logo. It is the mental association between the name and a desirable image. Creating a recognizable brand is a long-term process, but one that pays large dividends. Branding at the Public Works yard should include an association with Fanno Creek Park.
- **Creating Urgency** – Creating urgency requires that potential renters become emotionally invested in the location, product, and lifestyle of the apartment project. The apartment must reinforce an image that is highly valued by the market. Opening prices should be below market to create initial rapid lease-up, which in turn communicates success and the perception to renters that if they do not act now it will be too late.

Site One: Public Works Yard

Concept

Because of its location on a quiet dead-end street on Fanno Creek Park, the overriding concept for Site One should be “laid back luxury.” Tenants will have the luxury and uniqueness of living in a quiet neighborhood without the noise, congestion, and lack of privacy sometimes associated with an urban environment. However, urban amenities are only a short distance away.

This concept and environment will not appeal greatly to the single Generation Y market or two singles living together as roommates. Eddyline at Bridgeport will be a much better choice for this demographic. The Important target markets for Site One include:

- Baby boomers downsizing and moving out of single family homes.
- Married Generation Y and X households with small children.
- Professional married couples or couples living together in a relationship.
- Divorced single women, particularly those with children.
- Older single widows and widowers.
- Single divorced dads with children who visit on weekends.

The Public Works yard will be significantly differentiated from its competitors by its location, environment, and density. The primary disadvantage will be the lack of visibility from a street with high volumes of traffic. A location on a major thoroughfare is helpful during lease-up because of the exposure to high traffic volumes.

Density

It is the City's goal to maximize density on the site and to design a project that is more urban in character than a typical suburban garden apartment. The location and the surrounding environment are conducive to achieving this goal, although some subsidy may be necessary. The amount of subsidy required, for an urban apartment in a suburban location, is proportional to density if structured parking is part of the design.

The factors that will influence the density for Site One include:

- The parking ratio, which should be a minimum of 1.5 spaces per unit to be competitive in the market. Particularly since there is not much opportunity for offsite parking in the immediate vicinity of the project site.
- Zoning with a minimum landscaping requirement of 20 percent.
- Zoning with a maximum density allowance of 50 units per acre.

Given the above requirements, it may be possible to achieve a density of approximately 35 units per acre (88 apartments) with three stories, no elevators, and surface parking on the 2.52-acre site. This density should not require a subsidy. A total of 132 parking spaces would be needed.

Table 12. Density and Site Coverage (35 Units per Acre)

	Assumptions	Site Coverage	
		Square Feet	Percent
Site Area (acre)	2.52	109,771	100.0%
Density (per acre)	35		
Units	88		
Average unit size (square feet)	950		
Leaseable Square Feet (Net Building Area)	83,790		
Building Efficiency	90%		
Gross Building Area	93,100		
Stories	3		
Site coverage (building footprint)		31,033	28.3%
Parking (spaces per unit)	1.5		
Parking spaces	132		
Size per space (including circulation)	325		
Site coverage (surface parking)		42,998	39.2%
Landscape Requirement		21,954	20.0%
Remainder for entry / set backs			
Areas between buildings, and other		13,786	12.6%

Source: Leland Consulting Group

As shown above, 35 units per acre without structured parking is theoretically achievable, although it may be pushing density limits without compromising the design. Approximately 13,800 square feet of site area would be available to meet setback requirements and surface area for the entry, areas between the buildings, and other vehicle and pedestrian circulation.

If tuck-under parking or some other form of structured parking under the buildings is added, it may be possible to achieve the maximum site density of 50 units per acre (126 apartments, 189 parking spaces). In this case it may also be necessary to serve the units with elevators because the market will not accept more than three flights of stairs. The project will be more attractive, efficient, and competitive if the buildings have elevators, but elevators do add to the cost.

Three design alternatives should be tested to determine the achievable density, the additional costs associated with the higher density alternatives, and whether a public subsidy will be required for the selected density to be economically feasible.

1. Three-story apartments with all surface parking without elevators.
2. Three-story apartments with tuck-under parking under portions of the building without elevators. Only two stories of residential apartments could be built over the tuck-under parking if there are no elevators. However, the top story could be apartments with lofts or larger townhouse apartments.
3. Three-story apartments with tuck-under parking or some other form of structured parking with elevators. All of the buildings may be four stories, or there could be some combination of three and four stories with ground-floor apartments in some locations. If elevators were part of the design, the apartments would most likely be interior loaded from hallways.

Table 13. Density and Site Coverage (50 Units per Acre)

	Assumptions	Site Coverage	
		Square Feet	Percent
Site Area (acre)	2.52	109,771	100.0%
Density (per acre)	50		
Units	126		
Average unit size (square feet)	950		
Leaseable Square Feet (Net Building Area)	119,700		
Building Efficiency	85%		
Gross Building Area	140,824		
Stories	3		
Site Coverage (building footprint)		46,941	42.8%
Parking (spaces per unit)	1.5		
Parking spaces	189		
Size per space (including circulation)	325		
Structured Parking under the building - spaces	87	28,233	25.7%
Site coverage (surface parking) - spaces	102	33,192	30.2%
Landscape Requirement		21,954	20.0%
Remainder for entry / set backs			
Areas between buildings, and other		7,684	7.0%

Source: Leland Consulting Group

As shown above it is theoretically possible to achieve a density of 50 units per acre, with 189 parking spaces (1.5 spaces per unit), if approximately 46 percent of the parking spaces are structured parking under the building (87 structured parking spaces and 102 surface spaces). Over 60 percent of the building area would require structured parking on the ground floor. If three stories of residences are built over the structured parking, elevators would be required. The 7,700 square feet of space dedicated to the entry, setbacks, etc., may be inadequate and should be tested with a physical master plan.

Because of the location and quality of the site, a density of less than 45 units per acre should be considered an underutilization of the site and the market opportunity. A design with elevators and some structured parking will also differentiate the apartments from the hundreds of nearby suburban garden apartments that will be competitive if Site One is built out at a lower density with only surface parking. Cannery Row in Sherwood Oregon is the best example of what might be achieved on Site One.



Figure 4. Cannery Row Rendering



Figure 5. Cannery Row, Sherwood



Figure 6. Cannery Row Parking

Unit Mix and Sizes

Based on the concept and the target markets for Site One, the recommended unit sizes and mix are shown below. Unit counts, sizes, and mix are preliminary and approximate and will be refined by the architects and other members of the planning team. The total of 120 units is a density of approximately 48 units per acre.

Table 14. Recommended Unit Sizes and Mix

Floor Plan	Unit Count	Unit Mix	Size (SF)
1BR / 1BTH	14	11.7%	650
1BR / 1BTH	19	15.8%	775
1BR / 1BTH Loft	15	12.5%	875
Subtotal (1BR)	48	40.0%	770
2BR / 1.5BTH	12	10.0%	925
2BR / 2BTH	14	11.7%	975
2BR / 2BTH	19	15.8%	1,050
2BR / 2BTH Loft	15	12.5%	1,150
Subtotal (2BR)	60	50.0%	1,033
3BR / 2BTH Loft	12	10.0%	1,250
Total/Average	120	100.0%	949

Source: Leland Consulting Group

Price Positioning

The recommended price positioning for Site One against the comparable and competitive set surveyed is as follows:

Table 15. Recommended Price Positioning

Apartment	Units	Average Size (SF)	Ave. Rent per SF	Average Rent
Headwaters	100	706	\$1.63	\$1,153
Cannery Row	101	826	\$1.38	\$1,137
Bell Tower at Old Town Square	52	663	\$1.46	\$985
Domaine @ Villebois (Bellecourt)*	48	840	\$1.44	\$1,186
Eddyline at Bridgeport (Ph. 1)	154	810	\$1.59	\$1,290
Main Street Village	237	1,003	\$1.09	\$1,090
Timber Ridge	238	878	\$1.46	\$1,282
Domaine @ Villebois (Beauparc)*	226	956	\$1.30	\$1,260
Jory Trail	324	972	\$1.16	\$1,128
Terrene	288	1,019	\$1.28	\$1,308
Total/Average	1,768	919	\$1.31	\$1,203
Site One (Public Works Yard)	120	949	\$1.40	\$1,325

Source: Leland Consulting Group and Real Facts

Based on the above, and a recommended average price of \$1.40 per square foot, the table below shows the recommended pricing by unit type for the mix described above. This pricing is based on a more luxurious, higher density design with elevator-served buildings and some structured parking. It is estimated that a simple three-story garden style apartment with surface parking and without elevators would be priced seven to 10 percent less at an average of approximately \$1.26 to \$1.30 per square foot.

Table 16. Recommended Pricing Structure by Unit Type

Floor Plan	Unit Count	Size (SF)	Average Rent	Rent Per SF	Annual Revenue
1BR / 1BTH	14	650	\$1,008	\$1.55	\$169,260
1BR / 1BTH	19	775	\$1,147	\$1.48	\$261,516
1BR / 1BTH Loft	15	875	\$1,330	\$1.52	\$239,400
2BR / 1BTH	14	975	\$1,326	\$1.36	\$222,768
2BR / 1.5TH	12	925	\$1,277	\$1.38	\$183,816
2BR / 2BTH	19	1,050	\$1,386	\$1.32	\$316,008
2BR / 2BTH Loft	15	1,150	\$1,610	\$1.40	\$289,800
3BR / 2BTH	12	1,250	\$1,563	\$1.25	\$225,000
Total/Average	120	949	\$1,325	\$1.40	\$1,907,568

Source: Leland Consulting Group

The one- and two-bedroom loft units should be located on the top floors. The lofts are open to the living area below. It is expected these units, in particular, will be in high demand because of the high ceilings and openness of the floor plan. The loft can be utilized as a bonus room, a den, an office, a children's play area, or a place for exercise equipment.

Leasing Target

Because a new apartment has not been constructed in Tigard for many years, it is difficult to accurately project absorption. In addition to the strength of the location and market conditions and trends, which are outside the control of the developer, absorption is dependent on the effectiveness of the marketing plan, the execution of that plan, the professionalism and quality of the sales director and leasing associates, and their ability to close leases as traffic arrives at the leasing office.

Thus, absorption should be viewed as a leasing target rather than a projection. A marketing plan needs to be designed that will achieve the target. If leasing is falling behind schedule, adjustments to the marketing plan, strategies, and budget should be made to accelerate leasing. If outside forces, out of the control of the developer, are the reason why the targets cannot be met, then the target needs to be reset to more realistic levels.

In order to set leasing targets it is relevant to understand what the competition has accomplished in the current market. Absorption in the most comparable apartments in the competitive and comparable set is Cannery Row in Sherwood, which is still in lease up, but has been absorbing at approximately 14 units per month since early December 2013. It is also expected that Eddyline will absorb rapidly once construction is further along.

Site One should achieve faster absorption than Cannery Row because it is in a better location closer to the freeways, the downtown, Washington Square, and other important landmarks. However, the project is not likely to achieve the lease volumes expected for Eddyline, which has high visibility from I-5 and is in a better location adjacent to Bridgeport Village.

A reasonable leasing target for Site One is 20 to 25 units per month, which would achieve 95 percent occupancy in approximately four to six months after occupancy. This lease-up period can be accelerated with preleasing.

Amenities

With only 90 to 125 units, community amenities for Site One should be limited to a clubhouse/community center, a fitness center, and possibly an outdoor landscaped courtyard with benches and a barbeque, personal storage units if there is a garage under the building, and bike storage. If the buildings are served by elevators, secure lobbies will provide controlled access, which is an important benefit for older tenants and single women. All of the other standard high tech features like Wi-Fi, high speed internet, and cable TV should be built into the structure. A pool and a spa are not necessary. A gated, card-controlled entry would be a major asset at a reasonable cost.

To be competitive with other new apartments in the market, unit features should be of the highest quality with a good quality appliance package, two to three different color palettes, granite counter tops, walk-in closets in the master bedroom, nine-foot ceilings, large windows to capture natural light, wood laminate floors in selected areas, and useable outdoor balconies large enough for a table, four chairs, a barbeque, and outdoor plants. It would be helpful from a marketing standpoint if the development were environmentally sustainable with LEED Certified buildings.

With the proximity of the dog park and Fanno Creek Park, the apartments should be pet-friendly. This will further differentiate the project from the competition.

Site Two: Commercial Street

Concept

The concept for the 14,000 square-foot Commercial Street property should be differentiated from Site One so they are not directly competitive. There is an opportunity to design an apartment that is more urban in character, similar to Headwaters Apartments near Multnomah Village, Bell Tower at Old Town Square in the Fred Meyer Shopping Center In Wilsonville, and the Bellecourt Building at Domaine at Villebois also in Wilsonville.



Figure 7. Headwaters at Tryon Creek



Figure 8. Bell Tower at Old Town Square



Figure 9. Bellecourt Building at Domaine (Villebois)

The target market, because of its higher density and more urban design, will appeal more to a younger singles market than Site One. The structured parking and high security will be particularly appealing to single women of all ages. Single Generation Y households are expected to be the predominant market, but older empty nester baby boomers will also find the apartments attractive, particularly if they travel frequently or winter in a warm climate. They can leave their apartment unoccupied for extended periods of time without worrying about their home and possessions.

Density

The objective on Site Two should be to maximize the density, which is zoned for up to 80 units per acre. The table below shows it is theoretically possible to achieve this density, or something close to it, with three stories of residences over structured parking. Thus, the apartments would need to be served with elevators.

With only a 14,000 square-foot site, it is likely not possible to build any retail under the apartments and still have enough room to meet the parking needs of the tenants at a ratio of 1.25 parking spaces per unit. With a larger site, ground-floor retail or office becomes a possibility. Because of the density and the addition of structured parking, Site Two will most likely require some public subsidy.

Table 17. Density and Site Coverage (80 Units per Acre)

	Assumptions	Site Coverage	
		Square Feet	Percent
Site Area (acre)	0.32	14,000	100.0%
Density (per acre)	80		
Units	26		
Average unit size (square feet)	840		
Leaseable Square Feet (Net Building Area)	21,598		
Building Efficiency	80%		
Gross Building Area	26,997		
Residential Stories	3		
Site Coverage (building footprint)		8,999	64.3%
Parking (spaces per unit)	1.25		
Structured Parking spaces	32		
Size per space (including circulation)	325	10,445	74.6%
Landscape Requirement		1,400	10.0%
Remainder for entry, driveway, set backs, etc.		2,155	15.4%

Source: Leland Consulting Group

Unit Mix and Sizes

The recommended unit mix for Site Two is an approximate 60/40 mix between studios and one-bedroom units and two-bedroom apartments. The average size is 838 square-feet compared to approximately 950 square-feet for Site One. The one bedroom loft units should all be located in the top floor along with as many two-bedroom units as the floor size will accommodate, provided that the stacking of load-bearing walls and plumbing is not compromised. All of the top-floor penthouse units should have vaulted ceilings.

Table 18. Recommended Unit Sizes and Mix

Floor Plan	Unit Count	Unit Mix	Size (SF)
Studios	4	15.4%	550
1BR / 1BTH	7	26.9%	725
1BR / 1BTH Loft	5	19.2%	850
Subtotal (Studio & 1BR)	16	61.5%	720
2BR / 1BTH	4	15.4%	950
2BR / 2BTH	6	23.1%	1,075
Subtotal (2BR)	10	38.5%	1,025
Total/Average	26		838

Source: Leland Consulting Group

Price Positioning

Site Two residences are price positioned against other urban apartments in the southwest suburbs in the comparable and competitive set as shown below. An average price point of approximately \$1.35 per square foot should be the target compared to \$1.40 for Site One.

The location on Commercial Street is inferior to the surrounding environment of the other urban comparables shown, and the character of the area also does not have the privacy, quiet, and adjacency to Fanno Creek Park that defines Site One.

Headwaters is overall in a better, closer in location on a quiet street, close to Multnomah Village. Cannery Row is within one block of Old Town Sherwood with its charming urban village environment. Bell Tower is located in a 200,000 square-foot pedestrian friendly Fred Meyer shopping center next door to McMenamins Restaurant and Pub, and is near other restaurants and retail services. The Domaine at Villebois is part of a much larger apartment development with 274 apartments, in an attractive suburban environment

Table 19. Recommended Price Positioning

Apartment	Units	Ave. Price per SF	Average Size	Average Rent
Headwaters	100	\$1.63	706	\$1,153
Cannery Row	101	\$1.38	826	\$1,137
Bell Tower at Old Town Square	52	\$1.46	663	\$985
Domaine @ Villebois (Bellecourt)*	48	\$1.44	840	\$1,186
Eddyline at Bridgeport (Ph. 1)	154	\$1.59	810	\$1,290
Total/Average	455	\$1.52	777	\$1,180
Site One (Public Works Yard)	120	\$1.40	949	\$1,325
Site Two (Commercial Street)	26	1.35	838	\$1,135

Source: Leland Consulting Group and Real Facts

The average recommended rent of approximately \$1.36 per square foot is distributed among the different unit types as follows:

Table 20. Recommended Pricing Structure by Unit Type

Floor Plan	Unit Count	Size (SF)	Average Rent	Ave. Rent Per SF	Annual Revenue
Studios	4	550	\$770	\$1.40	\$36,960
1br/1bth	7	725	\$993	\$1.37	\$83,433
1br/1bth (loft)	5	850	\$1,190	\$1.40	\$71,400
2br/1bth	4	950	\$1,283	\$1.35	\$61,560
2br/2bth	6	1,075	\$1,398	\$1.30	\$100,620
Total/Average	26	838	\$1,135	\$1.35	\$353,973

Source: Leland Consulting Group

Leasing Target

Expectation for leasing on Site Two should be relatively conservative. Cannery Row in Sherwood is leasing up at an average of approximately 14 units per month. Given this performance a reasonable leasing target for Site Two would be eight units per month, which, with only 26 units, would result in 95 percent occupancy in approximately three months.

Amenities

The Site Two apartments are too small to support community amenities other than secure, access-controlled parking and a small lobby with elevators. Unit amenities should be the same as those described for Site One including

- Wi-Fi, high speed internet, and cable TV;
- A good quality appliance package;
- Granite counter tops;
- Walk-in closets in the master bedroom;
- Nine-foot ceilings in the first two floors and higher vaulted ceilings in the top floor;
- Large windows to capture natural light;
- Wood laminate floors in selected area;
- Outdoor balconies can be much smaller and more decorative than useable; and
- LEED certified construction.

Conclusion

Site One provides an unusual market opportunity to develop a contemporary apartment complex on an attractive infill site in an excellent location. Although access from the freeway system and Pacific Highway is not ideal, the seclusion and privacy of the site should overcome this challenge. Fanno creek Park is a significant amenity.

Site Two, although in a good general location, is in a somewhat compromised urban environment, particularly in relation to the other apartments surveyed as part of this assignment. There is no real sense of place or neighborhood. The buildings in the general area of the site are old and architecturally insignificant. Currently, Commercial Street has the appearance of a strip commercial street rather than a neighborhood. In time, as the area redevelops, this environment will change.

However, attractive apartments located on Site Two have the advantage of high visibility and are likely to find a market because of a convenient location that is much closer to Portland and significant landmarks like Washington Square, Costco, Kruse Way, and other attractions. The general closer-in location is superior to Bell Tower, and Domaine at Villebois in Wilsonville, and Cannery Row in Sherwood, even though the surrounding environment is not as attractive.

Apartment development on Sites One and Two does not entail an inordinate amount of risk over the next 18 to 24 months because of the strength of the market coupled with infill locations closer to the central city and major shopping and employment centers.

Because of the quality and lifestyle offered on Site One, the risk is less than development on Site Two. However, because there are relatively few residences planned for Site Two, the recommended leasing target of eight units per month still results in 95% occupancy in only three months. Even if the rate of lease-up for Site Two were below expectations, in a worst case scenario, 95 percent occupancy would most likely still be achieved in six to eight months.

Appendix A

Detailed Characteristics of Competitive and Comparable Apartments

Urban Designed Apartments (Suburban Locations)

Headwaters Apartments

SW 30th and Dolph Ct.; Portland (near SW 30th & Barbur Blvd., one half mile south of Multnomah Village)

Bedrooms/ Baths	Units	Mix	Square Feet	Rent		Per SF
				Low	High	
1BD / 1BTH	56		603	\$1,025	\$1,070	\$1.72
1BD / 1BTH	12		641	\$1,045	\$1,090	\$1.66
1BD / 1BTH	8	76.0%	648	\$1,045	\$1,090	\$1.65
2BD / 2BTH	16		956	\$1,445	\$1,550	\$1.55
2BD / 2BTH	8	24.0%	1,088	\$1,500	\$1,600	\$1.41
Total/Average	100	100.0%	706	\$1,153		\$1.63
Occupancy	99%					

Source: Real Facts

- Opened January, 2007
- Public/private joint venture between PDC and Winkler Development Corporation
- One Building; four stories over structured parking with some surface parking; elevators; no retail (total of five stories).
- Also includes 56 affordable senior apartments and Dolph Creek Townhomes (14 townhouses) all in separate buildings.
- Winkler purchased the three-acre site in 1999 for \$475,000. PDC bought part of the land in 2004 for \$675,000 and paid Winkler \$500,000 as developer fee for building the apartments. PDC owns the apartments.
- Average density including apartments, senior housing and townhouses is approximately 57 units per acre.
- Energy efficient; environmentally sustainable; LEED certified.
- \$14.7 million in public subsidies
 - \$12 million in 30-year revenue bonds from the City (debt service paid from rent revenue).
 - \$1.9 million from housing investment fund (requires tenants earn 80% of median family income or less).
 - Plus property tax exemption (equates to an average of \$85 per month in rent).
 - Taxpayer subsidy is approximately \$100,000 per year.

Cannery Row

Adjacent to the historic Old Town area of Sherwood with urban amenities

Bedrooms/ Baths	Units	Mix	Square Feet	Rent		
				Low	High	Per SF
Studio	16	15.8%	544	\$840	\$840	\$1.54
1BD / 1BTH	20		624	\$995	\$995	\$1.59
1BD / 1BTH	19	38.6%	899	\$1,070	\$1,140	\$1.22
1BD / 1BTH Loft	6	5.9%	852	\$1,199	\$1,299	\$1.45
2BD / 1BTH	22	21.8%	878	\$1,215	\$1,260	\$1.40
2BD / 2BTH	4	4.0%	1,157	\$1,365	\$1,425	\$1.20
3BD / 2BTH	11		1,154	\$1,445	\$1,585	\$1.29
3BD 2BTH	3	13.9%	1,166	\$1,430	\$1,480	\$1.24
Total/Average	101	100.0%	826	\$1,137		\$1.38
Occupancy	60%					

Source: Real Facts

- Opened December 6, 2013
- 1.8 acre site; density is 56 units per acre.
- Parking ratio is 1:1 plus considerable amount of on street parking.
- Public/private joint venture between the City and Capstone Partners.
 - Land write down based on residual land value analysis (5.5% cap; 7% development yield).
- 2 buildings (east building – 48 units; west building- 54 units) 3 stories, elevators, no retail. 22 different floor plans.
- Leased 60 units in approximately 4 months (average absorption of 15 units per month).
- Community/entertainment room, fitness center, granite counter tops, 10-foot ceilings, walk-in closets, and controlled access through hotel style lobbies.
- Surface parking, some tuck under parking, and on street parking around and between the buildings.
- System development charges were \$18,000 per unit.
- Majority of tenants coming from Sherwood, Newberg, Tualatin, Tigard, Beaverton, and Wilsonville.

Bell Tower at Old Town Square

Wilsonville in the Fred Meyer Shopping Center adjacent to and west of I-5.

Bedrooms/ Baths	Units	Mix	Square Feet	Rent		
				Low	High	Per SF
Studio	15		455	\$799	\$799	\$1.76
Studio	15	57.7%	634	\$950	\$950	\$1.50
1BD / 1BTH	10		728	\$975	\$975	\$1.34
1BD / 1BTH	10	38.5%	866	\$1,180	\$1,180	\$1.36
2bd/1bth	1		1,023	\$1,599	\$1,599	\$1.56
2bd/1.5bth	1	3.8%	1,198	\$1,840	\$1,840	\$1.54
Total/Average	52	100.0%	663	\$985		\$1.48
Occupancy	98%					

Source: Real Facts

- Opened in 2013
- One building with three residential stories above 4,944 square feet of retail and structured parking. Also has some surface parking. Charge for structured parking is \$75 per month.
- 19 different floor plans (8 studio plans, 9 one bedroom plans, and 2 two bedrooms plans).
- Parking ratio is one space per unit.
- 52 units on 0.92 acres (40,075 square feet); density of 56.5 units per acre.
- Located in the 195,000 square foot Fred Meyer Shopping Center (Fred Meyer - 145,000 square feet; and 50,000 square feet of other retail, restaurants, and office space).
- Pedestrian friendly environment.
- Public/private partnership. Subsidies include a land write down by Gramor, the shopping center developer, and urban renewal funds.

Domaine at Villebois (Bellecourt)

28900 SW Villebois, Wilsonville west of I-5

Bedrooms/ Baths	Units	Mix	Square Feet	Rent		
				Low	High	Per SF
Studio	6	12.5%	527	\$925	\$955	\$1.77
1BD / 1BTH	3		702	\$1,099	\$1,105	\$1.57
1BD / 1BTH	12		776	\$1,079	\$1,175	\$1.45
1BD / 1BTH	6		814	\$1,119	\$1,215	\$1.43
1BD / 1BTH	3	50.0%	860	\$1,164	\$1,260	\$1.41
2BD / 2BTH	12		992	\$1,255	\$1,390	\$1.33
2BD / 2BTH	3		1,053	\$1,235	\$1,355	\$1.23
2BD / 2BTH	3	37.5%	1,074	\$1,305	\$1,420	\$1.27
Total/Average	48	100.0%	840	\$1,186		\$1.44
Occupancy	94%					

Source: Real Facts

- Opened in 2008
- One out of the 12 buildings is urban in character and is called Bellecourt. The other 11 buildings are three story garden apartments called Beauparc.
- Bellecourt is three stories above retail, with elevators. No structured parking.

Eddyline at Bridgeport

SW Lower Boones Ferry Road; Site is in both Tigard and Durham; Adjacent to and south of Bridgeport Village

Bedrooms/ Baths	Units	Mix	Square Feet	Rent		
				Low	High	Per SF
1BD / 1BTH	43		630	\$1,100	\$1,170	\$1.78
1BD / 1BTH	36		730	\$1,115	\$1,200	\$1.57
1BD / 1BTH	28		762	\$1,250	\$1,325	\$1.67
1BD / 1BTH	2		815	\$1,225	\$1,285	\$1.53
1BD / 1BTH	6	74.7%	902	\$1,450	\$1,535	\$1.64
2BD / 2BTH	23		1,053	\$1,520	\$1,605	\$1.47
2BD / 2.5BTH	2	16.2%	1,291	\$1,740	\$1,780	\$1.36
2BD TH	3		789	\$1,400	\$1,525	\$1.69
2BD TH	3	3.9%	868	\$1,440	\$1,525	\$1.69
3BD / 2BTH	8	5.2%	1,415	\$1,790	\$1,350	\$1.27
Total/Average	154	100.0%	823	\$1,290		\$1.59
Occupancy	Under Construction					

Source: Real Facts

- First phase is the East building and is under construction with a total of 154 units. A portion of these units was available for occupancy March 15, 2014. The first phase will be fully completed by this summer.

- A second phase of 271 units will be completed in late 2014 and early 2015. The unit count will total 367 when complete.
- Preleased 11 units in March 2014.
- Developer is Mill Creek Residential Trust
- Four stories, with elevators, 23,000 square feet of freestanding on Lower Boones Ferry Road in front of the apartments.
- Structured parking with four levels in the center of the buildings. Tenants can park on the floor in which their unit is located.
- Three bedrooms are most popular floor plans. Vacancies are mostly one-bedroom units.
- Units are clustered around surface parking. Parking ratio is 1.58 spaces per unit.
- Site is 8.96 acres (average gross density of 41 units per acre).
- Amenities include a clubhouse, swimming pool with a large sun deck, outdoor courtyards, entertainment room, billiards room, reading room, fitness center, conference room, granite countertops, walk-in closets.
- The project is pet friendly and has a pet spa.

Suburban Garden Apartments

Main Street Village

Entry is on Main Street in Downtown Tigard

Bedrooms/ Baths	Units	Mix	Square Feet	Rent		
				Low	High	Per SF
1BD / 1BTH	100	42.2%	773	\$900	\$900	\$1.16
2 BD / 2BTH	75	31.6%	1,096	\$1,015	\$1,120	\$0.96
3BD / 2BTH	62	26.2%	1,265	\$1,440	\$1,460	\$1.14
Total/Average	237	100.0%	1,003	\$1,090		\$1.09
Occupancy	98%					

Source: Real Facts

- Opened in 1994.
- 26 Buildings, 2 and 3 stories.
- Clubhouse, fitness center, spa, playground, swimming pool.
- Surface parking with garages and carports.
- Adjacent to Fanno Creek Park to the southeast.

Timber Ridge Apartments

Off of NW Barnes Road in Cedar Mill west of St. Vincent Hospital. (Formerly Teuffel Nursery)

Bedrooms/ Baths	Units	Mix	Square Feet	Rent		
				Low	High	per SF
1BD / 1BTH	80	33.6%	694	\$1,123	\$1,213	\$1.66
2BD / 1BTH	30		882	\$1,110	\$1,154	\$1.28
2BD / 1BTH	50		943	\$1,145	\$1,250	\$1.25
2BD / 2BTH	40		982	\$1,473	\$1,566	\$1.53
2BD / 2BTH	20		1,006	\$1,473	\$1,560	\$1.49
2BD / 2BTH	10	63.0%	1,089	\$1,649	\$1,742	\$1.54
3BD / 2BTH	8	3.4%	1,194	\$1,620	\$1,690	\$1.38
Total/Average	238	100.0%	878	\$1,282		\$1.46
Occupancy	95%					

Source: Real Facts

- Opened in 2010
- 5.5 acres (density of 43 units per acre).
- 15 buildings. Four stories with garages on the lowest floor. (Built on a slope with three stories of residential above a ground floor daylight basement with single car garages).
- Garages are on the south side of the buildings at ground level (first floor). Front door is on the north side of the buildings, but are also at ground level because of the slope.
- Mostly surface parking
- No community amenities.

Domaine at Villebois (Beauparc)

28900 SW Villebois, Wilsonville (west of I-5)

Bedrooms/ Baths	Units	Mix	Square Feet	Rent		
				Low	High	Per SF
1BD / 1BTH	37		702	\$1,009	\$1,090	\$1.48
1BD / 1BTH	28		776	\$1,079	\$1,170	\$1.43
1BD / 1BTH	14		814	\$940	\$1,200	\$1.26
1BD / 1BTH	12	40.3%	860	\$1,245	\$1,245	\$1.45
2BD / 2BTH	28		992	\$1,280	\$1,395	\$1.33
2BD / 2BTH	40		1,023	\$1,080	\$1,415	\$1.16
2BD / 2BTH	32		1,053	\$1,235	\$1,430	\$1.23
2BD / 2BTH	12	49.6%	1,074	\$1,310	\$1,490	\$1.28
3BD / 2BTH	23	10.2%	1,367	\$1,435	\$1,865	\$1.15
Total/Average	226	100.0%	956	\$1,260		\$1.30
Occupancy	93%					

Source: Real Facts

- Opened in 2008
- 11 buildings three story walk - up garden apartments.
- Surface parking with some garages.
- Clubhouse, fitness center, playground, swimming pool.

Jory Trail at the Grove

8750 SW Ash Meadow Road, Wilsonville (east of I-5)

Bedrooms/ Baths	Units	Mix	Square Feet	Rent		
				Low	High	per SF
1BD / 1BTH	84	25.9%	700	\$885	\$950	\$1.30
2BD / 1BTH	60		878	\$1,020	\$1,020	\$1.16
2BD / 1BTH	56	35.8%	928	\$995	\$995	\$1.07
2BD / 1BTH Loft	28	8.6%	1,056	\$1,270	\$1,270	\$1.20
2BD / 2BTH	48		1,150	\$1,345	\$1,345	\$1.17
2BD / 2BTH	24	22.2%	1,307	\$1,320	\$1,320	\$1.01
3BD / 2BTH	12		1,243	\$1,405	\$1,405	\$1.13
3BD / 2BTH	12	7.4%	1,716	\$2,000	\$2,000	\$1.17
Total/Average	324	100.0%	972	\$1,128		\$1.16
Occupancy	91%					

Source: Real Facts

- Opened May, 2012
- Developer: Holland Residential
- 95% occupied in three months (absorption of 102 units per month).
- 14 buildings; 3 story walkup
- Clubhouse, Fitness Center, Playground, Swimming pool

- 23 acres (average density of 14 units per acre).
- Parking ratio (1.6 spaces per unit).

Terrene Apartments

8890 SW Ash Meadows Circle, Wilsonville, east of I-5

Bedrooms/ Baths	Units	Mix	Square Feet	Rent		per SF
				Low	High	
1BD / 1BTH	36		703	\$970	\$1,020	\$1.40
1BD / 1BTH	36	25.0%	842	\$1,025	\$1,035	\$1.22
2BD / 2BTH	60		878	\$1,175	\$1,200	\$1.35
2BD / 2BTH	50		928	\$1,187	\$1,245	\$1.30
2BD / 2BTH	44	53.5%	1,150	\$1,400	\$1,520	\$1.25
3BD / 2BTH	38	13.2%	1,241	\$1,667	\$1,722	\$1.36
4 BD	24	8.3%	1,715	\$1,895	\$1,895	\$1.10
Total/Average	288	100.0%	1,019	\$1,308		\$1.28
Occupancy	43%					

Source: Real Facts

- Opened June 2013.
- Developer: Holland Residential
- Leased approximately 124 units in nine months (absorption rate of 14 units per month).
- One bedroom and four bedroom floor plans are the most popular units.
- Clubhouse, fitness center, playground, swimming pool.
- Have corporate suites available.



Tigard Development - Design Workshop

2014/08/14

Ash & Burnham / Ash & Commercial

Notes from August 11, 2014, 2-4PM

@ The Center for Architecture, 403 NW 11th Avenue, Portland, OR 97209

Attendees:

Jeff Stuhr	Holst Architecture
Dave Otte	Holst Architecture
Brian Kimura	Holst Architecture
Councilor Marland Harrison	Tigard City Council
Tom Murphy – Chair	City Center Advisory Commission
Richard Shavey	City Center Advisory Commission
Calista Fitzgerald	Tigard Planning Commission
Elise Shearer	Tigard Transportation Advisory Committee
Steve DeAngelo – President	Tigard Downtown Alliance
Chris Gartek	Tigard Dog Park Committee
Neal Brown	
George Diamond	
Nick Diamond	
John Spencer	
Craig Dirksen – Councilor	Metro
Megan Gibb	Metro
Gerry Uba	Metro
Kenny Asher – Community Development Director	Tigard City Staff
Sean Farrelly – Redevelopment Project Manager	Tigard City Staff
Lloyd Purdy – Economic Development Manager	Tigard City Staff
Steve Martin – Parks and Facilities Manager	Tigard City Staff

Meeting Notes (by Dave Otte)

Introduction:

Kenny Asher provided an introduction to the goals and schedule of the project, noting we are at the beginning phase of establishing the feasibility of development on the two properties. The goal of the workshop is to keep all stakeholders informed of the process and to provide a venue for feedback about the design.

Site 1: Ash & Burnham:

Holst Architecture presented the preferred alternative for Ash and Burnham, which includes 128 units across four buildings on 3.4 acres, 2.4 of which are buildable. Three of the buildings would be along Fanno Creek Park and would be three stories tall, with a shared public space adjacent to the park between buildings 1 and 2. The fourth building would be on the SW corner of Ash and Burnham and would be 5 stories tall, with approximately 5,000 square feet of space on the ground floor for commercial or amenity use. The parking ratio would be 1:1, resulting in 128 parking spaces



on a surface lot on the south end of the parcel with some “tuck under” parking beneath buildings 1, 2, and 4. Building 4 would replace the existing dog park. Sean Farrelly noted there is a proposal to move the dog park adjacent to Fanno Creek Park to the north of Ash Street. Comments included ideas for setback balconies on the 5 story building, community spaces on the roofs for views of Fanno Creek Park, and community gardens in the shared public spaces. There were concerns around parking and safety for the dog park, and a concern for the parking needs of residents that have more than one car.

Site 2: Ash & Commercial

Holst Architecture presented three schemes for Ash and Commercial.

The first scheme included a 14,000 sf mid-block parcel with 20 units in a four story building including 2820sf of ground floor space for retail, lobbies, and amenities. On grade and tuck-under parking would be included for 26 cars, which accounts for a 1:1 residential ratio and 6 spaces for retail.

The second scheme included the parcel on the corner of Ash and Commercial for a 38,000 sf site and a new space for Eagles Club on the ground floor. This scheme yields a three story building with 44 residential units on two floors over a ground floor of 2775 sf of retail and 6898 sf for Eagles, with surface and tuck-under parking at the rear of the lots for 63 parking spaces total. This accounts for a 1:1 parking ratio for the residential units, 12 spaces for Eagles Club, and 7 spaces for the retail.

The third scheme also includes the corner of Ash and Commercial for a 38,000 sf site but assumes Eagles Club would not be accommodated on site. This allows for more residential parking, resulting in 64 units with a 1:1 parking ratio, and 2925 sf of ground floor retail with 7 parking spaces.

Comments included the sentiment that smaller sites like these in Downtown Tigard should be considered for reductions in require parking, as the parking ratio ends up driving the development size and yields heights and densities significantly less than what is allowed and intended by the zoning code. Other commenters noted that development of this site is less likely or viable today than Site 1, and that site 1 should be considered the priority for Tigard.

Precedent Studies:

Holst Architecture presented a number of precedent studies to the group including similar projects local to the Southwest region of the Portland Metro area, sustainable projects, modern vs. traditional designs, options for materiality, and open space / exterior designs.

In no specific order of importance, the following themes came out of the discussion:

- Preference for aesthetics that are sympathetic to the nature of Fanno Creek and the transitional nature of this part of Tigard.
- Avoid “risky” or “uncomfortable” or “dead space” designs.
- Use color and natural materials with articulation, balconies, step backs, and detail. Avoid boxes, smooth planes, and monotonous facades.



- The majority of commenters preferred sloped roofs, but that sentiment was not unanimous. There was a majority opinion that the design should be a realistic blend of traditional aesthetics that can bridge to the younger generations.
- Capitalize on Fanno Creek and the natural environment surrounding the site – integrate the creek whenever possible.
- Sustainability measures should be simple and integral to the design rather than tacked on. Orientation, shading, connections to nature, etc.

Conclusion:

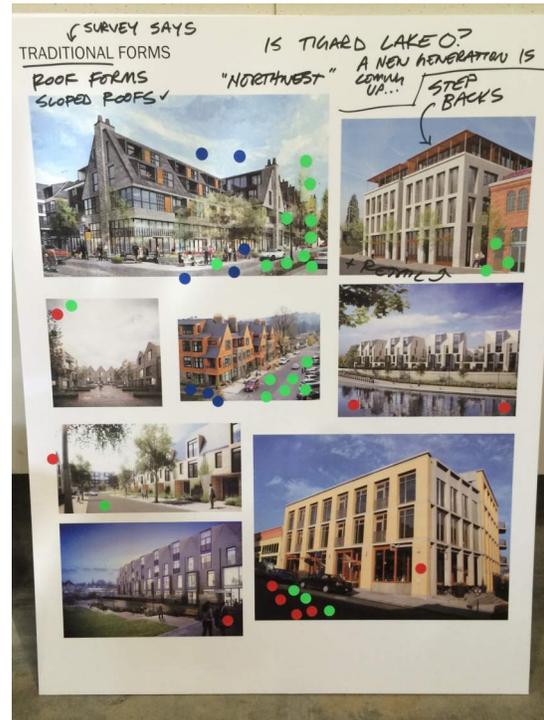
Kenny Asher concluded the meeting. He noted next steps include a development agreement with George Diamond that is about 90 days out, and then working on final design and permitting. Kenny noted the goal of beginning construction in July 2015. He urged all attending stakeholders to actively participate in the future of these projects, and to continue to provide their perspectives and expertise to ensure that the projects progress for the benefit of Tigard.

Photos:









End of Meeting Notes

(Please contact Holst Architecture with any comments or corrections to these meeting notes within 5 days of receipt)

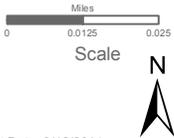


Potential Site

Potential Site

Existing Ash Ave. Dog Park

Potential Sites for Relocated Dog Park



Print Date: 8/12/2014
File Location: \\Tiggisdb\gis_projects\CD_projects\LRPLN\Sean\DogPark.mxd



13125 SW Hall Blvd
Tigard, Oregon 97223
503 . 639 . 4171
www.tigard-or.gov



AIS-1846

4.

CCDA Agenda

Meeting Date: 09/02/2014

Length (in minutes): 10 Minutes

Agenda Title: Main Street Gateway Art Update

Submitted By: Sean Farrelly,
Community
Development

Item Type: Update, Discussion,
Direct Staff

Meeting Type: City Center
Development
Agency

Public Hearing No

Newspaper Legal Ad Required?:

Public Hearing Publication

Date in Newspaper:

Information

ISSUE

Receive update on Main Street art and gateway design

STAFF RECOMMENDATION / ACTION REQUEST

No CCDA Board action is requested.

KEY FACTS AND INFORMATION SUMMARY

Public art was identified in the Tigard Downtown Streetscape Design Plan as an important element “to bring more vitality to the downtown experience by creating a set of interconnected places and emphasizing the flow of people, history, and nature.”

On January 7, 2014 the Board of the CCDA approved the “Petals” concept by artist Brian Borrello that was recommended by the CCAC, and the CCAC Public Art Subcommittee.

Borrello was given a notice to proceed and has completed final design, including review by a structural engineer, of the 16 foot tall sculptures. The steel elements are currently being fabricated. The pieces will then be welded, painted and transported to the city, likely to be stored at the Public Works Yard until time for installation. A plan to maintain the artwork has also been submitted. The goal is to install the artwork along with gateway improvements after the Main Street green street construction has wrapped up in November.

The city also contracted with Koch Landscape Architecture on a plan for the gateway area landscaping lighting plan, and stonework. The firm has completed 70% design construction

documents for the gateway. It will feature a stone wall, including built in seating, made of rock similar to the Hall and Burnham gateway. It will feature the message “Welcome to Downtown Tigard.” The artwork would rest on a mounded area behind the wall, increasing its visibility.

The landscape architects studied the northeastern corner of the north gateway (adjacent to Sierk Orthodontics) to determine whether a smaller gateway wall could fit within the ROW. It was determined there was not sufficient room to build a wall and lighting without purchasing property. Electrical service would also need to be installed. This could significantly increase the costs of the project. It could potentially be pursued at a later date.

One factor in timing of the project is the requirement for OODT to review and permit the artwork and the gateway treatments in what is technically ODOT right-of-way. The city has an IGA with ODOT to allow a project in the ROW, however they need to review sight distances, lighting, etc. This has taken a number of weeks. The permit is expected in the next month.

OTHER ALTERNATIVES

No CCDA Board action is requested.

COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS

Tigard Downtown Streetscape Design Plan

DATES OF PREVIOUS CONSIDERATION

January 7, 2014: Consider Approval of the CCAC/Public Art Subcommittee Recommended Gateway Art Concept

October 1, 2013

July 23, 2013

May 7, 2013

March 6, 2012

Fiscal Impact

Cost: \$185,000

Budgeted (yes or no): Yes

Where Budgeted (department/program): CCDA

Additional Fiscal Notes:

The projected budget includes the artwork (\$74,000), and gateway design and construction (estimated \$111,000) .

Attachments

Gateway 70% Construction Documents



City of Tigard
Downtown Redevelopment

13125 SW Hall Blvd.
Tigard, OR 97223
Ph: 503-639-4171

REVISIONS / RELEASES
NO. DATE DESCRIPTION

KLA
KOCH LANDSCAPE ARCHITECTURE
1621 NORTHEAST SECOND AVENUE
PORTLAND, OREGON 97232
p503.286.7175 f503.286.7979

TIGARD ENTRYWAY MONUMENT

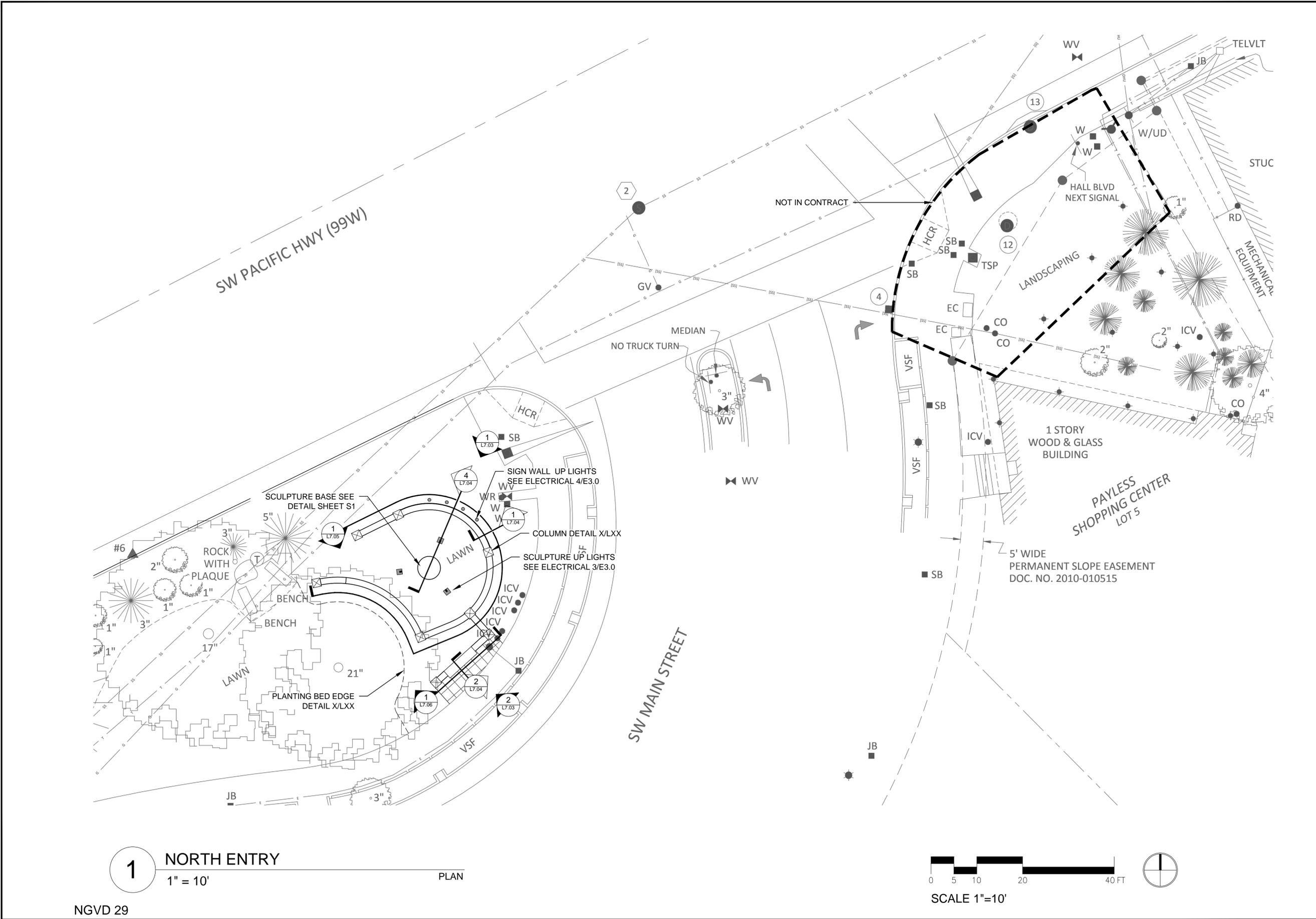
70% CONSTRUCTION DOCUMENTS

PRELIMINARY NOT FOR CONSTRUCTION

DESIGNED BY: KLA
DRAWN BY: ML
CHECKED BY: SK
APPROVED BY: ---
PROJECT NO: 1302
DATE: 13-August-2014



L2.01



1 NORTH ENTRY
1" = 10'
PLAN



NGVD 29

THIS DRAWING IS FULL SIZE WHEN 22" X 34" OR IS REDUCED TO HALF SCALE WHEN 11" X 17"

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City of Tigard
Downtown Redevelopment

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REVISIONS / RELEASES
NO. DATE DESCRIPTION



TIGARD ENTRYWAY MONUMENT

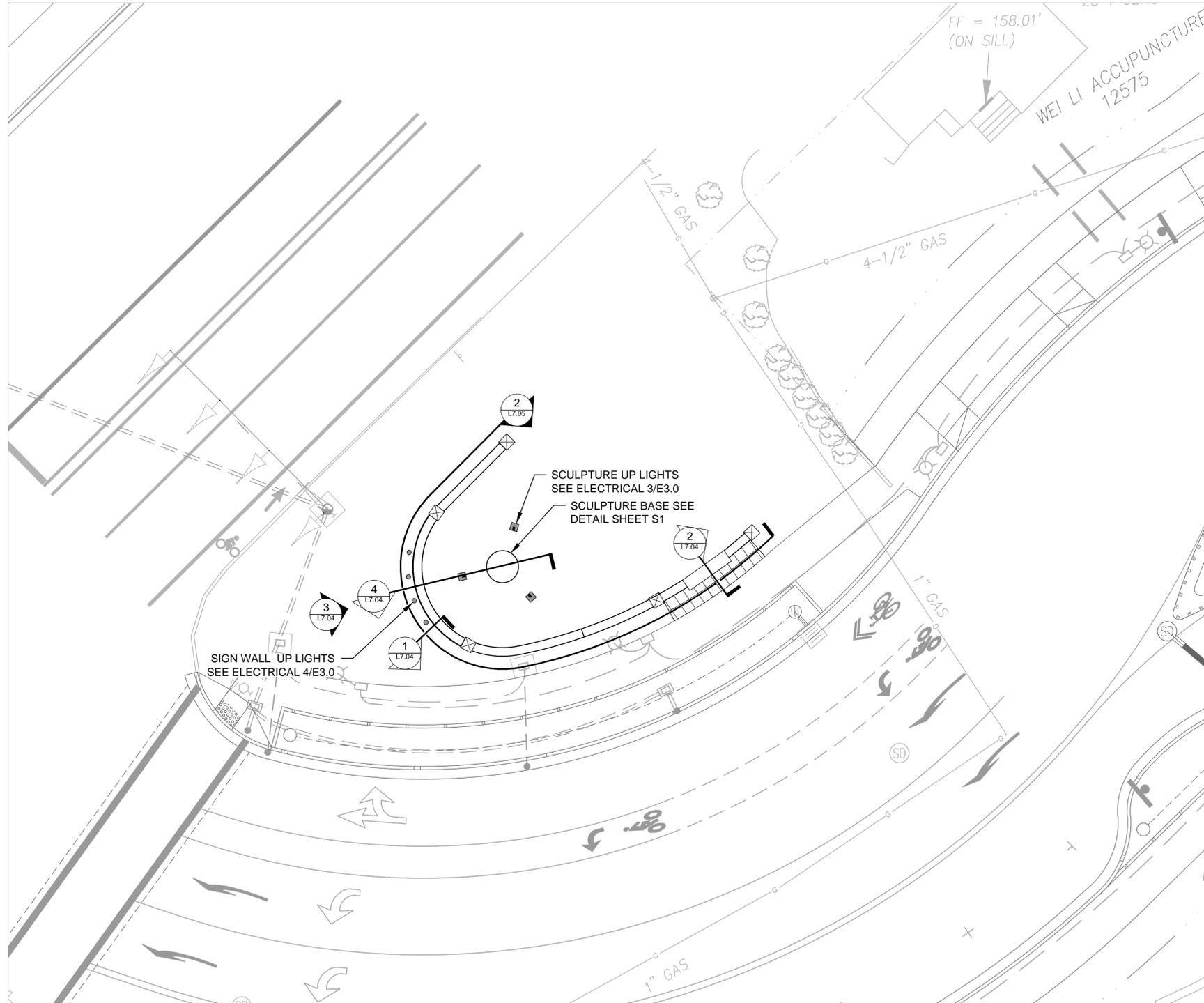
70% CONSTRUCTION DOCUMENTS

**PRELIMINARY
NOT FOR
CONSTRUCTION**

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DRAWN BY: ML
CHECKED BY: SK
APPROVED BY: ---
PROJECT NO: 1302
DATE: 13-August-2014



L2.02



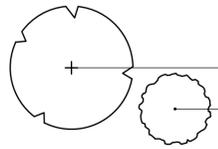
1 SOUTH ENTRY
1" = 10'
PLAN



NGVD 29

THIS DRAWING IS FULL SIZE WHEN 22" X 34" OR IS REDUCED TO HALF SCALE WHEN 11" X 17"

PLANTING SCHEDULE



TREES

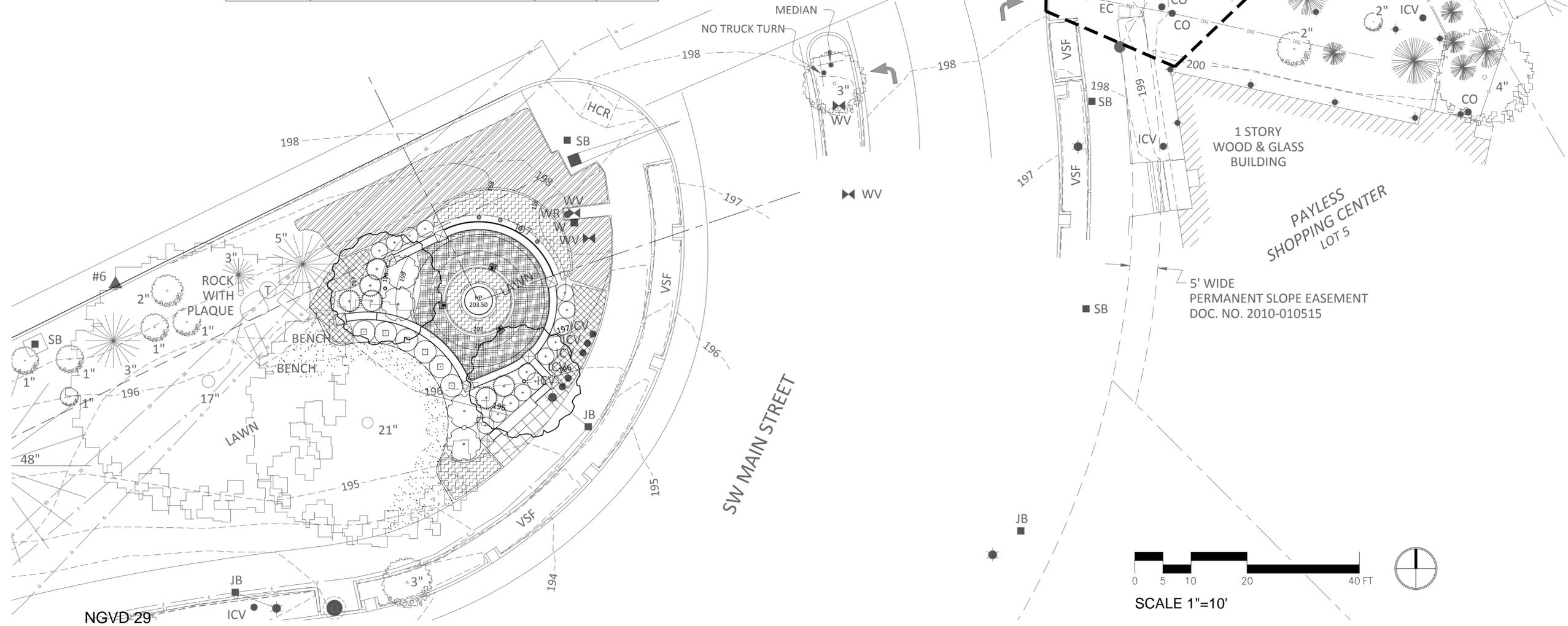
ABBREVIATION	BOTANICAL NAME / COMMON NAME	SIZE	SPACING
AR	Acer rubrum 'Franksred' Red Sunset Maple	3" CAL.	AS SHOWN
ML	Magnolia x loebneri 'Leonard Messel' Leonard Messel Magnolia	3.5" CAL. STANDARD	AS SHOWN

SHRUBS

ABBREVIATION	BOTANICAL NAME / COMMON NAME	SIZE	SPACING
MY	Miscanthus sinensis 'Yakushima' Dwarf Maiden Grass	5 GAL	AS SHOWN
SJ	Spiraea japonica 'Alpine Nana' Alpine Spirea	5 GAL	AS SHOWN
VS	Viburnum plicatum 'Summer Snowflake' Summer Snowflake Viburnum	5 GAL	AS SHOWN
VB	Viburnum tinus 'Spring Bouquet' Spring Bouquet Viburnum	5 GAL	AS SHOWN

GROUNDCOVERS

SYMBOL	BOTANICAL NAME / COMMON NAME	SIZE	SPACING
	Lawn Sod	-	-
	Cotoneaster procumbens 'Streibs Finding' Streibs Finding Cotoneaster	1 GAL	18" O.C.
	Liriope muscari 'Silvery Sunproof' Silvery Sunproof Lily Turf	1 GAL	18" O.C.
	Rosa x 'Noamel' P.P. 10239 Apple Blossom Flower Carpet Rose	3 GAL	24" O.C.
	Saponaria ocymoides Soapwort	1 GAL	18" O.C.



City of Tigard
Downtown Redevelopment

13125 SW Hall Blvd.
Tigard, OR 97223
Ph: 503-639-4171

REVISIONS / RELEASES
NO. DATE DESCRIPTION



TIGARD ENTRYWAY
MONUMENT

70% CONSTRUCTION
DOCUMENTS

PRELIMINARY
NOT FOR
CONSTRUCTION

DESIGNED BY: KLA
DRAWN BY: ML
CHECKED BY: SK
APPROVED BY: ---
PROJECT NO: 1302
DATE: 13-August-2014



PLANTING
PLAN - NORTH

L6.01

NGVD 29

THIS DRAWING IS FULL SIZE WHEN 22" X 34" OR IS REDUCED TO HALF SCALE WHEN 11" X 17"

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PLANTING SCHEDULE

TREES

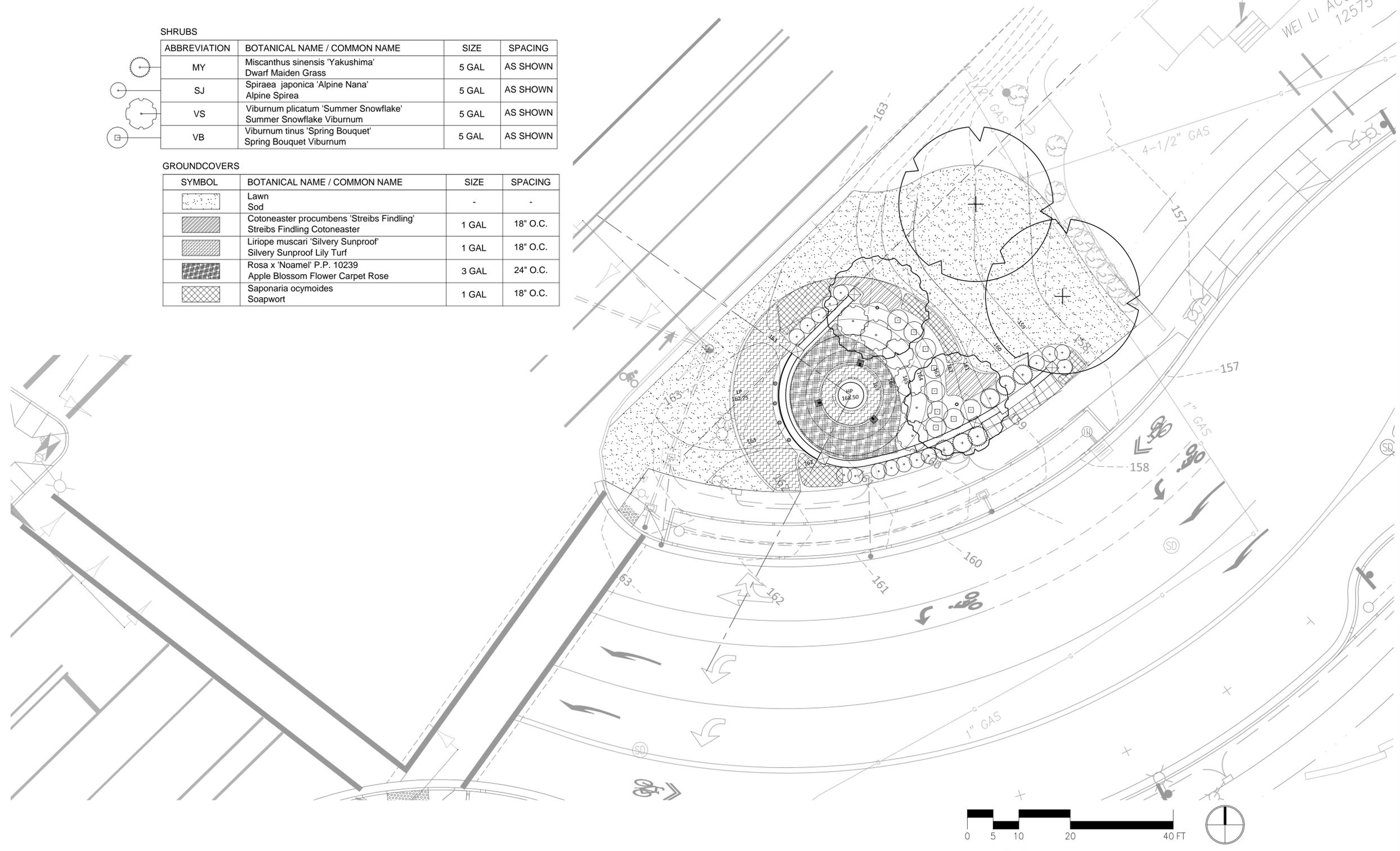
ABBREVIATION	BOTANICAL NAME / COMMON NAME	SIZE	SPACING
AR	Acer rubrum 'Franksred' Red Sunset Maple	3" CAL.	AS SHOWN
ML	Magnolia x loebneri 'Leonard Messel' Leonard Messel Magnolia	3.5" CAL. STANDARD	AS SHOWN

SHRUBS

ABBREVIATION	BOTANICAL NAME / COMMON NAME	SIZE	SPACING
MY	Miscanthus sinensis 'Yakushima' Dwarf Maiden Grass	5 GAL	AS SHOWN
SJ	Spiraea japonica 'Alpine Nana' Alpine Spirea	5 GAL	AS SHOWN
VS	Viburnum plicatum 'Summer Snowflake' Summer Snowflake Viburnum	5 GAL	AS SHOWN
VB	Viburnum tinus 'Spring Bouquet' Spring Bouquet Viburnum	5 GAL	AS SHOWN

GROUNDCOVERS

SYMBOL	BOTANICAL NAME / COMMON NAME	SIZE	SPACING
[Dotted Pattern]	Lawn Sod	-	-
[Diagonal Lines]	Cotoneaster procumbens 'Streibs Finding' Streibs Finding Cotoneaster	1 GAL	18" O.C.
[Cross-hatch Pattern]	Liriope muscari 'Silvery Sunproof' Silvery Sunproof Lily Turf	1 GAL	18" O.C.
[Wavy Lines]	Rosa x 'Noamel' P.P. 10239 Apple Blossom Flower Carpet Rose	3 GAL	24" O.C.
[Grid Pattern]	Saponaria ocymoides Soapwort	1 GAL	18" O.C.



City of Tigard
Downtown Redevelopment

13125 SW Hall Blvd.
Tigard, OR 97223
Ph: 503-639-4171

REVISIONS / RELEASES		
NO.	DATE	DESCRIPTION



TIGARD ENTRYWAY MONUMENT
70% CONSTRUCTION DOCUMENTS

PRELIMINARY NOT FOR CONSTRUCTION

DESIGNED BY:	KLA
DRAWN BY:	ML
CHECKED BY:	SK
APPROVED BY:	---
PROJECT NO:	1302
DATE:	13-August-2014



L6.02

NGVD 29

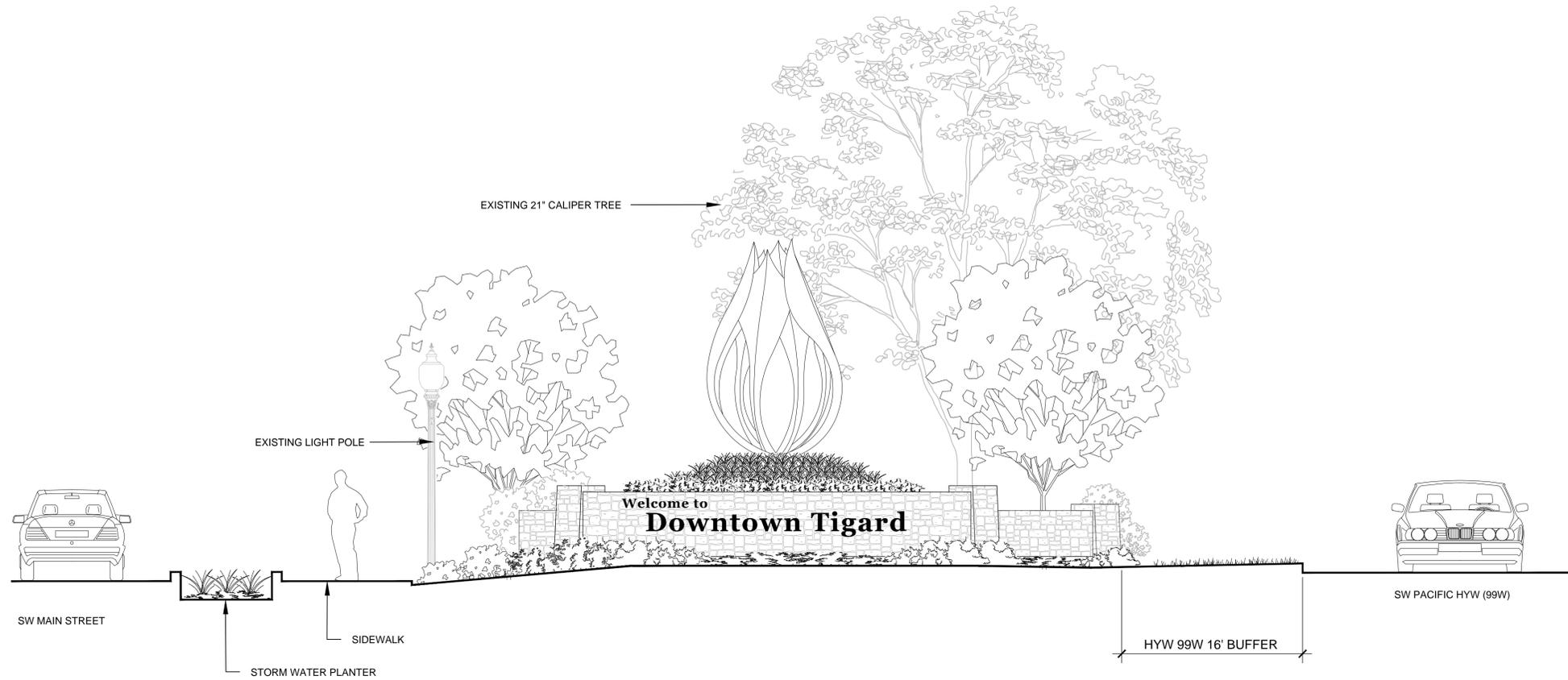
THIS DRAWING IS FULL SIZE WHEN 22" X 34" OR IS REDUCED TO HALF SCALE WHEN 11" X 17"



City of Tigard
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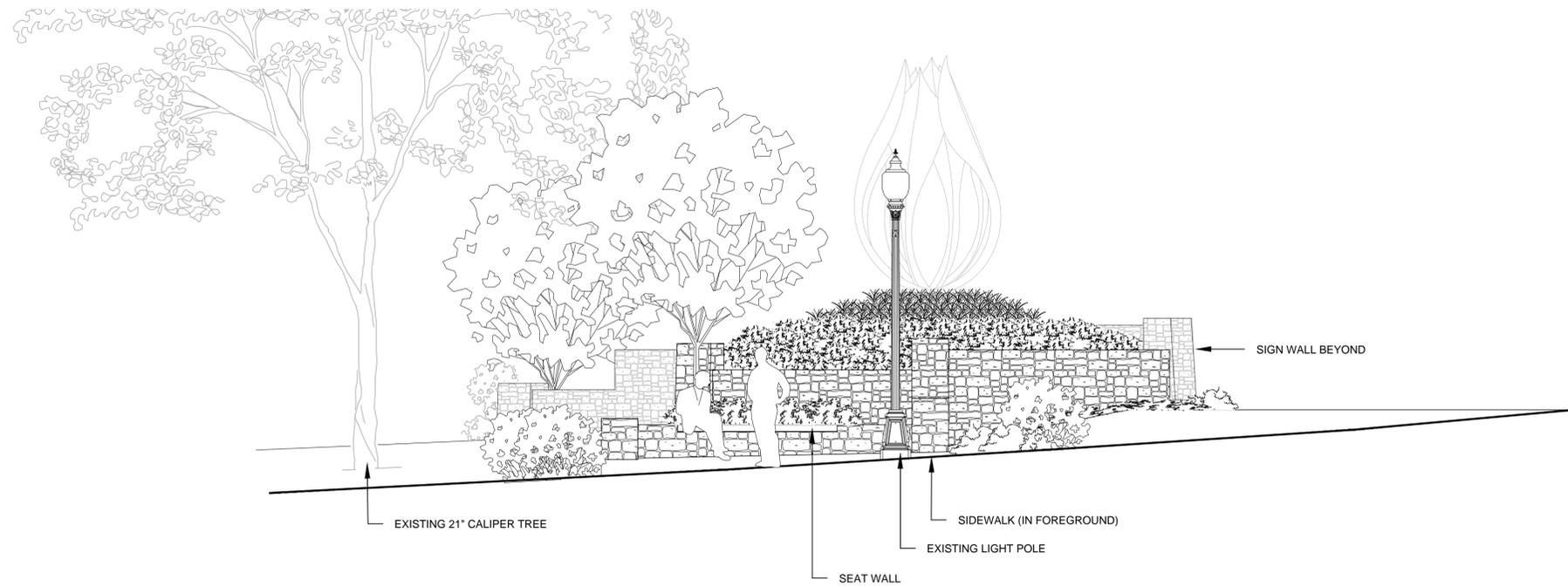
13125 SW Hall Blvd.
Tigard, OR 97223
Ph: 503-639-4171

REVISIONS / RELEASES
NO. DATE DESCRIPTION



1 NORTH ENTRY- SOUTH ELEVATION CHARACTER SKETCH
1/4" = 1'

ELEVATION



2 NORTH ENTRY-SEATWALL ELEVATION CHARACTER SKETCH
1/4" = 1'

ELEVATION

NGVD 29

THIS DRAWING IS FULL SIZE WHEN 22" X 34" OR IS REDUCED TO HALF SCALE WHEN 11" X 17"

\\kls-sw\kls\active\commercial clients\1302 tigard entryway\drawings\7 - details - kls



TIGARD ENTRYWAY MONUMENT
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CHECKED BY: SK
APPROVED BY: ---
PROJECT NO: 1302
DATE: 13-August-2014



CONSTRUCTION DETAILS

L7.03



City of Tigard
Downtown Redevelopment

13125 SW Hall Blvd.
Tigard, OR 97223
Ph: 503-639-4171

REVISIONS / RELEASES		
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PORTLAND, OREGON 97232
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TIGARD ENTRYWAY MONUMENT
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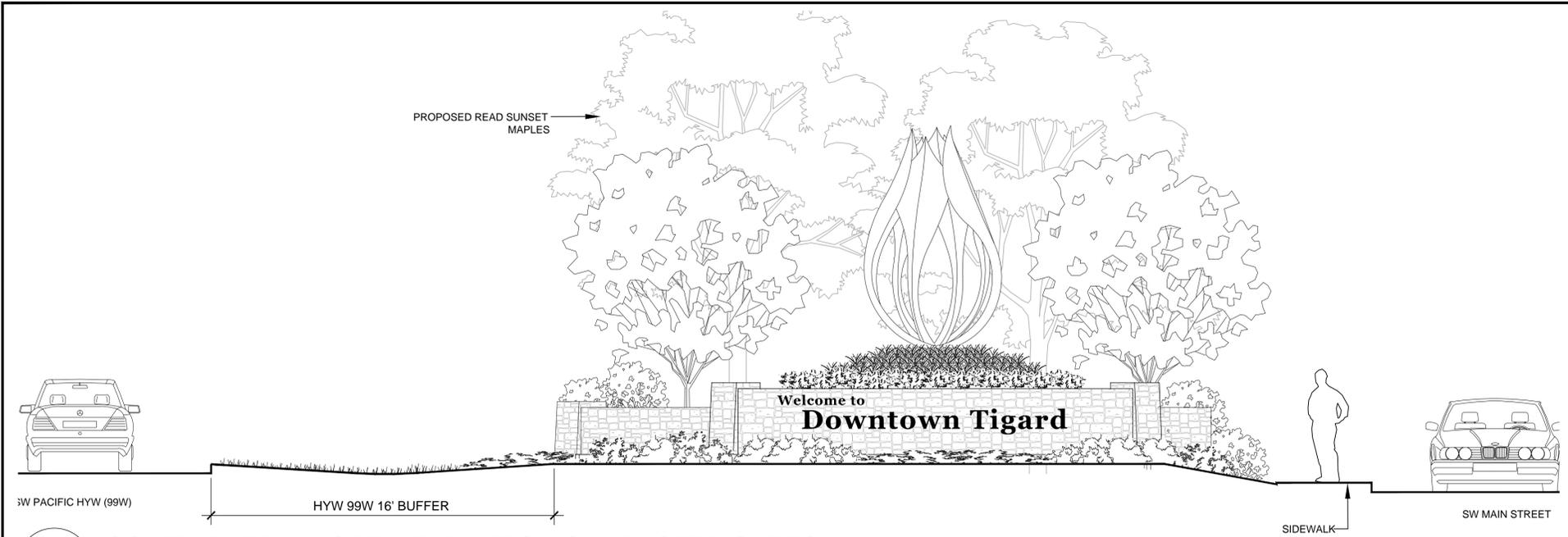
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DESIGNED BY: KLA
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CHECKED BY: SK
APPROVED BY: ---
PROJECT NO: 1302
DATE: 13-August-2014

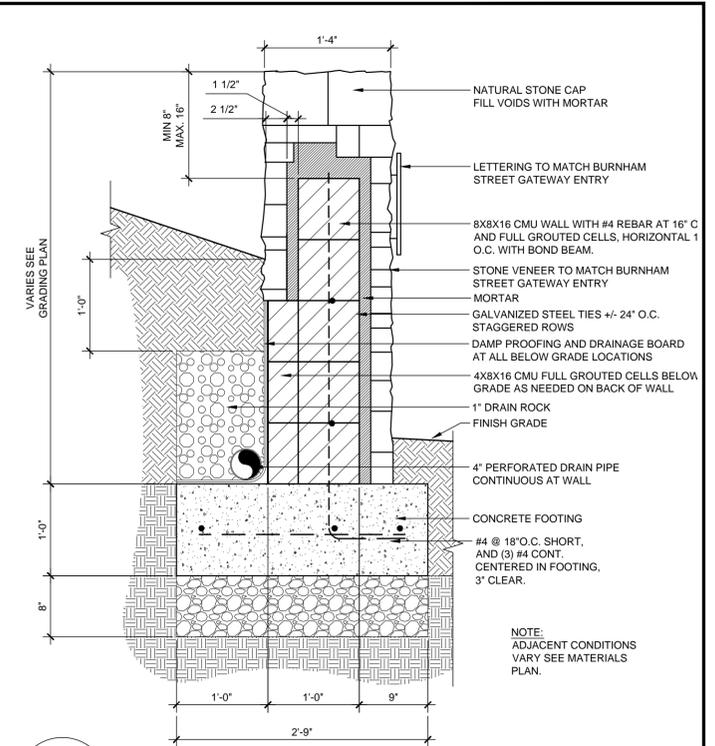


CONSTRUCTION DETAILS

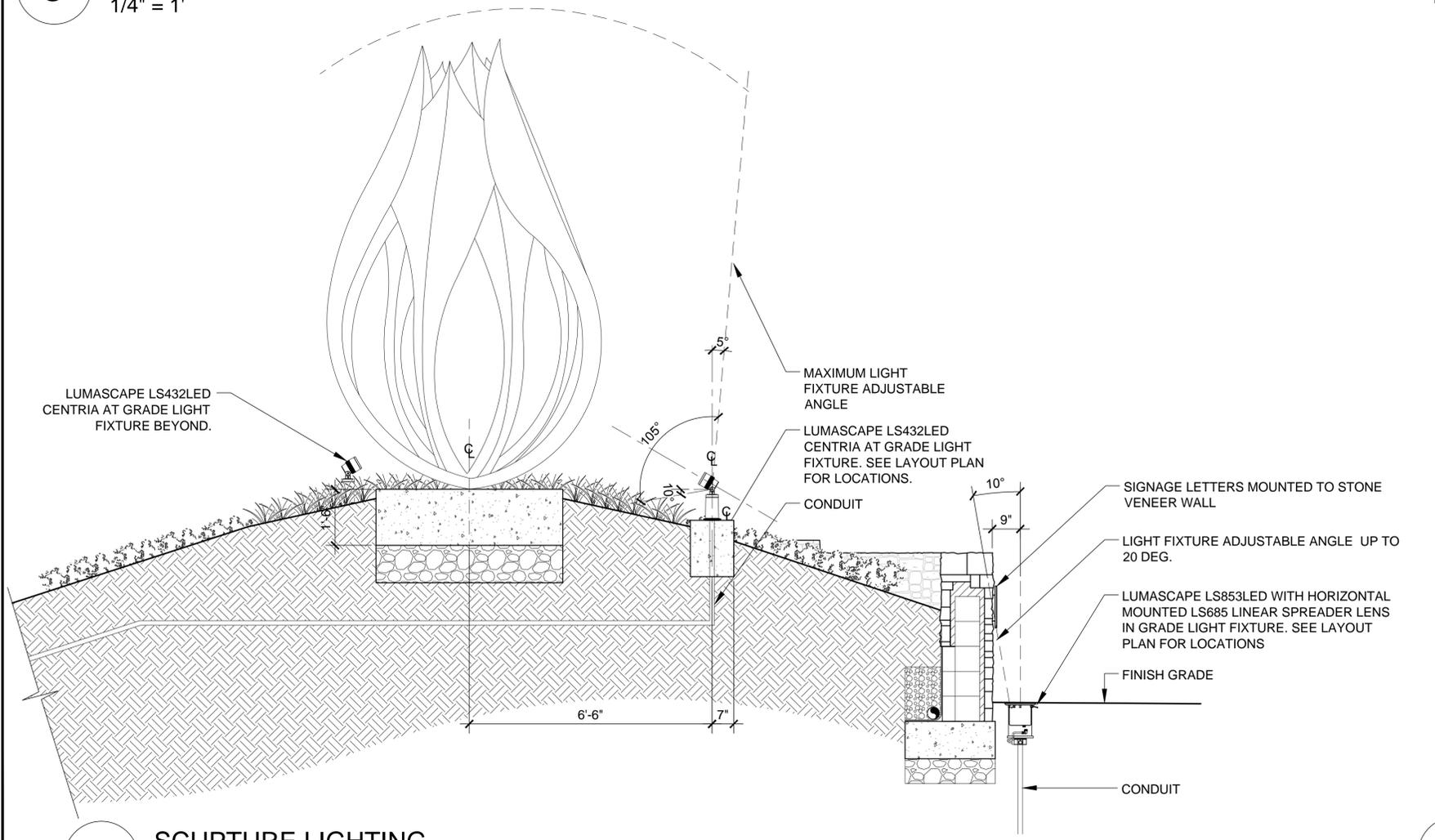
L7.04



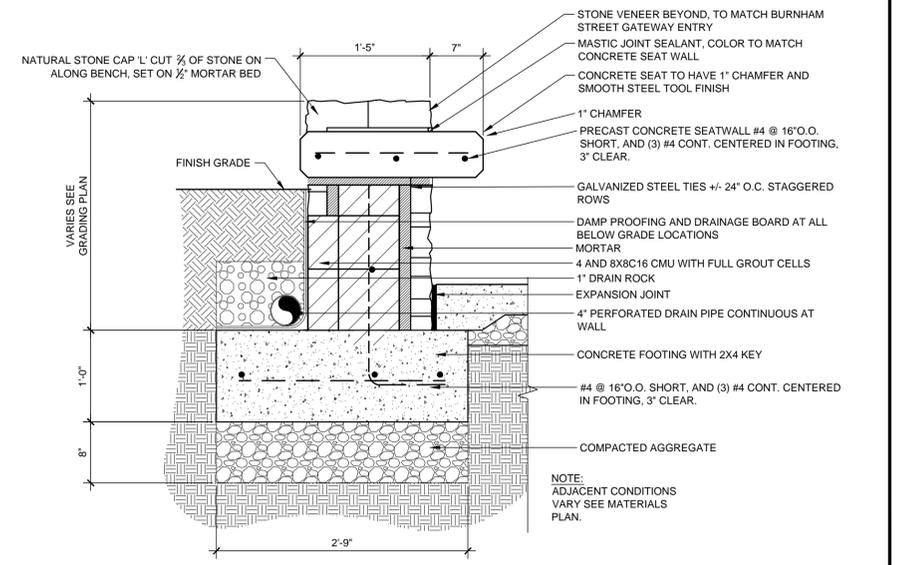
3 SOUTH ENTRY- NORTH ELEVATION CHARACTER SKETCH
1/4" = 1'



1 RETAINING WALL SECTION
1" = 1'



4 SCULPTURE LIGHTING
1/2" = 1'
NGVD 29



2 SEAT WALL
1" = 1'

