



Downtown Tigard Urban Lofts Development Project- Community Planning and Development Grant Application

June 1, 2015

PROJECT NARRATIVE

A. Project Description

This grant application is proposed by the City of Tigard/City Center Development Agency (CCDA, the City of Tigard's Urban Renewal Agency) with the support of TriMet. The Downtown Tigard Urban Lofts Development project is for pre-development feasibility assistance that will lead to:

- A concept plan for mixed-use transit oriented urban-style loft development of two sites: a 0.45 acre privately owned site fronting Main Street and the 0.81 acre site that is currently the Tigard Transit Center. The desired project would have a low on-site parking ratio.
- A plan for the reconfiguration of the Tigard Transit Center. The location of the HCT station, currently being studied in the SW Corridor Plan, will likely cause the need to rethink the form and the function of the existing transit center. Ideas to be explored are relocating the bus stops on to the street, reducing the footprint of the center, or building a housing or office structure over the center. Plan objectives would include improving transit run times, accommodating bus layovers, providing a TriMet driver restroom, and preserving on-street parking opportunities.
- Definition of the Urban Renewal District's role and financial commitments to the project.

Downtown Tigard Urban Lofts Development Work Scope

Task 1. Transit Center Bus Function Reconfiguration

The following tasks will be jointly undertaken by TriMet and the City of Tigard. The goal of this task is to establish the feasibility of relocating bus parking from the transit center site in order to make the site available for mixed use development.

1.1 Analyze Bus Operations and Transportation Conditions

- Analyze current and future bus operations at the Transit Center
- Analyze current and future vehicle, pedestrian and bicycle access and traffic patterns in the vicinity of the Transit Center
- Identify opportunities and constraints related to changing current Transit Center bus operations
Deliverable: Report Analyzing Bus Operations and Transportation Conditions

1.2 Develop Options for Bus Function Reconfiguration

- Develop 2-3 options for bus function reconfiguration
- Analyze options for bus operations
- Analyze options for overall transportation impacts and compatibility in the vicinity of the Transit Center
- Prepare cost estimates for each option
- Select a preferred option

1.3 Prepare Final Plans and Implementation Recommendations

- Refine preferred option
- Refine cost estimates
- Identify implementation roles and responsibilities
- Identify funding sources and responsibilities

1.4 Decision to Proceed

- Meet with property owners to establish development and financial goals
- Review reconfiguration plan and feasibility to consider redevelopment of combined sites
- Decision on whether to proceed with subsequent tasks

Milestone #1-Deliverable-Transit Center Bus Function Reconfiguration Plan; Decision to proceed.

Task 2. Pre-Development Feasibility for Main Street and Transit Center Sites

2.1 Environmental Investigations

- Conduct phase 1 and 2 assessments on two downtown sites.
- Project Team Meetings.

2.2 Appraisals and Land Surveys

- Conduct appraisals and surveys for 2 separate properties.
- Project Team Meetings.

Milestone #2-Deliverables: Phase 1 and 2 Environmental Assessment Report, Appraisal Reports and Surveys for two Downtown sites.

Task 3. Development Program and Design Concepts

3.1 Market Study

- Conduct market study for the combined properties. The scope for the market study is to identify value, preferred uses, unit size and mix, and anticipated rent and lease rates.
- Project Team Meetings.

Milestone #3-Deliverable: Market Study

3.2 Conceptual Design and Cost Estimates

- Develop conceptual site plans and massing diagrams for the combined sites. Based on the results of the market study, site plans and conceptual massing studies will be prepared. Design will be sufficient to identify building placement, unit sizes, parking arrangements, and construction types.
- Identify development code barriers to desired development types
- Prepare planning level cost estimates

Milestone #4-Deliverable: Design Plans and Cost Estimates

Task 4. Financial Analysis and Implementation Strategies

4.1 Pro-forma Analysis

- Prepare pro-forma analysis
- Project Team Meetings.
Deliverable: Pro-forma Analysis for Downtown site.

4.2 Public/Private Financing Strategies

- Evaluate private financing and identify financing gaps. Based on results from the pro-forma analysis, CCDA still will be responsible for evaluating results of the analysis, and identifying funding gaps as applicable. A financial consultant will assist the analysis.
- Evaluate public financing to address financing gaps.
- Develop recommended financing strategies. This task will be undertaken by CCDA staff and financing consultant. It is anticipated that a primary source of potential public investment will be urban renewal funds, and the CCDA board will be consulted throughout this task.
- Project Team Meetings.
Deliverable: Draft and Recommended Financing Strategies

Milestone #5-Financial Analysis and Implementation Strategies Report

Task 5. Developer Recruitment and Approvals

5.1 Developer Recruitment

- During Tasks 2 and 3, CCDA will work with TriMet and property owner to identify and solicit interest from qualified developers
- Select developer partner
- Project Team Meetings.
Deliverable: Developer Selection

5.2 CCDA Board Approvals

- Provide briefings to CCDA board on all project elements. CCDA staff will provide regular updates and hold worksessions throughout the project with the CCDA board and other city boards and commissions as needed.
- Review and approve of any urban renewal activities identified in the recommended financial strategy
- Project Team Meetings.

B. Project Site Description

The project addresses redevelopment opportunities for two Downtown Tigard sites, a 0.45 acre site known as the Nicoli Site which is privately owned, and the adjacent 0.81 Tigard Transit Center site owned by TriMet. Figure 1 shows an aerial photo of both sites, Figure 2 shows both sites and their location within the Urban Renewal District.

C. Project Background

The City of Tigard adopted a “Downtown Improvement Plan” and “Downtown Urban Renewal Plan” in 2005 to reflect the area’s designation as a Town Center in Metro’s 2040 Growth Concept, and plans for the Washington County Commuter Rail (WES) project with a station in Downtown Tigard. The plans call for a “vibrant and active urban village at the heart of the community” and provides a funding stream to implement planned improvements. Over the past 9 years, approximately \$25 million in public improvements have been completed in the urban renewal district including the commuter rail station and park & ride; Burnham Street and Ash Avenue streetscape improvement; intersection improvements at Pacific Highway/Main Street and Pacific Highway/Hall Blvd. Most recently, the MTIP-funded Main Street Green Street project was completed in the fall of 2014. The Agency has also worked with private sector partners to fund 18 façade improvement projects on Main Street.

The City of Tigard has been working with Metro, TriMet and other regional partners on the SW Corridor HCT Plan, which identified options for extending high capacity transit into Tigard. Figure 3 shows several alignment options. Each of these options serve the Tigard Transit Center site.

As a direct result of Metro Community Planning and Development Grant funding in the FY 13-14 cycle, the CCDA signed a Development and Disposition Agreement with Capstone Partners/ DIG Tigard to construct a \$26 million, 157 unit mixed use project on urban renewal agency-owned land. This project is expected to break ground in September of 2015.

The Downtown Tigard Transit Center Urban Lofts Development project will build and expand on a development opportunity study completed in 2010 jointly funded by Metro, the City of Tigard and TriMet. At that time the two sites: a privately owned site (the “Nicoli site”) and the Tigard Transit Center, owned by TriMet were studied separately. The report concluded that development on the Transit Center site was not feasible due to the low achievable rents, which were at that time determined to be \$1.05/ per square foot.

A more recent pro forma that was developed as the result of the Metro Community Planning and Development grant, found achievable rents to be significantly higher at \$1.61 per square foot, which indicates that the identified feasibility gap has narrowed. In addition the city has instituted a Vertical Housing Development Zone in downtown that improved ROI.

The grant project will include the following: property survey, conceptual design and evaluation of alternative construction types; pro-forma analysis; identification of financing gaps; identification of public investments/financing to overcome gaps; identification of development code barriers to desired development at this site; and a plan to reconfigure the bus functions of the transit center.

D. Evaluation Criteria

1) Expected Development Outcomes:

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

public/private partnership. The project will also result in a plan to reconfigure the Transit Center to make redevelopment of the site possible.

b. Desired Outcomes: The desired outcome is a mixed use project that meets objectives of the SW Corridor Plan, and regional housing and local urban renewal goals that would break ground within 18-24 months of completing the grant funded work.

c. Level of community readiness and local commitment: The site is located in Downtown Tigard within the voter- approved urban renewal district. Appropriate land use entitlements are in place, and attracting mixed-use development projects such as those anticipated with this application, is a primary urban renewal objective. The site is also located within the city's Vertical Housing Development Zone.

1. Track record of successful implementation of community development projects and/or past CPDG plan implementation;

As the direct result of a Cycle 3 Community Planning and Development Grant, the CCDA entered in to disposition and development agreement for a \$26 million 157 unit mixed use project to be constructed on an agency owned downtown site. This project is planned to break ground in September 2015. The proposed grant funded work will build on the momentum of this public/private partnership.

2. Development sites of adequate scale to generate critical mass of activity;

The development study site is approximately 1.26 acres. Its location on Main Street and proximity to multiple transit modes means it is strongly likely to generate 18-hour neighborhood activity.

3. Existing and proposed transportation infrastructure to support future development;

The existing transit service of 8 TriMet lines, 3 Yamhill County Transit Area lines, and WES Commuter Rail support the construction of housing at this location. The prospective investment in the SW Corridor Plan HCT amplifies the development potential of this site and leverages downtown's existing transportation infrastructure. Phase I of the Main Street Green Street project recently upgraded sidewalks including safer pedestrian crossings. The second phase of the project (scheduled for FY 18-19) improves the frontage of this site. Recent and upcoming improvements to the Fanno Creek Trail 1/3 of a mile from this site also support development. Across the street from the site, Tigard's newest trail, the Tigard Street Trail connects this location to adjacent neighborhoods and nearby parks.

4. Existing urban form providing strong redevelopment opportunities;

Downtown Tigard has a strong traditional walkable retail district. Nearby Main Street there are several larger underdeveloped sites with low intensity uses that are potential candidates for subsequent redevelopment.

5. Sound relationship to adjacent residential and employment areas;

The creation of a walkable urban center with access to new public spaces would benefit Tigard's residential areas as well as be an attractive amenity to attract additional employment. More than 200 firms are located within walking distance of this site.

6. Compelling vision and long-term prospects.

The city and development agency has worked with its citizens to develop a vision of downtown Tigard as a walkable urban village. There have been significant recent investments by downtown

business and property owners in addition to the aforementioned \$26 million mixed use project that demonstrate the desired development types are financially feasible.

2) Regional Significance:

a. People live and work in vibrant communities where their everyday needs are easily accessible;
Downtown Tigard is envisioned as a “vibrant and active urban village at the heart of the community.” Recent public investments in downtown made by the CCDA include new streetscapes that include pedestrian and bicycle facilities, making it possible to walk to the WES station/Tigard Transit Center, parks and recreation opportunities along Fanno Creek, local employers and commercial services along Main Street from any location Downtown.

b. Current and future residents benefit from the region’s sustained economic competitiveness and prosperity;

This grant project will define how a public/private partnership can stimulate new mixed-use residential developments Downtown, a necessary component of a prosperous community. The project also shows how private investments can take advantage of the public investments already made in the town center area. The project will also support future HCT investments envisioned in the SW Corridor Plan.

c. People have safe and reliable transportation choices that enhance their quality of life;

The site is highly transit friendly, directly adjacent to the WES Commuter Rail Station, transit center and proposed HCT station. Recent improvements to Main Street have improved its walkability, including safer pedestrian crossings. The site is also near the regional Fanno Creek Trail, and the Tigard Street Trail. The feasibility for apartments with greatly reduced on-site parking requirements will be investigated.

d. The region is a leader in minimizing contributions to climate change;

The project integrates housing into transit planning, decreasing the reliance on SOVs, which will lead to reduced greenhouse gasses.

e. Current and future generations enjoy clean air, clean water and healthy ecosystems;

The project integrates housing into transit planning, increasing the usage of transit, bicycle and walking modes, which will result in reducing greenhouse gasses, air and water pollution; and preserving existing open space.

f. The benefits and burdens of growth and change are distributed equitably.

Currently 92% of Tigard employees commute from outside the city. Many of these jobs are lower paying retail and service jobs, and require SOV travel, with the accompanying expenses. Redevelopment at this site provides for new housing opportunities in a location highly convenient for commuting by transit.

3) and 4) Location: Both catalytic sites are located within the Tigard Town Center, urban renewal district, and the Vertical Housing Development Zone. Downtown Tigard was also identified as a potential station community in the High Capacity Transit Land Use Plan, and is the SW Corridor HCT terminus location. The site is also located on a 2035 Growth Concept main street.

In 2009-10 Tigard updated its comprehensive plan and development code for the downtown district. It instituted mixed use zoning with design standards requiring new development to be pedestrian oriented and reduced minimum parking requirements.

5) Best Practices Model: This project demonstrates how public/private partnerships can develop mixed-use residential projects that meet design, density and use requirements in town centers. The primary benefit of this project is to establish the financial feasibility for very urban style project with lower on-site parking ratios in Downtown Tigard. To the extent that similar conditions exist in other town centers, the project will demonstrate best practices that can be utilized in other locations.

6) Leverage: This planning grant will leverage additional investments by CCDA, which is currently authorized to invest \$22 million over 20 years in urban renewal projects. The \$1.2 million Phase II of the Main Street green street project is in the city's capital improvement plan will improve the frontage of this site. It will also leverage the potential \$1 billion the region will invest in the SW Corridor Plan. The project may also be able to leverage the city's Brownfield grant funding to perform environmental assessments on the properties.

7) Matching Fund/Potential: It is estimated that the total project will require approximately \$180,000 with the grant funding 56 percent of the total cost. CCDA will provide a 6% funding match (\$10,000) for the project. City staff costs, amounting to 39 percent of the total project costs, will be born by the City.

8) Growth absorption: Based on estimates in Appendices B and C of the CPDG Application Handbook, between 2010 and 2035 Tigard is expected to absorb and additional 4,245 multi-family units and 17,063 jobs. The proposed mixed use project would help make progress towards these goals.

9) Public Involvement: The City Center Advisory Commission is an appointed group representing Downtown property and businesses owners, residents and the general public. The Commission will be involved in all aspects of the project and will make recommendations to the CCDA Board.

10) Governing body: The CCDA Board (City Council) will have final approval over the use of any urban renewal funds to support the development of the project.

11) Capacity of applicant: The desired consultant team includes an architecture firm with transit oriented development experience, a real estate advisor, and an engineer who specializes in transit planning. CCDA and City staffs are experienced with forming successful public/private partnerships and delivering development projects. TriMet staff has extensive experience with transit operations.

E. Collaborations

The public partners that have agreed to participate in this project are the City of Tigard, the CCDA and TriMet. CCDA will participate financially in this project. TriMet will participate in the Transit Center reconfiguration planning.

F. Proposed Milestones and Deliverables

The detailed work program found in Section A of this grant application indicates task deliverables and the following five milestones:

Milestone #1-Deliverable-Transit Center Bus Function Reconfiguration Plan; Decision to Proceed

Milestone #2-Deliverables: Phase 1 and 2 Environmental Assessment Report, Appraisal Reports and Surveys

Milestone #3-Deliverable: Market Study

Milestone #4-Deliverable: Design Plans and Cost Estimates

Milestone #5-Financial Analysis and Implementation Strategies Report

The City staff will be available to describe lessons learned from this project at a time and format that is most convenient to Metro.

G. Project Management

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

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

BUDGET DOCUMENTS

Budget Narrative

A detailed task by task budget is shown on a spreadsheet that is included with this application and summarized in the budget forms provided by Metro. The overall work plan for the entire project is summarized below. Costs for the full project will be shared by the CCDA and the Community Planning and Development (CPD) Grant. Consultant deliverables for tasks 1, 2, 3 and 4 are proposed to be funded by the CPD Grant of \$100,000, and completion of each task deliverable is proposed as a project milestone for purposes of the CPD Grant. The CCDA will commit \$10,000 for consulting work for task 2.2. All staff costs will be the responsibility of the City of Tigard and TriMet. It is anticipated that all deliverables, regardless of funding source, will be solely owned by the City of Tigard.

Downtown Tigard Urban Lofts Development Work Scope

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The following tasks will be jointly undertaken by TriMet and the City of Tigard.

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- Analyze current and future bus operations at the Transit Center
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Milestone #4-Deliverable: Design Plans and Cost Estimates

Task 4. Financial Analysis and Implementation Strategies

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Deliverable: Pro-forma Analysis for Downtown site.

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Line Item Budget, Commitment and Matching Funds

Table 1 below summarizes the project task budget for CCDA and TriMet staff, consultant work paid for by the CCDA and Community Planning and Development Grant, and total task budget. This table is a line-item summary of the more detailed budget spreadsheet included with this application.

The CCDA commits the staff resources as indicated in the table and attached spreadsheet totaling approximately \$74,000. Consulting expenses by CCDA of \$10,000 are included in the 2015-16 CCDA budget. TriMet commits staff support totaling approximately \$24,000 to this project as indicated in their letter of support. The grant request is for a total of \$100,000, which represents less than half of the total budget.

Table 1- Downtown Tigard Urban Lofts Development Project-Budget Summary

| Tasks | Staff Budget | Consultant Budget | | Totals |
|--|-----------------|-------------------|------------------|------------------|
| | | CCDA | CPD Grant | |
| 1.1 Analyze Bus Operations & Conditions | \$8,819 | | \$5,500 | \$14,319 |
| 1.2 Develop Bus Options | \$12,554 | | \$9,000 | \$21,554 |
| 1.3 Prepare Plans & Recommendations | \$8,881 | | \$5,500 | \$14,381 |
| 1.4 Decision to Proceed | \$5,695 | | | \$5,695 |
| 2.1 Environmental Investigations | \$3,756 | | \$25,000 | \$28,765 |
| 2.2 Appraisals and Land Surveys | \$2,875 | \$10,000 | | \$12,875 |
| 3.1 Market Study | \$4,866 | | \$15,000 | \$19,866 |
| 3.2 Conceptual Design and Cost Estimates | \$12,646 | | \$20,000 | \$32,646 |
| 4.1 Pro-forma Analysis | \$4,832 | | \$10,000 | \$14,832 |
| 4.2 Public/Private Financing Strategies | \$17,142 | | \$10,000 | \$27,142 |
| 5.1 Developer Recruitment | \$9,060 | | | \$9,060 |
| 5.2 CCDA Board Approvals | \$6,432 | | | \$6,432 |
| | | | | |
| Totals | \$97,559 | \$10,000 | \$100,000 | \$207,559 |

APPENDICIES AND FORMS

Attached to this grant application are:

Figure 1- Downtown Tigard Transit Center Urban Lofts Development Project-Location

Figure 2- Downtown Tigard Transit Center Urban Lofts Development - Urban Renewal District and Project Location

Figure 3- SW Corridor HCT Options in Downtown Tigard

Downtown Tigard Urban Lofts Development Projects Budget Spreadsheet

Budget Form

Match Form

Tigard City Council Resolution 15-18 approving Community Planning and Development grant application

Letter of Support and Commitment:

1. Dave Unsworth, TriMet
2. Dave Nicoli, owner of 12260 SW Main Street
3. Steve DeAngelo, President of Tigard Downtown Alliance
4. Carine Arendes, Chair of City Center Advisory Commission