



**City of Tigard**  
**City Center Development Agency Board**  
**and Tigard City Council - Agenda**

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**TIGARD CITY CENTER DEVELOPMENT AGENCY BOARD AND CITY COUNCIL** **Revised 2/25/16: Agenda Item No. 5 Consider Authorizing the City Manager to Sign an Intergovernmental Agreement with Metro to Receive a Community Planning and Development Grant for the Purpose of Completing the Downtown Tigard Urban Lofts Development Project was moved to Consent Agenda. Subsequent items have been renumbered.**

**MEETING DATE AND TIME:**

March 1, 2016 - 6:30 p.m.

**MEETING LOCATION:**

City of Tigard - Town Hall  
13125 SW Hall Blvd., Tigard, OR 97223

**PUBLIC NOTICE:**

Times noted are estimated.

Assistive Listening Devices are available for persons with impaired hearing and should be scheduled for City Center Development Agency Board meetings by noon on the Monday prior to the City Center Development Agency Board meeting. Please call 503-718-2419 (voice) or 503-684-2772 (TDD - Telecommunications Devices for the Deaf).

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).

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SEE ATTACHED AGENDA



# City of Tigard City Center Development Agency Board - Agenda

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## TIGARD CITY CENTER DEVELOPMENT AGENCY BOARD AND CITY COUNCIL Revised 2/25/16:

Agenda Item No. 5 Consider Authorizing the City Manager to Sign an Intergovernmental Agreement with Metro to Receive a Community Planning and Development Grant for the Purpose of Completing the Downtown Tigard Urban Lofts Development Project was moved to Consent Agenda. Subsequent items have been renumbered.

**MEETING DATE AND TIME:** March 1, 2016 - 6:30 p.m.

**MEETING LOCATION:** City of Tigard - Town Hall - 13125 SW Hall Blvd., Tigard, OR 97223

6:30 PM

1. CITY CENTER DEVELOPMENT AGENCY BOARD AND CITY COUNCIL MEETING
  - A. Call to Order- City Center Development Agency and City Council
  - B. Roll Call
  - C. Pledge of Allegiance
  - D. Call to Board and Staff for Non-Agenda Items

### CCDA AGENDA ITEMS

2. UPDATE ON THE FANNO CREEK OVERLOOK PROJECT - **6:35 p.m. estimated time**
3. REPORT ON HOUSING AND DEMOGRAPHICS IN THE CITY OF TIGARD AND PORTLAND REGION - **6:50 p.m. estimated time**
4. REPORT ON EMPLOYMENT TRENDS IN THE CITY OF TIGARD'S URBAN RENEWAL DISTRICT - **7:10 p.m. estimated time**

### CITY COUNCIL AGENDA ITEMS

5. CONSENT AGENDA: These items are considered routine and may be enacted in one motion without separate discussion. Anyone may request that an item be removed by motion for discussion and separate action. Motion to:
  - A. CONSIDER AUTHORIZING THE CITY MANAGER TO SIGN AN INTERGOVERNMENTAL AGREEMENT WITH METRO TO RECEIVE A COMMUNITY PLANNING AND DEVELOPMENT GRANT FOR THE PURPOSE OF COMPLETING THE DOWNTOWN TIGARD URBAN LOFTS DEVELOPMENT PROJECT

6. DISCUSSION ON CITY PRIORITIES - **7:40 p.m. estimated time**
7. DISCUSSION ON CITY GAS TAX - **8:40 p.m. estimated time**
8. NON AGENDA ITEMS
9. EXECUTIVE SESSION: The Tigard City Center Development Agency Board may go into Executive Session. If an Executive Session is called to order, the appropriate ORS citation will be announced identifying the applicable statute. 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.
10. ADJOURNMENT - **9:10 p.m. estimated time**

**AIS-2125**

**2.**

**CCDA Agenda**

**Meeting Date:** 03/01/2016

**Length (in minutes):** 15 Minutes

**Agenda Title:** Fanno Creek Overlook Update

**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**

Fanno Creek Overlook Update

**STAFF RECOMMENDATION / ACTION REQUEST**

The Board of the CCDA is requested to share their opinions and ideas on the concept.

**KEY FACTS AND INFORMATION SUMMARY**

In 2014, the City Center Development Agency commissioned a feasibility study for a public space fronting Fanno Creek adjacent to Max's Fanno Creek Brewpub. The project would provide better access to the natural and recreational resources of Fanno Creek and the trail, at the same time serve as an attractive amenity for downtown visitors and residents. This project is consistent with both the City Center Urban Renewal Plan's goal to increase the number of Downtown public spaces and the city's Strategic Plan vision to make Tigard the most walkable community in the Pacific Northwest.

The feasibility study included research into regulatory issues, options for design, an estimated budget, and images depicting the potential space. The main challenge for building the public space is the need to reconfigure the existing driveway egress for the brewpub and the neighboring building (12564 SW Main Street). A new two-way access would have to be constructed to serve the parking in the rear of the two buildings. Three driveway reconfiguration options were studied. The preferred option is to widen the existing ingress on the south west side of Main Street Village to provide two-way access. This would require acquisition of a narrow strip of land from Main Street Village Apartments.

In November 2015, Community Development Director Kenny Asher met with the owners of the Main Street Village property, to discuss the concept. Although one partner in the LLC was initially receptive to allowing the city to acquire an easement, a majority of the ownership

interest in the apartments has indicated that it sees no benefit in selling a property interest to the city.

The feasibility study estimated the budget for the project to be \$737,000. The cost of acquiring the land from Main Street Village would be an additional cost. Of the construction budget, \$395,000 is attributed to the public open space and \$248,000 to the parking lot and new driveway. The share of the public and private contribution to constructing parking lot improvements would be negotiated with George Diamond, who is a main owner of the brewpub building and the neighboring 12564 SW Main Street.

The space would be a key component in a conceptual public space that could be created on the Main Street Bridge along with the proposed public space that is part of the Saxony redevelopment. The Main Street bridge public space concept would provide gathering and activity space, with occasional street closures for larger community events. The project could involve converting some of the road right-of-way into wider sidewalks, and installing decorative railings and art.

This space would also serve as one of a “string of pearls” or small open spaces along Main Street, including public space at the head of the Tigard Street Trail and the recently renovated area in front of Tigard Wine Crafters/Maki Sushi/Elvia’s Salon.

The next steps include working with George Diamond on addressing concerns about potential loss of parking; refining the concept into design drawings; and additional attempts to negotiate a voluntary sale of the strip of land. If a voluntary sale cannot be negotiated, staff and the Board will need to discuss options.

## **OTHER ALTERNATIVES**

No alternatives for consideration at this time.

## **COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS**

### Tigard City Council 2015-17 Goals and Milestones

Goal #2. Make Downtown Tigard a Place Where People Want to Be

### City Center Urban Renewal Plan

Goal 1: Revitalization of the Downtown should recognize the value of natural resources as amenities and as contributing to the special sense of place.

Goal 5: Promote high quality development of retail, office and residential uses that support and are supported by public streetscape, transportation, recreation and open space investments.

### Tigard Comprehensive Plan

Special Planning Areas- Downtown

Goal 15.3 Develop and Improve the Open Space System and Integrate Natural Features into downtown.

Tigard Strategic Plan

Goal 2: Ensure development advances the vision

**DATES OF PREVIOUS COUNCIL CONSIDERATION**

September 2, 2014 - Executive Session

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**Attachments**

Fanno Creek Public Space Concept

Concept Site Plan

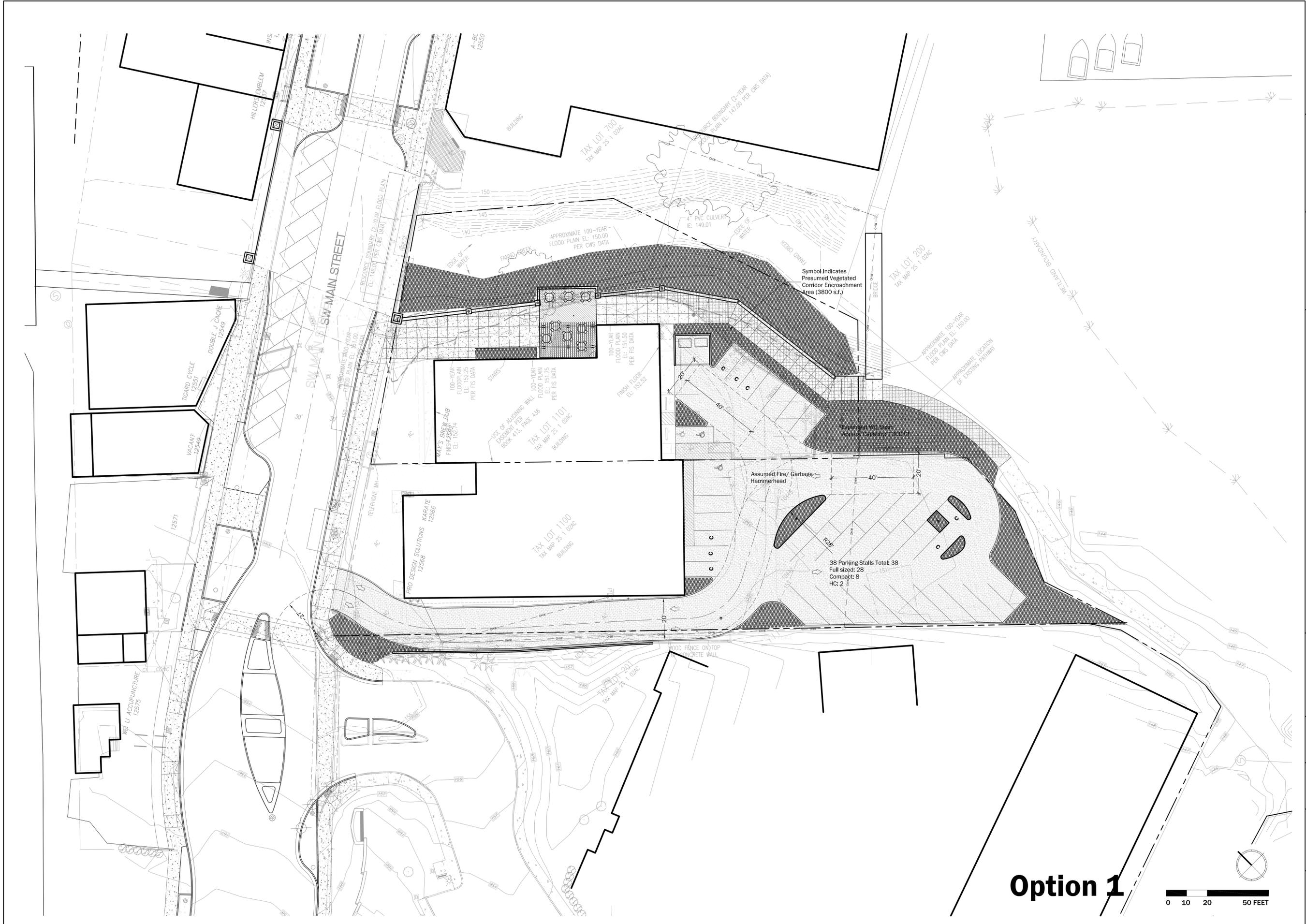
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Fanno Creek Public Space Feasibility Study

Scene 3 (Daylight)



**Option 1**

**Fanno Creek Public Space Feasibility Study**  
 City of Tigard  
 13125 SW Hall Blvd.  
 Tigard, OR 97223

MASTER PLAN

REVISIONS

PROJECT ARCHITECT	N. Wilson
DRAWN BY	N. Wilson
CHECKED BY	N. Wilson

PROJECT NUMBER	14002
DATE	03.20.2013
FILE NAME	

SHEET TITLE  
**SITE PLAN  
 Option 1**

SHEET NUMBER  
**L1.0**

AIS-2134

3.

**CCDA Agenda**

**Meeting Date:** 03/01/2016

**Length (in minutes):** 20 Minutes

**Agenda Title:** Housing and Demographics: Downtown, Tigard and the Region

**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**

A snapshot report on housing and demographics in Downtown Tigard, the city of Tigard and the Portland region.

**STAFF RECOMMENDATION / ACTION REQUEST**

The Board of the CCDA is requested to share their feedback on the report.

**KEY FACTS AND INFORMATION SUMMARY**

To provide context for urban renewal decisions on housing, staff compiled information for a brief snapshot of housing and demographics in Downtown Tigard, the city, and the region. The following are highlights of the report:

**Downtown Tigard Housing and Demographics**

- There are 453 housing units (mostly apartments) and 1024 residents of Downtown (the urban renewal district plus Main Street Village)
- Compared to Tigard as a whole, Downtown residents are more likely to be renters (75% vs. 42%) Hispanic (28% vs. 13%), and under age 17 (30% vs 24%.) The median household income is \$37,213 compared to \$69,304 for Tigard.

**Urban Renewal District Property Values**

- Commercial properties in the urban renewal district have higher assessed values on a per square foot basis than multi-family development.
- Many of these commercial properties have low Improvement to Land Ratios, indicating they may be candidates for redevelopment.

## **Regional Housing Market**

- Regional housing market rents are rising faster than incomes. In the 7-County Portland Metro region, rents have risen 63% between 2006 and 2015, while renter income has only risen 39%.
- The Beaverton-Tigard market saw rent increases of 28% between 2011 and 2015, the third largest increase in the Portland suburban markets.

## **Tigard Housing**

- Since 2000 4,106 housing units have been permitted in Tigard. About 16% of these units were multi-family.
- After many years of low or no multi-family unit construction in Tigard, in 2015 there was a sharp spike, with 468 multi-family units permitted.

## **Tigard Housing Statistics and Demographics Compared to Select Neighboring Cities**

- 42% of occupied rental units in Tigard have gross rent (rent plus basic utilities) that is 35% or greater than household income (a commonly accepted benchmark of housing affordability.)
- Tigard permitted more multi-family units in 2015 than Beaverton, Lake Oswego, and Sherwood combined.
- Considering the amount of one person households and families without children under 17, there may be an unmet need for more alternatives to traditional single family development in Tigard and other suburban markets.

## **OTHER ALTERNATIVES**

No alternatives for consideration at this time.

## **COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS**

### **Tigard Comprehensive Plan**

#### Housing

Goal 10.1 Provide opportunities for a variety of housing types to meet the diverse housing needs of current and future City residents.

#### Special Planning Areas- Downtown

Goal 15.2 Facilitate the development of an urban village.

## **DATES OF PREVIOUS COUNCIL CONSIDERATION**

N/A

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### **Attachments**

Housing and Demographic Snapshot

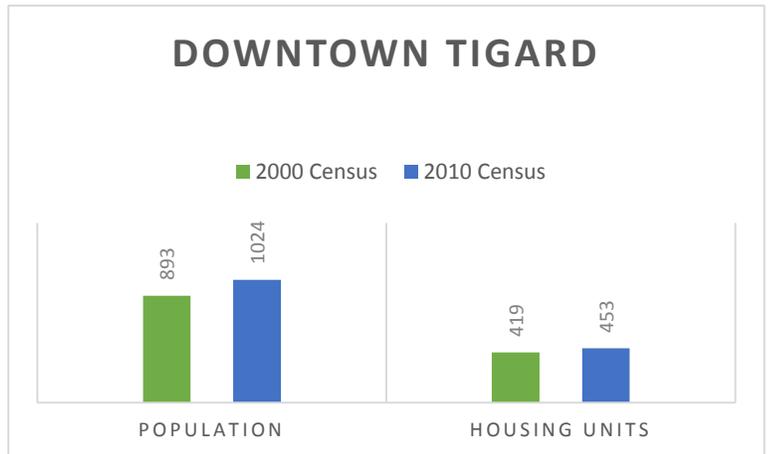
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# Housing and Demographics: Downtown, Tigard and the Region

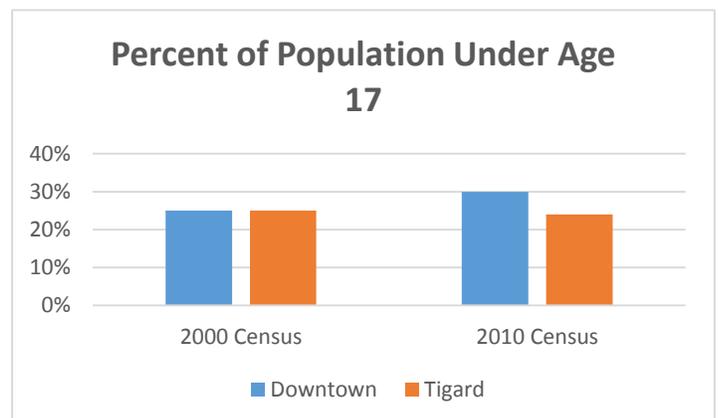
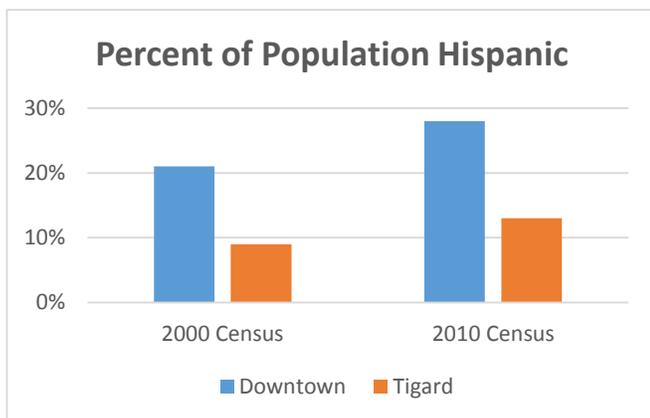
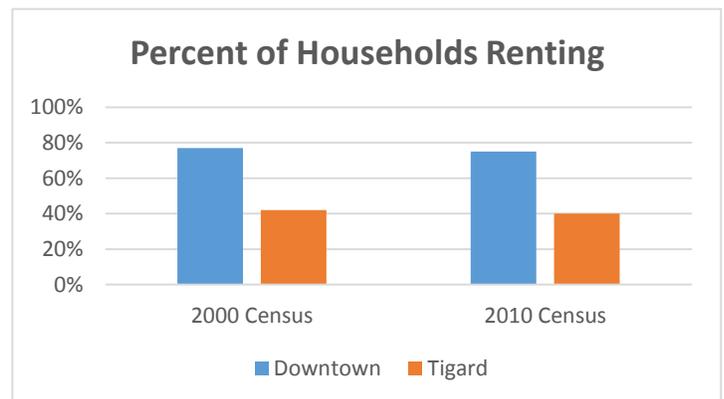
## Downtown Tigard Housing and Demographics

The population of Downtown Tigard (defined here as the Urban Renewal District plus the Main Street Village Apartments) grew 14.7%, from 2000 to 2010. This is slightly behind the population growth of the overall city of Tigard in the same period, which was 16.5%. The number of housing units in the Downtown increased 8% (attributable to the construction of the Knoll at Tigard senior affordable housing project). Citywide, the number of housing units increased by 10% in the same time period.



The housing stock in Downtown consists of ten apartment complexes (Main Street Village and the Knoll), approximately ten single family houses/duplexes, and the Cascade Mobile Villa with 30 mobile homes. The multi-family developments have a range of densities. Main Street Village, with 237 units on 15.15 acres has a density of about 15 units an acre. The older Tigard Manor Apartments on Ash Avenue are about 40-units an acre. The Knoll and the under construction Ash/Burnham project are closer to 50-units an acre.

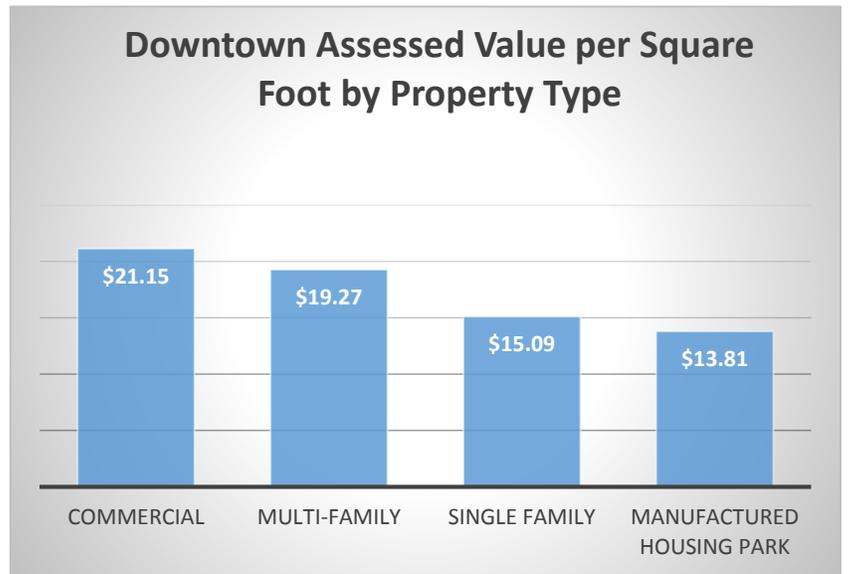
Downtown's demographics are distinct from Tigard as a whole. Downtown Tigard residents are more likely to be renters (75% vs. 42%) and Hispanic (28% vs. 13%). Downtown's population is trending younger - the percentage of residents under age 17 has grown since 2000 from 25% to 30%. Downtown Tigard's median household income is \$37,213 compared to \$69,304 for Tigard as a whole.



## Urban Renewal District Property Values

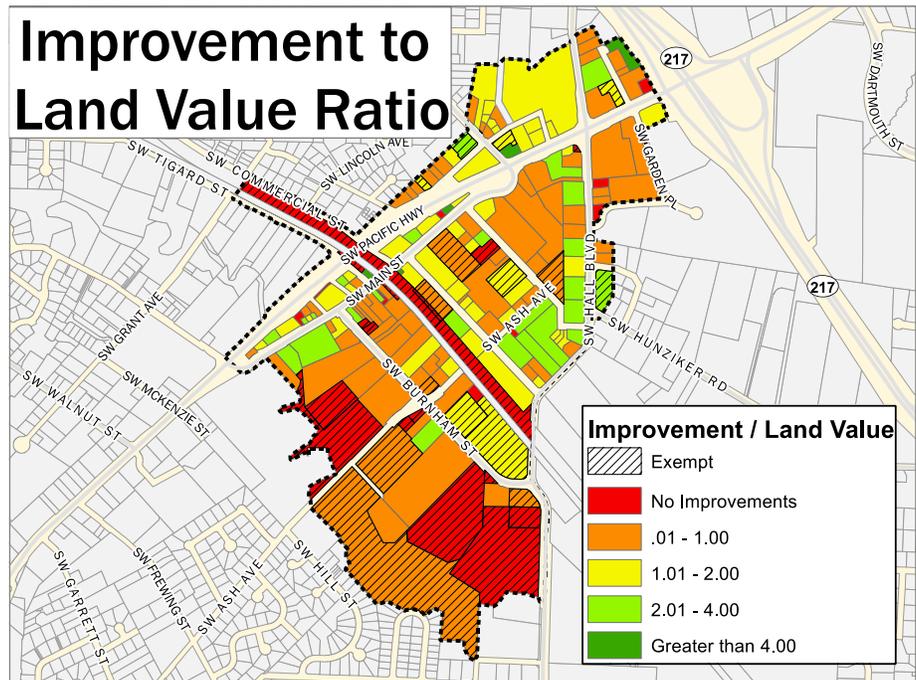
City Center Urban Renewal District 2015 property values were analyzed (not including Main Street Village, which sits just outside the urban renewal district boundaries). Public or exempt property (including right of way) comprises 54% of the land area of the district. Commercial development comprises 38% of the district's acreage and multi-family development comprises only 4.5%.

Looking at the assessed values on a per square foot basis reveals that commercial properties have the highest values at \$21.15/square foot, with multi-family at \$19.27/square foot.



One indication of whether a property is a good candidate for redevelopment is to look at the property's Improvement to Land Ratio. This ratio compares the Tax Assessor's value assigned to a property's improvements (structures) to the value of the land. Generally, if the land is worth more than the improvement (an I:L ratio of less than 1), it is a sign the property is not being used to its highest

potential. In the downtown, 66 of the commercial properties (47.6 acres) had an Improvement to Land Ratio of less than 1. Most of the multi-family properties have Improvement to Land ratios between 2 and 4. The commercial properties with lower I:L ratios are likely to be more feasible to redevelop into the higher density residential and mixed use development that is envisioned in the City Center Urban Renewal Plan.

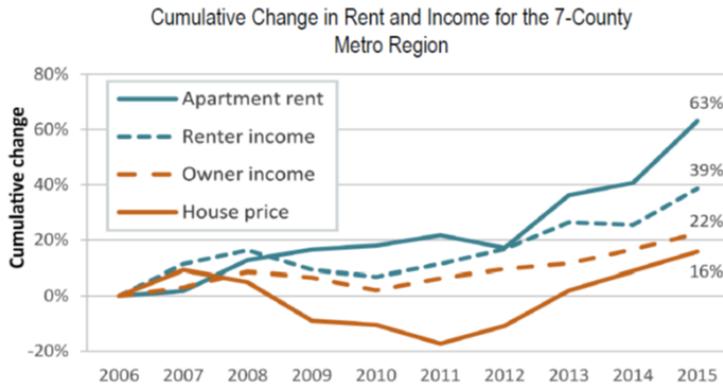


## Regional Housing Market Facts

Residential rents in the Portland region have increased sharply between 2011 and 2015, with the largest increases in the city of Portland. The Beaverton-Tigard market saw increases of 28%, the third largest increase in the Portland suburban markets.

Rental Market	Rent Increase 2011-2015
North Portland	71%
Downtown Portland	40%
East Portland	34%
Southwest Portland	34%
Hillsboro-Forest Grove	34%
Tualatin-Wilsonville-Sherwood	29%
<b>Beaverton-Tigard</b>	<b>28%</b>
Lake Oswego-West Linn	22%
Vancouver	22%
Milwaukie-Gladstone-Oregon City	20%

## Rents are rising faster than incomes



Regional housing market rents are rising faster than incomes. As shown in the chart, rents in the 7-County Portland Metro region have risen 63% between 2006 and 2015, while renter income has only risen 39%.



Source: Axiometrics, Multifamily NW, Johnson Economics

67% of the Portland region's housing is made up of single family homes.

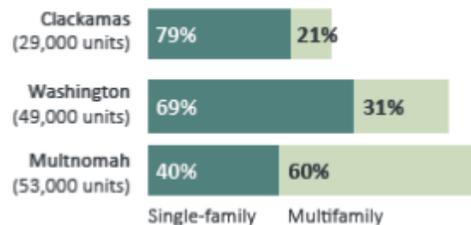
## Portland Regional Housing



Single Family housing

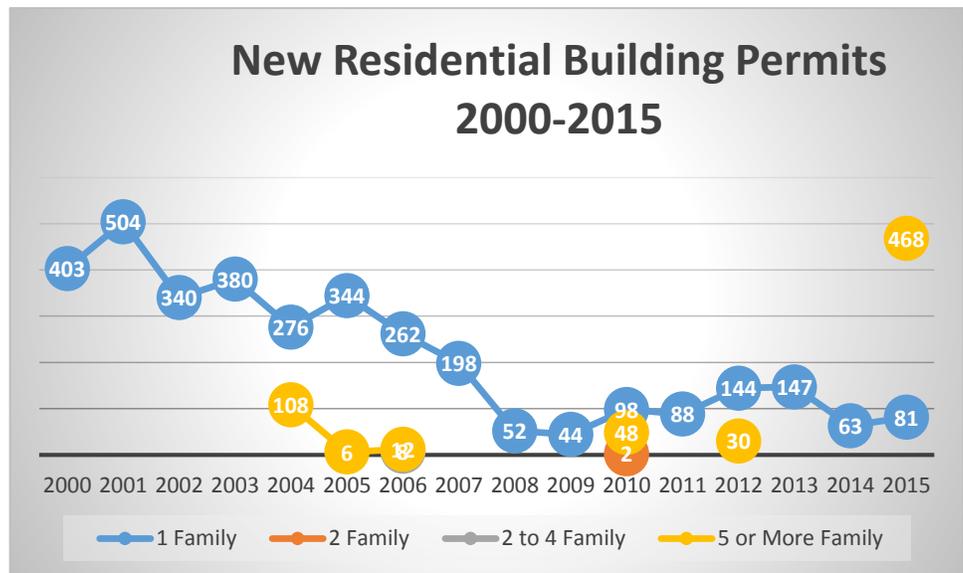
Other than in Multnomah County, single family residential construction has far outpaced multifamily development since 1998.

## Units by type developed since 1998



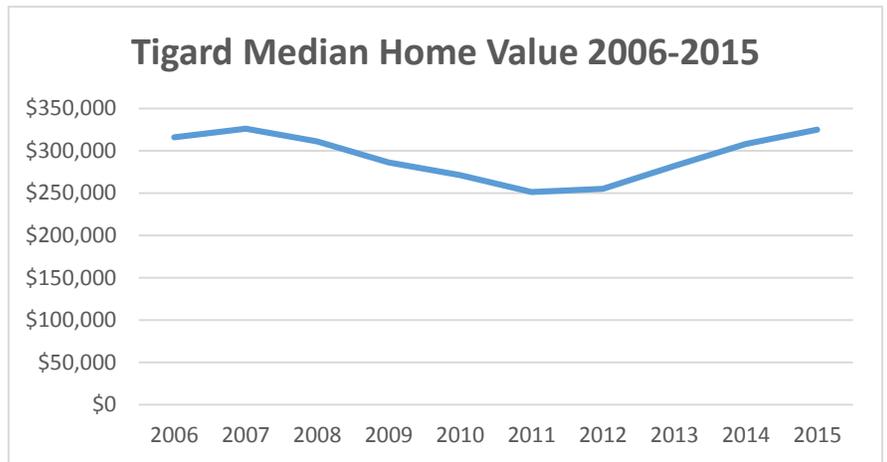
## Tigard Citywide Housing Statistics

- Since the year 2000, a total of 4,106 housing units have been permitted in Tigard. Of these 3,424 were single family houses and 682 were multi-family (two or more family developments) units, about 16% of the total units permitted.



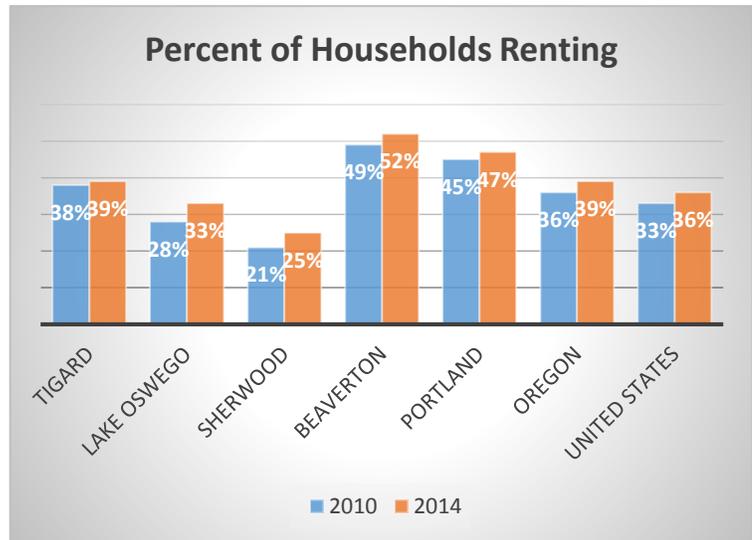
Several years saw no multi-family units built in Tigard. In 2015, there was a spike in multi-family unit permits – to 468 – including the 168-unit Ash/Burnham project, 60-unit Greenburg Apartments, and 240-unit Scholls Ferry Apartments.

- In Tigard, the median gross rent (which includes the costs of basic utilities) was reported as \$945 in the American Community Survey (note: when 2015 data becomes available, this median rent is expected to rise significantly.)
- Tigard's for sale housing market has recovered to pre-recession levels, with Tigard's 2015 median home value estimated at \$325,000. (Zillow)

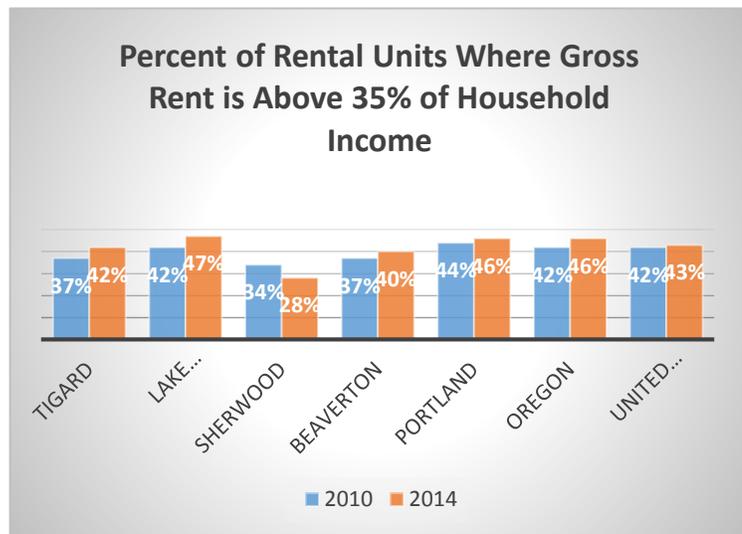


## Tigard Housing Statistics and Demographics Compared to Select Neighboring Cities

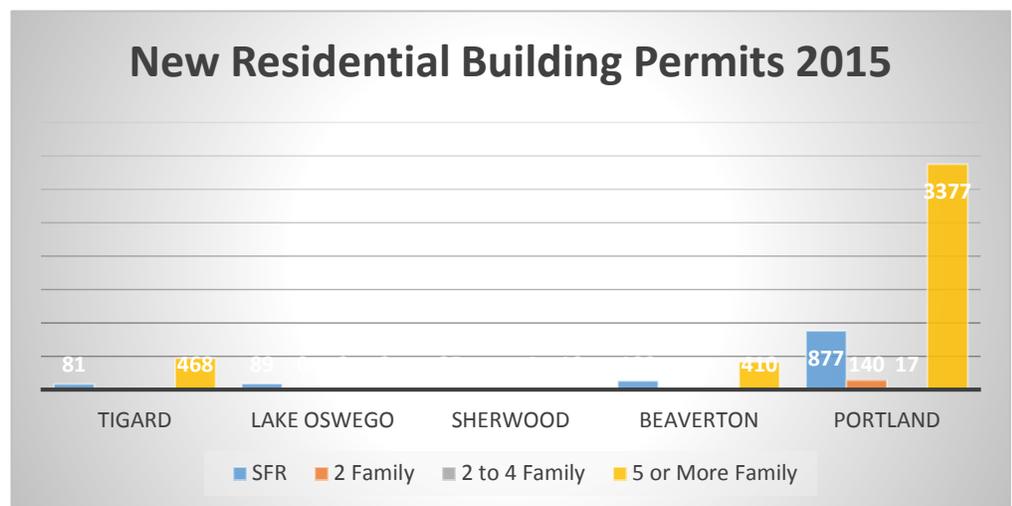
Select housing statistics for Tigard were compared to neighboring cities with urban renewal districts (Beaverton, Lake Oswego, and Sherwood) as well as Portland. According to the American Community Survey between 2010 and 2014 all of these cities (and the state of Oregon and the U.S.) have had an increase in the percentage of households who are renting.

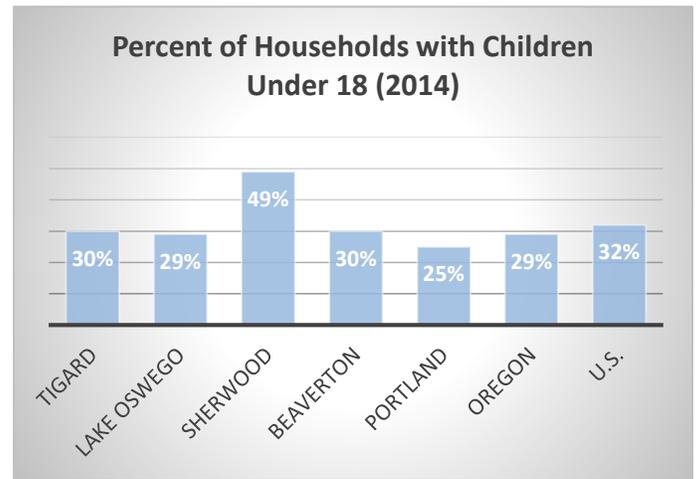
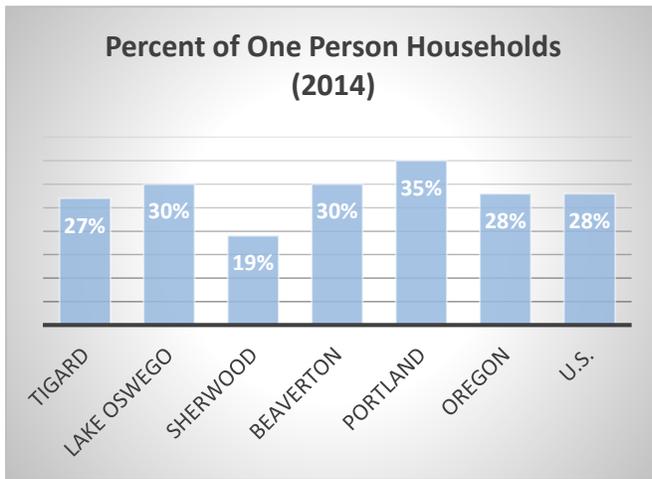


- The American Community Survey found that in 2014, 42% of occupied rental units in Tigard have gross rent (rent plus basic utilities) that is 35% or greater than household income. (35% of household income is a commonly accepted benchmark of housing affordability.) This percentage increased between 2010 and 2014 in all of the cities studied, except for Sherwood, which saw a decrease (from 34% to 28%). Tigard's percentage is on par with the U.S. average of 42.6%.

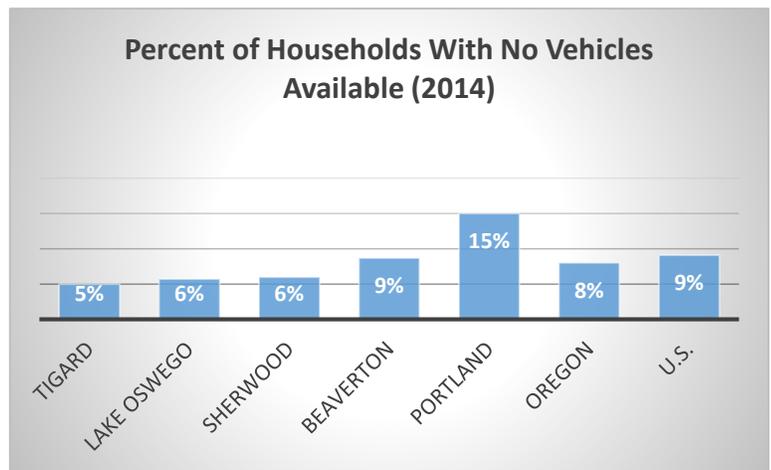


- Tigard permitted 468 multi-family units in 2015 (Burnham and Ash). Among Tigard's peer cities, Beaverton permitted 410 multi-family units, while Sherwood permitted 10, and Lake Oswego issued 6. The city of Portland permitted 3,377 multi-family units.





- 29% of Tigard households are made up of one person, which is slightly lower than the Oregon and U.S. portion of 28% and significantly higher than Sherwood (19%).
- 30% of Tigard households have children under 18 present, on par with Beaverton and Lake Oswego, and significantly lower than Sherwood (49%).
- Tigard's percentage of households with no vehicles available is 5%, compared with Beaverton's 8.7% and Portland's 15%. Tigard is below the U.S. average of 9%. This could be attributable to the fact that some areas of Tigard were developed without pedestrian facilities and commercial services within walking distance, so an automobile is considered essential.
- The U.S. Department of Transportation estimates that the average yearly cost to own and operate a car (including gas, insurance, and maintenance) is \$8,698. For lower income households that are struggling to pay for housing this is an added burden. Many housing experts advocate for including the costs of transportation to determine the true cost of housing. In the Metro region, 20% of households are spending more than 45% of their income on housing and transportation.



These statistics indicate that there may be unmet demand in Tigard for housing in more walkable and transit friendly areas. Market trends indicate that both millennial and downsizing baby boomer households have a preference for this type of housing. Tigard's Vertical Housing Development Zone, which allows a partial property tax exemption for mixed use development, can help encourage this type of mixed use residential development. The zone includes Downtown and the Tigard Triangle, where the first two projects have qualified for the exemption – the Burnham and Ash development and the Adrienne mixed use building in the Triangle.

AIS-2135

4.

**CCDA Agenda**

**Meeting Date:** 03/01/2016

**Length (in minutes):** 20 Minutes

**Agenda Title:** Employment and Workforce: Downtown, Tigard and the Region

**Prepared For:** Lloyd Purdy, Community Development

**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**

Report documenting trends in employment in the City of Tigard's Urban Renewal District.

**STAFF RECOMMENDATION / ACTION REQUEST**

The Board of the CCDA is requested to share feedback on the data presented in this report. Follow-up questions can be researched if business and employment data is available.

**KEY FACTS AND INFORMATION SUMMARY**

Tigard's Urban Renewal District is currently home to more than 176 firms, employing more than 1,700 residents from around the region. The average salary of a Tigard Urban Renewal District employee in 2014 was \$43,268. Combined, firms in Tigard's Urban Renewal District expended over \$75 million in payroll in 2014. Covering 198 acres, this general commercial area supports a mix of firms/employers. A diverse mix of employers provides employment options for residents with a range of skills, education levels, interests and earning potential.

The attached report outlines Tigard's Urban Renewal District (URD) trends over the last 10 years in:

- The types of business operating in the URD,
- Employment in the URD,
- Wages of employees (workforce) in the URD,
- Workforce education levels, and
- Distribution by age of the URD's workforce.

**Tigard's Urban Renewal District Business/Employment Analysis** (summary)

Firms in the consumer services (i.e.. retail, restaurant, product repair, and entertainment) employ 35% of the workforce in Tigard's Urban Renewal District. These

businesses are typically first-floor tenants serving a local customer base with retail goods and services. The other major employment sector can be generally characterized as employing a large portion of "office employees". Firms in the "office employee" category account for 41% of the workforce in Tigard's Urban Renewal District. Businesses in this sector are represented by firms in finance, insurance, professional services and public administration.

Eight industries account for 86% of the employment opportunity in Tigard's Urban Renewal District. These same industries account for only 54% of employment city wide. Employment in the URD is concentrated and less diverse compared to city-wide employment.

Tigard's Urban Renewal District supports 8.3 employees per acre. City wide, employment per acre is 20 when counting all employment lands. (Lincoln Center accounts for a high density per acre calculation when looking at the city overall.) For comparison sake, The City of Sherwood's Urban Renewal District currently employs 5.3 people per acre on 411 acres of Urban Renewal District. Beaverton's Urban Renewal District employees 13.6 people per acre in a 988 acre district.

In 2007 at "*peak employment*" 1,900 people worked in Tigard's Urban Renewal District. From 2002 to 2013, Tigard's Urban Renewal District has seen a decrease in the number of people working in the URD. Overall employment in the URD has decreased 16%. This is counter to a city-wide *increase* in employment of 16% since 2002.

The workforce in firms in the food service industry (+8%), insurance (+7%) and healthcare (+6%) has increased, while the workforce in the other industries has decreased since 2002.

The employment mix in Tigard's Urban Renewal District is not limiting the ability of the district to mature into an urban village format. The mix of business activity and employment is balanced but underrepresented in key urban village commercial activities like retail sales and restaurants. The district should be able to support at least 20% more employees than currently. As employment decreases in business sectors that need large amounts of space like warehousing, wholesale trade and manufacturing, empty capacity should be converted to use for activities that support higher densities of employment and other uses valued by the community. Prioritizing for first-story consumer oriented business activities with upper story office and residential uses supports an urban village style form.

### **Workforce Earnings in Tigard's Urban Renewal District** (summary)

The trend in wages follows a national and city-wide trend of a decrease in middle income earners and increases in lower wage and higher wage positions. Since 2002, the number of employees in the middle range earning \$15,000 to \$40,000 per year in Tigard's Urban Renewal District decreased 35%.

The number of employees working in low wage jobs (less than \$15,000/yr) in Tigard's Urban Renewal District has increased the most dramatically since the end of the recession in 2010. In recent years, employment in low wage jobs has increased by 22% in Tigard's Urban Renewal District.

City-wide, the employment trend shows a 45% increase in the number of employees making more than \$3,333 per month and only a 3.5% increase in the lowest wage group earning less than \$1,250/month (\$15,000/yr.)

As property owners and business owners reinvest in Tigard's Urban Renewal District creating more retail and restaurant offerings, the age of the workforce, education level and wages paid will continue to decline due to the nature of those businesses and jobs. This can be balanced by ensuring office capacity on upper stories and less pedestrian/consumer oriented activities around the edges of Tigard's Urban Renewal District as it transitions into neighboring industrial zones.

### **Employee Education and Age in Tigard's Urban Renewal District (summary)**

In Tigard's Urban Renewal District an increasing number of employees have a high school education or less. This group accounts for 27% of the Urban Renewal District's workforce. The proportion of employees with a high school education or less is about the same at 25% for the city overall.

Inconsistent with city-wide trends, the number of employees in Tigard's Urban Renewal District with at least a bachelor's degree decreased by 9.9%. For the city overall, the number of employees with at least a bachelor's degree has increased by 8.8%.

The majority of Tigard's Urban Renewal District employees (56.2%) are in their primary earning years age 30 to 54.

Similar to the national trend, the workforce is aging, and since the end of the recession, employees with experience have crowded out job opportunities for younger employees. About a quarter (26%) of the employees in Tigard's Urban Renewal District are older than age 55. This age group has increased about 69% since 2002. Only 17% of the Tigard Urban Renewal District's employees are 29 years old or younger, this group has seen the largest decrease of about 40%.

The attached report includes graphics and comparisons to similar trends in the City of Tigard as well as the Urban Renewal Districts in Beaverton and Sherwood. This provides an opportunity to see how these workforce trends relate to Tigard's overall economy as well as the Urban Renewal Districts in two neighboring cities - one larger and one smaller.

### **OTHER ALTERNATIVES**

No alternatives for consideration at this time.

## **COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS**

Tigard's Urban Renewal District covers 198 acres of "employment land" which is land zoned to support commercial and economic activity. As a sub-region within Tigard's employment lands, economic activity in the Urban Renewal District relates to the City of Tigard's Comprehensive Plan Goal 9 and the 2011 Economic Opportunity Analysis. Commercial activity in the Urban Renewal District can also support the City's Strategic Vision Goal that seeks to ensure development advances the vision of a "more walkable, interconnected and healthier city".

An understanding of the trends in employment and business activity in Tigard's Urban Renewal District support's the City Center Urban Renewal Plan Goal 5: Promote high quality **development of retail, office** and residential uses that support and are supported by public streetscape, transportation, recreation and open space investment.

## **DATES OF PREVIOUS COUNCIL CONSIDERATION**

N/A

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### **Attachments**

URD Workforce Analysis

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Employment Summary for Tigard’s Urban Renewal District

Tigard’s Urban Renewal District is currently home to more than 176 firms, employing more than 1,700 residents from around the region. The average salary of an employee in the Tigard Urban Renewal District in 2014 was \$43,268. Combined, firms in Tigard’s Urban Renewal District expensed over \$75 million in payroll in 2014. Tigard’s Urban Renewal District sits between two industrial zones (outside of the urban renewal district) with another 61 firms employing more than 600 people in manufacturing, distribution and traded sector occupations. Daily more than 4,000 commuters make a transit trip via the Tigard Transit Center primarily as they commute to work somewhere else in the region or into Tigard for their job.

Types of Jobs in Tigard’s Urban Renewal District

Covering only 198 acres, this general commercial area supports a mix of firms/employers. A diverse mix of businesses provides employment options for residents with a range of skills, education levels, interests and earning potential. The table shows the mix of industries employing people in Tigard’s Urban Renewal District compared to employment in the city overall.

The orange highlighted business sectors on the table show the percentage of employees in Tigard’s Urban Renewal District that work for a firm with a primarily consumer focus. Consumer services like retail trade, entertainment, food service and general/other services (shoe repair, barber, car mechanics) are the retail amenities that most residents expect to find in an “urban village” downtown format. These businesses are typically the first floor tenants serving a local customer base with retail goods and service, often on evenings and weekends. Firms in the consumer services sector employ 35% of the workforce in Tigard’s Urban Renewal District.

Employment by Business Sectors 2013	Tigard	
	URD	City Wide
Agriculture, Forestry, Fishing and Hunting	0.7%	0.1%
Mining, Quarrying, and Oil and Gas Extraction	0.0%	0.0%
Utilities	0.0%	0.1%
Construction	2.3%	6.2%
Manufacturing	8.9%	5.4%
Wholesale Trade	1.6%	6.3%
<b>Retail Trade</b>	<b>16.5%</b>	<b>16.9%</b>
Transportation and Warehousing	0.0%	1.3%
Information	7.2%	3.3%
Finance and Insurance	6.1%	13.2%
Real Estate and Rental and Leasing	0.6%	1.3%
Professional, Scientific, and Technical Services	2.7%	9.1%
Management of Companies and Enterprises	0.0%	1.5%
Administration & Support	4.9%	14.8%
Educational Services	0.8%	3.8%
Health Care and Social Assistance	9.7%	6.1%
Arts, Entertainment, and Recreation	0.2%	1.2%
Accommodation and Food Services	9.9%	5.7%
<b>Other (Consumer) Services</b>	<b>8.1%</b>	<b>2.7%</b>
Public Administration	19.7%	1.2%

In order to support this type of business activity, a downtown also needs a healthy mix of office employment like finance and insurance, professional services, management, creative services and administration. These are business sectors (marked in blue in the table) that may have some interaction with retail customers (like an insurance office, or interior design firm). Employees at these firms also shop, eat and seek out services in a downtown. Firms with a large number of office employees account for 41% of the workforce in Tigard’s Urban Renewal District.

In a typical urban village downtown format, firms specializing in manufacturing, warehousing, and wholesale trade are atypical in the core. Their physical footprint and the infrastructure they need run counter to a pedestrian oriented consumer focused urban village. In many downtowns, this business activity takes place on the edge of the district.

A mix of firms and business sectors and a higher density of employment are important factors to consider when thinking about Tigard’s Urban Renewal District. Every employee downtown is a potential customer for a range of downtown goods and services.

Large Employment Sectors in Tigard’s Urban Renewal District

Employment in the eight largest business sectors for Tigard’s Urban Renewal Districts can be compared to Sherwood and Beaverton’s URD and the City of Tigard overall in the table below. These 8 business sectors account for 86% of all employment in the Tigard Urban Renewal District. These same business sectors only represent 54% of the employment capacity of the entire workforce in the city overall. Employment in Tigard’s Urban Renewal District is highly concentrated in these sectors.

Retail and commercial trade (retail, restaurants and consumer services) make up the largest private sector source of employment in the Tigard Urban Renewal District. Combined, firms in these consumer oriented businesses provide jobs to 35% of all employees who work in Tigard’s Urban Renewal District.

<b>Largest Employment Sectors (2013)</b>	<b>Tigard URD</b>	<b>Beaverton URD</b>	<b>Sherwood URD</b>	<b>City of Tigard</b>
	<b>Share</b>	<b>Share</b>	<b>Share</b>	<b>Share</b>
Manufacturing	8.9%	14.3%	16.8%	5.4%
Retail Trade	16.5%	22.7%	21.6%	16.9%
Information	7.2%	4.2%	0.6%	3.3%
Finance and Insurance	6.1%	2.2%	3.0%	13.2%
Health Care and Social Assistance	9.7%	9.1%	13.8%	6.1%
Accommodation and Food Services	9.9%	14.2%	11.6%	5.7%
Other (Consumer) Services	8.1%	3.4%	6.7%	2.7%
Public Administration	19.7%	4.7%	4.4%	1.2%
Listed as a percentage of Total	86.1%	74.8%	78.4%	54.4%

In almost each instance, the same business sectors in Sherwood and Beaverton’s urban renewal districts employ a larger percentage of people. Tigard’s Urban Renewal District has a relatively large share of public administration jobs due to City Hall’s location downtown, which reduces the proportion of private sector employment. Tigard City Hall (Public Administration 19.7%) makes up the single largest employer in Tigard’s Urban Renewal District.

Tigard’s Urban Renewal district supports 8.3 employees per acre. City wide, employment per acre is 20 when counting all employment lands. (Lincoln Center accounts for a high density per acre calculation when looking at the city overall.) For comparison sake, The City of Sherwood’s urban renewal district currently employs 5.3 people per acre on 411 acres of urban renewal district. Beaverton’s Urban Renewal District employees 13.6 people per acre in a 988 acre district.

Tigard’s Urban Renewal District supports a mix of employees working in a range of business sectors that support an urban village downtown format. Proportionally more office based employees work in information services, finance, public administration and insurance in Tigard’s Urban Renewal District than in Beaverton and Sherwood’s Urban Renewal Districts and the City overall.

The employment mix in Tigard’s Urban Renewal District is not limiting the ability of the district to mature into an urban village downtown format. The mix of business activity and employment is balanced but underrepresented in key urban village shopping district commercial activities like retail sales and restaurants.

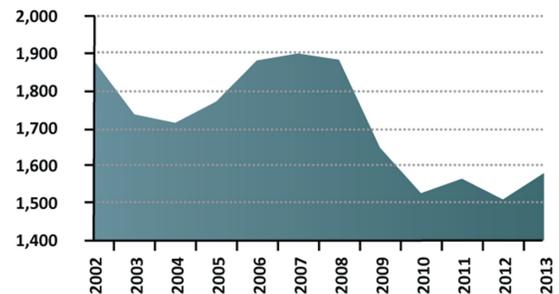
Employment Trends in Tigard’s Urban Renewal District

In 2007 at “peak employment” 1,900 people worked in Tigard’s Urban Renewal District. By 2013 (the most current year of data) employment dropped to 1,600 employees. Employment is up slightly from a post-recession low of 1,500 in 2012. Over the same time period, city-wide employment rose from 35,300 in to 41,079 employees in 2014.

From 2002 to 2013, Tigard’s Urban Renewal District has seen a decrease in the number of people working within the district. Downtown’s overall decrease in employment of 16% is counter to a city-wide increase in employment of 16% since 2002.

At “peak employment” firms located in Tigard’s Urban Renewal District employed 5.33% of the City of Tigard’s workforce. Currently, firms in the Urban Renewal District employ 3.8% of the overall workforce. This annualized decrease in workforce by sector equates to a loss of 300 jobs or 16% of the employees working in Tigard’s Urban Renewal District.

**TOTAL EMPLOYMENT  
 TIGARD URBAN RENEWAL DISTRICT**



Area of Study	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Percent Change
Jobs URD	1,883	1,737	1,714	1,771	1,881	1,900	1,883	1,648	1,526	1,565	1,509	1,580	-16.09%
Jobs Tigard	35,341	34,342	35,306	35,971	37,333	38,550	38,553	36,059	36,988	39,975	40,090	41,079	16.24%
Tigard Population	44,609	44,828	45,724	46,709	47,657	47,916	48,528	49,254	48,035	49,025	49,774	50,000	12.09%

The chart to the right shows which business sectors are expanding and contracting their workforce in Tigard’s Urban Renewal District. Food services, healthcare and financial/insurance services are increasing. Every other business sector represented in the table has been reducing its workforce.

Decreased employment indicates lower businesses activity for these sectors. These firms may be reducing their workforce but operating out of the same space, moving to another location, or closing. Unusual for Tigard’s Urban Renewal Districts is the widespread trend in decreasing employment, not limited to just a few sectors.

Business Sector Change in Employment Over Time (Targeted Sectors)	Annualized 2002-2013
Manufacturing	-2.5%
Wholesale Trade	-4.6%
Retail Trade	-1.3%
Transportation and Warehousing	-9.1%
Information	-2.9%
Finance and Insurance	7.2%
Professional, Scientific, and Technical Services	-4.4%
Management of Companies and Enterprises	-9.1%
Administration & Support	-4.3%
Health Care and Social Assistance	6.3%
Arts, Entertainment, and Recreation	-6.6%
Accommodation and Food Services	8.4%
Other (Consumer) Services	0.9%
Public Administration	0.6%

The trend in increasing food service downtown is one good signal. Increased restaurant and food offerings in a downtown setting set the stage for retail and residential uses.

Employment levels in Tigard’s Urban Renewal District are not increasing along with the overall trend. The district should be able to support at least 20% more employees than currently. As employment decreases in business sectors that need large amounts of space like warehousing, wholesale trade and manufacturing, empty capacity should be converted to use for activities that support higher densities of employment and other uses valued by the community. Prioritizing for first-story consumer oriented business activities with upper story office and residential uses supports an urban village style form.

What do employees working in Tigard’s Urban Renewal District Earn?

Wages paid to employees in Tigard’s Urban Renewal District are divided into three categories by the US Census.

- Less than \$15,000/year (\$1,250/month)
- Between \$15,000 and \$40,000 per year
- More than \$40,000/year (\$3,333/month)

The trend in wages follows a national and city-wide trend of a decrease in middle income earners and increases in lower wage and higher wage positions. Since 2002, the number of employees in the middle range earning \$15,000 to \$40,000 per year in Tigard’s Urban Renewal District has decreased by 35%.

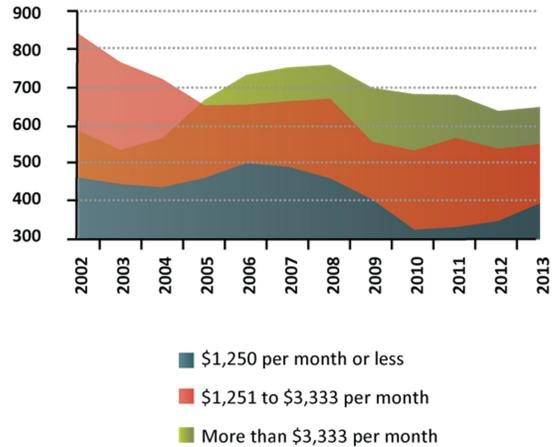
Since the end of the recession in 2010, in Tigard’s Urban Renewal District, the trend shows a slight decrease in the number of employees earning more than \$3,333 per month (\$40,000/yr). The number of employees working in low wage jobs (less than \$15,000/yr) in Tigard’s Urban Renewal District has increased the most dramatically since the end of the recession in 2010. In recent years, employment in low wage jobs has increased by 22% in Tigard’s Urban Renewal District. Higher wage employment (\$15,000 and above) has decreased by 1% and while it’s lower than pre-recession levels, it is trending up.

This trend in Tigard’s Urban Renewal District is not consistent with the trend in Beaverton and Sherwood’s Urban Renewal Districts. In Sherwood, the number of employees entering the relatively higher income cohorts is growing (with a 23% increase from 2010 to 2013) and the low wage group is shrinking (11% decrease). The disbursement of wages in Beaverton has been relatively constant between the three categories.

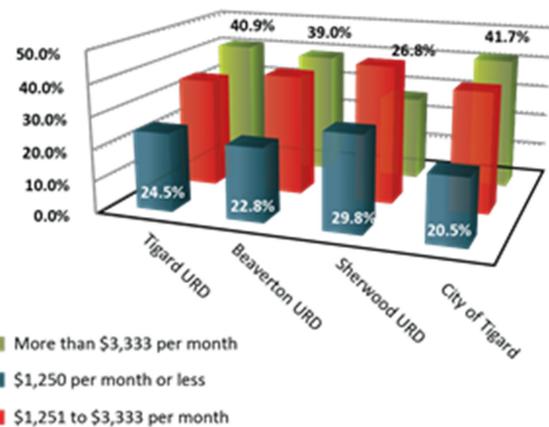
For comparison, at the end of calendar year 2014, the average wage for an employee in Tigard was \$47,968 (\$4,000/month). Contrary to the trend in the Tigard Urban Renewal District, when looking across the whole City of Tigard, the trend shows a 45% increase in the number of employees making more than \$3,333 per month and only a 3.5% increase in the lowest wage group earning less than \$1,250/month (\$15,000 yr.)

As property owners and business owners reinvest in Tigard’s Urban Renewal District creating more retail and restaurant offerings, the age of the workforce, education level and wages paid will continue to decline. This can be balanced by ensuring office capacity on upper stories and less pedestrian/consumer oriented activities around the edges of Tigard’s Urban Renewal District as it transitions into neighboring industrial zones.

**PAY RANGES OF EMPLOYEES  
 TIGARD URBAN RENEWAL DISTRICT**



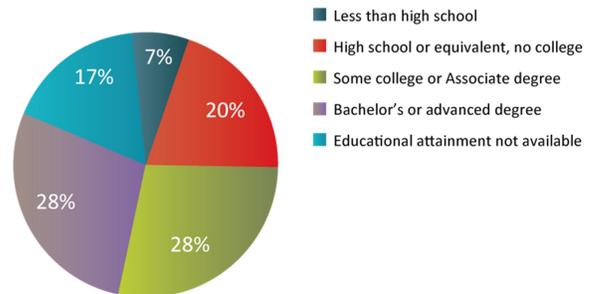
**2013 WAGES BY STUDY AREA  
 TIGARD URBAN RENEWAL DISTRICT**



## Employee Education and Age in Tigard’s Urban Renewal District

The education level of employees in Tigard’s Urban Renewal District follows the trend in wages. In Tigard’s Urban Renewal District an increasing number of employees have a high school education or less. This group accounts for 27% of the urban renewal district’s workforce. Sherwood and Beaverton Urban Renewal Districts have a similar proportional share of minimally educated employees. The trend is consistent with city-wide trends in education levels.

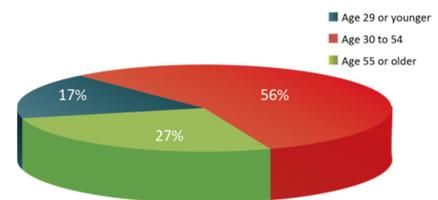
**WORKFORCE EDUCATION LEVEL 2013  
TIGARD URBAN RENEWAL DISTRICT**



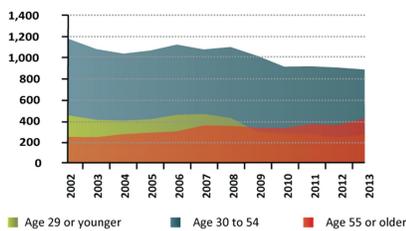
Inconsistent with city-wide trends, the number of employees in Tigard’s Urban Renewal District with at least a bachelor’s degree decreased by 9.9% since 2009. City wide, the proportion of employees with a high school education or less is about the same at 25% and the number with at least a bachelor’s degree has increased by 8.8%. Education data from the US Census is only available from 2009 to 2013.

Wages, education Level and age are often correlated. The majority of Tigard’s urban renewal district employees (56.2%) are in their primary earning years age 30 to 54. This “working age” group is about the same proportion in the Beaverton and Sherwood urban renewal districts. The proportion of this group related to the younger and older working demographic is true for the city overall as well.

**WORKFORCE BY AGE  
TIGARD URBAN RENEWAL DISTRICT**



**EMPLOYMENT BY AGE  
TIGARD URBAN RENEWAL DISTRICT**

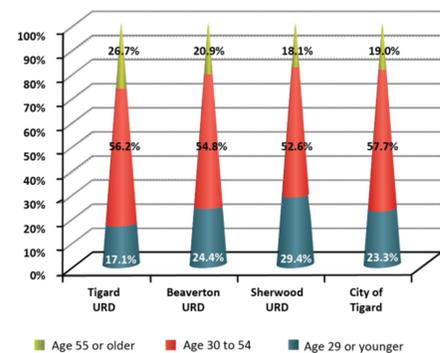


Also, like national trends, the workforce is aging, and since the end of the recession employees with experience have crowded out job opportunities for younger employees.

Just of a quarter (26%) of the employees in the Tigard Urban Renewal District are older than age 55. This age group has increased about 69% since 2002

in and increased 84% city wide. Only 17% of the Tigard urban renewal district’s employees are 29 years old or younger, this group has seen the largest decrease of about 40%. This groups makes up anywhere from 23 to 29% of the employees in Beaverton and Sherwood’s urban renewal district and the City overall.

**COMPARISON OF  
WORKFORCE BY AGE**



## Tigard Urban Renewal District Employment/Workforce Analysis

### Workforce Trend Summary

- Firms in consumer services (retail, restaurant, product repair, and entertainment) employ 35% of the workforce in Tigard's Urban Renewal District.
- Firms with a large number of office based employees account for 41% of the workforce in Tigard's Urban Renewal District. Businesses in this sector include professional services and public administration.
- Eight industries account for 86% of the employment opportunity in Tigard's Urban Renewal District. Employment in the URD is concentrated and less diverse compared to city-wide employment.
- Tigard's Urban Renewal District supports 8.3 employees per acre. City wide, employment per acre is 20 when counting all employment lands. (Lincoln Center accounts for a high density per acre calculation when looking at the city overall.)
- In 2007 at "peak employment" 1,900 people worked in Tigard's Urban Renewal District. Overall employment in the URD decreased 16%. This is counter to a city-wide increase in employment of 16% since 2002.
- The workforce employed by firms in the food service industry (+8%), insurance (+7%) and healthcare (+6%) has increased, while the workforce in other industries in the URD has decreased since 2002.
- The trend in wages follows a national and city-wide trend of a decrease in middle income earners and increases in lower wage and higher wage positions. Since 2002, the number of employees in the middle range earning \$15,000 to \$40,000 per year in Tigard's Urban Renewal District decreased 35%.
- The number of employees working in low wage jobs (less than \$15,000/yr) in Tigard's Urban Renewal District increased by 22% post-recession.
- In Tigard's Urban Renewal District an increasing number of employees have a high school education or less. This group accounts for 27% of the urban renewal district's workforce.
- Inconsistent with city-wide trends, the number of employees in Tigard's Urban Renewal District with at least a bachelor's degree decreased by 9.9%. For the city overall, the number of employees with at least a bachelor's degree has increased by 8.8%.
- The majority of Tigard's urban renewal district employees (56.2%) are in their primary earning years age 30 to 54. Similar to the national trend, the workforce is aging, and since the end of the recession, employees with experience have crowded out job opportunities for younger employees.
- About a quarter (26%) of the employees in Tigard's Urban Renewal District are older than age 55. This age group has increased about 69% since 2002. Only 17% of the Tigard urban renewal district's employees are 29 years old or younger, this group has seen the largest decrease of about 40%.

**AIS-2504**

**5.**

**CCDA Agenda**

**Meeting Date:** 03/01/2016

**Length (in minutes):** 10 Minutes

**Agenda Title:** Metro IGA for Downtown Grant Award

**Submitted By:** Sean Farrelly, Community  
Development

**Item Type:** Resolution

**Meeting Type:** Council  
Business  
Meeting -  
Main

**Public Hearing** No

**Newspaper Legal Ad Required?:**

**Public Hearing Publication**

**Date in Newspaper:**

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**Information**

**ISSUE**

Shall Council authorize the City Manager to sign an Intergovernmental Government Agreement (IGA) with Metro to receive \$100,000 in Community Planning and Development Grant (CPDG) funds for the purpose of completing the Downtown Tigard Urban Lofts Development project?

**STAFF RECOMMENDATION / ACTION REQUEST**

Staff recommends that Council authorize the City Manager to sign the IGA with Metro, substantially similar to the attached IGA.

**KEY FACTS AND INFORMATION SUMMARY**

At its February 23 meeting, staff briefed Council on the attached IGA, which formally acknowledges the Metro CPDG award, describes the funding terms, and summarizes the city's performance responsibilities. Staff also briefed Council on Exhibit A of the IGA, which identifies the milestones, deliverables, and reimbursement schedule specific to this grant award.

The award will fund pre-development feasibility work for a mixed use/housing development on two downtown sites: a 0.45 acre privately owned site fronting Main Street (the "Nicoli site") and the 0.81 acre site that is currently the Tigard Transit Center. The three main tasks are:

1. Reconfiguration plan for the Tigard Transit Center.
2. A concept plan for mixed-use transit oriented urban-style loft development of two sites.

3. Definition of the Urban Renewal District's role and financial commitments to the project.

The deliverables and milestones are described in Exhibit A of the IGA which is attached. These grant-funded deliverables will be developed with the assistance of a consultant team. There are a couple of minor IGA issues that still need to be finalized and reviewed by the City Attorney, but the final documents will be substantially similar to Attachments A and B. Once the IGA is signed, a more detailed scope of work will be developed and a request for proposals will be publicized.

### **OTHER ALTERNATIVES**

Council may choose not to enter into this IGA with Metro, which would result in the Downtown Tigard Urban Lofts Development project not moving forward.

### **COUNCIL OR CCDA GOALS, POLICIES, MASTER PLANS**

#### **Tigard City Council 2015-17 Goals and Milestones**

Goal #2. Make Downtown Tigard a Place Where People Want to Be

#### **Tigard Comprehensive Plan**

Special Planning Areas - Downtown

Goal 15.2 Facilitate the development of an urban village.

#### **Tigard Strategic Plan**

Goal 2: Ensure development advances the vision

#### **City Center Urban Renewal Plan**

Goal 5: Promote high quality development of retail, office and residential uses that support and are supported by public streetscape, transportation, recreation, and open space investments

#### **Tigard Downtown Improvement Plan**

Downtown Housing Development Catalyst Project

### **DATES OF PREVIOUS CONSIDERATION**

February 23, 2015, Review of draft IGA documents

May 26, 2015, Resolution Authorizing Metro Community Planning & Development Grant Application

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#### **Fiscal Impact**

**Cost:** \$ 207,559  
**Budgeted (yes or no):** partial  
**Where Budgeted (department/program):** Community Development

**Additional Fiscal Notes:**

The \$97, 559 in staff time match is budgeted in the Community Development Department. If the \$10,000 city funds match is required, it will be funded by the FY 16-17 CCDA budget request. The city/CCDA budget will be amended to reflect the \$100,000 grant award.

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**Attachments**

IGA

Exhibit A Deliverables and Milestones

Exhibit B: Grant Application

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**DRAFT**

**CONSTRUCTION EXCISE TAX GRANT  
INTERGOVERNMENTAL AGREEMENT  
Metro – City of Tigard  
Downtown Tigard Urban Lofts Development Project**

This Construction Excise Tax Grant Intergovernmental Agreement (“CET Grant IGA”) is effective on the last date of signature below, and is entered into by and between Metro, a metropolitan service district organized under the laws of the state of Oregon and the Metro Charter, located at 600 Northeast Grand Avenue, Portland OR, 97232 (“Metro”), and the City of Tigard (“City”), located at 13125 SW Hall Boulevard, Tigard Oregon, 97223, collectively referred to as “Parties.”

WHEREAS, Metro has established a Construction Excise Tax (“CET”), Metro Code Chapter 7.04, which imposes an excise tax throughout the Metro regional jurisdiction to fund regional and local planning that is required to make land ready for development after inclusion in the Urban Growth Boundary; and

WHEREAS, the CET is collected by local jurisdictions when issuing building permits, which the local jurisdictions then remit to Metro pursuant to Construction Excise Tax Intergovernmental Agreements to Collect and Remit Tax (“CET Collection IGAs”) entered into separately between Metro and the local collecting jurisdictions; and

WHEREAS, the City has submitted a CET Grant Request (“Grant Request”) for the Downtown Tigard Urban Lofts Development Project (“Project”); and

WHEREAS Metro has agreed to provide the City CET Grant funding for the Project in the amount of \$100,000, subject to the terms and conditions set forth herein, and the parties wish to set forth the funding amounts, timing, procedures and conditions for receiving grant funding from the CET fund for the Project.

NOW THEREFORE, the Parties hereto agree as follows:

1. Metro Grant Award. Metro shall provide CET grant funding to the City for the Project as described in the City’s CET Grant Request, attached hereto as Exhibit B and incorporated herein (“Grant Request”), in the amounts and at the milestone and deliverable dates as set forth in Exhibit A attached hereto and incorporated herein, subject to the terms and conditions in this Agreement.
2. City Responsibilities. The City shall perform the Project described in the Grant Request and as specified in this Agreement and in Exhibit A, subject to the terms and conditions specified in this Agreement and subject to the “funding conditions” recommended by the Metro Chief Operating Officer and adopted by the Metro Council in Resolution No. 15-4640. The City shall obtain all applicable permits and licenses from local, state or federal agencies or governing bodies related to the Project, and the City shall use the CET funds it receives under this Agreement only for the purposes specified in the Grant Request and to achieve the deliverables and/or milestones set forth in Exhibit A.
3. Payment Procedures. Within 30 days after the completion of each deliverable/milestone as set forth in Exhibit A, the City shall submit to Metro an invoice describing in detail its expenditures as may be needed to satisfy fiscal requirements. Within 30 days of receiving the City’s invoice and supporting documents, and

## DRAFT

subject to the terms and conditions in this Agreement, Metro shall reimburse the City for its eligible expenditures for the applicable deliverable as set forth in Exhibit A. Metro shall send CET payments to:

City of Tigard  
Finance Department  
Attention: Linda Compton  
13125 SW Hall Blvd.  
Tigard, OR 97223

#### 4. Funding Provisions.

(a) CET Funds. Metro's funding commitment set forth in this Agreement shall be fulfilled solely through the programming of CET funds; no other funds or revenues of Metro shall be used to satisfy or pay any CET Grant funding commitments. The parties recognize and agree that if the CET is ever held to be unenforceable or invalid, or if a court orders that CET funds may no longer be collected or disbursed, that this Agreement shall terminate as of the effective date of that court order, and that Metro shall not be liable in any way for funding any further CET grant amounts beyond those already disbursed to the City as of the effective date of the court order. In such case the City shall not be liable to Metro for completing any further Project deliverables as of the date of the court order.

(b) Waiver. The parties hereby waive and release one another for and from any and all claims, liabilities, or damages of any kind relating to this Agreement or the CET.

5. Project Records. The City shall maintain all records and documentation relating to the expenditure of CET Grant funds disbursed by Metro under this Agreement. The City shall provide Metro with such information and documentation as Metro requires for implementation of the CET grant process. The City shall establish and maintain books, records, documents, and other evidence in accordance with generally accepted accounting principles, in sufficient detail to permit Metro or its auditor to verify how the CET Grant funds were expended. Metro and its auditor shall have access to the books, documents, papers and records of the City that are directly related to this Agreement, the CET grant moneys provided hereunder, or the Project for the purpose of making audits and examinations.

6. Audits, Inspections and Retention of Records. Metro and its representatives shall have full access to and the right to examine, during normal business hours and as often as they deem necessary, all City records with respect to all matters covered by this Agreement and Exhibit A. Such representatives shall be permitted to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls and other matters covered by this Agreement. All documents, papers, time sheets, accounting records, and other materials pertaining to costs incurred in connection with the project shall be retained by the City and all of their contractors for three years from the date of completion of the project, or expiration of the Agreement, whichever is later, to facilitate any audits or inspection.

7. Term. This Agreement shall be effective on the date it is executed by both parties, and shall be in effect until all deliverables/milestones have been achieved, all required documentation has been delivered, and all payments have been made as set forth in Exhibit A, unless terminated earlier pursuant to this Agreement.

8. Amendment. This CET Grant IGA may be amended only by mutual written agreement of the Parties.

9. Other Agreements. This CET Grant IGA does not affect or alter any other agreements between Metro and the City.

**DRAFT**

10. Authority. City and Metro each warrant and represent that each has the full power and authority to enter into and perform this Agreement in accordance with its terms; that all requisite action has been taken by the City and Metro to authorize the execution of this Agreement; and that the person signing this Agreement has full power and authority to sign for the City or Metro, respectively.

Metro

City of Tigard

By: \_\_\_\_\_  
Martha Bennett

By: \_\_\_\_\_  
Martha Wine

Title: Metro Chief Operating Officer

Title: City Manager

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form:

Approved as to Form:

By: \_\_\_\_\_  
Alison R. Kean

By: \_\_\_\_\_

Title: Metro Attorney

Title: City Attorney

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Attachments:

Exhibit A – Milestones and Deliverables Schedule

Exhibit B – City’s Grant Request

## 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.	<b>Execution of IGA Grant</b>	November 26, 2013 <sup>1</sup>	\$0
2.	<b>Retain Project Management Consultant</b> 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.	<b>Undertake Environmental Investigations<sup>2</sup></b> 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 not to proceed	January 1, 2014 (Site 1) February 1, 2014 (Site 2)	\$30,000

<sup>1</sup> Tigard City Council Hearing on IGA

<sup>2</sup> 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.

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

	recommendations to the City Council f) City Council acceptance of the development agreements		
<b>TOTAL REIMBURSABLE AMOUNT</b>			<b>\$100,000</b>

\*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

## **Exhibit B**

### **City Grant Request**

*[attach]*



# 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](mailto: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*

#### **Task 1. Transit Center Bus Function Reconfiguration**

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

##### **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 worksession 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.

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

## **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

**AIS-2532**

**6.**

**CCDA Agenda**

**Meeting Date:** 03/01/2016

**Length (in minutes):** 60 Minutes

**Agenda Title:** DISCUSSION OF CITY PRIORITIES

**Prepared For:** Marty Wine, City Management

**Submitted By:** Carol Krager, Central Services

**Item Type:** Update, Discussion, Direct Staff

**Meeting Type:** Council Business Meeting - Main

**Public Hearing:** No

**Publication Date:**

**Information**

**ISSUE**

Through individual decisions, the Council has discussed many issues, programs, and investments in services that Tigard could make, and also the need to prioritize them or decide the appropriate timing for implementation. There are investments in existing and expanded programs and services, and facilities and capital needs that could be made. Council is asked to discuss and if possible, reach consensus for how and when city should undertake these priorities.

**STAFF RECOMMENDATION / ACTION REQUEST**

Deliberate about the programs, services and projects and investments that could be made in Tigard and create a business plan to determine the order of priority and timing of investments.

**KEY FACTS AND INFORMATION SUMMARY**

In prior Council discussions over the last year about the 2016-17 budget, consideration of a sidewalk connections program, the proposal for a community and recreation center, and creation of a park and recreation fee, Council has acknowledged that:

- The structural imbalance in the General Fund (in which costs grow at least one-half of one percent faster than revenues) will require new resources
- Investing in new or expanded programs and services will require new resources
- All of what needs to be done in Tigard can't be accomplished in a single year
- There may be limits to what, and how much, of a request to be made to voters
- If voter approval is sought for a measure, it should be for something that the whole Council can advance supportively.

Attached is a representative sample list of the kinds of investments that could be made. There are not costs or proposed funding sources attached to these investments, and they are not in any order of priority. More of this information will be developed in advance of the proposed 2016-17 budget to help the Budget Committee have a similar discussion.

### **OTHER ALTERNATIVES**

As part of the 2016-17 proposed budget, the Budget Committee will also have choices to make about what to fund with General Fund resources made available with the creation of the Park and Recreation Fee.

### **COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS**

Strategic Plan Goal 4 - Fund the Vision while Maintaining Core Services

### **DATES OF PREVIOUS COUNCIL CONSIDERATION**

n/a

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### **Attachments**

City Priorities

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## Potential Investment Examples – For City Priorities Discussion

Maintaining and Developing City Infrastructure, such as:

- Sewer System funding sufficiency
- Stormwater issues: master planning, CIP projects, and funding sufficiency
- Street Maintenance: backlog and maintain Pavement Condition Index
- Parks Planning and Development
- Sidewalk and Trail Connections
- Strategic Facilities Planning and Implementation
- Immediate Facility Repairs and Space Needs
- Asset Management Plan
- Parks Maintenance
- Grounds Maintenance future needs
- Update Facility Maintenance Plan
- Facilities Maintenance Resources
- Vehicle Replacement Schedule
- Information Technology - Backlog, Repair/Replacement & Resources
- Technology Strategic Plan & Implementation Resources
- Digital Asset Management

Existing Program and Service Enhancements, such as:

- Meeting Rooms Open to the Public (including parking)
- Standardize Police Response Time through District Car Concept
- Staffing for Community Policing
- Engineering staffing for planning and CIP projects
- Library staffing: reduce reliance on volunteers
- Neighborhood and Community Outreach
- Recreation: Resources to Implement recreation program
- Proactive Code Enforcement
- Staff resources to address future UGB expansions and potential annexations
- Analytical Support (Franchise, property, lease management, rate analyses, risk analyst)
- Library Branch
- Increase in Design Resources Citywide
- Permitting and Review Resources
- Pedestrian Planner
- Bilingual Services
- Trail Safety (lighting and presence)
- Downtown Parking Planning and Enforcement
- Library service expansion (in current facility)
- Communications Advisor (for future ballot measures about city funding needs)

**AIS-2579**

**7.**

**CCDA Agenda**

**Meeting Date:** 03/01/2016

**Length (in minutes):** 25 Minutes

**Agenda Title:** Discussion of City Gas Tax

**Prepared For:** Marty Wine, City Management

**Submitted By:** Marty Wine,  
City  
Management

**Item Type:** Update, Discussion, Direct Staff

**Meeting Type:** Council  
Business  
Meeting -  
Main

**Public Hearing:** No

**Publication Date:**

**Information**

**ISSUE**

At the February 16, 2016 meeting, a non-agenda question was raised: Should Tigard consider proposing to voters an increase to the city gas tax?

**STAFF RECOMMENDATION / ACTION REQUEST**

Discuss whether and when to refer a city gas tax increase to voters.

**KEY FACTS AND INFORMATION SUMMARY**

Tigard's 3-cent-per-gallon local gas tax was developed by a citizen task force in 2006 as a way to fund Greenburg Road/Pacific Highway/Main Street intersection improvements. The plan was to sunset the tax after paying for the project, but a 2009 state law change prevented cities from changing local gas taxes. This limitation was removed by a change in state law in 2015. Cities are required to submit any proposed new or increased gas tax for voter approval. Tigard estimates that the revenue anticipated to be received from the city gas tax is \$612,771 for the 2015-16 budget.

The Tigard Transportation Advisory Committee (TTAC) advises the City Council of potential transportation projects that can be funded by this revenue. Based on TTAC's recommendation, the city funded two additional transportation projects with city gas tax funds: Pacific Highway/Gaarde Street/McDonald Street Intersection improvements, and the 72nd Avenue/Dartmouth Street Intersection Improvements.

The question of whether to increase the city gas tax was raised as part of a Council workshop discussion and no specific proposal was made. The City Council identified questions that would need to be answered for further discussion. Where answers were available by the time

of agenda publication, some answers are listed below in italics. More information will be available in response to questions at the March 1 meeting.

What does each one cent per gallon of gas tax raise in revenue? *About \$200,000.*

Should the proposal to voters be 5 cents, 7 cents, 10 cents? *This would need to be decided by the City Council.*

Would there be enough time to prepare the ballot title, explanatory statement, adopt it to refer to voters, develop the reasons for proposing an increase, and a plan to explain the proposal to the public? *It is too late for the Council to consider a proposal for the May 2016 ballot, as the city's governing body must file the ballot title or referral text with the city elections official by February 26. If the Council wished to place the matter on the November, 2016 ballot, Council could deliberate in June and July to consider a ballot title with a deadline of August 9 to file a ballot title notice.*

What are the local gas tax rates in surrounding jurisdictions? *Twenty-four cities in Oregon currently levy local gas taxes ranging from one cent to 5 cents per gallon. Cities and counties in the Metro region with local gas taxes are Multnomah County (3 cents), Washington County (1 cent), Tigard (3 cents), Cornelius (2 cents), Milwaukie (2 cents), and Troutdale (3 cents).*

What are the city needs that an increase in the city gas tax could be used for? *The City Council discussed:*

*Pay off bonds for transportation projects already using local gas tax (Burnham, Greenburg/Pacific Highway/Main)*

*Help fund a sidewalk improvement/pedestrian connection program*

*Other street projects that may be eligible (Examples included Main Street Phase 2, or others on the CIP qualified list)*

*Reduce the street maintenance backlog, or reduce the impact of the proposed increase in street maintenance fee*

If a tax increase was authorized by voters, when would it begin to be collected?

What has been the impact of the Costco gas station on Tigard's revenue?

Gas tax collections have been declining. What is the reason for the decline, and is it a similar situation with both the local and state gas tax?

## **OTHER ALTERNATIVES**

Council could choose not to discuss sending a proposal to increase the city gas tax to voters.

## **COUNCIL GOALS, POLICIES, APPROVED MASTER PLANS**

Council Goal: Expand Opportunities to Engage People in the Community - the City Council's last direction was to seek input on and outreach about the sidewalk connection program to prepare for a possible May, 2017 ballot measure.

Strategic Plan Goal 4: Fund the vision while maintaining core services.

## **DATES OF PREVIOUS COUNCIL CONSIDERATION**

This is the first discussion of a change to the local gas tax since the Council was briefed about the use of the local gas tax for the 2015-16 Proposed Budget.

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### **Attachments**

*No file(s) attached.*

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