



City of Tigard
 City Center Development Agency and City
 Council Joint Meeting Minutes
 March 1, 2016



6:30 p.m.

1. CITY CENTER DEVELOPMENT AGENCY BOARD AND CITY COUNCIL MEETING

- A. Chair Cook called the meeting to order at 6:33 p.m.
- B. Deputy City Recorder Alley called the roll:

<u>Name</u>	<u>Present</u>	<u>Absent</u>
Chair Cook	✓	
Director Goodhouse		✓
Director Henderson	✓	
Director Snider	✓	
Director Woodard	✓	

- C. Pledge of Allegiance was performed.
- D. Call to CCDA and Staff for Non Agenda Items – None announced.

CITY CENTER DEVELOPMENT AGENCY AGENDA ITEMS

2. UPDATE ON THE FANNO CREEK OVERLOOK PROJECT

Redevelopment Project Manager Farrelly summarized the staff report accompanied by a PowerPoint. Mr. Farrelly reported that back in November Community Development Director Asher met with owners on Main Street property and initially owners were ameanable to an easement, but not all parties were willing to sell. The project has an estimated budget of \$737,000 not including the easement. Next steps will be working with property owner of Max’s Brew Pub to address the loss of parking, refine concept and design drawings and negotiate voluntary sale of land for the easement.

Director Henderson asked how much support the city is getting from CWS and how much impact there was going to be on the creek bank. Mr. Farrelly replied staff thinks they can work with CWS focusing on providing public space, which is different than providing a development. He addressed the impact on the creek bank by stating there would have to be mitigation elsewhere, but nothing unsurmountable. It might change some of the water flow forms, but we will be restoring some of its natural state and the channel will not be changed much. The creek can be restored to a more natural state.

Several members of the Board expressed concern with the reduction of parking in order to accommodate landscaping and trees.

3. REPORT ON HOUSING AND DEMOGRAPHICS IN THE CITY OF TIGARD AND PORTLAND REGION

Redevelopment Manager Farrelly summarized the staff report accompanied by a PowerPoint stating the downtown demographics are distinct from the rest of the city with more renters, being more diverse and a lower median household income. Commercial property values are increasing with low improvement to land value ratios. Rents are rising faster than incomes. Since 2014 rents have risen everywhere and Tigard is right on with the state average.

Mr. Farrelly provided a summary of what this means for Tigard:

- There is a demand for affordable housing in the region and in Tigard.
- Downtown is a good candidate for transit oriented development, live/work units, and new affordable housing.
- Although downtown is attractive for new housing it has more hurdles than in many other parts of the city. This is where the urban renewal can help overcome those hurdles.
- Citywide, allow more opportunities for more housing options, particularly duplexes, ADUs and cottage clusters. Our development code doesn't always encourage that kind of development so we are going to review it to see how we can encourage it.

Director Woodard asked if any of the build outs were going to be in the triangle. Mr. Farrelly answered the triangle will be more of the urban housing.

4. REPORT ON EMPLOYMENT TRENDS IN THE CITY OF TIGARD'S URBAN RENEWAL DISTRICT

Economic Development Manager Purdy summarized the staff report accompanied by a PowerPoint. He reported staff looked at Tigard's Urban Renewal District (URD) compared to Beaverton's and Sherwood's and used data from the On The Map program, which is a derivative of the US Census. 89% of the workforce in the URD supports business activities that contribute to the urban village feel. There are not large construction activities in downtown like seen in other areas. Downtown is highly concentrated compared to other areas. The downtown URD on average is 8.3 employees per acre whereas citywide it is more like 20 employees per acre. Admittedly in citywide we are counting Lincoln Center which has high density and skews the data a little. The URD is well below peak employment. The data shows a decrease in employment in downtown, which is counter to what we see citywide; the trend is rising citywide. Mr. Purdy said the peak employment is trending the wrong way for downtown.

Director Henderson asked what the city can do to encourage more employers to come to Tigard. Mr. Purdy answered first businesses need tenable space they can occupy. Second is a good mix of business, as restaurants need retail to have the urban village feel. Restaurants serve as the attractor and the retail fills in between. Businesses follow areas where there are ready consumers. Third is encouraging property owners to invest in property like subdividing or building up. Community Development Director Asher added the downtown seems to be slowly coming along. It is still a district that struggles to attract anything new or different from what is already there. Think about it as a reinvention, which does not happen very often because it is difficult to do and takes a long time. Today Tigard offers relatively inexpensive land, cheap rent, several buildings with parking lots, and a good location. It is a district that attracts people that need to drive in to do business and then drive away. This is the Tigard of 1980. The issue is that it is a suburban style district in the center of our town. If the Board wants to

reinvent or transition you have to attract a different type of business that would not want what is there today. The Board has invested a lot in the district to make it what it is today. Reinventing is a painful process. If we want something different, it is going to have to grow up and become more dense.

Director Snider said what Mr. Asher is suggesting has made him realize the work being done on the Saxony property is probably more important than originally realized before this conversation. It is important the city take the initiative on the Saxony project because if the city does not do it, a developer will not.

CITY COUNCIL AGENDA ITEMS

5. CONSENT AGENDA:

- 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

Councilor Woodard moved for approval of the Consent Agenda. Councilor Henderson seconded the motion and it passed unanimously.

<u>Name</u>	<u>Yes</u>	<u>Absent</u>
Mayor Cook	✓	
Councilor Goodhouse		✓
Councilor Henderson	✓	
Councilor Snider	✓	
Councilor Woodard	✓	

6. DISCUSSION ON CITY PRIORITIES

Mayor Cook said his goal for the discussion was to discuss projects that have been introduced since the adoption of council's goals and look at all of them collectively in regards to financing. If the council does not prioritize those we have just eaten some of the available funding along the way as we get to the next items. He wanted to start a discussion on the problem, but it is not the intention to solve them.

Councilor Henderson said he views projects through a sustainability lens by getting rid of what is not done right and figure out what can be done better. If a sustainability plan was put together it could provide guidance on what is possible and what is not because we could compare projects to sustainability requirements.

Councilor Snider said the challenge in this conversation is that so much is diverse. The items listed in the staff report seem to be all over the place. Some of the items are hard to know what is needed for staff to accomplish the day to day duties. He stated he was slightly overwhelmed with the list and

wished for more input from staff with descriptions and financial need for each item; nothing too detailed.

Assistant City Manager Newton said some items on the list have come from what council has talked about, part represents the gap of revenue vs. expenditures, and part the day to day activity and funding like the strategic plan or the general maintenance of our system and facilities. The idea was not to go down the list and prioritize, but to give you the sense of the divergent impacts and projects we have.

Councilor Woodard said one that is high priority to him is trail safety and investing in solar powered lighting on the trail and the parking planning and enforcement in the URA.

Mayor Cook said he defines sustainability as taking care of what the city has and making that affordable for the long term. He said he was looking at prioritizing current infrastructure.

Councilor Woodard said sidewalk and connectivity is important and requested a more detailed discussion. Mayor Cook said that does not fit into the budget for this upcoming year, but further discussions can occur.

Council discussion commenced about core services and recreation, police services and response time, downtown development, and parking and planning in downtown.

Mayor Cook said the conversation and ideas presented tonight were a good start and requested staff bring back a paragraph description for each item for a future discussion.

7. DISCUSSION ON CITY GAS TAX

Finance and Information Services Director LaFrance reported a couple meetings ago the council talked about increasing the gas tax so a memo addressing each of the questions from council was prepared, supplied in the meeting material, and handed out.

Mr. LaFrance said the current city gas tax is at three cents. Each cent generates about \$200,000 annually. Costco recently built a gas station and ODOT has two months of data for those sales. From that data, Costco gas is estimated to generate a range of \$72-80K annually per penny. We do not know how many of those gallons would have been purchased at another city gas station, so we cannot just add Costco earnings as an additional and must account for other stations earnings to go down. We are going to have to wait and get more data to make that determination. There is a general showing that gas tax is declining or leveling off. It looks like we are continuing to level out at about \$600K annually for our current rate. The fact we charge per gallon versus a percentage of total sales does impact revenue. If we take an increase to a vote the collection would be virtually immediate. The city has several transportation needs that we could use the revenue for. Currently \$2.5M of the gas tax revenue is designated toward the Pacific Highway Intersection Improvement Project, which will take ten more years to pay off. We also have a street maintenance fee and deferred maintenance as outlined in the staff report.

Councilor Henderson said he would be comfortable with asking for five more cents to bring it up to eight cents total collection.

Councilor Woodard expressed concern with raising it too high and said he was comfortable with a small increase. Tigard has the lowest tax assessment rate on property and we are stuck with this because of past state measures. We have no other way to maintain what we have.

Councilor Snider said he preferred trying to equitably charge people that are using city infrastructure. The gas tax is a better method in achieving a similar result. The Tigard residents may only pay half of the revenue versus all of the revenue of a fee.

Mayor thanked Mr. LaFrance for his presentation and stated he looks forward to further discussion.

8. NON AGENDA ITEMS – None

9. EXECUTIVE SESSION – None

7. ADJOURNMENT

At 8:44 p.m. Director Woodard motioned to adjourn the meeting. Director Snider seconded the motion and all voted in favor.

<u>Name</u>	<u>Yes</u>	<u>Absent</u>
Chair Cook	✓	
Director Goodhouse		✓
Director Henderson	✓	
Director Snider	✓	
Director Woodard	✓	

Norma I. Alley, Deputy City Recorder

Attest:

Chair, City Center Development Agency

Date: _____