

**CONSTRUCTION EXCISE TAX GRANT  
INTERGOVERNMENTAL AGREEMENT  
Metro – City of Tigard  
Tigard Triangle Walkable Suburban Development Project**

This Construction Excise Tax Grant Intergovernmental Agreement (“Agreement”) 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 \_\_\_\_\_, 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 entered into separately between Metro and the local collecting jurisdictions; and

WHEREAS, the City has submitted a CET Grant Request (“Grant Request”) for the Tigard Triangle Walkable Suburban Development Project (“Project”); and

WHEREAS Metro has agreed to provide the City CET Grant funding for the Project in the amount of \$145,250, 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 broadly 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. In the event of a conflict between Exhibit A and Exhibit B, Exhibit A shall govern.
2. **City Responsibilities.** The City shall perform the Project as broadly 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. In the event of a conflict between Exhibit A and Exhibit B, Exhibit A shall govern.
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

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

\_\_\_\_\_ Department

Attention: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

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, as well as records and documentation relating to the \$158,000 financial match being provided by the City for the Project. 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, including records demonstrating how City matching 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 Agreement may be amended only by mutual written agreement of the Parties.

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

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: \_\_\_\_\_

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 Tigard Triangle Walkable Suburban Development

#### Milestone and Deliverables Schedule for Release of Funds

Milestone	Deliverable	Date Due*	Grant Payment
1	<b>Execution of CET Grant IGA</b> a) Signed IGA document	Feb 29, 2016	\$0
2	<b>Lean Code Development</b> a) Stakeholder Engagement b) Draft Code and Related Amendments c) PC and CC Briefings d) Public Review & Comment	Oct 31, 2016	\$0
3	<b>Lean Code Adoption</b> a) Public Notice & Comment b) PC and CC Hearings c) CC Adoption	Dec 31, 2016	\$0
4	<b>Urban Renewal Plan Development</b> a) Urban Renewal Plan b) Opportunity Site Analysis c) Streetscape Design Plan d) Stakeholder Engagement e) TAC and CAC Review & Comment f) PC and CC Briefings g) Public Review & Comment h) Midterm progress report	Dec 31, 2016	\$105,250
5	<b>Urban Renewal Plan Adoption</b> a) Public Notice & Comment b) PC & CC Hearings c) CC Adoption	Jan 31, 2017	\$0
6	<b>Urban Renewal Campaign &amp; Rebranding Strategy</b> a) Campaign and Rebranding Strategy b) Campaign and Rebranding Materials c) Campaign and Rebranding Implementation d) Urban Renewal Public Vote (May 16, 2017) e) Final Progress Report with performance measures	Jul 31, 2017	\$40,000
7	<b>Next Steps</b> [only necessary if Urban Renewal public vote fails]	Nov 30, 2017	\$0

	a) Voting Analysis (including likely cause(s) of failure) b) Alternatives Analysis & Recommendation(s) c) CC Briefing(s) d) CC Direction e) Final Progress Report with performance measures		
TOTAL REIMBURSABLE AMOUNT			\$145,250**

\* 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.

\*\* If the Grant contained any Funding Conditions, Grantee shall demonstrate satisfaction with those conditions at the applicable milestone or deliverable due dates.

Note:

City of Tigard financial match = \$67,500. City of Tigard in-kind match = \$90,500.

Acronyms:

PC = Planning Commission

CC = City Council

TAC = Technical Advisory Committee

CAC = Citizen Advisory Committee

# Exhibit B

## Community Planning and Development Planning Grant Cover Sheet

Check one:  
☐ Letter of Intent  
☒ Full Application

Project Name	Tigard Triangle Walkable Suburban Development	Applicant Organization	City of Tigard
Contact Name	Cheryl Caines, Associate Planner	Address	13125 SW Hall Blvd.
Phone	(503) 718-2437	Fax	503-684-7297
Email	cherylc@tigard-or.gov	Fed. Tax ID #	93-0503940

Fiscal Agent Organization (if different from applicant) \_\_\_\_\_

Contact Name	_____	Address	_____
Phone	_____	Fax	_____
Email	_____		

### Project Location Description (25 words or less)

The Tigard Triangle is seven miles south of downtown Portland, just east of Downtown Tigard, and bound by Interstate 5, Highway 217, and Highway 99W.

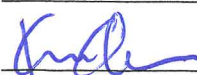
### Project Summary (50 words or less)

This application is offered as an investigation of walkable, mixed use development feasibility within the Tigard Triangle that leads to identification of optimal sites, partnerships, and development tools to facilitate such development and transforms the Triangle's image from a suburban/commuter area to a mixed-use/pedestrian-oriented district that supports regional housing.

CPDG funding request	\$	145,250	If submitting more than one proposal, please rank this proposal in order of priority	2	Metro Council District of Project	3
Total project cost	\$	303,340				

We, the undersigned, attest that to the best of our knowledge the information in this application is true and that all signatories have authorization to submit this grant application to Metro's Community Planning and Development Grants Program.

### Applicant

Organization Name City of Tigard  
Printed Name Kenny Asher, Community Development Director  
Signature  Date 6-1-15

### Fiscal Agent

Organization Name \_\_\_\_\_  
Printed Name \_\_\_\_\_  
Signature \_\_\_\_\_ Date \_\_\_\_\_

To ensure complete letter of intent or full application, please see section 2 of the CPDG Application Handbook for a complete list of necessary documents for submittal.

May 27, 2015



Martha Bennett, Metro Chief Operating Officer  
Community Development and Planning Grants, *Attn: Gerry Uba*  
600 NE Grand Avenue  
Portland, OR 97232

*Re: Community Planning and Development Grant Application-Tigard Triangle*

Dear Martha,

On behalf of the City of Tigard and the Tigard City Council, I am pleased to submit this grant application to complete pre-development activities within the Tigard Triangle. The Tigard City Council authorized the application by resolution on May 26, 2015.

The Tigard Triangle project is for pre-development feasibility assistance that will lead to:

- Adoption of a new “Lean Code” that emphasizes design and is largely form-based, is efficiently administered and results in development that contributes to the district’s strong and clear pedestrian orientation;
- Identification of optimal sites, partnerships and development tools to facilitate a mixed-use, walkable development patterns in the district, and completion of pre-development activities for a walkable, mixed-use project on at least one site;
- Utilization of urban renewal as a tool to encourage this development pattern; and
- Re-branding of the Triangle from a “drive-to” big box and office center to a pedestrian-oriented, mixed-use district.

This project will build upon the Tigard Triangle Strategic Redevelopment Plan (*completed March 2015*) which details the long-range vision for the Triangle. The plan includes a diverse mix of uses, improved connectivity for all travel modes and an enjoyable walking environment. Implementation strategies were also identified in the plan, and several are part of the proposed grant application - including the drafting and adoption of new Triangle code regulations, identification of catalyst sites and consideration of urban renewal as a funding tool for needed infrastructure.

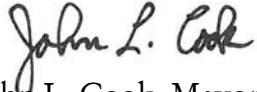
The City of Tigard is dedicated to transforming the Triangle’s development capacity and changing the area into a walkable, mixed-use district. With Metro's assistance, this project will establish a new

development pattern in the Triangle that aligns with Tigard's vision for the role the Triangle will play as part of the Tigard Town Center.

This grant application is one of two requests the city has for CET grant funds. The Tigard Triangle Walkable Suburban Development project is our second highest priority.

If you have questions concerning this application, please contact Community Development Director Kenny Asher at 503-718-2443 or [KennyA@tigard-or.gov](mailto:KennyA@tigard-or.gov).

Sincerely,

A handwritten signature in black ink that reads "John L. Cook". The signature is written in a cursive, flowing style.

John L. Cook, Mayor  
City of Tigard





# **Tigard Triangle Walkable Suburban Development Implementation Community Planning & Development Grant Application**

*June 1, 2015*

## **PROJECT NARRATIVE**

### **A. Project Description**

The Tigard Triangle Community Planning and Development project will support pre-development assistance that:

- Prepares and adopts a new “Lean Code” that emphasizes design and is largely form-based, is efficiently administered and used, and results in development that contributes to the district’s strong and clear pedestrian orientation
- Identifies optimal sites, partnerships and development tools to facilitate a new, walkable development pattern in the district
- Completes predevelopment activities for a walkable mixed use development project on at least one site.
- Examines urban renewal as a tool to encourage this development pattern
- Rebrands the Triangle from a “drive-to” big box and office center, to a pedestrian-oriented, mixed use district

The following is a detailed work plan describing project goals and expected outcomes, and work products to be produced as a result of work by the City and through proposed grant funding. Attachment 1 shows the Tigard Triangle district, and Attachment 2 sample photos of the area.

#### **1. A Lean Code for the Tigard Triangle-Milestone 1**

The City intends to develop implementing regulations that will foster development of a walkable and interconnected community within the 450-acre area known as the Tigard Triangle. The Triangle is an existing plan district that has struggled to develop as originally envisioned with a mix of uses and a strong pedestrian/bikeway system. Having just completed a community-supported concept plan update, the *Tigard Triangle Strategic Redevelopment Plan*, focus now turns to implementation and modification of city regulations. Three principal objectives are sought:

1. Design: New development in the Tigard Triangle will result in a walkable community where people enjoy healthy and interconnected lives. This primarily means incentivizing and requiring the development of streets, blocks, buildings, landscaping and access-ways that usher in a highly walkable environment for Triangle residents, workers, and visitors.
2. Process: The new code will enable development to occur without lengthy review time or undue expense. The code should be largely form-based, simple to understand, grounded in common sense, and supportive of entrepreneurial development and small, local enterprise.
3. Results: By implementing a “lean” code, a mixture of development projects should be incentivized, including temporary uses to demonstrate new ideas for using land and establishing the Tigard Triangle as an exciting place and burgeoning community. A key feature of the new code will be its appeal to developers, builders and property owners even with its rigorous pedestrian orientation.

##### **Task 1.1. Establish Public Involvement Process**

- Prepare and execute public involvement plan
  - Re-engage stakeholders active in the *Tigard Triangle Strategic Redevelopment Plan*
  - Seek opportunities to build relationships and bring new viewpoints to the project
  - Build support from people who are invested in the Triangle or want to help shape the community
- Ensure that the vision and plans are inclusive of the communities represented here

##### **Task 1.2. Background Research**

- Review existing plans, reports and other documents
- Identify lean code examples and precedents
- Identify options for efficient code administration

### **Task 1.3. Develop Lean Code Elements:**

- Pedestrian Oriented Streets - Some building sites face conflicts between providing building frontage along key pedestrian streets and at prominent corners, while still allowing for parking. Design standards are needed to make all streets pedestrian friendly while still allowing for parking, automobile access and development feasibility.
- Connectivity - There is a lack of pedestrian connectivity between existing developments as well as an incomplete street/sidewalk system that makes it difficult to move through the Triangle without traveling by car. Implementation will need to ensure that pedestrian connections are made between developments and within large development sites.
- Transportation - Existing parking standards do not support a walkable, mixed-use style of development and so are expected to change. However, the area has limited transit service and is difficult to reach by biking or walking from other areas. The Triangle's location offers easy auto access and is attractive to employers/businesses for that reason. Parking requirements need to acknowledge the transitional nature of the district without perpetuating over-reliance on vehicle travel.
- Flexibility - Natural features, topography, and existing development patterns sometimes do not allow for strict adherence to the code. Flexibility is needed in design standards to accommodate these factors.
- Existing Small Lots - Several areas of the Triangle were historically residential with single family homes on small lots. These homes and small lot pattern remain, resulting in large areas under multiple ownerships. Existing codes and regulations discourage small scale development. Yet to achieve a critical mass of people in the district, development at all scales is desired. At the same time, development projects cannot be disconnected from one another nor from the public realm.
- Commercial Bottom Floor - Mixed use development is allowed but not currently required within the Triangle. However, the City is seeking a way to encourage commercial uses or commercial ready space on ground level floors in key areas. Other parts of the city suffer for the disaggregation of uses and the resulting need for automobile use. This pattern should not be repeated in the Triangle if it can be avoided.
- Parks/Open Space/Trails - The Triangle plan identifies parks, trails and open spaces as key elements for a successful implementation. The city will seek opportunities to purchase and develop these amenities.
- Red Rock Creek - A key feature of the plan is the Red Rock Creek trail. The development code currently only requires dedication of trail easements within the 100-year floodplain. A strategy is needed to address dedication for trails in more areas than just floodplain.

### **Task 1.4. Draft the Lean Code and Other Amendments**

- Prepare draft code sections and graphics
- Prepare amendments to other Code sections as needed

### **Task 1.5. Lean Code Adoption**

- Planning Commission hearings and decision
- City Council hearings and adoption

## **2. Catalytic Opportunity Sites and Pre-Development Analysis-Milestone 2**

Certain developments occasionally can serve a catalytic role. That is, a development could be the first project of its kind to demonstrate the viability of a particular development type, it could be of a large scale that has the potential to change the character of a part of the Triangle, or it could be large enough to justify major infrastructure investments that in turn serve as incentives for subsequent projects in the vicinity. Catalyst projects tend to be "pioneering" in that there is little to no local precedence for the project and, therefore, they often require some financial assistance or other type of public-private partnership. Private development in the Triangle that meets these criteria may be appropriate for more direct involvement by the City. This grant element will identify optimal sites, partnerships and development tools to facilitate a new, walkable development pattern in the district, and will

complete a more detailed pre-development feasibility and financial strategy for a selected site leading to a development agreement.

#### **Task 2.1. Identify Optimal Sites**

- A preliminary list of sites has already been identified (See Attachments 3 and 4)
  - PacTrust site (11626 SW Pacific Hwy.)
  - Specht site (multiple addresses near SW 69<sup>th</sup> Ave. and Clinton St.)
  - Lampus site (multiple addresses on SW 72<sup>nd</sup> Ave. between Clinton and Dartmouth)
  - Tran site (12465 SW 72<sup>nd</sup> Ave.)
- Develop evaluation criteria such as size, location, value, physical suitability, developer interest, availability
- Prepare a preferred development program or programs for each site consistent with the Tigard Triangle Strategic Redevelopment Plan
- Evaluate identified and other sites against criteria
- Select 3-4 sites for further study

#### **Task 2.2. Preliminary Site Analysis and Development Concepts**

- Analyze any environmental constraints using known sources
- Prepare massing diagrams for each site using preferred development program(s)
- Develop order of magnitude cost estimates for both land and construction
- Evaluate financial feasibility utilizing rental and sales information developed for the *Tigard Triangle Strategic Redevelopment Plan*
- Identify order of magnitude financial gaps and other development obstacles for each site

#### **Task 2.3. Strategies and Tools to Overcome Obstacles**

Develop strategies for each site that address partnerships, tools and other actions leading to feasible development including:

- Financial assistance: Identify financing tools that the City may use to assist in reducing financing gaps for private development.
- Infrastructure development: The construction of infrastructure at public expense, such as a road, sidewalk, or utilities that are required by private development, can reduce financial gaps by creating “off-balance-sheet” equity for the developer, reducing overall development costs, and enhancing feasibility.
- Public-private partnerships: Whenever the City takes an active role in development, it is appropriate to enter into development agreements with developers to specify the terms of the partnership, the specific roles of each party, the obligations of the developer, and other criteria to be negotiated.
- Staff assistance: Proactive staff can be enormously helpful in making redevelopment happen.

#### **Task 2.4. Lessons Learned and Preferred Site Selection**

- Assess the overall feasibility of the individual strategies
- Identify elements that are most likely to be utilized and supported by the City
- Identify actions necessary to enable desired elements
- Select a preferred site and strategy for more detailed analysis

#### **Task 2.5. Developer Solicitation (if needed)**

It is anticipated that a developer partner or partners will participate in tasks 2.1-2.4 and will participate in the following tasks focused on the preferred site, including securing a purchase option. If no partner is in place, developer solicitations will be conducted.

- Prepare developer solicitation materials
- Identify and interview interested developers
- Select developer partner

#### **Task 2.6. Pre-Development Assessment of Preferred Site**

- Conduct phase 1 and 2 environmental investigations

- Conduct appraisal and survey

#### **Task 2.7. Refine Development Program and Design Concepts**

- Refine existing market studies to identify value, preferred uses, unit size and mix, rent and lease rates.
- Refine desired development program
- Refine conceptual site plan and massing diagram including building placement, unit sizes, parking arrangements and construction types
- Refine planning level cost estimates

#### **Task 2.8. Refine Financial Analysis and Implementation Strategies**

- Refine pro-forma for preferred site and identify funding gaps
- Evaluate effectiveness of the already identified public/private strategy for the site and refine as necessary
- Finalize all elements of the strategy including public financing to address financing gaps

#### **Task 2.9. Development Agreement and Approvals**

- Prepare draft development agreement
- Finalize development agreement with developer partner
- Secure approvals with appropriate city boards and commissions as needed

### **3. Potential Urban Renewal District Formation and Decision-Milestone 3**

The *Tigard Triangle Strategic Redevelopment Plan* identified urban renewal as a key financial tool that could be employed to reduce financial gaps in private development and to help fund key public infrastructure projects. The City of Tigard has an urban renewal district in downtown that has supported several planning and infrastructure projects related to the revitalization of downtown Tigard. While an urban renewal district is primarily a funding source, it is also a signal to developers that the city is committed to the area and has established a funding mechanism to share in the cost of some of the needed improvements.

In Tigard, the formation of an urban renewal district must go out to a citywide vote, and would need to be preceded by a plan and a report that details the conditions of blight, the geographic extent of the district, and the planned projects and actions that would be funded by urban renewal. This grant element will develop all of the documentation necessary to form an urban renewal district, and establish a process for the City Council to consider whether to send the matter out for a citywide vote.

#### **Task 3.1. Establish Public Involvement Strategy and Process**

- Preparation of draft urban renewal plan and report
- Decision-making process for a citywide vote

#### **Task 3.2. Review Materials**

- Review existing plans, reports and other documents
- Preliminary boundary and plan goals

#### **Task 3.3. Develop Required Plan Elements**

- Boundary and project goals
- Blighting factors within the plan boundary
- Activities to be funded by plan
- Cost estimates of plan activities
- Projections of potential tax increment cash flows over the life of the plan
- Cash flow and project phasing, timeframe needed to carry out project activities
- Tax impacts analysis on revenues foregone by other taxing bodies
- Maximum level of indebtedness for the plan

#### **Task 3.4. Draft the Urban Renewal Plan and Report Documents**

- Refine the list of project activities to be undertaken in the plan

- Prepare all required plan sections and wording prescribed by Oregon law, including Measure 50 wording on maximum debt
- Develop all legally required data on project conditions, including acreage, land uses, existing and proposed zoning, building conditions, and overall blighting conditions for the report
- Prepare the financial statements required by ORS 457

#### **Task 3.5. City Council Consideration**

- Decision-making process for a citywide vote

### **4. Rebranding the Tigard Triangle-Milestone 4**

The goal of this task is to rebrand the Tigard Triangle from a place known for offices and big box retail to a pedestrian-oriented, mixed use district that supports regional demand for housing. Each of the previous tasks described above implement the vision established in the *Tigard Triangle Strategic Redevelopment Plan* and this task is designed to tell the story of that vision to current and future residents, visitors, employers, investors and developers. The vision is for a pedestrian-oriented, mixed-use district built around the Triangle's distinguishing natural features; a place that is easily walkable, is connected to its surroundings, and meets the environmental, social and economic sustainability goals of the City and Region. The rebranding effort is also directed to existing city residents so that they better understand the dynamic potential for this area, how the City is working to implement the vision, and how their support is critical to the success of the new Tigard Triangle district.

#### **Task 4.1. Background Research**

- Research current messaging and communications regarding the Triangle and City
- Conduct surveys and other research to determine current perceptions and attitudes
- Review vision documents and efforts to implement the *Tigard Triangle Strategic Redevelopment Plan*

#### **Task 4.2. Develop Rebranding Strategies**

- Identify messaging concepts to convey the vision for the Tigard Triangle
- Identify communication vehicles best suited to convey the messaging
- Identify target audiences to receive the messaging
- Prepare a recommended rebranding strategy that addresses messaging content, communication methods, audiences
- Identify an implementation program addressing web-based, collateral materials, broadcast and other media designed to deliver the rebranding strategies, costs and schedule

#### **Task 4.3. Produce Priority Rebranding Strategy Elements**

- Based on a budget to be determined, produce one or two priority elements such as a logo and collateral materials, web-page design, photos, graphics and written materials, etc.
- Assist in executing the communications effort

### **B. Project Site Description**

The Tigard Triangle is a 450-acre district located seven miles south of downtown Portland, just east of Downtown Tigard, and bounded by Interstate 5 (I-5), Highway 217, and Highway 99W (Pacific Highway). This close proximity to highways allows convenient regional auto access to the area but also creates major barriers for bike and pedestrian travel from nearby neighborhoods and destinations such as Portland Community College (Sylvania), downtown Tigard, and the Kruse Way office park. The Triangle has long been considered an area that could easily accommodate a considerable increase of residences, employment, and shopping/services. However over the last 50 years, growth in the area has been mainly limited to office buildings of varying size and big box retail stores on the district's western side. See Attachments 1 and 2.

In the past year, the Triangle's first three story mixed-use building was constructed utilizing the city's Vertical Housing Development program – the single development tool in place to incentivize mixed use projects in the district.

## C. Project Background

In 2013 and 2014, the City developed the *Tigard Triangle Strategic Redevelopment Plan* with input from a variety of stakeholders including property owners, developers, business owners, employees, bicycle/pedestrian advocates, and Tigard residents. The TTSP provides a long range vision to:

- Diversify the mix of uses in the area
- Improve connectivity for all travel modes within the district and to neighboring areas
- Create a safe and enjoyable walking environment
- Provide parks, open spaces and places to gather while enhancing and protecting natural amenities
- Accommodate and leverage high capacity transit service and stations if supported by Tigard residents

Several implementation measures were identified in the Plan to achieve these outcomes, including regulatory actions, infrastructure investments, and incentives to stimulate public-private partnerships. Over the next 8 – 12 months, the city will complete the most important regulatory action needed to implement the Plan, which is the creation and adoption of a new “lean” land use code that will shorten the review time and lower the cost and risk of receiving land use approval for development projects that accomplish the goals of the TTSP.

Upon adoption of the new code, the Community Planning and Development Grant funding will be put to use to remove remaining barriers to the desired development patterns, allowing the city to conduct site specific studies and investigate the necessary public investments and partnership strategies that will catalyze and remake the Triangle.

The City’s commitment to this district is resolute. In addition to its participation in the Southwest Corridor planning process, its completion of the TGM-funded Triangle Strategic Plan, and the city’s council’s adopted goal to adopt that Plan and enable future development capacity in the Triangle, the council elevated the importance of the Triangle’s future as a walkable suburban district by adopting a citywide strategic vision to make Tigard the most walkable city in the Pacific Northwest where people of all ages and abilities enjoy healthy and interconnected lives.

## D. Evaluation Criteria 1 - 11

**1. Expected Development Outcomes:** It is imperative to change the identity of the Tigard Triangle from a suburban/commuter employment area to an interesting, walkable, unique district. Fortunately the opportunity sites in the Tigard Triangle are either underdeveloped or vacant, and the block structure is incomplete. The Metro grant will allow the city to select a few promising redevelopment sites and determine the partnerships, public financing strategies, infrastructure and predevelopment work needed to begin transforming the Triangle.

The project may include the following range of planning activities: at the district level - identification of financing gaps and public investments/financing to overcome them (including appropriateness of urban renewal); at the site level - conceptual design and evaluation of alternative construction types, appraisals, pro-forma analysis, transportation impacts, outlining public and private roles and responsibilities, and environmental assessments.

- A. Site Identification: The City of Tigard will consider the development potential of Tigard Triangle opportunity sites that could have significant catalytic impact leading to additional private sector investments. Site size, existing improvement to land ratio, developer interest, proximity to existing and planned amenities will be the first screen we use. Subsequently we will identify conceptual designs and private investment objectives, and actions the city can take to achieve public objectives and result in a financially feasible development.
- B. Desired Outcomes: Pre-development assistance that leads to the following:
  - Identification of optimal sites, partnerships and development tools to facilitate walkable urban development pattern
  - An examination of urban renewal as a tool to encourage this development pattern, and

- Rebranding the Triangle from a place for offices and big box retail to a pedestrian-oriented, mixed use district that supports regional demand for housing.
- Predevelopment activities for a walkable mixed use project on at least one site that will remove or reduce barrier to development.

**C. Community Readiness:** The City has completed the visioning work for the Tigard Triangle and the entire city, and both emphasize walkable and socially interconnected public space. The city has begun the process to draft and adopt a new code that will enact regulatory measures to support the vision. A citywide vision to make Tigard a walkable city has been adopted by the Tigard City Council.

**D. Roles and responsibilities of applicant:** The city will assemble the team that achieves the five objectives listed above to include developer types to explore design concepts and financing scenarios for sites, designer types to explore concepts for appropriate, pedestrian scale development, finance types to investigate the viability of urban renewal as a new funding source to support private sector investment in the Triangle, and marketing types to help craft a new brand image for the district. City staff will serve as the overall project manager and will coordinate the work of the consulting team.

**2. *Regional Significance:*** The Tigard Triangle is 8 miles south of Downtown Portland and is bound on three sides by state highways, making the location moderately attractive to employers. Roughly 4,500 people work in the Triangle. In addition, three higher education facilities are located there and PCC - Sylvania is less than half a mile to the east. Transit service connects the Triangle to PCC, and additional high capacity service is being planned as part of the Southwest Corridor project. New housing and commercial/professional services could result in a mixed-use, mixed-modal district.

**3. *Centers Corridors, Station Communities and Main Streets:*** The Tigard Triangle is part of the Metro 2040-designated Tigard Town Center. Most parcels within the Triangle are within a quarter mile of an existing bus line and potential future station areas contemplated in the SW Corridor Plan. In 2014, the city designated the Triangle as a Vertical Housing Development Zone and is currently developing a “lean” code that will reduce regulatory burdens and review times. 69<sup>th</sup> Avenue is designated in the TTSD as a future featured Pedestrian Street and should become the district’s “Main Street” over time.

**4. *Other Locations:*** Much of the Tigard Triangle is designated as a Metro Employment Area. There are large format retailers and large offices in the area with approximately 4,500 employees; however few service and housing uses have been developed. This plan seeks to provide infrastructure, services and amenities bringing this area up to par with other city neighborhoods. Investments could include new commercial development, housing, parks, trails, or sidewalks.

The Triangle is included within the planning area of the SW Corridor Plan currently being prepared by Metro. The area has been identified as having a higher than average Hispanic population. The city is committed to ensuring that the vision and plans are inclusive of the communities represented here. Development of the public involvement plan will include specific strategies to identify and address the needs of all stakeholders, and will pay special attention to meeting the needs of the Hispanic residents in the Triangle.

**5. *Best Practices:*** The city is trying to establish a best practice by developing a “lean” code for the Triangle, to be adopted as a new plan district in Tigard’s Community Development Code. The city is in the process of evaluating its complete Community Development code for conformity with the newly adopted vision. One idea is to use the Triangle code project to determine regulations that could be put in place in other, more mature, parts of the city to promote mixed use and walkability. City staff will seek opportunities to share lessons learned with other communities in the region.

**6. *Leverage:*** The project seeks to leverage planning work already in place from the state’s TGM program (TTSP) and the SW Corridor project, in addition to the investments the city has made in adopting the Vertical Housing Development Zone and making infrastructure improvements along 72<sup>nd</sup> and Dartmouth. Specht Development and

PacTrust are two large development entities with holdings in the district, whose investments could be leveraged through this effort.

**7. Matching Fund/Potential:** It is estimated that the total project will require approximately \$280,000 with the city matching almost 50% of the total cost with local funds for consultants and like-kind staff contributions.

**8. Growth Absorption:** The 450-acre district has between 50-100 acres of unbuilt and underbuilt land. The area could easily absorb thousands of new residential units and hundreds of thousands of square feet of commercial space. This proposal will seek to unlock this growth potential to support regional housing demand and rebalance the region's jobs-housing geographic disparity.

**9. Public Involvement:** Using the Tigard Triangle Strategic Redevelopment Plan public process as a springboard, the city hopes to facilitate a dynamic engagement process representative of the broad range of interests in the Triangle. As for neighborhood engagement, there are only about 400 residents currently living within the Triangle and there is a higher than average Hispanic population. Specific strategies to address Triangle residents and other stakeholder groups will be developed as part of the public involvement plan.

**10. Governing Body:** Tigard City Council has set a goal to begin implementation of the Triangle Strategic Plan within the next 1 -5 years. The city council will continue to oversee the work program, and will review the contract for the "lean" code project in the next several months.

**11. Capacity of Applicant:** The City of Tigard project team includes professionals with proven experience in redevelopment, economic development, long range and current planning. The city's track record for delivering on Planning and Development grants is well established, having delivered results on both of the grants awarded in the prior round (i.e. River Terrace where over 1000 housing units are in various stages in the approval process, and downtown Tigard development where a 154 unit mixed-use development is expected to break ground in 2015).

## **E. Collaborations**

The City is prepared to be an active partner with the neighboring community, property owners, service providers, and private sector development partners. As a grant recipient, the city would also look forward to partnering with Metro.

## **F. Proposed Milestones and Deliverables**

Section A-Project Description includes detailed work programs for the four proposed Milestones, and deliverables are described for each task. The Milestones are:

1. A Lean Code for the Tigard Triangle-Final Code Amendments and Adoption
2. Catalytic Opportunity Sites and Pre-Development Analysis-Report Completion
3. Potential Urban Renewal District Formation and Decision-Draft Urban Renewal Plan and Report
4. Rebranding the Tigard Triangle-Strategy Report and Executed Priority Elements

## **G. Project Management**

The project manager for the Tigard Triangle Mixed-Use Development Project is Cheryl Caines, Associate Planner. Contact information: [cherylc@tigard-or.gov](mailto:cherylc@tigard-or.gov), (503) 718-2437. Ms. Caines works under the supervision of Tom McGuire, Assistant Community Development Director, and Kenny Asher, Community Development Director. Cheryl, Tom, and Kenny will be involved in all work tasks. Cheryl successfully served as project manager for the *Tigard Triangle Strategic Plan* that was funded through a Transportation and Growth Management (TGM) grant. She has over 10 years of experience related to land use planning, site development, and work with development codes. Tom has over 26 years of professional planning experience including current and long range planning in both the public and private sectors. Prior to working at the City of Tigard, he was the Portland Office Director at ESA Adolfsen. Kenny has 20 years of civic experience, including Director of Community Development and Public Works for the City of Milwaukie, Oregon, General Manager for the Portland Family of Funds, and Operations and Program Manager at the Portland Development Commission.



# 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 City of Tigard and the CET Grant. Consultant deliverables for tasks 2, 3 and 4 are proposed to be funded by the CET Grant of \$145,250, and completion of each task deliverable is proposed as a project milestone for purposes of the CET Grant. The City of Tigard will commit \$67,500 for consulting work for task 1, producing a new lean code for the Tigard Triangle. All staff costs will be the responsibility of the City of Tigard. It is anticipated that all deliverables, regardless of funding source, will be solely owned by the City of Tigard.

### 1. A Lean Code for the Tigard Triangle-Milestone 1

#### Task 1.1. Establish Public Involvement Process

- Prepare and execute public involvement plan
- Re-engage stakeholders active in the *Tigard Triangle Strategic Redevelopment Plan*
- Seek opportunities to build relationships and bring new viewpoints to the project
- Build support from people who are invested in the Triangle or want to help shape the community
- Ensure that the vision and plans are inclusive of the communities represented here

#### Task 1.2. Background Research

- Review existing plans, reports and other documents
- Identify lean code examples and precedents
- Identify options for efficient code administration

#### Task 1.3. Develop Lean Code Elements:

- Pedestrian Oriented Streets
- Connectivity
- Transportation
- Flexibility
- Existing Small Lots
- Commercial Bottom
- Parks/Open Space/Trails
- Red Rock Creek

#### Task 1.4. Draft the Lean Code and Other Amendments

- Prepare draft code sections and graphics
- Prepare amendments to other Code sections as needed

#### Task 1.5. Lean Code Adoption

- Planning Commission hearings and decision
- City Council hearings and adoption

### 2. Catalytic Opportunity Sites and Pre-Development Analysis-Milestone 2

#### Task 2.1. Identify Optimal Sites

- A preliminary list of sites has already been identified, (see Attachments 3 & 4)
  - PacTrust site (11626 SW Pacific Hwy.)
  - Specht site (multiple addresses near SW 69<sup>th</sup> Ave. and Clinton St.)
  - Lampus site (multiple addresses on SW 72<sup>nd</sup> Ave. between Clinton and Dartmouth)
  - Tran site (12465 SW 72<sup>nd</sup> Ave.)

- Develop evaluation criteria such as size, location, value, physical suitability, developer interest, availability, etc.
- Prepare a preferred development program or programs for each site consistent with the Tigard Triangle Strategic Redevelopment Plan
- Evaluate identified and other sites against criteria
- Select 3-4 sites for further study

#### **Task 2.2. Preliminary Site Analysis and Development Concepts**

- Analyze any environmental constraints using known sources
- Prepare massing diagrams for each site using preferred development program(s)
- Develop order of magnitude cost estimates for both land and construction
- Evaluate financial feasibility utilizing rental and sales information developed for the *Tigard Triangle Strategic Redevelopment Plan*
- Identify order of magnitude financial gaps and other development obstacles for each site

#### **Task 2.3. Strategies and Tools to Overcome Obstacles**

Develop strategies for each site that address partnerships, tools and other actions leading to feasible development including:

- Financial assistance: Identify financing tools that the City may use to assist in reducing financing gaps for private development.
- Infrastructure development: The construction of infrastructure at public expense, such as a road, sidewalk, or utilities that are required by private development, can reduce financial gaps by creating “off-balance-sheet” equity for the developer, reducing overall development costs, and enhancing feasibility.
- Public-private partnerships: Whenever the City takes an active role in development, it is appropriate to enter into development agreements with developers to specify the terms of the partnership, the specific roles of each party, the obligations of the developer, and other criteria to be negotiated.
- Staff assistance: Proactive staff can be enormously helpful in making redevelopment happen.
- Other tools and strategies

#### **Task 2.4. Lessons Learned and Preferred Site Selection**

- Assess the overall feasibility of the individual strategies
- Identify elements that are most likely to be utilized and supported by the City
- Identify actions necessary to enable desired elements
- Select a preferred site and strategy for more detailed analysis

#### **Task 2.5. Developer Solicitation (if needed)**

It is anticipated that a developer partner or partners will participate in tasks 2.1-2.4 and will participate in the following tasks focused on the preferred site, including securing a purchase option. If no partner is in place, developer solicitations will be conducted.

- Prepare developer solicitation materials
- Identify and interview interested developers
- Select developer partner

#### **Task 2.6. Pre-Development Assessment of Preferred Site**

- Conduct phase 1 and 2 environmental investigations
- Conduct appraisal and survey

#### **Task 2.7. Refine Development Program and Design Concepts**

- Refine existing market studies to identify value, preferred uses, unit size and mix, rent and lease rates.
- Refine desired development program
- Refine conceptual site plan and massing diagram including building placement, unit sizes, parking arrangements and construction types

- Refine planning level cost estimates

**Task 2.8. Refine Financial Analysis and Implementation Strategies**

- Refine pro-forma for preferred site and identify funding gaps
- Evaluate effectiveness of the already identified public/private strategy for the site and refine as necessary
- Finalize all elements of the strategy including public financing to address financing gaps

**Task 2.9. Development Agreement and Approvals**

- Prepare draft development agreement
- Finalize development agreement with developer partner
- Secure approvals with appropriate city boards and commissions as needed

**3. Potential Urban Renewal District Formation and Decision-Milestone 3**

**Task 3.1. Establish Public Involvement Strategy and Process**

- Preparation of draft urban renewal plan and report
- Decision-making process for a citywide vote

**Task 3.2. Review Materials**

- Review existing plans, reports and other documents
- Preliminary boundary and plan goals

**Task 3.3. Develop Required Plan Elements**

- Boundary and project goals
- Blighting factors within the plan boundary
- Activities to be funded by plan
- Cost estimates of plan activities
- Projections of potential tax increment cash flows over the life of the plan
- Cash flow and project phasing, timeframe needed to carry out project activities
- Tax impacts analysis on revenues foregone by other taxing bodies
- Maximum level of indebtedness for the plan

**Task 3.4. Draft the Urban Renewal Plan and Report Documents**

- Refine the list of project activities to be undertaken in the plan
- Prepare all required plan sections and wording prescribed by Oregon law, including Measure 50 wording on maximum debt
- Develop all legally required data on project conditions, including acreage, land uses, existing and proposed zoning, building conditions, and overall blighting conditions for the report
- Prepare the financial statements required by ORS 457

**Task 3.5. City Council Consideration**

- Decision-making process for a citywide vote

**4. Rebranding the Tigard Triangle-Milestone 4**

**Task 4.1. Background Research**

- Research current messaging and communications regarding the Triangle and City
- Conduct surveys and other research to determine current perceptions and attitudes
- Review vision documents and efforts to implement the *Tigard Triangle Strategic Redevelopment Plan*

**Task 4.2. Develop Rebranding Strategies**

- Identify messaging concepts to convey the vision for the Tigard Triangle

- Identify communication vehicles best suited to convey the messaging
- Identify target audiences to receive the messaging
- Prepare a recommended rebranding strategy that addresses messaging content, communication methods, audiences
- Identify an implementation program addressing web-based, collateral materials, broadcast and other media designed to deliver the rebranding strategies, costs and schedule

#### **Task 4.3. Produce Priority Rebranding Strategy Elements**

- Based on a budget to be determined, produce one or two priority elements such as a logo and collateral materials, web-page design, photos, graphics and written materials, etc.
- Assist in executing the communications effort

## **Line Item Budget, Commitment and Matching Funds**

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

The City commits the staff resources as indicated in the table and attached spreadsheet totaling approximately \$90,000. Consulting expenses by City of \$65,500 are included in the 2015-16 Community Development Department budget. The grant request is for a total of \$145,250, or approximately 48% of the total project budget.

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

Tasks	Staff Budget	Consultant Budget		Totals
		City	CET Grant	
<b>1. Lean Code for the Tigard Triangle</b>	\$28,243	\$67,500		\$95,743
<b>2. Catalytic Opportunity Sites/Pre-Dev.</b>	\$30,107		\$63,750	\$93,857
<b>3. Urban Renewal Formation/Decision</b>	\$22,579		\$50,000	\$72,579
<b>4. Rebranding the Tigard Triangle</b>	\$9,661		\$31,500	\$41,161
<b>Totals</b>	<b>\$90,590</b>	<b>\$67,500</b>	<b>\$145,250</b>	<b>\$303,340</b>