

Development Strategy

FOR

Downtown Tigard, Oregon

 LELAND CONSULTING GROUP

October 2007

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Executive Summary

The primary purpose of this report is to identify a strategy to guide future development in Downtown Tigard and help the City and community partners achieve downtown planning goals and objectives set forth in the Tigard Downtown Improvement Plan (TDIP), the City Center Urban Renewal Plan, and other relevant planning documents.

Downtown Tigard Today

A thorough examination of existing economic, demographic and market conditions and trends for the area (presented in the Market Reconnaissance) indicates that Downtown Tigard is well poised to attract investment during the next decade and beyond, including urban housing, retail and mixed-use development, as well as civic uses.

Some barriers will need to be overcome for Downtown Tigard to attract significant private development and transform into a vibrant, mixed-use destination. In recent years the City and downtown stakeholders have made slow but steady progress towards this goal by garnering political support for downtown revitalization, adopting the TDIP and urban renewal plan, and dedicating human and financial resources towards downtown improvement projects.

Downtown has unique features and amenities, including Fanno Creek Park, a traditional

Main Street, convenient access to major freeways, transportation corridors and public transit, and proximity to residential neighborhoods with demographics that will support new retail development. These locational, physical, and natural amenities will make Downtown Tigard a desirable place to live, work, shop, and recreate.

However, to attract private investment to Downtown, the City will need to address existing economic and physical constraints, including existing land uses that are incompatible with the TDIP vision, fractured ownership and poor parcel configuration, access constraints, substandard development, and the presence of a relatively large supply of underutilized properties with low improvement to land values.

To facilitate downtown development, Leland Consulting Group (LCG) identified five areas where the City of Tigard should focus its development priorities. These areas include:

- Organization
- Policy
- Housing
- Retail
- Access, Transportation, and Parking

Based on LCG's expertise in the areas of downtown development and revitalization and a careful consideration of issues unique to Downtown Tigard, a series of action items is identified for each focus area.

Organization

Successful downtowns are the result of strong leadership and great champions at both the public and private levels. While the city council is solidly behind downtown, private sector leadership is more fractured. Strengthening the private sector organization and improving communication between the City and the private sector is a prerequisite to successful redevelopment.

Establishing a strong downtown organization, improving coordination among private and public stakeholders, increasing the effectiveness of outreach and marketing activities, and appointing a Downtown Liaison to serve as a "go-to" person for private sector developers, and property and business owners, are actions that will strengthen leadership and facilitate the effective implementation of the TDIP and other downtown planning goals and objectives. Further, creating a "success audit" to benchmark and advertise achievements – such as the completion of infrastructure projects and the effective implementation of financial and technical assistance programs – to the public

Executive Summary (continued)

will increase community awareness of and interest in Downtown Tigard.

Policy

To facilitate desired development in Downtown Tigard, it is critical that the City revisit planned projects and follow through with those that will make the most effective use of public and private resources. In addition, the City should establish new policies that improve the regulatory framework and promote projects and programs that will maximize opportunities to attract private investment to the area.

Specific examples of actions the City could take to strengthen the regulatory framework and increase Downtown Tigard's capacity to attract quality development include the institution of a fast-track permitting process and design standards for Main Street and other select areas. Equally important, updating current zoning standards to promote land use and development that is consistent with the goals and vision of the TDIP will enable Downtown to capture private investment in the form of new housing, mixed-use, and retail development.

Housing

Downtown Tigard's location and physical amenities make it an ideal location for a broad range of housing types at varied densities and

levels of affordability. Since there are relatively few sites suitable for larger housing projects, assembling land for housing, offering development incentives, and establishing technical assistance programs to encourage housing development in desired locations, such as sites adjacent to an urban plaza, will reduce barriers to entry. Further, the City should consider redeveloping public properties, such as the two Public Works properties in the southwest part of Downtown, to increase the supply of larger, centrally located sites for prospective developers.

Retail

In addition to housing opportunities, Downtown Tigard has the potential to attract a range of retail goods and commercial services as the area's residential population increases and the broader public becomes more aware of Downtown's shopping, dining, and entertainment offerings. Downtown is anticipated to attract a variety of independent and local retailers on Main Street, as well as larger regional and national retailers at larger, more visible sites along Highway 99W and Hall Boulevard (e.g., the existing Tigard Plaza and the Rite Aid centers).

To stimulate the redevelopment of Main Street and existing shopping centers in the eastern part of Downtown, the City should contract with a retail consultant to market Downtown to

prospective retailers and serve in a research education and marketing capacity. Further, establishing design standards and financial and technical assistance programs, such as a storefront improvement program and a commercial redevelopment loan or grant program, will attract quality retail development to Downtown and provide incentives for existing property and business owners to make exterior and interior building upgrades.

Access, Transportation and Parking

As described in the Market Reconnaissance, Downtown Tigard has limited access points, most of which are severely congested. Further, beyond Main, Burnham, and Commercial streets, Downtown's internal street connectivity is weak. Downtown must be easy to get to, and to get around in, to fully realize its potential. Therefore, it is critical that the City implement access improvements that will increase linkages between Downtown Tigard and surrounding neighborhoods and improve multimodal circulation within the downtown area.

With significant on-street parking and the potential for shared parking at the commuter rail station, Downtown Tigard will not need a public parking facility in the next decade given the type and scale of development that is projected.

1

Introduction

Overview and Methodology

Reflecting that revitalization of Downtown Tigard is among the City Council's highest priorities, the City engaged Leland Consulting Group to evaluate existing conditions and market opportunities in order to develop strategic implementation actions that will guide redevelopment efforts over the short- and long-term timeframes. This report summarizes the key findings of the analysis and lays out a focused action plan, including key implementation tools and projects.

Key elements of the Development Strategy include:

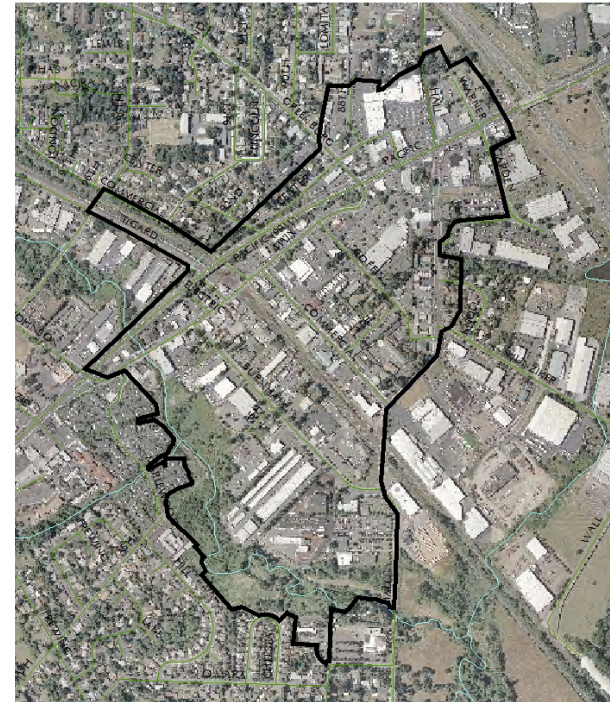
- A description of the relationship between findings from the Market Reconnaissance and recommended "action items";
- A description of potential market opportunities or niches (and their timing) that Tigard is strategically positioned for;
- Key actions that should be carried out by the City to successfully attract investment, such as property acquisitions, public-private partnerships, public infrastructure investments, amenities, policy changes, and other actions;
- Prioritized action items, including a timeframe for implementation and a description of lead individuals or groups responsible for carrying out different tasks

- Order of magnitude costs, where possible;
- Recommended changes to the existing land use districts/Development Code where appropriate; and
- Other necessary steps to "get ready" for development.

In the course of the research, LCG examined physical, social and economic conditions as well as market conditions, with a particular emphasis on the housing and retail sectors.

In addition to market research gathered from secondary sources, such as apartment surveys and demographic reports, LCG examined the 2006 Tigard Downtown Improvement Strategy and conducted stakeholder and developer interviews to inform the Market Reconnaissance and to identify key issues, concerns, opportunities, and constraints that will impact revitalization efforts in Downtown Tigard.

Based on research gathered for the Market Reconnaissance, the 2006 Tigard Downtown Implementation Strategy, and LCG's extensive experience in downtown revitalization, the following summary conclusions are drawn.



Aerial photo of downtown area and City Center Urban Renewal Area boundary

Summary Conclusions

1. Downtown Tigard is on the Right Track.

Despite the challenges to be overcome for downtown revitalization to succeed, it is important to keep in mind the progress that has been made to date. Specifically, the following initiatives are representative of Tigard's progress:

- Adoption of the Tigard Downtown Improvement Plan (2005).
- Adoption of the City Center Urban Renewal Plan (2005).
- Voter approval of the urban renewal district (May 2006).
- Tigard Downtown Implementation Strategy (2006).
- New staff to implement Downtown projects (Downtown Redevelopment Manager and partial FTE for two other planners).
- Strong political support – Downtown Plan implementation is one of City Council's priority goals.
- Award of Metro grant to redevelop part of Main Street as a "Green" street.
- Dedication of funding for redevelopment of Burnham Street.
- Ongoing planning for improvements to Fanno Creek Park and an urban plaza.

- Several private redevelopment projects representing significant investment, including the Ballroom Dance Company and Max's Fanno Creek Brew Pub.
2. **The Foundation is Solid.** One common theme that emerged from interviews with Downtown stakeholders and developers is the perception that Downtown Tigard is well located within the marketplace to attract quality housing and retail development. Downtown has several unique features and amenities that can be improved and enhanced as part of the revitalization process. These include:

- A true "Main Street" with a pedestrian scale, small storefronts, and some older buildings (and some not so historic). Combined, these qualities give Downtown Tigard an authentic unique character;
- Fanno Creek Park, which, when improved, can serve as a "green" amenity to attract residents and visitors;
- A central location, close to several major employment areas, including Washington Square/Nimbus Parkway, the Tigard Triangle, Kruse Way, the Sunset Corridor, and Downtown Portland;

- Good demographics in the surrounding community, with above average incomes and education levels;
- Convenient access to several major transportation corridors such as Highway 217, I-5 and Highway 99W; and
- Access to transit, including the new Suburban Commuter Rail Station and the Tigard Transit Center.



Commuter Rail groundbreaking celebration at Tigard Transit Center, October 2006

Summary Conclusions (continued)

3. **Revitalization is Needed.** Although the foundation is solid, the Market Reconnaissance identified numerous economic and physical constraints. Specific issues and concerns that the City needs to address are:

Incompatible land uses, including auto repair shops and light industrial functions, which are inconsistent with the future vision for Downtown.

Fractured ownership and poor parcel configuration, which makes land assembly for larger redevelopment projects difficult and costly.

Significant deterioration of many properties, particularly along Main Street.

Limited and congested access points into the downtown and poor interconnectivity within the Downtown.

High proportion of underutilized properties (low improvement to land ratios).

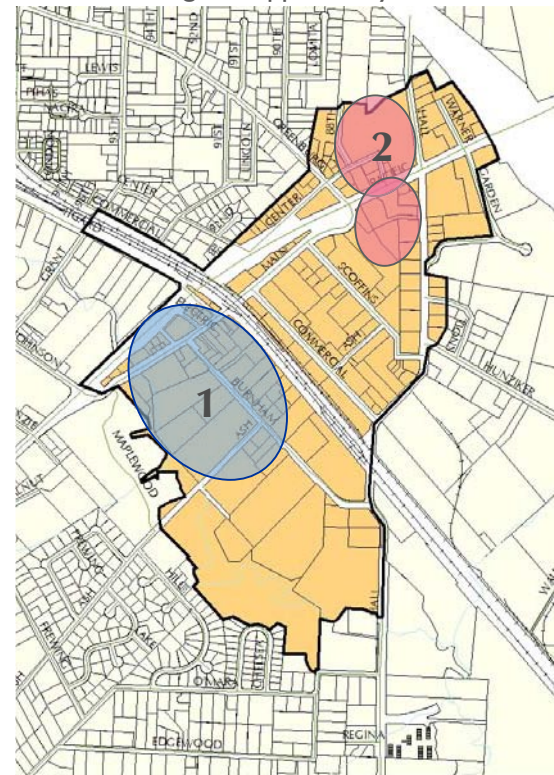
4. **Focus on Opportunity Areas.** LCG identified two opportunity areas where the City should focus redevelopment efforts during the early years of urban renewal (see Figure 1). These include:

Area 1: The area between Fanno Creek Park and the railroad track, Main Street and Ash Avenue.

Area 2: The two shopping centers at the intersection of Hall Boulevard and Highway 99W – Tigard Plaza and the center at the southwest corner of the intersection with three larger tenants, Rite-Aid, Value Village and Woodcraft.

FIGURE I

Downtown Tigard Opportunity Areas



Summary Conclusions (continued)

Within the broader context of Downtown Tigard, the opportunity areas have superior location (i.e., access and visibility) and physical characteristics, and are close to existing focal points where redevelopment is already occurring and future transportation and infrastructure projects are planned.

These areas were chosen for the following reasons:

Area 1: Main Street/Burnham Street Area

- Proximity to Fanno Creek Park, Downtown Tigard's primary residential amenity
- Proximity to the planned urban plaza
- Proximity to most Downtown restaurants
- Proximity to the new commuter rail station
- Location of planned Main Street and Burnham Street streetscape improvements
- Opportunity to leverage recent private investments (brew pub, hardware store, natural stone retailer)

Area 2: Hall/99W Retail Centers

- High traffic counts and good retail visibility
- Low improvement to land value of existing properties (i.e., properties are underutilized)
- Significant opportunity to generate tax increment
- Large parcels with flexible redevelopment potential



Plaza District Plan

2

Strategic Framework



Key Findings

The strategic recommendations provided in this report reflect three key findings that emerged from the Market Reconnaissance Strategy.

1. Downtown Tigard is Ripe for Housing.

Given its location and physical amenities, Downtown Tigard has strong market potential for housing. As described in the Introduction, convenient access to major transportation corridors and employment areas, public transit, retail and commercial services on Main Street, and Fanno Creek Park contribute to Downtown's residential appeal. Housing development of varied types and densities is expected to be especially well received by younger professionals, baby boomers, and recent retirees that prefer to live in locations that are close to transit, neighborhood goods and services, and other urban amenities.

While the national housing economy has slowed in 2007, the Pacific Northwest remains one of the strongest markets, with steady job growth and in-migration to sustain the housing market.

Further, recent changes in the mortgage market have made rental housing a much more viable housing product than in recent years. This is a good trend for Downtown Tigard, as most downtowns that have little housing begin revitalization with rental housing, followed by ownership housing in a second or third phase.

2. Retail Revitalization will be an Integral Component of the Redevelopment Program.

In addition to housing opportunities, Downtown Tigard has the potential to attract a broad range of retail goods and commercial services. The emerging residential population will create a demand for neighborhood goods and services (i.e., coffee shop, dry cleaners, restaurants, etc.) In addition to serving Downtown residents and residents from nearby neighborhoods, Downtown retailers could draw residents and visitors from outside the immediate area seeking dining, entertainment, shopping, professional services and recreational activities. Whereas Main Street is appropriate for smaller retailers, the two shopping centers at the eastern edge of Downtown (Tigard Plaza and the Rite Aid center) could accommodate more significant regional retail development. Although Downtown Tigard is close to Washington Square and

Bridgeport Village, it is not expected to compete with those centers as the type of retailers that will locate in Downtown will tend to be smaller and more locally-serving than those at the regional centers. The bottom line is that retail development will have a significant revitalizing impact on Downtown Tigard, although the actual scale and quantity will be relatively small.



Mixed-use urban development in the Canadian city of Port Moody, British Columbia.

Key Findings (continued)

3. **Better Organization is Needed.** Getting ready for successful redevelopment could take as much as one to three years, but implementation begins on day one. It involves a strong commitment from the city and other community leaders to start building the political and financial infrastructure necessary for successful revitalization.

The TDIP provides a clear vision for the future of Downtown Tigard. Effective implementation of the vision will require cooperation and coordination among public and private organizations and individuals currently engaged in downtown redevelopment planning efforts.



Public open house, Downtown Streetscape Plan, May 2006

These organizations include, but are not limited to, the following:

- **City Council.** Members also serve as the City Center Development Agency.
- **City Center Advisory Commission (CCAC).** Advises on planning and development activities in the urban renewal area.
- **A strong downtown organization.** Every downtown needs a strong organization to champion and implement projects – downtowns must be “managed” at both the public and private levels. The potential for such an organization is present in the Tigard Downtown Business District Association (TDBDA) and the Tigard Area Chamber of Commerce. Currently, however, the TDBDA has a small membership and the Chamber of Commerce is not focused on Downtown redevelopment.

Bringing these stakeholder groups of varied interests and perspectives together will be an integral part of the Place Making strategy for Downtown Tigard. Specific recommendations for strengthening relationships among existing (and future) stakeholder groups are provided in the Organizational Recommendations sections.

Place Making is the process of identifying and revitalizing underutilized public and private spaces that results in the fundamental transformation of community. - Urban Land Institute



Installing signage that effectively markets Downtown businesses and community facilities to visitors is an affordable means of creating a unique sense of place. Existing signage along Main Street is not effective and should be removed and replaced.

Getting Ready For Development

Getting ready involves developing an overarching strategy that aims to build strong leadership and remove or mitigate market, financial, political, physical, and regulatory barriers to successful redevelopment.

As described in the Introduction and Key Findings, Downtown Tigard is in a strong position to attract reinvestment in the form of housing, retail and mixed-use development. However, to pave the way for development and create a more business- and development-friendly environment in Downtown Tigard, the City needs to strengthen its organizational and regulatory framework.

Currently, Downtown Tigard does not appear to be “on the radar” of the most prominent local and regional developers. Accordingly, one of the major challenges the City faces is increasing awareness of and interest in Downtown Tigard as a good location for investment by the development community. As suggested in the strategic recommendations that follow, the City will need to undertake a creative Place Making campaign to make public citizens and private developers more aware of Downtown’s Downtown’s assets, including its green

amenities and historic character as well as its superior location and transit facilities.

Equally important, the City will need to demonstrate its commitment to making Downtown a friendly place to conduct business by establishing regulatory policies that reduce the potential pitfalls and financial risks typically associated with undertaking major real estate development in markets such as Downtown Tigard that are not yet “proven.”

During FY 2005-06 and 2006-07, the assessed value (AV) of all property citywide increased 7.2 percent more than property in the urban renewal area (see Tables 1a and 1b).

This indicates that changes to the regulatory and organizational framework must be accompanied by strategic financial investments in capital projects as well as financial and technical assistance programs that will have a visible impact and maximize Downtown’s appeal to private investors by reducing or removing barriers that would otherwise impede development.

Finally, stakeholders and developers interviewed for the Market Reconnaissance indicated that revitalization efforts will only succeed if the City is able to clearly demonstrate its unified support for the Downtown vision and supporting policies to

the broader public and prospective investors and engage community stakeholders every step of the way – from planning to implementation.

**Table 1a: Assessed Value Growth
Tax Years 2005/06 and 2006/07**

	2005/06 Total AV	2007/08 Total AV
City of Tigard	\$4,087,904,786	\$4,569,131,529
City less URA	\$4,018,697,408	\$4,96,697,860
URA	\$69,207,378	\$72,433,669
Percent Difference (URA percentage of City AV)	1.72%	1.61%

Table 1b: Results

City Growth	\$481,226,743
Percent City Growth from 2005/06 and 2007/08 Tax Years	11.89%
URA Growth	\$3,226,291
Percent URA Growth from 2005/06 and 2007/08 Tax Years	4.66%
Difference	7.23%

Setting a Clear Direction

Establishing clear and concise directives, organized by level of urgency, timing, staffing and resource requirements, is necessary for the effective implementation of the Downtown vision.

Specific recommended actions that the City and its allies should undertake to facilitate redevelopment in Downtown Tigard are identified in the pages that follow.

The recommendations have been assigned to five broad categories:

- Organizational
- Policy
- Housing
- Retail
- Transportation

Each category includes a “strategy” or overarching objective, a series of action items (i.e., projects, programs, policy recommendations, and other directives), and a “basis” that describes the relationship between recommended actions and findings from the Market Reconnaissance Strategy and other relevant studies and plans.

Action items are prioritized according to level of perceived urgency – low, medium and high priority – and assigned to one of three implementation timeframes:

- Now (Immediate Action)
- 1 to 3 Years (Near-term Action)
- 3 to 10 Years (Long-term Action)

The individual or entity that will be primarily responsible for carrying out each action is identified along with the “downtown cost burden,” which estimates financial and human resource requirements, where possible.



Tigard Skatepark – Located across from City Hall in Downtown Tigard, the skatepark opened in October 2007.

Summary of Strategic Recommendations

Organizational Recommendations

1. Establish a strong downtown organization.
2. Strengthen coordination between the CCDA and other downtown organizations.
3. Increase property owner and developer outreach
4. Develop a branding campaign for Downtown Tigard.
5. Appoint a Downtown Liaison within the City's Current Planning Division to serve as a "go-to" person for private sector developers, and property and business owners
6. Create a "success audit" for Downtown Tigard.

Policy Recommendations

1. Follow through with projects that are planned or currently underway.
2. Revisit, prioritize and amend specific elements of planned and proposed projects identified in the TDIP and the City Center Urban Renewal Plan to ensure that public dollars are maximally leveraged and affect the greatest impact.
3. Implement Downtown Tigard Urban Renewal District Comprehensive Plan policies and action measures.

Policy Recommendations (continued)

4. Amend existing zoning standards to promote land use and development that is consistent with the TDIP vision.
5. Establish design standards for Downtown Tigard.
6. Institute and expedited permitting process.

Housing Recommendations

1. Assemble land for housing downtown.
2. Conduct design and feasibility studies for housing and mixed-use development on parcels adjacent to the Urban Plaza.
3. Create a Development Opportunities Study (DOS) Program to encourage property owners to explore redevelopment.
4. Offer density bonuses to encourage housing development downtown.
5. Relocate Tigard's Public Works yards to make the site available for housing development.
6. Redevelop the Tigard Public Works Building property at the intersection of Hall Boulevard and Burnham Street.

Retail Recommendations

1. Form a relationship with a commercial broker to work with property owners and retailers to attract desired retail development downtown.
2. Create a Main Street commercial redevelopment loan or grant program to encourage development along Main Street that is consistent with the TDIP vision.
3. Create a Main Street storefront improvement program.
4. Create a retail-focused DOS program for Main Street and the section of Burnham between Ash Avenue and Main Street.
5. Facilitate redevelopment of the two shopping centers at the intersection of Hall Boulevard and 99W.
6. Create an ongoing "success audit" for Downtown Tigard.

Access, Transportation and Parking Recommendations

1. Implement long-term plans to increase connectivity to and within the Downtown.
2. Establish a shared parking program.
3. In collaboration with the downtown organization, pursue a very modest parking strategy.

Organizational Recommendations

Strategy: Strengthen organization and leadership capacity in Downtown Tigard.

Basis


Successful downtowns are the result of strong leadership and great champions at both the public and private levels. While the city council is solidly behind downtown, private sector leadership is more fractured. Strengthening the private sector organization and improving communication between the City and the private sector is a prerequisite to successful redevelopment.



Public open house, Fanno Creek Park and Plaza Plan, October 2007

Organizational Recommendations (page 1 of 6)



Strategy: Strengthen organizational and leadership capacity in Downtown Tigard.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>1. Establish a strong downtown organization.</p> <p>Successful downtowns have strong private nonprofit organizations in place to provide needed services including delivering services (safety, marketing, beautification, etc.), organizing events, providing advocacy on downtown issues, educating merchants, recruiting tenants and developers, and directing a broad range of planning and outreach activities. The hallmark of successful downtown organizations is a paid executive who can lead initiatives and outreach, actively engaging business and property owners in the process.</p> <p>While the TDBDA addresses some of the needs of Downtown Tigard, its membership is limited and it does not have adequate resources to staff a manager position. Similarly, the Tigard Area Chamber of Commerce is supportive of Downtown Tigard revitalization, but its mission is broader than just the Downtown. An organization whose sole focus is Downtown is needed.</p> <p>The downtown organization would operate in parallel with the CCAC and would likely have a representative to serve on the CCAC, but it would not replace it.</p> <p>Formation of a downtown organization should be led by the private sector – with a champion that is either a downtown business or property owner and run day-to-day by a professional manager.</p> <p>While the formation of the downtown organization should be led by the private sector, the City can serve in a supporting role by providing seed money to hire an executive director. Eventually, the organization should be completely privately funded, possibly through a business improvement district or membership dues.</p>	H				Private Sector	Up to \$40,000 per year to support a half-time executive director of the downtown organization




Organizational Recommendations (page 2 of 6)

Strategy: Strengthen organizational and leadership capacity in Downtown Tigard.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>2. Strengthen coordination between the CCDA and other downtown organizations.</p> <p>Encourage a closer, more collaborative relationship between the CCDA and CCAC.</p> <p>Establish a quarterly meeting between the CCDA and other downtown groups. The primary purpose of the meeting will be to review and discuss recent and upcoming planning and business activities in Downtown Tigard.</p>	H				Downtown Redevelopment Manager	None
<p>3. Increase property owner and developer outreach.</p> <p>Stakeholder interviews indicated that City outreach to major business and property owners downtown has been infrequent.</p> <p>Through increased direct communication with property owners and developers, the City can keep a better “pulse” on issues, trends and prospective projects and can better facilitate private and public-private transactions. Similarly, outreach should include the brokerage community, who may bring buyers or new tenants to Downtown Tigard.</p> <p>The City should establish ongoing forums for connecting with target groups that will play a key role in downtown revitalization, including housing developers, commercial real estate professionals, retail developers, and others.</p>	H				Downtown Redevelopment Manager	None

Organizational Recommendations (page 3 of 6)


Strategy: Strengthen organizational and leadership capacity in Downtown Tigard.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>4. Develop a branding campaign for Downtown Tigard to market the downtown to the development community, potential tenants and patrons.</p> <p>The “Brand Tigard” campaign should be a joint undertaking between the City and the private sector; the City could assist with funding.</p> <p>Examples of specific outreach/marketing strategies might include a web site, brochures, news features, public service announcements, and a strong and ongoing relationship with the media.</p> <p>Create a brand for Downtown Tigard that distinguishes it from other downtowns in the region. Given Downtown’s proximity to Fanno Creek Park and the existing emphasis placed on “green” projects, such as the Urban Creek and Main Street green street improvements, “Sustainable Tigard” would be a good brand for Downtown.</p>	H				City, Downtown Organization	TBD



Organizational Recommendations (page 4 of 6)


Strategy: Strengthen organizational and leadership capacity in Downtown Tigard.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>5. Appoint a Downtown Liaison within the City’s Current Planning Division to serve as a “go-to” person for private sector developers, and property and business owners.</p> <p>Stakeholder interviews revealed that the entitlement process is perceived as difficult when developing or redeveloping property Downtown. When development in an urban location such as Downtown is already more complex and expensive, the City should strive to make it the easiest place to invest, not the most difficult.</p> <p>A Downtown Liaison should be appointed within the Community Development Department to serve as a single point of contact in the entitlement process for anyone doing development Downtown.</p> <p>One of the Liaison’s primary functions would be to simplify the entitlement process by helping developers working in Downtown get through the permitting and review process in a timely and efficient manner. The Liaison would advise developers on Downtown development standards and serve as a single point of contact.</p> <p>Appointing a Downtown Liaison will strengthen Tigard’s reputation within the development community by facilitating development application and review procedures, thereby creating a business friendly, customer-oriented environment. This will benefit not only Downtown Tigard, but the City as a whole.</p>	H				Community Development Director, Downtown Redevelopment Manager	No new costs, requires redeployment of existing resources




Organizational Recommendations (page 5 of 6)

Strategy: Strengthen organizational and leadership capacity in Downtown Tigard.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>6. Create an ongoing “success audit” for Downtown Tigard.</p> <p>As discussed repeatedly in this report, many things are being done right in Downtown Tigard and momentum is increasing. However, as discovered in the stakeholder interviews, this story is not getting out. Even among locals, the perception that Downtown Tigard is stagnant or not improving persists. Thus, the City should prepare a “success audit” to catalog the many recent successes and communicate the progress that is being made.</p> <p>A “success audit” is a marketing, educational and organizational tool that helps communities track and promote their successes. The success audit is simply a catalog of projects and actions that have recently been completed, are currently in development, or are planned for the near future. By gathering data and presenting it on fact sheets, a web site, or a brochure, the City can clearly catalog and summarize how it is performing.</p> <p>(Action Item 6 continued on next page)</p>	H				Downtown Redevelopment Manager, Downtown Organization	TBD

Organizational Recommendations (page 6 of 6)

Strategy: Strengthen organizational and leadership capacity in Downtown Tigard.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>6. Create a “success audit” for Downtown Tigard. (continued)</p> <p>Similar to Tigard’s 2007-2012 Community Investment Plan (CIP), which provides a detailed description of capital projects in the urban renewal area (and other parts of the City), funding sources, and a project cost estimate and implementation timeline, the success audit can be used to communicate Downtown Tigard’s redevelopment activities both internally (within the Downtown community and to policy makers) and externally (to attract employers, investment, developers, and others to Downtown). It should be a key part of a comprehensive toolkit that the City provides to investors considering development in Downtown Tigard. In this regard, the success audit becomes a vital part of Downtown’s economic development strategy.</p> <p>The success audit can also be used to establish ongoing communications with the media in the form of noteworthy news stories, newspaper articles, television spotlights, or other media events that showcase happenings in Downtown Tigard in a positive light.</p> <p>Finally, the success audit can support elected officials who, in the process of making difficult budgetary decisions, can hold up to the community the successes that are ongoing.</p>	H				Downtown Redevelopment Manager, Downtown Organization	TBD

Policy Recommendations

Strategy: Implement flexible but strong policies to guide development.

Basis




To facilitate desired development Downtown, it is critical that the City reexamine planned projects and follow through with those that will make the most effective use of public and private resources. In addition, the City should establish new policies that improve the regulatory framework and promote projects and programs that will maximize opportunities to attract private investment to Downtown Tigard.



The Post Office on Main Street, which attracts residents from throughout the City to Downtown Tigard, is an asset to the Downtown core.


Policy Recommendations (page 1 of 6)

Strategy: Implement flexible but strong policies to guide development.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>1. Follow through with projects that are planned or currently underway.</p> <p>Several major infrastructure projects (identified below) are planned for Downtown Tigard and neighboring areas in the next five years. It is critical that the City implement these projects in such a way that they complement and help achieve the TDIP vision.</p> <p>Planned projects for Downtown Tigard that will support housing in the near term include:</p> <ul style="list-style-type: none"> o Fanno Creek Park Improvements o Urban Plaza o Main Street Green Street o Burnham Street Improvements o Hall Boulevard/ 99W Intersection Improvements <p>Upon completion of the Urban Plaza design, follow through with the second phase, which includes design and feasibility studies for housing and mixed-use development on adjacent parcels.</p> <p>Planned projects for Downtown Tigard and neighboring areas that will drive long-term redevelopment include:</p> <ul style="list-style-type: none"> o Additional public plazas and open space areas. o The “Rail to Trail” corridor along the north side of Tigard Street. o Projects that will improve multimodal access and connectivity to and within Downtown Tigard. 	H				City	TBD

Policy Recommendations (page 2 of 6)

Strategy: Implement flexible but strong policies to guide development.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>2. To ensure that public dollars are maximally leveraged and allocated to projects that will have the greatest impact, LCG recommends the following specific changes to planned and proposed projects identified in the TDIP and City Center Urban Renewal Plan:</p>	M				City	TBD

Urban Creek Corridor

Incorporate green design elements into pedestrian connections between the commuter rail station and the planned urban plaza. Where possible, incorporate green elements over time into the rail station design (i.e., the at-grade railroad crossing and other pathways and access points from Main and Burnham Streets, etc.). Utilize these planned connections as the first phase of the “urban creek” rather than expending resources to develop a separate urban creek in the specific location cited in the TDIP Preferred Alternative Map.

Performing Arts Center


Look to the private sector to champion a performing arts center downtown. (Recently, Broadway Rose Theatre Company, Washington County’s only professional theater company, started renovating a Tigard-Tualatin School District facility into a new state-of-the-art theater, where most of its performances will occur.) The City should remain flexible and be willing to support implementation of a performing arts center should a viable project emerge, but it should not expend dollars toward a new Performing Arts Center at this time. If, in the future, a performing arts center becomes a feasible project, the City should consider creating a community arts and recreation center through a public-private partnership with the developer of the performing arts center.

Post Office Relocation

Relocation of the downtown post office from its current location on Main Street to the corner of Burnham Street and Ash Avenue is a catalyst project in the TDIP. The existing post office is in a good, visible location in the heart of the Main Street retail corridor. It is Tigard’s main postal facility and attracts visitors to the downtown area from throughout Tigard. Relocating the post office would require significant political capital and, potentially, financial assistance from the City for site assembly and relocation costs. Further, moving the facility to a location that is somewhat removed from the downtown core might have a detrimental impact on Main Street retailers. Therefore, relocating the post office is not viewed as a good use of public resources at this time.


Policy Recommendations (page 3 of 6)

Strategy: Implement flexible but strong policies to guide development.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>3. Implement Downtown Tigard Urban Renewal District Comprehensive Plan policies and action measures.</p> <p>In April 2007, the City updated the Comprehensive Plan to include policies and action measures for the Downtown Tigard Urban Renewal District.</p> <p>These policies and actions, which provide a clear direction for achieving land use, zoning, and transportation planning goals identified in the TDIP and Urban Renewal Plan, are summarized below:</p> <ul style="list-style-type: none"> Amend Downtown’s current zoning and development standards to facilitate the development of an “Urban Village” in Downtown Tigard; Implement parks and open space improvements and “green connections” that will enhance community livability and capitalize on Downtown’s proximity to Fanno Park; and Implement multimodal street and circulation improvements that will make Downtown a safe, convenient and attractive place to live, work, shop and recreate. 	H				City	TBD

Policy Recommendations (page 4 of 6)


Strategy: Implement flexible but strong policies to guide development.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>4. Amend existing zoning standards to promote land use and development that is consistent with the TDIP vision.</p> <p>Section 11.1 of the Comprehensive Plan identifies the need for new zoning, design standards and design guidelines that will promote attractive, quality development in Downtown Tigard.</p> <p>In addition to following through with relevant action measures cited in the Comprehensive Plan (Section 11.A), the City should consider the following changes to Downtown’s current zoning:</p> <ul style="list-style-type: none"> o Instead of creating multiple sub-districts with different base zones and development standards, establish a single base plan designation for all of the urban renewal area that allows for a broad mix of uses. o Currently, most of Downtown is within the Central Business District (CBD) zone. The City should extend the CBD zone to the entire urban renewal area, including property on the north side of Highway 99W. This will increase development opportunities in the urban renewal area since the CBD zone allows additional uses over the existing CG zone. However, the City may wish to take a closer look at the few properties that are currently zoned residential before rezoning them. o Recognizing the special role that Main Street plays in Downtown, a separate overlay zone should be applied to Main Street to require active ground floor uses. This should be done in conjunction with Policy Action Item 5, which recommends the creation of design standards for Downtown Tigard. 	H				City	TBD



Policy Recommendations (page 5 of 6)


Strategy: Implement flexible but strong policies to guide development.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>5. Establish design standards for Downtown Tigard</p> <p>Design standards that clearly establish the level of quality that is expected from development are a strong incentive for developers, for it gives certainty as to the City’s expectations from new development and it ensures that subsequent development will be of a similar quality that reinforces previous investments. Savvy developers seek out, rather than avoid, communities with high quality standards.</p> <p>Design standards are an integral component of other implementing actions such as zoning changes, development feasibility studies, and storefront improvement programs.</p> <p>The standards should apply to the broader downtown area with unique standards for selected specific sub areas such as Main Street, adjacent to Fanno Creek Park, gateway locations, and other “special” areas.</p> <p>Examples of the types of design elements that the design standards might require include active ground floor retail uses on Main Street (see Policy Action Item 4), uniform standards for signage, street lighting, landscape features and streetscape improvements, setback requirements, etc.</p>	H				City	\$50,000 to \$100,000



Policy Recommendations (page 6 of 6)

Strategy: Implement flexible but strong policies to guide development.

Action Items	Priority	Timing		Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years		
<p>6. Institute an expedited permitting process.</p> <p>A member of the Current Planning Department staff (i.e., the “Downtown Liaison” described in the Organizational Recommendations section) would be responsible for working with downtown developers, property and business owners to expedite the planning and development review process.</p> <p>Downtowns are inherently more difficult and costly places to develop property (higher public expectations, more expensive land, higher cost construction types, difficult staging, etc.). Projects that meet downtown goals and design guidelines should be encouraged by giving them fast-track approvals. The adage that “time is money” is more true for development than for virtually any other industry. While not costing significant amounts of money, this is one of the single greatest incentives a city can provide for new investment.</p>	H			City (Community Development Director, Downtown Liaison)	None – Should only require redeployment of existing resources



Housing Recommendations

Strategy: Encourage a broad range of housing types at varied densities and levels of affordability.

Basis


Housing will be the largest component of Downtown Tigard's revitalization. As discussed earlier, Downtown Tigard is "ripe for housing" due to its location, its existing and future amenities, and positive market trends. As a strategy for revitalization, housing is also preferred because it increases the downtown population and creates a larger market for retail and commercial services businesses specializing in convenience goods and services (e.g. dry cleaners, coffee shop, restaurants, etc.) that downtown residents can easily walk to.

When planning for housing, it is important that a broad range of housing be considered including both rental and ownership housing, senior housing, affordable housing, rowhouses, condominiums, lofts, and live-work. This has several key benefits:

- 1) It increases the diversity of built product that adds to the visual interest of Downtown;
- 2) It draws a diversity of residents, increasing social vitality and providing a broader range of incomes and demographics to support merchants;
- 3) It targets multiple market niches, allowing more development to occur simultaneously without diluting the market.

Housing Recommendations (page 1 of 5)


Strategy: Encourage a broad range of housing types at varied densities and levels of affordability.

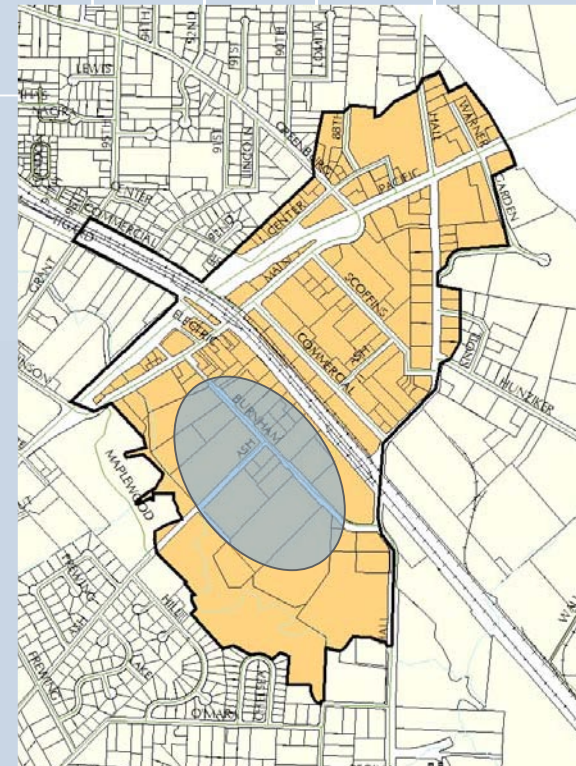
Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>1. Assemble land for housing downtown.</p> <p>Assembling smaller parcels and making them available for development is one of the most powerful implementation actions that the City could execute. Many existing parcels in Downtown Tigard are too small to efficiently accommodate new development. Yet developers may not be willing to take the risk of land assembly upon themselves. Thus, providing development-ready parcels is a significant incentive that reduces development risk and can accelerate development.</p> <p>Given the City's limited resources, there are two options to pay for land acquisition:</p> <ul style="list-style-type: none"> o Use general fund money to make acquisitions. Such funds could be repaid when property is sold to a developer unless the City subsidizes a project through a discounted land price. o Obtain options on properties at limited cost and transfer options to private developers through a competitive process. Under such a scenario, it is imperative that due diligence be performed to ensure that option prices allow redevelopment to be feasible. <p>(Action Item 1 continued on next page)</p>	H				City	TBD



Housing Recommendations (page 2 of 5)

Strategy: Encourage a broad range of housing types at varied densities and levels of affordability.



Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>1. Assemble land for housing downtown. (continued)</p> <p>Land assembly should focus on the area between Fanno Creek Park and the railroad, south of parcels fronting Main Street and north of the City Hall property.</p>	H				City	TBD



Housing opportunity area

Housing Recommendations (page 3 of 5)



Strategy: Encourage a broad range of housing types at varied densities and levels of affordability.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>2. Conduct design and feasibility studies for housing and mixed-use development on parcels adjacent to the Urban Plaza as specified in the second phase of the Urban Plaza project.</p>	H				City	None – Funding already committed through Urban Plaza project
<p>3. Create a Development Opportunities Study (DOS) Program to encourage property owners to explore redevelopment.</p> <p>The City should provide seed money to property owners and developers for specific pre-development activities prior to construction, including architectural planning studies, building inspection, engineering reports, market assessments, environmental studies, and real estate financial analysis. DOS funding should be limited to professional services related to planning for development and should not cover the preparation of construction drawings, permitting or any of the actual construction costs.</p> <p>The DOS program could target housing in specific areas, including the area between Fanno Creek Park and the railroad and the area east of the railroad where existing housing is concentrated.</p> <p>DOS programs typically provide funds in amounts less than \$25,000, but the City could consider greater support for more significant opportunity projects.</p>	H				City (Downtown Redevelopment Manager)	Initially plan for funding up to three studies per year. Allow up to \$25,000 per study.



Housing Recommendations (page 4 of 5)


Strategy: Encourage a broad range of housing types at varied densities and levels of affordability.

Action Items	Priority	Timing		Primary Responsibility	Downtown Cost Burden	
	H, M, L	Now	1 to 3 Years			3 to 10 Years
<p>4. Offer density bonuses to encourage housing development downtown.</p> <p>As an incentive to attract desired types or attributes of development, the City should consider amending zoning codes to allow for density bonuses for projects that meet certain criteria. For example, the City could offer density bonuses to projects that exceed design standards (to be determined in the future) and have features that enhance community livability (i.e., green building elements, affordable units, open space and community areas, etc.).</p> <p>The density bonus program should be developed at the same time and in coordination with the new downtown design guidelines.</p>	L				City	None
<p>5. Relocate Tigard’s Public Works yards and make this prime site available for housing development.</p> <p>This site, close to Fanno Creek Park, is already under public ownership and is an ideal location for housing. Likewise, the removal of the industrial nature of the Public Works yards would help create a more residential-friendly environment and integrate the Park into the downtown area.</p>	M				City	TBD



Housing Recommendations (page 5 of 5)

Strategy: Encourage a broad range of housing types at varied densities and levels of affordability.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>6. Redevelop the Tigard Public Works property at the intersection of Hall Boulevard and Burnham Street.</p> <p>At 4 acres, this site, the current location of Tigard’s Public Works building, could accommodate a large housing or mixed-use development. While it might not be a prime candidate for redevelopment in the short term, as sites closer to Main Street redevelop in the early years of urban renewal, this publicly owned property will become a more attractive location for reinvestment in later years.</p>	M				City	TBD



Tigard Public Works Building

Retail Recommendations

Strategy: Revitalize Main Street and redevelop the two existing retail shopping centers at the intersection of Hall Boulevard and Highway 99W.



Basis

Retail is usually the most “visible” type of development in a downtown and most people form their opinion of a downtown based on the type of retail that is there. As discussed in the Market Reconnaissance, retail in Downtown Tigard struggles today, although there are a few examples of new investment, particularly restaurants. Downtown will never be able to compete with Washington Square and Bridgeport Village for large-scale or high-end retail. Instead, it should let housing take the lead and provide the support retail that will best complement the residential focus. This type of retail will largely include smaller, independent shops providing convenience goods and services to meet the daily needs of nearby residents and visitors. The strongest market focus is food (restaurants and cafes). A few national retailers or chains may choose to locate on Main Street, although the majority of businesses there are expected to be locally-owned. When a balanced mix of local and nationally-owned businesses are present, downtowns are more likely to thrive, with local businesses benefiting from the increased traffic that a national retailer brings.

At the two retail centers at Hall and 99W, more significant regional retail development is possible, either as standalone retail centers or as a part of a mixed-use development that may include housing or office uses.

Retail Recommendations (page 1 of 4)



Strategy: Revitalize Main Street and redevelop the two existing retail shopping centers at the intersection of Hall Boulevard and Highway 99W.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>1. Form a relationship with a retail consultant to work with property owners and retailers to attract desired retail development downtown.</p> <p>Retail experts are important resources for market information and tenant recruitment. A retail consultant could serve in a marketing, outreach, informational, and research capacity.</p> <p>The City could refer prospective retailers to the consultant, who could create a marketing campaign that specifically targets retailers the City wishes to bring Downtown.</p> <p>Since the City does not control major retail properties Downtown, the consultant would be hired under contract as opposed to a commission-based engagement.</p>	H				Downtown Redevelopment Manager, Downtown Organization	TBD
<p>2. Create a Main Street commercial redevelopment loan or grant program to encourage development along Main Street that is consistent with the TDIP vision.</p> <p>Many properties along Main Street are in poor condition and are not suitable for the needs of modern retailers. A loan or grant program should be implemented to help property owners improve buildings or prepare sites for new development.</p> <p>The program could be a no-interest or low-interest loan program or a matching grant program for interior improvements or significant building improvements.</p>	M				City (Downtown Redevelopment Manager)	TBD



Retail Recommendations (page 2 of 4)



Strategy: Revitalize Main Street and redevelop the two existing retail shopping centers at the intersection of Hall Boulevard and Highway 99W.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>3. Create a Main Street storefront improvement program.</p> <p>A storefront improvement program should include low- or no-interest loans or grants to property owners and/or tenants for improvements to the exterior of their buildings in order to increase the attractiveness and urban design quality of the Downtown, increase patronage, and increase business success. Grants and/or loans will typically be less than \$25,000, thus it is a relatively low-cost program that has immediate and highly visible results.</p> <p>Focus on exterior, building façade improvements.</p> <p>The program could be in the form of a matching grant.</p> <p>Design standards must already be in place. Applicants that meet or exceed downtown design standards should be a funding priority.</p>	H				City (Downtown Redevelopment Manager)	Initially plan for funding up to three storefronts per year. Allow up to \$25,000 per grant.
<p>4. Similar to the recommended housing DOS program, create a retail-focused DOS program for Main Street and the section of Burnham Street between Ash Avenue and Main Street.</p> <p>The City should provide seed money to property owners and, in some cases, tenants for specific pre-development activities prior to construction, including architectural planning studies, building inspection, engineering reports, market assessments, environmental studies, and real estate financial analysis.</p>	H				City (Downtown Redevelopment Manager)	Initially plan for funding up to three studies per year. Allow up to \$25,000 per study.



Retail Recommendations (page 3 of 4)



Strategy: Revitalize Main Street and redevelop the two existing retail shopping centers at the intersection of Hall Boulevard and Highway 99W.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>5. Facilitate redevelopment of the two shopping centers.</p> <p>Rezone the Tigard Plaza shopping center property to allow for a mix of uses. Currently, the property is within the General Commercial (C-G) zone, which does not permit mixed-use housing development. Rezoning the property from C-G to CBD will increase its development potential without disallowing its current use as a single-use retail center.</p> <p>Short of outright acquisition of these two sites by the City, which is likely to be cost-prohibitive, redevelopment will be initiated by the private sector and should be supported by strong market conditions. The City must play the role of facilitator. Specific actions that it should pursue in order to accelerate redevelopment include:</p> <ul style="list-style-type: none"> o Initiate contacts with each property owner to determine ownership status, financial objectives, development interest, property history, and other information. o Initiate outreach to the development and brokerage community to continue to gather ideas, identify redevelopment options, and maintain interest. o With property owner cooperation, initiate a development feasibility study similar to the DOS concept described earlier. Given the size and complexity of the sites, a larger study effort would be appropriate. <p>(Action Item 5 continued on next page)</p>	H				City (Downtown Redevelopment Manager, Downtown Liaison)	TBD



Retail Recommendations (page 4 of 4)

Strategy: Revitalize Main Street and redevelop the two existing retail shopping centers at the intersection of Hall Boulevard and Highway 99W.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>5. Facilitate redevelopment of the two shopping centers. (continued)</p> <p>Developers interviewed for this project indicated that a strong and vocal communication of the City’s vision for the two properties would play a very real role in generating developer interest. Publicly communicate through this plan, council actions, marketing materials, and other mechanisms that the City considers redevelopment of the two sites a high priority. This public acknowledgement will send a strong signal to the development and retail community that any redevelopment of those specific sites that is consistent with the City’s vision will be met with support by the City. The City should then be committed to facilitate redevelopment with expedited permitting, fee waivers, tax increment funding for select components, and other incentives.</p> <p>Acquisition of the properties would allow the City to issue developer requests for proposal (RFPs) and control the type of redevelopment on those sites. Given the City’s limited resources, there are two options to pay for land acquisition if outright acquisition is desired:</p> <ul style="list-style-type: none"> o Use general fund money to make acquisitions. Such funds could be repaid when property is sold to a developer unless the City subsidizes a project through a discounted land price. o Obtain options on properties at limited cost and transfer options to private developers through a competitive process. Under such a scenario, it is imperative that due diligence be performed to ensure that option prices allow redevelopment to be feasible. 	H				City (Downtown Redevelopment Manager, Downtown Liaison)	TBD



Access, Transportation, and Parking Recommendations

Strategy: Carefully consider targeted transportation and parking actions.

Basis


As described in the Market Reconnaissance, Downtown Tigard has only a few access points, most of which are chronically congested. Once Downtown, there are limited connections beyond Main, Burnham, and Commercial. Downtown must be easy to get to, and to get around in, to fully realize its potential.

While parking is often the most cited “problem” in any downtown, it is rarely the significant barrier that people perceive it to be. With significant on-street parking and the potential for shared parking at the commuter rail station, Downtown Tigard will not need a public parking facility in the next ten years given the type and scale of development that is projected. This is because:

- Most redevelopment Downtown will consist of urban housing, which almost always will provide parking for residents as a part of the development itself.
- Little office development is expected.
- Most new retail will consist of small storefront shops that will have relatively minor parking impacts.
- Large events at the urban plaza or Fanno Creek Park will likely take place on weekends or evenings, during which time shared parking at the commuter rail station or city hall will be a viable alternative. Structured parking is extremely costly and, for the foreseeable future, it is unlikely that development Downtown could financially support structured parking without significant public subsidies.
- Redevelopment of the two retail centers will likely incorporate parking into the overall development plan. Depending on the plan, the City may wish to consider assisting in the development through parking as a part of a public-private partnership.

Access, Transportation and Parking Recommendations (page 1 of 3)

Strategy: Carefully consider targeted transportation and parking actions.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>1. Implement long-term plans to increase connectivity to and within the Downtown. However, there is no need to pursue these in the short term given that early projects will be located directly on Burnham and Main streets.</p> <p>Pursue Ash Avenue connection. The City’s Transportation System Plan identifies a future vehicular connection on Ash across Fanno Creek Park (part of the Walnut Street Extension project). This is an important connection that will increase access into the Downtown, particularly from nearby neighborhoods – allowing residents to enter Downtown without having to go onto 99W or Hall. Such a connection will be important to strengthening Burnham Street as a mixed-use area.</p> <p>Improve east and west Main Street gateways. Tigard should continue to work with ODOT to explore and implement solutions to these two congested intersections.</p> <p>Break up large blocks with more circulation. Downtown has many large blocks with little internal circulation. In order to open up the interiors of these blocks to development, better circulation and access must be implemented. Given the City’s limited resources and that early redevelopment will focus on Main and Burnham, where access is not a problem, the City should pursue increased connectivity elsewhere as properties redevelop (through dedications or other mechanisms).</p>	H				City (Downtown Redevelopment Manager, Downtown Liaison)	TBD


Access, Transportation and Parking Recommendations (page 2 of 3)

Strategy: Carefully consider targeted transportation and parking actions.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>2. Establish a shared parking program.</p> <p>While parking is not a significant issue today, as the Downtown develops, parking may be constrained in the future. Further, since parking is extremely expensive to build, especially structured parking, finding ways to minimize the need for new parking increases the feasibility of new development.</p> <p>For example, the City could seek a shared parking agreement with TriMet that would permit anyone visiting or attending an event at the planned public plaza to use the Commuter Rail parking lot.</p> <p>In general, seek ways for private businesses and civic uses to share parking. (It is important to note that downtown housing development does not create shared parking opportunities because residential uses generally require dedicated parking.)</p>	L				City (Downtown Redevelopment Manager, Downtown Liaison)	Minimal

Access, Transportation and Parking Recommendations (page 3 of 3)

Strategy: Carefully consider targeted transportation and parking actions.

Action Items	Priority	Timing			Primary Responsibility	Downtown Cost Burden
	H, M, L	Now	1 to 3 Years	3 to 10 Years		
<p>3. Pursue a very modest parking strategy: There are two specific actions that the City should pursue. In both cases, the City should work closely with the private sector downtown organization to coordinate and implement the programs.</p> <p>Employee parking program – Identify locations off of Main and Burnham for employees to park. Potential areas include side streets and areas between Main Street buildings and the 99W viaduct. The downtown organization should implement a program to encourage (if not force) employees to park in these locations in order to free up on-street spaces for shoppers and visitors.</p> <p>Signage – Particularly for events, ample signage should be in place to direct people to larger parking areas.</p>	L				City (Downtown Redevelopment Manager, Downtown Liaison)	TBD

Appendix A

Downtown Tigard

Market Reconnaissance and Opportunities and Constraints



City of Tigard
October 2007

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Introduction



Max's Fanno Creek Brew Pub



Tigard Main Street Cleaners

Leland Consulting Group has been retained by the City of Tigard to prepare a development strategy to guide short- and mid-term revitalization efforts in the downtown. This market reconnaissance fulfills a key step in that process by assembling a baseline of data about existing conditions. It includes an assessment of prior planning efforts, including selected City policies that address the vision for Downtown. The study also provides an assessment of real estate market trends and existing physical, social, and economic conditions in Downtown Tigard. Following the discussion of market and demographic data, the report presents an assessment of the key opportunities for new investment and current barriers to development. These opportunities and barriers become the starting point for a list of strategic recommendations and implementation tactics.

Information and trends presented in this study come from a variety of primary and secondary sources including interviews with commercial brokers, downtown business and property owners, City planning staff and public officials, and other community stakeholders. Other research included a review of existing planning and development documents and an analysis of land use and development patterns. A summary of relevant demographic trends is also provided.

Assessment of Planning Efforts

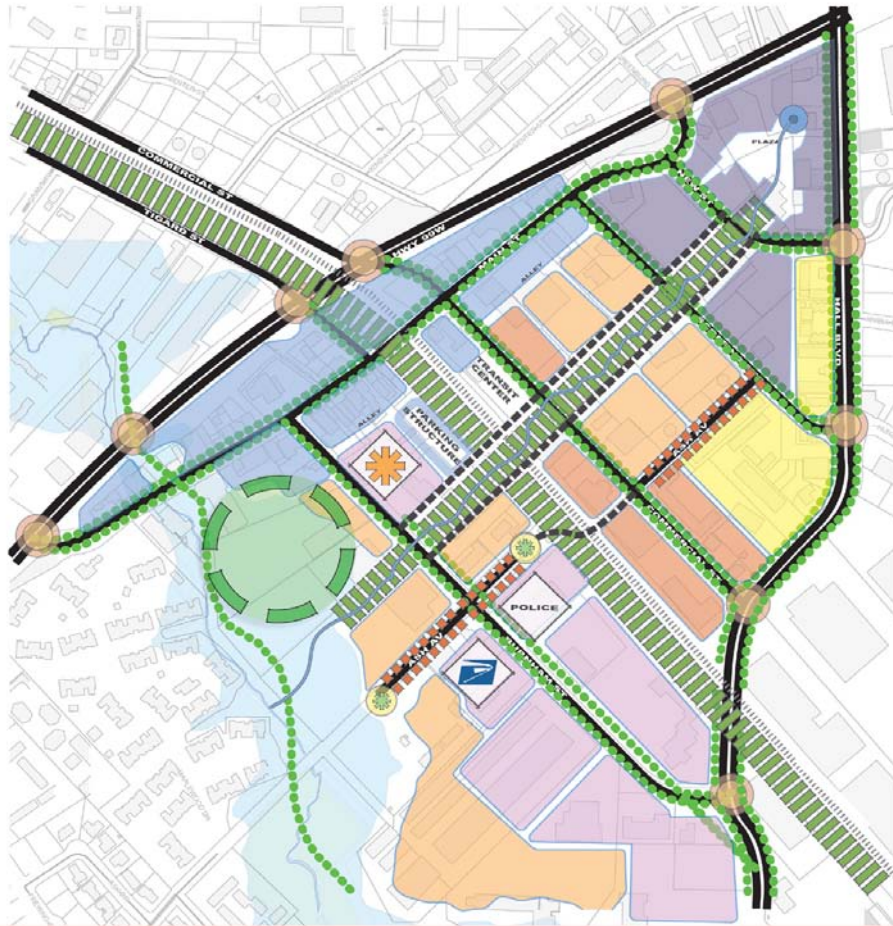
This section describes selected City policies that address the vision for the Downtown. These include:

1. Tigard Downtown Improvement Plan
2. City Center Urban Renewal Area
3. Current Zoning



Source: City of Tigard web site

Tigard Downtown Improvement Plan



Adopted in 2005, the TDIP provides a long-term vision and guiding principles for downtown revitalization. The stated purpose of the plan is to “provide the blueprint for the evolution of Downtown Tigard into a vital, vibrant, mixed-use and pedestrian-friendly environment over the next 20-30 years.”

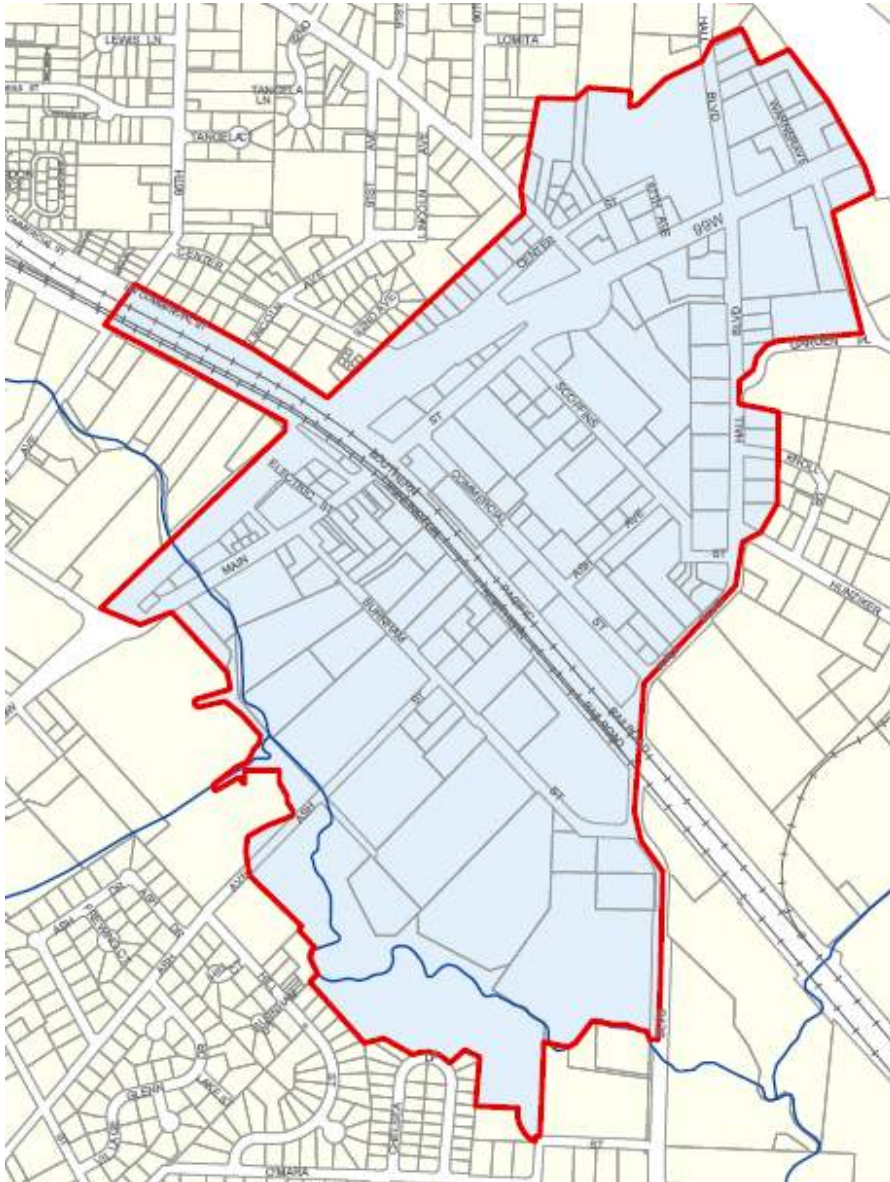
The TDIP identifies a series of catalyst projects intended to facilitate downtown revitalization. These projects are highlighted on the map and include:

- Green Corridor/Urban Creek;
- Hall Boulevard/ Downtown Gateway;
- Downtown Housing Development;
- Ash Avenue Downtown Improvements;
- Fanno Creek Public Area;
- Performing Arts and Community Recreation Center; and
- Post Office Relocation.

Particular emphasis is placed on environmentally sensitive, “green” projects that will create a unique identity for downtown Tigard and community livability.



City Center Urban Renewal Area

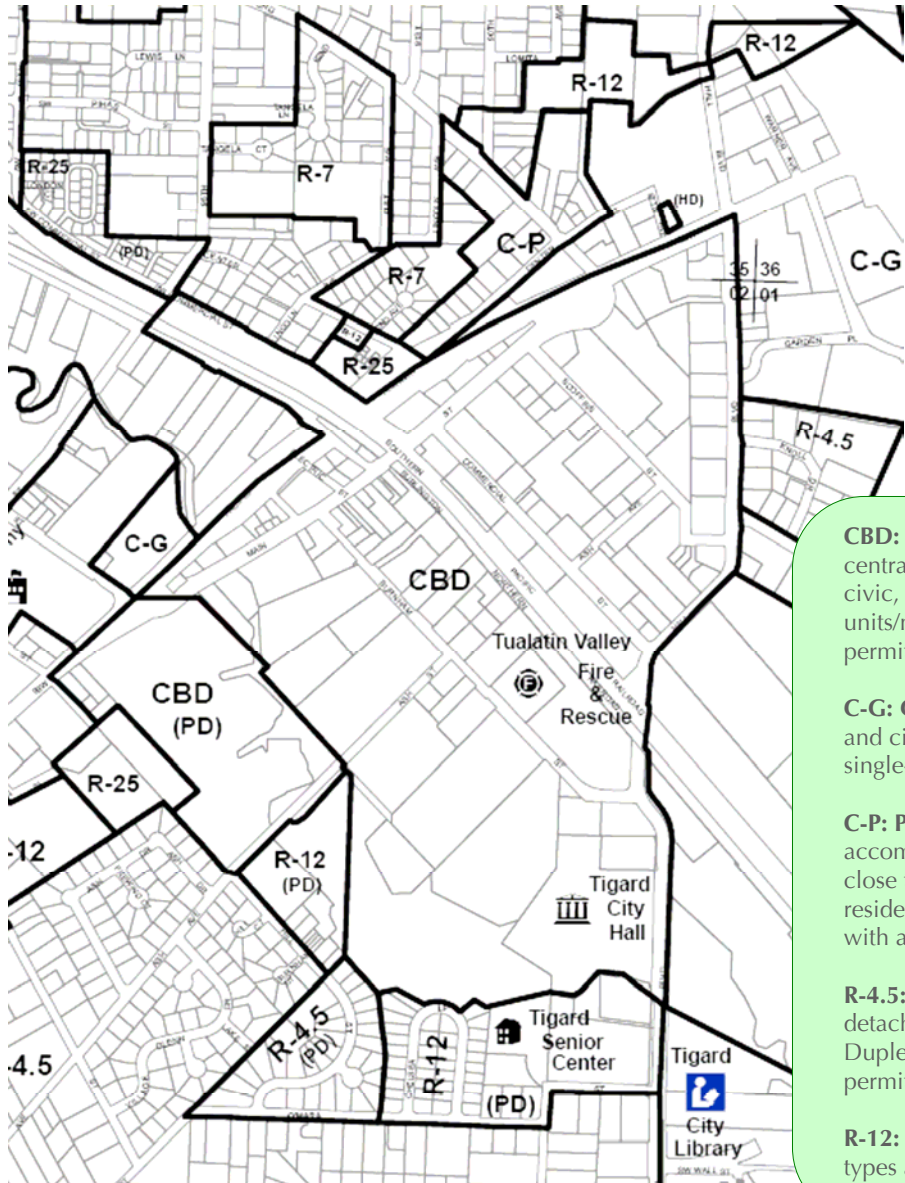


Adopted in December 2005, the City Center Urban Renewal Plan is intended to provide a funding stream to implement the TDIP. The Plan has a duration of 20 years and a maximum indebtedness of \$22 million.

Tax increment revenues generated in the urban renewal area will be used to support investments (e.g., transportation and infrastructure improvements) that will revitalize Downtown Tigard. Urban renewal projects and programs include the TDIP catalyst projects and other public improvement and public facilities projects as well as technical assistance programs (e.g., a façade improvement program, rehabilitation/redevelopment grant/loan program, and other development assistance programs).



Current Zoning



While most of downtown is within the Central Business District (CBD) zoning district, property at the intersection of Hall and 99W and along the northern edge of the urban renewal area is within the General Commercial (C-G) and Professional/ Administrative Commercial Districts (C-P). A limited number of properties along the perimeter of the urban renewal area are zoned for low- and medium-density residential uses.

CBD: Central Business District. The CBD district is intended to provide a concentrated central business district, centered on the City's historic downtown, including a mix of civic, retail and office uses. Single-family attached housing, at a maximum density of 12 units/net acre, and multifamily housing, at a minimum density of 32 units/acre, are permitted outright.

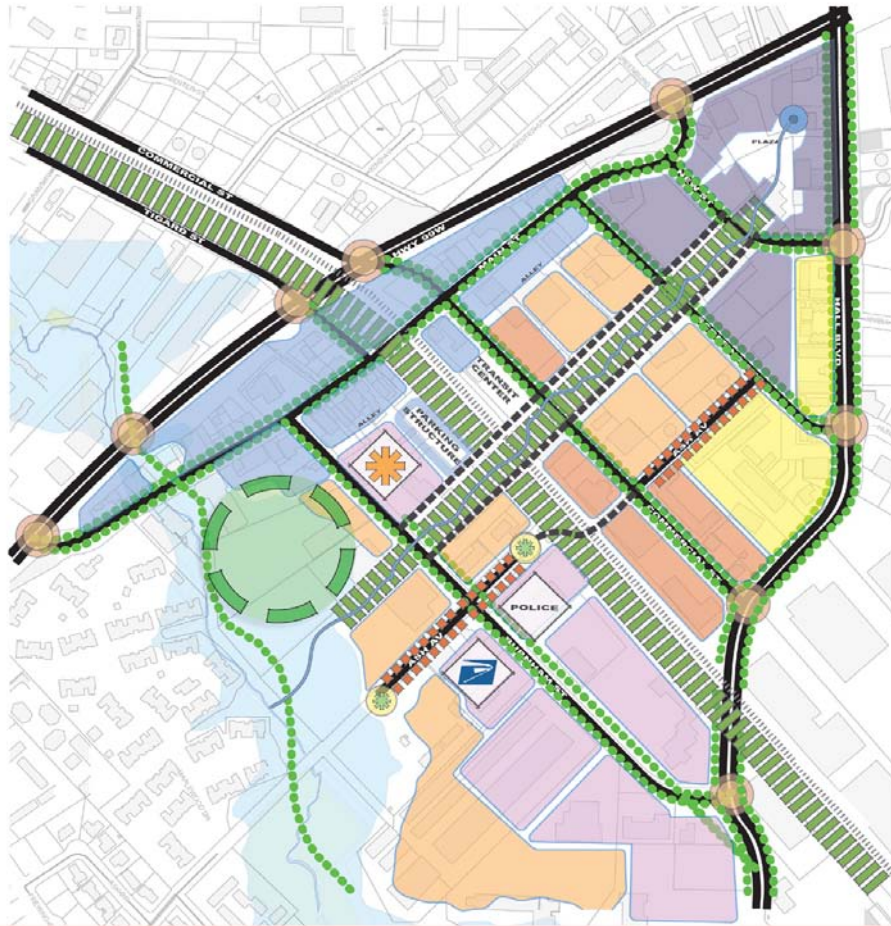
C-G: General Commercial District. The C-G district permits a full range of retail, office and civic uses with a City-wide or regional trade area. Limited residential uses, primarily single-family homes, are permitted.

C-P: Professional/ Administrative Commercial District. The C-P district is designed to accommodate civic and business/professional services and compatible support services close to residential areas and major transportation facilities. Within the Tigard Triangle, residential uses at a minimum density of 32 units/net acre are permitted in conjunction with a commercial development.

R-4.5: Low-Density Residential District. The R-4.5 district is designed to accommodate detached single-family homes with or at a minimum lot size of 7,500 square feet. Duplexes and attached single-family units as well as some civic and institutional uses are permitted conditionally.

R-12: Medium-Density Residential District. The R-12 permits a full range of housing types at a minimum lot size of 3,050 square feet. Civic and institutional uses are also permitted conditionally.

Assessment of Proposed TDIP Zoning



To facilitate development that is consistent with the City's long-term vision for Downtown Tigar, the TDIP proposes amendments to the current zoning map that would create six disparate land use districts downtown. The proposed districts include:

- Residential Medium Density
- Residential High Density
- Office Employment
- Main Street Retail
- Civic/ Flex Employment
- Hall Boulevard Residential Retail

Preliminary Assessment

An alternate and more flexible means to achieve the TDIP's development objectives would be to apply a single, broader central business district or commercial zoning designation to the entire downtown area. To encourage certain specific types of uses and development in a particular subarea (e.g., mixed-use development with ground floor retail on Main Street, medium- and high-density housing projects near the commuter rail station, and higher density mixed-use retail/housing development at Hall/99W) mixed-use overlay zones could be applied.

Zoning regulations that allow for flexibility in the development process will ensure that the City is the best position to attract private investment.



Existing Conditions

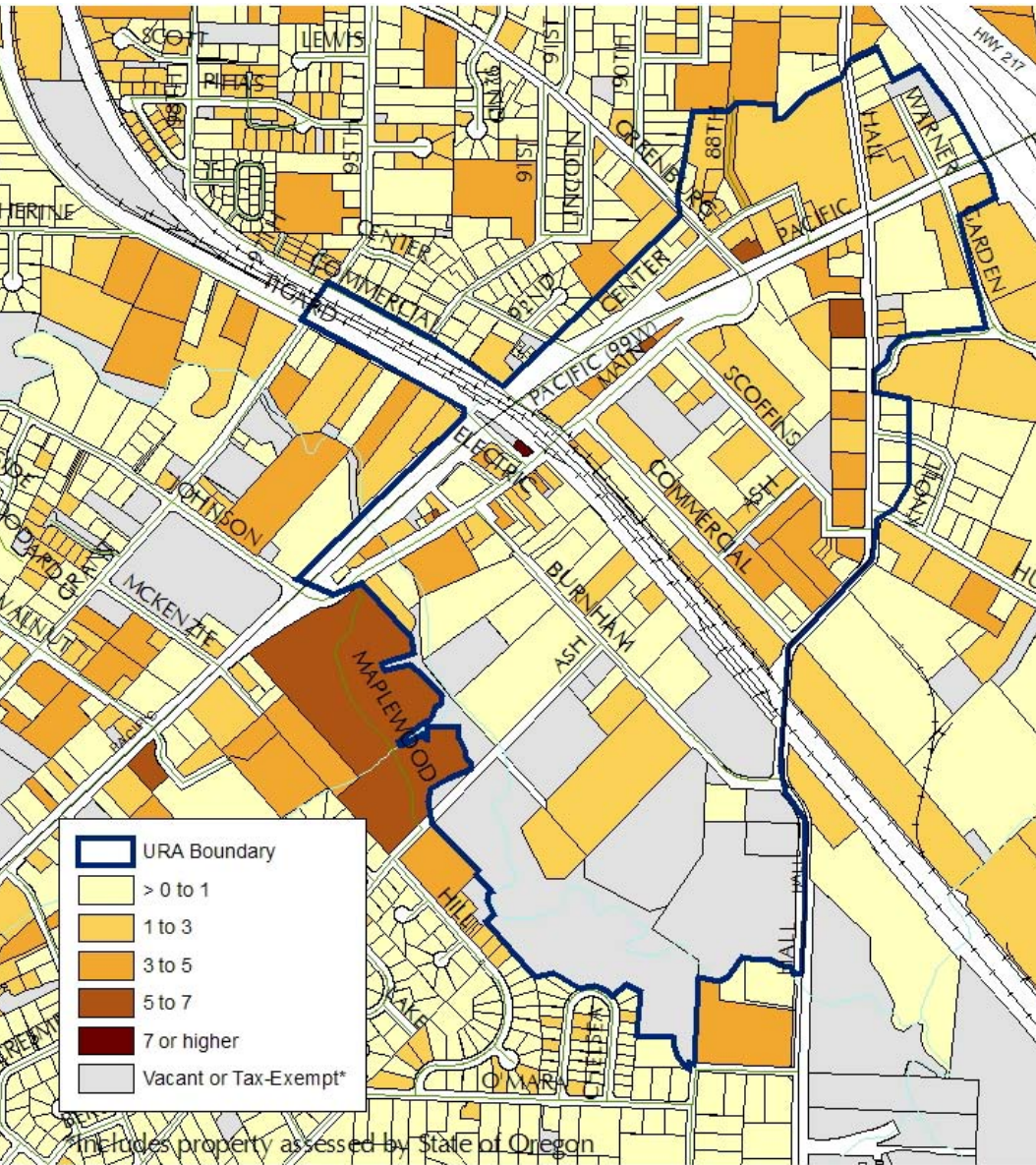
This section of the report describes existing land use, demographic and market conditions in Downtown Tigard and the surrounding area.

A summary of key findings highlights land use, demographic and market factors that are projected to have the greatest impact on Downtown's redevelopment potential.



Sunshine Antiques and Collectibles

Improvement to Land Value Ratio

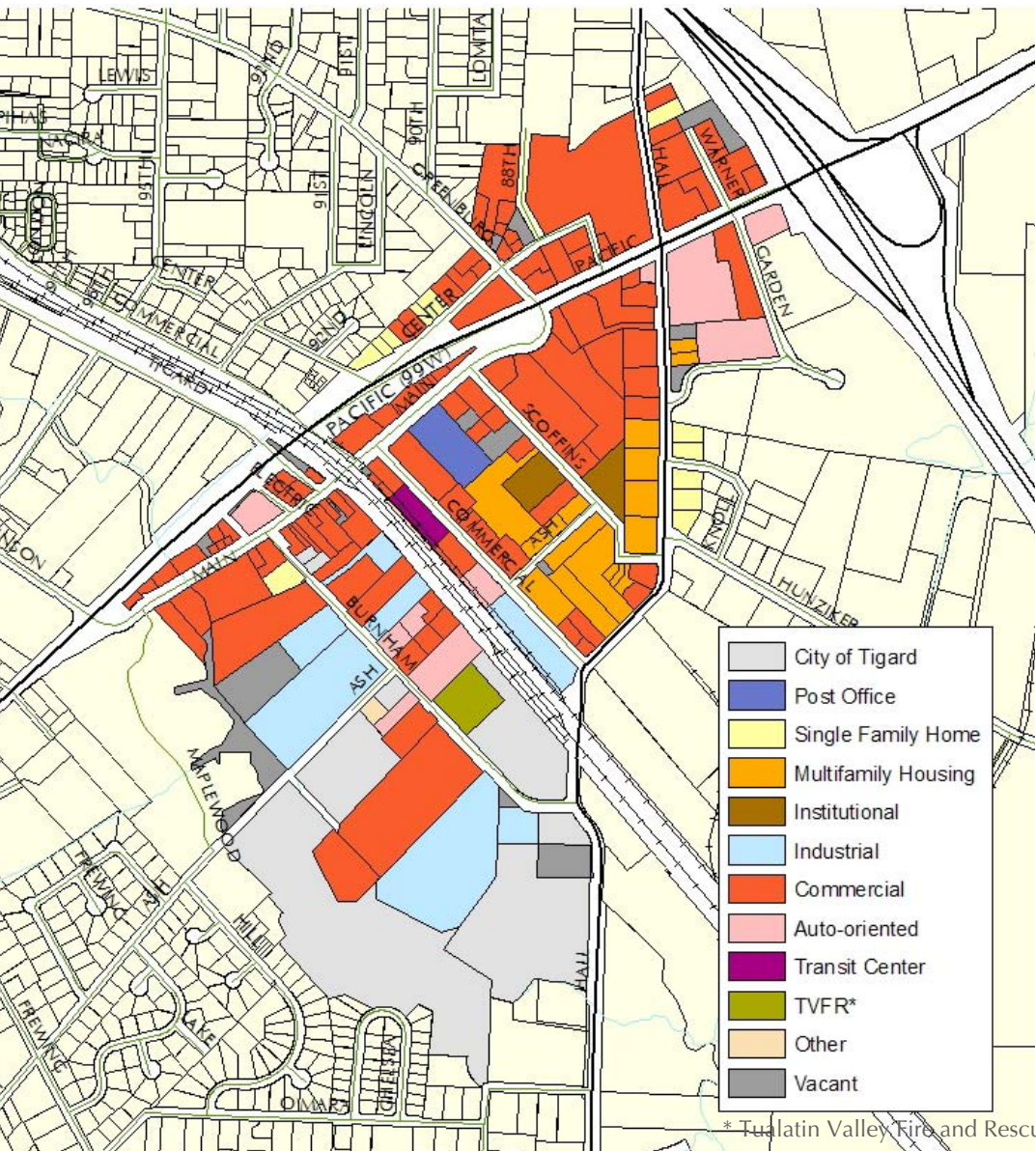


The ratio of a property's improvement value (the value of buildings and other improvements on the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Ratio" or "I:L". The values used are real market values. In urban areas, the I:L is used to identify underutilized or deteriorated properties that have a high potential for redevelopment.

Average I:L ratios for healthy properties in Downtown Tigard could range from 7.0 to 10.0 or higher. As illustrated on the I:L map, most downtown properties have a low I:L of less than 3.0, whereas only a handful of properties have an I:L of 5.0 or greater. This indicates that much existing development downtown is either in substandard condition, underutilized, or both. Properties with the lowest I:L represent early opportunities for redevelopment.

Based on interviews with real estate professionals and recent appraisals of commercial property in Downtown Tigard, the value of commercial land is estimated at \$20 to \$24 per square foot.

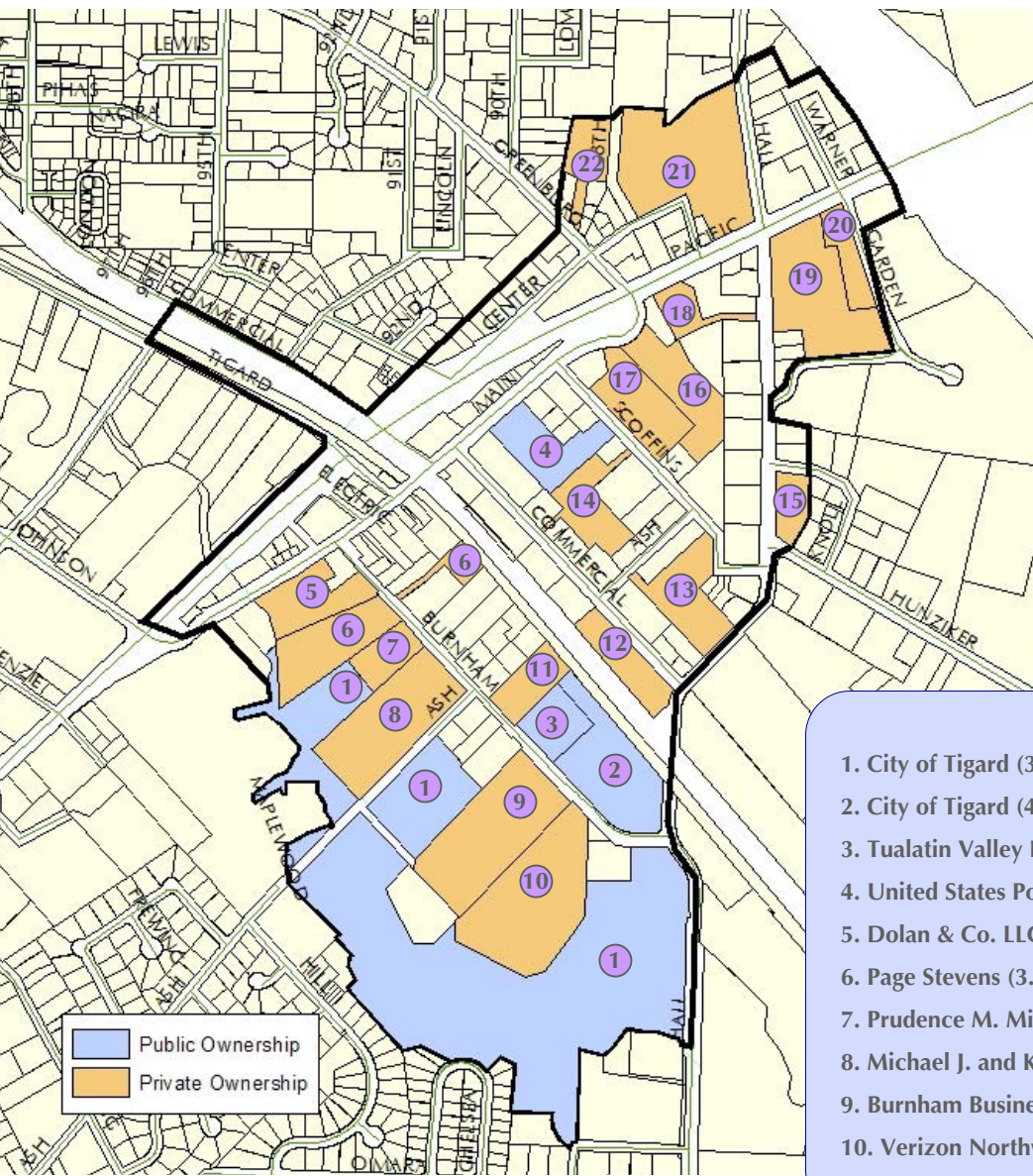
Current Land Use



This map shows existing land use and development patterns in the urban renewal area. Land use data is derived from a land use inventory conducted by City of Tigard planning staff. Leland Consulting Group updated the inventory using Metro RLIS tax lot data and data collected during field research.

As illustrated on the map, the downtown/urban renewal area features a broad mix of uses, including commercial, auto repair, civic, residential, and industrial uses. Civic uses are primarily clustered in the southern portion of the area, south of the railroad. Commercial uses are largely concentrated along Main Street and near the intersection of Hall Boulevard and Highway 99W. Industrial uses are mostly clustered around Burnham Street.

Ownership Patterns



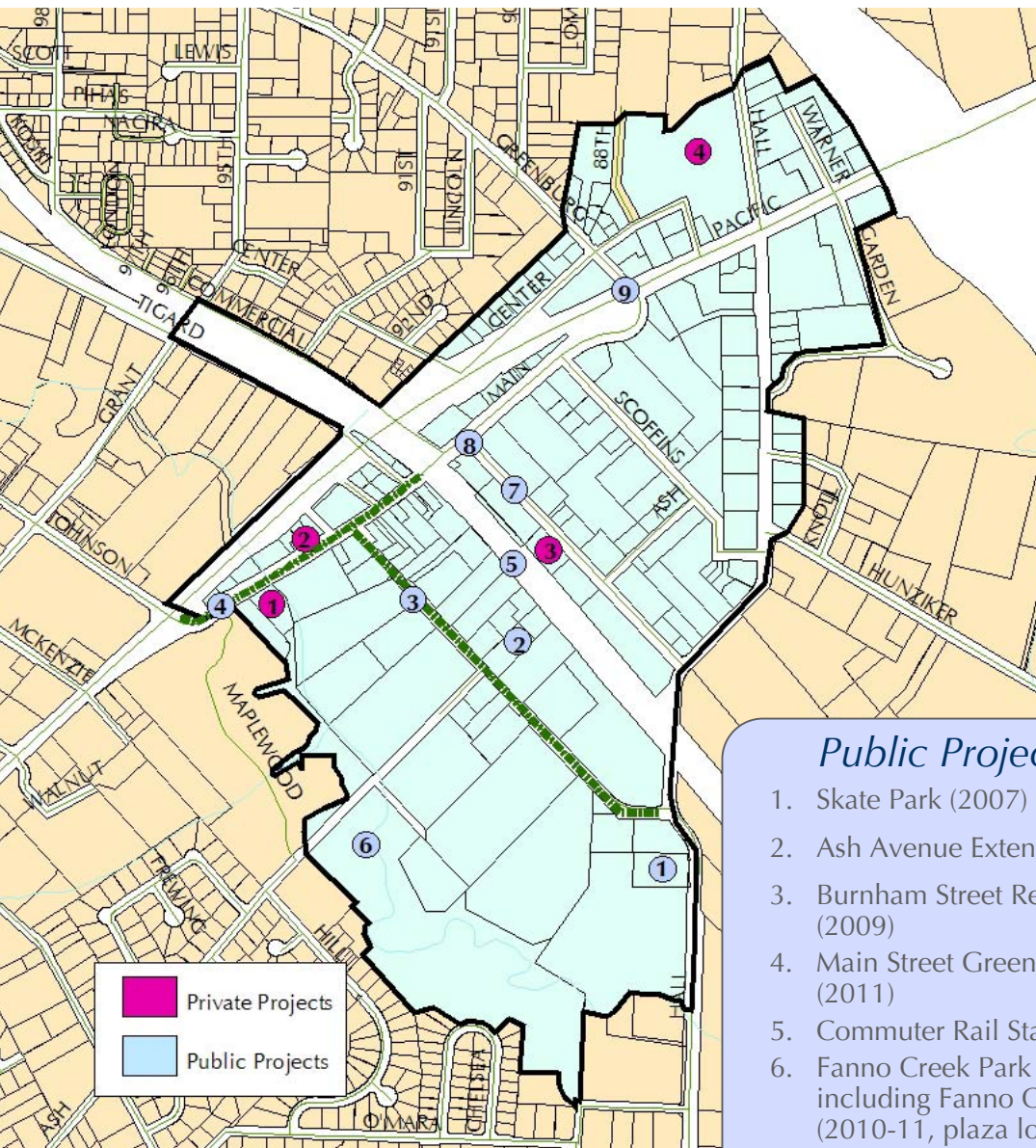
This map shows properties in the downtown area that are one acre in size or larger and owned by a single entity. Adjacent properties under single ownership have been aggregated to illustrate locations with high redevelopment potential. Acquiring land from multiple property owners can be challenging and costly. Therefore, all things being equal, sites comprised of one or more properties under single ownership are more attractive to developers than sites comprised of multiple properties under fractured ownership.

As identified below, private landowners with the largest holdings include Tigard Plaza LLC, Verizon Northwest, Inc. and Burnham Business & Storage LLC.

Ownership and Property Size (acres)

- | | |
|--|--|
| 1. City of Tigard (32.6) | 12. Magno LLC (1.78) |
| 2. City of Tigard (4.04) | 13. Thompson Living Trust (2.58) |
| 3. Tualatin Valley Fire and Rescue (1.48) | 14. William G. and Dixie L. Davidson (2.02) |
| 4. United States Post Office (2.32) | 15. Robert R. and Patricia A. Clickener (1.00) |
| 5. Dolan & Co. LLC (2.24) | 16. The Jasue Trust (2.66) |
| 6. Page Stevens (3.57) | 17. BSM Realty Inc. (2.54) |
| 7. Prudence M. Miller Trust (1.22) | 18. Aman Enterprises Inc. (1.00) |
| 8. Michael J. and Kay L. Stephenson (4.77) | 19. Wayne Knauss Et Al (4.71) |
| 9. Burnham Business & Storage LLC (5.54) | 20. Calwest Industrial Holdings LLC (1.19) |
| 10. Verizon Northwest Inc. (6.25) | 21. Tigard Plaza LLC (6.58) |
| 11. Carl H. Johnson Family LP II (1.43) | 22. BC Associates LLC (1.40) |

Recent and Planned Projects (2005-2012)



Downtown Tigard has a significant number of recent and planned projects. The location of completed and planned public and private projects can be used to focus future investments in ways that will maximize leverage from other recent and planned projects.

Commercial development and rehabilitation projects such as Max's Fanno Creek Brew Pub and the Ballroom Dance Company on Commercial Street, the region's largest ballroom dance facility, are examples of private investments that will attract residents and visitors to downtown. Further, the City and other public agencies such as Metro and Clean Water Services have dedicated funding to implement infrastructure projects that will make Downtown Tigard a unique destination.

Public Projects

1. Skate Park (2007)
2. Ash Avenue Extension (2008)
3. Burnham Street Reconstruction (2009)
4. Main Street Green Street Phase I (2011)
5. Commuter Rail Station (2008)
6. Fanno Creek Park Improvements, including Fanno Creek Plaza (2010-11, plaza location TBD)
7. Commercial Street Improvements (2009)

8. Commercial Street Gateway (2009)
9. Greenburg Road/Hwy 99/Main Intersection Improvements (2012)

Private Projects

1. Max's Fanno Creek Brew Pub (2007)
2. Rehabilitation of former Cash's Realty Building into Stone Gallery (2007)
3. Ballroom Dance Company (2007)
4. Jo-Ann Fabrics Remodel (2006)

Land Use and Development Findings



CarQuest Auto Parts on Main



Tigard Fitness/ LA Tan Building on Main

- **Downtown has strong redevelopment potential.** Most properties have a low I:L ratio, reflected in the substandard physical condition of older buildings that have not been adequately maintained.
- **While the existing land use mix is diverse, some uses are not “in sync” with the TDIP vision.** Auto-oriented uses, industrial facilities, and other incompatible uses will need to transition out of the area; the City can assist in this process.
- **Parcel sizes are generally small and land assembly will be required.** While most privately held properties are too small to accommodate a larger development, several landowners have multiple properties that could be assembled into sites of three or more acres to accommodate larger housing and mixed-use developments.
- **Redevelopment is already occurring at a small scale.** The opening of several new businesses in renovated buildings indicates that there is a growing interest in downtown’s revitalization. Planned public investments will encourage further private investment in the area.

Demographics: Population and Employment

2000 to 2006 Population Growth

Geography	Census 2000	2007 Estimate	Average Annual Growth
Downtown Tigard	536	537	0.03%
City of Tigard	41,223	46,046	1.95%
Washington County	445,342	517,996	2.18%
Portland Six-County Metro Area ^{1/}	1,918,009	2,151,909	1.66%

^{1/}Includes Clackamas, Columbia, Multnomah, Washington, and Yamhill Counties in Oregon and Clark County, Washington

Source: ESRI Business Analyst and Leland Consulting Group.

2005 Covered Employment Summary^{1/}

Geography	Number of Employers	Average Annual Employment
City of Tigard	2,807	38,628
Washington County	16,054	221,707

^{1/}Includes covered private and public sector employment

Source: Oregon Employment Department and Leland Consulting Group.

Tigard has a jobs/housing imbalance. According to the Oregon Employment Department, in 2005 17.4 percent of Washington County jobs were located in Tigard, whereas only 9.2 percent of County residents live in Tigard.

According to ESRI Business Analyst, Tigard's average 2007 household size is estimated at 2.54.

Between 2000 and 2007, Tigard's population grew at an average annual rate of 1.95 percent. Both Tigard and Washington County experienced somewhat higher average annual growth than the Portland Six-County Metropolitan Area.

According to household estimates published by Metro, between 2005 and 2030 the percentage of households in Washington County is projected to increase by 44 percent to 272,998 households.



Oleson Woods – 32-unit Affordable Housing Project in the Metzger area near Tigard

Demographics: Income and Housing

2007 Median Household Income

Geography	2007 Median Household Income Estimate
Downtown Tigard	\$53,888
City of Tigard	\$65,285
Washington County	\$66,565
Portland Six-County Metro Area	\$60,637

2000 Households by Size

Geography	Downtown Tigard	City of Tigard	Washington County	Portland 6-County Metro Area
1 Person Household	38.0%	26.7%	24.7%	26.3%
2 Person Household	32.9%	34.4%	33.3%	34.0%
Subtotal	70.9%	61.1%	58.0%	60.3%
3+ Person Household	29.1%	38.8%	42.1%	39.6%

¹Includes covered private and public sector employment
 Source: ESRI Business Analyst and Leland Consulting Group.

69 percent of housing units in Downtown Tigard are renter-occupied, compared to just 35 percent in the City of Tigard and 34 percent in Washington County.

Tigard's estimated 2007 median household income (MHI) is comparable with Washington County's at \$65,285. However, Tigard's MHI is over seven percent higher than the Portland Six-County Metro Area MHI and 17 percent higher than the MHI in downtown Tigard. Given the predominance of affordable housing units downtown, including several older multifamily rental projects and a manufactured home park, it is not surprising that downtown households have lower incomes than households citywide. As planned transportation and infrastructure improvements are implemented, downtown will become a more attractive location for new residential development that appeals to households with a broader range of incomes and housing preferences.

The number of 1- and 2-person households in a market area is a good indicator of the potential demand for higher density housing products, such as condominiums, attached townhouses and multifamily rental projects. In 2000, between 58 and 61 percent of households in Tigard, Washington County and the Metro Area were 1- and 2-person households. The percentage of 1- and 2-person households downtown was higher because the majority of existing housing units are smaller, 1- and 2-bedroom apartments.

Demographics: Education and Race/Ethnicity

2007 Population 25+ by Educational Attainment

Education Level	Downtown Tigid	City of Tigid	Washington County	Portland 6-County Metro Area
No High School Diploma	14.5%	9.2%	11.1%	12.8%
High School Graduate	24.4%	18.3%	20.1%	23.8%
Some College, No Degree	26.4%	28.3%	27.0%	27.6%
Associate Degree	6.3%	7.8%	7.3%	6.9%
Bachelor's Degree	23.0%	26.3%	23.7%	19.2%
Master's/Professional/Doctorate	5.4%	10.2%	10.8%	9.6%

Relative to the City of Tigard and Washington County, adults age 25 and over living in Downtown Tigard had a lower level of educational attainment in 2000. Only 28.4 percent of downtown residents earned a Bachelor's degree or higher compared to 36.5 of the citywide population and 34.5 percent of County residents. Not surprisingly, the percentage of adults with a high school degree or less is higher in Downtown Tigard and the Six-County Metro Area than the City and the County.

2000 Race and Ethnicity

Race and Ethnicity	Downtown Tigid	City of Tigid	Washington County	Portland 6-County Metro Area
White Alone	79.2%	82.8%	78.7%	82.1%
Black Alone	0.7%	1.2%	1.2%	2.7%
American Indian Alone	0.9%	0.6%	0.6%	0.8%
Asian Alone	6.1%	6.5%	8.1%	5.5%
Pacific Islander Alone	1.3%	0.6%	0.3%	0.3%
Some Other Race Alone	8.2%	5.2%	7.6%	4.9%
Two or More Races	3.5%	3.2%	3.4%	3.6%
Hispanic Origin (Any Race)	26.3%	12.0%	14.5%	9.7%

The distribution of the population by race is generally similar in all four selected geographies. However, at 26.3 percent, Downtown Tigard has a significantly higher ratio of persons of Hispanic Origin than the other categories. (Downtown's Hispanic population ratio is more than double that of the City and the Six-County Metro Area.) Similarly, the percentage of persons of "Some Other Race Alone" is also highest downtown.

Source: ESRI Business Analyst and Leland Consulting Group.

Demographic Findings



Apartments on Hall Boulevard



Cascade Mobile Villa (located between Scoffins Street and Commercial Street)

- **Few people live Downtown today.** With an estimated population of 537 in 2007, downtown's residential population is small – an estimated 1.2 percent of the City's population of 46,046. Retail, employment and civic uses are predominant and housing availability is limited.
- **The majority of Downtown residents rent.** Currently, there is very limited ownership housing downtown. The percentage of renter occupied units downtown is nearly twice that of the City of Tigard.
- **Downtown Tigard's existing population has lower educational attainment, is less affluent, and is more ethnically diverse than the City of Tigard and Washington County.** A high school diploma is the highest level of education attained by 39 percent of adults living downtown. On average, downtown households earn \$10,000 less than households citywide. Planned infrastructure and transportation improvements will draw households with a wider range of income and education levels to the area. Providing a broad mix of housing options, including rental and ownership housing, will ensure downtown remains a diverse community.

Market Conditions: Retail

Main Street Retail Building



Currently, the retail market in Downtown Tigrard is comprised primarily of smaller, independent retailers and commercial service businesses. A limited number of national chains and franchises, including Jo-Ann Fabrics, Rite-Aid, Car Quest Auto Parts, and McDonalds are also located downtown.

According to commercial brokers interviewed by Leland Consulting Group:

- Retail rents in Downtown Tigrard are significantly lower than rents on Pacific Highway and in the Washington Square area. Average annual rents range from \$12 to \$18 per square foot downtown compared to the low to upper \$20s on nearby Pacific Highway and the low to upper \$30s in the Washington Square area.
- Most existing commercial buildings in the downtown area are older and many are in substandard condition.
- With the exception of larger shopping centers such as Tigrard Plaza, most commercial buildings are managed by the owner and not represented by a third party leasing agent.
- Rents of at least \$20 per square foot would be required to support new retail development.

Market Conditions: Housing



Manor Apartments



Main Street Village Apartments

Residential development in Downtown Tigard is limited. With the exception of a few single-family residential homes and Cascade Motor Villa, a mobile home park located west of Ash Avenue between Scoffins Street and Commercial Street, smaller, rental apartment complexes dating back to the 1960s comprise the majority of existing housing downtown.

The apartment complexes are concentrated north of the railroad, along Ash Avenue, Scoffins Street and Hall Boulevard. Given the age of the buildings, the projects appear dated; however, most complexes are adequately maintained.

Limited data is available on rental rates and vacancy for downtown apartment projects since most of the projects are not large enough to support on-site management and leasing staff. However, the management staff of Manor Apartments, located on Ash Avenue, between Commercial Street and Scoffins Street, reported zero vacancy. Main Street Village, located just outside of the urban renewal area adjacent to Fanno Creek Park, is renting two-bedroom townhouse-style apartments for just under \$1,000 a month. Regionally, the rental housing market is particularly strong due to rising interest rates, tighter lending controls, and continued population growth.

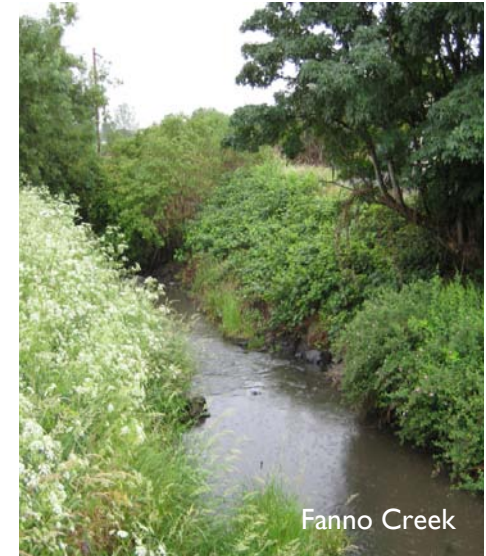
Market Conditions: Housing

Tigard Apartments - 1995 and Newer Construction

	1BD/1BA	2BD/1BA	2BD/2BA	2BD/2BA+	3BD/1BA	3BD/2BA
Avg. Rent/ Unit	\$688	\$771	\$829	\$999	N/A	\$1021
Avg. Square Feet	686	833	978	1099	N/A	1126
Rent/Square Foot	\$1.00	\$0.93	\$0.85	\$0.91	N/A	\$0.91

Tigard Apartments - Pre-1995 Construction

	1BD/1BA	2BD/1BA	2BD/2BA	2BD/2BA+	3BD/1BA	3BD/2BA
Avg. Rent/ Unit	\$620	\$652	\$787	\$1033	\$739	\$916
Avg. Square Feet	693	842	1015	1130	1001	1118
Rent/Square Foot	\$0.89	\$0.77	\$0.78	\$0.91	\$0.74	\$0.78



Fanno Creek

Vacancy Rates by Age of Project

Geography	1995 and Newer Occupancy Rate	Pre-1995 Occupancy Rate
Tigard	3.9%	3.5%
Tualatin	4.1%	3.3%
Wilsonville	4.3%	4.8%

Source: Norris & Stevens Summer 2007 Apartment Investors Journal and Leland Consulting Group.

Tigard's apartment market is competitive with the Portland Metro Area, which had an overall apartment vacancy rate of 4.0 percent in Spring/Summer 2007.

According to an apartment study published by Norris and Stevens, in Spring/Summer 2007, newer one-bedroom, one-bath rental apartments completed in 1995 or later commanded the highest per square foot rental rates in Tigard (\$1.00/ SF). Newer projects command monthly rents that are up to 17 percent higher than older projects completed before 1995.

Vacancy in the Tigard rental market is on a par with that of Tualatin and Wilsonville. The overall vacancy rate for newer Tigard apartments was 3.9 percent according to the Norris & Stevens survey, compared to 4.1 percent in Tualatin and 4.3 percent in Wilsonville. Pre-1995 projects also exhibited low vacancy rates – 3.5 percent in Tigard, 3.3 percent in Tualatin and 4.8 percent in Wilsonville.

Market Conditions: Housing

Project Name/Location	Year	Unit Characteristics		Occupied	Occupancy	Monthly Rent	
	Built	Total	Size (S.F.)	Units	Rate	Price	Price/S.F.
Arbor Heights	1997	348	820	337	97%	\$880	\$1.09
Main Street Village	1993	237	1,003	225	95%	\$879	\$0.86
Meadow Creek	1985	304	884	289	95%	\$773	\$0.89
Avalon Park	1990	192	796	192	100%	\$773	\$0.97
Summer Creek	1998	150	945	144	96%	\$885	\$0.93
Bull Mountain Heights	1996	126	819	122	97%	\$738	\$0.88
Hampton Park	1995	108	798	108	100%	\$756	\$0.93
		1,465	871	1417	97%	\$823	\$0.95

Source: Realfacts and Leland Consulting Group.

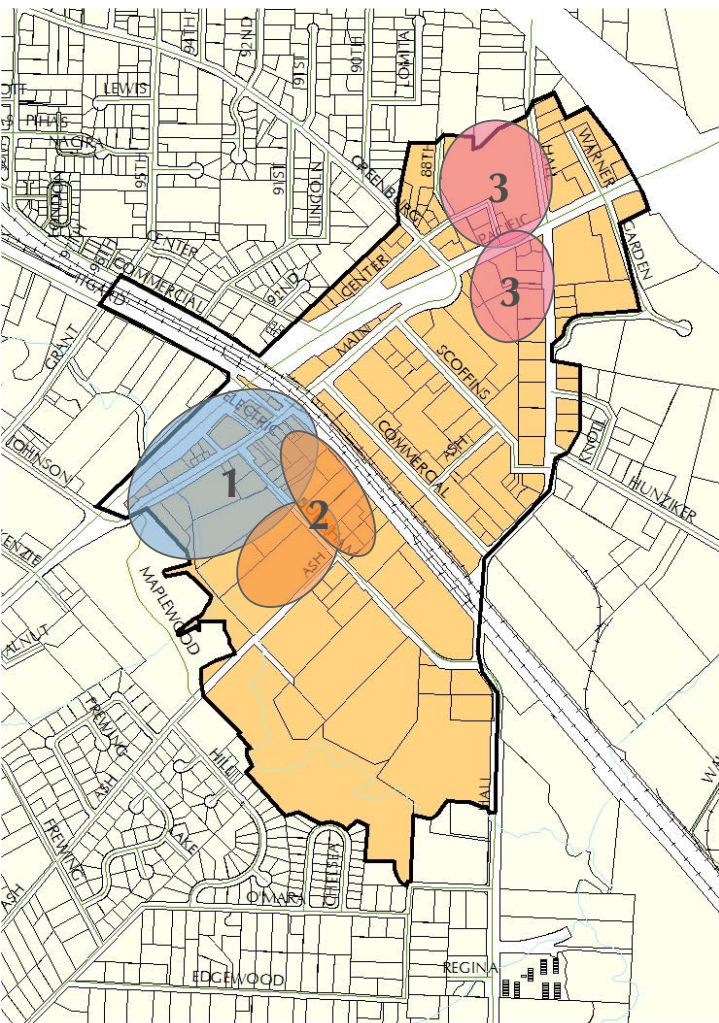


To evaluate apartment market conditions in Tigard and update select comparables from the 2004 Johnson-Gardner Economic Analysis, LCG surveyed seven market-rate apartment complexes. Surveyed complexes, most of which were constructed in the 1990s, comprise 1,465 units and average 871 square feet in size. The overall occupancy rate of the projects is 97 percent, similar to the citywide average for newer apartment projects in Tigard. Rents averaged \$823 a month and \$0.95 per square foot.

Leasing staff at several of the surveyed complexes indicated that the demand for apartments increased in 2007. As a result, most projects are achieving higher rents than in 2006. Demand for one and three-bedroom units is strong. Two-bedroom, one-bath units are the hardest to rent.

Opportunity Areas

Drawing from market and land data, LCG identified three development opportunities downtown. These include:



The Main Street/Burnham area. This area is a natural focal point for redevelopment. It has witnessed two redevelopment projects in the past two years (Max’s Fanno Creek Brew Pub and the Stone Gallery) and the City has committed funds for public improvements, including Phase I of the Main Street Green Street project, the Burnham Street Improvements and a new public plaza that is likely to be located in the area. These improvements will greatly enhance the streetscape environment and make the area more attractive for pedestrians and shoppers.

Property along Burnham Street, west of the railroad tracts and north of Ash Avenue. The opening of the new commuter rail station coupled with the area’s proximity to Main Street make it a good location for transit-oriented development (TOD), including mixed-use and multifamily residential projects. Proximity to Fanno Creek Park and the planned public plaza increase the amenity value for residential development.

Two shopping centers at the intersection of Hall Boulevard and 99W – Tigard Plaza and the shopping center anchored by Rite Aid. These centers feature low-value buildings with a tenant mix that is largely comprised of low-rent local businesses and national chains that offer discount or lower-priced goods. Given good visibility from Highway 99W and proximity to Highway 217 and the Tigard Triangle area, these sites are in a prime retail location. Redeveloping the centers will enable them to attract strong local, regional and select national retailers to Downtown Tigard.

Market Findings



Apartments on Hall Boulevard



Vacant Storefront in Tigard Plaza

- **Downtown is a great location for housing.** Convenient access to transit, major transportation corridors and employment hubs, such as Kruse Way and the Washington Square/Nimbus Parkway area, make downtown an ideal location for housing. Amenities such as Fanno Creek Park, the planned public plaza and retail shopping on Main contribute to downtown's livability. As planned public improvements are implemented, downtown's appeal as a place to live will only increase.

Downtown housing is likely to appeal to younger households in their 20s and 30s and empty nesters who want to live within close, walking distance of urban amenities and transit. Therefore, the City should work with developers to provide a mix of housing types at varying densities, including mid-rise apartments, condominiums and townhomes.

- **Downtown retail is underperforming.** At \$12 to \$18 per square foot per year, downtown retail rents are significantly lower than rents in nearby retail centers such as Bridgeport Village and Washington Square, where rents generally range from the low \$30s to \$50s. While vacancy is low, rents are also significantly below-market, allowing businesses that earn marginal profits to remain open. New residential development could support existing retailers. A downtown resident might support \$20 to \$25 square feet of retail per year (although less than half of this would actually be spent on neighborhood goods and services and specialty retail available downtown).

Market Findings



Retail Space For Lease on Pacific Highway

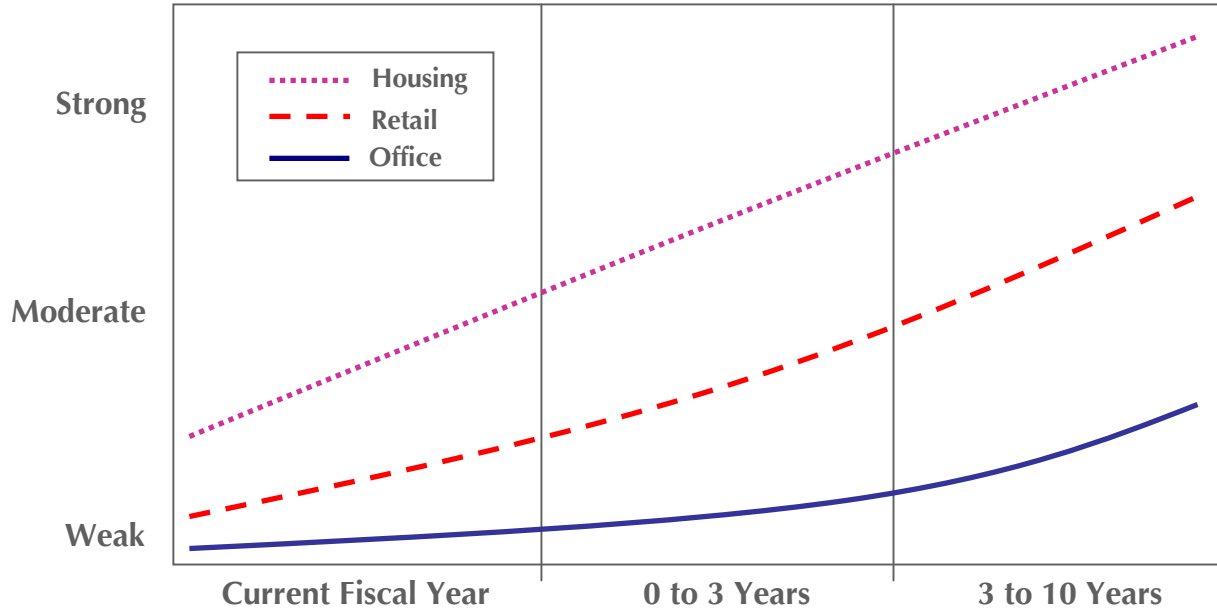


Tigard Business Park

- **Downtown is unlikely to attract major office development.** Given its proximity to thriving employment areas such as Kruse Way, the Washington Square/Nimbus Parkway area and the Tigard Triangle, downtown is not a competitive location for larger office users, although there may be limited opportunities for small, professional offices to succeed. Further, downtown encompasses a relatively small geographic area. It is not large enough to accommodate a critical mass of housing development and major office development and the extensive parking requirements associated with it.
- **Locations with the the greatest visibility, access and amenities have the greatest chance to redevelop early on.** The three opportunity areas identified in this study are in the best position to redevelop early given their location characteristics and proximity to recent and planned public and private investments.

Market Findings

Assessment of Market Potential by Use Type



Source: Leland Consulting Group.

Under existing conditions, the market for Downtown housing is fair while the market for both office and retail development is weak. During the next three years, the market for specialty and neighborhood retail is anticipated to improve along with the demand for housing. Given that there are other locations nearby with superior visibility and larger, more flexible sites, Downtown is not a competitive office location. However, over the long term, the demand for small, professional offices is anticipated to increase to a limited degree.

Planning Considerations



- **Business relocation will be required.** Downtown's existing land use mix includes uses that are not compatible with the TDIP. Transitioning such uses out of the area will be a challenge the City can assist with.
- **Create a vibrant neighborhood.** While housing is anticipated to be the primary driver of downtown revitalization, retail and limited office uses are also anticipated to locate there. Public investments should focus on projects that make downtown an attractive place to live, shop, work and play.
- **Keep things flexible.** Zoning and development regulations should be designed to encourage flexibility in the development process. Zoning that is overly restrictive will limit downtown's redevelopment potential.
- **The urban renewal area is "young".** Consequently, the City will need to tap revenue sources other than TIF to finance improvements in the early stages of redevelopment.

Opportunities and Constraints

Categories:

1. Physical
2. Market
3. Financial
4. Regulatory
5. Political

Maria Cristina Building, Main Street

Drawing on the information from the market reconnaissance, the Opportunities and Constraints analysis identifies opportunities for new development and the barriers to investment. These issues are organized into the five categories at left. This analysis becomes the foundation for the development strategy, since it identifies opportunities for “early successes” that capitalize on downtown’s strengths. Likewise, where there are barriers to investment, the strategy can include steps to methodically remove each barrier.

Opportunities and Constraints: Physical

Opportunities	Constraints
<ul style="list-style-type: none">▪ Fanno Creek Park is a natural amenity with linkages to historic Downtown Tigard.▪ Downtown is centrally located, with convenient access to Highway 217 and I-5.▪ Downtown has good transit access. The Tigard Transit Center and the Tigard Commuter Rail station, scheduled to open in Fall 2008, are located in downtown.	<ul style="list-style-type: none">▪ Fanno Creek Park needs improvements. Linkages between the Park and the surrounding area are weak. It is underutilized and frequented by transients.▪ Much of existing development downtown is in substandard condition. Further, some existing uses are incompatible and may not mix well with new development.▪ Access constraints, including an incomplete street network and poor connectivity, limit downtown's development potential.▪ Property ownership is highly fractured and many parcels are small and oddly configured.



Opportunities and Constraints: Market

Opportunities	Constraints
<ul style="list-style-type: none"> ▪ Downtown is a good location for higher density rental and ownership housing. ▪ Retail and residential vacancy is low. ▪ Downtown has strong redevelopment potential. Much of existing commercial development is in substandard condition, with low improvement to land value ratios. ▪ The regional housing market remains strong in 2007, especially for apartments. 	<ul style="list-style-type: none"> ▪ Although retail vacancy is low, existing retail is weak. Below market rents enable marginal businesses (e.g., businesses with little or no profit margin) to operate. ▪ The inventory of vacant, buildable land downtown is limited. Redevelopment of properties with existing improvements will be required to achieve development goals. ▪ Availability of centrally located sites under single ownership large enough to accommodate a larger multifamily housing project of 100 units or more is limited. ▪ There is little housing in downtown today to demonstrate the viability of the downtown as a residential location.



Razz Ma Tazz Hair Salon & Gift Gallery



Opportunities and Constraints: Financial

Opportunities	Constraints
<ul style="list-style-type: none">▪ The urban renewal area is in place and will generate tax increment revenues to finance improvement projects identified in the TDIP.▪ The City has dedicated funding for several transportation and infrastructure improvement projects downtown (e.g., Main Street Green Street Project and Burnham Street Improvements). These projects will serve as catalysts for further investment downtown.	<ul style="list-style-type: none">▪ Since the urban renewal area is new (adopted in 2005), the amount of tax increment revenues generated in the plan's early years will be small. Therefore, it may take a few years before enough revenues are raised to fund major projects.▪ The amount of new private investment downtown has been limited in recent years. Therefore, lenders and prospective developers may consider Downtown Tigard a higher investment risk.▪ Many properties are owned by business owners, who likely do not have the capital to fund property redevelopment.



Opportunities and Constraints: Regulatory

Opportunities	Constraints
<ul style="list-style-type: none">▪ The TDIP lays the groundwork for new zoning to accommodate and encourage more intensive mixed-use development and other types of desired development that may not be permitted either outright or conditionally under existing zoning.▪ The City can establish zoning and development standards that encourage flexibility in the development process through the use of overlay zones and design guidelines without undermining the TDIP vision.	<ul style="list-style-type: none">▪ Stakeholder interviews indicated a perception that the City has a difficult permitting and development review process.▪ Current zoning allows for some uses that are not compatible with the TDIP and may not encourage the types of development desired downtown.▪ Some properties along Fanno Creek are within the floodplain and therefore constrained.



Hiller's Emblem Shop



Kiss Car Wash

Opportunities and Constraints: Political

Opportunities	Constraints
<ul style="list-style-type: none">▪ City Council has made downtown revitalization a high priority.▪ The Tigard Downtown Business District Association and other business advocacy groups may foster leadership in the downtown business community and strengthen the relationship between the City and downtown business owners.▪ The City is a good partner to regional agencies and overlapping jurisdictions.▪ Tigard has an active Chamber of Commerce.	<ul style="list-style-type: none">▪ Some stakeholders identified a need for better communication between the City and property/business owners.▪ Stakeholders have different ideas about downtown's future, including the type (and location) of projects that should be City Council's highest priority.▪ Overlapping jurisdictional controls (ODOT, Cleanwater Services, TriMet) may impact the City's ability to achieve downtown planning priorities in a timely and efficient manner.



Stakeholders Reviewing TDIP Map



Tigard Chamber of Commerce

Opportunities and Constraints: Conclusions



- Downtown Tigard currently lacks a distinct identity and sense of place.
- Downtown's weak performance is attributable to a variety of physical and market factors, including substandard buildings, a poor streetscape environment, and inadequate pedestrian amenities, as well as access constraints, fractured ownership, and oddly configured parcels.
- Planned public improvements and the recent formation of an urban renewal district will make downtown a more attractive place for investment. While TIF revenues will be modest in the early years of urban renewal, they can be used to leverage other sources of private and public financing. As redevelopment occurs and TIF revenues increase, the size and scale of projects funded by urban renewal will increase.
- Establishing flexible zoning standards and streamlining the planning and review process will create a more business and development friendly environment and encourage private investment downtown.

Opportunities and Constraints: Conclusions



Public open house, Fanno Creek Park and Plaza Plan, October 2007

- Support for downtown revitalization is strong among City officials, the business community, and the broader public.
- The devil is in the details, however. Public opinion regarding what downtown will look like in the future and how redevelopment will occur is varied. The City will need to facilitate open dialogue among stakeholders to build consensus and minimize conflict.

Summary Conclusions

The preliminary market assessment and overview of existing conditions presented in this study will be the basis for strategic recommendations and implementation tactics.

Based on the findings from this study, LCG's initial observations and recommendations are summarized below:

- Housing is recommended as the primary driver of redevelopment efforts in the early years of the urban renewal plan. As more residents move into the area, the potential to support new retail development will increase.
- Focus initial redevelopment efforts on the Main Street/Burnham area, which has already witnessed a degree of reinvestment in recent years.
- Given the limited supply of vacant property downtown, redevelopment will be the primary means of accommodating the types of development envisioned in the TDIP.
- Land assembly will be a challenge since there are relatively few landowners with large, aggregate holdings.

- Business relocation will be a challenge.
- Downtown is characterized by a broad mix of uses, some of which are incompatible with the TDIP vision. To facilitate redevelopment, Tigard City Council will need to develop relocation policies and programs to help existing businesses find an alternate, suitable location elsewhere in Tigard.





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Appendix B

Downtown Tigard

Summary of Developer Interviews



City of Tigard
October 2007



DOWNTOWN TIGARD DEVELOPMENT STRATEGY *Project Memorandum*

TO: Sean Farrelly, City of Tigard

FROM: Chris Zahas, Leland Consulting Group
Tina Mosca, Leland Consulting Group

DATE: September 12, 2007

SUBJECT: Stakeholder Interviews Summary
Project Number: 4749

On September 6 and 7, Leland Consulting Group conducted developer interviews in support of the Downtown Development Strategy. Three developers specializing in mixed-use retail and urban housing were interviewed. The interviews are useful to the Development Strategy for a variety of reasons:

- To allow developers to share their perspective on Downtown Tigard's redevelopment potential;
- To identify ways that the City can leverage public investments to attract private development and investments downtown; and
- To identify key opportunities and barriers to implementation that need to be addressed in the Development Strategy.

This memorandum summarizes the comments received in the interviews. It is organized into key themes that represent common areas of discussion. Each theme includes a brief summary of the key issues and is then followed by selected specific comments in bullet form. In the spirit of openness and candor, the interviews were conducted confidentially, therefore no comments have been attributed to individuals.

Housing

Similar to the stakeholder interviews conducted in July, there is a strong consensus that housing will be the primary catalyst for redevelopment in Downtown Tigard, particularly in the early years of urban renewal.

The area between Fanno Creek Park and Burnham is considered the best location for housing. The area has several assets, including the Park, the planned public plaza on the Stevens Marine property and close proximity to Main Street retail, the Commuter Rail Station and Tigard Transit Center. Building higher-density residential along the Park will ensure that these assets are fully leveraged. Other areas with strong potential for housing include the area between Burnham and the railroad (north of Ash Avenue and south of Main Street) and the area east of the railroad, near Ash Avenue and Hall Boulevard, where most of the existing housing in Downtown Tigard is concentrated.



According to developers, housing along a park or open space typically commands a 25 percent premium compared to similar housing without that amenity. Likewise, proximity to a rail transit center could have up to a 20 percent premium.

Interviewees believe that housing directly adjacent to the railroad tracks is viable, although not as desirable a location as housing abutting Fanno Creek Park. On a daily basis, freight traffic is infrequent and does not occur during nighttime hours. Therefore, noise produced by freight trains will not significantly detract from its residential appeal and a buffer should be installed to mitigate noise from freight trains.

In addition to identifying the best locations for housing, interviewees offered the following suggestions and comments:

- Downtown is a good location for housing of varied types and densities, including market-rate and affordable rental housing as well as for-sale housing, including condominiums and townhomes. Workforce housing, typically geared to households with at least one employed adult earning 80 to 120 percent of the median family income, is also considered a viable option.
- Limit live-work development, which has not proven as marketable as other housing types.
- To attract residents, downtown housing needs to be within close walking distance of neighborhood retail and services.
- The first major housing project should be a market rate project. Starting off with affordable housing would not set the right tone.
- Younger professionals in their 20s and 30s and empty nesters will be the primary buyer groups for downtown housing.
- A 20-acre site is more than enough acreage for a mixed-use transit-oriented community. Property adjacent to Fanno Creek Park between the Stevens Marine Site and the Verizon facility would be a natural location for a larger, mixed-use development. Since most properties along the Park are larger, it may be easier to assemble land there than in other locations, such as the area between Burnham Street and the railroad, where parcels are smaller and oddly configured.

Retail

In addition to discussing downtown housing opportunities, developers shared their perspective on Downtown Tigard's retail potential. One interviewee noted that the demographics of surrounding neighborhoods have evolved beyond the quality of existing downtown retailers, while all interviewees suggested that the City of Tigard is well educated and affluent enough to support a higher end and higher quality retail environment.

Other specific comments on downtown retail include:

- The types of retailers that the City should try to attract downtown are a specialty grocer, such as Trader Joe's or Market of Choice, a bookstore, restaurants, a coffee shop, apparel stores (both local and national) and other high quality, specialty retailers. In addition to attracting shoppers and visitors from outside



the area, retailers that specialize in neighborhood services and convenience goods will make downtown an attractive location for housing.

- To market Downtown Tigard to desired retailers, “get the right broker” who understands how to engage prospective tenants.
- Insist on quality development and partner with developers to identify strategies to reposition existing retail centers.
- Engage property owners in discussions about alternative means for redeveloping sites in a manner that will profit existing owners and developers while benefiting the community.

Getting Ready for Development

To make Downtown Tigard an attractive place for private investment – in particular housing and retail, which are anticipated to be the primary uses downtown – interviewees recommended several action items and policies the City should implement. While some of the recommendations address issues that are broader and more systemic in nature, others speak to very specific actions the City can take to create a business- and development-friendly atmosphere downtown.

Recommended Actions

- Above all, the City must clearly demonstrate to the development community that it is 100 percent behind making something happen downtown. City staff and public officials need a strong, unified vision to communicate to developers and must keep internal conflict to a minimum.
- Appoint a downtown development coordinator or ombudsman to create and sustain strong communications between the City and downtown business and property owners and champion the revitalization process. One of the key responsibilities of the ombudsman could be to establish a relationship with property owners of existing retail centers such as Tigard Plaza and the center anchored by Rite Aid, to explore the possibility of re-tenanting and improving these centers or redeveloping the sites under a ground lease.
- Offer “carrots” to developers and downtown property and business owners to encourage desired development, including but not limited to:
 - Land assembly (housing and retail)
 - Expedited permitting process (housing and retail)
 - Storefront improvement program (retail)
 - SDC waivers (housing and retail)
 - Tenant subsidy in the form of a loan that converts to a grant if family wage jobs are created (retail)
 - Development opportunities study (DOS) program (retail)
 - Set aside seed money for a public-private partnership for formation of a property trust or similar legal entity as a means to assemble properties. In such a model, downtown property owners can contribute their properties to the trust under agreement with a master developer and share in profits of the entity equally so that no single owner gets a



windfall or loss if any zoning and development changes occur (housing and retail).

- Think strategically about the types of projects that tax increment revenues and other public dollars are spent on. Public funds should be invested in projects such as land acquisition and assembly that will pave the road for development by removing barriers to entry. While financing some basic street and streetscape improvements in the early years of urban renewal will be necessary, the City need not finance projects (or portions of projects) that could be paid for by private development. For example, instead of improving all of Burnham Street, interviewees suggested that the City focus on upgrading the segment of Burnham that extends from Main to Ash Avenue.