



CORNELIUS TOWN CENTER PLAN

June 2019

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EXECUTIVE SUMMARY



A vibrant and prosperous town center is a sign of a thriving city. Town centers provide a mix of attractions that draw people in from other areas of the city and neighboring communities. It's where we gather in public spaces to eat, shop, and celebrate. Town centers are diverse places where we go to exchange culture and ideas. Most of all, a town center is a reflection of its people. This Cornelius Town Center Plan is built by the community and is their effort to guide growth and development of the commercial core to reflect their desired quality of life.

Extensive outreach conducted in the summer of 2018 and continued throughout the process touched a diverse cross-section of the Cornelius community, encouraged high-quality conversations, and generated excitement about the future of Cornelius. The following principles reflect the community's vision for the Town Center, branded as the "TenBlock District", and guided development of this Town Center Plan:

1. Reconnect with the natural context.
2. Strengthen and re-establish "Old Town" as the Heart of Cornelius.
3. Celebrate and showcase diversity.
4. Create a community gathering space and civic plaza.
5. Revitalize close-in neighborhoods.
6. Improve context-sensitive highway couplet character.
7. Provide gateways to signal downtown Cornelius as a distinct and walkable place.
8. Create a contemporary mixed-use village around Fred Meyer.
9. Connect to the future Council Creek Regional Trail and potential future regional transit.

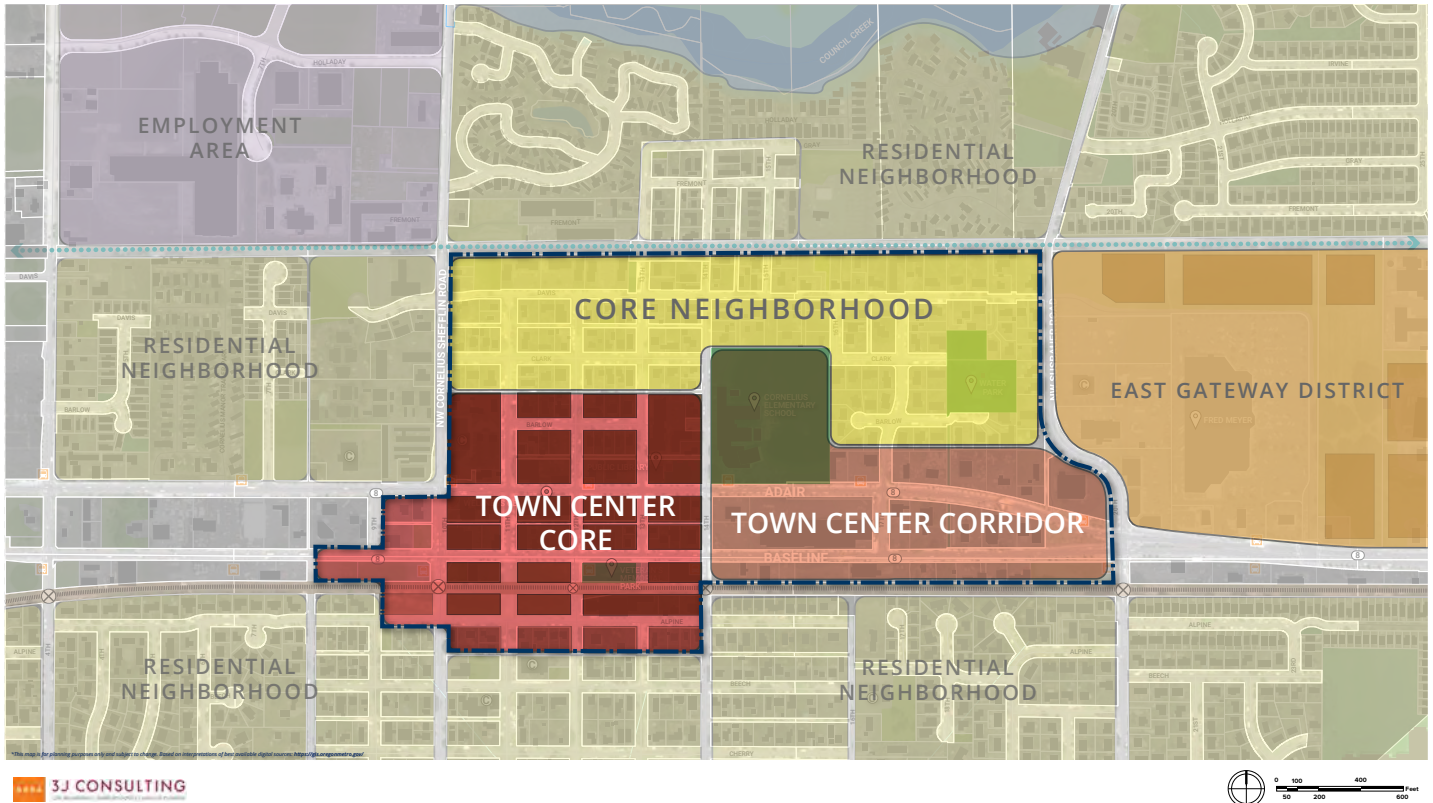
TENBLOCK DISTRICT VISION

The vision for the Cornelius TenBlock District is comprised of several interrelated districts, each with a unique character.



SUBDISTRICTS

CITY OF CORNELIUS
URBAN RENEWAL PLAN & TOWN CENTER MASTER PLAN



The **Town Center Core** is the original town plat and the heart of downtown. The Core has a unique and authentic character, distinct from larger-scale retail along the corridor. A walkable place focused on civic uses, wellness, culture, and local businesses. As the city with the second highest proportion of Latino residents in all of Oregon, our multicultural heritage is a factor that makes Cornelius a unique community in Washington County. Art, culture, and business that reflect our history and diversity are highlighted in the Town Center Core and serve as a draw to those wishing to understand and experience the many cultures in our community.

The **Core Neighborhood** is an extension of the Town Center Core with a more residential character. This neighborhood provides a variety of housing options, offers opportunities for live-work professional service businesses, and increased density needed to support the Town Center Core. It is a highly walkable district with safe crossings and pathways to link various activity centers.

Heading east to west, the **Town Center Corridor** offers a noticeable transition from auto-oriented businesses along OR-8 to a variety of commercial uses. Clear gateways with art and landscaping prompt a change in the behavior and expectations of motorists passing through town. The relationship with the highway changes from a “stay in your car” to a “park and explore” mentality. Increased points of interest and a variety of commercial uses serve to slow vehicles as they approach the Town Center Core. Together, the Town Center Core, Core Neighborhood, and Town Center Corridor districts make up the TenBlock District.

Distinct from the TenBlock District, the **East Gateway District** is a suburban, mixed-use retail center for contemporary living anchored by Fred Meyer, with easy vehicular access and parking. A connected network of streets is lined with a larger scale and mix of housing, offices, larger commercial retailers, and park areas. There also is a distinct relationship between this district and the future Council Creek Regional Trail, including a major trailhead and points of connectivity.

INTRODUCTION

BACKGROUND

Located in the fertile Tualatin River Valley, the City of Cornelius has deep roots as an agricultural town. Those roots are still evinced today as Cornelius is home to vineyards, farms, and a bucolic landscape that lends itself to tourism and recreational activities. However, the community is no longer able to rely on agriculture as the foundation of its economy. While nearby cities have capitalized on the technology industry in Washington County, Cornelius has been classified as an Economically Distressed Community by the State of Oregon.

In recent years, the City has initiated a series of efforts to turn its economic status around. More than \$17 million has been invested in new downtown infrastructure, including sidewalks, decorative streetlights, and ADA facilities. An Economic Opportunities Analysis and Economic Development Strategic Action Plan, prepared in 2017, provide a framework for growing the local economy. Recently completed, 'Cornelius Place' combines a library and low-income senior housing into a three-story community facility that demonstrates the community's structural and functional aspirations for the Town Center.

In October 2017, the City was awarded a Metro 2040 Planning and Development Grant for the development of a Town Center Plan and Urban Renewal Plan. The objective of these plans is to develop a vision to revitalize downtown Cornelius and establish tools to implement the vision and encourage private investment and employment growth.

The Cornelius Town Center Plan establishes projects, programs, and policies to implement the community's vision, including land use and transportation improvements, zoning districts and development standards, and a funding and phasing program.

PROCESS

Over the summer months of 2018, the City undertook the task of conducting extensive community outreach to its residents, visitors, local business owners, community leaders, and youth to understand their vision for the future of the Town Center.

The process kicked off with a Visioning Session with a diverse group of community leaders and went on to reach hundreds of individuals and households through

Even the best Town Center Plan effort won't gain much traction without actual public dollars to be strategically deployed as a catalyst to private investment in the community. The Cornelius Town Center Plan includes the concurrent development of an Urban Renewal Plan to implement identified projects. Urban renewal is one of the most powerful funding tools for local governments in the state of Oregon to plan, finance, and build public and private projects.



various avenues, including online surveys, meetings with local organizations, stakeholder interviews, and intercept surveys at local events. Businesses posted flyers in their storefronts and interactive poster boards were displayed in the lobbies of key institutions. Through a partnership with Centro Cultural de Washington County, nearly all outreach activities were conducted in both English and Spanish.

Key questions included: *What do you like about Cornelius' town center today? What changes would you like to see in the future? What would bring you into downtown Cornelius? What should the character of Cornelius reflect?* The outreach generated ideas on the identity of Cornelius, where public gathering spaces are and should be located, what kind of transportation connections are needed, which attractions and amenities are desirable, and what types of housing and jobs will meet community needs. The process was guided by a Project Advisory Committee (PAC) representing a diverse range of interests in Cornelius and the region.

Culminating four months of outreach activities, the City hosted Design Week in October 2018. This was an interactive, multi-day event consisting of engaging activities, workshops, and drop-in sessions to redesign Cornelius' downtown core. Nearly 100 people participated in these activities, including elected officials, Pacific University students, property owners, and the broader community.

Building upon the feedback received through the earlier outreach, Design Week activities were designed to identify specific opportunities to transform downtown. Discussion questions focused on the Town Center boundary, neighborhood sub-districts, important transportation connections, and the locations of gateways and public plazas, as well as specific ideas for key opportunity sites.

Some of the priorities that emerged from Design Week include developing the blocks immediately adjacent to Virginia Garcia Memorial Health Center and Cornelius Place. Residents also want to maintain a "village scale" with building heights similar to Cornelius Place (i.e., no more than three stories). Priority physical improvements include: a splash pad or water play park; public art such as painted murals on buildings; and a multi-use path along the abandoned northern rail tracks (Council Creek Regional Trail).

Outreach efforts continued throughout the process to develop the Town Center Plan. A Project Advisory Committee (PAC) representing a broad cross-section of community interests met five times between July 2018 and April 2019 to review work products and guide decision-making. Two public open house events and several briefings with the Cornelius Planning Commission and City Council were held to provide community members and appointed and elected officials with an opportunity to review and comment on key elements of the Town Center Plan.

The extensive outreach conducted throughout the project was successful in touching a diverse cross-section of the Cornelius community, encouraging high-quality conversations, and generating excitement about the future of Cornelius. It unpacked issues, like the constraint of a highway couplet corridor, and uncovered opportunities, such as location of a new splash pad and plaza.

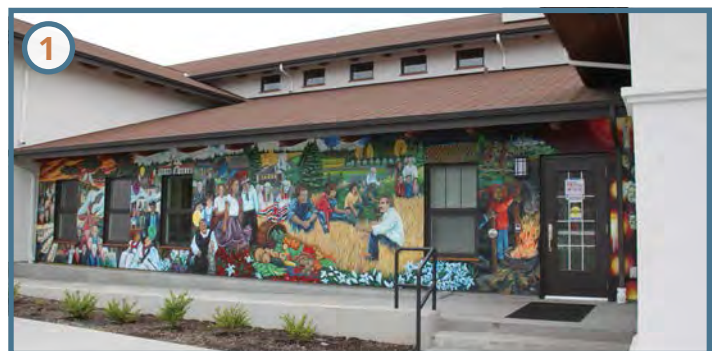
The following are the top themes that emerged from all community outreach activities. These are the building blocks that shape the Cornelius Town Center Plan:

Where we were

- Movies in the Park (4)
- Concerts in the Park (2)
- Cornelius National Night Out
- Centro Cultural Taquiza
- Virginia Garcia Health Fair
- Forest Grove Farmers Market
- Forest Grove Annual Corn Roast
- ¡El Grito! Festival Comunitario

Who we talked to

- Downtown Advisory Group
- Centro Cultural Staff
- Forest Grove/Cornelius Chamber of Commerce
- Economic Development Commission
- City Development & Operations Staff
- Youth Advisory Council
- Adelante Mujeres
- Cornelius Boosters
- West Dairy Creek (CPO 12C)
- Rotary Club
- Latino Businesses



1. Build on existing assets

Including the new Cornelius Place library, the Virginia Garcia Health Center, City Hall, Centro Cultural, and St. Alexander Catholic Church

"I love the new library, the Virginia Garcia building, Centro, and the church. I like the proximity to all the services and activities."



2. Diversify amenities and services

More diverse retail, grocery, and restaurant options and more family-friendly activities

“I wish I did not have to leave town to eat at a nice restaurant for lunch with my colleagues or for dinner with my family.”

3. Add community spaces and events

A new public pool or water feature, more culturally-relevant community spaces and programming, and a public/farmers market

“One of the things that our family would love to see is perhaps an Aquatic Recreational Center for the kids to have a safe place to go and be physically fit”



4. Improve traffic congestion and safety

Improved street design, connectivity, safety, walkability, congestion, and parking

“More sidewalks in the neighborhoods would be really great. I live in south Cornelius and there are a bunch of streets where there are no sidewalks, yet there can be heavy traffic or speeding vehicles.”

5. Enhance livability for all residents

Redevelopment and/or improved maintenance of dilapidated properties, increasing community cohesion/diversity, and improving access to housing, childcare, healthcare, and professional services

“The area around Virginia Garcia is the nicest part of town. That being said, the town is very aged and dilapidated... There is not enough housing for members of every socioeconomic background.”

EXISTING CONDITIONS

STUDY AREA

The Town Center Plan process began with Conceptual Town Center boundary established through the re-designation of the City's Main Street district into a Town Center district in 2010. The 276-acre Cornelius Conceptual Town Center study area, shown in Figure 1, spans either side of Highway 8 (Tualatin Valley Highway) where it splits into Baseline and N Adair Streets. The northern edge of the Conceptual Town Center boundary extends beyond the railroad track to incorporate lands up to N Holladay Street. The southern boundary primarily runs along S Beech Street. The western and eastern-most extents ranges from just east of the Cornelius Manor manufactured home park (approximately 6th Avenue) to the eastern edge of the Fred Meyer access road (approximately 23rd Avenue.)

The Conceptual Town Center was established under Metro's 2009 Policy and Direction on Centers and Corridors. Under these policies, a town center is defined as "tens of thousands of people" with "compact development and transit service." The document goes on to say "Town centers provide local shopping, employment and cultural and recreational opportunities within a local market area. They are designed to provide local retail and services, at a minimum and vary greatly in character."

DEMOGRAPHICS

Cornelius is a growing community that has a distinct demographic profile that varies from many of its neighboring communities in Washington County. With a population of 12,500 people¹, Cornelius is one of the smaller cities in Washington County, but continues to grow at a steady rate. The city's population is more than 50% Latino, a demographic group that typically has larger than average family sizes and more multigenerational households. According to the 2010 Census, the most recent data set available, the average household size in Cornelius is 3.51, compared to an average household size of 2.61 for Washington County.

Age

Cornelius has a distinctly young population and many households with children. This is unique, as many communities in Oregon are aging as the Baby Boomer



generational wave continues to get older and put demographic pressures on their communities. Only 10 percent of the Cornelius population is over the age of 60 versus more than 20 percent at the state level. According to the 2017 American Community Survey, the median age in Cornelius is 30.6, compared to 36.4 for Washington County.

Households

Another unique demographic characteristic of Cornelius is the high number of households with three or more people. Cornelius' share of households with three or more people was 62 percent from 2012 to 2016. This compares to 41 percent and 35 percent for Washington County, and Oregon, respectively. Half of Cornelius' households are households with children, which explains Cornelius' high share of three or more people per household. Cornelius' households with children will have an impact on all aspects of the city. This group of households will have aligned preferences – households with children may vote similarly regarding schools, parks, and public safety. This group of households may also support a similar subset of businesses, e.g., family-friendly restaurants.

Income

Cornelius's household income profile is also unique. The city has fewer households in both the lowest income brackets, and the highest income brackets and many more households in the medium income brackets than households across Washington County and the state. The recently completed Cornelius Economic Opportunities Analysis (EOA) showed that annual wages in Cornelius are less than half of those at the Portland MSA level, and average less than \$30,000 a year².

1 The most recent population estimate from the U.S. Census lists 12,492 residents (2017). Other sources, such as the PSU Population Research Center, estimate a population closer to 12,000 persons.

2 PNW Economics, LLC (2017). City of Cornelius Economic Opportunity Analysis (EOA). Prepared for the City of Cornelius.

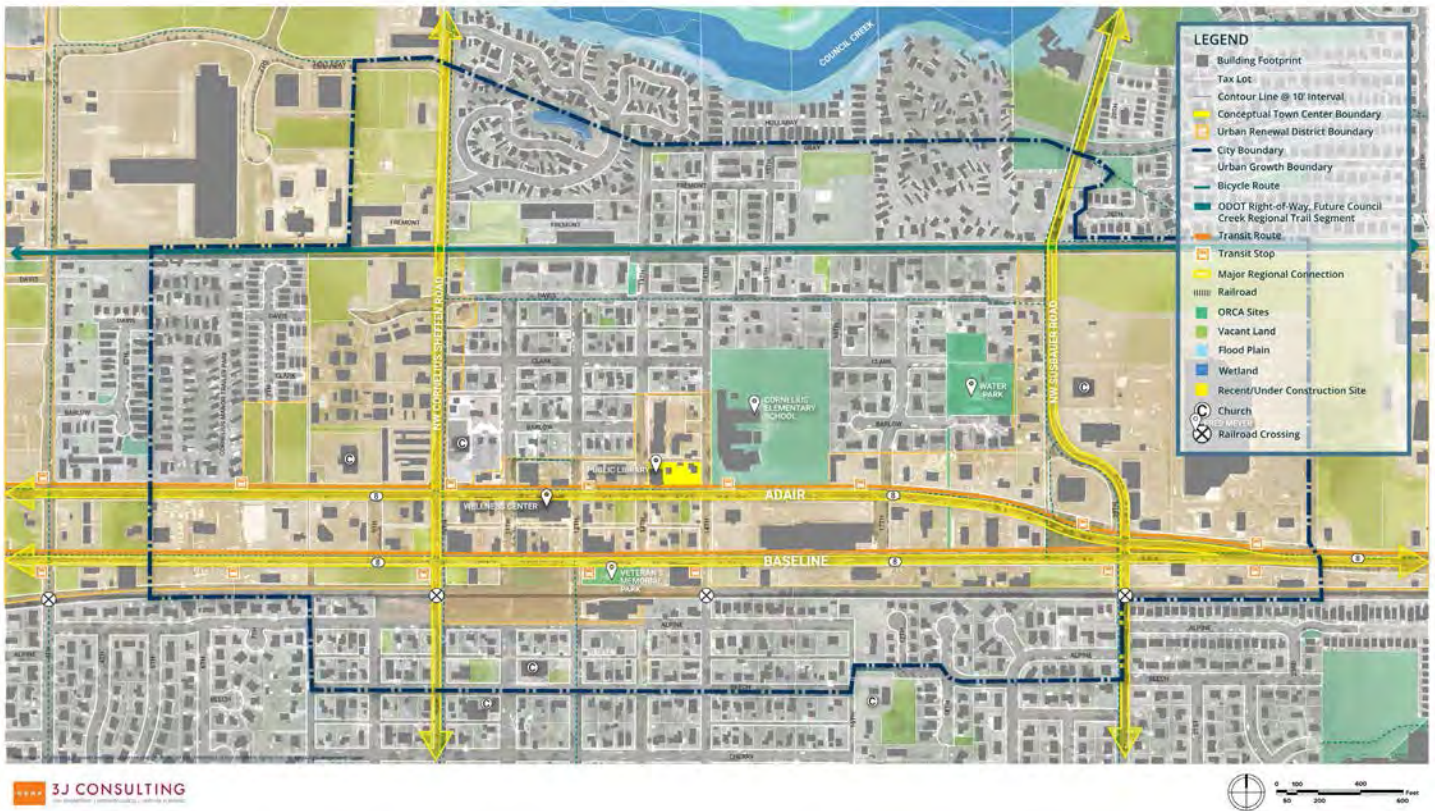


Figure 1. Conceptual Town Center Area Boundary (2010).

LAND USE

A variety of land uses including residential, retail, office and parks are included in the Conceptual Town Center boundary. Therefore, the tax lot sizes and resulting block sizes vary greatly. Figure 2 illustrates a higher concentration of smaller lots and more walkable blocks toward the center of the area, and larger lots and blocks towards the east and west ends. This variation in size and scale contributes to the pedestrian experience and perceptions around walkability throughout the Town Center. The study area is characterized by a patchwork of zoning districts, with areas of diverse residential, commercial and industrial zoning clustered around the Main Street area, designated with four Main Street zones. A portion of every zoning district present in the city is included within this boundary, requiring careful understanding of the full scope of the zoning code to understand the diverse regulations and options within the Town Center. These multiple ordinances are difficult to navigate and there has been concern that they may result in higher costs to pursue new development. A consolidated and easily applied zoning code will better support future development in the Town Center and enhance development prospects. Figure 3 depicts existing zone designations within the Town Center.

INFRASTRUCTURE

Walking

In general, most arterial and collector streets in the Town Center have sidewalks on at least one side of the street. There are several paths within the Town Center providing connections where pedestrians want to travel but roadways are not present. Many of the paths are not improved but rather created by high use. Marked and signaled pedestrian crosswalks in the Town Center are provided at traffic signals on Baseline Street and N Adair Street at 10th and 14th Avenues and on Baseline Street at 20th Avenue and the Fred Meyer access road between 20th and 26th Avenues. Crossing enhancements on Baseline and N Adair Streets at 11th, 12th and 13th Avenues may be warranted to increase driver awareness and pedestrian visibility. Enhancement could include signals, beacons, signing, and pavement markings. The existing demand to cross the northern railroad tracks at N 13th Avenue and N 15th Avenue could be accommodated with signage and pavement marking improvements similar to the S 12th Avenue railroad track-pedestrian crossing.



Figure 2. Conceptual Town Center Area Block Size.

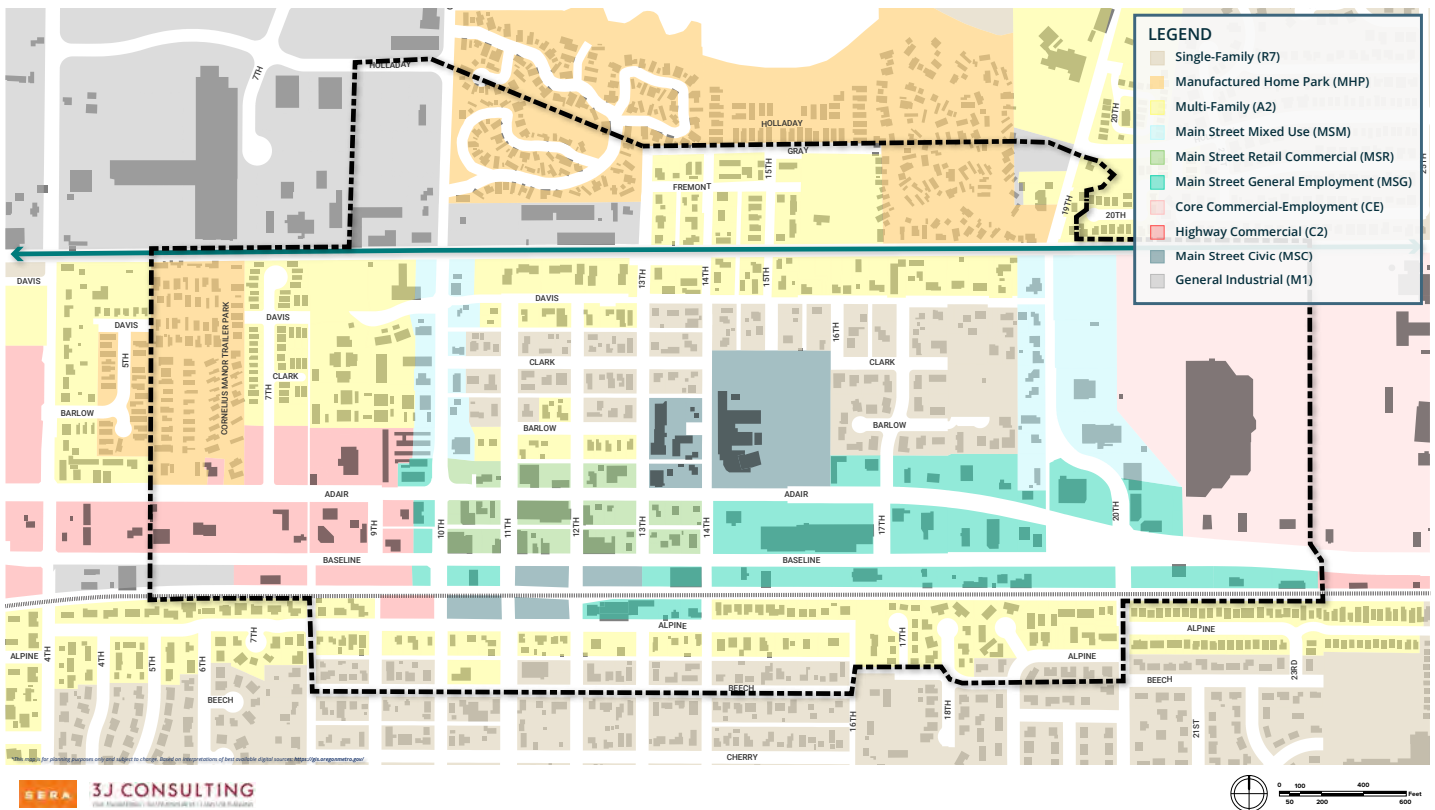


Figure 3. Conceptual Town Center Area Zoning.

Biking

Bike lanes are provided on Baseline and N Adair Streets within the Conceptual Town Center boundary. There are several Metro-designated bike friendly routes in the area, also known as shared routes, which are low volume and low speed routes preferred for cyclist use. Bike racks are provided at upgraded bus stops on Baseline Street at N 12th and N 14th Avenues. Priority locations where bike lanes are needed on arterial facilities include N 19th Avenue north of N Adair Street and N and S 10th Avenue. Shared bicycle roadways should be improved with signs and pavement markings that highlight a special route or provide directional information to key destinations in bicycle travel time or distance. Bicycle parking is needed in the area to support and promote bicycling as a mode of transportation. Priority locations for bike parking include Cornelius Elementary School, Cornelius Place (library), parks, and larger retail and office buildings.

Transit

Public transit is essential to the economic and social quality of life of the community. TriMet bus route 57 operates on Baseline and N Adair Streets, connecting to Forest Grove, Hillsboro, Aloha and the Beaverton Transit Center. This line was recently upgrade to a 24-hour service, with 15-minute service intervals during most periods. The bus stops near Fred Meyer, Cornelius Public Library, Virginia Garcia Memorial Health Center, and Centro Cultural are the highest transit trip generators. Transit service within the area has several needs and recommendations to encourage potential riders, including additional sidewalks, bus stop pads, crosswalk facilities, and bus shelters.

Driving

State Highway 8 (TV Highway) runs east/west through the center of the city of Cornelius, splitting into a couplet at 20th Avenue. Recent traffic data indicates that approximately 30,000 cars pass through town each weekday. N Adair Street and Baseline Street from 10th Avenue to 20th Avenue are designated by the Oregon Department of Transportation (ODOT) as a Special Transportation Area (STA). The primary objective of an STA is to provide access to and circulation amongst community activities, businesses, and residences and to accommodate pedestrian, bicycle, and transit movement along and across the highway. The 2018 Cornelius Transportation System Plan found there are no existing traffic operation deficiencies during the morning and evening peak hours within the Town Center. On-street parking supply is provided on most streets in the area.

10th Avenue (N and S) is a designated truck route and serves as an access from the north and south ends of Cornelius, as well as providing one of two access points to the city's industrial district. N 19th Avenue is the other main access from the north; both 10th and 19th Avenues are designated as arterials.

MARKET ANALYSIS

There are many economic and social drivers within Cornelius that influence the demand for real estate in the Town Center. The following synthesizes demographic, economic, and real estate data, along with qualitative inputs from local stakeholders and real estate professionals familiar with the local market. In order to understand what types of real estate development may be feasible, it is important to assess the potential barriers (market, regulatory, physical) that are inhibiting new development.

Barriers to Development in Cornelius

Real Estate Market Fundamentals. A mismatch between the rents that some local businesses can afford to pay, and the levels needed to either sustain an existing property or incent the construction of a new commercial building.

Zoning Code. The City's zoning ordinances can be difficult to navigate and create issues, and real costs, with pursuing new development.

Lack of Existing Building Stock. Cornelius does not have a large concentration of existing buildings in its downtown, buildings that play an important role in providing commercial space at affordable prices.

Water Rates. Having gone on its own in the mid-20th century instead of joining a group that controls Western Washington County water, the City must pay wholesale water rates to the City of Hillsboro.

Lack of Engagement and Coordination with Key Property Owners. Until recently, there was a lack of effective engagement with local property owners, and no forum for property owners and business owners to discuss common challenges.

TOWN CENTER GUIDING PRINCIPLES



The robust community engagement process led to the following principles that guided development of the Town Center Plan:

- 1. Reconnect with the natural context.** Identify opportunities to connect the Town Center to natural and recreational amenities, such as the Tualatin River and Council Creek.
- 2. Strengthen and re-establish “Old Town” as the Heart of Cornelius.** The original town plat including N Adair and Baseline Streets from 10th to 14th Avenues still serves as the civic and emotional heart of the Cornelius Town Center. Preserve and enhance the authentic character of this area.
- 3. Celebrate and showcase culture and diversity.** Cornelius embraces its cultural diversity and believes it is one of the community’s most important strengths. Create distinct elements within the Town Center highlighting our community’s multicultural heritage through art, architecture, and business and organizational support. Consider establishing an annual Cornelius Festival highlighting the community culture and bringing residents together for shared celebration.
- 4. Create a community gathering space and civic plaza.** Cornelius residents desire more places to gather and are especially enthusiastic about a public pool or splash pad.
- 5. Revitalize close-in neighborhoods.** Invest in these core neighborhoods to provide a variety of housing options for residents who support Town Center businesses. Additionally, support local business and entrepreneurship by providing opportunities for live-work units within the neighborhood.
- 6. Improve context-sensitive highway couplet character.** Build on past successes to transform the highway couplet into a true Main Street.
- 7. Provide gateways to signal Cornelius as a distinct and walkable place.** Art and landscaping prompt a change in perception and behavior of motorists passing through town.
- 8. Create a contemporary mixed-use village around Fred Meyer.** A mixed-use destination for contemporary living with easy vehicular access and other modern conveniences.
- 9. Connect to the future Council Creek Regional Trail and potential future regional transit.** These multimodal travel options provide a vital alternative to the road network, offer key connections for residents, and bring visitors to the Town Center.

TOWN CENTER HISTORY

Exploring the history of the Cornelius Town Center sheds a light on the town center configuration envisioned in this Plan.



Cornelius was established in 1871 with a warehouse and store along a new extension of the Oregon and California Railroad. It quickly became a center for trade and grew significantly after the Southern Pacific Railroad arrived in the late 1800s and Oregon Electric passenger train in 1908. The City of Cornelius was incorporated in 1893. In 1941, Cornelius was a small, but distinctive agricultural town on the Willamette Baseline, as shown in Figure 4. The railroad, highways and country roads were the main transportation routes, but the original town plat, a street grid of 250 ft by 250 ft blocks, had been established.

By 1956, the original street grid expanded as mass personal car ownership began and was followed by a

national wave of suburbanization. Yet Cornelius is still a distinct place, separated from Hillsboro and Forest Grove.

Between 1956 and 2018, regional growth follows a development pattern of suburban subdivisions, blurring the distinctions between cities and towns, and between cities and their underlying landform. While the original town plat is still recognizable, it is now surrounded by newer subdivisions with development patterns that favor vehicular mobility over walking and biking. Today, the City is in the midst of significant residential growth, with more than 1,200 new homes in various stages of planning and construction. New residents will create a new demand for commercial services, entertainment, and local employment opportunities. This anticipated growth is one of the main drivers in the development of this Cornelius Town Center Plan.

Using a standard 1/4-mile radius circle shown in Figure 5, the equivalent of a 10 to 15-minute walk, the Conceptual Town Center boundary actually encompasses two discrete places: 1) the area that emanates from the original town plat and 2) the area around Fred Meyer. The heart of the original town plat can be covered by a circle of 1/8-mile radius circle, a 5-minute walk, which coincides with the typical length of main streets in towns of a size similar to Cornelius. A 1/8-mile radius circle also covers the area around Fred Meyer, as shown in Figure 6.

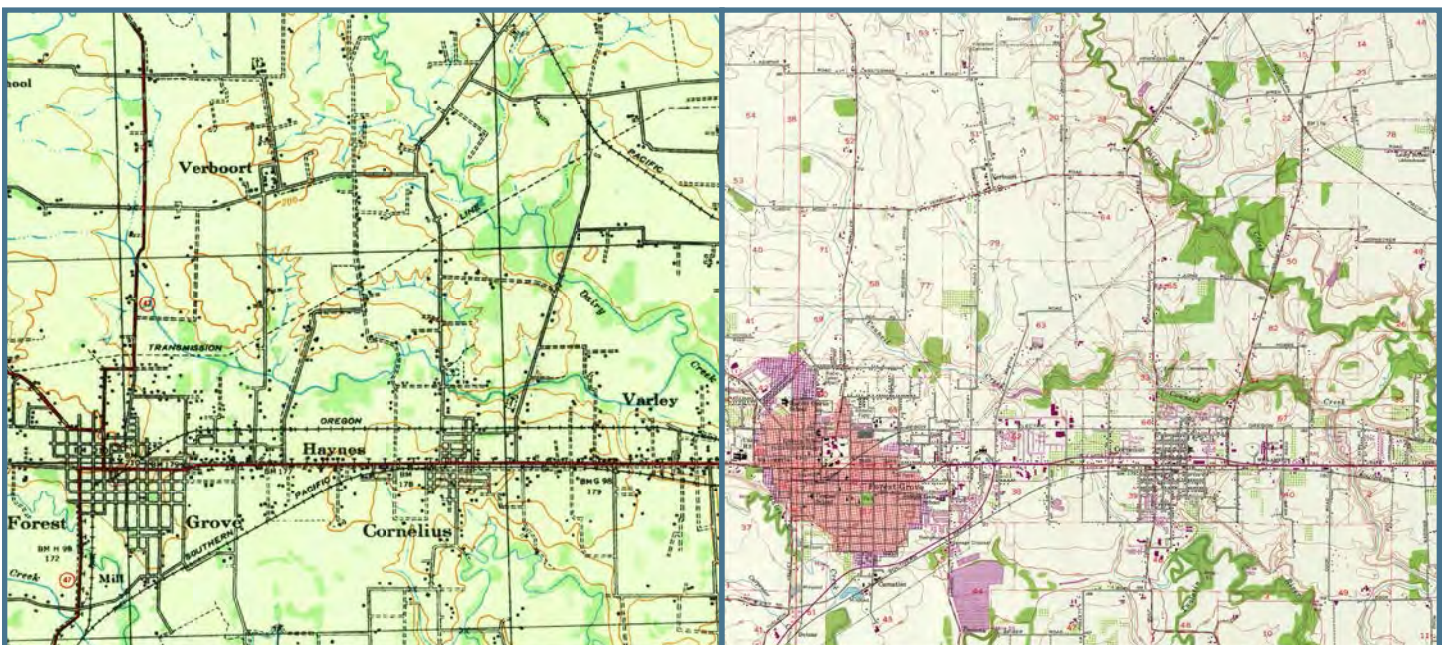


Figure 4. Cornelius circa 1941 (left) and 1956 (right).



Figure 5. Cornelius Conceptual Town Center 1/4-Mile Walking Radius.

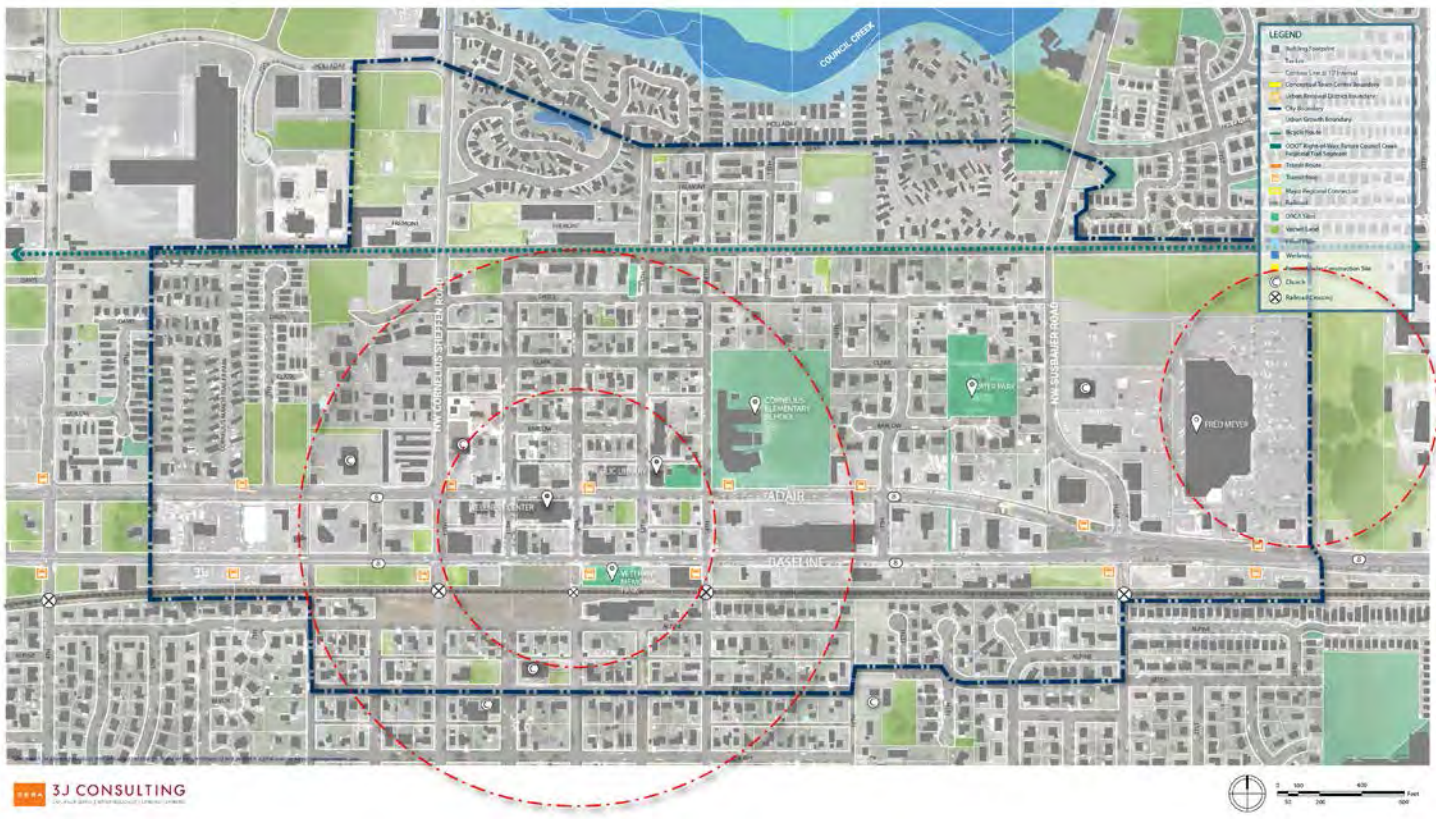


Figure 6. Cornelius Conceptual Town Center 1/8-Mile Walking Radius.

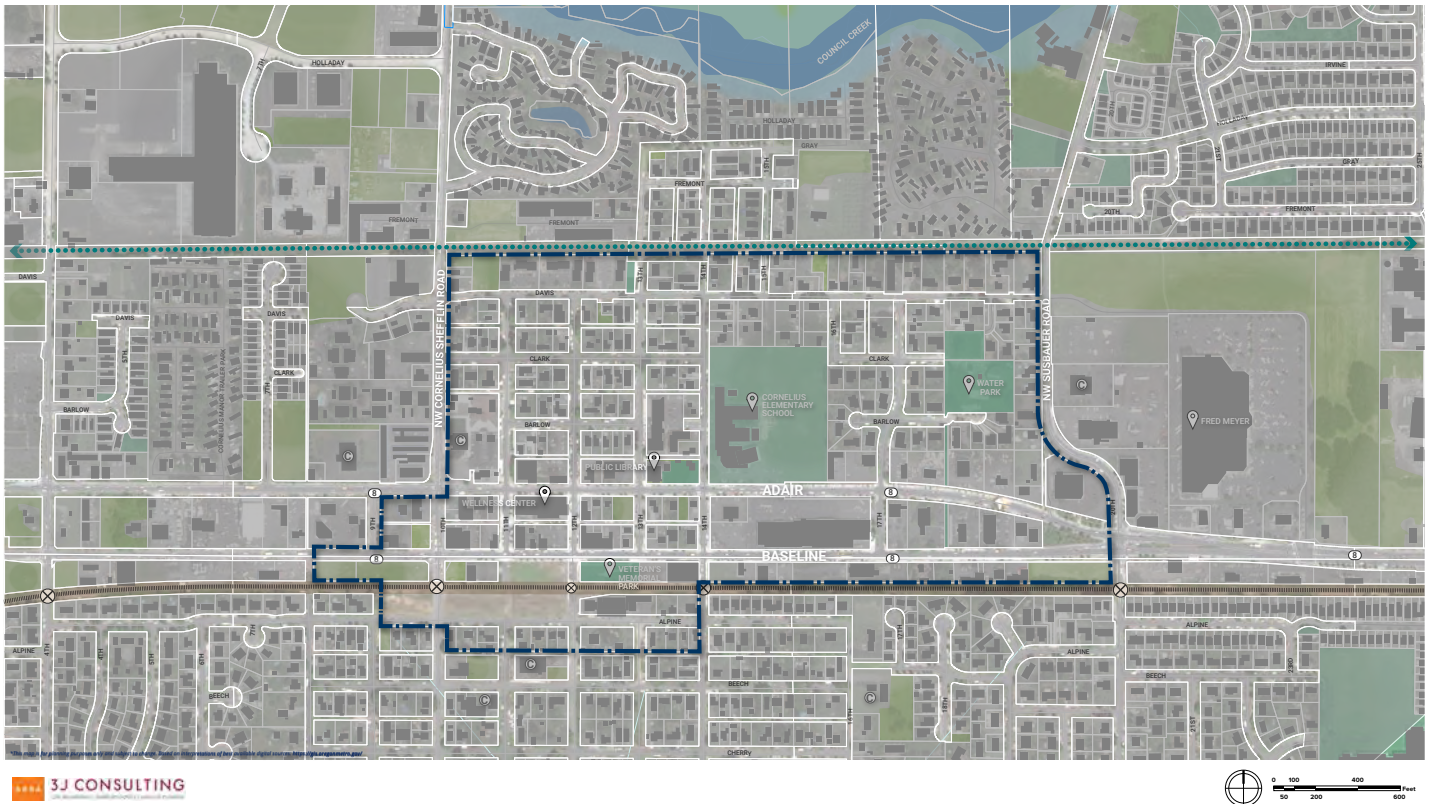


Figure 7. Cornelius Town Center Plan Boundary.

The original town plat is a walkable grid – a proven foundation for revitalizing downtown cores as seen across the region. The Fred Meyer area is more of a car-oriented suburban district that lacks an existing street network to provide multi-modal connectivity. This is a primary driver for modifying the Conceptual Town Center boundary, as shown in Figure 7.

The final boundary configuration of the Cornelius Town Center was developed through an iterative process with City staff and the PAC. Other factors in modifying the Conceptual Boundary include:

- A smaller Town Center lends itself to a more intimate sense of place.
- Investments focused in a smaller Town Center will have a greater impact than spreading resources out over a larger area.
- ODOT is more likely to support Special Transportation Area improvements that accommodate pedestrian, bicycle, and transit trips along a shorter frontage of Highway 8.
- Mobile home parks to the north and west of the study area are disconnected from the downtown core and are not typically included in a Town Center.

The Cornelius Town Center boundary, shown in Figure 7, spans from approximately N 10th Avenue on the west to N 19th and N 20th Avenues on the east. The western boundary extends a few blocks further west near N Adair and Baseline Streets to capture several opportunity sites. The northern boundary is contiguous with the northern railroad corridor and site of the future Council Creek Regional Trail. The eastern half of the southern boundary extends along the southern rail line. The western half of the southern boundary moves south from the rail line at S 8th Avenue, to S Alpine Street at S 9th Avenue, and then the alleyway between S Alpine and S Beech Streets from S 10th Avenue to S 14th Avenue.

TENBLOCK DISTRICT VISION

A vibrant and prosperous town center is a sign of a thriving city. Town centers provide a mix of attractions that draw people in from other areas of the city and neighboring communities. It's where we gather in public spaces to eat, shop, and celebrate. Town centers are diverse places where we go to exchange culture and ideas. Most of all, a town center is a reflection of its people.

As a Metro-designated town center, the Cornelius Town Center or "TenBlock District" is aligned with relevant policies in the Regional Framework Plan, described in the *Existing Policy and Direction on Centers and Corridors* (Appendix A).

The vision for the Cornelius TenBlock District is comprised of several interrelated subdistricts, each with a unique character (Figure 8).

The **Town Center Core** subdistrict is the original town plat and the heart of downtown. Generally spanning a few blocks of N Adair and Baseline Streets from 10th to 14th Avenues, the area has an authentic character, distinct from larger-scale retail along the corridor.

The subdistrict includes important civic and cultural institutions, including Virginia Garcia Memorial Health Center, St. Alexander Catholic Church, Centro Cultural de Washington County, City Hall and Cornelius Place/ Cornelius Public Library. It also is home to Veteran's Memorial Park and a number of local businesses.

The vision for the Town Center Core is to a walkable place focused on health and wellness, community and culture, and shopping and dining. While this subdistrict is bisected by the OR-8 couplet, there is a focus on decreasing dependency on automobiles and creating a self-sustaining and interconnected geography with myriad services and attractions.

As the city with the second highest proportion of Latino residents in all of Oregon, our multicultural heritage is a factor that makes Cornelius a unique community in Washington County. Art, culture, and business that reflect our history and diversity are highlighted within the Town Center Core and serve as a draw to those wishing to understand and experience the many cultures in our community.

The **Core Neighborhood** subdistrict includes close-in neighborhoods north of N Adair Street from N 10th Avenue to N 19th Avenue. This neighborhood has a more residential character and includes Water Park and the new adjacent off-leash dog park. This

neighborhood provides the density needed to support businesses in the Town Center Core. The vision for the Core Neighborhood subdistrict is to expand residential uses through providing a greater variety of housing options, such as townhouses, duplexes, apartments, and accessory dwelling units (ADUs). The Core Neighborhood subdistrict also extends the walkable mixed-use area by expanding home occupation and live-work options for certain professional service businesses. This will be a highly walkable area with safe crossings and pathways to link various activity centers.

The **Town Center Corridor** lies just east of the Town Center Core and north of the southern railroad, from 14th Avenue to 20th Avenue. Heading east to west, the Town Center Corridor begins as Highway 8 splits into the N Adair / Baseline couplet at 20th Ave. Extensive landscaping conveys a noticeable transition from auto-oriented businesses to smaller scale commercial uses. The subdistrict includes two important gathering places: Cornelius Elementary School and Grande Foods (formerly known as Hank's). The vision for the Town Center Corridor is to develop more of a Main Street appearance by encouraging a street front presence for new development and prohibiting new drive-through businesses. Clear gateways with public art and streetscape features help pronounce the transition in character. In this subdistrict the relationship with the highway changes from a "stay in your car" to a "park and explore" mentality. Increased points of interest and a variety of commercial uses serve to slow vehicles as they approach the Town Center Core.

Distinct from the TenBlock District, the **East Gateway District** is a car-oriented area defined by the Fred Meyer store, chain businesses, and ample surface parking. A significant infill opportunity exists on vacant lands along the north and east edges of the district. The area lacks an existing street network to provide multi-modal activity. The vision for the East Gateway District is local destination for contemporary living – a suburban mixed-use retail center with easy vehicular access and parking. A connected network of streets is lined with a larger scale and mix of housing, offices, larger commercial retailers, and park areas. There is also a distinct relationship between this district and the future Council Creek Regional Trail, including a major trailhead and points of connectivity. A high-volume bus stop along the highway also provides an opportunity for non-vehicular access to and through this district.

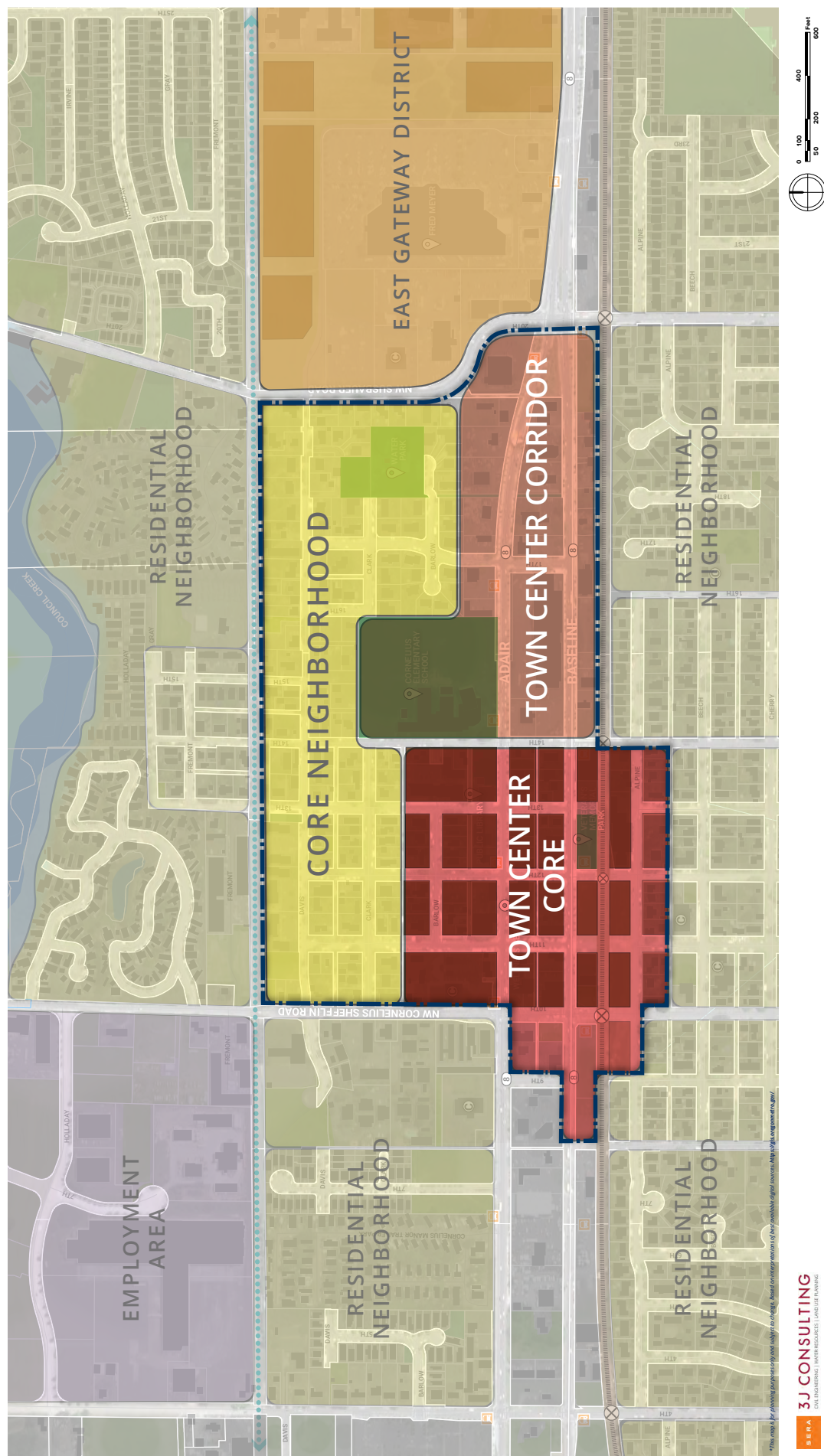


Figure 8. Cornelius Town Center Plan Subdistricts.

IMPLEMENTATION STRATEGY

The Implementation Strategy is comprised of the projects, programs and policies the City and its partners will employ to achieve the TenBlock District Vision.

Land Use and Transportation Improvements. Land use improvements include opportunity sites for infill development and redevelopment, gateways, and trailheads. Transportation improvements include streets, bike lanes and parking, pedestrian sidewalks and trails, and transit amenities.

Zoning. New zoning districts and development standards to achieve the desired character and quality of the TenBlock District.

Funding and Phasing. Project costs and potential funding sources to guide strategic public investments, primarily through urban renewal, and financial and other incentives to encourage private development.

LAND USE AND TRANSPORTATION IMPROVEMENTS

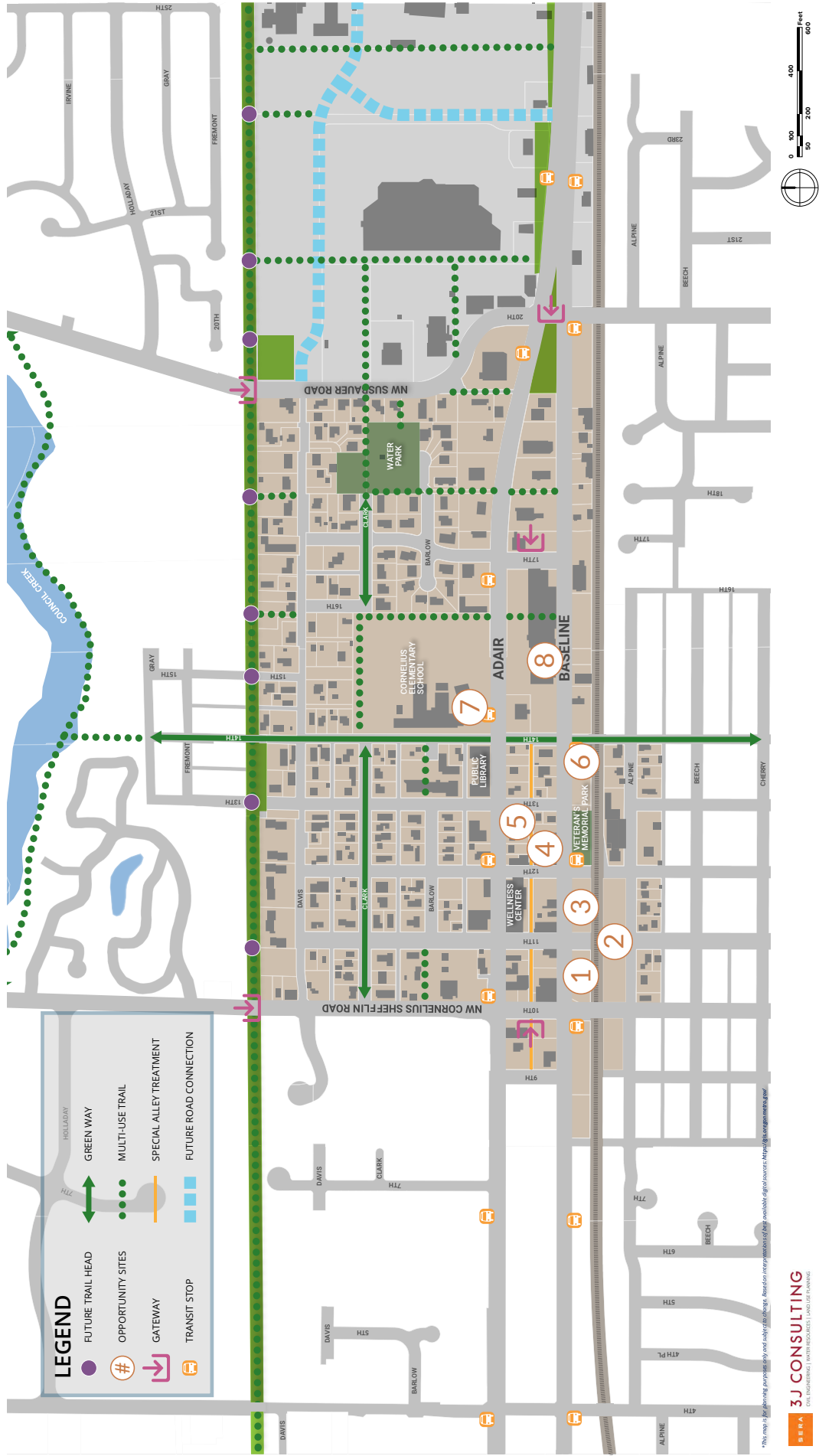
All of the land use and transportation improvements described below also are included in the Cornelius Urban Renewal Plan. A complete list of land use and transportation improvements and estimated costs is included in Appendix B.

Land Use

Key land use projects are described in the list below and illustrated as opportunity sites in Figure 9.

1. Acquisition of former gas station property at lot at 10th Avenue and Baseline for environmental cleanup and redevelopment.
- 2-3. Vacant lots/right-of-way adjacent to the southern rail line between approximately 8th and 12th Avenues provide important infill development opportunities. Lots fronting onto Baseline Street would be conducive to some form of commercial development, while parcels south of the railroad are a potential location for new affordable housing. To increase the viability of development on these parcels, work with the ODOT Rail & Public Transit Division to pursue a Quiet Zone from the Federal Railroad Administration to authorize the railroad to discontinue the regular sounding of the train horn at public crossings in the Town Center.
4. Town Center Core businesses in need of exterior improvements, such as storefronts at 12th Avenue and Baseline, can benefit from a new façade improvement grant program.
5. An opportunity for mixed use development on vacant and underutilized parcels across from Cornelius Place.
6. Acquisition and redevelopment of the Western States Fire Apparatus building as an indoor farmers market or other food and beverage establishment.
7. Should Cornelius Elementary develop a new school on the eastern portion of their existing site, the northeast corner of N Adair Street and 14th Avenue provides a potential location for a 10,000 sf public plaza and splash pad. The concept for this plaza and surrounding area is illustrated in Figure 10.
8. Grande Foods (aka Hank's) is an important site for TenBlock District revitalization at the entrance to the Town Center Core. The building currently houses several small businesses and is a popular community gathering place on weekends. Short-term considerations include exterior and potentially interior improvements. The site is a long-term candidate for redevelopment.

Other proposed land use improvements include gateways to welcome people to the District at key intersections along the highway couplet and north-south arterials. Gateway design may include signage, art, landscaping, and lighting. Trailheads along the future Council Creek Regional Trail will provide convenient access points for bikers entering or exiting the trail. Trailheads may include light paving and landscaping, simple signage, and fencing or bollards. A larger trailhead at N 19th Avenue provides access to the Fred Meyer site, parking, and other amenities.



3J CONSULTING
 S E P A
 ON-TOWN CENTER MASTER PLAN FOR CORNELIUS

Figure 9. Cornelius Town Center Framework Plan.



Figure 10. Conceptual Public Plaza at N Adair Street and 14th Avenue.

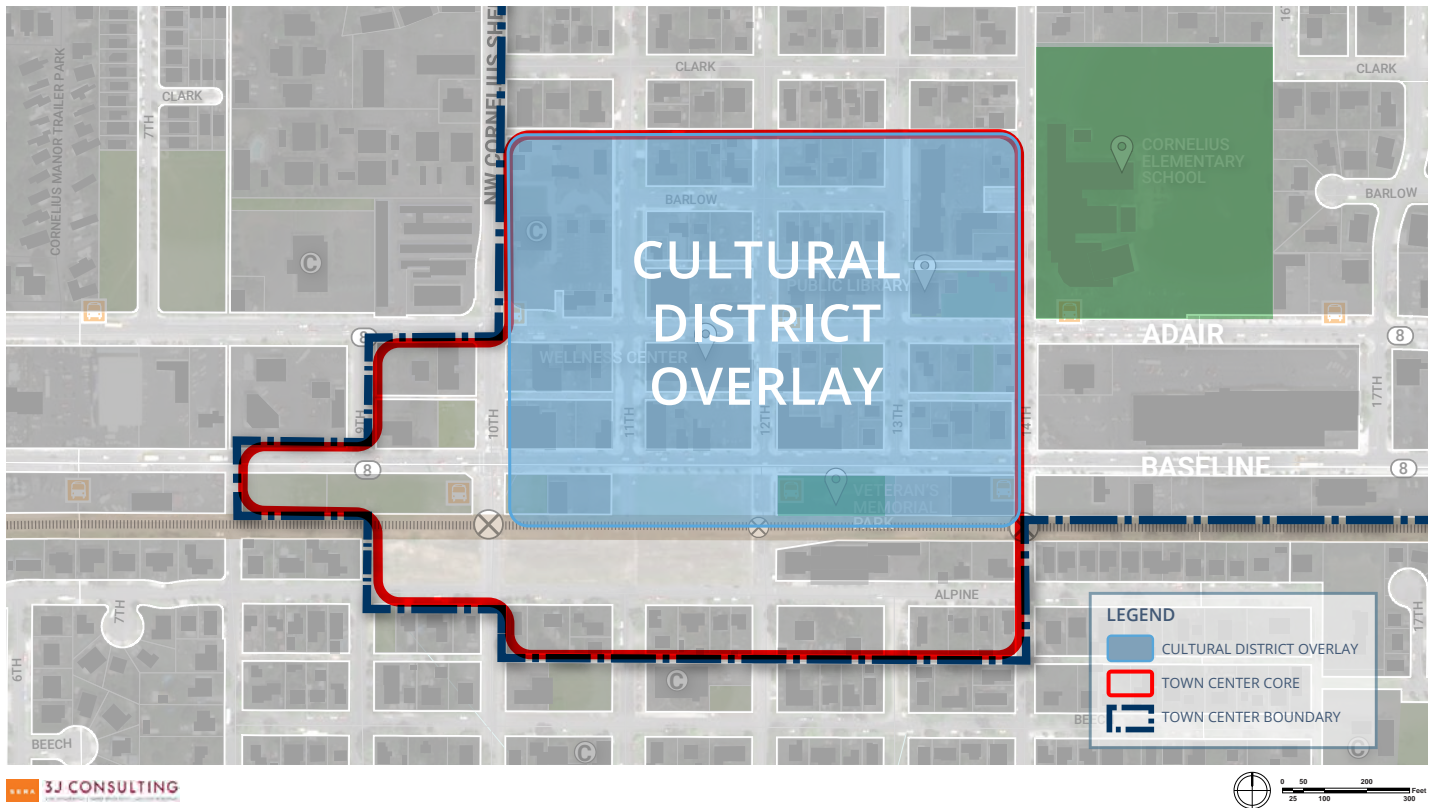


Figure 11. Cultural District Overlay.

Cultural District Overlay

The Town Center Core contains a Cultural District Overlay where multicultural art, culture, and business will flourish (Figure 11). The vision for this area will be implemented through a variety of City programs and incentives including following program items:

- Art, including mural, sculpture, and functional art, including that influenced by Latino cultural themes
- Bilingual (English and Spanish) directional and building signage, where appropriate
- Named alleyways and pathways honoring local and historical cultural leaders
- Interpretive signage to tell the history of Cornelius

- Development incentives to encourage multicultural businesses and services, including:
 - First-year business license fee waiver for multicultural business, including (but not limited to):
 - Ethnic food restaurants (e.g., Mexican, South American, Central American)
 - Cultural handicrafts or mercantile
 - Legal, financial, and other professional disciplines providing bilingual and/or culturally-specific services
 - Where minimum requirements are met, an increased grant amount for urban renewal façade improvement program to \$10,000; all other conditions remain the same

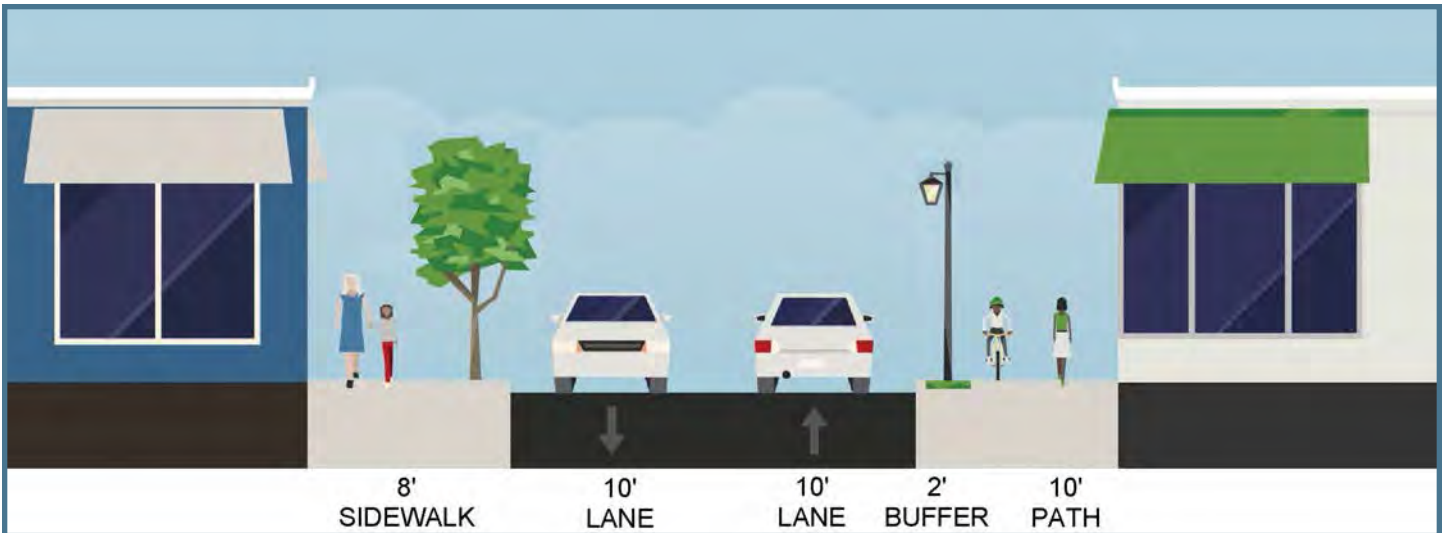


Figure 12. Proposed 14th Avenue Cross-section.

Roadways

The TenBlock District is generally made up of a grid of ~250-foot-long blocks. However, there are a few larger parcels that restrict the preferred roadway grid network. As development occurs in the Town Center Corridor subdistrict a minimum of one new north-south local street connection between Baseline and N Adair Street should be made to improve connectivity.

14th Avenue

Designated greenway treatments are recommended along 14th Avenue from S Dogwood Street to N Gray Street, as shown in Figure 12. These would provide a multimodal connection between the Town Center and the planned Council Creek Regional Trail to the north and the Tualatin River to the south. The greenway would have a unique cross-section to promote walking and biking trips. The available right-of-way is generally 40-foot wide and constrained with existing fronting development. The cross-section elements would include:

- Two travel lanes with narrow width (10 feet) to control vehicle speeds
- Parking bays on one side of the street provided intermittently as space allows
- 8-foot wide sidewalk on the west side of the street with trees in tree wells to buffer the vehicle travel lanes
- 10-foot-wide multiuse path on east side of the street to serve walking and biking trips, with 2-foot buffer between path and vehicle travel lane; trees in tree wells where appropriate
- Crosswalks at each intersection
- Curb extensions at crosswalks

- Pedestrian scale street lighting for safety and comfort
- Art and wayfinding features

The multiuse path on the east side of 14th Avenue would serve pedestrians and cyclists in both directions. Pavement markings or signage would help to clarify how users should share the path. A narrow buffer between the pathway and the travel lane would improve the comfort of using the pathway and provide a space for street lighting.



A wayfinding system with signing and/or pavement markings would guide pathway users to local and regional destinations. Signs and markings are typically placed at decision points along the route. Benefits of wayfinding include:

- Familiarizes users with the bicycle network
- Shows the best routes to destinations
- Visually indicates to motorists they are driving along a pathway route and should use caution
- Passively markets the bicycle network by providing unique and consistent imagery

Pavement markings can be simple, cost-effective paint icons along the pathway. Wayfinding can also provide a map of the bicycle system and public art along the pathway.



North Clark Street

North Clark Street needs improvements to bring it to urban standards and provide connectivity between 10th Avenue and 19th Avenue. Sidewalks on both sides of the street, curb extensions with curb ramps at the corners and street trees are recommended to improve the walkability of the area.

Council Creek Regional Trail

A coalition of jurisdictions, including Metro; the cities of Hillsboro, Cornelius, and Forest Grove; and Washington County is working toward the construction the Council Creek Regional Trail (CCRT) linking Hillsboro, Cornelius, Forest Grove, and Banks. The trail would run along the south side of Council Creek just north of the TenBlock District. There is opportunity for several city streets to connect to the trail including N 14th Avenue.

The corridor within which the CCRT lies is currently owned by ODOT Rail and is subject to a permanent exclusive rail service easement owned by Portland and Western Railroad. As such, conditions do not currently exist for the trail to be constructed. However, since the adoption of the Council Creek Trail Master Plan in 2015 the coalition of jurisdictions has been working through various avenues to prepare the corridor for conversion into a passive multi-modal trail system, with a potential transit service of some nature, at some point in the future. Realization of the CCRT in the future will be accomplished through partnerships with ODOT Rail, PNWR, and the coalition. Until such time as the rail line easement is abandoned by PNWR, if ever, all crossings are treated as active rail crossings and are subject to ODOT Rail jurisdictional and design review.

North Davis Street

N Davis Street is planned to be extended as a collector from the eastern edge of the TenBlock District at N 19th Avenue to N 26th Avenue concurrent with

development of the adjacent property, which is located in the East Gateway District subarea. The new collector facility would replace the existing private street that serves as a driveway to the Fred Meyer site. The new roadway would provide two travel lanes, sidewalks and pathways, and landscaping.

Parking

The majority of the on-street parking within the TenBlock District is marked for each individual space. This style of striping for parking spaces is preferred as it helps delineate the parking area for drivers in the adjacent travel lane. It also helps to manage the use of the space by discouraging drivers parking too closely to other cars and large vehicles that are not appropriate for on-street parking.

With current parking demand in the TenBlock District, it is common for a driver to find a parking space on the same block face as the place they are going. As the District develops, the availability of on-street and off-street parking will decrease, and drivers will need to walk farther to reach their destination. As a general rule, a two-minute walk (approximately 400-feet) between a parking space and destination should be acceptable within an active urban area. Recommended improvements include adding designated ADA parking spaces to the on-street supply in the Town Center Core following applicable standards.

Pedestrian

New trails are needed in several locations throughout the TenBlock and East Gateway Districts to promote safety and connectivity for pedestrians. The Cornelius Elementary School site creates a barrier for east-west and north-south walking trips. Potential future redevelopment of the site provides an opportunity to facilitate continuous walking paths across the edges of the site at N Clark Street and at N 16th Avenue.

Town center couplet alleyway improvements between N 10th Avenue and N 14th Avenue will transform these corridors with pedestrian amenities and decorative features into safe and quiet walkways separated from the traffic of Baseline and N Adair Streets. Improvements may include special paving, lighting, and minor furnishings and landscaping.

Transit

Transit stops along Baseline and Adair Streets need several improvements. All transit stops should provide basic amenities such as a bench, bike parking, and trash receptacles. Bus shelters should be considered as bus ridership increases. The typical threshold for a bus shelter is ridership of 50 or more daily boardings.

Bike Parking

Public bike parking should be provided throughout the District to encourage cycling trips and reduce the demand for vehicle parking. Bike parking in the public right-of-way should provide these features:

- Convenient to the cyclist's destination; placed within 25 feet of building entrances
- Located in a high-traffic area; within view of destination and adjacent bikeways and streets
- Located in the furniture zone of the sidewalk to eliminate impacts to pedestrians using the sidewalk
- Spaced so cyclist can access the side of the bikes, and there is no handle bar confliction
- A standard U-shape bike rack with two spaces requires a minimum of 7-foot by 16-foot area
- Weather-protected, located under existing structures or installing free-standing structures when possible

Bike parking could be either in a few spread out locations (on every block) or in a centralized location with a large supply of parking spaces. Future development applications located within the Town Center would be required to look for opportunities to add bike racks along the public street frontage, in addition to on-site, to meet minimum bicycle parking standards.

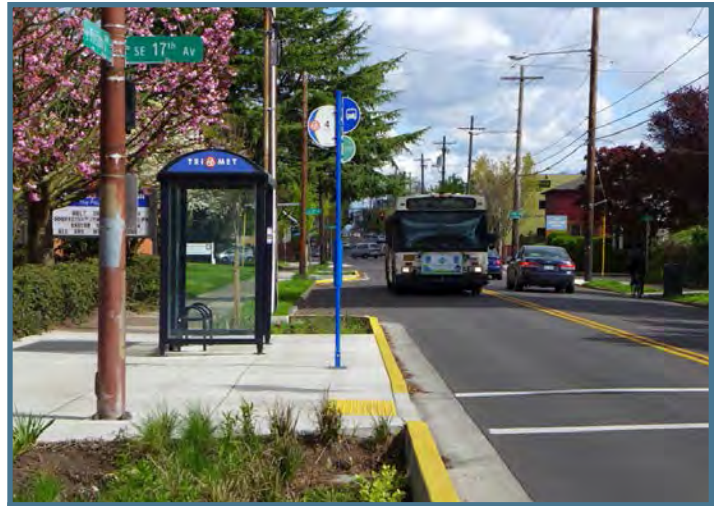


Table 1. Existing and Proposed Zoning

| SUBDISTRICT | EXISTING ZONING | PROPOSED ZONING |
|----------------------|--|---|
| TOWN CENTER CORE | MAIN STREET RETAIL COMMERCIAL (MSRC) MAIN STREET GENERAL EMPLOYMENT (MSG) MAIN STREET CIVIC (MSC) MAIN STREET DESIGN OVERLAY HIGHWAY COMMERCIAL (C-2) MULTI-FAMILY RESIDENTIAL (A-2) SINGLE-FAMILY RESIDENTIAL (R-7) | CENTRAL MIXED USE (CMU) RETAIN A-2 FOR PROPERTIES ON SOUTH SIDE OF ALPINE ST |
| CORE NEIGHBORHOOD | MULTI-FAMILY RESIDENTIAL (A-2) SINGLE-FAMILY RESIDENTIAL (R-7) MAIN STREET MIXED USE (MSM) ALONG 19 TH AND 10 TH STREETS | CORE RESIDENTIAL (CR) |
| TOWN CENTER CORRIDOR | MAIN STREET GENERAL EMPLOYMENT (MSG) | CORRIDOR COMMERCIAL (CC) |
| EAST GATEWAY | MAIN STREET MIXED USE (MSM) MAIN STREET GENERAL EMPLOYMENT (MSG) CORE COMMERCIAL EMPLOYMENT (CE) | GATEWAY MIXED USE (GMU) |

ZONING

Development in the TenBlock District will be implemented through rezoning of properties substantially along the lines of the district boundaries, with refinements for specific properties based on distinct development needs such as the Cornelius Elementary School campus. The proposed rezoning will greatly simplify the number of zones applied within the District to streamline future review and create greater certainty for development, as shown in Figure 13 and Table 1. In one case, a property split-zoned between four zones will be rezoned for a single zone. The proposed new zoning districts will be implemented through development and zoning code amendments, repealing and replacing the existing Main Street zones.

Some properties adjacent to the revised Town Center boundaries, but outside of the proposed districts, are also proposed for rezoning with this project because their existing zones will be deleted or modified with this project.

- Properties along the west side of N 10th Avenue are proposed to change from Main Street Mixed Use (MSM) and Main Street General Employment (MSG) to Multi-family Residential (A-2) and Highway Commercial (C-2), for continuity with the properties directly to the west
- Properties along the south side of OR Hwy 8 between S 20th and 22nd Avenues are proposed to change from Main Street General Employment (MSG) to Highway Commercial (C-2) for continuity with properties directly to the east

Central Mixed Use Zone

The Central Mixed Use zone will be based primarily on the existing Main Street Retail Commercial, Main Street Civic, and Main Street Design Overlay zones.

- Dimensions: Cap at 3-story (40-45 feet) height limit to encourage near-term development rather than land-banking until market conditions support more intense development. Minimum 16-foot height requirement for front facades to create a continuous street presence, to be met through various façade treatments if two-story construction is not desired. Zero-foot setbacks, with maximum 10-ft setbacks to encourage active street engagement and a continuous street presence
- Uses: Allow mix of retail, commercial, office, and civic uses based on existing zones. Allow ground-floor residential, in acknowledgment that vertical mixed-use is financially challenging and includes myriad building and fire code implications
- Design standards: Require a few, limited design elements for sites fronting N Adair and Baseline and cross-streets between N Adair and Baseline that contribute to a strong visual identity rather than extensive and expensive design standards:
 - Require arcade-style or other structural weather protection treatment for all development, to create strong, unifying visual identity
 - Require distinctive corner treatments to increase visual prominence of corner

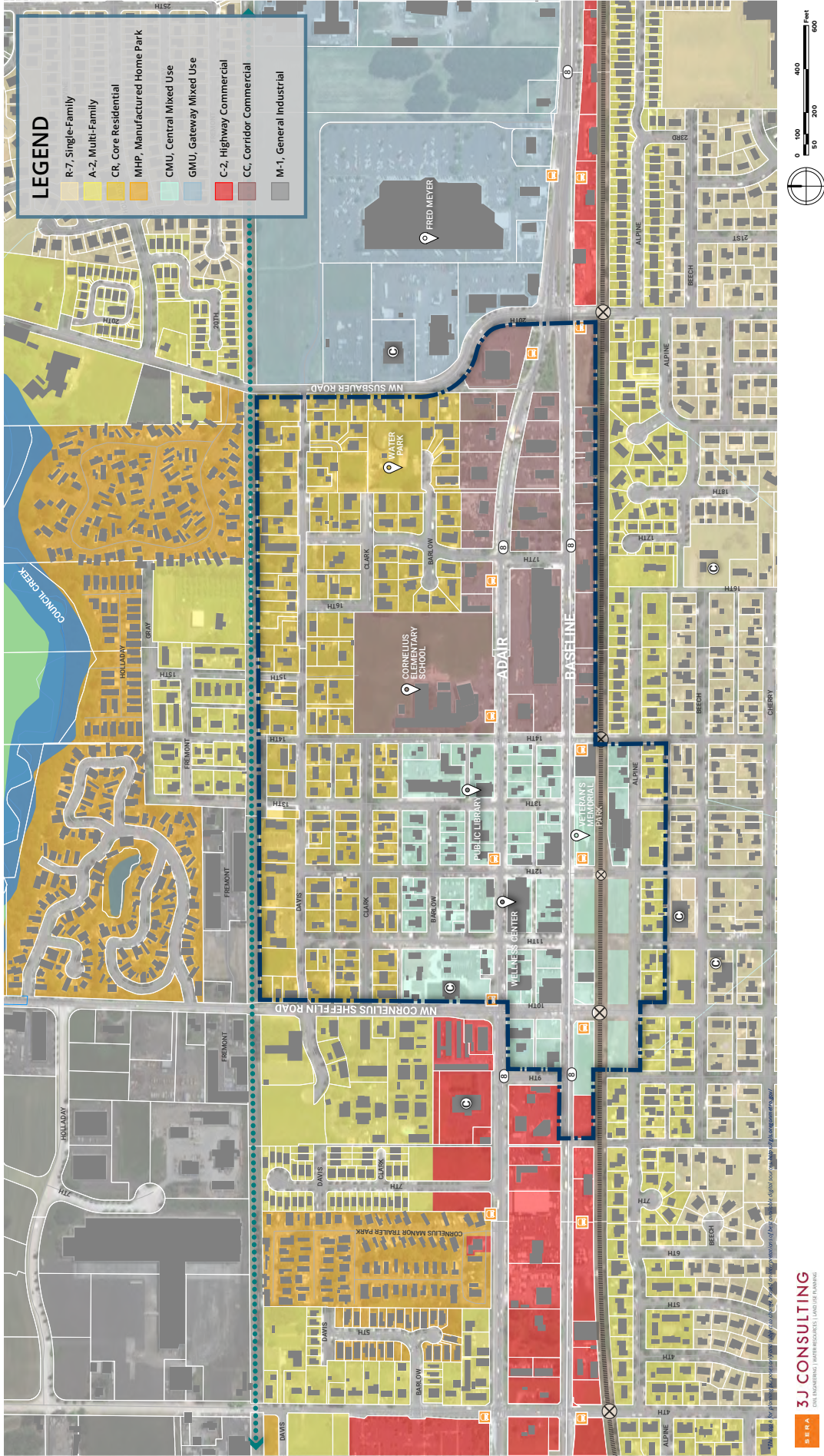


Figure 13. Proposed Town Center Zoning Map.

buildings. Design options to include chamfered corners, inset pedestrian plazas, main entrances, turrets, and materials wrapping around the corner such as structural awnings and windows

- In addition to a few mandatory elements for all buildings, require several elements from a menu of human-scale design choices to support quality design with opportunity for creating individual identity. Design choices may include: tripartite building design including base, middle and cornice features, ground-floor windows including window sills, mullions and transom windows, architectural bays and fenestration, and pronounced entryways incorporating recessed doors, planters, benches, lighting, and distinct materials
- Require a second alley-facing entrance and lighting for sites with alley frontage within the N Adair/Baseline couplet, but no alley façade design requirements
- Nonconforming development: Ensure that existing residential uses can continue, and allow for modest redevelopment of existing nonconforming sites without triggering strict compliance with dimensional and design standards for the district
- Add bike parking minimums that can be met through bike parking in the right-of-way or on site

Corridor Commercial Zone

The Corridor Commercial Zone will be based on the existing Main Street General Employment zone, and will be applied to important redevelopment sites including Grande Foods (Hank's) and Cornelius Elementary School.

- Dimensional standards will support a presence along the street through setbacks, including creating frontage for future redevelopment on the Grande Foods site for Adair and Baseline. Include design standards to address primary building entrances and connections to the street, and location of parking areas to the side or rear of sites
- Support active commercial uses such as retail and services, and limit uses with low employment generations, customer visits, and/or auto-orientation by prohibiting uses such as warehousing
- Limit auto-oriented development aspects, specifically prohibiting any new gas stations

and auto-related uses while permitting existing auto-related uses to continue as a permitted use outside of nonconforming use regulations. New drive-throughs will be prohibited to support a transition away from auto-oriented site design

- Schools to be a conditional use, allowing the redevelopment of Cornelius Elementary as an existing “grandfathered” use but requiring conditional use permit review for any other new schools
- Promote on-street parking and limit requirements for off-street parking by clarifying standard allowing on-street parking spaces to count towards parking minimums, and consider additional reductions to parking minimums. Add bike parking minimums that can be met through bike parking in the right-of-way or on site
- Improve connectivity with spacing standards that require a pedestrian and bicycle accessway or public street right-of-way, bisecting the Grande Foods “superblock” and Cornelius Elementary School site when major redevelopment occurs

Core Residential Zone

Prioritize existing and expanded residential uses in these close-in neighborhoods with access to downtown, while allowing a limited expansion of service commercial and professional office uses through an expansion of home occupation provisions. Avoid creating redevelopment pressures on the existing housing stock, which is relatively affordable, by allowing a gentle increase of density and dimensional standards rather than dramatic increases. This new residential zone will replace a mix of single-family and multifamily zoning, which have created a patchwork of single and multi-family developments that do not necessarily follow those zoning district boundaries. The expanded residential uses within the zone will better match the mix of uses currently present, and allow for gentle infill and densification that supports the nearby town center commercial development.

- Expand missing middle housing options: Allow single-family detached residential, single-family attached residential (townhouses), accessory dwelling units (ADUs), duplexes, common wall single-family dwellings, and multifamily residential as permitted uses. Allow up to two ADUs per home, one internal and one detached, subject to site design standards
- Practical density increase: Allow up to one unit per 2,000 SF of site area for all attached dwelling types and up to one unit per 4,000 SF of site

area for detached dwelling types, subject to reasonable unit setback standards, to increase the number of units that can be built and support infill development. Retain A-2 zone minimum density standards of 8 units per net acre for single-family development and 11 units per net acre for multifamily and all other “missing middle” types

- Practical increases to dimensional standards: Retain the 35-foot height limit, modestly increase maximum lot coverage by 10%, and develop standard 5-10 ft setbacks for most uses. Reduce minimum lot widths to allow infill-scale development, based on existing lot patterns
- Flexible parking requirements: Require one parking space per unit for most dwelling types, similar to existing standards, with multi-family development subject to parking requirements based on bedrooms – one parking space for 1-2 bedroom units and 1.5 spaces for units with 3 or more bedrooms. Added flexibility to provide the space off-street or through adjacent on-street parking if available. Waive off-street parking requirements for ADUs to allow more flexibility to creatively use existing structures and lots
- Expand home occupation options: Permit expansion of commercial service and professional office uses (including legal, medical, financial, etc.) outside of the Town Center Core, but avoid competing with Town Center Core for strictly commercial, retail, and office developments. Model standards on existing Type B home occupation standards, with modifications to allow home occupations as a permitted use, not restricted to family members, and with no daily customer limits. Structural and site modifications subject to administrative review

Gateway Mixed Use Zone

Existing zoning will be replaced by new Gateway Mixed Use zone that will accommodate existing Fred Meyer and commercial uses, as well as a mix of employment, retail, and high-density residential uses on the undeveloped portion of the property. Code will allow options for horizontal and vertical mixed use, with provisions for site design, pedestrian circulation, and architectural design. Final configuration and zoning code changes will be developed outside of the Town Center Plan as part of the future site planning process, and adopted concurrently with the TenBlock District Development & Zoning Code changes in mid to late 2019.

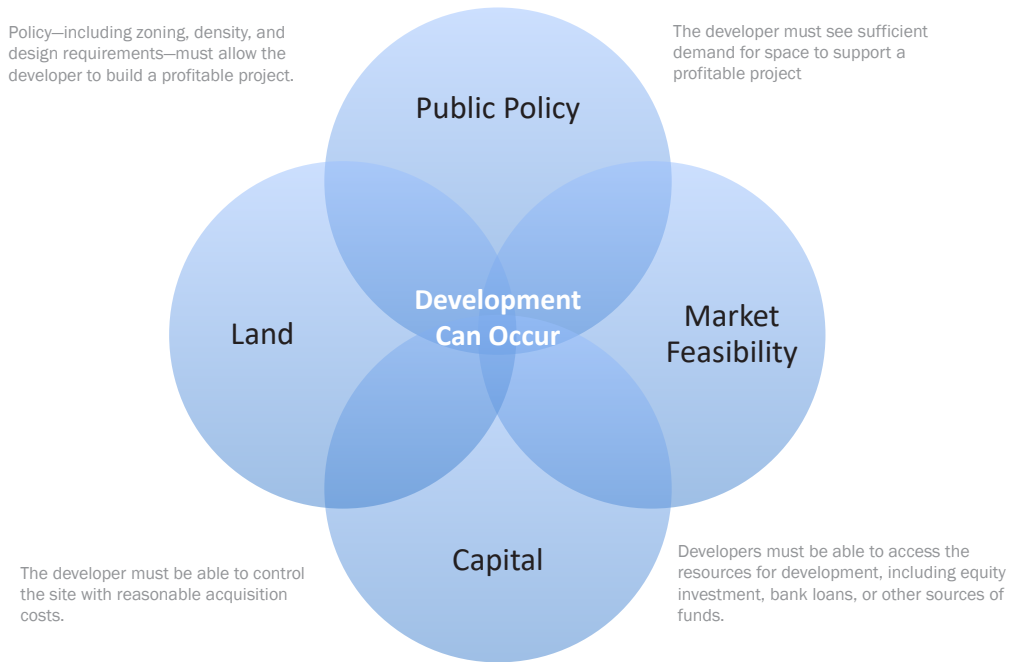


Figure 14. Four Factors that Drive Development Feasibility.

FUNDING AND PHASING

This section provides an overview of the economics of development, potential funding tools, and incentives the City can use to fund TenBlock District improvements. The section ends with strategic considerations for achieving development goals in the four TenBlock Subdistricts. Additional detail on potential funding tools for the TenBlock District and a criteria framework to evaluate funding options can be found in Appendix C.

The Economics of Development

Given the challenging environment for new development in Cornelius, and the various needs of each type of development, different strategies will be needed to successfully incentivize new commercial and residential development in the town center. As with other goods and services, real estate products (homes, commercial buildings, retail stores, etc.) react to changes in supply and demand, for example, when demand (net new households) increases faster than supply (units available). Over time, the only way to stabilize housing price is to balance the supply of housing with demand for it.

Figure 14 illustrates the principal factors that intersect to determine development feasibility: public policy (development standards, allowable density, required use mix), market feasibility (achievable pricing relative to production cost), capital (financing cost and availability), and land (cost and availability).

| Funding & Incentives | Regulations | Planning |
|---------------------------------|---------------------------------------|------------------------------|
| Loans | Zoning | Land supply |
| Grants | Parking + infrastructure requirements | Placemaking/Amenities |
| Property taxes / Tax abatements | Permit & impact fees | Infrastructure |
| Land write downs | Permitting timeline | Transit/parking availability |
| | Requirements for contracting | |

Figure 15. Development Policy Levers.

The public sector influences each of these four factors, but its natural role—and where it can have the most influence—is the public policy realm. Policies and regulations that have clear rationale, are not overly prescriptive, and leverage other resources (public and private) are necessary to foster an environment where new development can occur.

The public sector’s tools for influencing development can be organized into three categories of actions, as shown in Figure 15: funding and incentives, regulations, and planning.

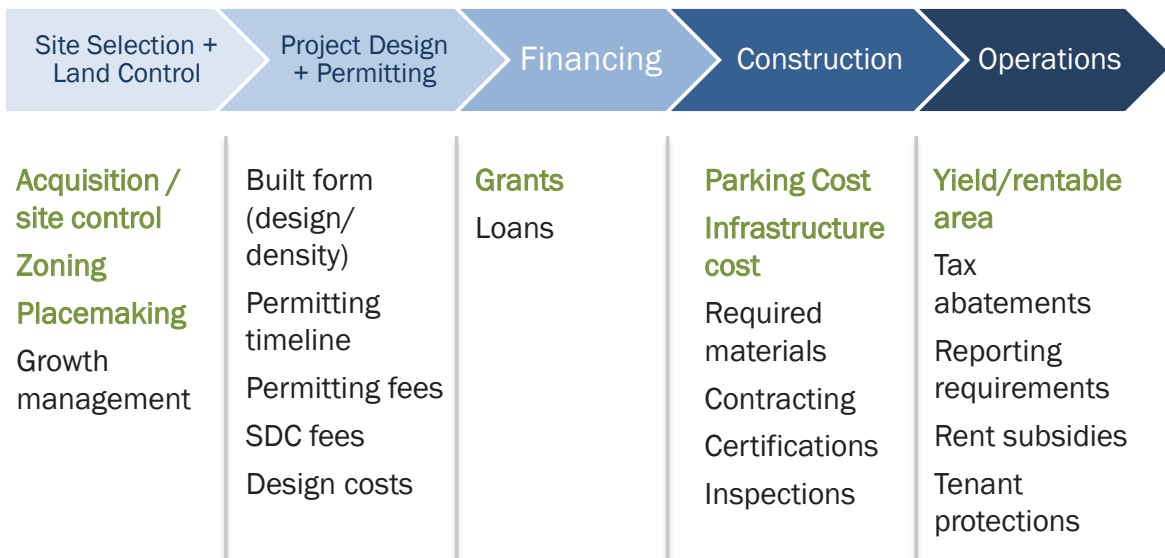


Figure 16. Potential Policy Levers by Property Development Phase.

One useful way of organizing these actions is to see how they can influence development feasibility at various parts of the development process. Cities can provide incentives to developers at the beginning of the process, such as providing lower cost land or flexible zoning. During construction, cities can provide direct assistance in providing funding for parking or infrastructure, or indirect assistance by relaxing regulations related to provision of these facilities. Figure 16 shows a high-level outline of the typical process that developers go through in developing a project, from looking at potential development sites all the way through building operations. The actions shown in green have the greatest impact on the development pro forma, and are thus likely to serve as the most useful incentives for developers.

Given the market economics present today in Cornelius, the City will need to identify a range of policies, actions, and incentives to foster new development in the TenBlock District. Each individual action or fund may not be sufficient in itself to tip the scales for a new development project. But multiple funds, programs and policies, together with organized actions and a collaborative regulatory approach can create an economic environment that is necessary to attract new development.

Target Project Categories and Development Toolkit

The revitalization of the Cornelius TenBlock District will require coordination of investments between the public sector and the private sector. The public sector’s role is to set the vision for the area, develop policies and regulations that support new development, and invest in infrastructure. To attract the first wave of new private sector development projects, the City will likely need to offer financial support.

Public sector support—financial, programmatic, or otherwise—can come from multiple levels of government (federal, state, and local governments). Federal and state funding sources such as infrastructure grants are desirable because they have a limited effect on local government budgets. However, funding allocations from the state and federal government are difficult to predict. While local stakeholders can lobby their representatives in the federal and state government for increased funding, local governments have no direct authority over allocations, which mean state and federal sources that are not specifically authorized are always somewhat speculative. Federal programs that exist today may not exist in a few years, and allocation formulas may change.

Table 2. Potential Public Sector Toolkit.

| LOCAL FUNDING TOOLS | STATE, NATIONAL, OR PRIVATE FUNDING TOOLS | TAX ABATEMENTS AND CREDITS | LOCALLY CONTROLLED PROGRAMS AND INCENTIVES |
|---|---|---|---|
| URBAN RENEWAL ECONOMIC IMPROVEMENT DISTRICT GENERAL OBLIGATION BONDS CONSTRUCTION EXCISE TAX FEES OR OTHER DEDICATED REVENUE | STATE OF OREGON TRANSPORTATION LOANS AND GRANTS METRO TOD PROGRAM METRO MTIP COMMUNITY DEVELOPMENT BLOCK GRANTS SECTION 108 EPA BROWNFIELD GRANTS EB-5 | ENTERPRISE ZONE VERTICAL HOUSING PROGRAM HISTORIC PRESERVATION TAX CREDIT MULTIPLE UNIT LIMITED TAX EXEMPTION AFFORDABLE HOUSING PROPERTY TAX ABATEMENT OREGON AFFORDABLE HOUSING TAX CREDIT LOW INCOME HOUSING TAX CREDIT | LAND ASSEMBLY AND PROPERTY PRICE BUY DOWN EXPEDITED OR FAST-TRACKED BUILDING PERMIT PROGRAMS SYSTEM DEVELOPMENT CHARGE FINANCING OR CREDITS REDUCED OR WAIVED PERMIT FEES PREDEVELOPMENT ASSISTANCE TENANT IMPROVEMENT GRANTS/LOANS REDUCED PARKING REQUIREMENTS INCENTIVES FOR SPACE-EFFICIENT HOUSING |

Target Project Categories

Through the Town Center and Urban Renewal planning process, the City has identified a diverse set of infrastructure and public-private partnership projects that will help to spur development in downtown Cornelius. Based on the current development mix and identified barriers to development in the TenBlock District, the following set of project categories will be employed:

- 1. Public-Private Partnerships.** Public-private partnerships that improve private development feasibility and target investments that spur economic development. Preliminary projects include property acquisition, a façade improvement program, demolition of blighted buildings, and brownfield remediation.
- 2. Housing Development Tools.** Funding tools and incentives that encourage the development of a range of housing types in the TenBlock District, including both market rate and affordable housing. Preliminary projects include construction incentives and SDC waivers.
- 3. Transportation and Infrastructure Enhancements.** Transportation enhancements can include a variety of investments including streetscape enhancements and intersection improvements. This category also includes utility upgrades to support site redevelopment. Preliminary

projects ideas include sidewalk improvements, connectivity projects, road improvements, and lighting improvements.

- 4. Open Space Projects and Downtown Amenities.** Improving the appearance of a downtown area can attract new visitors and those interested in development. Potential projects include a public art program, decorative informational signs, a new splash pad and plaza, gateway projects, and street furniture (bike racks, benches, etc.).

Cornelius Town Center Development Toolkit

The project categories outlined in the previous section were used to narrow the range of potential incentive and funding tools to the list summarized in Table 2. The tools that represent the best opportunities to support development are highlighted. These tools serve as public sector investments to improve the environment for development in the District, and those which incentivize the private sector to engage in development.

STRATEGIC DEVELOPMENT RECOMMENDATIONS

The following is a general summary of various programs and tools the City of Cornelius is considering to achieve the vision for the District. These strategic recommendations are tailored to the specific needs of each Subdistrict.

Town Center Core

Leverage existing momentum. There have been several recent private developments in this subdistrict, including the Virginia Garcia Memorial Health Center, Cornelius Place, and renovation of the St. Alexander Catholic Church. Public investments should focus on supporting these activity centers and upcoming projects. The City should look for “low-hanging fruit” and other small, near-term investments to keep the development momentum moving forward.

Strengthen relationships with community partners. The Town Center Core is home to some of the City’s largest and most active community partners. Virginia Garcia and Centro Cultural, among others, are based in this subdistrict. These organizations are leaders within the community. Their input and partnership will be crucial for achieving the future vision of this subdistrict. The City should formalize partnerships with these organizations through ongoing engagement and support for the recently formed Downtown Advisory Group.

Focus economic development efforts on small businesses and start-ups. Like many cities of similar size, Cornelius has many small businesses. Economic growth is more likely to emerge from these existing businesses in the near-term than from new businesses moving into the community. Economic development efforts should focus on supporting these emerging businesses and entrepreneurs through grants, supportive programs, and assistance with finding spaces for them to locate and grow.

Core Neighborhood

Create a package of tools to encourage a range of housing types. The Core Neighborhood is the location for Cornelius to capture more “missing middle” housing—that is, attached, multifamily, or small-lot single family homes that allow for more units than a typical single-family residential area. Development tools and incentives focused on these housing types (see Appendix C for more detail) should be packaged in a clear guide for developers and property owners. Because some of these housing types may not be feasible in the near-term, the City should consider financial incentives, fee waivers, or land-banking to jump start development.

Town Center Corridor

Deploy a phasing strategy with the end in mind but focus on achievable success in the near term. The Town Center Corridor, along with the Town Center Core, features many key redevelopment sites. These include the Western States Fire Apparatus Building and the Grande Foods Site. Redeveloping some of these sites—especially the Grande Foods site—would be capital intensive and, in the near-term, would require a substantial portion of an Urban Renewal Area’s resources. Instead of focusing on large scale redevelopment in the near-term, the City should focus efforts on small and medium sized investments to incrementally transform this subdistrict. The Grande Foods building presents an opportunity to support seven-day-a-week businesses and as a potential incubator for emerging businesses. Smaller successes will create more activity (and tax increment) that can be leveraged by larger investments further down the road.

Focus near-term investments on walkability. This recommendation also applies to the Town Center Core subdistrict. Because Highway 8 is so heavily trafficked, the City should look to identify accessible, safe, and frequently used pedestrian crossings and other walkability focused investments. Safe and accessible pedestrian routes are key elements of a thriving downtown area.

East Gateway District

Engage with the Fred Meyer Site property owner to create a long-term strategy for the site’s redevelopment. This large L-shaped site is controlled by a single property owner/developer who has already completed some planning work on the property. In its Urban Renewal Feasibility Study, the City provided some cost estimates for infrastructure to support its redevelopment. The infrastructure estimates total more than \$1.1M. The City should be prepared to negotiate with the property owner to co-invest in these projects when the site owner is ready to advance with development on the site. But given other Urban Renewal priorities and uncertainty around the developer’s site development schedule, the City should resist proactive investment in the near-term. Instead, the City should work with the property owner to develop a shared vision and long-term development strategy for the site.

APPENDIX A. METRO EXISTING POLICY AND DIRECTION ON CENTERS AND CORRIDORS

The 2040 Growth Concept calls for accommodation of most population and employment growth in Centers and Corridors. The 2040 Growth Concept Map shows the approximate locations of a Central City, seven Regional Centers and 30 Town Centers. The Map also shows Corridors along 400 miles of the region's arterials. Following a functional plan requirement (Title 1), cities and counties have designated the Centers and Corridors in their jurisdictions, deriving specific boundaries from the general locations depicted on the Growth Concept Map.

Some cities have told Metro, as part of their aspirations for the future, they would like to make changes to Centers in their jurisdictions to:

- Change the boundaries of a Center
- Move a Center from one location to another
- Change the Center category (from Town Center to Regional Center, e.g.) or
- Eliminate a Center

There are several sources of policy and guidance that help evaluate the proposed changes to Centers, each set forth verbatim in the following pages:

- The Summary of the 2040 Growth Concept in the Regional Framework Plan
- Policies of the Regional Framework Plan
- Requirements and Recommendations in the Urban Growth Management Functional Plan
- Requirements in the Regional Transportation Functional Plan

1. The Summary of the 2040 Growth Concept in the Regional Framework Plan

“Centers

Mixed-use urban centers inside the UGB are one key to the Growth Concept. Creating higher density centers of employment and housing and transit service with compact development, retail, cultural and recreational activities in a walkable environment is intended to provide efficient access to goods and services, enhance multi-modal transportation and create vital, attractive neighborhoods and communities. The Growth Concept uses interrelated types of centers:

- The central city is the largest market area, the region's employment and cultural hub and accessible to millions of people.
- Regional centers serve large market areas outside the central city, connected to it by high-capacity transit and highways and are accessible by hundreds of thousands of people.
- Connected to each regional center, by road and transit, are smaller town centers with local shopping and employment opportunities within a local market area and accessible to tens of thousands of people.

Planning for all of these centers will seek a balance between jobs, housing and unique blends of urban amenities so that more transportation trips are likely to remain local and become more multi-modal.

Creating higher density centers of employment and housing provides many advantages to communities. These centers provide citizens with access to a variety of goods and services in a relatively small geographic area, creating an intense business climate. Having centers also makes sense from a transportation perspective, since most centers have an accessibility level that is conducive to transit, bicycling and walking. Centers also act as social gathering places and community centers, where people would find the cultural and recreational activities and “small-town atmosphere” they cherish.

The major benefits of centers in the marketplace are accessibility and the ability to concentrate goods and services in a relatively small area. The problem in developing centers, however, is that most of the existing centers are already developed and any increase in the density must be made through redeveloping existing land and buildings. Emphasizing redevelopment in centers over development of new areas of undeveloped land is a key strategy in the Growth Concept.

“The Central City

Downtown Portland serves as the major regional center and functions well as an employment and cultural hub for the metropolitan area. It provides accessibility to the many businesses that require access to a large market area and also serves as the location for cultural and social functions that draw the region together. It is the center for local, regional, state and federal governments, financial institutions, commerce, the center for arts and culture, and for visitors to the region. In addition, downtown Portland has a high percentage of travel other than by car - three times higher than the next most successful area. Jobs and housing are readily available there, without the need for a car. Maintaining and improving upon the strengths of the regional downtown shall remain a high priority.

Improvements to the transit system network, development of a multi-modal street system and maintenance of regional through routes (the highway system) would provide additional mobility to and from the city center.

“Regional Centers

There are seven regional centers, serving four market areas (outside of the central city market area). Hillsboro serves the western portion of the region and Gresham the eastern. Gateway serves most of the Portland area outside the central city as a regional center. Downtown Beaverton and Washington Square serve the east Washington County area, and downtown Oregon City, Clackamas Town Center together serve Clackamas County and portions of outer southeast Portland.

These regional centers are the focus of compact development, redevelopment and high-quality transit service, multi-modal street networks and act as major nodes along regional through-routes.

Transit improvements will include light-rail connecting all regional centers to the central city. A dense network of multi-modal arterial and collector streets tie regional centers to surrounding neighborhoods and other centers. Regional through-routes are designed to connect regional centers and ensure that these centers are attractive places to conduct business. The relatively small number of centers reflects not only the limited market for new development at this density but also the limited transportation funding for the high-quality transit and roadway improvements envisioned in these areas.

“Town Centers

Smaller than regional centers and serving populations of tens of thousands of people, town centers are the third type of center with compact development and transit service.

Town centers provide local shopping, employment and cultural and recreational opportunities within a local market area. They are designed to provide local retail and services, at a minimum and vary greatly in character. Some will become traditional town centers, such as Lake Oswego, and Forest Grove, while others will change from an auto-oriented development into a more complete community, such as Hillsdale. Many also have regional specialties, such as office centers envisioned for the Cedar Mill town center. Several new town centers are designated, such as in Happy Valley and Damascus, to accommodate the retail and service needs of a growing population while reducing auto travel.

“Main Streets and Neighborhood Centers

During the early decades of this century, main streets served by transit and characterized by a strong business and civic community were a major land-use pattern throughout the region. Examples remain in Hillsboro, Milwaukie, Oregon City and Gresham as well as the Westmoreland neighborhood and Hawthorne Boulevard. Today, these areas are undergoing a revival and provide an efficient and effective land-use and transportation alternative.

Main streets typically serve neighborhoods and may develop a regional specialization - such as antiques, fine dining, entertainment or specialty clothing - that draws people from other parts of the region.

“Station Communities

Station communities are nodes of development centered around a light-rail or high-capacity transit station that feature a high-quality pedestrian environment. They provide for the highest density outside centers. Station communities encompass an area approximately one-half mile from a station stop.”

2. Policies of the Regional Framework Plan

“1.1 Urban Form

It is the policy of the Metro Council to:
Balance the region’s growth by:

- a. Maintaining a compact urban form, with easy access to nature.
- b. Preserving existing stable and distinct neighborhoods by focusing commercial and residential growth in mixed-use centers and corridors at a pedestrian scale.
- c. Ensuring affordability and maintaining a variety of housing choices with good access to jobs and assuring that market-based preferences are not eliminated by regulation.
- d. Targeting public investments to reinforce a compact urban form.”

“1.3 Housing Choice

It is the policy of the Metro Council to:

- 1.3.1 Provide housing choices in the region, including single-family, multi-family, ownership and rental housing, and housing offered by the private, public and nonprofit sectors.

- 1.3.2 As part of the effort to provide housing choices, encourage local governments to ensure that their land use regulations:
- a. Allow a diverse range of housing types;
 - b. Make housing choices available to households of all income levels; and
 - c. Allow affordable housing, particularly in Centers and Corridors and other areas well-served with public services.”

“1.10 Urban Design

It is the policy of the Metro Council to:

1.10.1 Support the identity and functioning of communities in the region through:

- a. Recognizing and protecting critical open space features in the region;
- b. Developing public policies that encourage diversity and excellence in the design and development of settlement patterns, landscapes and structures;
- c. Ensuring that incentives and regulations guiding the development and redevelopment of the urban area promote a settlement pattern that:
 - (i) Links any public incentives to a commensurate public benefit received or expected and evidence of private need;
 - (ii) Is pedestrian ‘friendly’, encourages transit use and reduces auto dependence;
 - (iii) Provides access to neighborhood and community parks, trails and walkways, and other recreation and cultural areas and public facilities;
 - (iv) Reinforces nodal, mixed-use, neighborhood-oriented design;
 - (v) Includes concentrated, high-density mixed-use urban centers developed in relation to the region’s transit system;
 - (vi) Is responsive to needs for privacy, community, sense of place and personal safety in an urban setting;
 - (vii) Facilitates the development and preservation of affordable mixed-income neighborhoods;
 - (viii) Avoids and minimizes conflicts between urbanization and the protection of regionally significant fish and wildlife habitat.”

“1.15 Centers

It is the policy of the Metro Council to:

- 1.15.1 Recognize that the success of the 2040 Growth Concept depends upon the maintenance and enhancement of the Central City, Regional and Town Centers, Station Communities and Main Streets as the principal centers of urban life in the region. Each Center has its own character and is at a different stage of development. Hence, each needs its own strategy for success.
- 1.15.2 Develop a regional strategy for enhancement of Centers, Station Communities and Main Streets in the region:
- a. Recognizing the critical connection between transportation and these design types, and integrate policy direction from the Regional Transportation Plan.

- b. Placing a high priority on investments in Centers by Metro and efforts by Metro to secure complementary investments by others.
 - c. Including measures to encourage the siting of government offices and appropriate facilities in Centers and Station Communities.
- 1.15.3 Work with local governments, community leaders and state and federal agencies to develop an investment program that recognizes the stage of each Center’s development, the readiness of each Center’s leadership, and opportunities to combine resources to enhance results. To assist, Metro will maintain a database of investment and incentive tools and opportunities that may be appropriate for individual Centers.”
- 1.15.4 Assist local governments and seek assistance from the state in the development and implementation of strategies for each of the Centers on the 2040 Growth Concept Map. The strategy for each Center will be tailored to the needs of the Center and include an appropriate mix of investments, incentives, removal of barriers and guidelines aimed to encourage the kinds of development that will add vitality to Centers and improve their functions as the hearts of their communities.
- 1.15.5 Determine whether strategies for Centers are succeeding. Metro will measure the success of Centers and report results to the region and the state. Metro will work with its partners to revise strategies over time to improve their results.”
- “2.14.1 Plan for a regional motor vehicle system of arterials and collectors that connect the central city, regional centers, industrial areas and intermodal facilities, and other regional destinations, and provide mobility within and through the region.”
- “2.27.1 Use transportation system management techniques to optimize performance of the region’s transportation systems. Mobility will be emphasized on corridor segments between 2040 Growth Concept primary land-use components. Access and livability will be emphasized within such designations. Selection of appropriate transportation system techniques will be according to the functional classification of corridor segments.”
- “2.29.1 Manage and optimize the efficient use of public and commercial parking in the central city, regional centers, town centers, main streets and employment centers to support the 2040 Growth Concept and related RTP policies and objectives.”

3. Requirements and Recommendations in the Urban Growth Management Functional Plan

Title 1 (Requirements for Housing and Employment Accommodation):

“3.07.170 Design Type Density Recommendations

- A. For the area of each of the 2040 Growth Concept design types, the following average densities for housing and employment are recommended to cities and counties:
 - Central City - 250 persons per acre
 - Regional Centers - 60 persons per acre
 - Station Communities - 45 persons per acre
 - Town Centers - 40 persons per acre
 - Main Streets - 39 persons per acre

Corridor - 25 persons per acre
Employment Areas - 20 persons per acre
Industrial Areas - 9 employees per acre
Regionally Significant Industrial Area – 9 employees per acre
Inner Neighborhoods - 14 persons per acre
Outer Neighborhoods - 13 persons per acre.”

Title 6 (Central City, Regional Centers, Town Centers and Station Communities):

“3.07.610 Purpose and Intent

The success of the 2040 Growth Concept depends upon the maintenance and enhancement of the Central City, Regional and Town Centers and Station Communities as the principal centers of urban life in the region. Title 6 intends to enhance Centers by encouraging development in these Centers that will improve the critical roles they play in the region and by discouraging development outside Centers that will detract from those roles. As used in this title, the term "Centers" includes the Central City, Regional and Town Centers and Station Communities.

3.07.620 Local Strategy to Improve Centers

- A. Each city and county with a Center shown on the 2040 Growth Concept map shall, on a schedule established jointly with Metro but not later than December 31, 2007, develop a strategy to enhance Centers within its jurisdiction. The strategy shall include at least the following elements:
1. An analysis of physical and regulatory barriers to development and a program of actions to eliminate or reduce them.
 2. An accelerated review process for preferred types of development.
 3. An analysis of incentives to encourage development and a program to adopt incentives that are available and appropriate for each Center.
 4. A schedule for implementation of Title 4 of the Urban Growth Management Functional Plan.
 5. An analysis of the need to identify one or more Neighborhood Centers within or in close proximity to Inner and Outer Neighborhoods to serve as a convenient location of neighborhood commercial services, as authorized by Title 12, Section 3.07.1230 of the Urban Growth Management Functional Plan.
 6. A work plan, including a schedule, to carry out the strategy.

3.07.630 Special Transportation Areas

Any city or county that has adopted a strategy for a Center pursuant to Section 3.07.620 and measures to discourage commercial retail use along state highways outside Center and Neighborhood Centers shall be eligible for designation of a Center by the Oregon Transportation Commission as a Special Transportation Area under Policy 1B of the 1999 Oregon Highway Plan.

3.07.640 Government Offices

- A. Cities and counties shall encourage the siting of government offices in Centers by taking action pursuant to Section 3.07.620 to eliminate or reduce unnecessary physical and regulatory barriers to development and expansion of such offices in Centers.

- B. Cities and counties shall discourage the siting of government offices outside Centers, Main Streets and Corridors by requiring a demonstration by the applicant government agency that sites within these designations cannot reasonably accommodate the proposed offices due to characteristics of the offices other than parking for employees.
- C. For purposes of this section, “government offices” means administrative offices and those offices open to and serving the general public, such as libraries, city halls and courts. The term “government offices” does not include other government facilities, such as fire stations, sewage treatment plants or equipment storage yards.”

4. Requirements in the Regional Transportation Functional Plan

“6.4.5 Design Standards for Street Connectivity

* * *

- 2. In addition to preparing the above conceptual street plan map, cities and counties shall require new residential or mixed-use development involving construction of new street(s) to provide a site plan that reflects the following:
- C. Centers, main streets and station communities:

Where full street connections over water features identified in Title 3 of the UGMFP cannot be constructed in centers, main streets and station communities (including direct connections from adjacent neighborhoods), or spacing of full street crossings exceeds 1,200 feet, provide bicycle and pedestrian crossings at an average spacing of 530 feet, unless exceptional habitat quality or length of crossing prevents a connection.”

“6.4.6 Alternative Mode Analysis

- 1. Each jurisdiction shall establish an alternative mode share target (defined as non-single occupancy vehicle person-trips as a percentage of all person-trips for all modes of transportation) in local TSPs for trips into, out of and within all 2040 Growth Concept land-use design types within its boundaries. The alternative mode share target shall be no less than the regional modal targets for these 2040 Growth Concept land-use design types to be established in Table 1.3 [includes Centers] in Chapter 1 of this plan.”

“6.4.7 Motor Vehicle Congestion Analysis

Policy 13.0 and Table 1.2 of this plan establish motor vehicle level-of-service policy for regional facilities. These standards shall be incorporated into local comprehensive plans and implementing ordinances to replace current methods of determining motor vehicle congestion on regional facilities. Jurisdictions may adopt alternative standards that do not exceed the minimum LOS established in Table 1.2. However, the alternative standard must not:

Increase SOV travel to a measurable degree that affects local consistency with the modal targets contained in Table 1.3 [includes Centers].”

APPENDIX B. LAND USE AND TRANSPORTATION IMPROVEMENTS



Cornelius Urban Renewal Plan

Proposed Projects

Transportation

Reconstruct downtown couplet alleyways with pedestrian amenities and decorative features –

These treatments include but are not limited to stormwater-friendly surfacing, bulbouts at entrances, special paving, lighting, minor furnishings, minor landscaping (planter boxes), utility work (drainage), curb extensions with driveway aprons at street entries, miscellaneous building adjustments.



Core Neighborhood alleyway improvements –

Install concrete alleyway improvements to improve connectivity and reduce maintenance.

Alleyway connection road treatments (11th, 12th, 13th, 14th Streets) – Install colored or textured street crossings to reinforce connectivity.

Other downtown street crossing treatments – Install colored or textured street crossings to reinforce connectivity.

1st Avenue pathway connectivity – Pedestrian-friendly connection between Baseline and N Adair Street at 1st Avenue.

Close-in Neighborhood Frontage Improvements – Install sidewalk improvements including the planting of street trees.

Core Neighborhood pathways – Improve the core neighborhood pathway system, particularly around Cornelius Elementary.

Fred Meyer road frontage improvements – Install improvements to the Haney site which is defined as North 26th Avenue to Lot 3. Improvements include street and frontage improvements.

Access management plan with ODOT – Work with ODOT to prepare an access management plan to help facilitate development of properties and safe access along ODOT rights-of-way at the eastern end of town.

Downtown bike racks, garbage cans, and benches – Addition of bike racks, garbage cans, and benches that fit with the current streetscape.

Bus stops/amenities – Add and upgrade transit stop amenities as needed, to include sheltered stops with seating, landing pads, route information, bicycle parking and improved lighting.

North 29th Avenue Frontage Improvements – Supplement Community Development Block Grant (CDBG), Washington County Transit Development Tax (TDT), and other funding sources for frontage improvements including curb, gutter, sidewalk, street trees, street lights and utility undergrounding.

Neighborhood Trailheads – Provide neighborhood trailheads on Council Creek Regional Trail that include light landscaping, simple signage, light paving for access, fencing and bollards.

North Holladay Extension (4th Avenue to City Boundary) – Extend Holladay Street from 4th Avenue to the west city limits, construct as an Industrial Collector, with sidewalks and bike lanes. Alignment should connect with a future street extension from Yew Street. (Maximum urban renewal expenditure 50%).

Add bulbouts along 11th - 14th Avenues between Adair and Davis Streets – The extension of the sidewalk area into the parking lane provides a more convenient and comfortable pedestrian connection.

Developer Incentives

Town Center Core façade improvement grant program – Allows the Area to establish a Façade Improvement Program. Preliminary plans include the first \$5k as a grant, and then requiring 1:1 match up to \$30k city expenditure.



Further guidelines on how the Development Assistance program will be operated will be developed by the Agency once the Plan is adopted.

Cost share program for frontage improvements (sidewalks) for highway commercial development – A 50% of total cost (1:1 match) would be offered to developers in the following locations: S. side of Baseline, 4th to 10th and 26th to 345th; this offer would also include select couplet properties with 2+ frontages. Treatment includes curb, gutter, sidewalk, street trees, street lights, and utility undergrounding.

Downtown blighted building demos – This project would provide assistance in demolition of blighted buildings in the Area to prepare the sites for future development.



Design and development assistance – This project authorizes the Area to create a fund to provide development assistance. Further guidelines on how the Development Assistance program will be operated will be developed by the Agency once the Plan is adopted.

Targeted SDC waivers/reductions – This project allows the Area to waive or reduce System Development Charges (SDCs) on

specific properties of interest. Further guidelines on how the Development Assistance program will be operated will be developed by the Agency once the Plan is adopted.

Acquisition

An acquisition program will be established. Prior to any property being acquired, it must be identified in the Plan. The following properties are specified identified for future acquisition:

Western States Fire Apparatus building acquisition and redevelopment into indoor farmer's market – This project authorizes the purchase of the Western States Fire Apparatus building and also the costs incurred to bring it up to current seismic standards.



Railroad ROW property acquisition – This project authorizes the purchase of the Railroad ROW within the Area; assumes state grants for brownfield cleanup.

Community Investment Trust (CIT) property – Assumes turning empty Railroad property next to Veterans Memorial Park into a CIT project.

Purchase and demolition of house adjacent to Cornelius library, development and parking – \$300k for house, \$20k for demo, \$100k for paving, striping, and frontage costs.

Estby purchase and brownfield remediation – \$200k for purchase, \$60k for demolition; assumes state grants for cleanup.

Creating Community

New "Welcome to Cornelius" sign on west side; easement acquisition – The building of monument similar to monument on the east side of City.

Electrical Conduit and Service – Add electrical conduit and service to downtown.

Decorative Informational Signs – Design, construct, and install decorative informational signs.

Convert Downtown Streetlights – Convert downtown streetlights to LED and Option C (City owned & maintained).



Splash Park – 100' x 100' foot plaza with pavement, utilities, furnishings, lighting, landscaping, art, shelter, splash pad fountain and signage.

Town Center Gateway Features – Design construct and install five gateways (3 along highway couplet, 2 at north/south arterials). Gateway features may include but are not limited to signage, flag poles, landscaping, lighting, art piece, curb extensions and utility work.

Public Art Program – Develop a program to support and incentivize public art installations.

14th Avenue Greenway Treatments – Provide a multi-modal connection between the Town Center and the Council Creek regional trail to the north and the Tualatin River to the south (Alpine Street to Council Creek Trail). The greenway treatments include a local street rebuild with multi-use pathway, lighting, signage, parking bays on one side, landscape buffer on both sides to separate vehicle, sidewalk on one side, crosswalks, and curb extensions.

Add Shepherd's Crook Lights – Add shepherd's crook lights between Adair Street and Barlow, Street 11th -14th Avenues.

Connections and Equipment for Downtown Holiday Lighting – Authorizes the purchase of and installation of equipment for downtown holiday lighting.

Administration

Administration – Authorizes expenditures for the administrative costs associated with maintaining the urban renewal area.



Estimated Project Costs

COST IN 2019 \$

| | |
|---|---------------------|
| TRANSPORTATION | \$8,050,000 |
| RECONSTRUCT DOWNTOWN COUPLET ALLEYWAYS WITH PEDESTRIAN AMENITIES AND DECORATIVE FEATURES | \$300,000 |
| CORE NEIGHBORHOOD ALLEYWAY IMPROVEMENTS | \$1,300,000 |
| ALLEYWAY CONNECTION ROAD TREATMENTS (11TH, 12TH, 13TH, 14TH) | \$40,000 |
| OTHER DOWNTOWN STREET CROSSING TREATMENTS | \$360,000 |
| 1ST STREET PATHWAY CONNECTIVITY | \$100,000 |
| CLOSE-IN NEIGHBORHOOD FRONTAGE IMPROVEMENTS | \$1,550,000 |
| CORE NEIGHBORHOOD PATHWAYS | \$250,000 |
| FRED MEYER ROAD FRONTAGE IMPROVEMENTS | \$950,000 |
| ACCESS MANAGEMENT PLAN WITH ODOT | \$100,000 |
| DOWNTOWN BIKE RACKS, GARBAGE CANS, AND BENCHES | \$40,000 |
| BUS STOPS/AMENITIES | \$200,000 |
| N 29TH AVE FRONTAGE IMPROVEMENTS | \$400,000 |
| NEIGHBORHOOD TRAILHEADS | \$360,000 |
| N HOLLADAY EXTENSION (4TH TO CITY BOUNDARY) | \$1,000,000 |
| ADD BULBOUTS ALONG 11TH - 14TH BETWEEN ADAIR AND DAVIS | \$1,100,000 |
| DEVELOPER INCENTIVES | \$2,550,000 |
| TOWN CENTER CORE FAÇADE IMPROVEMENT GRANT PROGRAM | \$400,000 |
| COST SHARE PROGRAM FOR FRONTAGE IMPROVEMENTS (SIDEWALKS) FOR HIGHWAY COMMERCIAL DEVELOPMENT | \$1,250,000 |
| DOWNTOWN BLIGHTED BUILDING DEMOS | \$150,000 |
| DESIGN AND DEVELOPMENT ASSISTANCE | \$400,000 |
| TARGETED SDC WAIVERS/REDUCTIONS | \$350,000 |
| ACQUISITION | \$2,430,000 |
| WESTERN STATES FIRE APPARATUS ACQUISITION AND REDEVELOPMENT | \$1,000,000 |
| RAILROAD ROW | \$500,000 |
| COMMUNITY INVESTMENT TRUST | \$250,000 |
| PURCHASE AND DEMO HOUSE ADJACENT TO LIBRARY, DEVELOP PARKING | \$420,000 |
| ETSBY | \$260,000 |
| CREATING COMMUNITY | \$3,655,000 |
| WELCOME TO CORNELIUS SIGNS | \$60,000 |
| ELECTRICAL CONDUIT AND SERVICE | \$75,000 |
| INFORMATIONAL SIGNS | \$15,000 |
| DOWNTOWN STREETLIGHT CONVERSION | \$200,000 |
| SPLASH PAD AND PLAZA | \$1,000,000 |
| TOWN CENTER GATEWAY FEATURES | \$1,000,000 |
| PUBLIC ART | \$50,000 |
| 14TH AVENUE GREENWAY TREATMENTS | \$775,000 |
| SHEPHERD'S CROOK LIGHTS ADAIR TO BARLOW, 11TH TO 14TH | \$450,000 |
| DOWNTOWN HOLIDAY LIGHTING | \$30,000 |
| ADMINISTRATION AND FINANCE FEES | \$1,007,792 |
| TOTAL ESTIMATED PROJECT COST | \$17,692,792 |

APPENDIX C. FUNDING TOOLS

Local Funding Tools

Urban Renewal / Tax Increment Finance (TIF)

| | |
|----------------------------|--|
| <p>How It Works</p> | <p>Tax increment finance revenues are generated by the increase in total assessed value in an urban renewal district from the time the district is first established. As property values increase in the district, the increase in total property taxes (i.e., city, county, school portions) is used to pay off the bonds. When the bonds are paid off the entire valuation is returned to the general property tax rolls. Urban renewal funds can be invested in the form of low interest loans and/or grants for a variety of capital investments:</p> <ul style="list-style-type: none"> ● Redevelopment projects, such as mixed-use or infill housing developments. ● Economic development strategies, such as capital improvement loans for small or startup businesses which can be linked to family-wage jobs. ● Streetscape improvements, including new lighting, trees and sidewalks. ● Land assembly for public as well as private re-use. ● Transportation enhancements, including intersection improvements. ● Historic preservation projects. ● Parks and open spaces. |
| <p>Fund Sources</p> | <p>Local taxing jurisdictions' permanent rate property tax impacts.</p> |
| <p>Benefits</p> | <ul style="list-style-type: none"> ● Revenue generating: Over the long term (most districts are established for a period of 20 or more years), the district could produce significant revenues for capital projects. ● Revenue flexibility: TIF can be used to help pay for infrastructure improvements (including parking garages), and provide loans/grants for adaptive re-use and new development. Among the most flexible incentives. ● Political acceptability: Option exists to have a single project-based TIF district. |
| <p>Drawbacks</p> | <ul style="list-style-type: none"> ● Costly: Defers property tax accumulation by the city and county until the urban renewal district expires or pays off bonds. Investing over \$750,000 in TIF directly into a new or rehab private project triggers prevailing wage requirements, which can increase overall project costs by 10 – 20%. ● Time consuming: Due to the sometimes slow or indirect nature of property tax growth in relation to targeted projects, urban renewal can often take five or more years to produce meaningful levels of revenue resulting in loss of project alignment. ● Political challenges: <ul style="list-style-type: none"> □ Complex process requires extensive public involvement and community support, especially from other taxing jurisdictions. The City would need to explore options with county officials and elected leadership, tracking legislative changes in urban renewal law, and meeting with adjacent jurisdictions and overlapping taxing entities. □ Use of urban renewal can be politically contentious because of its impact on funds available to overlapping taxing districts, and because of the perception that the school districts are adversely impacted. |

Local Improvement District

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| <p>How It Works</p> | <p>A special assessment district where property owners are assessed a fee to pay for capital improvements, such as streetscape enhancements, underground utilities, or shared open space. For residential property, the estimated assessment cannot exceed the pre-improvement value of the property based on assessor records.</p> <p>An ordinance must be passed through a public hearing process which must be supported by a majority of affected property owners. Part of this process includes an estimation of the improvement costs and the portion of those costs in which property owners will be responsible to pay for. The public hearing process allows for LIDs to be challenged by property owners.</p> <p>The City collects the funds and regardless if the actual cost is greater than the estimated cost (on which the assessment was based), the City may make a deficit assessment for the additional cost, which would be prorated among all benefitted properties. Another public hearing would be held, in the event that an additional assessment were placed property owners (due to underestimation).</p> |
| <p>Fund Sources</p> | <p>LID bonds are backed by revenue committed by property owners (which can be public as well as private). Property owners can obtain low-interest financing through the City.</p> |
| <p>Benefits</p> | <ul style="list-style-type: none"> ● Political Feasibility: Organizes property owners around a common goal. ● Economic Feasibility: <ul style="list-style-type: none"> □ Allows property owners to make payments over time to bring about improvements quickly that benefit them individually. □ Improvements within smaller areas can enhance catalytic and redevelopment value of the area. □ LIDs can be bundled with other resources such as TIF. |
| <p>Drawbacks</p> | <ul style="list-style-type: none"> ● Equity Challenges: <ul style="list-style-type: none"> □ Setting up fair LID payments for various property owners, who are located different distances from the improvement, is challenging. □ Small geographic areas may not have sufficient LID revenues to support bonds for the desired improvement. ● Administrative Challenges: <ul style="list-style-type: none"> □ Some lenders insist that LIDs be paid off when properties are transferred. □ LIDs require significant coordination, attention to detail, and administrative time to manage. ● Limited Scope: <ul style="list-style-type: none"> □ LIDs only address the financing of improvements to existing infrastructure rather than construction of new infrastructure. |

Economic Improvement District (EID) / Business Improvement Area (BID)

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| How It Works | Within their commercial district, this tool allows property owners/ business owners to assess fees associated with commercial or business improvements that would otherwise not be funded by the municipality. An E.I.D. is a funding mechanism designed to enable a community to fulfill its commercial revitalization goals and plans; and is established as an assessment to property owners for use in promoting and improving the defined business district. A B.I.D. is a funding mechanism designed to enable a community to fulfill its commercial revitalization goals and plans; and is established as an assessment (surcharge on business licenses) to business owners for use in promoting and improving the defined business district. |
| Fund Sources | EID (property owners), BID (Business Owners) |
| Benefits | <ul style="list-style-type: none"> ● Economic Feasibility: <ul style="list-style-type: none"> □ Flexible source of funding that organizes property owners around a common goal. □ Allows property owners to make payments over time to bring about improvements quickly that benefit them individually. ● Political Feasibility: <ul style="list-style-type: none"> □ Improvements within smaller areas can enhance catalytic and redevelopment value of the area. □ Like LID's, can be bundled with other resources such as TIF. ● Administrative Ease: <ul style="list-style-type: none"> □ A BID can be renewed indefinitely, but an EID has a term limit of 5 years. |
| Drawbacks | <ul style="list-style-type: none"> ● Political Challenges: <ul style="list-style-type: none"> □ Can be disestablished with property or business owner petition. ● Economic Limitations: <ul style="list-style-type: none"> □ Does not fund capital improvements. |

General Fund and General Obligation (GO) Bonds

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| How It Works | City can use general fund monies on hand or can issue bonds backed by the full faith and credit of the city to pay for desired public improvements. |
| Fund Sources | Property taxes are increased to pay back the GO bonds. |
| Benefits | <ul style="list-style-type: none"> ● Economic and Political Feasibility: <ul style="list-style-type: none"> □ Community can implement public projects that can in turn catalyze other development (e.g. parking garage, transportation improvements...). |

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| Drawbacks | <ul style="list-style-type: none"> ● Administrative Challenges: <ul style="list-style-type: none"> □ Requires public vote. ● Economic Challenges: <ul style="list-style-type: none"> □ Takes time and money to run a campaign for public vote. □ Raises property owner taxes. □ Lending of Credit provision prohibits City from contributing to private sector projects. |
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Construction Excise Tax

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| How It Works | <p>CET is a tax assessed on construction permits issued by local cities and counties. The tax is assessed as a percent of the value of the improvements for which a permit is sought, unless the project is exempted from the tax. In 2016, the Oregon Legislature passed Senate Bill 1533 which permits cities to adopt a construction excise tax (CET) on the value of new construction projects to raise funds for affordable housing projects. CETs may be residential only, commercial only, or residential and commercial. If the City were to adopt a CET, the tax would be up to 1% of the permit value on residential construction and an uncapped rate on commercial and industrial construction. The allowed uses for CET funding are defined by the state statute. The City may retain 4% of funds to cover administrative costs. The funds remaining must be allocated as follows, if the City uses a residential CET:</p> <ul style="list-style-type: none"> ● 50% must be used for developer incentives (e.g. fee and SDC waivers, tax abatements, etc.) ● 35% may be used flexibly for affordable housing programs, as defined by the jurisdiction. ● 15% flows to Oregon Housing and Community Services for homeowner programs. <p>If the City implements a CET on commercial or industrial uses, 50% of the funds must be used for allowed developer incentives and the remaining 50% are unrestricted. The rate may exceed 1% if levied on commercial or industrial uses.</p> |
| Issuing Legislature | <p>ORS 320.170-320.195</p> <ul style="list-style-type: none"> ● 320.192: permits a city or county to levy the tax ● 320.195: describes how CET may be used |
| Fund Sources | <p>Funding is development derived.</p> <p>Revenue comes from new development that is subject to the CET at the time the building permit is issued. No additional new funding would be needed for program administration, as CET allows 4% of the revenues generated through CET to be retained to cover administrative costs.</p> |
| Benefits | <ul style="list-style-type: none"> ● Economic and Political Feasibility: <ul style="list-style-type: none"> □ Community can implement public projects that can in turn catalyze other development (e.g. affordable housing). |
| Drawbacks | <ul style="list-style-type: none"> ● Political Challenges: <ul style="list-style-type: none"> □ In tight markets, will be passed on in the form of higher housing costs. |

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| Other Cities with CET | <ul style="list-style-type: none"> Portland, Corvallis, Tillamook County, Cannon Beach, Hood River County, Hood River City, and Newport |
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Fees or Other Dedicated Revenue

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| How It Works | <p>Many cities have collected user fees for services that they direct into enterprise funds that provide dedicated revenue to fund specific projects. Examples of those types of funds can include parking revenue funds, stormwater/sewer fees, street fees, etc. The City could also use this program to raise private sector funds for a district parking garage wherein the City could facilitate a program allowing developers to pay fees-in-lieu or “parking credits” that developers would purchase from the City for access “entitlement” into the shared supply. The shared supply could both meet initial parking need when the development comes on-line but maintain the flexibility to adjust to parking need over time as elasticity in the demand patterns develop in the district and influences like alternative modes are accounted for.</p> |
| Fund Sources | <p>Funding is development derived.</p> <p>Revenue comes from new development that is subject to the CET at the time the building permit is issued. No additional new funding would be needed for program administration, as CET allows 4% of the revenues generated through CET to be retained to cover administrative costs.</p> |
| Benefits | <ul style="list-style-type: none"> Economic and Political Feasibility: <ul style="list-style-type: none"> Community can implement public projects that can in turn catalyze other development (e.g. affordable housing). |
| Drawbacks | <ul style="list-style-type: none"> Political Challenges: <ul style="list-style-type: none"> In tight markets, will be passed on in the form of higher housing costs. |

State, National, or Private Funding Tools

State of Oregon Transportation Loans and Grants

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| <p>How It Works</p> | <p>ODOT administers several grant programs that help to pay for pedestrian and bicycle improvements, including crosswalks, bike lane striping, and pedestrian crossing islands. Local governments must often match grant funding. These programs include:</p> <ul style="list-style-type: none"> • ConnectOregon. ConnectOregon focuses on improving connections and supporting local economies throughout the state. Dedicated to non-highway projects, ConnectOregon was first approved by the Oregon legislature in 2005 and has funded more than 130 marine/ports, aviation, public transit, and rail projects around the state. For ConnectOregon V, bicycle/pedestrian projects were also eligible to compete for funds. State program webpage: http://www.oregon.gov/ODOT/TD/TP/pages/connector.aspx • Statewide Transportation Enhancements Program. The Statewide Transportation Improvement Program, known as the STIP, is Oregon’s four-year transportation capital improvement program. It is the document that identifies the funding for, and scheduling of, transportation projects and programs. STIP will be divided into two broad categories: Fix-It and Enhance. State program webpage: http://www.oregon.gov/ODOT/TD/STIP/Pages/about.aspx • Oregon Transportation Infrastructure Bank. The Bank is a low-interest revolving loan fund that can help to pay for transportation capital projects. These low-interest loans can be repaid with TIF, general fund, or local improvement district revenues. They provide up front monies (planning, engineering) as well as implementation funds which means cities don’t need to wait for TIF build up. Need to make sure there will be a city repayment source. State program webpage: http://www.oregon.gov/ODOT/CS/FS/pages/otib.aspx |
| <p>Fund Sources</p> | <p>State and federal funds</p> |
| <p>Benefits</p> | <ul style="list-style-type: none"> • Direct public investment into private projects. • Does no impact City funds. |
| <p>Drawbacks</p> | <ul style="list-style-type: none"> • Highly competitive and must meet state-identified criteria (varies by program). • For loans, need to establish a City repayment source. |

Metro TOD Program

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| <p>How It Works</p> | <p>Metro’s TOD program provides grants for development project funding to stimulate construction of higher-density and mixed-use projects near transit. helps increase opportunities for people live, work and shop in neighborhoods with easy access to high-quality transit. The core program activity is supporting construction of projects that provide enhanced density or affordability compared to what would otherwise be built on a property.</p> |
| <p>Fund Sources</p> | <p>Metro</p> |
| <p>Benefits</p> | <ul style="list-style-type: none"> • Economic Feasibility and Flexibility: <ul style="list-style-type: none"> □ Funds are fairly flexible in their use. □ Direct public investment into private projects that does not impact City funds. |

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| Drawbacks | <ul style="list-style-type: none"> ● Administrative Challenges: <ul style="list-style-type: none"> □ Competitive process with numerous requirements □ Must be located within close proximity to transit. □ Must generate additional transit trips as a result of more intensive use of site. □ Must reduce regional VMT. |
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Metro Transportation Loans and Grants

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| How It Works | Some transportation funding is available through federal transportation funds, which flow through Metro. Metro receives approximately \$20 million every two years, and the funding cycles are every two years. Approximately 75% of the funding is allocated to active transportation: pedestrian and bicycle improvements and 25% for freight efficiency mobility. Funding is for the Clackamas, Washington and Multnomah counties. |
| Fund Sources | Metro |
| Benefits | <ul style="list-style-type: none"> ● Economic Feasibility: <ul style="list-style-type: none"> □ Direct public investment into private projects. □ Does not impact City funds. |
| Drawbacks | <ul style="list-style-type: none"> ● Funding Challenges: <ul style="list-style-type: none"> □ The funding is competitive. A large match overmatch of local dollars may improve chances for funding, especially if all of the other tools are in place. |

Community Development Block Grants (CDBG)

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| How It Works | The Community Development Block Grants program is a flexible program that provides annual grants on a formula basis to both local governments and States. Grants are awarded on a 1, 2, or 3-year period. It is required that at least 70% of the CDGB funds are used for activities that benefit low- and moderate- income. Additionally, each activity must address any threats to health or welfare in the community (for which other funding is unavailable). These funds can be used for acquisition and rehabilitation of existing affordable units, as well as new construction that prioritizes community development efforts. |
| Fund Sources | Federal HUD funds |
| Benefits | <ul style="list-style-type: none"> ● Financial Flexibility: <ul style="list-style-type: none"> □ Funds are fairly flexible in application. ● Political Feasibility: <ul style="list-style-type: none"> □ Program has been run since 1974, and is seen as being fairly reliable. □ HUD Section 108 is one mechanism that increases the capacity of block grants to assist with economic development projects, by enabling a community to borrow up to 5 times its annual CDBG allocation |

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| Drawbacks | <ul style="list-style-type: none"> ● Funding Challenges: <ul style="list-style-type: none"> □ Competitive process to secure loans/grants for individual projects. □ Amount of federal funding for CDBG has been diminishing over the past few years. ● Administrative Challenges: <ul style="list-style-type: none"> □ Administration and projects must meet federal guidelines such as Davis Bacon construction requirements. ● Political Challenges: <ul style="list-style-type: none"> □ CDBG program is run through the County and is not in the control of the City. |
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Section 108

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| How It Works | HUD Section 108 is one mechanism that increases the capacity of block grants to assist with economic development projects, by enabling a community to borrow up to 5 times its annual CDBG allocation. |
| Fund Sources | Federal HUD funds |
| Benefits | <ul style="list-style-type: none"> ● Funds are fairly flexible in application. ● Program has been run since 1974, and is seen as being fairly reliable. ● Enables a larger amount of very low interest-rate-subordinate funding for eligible projects. |
| Drawbacks | <ul style="list-style-type: none"> ● Competitive process to secure loans/grants for individual projects. ● Administration and projects must meet federal guidelines such as Davis Bacon construction requirements. ● Amount of federal funding for CDBG has been diminishing over the past few years. |

EPA Brownfields Grants

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| <p>How It Works</p> | <p>EPA funds several grant programs that help to pay for assessment, planning, remediation, revolving loan funds and environmental job training for sites identified as brownfields. EPA also collaborates with other federal partners and state agencies to leverage resources for a variety of brownfields activities. These grants include:</p> <ul style="list-style-type: none"> ● Revolving Loan Fund Grants. Enables states, local jurisdictions and tribes to make low interest loans to fund cleanup activities at brownfield sites. ● Assessment Grants. Assessment grants provide funding for a grant recipient to inventory, characterize, assess, and conduct planning and community involvement related to brownfield sites. ● Cleanup Grants. Directly fund remediation of brownfield sites. ● Area-Wide Planning Grants. Grants fund research, planning and development of implementation strategies for areas affected by brownfields. Plans should inform the assessment, cleanup and reuse of brownfields and promote area-wide revitalization. ● Environmental Workforce Development and Job Training Grants. Provide funding for recruitment, training and placement of low-income, minority, unemployed and under-employed residents of solid and hazardous waste-impacted communities with the skills needed to secure full-time, sustainable employment in environmental fields, including the assessment and cleanup work taking place in their communities. ● Training, Research and Technical Assistance Grants. Provide funding to eligible organizations to facilitate brownfields revitalization. ● More information at: https://www.epa.gov/brownfields/types-brownfields-grant-funding#tab-5 |
| <p>Fund Sources</p> | <p>Federal and State funds</p> |
| <p>Benefits</p> | <ul style="list-style-type: none"> ● Economic Feasibility: <ul style="list-style-type: none"> □ Direct public investment into private projects. □ Does not impact City funds. |
| <p>Drawbacks</p> | <ul style="list-style-type: none"> ● Administrative Challenges: <ul style="list-style-type: none"> □ Highly competitive and must meet EPA-identified criteria (varies by program). |

EB-5

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| <p>How It Works</p> | <p>This program attracts investment dollars for new commercial enterprises by allowing entrepreneurs to apply for their green card if they make the necessary investment in a US commercial enterprise and plan to create or preserve 10 permanent full-time US jobs. There are two versions of the program: 1) the original program that requires foreign investor to commit \$1 million for eligible projects that create at least 10 full-time direct jobs, and 2) the newer program that allows foreign investors to commit \$500,000 in eligible projects within Targeted Employment Areas that create at least 10 direct and/or indirect jobs. In return for these investments, foreigners seek US citizenship.</p> |
| <p>Fund Sources</p> | <p>Foreign investors</p> |

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| Benefits | <ul style="list-style-type: none"> ● Economic Feasibility: <ul style="list-style-type: none"> □ Relatively low-cost source of equity for appropriate projects. □ Projects can be construction (new or rehabilitation), or direct investments into businesses that will create required jobs. ● Administrative and Funding Ease: <ul style="list-style-type: none"> □ EB5 can be bundled with many other funding sources such as TIF. ● Political Feasibility: <ul style="list-style-type: none"> □ Among the most commonly sought-after projects are hotels and senior housing developments since both generate considerable jobs. |
| Drawbacks | <ul style="list-style-type: none"> ● Economic and Political Challenges: <ul style="list-style-type: none"> □ \$500,000 program investor projects must be in an EB-5 eligible “targeted employment area” or TEA. TEAs are areas that have unemployment rates in excess of 150% of the federal rate for a given year. TEAs are established and adjusted by the governors of each state. □ Must meet job generation requirements within 2.5 years. □ Investors expect to get their equity investment repaid at the end of five years. ● Administrative Challenges: <ul style="list-style-type: none"> □ It takes added time to secure EB5 funds due to federally required process. |

Tax Abatements and Credits

Enterprise Zone (State of Oregon enabled, locally adopted)

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| How It Works | <p>Enterprise zones exempt businesses from local property taxes on new investments for a specified amount of time (3-5 years). Qualified investments include a new building/structure, structural modifications or additions, or newly installed machinery and equipment may qualify for exemption but not land, previously used property value and miscellaneous personal items. Eligible businesses include manufacturers, processors, and shippers. Retail, construction, financial and certain other defined activities are ineligible.</p> |
| Fund Sources | <p>General funds of local taxing jurisdictions that agree to participate—cities, school districts, counties, etc.</p> |
| Benefits | <ul style="list-style-type: none"> ● Economic and Political Feasibility: <ul style="list-style-type: none"> □ Targeted tool to support businesses that is already adopted. |
| Drawbacks | <ul style="list-style-type: none"> ● Administrative Challenges: <ul style="list-style-type: none"> □ Reduces general fund revenues for all overlapping taxing districts. □ Requires a lengthy approval process with taxing districts. |

Vertical Housing Program (State of Oregon enabled, locally adopted)

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| <p>How It Works</p> | <p>The 2017 Legislature passed legislation moving the administration of Vertical Housing Program from Oregon Housing and Community Services (OHCS) to the local City and County beginning Oct 6th, 2017. OHCS no longer administers this program.</p> <p>Using this program, a jurisdiction can subsidize “mixed-use” projects to encourage dense development or redevelopment by providing a partial property tax exemption on increased property value for qualified developments. The exemption varies in accordance with the number of residential floors on a mixed-use project with a maximum property tax exemption of 80 percent over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80 percent of area is median income or below).</p> <p>Zone designation:</p> <ul style="list-style-type: none"> ● A city may designate an area within the city as a vertical housing development zone. ● A county may designate as a vertical housing development zone an area that is subject to a goal exception for residential use approved under ORS 197.732. ● With the prior consent of the governing body of each city in which a proposed vertical housing development zone is to be located, a county may designate any area within each city that has given consent for vertical housing development zone designation as a vertical housing development zone. ● A city and a county, or any combination of cities and counties, may designate an area within each jurisdiction as a vertical housing development zone. ● A city or county must consider the potential for displacement of households within a proposed vertical housing development zone before designating the zone. <p>Before a city or county can propose a vertical housing project, they must establish a Zone, which is usually dedicated for the specific project. The zone may be a single tax lot, one of many adjoining lots, or a portion of the city’s urban core. Once the Zone is established, the developer may apply for the Vertical Housing Tax Abatement Program.</p> |
| <p>Fund Sources</p> | <p>General funds of local taxing jurisdictions that agree to participate—cities, school districts, counties, etc.</p> |
| <p>Benefits</p> | <ul style="list-style-type: none"> ● Equitable: <ul style="list-style-type: none"> □ Targeted tool to support mixed-use development in places with locational advantages. ● Political Feasibility: <ul style="list-style-type: none"> □ City-controlled on project-by-project basis. |
| <p>Drawbacks</p> | <ul style="list-style-type: none"> ● Economic Challenges: <ul style="list-style-type: none"> □ Reduces general fund revenues for all overlapping taxing districts. □ Requires a lengthy approval process with taxing districts. |

Historic Preservation Tax Credit (State of Oregon)

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| <p>How It Works</p> | <p>Encourages private sector rehabilitation of income-producing historic buildings. The program allows a 20% tax credit for allowable rehabilitation of certified historic structures. It also allows a 10% tax credit for rehabilitation of non-historic, non-residential buildings built before 1936. The rehabilitation must be substantial and must involve a depreciable building. Tax credits provide inexpensive equity for eligible projects.</p> <p>State program webpage: http://www.oregon.gov/oprd/HCD/SHPO/pages/tax.aspx</p> |
| <p>Fund Sources</p> | <p>Private and institutional investors, or the federal government.</p> |
| <p>Benefits</p> | <ul style="list-style-type: none"> ● <i>Economic and Political Feasibility:</i> <ul style="list-style-type: none"> □ The 10% tax credit is available for the qualified rehabilitation of non-historic buildings placed in service before 1936. □ Can be bundled with historic property tax freeze and other tax credits to significantly reduce the rehabilitation costs of historic buildings for adaptive re-use. ● <i>Project Finance:</i> <ul style="list-style-type: none"> □ HTC's are effective equity in projects. |
| <p>Drawbacks</p> | <ul style="list-style-type: none"> ● <i>Administrative Challenges:</i> <ul style="list-style-type: none"> □ Long designation and certification process. □ Buildings must be rehabilitated for commercial uses and can include apartments. □ An owner that is allocated the tax credits must remain in title for at least five years after the project is placed in service. ● <i>Economic Risk:</i> <ul style="list-style-type: none"> □ Potential pitfalls involving the allocation of the tax credits by the investor party. ● <i>Limited Scope:</i> <ul style="list-style-type: none"> □ Only applicable to historic buildings. |

Multiple-Unit Limited Tax Exemption Program (Locally managed)

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| <p>How It Works</p> | <p>Through the multifamily tax exemption, a jurisdiction can incent diverse housing options in urban centers lacking in housing choices or workforce housing units. Through a competitive process, multi-unit projects can receive a property tax exemption for up to ten-years on structural improvements to the property. Though the state enables the program, each City has an opportunity to shape the program to achieve its goals by controlling the geography of where the exemption is available, application process and fees, program requirements, criteria (return on investment, sustainability, inclusion of community space, percentage affordable or workforce housing, etc.), and program cap. The City can select projects on a case-by-case basis through a competitive process.</p> <p>The passing of HB 2377 - Multiunit Rental Housing Tax Exemption allows cities and counties to create a property tax exemption for newly rehabilitated or newly constructed multi-unit rental housing within their boundaries depending on the number of units made available to low-income households, for up to 10 consecutive years. The bill was crafted to strengthen the connection to affordability by requiring cities and counties to establish a schedule in which the number of years an exemption is provided increases directly with the percentage of units rented to households with an annual income at or below 120 percent of MFI, and at monthly rates that are affordable to such households. While not specifically referenced in the measure, ORS 308.701 defines “Multi-unit rental housing” as: “(a) residential property consisting of four or more dwelling units” and; “does not include assisted living facilities.”</p> <p>All new multifamily units that are built or renovated that offer rent below 120% of AMI are potentially eligible for this tax exemption. In a city with an AMI of \$55,000 (common outside of Portland), that’s rent of \$1,650 per month or less. The tax exemption is for all taxing districts which is administered by the City. Due to this, smaller jurisdictions may have more trouble managing this program.</p> |
| <p>Fund Sources</p> | <p>Local taxing jurisdictions that agree to participate–cities, school districts, counties, etc.</p> |
| <p>Issuing Legislature</p> | <p>ORS 307.600-307.637</p> |

Affordable Housing Property Tax Abatement (Locally Managed, Enabled by State of Oregon)

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| <p>How It Works</p> | <p>Since 1985, the State of Oregon has allowed for affordable housing property tax abatements when they are sought separately by non-profits that develop and operate affordable rental housing. Only the residential portion of a property located within a city that is used to house very low-income people, or space that is used directly in providing housing for its low-income residents is eligible for a property tax exemption.</p> |
| <p>Fund Sources</p> | <p>Local taxing jurisdictions’ general funds–cities, school districts, counties, etc.</p> |

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| Benefits | <ul style="list-style-type: none"> ● Equitable: <ul style="list-style-type: none"> □ Targeted tool to support multi-family rentals or mixed-use development in places with locational advantages. ● Economic Feasibility and Flexibility: <ul style="list-style-type: none"> □ The affordable housing tax abatement can stand alone (without tax credits). For example, if a non-profit housing provider were to use bonds, it could still be eligible for an abatement, but it must apply for them separately. □ Can be blended with other resources such as TIF, tax credits, housing bonds. |
| Drawbacks | <ul style="list-style-type: none"> ● Economic and Political Challenges: <ul style="list-style-type: none"> □ Reduces general fund revenues for all overlapping taxing districts if property tax abatement is sought by affordable housing providers and approved by local jurisdictions. |

Oregon Affordable Housing Tax Credit (OAHTC)

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| How It Works | <p>Provides a state income tax credit for affordable housing equity investments that help reduce the financing costs for multi-family rental units. Applications must demonstrate a 20-year term that the benefit of the tax credit will be entirely passed on to reduce rents for the tenants. The tax credits are provided for affordable housing loans where a lender has reduced the interest rate by up to 4%. The program contains a stipulation that the credit be used solely to reduce rents for tenants for a twenty-year term</p> <p>Program webpage: https://www.oregon.gov/ohcs/pages/multifamily-housing-tax-credit-oahtc.aspx</p> |
| Fund Sources | <p>Institutional investors or high net worth individuals makes investments. State general fund is impacted.</p> |
| Benefits | <ul style="list-style-type: none"> ● Project Finance: <ul style="list-style-type: none"> □ Targeted tool to support multi-family rentals or mixed-use development in places with locational advantages. □ The credit contributes to project equity, reducing developer’s out-of-pocket investment and can be a significant incentive for the provision of affordable housing. ● Economic Feasibility: <ul style="list-style-type: none"> □ Lowers interest rates on financing for up to 4%, typically for a 20-year loan. This lowers the costs of borrowing and reduces operating costs for the development. |
| Drawbacks | <ul style="list-style-type: none"> ● Administrative Challenges: <ul style="list-style-type: none"> □ The state allows for affordable housing property tax abatements. These are applied for separately. □ Highly competitive process. ● Economic and Political Challenges: <ul style="list-style-type: none"> □ One hundred percent of savings must be passed on to tenants in the form of lower rents. |

Low-Income Housing Tax Credit (Federal Program, Administered by State of Oregon)

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| Summary | <p>Incentivizes investment in affordable housing by providing state income tax credits for projects with demonstrated commitment to affordable housing.</p> |
| How It Works | <p>Provides a state income tax credit for affordable housing equity investments that help reduce the financing costs for multi-family rental units. Applications must demonstrate that the project will be maintained as affordable housing for a minimum 30-year term. To be eligible, at least 20% of units must be at or below 50% or AMI, OR 40% must be at or below 60% AMI. There are two rates:</p> <ul style="list-style-type: none"> ● The “9%” credit rate. New construction and substantial rehabilitation projects that are not otherwise subsidized by the federal government earn credits at a rate of approximately 9% of qualified basis, each year for a 10-year period. “9%” credits are more powerful but also more competitive. ● The “4%” credit rate. The 4% rate applies to acquisition of eligible, existing buildings and to federally-subsidized new construction or rehabilitation. The 4% rate also applies to all eligible bases in projects that are financed through the issuance of volume-cap multi-family tax-exempt bonds (the associated LIHTCs are sometimes called “as of right” credits because they are automatically attached to the volume-cap bonds). <p>State program webpage: https://www.oregon.gov/ohcs/pages/multifamily-housing-tax-credit-lihtc.aspx</p> |
| Fund Sources | <p>Institutional investors or high net worth individuals make investments by purchasing tax credits, which infuses cash equity into a project that does not require repayment. Income tax receipts are impacted because investors’ income tax payments are reduced.</p> |
| Benefits | <ul style="list-style-type: none"> ● Project Finance: <ul style="list-style-type: none"> □ Targeted tool to support multi-family rentals or mixed-use development in places with locational advantages. ● Economic Feasibility and Flexibility: <ul style="list-style-type: none"> □ The credit contributes to project equity, reducing developer’s out-of-pocket investment and can be a significant incentive (particularly at the 9% level) for the provision of affordable housing. □ Can be blended with other resources such as TIF, property tax abatements, and housing bonds. |

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| Drawbacks | <ul style="list-style-type: none"> ● Administrative Challenges: <ul style="list-style-type: none"> □ Obtaining the tax credits is a very competitive process, especially for the 9% tax credits. Demand for the tax credits generally outstrips funding from the tax credits. □ The application process is complex and takes several months. The reporting requirements are also complex. ● Economic and Political Challenges: <ul style="list-style-type: none"> □ Oregon has a relatively small allocation of tax credits from the Federal government because our population is relatively small. □ The market for the price of tax credits is subject to drastic changes based on national policy changes. ● Political Acceptability: <ul style="list-style-type: none"> □ The type of housing built with the tax credits does not meet the needs of the lowest income households (those with income below 30% of median family income) because the rents of affordable housing built with the tax credits targets households earning 50% to 80% of median family incomes. |
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Locally Controlled Programs and Incentives

Land Assembly and Property Price Buy Down

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| Summary | Allows the public sector to attain land at prices below market price to more easily overcome development costs and challenges. |
| How It Works | <p>The public sector sometimes controls land that has been acquired with resources that enable it to dispose of that land for private and/or nonprofit redevelopment. Land acquired with funding sources such as tax increment, EB5, or through federal resources such as CDBG or HUD Section 108 can be sold or leased at below market rates for various projects to help achieve redevelopment objectives. Publicly owned parcels can often be disposed of at lower costs or more flexible terms to induce redevelopment.</p> <p>The public sector can provide technical assistance with the process of acquiring a private parcel for redevelopment or combining parcels together into one developable site. Other times, the public sector acquires the parcel(s), combines them, and sells to a private party.</p> |
| Fund Sources | Tax Increment, CDBG/HUD 108, EB-5, LIHTC |
| Benefits | <ul style="list-style-type: none"> ● Administrative Ease: <ul style="list-style-type: none"> □ Can help overcome development feasibility challenges by creating more viable redevelopment sites. Public ownership of assembled land makes land write-downs or ground leases more viable. ● Economic Feasibility: <ul style="list-style-type: none"> □ Reduces development costs. ● Political Feasibility: <ul style="list-style-type: none"> □ Gives the public sector leverage to achieve its goals for the development via development agreement process with developer. |

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| Drawbacks | <ul style="list-style-type: none"> ● Economic Challenges: <ul style="list-style-type: none"> □ Public agencies sometimes buy land at the appraised value because they want to achieve multiple goals – which can impact costs of future public and private acquisitions. ● Administrative Challenges: <ul style="list-style-type: none"> □ Requires careful underwriting and program administration to reduce public sector risk and ensure program compliance. |
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Expedited and Fast-Tracked Building Permits Programs

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| How It Works | Expedite building permits for pre-approved development types (e.g. housing) or building characteristics (e.g. green buildings). |
| Fund Sources | Usually City departmental funds for staff time and overhead. |
| Benefits | <ul style="list-style-type: none"> ● Administrative Ease: <ul style="list-style-type: none"> □ Can be targeted to a specific development type that is incented. |
| Drawbacks | <ul style="list-style-type: none"> ● Limited Impact: <ul style="list-style-type: none"> □ May not have a large enough impact on development bottom line to change financial viability of project. Land use and building permit fees can vary by project from several hundred dollars up to about \$10,000 for complex applications; however, on a per-unit basis, this adds relatively little to the total development cost. |

System Development Charge (SDC) Waivers, Financing, or Credits

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| Summary | <p>May help to offset the an SDC charge, which is a one-time fee that is issued when there is new development or a change in use.</p> |
| How It Works | <p>Many cities offer programs to reduce, waive, defer, finance, or subsidize System Development Charges for specific development types (e.g. affordable housing). This is a commonly used tool, often implemented in conjunction with development agreements or other development negotiation processes. Programs can include:</p> <ul style="list-style-type: none"> ● Waivers: Some jurisdictions offer SDC exemptions for affordable housing developments or other development types and subsidize them with funding from another source (e.g. urban renewal or general fund); reduce permit fees; or offer reduced SDC rates for certain types of development that tend to have lower system impacts and may also be lower cost (e.g. accessory dwelling units). This reduces the cost to build affordable housing and can allow affordable housing developers to produce units more cost-effectively. ● Financing Options: A related type of program can allow developers of affordable housing to defer or finance payment of SDCs, which can reduce up-front costs and financing costs for the developer. This has less impact on total development costs, but also requires less subsidy from the city ● Credits: In certain instances, cities allow developers to make necessary improvements to the site in lieu of paying SDCs. Note that the City can control its own SDCs, but often small cities manage them on behalf of other jurisdictions including the County and special districts. Cities offer SDC waivers when the project makes lasting improvements, such as improving roads, reducing number of trips, create or improve parks or recreational centers, and permanently removing water services. |
| Fund Sources | <p>SDC fund / general fund. In some cases, there may be no financial impact.</p> |
| Benefits | <ul style="list-style-type: none"> ● Economic Feasibility: <ul style="list-style-type: none"> □ Reduced up-front costs for developers can enable quicker development timeframe and increase the availability of property to be taxed. □ Potential partnerships with other taxing districts that levy fees, including park districts or the school district. □ Fee cost structures are within City control and can be easier to manipulate than other components of the development cost structure. |
| Drawbacks | <ul style="list-style-type: none"> ● Economic and Political Challenges: <ul style="list-style-type: none"> □ Reduces the availability of SDC funds over the short term. □ Cities cannot waive charges from other taxing districts. □ If impact fees are reduced for some developments, that revenue burden will be shifted to other developments. |

Reduced or Waived Building Permit and Planning Fees

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| Summary | Programs that reduce various permit and planning fees as an incentive to induce qualifying types of development or building features. |
| How It Works | There are a number of avenues to seek reduced or waived fees. This is a commonly used tool, often implemented in conjunction with development agreements or other development negotiation processes. |
| Fund Sources | General Fund |
| Benefits | <ul style="list-style-type: none"> ● Economic Feasibility and Flexibility: <ul style="list-style-type: none"> □ Increases development feasibility by reducing soft costs for developers. □ Fee cost structures are within City control and can be easier to manipulate than other components of the development cost structure. |
| Drawbacks | <ul style="list-style-type: none"> ● Economic Challenges: <ul style="list-style-type: none"> □ Reduces revenues to provide permitting and compliance services. □ Land use and building permit fees can vary by project from several hundred dollars up to about \$10,000 for complex applications; however, on a per-unit basis, this adds relatively little to the total development cost. |

Predevelopment Assistance

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| How It Works | Grants or low interest loans for pre-development (evaluation of site constraints and opportunities, development feasibility, conceptual planning, etc.) to reduce pre-development costs. |
| Fund Sources | CDBG, General Fund |
| Benefits | <ul style="list-style-type: none"> ● Economic Feasibility: <ul style="list-style-type: none"> □ Reduces what are often risky pre- development costs for developments that fulfill community goals. ● Political Feasibility: <ul style="list-style-type: none"> □ Enables developers and communities to explore wider range of project possibilities, particularly those that can meet more community as well as private sector objectives. |
| Drawbacks | <ul style="list-style-type: none"> ● Administrative and Equity Challenges: <ul style="list-style-type: none"> □ Can be perceived as favoring particular developers or property owners. □ CDBG is only available in eligible areas |

Tenant Improvement Grant/Loans

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| How It Works | Assist property owners and new business owners with tenant improvements to the interiors of commercial spaces. Used for office and industrial assistance in addition to retail. |
| Fund Sources | Urban Renewal and CDBG loans or grants, tax exempt revenue bonds |

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| Benefits | <ul style="list-style-type: none"> ● <i>Economic Feasibility:</i> <ul style="list-style-type: none"> □ Reduces costs of tenant improvements |
| Drawbacks | <ul style="list-style-type: none"> ● <i>Political Challenges:</i> <ul style="list-style-type: none"> □ Often tied to job goals □ In some cases prevailing wage would apply |

Reduced Parking Requirements

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| How It Works | <p>Parking is one of the more expensive parts of project development. To the extent that code requires more parking than a developer would otherwise want to provide, the cost of meeting these requirements creates financial burden. A city can adjust the zoning requirements for parking production relative to unit production, specifically for affordable housing projects. This reduces the construction and development costs of a project, especially for higher density projects with structured parking.</p> |
| Benefits | <ul style="list-style-type: none"> ● In interviews, developers listed reduced parking requirements as among one of the most useful supports for more affordable housing production. ● Changing the zoning is an inexpensive solution from a public-sector perspective. ● Supports transit ridership, if development is near transit. |
| Drawbacks | <ul style="list-style-type: none"> ● Reduced parking can have spillover effects. ● On its own, reduced parking requirements may not provide enough incentive power to change development feasibility for affordable units. ● If developers / tenants demand more parking than the lower ratios provide, the incentive power is lessened, as developers may be obligated to provide a greater amount of parking than the ratios require. |
| For more information | <p>ECONorthwest has worked with the City of Portland and the City of Gresham on analysis of changes to parking ratios and found that, in both cases, reducing parking ratios improved development feasibility.</p> |

Incentives for Space-Efficient Housing

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| How It Works | <p>General policy focus on encouraging development of more dense neighborhoods to increase housing options. More communities are experimenting with this as cities grow, focusing on encouraging dwellings that are nonintrusive and that are compatible with existing neighborhoods, such as: cottage clusters, internal division of larger homes, corner duplexes, and accessory dwelling units. Generally, this type of development is accomplished through changing the zoning code, as such homes are traditionally either not allowed or not encouraged by the zoning code. In theory, these units are more affordable than other units because they are smaller.</p> |
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| Benefits | <ul style="list-style-type: none"> ● Changing the zoning is an inexpensive market solution. ● Can increase total land available for new market rate units, and may increase supply of smaller homes, which may be more affordable. ● Does not require large empty properties. ● Complements the shrinking sizes of households. ● Depending on market conditions and property owner motivation, may be more likely to be privately funded (without public support). |
| Drawbacks | <ul style="list-style-type: none"> ● Not guaranteed to promote housing of a certain price. ● There are drawbacks to higher density. ● A cut to zoning restrictions may be detrimental; e.g. a common one is to reduce parking requirements |
| For more information | <p>Through its Transportation Growth Management program (TGM), the State of Oregon has conducted substantial research into zoning and other policy approaches to space-efficient housing. https://www.oregon.gov/lcd/UP/Pages/Space-Efficient-Housing.aspx</p> |