
Washington Square Regional Center Update Project Opportunities and Obstacles to Development

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Prepared for: City of Tigard

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Executive Summary

Building upon previous market analysis, development opportunities, and subarea conditions work for the Washington Square Regional Center (WSRC), this report focuses on the opportunities and challenges of redevelopment of large-format retail, small site development, and tower-scale development. This report seeks to understand the types and scales of development that could be viable in the WSRC and identify zoning code issues that can create obstacles for new development.

ECONorthwest conducted financial feasibility analysis for a range of development types and scales from high-density podium development to lower density rowhouses and single-story retail. Key findings of this analysis are summarized below.

- In general, we found that in order to transform a large-format retail site (approximately 5-acres in size) into a walkable mixed-use development, the site would need to be subdivided into smaller city blocks or development parcels with internal roadway circulation. The internal circulation would also provide opportunities for on-street parking to serve the development. This transformation into a walkable mixed-use district adds additional costs but can also help create value.
- Tower-scale development is not feasible due to the amount of parking needed for suburban office development and the high cost of building structured parking, which is needed to support this density.
- High-density mixed use residential development (between six to seven stories with retail space on the ground floor) is challenging, but, under the right conditions this development type could be financially feasible.
- Medium-density residential development of four- to five-stories without structured parking works well financially under current market conditions.
- Rowhouses and single-story retail are both financially feasible, but not necessarily to a degree that would support redevelopment of an existing large-format retail use.

Analysis of the zoning code found that there are obstacles to both high-density and lower-density development. Key findings are summarized below.

Challenges for higher-density development include:

- The maximum lot coverage and minimum landscaping requirements in the MUC zone limit the size of the footprint that you can build on a site. Higher density development typically covers nearly all of the site, rather than separating buildings from the sidewalk with landscaped areas.
- High parking ratios create challenges for higher density development with structured parking.

- An office tower would have to add roughly one floor of structured parking for each floor of office space, which would be very costly.
- Guest parking requirements for apartments exacerbate parking-related challenges for higher-density apartments.
- High retail parking requirements increase challenges for mixed use development.
- Parking and landscaping requirements for office make reaching a floor area ratio (FAR) above 1.0 impossible without structured parking, which significantly increases development costs.
- Front setbacks in the MUR-2 zone do not work well for mixed use developments.

Challenges for lower-density development include:

- In the MUC zone, residential rowhouses are not allowed and also would not meet the minimum density standard.
- For commercial uses, single-story retail does not meet the 2-story minimum height requirement or the minimum FAR of 1.25 in the MUC zone.
- While rowhouse and apartment developments are technically allowed in the R-12 zone, the maximum density standards are too low for efficient development of these housing types.
- Front setback requirements in the R-12 zone create a barrier for rowhouse developments.

Overall, this feasibility analysis found:

- Tower-scale construction is not financially feasible and is unlikely in the near- to mid-term in the WSRC.
- Mid-rise podium-style mixed use residential development (six to seven stories with structured parking) is close to being financially feasible, however this development type will need some code changes (particularly a reduction in parking requirements) to make it more financially feasible under current market conditions.
- Mid-rise residential development (four to six stories with surface parking) is financially viable under current market conditions and is being built within the WSRC area. This type of development can create a more urban, walkable feel and increase density even without reaching quite the same density as if it had structured parking.
- We expect to see more mid-rise development with surface parking in the near-term and with code modifications, the area could potentially see slightly higher density podium development in the mid-term. Lower-density development is also viable and can complement higher density uses within a master planned development.

Introduction

Project Overview

Washington Square is one of eight regional centers in the Metro 2040 Growth Concept. The original regional center plan, which was developed in 1999, envisioned the area as a dense and walkable commercial hub, with lots of housing and mixed-use development served by high-quality transit.

The main tenets of the original vision remain valid, but Tigard believes an update is necessary given the significant changes that have occurred in the past 20 years with how we shop, travel, and work. The original vision also lacks an equity lens and did not anticipate the housing or climate issues that we are facing today. Tigard believes that the Washington Square Regional Center (WSRC) has the potential to change and grow to better serve the community and needs an updated plan to guide its development into the future.

The purpose of Washington Square Regional Center Plan Update Project (Project) is to work with the community and Project partners to refine the original vision with the goal of facilitating more housing, employment, and transportation options that are consistent with Tigard's strategic vision to be a walkable, healthy, and inclusive community. The City of Tigard contracted with ECONorthwest and team of consultants to assist in this effort.

Purpose

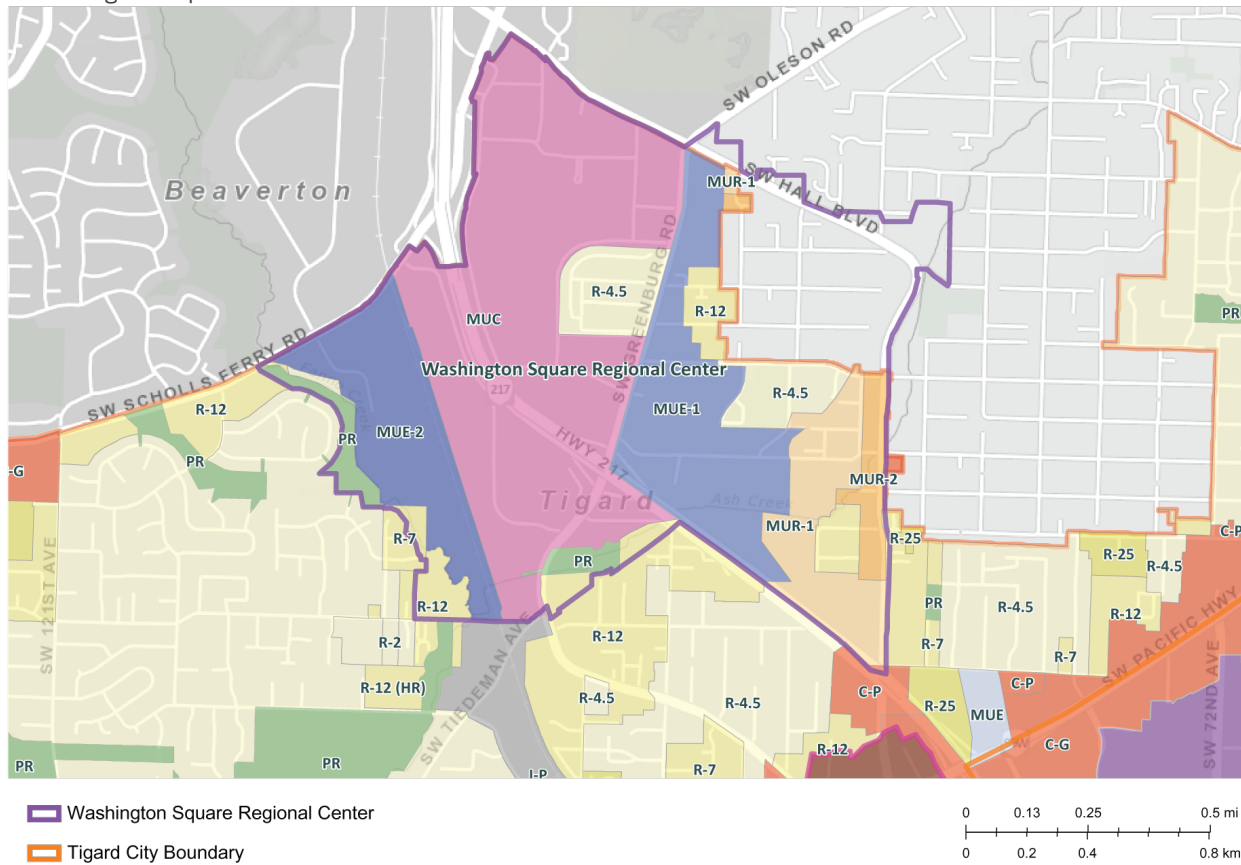
The original vision for the WSRC was for a dense, walkable, mixed use district. The City of Tigard adopted zoning and a Plan Designation intended to implement the plan, including a Mixed-Use Commercial designation for the Washington Square Mall (Mall) and a portion of the surrounding area that theoretically allows and encourages dense, mixed use development. However, little development has occurred since then, and staff have observed several issues created by the zoning standards.

The purpose of this report is to:

- Provide insights into the types and scales of future development that would contribute to the vision for the area and that may be viable within the WSRC over the coming years
- Identify potential issues within the City of Tigard's development code that may be creating challenges for development
- Inform achievable land use alternatives for the WSRC

The focus of this analysis is on zoning designations and example site conditions within the City of Tigard, though some of the findings are applicable more broadly to areas within the City of Beaverton or unincorporated Washington County.

Exhibit 1. WSRC Plan District Boundary and Zoning in Tigard's Planning Area
 Source: Tigard Maps



Analysis of New Development

1. Overview

This analysis builds on ECONorthwest's earlier reports analyzing market conditions, development opportunities, and subarea conditions. Those reports laid the groundwork for and helped to focus this analysis. Highlights from those documents that informed the approach to and focus of this work include:

- **Sources of demand for new development:**
 - There is fairly strong demand for a range of housing types in this area.
 - Substantial new office development is unlikely within the WSRC unless it occurs as part of a mixed-use redevelopment of portions of the Mall in the long-term future. Small medical/dental/professional offices are possible within the WSRC to meet local needs, along with employment uses taking over vacated retail space.
 - New flex/industrial development is unlikely within the WSRC given the need for large sites and low land costs.
 - While there is an abundance of existing retail space and some of the space may transition to other uses, there has been demand for new large-format retail (including car dealerships) in the area that may not be consistent with the vision for the area. In addition, smaller retail spaces could be built (on their own or as part of a mixed-use development) that are better tailored to the format and amenities that are currently in demand.
- **Areas with potential for new development or redevelopment:**
 - Existing low-rise office parks in Tigard are unlikely to experience transformations that would dramatically change the site layout or add substantial new development. However, there might be potential for additional development in the Lincoln Center area.
 - Several older large-format retail spaces will have the potential for redevelopment over the coming years as demand for that type of space continues to decline.
 - The Mall site offers the greatest potential for mixed use redevelopment—which could include housing, office, entertainment, and/or hospitality uses—due to large surface parking lots that are not fully utilized, consolidated ownership, and the need to adapt to changing retail conditions.
 - Newer shopping centers are not likely to be redeveloped in the near- to mid-term but may have potential to accommodate small infill pad development on existing parking lots.

- The flex-industrial buildings in the WSRC are more likely to see repositioning (remodels and/or updated branding and marketing of existing space to attract new tenants and/or achieve higher rents) than redevelopment with other employment uses. Some properties might have potential for redevelopment if a broader range of uses was allowed.
- There is potential for residential infill in the Metzger neighborhood if allowed by zoning.
- Most of the larger vacant properties in the area either have pending development or challenging environmental constraints.
- There are several smaller sites along Hall Boulevard with potential for infill or redevelopment.

With this context in mind, our analysis addresses the following:

- **Large-format retail redevelopment:** What are realistic near- to mid-term options for mixed use redevelopment of large-format retail sites like those found on either side of Highway 217 in close proximity to the highway, and what development code changes would be needed to support such redevelopment?
- **Small-site development:** What are the opportunities for mixed use and residential development on smaller sites like those found along Hall Boulevard, and what are the potential code obstacles to such development?
- **Tower-scale development challenges:** Recognizing that market conditions are unlikely to support tower-scale development for the foreseeable future in the WSRC, what aspects of the City’s development code may also be barriers to development at that scale?

Our analysis focused on hypothetical example sites rather than specific opportunity sites to provide the broadest possible relevance for the studies.

We also draw on an evaluation by City staff of where, how, and to what extent existing development does not comply with the current development regulations, and observations from staff about obstacles that businesses have faced in expanding or locating within the WSRC due to development regulations.

2. Large-Format Retail Redevelopment

Approach

To test the possibilities for large-format retail redevelopment, we used a hypothetical 5-acre site as this is roughly aligned with the scale of several existing big-box retail locations that have been identified as possible redevelopment opportunities in prior analysis. We evaluated potential for transformation to a mix of uses and more urban-style development with some

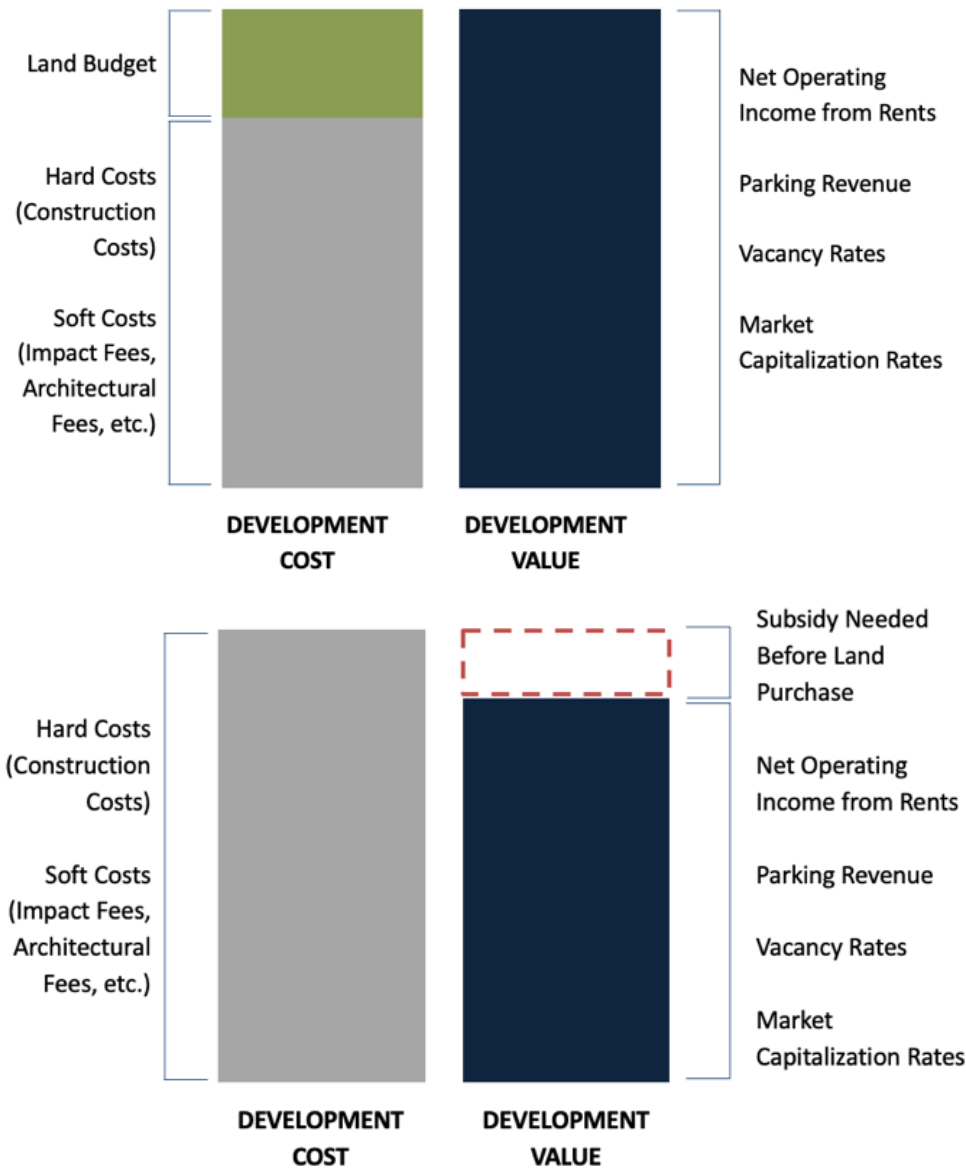
development at scales that do not have a recent precedent within the WSRC but do have recent precedents in other suburban parts of the Portland region. This was intended to help illuminate types and forms of development that could be realistic within the near- to mid-term in the WSRC. The approach to this analysis is summarized below.

- SERA Architects created example site layouts and massing to inform the amount of possible development on the site and illustrate urban design best practices that make a large site more pedestrian-friendly.
- SERA Architects, in collaboration with ECONorthwest, created development “prototypes” —hypothetical developments informed by real developments, but generalized for analysis purposes. SERA based the building configurations on their architectural experience with similar development, and estimated the square footage allocated to various site components (building, parking, and landscaping), the number of units and parking spaces, building heights, etc.
- ECONorthwest used the prototypes and the building and site assumptions generated by SERA to evaluate financial feasibility for each prototype and for the sites overall based on estimated construction costs, local rents, and local development and permitting fees.
- ECONorthwest analyzed how the prototypes and the site as a whole align with the development code to identify aspects of the hypothetical developments that would not conform with existing zoning. This evaluation focused on the Mixed-Use Commercial (MUC) zone, since this is applied to most of the large-format retail within Tigard’s portion of the WSRC. In general, the MUC zone is a mixed-use zone that allows a range of development scales and uses including lodging, retail, offices, and housing.

Evaluating Financial Feasibility with Residual Land Value

For each prototype, we evaluated whether a developer could pay at least prevailing market value for land after all revenues, costs, and the respective financial return metrics were accounted for. This methodology is called a residual land value (RLV) analysis. A *residual land value (RLV)* is a measure of what a developer is able to pay for land, given expected construction, operating costs, and revenue. In other words, it is the budget that developers have remaining for land after all the other development constraints have been accounted for. It is a useful metric for assessing how code changes and potential development incentives interact to impact development feasibility.

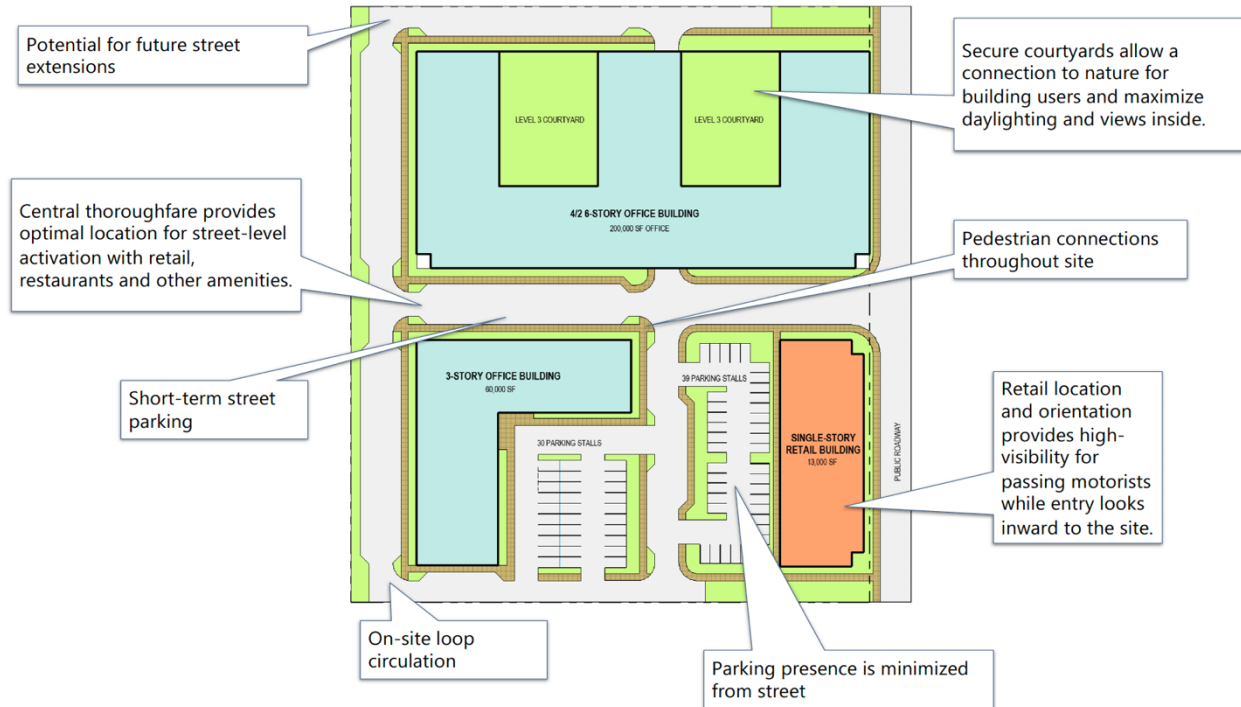
Exhibit 2. Residual Land Value Analysis: Development Example Feasibility
Source: ECONorthwest



Site layout

While a 5-acre site may accommodate a single shopping center with a large surface parking lot, for a mixed-use redevelopment, the site is too large to provide a walkable environment without creating additional connections through the site. Exhibit 3 illustrates some of the urban design principles and site layout ideas that underpin all the options considered for this hypothetical site.

Exhibit 3. Urban 5-acre Site Urban Design Principles and Layout



Within this framework, SERA and ECONorthwest tested two different development concepts—one with a residential focus, and another with an office focus.

Concept A: Residential Focus

This section illustrates development massing and program, development code analysis, identification of development barriers, and feasibility key findings for the residential focused concept. This concept combines housing and retail space at several scales and densities to explore how the range of scales contribute to the urban environment and to financial feasibility. The types of residential development explored in this analysis ranges from mid-rise 7-story podium development down to 3-story rowhouses.

Residential Precedents

The highest density component of this concept was informed by recent residential podium-scale development in suburban locations around the Portland region, including the examples shown in Exhibit 4 below. All of these precedents have relied on public-private partnerships and place-

making investments to create an attractive, amenity-rich environment that helps support denser developments.

Exhibit 4. Example of New Residential Developments in the Portland Region

Source: CoStar



Building SF: 230,000
Land Area: 1.63 AC

The Rise Central

Location: Beaverton, OR

Construction Type: Podium (6 Stories)

Year built: 2019

The Rise Central is located adjacent to the Beaverton Central Max Station. The mixed-use building includes 230 units across 6 stories along with 3,500 sf of ground-floor retail. This development is part of an on-going effort to revitalize the area. The development received Transit-Oriented Development (TOD) grant from Metro and acquired the land from the City of Beaverton. Other nearby amenities have been delivered through public-private partnerships as well.



Building SF: 210,000
Land Area: 2.89 AC

Vector Apartments at Orenco Station

Location: Hillsboro, OR

Construction Type: Podium (6 Stories)

Year built: 2016

The Vector Apartments is part of the “Platform District” at Orenco Station, which is served by MAX Light Rail and provides a suburban-urban lifestyle with a walkable street grid, dense development, and ground floor retail and shops. The Platform District emerged from a public-private partnership offering a Transit-Oriented Development grant from Metro, System Development Charge financing, and a property tax abatement. The development includes 230 luxury apartment units and 5,000 sf of retail and commercial space and is one of three similar buildings in the area.¹

¹ Reid Ewing, Guang Tian, Keunhyun Park, Preston Stinger, and John Southgate. “Trip and Parking Generation Study of Orenco Station TOD, Portland Region.” Available online at <http://mrc.cap.utah.edu/wp-content/uploads/sites/8/2015/12/Orenco-Station-Final-Report.docx>.



Building SF: 215,000
Land Area: 1.15 AC

Rediviva at the Waterfront

Location: Vancouver, WA

Construction Type: Podium (6 Stories)

Year built: 2018

Part of the redevelopment of Vancouver’s Waterfront, the Rediviva Apartments faces onto the new waterfront park along the Columbia River. It is accessible from downtown Portland via express bus (located roughly a half-mile away) and easily accessible to I-5. The development includes 63 luxury apartment homes and 6,674 sf of ground floor retail, though there are similar buildings immediately adjacent to the Rediviva. Major infrastructure upgrades, including the waterfront park, were delivered through a public-private partnership.²

Residential Concept Massing and Program

Based on urban design principles and pedestrian-friendly goals for the WSRC, the theoretical 5-acre site was subdivided into four city blocks to provide an urban character and further enhance connectivity, walkability, and access to the site.

Exhibit 5 below illustrates the development massing and programming of the residential focus concept. The 5-acre site has in total about 3.2 acres of developable area and 1.8 acres of street connectivity to create an urban and walkable scale of development. With a parking ratio of 1.0, the site has in total approximately 350 parking spaces of which 57 are on-street parking.

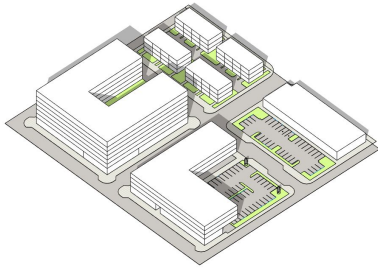
The concept includes four “prototypes”:

1. **A 4-story mixed-use residential building** with ground-floor retail, “tuck-under” parking (surface-level parking that is located under a portion of the building) and surface parking.
2. **A 7-story mixed-use residential building** with ground-floor retail, structured parking on part of the ground floor and the second floor, topped by 5 stories of wood-frame residential development.
3. **Rowhouse** development with tuck under garage and alley-loaded garages and driveway.
4. **Single-story retail building** fronting the street with surface parking located behind the building.

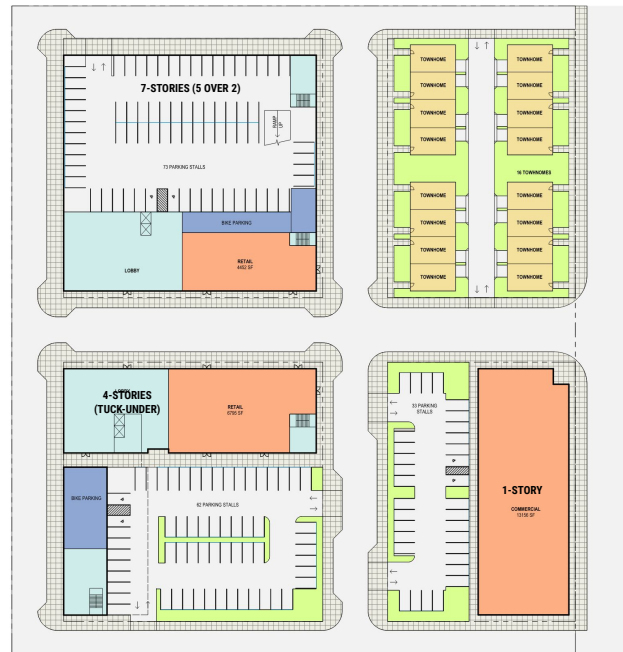
² <https://thewaterfrontvancouverusa.com/about/partnerships/>

Exhibit 5. Residential Focus Development Massing and Program

Source: SERA Architects



	ACRES	SQUARE FEET	RATIO
DEVELOPABLE AREA	3.2	138,000	63%
STREET CIRCULATION	1.8	79,500	37%
SITE AREA	5.0	217,500	100%
BUILDING COVERAGE	1.9	81,158	59%
LANDSCAPE AREA	0.7	28,338	21%
SURFACE PARKING	0.7	28,504	21%
DEVELOPABLE AREA	3.2	138,000	100%



Development Code Barriers

In Exhibit 6, below, the highlights in yellow correspond to development code standards where residential and commercial prototypes do not comply with the existing Mixed-Use Commercial (MUC) zone.

Key findings include:

- Residential rowhouses are not allowed in the MUC zone.
- Minimum residential density in the MUC zone is too high for rowhouse development.
- The 4-story tuck-under building (Prototype 1) and the 7-story podium building (Prototype 2) exceed the maximum lot coverage and do not meet minimum landscape area requirements.
- The single-story retail building (Prototype 4) does not meet the minimum 2-story height requirement in the MUC zone.
- A minimum Floor Area Ratio (FAR) of 1.25 prohibits lower-density developments such as prototype 4.
- High parking ratios for residential and commercial uses in the MUC zone provide development and financial challenges to meet the required number of parking stalls.

Note that the prototypes are evaluated as if each is on a separate parcel, assuming the streets shown in the site layout become public streets³.

Exhibit 6. Code Analysis for Residential Focus Prototypes

Source: ECONorthwest analysis of City of Tigard Development Code

Standard	MUC Zone	Prototype 1: 4-story tuck-under residential	Prototype 2: 5-over-2 podium residential	Prototype 3: Rowhouse residential	Prototype 4: Single-Story Commercial
Allowed Housing Types	Apartment	Apartment	Apartment	Rowhouse	-
Allowed Commercial Uses ¹	Office, Eating & Drinking Establishment, Personal Services, Sales-Oriented Retail, Indoor Entertainment, Hotel ²	Eating & Drinking, Personal Services, Sales Oriented	Eating & Drinking, Personal Services, Sales Oriented	-	Eating & Drinking, Personal Services, Sales Oriented
Minimum Lot Size	0 ft	40,000 ft	40,000 ft	29,000	29,000
Min Front Setback	0 ft	0 ft	0 ft	17.5 ft	5 ft
Street Side Setback	0 ft	0 ft	0 ft	5 ft	5 ft
Side Setback	0 ft	0 ft	0 ft	0 ft	5 ft
Rear Setback	0 ft	0 ft	0 ft	10 ft	70 ft
Minimum Height	2 stories	4 stories	7 stories	3 stories	1 story
Max Height	200 ft	49 ft	78 ft	30 ft	21 ft
Minimum Landscape Area	15%	7%	11%	40%	8%
Maximum Lot Coverage ³	85%	93%	89%	60%	92%
Min Density	50 du/acre	91	185	24	-
Max Density	None	-	-	-	-
Minimum FAR ⁴	1.25	1.80	5.10	1.2	0.5
Max FAR	None	-	-	-	-
Residential Parking Required	1 to 1.5 per unit	87 spaces required	178 spaces required	16 spaces required	0 spaces required
Office Parking Required	2.7 to 3.9 /1000	0 spaces required	0 spaces required	0 spaces required	0 spaces required
Retail Parking Required	2.5 to 9.0 /1000	22 spaces required	40 spaces required	0 spaces required	36 spaces required
Guest Parking Required ⁵	15% of required stalls for Apartments >10 units	13	23	0	0
Total Required Parking		119	235	16	36

³ Public right-of-way land or a tract with public access easement is not calculated into the site's overall FAR or lot coverage, which can affect development potential.

Standard	MUC Zone	Prototype 1: 4-story tuck-under residential	Prototype 2: 5-over-2 podium residential	Prototype 3: Rowhouse residential	Prototype 4: Single-Story Commercial
Total Parking Provided		62	182	16	33

Note(s):

1. The list of allowed commercial uses is more extensive; this table captures only those most relevant to this analysis.
2. Plus, other uses allowed subject to conditional use/restrictions.
3. Maximum lot coverage is the percentage of lot area covered by the horizontal projection of all structures, buildings, and other impervious surfaces.
4. Maximum FAR does not apply to residential uses.
5. Guest parking is only required for apartment developments with 10 or more units.

Financial Feasibility Results

ECONorthwest’s analysis showed that all prototypes in the residential concept are potentially financially feasible, depending on site-specific conditions and development details. Exhibit 7 below, compares the development cost to development value for each of the prototypes in the residential concept. Development value exceeds costs (excluding land) for all prototypes in the residential focus concept. This is a good first indication of financial feasibility that a development could be potentially feasible.

However, we next need to consider how the land budget compares to actual land costs, to determine if it is financially feasible to acquire and redevelop a typical retail shopping center. For all the prototypes in this Concept A, the estimated residual land value (the amount a development can afford to pay for land; see explanation on page 6) on a per square foot basis is lower than the estimated cost of acquiring & demolishing an existing commercial site (Exhibit 8). So, although they may be viable with some subsidy or lower land costs, on their own, they are not likely to be able to acquire a developed property at market land costs and redevelop it, especially after accounting for the cost of the internal circulation. In other words, this development is not feasible if the developer has to acquire the property for the typical market value. However, the development may be feasible with a long-time property owner who acquired the property at a lower cost.

Among the prototypes in this concept, the mixed-use podium was least financially feasible, as expected. However, despite the fact that rowhouses have demonstrated financial feasibility for infill development in residential areas, when considered as part of a commercial redevelopment, rowhouse development, with their lower density, reduces their value on a per-square-foot basis relative to other higher-density commercial prototypes.

In addition, while the area dedicated to internal streets would improve walkability and create opportunities for place-making, it would also create development costs that take away from the amount that development could afford to pay for land.

Exhibit 7. Comparison of Development Cost to Value for Concept A: Residential Focus

Source: ECONorthwest analysis

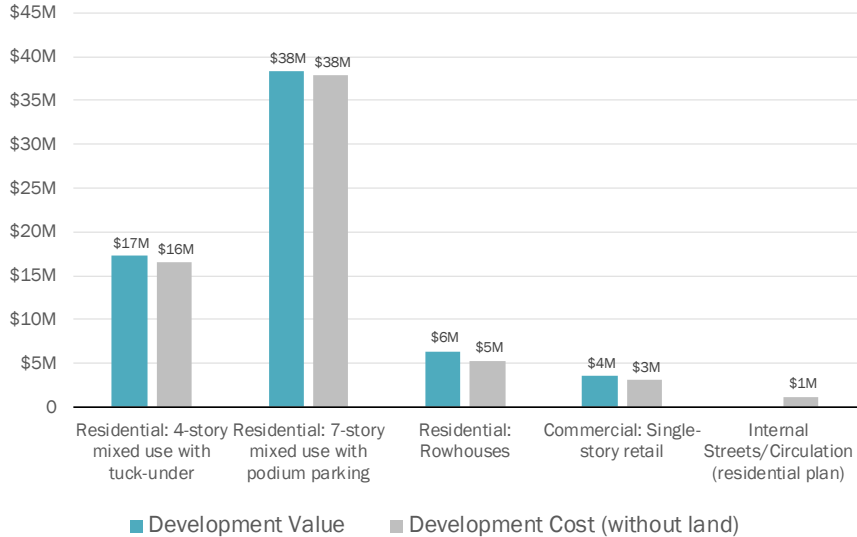
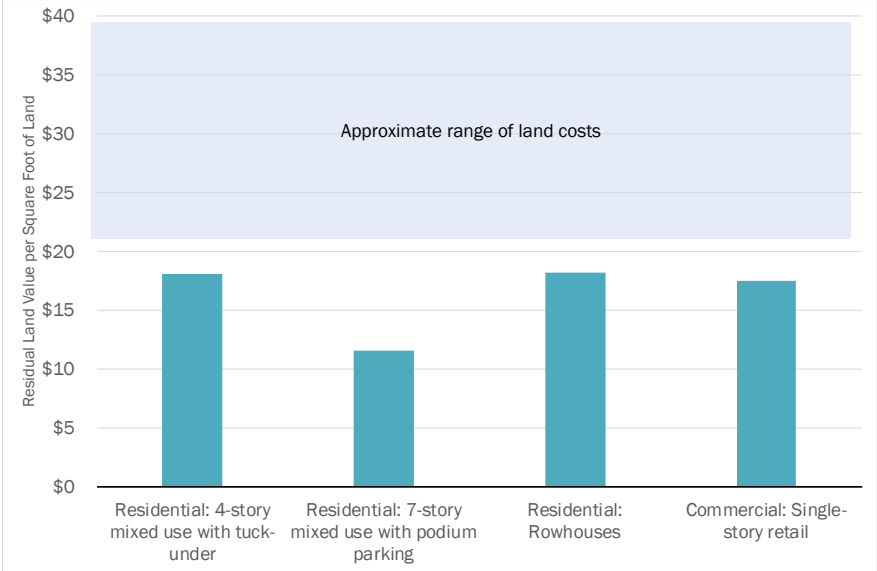


Exhibit 8. Residual Land Value for Concept A: Residential Focus

Source: ECONorthwest analysis



Conclusion

Residential development at a range of scales could be developed fairly efficiently on parcels between 30,000 and 40,000 square feet. A 5-acre site could present opportunities to split into smaller parcels for multiple residential buildings, creating more internal circulation and connections or space for amenities.

Our financial feasibility analysis found that the top-end of podium scale development (six to seven stories) is challenging financially, but possible under the right circumstances. The four- to five-story apartments without structured parking works well financially. The lower rise

rowhouses are financially feasible, but not to a level that would support redevelopment of a commercial site.

Our analysis of the MUC zone against the residential focus prototypes identified a few issues for higher-density mixed use development—primarily parking requirements and lot coverage—and standards that prohibit both rowhouses and single-story commercial developments entirely. Changing the code to allow lower-density forms of development as part of a larger master-planned project would provide more flexibility to build development that is feasible under current market conditions and can complement higher density development. In addition, minor changes to the residential parking requirements, lot coverage, and landscaping standards would make denser podium-style development more viable.

Our analysis also found that none of the prototypes in this concept—alone or in combination—are likely to be feasible in a redevelopment scenario under current conditions with typical land costs, though all are potentially viable in a lower land cost situation (e.g., long time property owners) and with some modifications to development standards.

Concept B: Office Focus

This section illustrates development massing and program, development code analysis, identification of development barriers, and feasibility key findings for the office focused concept. This concept combines office and commercial buildings at several scales to explore financial and code issues across this range. ECONorthwest and SERA explored several variations of Concept B that try to address parking in different ways. The analyses in this section were conducted on four variations of Concept B (identified as B1, B2, B3, and B4).

All office concepts include a 6-story office building with four floors of office over two podium floors with lobby and structured parking and a single retail building. The third prototype varies as we tested 2- and 3-story smaller office buildings with surface parking, and using this third pad site as extra space to configure a parking garage or surface parking lot to serve the larger office building.

The following list describes the various variations of concept B utilized in this analysis:

- A 6-story, 4-over-2 office building with ground floor retail and two stories of podium parking, and a 3-story office building with surface parking behind the building.

Or

- A 6-story, 4-over-2 office building with ground floor retail and two stories of podium parking, and a 2-story office building with surface parking behind the building.

Or

- A 6-story, 4-over-2 office building with ground floor retail and two stories of podium parking with a detached 3-story parking garage.

Or

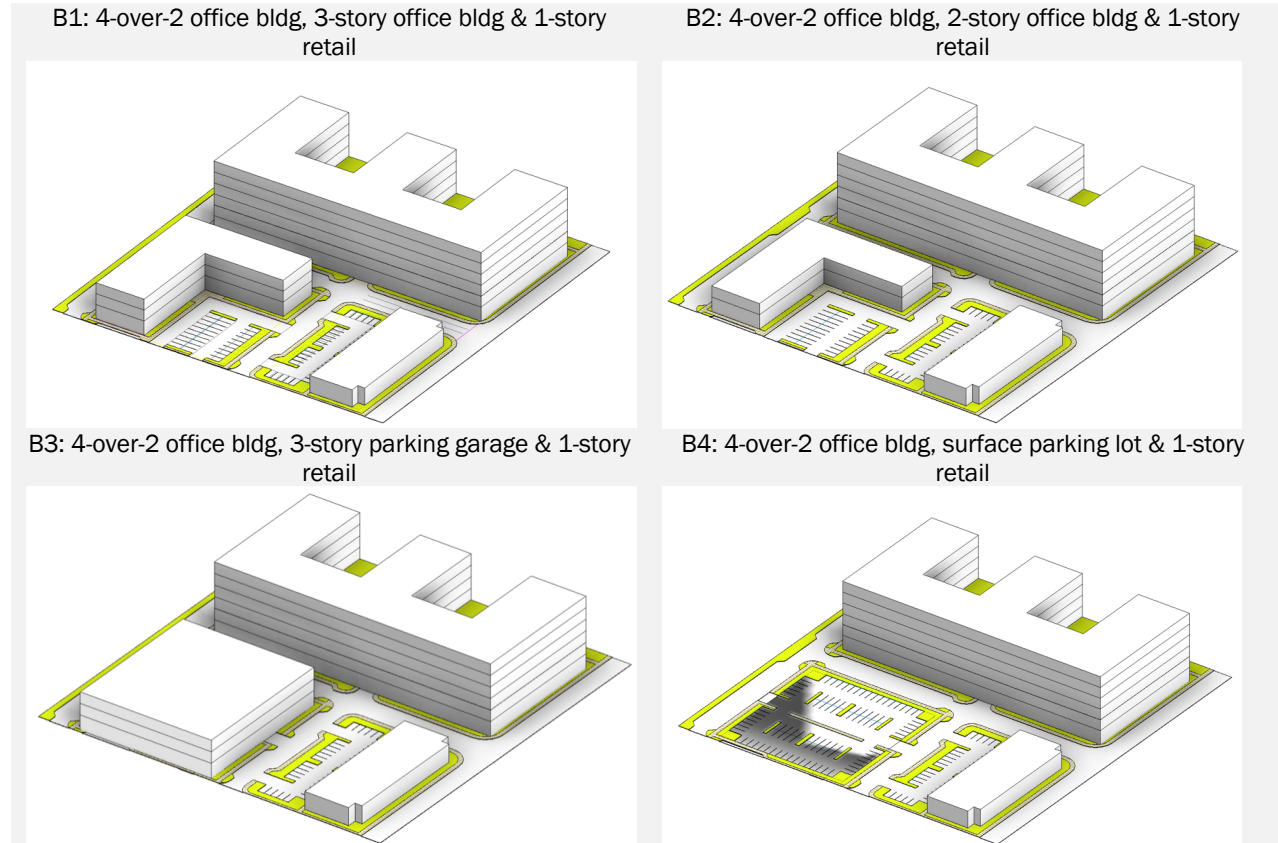
- A 6-story, 4-over-2 office building with ground floor retail and two stories of podium parking with a detached surface parking lot.

Plus

- A single-story retail building fronting the street with surface parking located behind the building.

Figure 9. Concept B: Office Focus Development Massing B1 to B4

Source: SERA Architects



Office Precedents

There are few precedents of suburban office development with a more urban form in the Portland region. Most recent mid-rise office development in the area has occurred in urban cores or close-in areas that have high-quality transit and excellent pedestrian and bike accessibility. Most have little or no on-site parking, relying primarily on shared and on-street parking, with parking ratios generally 1 space per 1,000 sf or less. Those parking ratios are not likely to be acceptable to prospective tenants or to lenders in a much more suburban environment like the WSRC in the foreseeable future.

The most relevant recent office development examples in a suburban context that informed the higher-density office prototypes in this analysis are shown below in Exhibit 10.

Exhibit 10. Example of New Commercial Buildings in the Portland Region

Source: CoStar



Building SF: 89,964
Land Area: 0.69 AC

Kaiser Permanente

Location: Beaverton, OR

Construction Type: Steel (3 Stories)

Year built: 2018

This new 3-story office building is located off Highway 217 in Beaverton. The office building was built within an existing commercial center near Beaverton Town Square. Kaiser Permanente is the single tenant of this office building.



Building SF: 60,000
Land Area: 1.00 AC

13333 SW 68th Parkway

Location: Tigard, OR

Construction Type: Masonry (3 Stories)

Year built: PROPOSED

Located at the interchange of Highway 217 and I-5, is this proposed 3-story, 60,000 square foot office building with a single tenant. The site of this proposed office building is near other office parks in Tigard.



Building SF: 41,795
Land Area: 0.17 AC

Hurley Office Tower

Location: Vancouver, WA

Construction Type: Steel (6 Stories)

Year built: 2020

Located near Vancouver's waterfront, the Hurley Office Tower is a 6-story condo office building with about 33,000 square feet of office space. The development has a ground floor garage for tenants.

Note that more traditional suburban office developments like the Triangle Corporate Park III and the most recent developments in the Kruse Way area (built in 2000-2005) tend to feature 5-story office buildings with surface parking on large sites (the Triangle Corporate Park III is on a site that is roughly 5 acres). This type of development is more likely to be financially viable in the WSRC but would do less to advance the vision for the area.

Development Code Barriers

In Exhibit 11, below, the highlights in yellow correspond to development code standards where commercial prototypes do not comply with the existing MUC zone. Key findings for office concepts B1 to B4 include:

- The single-story retail building (Prototype 4) does not meet the minimum 2-story height requirement.
- The 6-story office building (Prototype 1), 3-story office building (Prototype 2), and the 1-story retail building (prototype 3) exceed the maximum lot coverage and do not meet minimum landscape area requirements.
- A minimum Floor Area Ratio (FAR) of 1.25 prohibits lower-density developments such as the 2-story office building and the single-story retail building (prototype 4).
- None of the prototypes meet the required parking ratios. Some are substantially below the requirements, and likely too low to be viable with tenants or lenders at present.

Exhibit 11. Code Audit for Concept B1 Prototypes

Source: ECONorthwest analysis of City of Tigard Development Code

Standard	MUC	Prototype 1: 6-story Office	Prototype 2: 3-story Office	Prototype 3: 2-story Office	Prototype 4: Single-story Retail
Allowed Residential Type	Apartment,	-	-		-
Allowed Commercial Uses ¹	Office, Eating & Drinking Establishment, Personal Services, Sales-Oriented Retail, Indoor Entertainment, Hotel ²	Office	Office	Office	Retail
Minimum Lot Size	0 ft				
Min Front Setback	0 ft	5 ft	0 ft	0 ft	0 ft
Street Side Setback	0 ft	5 ft	5 ft	5 ft	5 ft
Side Setback	0 ft	0 ft	5 ft	5 ft	0 ft
Rear Setback	0 ft	0 ft	0 ft	0 ft	5 ft
Minimum Height	2 stories	6 stories	3 stories	2 stories	1 story
Max Height	200 ft	92 ft	38 ft	28 ft	28 ft
Minimum Landscape Area	15%	7%	10%	10%	10%

Standard	MUC	Prototype 1: 6-story Office	Prototype 2: 3-story Office	Prototype 3: 2-story Office	Prototype 4: Single-story Retail
Maximum Lot Coverage ³	85%	93%	90%	90%	90%
Min Density	50 du/acre	-	-	-	-
Max Density	None	-	-	-	-
Minimum FAR ⁴	1.25	4.86	1.76	1.18	0.45
Max FAR	None	-	-	-	-
Residential Parking Required	1 to 1.5 per unit	0	0	0	0
Office Parking Required	2.7 to 3.9 /1000 sf	540 spaces required	157 spaces required	103	0 spaces required
Retail Parking Required	2.5 to 9.0 /1000 sf	50 spaces required	0 spaces required	0	43 spaces required
Total Required Parking		582	157	103	43
Total Parking Provided		330			
		585 (including parking garage)	30	30	39
		435 (including surface parking)			

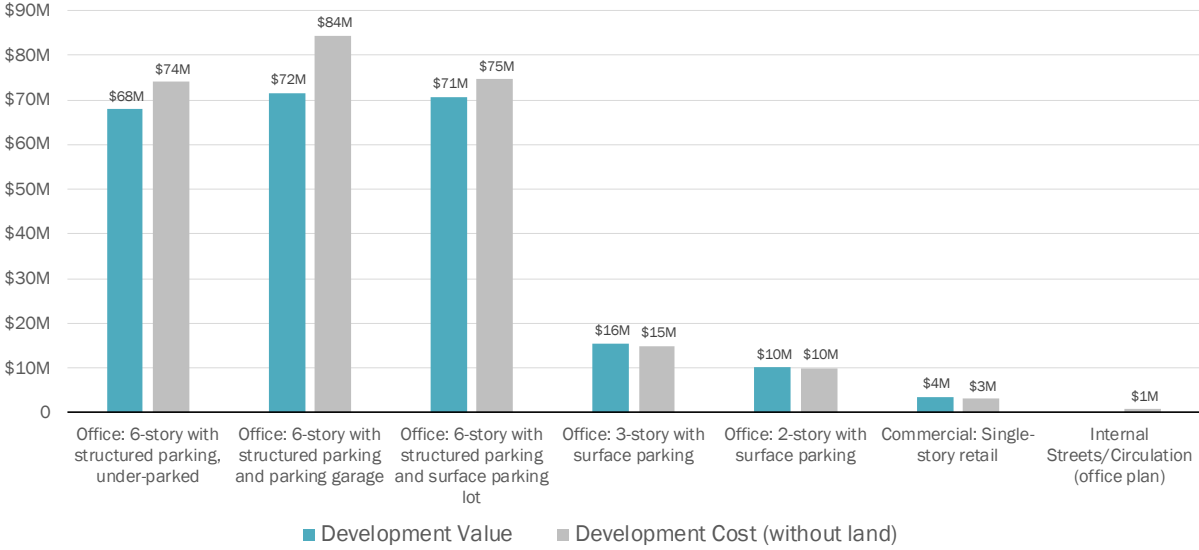
Note(s):

1. The list of allowed commercial uses is more extensive; this table captures only those most relevant to this analysis.
2. Plus, other uses allowed subject to conditional use/restrictions.
3. Maximum lot coverage is the percentage of lot area covered by the horizontal projection of all structures, buildings, and other impervious surfaces.
4. Maximum FAR does not apply to residential uses.

Financial Feasibility

Exhibit 12 shows a comparison of development costs to value for all the prototypes analyzed in the office concepts. Across all prototypes in the office concept, none of the larger office options generates enough value to cover the costs even before land. The 3-story office building and single-story retail are potentially feasible, but may not be able to afford the cost to acquire and demolish an existing developed commercial site. The surface-parked office building comes closest of the three larger office options. We also tested a 5-story fully surface-parked office building similar to recent office developments in this area for comparison (that example is not shown here); it would appear to be viable, though maybe not enough so to support acquisition and redevelopment of a developed site.

Exhibit 12. Comparison of Development Cost to Value



Conclusions

Our financial feasibility analysis found that large scale office development (6-stories) with structured parking is not feasible even with low land costs and a vacant site due to the high cost of structured parking and high parking ratios. Smaller-scale office development (2- to 3-stories) with surface parking is potentially feasible, but it likely cannot afford the acquisition and redevelopment costs of a developed commercial site.

There are challenges for both high-density and lower-density development in the development code. For high-density development the maximum lot coverage and minimum landscaping requirements limit the size of the development footprint. Parking is a key issue for office development, particularly at higher densities:

- Parking and landscaping requirements make achieving a floor area ratio above 1.0 impossible without structured parking. Providing enough surface parking to meet the current requirements would push the FAR below 1.0, which then would not comply with the minimum FAR requirement.
- To meet the parking requirement for four stories of office requires a large area of surface parking or several floors of structured parking.
- High density office would have to add roughly one floor of structured parking for each floor of office space. The cost of building structured parking is too high relative to the value of the office space, and makes the development financially infeasible.

3.Small Site Development

Approach

Several of the smaller vacant and potentially redevelopable parcels along Hall Boulevard are narrow and deep. The limited frontage can make development more challenging. While lot aggregation is certainly possible, it can be challenging in an area with fragmented ownership and properties with a mix of existing development conditions. As with the larger site examples, our approach for these smaller sites was to use hypothetical properties with site conditions like those found in this area rather than specific opportunity sites. SERA Architects prepared “test fits” of various forms of development and ECONorthwest evaluated the financial feasibility of these examples and the code obstacles that they would face under the existing zoning. Because the area along Hall Boulevard has a range of zones, we compared the example developments against City of Tigard zones which include MUR-1, MUR-2, R-12, and C-P. In addition, for each of the “test fits” prototypes developed in this section we assumed that they would be built on a typical 300 feet long by 100 feet wide parcel size—which is characteristic to several narrow and deep parcels along Hall Boulevard.

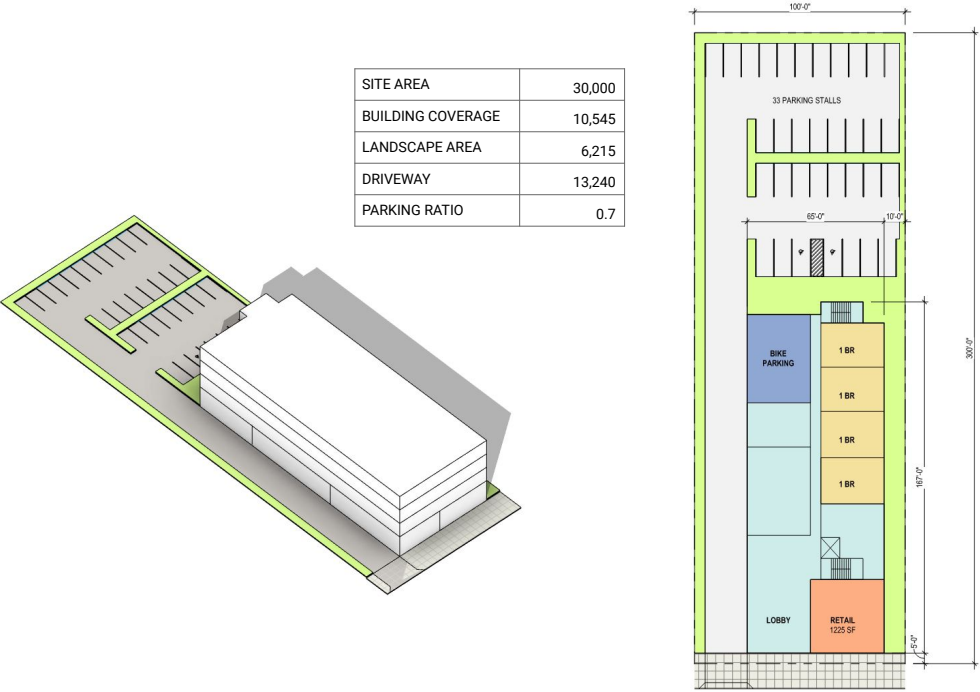
The following section illustrates development massing and program, development code analysis, identification of development barriers, and feasibility key findings for three different prototypes that could potentially be developed on small sites along Hall Boulevard.

Prototype 1: Mixed Use

Prototype 1 shown in Exhibit 13 is a 4-story mixed use apartment building with ground floor retail and lobby space fronting the street. Due to parcel size constraints, surface parking is located behind the building with vehicle access on one side of the building. The mixed-use building has 46 residential units and 1,225 square feet of retail space. At a parking ratio of 0.7 per unit with no dedicated parking for the retail use, the development has a total of 33 parking stalls.

Exhibit 13. Mixed Use Development Massing and Program

Source: SERA Architects



Development Code Barriers

In Exhibit 14, below, the highlights in yellow correspond to development code standards where the mixed-use prototype does not comply with the existing MUR-1, MUR-2, R-12, and C-P zones found along Hall Boulevard.

Key findings for this prototype include:

- Mixed use buildings are not allowed in R-12 or C-P zones.
- The mixed-use building does not meet the required minimum street and front setback standards in the MUR-2 and R-12 zone.
- The mixed-use building exceeds the maximum height limit of 35 feet and 45 feet in the R-12 and C-P zones.
- The maximum density in R-12 prohibits developments like a mixed-use building.
- High parking ratios for residential and commercial uses provide development and financial challenges to meet the required number of parking stalls.
- Guest parking for residential developments with 10 or more units adds additional financial challenges.

Exhibit 14. Code Audit for Mixed Use Development in MUR-1, MUR-2, R-12, and C-P Zones

Source: ECONorthwest analysis of City of Tigard Development Code

Standard	MUR-1	MUR-2	R-12	C-P	Prototype 1 Mixed Use
Allowed Residential Type	Rowhouses, Quads, Courtyards, Cottage Clusters, Apartments	Rowhouses, Quads, Courtyards, Cottage Clusters, Apartments	SFD, Rowhouses, Quads, Courtyards, Cottage Clusters, Apartments, ADUs	None	Mixed Use
Allowed Commercial Uses	Office and Retail ¹	Office and Retail ¹	None	Office, Retail, Eating & drinking, Hotel	Eating & Drinking, Retail
Minimum Lot Size	0 ft	0 ft	3,050 sf/unit	6,000 sq ft	30,000 ft
Min Front Setback	0 ft	10 ft	20 ft	0 ft	5 ft
Street Side Setback	5 ft	10 ft	20 ft	0 ft	5 ft
Side Setback	0 ft	0 ft	10 ft	0 ft	10 ft
Rear Setback	0 ft	0 ft	20 ft	0 ft	133 ft
Minimum Height	2 stories	0 ft	0 ft	0 ft	4 stories
Max Height	75 ft	60 ft	35 ft	45 ft	49 ft
Minimum Landscape Area	20%	20%	20%	15%	21%
Maximum Lot Coverage ²	80%	80%	80%	85%	79%
Min Density	50 du/acre	25 du/acre	8	-	67
Max Density	None	None	10	-	
Minimum FAR	0.60	0.30	None	None	1.80
Max FAR ³	None	None	None	None	
Parking Spaces	58	58	58	58	33

Note(s):

1. Uses must be within a mixed-use development only.
2. Maximum lot coverage is the percentage of lot area covered by the horizontal projection of all structures, buildings, and other impervious surfaces.
3. Maximum FAR does not apply to residential uses.
4. Guest parking is only required for apartment developments with 10 or more units.

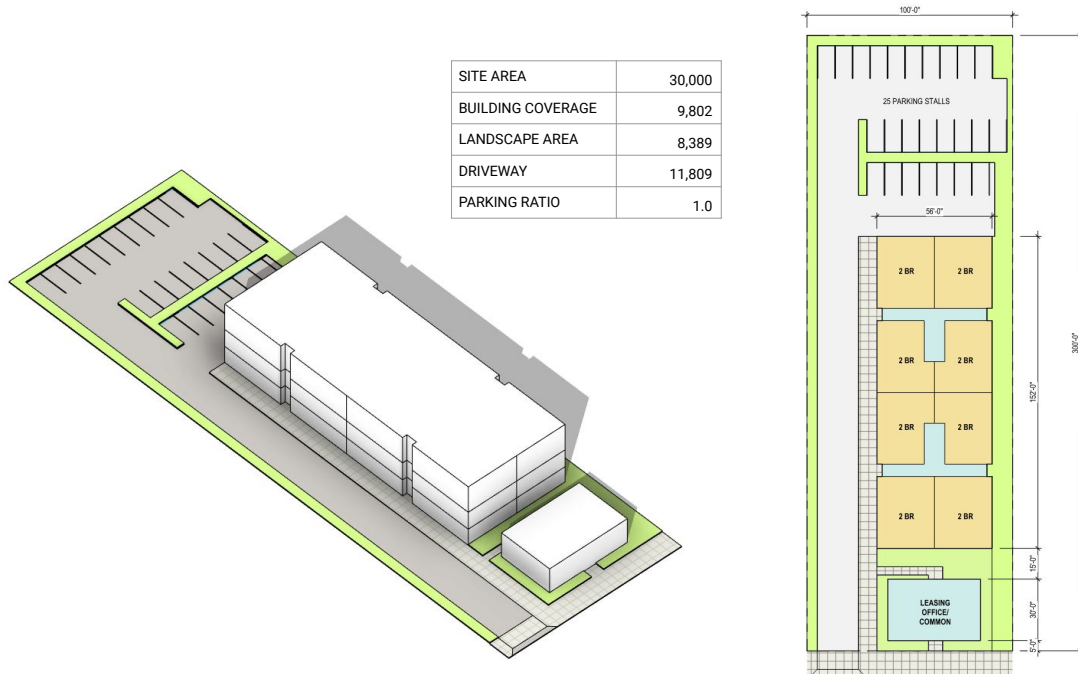
Prototype 2: 3-Story Apartment

Prototype 2 shown in Exhibit 15 is a 3-story apartment building with a detached leasing office/amenity space fronting the street. Parking for the apartment is located at the back of the apartment building to provide a walkable and pleasant pedestrian frontage. Parking access is provided through a long driveway located to the side of the apartment building. The apartment

building has a total of 24 residential units. There is a total of 25 parking stalls provided in this development at a parking ratio of 1.0.

Exhibit 15. 3-Story Multifamily Development Massing and Program

Source: SERA Architects



Development Code Barriers

In Exhibit 16, below, the highlights in yellow correspond to development code standards where the 3-story apartment prototype does not comply with the existing MUR-1, MUR-2, R-12, and C-P zones.

Key findings include:

- No residential use is allowed in the C-P zone.
- The 3-story apartment building does not meet minimum front and street side setback standards in the MUR-2 and R-12 zones.
- Density minimums in the MUR-1 prohibit medium scale residential development like a 3-story apartment building (prototype 2).
- Density maximums in the R-12 zone prohibit medium density residential apartments like prototype 2.
- Guest parking plus high parking ratios provide challenges to the scale of the development and financial feasibility.

Exhibit 16. Code Audit for 3-Story Multifamily Development in MUR-1, MUR-2, R-12, and C-P Zones
 Source: ECONorthwest analysis of City of Tigard Development Code

Standard	MUR-1	MUR-2	R-12	C-P	Prototype 2 3-Story Multifamily
Allowed Residential Type	Rowhouses, Quads, Courtyard Units, Cottage Clusters, Apartments, Mixed Use	Rowhouses, Quads, Courtyard Units, Cottage Clusters, Apartments, Mixed Use	Single-family Detached, Rowhouses, Quads, Courtyard Units, Cottage Clusters, Apartments, ADUs	None	Apartments
Allowed Commercial Uses	Office and Retail ¹	Office and Retail ¹	None	Office, Retail, Eating & drinking, Hotel	-
Minimum Lot Size	0 ft	0 ft	3,050 sf/unit	6,000 sq ft	30,000 ft
Min Front Setback	0 ft	10 ft	20 ft	0 ft	5 ft
Street Side Setback	5 ft	10 ft	20 ft	0 ft	5 ft
Side Setback	0 ft	0 ft	10 ft	0 ft	10 ft
Rear Setback	0 ft	0 ft	20 ft	0 ft	98 ft
Minimum Height	2 stories	0 ft	0 ft	0 ft	3 stories
Max Height	75 ft	60 ft	35 ft	45 ft	34 ft
Minimum Landscape Area	20%	20%	20%	15%	28%
Maximum Lot Coverage ²	80%	80%	80%	85%	72%
Min Density	50 du/acre	25 du/acre	8		35
Max Density	None	None	10		
Minimum FAR	0.60	0.30	-	None	1.80
Max FAR ³	None	None	-	None	
Parking Spaces	34	34	34	34	25

Note(s):

1. Uses must be within a mixed-use development only.
2. Maximum lot coverage is the percentage of lot area covered by the horizontal projection of all structures, buildings, and other impervious surfaces.
3. Maximum FAR does not apply to residential uses.
4. Guest parking is only required for apartment developments with 10 or more units.

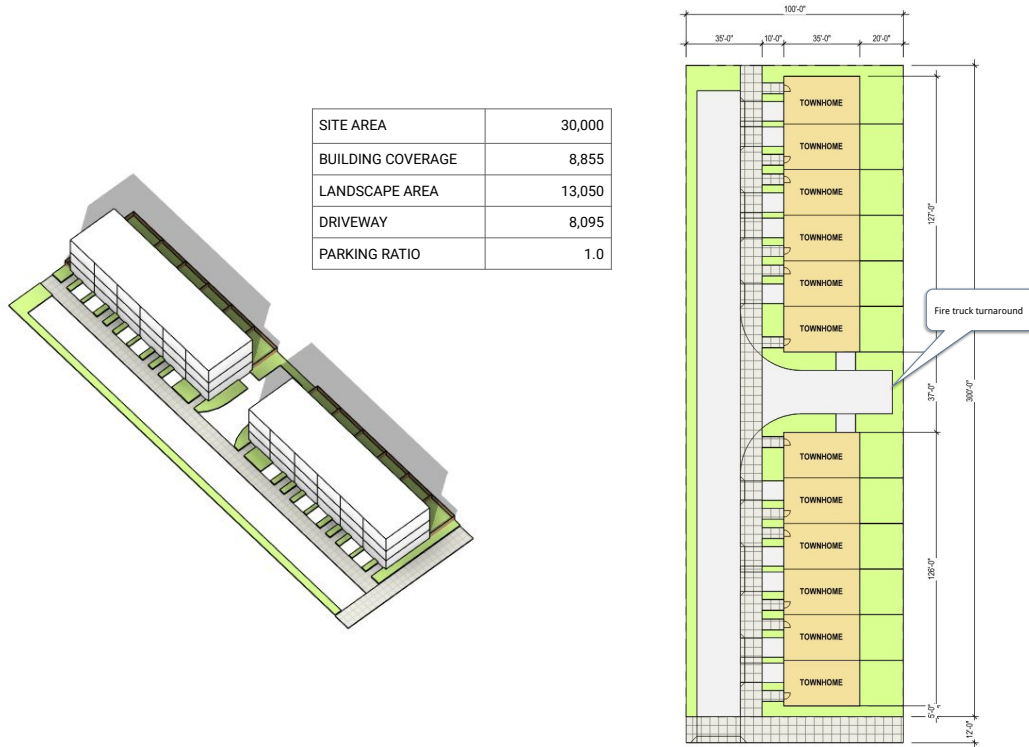
Prototype 3: Rowhouses

Prototype 3, shown in Exhibit 17, includes twelve 3-story rowhouses with a tuck-under garage. Vehicle access to the rowhouses is provided with a side driveway. A fire truck turnaround

driveway is provided in the middle of the site. Each rowhouse has a single-car garage, providing a total of 12 off-street parking spaces for the entire development site.

Exhibit 17. Rowhouses Development Massing and Program

Source: SERA Architects



Development Code Barriers

In Exhibit 18, below, the highlights in yellow correspond to development code standards where the rowhouse prototype does not comply with the existing MUR-1, MUR-2, R-12, and C-P zones.

Key findings for this prototype include:

- No residential use is allowed in the C-P zone.
- The rowhouse prototype does not meet the minimum lot size of 3,050 square feet per dwelling unit in the R-12 zone.
- The rowhouse prototype does not meet minimum front, street side, and back setbacks in the MUR-2 and R-12 zone.
- Density minimums in the MUR-1, MUR-2 prohibit smaller scale residential development like rowhouses.
- Density maximums in the R-12 zone prohibit rowhouse development.

Exhibit 18. Code Audit for Rowhouses Development in MUR-1, MUR-2, R-12, and C-P Zones

Source: ECONorthwest analysis of City of Tigard Development Code

Standard	MUR-1	MUR-2	R-12	C-P	Prototype 3 Rowhouses
Allowed Residential Type	Rowhouses, Quads, Courtyard Units, Cottage Clusters, Apartments, Mixed Use	Rowhouses, Quads, Courtyard Units, Cottage Clusters, Apartments, Mixed Use	Single-family Detached, Rowhouses, Quads, Courtyard Units, Cottage Clusters, Apartments, ADUs	None	Rowhouses
Allowed Commercial Uses	Office and Retail ¹	Office and Retail ¹	None	Office, Retail, Eating & drinking, Hotel	None
Minimum Lot Size	0 ft	0 ft	3,050 sf/unit	6,000 sq ft	30,000 ft
Min Front Setback	0 ft	10 ft	20 ft	0 ft	5 ft
Street Side Setback	5 ft	10 ft	20 ft	0 ft	5 ft
Side Setback	0 ft	0 ft	10 ft	0 ft	20 ft
Rear Setback	0 ft	0 ft	20 ft	0 ft	5 ft
Minimum Height	2 stories	0 ft	0 ft	0 ft	3 stories
Max Height	75 ft	60 ft	35 ft	45 ft	34 ft
Minimum Landscape Area	20%	20%	20%	15%	44%
Maximum Lot Coverage ²	80%	80%	80%	85%	57%
Min Density	50 du/acre	25 du/acre	8	None	17
Max Density	None	None	10	None	
Minimum FAR	0.60	0.30		None	0.80
Max FAR ³	None	None		None	
Parking Spaces	12	12	12	12	12

Note(s):

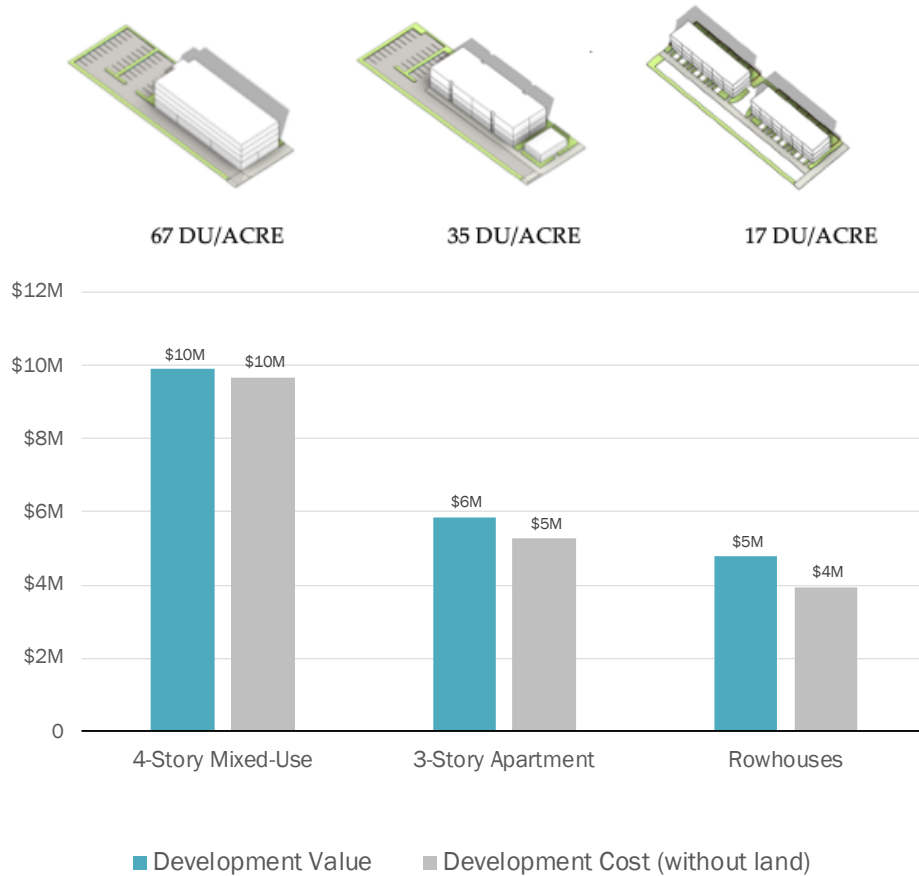
1. Uses must be within a mixed-use development only.
2. Maximum lot coverage is the percentage of lot area covered by the horizontal projection of all structures, buildings, and other impervious surfaces.
3. Maximum FAR does not apply to residential uses.
4. Guest parking is only required for apartment developments with 10 or more units.

Financial Feasibility Results

For the small infill development prototypes, all have value that exceeds the development cost before including land, which suggests they could be feasible with low site acquisition costs. The apartment and rowhouse prototype could be feasible enough to afford typical land costs for a

more residential area, including properties with an existing home on a large lot. This represents a shift in the types of residential development that the WSRC could potentially see in the near-term with changes to the development code.

Figure 19. Comparison of Development Cost to Value for Small Site Developments



Conclusions

ECONorthwest’s analysis showed that all prototypes in this concept can potentially be feasible, depending on site-specific conditions and land costs. The mixed-use prototype was least feasible due to the higher cost of this construction type.

In the development code, there are challenges for both high density and lower density development in zones along Hall Blvd. For higher density development in zones MUR-1 and MUR-2, guest parking requirements for apartments (10+ units) can be excessive and create financial and development challenges. In addition, retail parking requirements are a challenge for mixed-use developments where shared parking is not allowed.

While the residential and mixed-use zones allow a range of housing types, the allowed density ranges limit what is actually possible in each zone:

- The MUR-1 zone allows for the higher density mixed-use prototype (aside from parking requirements), but does not allow for low-rise apartments or rowhouses due to the minimum density.
- The MUR-2 zone allows for the mixed-use and apartment prototypes, but the rowhouses would not meet the minimum density.
- The R-12 zone density is too low for all of the prototypes tested.

The C-P zone prohibits residential uses entirely, precluding all the prototypes tested.

Setbacks also pose somewhat of a challenge in the MUR-2 and R-12 zones.

4. Tower-scale Development Challenges

Context and Approach

There have been many successful suburban developments in the past decade that have increased density and achieved a relatively urban form in a suburban context, including development at Orenco Station's Platform district, Beaverton Central, and the Vancouver Waterfront. All of these have relied on public-private partnerships and place-making investments to create an attractive, amenity-rich environment that helps support denser development. In all cases, the resulting development has been largely "podium" style development, with one to two stories of structured parking topped by four to five stories of wood-frame construction. This type of development offers substantially lower construction costs than high-rise development, but is more expensive than low-rise construction with surface parking typical of suburban development.

The Lincoln Center tower located in the WSRC seems to be an exception to the overall development pattern, but it was built in 1988, when construction costs and market conditions were different, and it still relies on surface parking and some parking garages.

Because of the substantial financial obstacles to tower-scale development, we do not evaluate its financial feasibility in any detail. Rather, this analysis considers how existing development regulations, like parking standards, contribute to the challenges of building tower-scale development in the WSRC, even in the MUC zone, which theoretically allows development up to 200' tall.

Conclusion

We conducted an initial "back-of-the-napkin" analysis to roughly estimate how much structured parking a tower development would need in order to satisfy existing parking requirements and compared it to how many rentable floors of office space a tower could yield. We analyzed two office tower prototypes, a 15-story office tower and a 13-story office tower on a typical 45,000 square foot lot. Assuming a parking ratio of 2.7 per 1,000 square feet of office

space, the 15-story office tower would need a minimum of seven trays of structured parking and the 13-story office tower would need about 5 trays of structured parking. Due to the high construction cost of structured parking within a development, constructing a 15-story office tower with seven trays of structured parking is cost prohibitive due to the high parking ratios for office uses.

Under existing development regulations, tower scale development is far from being financially feasible and will not occur in the near- or mid-term. Tower development could be potentially feasible in the WSRC area if one or more of the following components of tower development changes: (1) reduced parking requirements, (2) technological advancements that reduced the cost of structured parking, (3) alternative transportation improvements that reduced demand for parking, or (4) changes to construction technology that reduced the cost of tower development.

Other Code Issues

1. Purpose

Overly restrictive or lack of clarity in development entitlements can create barriers for development. Code barriers can limit the financial feasibility of a development or even outright prohibit a development. This section takes a closer look at the City’s development code to identify specific code standards that might be stringent or lack clarity for residential and non-residential developments.

2. Substantive Code Issues

The following table identifies several code standards that are a potential obstacle to development. The Washington Square Regional Center Plan District includes additional code standards that may pose challenges for incremental development in the area as addressed in the city’s non-confirming analysis. See Appendix A.

Exhibit 20. Code Standards that are potential obstacles to residential development

Code Standard(s)	Challenges for Development
Guest Parking (for apartments with 10 or more required vehicle parking spaces) (18.230.040 Development Standards)	<ul style="list-style-type: none"> ▪ Guest parking coupled with already high residential parking requirements limits the buildable area of a development and as a result could reduce residential density and feasibility.
Entrances (for dwelling units without internal building access) (18.230.050 Design Standards)	<ul style="list-style-type: none"> ▪ A minimum of 1 entrance per dwelling unit must be visible and accessible from a public or private street, outdoor common open space, or drive aisle. This design standard would affect townhouse-style development that does not face the street. It would also create potential issues for units facing a side yard unless there is a common open space in that side yard.
Window area (a minimum of 50 percent window area included) (18.230.050 Design Standards)	<ul style="list-style-type: none"> ▪ Although an option, the windows requirement is high. Tower developments could satisfy this requirement, while it would be harder for wood frame development to achieve the 50 percent window area. ▪ It is unclear if it is required across all sides of the building or just the street-facing side.
200 square feet max size for a detached parking structure for each rowhouse (18.280.050 Development Standards)	<ul style="list-style-type: none"> ▪ This maximum size on a garage for rowhouses is small/slim
Minimum Lot Size (Table 18.280.1)	<ul style="list-style-type: none"> ▪ A minimum lot size of 5,000 square feet per unit on the R-7 zone for a rowhouse is large. This limits residential density in R-7 zones.

Code Standard(s)	Challenges for Development
Minimum Density (Table 18.280.1)	<ul style="list-style-type: none"> ▪ A minimum density of 50 units per acre in the MUR-1 limits the range of housing that can be built ▪ A minimum density of 25 units per acre in the MUR-2 limits the range of housing that can be built
Balcony requirement (for apartments and rowhouses) (18.280.060 Design Standards)	<ul style="list-style-type: none"> ▪ A balcony requirement to substitute for a front porch on a grouping of rowhouses can potentially be stringent, especially if a balcony is required to be a minimum of 48 square feet in size. Not many rowhouses developments have balconies and the required size is fairly large. ▪ The requirement to include balconies for multifamily can also increase development costs, decrease energy efficiency, and present water intrusion issues. ▪ For affordable housing this can become an issue for efficient and cost-effective building design
Quadplex housing unit configuration (18.270.050 Development Standards)	<ul style="list-style-type: none"> ▪ Quadplex must contain four dwelling units for which two dwelling units must be wholly contained within the first story and the other two dwelling units contained within a second story. This quadplex configuration affects the physical design/layout of quadplex developments.

3.Code Clarity Issues

In addition to code issues that are barriers to development, we’ve identified several clarity issues related to the development code that can prove challenging to interpret or find in the city’s internal webpages.

Exhibit 21. Clarity issues related to code standards and Information

Code Standard(s) / Clarity Issue	Challenges for Development
Interface/ code organization	<ul style="list-style-type: none"> ▪ When navigating the online municipal code, the interface defaults to only showing chapters/sections of the code at a time, which can lead the user to not see the entire code standards applicable to that chapter or subject matter. (There is an option to show all of the chapters or sections at once, but it is not the default option.) This can become cumbersome, difficult, and lead to clarity issues when not all of the chapter information is shown.
Mixed uses	<ul style="list-style-type: none"> ▪ Many development standards are broken out by use. It is not clear which development standards apply to mixed-use buildings (e.g., residential above commercial).
Parking Standards	<ul style="list-style-type: none"> ▪ The organization of the off-street parking standards is somewhat hidden and not easily accessible.

Code Standard(s) / Clarity Issue	Challenges for Development
Special land use exceptions	<ul style="list-style-type: none"> ▪ Special land use exceptions in specific locations (e.g., car dealerships) without adequate policy justification can set a precedent for future land use exceptions requests.
Rowhouse standards	<ul style="list-style-type: none"> ▪ Apartment standards can be substituted for rowhouse standards in zones where both housing types are allowed outright. This creates flexibility but could also lead to confusion.

Appendix A: Nonconforming Development Analysis

The attached document is an analysis of nonconforming developments and uses conducted by the City of Tigard. The analysis provides a summary of key findings by subarea including identified code issues by zone.

Appendix B: Development Opportunities Analysis

The attached document identifies possible (re)development and change of use opportunities in each subarea for feasibility analysis testing. It focuses on properties in the study area that may have further development potential based on market trends, property characteristics, and recent new development.



City of Tigard Memorandum

To: Becky Hewitt, ECONorthwest

From: Susan P. Shanks, City of Tigard

Re: Washington Square Regional Center Update Project:
Nonconforming Development Analysis by Subarea and Code Issues Summary by Zone

Date: October 9, 2020

This memorandum includes an analysis of nonconforming development by subarea and a summary of recent code issues identified by staff.

I. NONCONFORMING DEVELOPMENT ANALYSIS BY SUBAREA

Development in each subarea was evaluated against existing land use and development standards in the five base zones and the Washington Square Regional Center Plan District to determine the type and degree of nonconforming situations. Development in Beaverton and unincorporated Washington County was not evaluated. Staff knowledge, aerial photos, online mapping tools, and a recently conducted floor area ratio analysis¹ were used to evaluate development in each subarea as identified in Figure 1 below.

Development in each subarea was evaluated against the following three categories of standards. Development was not evaluated against existing building design or parking quantity standards, as these are too difficult or time consuming to evaluate accurately.

1. Land Uses (zoning standards)

- MUC zone
- MUE-1 and -2 zones
- MUR-1 and -2 zones

2. Development Intensity (zoning standards)

- Dwelling units per acre (residential)
- Floor area ratio (nonresidential)
- Building height
- Lot coverage

3. Site Design (zoning and plan district standards)

- Building setbacks
- Building location relative to street
- Parking location relative to street
- Pedestrian connections to building
- Landscaping

¹ See Map 19 Floor Area Ratio by Site in the WSRC Background and Conditions Report

Figure 1. Washington Square Regional Center Subareas

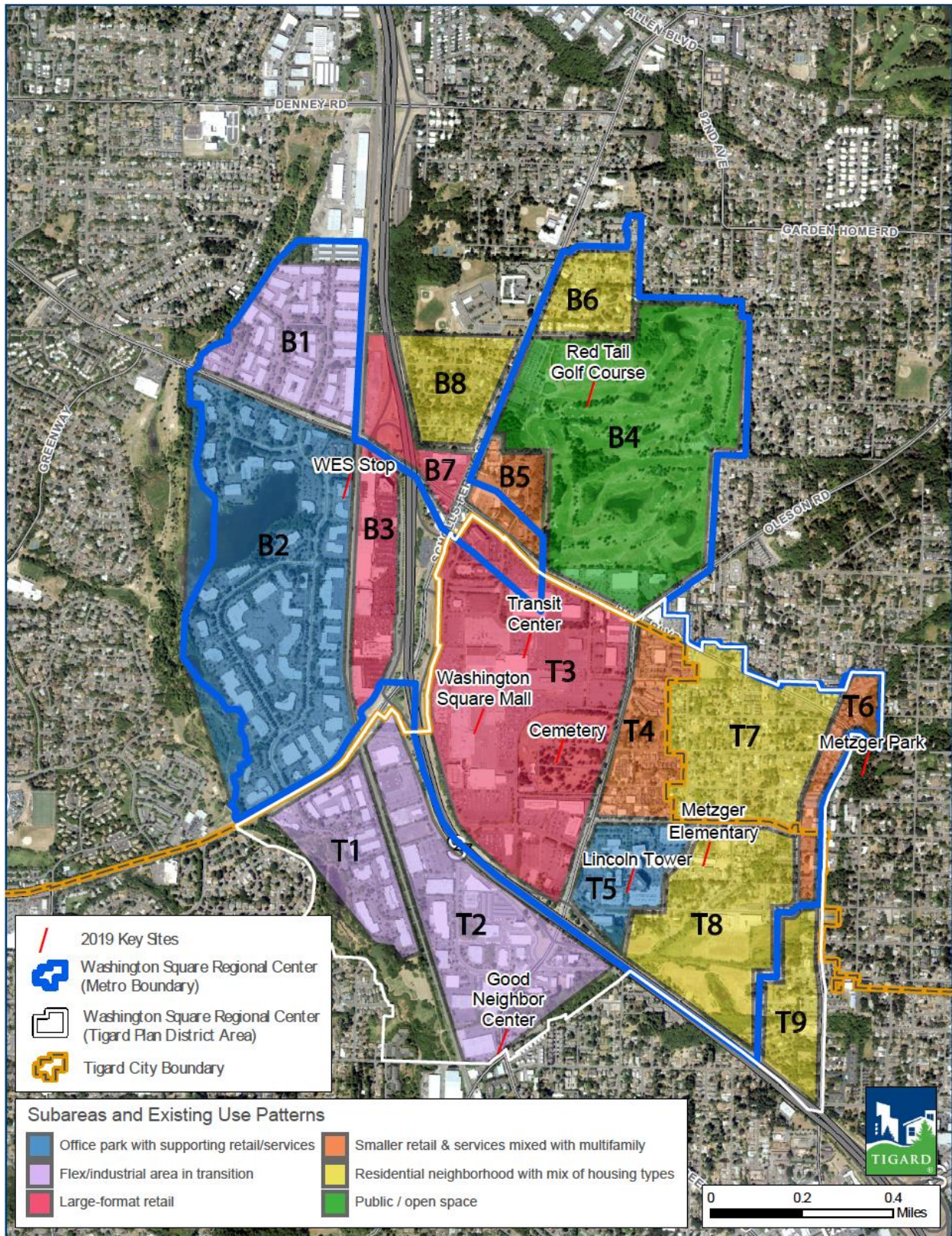


























Table 1. Nonconforming Development Analysis by Subarea

Subarea	Zone	Land Use	Development Intensity	Site Design
T1 (Nimbus)	MUE-2	 [1,2]		
T2 (Cascade)	MUC	 [1,2]		
T3 (Mall)	MUC R-4.5 (Cemetery)	 [1]		
T4 (Greenburg)	MUE-1, R-12 MUR-1 and-2		 [3]	
T5 (Lincoln Center)	MUE-1	 [1]	 [4]	
T8 (Oak/Locust)	MUE-1, MUR-1, R-4.5		 [3]	
T9 (Hall)	MUR-1, MUR-2, R-12		 [3]	
<p> This indicates that subarea development appears to mostly meet existing standards.</p> <p> This indicates that subarea development only partially meets existing standards. This rating was only used when it was clear that there were several properties that both met and didn't meet the standards.</p> <p> This indicates that subarea development appears to mostly not meet existing standards.</p>				

[1] These subareas meet or partially meet existing land use standards. It is worth noting, however, that all of these areas allow residential uses, but none of these areas have residential uses with the exception of the one apartment building in Subarea T3.

[2] These subareas only partially meet existing land use standards. T1 contains the following types of nonconforming uses: warehouse, wholesale, and industrial service uses. T2 contains the following types of nonconforming uses: bulk sales, car sales, and self-storage units.

[3] These subareas only partially meet existing minimum development intensity standards because of newer apartment or rowhouse development.

[4] This subarea only partially meets existing minimum development intensity standards because of existing Lincoln Center development.

As can be seen by the analysis in Table 1 above, almost all of the subareas have development that mostly conforms to existing land use standards. The two exceptions are Subareas T1 and T2, both of which contains several nonconforming uses.

Generally speaking, the development pattern in the Washington Square Regional Center is suburban and auto-oriented, and existing standards are urban and pedestrian-oriented. As a result, subareas with older developments that were built before the current standards were adopted are generally nonconforming with regard to maximum setbacks, minimum floor area ratios (or minimum residential densities), minimum landscaping requirements, parking and building locations relative to the street, and pedestrian connections between buildings and the street. However, these same older developments are generally conforming with regard to maximum lot coverage.

In summary, none of the subareas contain development with a high degree of conformance to existing standards. The development in Subarea T2 is the most nonconforming, followed closely by the development in Subarea T1.

II. CODE ISSUES SUMMARY BY ZONE

MUE-2 Zone

Most of the development in the MUE-2 zone (Subarea T1) is located within the Scholls Business Center. Each tenant space in the northern portion of this development was built with warehouse space. As a result, businesses that seek to relocate here have warehouse needs. However, the current land use standards do not allow the kinds of businesses that typically have such needs, such as industrial services, wholesale sales, or warehousing. Staff conservatively estimates that approximately 25% of current businesses are nonconforming uses. For new proposed businesses, staff tends to request more detailed information than is typical in order to determine whether the business can be classified as an allowed use, such as office. In several instances, staff has determined that the proposed business is not an allowed use despite the fact that the existing space is well suited for the proposed use.

MUC Zone

Development in the MUC zone (Subareas T2 and T3) is located on both sides of Highway 217. With one noteworthy exception, development proposals on both sides of the highway have faced similar code issues.

NEW DEVELOPMENT

Example sites: Toys 'R Us, Macy's, Sears, and Jaguar Land Rover

- Difficulty meeting minimum floor area ratio standard. Of the four example sites listed, only two received approvals. The Sears site went through a Planned Development process to obtain the needed flexibility. The Jaguar Land Rover site was approved under an older version of the code that allowed a property to meet the standard over time.
- Difficulty meeting minimum height standard. See previous bullet point for additional information.

MODIFICATIONS TO EXISTING NONCONFORMING DEVELOPMENT

Example sites: Biamp, Shady Lane house used for commercial business

- Building addition triggers full building and site design conformance. The current code allows nonconforming buildings to increase in size by up to 20 percent of the original floor area before requiring full compliance with standards. This has effectively curtailed additions to small- and medium-sized buildings.

Example site: Chair Outlet

- Building modification causes development to go out of conformance with other standards. The Chair Outlet site is nonconforming with regard to minimum parking spaces and minimum floor area ratio (FAR). A proposal to remove a small portion of the existing building and add parking spaces was not allowed because it would make the site go further out of conformance with minimum FAR.

The one code issue that is limited to the west side of Highway 217 involves allowed uses not development standards. Car dealerships have approached the city about locating on the vacant Toys ‘R Us, Orchard Supply, and Sky High Sports sites. The current code does not allow standalone car dealerships in this zone, with the exception of the mall subdistrict located on the east side of Highway 217.

MUR-1, MUR-2, and MUE-1 Zones

A number of developers and brokers have approached the city about building housing that does not meet the minimum residential density standard in these zones. The current code does not allow a reduction in minimum density.

All Zones

Additional code issues identified by staff:

- Lack of Hwy 217 screening standard
- Lack of building design standards for non-street-facing building facades
- Lack of site design standards for frontages on private streets or accessways
- Lack of master planning process for large parcels or multiple parcels under one ownership (e.g. mall) to more effectively evaluate conformance with standards and to facilitate incremental or phased development that increases conformance with standards over time.
- Potential disconnect between residential development standards and WSRC Plan District standards
- Potential for oversight or confusion with tax lot exemptions in footnote for MUR-1 and -2 zones

DATE: August 17, 2020
TO: Susan Shanks, City of Tigard
FROM: Becky Hewitt, Oscar Saucedo-Andrade, and Tyler Bump, ECONorthwest
SUBJECT: SUBAREAS AND DEVELOPMENT OPPORTUNITIES – WASHINGTON SQUARE REGIONAL CENTER

Executive Summary

This memorandum is intended to identify possible (re)development and change of use opportunities in each subarea for later testing through feasibility analysis. It is also intended to describe the role that the existing land uses play locally or regionally (e.g., businesses that draw customers from around the region, apartments that provide low-cost housing options, or institutions that serve the surrounding community). This qualitative analysis builds off the Washington Square Regional Center Market Study Report, and focuses on properties in the study area that may have further development potential based on market trends, property characteristics, and recent new development. Key findings of this analysis include:

- Recent and pending development shows fairly strong demand for residential development (multifamily, single family detached, and townhomes) that is consistent with the vision for the area, as well as some demand for new large-format retail (including car dealerships) that may not be consistent with the vision.
- Most large-scale redevelopment opportunities in the study area are on large, underutilized commercial sites with underutilized surface parking lots; particularly, at the mall and around the edges of the mall on SW Greenburg Road and along SW Hall Boulevard.
- There are small-scale residential infill opportunities in the surrounding neighborhoods that could support medium-density housing if permitted by zoning.
- There are very few vacant buildable sites remaining in the study area. Much of the vacant land in the area is constrained by wetlands or lack of transportation access.
- The best opportunity for mixed-use development in the near term is likely to be on the mall property. Redevelopment of portions of the mall site could create amenities and a concentration of activity that can help support both residential and commercial development in the study area.
- The area around SW Scholls Ferry and SW Hall (in Beaverton's portion of the Regional Center) has site and proximity attributes such as visibility for retail/commercial development along major arterials, proximity to the services at and around the mall, and good access to Highway 217 that could help support horizontal or vertical mixed-use redevelopment in the mid- to long-term.
- The business park areas west of Highway 217 are unlikely to see redevelopment of existing buildings, and there is little space to develop additional buildings. However,

they offer potential for property owners to improve and modernize the office space and common areas to attract tenants who would otherwise look elsewhere in the region.

- The flex and industrial spaces west of Highway 217 at the north and south ends of the study area are unlikely to be redeveloped or see major site improvements in the near-term. Instead, the existing buildings are likely to continue to be repurposed for other uses, such as entertainment, fitness, and recreation uses; religious institutions; specialty retail; repair businesses; and smaller e-commerce and distribution related companies with moderate storage and shipping needs. This type of change of use may involve modifications to the interior of the building, but tends to have minimal impact on the exterior and the site.

Introduction

As part of an effort to refine the original vision for the Washington Square Regional Center (WSRC) to promote housing, employment, and transportation options that are consistent with Tigard's strategic vision to be a walkable, healthy, and inclusive community, ECONorthwest has prepared this evaluation of subarea existing uses and development opportunities to inform planning for a range of land uses within the WSRC.

The WSRC subareas are shown in Exhibit 1 and are summarized in Exhibit 2. Subareas were defined based on current land uses, existing development patterns, and barriers that divide the area. Note that although this evaluation includes areas within the City of Beaverton and unincorporated Washington County, the focus is on areas within the City of Tigard. Somewhat less information is available for the areas within the City of Beaverton and unincorporated Washington County (e.g., recent development activity, current permits, and identified vacant buildable land).

For each subarea, this memorandum summarizes:

- Existing uses and their roles,
- Current zoning,
- How the subarea relates to various boundaries (regional center designation, city limits, plan designation, etc.), and
- Recent, pending, and potential development.

In Exhibit 3 we also highlight the areas that are most promising for near- to mid-term (re)development and residential mixed-use development in particular. For purposes of this document, near-term generally means within the next five years, mid-term means roughly within the next 10 years, and long-term means roughly 10-20 years from now, though these time frames are approximate.

Subareas

Exhibit 1: Subareas and Existing Use Patterns in the Washington Square Regional Center Study Area

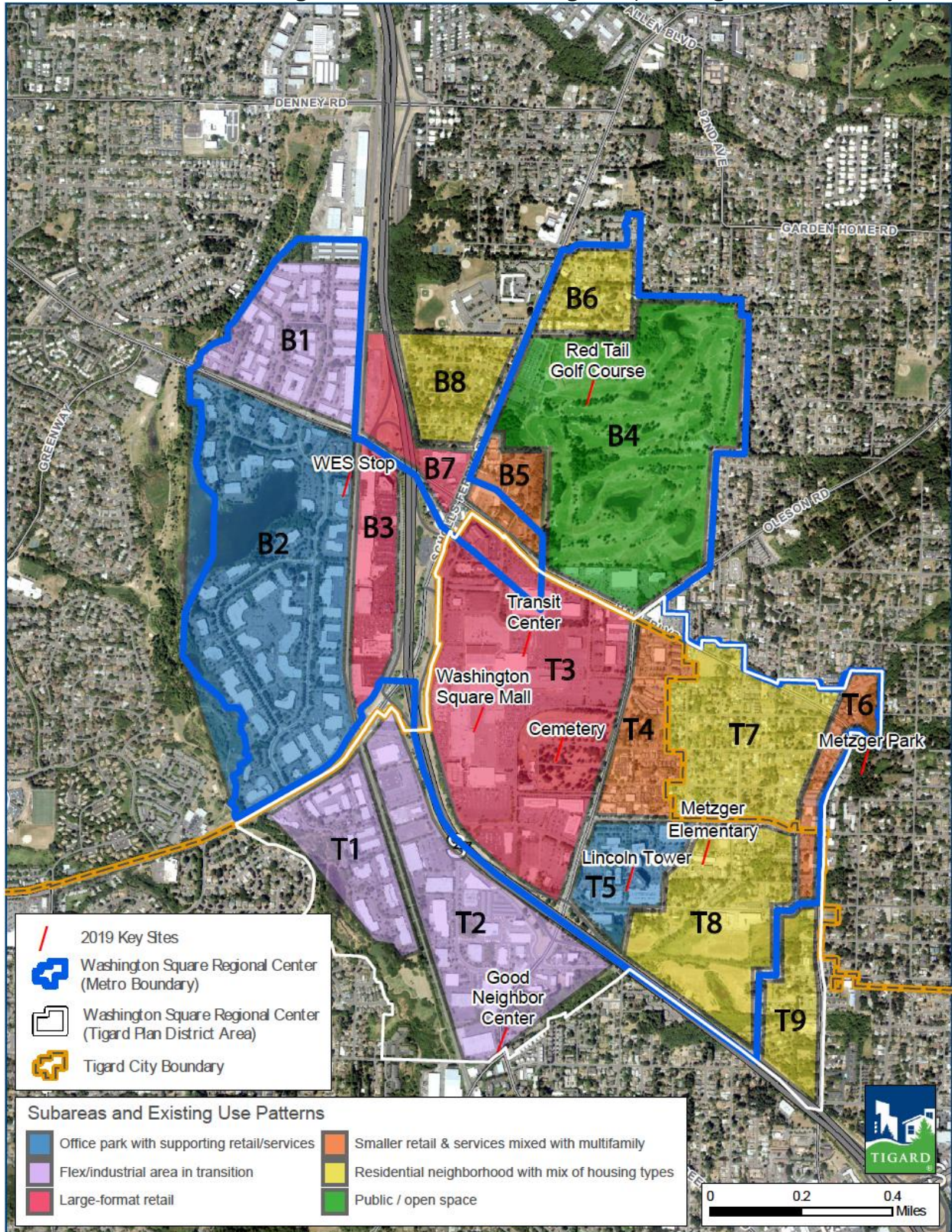


Exhibit 2: Summary Description of Subareas

Subarea	Existing Uses & Roles	Boundary & Zoning Summary	Recent, Pending, and Potential Development
<p>T1 (west of Hwy 217, south of Scholls Ferry Rd., west of rail line)</p>	<ul style="list-style-type: none"> • Flex/industrial area in transition. • Existing uses include: churches; medical labs; recreation businesses such as dance/swim lessons; software businesses; staffing agency; finance, insurance, and real estate (FIRE) businesses; and some specialty retail (lighting, home improvement, medical supplies). • There are also a few quick-serve/drive-through restaurants and retailers in a strip commercial center next to Scholls Ferry Road. • Existing uses serve both local residents and employers in the region. • The area is separated from the rest of the Regional Center by the railroad tracks and from adjacent development to the west by Fanno Creek. 	<ul style="list-style-type: none"> • Jurisdiction: City of Tigard • Tigard WSRC Plan District: Yes • Inside Metro Regional Center boundary: No • Zoning: MUE-2 allows a wide mix of moderately dense residential (25–50 units/acre) and employment uses including office, R&D, and light manufacturing. 	<ul style="list-style-type: none"> • The area has seen little physical development, but shows signs of the current business mix transitioning to different (potentially higher rent) tenants. • New development opportunities are likely limited by proximity to the creek and the fact that the area is managed as a part of a larger business center. • A small area of vacant land at the southern end of the subarea may be buildable.
<p>T2 (west of Hwy 217, south of Scholls Ferry Rd., east of rail line)</p>	<ul style="list-style-type: none"> • Flex/industrial area in transition. • Existing uses include: industrial suppliers, regional recreation businesses (indoor futsal/soccer, indoor skydiving/trampoline), specialty retail (outdoor sports supply, home/bed retail, print & supply), and employment (light manufacturing and professional office), self-storage, automotive repair and motorcycle dealership. • The area has gas stations and a quick serve/drive-through restaurant near SW Greenburg Road. • The area also has two vacant large-format buildings near Scholls Ferry Road (former retail businesses). • The variety of businesses and uses draw some regional customers; other businesses serve local residents. Recreational uses (e.g., Sky High Sports, 	<ul style="list-style-type: none"> • Jurisdiction: City of Tigard • Tigard WSRC Plan District: Yes • Inside Metro Regional Center boundary: No • Zoning: MUC allows for a wide mix of high-density uses adjacent to the mall including office, retail, service, and residential uses (50+ units/acre). 	<ul style="list-style-type: none"> • There has been little physical development in the area, but there has been a shift in the business mix. • Redevelopment of properties at the north end of this subarea is possible due to large parcel sizes, allowance for higher density uses, and low improvement to land value ratios. Additional retail vacancies could mean more potential for

Subarea	Existing Uses & Roles	Boundary & Zoning Summary	Recent, Pending, and Potential Development
	<p>iFly Indoor Skydiving) and the motorcycle dealership attract a regional customer base extending beyond Tigard and Beaverton.</p> <ul style="list-style-type: none"> • Current uses are mostly auto-oriented requiring large parking lots. 		<p>transition of uses and/or redevelopment.</p> <ul style="list-style-type: none"> • There is one vacant parcel identified, though it may have natural resource constraints.
<p>T3 (east of Hwy 217, around the Mall)</p>	<ul style="list-style-type: none"> • Large-format retail. • Existing uses include: Washington Square Mall (a regional shopping center), quick-serve restaurants, specialty strip retail buildings surrounding the mall edges (eyeglasses, furniture, pet supplies, clothing, cosmetics), a big-box retailer (Target), banks, hotels, and automotive businesses (repair/shops, dealerships). • Two high-end car dealerships (Tesla and Jaguar) are located south of the mall. • A cemetery is located in the center of the subarea, surrounded by commercial uses and the mall. • This subarea has the largest employment base and mostly serves as a regional destination for shopping. 	<ul style="list-style-type: none"> • Jurisdiction: City of Tigard • Tigard WSRC Plan District: Yes • Inside Metro Regional Center boundary: Yes • Zoning: MUC allows a wide mix of high-density uses on and around the mall including office, retail, service, and residential uses (50+ units/acre). 	<ul style="list-style-type: none"> • The area has seen little redevelopment to date, but some has occurred in the south end of the mall (Tesla and Jaguar car dealerships). • Redevelopment plans of the vacant Sears site within the mall will transition the area into a mixed-use and entertainment area. • Additional redevelopment of parking lots and transit-supportive development around the Transit Center is possible.
<p>T4 (west of the Mall area, south of Hall Blvd.)</p>	<ul style="list-style-type: none"> • Smaller retail & services mixed with multifamily. • Existing uses include: several small-scale medical offices (dental, pain/spine/foot/ankle, chiropractic and rehab, dermatology), churches, banks, hotels, finance/insurance/real estate (FIRE) businesses, and small professional services. • The majority of the small businesses in this area serve local residents. • Includes some apartments and townhomes, including two relatively recent developments. Older apartments likely provide unregulated affordable housing. 	<ul style="list-style-type: none"> • Jurisdiction: City of Tigard • Tigard WSRC Plan District: Yes • Inside Metro Regional Center boundary: Yes • Zoning: MUE-1 allows a wide mix of high-density residential (50+ units/acre) and employment uses including office, R&D, and light manufacturing. R-12 allows medium-density residential housing. 	<ul style="list-style-type: none"> • Recent and planned residential development (market rate and affordable) indicates a gradual transition towards more housing in this area and at higher densities than current residential uses. • Potential affordable housing development will absorb the only vacant

Subarea	Existing Uses & Roles	Boundary & Zoning Summary	Recent, Pending, and Potential Development
	<ul style="list-style-type: none"> The church property on Greenburg Road may be redeveloped with affordable housing. 		<ul style="list-style-type: none"> parcel identified in the subarea.
T5 (west of the Mall area around Lincoln Center)	<ul style="list-style-type: none"> Office park with supporting retail/services. Existing uses include: several FIRE and professional services and offices, health care clinics, specialty retail (jeweler), and quick-service restaurants and banks near Greensburg Road. This subarea serves as a regional employment area, and the predominant use is office. This subarea has the highest number of employees per acre and the workforce is drawn locally as well as regionally. 	<ul style="list-style-type: none"> Jurisdiction: City of Tigard Tigard WSRC Plan District: Yes Inside Metro Regional Center boundary: Yes Zoning: MUE-1 allows a wide mix of high-density residential (50+ units/acre) and employment uses including office, R&D, and light manufacturing. 	<ul style="list-style-type: none"> This area has not seen recent development. The existing offices are large, relatively high-density, and well-maintained. Some of the office parking is already in two-story parking decks, though redevelopment of some surface parking adjacent to offices or retail buildings may be possible if demand for parking declines. There is no vacant unconstrained land within this subarea.
T6 (along Hall Blvd. on the western edge of the study area)	<ul style="list-style-type: none"> Smaller retail & services mixed with multifamily. Existing uses include: small FIRE and professional service businesses, home improvement businesses, local restaurants/bars, convenience stores, self-storage, personal services (salon/spas), art studio (stained glass studio), marijuana dispensary, medical office, and apartment complexes in the northern area. The majority of businesses serve the local community. Existing multifamily housing likely provides unregulated low-cost housing options. 	<ul style="list-style-type: none"> Jurisdiction: City of Tigard Tigard WSRC Plan District: Yes Inside Metro Regional Center boundary: Yes Zoning: MUR-2 allows moderately dense residential uses (25-50 units/acre) and compatible commercial uses in mixed-use developments. 	<ul style="list-style-type: none"> This area has not seen recent development, and none is currently pending. There is no vacant buildable land in the subarea; however, there are several properties with undeveloped land or minimal improvements relative to the property size. These properties might have redevelopment potential if market conditions in the area improve.

Subarea	Existing Uses & Roles	Boundary & Zoning Summary	Recent, Pending, and Potential Development
<p>T7 (Metzger neighborhood north of the elementary school, south of Hall Blvd.)</p>	<ul style="list-style-type: none"> • Residential neighborhood with a mix of housing types. • Existing uses include: primarily single detached houses with a few rowhouses, duplexes, and a church with community food bank in the south end. • Community food bank provides food options to the surrounding community as well as a community garden. • The majority of the rowhouses are located in the northern area near SW Hall Boulevard. • The single detached houses are located on relatively large lots. 	<ul style="list-style-type: none"> • Jurisdiction: Unincorporated Washington County • Tigard WSRC Plan District: Yes • Inside Metro Regional Center boundary: Yes • Zoning: R5 (designated low density residential) and TO:R18-24 (medium-high density residential) on edges; one property zoned Institutional on southern edge. 	<ul style="list-style-type: none"> • Three vacant and lower density properties at the northern end of the subarea are part of a possible development for a new assisted living and memory care facility. • There has been little recent development activity aside from rowhouse development in 2013. • There are a few vacant properties and some homes with large lots, including some on corner lots that might provide lower barriers to redevelopment than other sites throughout the subarea.
<p>T8 (Metzger neighborhood around and south of the elementary school)</p>	<ul style="list-style-type: none"> • Residential neighborhood with a mix of housing types. • Existing uses include: the Metzger Elementary School, and single detached houses mixed in with duplexes, rowhouses, and apartments. • Metzger Elementary School is a neighborhood public school that serves the surrounding community and has open space and play areas available during non-school hours. • New market-rate apartments were recently constructed in the south end of the area with proposed senior housing coming online soon. • The large open space in the south end of the area is composed of wetlands and vegetation. 	<ul style="list-style-type: none"> • Jurisdiction: City of Tigard • Tigard WSRC Plan District: Yes • Inside Metro Regional Center boundary: Yes • Zoning: MUE-1 allows a wide mix of high-density residential (50+ units/acre) and employment uses including office, R&D, and light manufacturing. MUR-1 allows high-density residential uses (50+ units/acre) and compatible commercial uses in mixed-use developments. 	<ul style="list-style-type: none"> • Most of the remaining undeveloped land is constrained by natural resources. • There is a large undeveloped area in the south end of the area that is largely undevelopable due to the presence of wetlands.

Subarea	Existing Uses & Roles	Boundary & Zoning Summary	Recent, Pending, and Potential Development
<p>T9 (Metzger neighborhood in southeast corner of study area)</p>	<ul style="list-style-type: none"> • Residential neighborhood with a mix of housing types. • Existing uses include: a mix of housing types such as rowhouses (several infill developments built in the last 10 years), older apartment complexes, single detached houses on large lots, duplexes, and a memory care facility. • Large wetland and Ash Creek are located to the west of the area limiting new development on some properties. 	<ul style="list-style-type: none"> • Jurisdiction: City of Tigard • Tigard WSRC Plan District: Yes • Inside Metro Regional Center boundary: No • Zoning: MUR-1 allows high-density residential uses (50+ units/acre) and compatible commercial uses in mixed-use developments. 	<ul style="list-style-type: none"> • There are several homes on very large lots and a few vacant pieces of land that may offer potential for residential infill.
<p>B1 (west of Highway 217 and north of Hall Blvd.)</p>	<ul style="list-style-type: none"> • Flex/industrial area in transition. • Existing uses include: several FIRE and professional services, specialty retail (musical instrument store, safety supply, home security), recreational businesses (gymnastics, CrossFit, soccer association, performing arts), a roofing company, and automotive businesses (window tint, auto accessory shop), along with RV and storage and moving businesses. • Small, quick-service restaurants are located southwest of the area near SW Hall Boulevard. • Existing businesses are a mix of those serving the surrounding community and those serving households or businesses in the broader region. • The area is separated from the rest of the WSRC by railroad tracks and highway 217 to the east, SW Hall Boulevard to the south, and Fanno Creek to the west. 	<ul style="list-style-type: none"> • Jurisdiction: City of Beaverton • Tigard WSRC Plan District: No • Inside Metro Regional Center boundary: Yes • Zoning: OI-WS (Office Industrial – Washington Square) is intended to provide areas for combining light manufacturing, research and development, business support service, office and supportive retail, distribution, and other accessory uses, in an employment area. 	<ul style="list-style-type: none"> • The area has seen little recent physical development, but shows signs of a transitioning mix of businesses including indoor fitness/recreation, and specialty retail, etc. • Existing light industrial and storage uses at the north end of this subarea may offer redevelopment opportunities over the long-term. • The flex/business park development closer to Hall Blvd. is less likely to redevelop but may continue to see a changing mix of uses.
<p>B2 (west of Hwy 217 and the rail line, Nimbus Business Park area)</p>	<ul style="list-style-type: none"> • Office park with supporting retail/services. • Existing uses include: several FIRE and professional service businesses (software, media, laboratories, accounting), light manufacturing (medical, semiconductors), banks, hotels, specialty 	<ul style="list-style-type: none"> • Jurisdiction: City of Beaverton • Tigard WSRC Plan District: No • Inside Metro Regional Center boundary: Yes • Zoning: OI-WS (Office Industrial – Washington Square) is intended to 	<ul style="list-style-type: none"> • The area has seen little recent physical development, but shows signs of a transitioning mix of businesses from light industrial to

Subarea	Existing Uses & Roles	Boundary & Zoning Summary	Recent, Pending, and Potential Development
	<p>retail (furniture, shoe, yarn), immersion school, personal services, and quick-service restaurants.</p> <ul style="list-style-type: none"> • The existing businesses include many that serve households or other businesses well beyond the study area (regionally or nationally), and a few that serve primarily the surrounding neighborhoods • The majority of specialty retail and restaurants are near SW Nimbus Avenue, SW Scholls Ferry Road, and SW Hall Boulevard • The area is adjacent to a large body of water, wetlands, and Fanno Creek to the west • Much of the area is under common ownership and managed together as Nimbus Corporate Center • Comparatively low rents for office space provide opportunities for a range of businesses 	<p>provide areas for combining light manufacturing, research and development, business support service, office and supportive retail, distribution, and other accessory uses, in an employment area.</p>	<p>entertainment/recreation uses and other uses that draw in the broader public (e.g., religious institutions, medical/dental offices, specialty retail).</p> <ul style="list-style-type: none"> • The business park does not lend itself to redevelopment, but a few properties under separate ownership may have some infill/redevelopment potential over the long-term if parking demand decreases and commercial rents increase.
<p>B3 (west of Hwy 217 and east of the rail line, Cascade Plaza area)</p>	<ul style="list-style-type: none"> • Large-format retail. • Existing uses include: WES Commuter Rail Station, strip commercial retail at Cascade Plaza (clothing, pet supply, bridal, furniture, music), car dealership, quick-service restaurants, and senior care facility. • Retail businesses draw from around the western suburbs and beyond (e.g., car dealership). • The area is separated from the rest of the WSRC by Hwy 217 to the east, railroad tracks to the west, and SW Hall Boulevard and Scholls Ferry Road to the north and south. 	<ul style="list-style-type: none"> • Jurisdiction: City of Beaverton • Tigard WSRC Plan District: No • Inside Metro Regional Center boundary: Yes • Zoning: OI-WS (Office Industrial – Washington Square) is intended to provide areas for combining light manufacturing, research and development, business support service, office and supportive retail, distribution, and other accessory uses, in an employment area. C-WS is intended to provide an area for businesses that require automobile accessibility while encouraging mixed-use development that is transit and pedestrian supportive. 	<ul style="list-style-type: none"> • Existing car dealership was built in 2009, and already includes structured parking for vehicle storage making further consolidation unlikely. • Low-intensity retail at the southern end may offer opportunities for redevelopment. • Infill of underutilized surface parking lots with pad development that line street frontages within Cascade Plaza is a possibility.

Subarea	Existing Uses & Roles	Boundary & Zoning Summary	Recent, Pending, and Potential Development
B4 (east of Scholls Ferry, north of Hall Blvd., Red Tail Golf Course area)	<ul style="list-style-type: none"> • Public / Open Space. • Existing uses include: The Red Tail Golf Course. • Golf Course is owned and operated by the City of Portland. • The area is surrounded by residential and commercial uses. 	<ul style="list-style-type: none"> • Jurisdiction: City of Beaverton • Tigard WSRC Plan District: No • Inside Metro Regional Center boundary: Yes • Zoning: Interim Annexation. 	<ul style="list-style-type: none"> • Discussions with the City of Portland and City of Beaverton indicate that there are no plans in the near future for the Golf Course to be redeveloped due to long-term contract with the current operator.
B5 (east of Scholls Ferry, north of Hall Blvd, close to intersection)	<ul style="list-style-type: none"> • Smaller retail & services mixed with multifamily. • Existing uses include: specialty strip retail (lighting, cell phone store, shipping and mailing, home/bed and kitchen), a fire station, a small office building, and a mix of housing types such as rowhouses, condominiums, and apartment complexes. • Existing housing provides low-cost rental and home-ownership opportunities. • Businesses primarily serve the surrounding area. 	<ul style="list-style-type: none"> • Jurisdiction: City of Beaverton • Tigard WSRC Plan District: No • Inside Metro Regional Center boundary: Mostly • Zoning: Interim annexation zones: CS (Community Service) and R2 (Residential). CS is intended to provide a variety of business types compatible with and of similar scale to commercial activities found along the City's major streets. R2 allows for medium-density residential housing. 	<ul style="list-style-type: none"> • No recent or pending development in the area. • Existing condominiums are unlikely to redevelop. • Smaller individual retail sites along Hall Blvd. have redevelopment potential. • An existing small office building was recently purchased for renovation.¹
B6 (east of Scholls Ferry, north of Red Tail Golf Course)	<ul style="list-style-type: none"> • Residential neighborhood with a mix of housing types. • Existing uses include: residential, primarily single-detached houses with some rowhouses/condominiums. 	<ul style="list-style-type: none"> • Jurisdiction: Washington County • Tigard WSRC Plan District: No • Inside Metro Regional Center boundary: Yes • Zoning: R-5, R-15, R-24. Residential zones are intended to provide medium-density housing of 5-24 units/acre. 	<ul style="list-style-type: none"> • No recent or pending development. • A few single family properties with larger lots could have infill potential if allowed by zoning.
B7 (between Scholls Ferry and Hwy	<ul style="list-style-type: none"> • Large-format retail. • Existing uses include: a grocery store with strip retail (paint, sporting goods, cell phone), personal 	<ul style="list-style-type: none"> • Jurisdiction: City of Beaverton • Tigard WSRC Plan District: No 	<ul style="list-style-type: none"> • No recent or pending development.

¹ Norris & Stevens, Inc. "Norris & Stevens, Inc. Brokers \$1.025M Sale of Fairview Office Building in Tigard, Oregon," June 24, 2020. <https://www.tcnworldwide.com/member-press-releases/read/norris-stevens-inc.-brokers-1.025m-sale-of-fairview-office-building-in-tigard-oregon/>

Subarea	Existing Uses & Roles	Boundary & Zoning Summary	Recent, Pending, and Potential Development
217, north of Hall Blvd., close to intersection)	<p>service businesses, local restaurants, and a gas station.</p> <ul style="list-style-type: none"> • Large parking lots with minimal landscaping. • Existing businesses primarily serve the surrounding neighborhoods, including low-cost groceries. • Several smaller tenants are small businesses that are likely locally-owned. 	<ul style="list-style-type: none"> • Inside Metro Regional Center boundary: No • Zoning: CS (Community Service) is intended to provide a variety of business types compatible with and of similar scale to commercial activities found along the City's major streets. 	<ul style="list-style-type: none"> • Large parcels with large surface parking lots may offer potential for redevelopment.
B8 (between Scholls Ferry and Hwy 217, north of Hall Blvd.)	<ul style="list-style-type: none"> • Residential neighborhood with a mix of housing types. • Existing uses include: single detached houses and some duplexes. • The area is separated from the rest of the WSRC by SW Scholls Ferry Road, SW Hall Boulevard, and Highway 217. 	<ul style="list-style-type: none"> • Jurisdiction: City of Beaverton • Tigard WSRC Plan District: No • Inside Metro Regional Center boundary: No • Zoning: R7 is intended to provide low-density housing with a minimum of 7,000 square feet per dwelling unit. 	<ul style="list-style-type: none"> • One recent infill project with 6 houses abutting Highway 217. • A number of single family properties with larger lots could have infill potential if allowed by zoning.

Development Potential

While development feasibility will be evaluated in a subsequent report, this qualitative analysis can help determine which properties in the study area may have further (re)development potential based on market trends, property characteristics, and recent new development.

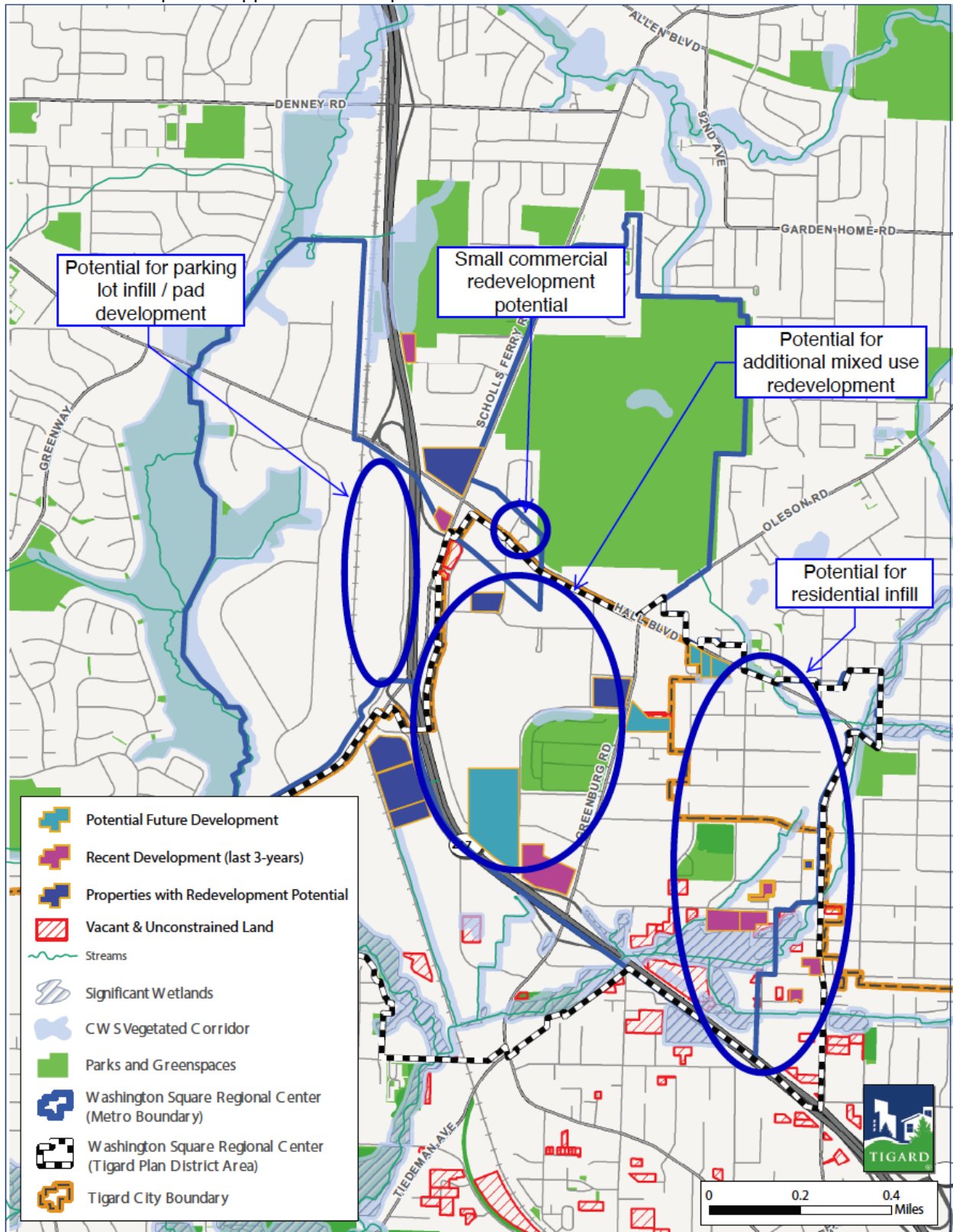
Exhibit 3 below shows:

- Vacant buildable land (as identified by the City of Tigard's Buildable Land Inventory),
- Recent development (within the last 3 years, 2017-2020),
- Pending development (properties that have submitted development applications or started the pre-application process),
- Underutilized properties (e.g. properties with large land relative to building footprint) and other properties that may have redevelopment potential.

Recent and pending development shows fairly strong demand for residential development and some demand for new large-format retail (e.g., car dealerships) in recent years in this area.

Based on this map, it appears that the larger-scale redevelopment opportunities may be on larger underutilized commercial sites in and around the mall property, with smaller-scale infill opportunities in the surrounding neighborhoods. Many of the remaining vacant sites in the area have natural resource and/or access constraints. The best opportunities for mixed-use development are likely on the mall property, though the property in B7 may offer a combination of visibility for retail/commercial development along the major roads and residential adjacency further back, potentially allowing for horizontal, if not vertical, mixed-use development.

Exhibit 3: Development Opportunities Map



Note: Vacant & unconstrained land layer is within City of Tigard only.