

**CONSTRUCTION EXCISE TAX GRANT  
INTERGOVERNMENTAL AGREEMENT  
Metro – City of Portland  
Mixed-Use Zoning Project**

This Construction Excise Tax Grant Intergovernmental Agreement (“CET Grant IGA”) is entered into by and between Metro, a metropolitan service district organized under the laws of the state of Oregon and the Metro Charter, located at 600 Northeast Grand Avenue, Portland, OR, 97232-2736 (“Metro”), and the City of Portland (“City”), located at 1900 SE 4<sup>th</sup> Avenue, Portland OR 97201, collectively referred to as “Parties.”

WHEREAS, Metro has established a Construction Excise Tax (“CET”), Metro Code Chapter 7.04, which imposes an excise tax throughout the Metro regional jurisdiction to fund regional and local planning that is required to make land ready for development after inclusion in the Urban Growth Boundary; and

WHEREAS, the CET is collected by local jurisdictions when issuing building permits, which the local jurisdictions then remit to Metro pursuant to Construction Excise Tax Intergovernmental CET Grant IGA to Collect and Remit Tax (“CET Collection IGAs”) entered into separately between Metro and the local collecting jurisdictions; and

WHEREAS, the City has submitted a CET Grant Request (“Grant Request”) for the Mixed-Use Zoning Project (“Project”); and

WHEREAS Metro has agreed to provide the City CET Grant funding for the Project in the amount of \$380,759 subject to the terms and conditions set forth herein, and the parties wish to set forth the funding amounts, timing, procedures and conditions for receiving grant funding from the CET fund for the Project.

NOW THEREFORE, the Parties hereto agree as follows:

1. Metro Grant Award. Metro shall provide CET grant funding to the City for the Project as described in the Revised Scope of Work for the City’s CET Grant Request, attached hereto as Exhibit B and incorporated herein (“Grant Request”), in the amounts and at the milestone and deliverable dates as set forth in Exhibit A attached hereto and incorporated herein, subject to the terms and conditions in this CET Grant IGA.
2. City Responsibilities. The City shall perform the Project described in the Grant Request and as specified in this CET Grant IGA and in Exhibit A, subject to the terms and conditions specified in this CET Grant IGA and subject to the “funding conditions” identified by the Screening Committee as stated in Metro Council Resolution No. 13-4450, Exhibit A. The City shall obtain all applicable permits and licenses from local, state or federal agencies or governing bodies related to the Project, and the City shall use the CET funds it receives under this CET Grant IGA only for the purposes specified in the Grant Request and to achieve the deliverables and/or milestones set forth in Exhibit A.
3. Payment Procedures. Within 30 days after the completion of each deliverable/milestone as set forth in Exhibit A, the County shall submit to Metro an invoice describing in detail its expenditures as may be needed to satisfy fiscal requirements. Within 30 days of receiving the City’s invoice and supporting documents, and subject to the terms and conditions in this CET Grant IGA, Metro shall reimburse the City for its eligible expenditures for the applicable deliverable as set forth in Exhibit A. Metro shall send CET payments to:

City of Portland

Bureau of Planning and Sustainability  
Attention: Barry Manning  
1900 SW 4<sup>th</sup> Avenue, Suite 7100  
Portland, OR 97201

4. Funding Provisions.

(a) CET Funds. Metro's funding commitment set forth in this CET Grant IGA shall be fulfilled solely through the programming of CET funds; no other funds or revenues of Metro shall be used to satisfy or pay any CET Grant funding commitments. The parties recognize and agree that if the CET is ever held to be unenforceable or invalid, or if a court orders that CET funds may no longer be collected or disbursed, that this CET Grant IGA shall terminate as of the effective date of that court order, and that Metro shall not be liable in any way for funding any further CET grant amounts beyond those already disbursed to the City as of the effective date of the court order. In such case the City shall not be liable to Metro for completing any further Project deliverables as of the date of the court order.

(b) Waiver. The parties hereby waive and release one another for and from any and all claims, liabilities, or damages of any kind relating to this CET Grant IGA or the CET.

5. Project Records. The City shall maintain all records and documentation relating to the expenditure of CET Grant funds disbursed by Metro under this CET Grant IGA. The City shall provide Metro with such information and documentation as Metro requires for implementation of the CET grant process. The City shall establish and maintain books, records, documents, and other evidence in accordance with generally accepted accounting principles, in sufficient detail to permit Metro or its auditor to verify how the CET Grant funds were expended. Metro and its auditor shall have access to the books, documents, papers and records of the City that are directly related to this CET Grant IGA, the CET grant moneys provided hereunder, or the Project for the purpose of making audits and examinations.

6. Audits, Inspections and Retention of Records. Metro and its representatives shall have full access to and the right to examine, during normal business hours and as often as they deem necessary, all City records with respect to all matters covered by this CET Grant IGA and Exhibit A. Such representatives shall be permitted to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls and other matters covered by this CET Grant IGA. All documents, papers, time sheets, accounting records, and other materials pertaining to costs incurred in connection with the project shall be retained by the City and all of their contractors for three years from the date of completion of the project, or expiration of this CET Grant IGA, whichever is later, to facilitate any audits or inspection.

7. Term. This CET Grant IGA shall be effective on the date it is executed by both parties, and shall be in effect until all deliverables/milestones have been achieved, all required documentation has been delivered, and all payments have been made as set forth in Exhibit A, unless terminated earlier pursuant to this CET Grant IGA.

8. Amendment. This CET Grant IGA may be amended only by mutual written agreement of the Parties.
9. Other Agreements. This CET Grant IGA does not affect or alter any other agreements between Metro and the City.
10. Authority. City and Metro each warrant and represent that each has the full power and authority to enter into and perform this CET Grant IGA in accordance with its terms; that all requisite action has been taken by the City and Metro to authorize the execution of this CET Grant IGA; and that the person signing this CET Grant IGA has full power and authority to sign for the City or Metro, respectively.

Metro

City of Portland

By: \_\_\_\_\_  
Martha Bennett

By: \_\_\_\_\_  
Charlie Hales

Title: Metro Chief Operating Officer

Title: Mayor

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to Form:

Approved as to Form:

By: \_\_\_\_\_  
Alison R. Kean

By:   
Glenn Fullilove

Title: Metro Attorney

Title: Deputy City Attorney

Date: \_\_\_\_\_

Date: 12/11/13

Attachments:

Exhibit A – Milestones and Deliverables Schedule

Exhibit B - Revised Scope of Work for City's Grant Request

## Exhibit A

**IGA for Community Planning and Development Grants funded with CET  
Portland – Mixed Use Zoning Project  
Milestones and Deliverables Schedule for Release of Funds**

Task	Milestones and Deliverables	Date Due*	Grant Payment
1.	<b>Execution of CET Grant IGA</b> a) Detailed work plan, schedule and budget	December 2013	\$33,000
2.	<b>Community Involvement Committee briefing on Public Involvement Plan</b> a) Public Involvement Plan b) Issue RFPs for project consultants	February 2014	\$53,000
3.	<b>Planning and Sustainability Commission briefing to review Mixed-Use Zone Assessment</b> a) Mixed Use Zone assessment, containing: <ul style="list-style-type: none"> <li>• Evaluation of current mixed-use regulations and their performance</li> <li>• Evaluation of current design approaches</li> <li>• Research best practices from other jurisdictions</li> <li>• Identify issues to be resolved (in next task)</li> </ul> b) Copies of public outreach materials c) Progress report	July 2014	\$87,000
4.	<b>Community Meeting(s) to discuss initial code concepts</b> a) Code Concepts Report b) Copies of public outreach materials c) Progress report	November 2014	\$105,759
5.	<b>Community Meeting(s) to discuss Code Amendments</b> a) Draft code and map (if applicable) amendments b) Copies of public outreach materials c) Progress report	March 2015	\$67,000
6.	<b>Present Proposed Amendments to Planning and Sustainability Commission</b> a) Proposed code and map (if applicable) amendments b) Public Hearing	June 2015	\$25,000
7.	<b>Present Recommended Amendments to City Council</b> a) Recommended code and map (if applicable) amendments b) Public Hearing	July 2015	\$10,000
<b>TOTAL REIMBURSABLE AMOUNT</b>			<b>\$380,759</b>

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

\*Due dates are intended by the parties to be hard estimates of expected milestone completion dates. If the City anticipates that a due date cannot be met due to circumstances beyond its control, it shall inform Metro in writing no later than ten (10) days prior to the due date set forth above and provide a revised estimated due date; and Metro and the City shall mutually agree upon a revision to the milestone due dates set forth in this Agreement.

Note: City of Portland match = \$207,900.

**EXHIBIT B – Revised Scope of Work**

METRO CET PLANNING GRANT APPLICATION - REVISED 12/09/2013  
Mixed-Use Zoning Project

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**Mixed-Use Zoning Project – Full Application****Project Narrative****A. Project Description**

Twenty-two years ago, the City of Portland adopted eight mixed use commercial zones; prior to that the City of Portland adopted the EX zone, which also allows mixed uses. While successful in many ways, the existing commercial zones do not adequately address a number of issues that are critical to creating compact, walkable and attractive urban neighborhoods. Specifically, the City's mixed use commercial zones do not focus ground floor commercial uses in high opportunity areas or allow for flexibility with respect to building height and bulk. The standards were created with a one-size-fits-all principle and do not respond to variation in Portland's urban form. In addition, many of these zones do not adequately discourage auto-oriented development or create successful transitions between higher density mixed-commercial areas and adjacent, lower density residential areas.

As Portland's population grows—Metro's 2035 growth forecast indicates the city will grow by as many as 121,000 households and 134,000 new jobs, given recent trends, it is reasonable to expect that much new residential development will be in mixed use zones outside the Central City. Since 2008, nearly 45 percent of new residential units outside the Central City were built in mixed use areas and growth capacity studies show that nearly 48 percent of new residential development will occur in these areas. In addition, mixed use areas outside the Central City contain 43 percent of Portland's employment growth capacity.

As development in mixed use areas outside the Central City increases; and in concert with the development of the first new Comprehensive Plan since 1980, which promotes a more sustainable, compact urban form; encourages growth in Town and Neighborhood Centers; supports high levels of transit use, walking and biking; and encourages context-responsive design, it is necessary for the City of Portland to revisit and revise the mixed use commercial regulations outside the Central City. *For more information, please see Project Background.*

The goal of this project, the Mixed use Zoning Project, is to produce a new set of mixed use zones and development standards for properties outside the Central City.

**Approach**

- Develop and implement an inclusive public participation process, including a project advisory group (PAG) to guide the project, ensure broad-based citywide participation and create a transparent and open process.
- Summarize current mixed use regulations and design approaches, including base zone use and development standards, plan districts, overlay zones, design standards, design guidelines, and additional use and development regulations that may apply to mixed use areas, such as parking and loading, and landscape and screening to better understand the regulatory context.

**EXHIBIT B – Revised Scope of Work**

METRO CET PLANNING GRANT APPLICATION - REVISED 12/09/2013  
Mixed-Use Zoning Project

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- Complete and document best practices research to better understand how other communities have created successful walkable, mixed use centers and develop thorough knowledge of zoning code best practices.
- Analyze the differences in development outcomes in mixed use commercial zones in different parts of Portland through a series of case studies to determine which areas perform well and which have development that does not meet stated goals.
- Complete economic development assessments to determine where zoned capacity and development and design requirements exceed likely development potential given the real estate market, development types and other market variables; and identifying areas with potential for catalytic development when paired with public investments identified in the Comprehensive Plan.
- Work with community members and advisory groups to identify ways to create more attractive transitions between taller mixed use buildings and adjacent lower density residential buildings.
- Develop a preferred approach for revising the mixed use commercial zones and potentially design guidelines; analyzing the market feasibility of the preferred approach; soliciting feedback from the community and advisory groups, including the PAG, the Planning and Sustainability, Design and Historic Landmarks Commissions.
- Write and revise new mixed use commercial zoning regulations, soliciting and responding to community feedback and potentially developing design guidelines.

*For more information on project tasks, please see the Budget Narrative.*

***Anticipated Project Outcomes***

- Implementation of new Comprehensive Plan policies and other components.
- Focused mixed use development in higher opportunity and/or higher demand areas.
- Development standards that respond to community context, as defined by the Pattern Areas in the Comprehensive Plan.
- A more compact and sustainable urban form that concentrates commercial services in centers and increases access to transit.
- Simplified development standards.
- A more contemporary and modern zoning code.
- Clarified development expectations for both developers and residents, which will result in reduced controversy in response to public and private investment.

***B. Project Site Description***

All properties (12,300 tax lots) in mixed use commercial zones will be affected by this project. Although properties within the mixed use commercial zones make up only 6.2 percent of the City of Portland's land area, recent growth capacity studies show that nearly 48-percent of future residential growth will occur in these zones.

**EXHIBIT B – Revised Scope of Work**

METRO CET PLANNING GRANT APPLICATION - REVISED 12/09/2013  
Mixed-Use Zoning Project

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Since 2008, research shows that development along mixed use commercial corridors in Inner Portland has steadily increased. This development has resulted in a greater variety of housing options, as well as in new commercial development in some areas of the city. However, it has also resulted in significant community frustration. At the same time, although the number of housing units in East Portland has increased, they have not been accompanied by increases in walkable commercial areas. Many residential areas east of 82<sup>nd</sup> Avenue do not have convenient, safe and walkable access to services. The project will draw upon the Portland Plan's 20-minute Neighborhoods Index.

The growth potential in Portland's mixed use commercial zones, along with a trend of increasing development and density along mixed use commercial areas in Inner Portland and the need to improve commercial services and housing options in East Portland, raises the importance of revising the mixed use zoning regulations to intentionally focus and direct development in ways that benefit more Portlanders.

Mixed use commercial zones are found throughout Portland—from Hollywood Town Center to Interstate Avenue, and from SW Barbur and Hillsdale to SE Division and 82<sup>nd</sup> Avenue. As a result, the demographics of those who live in or immediately adjacent to mixed use commercial zones and the types of development found in these zones vary significantly from place to place. The variety of communities and businesses potentially affected by future development in mixed use commercial zones and by changes to zoning regulations is one of the factors that make the proposed project complicated, challenging and important.

***C. Project Background***

This grant proposal builds on a series of Bureau of Planning and Sustainability projects, from Regulatory Rethink in 2006; to the on-going District Liaison program; to the Portland Plan, a citywide strategic plan that was adopted in 2012; to the Comprehensive Plan that is currently under development.

**Regulatory Rethink White Paper** – In 2006, a panel of nationally-recognized urban planners made recommendations regarding possible strategies for revising the City's regulatory framework. One recommendation was to develop an urban form plan that clearly illustrates the design intent and anticipated bulk and height of new development. The Urban Design Framework, which is being developed as part of the Comprehensive Plan is a significant first step. An important next step is developing easy to understand regulations that implement the vision in the Urban Design Framework.

**District Liaison Program** – The Bureau of Planning and Sustainability runs a District Liaison program that assigns planners to work with community partners to help neighborhoods and commercial areas flourish as great places to live, work, shop, learn, gather and play. Over the years, District Liaisons heard about the shortcomings of the mixed use regulations from various community perspectives. Concerns expressed included the building design, bulk, scale; parking, and transitions to lower-density residential development. From developers, concerns focus on the delays encountered when neighborhoods oppose developments. There are also concerns about residential-only developments being built on sites where commercial or mixed use developments are more desirable. A detailed look at the location and design of residential

**EXHIBIT B – Revised Scope of Work**

METRO CET PLANNING GRANT APPLICATION - REVISED 12/09/2013  
Mixed-Use Zoning Project

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development in commercial and mixed use zones is needed, as the amount of residential development in commercial zones continues to grow.

**Climate Action Plan** – The adopted City of Portland-Multnomah County Climate Action Plan (CAP) forwards the goal of having nearly all Portlanders live in complete communities and a goal of significantly reducing vehicle miles traveled to reduce carbon emissions and improve environmental health. Revised zoning regulations that encourage more walkable areas and concentrated mixed use development will help achieve these, and other, CAP goals.

**Portland Plan** – Portland’s strategic plan for a prosperous, educated, healthy, and equitable city, calls for expanding local access to services and fostering a system of centers with concentrations of services and housing. The Portland Plan Healthy Connected City Strategy forwards a system of mixed use areas that provide easy, safe and walkable access to services, transit and nature. The new zoning regulations will help implement the Healthy Connected City and other Portland Plan strategies.

**Comprehensive Plan** – The in-development Comprehensive Plan proposes concentrating development in Centers and Corridors and creating a tightly knit urban fabric that makes it easy and safe for all Portlanders to walk, bike or take transit to meet their daily needs. It is necessary to amend the mixed use zoning regulations is critical to forward the vision illustrated in the Urban Design Framework and to achieve the goals and implement the policies in the draft Comprehensive Plan.

***D. Evaluation Criteria*****Expected Development Outcomes**

- a) *Opportunity Sites* – The new Comprehensive Plan will include a capital investment strategy that will result in coordinated public investment in the mixed use areas, focusing on investments in centers. The strategy will also prioritize public investments based on numerous considerations including location and the ability to leverage more investment. This investment strategy will be complementary to the revised regulations. Due to the scope of this project—the revised regulations will apply to more than 12,000 tax lots, specific opportunity sites will not be identified; however, opportunity sites will be identified through the refinement planning process of the implementation of the new Comprehensive Plan.
- b) *Probability of Permits Being Issued within Two Years* – Since 2008, 45 percent of the residential units built within the Urban Growth Boundary were built in Portland. While much of that growth was in the Central City, a growing percentage was in mixed use zones outside the Central City. Between 2008 and 2002, more 2,077 new units were built in mixed use areas outside the Central City rose—raising the share of units built in these areas from 17 to 36 percent of new housing units.

This trend is expected to continue. The City’s financial projections indicate steady growth ranging from 2 to 6 percent in construction activity over the next five years in the Portland Metropolitan Area (Bureau of Development Services). Given that growth capacity studies show that 43 percent of the city’s total employment growth capacity and 48 residential of the city’s residential growth capacity are located in mixed use zones outside the Central City, it is particularly important to reconsider and revise the mixed use zoning regulations to better achieve city and regional goals. New zoning regulations will create a code that is



**EXHIBIT B – Revised Scope of Work**

METRO CET PLANNING GRANT APPLICATION - REVISED 12/09/2013  
Mixed-Use Zoning Project

easier to use, clarifies development expectations, create a more favorable, less controversial and transparent development process—all of which will help achieve on the ground development.

- c) *Probability of Permits Being Issued within Five Years* – As noted above, financial projections indicate that Portland will experience increased development over the next two to five years and growth projections suggest that much that development will occur within the project site area. New zoning regulations will help streamline the development process. In addition, the City is developing a capital investment strategy that will increase the attractiveness of centers and corridors. These investments and knowledge of future investments is expected to increase community desirability and spur private investment. Metro and Fregonese Associates recently completed studies that show that public investment can attract and encourage private investment.
- d) *Level of Community Readiness and Local Commitment* – Please review the responses to items one through five provided below.
1. There are significant sites of adequate scale to generate a critical mass of activity in Portland's mixed use areas, as demonstrated by the commercial success and new development in mixed use areas along streets like SE Hawthorne, SE Division, North Interstate and North Mississippi. Additional mixed use areas also have developable building sites.
  2. Most of Portland's mixed use areas have frequent transit service. Additional needed transportation services will be identified in the forthcoming Citywide Systems Plan and Transportation System Plan, which are part of the Comprehensive Plan Update project.
  3. Portland's urban form, which is defined by a series of centers linked by transit corridors provides strong redevelopment opportunities. According to the city's Buildable Lands Inventory, over 75% of development capacity is captured by redevelopment sites.
  4. Portland's Zoning Code and Comprehensive Plan have long supported the concept of compact, mixed use urban development. As demonstrated by the commercial success and development in mixed use areas along streets like SE Hawthorne and North Mississippi, many Portlanders support a compact urban form. However, recent housing and mixed use developments have raised neighborhood concerns. Many adjacent and nearby residents are concerned about building design, the physical relationship between larger buildings and predominantly single family residential areas. There are also notable concerns about parking and general decreases in community livability. New mixed use regulations will address building bulk, mass and height. Through this project the city will also facilitate conversations about use and development standards such as design, height, scale, and transitions to adjacent residentially-zoned properties. The conversations will help resolve issues and set reasonable expectations about future development. The new regulations will clarify expectations for residents and developers. Better and deeper understanding of the types of development that are expected and clear standards will help reduce conflict and improve the development review process.
  5. The vision of a more connected and compact and walkable city is articulated in the Portland Plan Healthy Connected City Strategy, the Climate Action Plan and in the Comprehensive Plan Urban Design Framework.

## EXHIBIT B – Revised Scope of Work

METRO CET PLANNING GRANT APPLICATION - REVISED 12/09/2013  
Mixed-Use Zoning Project

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- e) *Roles and Responsibilities* – The Bureau of Planning and Sustainability (BPS) will lead the project, but will work closely the Bureau of Development Services (BDS), Portland Bureau of Transportation (PBOT, Bureau of Environmental Services (BES) and the Portland Development Commission (PDC) throughout the project. BPS is responsible for long-range planning, ensuring that the community is fully involved in the decision-making, writing regulations, and ensuring that service providers meet the level-of-service standards in the Comprehensive Plan. BDS is responsible for the implementation of the regulations.

### **Regionally Significant**

This proposal supports the Metro 2040 Growth Concept by creating regulations that strengthen the city's commitment and investment in centers, corridors, and transit station areas. The Portland Plan and Climate Action Plan clearly articulate visions of a city with compact 20-minute neighborhoods, where people live and work in vibrant community where they can choose to walk for pleasure and meet their everyday needs. Portland's strategy of accommodating future growth in mixed use centers accomplishes livability and sustainability goals by encouraging building types that are energy efficient; providing healthy eating/active living (HEAL) amenities—open spaces, play areas, and community gardens in mixed use developments; reducing the need to travel by car; increasing transit access; providing compact communities that could explore becoming eco-districts, and exploring ways to incentivize affordable and diverse housing and commercial spaces.

### **Location**

The new regulations will be applied to mixed use zoned properties outside of the Central City, which includes all of Portland's Metro 2040 Growth Concept areas, except the Central City: one Regional Center, six Town Centers, over 30 Transit Station Areas, and roughly 160 miles of Main Streets and Corridors. The Comprehensive Plan will identify new neighborhood centers; these areas may require additional planning.

### **Best Practice Model**

Portland has a wide diversity of centers, corridors, and transit station areas. As a result, the regulations will need to address a range of sizes and characteristics. The best practices work completed by staff and lessons learned throughout the process will have applicability throughout the region. City staff is willing and able to present lessons learned at professional planning venues such as MTAC and APA conferences and events. The Bureau of Planning and Sustainability welcomes taking a leading role in the regional dialogue on growth management and sustainability and will take advantage of opportunities to share the new mixed use regulations and the public process advice with other agencies.

### **Leverage**

The clarity and certainty provided by the new development regulations combined with new public infrastructure investments and incentives to focus development in priority centers and corridors will help leverage private investment in these areas. This project will leverage outcomes for service providers as the work will include an analysis by various service providers to ensure that their existing and planned services will be able to meet the demand created by development. In addition, as part of this project the City will facilitate discussions with residents and developers to set expectations about future development in order to reduce controversy and create a more favorable development environment.

## EXHIBIT B – Revised Scope of Work

METRO CET PLANNING GRANT APPLICATION - REVISED 12/09/2013  
Mixed-Use Zoning Project

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### Matching Fund/Potential

This proposed planning grant will leverage significant in-kind contributions from the Portland Bureau of Planning and Sustainability. The grant proposal will fund 2 FTE for a project manager and city planner, responsible for general project management and deliverables. As a match, BPS urban designer, economic development planner, and district planners will all contribute hours to this project. (See budget narrative for details.) At a time when BPS is anticipating major budget cuts, assigning this work in-house will retain highly qualified employees to efficiently perform these tasks.

### Equity

Portland received several grants in the previous grant cycle. However, the total amount awarded to date is a relatively small percentage of the overall amount Portland construction projects have contributed to the program. For example, as of September 2012, the City of Portland contributed \$4.1 million to the grant program. In the previous grant cycle, Portland (BPS, PBOT, PDC) was awarded \$1.8 million. Furthermore, all of the previous grant awards were for geographically-specific projects. This grant application would benefit residents and businesses citywide, as the mixed use areas are distributed throughout the city.

### Public Involvement

To ensure an equitable and transparent process, a public involvement plan will be developed that meets Portland's adopted Public Involvement Principles and the draft Comprehensive Plan Community Involvement goals and policies. A carefully selected project advisory group (PAG) representing members of the development community, business community, neighborhoods, and regulatory agencies will be formed to assist and guide project staff at all stages of the project. It is anticipated that there will be a series of PAG meetings (open to the public), community workshops and open houses, topic area focus groups, and briefings with the Planning and Sustainability, Design and Historic Landmarks Commissions during the process, leading up to formal public hearings.

With the exception of the Central City, this will be a city-wide project effecting all commercial and central employment zones located in an area of 137 square miles (or 87,359 acres). Portland's population outside of the Central City is 586,700 and includes approximately 250,000 households (2012 census). As one of the first implementation projects of the new Comprehensive Plan this project could receive a great deal of community interest because it includes the controversial issues of impacts of mixed use development in neighborhoods, and because many people following the Comprehensive Plan update are anxious to start the implementation phase.

Public involvement at this scale needs to be strategic to make the best use of staff time and resources. Staff will rely heavily on PAG members to be conduits to their larger stakeholder groups, and BPS District Liaison Planners who have regular contact with both neighborhood and business groups in their districts. The District Liaisons planners are also aware of issues in their districts and may be able to target specific audiences and/or help facilitate special topic focus groups. In addition, staff will also work with the Bureau of Planning and Sustainability's equity specialist for help with strategies to reach low income communities, communities of color and Portlanders with disabilities, among other populations.

**EXHIBIT B – Revised Scope of Work**

METRO CET PLANNING GRANT APPLICATION - REVISED 12/09/2013  
Mixed-Use Zoning Project

**E. Collaborations**

This grant proposal will be led by the Bureau of Planning and Sustainability with collaboration from the Bureau of Development Services (BDS). In addition, staff will collaborate with the Portland Bureau of Transportation, TriMet, the Portland Development Commission, and the Bureau of Environmental Services. Due to its citywide scope, this project will require collaboration with property owners, business owners, developers, and neighbors across the city. *(See public involvement criteria)*

BPS received numerous letters of support from the following organizations:  
Boise Neighborhood Association; Department of Land Conservation and Development; Division/Clinton Business Association; East Portland Land Use and Transportation Committee, East Portland Neighbors, Inc.; Hawthorne Boulevard Business Association; Northeast Coalition of Neighborhoods; North /Northeast Portland Neighborhood Chairs Network; North Portland Land Use Chairs; SE Uplift Land Use and Transportation Committee; Venture Portland—Association of Neighborhood Business Districts, Sullivan's Gulch/Grant Park Neighborhood Associations; Central Northeast Neighbors, Inc. and Our 42<sup>nd</sup> Avenue- A Neighborhood Prosperity Initiative.

**F. Proposed Milestones and Deliverables (REVISED)**

*See budget narrative for a detail description of tasks and responsibilities.*

Task	Milestones and Deliverables	Due Date	Grant Amount
1	<b>Project Management</b> Detailed work plan, schedule, and budget <b>Milestone: Execution of CET Grant IGA</b>	<b>December 31, 2013</b>	<b>\$33,000</b>
2	<b>Public Involvement, Inter-Bureau Coordination, Consultant Selection</b> Public Involvement Plan Issue RFPs for project consultants <b>Milestone: Community Involvement Committee briefing on Public Involvement Plan</b>	<b>February 28, 2014</b>	<b>\$53,000</b>
3	<b>Research and Analysis</b> Mixed-Use Zone Assessment, containing: - Evaluation of current mixed-use regulations and their performance - Evaluation of current design approaches - Research best practices from other jurisdictions - Identify issues to be resolved (in next task) Copies of public outreach materials Progress report		

**EXHIBIT B – Revised Scope of Work**

METRO CET PLANNING GRANT APPLICATION - REVISED 12/09/2013  
Mixed-Use Zoning Project

	<b>Milestone: Planning and Sustainability Commission briefing to review Mixed-Use Zone Assessment</b>	<b>July 30, 2014</b>	<b>\$87,000</b>
<b>4</b>	<b>Concept Development</b> Code Concepts Report Copies of public outreach materials Progress report <b>Milestone: Community Meeting(s) to discuss initial code concepts</b>	<b>November 30, 2014</b>	<b>\$105,759</b>
<b>5</b>	<b>Code Development</b> DRAFT code and map (if applicable) amendments Copies of public outreach materials Progress report <b>Milestone: Community Meeting(s) to Discuss Code Amendments</b>	<b>March 31, 2015</b>	<b>\$67,000</b>
<b>6</b>	<b>Legislative Process</b> Proposed Code and map (if applicable) amendments Public Hearing <b>Milestone: Present Proposed amendments to Planning and Sustainability Commission</b>	<b>June 30, 2015</b>	<b>\$25,000</b>
<b>7</b>	<b>Legislative Process</b> Recommended Code and map (if applicable) amendments Public Hearing <b>Milestone: Present Recommended amendments to City Council</b>	<b>July 30, 2013</b>	<b>\$10,000</b>
	<b>Total Reimbursable Amount</b>		<b>\$380,759</b>

**G. Project Management**

Barry Manning, Senior Planner

Bureau of Planning and Sustainability (BPS), City of Portland

phone: 503-823-7965, e-mail: barry.manning@portlandoregon.gov

**EXHIBIT B – Revised Scope of Work**

METRO CET PLANNING GRANT APPLICATION - REVISED 12/09/2013  
Mixed-Use Zoning Project

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**2. Budget Documents****A. Budget Narrative**

The primary staff on this project will be a Bureau of Planning and Sustainability Senior Planner and an Associate City Planner. Both will be funded by the grant. The Senior Planner will act as overall project manager with a duration of approximately 18 months. The Associate Planner will assist the project manager; the duration of this position has been reduced to 12 months to conform to the revised budget. They will be responsible for the project's daily tasks and deliverables. Their work will include coordinating the internal project team, staffing project and technical advisory groups, creating and implementing the public participation plan, and coordinating development of key products for all stages of the project (i.e. research and analysis, concept development, code development, and the legislative process).

In addition, as directed by Metro Resolution 13-4450, the project will be assisted by a consultant. The roles of the project consultant will be focused in the following areas. Proposed tasks are outlined below, subject to further refinement. Anticipated budget is approximately \$120,000.

- **Public Involvement:** Consultant will 1) provide facilitation of Project Advisory Group and 2) participate in the design and implementation of public involvement events throughout the project.
- **Research and Analysis:** Consultant will 1) research best practices for mixed-use development/zones; 2) coordinate with City staff on evaluation of current Portland regulatory framework, outcomes and case studies; 3) perform development economics and feasibility analysis; 4) document findings in reports/memos to be included in CET deliverables at key project milestones.
- **Concept Development:** Consultant will 1) coordinate with City staff on development of mixed-use zone framework/hierarchy; 2) coordinate with staff in development of design features appropriate for Portland pattern areas; 3) prepare diagrams and drawings illustrating mixed-use development standards; 4) document findings in reports/memos to be included in CET deliverables at key project milestones.

As a match, BPS proposes to utilize the following in-house expertise:

- A BPS Urban Designer will assist in the research and analysis, concept development and code development by providing illustrations and alternatives that explore regulatory issues and opportunities, test possible solutions, and communicate ideas to a broad audience.
- A BPS Economic Development planner will perform research and analysis to examine the effectiveness of existing mixed-use zones within the three pattern areas related to market factors of development costs, achievable rents of development types, and identify where financial gaps exist due to a mismatch between mixed-use development standards and market variables. Once a set of code concepts is developed, he will also identify and analyze the impacts on the real estate market relative to land values and development feasibility.
- Five BPS district planners will provide in-depth knowledge of community issues at all stages of the project. In addition, the district planners have close and ongoing relationships with community, neighborhood and business stakeholders and will be instrumental in implementing the public involvement plan throughout the project.

This is proposed as a two-year project, with tasks being completed as follows:

**EXHIBIT B – Revised Scope of Work**METRO CET PLANNING GRANT APPLICATION - REVISED 12/09/2013  
Mixed-Use Zoning Project

186405

TASKS OVER TIME (REVISED)	FY 13-14						FY 14-15						FY15-16			
	Oct-Dec		Jan-Mar		Apr-Jun		Jul-Sept		Oct-Dec		Jan-Mar		Apr-Jun		Jul-Sept	
1. Project Management																
2. Public Involvement Plan																
3. Research and Analysis																
4. Concept Development																
5. Code Development																
6. Legislative Process																
7. Legislative Process																

See attached matrix for complete budget narrative, by task and personnel.

**EXHIBIT B – Revised Scope of Work**

METRO CET PLANNING GRANT APPLICATION - REVISED 12/09/2013

Mixed-Use Zoning Project

**B. Budget Detail**

Mixed-Use Zoning Code Project Detailed Budget		Grant Funded			Project Match					Grant Amount per Milestone	
		DATE	Senior Planner / Project Manager	Assoc Planner	Consultant	Urban Designer - Planner II	Economic Development - Planner II	District Planners - Planner II	Code - Planner II		Other City Agency Staff (PBOT, BES, PDC)
Task 1	Project Management		400	300							\$ 33,000
1.1	Chartering - Develop detailed work program, schedule, and budget										
1.2	Establish and coordinate internal project team										
1.3	Milestone progress reports and misc. administration										
1.4	Develop and maintain a project website										
1.5	General project management tasks: public notices, maintenance of public record, City Council coordination, etc.										
Deliverable:	Milestone Progress Reports										
Milestone 1:	Execution of CET Grant IGA	12/31/2013									
Task 2	Public Participation, Inter-Bureau Coordination, Consultant Selection		300	300	180	100	70	200	70	tbd	\$ 53,000
2.1	Design a comprehensive public involvement and technical advisors involvement approach										
2.2	Establish Project Advisory Groups (PAG) to include both community and technical stakeholders (e.g. BDS, PBOT, PDC, BES, Tri-Met, Metro)										
2.3	Conduct monthly PAG meetings										
2.4	Publish Public Involvement Plan										
2.5	Issue RFPs for project consultants										
Milestone 2:	Community Involvement Committee briefing on Public Involvement Plan	02/28/2014									
Task 3	Research and Analysis		400	400	360	250	250	200	200	tbd	\$ 87,000
3.1	Summarize current mixed-use regulations and design approaches										
3.2	Conduct case studies of mixed-use developments in three of the city's five pattern areas and document results of current mixed-use regulations, design approaches, and development economics and feasibility.										
3.3	Assess the performance of mixed-use regulations and design approaches against newly-adopted Comprehensive Plan policies and market constraints.										
3.4	Conduct research for best practices from other jurisdictions (regional, national, international)										
3.5	Identify issues to be resolved through code amendments										



**EXHIBIT B – Revised Scope of Work**

METRO CET PLANNING GRANT APPLICATION - REVISED 12/09/2013

Mixed-Use Zoning Project

3.6	Publish report summarizing findings: Mixed-Use Zone Assessment										
3.7	Coordinate with PBOT to integrate parking and transportation-related research applicable to mixed use and commercial development. Ongoing through Task 5.										
Milestone 3:	Planning and Sustainability Commission briefing to review Mixed-Use Zone Assessment	07/30/2014									
<b>Task 4</b>	<b>Concept Development</b>		600	600	360	640	300	210	200	tbd	\$105,759
4.1	Develop alternatives to issues identified in Task 3										
4.2	Evaluate alternatives to resolve issues										
4.3	Prepare diagrams illustrating alternative approaches										
4.4	Discuss alternatives with PAG										
4.5	Select preferred concepts to move to code development										
4.6	Publish Code Concepts Report										
4.7	Produce public information materials										
4.8	Review Code Concepts Report with the general public.										
Milestone 4:	Community meeting(s) to review code concepts	11/30/2014									
<b>Task 5</b>	<b>Code Development</b>		950	400		600	300	200	300	tbd	\$ 67,000
5.1	Draft code amendments, including chart converting existing zones to proposed zones (IN-HOUSE DRAFT)										
5.2	Review draft amendments with Project Advisory Group										
5.3	Produce draft Comp Plan and Zoning Map, showing proposed designations (if applicable)										
5.4	Inter-bureau review of IN-HOUSE DRAFT code amendments										
5.5	Incorporate feedback from Internal review										
5.6	Publish WORKING DRAFT Code and Map Amendments for public review										
5.7	Produce public information materials										
5.8	Review Working Draft with Design Commission										
5.9	Review Working Draft with Historic Landmarks Commission										
5.10	Review Working Draft code and maps amendments with the general public.										
Milestone 5:	Community meeting(s) to discuss code and map amendments	03/31/2015									

**EXHIBIT B – Revised Scope of Work**

METRO CET PLANNING GRANT APPLICATION - REVISED 12/09/2013

Mixed-Use Zoning Project

Task 6 Legislative Process			450	0		50	0	160	50	tbd	\$ 25,000
6.1	Incorporate feedback from community meetings, Design and Historic Landmarks Commission, and public review process										
6.2	Publish PROPOSED Code and Map Amendments for Planning and Sustainability Commission consideration										
6.3	Conduct Open Houses to inform public of proposal before the Planning and Sustainability Commission										
6.3	Commission Briefings: Portland Design Commission; Portland Housing Advisory Commission; Portland Development Commission										
6.4	Planning and Sustainability Commission Hearings										
Milestone 6:	Present Proposed Amendments to Planning and Sustainability Commission	06/30/2015									
Task 7 Legislative Process			200	0		20	0	70	20	tbd	\$ 10,000
7.1	Incorporate amendments from the Planning and Sustainability Commission										
7.2	Publish RECOMMENDED Code and Map Amendments for City Council consideration										
7.3	City Council Hearings										
7.4	Publish ADOPTED Code and Map Amendments										
7.5	Send required public notices throughout process										
7.6	Produce public information materials, as needed										
Milestone 7:	Present Recommended Amendments to Portland City Council	07/30/2015									
Subtotal of Grant Amount:											\$380,759

EST TOTAL:	3300	2000	900	1660	920	1040	840	tbd	
FTE	1.59	0.96	0.43	0.80	0.44	0.50	0.40		
Hourly Salary plus 40% benefits	55.17	37.18	140.00	47.60	47.60	47.60	47.60		
Total Cost	182,061	74,360	126,000	79,016	43,792	49,504	39,984		\$594,717

	Senior Planner	Assoc Planner	Consultant	Urban Designer - Planner II	Economic Development - Planner II	District Planners - Planner II	Code - Planner II
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