

# Implementation

October 28, 2020

## Park Ave Community Project

Phase II



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Park Avenue Community Project  
Park Avenue Community Advisory Committee (PACAC)  
**Phase II: Development and Design Standards**

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### Future Actions to Consider Moving Forward

The Guiding Principles and Framework Plan developed by the Community Advisory Committee for the Park Avenue Community Project established a community vision for the project area. The Project recommends updating the Development and Design Standards (DDS) for the General Commercial (GC-C3) and Multi-Residential (MR-1) zones within the study area to align with the community vision.

While these DDS updates are a critical first step toward implementing the vision, by themselves they will not accomplish the level of transformation along McLoughlin envisioned by the community. There are a variety of other actions that could be considered by the community and/or the county to move forward the community vision. The following list of possible action items is sorted based on the Guiding Principles established by the CAC.

#### **Guiding Principle: Increase Employment Opportunities**

- *Enhance business access to opportunity, affordable capital, and business skills training.* Options include having county staff work with owners of small business to provide resources they need to stay in the study area, and using Community Development Block Grant (CDBG) funds to hire Microenterprise Services of Oregon (MESO) or a similar organization to support and educate small businesses.
- *Allow small businesses to improve their look and relationship with pedestrians* by implementing a storefront improvement or tenant improvement program.
- *Attract and retain businesses and investment* by establishing a pre-lease program or retail advocate position on county staff, along with a business finder initiative to survey and maintain a database of community needs and help land owners find businesses to rent space whose mission aligns with community needs.

#### **Guiding Principle: Diverse & Accessible Housing Choices**

- *Close the financing gap for market rate and mixed-income housing* by considering an urban renewal district/tax increment financing (TIF) or other similar funding options.
- *Invest in renter assistance programs* by capturing increases in property value from development and zoning changes.
- *Ensure current residents are not priced out of the area* by requiring mitigation measures of all new residential development.
- *Support low-income and moderate-income tenants* by creating a program to help them purchase their homes when landlords sell.
- *Require affordable housing units on new multifamily developments* by providing density or amenity bonuses, allowing transfer of density rights and offering other incentives.
- *Help purchase properties for development of affordable housing* before land values increase from zoning changes by working with or creating a community land trust.
- *Preserve local mobile homes parks* by creating a special zone for Mobile Home/Manufactured Home Parks.

### **Guiding Principle: Safe Connections**

- *Develop a connectivity and streetscape plan* to examine the pedestrian/bicycle experience, develop cross-section alternatives to improve function for all modes, establish distinct character and landscaping schemes, and identify specific safety and furnishing improvements.
- *Fund transportation network improvements* by establishing a Local Improvement District (LID) or Tax Increment Finance (TIF) district.
- *Plan for future McLoughlin improvements and pedestrian crossings* by coordinating with ODOT.

### **Guiding Principle: Community Gathering**

- *Engage neighbors and attract others to the neighborhood* with programming and community events, including using the MAX station plaza as a catalyst for events like festivals, farmers market, and other pop-up arts and culture events. Pursue grant opportunities to enable community gathering activities/events – i.e. Metro’s Placemaking Grant etc.
- *Use mobile food vending to support outdoor gathering spaces and local businesses* by working with owners of vacant/underdeveloped property to establish a food cart/truck pod to provide restaurant owners with an affordable place to kick-start their business.

### **Guiding Principle: Natural Systems**

- *Establish and enforce a native, drought tolerant plant palette* for new development and streetscape improvements.
- *Improve natural systems in the area* by studying opportunities for district scale stormwater infrastructure and for creek restoration and enhancement
- *Explore opportunities for an area parks/trail master plan* by exploring opportunities with the North Clackamas Parks & Recreation District.

### **Guiding Principle: Resilient Community & Sustainable Infrastructure**

- *Promote community connections, local businesses and resilience* by organizing neighborhood clean-ups, tree plantings, pop-up parks, and other outdoor sustainability-oriented events.
- *Fund public improvements and promote community cohesion* by establishing a Business Improvement District (BID) to make the area more attractive to businesses and customers, providing community programming, supporting the development of regulations on street furnishings and other urban design elements, etc.
- *Establish and maintain an emergency communication network*, including identifying a central meeting place and storage of emergency supplies.
- Work with TriMet and PGE to explore a Transit-Oriented Development (TOD) centered district utility concept for the area to serve future development and incorporate an electric microgrid, district water/wastewater treatment and thermal/cooling.



## Memorandum

**Date** July 10, 2020  
**To** Erin Reome, SERA Architects  
**From** Alisa Pyszka, Bridge Economic Development  
Nita Shah, MESO  
**Subject** Community Investment Strategy  
**Project** Park Avenue Community Project | Phase 2

## BACKGROUND

### PROJECT DESCRIPTION

Clackamas County, Oregon, working with the Park Ave area residential and business community, is creating development and design standards for commercial zones within ½ mile of the Park Avenue/McLoughlin Boulevard intersection in unincorporated Clackamas County. The intent of the development and design standards will be to encourage the type of development that supports the community's long-term vision of a walkable and economically thriving Park Avenue Light Rail Station area.

The goal of these standards is to encourage new private investment within the project area, as well as to guide redevelopment when it occurs. Often, new private investment will increase property values and rents for existing business tenants within the area. By creating a Business Community Investment Strategy, and by proactively engaging with businesses to help prevent displacement, existing businesses will have the resources available to them to benefit from the improvements within the area.

Since the inception of this project, the world is responding to the economic repercussions of Covid-19, which has required the temporary closure of small businesses. Initial interviews with small businesses for this project were held in February, prior to the closure. As the overall project progresses, it is anticipated that there will be a follow up with businesses and more information regarding the status of the businesses and needs, which will inform final project recommendations regarding anti-displacement.

## OBJECTIVES

The Park Avenue area community members instigated this project to make the community more walkable with improved retail offerings and an enhanced pedestrian experience. In addition,

community members recognized the importance of retaining the existing businesses in the community and the need to provide programs to help prevent the displacement of the businesses with anticipated new development.

Therefore, the objective of the Business Community Investment Strategy is to balance 1) the ability for existing small businesses within the Park Avenue area to stay and grow, and 2) enhance the pedestrian experience through public-private investment. To accomplish this, the following elements are included in this memorandum:

- A. *Support Existing Small Businesses:* Existing businesses desire and need more customers to thrive. They also seek investment and physical improvements within the surrounding area to attract clients. However often they don't own the building where they are located, which must be considered when developing policy.
- B. *Equity - Creating Wealth:* With the attraction of new private investment, it is important to proactively prepare existing business so they can also benefit from the investment and continue to prosper.
- C. *Attract Private Investment:* Barriers to private investment exist in the area. Proactive steps are needed to attract private investment.

The Business Community Investment Strategy is summarized in a set of recommended actions. Implementing these recommendations for the Park Avenue Community Project area will be the first steps toward attracting private investment and create wealth for the existing community.

## **A. SUPPORTING EXISTING SMALL BUSINESSES**

In February 2020, Clackamas County issued a letter to existing small businesses within the Park Avenue Community Project area notifying them that representatives from Micro-Enterprise Services of Oregon (MESO) would be meeting with them to discuss available services to help grow their profits. A copy of the letter and summary of the visit is provided as Attachment A.

Micro-Enterprise Services of Oregon (MESO) is a grassroots organization formed in 2005 to assist small businesses that were experiencing challenges in the wake of gentrification, new development, and increased rents in North/Northeast Portland. MESO is a designated SBA microlender, an IDA fiduciary, a USDA RMAP (Rural Micro-entrepreneur Assistance Program) lender, and a Community Development Financial Institution (CDFI). They work with small businesses through every stage – from asset building and credit preparedness to first loans and business launches to dozens of business expansions every year.

MESO met with eight businesses owners in March of 2020. The following information pertains to the businesses within Courtney Plaza as other proprietors within the Park Avenue Community project area

were not available on the day of the visit. In summary, the businesses were very welcoming and greatly appreciated that someone was reaching out to them. As part of the visit, MESO shared information about existing business services such as the IDA (Individual Development Accounts), which encourages business owners to save money and receive a 3:1 matching grant to invest in capital improvements. MESO continues to maintain these relationships and will share ongoing programs with interested businesses.

Through the interviews, the business owners expressed specific concerns about safety, and certainty, which are explained in more detail below. The following issues, identified specifically by the business owners, pertain to the commercial center (Courtney Plaza) itself and surrounding Park Avenue project area.

## SAFETY

*People that are Homeless/Loitering.* People who are homeless are riding the MAX to the end of the line and then hanging out in the area with nowhere to go. They are sleeping on the ramp next to Eagle Bargain Outlet and under the eaves of doorways. Employees feel uneasy especially when leaving the area at the end of the day, especially when it is dark outside.

*Crime.* There are drug addicts and prostitutes who are active in the area. Nearby motels provide places for them to hang out and conduct their activities. As a result, the businesses have experienced drug paraphernalia, alcohol bottles, etc. being left in their parking lots and around their doorways. They are also experiencing people drinking under the eaves of the doorways and stealing their recycling bins.

*Minimal Property Security.* With no posted signs on the premises, there is no communication to discourage loitering, no communication to keep customers from using the Courtney Plaza parking lot spaces and then go to other businesses a block away, and no communication to discourage people from leaving their vehicles in the parking lot with a "For Sale" sign. People are surprised when they return to their vehicle and find it is marked to be towed.

## CERTAINTY

*Rising Costs.* The business owners are concerned about the rising property taxes being charged by the county. Additionally, they are concerned about rising rental rates that result in them leaving the area, which they don't want to do since they live in and support the community.

*Confusion regarding the management/owner of the strip mall.* Businesses expressed concern that they heard the owner of Courtney Plaza passed away and they have no idea who to contact or who to communicate with about issues and concerns. They felt unsettled not understanding what was happening with the ownership. They want to remain in the strip mall if they can and want to be re-assured Courtney Plaza will remain as a viable business location with proper communication chains.

## B. EQUITY - CREATING WEALTH

Supporting equity in the area requires that under-represented/under-resourced people have the same level of access to the economy and wealth creation opportunities as all other residents. This includes eliminating bias and discrimination and providing additional support as needed (not just opening doors). To achieve equity, there must be targeted efforts focused on under-represented/under-resourced individuals and business owners to help them:

- gain access to affordable capital (and remove bias in capital provision)
- fill skill gaps for business management
- increase number of new customers and suppliers, and
- navigate regulatory/permitting processes

The intent is not to change the existing market, but to make sure that people who can't access the traditional market (the "unbankable") are provided the skills or alternative affordable capital to enter into the existing market. In developing recommendations to address anti-displacement and equity, it is important to consider if proposed actions or programs address the above needs.

### ACCESS TO AFFORDABLE CAPITAL

In order to create wealth, businesses must have access to affordable capital. A classic example pertaining to this issue is the hard-earned local success story of Ana Chaud, CEO of Garden Bar, a restaurant chain that developed in the Portland area and recently sold for millions of dollars. The following excerpt from the *Portland Business Journal*<sup>1</sup> highlights the plight of micro-enterprise businesses, especially those owned by people of color and women.

Chaud had two locations and two years in business when she first sought out a conventional bank loan. She estimated she needed about \$500,000 to open four new locations. She had her business plan, financial models and large, out-of-state competitors to point to as validation for the idea. She talked to six bankers from both large and small institutions. The answer was always the same: No. The banks considered her business too small and too new. She did manage to get an SBA (Small Business Association) loan, but at \$50,000 it was far less than what she needed. "I was caught between a rock and a hard place, where I can't show success unless I am multi-unit and I can't be multi-unit until I show success," she said.

Compounding the issue was her lack of collateral. As a renter, Chaud didn't own a home, which is often used by founders to secure financing. Given that home ownership levels are lower for people of color, it's not a surprise that access to capital for founders of color is well below that of white founders. The same is true for women business owners. MESO loaned Garden Bar \$300,000. It was an unusually high amount for MESO, but the lender was interested in making larger loans and decided

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<sup>1</sup> <https://www.bizjournals.com/portland/news/2020/02/20/exclusiveana-chaud-on-the-mighty-highs-and-painful.html>



to test the concept with Garden Bar. Without the vital loan, Chaud would not have been able to expand the business and create wealth. Having access to affordable capital through non-profit organizations like MESO is critical to supporting wealth creation.

## ENHANCE BUSINESS SKILLS AND OPPORTUNITY

It is important to stress that only having access to affordable loans/capital will not achieve desired results. Business owners facing inequity require in-depth and meaningful programs and service to help them understand how to best run a business and increase clientele. Such services are labor-intensive and require skills grounded in private business experience. Non-profit organizations such as MESO and Mercy Corps NW are successful in providing such services. Recognizing that these non-profits are uniquely qualified to provide these services, several cities in the Portland region (e.g. Beaverton, Gresham) fund MESO with a portion of their federal allocation of Community Development Block Grant (CDBG) funding. This allows organizations to efficiently and consistently serve a community with skills and resources that are not typically available at a local government level.

### Pre-Lease Program

This program removes obstacles for business owners with no risk. It helps new businesses navigate the complex and daunting permitting process, which is especially complicated for restaurants that must also address health and liquor law issues. To address this, some cities in the Portland region provide free services to first time businesses to help them better understand what may be required (such as a new ADA bathroom) before venturing into a new lease. Vancouver, Washington offers the “pre-lease” program<sup>2</sup> that brings different representative from various departments to walk-through a site with the potential tenant to determine if there will be any significant issues before they sign a lease. The pre-lease program is offered at no cost and allows a business owner to receive immediate and non-conflicting information (as all pertinent departments are represented at one time) without requiring the cost of hiring a consultant or contractor to develop plans, submit a formal application with a fee, and go to County offices as required with a more formal pre-application process. Alternatively, the City of Portland has a staff person from the permitting department work in MESO’s office once a week to walk clients through permitting issues. These meaningful programs require the commitment of staff time by local governments.

### Mobile Food Vending

Another important opportunity to provide is mobile food vending. This offers a unique economic opportunity for local entrepreneurs, because it combines lower startup costs with increased flexibility to test a variety of locations and products. It is important to develop a partnership with public health and labor & industries to help facilitate information sharing and streamlined permit process. Food trucks can be limited to targeted areas as a pilot project to slowly introduce concept to the community. Often locating in an underutilized parking lot is a good strategy as it begins to create a destination of uses and supports the existing retailer.

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<sup>2</sup> <https://www.cityofvancouver.us/ced/page/pre-lease-program>

# C. ATTRACTING PRIVATE INVESTMENT

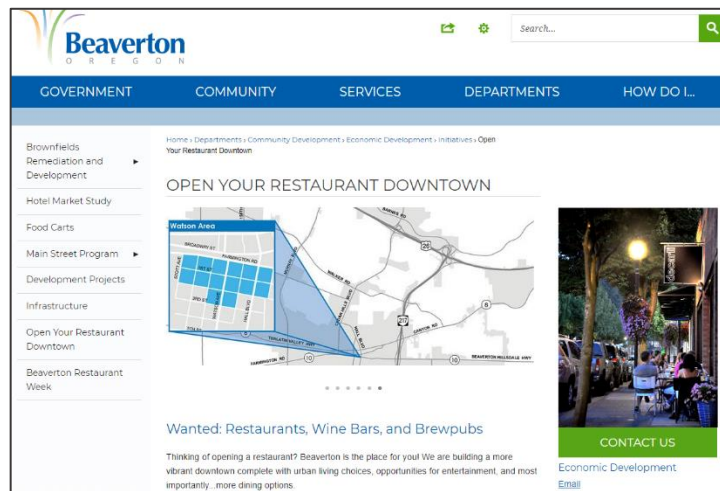
During Phase 1 of the Park Ave Community Project, Memo 3 identified the barriers limiting development in the area. These issues include limited pedestrian access, parcel size, zoning regulations (including development and design standards), and limited vision for the area and influence of the market conditions. This section will focus on the actions that assist in attracting private investment to an area.

Developers want to know that a community is committed to investing in an area through public investments such as infrastructure, lighting, and open space that will support their private investment. Recognizing this, cities across the region are taking a proactive approach to reach out to businesses and developers with staff support and incentives to attract them their community. In order to proactively encourage the Park Avenue project area to redevelop with retail space, it will require public investment, to define the focus area of the retail market and the incentives needed to attract the desired development. This does not imply that the area must first incorporate to attract private investment. However, it should be recognized that the level of staff resources and incentives required to achieve the desired development goals is typically found at a municipal level.

## FOCUSED INVESTMENT AREA

Retail succeeds when clustered with other retail businesses to create a specific destination for customers. Therefore, if the Park Avenue community engages in a public-private effort to encourage retail development, it must focus efforts on a distinct and specific area to see results. Before significant time and resources are allocated, a specific area must be determined. Without a narrow focus, efforts will be diluted and meaningless. Additionally, new businesses want assurance that their new investment will succeed. When there is a clear vision for desired outcomes and committed resources, they are more assured on their risky investment.

As an example of this type of targeted public-private investment, the City of Beaverton focused on just a few blocks to recruit restaurants. The specific area was identified and promoted on the city website. The result was 10 new restaurants within 18 months. Of course, the recruitment of restaurants in current economic environment will be challenging. The important lesson is that the city committed to a specific area and realized significant results.



# UNDERSTAND THE RETAIL MARKET

To create a walkable environment that includes retail businesses that provide a desired destination and services the community with basic needs. In order to achieve this goal, it is important to understand the retail market, which is more uncertain than ever right now. Phase 1: Memo 1 outlines the Retail industry market trends. The key take-away from that memo is that on-line shopping is having a major impact.

In contrast, prior to the recent shut-down and social-distancing measures, retailers offering a special experience, or offering services that cannot be procured online, had the potential to thrive (you can't share a meal with a friend online). Therefore, food and beverage establishments became an increasingly large part of the retail experience, on both main streets and in shopping centers.

Additionally, local food and beverage typically demanded space that is 2,500 square feet and less to minimize risk and offset start-up costs that typically start at \$200,000. Due to these costs, new local tenants gravitated to existing buildings or former restaurant spaces to keep start-up expenses to a minimum.

The retail trend that is likely to continue as a desire for retailers to concentrate in a certain location to become a destination for customers to park once and explore an area. Creating a concentrated retail area that is a defined "place" is an important element for retailers as it helps to create the "experience" which is a key distinguishing element from online shopping. This concept of place is typically limited to an area that equates to three or four city blocks, which is the distance a shopper will walk<sup>3</sup>. The City of Beaverton has adopted this



Source: City of Beaverton Code Blueprint

best practice for its Old Town district by requiring retail and active frontages within a specific targeted area as indicated by the orange and blue solid lines in the image above. The area is approximately 800 feet in length and 500 feet deep. In order to replicate this "place" concept, additional secondary streets off McLoughlin will be required. Otherwise, focused redevelopment of existing retail strip centers can help create the desired place.

## INCENTIVES

In addition to focusing on a specific investment area, substantial incentives that are aligned with tenant needs are necessary. Example of incentives from the Cities of Vancouver and Beaverton to attract and enhance existing tenants in existing retail space are outlined below.

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<sup>3</sup> Ten Principles for Building Neighborhood Retail, Urban Land Institute (ULI)

## Storefront Improvement Program

This grant covers 100% of the cost for a city-contracted architect to help with concept designs of the exterior of the building, resulting in sketches and plans needed to obtain bids. The final product includes three bids. The program also includes an Improvement Grant to assist with commercial building exterior improvements. The maximum amount is \$35,000 with either a 50% city match or 70% city match to encourage an actual private investment in the improvement. Without the city match, the building owner will likely just obtain the design service and not make the desired improvement.

## Tenant Improvement Program

Because the Storefront Program benefits property owners, the Tenant Improvement Program is a specific grant to help businesses. It provides the same services outlined above in the Storefront Program, but for the interior space of the building, which helps the business owner.

## Brewery Program

Breweries are a desired tenant in a community because they are often lower-cost restaurants that serve a wide range of customers including families. Furthermore, they have the ability to expand into sales of beer, which allows them to diversify beyond just retail.

- *Enterprise Zone* - Eligible office and industrial firms (including breweries) in a designated enterprise zone boundary can receive a three-to-five year property tax abatement on qualifying new improvements and equipment.
- *Energy Incentives* - Energy Trust has worked with dozens of breweries across the state to reduce energy consumption and cut waste. They provide services and incentives through highly skilled, industrial energy experts that work with a brewery business to make the most of energy-saving opportunities.
- *SDC Assistance Program* – This lets eligible tenants lease sewer capacity on a monthly basis rather than purchase it up front -- this could be worth thousands of dollars in up-front costs for a brewery). Lease payments are attached to a monthly utility bill and are calculated as a percentage of the total SDC assessment.

## PROACTIVE STAFF

Once a clearly defined area and set of meaningful incentives are in place, staff will have a clear message for outreach to desired tenants. City of Beaverton staff proactively engaged all property owners and existing businesses first. They then went to existing restaurants in Portland and brewers' conventions to attract new tenants. They meet weekly to debrief on progress and barriers to address.

New building development involves coordinated actions across multiple agencies including transportation, planning, and public works. In order to facilitate proactive problem-solving, some jurisdictions establish a dedicated "SWAT Team" of specific individuals from each department to focus on a targeted priority project area. This dedicated team of people with a common understanding of

barriers and opportunities to investment can meet informally as projects initially emerge and find solutions up-front to support desired investment. As new development interests explore the Park Avenue project area, they will be encouraged if there is dedicated staff to help facilitate the permitting process. This dedicated staff should also be aware of any necessary infrastructure projects both on and off site that will impact the project. Because the area is tied to McLoughlin Boulevard, which is under the jurisdiction of ODOT, staff is encouraged to develop a proactive plan with ODOT staff to educate them on the community vision for the area and how it aligns with ODOT goals.

## INFRASTRUCTURE INVESTMENT

Building key infrastructure improvements can encourage development. This is especially important for infill development where the perceived value of properties is that the infrastructure (sewer, water, roads) is built to current standards. In order to engage interest in development, it is important to proactively determine the quality of the current infrastructure and the cost of any necessary upgrades. Building public infrastructure that will benefit the development and surrounding properties is extremely valuable to developers. While the County can include the identified infrastructure projects on the Capital Improvement Plan (CIP), they will only be constructed if a funding source is identified. This is a critical public role and investment that is quite meaningful to private investors. Just as importantly, the public investment serves the entire community with improved connectivity that helps encourage pedestrian and bicycle activity. Stakeholders can explore some of the following options to increase public funding.

- Business Improvement District (BID) – A BID is a defined area within which businesses are required to pay an additional tax (or levy) in order to fund projects within the district's boundaries. These districts typically fund services which are identified as priorities for the businesses such as cleaning streets, providing security, making capital improvements, construction of pedestrian and streetscape enhancements, and marketing the area.
- Local Improvement District (LID) - A LID is a method by which a group of property owners can share in the cost of infrastructure improvements. This often involves improving the street, building sidewalks, and lighting.
- Tax Increment Financing (TIF) – TIF is a financing tool for local governments to set aside property taxes generated from new businesses and development in a specific area, used to pay for infrastructure needed in that area. In Oregon, tax increment districts are established through 'urban renewal statutes, which require a plan defining a specific area for application of the tool, why needed, projected revenue and anticipated projects. The Oregon Economic Development Association (OEDA) recently published *Best Practices for Tax Increment Financing Agencies in Oregon*, which serves as a good guide to consider the creation of district.

# BUSINESS COMMUNITY INVESTMENT STRATEGY: RECOMMENDED ACTIONS

The following recommendations summarize the actions needed to achieve the desired objective of supporting the ability for existing small businesses within the Park Avenue area to stay and grow, as well as to enhance the pedestrian experience through public-private investment. To realize the objective, several partners and organizations must be engaged and collaborate toward common efforts. Revitalizing the Park Ave Community Project area is a complex endeavor. It is essential for community, public, and private entities to recognize that they are partners in encouraging equitable investment and growth.

The following recommended areas of focus and actions meet the objective of the Business Community Investment Strategy to balance 1) the ability for existing small businesses within the Park Avenue area to stay and grow, and 2) enhance the pedestrian experience through public-private investment. Detailed steps for implementation are provided in the Action Plan Matrix (Attachment B).

## 1) SUPPORT EXISTING SMALL BUSINESSES

Now more than ever it is critical to take care of existing businesses prior to engaging in efforts to attract new investment into an area. The following actions are recommended to help the existing small businesses stay and grow.

Action 1.1 Address issues related to Safety and Certainty that were identified through business owner interviews.

Addressing safety issues for existing businesses is important to help with the successful operation of their business and will build trust between the county and businesses. The actual combined violent and property crimes within the Park Avenue project area is 86/10,000 people, which is much lower than the median US neighborhood crime rate of 261/10,000 people<sup>4</sup>. Therefore, physical improvements will meaningfully increase the sense of safety and lesson the impression of crime. These physical improvements include better lighting to assist with safety and discourage loitering. Additionally, the area is heavily concrete and pavement which could become more aesthetically pleasing with the addition of trees and shrubs to soften the area and make it more inviting to the customer base and prospective customers.

In addition to physical improvements, enhanced communication and collaboration with county services can improve safety within the area. This can be accomplished with enhanced coordination with the Sheriff Department to establish a safety program in the area, and working with TriMet to

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<sup>4</sup> AARP Livability Index, U.S. Federal Bureau of Investigation, 2014 Uniform Crime Reporting Program Data, <https://ucr.fbi.gov/>, v2018

address light rail traffic that requires a safety watch. In developing better communication with the Sheriff Department, business can better understand the laws regarding sex offenders in the area, and when they are able to visit and how many times they can visit a location within a lifetime. Even though the housing center is established in the area, communication, awareness and disclosure would be a benefit to the businesses to protect their customers.

### Action 1.2 Host Public Events

Encourage festivals, farmers markets or a family event such as a carnival in one of the retail center parking lots. Hosting events will bring in more quality customers to the area to provide a boost in visibility and exposure for the businesses. It also encourages positive community engagement.

### Action 1.3 Engage with Courtney Plaza Property Owner

Contact the Courtney Plaza new property owner to foster future collaboration and communicate the needs of the businesses. Improved signage is desired to help with safety issues, however there is no clear point of contact for the businesses at this time.

## 2) FOCUS ON EQUITY AND CREATING WEALTH

Supporting equity in the area requires that under-represented/under-resourced people have the same level of access to the economy and wealth creation opportunities as all other residents. The following actions will help achieve this objective.

### Action 2.1 Provide Business Support through partnerships with organization like MESO

Use Community Development Block Grant (CDBG) funds to invest in MESO to provide business support services. For context, the City of Beaverton annually allocates \$80,000 of CDBG funds to MESO for 3 visits per week. City of Gresham allocated \$20,000 of CDBG funds annually for 1 visit per week before finding alternative grant funds from Key Bank.

MESO can help businesses manage rising costs by enhancing business skills in managing cash flow and debt as well as strategic marketing to increase revenues. MESO can also help business potentially acquire a building rather than leasing through affordable loan programs. Acquisition of the building eventually increases a business owners' equity and ability to create wealth.

### Action 2.2 Dedicate staff resources for "pre-lease" programs and/or permitting navigation

Fostering private investment, especially in these current economic conditions, will require a dedicated staff person to conduct retail outreach and ongoing collaboration with business and property owners. Once a person, most likely in economic development, is identified, he or she is advised to talk to City of Beaverton and City of Vancouver staff regarding best practices. This will provide a better understanding of barriers that were faced and how they were overcome.

### 3) ATTRACT PRIVATE INVESTMENT

New private investment within the project area is desired to enhance the pedestrian experience through public-private investment. The following actions will help facilitate the desired investment.

#### Action 3.1 Identify a Focused Investment Area

The Park Avenue area does not have a traditional Main Street that provides a defined place for retailers to locate and gather. The existing Courtney Plaza and Castle retail centers off McLoughlin provide the most similar Main Street environment to attract small retailers to one destination. Ultimately, these centers could provide a sense of community place, much like the Hillsdale Shopping Center along Highway 10 in Portland.

We recommend focusing on these sites for potential public-private collaboration because these two retail centers consist of several existing businesses. By improving one of these areas, the county is efficiently helping several existing small businesses prosper and gain wealth from public investment.

In addition, it is an unfortunate likelihood that several small businesses will not be able to re-open after the recent shut-down of the economy. The result will be several retail vacancies and a potential retail trend to not construct new retail space for some time. Therefore, these existing areas serve as the most likely opportunity for initial investment by small retailers entering the market as they offer the most affordable leases through existing vacant space. It will also be important to keep these centers filled to the greatest extent possible to maintain a vibrant area.

#### Action 3.2 Engage Property Owners

Engage with retail center property owners to determine willingness to work with county and invest in property. Determine what level of investment from the property owners can be provided to help make the existing developments more successful with physical improvements and attraction of desired tenants that serve the broader community.

#### Action 3.3 Create an Incentive Program

Based on the description of various incentives described in detail above, the county should determine which ones they can provide with current staffing and resources. These incentives can then be used to proactively recruit desired retail tenants to the area.

#### Action 3.4 Identify Funding Mechanisms

Creating a vision and direction for a district opportunity (focused investment area), enables easier communication with property owners regarding the need for increased revenues and how it will be allocated. Funding may be needed to construct the infrastructure, such as pedestrian and bikeway connections, identified as needed in the Framework Plan.



## CONCLUSION

The goal of the Park Avenue Community Project is to ultimately encourage new private investment within the project area, as well as to guide redevelopment when it occurs. Development of the Park Avenue Framework Plan is an important first step as it will convey to future developers that there is a common and agreed upon vision for the area. The Plan will also facilitate a more streamlined development process as both the neighborhood and developer have a document that conveys public desires and expectations. The Plan also provides certainty to the community defining where only bike/ped connections are permitted versus full-street improvements serving automobiles. This level of transparency provides certainty to the developer regarding what is expected of his or her project, as well as an understanding how connectivity throughout the project area will ultimately be achieved.

Once the Plan is completed, the Park Avenue project area stakeholders need to proactively engage with businesses to help prevent displacement that could otherwise occur as new private investment emerges in the area. By consciously investing in balanced efforts to attract new investment while supporting existing businesses, the Park Avenue area can implement a sustainable and resilient community investment strategy.

At the outset of this project, in early 2020, it was anticipated that retail market information would be forecasted to determine lease rates and vacancies to provide an understanding of how rapidly anti-displacement could occur. However due to COVID-19 impacts on the retail industry, future projections indicate that lease rates are decreasing and vacancy is increasing, potentially returning to 2010 rates. Therefore, the concern for anti-placement due to market forces is not as urgent. Nonetheless, all proposed actions in this Strategy should be pursued as they will position the businesses to better withstand the ongoing recession and potentially capture growth opportunities in the ultimate recovery.

# **ATTACHMENT A: Business Feedback**



February 12, 2020

Dear McLoughlin Boulevard Area Business Owner,

The McLoughlin Area Plan Implementation Team (MAP-IT) and Clackamas County are working with the community to create updated land use development and design standards for commercial areas within ½ mile of the light rail station at Park Avenue and McLoughlin Boulevard in Oak Grove, just south of the City of Milwaukie. The purpose of the standards will be to support economic development in commercial areas, and protect and preserve surrounding residential areas.

The project is intended to provide an inclusive and innovative public engagement process, an assessment of neighborhood livability and economic vitality, and ultimately to revise development and design standards on commercial land around the Park Ave Light Rail station to support a more walkable, transit-oriented environment.

As part of the above mentioned project, **Micro Enterprise Services of Oregon (MESO), in coordination with Clackamas County Business and Community Services – Economic Development, will be visiting business owners along McLoughlin Boulevard during the week of February 25, 2020 to share information on:**

- County efforts to work with residential and business owners within the Park Avenue Community Area to determine how zoning code changes and potential future infrastructure investments can help attract new investment in the area.
- Services available to local businesses. Services are detailed at the end of this letter and are available through the following partners:
  - MESO
  - Clackamas County BCS – Economic Development
  - Clackamas Community College

If you have any questions regarding this outreach, please contact Sam Dicke, Economic Development Coordinator at 503-742-4367 or email at [sdicke@clackamas.us](mailto:sdicke@clackamas.us). We appreciate your investment in the county and look forward to connecting with you.

Sincerely,

A handwritten signature in cursive script that reads "Sarah Eckman".

Sarah Eckman  
Clackamas County Business and Community Services Deputy Director

C: Laura Zentner, Clackamas County Business and Community Services Director

## MICRO ENTERPRISE SERVICES OF OREGON (MESO) SERVICES

### LENDING

- Credit Improvement – Micro-loans of \$100 to \$2,500 for 6 to 12 months. This first step loan is a part of our business development strategy and helps to improve credit scores, and allows us to monitor our client’s payment ability.
- Express I: Provides up to \$5,000 for up to 18 months and may be unsecured.
- Express II: Provides up to \$20,000 for 4 years and requires collateral.
- Business Builder I: Provides up to \$50,000 for 5 years and requires collateral.
- Business Builder II: Provides up to \$500,000 for commercial real estate and equipment purchase and requires sufficient collateral.

### ANCHORS

Includes in-depth, customized, and extended services for 3-5 years with ongoing business planning, recordkeeping and tax assistance, legal and marketing services.

### EDUCATION

Provides over seventy workshops that deliver comprehensive trainings in business plan, financial literacy, asset building, QuickBooks, branding, and industry specific training.

### MARKETLINK

Provides sophisticated market research services available to large-scale companies to income qualified entrepreneurs on a sliding scale.

### IDA (Individual Development Accounts)

A 3:1 matched savings program for low-income entrepreneurs.

## CLACKAMAS COUNTY - MAIN STREET PROGRAM

We work with communities to identify opportunities to strengthen downtowns throughout the county. One of the programs offered is 3D Downtowns, a design program that demonstrates how an area could look if redeveloped. The goals of 3D Downtowns are to:

- Spur private investment
- Increase property values
- Retain and recruit business
- Enhance the appearance of downtowns in Main Street commercial districts

## CLACKAMAS COMMUNITY COLLEGE - SMALL BUSINESS DEVELOPMENT CENTER (SBDC)

We work with businesses to connect entrepreneurial ideas within our communities. Clackamas Community College has several great SBDC programs in various areas as follows:

- **Idea**-Determining your potential
- **Launch**-Launching into Uncertainty
- **Expansion**-Growing your business in Clackamas County
- **Renewal**-Adjusting to Change
- **Exit**-Preparing for the next Stage Implementation Page 18



**February 26, 2020**

**MESO Report Feedback from Businesses at Courtney Plaza**

This report contains specific feedback received directly from either the business owners and/or employees who work at the business located at Courtney Plaza 13843 SE Mcloughlin Blvd, Milwaukie OR 97222 MESO representatives Carmen Madrid and Elaina Brewington visited the following businesses on Wednesday February 26, 2020 and obtained recommendations directly.

<b>Business Name</b>	<b>Notes</b>	<b>Potential MESO Support</b>
Sushi Kata Japanese Restaurant	Spoke to the owner	Well-established business. Potential request for IDA or loan for expansion
Eagle Bargain Outlet	Spoke with employee, Brook. Will reach out to the owners via email to obtain additional feedback	Owner not present however, their store could help with window display and more visibility
Expo Nails	Spoke to the owner	Interest in IDA
Juliano's	Spoke to the owner, David Juliano	Seeking Technical Assistance and wants to consult his wife. Only been in business for one year
B and L Kirby Co.	Spoke to the owner, Bill Williams	May need an exit plan. Has been here many years and is looking for information on how to transition his business.
Harbor Security Inc.	Spoke to the owner, Allen Zaugg	Wants to understand more about his tax liabilities.
Paws'n Milwaukie Full & Self-Service Dog Wash	Spoke with employee, Veronica Sereno. Will reach out to the owner, Melinda Williams via email to obtain additional feedback.	Could use ventilation system. Store front grants?
Baskin Robins	Spoke with employee, Laura. Left information so the owners can reach MESO to provide additional feedback.	Well-established business for a while. Concerns are mostly on how they can access resources for security.
R&D Wood Slab	Not able to make contact	N/A
Courtney Plaza Laundromat	Not able to make contact	N/A

## Concerns

There were several themes which each of the businesses expressed were key problems affecting their business.

**Homeless/Loitering.** The Homeless are riding the MAX to the end of the line and then hanging out in the area with nowhere to go. They are sleeping on the ramp next to Eagle Bargain Outlet and under the eaves of doorways. Employees feel uneasy especially when leaving the area at the end of the day, especially when it is dark outside. Refer to the ramp image #2

**Crime.** Drug addicts and prostitution is active in the area due to motels in the area. These motels act as places for them to hang out and conduct their activities. As a result, the businesses have experienced drug paraphernalia, alcohol bottles etc. being left in the parking lot and around the doorways of the businesses. They are also experiencing people drinking under the eaves of the doorways and theft of their recycling bins.

**Rising Costs.** The business owners are concerned about the rising property taxes being charged by both the county and the city which is affecting their business as small business owners. Additionally, they are concerned about rising rental rates which price them out causing them to leave the area which they don't want to do since they live and support the community.

**Posted Signs to guard against Loitering, Parking spaces and Leaving vehicles listed "For Sale".** Since there are no posted signs on the premises, there is no communication to discourage loitering, no communication to customers to keep them from using the spaces of Courtney plaza parking lot who are going to other businesses a block away and no communication to people who leave their vehicles in the parking lot listed "For Sale". People are surprised when they return to their vehicle and find it is marked to be towed.

**Confusion regarding the management/owner of the strip mall.** Businesses expressed concern that they heard the owner of Courtney Plaza passed away and they have no idea who to contact or who to communicate issues and concerns. They were feeling unsettled not understanding what was happening with the ownership. The business owners want to remain in the strip mall if they can and they want to be re-assured Courtney's Plaza will remain as a viable business location with proper communication chains.

## Recommendations

We believe the following recommendations can help alleviate some of the concerns expressed by the business owners.

**Better Lighting.** Due to the loitering and homeless sleeping around the businesses, having better lighting in the parking lot to assist with safety and discourage loitering.

**Trees.** The area is heavily concrete and pavement which could become more aesthetically pleasing with the addition of trees and shrubs to soften the area and make it more inviting to the customer base and prospective customers.

**Remove or clean up the motels/hotels.** The recommendation to remove the motels and hotels in the area will discourage easy crime such as drug dealing and prostitution.

**Market Festivals and Events.** Hosting events will bring in more business, especially more quality customers to the area to provide a boost in visibility and exposure.

**Post No Loitering Signs.** No Loitering Signs will discourage the homeless and addicts from hanging around the area and gives more credibility to the business owners to be able to keep them from the area.

**Post signs for vehicles which cannot be left in the parking lot listed "For Sale".** Signs posted in the area notifying the public are needed to protect the parking spaces from being taken for people selling vehicles in the parking lot.

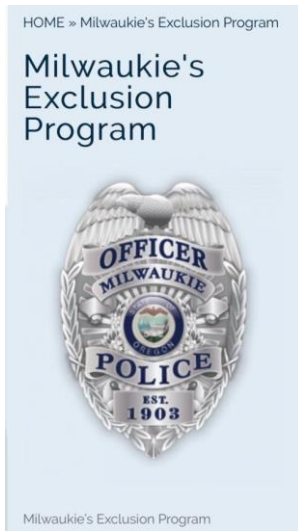
**Post signs specifying parking is only for customers of Courtney Plaza.** Post signs declaring parking at Courtney Plaza is only for Courtney Plaza customers to limit parking to related customers.

**Communication regarding the Sex Offender Housing Center Nearby.** There are laws regarding the areas which sex offenders are able to visit and how many times they can visit a location within a lifetime. Even though the housing center is established in the area, communication, awareness and disclosure would be a benefit to the businesses to protect their customers.

**Manage rising costs.** Business owners will be able to stay in this location as long as they are able to afford to stay. It would be beneficial to the area and the business owners to be able to maintain the tax rates and rent rates as they currently exist.

**Remarket the name and image of the Exclusion Program.** The businesses expressed thanks for Milwaukee's Exclusion Program so they had the authority to ask loiters to leave the premises. The way the program is named is contradictory to what the area is trying to accomplish which is inclusion. While it is not a county program, the business community may want to reach out to the City of Milwaukee to encourage them to consider branding the name and image of the "Exclusion Program".

**Image#1: Exclusion Program**



**Image#2 Eagle Outlet Ramp**





# **ATTACHMENT B: Community Investment Action Plan 2021-2026**

# COMMUNITY INVESTMENT ACTION PLAN (2021 TO 2026)

## 1) SUPPORT EXISTING SMALL BUSINESSES

### Action 1.1 Address issues related to Safety and Certainty that were identified through business owner interviews

#### Outcome: Improve physical environment of small business to retain/attract more customers

Implementation	2021	2022	2023	Year 4&5	Lead Org/ Staff	Partners	Resource Required
A. Develop a Safety Program that encourages coordination with the Sheriff Department to establish a safety program in the area, and work with TriMet to address light rail traffic that requires a safety watch.	X	X	X	X			
B. Educate Park Avenue business on sex offender housing nearby and foster collaboration.	X	X	X	X			
C. Determine if improvements to trees and lighting can be made in right-of-way and work with property owners to make the improvements collaboratively.		X	X	X			

### Action 1.2 Host Public Events

#### Outcome: Provide a boost in visibility and exposure for the businesses

A. Work with local chambers and business associations to develop a concept of an event.		X					
B. Host annual event in one of the retail centers parking lot.			X	X			

### Action 1.3 Engage with Courtney Plaza Property Owner

#### Outcome: Fosters collaboration and communicates the needs of the businesses

A. Encourage owner to improve signage on site for no loitering and parking "for sale" vehicles.	X						
B. Encourage new owner to communicate with tenants regarding approach to new management and anticipated leases.	X						

# COMMUNITY INVESTMENT ACTION PLAN (2021 TO 2026)

## 2) FOCUS ON EQUITY AND CREATING WEALTH

### Action 2.1 Provide business support through partnerships with organization like MESO

#### Outcome: Provide needed services to existing small business

Implementation	2021	2022	2023	Year 4&5	Lead Org/ Staff	Partners	Resource Required
A. Provide funding to MESO to engage services	X						
B. Designate a staff person to focus on Park Avenue area businesses for a portion of his or her time.	X						
C. Work with MESO to fund a Revolving Loan Fund (RLF) program that provides low interest loans to business that can't access traditional lending.			X	X			

### Action 2.2 Dedicate staff resources for "pre-lease" programs and/or permitting navigation

#### Outcome: Facilitates new business investment

A. Designate a staff person to develop and manage "pre-lease" program and team		X	X	X			
B. Develop a mobile food truck program that updates codes to permit this use and helps businesses navigate the permitting process.			X	X			

# COMMUNITY INVESTMENT ACTION PLAN (2021 TO 2026)

## 3) ATTRACT PRIVATE INVESTMENT

### Action 3.1 Identify a Focused Investment Area

#### Outcome: Encourage the development of retail "place" and destination

Implementation	2021	2022	2023	Year 4&5	Lead Org/ Staff	Partners	Resource Required
A. Reach out to retail center property owners to determine level of interest for collaboration regarding investment in property	X						
B. Update property owner on business services provided through MESO to support tenants.		X					
C. Determine if property owner would like assistance with attracting tenants desired by surrounding neighborhood. If so, actively reach out to desired tenants with identified county incentives.				X			

### Action 3.2 Engage Property Owners

#### Outcome: Proactively prepare for redevelopment opportunities

A. Reach out to all property owners within Park Avenue project area to determine future plans for property and/or business.		X	X	X			
B. If a business owner as well as property, determine if assistance with succession planning is needed. Engage MESO to provide help if needed.		X	X	X			

### Action 3.3 Create an Incentive Program

#### Outcome: Attract business investment

A. Designate a staff person to create an inter-department "SWAT" team that includes ODOT staff to consistently review development applications within Park Avenue project area.		X	X	X			
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B. Identify public infrastructure projects that will be funded by the county. Proactively coordinate with property owners and developers to foster a public-private partnership to developing property.		X					
C. Determine if incentives such as the storefront or tenant improvement programs can be offered. Actively promote the programs with property owners.				X			
<b>Action 3.4 Identify Funding Mechanisms</b>							
<b>Outcome: Create the necessary revenue to fund incentives and infrastructure projects</b>							
A. Prepare a list of desired capital improvements and incentives that require funding.		X					
B. Work with property owners to determine if they are willing to invest in a funding mechanism.			X				
C. Depending on community support, develop a BID, LID or TIF funding mechanism.				X			



## Memorandum

**Date:** October 5, 2020  
**To:** Karen Buehrig, Clackamas County  
**From:** Anita Yap, MultiCultural Collaborative  
Erin Reome, SERA Architects  
**Subject:** Residential Anti-Displacement Best Practices Memo  
**Project:** Park Avenue Community Project Development and Design Standards

As communities develop and redevelop over time, especially when government agencies construct major public infrastructure, such as light rail lines and change zoning regulations to encourage new development, existing residents have a risk of being displaced. Low income and seniors on fixed incomes and communities of color are particularly at risk.

Communities around the country are putting in place strategies to help prevent displacement. Many of the strategies include other initiatives besides zoning restrictions, as it takes several approaches to help keep communities stable during rapid development and redevelopment to stay in the neighborhood.

This memo provides a high-level overview of some best practices for anti-displacement strategies and resource links for more information.

### **Increasing opportunity and preventing displacement**

Many times, people become priced out of rents or housing or job opportunities in the area when neighborhoods redevelop with either higher density residential or new commercial development. Listed below are strategies that government agencies can take to help prevent, mitigate or provide assistance to existing residents in rapidly changing areas.

- Capture increase in property value that development and zoning changes provide to property owners and invest in renter assistance programs.
- Require all new residential development provide mitigation measures to assure existing residents are not priced out of the area.
- Create a program to help low-income and moderate-income tenants purchase their homes when landlords sell.
- Include requirements for affordable housing units on all new multifamily developments.

- Provide density or other amenity bonuses that will provide affordable rental rates within new development. These bonuses could include lot area coverage, setbacks, additional density, other SDC credits.
- Allow for transfer of density rights to properties that provide affordable housing units close to transit and jobs.
- Provide incentives for property owners to rent units at affordable rates to lower include tenants.
- Create a community land trust or work with an existing land trust to help purchase properties for development of affordable housing before land values increase from zoning changes. Community land trusts are agreements between a non-profit and community that ensure the long-term affordability of housing. The land trust, which has community members on the board will buy land and lease parcels or units to individuals or families at an affordable price. Though residents can build some equity, they can't sell the homes for large profits. This ensures that the community land trust can keep the homes affordable for future residents.
- Create a special zone for Mobile Home/Manufactured Home Parks to preserve existing parks in the area. The city of Portland created a new zone for Mobile and Manufactured Home Parks and provided density transfers for property owners.

### **Links to Anti-Displacement Best Practices**

#### **Mobile Home Park zoning**

<https://pamplinmedia.com/pt/9-news/404226-301726-portland-enacts-new-zone-to-prevent-redevelopment-of-mobile-home-parks->

<https://www.opb.org/news/article/portland-mobile-home-park-zoning-rule-change-city-council/>

#### **Community Land Trusts**

<https://community-wealth.org/strategies/panel/clts/index.html>

#### **Anti-Displacement Best Practices/Building Community Wealth**

<https://thenextsystem.org/fighting-gentrification-best-practices>

<https://www.sanjoseca.gov/your-government/departments-offices/housing/resource-library/housing-policy-plans-and-reports/citywide-anti-displacement-strategy>

<https://www.cityofvancouver.us/ced/page/reside-vancouver-anti-displacement-strategy>

<https://housingmatters.urban.org/research-summary/how-policymakers-can-prevent-displacement-and-foster-inclusive-neighborhoods>

*Park Avenue Community Project Anti-Displacement Memo  
MultiCultural Collaborative*

<https://www.portland.gov/bps/adap/gentrification-and-displacement-studies>

[https://www.portland.gov/sites/default/files/2020-04/pl-adpn-portland-site-visit-memo\\_aug-2019.pdf](https://www.portland.gov/sites/default/files/2020-04/pl-adpn-portland-site-visit-memo_aug-2019.pdf)

<https://www.opengovpartnership.org/members/austin-united-states/commitments/AUS0008/>

<https://www.urbandisplacement.org/policy-tools-prevent-displacement>

<https://www.policylink.org/aboutUs/internships/anti-displacement-policy-research>

[https://www.nationalcapacd.org/wp-content/uploads/2017/08/anti\\_displacement\\_strategies\\_report.pdf](https://www.nationalcapacd.org/wp-content/uploads/2017/08/anti_displacement_strategies_report.pdf)

<https://community-wealth.org/about>