



## URBAN RENEWAL AGENCY AGENDA

November 21, 2022 at 7:00 PM

Wilsonville City Hall & Remote Video Conferencing

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### PARTICIPANTS MAY ATTEND THE MEETING AT:

City Hall, 29799 SW Town Center Loop East, Wilsonville, Oregon

YouTube: <https://youtube.com/c/cityofwilsonvilleor>

Zoom: <https://us02web.zoom.us/j/81536056468>

### TO PARTICIPATE REMOTELY OR PROVIDE PUBLIC COMMENT:

Register with the City Recorder:

[CityRecorder@ci.wilsonville.or.us](mailto:CityRecorder@ci.wilsonville.or.us) or 503-570-1506

Individuals may submit comments online at: <https://www.ci.wilsonville.or.us/SpeakerCard>,  
via email to the address above, or may mail written comments to:

City Recorder - Wilsonville City Hall

29799 SW Town Center Loop East, Wilsonville, OR 97070

### CALL TO ORDER

1. Roll Call
2. Motion to approve the following order of the agenda.

### CITIZEN INPUT

*This is an opportunity for visitors to address the Urban Renewal Agency on items not on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the Urban Renewal Agency will make every effort to respond to questions raised during citizen input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.*

### CONSENT AGENDA

3. [URA Resolution No. 333](#)  
[A Resolution Of The City Of Wilsonville Urban Renewal Agency Authorizing The City Manager To Enter Into An Intergovernmental Agreement Between Clackamas County, Washington County, And The City Of Wilsonville Related To The Stafford Road At 65th Avenue Temporary Traffic Signal And Traffic Control Changes At Elligsen Road Project. \(Barrett/Kraushaar\)](#)
4. [Minutes of the October 17, 2022 Urban Renewal Agency Meeting. \(Veliz\)](#)

## **NEW BUSINESS**

### 5. [URA Resolution No. 332](#)

[A Resolution Of The City Of Wilsonville Urban Renewal Agency Adopting The 2022 Urban Renewal Strategic Plan As Recommended By The Urban Renewal Task Force \(Lorenzen\)](#)

## **CONTINUING BUSINESS**

## **PUBLIC HEARING**

## **ADJOURN**

*Time frames for agenda items are not time certain (i.e. agenda items may be considered earlier than indicated). The City will endeavor to provide the following services, without cost, if requested at least 48 hours prior to the meeting by contacting the City Recorder at 503-570-1506 or [CityRecorder@ci.wilsonville.or.us](mailto:CityRecorder@ci.wilsonville.or.us): assistive listening devices (ALD), sign language interpreter, and/or bilingual interpreter. Those who need accessibility assistance can contact the City by phone through the Federal Information Relay Service at 1-800-877-8339 for TTY/Voice communication.*

*Habr  interpretes disponibles para aqu llas personas que no hablan Ingl s, previo acuerdo. Comun quese al 503-570-1506.*



**URBAN RENEWAL AGENCY MEETING  
STAFF REPORT**

<b>Meeting Date:</b> November 21, 2022		<b>Subject: URA Resolution No. 333</b> Authorizing the City Manager to Enter into and Execute the Intergovernmental Agreement for the Stafford Road at 65th Avenue Temporary Traffic Signal and Traffic Control Changes (CIP# 4212)	
		<b>Staff Member:</b> Andrew Barrett, PE, Capital Projects Manager and Nancy Kraushaar, PE, Project Engineer	
		<b>Department:</b> Community Development	
<b>Action Required</b>		<b>Advisory Board/Commission Recommendation</b>	
<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Board Direction <input checked="" type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable	
		<b>Comments:</b> N/A	
<b>Staff Recommendation:</b> Staff recommends the Urban Renewal Agency (URA) adopt the consent agenda.			
<b>Recommended Language for Motion:</b> I move to adopt the consent agenda.			
<b>Project / Issue Relates To:</b>			
<input checked="" type="checkbox"/> Council Goals/Priorities: #1 – Increase mobility for all in Wilsonville	<input checked="" type="checkbox"/> Adopted Master Plan(s): Transportation System Plan RW-01	<input type="checkbox"/> Not Applicable	

**ISSUE BEFORE AGENCY:**

An Urban Renewal Agency resolution approving the Intergovernmental Agreement (IGA) between the City of Wilsonville, Clackamas County, and Washington County related to the Stafford Road at 65th Avenue temporary traffic signal that will be installed as part of the Boeckman Road Corridor Project detour.

**EXECUTIVE SUMMARY:**

The Boeckman Dip Bridge is among several elements of the Boeckman Road Corridor Project (BRCP) (see location map below). The approach selected for the bridge construction includes the full closure of Boeckman Road at the bridge location. Detour options will be well publicized and signed for travelers; one of which uses the intersection of Stafford Road at 65<sup>th</sup> Avenue. DKS, the City’s traffic consultant, completed a study that examined detour impacts for all travel modes, emergency services, and SMART.

The study concluded that the impacts to the majority of the study intersections are minor and can support the diversion of PM peak hour traffic from the Boeckman Road closure – with the exception of the Stafford Road/65<sup>th</sup> Avenue intersection. It already fails to meet level of service standards under existing conditions and gets worse under detour conditions.



The study recommended installation of a temporary traffic signal during the road closure to help relieve some of the congestion at this intersection and help traffic move more efficiently. In addition, some traffic control changes will be needed for the intersection of 65<sup>th</sup> Avenue at Elligsen Road.

The intersection at Stafford Road and 65<sup>th</sup> Avenue is located on Washington and Clackamas County roads – outside of City limits. For the City to install the recommended temporary traffic signal and traffic control changes, an IGA is required that documents each jurisdiction’s responsibilities. City and County engineers and their respective legal counsel have worked together to develop the subject IGA for your consideration to approve.

**EXPECTED RESULTS:**

The IGA will allow the City to go forward with the temporary traffic signal and traffic control changes that will help mitigate some of the traffic impacts when the Boeckman Road full road closure detour is in place. The IGA sets forth the obligations of the City and the two counties regarding how the signal and traffic control will be designed, constructed, funded, and maintained and operated during the road closure as well as returning the intersection to its non-signalized conditions at the end of the project should the counties so desire. The IGA also addresses the responsibilities for completing a traffic study that will determine whether the signal and traffic control should be removed or remain in place after Boeckman Road is re-opened.

**TIMELINE:**

The temporary traffic signal and traffic control changes are expected to be operational in August 2022.

**CURRENT YEAR BUDGET IMPACTS:**

The amended Fiscal Year (FY) 22/23 budget includes funding for the Boeckman Dip Bridge as shown below. Coordination costs resulting from the IGA is anticipated in the FY22/23 budget. The cost for construction of the temporary traffic signal is within the FY22/23 budgeted amount and will be determined upon completion of the signal design work. This project is included in the City’s five-year capital improvement plan and will carry in to subsequent fiscal years.

<b>CIP No</b>	<b>Project Name</b>	<b>Funding Source</b>	<b>Adopted 2022-23 Budget</b>	<b>IGA Amount</b>
4212	Boeckman Dip Bridge	Road CIP	\$6,958,880	n/a
		Year 2000 URA	\$13,647,652	n/a
		Total	\$20,606,532	n/a

**COMMUNITY INVOLVEMENT PROCESS:**

Over the years, public engagement occurred for the Boeckman Dip Bridge and Boeckman Road Improvements projects through the Transportation System Plan, Frog Pond Master Plan, and Urban Renewal Year 2000 Plan Amendment processes as well as preliminary planning and engineering for the bridge itself.

Since the BRCP project design kicked off in early 2022, public outreach activities have increased to provide more frequent updates the community and gather feedback on project priorities and concerns. Several public events include the 2022 Block Party, Popsicles in the Park, and an open house in conjunction with the West Linn-Wilsonville School District at Meridian Creek Middle School.

Ongoing outreach and public participation (specifically information about the full road closure while the bridge is constructed) is occurring through the project website, the monthly project e-newsletter, text alerts about travel conditions related to the project, Boones Ferry Messenger articles, and a project survey on Let’s Talk Wilsonville. The project team is also organizing smaller group and individual stakeholder outreach and meetings.

Link to project website: <https://www.ci.wilsonville.or.us/engineering/page/boeckman-road-corridor-news-and-updates>

Link to news updates on the project: <https://www.ci.wilsonville.or.us/engineering/page/boeckman-road-corridor-news-and-updates>

**POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:**

The IGA allows the temporary traffic signal and traffic control changes to be installed while the Boeckman Road full road closure detour is in place during bridge construction. This work will afford somewhat smoother traffic flow at the Stafford Road/ 65<sup>th</sup> Avenue/ Elligsen Road intersection during the closure. The future bridge will flatten the “dip”, provide safer travel conditions for all users, and improve fish and wildlife habitat in the watershed.

**ALTERNATIVES:**

The IGA is necessary to install traffic control outside the City – on County roads. The only alternative is to not construct the temporary traffic signal on Stafford Road at the intersection with 65<sup>th</sup> Avenue. This alternative would allow some deterioration of the existing traffic congestion at the intersection during the full road closure detour.

**CITY MANAGER COMMENT:**

N/A

**ATTACHMENTS:**

1. URA Resolution No. 333
  - A. Intergovernmental Agreement Between Clackamas County, Washington County, and the City of Wilsonville Related to the Stafford Road at 65th Avenue Temporary Traffic Signal and Traffic Control Changes at 65th Avenue at Elligsen Road Project

**THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE**  
**URA RESOLUTION NO. 333**

**A RESOLUTION OF THE CITY OF WILSONVILLE URBAN RENEWAL AGENCY AUTHORIZING THE CITY MANAGER TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT BETWEEN CLACKAMAS COUNTY, WASHINGTON COUNTY, AND THE CITY OF WILSONVILLE RELATED TO THE STAFFORD ROAD AT 65TH AVENUE TEMPORARY TRAFFIC SIGNAL AND TRAFFIC CONTROL CHANGES PROJECT.**

WHEREAS, ORS 190.003 – 190.010 authorizes agencies to enter into intergovernmental agreements for the performance of any or all activities and functions that a Party to the agreement has the authority to perform; and

WHEREAS, the City has planned and budgeted for completion of Capital Improvement Project #4212, known as the Boeckman Dip Bridge Project (the Project); and

WHEREAS, the Project includes construction of a bridge over Boeckman Creek at the “dip”; and

WHEREAS, the selected bridge construction approach includes full closure of Boeckman Road at the bridge location for which detour options will be signed for the traveling public – one of which will use the Stafford Road/ 65<sup>th</sup> Avenue/ Elligsen Road intersection; and

WHEREAS, the traffic study completed to evaluate detour impacts recommended installation of a temporary traffic signal and traffic control changes to help relieve some of the congestion at this intersection during the road closure; and

WHEREAS, Clackamas County has jurisdiction over a network of roads and streets, including portions of Stafford Road and 65<sup>th</sup> Avenue within the Project limits; and

WHEREAS, Washington County has jurisdiction over a network of roads and streets, including portions of Elligsen Road and 65<sup>th</sup> Avenue within the Project limits; and

WHEREAS, an Intergovernmental Agreement (IGA) is required for the City to install the recommended temporary traffic signal and traffic control changes because this intersection is outside city limits and under Clackamas County and Washington County jurisdiction.

NOW, THEREFORE, THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

Section 1. The Urban Renewal Agency authorizes the City Manager to enter into and execute, on behalf of the City of Wilsonville, the IGA between the City of Wilsonville, Clackamas County, and Washington County for the temporary traffic signal and traffic control changes at the Stafford Road/ 65th Avenue/ Elligsen Road intersection, substantially in the form attached as **EXHIBIT A.**

Section 2. The City Manager is authorized to sign the Intergovernmental Agreement in substantially the form attached hereto, but with latitude to make minor revisions, as determined by the City Engineer, to reflect design and construction variances and clarifications.

Section 3. Effective Date. This Resolution is effective upon adoption.

ADOPTED by the Wilsonville Urban Renewal Agency at a regular meeting thereof this 21<sup>st</sup> day of November, 2022, and filed with the Wilsonville City Recorder this date.

\_\_\_\_\_  
JULIE FITZGERALD, CHAIR

ATTEST:

\_\_\_\_\_  
Kimberly Veliz, City Recorder

SUMMARY OF VOTES:

- Chair Fitzgerald
- Member Akervall
- Member Lehan
- Member West
- Member Linville



EXHIBITS

- A. Intergovernmental Agreement Between Clackamas County, Washington County, and the City of Wilsonville Related to the Stafford Road at 65th Avenue Temporary Traffic Signal and Traffic Control Changes at 65th Avenue at Elligsen Road Project

Exhibit A - URA Resolution No. 333

**INTERGOVERNMENTAL AGREEMENT BETWEEN CLACKAMAS COUNTY, WASHINGTON COUNTY, AND THE CITY OF WILSONVILLE RELATED TO THE STAFFORD ROAD AT 65<sup>TH</sup> AVENUE TEMPORARY TRAFFIC SIGNAL AND TRAFFIC CONTROL CHANGES AT 65<sup>TH</sup> AVENUE AT ELLIGSEN ROAD PROJECT**

THIS AGREEMENT (this “Agreement”) is entered into, as of the \_\_\_\_ day of \_\_\_\_\_ 2022 (“Effective Date”), by and between **Clackamas County**, a corporate body politic (“C-COUNTY”), **Washington County**, a political subdivision of the State of Oregon (“W-COUNTY”), and the **City of Wilsonville**, an Oregon municipal corporation, pursuant to ORS Chapter 190 (Cooperation of Governmental Units) (“CITY”), collectively referred to as the “Parties” and each a “Party.”

**RECITALS**

WHEREAS, authority is conferred upon local governments under ORS 190.010 to enter into agreements for the performance of any and all functions and activities that a party to the agreement, or its officers or agencies, have authority to perform; and

WHEREAS, the CITY is constructing a bridge on SW Boeckman Road requiring an estimated 15-month closure (“CLOSURE”) for which the detour route will include the intersection of SW Stafford Road at SW 65<sup>th</sup> Avenue and SW 65<sup>th</sup> Avenue at SW Elligsen Road; and

WHEREAS, SW Stafford Road is under the jurisdiction and control of C-COUNTY; and

WHEREAS, SW 65<sup>th</sup> Avenue is jointly controlled by C-COUNTY and W-COUNTY, and operated by W-COUNTY, and SW Elligsen Road is under the jurisdiction of W-COUNTY; and

WHEREAS, to facilitate detour traffic in the area during the CLOSURE, the CITY plans to construct a temporary TRAFFIC SIGNAL at the intersection of SW Stafford Road and SW 65<sup>th</sup> Avenue, as illustrated in **Exhibit A**; and

WHEREAS, to facilitate detour traffic, the CITY also plans to construct TRAFFIC CONTROL modifications at the intersection of SW 65<sup>th</sup> Avenue and SW Elligsen Road, as illustrated in **Exhibit A**; and

WHEREAS, the construction within C-COUNTY and W-COUNTY rights-of-way shall conform to the standards and requirements of each County; and

WHEREAS, the TRAFFIC SIGNAL will be under the jurisdiction and control of C-COUNTY upon final acceptance; and

WHEREAS, TRAFFIC CONTROL modifications at SW 65<sup>th</sup> Avenue at SW Elligsen Road will be owned, operated, and maintained by the CITY until CLOSURE terminates; and

WHEREAS, the TRAFFIC SIGNAL and TRAFFIC CONTROL modifications constitute a construction project (PROJECT); and

WHEREAS, the Parties plan to complete a Traffic Operations and Safety Study that will use data from, during, and after CLOSURE to recommend whether TRAFFIC SIGNAL and TRAFFIC CONTROL need to be restored to pre-construction conditions, retained, or modified.

### AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Term.** This Agreement shall be effective upon execution, and shall continue until all roadwork is completed on the CLOSURE, the CLOSURE terminates, and the TRAFFIC SIGNAL and TRAFFIC CONTROL have been restored to pre-construction conditions, retained, or modified.
2. **Rights and Obligations of the City.** The CITY shall administer the PROJECT and shall perform all the work associated with it. To complete the PROJECT, the CITY agrees to the following:
  - A. The CITY will facilitate and coordinate design work, permitting, right-of-way acquisition, and construction.
  - B. The CITY shall coordinate with C-COUNTY and W-COUNTY.
  - C. The CITY will acquire the right-of-way necessary to complete the PROJECT.
  - D. The CITY will provide construction management services.
  - E. The CITY will apply for and obtain permits from C-COUNTY and W-COUNTY to work within the respective County's rights-of-way.
  - F. Before substantial completion of the TRAFFIC SIGNAL and TRAFFIC CONTROL modifications, the CITY shall give C-COUNTY and W-COUNTY sufficient notice for each County to provide a final inspection of any infrastructure to be turned over. Any punch lists developed by C-COUNTY or W-COUNTY will be addressed by the CITY before each County's approval and acceptance.
  - G. The CITY shall be primarily responsible for public engagement and notifications associated with the PROJECT.
  - H. Upon C-COUNTY and W-COUNTY acceptance of the PROJECT, the CITY will relinquish control and responsibility for the TRAFFIC SIGNAL installation to C-COUNTY.
  - I. The CITY will operate and maintain TRAFFIC CONTROL at the SW 65<sup>th</sup>/SW Elligsen Road intersection until CLOSURE terminates.
  - J. The CITY shall retain the services of a registered Professional Traffic Engineer to provide support for traffic signal timing and traffic monitoring during the CLOSURE and who will work with C-COUNTY AND W-COUNTY staff as needed to ensure safe and efficient traffic movements.
  - K. The CITY shall provide a Traffic Operations and Safety Study ("STUDY") detailing the operations of the TRAFFIC SIGNAL and TRAFFIC CONTROL during and after the CLOSURE and provide an operational and safety summary that recommends restoration of pre-construction traffic control, retaining the new TRAFFIC SIGNAL and TRAFFIC

CONTROL, or providing additional modifications. The CITY shall coordinate the STUDY with C-COUNTY AND W-COUNTY.

- L. The CITY shall remove the TRAFFIC SIGNAL unless otherwise directed by C-COUNTY. The CITY shall remove the TRAFFIC CONTROL unless otherwise directed by W-COUNTY.
- M. The CITY shall be responsible for all costs for returning the TRAFFIC SIGNAL and TRAFFIC CONTROL to pre-construction conditions, but not for any modifications for the PROJECT to remain in place.

### 3. Rights and Obligations of W-COUNTY

- A. W-COUNTY will consider a Resolution of Necessity to support the CITY's acquisition of easements or right-of-way necessary to complete the PROJECT within sixty (60) days of receiving notice from the CITY that right-of-way is necessary to complete the PROJECT.
- B. W-COUNTY will coordinate with the CITY in the design and construction of the TRAFFIC SIGNAL and TRAFFIC CONTROL and, when requested, will provide timely feedback.
- C. W-COUNTY will respond in a timely manner to the CITY's requests to execute applications or documents and will provide information or approval to the CITY or consultants for purposes of fulfilling the purpose of this Agreement.
- D. W-COUNTY will provide timely input into the work scope and review the STUDY and comments and recommendations with respect to traffic control changes.
- E. If the results of the STUDY recommend, and C-COUNTY and W-COUNTY concur, that TRAFFIC CONTROL remain in place after CLOSURE terminates, W-COUNTY will assume control and maintain the installed TRAFFIC CONTROL on the W-COUNTY owned and maintained roads, at its own expense and for the useful life of the markings and signing.
- F. W-COUNTY agrees to timely plan review, inspections, and other requests (for input/clarification/concurrence) as no more than the following: plan review – 4 weeks; inspections – 2 weeks; other requests – 1 week.

### 4. Rights and Obligations of C-COUNTY

- A. C-COUNTY will consider a Resolution of Necessity to support the CITY's acquisition of easements or right-of-way necessary to complete the PROJECT within sixty (60) days of receiving notice from the CITY that right-of-way is necessary to complete the PROJECT.
- B. C-COUNTY will coordinate with the CITY in the design and construction of the TRAFFIC SIGNAL and TRAFFIC CONTROL and, when requested, C-COUNTY will provide timely feedback.
- C. C-COUNTY will respond in a timely manner to the CITY's requests to execute applications or documents and will provide information or approval to the CITY or consultants for purposes of fulfilling the purpose of this Agreement.
- D. Upon C-COUNTY's formal acceptance after substantial completion, C-COUNTY will own, operate, and maintain the installed TRAFFIC SIGNAL at its own expense.

- E. C-COUNTY will provide timely input into the work scope and review the STUDY and comments and recommendations with respect to traffic control changes.
- F. C-COUNTY agrees to timely plan review, inspections, and other requests (for input/clarification/concurrence) as no more than the following times: plan review – 4 weeks; inspections – 2 weeks; other requests – 1 week.

## 5. Termination

- A. C-COUNTY, W-COUNTY, and the CITY, by mutual written agreement, may terminate this Agreement at any time.
- B. C-COUNTY, W-COUNTY, or the CITY may terminate this Agreement in the event of a breach of the Agreement by any other Party. Prior to such termination, however, the Party or Parties seeking the termination shall give the other Parties written notice of the breach and of the Party's intent to terminate. If the breaching Party has not entirely cured the breach within fifteen (15) days of deemed or actual receipt of the notice, then the Party giving notice may terminate the Agreement at any time thereafter by giving written notice of termination stating the effective date of the termination. If the default is of such a nature that it cannot be completely remedied within such fifteen (15) day period, this provision shall be complied with if the breaching Party begins correction of the default within the fifteen (15) day period and thereafter proceeds with reasonable diligence and in good faith to effect the remedy as soon as practicable. The Party giving notice shall not be required to give more than one (1) notice for a similar default in any twelve (12) month period.
- C. C-COUNTY, W-COUNTY, or the CITY shall not be deemed to have waived any breach of this Agreement by any other Party except by an express waiver in writing. An express written waiver as to one breach shall not be deemed a waiver of any other breach not expressly identified, even though the other breach is of the same nature as that waived.
- D. Nothing herein shall prevent the Parties from meeting to mutually discuss the PROJECT. Each Party shall use best efforts to coordinate with the other to minimize conflicts.
- E. Any termination of this Agreement shall not prejudice any rights or obligations accrued to the Parties prior to termination.

## 6. Indemnification.

- A. Subject to the limits of the Oregon Constitution and the Oregon Tort Claims Act, or successor statute, and Article XI, Section 10, of the Oregon Constitution, each Party agrees to indemnify, save harmless, and defend the other Parties and their respective officers, elected officials, agents, and employees from and against all costs, losses, damages, claims, or actions, and all expenses incidental to the investigation and defense thereof (including legal and other professional fees), arising out of or based upon damages or injuries to persons or property caused by the negligent or willful acts of the indemnifying Party or its officers, elected officials, owners, employees, agents, or subcontractors, or anyone over which the indemnifying Party has a right to control.
- B. The CITY shall be solely responsible for any PROJECT claims, delay damages, or similar items arising from or caused by the CITY's obligations under this Agreement.

## 7. Party Contacts

- A. Joseph Marek, or his designee, will act as liaison for C-COUNTY for the PROJECT.

**Contact Information:**

Clackamas County, Department of Transportation and Development  
 Attn: Joseph Marek, PE, PTOE, Transportation Safety Program Manager  
 150 Beaver Creek Road  
 Oregon City, OR 97045  
 (503) 742-4705 or [joemar@clackamas.us](mailto:joemar@clackamas.us)

- B. John Fasana, or his designee, will act as liaison for W-COUNTY for the PROJECT.

**Contact Information**

Washington County Department of Land Use & Transportation  
 Attn: John Fasana, PE, Principal Engineer  
 1400 SW Walnut Street, MS 17  
 Hillsboro, OR 97123  
 (503) 846-7948 or [john\\_fasana@washingtoncountyor.gov](mailto:john_fasana@washingtoncountyor.gov)

- C. Zachary Weigel, or his designee, will act as liaison for the CITY for the PROJECT.

**Contact Information:**

City of Wilsonville  
 Attn: Zachary Weigel, PE, City Engineer  
 29799 SW Town Center Loop East  
 Wilsonville, OR 97070  
 (503) 570-1565 or [weigel@ci.wilsonville.or.us](mailto:weigel@ci.wilsonville.or.us)

- D. Any Party may change the Party contact information by giving prior written notice thereof to the other Parties at their then current notice address.

## 8. General Provisions

- A. **Oregon Law and Forum.** This Agreement shall be construed according to the laws of the State of Oregon, without giving effect to the conflict of law provisions thereof.
- B. **Applicable Law.** The Parties hereto agree to comply in all ways with applicable local, state, and federal ordinances, statutes, laws, and regulations.
- C. **Non-Exclusive Rights and Remedies.** Except as otherwise expressly provided herein, the rights and remedies expressly afforded under the provisions of this Agreement shall not be deemed exclusive, and shall be in addition to and cumulative with any and all rights and remedies otherwise available at law or in equity. The exercise by any Party of any one or more of such remedies shall not preclude the exercise by it, at the same or different times, of any other remedies for the same default or breach, or for any other default or breach, by any other Party to this Agreement.
- D. **Record and Fiscal Control System.** All payroll and financial records pertaining in whole or in part to this Agreement shall be clearly identified and readily accessible. Such records and documents should be retained for a period of three (3) years after the Effective Date; provided that any records and documents that are the subject of audit findings shall be retained for a longer time until such audit findings are resolved.

- E. **Access to Records.** The Parties acknowledge and agree that each Party, the federal government, and their duly authorized representatives shall have access to each Party's books, documents, papers, and records which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcripts for a period of three (3) years after the Effective Date. Copies of applicable records shall be made available upon request. The cost of such inspection shall be borne by the inspecting Party.
- F. **Debt Limitation.** This Agreement is expressly subject to the debt limitation of Oregon counties set forth in Article XI, Section 10, of the Oregon Constitution, and is contingent upon funds being appropriated therefor. Any provisions herein which would conflict with law are deemed inoperative to that extent.
- G. **Severability.** If any provision of this Agreement is found to be unconstitutional, illegal, or unenforceable, this Agreement nevertheless shall remain in full force and effect and the offending provision shall be stricken. The Court or other authorized body finding such provision unconstitutional, illegal, or unenforceable shall construe this Agreement without such provision to give effect to the maximum extent possible the intentions of the Parties.
- H. **Integration, Amendment, and Waiver.** Except as otherwise set forth herein, this Agreement constitutes the entire agreement between the Parties on the matter of the PROJECT. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement. No waiver, consent, modification, or change of terms of this Agreement shall bind any Party unless in writing and signed by the Party against whom enforcement is sought and all necessary approvals have been obtained. Such waiver, consent, modification, or change, if made, shall be effective only in the specific instance and for the specific purpose given. The failure of any Party to enforce any provision of this Agreement shall not constitute a waiver by such Party of that or any other provision.
- I. **Interpretation.** The titles of the sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.
- J. **Independent Contractor.** Each individual Party hereto shall be deemed an independent contractor for purposes of this Agreement. No representative, agent, employee, or contractor of one Party shall be deemed to be a representative, agent, employee, or contractor of any other Party, for any purpose, except to the extent specifically provided herein. Nothing herein is intended, nor shall it be construed, to create between the Parties any relationship of principal and agent, partnership, joint venture, or any similar relationship, and each individual Party hereby specifically disclaims any such relationship.
- K. **No Third-Party Beneficiary.** None of the individual Parties hereto intend that this Agreement benefit, or create any right or cause of action in, or on behalf of, any person or entity other than C-COUNTY, W-COUNTY, or the CITY.
- L. **No Assignment.** No Party shall have the right to assign its interest in this Agreement (or any portion thereof) without the prior written consent of all other Parties to this Agreement, which consent may be withheld for any reason. The benefits conferred by this Agreement, and the obligations assumed hereunder, shall inure to the benefit of and bind the successors of the Parties.
- M. **Counterparts.** This Agreement may be executed in any number of counterparts (electronic, facsimile, or otherwise), all of which when taken together shall constitute one agreement binding on all Parties, notwithstanding that all Parties are not signatories to the same counterpart. Each copy of this Agreement so executed shall constitute an original.

N. **Authority.** Each Party represents that it has the authority to enter into this Agreement on its behalf and the individual signatory for a Party represents that it has been authorized by that Party to execute and deliver this Agreement.

O. **Necessary Acts.** Each Party shall execute and deliver to the others all such further instruments and documents as may be reasonably necessary to carry out this Agreement.

**IN WITNESS HEREOF,** the Parties have executed this Agreement by the date set forth opposite their names below.

**Clackamas County**

**Washington County**

\_\_\_\_\_  
Chair, Board of County Commissioners

\_\_\_\_\_  
Tanya Ange, County Administrator

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**City of Wilsonville**

\_\_\_\_\_  
Bryan Cosgrove, City Manager

\_\_\_\_\_  
Date



STAFFORD/65<sup>TH</sup>/ELLIGSEN – TEMPORARY TRAFFIC SIGNAL

Item 3.

Traffic Engineering Department  
STAFFORD/65HT/ELLIGSEN

Date: 2/15/2022

CLACKAMAS COUNTY  
DEPT. OF TRANSPORTATION  
AND DEVELOPMENT  
150 BEAVERCREEK ROAD  
OREGON CITY, OR 97045



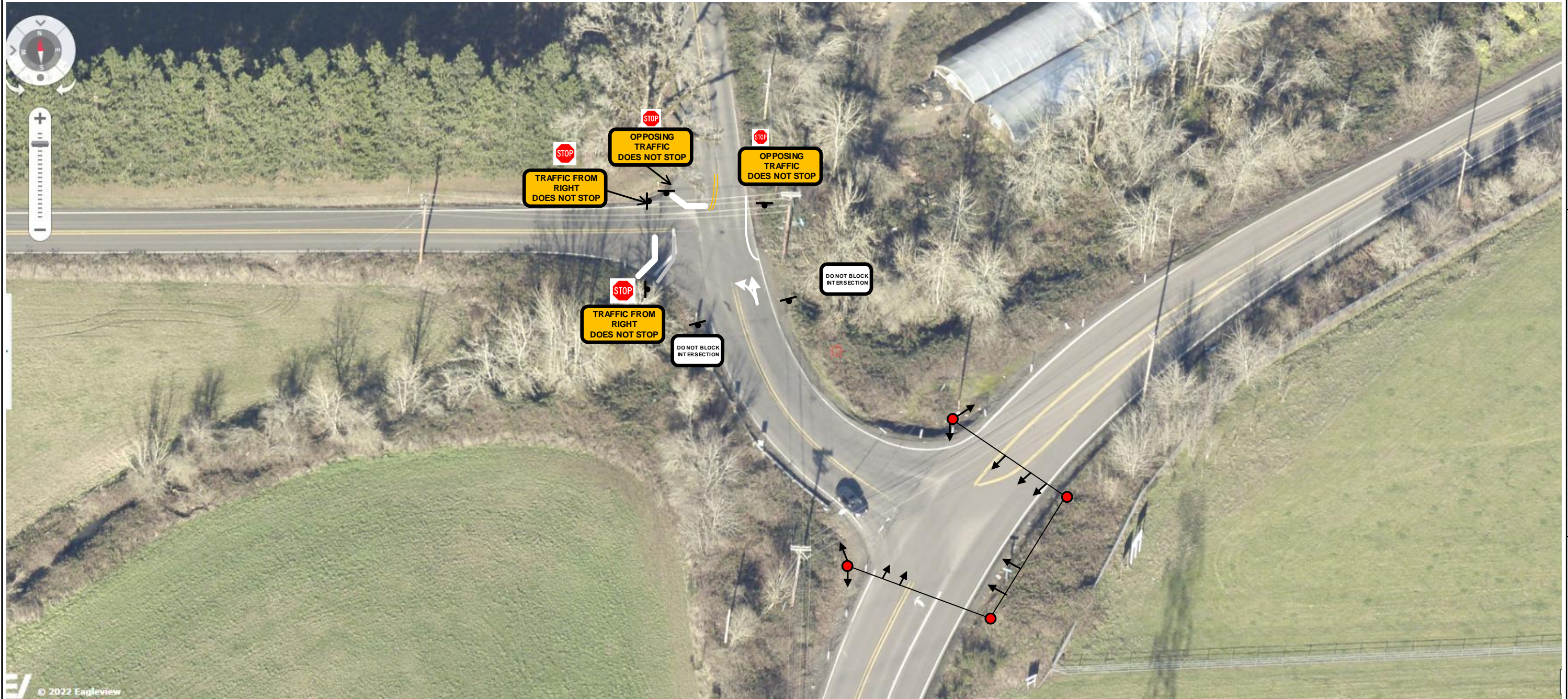
DAN JOHNSON DIRECTOR

DESIGNED BY: JFM  
DRAFTED BY: JFM  
CHECKED BY: JFM

REVISIONS

#	DATE	DESC

Sheet No. 1 of 17



CONCEPT PLAN – CONCEPT PLAN

Preliminary - Not for final design or construction



Not to Scale



## URBAN RENEWAL AGENCY MINUTES

October 17, 2022 at 7:00 PM

Wilsonville City Hall & Remote Video Conferencing

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### CALL TO ORDER

#### 1. Roll Call

The Urban Renewal Agency held a regular meeting on October 17, 2022 in the Wilsonville City Hall immediately following the adjournment of the City Council meeting. The Vice-Chair called the URA meeting to order at 7:48 p.m. followed by roll call.

#### PRESENT

Vice-Chair Kristin Akervall  
Member Charlotte Lehan  
Member Ben West

#### EXCUSED

Chair Julie Fitzgerald  
Member Joann Linville

#### STAFF PRESENT

Bryan Cosgrove, City Manager  
Amanda Guile-Hinman, City Attorney  
Kimberly Veliz, City Recorder  
Jeanna Troha, Assistant City Manager  
Zach Weigel, City Engineer  
Zoe Mombert, Assistant to the City Manager  
Katherine Smith, Assistant Finance Director  
Keith Katko, Finance Director

#### 2. Motion to approve the following order of the agenda.

**Motion:** Moved to approve the order of agenda.

Motion made by Member West, Seconded by Member Lehan.

#### **Voting Yea:**

Vice-Chair Akervall, Member Lehan, Member West

**Vote:** Motion carried 3-0.

## CITIZEN INPUT

This is an opportunity for visitors to address the Urban Renewal Agency on items not on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the Urban Renewal Agency will make every effort to respond to questions raised during citizen input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

There was none.

## CONSENT AGENDA

The City Attorney read the titles of the Consent Agenda items into the record.

3. **URA Resolution No. 328**

A Resolution Of The City Of Wilsonville Urban Renewal Agency Authorizing An Intergovernmental Agreement With The City Of Wilsonville Pertaining To Short Term Subordinate Urban Renewal Debt For The Year 2000 Plan District For The Purpose Of Funding The Construction Of Capital Improvement Project By The Agency.

4. **URA Resolution No. 331**

A Resolution Of The City Of Wilsonville Urban Renewal Agency Authorizing The City Manager To Execute A Construction And Funding Agreement With Portland & Western Railroad, Inc. For Re-Construction Of A Grade Crossing At The 5th Street Railroad Crossing Associated With The 5th Street / Kinsman Road Extension Project.

5. Minutes of the September 19, 2022 Urban Renewal Agency Meeting.

**Motion:** Moved to approve the Consent Agenda as read.

Motion made by Member Lehan, Seconded by Member West.

**Voting Yea:**

Vice-Chair Akervall, Member Lehan, Member West

**Vote:** Motion carried 3-0.

## NEW BUSINESS

There were none.

## CONTINUING BUSINESS

There were none.

## PUBLIC HEARING

6. **URA Resolution No. 330** (*Legislative Hearing*)

A Resolution Of The City Of Wilsonville Urban Renewal Agency Authorizing A Supplemental Budget Adjustment For Fiscal Year 2022-23.

The City Attorney read the title of URA Resolution No. 330 into the record.

The Vice-Chair provided the public hearing format and opened the public hearing at 7:53 p.m.

Katherine Smith, Assistant Finance Director summarized the staff report.

Council's clarifying questions followed staff's presentation.

The Vice-Chair then invited public testimony, seeing none the Vice-Chair closed the public hearing at 7:56 p.m.

The Vice-Chair requested a motion on URA Resolution No. 330.

**Motion:** Moved to approve URA Resolution No 330.

Motion made by Member Lehan, Seconded by Member West.

**Voting Yea:**

Vice-Chair Akervall, Member Lehan, Member West

**Vote:** Motion carried 3-0.

## ADJOURN

The URA meeting adjourned at 7:58 p.m.

Respectfully submitted,

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Kimberly Veliz, City Recorder

ATTEST:

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Julie Fitzgerald, Chair

DRAFT



**URBAN RENEWAL AGENCY MEETING  
STAFF REPORT**

<b>Meeting Date:</b> November 21, 2022		<b>Subject: URA Resolution No. 332</b> Adoption of the 2022 Urban Renewal Strategic Plan	
		<b>Staff Member:</b> Matt Lorenzen, Economic Development Manager	
		<b>Department:</b> Community Development	
<b>Action Required</b>		<b>Advisory Board/Commission Recommendation</b>	
<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 <sup>st</sup> Reading Date: <input type="checkbox"/> Ordinance 2 <sup>nd</sup> Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable  <b>Comments:</b> On August 31, the Urban Renewal Task Force met for the fifth time and provided a recommendation of approval of the Urban Renewal Strategic Plan to the City Council, and by extension, the Urban Renewal Agency.	
<b>Staff Recommendation:</b> The Urban Renewal Agency adopt URA Resolution No. 332.			
<b>Recommended Language for Motion:</b> I move to adopt URA Resolution No. 332.			
<b>Project / Issue Relates To:</b>			
<input checked="" type="checkbox"/> Council Goals/Priorities: 5.2 – Update the Urban Renewal Strategic Plan	<input type="checkbox"/> Adopted Master Plan(s):	<input type="checkbox"/> Not Applicable	

**ISSUE BEFORE AGENCY:**

Shall the Urban Renewal Agency (URA) ratify URA Resolution No. 332, thereby adopting the 2022 Urban Renewal Strategic Plan as recommended by the Urban Renewal Task Force?

**EXECUTIVE SUMMARY:**

The City of Wilsonville (the “City”) established a precedent in 2013, when leaders convened an Urban Renewal Task Force (URTF) to make recommendations and develop a strategic plan to guide the City’s urban renewal activities. Since that time the URTF has periodically convened, as indicated by Council, to discuss and make recommendations on urban renewal matters, most recently to inform the creation of the Wilsonville Investment Now (WIN) Zone program.

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*(Note: The terms **Urban Renewal** and **Tax Increment Finance** are used interchangeably in this staff report as well as in the attached Strategic Plan.)*

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[The 2014 Urban Renewal Strategic Plan](#) served the City well until recently, when the current Council determined, during the 2021-23 goal setting process, the City needed an updated plan and strategy. Indeed, the City’s two largest and oldest urban renewal areas, Year 2000 and West Side, are both nearing their maximum indebtedness having completed all critical projects contained in each area’s respective urban renewal plans. With two districts (Year 2000 and Westside) nearly ready to sunset, each containing large areas of acreage and significant assessed value, there is an opportunity and need to consider new uses of urban renewal in the City, with input from a broad representation of stakeholders, such as the membership of the URTF, which includes affected taxing districts, residents, business owners, real estate professionals, and developers.

In addition to potential new uses of tax increment finance (TIF), the URTF discussed the existing Coffee Creek plan area and the most recently adopted Twist Bioscience plan area, created under the WIN Zone program, to determine if those plan areas need any additions or modifications.

The URTF met five times throughout the summer, led by Council President Kristin Akervall, and staff, Matt Lorenzen – Economic Development Manager, with significant support from other staff in the Community Development Department. The first meeting was in March 2022, and the last in early September.

The 2022 Urban Renewal Strategic Plan (the “Plan” or “URSP”) is structured very similarly to the 2014 document. You will read in the attached Plan about the City’s past and current accomplishments using tax increment finance, which are well documented and many. The Plan goes on to examine each of the city’s four existing urban renewal areas and the challenges and opportunities facing each, as well as recommendations for strategic next steps. Finally, the Plan conveys the recommendations of the URTF regarding potential new uses of tax increment finance. Such uses do not necessarily constitute an exhaustive list; rather, they are the areas and issues the URTF prioritized, and which they, therefore, recommend the Council prioritize moving forward.

Staff presented the Plan to Council at work session on October 17, 2022 and asked the Council to advise of any desired changes to the draft plan. At that time, Council had no recommendations for amendment, and Staff has not learned of any Council concerns since then.

Since the Plan was first presented to Council, staff has made three amendments of note. Any other changes were immaterial typographical corrections.

1. A table with explanatory notes has been added to page 12. The table illustrates how much TIF revenue will be returned to overlapping taxing districts when the Year 2000 and West Side URAs are closed.
2. The following brief note was added on page 28, in order to align this strategic plan document with the Council's thoughts, as expressed during the presentation of the Town Center Infrastructure Funding Plan on October 17, 2022, regarding the potential need for a parking structure in the Town Center Plan area:

*Upon review of the draft Town Center Infrastructure Funding Plan, the City Council also recommends a parking structure be studied and considered as a potential project if warranted and feasible, funded in whole or in part by urban renewal, as a potential project under a new urban renewal plan in Town Center.*

3. Technical appendices have now been included.

Finally, and importantly, it should be noted that this Urban Renewal Strategic Plan, to be adopted under URA Resolution No. 332, is **NOT** to be confused with an "Urban Renewal Plan" pursuant to ORS 457, or more specifically ORS 457.035-457.410, which must be created and approved by ordinance, with many prerequisite steps, robust outreach, and technical analysis. The Urban Renewal Strategic Plan adopted under URA Resolution No. 332 is a vision document—a roadmap to guide prioritization and decision-making as the City considers the continued use of urban renewal for existing and prospective plan areas. The creation of any new urban renewal area in the City, as recommended in the URSP, will follow all the legally required protocols prescribed in ORS 457.

**EXPECTED RESULTS:**

Adoption of the URSP will result in a clear vision and direction for urban renewal activities in the City going forward.

**TIMELINE:**

Once adopted, the shelf life of the Plan is unknown. One can expect the 2022 Plan will remain relevant for a similar period as the 2014 Wilsonville Urban Renewal Strategic Plan, or until such time the Council determines a new strategy is needed based on evolving conditions in the City.

**CURRENT YEAR BUDGET IMPACTS:**

No current year budget impacts. Consultant expense and expenses associated with the final in-person meeting of the URTF came from funds allocated under the Community Development Department budget.



**COMMUNITY INVOLVEMENT PROCESS:**

The URTF is a City Manager-appointed group, selected carefully to provide a broad representation of stakeholders affected by Wilsonville's urban renewal activities.

The draft Plan has been available to the public for review as it was included in the October 17, 2022 Council packet, in addition to the packet for this meeting.

**POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:**

Tax increment finance is one of few tools available to Oregon cities that allows for critical infrastructure investment to support prospective development and redevelopment in blighted areas. The City has used urban renewal to transform Wilsonville in remarkable ways in the past. It is anticipated that current and future uses of urban renewal will yield similar outcomes, improving infrastructure to support safety, livability, and to bolster the tax rolls in the long-term with new assessed value associated with private development activity, spurred by public investment.

**ALTERNATIVES:**

The Agency may choose to reject, adopt, or adopt with conditions or amendments the attached 2022 Urban Renewal Strategic Plan, by adopting Resolution No. 332.

**CITY MANAGER COMMENT:**

N/A

**ATTACHMENTS:**

1. URA Resolution No. 332
  - A. 2022 Urban Renewal Strategic Plan, with Appendices
2. Correspondence record regarding the URSP
3. [2014 Wilsonville Urban Renewal Strategic Plan \(hyperlink\)](#)

**THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE**  
**URA RESOLUTION NO. 332**

**A RESOLUTION OF THE CITY OF WILSONVILLE URBAN RENEWAL AGENCY ADOPTING THE 2022 URBAN RENEWAL STRATEGIC PLAN AS RECOMMENDED BY THE URBAN RENEWAL TASK FORCE**

WHEREAS, the City of Wilsonville has an Urban Renewal Agency, governed by the Agency Board, and four existing urban renewal areas; and

WHEREAS, the Urban Renewal Agency will soon close two of the four existing urban renewal areas having reached their maximum indebtedness and having completed all critical projects under their respective governing plans; and

WHEREAS, the City and the Urban Renewal Agency have established a precedent to create and formally adopt a strategic plan to guide the use of urban renewal in Wilsonville; and

WHEREAS, goal 5.2 of the City Council 2021-2023 goals calls for an update to the City's 2014 Urban Renewal Strategic Plan; and

WHEREAS, the City Manager appointed an Urban Renewal Task Force to work with staff and consultants in preparing a new Urban Renewal Strategic Plan, and appointed Council President Kristin Akervall as chair of this Task Force; and

WHEREAS, the Task Force was a diverse group of individuals representing overlapping taxing districts, community residents, land owners, brokers, developers, and business owners; and

WHEREAS, the Urban Renewal Task Force met five times with their final meeting held on August 31, 2022; and

WHEREAS, the Urban Renewal Task Force thoroughly discussed each of the four existing urban renewal areas as well potential future uses of urban renewal in Wilsonville and made recommendations regarding the same; and

WHEREAS, staff and consultants documented the aforementioned discussions, evaluations, and recommendations and created a new Urban Renewal Strategic Plan therefrom; and

WHEREAS, the final Urban Renewal Strategic Plan is attached as Exhibit A, for review by the Agency Board.

WHEREAS, on November 21, 2022 during the meeting of the Wilsonville City Council, the Council adopted Resolution No. 3012 adopting the Urban Renewal Strategic Plan identified in Exhibit A.

NOW, THEREFORE, THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

Section 1. Based on the above recitals, which are incorporated herein, the Agency Board thanks and commends the members of the Urban Renewal Task Force for their work on the Wilsonville Urban Renewal Strategic Plan; and

Section 2. Agency Board adopts the Urban Renewal Strategic Plan attached hereto as Exhibit A including appendices and incorporated by reference as if fully set forth herein as the official document for guiding the use of urban renewal in the City of Wilsonville.

Section 3. This Resolution is effective upon adoption.

ADOPTED by the City of Wilsonville Urban Renewal Agency at a regular meeting thereof this 21<sup>st</sup> day of November, 2022, and filed with the Wilsonville City Recorder this date.

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JULIE FITZGERALD, CHAIR

ATTEST:

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Kimberly Veliz, City Recorder

SUMMARY OF VOTES:

Chair Fitzgerald

Member Akervall

Member Lehan

Member West

Member Linville

EXHIBIT:

- A. Urban Renewal Strategic Plan, and Appendices



# Urban Renewal Strategic Plan

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Prepared for the City of Wilsonville  
Prepared by Elaine Howard Consulting, LLC and Tiberius Solutions LLC  
November 21, 2022

# Acknowledgments

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## **Urban Renewal Task Force Members**

Kristin Akervall, City Council President  
 Stu Peterson, Macadam Forbes  
 Susan Myers, Capital Realty  
 Lauren Jones, Capstone Partners  
 Alissa Mahar, CCC  
 Cassandra Ulven, TVF&R  
 Nancy Faubel, Corner Coffee Shoppe (Town Center Business)  
 Matt Craigie, Washington County  
 Remo Douglas, West Linn Wilsonville School District  
 Pat Mc Gough, West Linn Wilsonville School District  
 Andrew Karr, Resident, Planning Commissioner  
 Al Steiger, Resident  
 Dick Spence, Resident  
 Christine Reynolds, Orrick - Public Finance / Resident  
 Kevin Ferrasci O'Malley, Wilsonville Chamber

## **Wilsonville Staff**

Matt Lorenzen, Economic Development Manager  
 Chris Neamtzu, Community Development Director  
 Keith Katko, Finance Director  
 Zach Weigel, City Engineer  
 Dan Pauly, Planning Manager  
 Kim Rybold, Senior Planner

Nancy Kraushaar, Project Engineer

## **Consulting Team**

### **Tiberius Solutions LLC**

Nick Popenuk  
 Ali Danko

### **Elaine Howard Consulting, LLC**

Elaine Howard  
 Scott Vanden Bos

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**IMPACTS OF WILSONVILLE URBAN RENEWAL ON SCHOOL DISTRICT PROPERTY TAX COMPRESSION  
    FINANCIAL ANALYSIS OF YEAR 2000 AND WEST SIDE URAS**

## Summary

The City of Wilsonville began using urban renewal (tax increment finance) in 1992, funding critical infrastructure needed to support new development, reshaping the city. The investments made through urban renewal have dramatically increased the assessed value of properties in the city and made Wilsonville an economically thriving community with an abundance of recreational amenities. With the success of past urban renewal areas, the City has pioneered approaches to share tax increment finance revenues with affected taxing districts that provide services to the urban renewal areas. The City has a long-standing practice of asking for advisory public votes on the creation of new urban renewal areas, and have received overwhelming support for all their urban renewal areas.



The Year 2000 Plan provided necessary transportation and utility infrastructure improvements to attract job-producing investment and increase property values. The plan also funded significant recreational improvements for the residents of Wilsonville including the construction of the popular Town Center and Murase parks. Upon termination (expected in FY 2022-23) overlapping taxing districts will receive tax revenues from over \$500 million in assessed value created by this urban renewal area. This is only a portion of the increased assessed value the area generated as the city began returning assessed value to the property tax rolls in 2005 by removing property from the boundary.

The West Side Plan focused on providing the necessary infrastructure to incentivize the development of over 2,600 housing units and an extensive parks system of more than 160 acres in the Villebois community. The Villebois development is located on 385 acres of previously vacant and underutilized land that provided very little tax revenue. The original assessed value of this urban renewal area was \$16.5 million. The assessed value in FY 2021-22 is over \$747 million. The increased assessed value is expected to be returned to all taxing districts in FY 2023-24. The City also donated land for the construction of Lowrie Primary School to help the school district deal with the influx of children from the Villebois development.



Furthering the city's commitment to creating jobs, the city adopted the Coffee Creek Urban Renewal Plan in 2016 to facilitate the potential creation of more than 1,800 family wage jobs in the community. This is a nascent urban renewal area just starting on the investments that will pave the way for new private development, job creation and assessed value growth.



In an innovative effort to use urban renewal to help address industrial vacancies during the Great Recession, the city implemented a program for single property urban renewal areas. Although this program was not used, the idea spurred the creation of the WIN program that offered greater flexibility and a new scoring system concentrating on investments, jobs and wages. The Wilsonville City Council approved the first WIN program application in 2021, spurring an estimated \$70 million of investment, with a commitment to create 200 initial jobs and as many as 200 additional jobs in the future.

As part of the ongoing commitment to involving stakeholders in urban renewal decisions, the city created the Wilsonville Urban Renewal Task Force (Task Force) in 2013. The city recently reconvened the task Force to provide input on this Strategic Plan update.

The Task Force met throughout the summer of 2022 to review and update the Wilsonville Urban Renewal Strategic Plan. The Task Force reviewed the existing urban renewal areas and provided recommendations for potential future uses of urban renewal/tax increment financing in Wilsonville. The recommendations for existing urban renewal areas are:

- Year 2000 Plan: No changes to this existing area that is set to expire in the near future.
- West Side Plan: No changes to this existing area that is set to expire in the near future.
- Coffee Creek Plan:

Project cost estimates should be updated along with the finance plan component of the Report.

A minor amendment to the Plan should be completed to allow funding to be allocated to two new projects: Ridder Road improvements and property acquisition and related activities (e.g. purchasing/negotiating options).

Any potential increase in maximum indebtedness should be brought back to the Task Force for their consideration at a later date.

- The WIN Program:

Scoring criteria should be revised to allow for more points to be awarded for long-time existing Wilsonville businesses.

The application process should include an additional step for earlier vetting of businesses applying for the program, including an opportunity for public input (i.e., public open house or review by other standing city committees).

The Task Force was presented with three potential new uses of urban renewal for their input and recommendation: 1) Wilsonville Town Center, 2) Basalt Creek Industrial Area, and 3) using urban renewal as one tool (of many) to address housing affordability issues. The recommendations for potential future uses of urban renewal areas are:

- The Task Force supports the City's ongoing work to develop a Town Center Infrastructure Finance Plan and recommends the City pursue a full urban renewal feasibility study for the Town Center to include timing, duration, eligible projects, anticipated private development, private contribution, and impact on taxing districts for future Task Force consideration.
- The Task Force recommends the city pursue a full urban renewal feasibility study for Basalt Creek to include timing, duration, eligible projects, anticipated private development, private contribution, and impact on taxing districts for future Task Force consideration.

- Urban renewal should be studied as one of many tools for the development of affordable housing—to include homeownership/first-time homebuyer opportunities, as well as more traditional multifamily affordable housing projects, and potential other, more novel programs or partnerships. The City should pursue designing a range of programs and/or incentives funded through urban renewal/tax increment financing and other funding sources for future Task Force consideration.

DRAFT

# Introduction

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## Definitions

- “Agency” means the Wilsonville Urban Renewal Agency. This Agency is responsible for administration of urban renewal plans.
- “Blight” is defined in ORS 457.010(1)(A-E).
- “City” means the City of Wilsonville, Oregon.
- “City Council” or “Council” means the Wilsonville City Council.
- “Compression” is a reduction in property taxes that can be collected in a given year for an individual property, if the collection amount is going to exceed Oregon constitutional limits (a maximum of \$10 per \$1,000 of real market value for applicable general government taxes or \$5 for applicable education taxes).
- “Fiscal year” means the year commencing on July 1 and closing on June 30.
- “Frozen base” means the total assessed value including all real, personal, manufactured, and utility values within an urban renewal area at the time of adoption. The county assessor certifies the assessed value after the adoption of an urban renewal plan.
- “Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.
- “Maximum indebtedness” means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness. It is the total amount of TIF revenue that may be spent on the principal amount of projects, programs, and administration throughout the life a plan.
- “Oregon Revised Statutes (ORS)” are the codified laws of the State of Oregon. Chapter 457 specifically relates to urban renewal.
- “Revenue sharing” means underlevying TIF revenue to effectively share a portion of the revenue with the other taxing districts impacted by the urban renewal area as defined in ORS 457.470.
- “Tax increment financing (TIF)” is a method of funding urban renewal projects and programs through incurring debt that is repaid by the division of taxes accomplished through the adoption of an urban renewal plan.
- “Tax increment finance revenues” means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the area.
- “Urban Growth Boundary (UGB)” means is used to designate where a city expects to grow over the next 20 years. Land inside the urban growth boundary supports urban services such as roads, water and sewer systems, parks, schools and fire and police protection. The boundary is one of the tools to protect farms and forests from urban sprawl and promote the efficient use of land, public facilities and services inside the boundary. (Metro definition <https://www.oregonmetro.gov/urban-growth-boundary>)

- “Urban renewal area (URA)” means an area included in an urban renewal plan under ORS 457.160.
- “Urban renewal plan” or “Plan” means a plan, as it exists or is changed or modified from time to time, for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.
- “Urban renewal project” or “Project” means any work or undertaking carried out under ORS 457 in an urban renewal area.
- “Urban renewal report” or “Report” means the official report that accompanies the urban renewal plan pursuant to ORS 457.087.

## Task Force Overview

The Wilsonville Urban Renewal Task Force (Task Force) is comprised of a broad group of stakeholders and provides recommendations to the Wilsonville City Council on the use of urban renewal, also called tax increment financing (TIF). The Task Force was originally convened in September 2013 and has convened as needed over the past decade to review decisions and provide advice regarding existing urban renewal areas (URAs) and potential new URAs. The Task Force has provided input on numerous topics, including but not limited to: amendments to the existing Year 2000 and West Side plans, the preparation and adoption of the Coffee Creek Plan, the expiration of the “TIF Zones” program, and the establishment of the reengineered Wilsonville Investment Now (WIN) program.

The initial Wilsonville Urban Renewal Strategic Plan (Strategic Plan) was developed and adopted in 2014. In 2022, Wilsonville reconvened the Task Force with fifteen members to discuss and make recommendations for current and future uses of TIF in Wilsonville, in similar fashion to the 2014 Strategic Plan. Wilsonville City Council President Kristin Akervall chaired the Task Force. The balance of the Task Force was comprised of developers, real estate professionals, taxing district representatives, experts in public finance, the Wilsonville Chamber of Commerce, and City of Wilsonville residents.

The 2022 Task Force was charged with updating the Strategic Plan to provide guidance for the termination of two existing URAs (the Year 2000 Area and the West Side Area), the continued implementation of two other existing URAs/programs (the Coffee Creek Area and the WIN Zones), and potential new uses of urban renewal in the future. Specifically, for each existing URA, the Task Force reviewed the anticipated duration of the plans, project lists, and maximum indebtedness and provided recommendations on each plan. The Task Force also reviewed information on the Town Center Plan, the Basalt Creek planning area, and housing affordability concepts, and made recommendations on each of these potential future uses of urban renewal.

The Task Force met five times to review the information provided by Wilsonville staff and the consulting team. The meetings and discussion topics are listed in Figure 1. Figure 2 (page 7) provides a map of the existing urban renewal areas the Task Force reviewed.

Figure 1. Task Force Meetings

Meeting	Date	Discussion Topics
<b>Meeting 1</b>	March 2, 2022	<ul style="list-style-type: none"> <li>• City Council goals</li> <li>• Strategic Plan overview</li> <li>• Purpose of Task Force</li> <li>• Process/Schedule</li> <li>• Urban Renewal 101</li> </ul>
<b>Meeting 2</b>	April 7, 2022	<ul style="list-style-type: none"> <li>• Existing urban renewal areas overview</li> <li>• Coffee Creek</li> <li>• WIN Zones</li> </ul>
<b>Meeting 3</b>	May 23, 2022	<ul style="list-style-type: none"> <li>• Considerations of recommendations for Coffee Creek and WIN Zones</li> <li>• Potential new uses of urban renewal <ul style="list-style-type: none"> <li>○ Town Center</li> </ul> </li> </ul>
<b>Meeting 4</b>	July 13, 2022	<ul style="list-style-type: none"> <li>• Considerations of recommendations for Town Center</li> <li>• Potential new uses of urban renewal <ul style="list-style-type: none"> <li>○ Basalt Creek</li> <li>○ Housing Incentives</li> </ul> </li> </ul>
<b>Meeting 5</b>	August 31, 2022	<ul style="list-style-type: none"> <li>• Summary of previous meetings and review of recommendations and draft Strategic Plan</li> </ul>

## Other Constraints and Limits on Urban Renewal

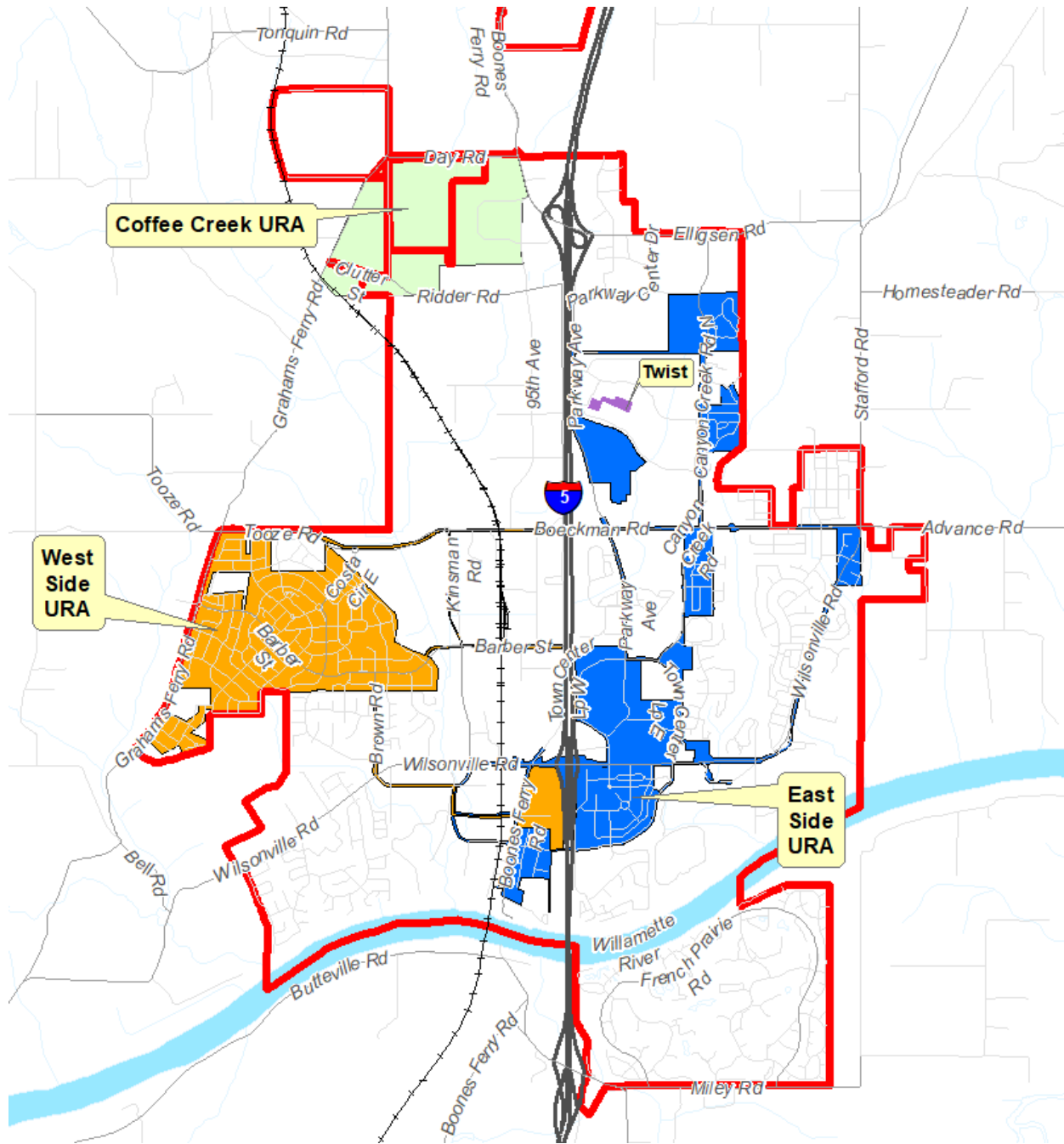
### Acreage and assessed value

Oregon Revised Statutes (ORS) 457 governs the use of urban renewal in Oregon. While the entirety of ORS 457 is applicable to the use of urban renewal in Wilsonville, one specific provision is worth highlighting. ORS 457.420(2)(b) limits the total amount of acreage and assessed value that can be included within URAs for a city with a population less than 50,000 to not more than 25% of the city's incorporated gross acreage and assessed value.

### Voter Approval

ORS 457 does not require voter approval for the use of urban renewal. However, the City of Wilsonville has a long history of seeking input from voters on the use of urban renewal through advisory votes. This practice has long been supported by the Task Force and was documented in the initial Strategic Plan in 2014. As a best practice, the City intends to continue to seek advisory votes prior to establishing new URAs.

Figure 2. Wilsonville Existing Urban Renewal Areas



Source: City of Wilsonville

## Existing Urban Renewal Areas

Wilsonville has four existing URAs, shown in Figure 2.

- Year 2000 Urban Renewal Plan (also called the East Side Plan): focused on properties to the east of Interstate 5 in the core of Wilsonville
- West Side Urban Renewal Plan: created for the development of the Villebois neighborhood
- Coffee Creek Urban Renewal Plan: smaller concentrated URA, mostly underutilized industrial property as well as existing development on Commerce Circle
- Twist WIN Zone: single-property URA established for Twist Bioscience to support high value industrial uses and job creation.

The original two URAs, the Year 2000 Plan and the West Side Plan, have decreased in size over the years to release properties and the associated assessed value back on the tax roll for the benefit of impacted overlapping taxing districts. These URAs only maintain areas that collect sufficient tax increment revenue for debt service payments and future projects. The two newer URAs, Coffee Creek and the WIN Zone for Twist Bioscience, are smaller and more targeted, both concentrating on industrial development and job creation.

The Year 2000, West Side, Coffee Creek, and Twist Bioscience WIN Zone URAs comprise 22.65% of the acreage of the City of Wilsonville. The Year 2000 and West Side urban renewal areas are slated for closure in FY 2023 and 2024 respectively, which will reduce the percentage of acreage in urban renewal to 5.31%, providing the option to place an additional 976.6 acres into an urban renewal area, while remaining under the statutory cap (see Figure 3).

To derive the total percentage of assessed value in urban renewal, the total frozen base values of all URAs is divided by the total assessed value of the City, minus the increment of the urban renewal areas. In Wilsonville, this results in 5.3% of the City's assessed value being located in URAs, which is well below the 25% threshold.

**Figure 3. Acreage and Assessed Value Limitations.**

Urban Renewal Area	Frozen Base/AV	Increment <sup>1</sup> Value	Acres
Year 2000 URA	\$45,326,441	\$505,142,441	449
West Side URA	\$18,017,272	\$729,323,741	411
Coffee Creek	\$83,801,300	\$25,039,372	258
Twist Bioscience WIN Zone	\$3,661,005	To be determined	4.4
Total in URAs	\$147,145,013	\$1,259,505,554	1,122.40
City of Wilsonville*	\$4,032,065,970	-	4,956
Percent of Total	5.31%	-	22.65%

Source: Values from SAL FYE 2021 Clackamas County Report

<sup>1</sup> Increment Value is the amount of assessed value that has been added above the Frozen Base Assessed Value.

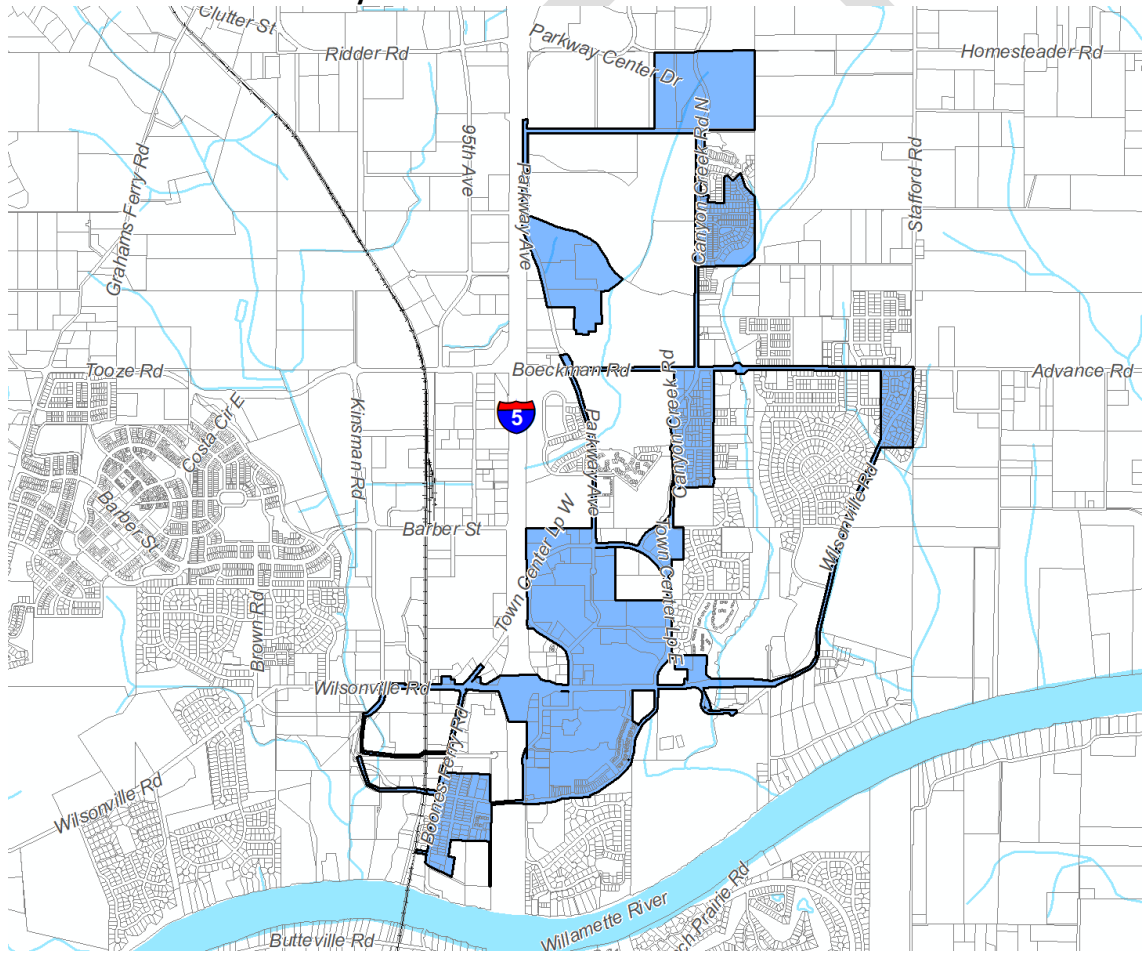
# Year 2000 Plan

## Background

The Year 2000 Urban Renewal Plan (also referred to as the East Side Pan) was created in 1992 with a mission to cure blight, attract job producing investment, buoy property values, and protect residential livability and environmental values. To accomplish this mission, the Year 2000 Plan outlines a variety of specific goals, including: installing the appropriate infrastructure; creating positive transportation linkages; undergrounding utilities; providing avenues for meaningful citizen involvement, and; installing streetscape improvements. The URA is mostly located east of Interstate 5 (I-5). The boundary includes clusters of properties along Wilsonville Road, Boeckman Road, and Canyon Creek Road.

The current boundary of the Year 2000 URA is shown in Figure 4.

**Figure 4. Year 2000 URA Boundary**



Source: City of Wilsonville



## Projects

TIF revenue from the Year 2000 URA has funded many Wilsonville Road projects, I-5 interchange improvements, and the construction of Parkway Avenue, Memorial Drive, Canyon Creek Road, Boeckman Road, Murase Plaza at Memorial Park and Town Center Park, City Hall, the Waste Water Treatment Plant, the Wilsonville High School fields, and many other smaller projects. The remaining projects to be completed are the 5<sup>th</sup> Street Extension and the Boeckman Dip Bridge project. The former is scheduled to be completed in Fiscal Year (FY) 2022-23, with the latter project following in FY 2024-25. The projects identified in the Year 2000 Plan Area are shown in Figure 5.

**Figure 5. Year 2000 Projects Summary** (Source: City of Wilsonville)

Project	Complete
Boeckman Dip	No
5 <sup>th</sup> Street Extension	No
Extend Canyon Creek South of Boeckman	Yes
Old Town Streets	Yes
Livability Projects	Yes
Landover Medians	Yes
Park Improvements (Town Center and Murase Parks)	Yes
Canyon Creek North	Yes
Town Center Loop East Extension	Yes
Town Center Loop West Extension	Yes
Wilsonville Road	Yes
Wilsonville Road Realignment	Yes
Parkway Avenue	Yes
Traffic Signals	Yes
Wilsonville Road Interchange	Yes
Connect to Dependable Water Supply Source	Yes
Hackamore Road/Old Canyon Creek Road	Yes
Canyon Creek North Extension	Yes
Waste Water Treatment Plant Expansion	Yes
Parkway/Trask Street System	Yes
Town Center Outfall and Detention Facility	Yes
Memorial Park	Yes
Joint Use of Athletic, Cultural and Public Assembly Facilities at New High School	Yes
Recreation Facilities, Parking and Landscaping at Clackamas Community College Site in Town Ctr	Yes
Tranquil Park	Yes
Town Center Square (5 to 6 Acres)	Yes
Civic Center Park	Yes
Barn Rehabilitation	Yes
Affordable Housing	Yes

## Financial Considerations

When the Year 2000 URA was established in 1992, it had an assessed value (frozen tax base) of \$44 million. The assessed value in this area has since grown to more than \$550 million and all but two of the planned projects have been completed. The original maximum indebtedness was \$53,851,923 but a later amendment increased this amount to \$92,687,432. The Task Force convened in 2017 to provide a recommendation on adding the Boeckman Dip project to the Year 2000 Plan.

The Task Force voted unanimously to support the City’s efforts to amend the Plan to fund the project. The City Council adopted this amendment, adding the Boeckman Dip project and increasing the maximum indebtedness to \$107,196,524 to enable funding of the project. Per ORS 457, this amendment required “concurrence” from impacted taxing districts, which the City received from the City of Wilsonville, Clackamas County, and the West Linn-Wilsonville School District.

The Year 2000 URA’s boundary resembles a spiderweb or Swiss cheese, mainly due to the successful growth of Assessed Value (AV) in the area, which allowed the City to remove property from the boundary periodically to reduce the amount of annual tax increment revenue (TIF) collected. In 2009, however, the Oregon State Legislature made changes to urban renewal to simplify the process of reducing TIF collected for URAs, like the Year 2000 URA, through an “underlevy.” This process allows URAs to share more funding with taxing districts without making revisions to the boundary each year. Annual TIF revenue in the Year 2000 URA has been voluntarily restricted to \$4 million since FY 2018-19, with the remaining TIF revenue distributed to the overlapping taxing districts by the county assessor.

As of June 30, 2021, \$93,385,000 of the Year 2000 URA’s maximum indebtedness has been used, leaving \$13,811,524 to complete any remaining projects before the term of the URA expires.<sup>2</sup> As of June 30, 2022, the Year 2000 URA had \$3,990,000 of outstanding principal indebtedness, resulting in total scheduled future debt service payments of \$4,444,325, including principal and interest. The last of these payments is scheduled for FY 2024-25. The City anticipates having sufficient resources to repay the indebtedness ahead of schedule in FY 2022-23.

An important financial consideration for the Year 2000 URA is the potential impact on the West Linn-Wilsonville School District’s local option levy upon the URA’s termination. The West Linn-Wilsonville School District currently loses significant tax revenue each year due to property tax “compression.” While the **compression** losses have decreased since the 2014 Strategic Plan was completed, they are still significant. The West Linn-Wilsonville School District lost 23% of their local option levy revenue to compression in FY 2021-22.<sup>3</sup> The division of tax rates that occurs as a result of urban renewal results in the West Linn-Wilsonville School District experiencing less compression than would otherwise

<b>Year 2000 URA</b>	
Adopted:	1992
Original Frozen Base:	\$44 M
Current AV:	\$550.5 M
Maximum Indebtedness:	\$107.2M
Est. Termination:	FY 2022-23

**Compression**

“Compression” is an Oregon tax system issue that that reduces the amount of taxes that can be collected in a given year if the collection amount is going to exceed the pre-set maximum established by Measure 5 and adjusted by Measure 50. The calculations, causes, and effects of compression are extremely complicated. If real market values and assessed values are converging, urban renewal can cause increases in compression. However, urban renewal can also be a tool to help facilitate growth that ultimately reduces compression. Urban renewal can also decrease compression in the schools category when school taxes are re-classified as general government taxes under urban renewal.

<sup>2</sup> City of Wilsonville Urban Renewal Agency, Annual Urban Renewal Report For Fiscal Year Ending June 30, 2021

<sup>3</sup> Clackamas County Assessor, FY 2021-22

occur. When the Year 2000 URA stops collecting TIF revenue, the West Linn-Wilsonville School District will experience an increase in compression losses for their local option levy. However, long-term trends suggest growth in real market values of properties in the area will outpace growth in assessed value of properties in the area, which will result in the gradual reduction of compression loss as a percentage of taxes extended for the West Linn-Wilsonville School District local option levy.

## Issues for Task Force Consideration and Recommendation

### Closure of the Year 2000 URA

Is there a reason to extend the closure date of the Year 2000 URA?

**Task Force Recommendation:** The Year 2000 URA should be closed once the MI is reached and all debt secured by TIF revenue is paid. This is anticipated to be in FY 2022-23.

**Implementation Action:** Transfer real property under ownership of the Urban Renewal Agency to the City of Wilsonville.

### A brief note regarding the closure of both the Year 2000 and West Side URAs:

When the Year 2000 and West side URAs are closed, increment will no longer be collected. All tax revenue within the closed URA boundaries will go to previously-affected overlapping taxing districts. As noted above, TIF revenue has already been returned in part to the districts, but with the closure of the URAs, the full increment will now flow directly through to all taxing districts, as show in the table below:

Taxing District	Permanent Rate	Returned to Tax Roll		
		Westside	Year 2000	Total
West Linn/Wilsonville School Dist	\$ 4.8684	\$ 1,884,654	\$ 1,507,723	\$ 3,392,377
City of Wilsonville	\$ 2.5206	\$ 975,774	\$ 780,619	\$ 1,756,393
Clackamas County (City)	\$ 2.4042	\$ 930,713	\$ 744,571	\$ 1,675,284
Tualatin Valley Fire & Rescue	\$ 1.5252	\$ 590,435	\$ 472,348	\$ 1,062,783
Clackamas County College	\$ 0.5582	\$ 216,090	\$ 172,872	\$ 388,962
Clackamas County Library	\$ 0.3974	\$ 153,841	\$ 123,073	\$ 276,915
Clackamas Education Service Dist	\$ 0.3687	\$ 142,731	\$ 114,185	\$ 256,916
Metro	\$ 0.0966	\$ 37,396	\$ 29,917	\$ 67,312
Port of Portland	\$ 0.0701	\$ 27,137	\$ 21,710	\$ 48,847
County Extension and 4H	\$ 0.0500	\$ 19,356	\$ 15,485	\$ 34,841
Clackamas Soil & Water	\$ 0.0500	\$ 19,356	\$ 15,485	\$ 34,841
Vector Control	\$ 0.0065	\$ 2,516	\$ 2,013	\$ 4,529
<b>Total</b>	<b>\$ 12.9159</b>	<b>\$ 5,000,000</b>	<b>\$ 4,000,000</b>	<b>\$ 9,000,000</b>

Note: No direct impact on West Linn/Wilsonville School District or Clackamas ESD, as increases in local property tax revenue are offset by reductions in allocations from the State School Fund.

# West Side Plan

## Background

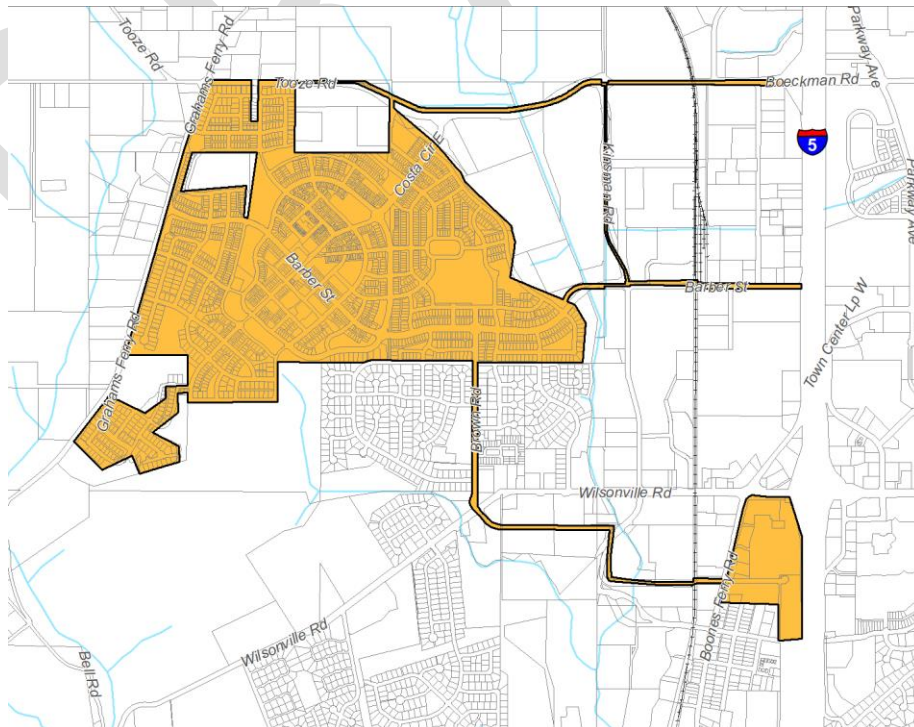
The West Side URA (shown in Figure 6) was created in 2003 after securing approval from 80% of voters in an advisory vote of the public. The goal of the URA is to promote development and fund infrastructure improvements on and around the former Dammasch State Hospital site, resulting in the Villebois Village—a 500-acre award winning community comprised of 2,600 dwelling units and supporting neighborhood commercial—offering quality housing options for a variety of income levels. Specifically, the URA’s goals were to:

<b>West Side URA</b>	
Adopted:	2003
Original Frozen Base:	\$16.5 M
Current AV:	\$747.5 M
% increase in AV:	4530%
MI:	\$49.4 M
Est. Termination:	FY 2023-24

- Develop a transportation network within Villebois
- Provide transportation and utility infrastructure to connect Villebois to the remainder of the City
- Support the development of diverse housing types
- Provide public services and facilities, including a dynamic regional park and trail system
- Make public investments that directly support high-quality private development.

The original West Side URA was 385 acres, but the present area is 411 acres and includes the Villebois area and rights-of-way for Boeckman Road, Barber Road, Kinsman Road, and Brown Road.

**Figure 6. West Side Boundary** (Source: City of Wilsonville)



## Projects

The major projects identified in the West Side Urban Renewal Plan are the construction of the Boeckman Road extension and Barber Street extension, in addition to improvements on Tooze Road, Barber Street, and Brown Road. Smaller projects include a \$2 million contribution to the construction of community and regional parks and the acquisition of an elementary school site as part of a land exchange agreement, where the City obtained an equally-sized parcel from the West Linn-Wilsonville School District on Advance Road for sports fields. The project list is shown in Figure 7.

The only remaining project is an urban upgrade to Brown Road, which is expected to begin design in FY 2022/23.

**Figure 7. West Side Projects Summary**

Project	Complete
Other Transportation/Brown Road	No
Barber St. (Kinsman Rd. to Coffee Lake Dr.)	Yes
Tooze Rd. (110th to Grahams Ferry Rd.)	Yes
Sprinklers	Yes
Parks	Yes
Old Town Escape (Kinsman Option)	Moved to Year 2000 Plan
Kinsman Rd. (Barber to Boeckman Rd.)	Yes; Paid with other funds
Boeckman Rd. Repair	Yes
Boeckman Rd. (95th to 110th)	N/A
Barber St. (Boones Ferry Rd. to Boberg)	N/A
Barber St. (Boberg to Kinsman Rd.)	N/A
Grahams Ferry Rd. (Tooze to LEC)	Completed by private development
School Site	Yes

Source: City of Wilsonville

## Financial Considerations

The URA originally had a frozen base assessed value of \$16.5 million. The assessed value of the URA has increased significantly, and is now over \$777 million.

The maximum indebtedness for the West Side URA was originally \$40 million but was increased to \$49.4 million as a result of the 2014 Strategic Plan, to allow for sufficient funding to complete the projects within the URA. All maximum indebtedness has been allocated to projects.

Since FY 2018-19, annual TIF revenues in this area have been voluntarily restricted to \$5 million, with the remaining TIF distributed to the overlapping taxing districts by the county assessor.

As of June 30, 2022, there was \$9,100,000 of outstanding principal indebtedness, resulting in total scheduled future debt service payments of \$10,479,065, including principal and interest. The last of these payments is scheduled for FY 2027-28. The City anticipates having sufficient resources to repay the indebtedness ahead of schedule in FY 2023-24.

As with the Year 2000 URA, an important financial consideration for the West Side URA is the potential impact of the URA expiration on the West Linn-Wilsonville School District's local option levy. This issue is described in the previous section on the Year 2000 Plan. The City is committed to communication and coordination with the School District on this matter.

## Issues for Task Force Consideration and Recommendation

### Closure of the URA

Is there a reason to extend the closure date of the West Side URA?

**Task Force Recommendation:** The West Side Urban Renewal Area should be closed once the MI is reached and all debt secured by TIF revenue is paid. This is anticipated to be in FY 2023-24.

# Coffee Creek

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## Background

<u>Coffee Creek URA</u>	
Adopted:	2016
Original Frozen Base:	\$99 M
Current AV:	\$128.3
MI:	\$67M
Remaining MI:	\$62.5M
Estimated Termination:	FY 2041-42

The Coffee Creek Industrial Area lies west of I-5 and is adjacent to the northwest corner of the City of Wilsonville (Figure 8). Much of the land in the URA is located outside of Wilsonville’s city limits but within the UGB. Bounded on the north by the Coffee Creek Correctional Facility and Day Road, the Coffee Creek Urban Renewal Area contains approximately 258 acres of land zoned for industrial development. The Coffee Creek URA benefits from prime access to major transportation corridors due to its location

along the I-5 corridor and its resulting easy access to I-5, I-84, OR-26 and OR-217. The Coffee Creek Boundary is shown in Figure 8 (next page).

The URA is projected to provide more than 1,800 family wage jobs at full buildout<sup>4</sup>. Business development in the Coffee Creek URA will synergize with new residential development at Villebois Village and good access to public transportation, including close proximity to the Westside Express Service (WES) rail line.

Recently, the Coffee Creek Logistics Center was completed with 110,000 SF of new flex industrial space available. Two additional warehouses are in process, with 148,000 SF under construction for the Black Creek Group, and another land use application under planning review for Precision Countertops. Such significant industrial investment will greatly benefit the growth in increment that is needed to generate additional funding for infrastructure projects in the Coffee Creek URA.

## Projects

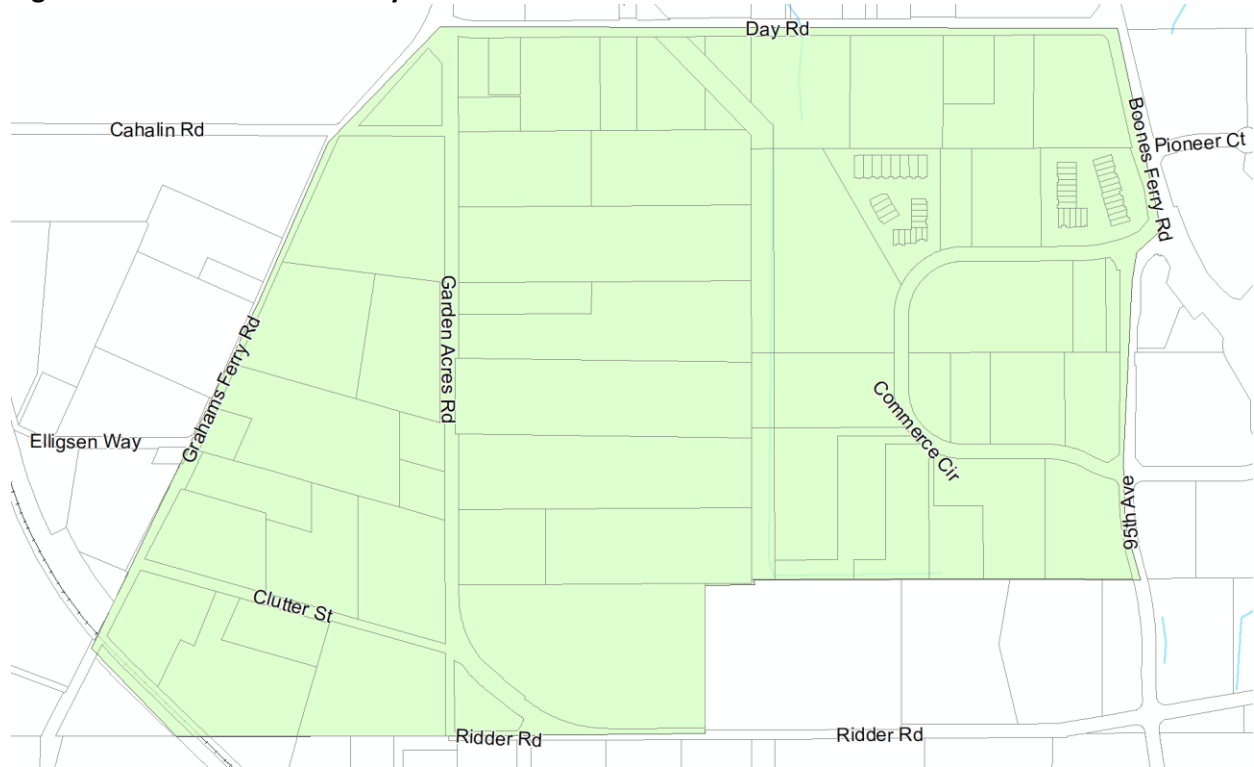
The Coffee Creek URA is composed of mostly a combination of older industrial development, underutilized sites, and vacant land. All categories include the potential for future economic uses. However, the URA is lacking the infrastructure to support new development. The projects identified in the Coffee Creek Plan address those infrastructure deficiencies, seen in Figure 9 and Figure 10.

The first phase of the Garden Acres Road project has been completed from Ridder Road to Day Road. The remaining projects focus exclusively on infrastructure to support industrial/employment development. The Coffee Creek Urban Renewal Plan estimated that all projects would be built and the urban renewal debt repaid in 2042.

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<sup>4</sup>CCIA Infrastructure Report, Memorandum from FCS Group sent on 4/5/2011.

**Figure 8. Coffee Creek Boundary**



Source: City of Wilsonville

**Figure 9. Projects in Coffee Creek Plan**

Project	Timing
SW Garden Acres Road	Phase I done
SW Day Road	2023-2025
SW Grahams Ferry Road	2031-2034
SW Java Road	2024-2025
SW Clutter Road	2024-2025
Coffee Creek Industrial Area Sewer Extension	2024-2025
Lower Graham's Ferry Road Storm Outfall	2031-2032
Coffee Creek Regional Detention Pond	2029-2030
Fiber Optic Cable	included above
Railroad Undercrossing	2032-2033
Administration	2018-2042
Finance Fees	2018-2033

Source: Coffee Creek Urban Renewal Plan



Figure 10. Infrastructure Projects in Coffee Creek



Source: City of Wilsonville

## Financial Considerations

The Coffee Creek URA was adopted in 2016. The frozen base is \$99,000,000, and the current assessed value is \$128,275,421. The value from Commerce Circle provided a modest frozen base, which provided necessary TIF revenue for the initial infrastructure investments. The estimated termination date of the URA is 2042.

The Coffee Creek URA has a maximum indebtedness of \$67,000,000. The maximum indebtedness remaining is \$62,700,000.

## Issues for Task Force Consideration and Recommendation

### Are any of the projects no longer needed?

**Task Force Recommendation:** All of the projects are still needed, none of the projects should be removed from the Coffee Creek Plan.

**Rationale:** The projects are still necessary to support the continued develop of the Coffee Creek Area.

### Are there new projects that should be added?

#### Task Force Recommendation:

Two new projects should be added:

- Ridder Road Improvements (Peters Road to 95<sup>th</sup> Avenue) should be added to the Coffee Creek Plan to allow funding to be allocated to this project.
- A minor amendment to the Coffee Creek Urban Renewal Plan should be completed to add property acquisition and related activities (e.g. optioning) as an eligible project.

**Rationale:** Ridder Road is an important transportation connection to the Coffee Creek URA. Adding it to the boundary and as a project will enable it to be constructed in a shorter timeframe. Property Acquisition is important because there are many smaller parcels within the area that would be much more likely to develop if they were consolidated into a larger development parcel (see Figure 11).

**Figure 11. Coffee Creek Parcelization**



(Taxlot colors indicate same/different ownership.)

## Should the project costs be updated to current dollars? (accuracy of original estimates, inflation assumptions, timing delays, and changes to scope?)

**Task Force Recommendation:** Yes

**Rationale:** *In the years since the Coffee Creek Plan was initially adopted, much has changed, including timing delays and significant inflation. Project costs should be updated and analyzed in a current finance plan to understand the overall capacity to fund the projects in the Coffee Creek URA. This should be completed before such time that the Ridder Road and Property Acquisition projects (noted above) are added to the plan by amendment, so that only one plan amendment is needed.*

## Should there be any changes to the Coffee Creek boundary?

**Task Force Recommendation:** Yes, Ridder Road should be added to allow funding to be allocated to that project. (see rationale above in project additions)

## Should there be changes to the maximum indebtedness of the Coffee Creek URA to account for project cost escalation?

**Task Force Recommendation:** Revisit this issue at a later date when more development has occurred in the URA, more of the projects have been completed, a financial update has been completed and more of the indebtedness has been used.

# WIN Program

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## Background

In 2020, the Wilsonville City Council directed City staff to redesign the TIF Zone program with input from the Task Force, as none of the development that occurred within the six originally-established TIF Zones met the eligibility criteria for the program. Staff prepared a more effective proposal that offered greater flexibility for eligibility, including fewer restrictions on geographic location, a new scoring system that considered investments, jobs, and wages, and two tiers of benefits (either 4 or 7 years). The proposal was reviewed with the Task Force and received unanimous support. The Task Force's recommendations that the program incorporate Diversity, Equity, and Inclusion (DEI) criteria and prioritize legacy Wilsonville businesses were added to the final proposal that was adopted by Council in October 2020 in the form of WIN Administrative Rules, allowing staff to market the program to prospective businesses.

The WIN program is structured as a tax rebate, so qualifying companies must deliver on their commitments (capital investment, jobs, wages, etc.) and pay their taxes before the rebate is issued to them. It is a citywide program—the only boundary restriction is that a WIN project must not be within an existing urban renewal area.

Eligibility is based on a total score received on the following criteria:

- Value of new investment
- Number of new employees
- Compensation of new employees
- DEI Commitments
- Years of Operation in Wilsonville

There are two tiers of benefits (4 and 7 years) depending on a project's score. The full incentive is a tax rebate for 7 years, and a partial incentive is a tax rebate for 4 years. The benefits for qualifying businesses are rebates of 100% of TIF revenue generated by the new investment after the City's administrative costs (up to 10%) have been paid. TIF revenue is only generated from permanent rate levies, not from General Obligation (GO) bonds or local option levies.

The current scoring system is shown in Figure 12.

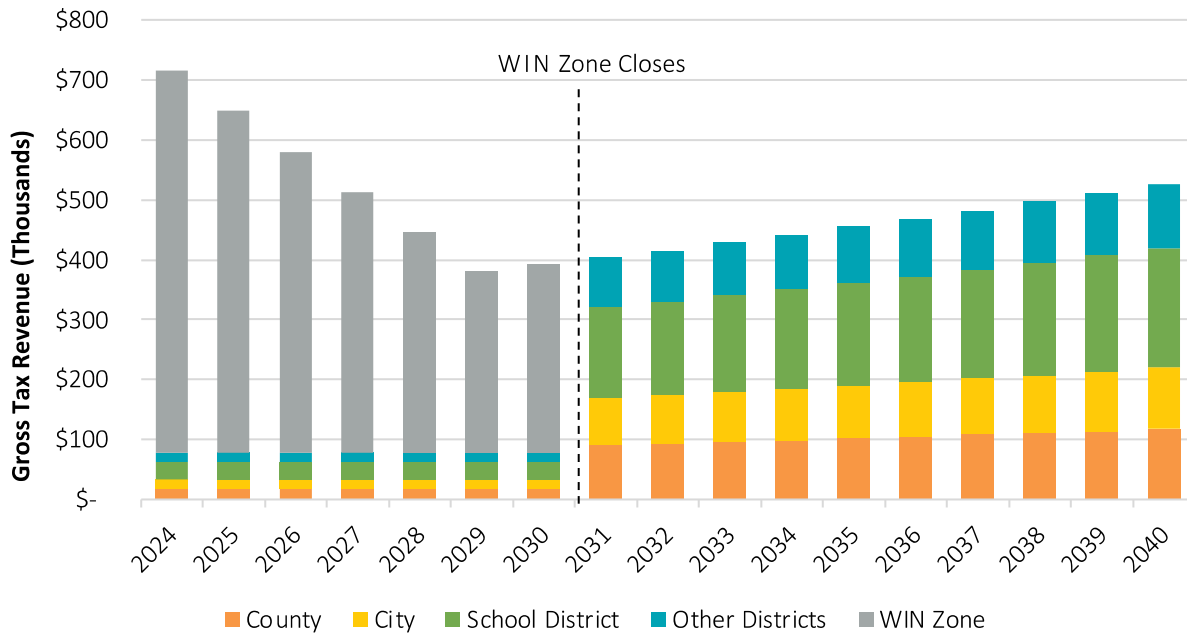
Figure 12. WIN Program Scoring System

Scoring Criteria	
<b>Capital Investment</b>	1 point per \$500,000 of investment
<b>New Employment</b>	0 points: <100% of County average wage
	0.2 points: 100% > 125% of County average wage
	0.4 points: 125% > 150% of County average wage
	0.6 points: >150% of County average wage
<b>Local Business Tenure</b>	0.5 points for each verified year of business operations in the City of Wilsonville. Maximum of four (4) points.
<b>Diversity, Equity, and Inclusion</b>	4 points for meeting two of the following criteria:
	Business Certification (Minority, Women, Disadvantaged, Veteran)
	Certified B Corporation
	DEI Procurement Plan
	DEI Workforce Development Plan
	DEI Company Program with at least 1 FTE
	On-site employer-provided childcare
Benefits	
<b>Less than 60 points</b>	Does not qualify for benefits
<b>60 to 79 points</b>	Partial benefits (4 years)
<b>80 points or above</b>	Full benefits (7 years)

Source: Tiberius Solutions

In early 2021, a qualifying WIN application was received from the exact type of a business Wilsonville was trying to attract—a large traded-sector project that would strengthen the local economy with a significant capital investment and the creation of new, high-wage jobs. Twist Bioscience, a California-based DNA synthesis firm, proposed to redevelop a nearly 200,000 square foot existing facility in Wilsonville, resulting in a \$70 million investment and the creation of 200 new jobs to start, and as many as 400 over time. The business qualified for the WIN Program’s URA property tax rebate, and in 2021, the City Council established the first WIN Zone to support Twist’s investment. Figure 13 shows the property tax revenues forecast to be generated by Twist Bioscience.

**Figure 13. Impacts to Taxing Districts**



Source: Tiberius Solutions

## Issues for Task Force Consideration and Recommendation

### Do we have the right list of scoring criteria?

**Task Force Recommendation:** No

### Should the scoring system change to emphasize or deemphasize any criteria?

**Task Force Recommendation:** The WIN Program should allow for a higher score for long-time existing Wilsonville businesses.

**Rationale:** The health and retention of existing local businesses is important to the city. These businesses should receive priority attention on access to the program.

### Should the level of incentives be increased or decreased?

**Task Force Recommendation:** No

### Are any other changes recommended?

**Task Force Recommendation:** The WIN Program should add a step earlier in the application process for vetting applicants, including an opportunity for public input (i.e., public open house or review by other standing city committees) in order to surface any potential issues or public concerns that may jeopardize the application or project as they progress toward approval.

**Rationale:** The experience from initial application in the WIN program showed that an opportunity for vetting earlier in the process could have been helpful in moving the application smoothly through the process and approval.

# Consideration of Future Uses of Tax Increment Financing

The Task Force was presented with three potential uses of urban renewal for their input and recommendation: 1) Wilsonville Town Center, 2) Basalt Creek Industrial Area, and 3) using urban renewal as one tool (of many) to address housing affordability issues.

## Town Center

### Background

The Wilsonville Town Center Plan (Town Center Plan) was adopted in May 2019. The Town Center Plan envisions a vibrant, walkable destination that inspires people to come together and socialize, shop, live, and work; it is the heart of Wilsonville; it is home to active parks, civic spaces, and amenities that provide year-round, compelling experiences, and; Wilsonville residents and visitors come to Town Center for shopping, dining, culture, and entertainment.

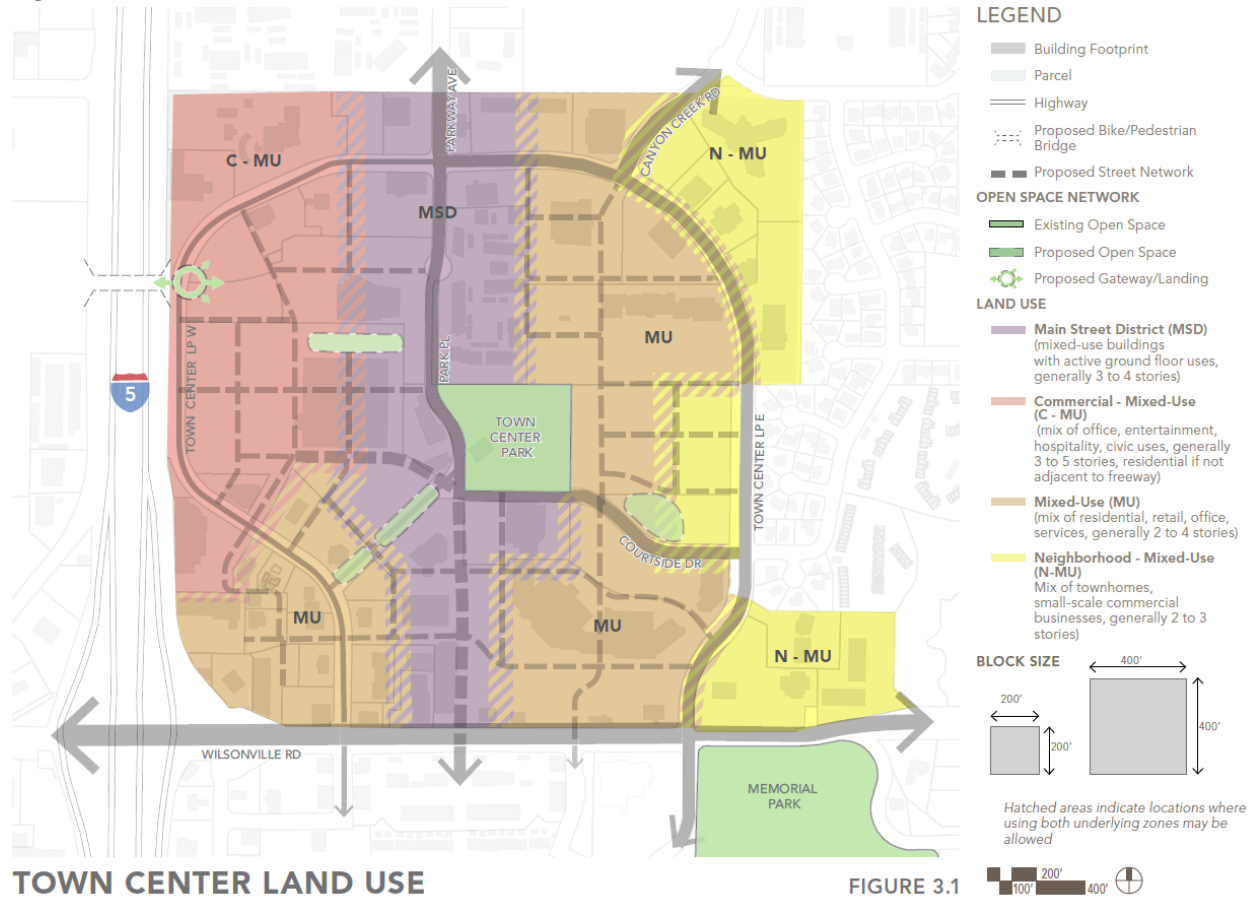


The goals for the Town Center are:

- **Environmental Stewardship:** Integrate nature into the design and function of infrastructure and development in Town Center to protect Wilsonville’s natural resources
- **Harmonious Design:** Ensure buildings and streets are pedestrian-oriented and there are a variety of quality building types and land uses
- **Mixed Uses:** Encourage development that provides interconnected land uses that incorporate play and recreation, with a range of retail, services, dining and entertainment options, and increased opportunities for residential and employment uses.
- **Safe Access and Connectivity:** Provide transportation infrastructure designed to create a safe, accessible environment for all modes of travel in Town Center, foster multimodal access between buildings and land uses in Town Center, connect to surrounding neighborhoods, and provide local and regional accessibility.
- **Community Gathering Places:** Provide vibrant, diverse, and inclusive spaces that bring people together with activities and events for year-round fun, culture and socializing.
- **Economic Prosperity:** Create opportunities to support and grow existing businesses and attract new businesses that provide a diverse range of local and regional retail, entertainment, and commercial activities.

The key elements of the Town Center Plan are new land uses, the Emerald (Park) Chain, Main Street, and other key infrastructure projects including a pedestrian bridge over I-5. Main Street is the heart and backbone of Town Center and its planned “sense of place” best represents the vision for Town Center.

Figure 13. Town Center Land Use



Source: Wilsonville Town Center Master Plan

Figure 13 shows land uses in Town Center, and illustrates how Town Center is focused around Main Street (purple). Future multi-modal connectivity is shown with dashed lines. Areas highlighted in green show the Emerald Chain, an organizing principle around open spaces.

The community’s vision for Town Center is fundamentally different than what exists today. An essential aspect is increased activity. Mixed uses are allowed throughout the Town Center, increasing development opportunities and creating a more dense and vibrant Town Center. The tallest building allowances are located near I-5, tapering down to development that is two-to-three stories closer to the residential area to the east. Active ground floor uses will bring the Main Street to life, and the Emerald Chain, streetscape design, and development standards, will create a pedestrian-oriented environment and spaces in the public realm where people can walk around and gather.

The I-5 Pedestrian Bridge and Gateway Plaza are in the northwest portion of the planning area. The Bridge serves as a critical link in the City’s multi-modal trail network system and in connecting the Town Center to the SMART Transit Center, employment centers, and City neighborhoods west of I-5.

The proposed infrastructure projects, locations, and preliminary cost estimates for Town Center are shown in Figure 14 and Figure 15. They include a combination of new roadway connections, enhancements to existing connections, and pedestrian/bike projects. The infrastructure investments are



a key backbone to help achieve the larger vision as they support new development and mixed use. A number of funding sources, public and private, will be required in order to complete the projects on the following table. The city is currently developing an “Infrastructure Funding Plan” for the Town Center planning area and urban renewal is a funding source that will be considered as part of the overall funding strategy.

## Potential Infrastructure Projects

**Figure 14. Potential Infrastructure Projects**

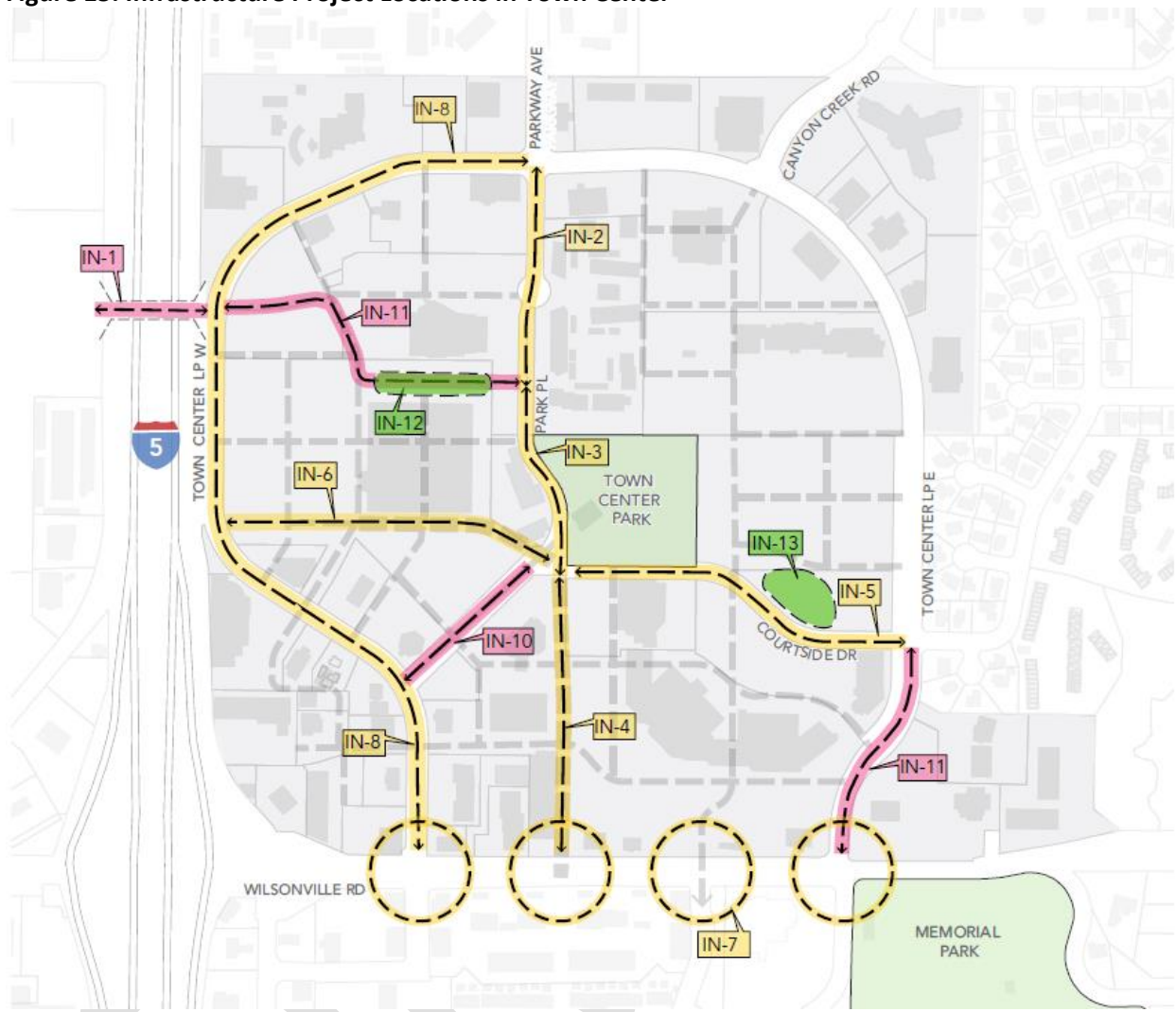
Source: Costs prepared by David Evans Associates, May 2022. Expressed in year 2022 dollars.

Project Number	Project Name	Cost Estimate (Design/Const/ROW)	Prelim. Funding Sources	SDC Category
IN-1	I-5 Bike/Pedestrian Bridge Gateway	\$ 15,000,000	TSDC, Special Assessment, URA	Transportation
IN-2	Park Place Redesign (Town Center Loop to Northern Edge of Town Center Park)	\$ 6,016,685	TSDC, Special Assessment, URA	Transportation
IN-3	Park Place Redesign (Town Center Park to Courtside Drive, Framework Project)	\$ 3,557,920	TSDC, Special Assessment, URA	Transportation
IN-4	Park Place Extension (Courtside Drive to Wilsonville Road, Framework Project)	\$ 7,207,510	TSDC, Special Assessment, URA	Transportation
IN-5	Courtside Drive Improvements (Park Pl. to Town Center Loop E)	\$ 5,010,740	TSDC, Special Assessment, URA	Transportation
IN-6	Courtside Drive Extension (Park Place East to Town Center Loop W, Framework Project)	\$ 5,873,760	TSDC, Special Assessment, URA	Transportation
IN-7	Wilsonville Road Intersection Modifications	\$ 2,462,155	TSDC, LID, URA	Transportation
IN-8	Town Center Loop W Modifications	\$ 2,666,805	TSDC, Special Assessment, URA	Transportation
IN-9	Local Road Network	N/A	Private Development	N/A
IN-10	Park Place Promenade Redesign	\$ 2,628,740	TSDC, URA	Transportation
IN-11	Cycle Tracks	\$ 1,790,770	TSDC, URA	Transportation
IN-12	Promenade (Framework Project)	\$ 2,035,015	TSDC, URA	Transportation
IN-13	Town Center Skatepark	\$ 954,015	Parks SDC, URA	Parks
IN-14	Water, Sewer and Stormwater System Upgrades	\$ 34,986,525	Utility Rates, Connection Charges, LID, URA	Water, Sewer, Storm
<b>TOTAL</b>		<b>\$ 90,190,640</b>		

### Water, Sewer, Storm Detail

IN-14A	Storm System Upgrades	\$ 15,797,330	Developer On-site, SDC, Rates	
IN-14B	Sanitary System Upgrades	\$ 9,905,300	Developer On-site, SDC, Rates	excl. private lines of 8"
IN-14C	Water System Upgrades	\$ 9,283,895	Developer On-site, SDC, Rates	
<b>SUBTOTAL</b>		<b>\$ 34,986,525</b>		

Figure 15. Infrastructure Project Locations in Town Center



Source: Wilsonville Town Center Master Plan

### Financial Considerations

The City is presently conducting an Infrastructure Funding Plan (IFP), updating the cost estimates from the Town Center Plan. The IFP will determine the City’s share of the infrastructure costs to identify funding gaps and consider the feasibility of using urban renewal as one an element of the overall funding strategy. The IFP is anticipated to be completed in late 2022.

### Acreeage Considerations

The Town Center Planning Area is approximately 155 acres.

## Issues for Task Force Consideration and Recommendation

### Is urban renewal an appropriate tool in Town Center to achieve the vision of the community?

**Task Force Recommendation:** The Task Force supports the City's ongoing work to develop a Town Center Infrastructure Funding Plan and recommends the City pursue a full urban renewal feasibility study for the Town Center area to include timing, duration, eligible projects, anticipated private development, private contribution, and impact on taxing districts for future Task Force consideration.

Upon review of the draft Town Center Infrastructure Funding Plan, the City Council also recommends a parking structure be studied and considered as a potential project if warranted and feasible, funded in whole or in part by urban renewal, as a potential project under a new urban renewal plan in Town Center.

The Task Force especially supports infrastructure projects that support private development, but further recommends the exploration of additional tools in a potential Urban Renewal Plan to include programs that support legacy businesses facing displacement pressures, such as tenant improvement grants or loans. The Task Force prefers to limit eligibility for such incentives to those businesses that are not part of a national chain or franchise model, and wishes to ensure eligibility for local legacy businesses and childcare service providers that will support the employers, employees, and residents of the Town Center area, and Wilsonville more broadly.

**Rationale:** *The City of Wilsonville has used tax increment financing as an important part of paying for needed infrastructure in helping to facilitate growth in the city. This tool can be useful in paying for a portion of the infrastructure, which will be required to complete the Town Center vision and support desired uses within the area.*

### Should this question be presented to the community for an advisory vote?

**Task Force Recommendation:** Yes, once a feasibility study has been completed and if the Task Force recommends pursuing urban renewal/TIF at that time.

# Basalt Creek

## Background

The Basalt Creek Planning Area (BCA) is an area of employment lands found in the far northwest quadrant of the Wilsonville UGB. The northernmost portion of the BCA exists within Tualatin jurisdiction. The current Basalt Creek Parkway and its future extension eastward bisect the planning area north/south between the two cities.

The BCA was brought into the Urban Growth Boundary (UGB) in 2004. The Basalt Creek Transportation and Refinement Plan was adopted in November of 2012 and was a joint effort involving Washington County, City of Tualatin, City of Wilsonville, Metro, Oregon Department of Transportation and area residents. The Basalt Creek Concept Plan was adopted by the City in July 2018 and projected that over 2,500 jobs would be available in the Basalt Creek at build out. This includes:

- 1,916 high-tech jobs
- 27 craft industrial jobs<sup>5</sup>
- 581 light industrial jobs<sup>6</sup>

## Basalt Creek within a Regional Context

Due to multiple factors, including Oregon’s unique land use system, which tightly regulates and limits the urbanization of rural unincorporated areas, the supply of development-ready land zoned for industrial and employment uses in the Portland Metro area is quite limited. In fact, it is so limited that it has been identified by many land-use planners and economic development practitioners as a serious concern that may be inhibiting the economic growth and overall competitiveness of the Portland economy when vying for business expansions, relocations, and site selection opportunities.

In an effort to plan for and prepare development-ready employment lands in the Portland area, the regional government, Metro, has been studying and inventorying industrial lands and ranking undeveloped or underdeveloped properties using a tier system. Tier 1 sites are considered development ready with few if any encumbrances or constraints. Lower tiers have development constraints such as lack of infrastructure connectivity, wetlands, brownfield conditions, etc. The Metro Regional Industrial Site Readiness Inventory 2017 update states “there are relatively few unencumbered Tier 1 industrial sites remaining in the inventory and no 50+ or 100+ Tier 1 sites,” and “if this regional issue is not addressed, the Portland region will experience lost opportunities for new game-changer business locations and expansions.” Within the BCA, shown

**Tier 1:** Development-ready within 180 days. It is anticipated that a site can receive all necessary permits; sites can be served with infrastructure and zoned and annexed into the city within this timeframe. No or minimal infrastructure or brownfield remediation is necessary and that due diligence and entitlements could be provided and/or obtained within this time period.

**Tier 2:** Likely to require 7-30 months to become development-ready.

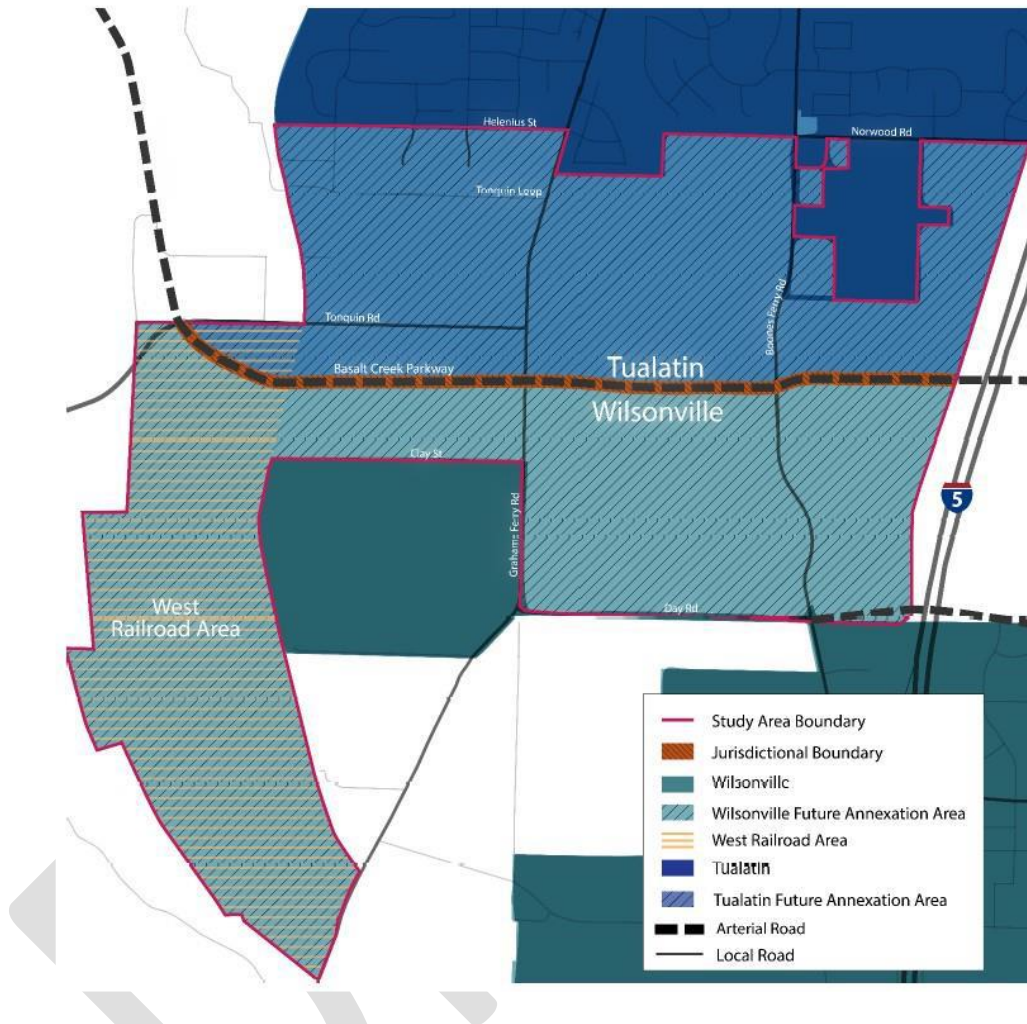
**Tier 3:** Likely to require over 30 months to become development-ready.

<sup>5</sup> Craft industrial could include distilleries, artisans, small shops, and manufacturing at small level.

<sup>6</sup> Basalt Creek Concept Plan, Technical Appendices, p 30-31

in Figure 16 below, there is one site, the “Chamberlain” site, some 43 gross acres, identified as a Tier 3 site.<sup>7</sup>

**Figure 16 – Basalt Creek Planning Area**



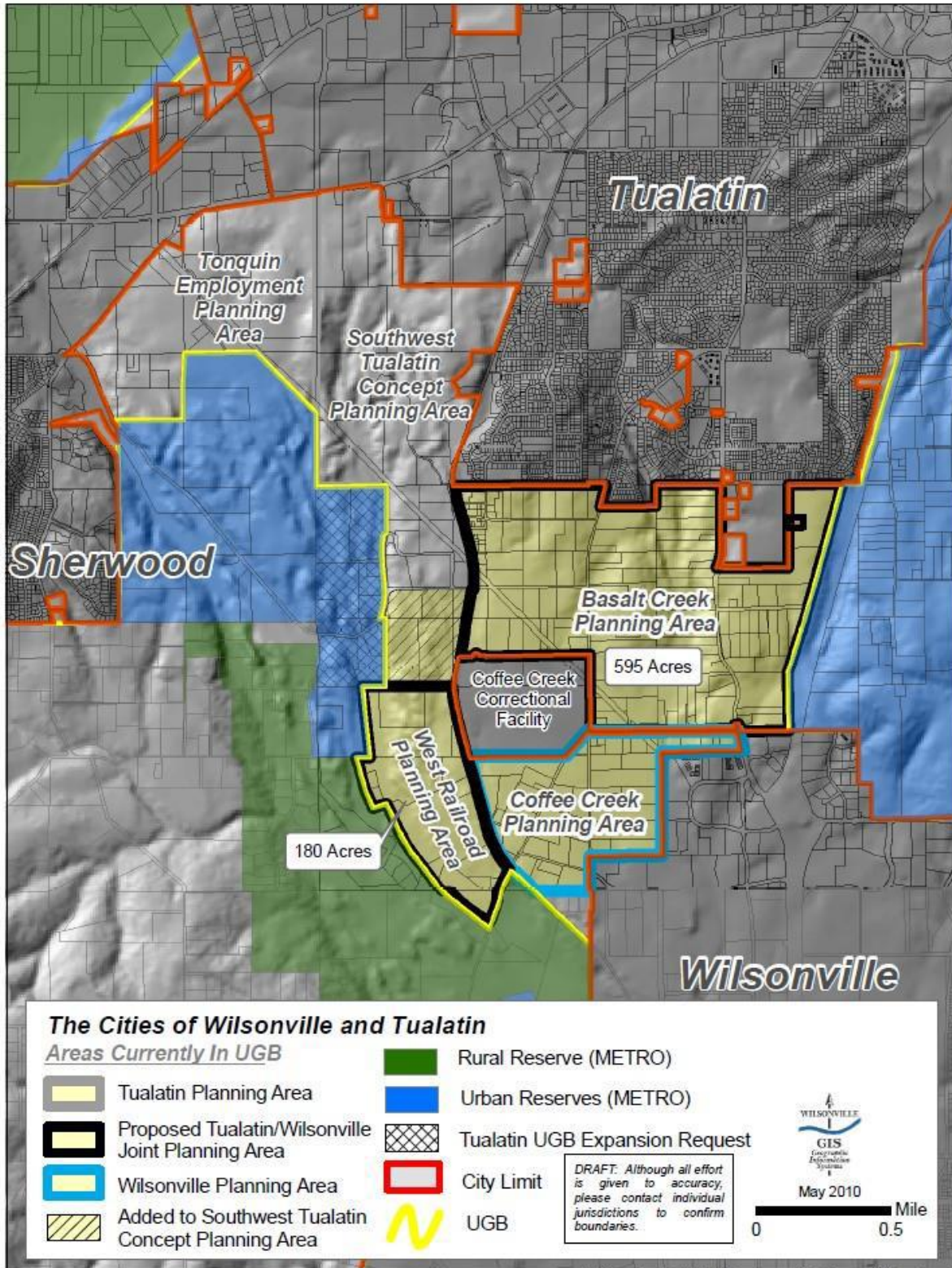
Source: City of Wilsonville

Future work in the Basalt Creek Planning Area, for Wilsonville, includes refining and updating the infrastructure plans and cost estimates and refining the zoning in the area.

Adjacent cities are also pursuing improvements in the area to make it developable, shown in Figure 17. The City of Tualatin adopted an urban renewal plan for their portion of Basalt Creek in 2021. Sherwood adopted an urban renewal plan in 2021 that encompasses the Tonquin Employment Area, adjacent to the Basalt Creek Planning Area.

<sup>7</sup> Metro Regional Industrial Site Readiness Inventory (2017 update)

Figure 17 – Basalt Creek Planning Area and Surrounding Areas



Source: City of Wilsonville

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## Projects

There are eighteen projects that were identified in the Basalt Creek Refinement Plan, for a cost between \$228 million to \$238 million. The potential projects span both jurisdictions—Wilsonville and Tualatin. Wilsonville-specific projects are shown in Figure 18 and the locations are shown in Figure 19 (next page).

**Figure 18 – Potential Projects in Basalt Creek**

Project	Description
1. Basalt Creek Parkway Extension	Basalt Creek Parkway Extension from Grahams Ferry Road to Boones Ferry Road
2. Basalt Creek Trail Projects	2 trails: Basalt Creek Canyon and I-5 Easement
3. Widen Boones Ferry Road to 5 lanes:	Widen Boones Ferry Road between Basalt Creek Parkway and Day Road to five lanes
4. Widen Grahams Ferry Road to 3 lanes	Widen Grahams Ferry Road between Basalt Creek Parkway and Day Road to three lanes with bike lanes, sidewalks, and transit improvements
5. Boones Ferry Road/95 <sup>th</sup> Avenue	Implement access controls on Boones Ferry Road between Day Road and 95 <sup>th</sup> Avenue to improve safety and add capacity.
6. Basalt Creek Parkway Overcrossing:	Extend Basalt Creek Parkway over I-5 as a four-lane roadway
7. Day Road Overcrossing	Extend Day Road over I-5 to Elligsen Road as four-lane roadway
8. Dual Southbound Right Turn Lanes	Add a second southbound right turn lane on the I-5 off-ramp at Boones Ferry Road
9. Pioneer Court Extension	Extend Pioneer Court to the north, approximately 1,000 feet north of Day Road, connect to Boones Ferry Road to the west

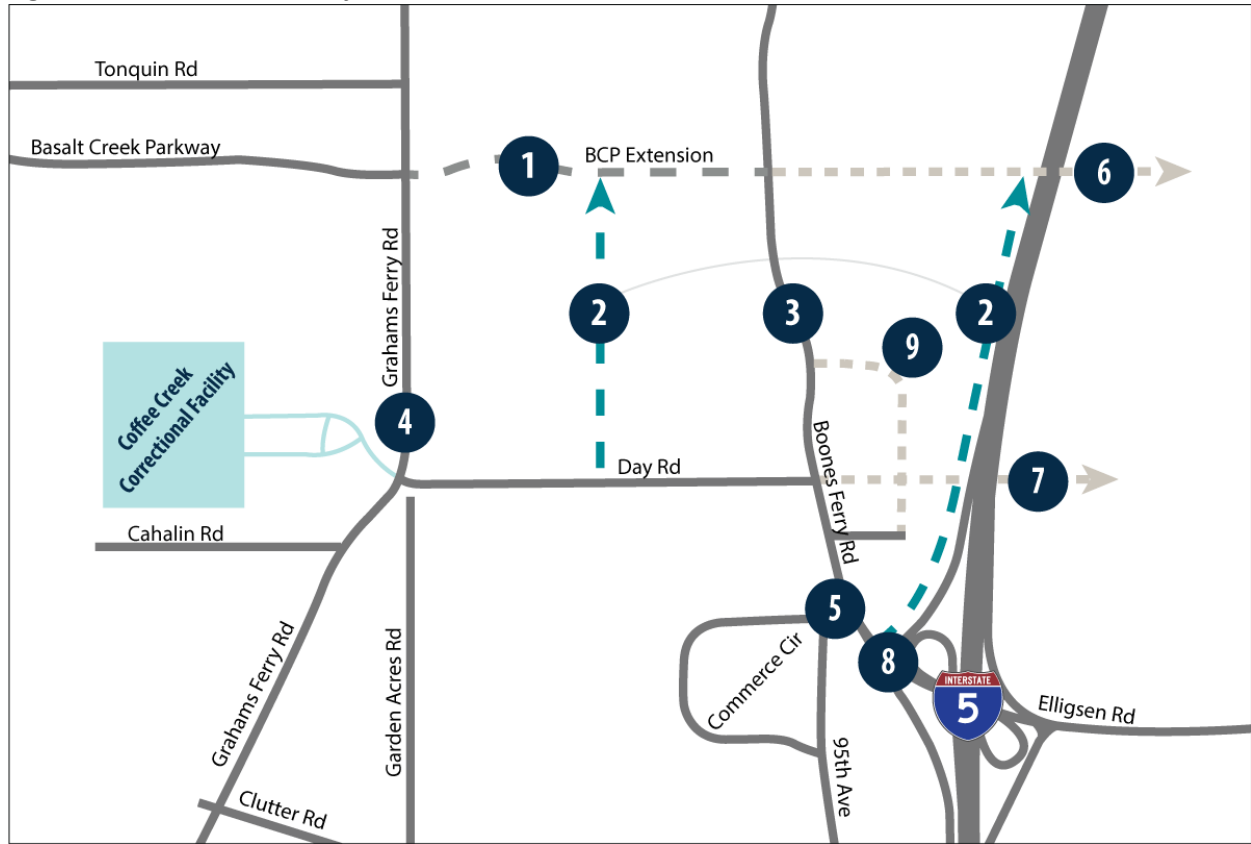
Source: City of Wilsonville

## Acreage Considerations

The portion of the Basalt Creek planning area that is in Wilsonville is 239 acres, of which 136.64 acres are buildable acres.<sup>8</sup> West Railroad (future Wilsonville) is included in the Urban Growth Boundary (UGB) Expansion, but not planned as part of Basalt Creek Planning Area, recognizing it is even further out in time from being able to be served with infrastructure than Basalt Creek. It is 241 gross acres, 60 of which are potentially developable. When added to the acreage in the planning area, there is approximately 480 gross acres, of which 195 are developable. The Urban Growth Boundary expansion is a total of 847 gross acres.

<sup>8</sup> Basalt Creek Concept Plan, Attachment A

Figure 19 – Basalt Creek Project Locations



Source: City of Wilsonville

### Issues for Task Force Consideration and Recommendation

**Is urban renewal an appropriate tool in Basalt Creek to provide improvements to allow the area to develop and add employment and development for the community?**

**Task Force Recommendation:** The Task Force recommends the city pursue a full urban renewal feasibility study for Basalt Creek to include timing, duration, eligible projects, anticipated private development, private contribution, and impact on taxing districts for future Task Force consideration.

**Should this question be presented to the community for an advisory vote?**

**Task Force Recommendation:** Yes, consistent with the City of Wilsonville policy on new urban renewal areas and once a feasibility study has been completed, and if the Task Force recommends using urban renewal as a tool for Basalt Creek at that time.



# Housing Incentives

## Background

The Equitable Housing Strategic Plan, adopted in 2020, evaluated existing housing inventory and identified actions the City could take to address equitable housing issues. The City is currently working towards the goals of HB 2001 and 2003 to incorporate middle housing (housing product between single-family detached and apartments), securing land for affordable housing construction, and looking at how System Development Charges (SDC) may be adjusted. The City is also discussing transit-oriented development at the SMART Central at Wilsonville Station (WES Station on Barber Street), and recently adopted a vertical housing development zone in parts of Villebois Village Center and Town Center. In addition, the City is exploring the possibility of a construction excise tax (up to 1% on building permit valuation) that would help fund an affordable housing trust fund.

### Overview of Equitable Housing Actions (Excerpt from Equitable Housing Strategic Plan)

<b>1. Implementation Actions</b> High-priority actions the City plans to initiate within two years of strategic Plan adoption	<b>2. Actions Requiring Further Exploration</b> High-priority actions that require further research and community discussions for the City to determine how or if it will pursue in the near term.
1A: Explore Implementation of Transit-Oriented Development (TOD) at City-owned Wilsonville Transit Center Property 1B: Incorporate Equitable Housing Needs into Middle Housing Planning 1C: Define Equitable Housing Approaches in New Urban Growth Areas 1D: Create Housing Tax Abatement Programs to Achieve Housing Diversity and Affordability 1E: Facilitate Connections to Partners and Housing Resources Through City Liaison	2A: Secure Land for Development of Affordable and Equitable Housing 2B: Modify Parking Requirements, Which May Reduce Housing Costs 2C: Explore Tactics to Reduce the Impact of Systems Development Charges on Affordable Housing 2D: Partner with Community Land Trusts 2E: Explore Homeownership Support Programs 2F: Explore Housing Preservation Tax Abatement 2G: Support Local Home Repair Programs 2H: Assess Accessibility and Visitability Standards or Incentives

The master planning efforts for Frog Pond include how to ensure affordability. The City can ensure diverse housing product typologies and price points through zoning and policy regulation, but cannot achieve affordability, related to a metric like median income, with regulatory frameworks alone. Therefore, the City is considering a variety of tools to address housing affordability.

The consulting team presented information on URAs across the state that include housing projects to the Task Force. Although these programs did not specifically address homeownership nor first time homebuyers, similar programs could be developed to address City Council’s priorities of homeownership and first-time homebuyers.

## Projects

Housing production has been incentivized across the state in a number of ways using urban renewal/tax increment financing, including:

- Providing property tax rebates to developers for the construction of housing. Using tax rebates allows the urban renewal agency to provide incentives after the development is completed and use tax increment revenues to provide the incentives instead of expending funds up front. (Salem, John Day, Madras, Burns)
- Developing a program to provide up-front incentives from other city funding sources that are repaid with tax increment revenues once the construction is complete and on the tax roll. (Madras, Burns)
- Paying the system development charges of a housing development. (John Day, Burns, Madras)
- Providing tax rebates to developers that provide a certain percentage of their units as long-term affordable in an otherwise market-rate development. (Salem)

## Financial Considerations

The programs that are presently in existence are self-supporting: the property taxes from the new housing pays for the incentive. However, this means that the overlapping taxing districts would forego any property taxes on that property until the incentive is fully paid. The time will vary depending on the amount of incentive required to make the program effective, but it has been as short as ten years.

## Issues for Task Force Consideration and Recommendations

### **Should Wilsonville explore urban renewal/tax increment financing, in addition to other tools, to create affordable housing opportunities in the Frog Pond area, other areas in Wilsonville, or a-site specific area?**

**Task Force Recommendation:** Yes, urban renewal should be studied as one of many tools for the development of affordable housing—to include homeownership/first-time homebuyer opportunities, as well as more traditional multifamily affordable housing projects, and potential other, more novel programs or partnerships. The City should pursue designing a range of programs and/or incentives funded through urban renewal/tax increment financing and other funding sources for future Task Force consideration.

### **Should this question be presented to the community for an advisory vote?**

Yes, if the Task Force recommends it at that time and after the full toolbox has been identified and a specific use of tax increment funding is outlined.

# Appendices

DRAFT



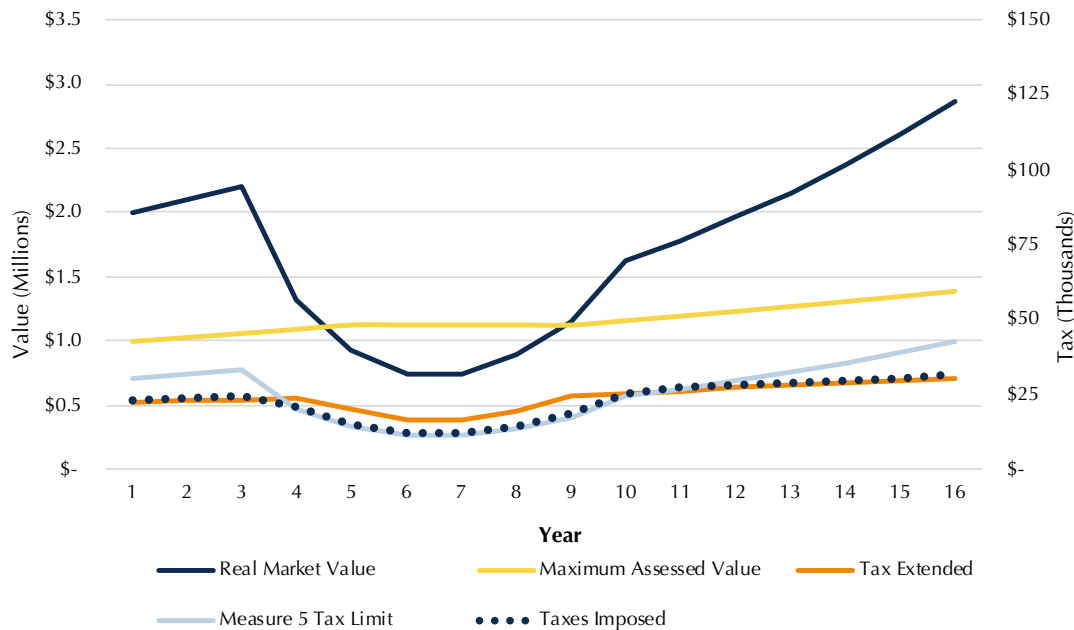
DATE: October 4, 2022  
TO: Matt Lorenzen, City of Wilsonville  
FROM: Nick Popenuk and Ali Danko, Tiberius Solutions  
SUBJECT: IMPACTS OF WILSONVILLE URBAN RENEWAL ON SCHOOL DISTRICT PROPERTY TAX COMPRESSION LOSSES

### What is Compression?

Measure 5, one of Oregon’s two property-tax related ballot measures adopted in the 1990’s, limits the property taxes paid by individual property owners to \$10 per \$1,000 of real market value for general government taxes and \$5 per \$1,000 of real market value for education taxes. If either of these limits are exceeded by the taxes extended on an individual property, the taxes imposed are reduced proportionally until the Measure 5 limits are met. This reduction in property taxes imposed is known as “compression.” Local option levies are reduced first. If local option levies are reduced to zero and a property is still exceeding its Measure 5 limits, then permanent rate levies are reduced proportionally until the limits are no longer exceeded. General obligation bonds are never reduced, as they are not subject to Measure 5 limits.

Exhibit 1 shows the effect of Measure 5 compression on a hypothetical property. In years one through three, the Measure 5 tax limits for the property are higher than the taxes extended to the property. Therefore, the property pays the total tax extended. Beginning in year four, declining real market value results in a corresponding decrease in the maximum allowable tax bill, and the property finds itself in compression due to Measure 5. Therefore, the taxes extended are proportionally reduced until they conform to Measure 5 limits. The compression loss is the difference between tax extended and tax imposed. By year 12, real market value has grown enough so that the taxes extended are once again below the Measure 5 limits, and the property no longer experiences compression.

**Exhibit 1. Compression of Hypothetical Property**



## Effect of Urban Renewal on Compression for Education

When an urban renewal area (URA) is formed, a small portion of all of the overlapping taxing districts' tax rates are reallocated to an urban renewal tax rate. For the purposes of Measure 5 compliance, this new urban renewal tax rate is considered a general government tax rate, even though it was reallocated from both general government and education taxing districts. Resultingly, the total tax rate for education is slightly reduced for the purposes of Measure 5 compliance, as the urban renewal portion was reallocated to general government. This can be beneficial for education taxing districts experiencing compression.

## Compression Experienced by West Linn-Wilsonville School District

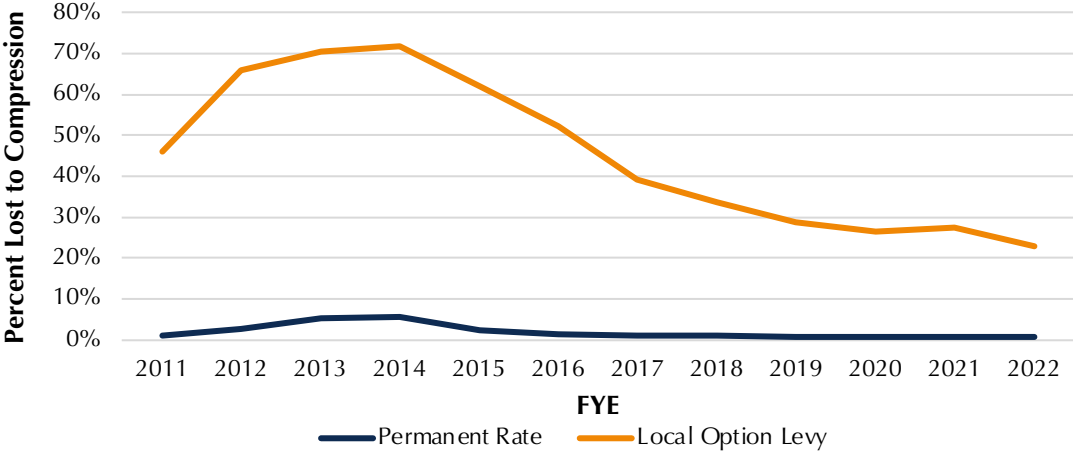
Exhibit 2 and Exhibit 3 show the compression loss experienced by the West Linn-Wilsonville School District in Clackamas County from FYE 2011 to FYE 2022. The district experienced significant compression due to declining real market values as a result of the "Great Recession." In FYE 2012, \$6 million of the district's \$9 million local option levy was lost to compression. As real market values have increased as the economy has recovered, compression loss experienced by the district has declined.

Compression losses for the School District's permanent rate levy peaked at 5.5% in FYE 2014, and have been below 1.0% of taxes to be raised for the past six years. Compression losses for the School District's local option levy have been substantially greater, peaking at 71.8% in FYE 2014, gradually falling to 22.9% in FYE 2022. This means that for every \$1.00 of taxes extended for the School District local option levy, nearly 23 cents are lost to compression, and only 77 cents are imposed.

### Exhibit 2. West Linn-Wilsonville Compression Loss, Clackamas County, FYE 2011-FYE 2022

FYE	Permanent Rate			Local Option Levy		
	To Be Raised	Compression	% Compression	To Be Raised	Compression	% Compression
2011	\$ 26,517,832	\$ 250,172	0.9%	\$ 8,856,903	\$ 4,069,359	45.9%
2012	\$ 27,278,137	\$ 742,896	2.7%	\$ 9,105,602	\$ 6,017,085	66.1%
2013	\$ 27,574,864	\$ 1,498,322	5.4%	\$ 9,319,368	\$ 6,584,457	70.7%
2014	\$ 28,888,348	\$ 1,598,695	5.5%	\$ 9,727,146	\$ 6,985,077	71.8%
2015	\$ 30,527,908	\$ 739,182	2.4%	\$ 10,304,892	\$ 6,393,307	62.0%
2016	\$ 31,910,600	\$ 427,156	1.3%	\$ 10,828,266	\$ 5,649,767	52.2%
2017	\$ 33,403,675	\$ 316,975	0.9%	\$ 11,403,789	\$ 4,472,759	39.2%
2018	\$ 35,489,997	\$ 328,990	0.9%	\$ 11,991,118	\$ 4,052,316	33.8%
2019	\$ 36,901,822	\$ 275,860	0.7%	\$ 12,454,615	\$ 3,569,831	28.7%
2020	\$ 38,660,527	\$ 278,089	0.7%	\$ 12,996,488	\$ 3,448,501	26.5%
2021	\$ 40,147,559	\$ 295,092	0.7%	\$ 13,454,657	\$ 3,692,338	27.4%
2022	\$ 42,144,841	\$ 255,491	0.6%	\$ 14,070,038	\$ 3,215,498	22.9%

**Exhibit 3. West Linn-Wilsonville Compression Loss, Clackamas County, FYE 2011-FYE 2022**



**Impacts of the termination of the West Side Urban Renewal Plan**

The West Side URA was established in 2003 and overlaps the West Linn-Wilsonville School District. The existence of the URA has resulted in subtle changes to the tax rates extended, shifting a portion of the education tax rates to the general government category, which has helped to reduce the amount of property tax compression suffered by education taxing districts (predominantly, by the West Linn-Wilsonville School District local option levy).

The West Side URA is anticipated to terminate in FYE 2024, after collecting sufficient tax increment finance (TIF) revenue to repay its full amount of maximum indebtedness. The termination of the URA will shift a portion of the taxes extended from general government back to education, which is likely to result in increased compression losses for the West Linn-Wilsonville School District local option levy. The exact magnitude of this impact is difficult to calculate, as it depends on the specific ratio of assessed value to real market value and applicable tax rates for each individual property tax account citywide.

This issue was originally identified a decade ago, when compression losses for the school district were substantially more significant. Technical analysis was done at that time to forecast future compression losses, and this analysis informed City decisions to voluntarily underlevy the amount of TIF revenue in this URA, to more gradually phase-out the URA over time, helping to avoid a dramatic increase in compression losses.

The history of voluntary revenue sharing in the area has extended the duration of the URA for several years, and there are no practical actions that the City can take to extend this duration any longer. On June 30, 2022, staff from the City of Wilsonville and consultants from Tiberius Solutions and Elaine Howard Consulting met with staff from the West Linn-Wilsonville School District to discuss this issue, and discuss the implications the termination of the West Side URA.

While termination of the URA is expected to result in increased compression losses for the School District’s local option levy, it will have a positive financial impact for other taxing districts, who will no longer forego property tax revenue for the URA, including the School District’s permanent rate levy. Due to the State’s method of equalizing per-pupil funding for all school districts statewide, the increase in permanent rate tax revenue for the School District will not have a direct, local benefit, as it will ultimately be offset by a reduction in funding from the State School Fund.



DATE: November 3, 2022  
TO: City of Wilsonville  
FROM: Nick Popenuk and Ali Danko  
SUBJECT: FINANCIAL ANALYSIS OF YEAR 2000 AND WEST SIDE URAS

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## Year 2000 Plan

### Exhibit 1. Year 2000 Finance Plan

	FYE 2023
<b>Tax Increment Fund</b>	
<b>Resources</b>	
Beginning Balance	\$ 4,998,646
Interest Earnings	\$ 999
TIF: Current Year	\$ 3,482,880
TIF: Prior Years	\$ 62,000
<b>Total Resources</b>	<b>\$ 8,544,525</b>
<b>Expenditures</b>	
<i>Debt Service</i>	
Scheduled Payments	
2010 Issue - BANK of AMERICA	\$ (589,575)
Du Jour	\$ (4,000,200)
Early Principal Payment	
2010 Issue - BANK of AMERICA	\$ (3,704,750)
Du Jour	\$ -
Total Debt Service, Scheduled Only	\$ (4,589,775)
Total Debt Service	\$ (8,294,525)
<i>Debt Service Coverage Ratio</i>	<i>0.77</i>
Refund Remaining TIF Resources to Assessor	\$ (250,000)
<b>Total Expenditures</b>	<b>\$ (8,544,525)</b>
Ending Balance	\$ -
<b>URA Projects Fund</b>	
<b>Resources</b>	
Beginning Balance	\$ -
Interest Earnings	\$ -
Transfer from TIF Fund	\$ -
Bond/Loan Proceeds	\$ 4,000,000
Other	\$ -
<b>Total Resources</b>	<b>\$ 4,000,000</b>
<b>Expenditures (YOE \$)</b>	
Boeckman Dip	\$ (4,000,000)
<b>Total Expenditures</b>	<b>\$ (4,000,000)</b>
Ending Balance	\$ -

Source: Tiberius Solutions with information provided by City of Wilsonville

**Exhibit 2. Year 2000 URA Impact to Taxing Districts, FYE 2023**

<b>Taxing District</b>	<b>Permanent Rate</b>	<b>Total Impact</b>
City of Wilsonville	\$ 2.5206	\$ 691,800
Clackamas Community College	\$ 0.5582	\$ 153,203
Clackamas County (City)	\$ 2.4042	\$ 659,853
County Extension & 4H	\$ 0.0500	\$ 13,723
County Library	\$ 0.3974	\$ 109,070
County Soil Conservation	\$ 0.0500	\$ 13,723
Clackamas ESD	\$ 0.3687	\$ 101,193
TVF&R	\$ 1.5252	\$ 418,604
Port of Portland	\$ 0.0701	\$ 19,240
West Linn/Wilsonville School District	\$ 4.8684	\$ 1,336,174
Metro	\$ 0.0966	\$ 26,513
Vector Control	\$ 0.0065	\$ 1,784
<b>Total</b>	<b>\$ 12.9159</b>	<b>\$ 3,544,880</b>

Source: Tiberius Solutions



# West Side Plan

## Exhibit 3. West Side URA Finance Plan

	Total	FYE 2023	FYE 2024
<b>Tax Increment Fund</b>			
<b>Resources</b>			
Beginning Balance		\$ 3,598,912	\$ -
Interest Earnings	\$ 36,000	\$ 36,000	\$ -
TIF: Current Year	\$ 6,675,153	\$ 5,000,000	\$ 1,675,153
TIF: Prior Years	\$ 169,000	\$ 84,500	\$ 84,500
<b>Total Resources</b>	<b>\$ 10,479,065</b>	<b>\$ 8,719,412</b>	<b>\$ 1,759,653</b>
<b>Expenditures</b>			
<i>Debt Service</i>			
Scheduled Payments			
2009 ISSUE BANK OF AMERICA	\$ -	\$ -	\$ -
2011 ISSUE BANK OF AMERICA	\$ -	\$ -	\$ -
2012 ISSUE BANK OF AMERICA	\$ (553,450)	\$ (553,450.00)	\$ -
2013 Issue BANK OF AMERICA	\$ (989,600)	\$ (495,750.00)	\$ (493,850.00)
2015A Issue COLUMBIA STATE BANK	\$ -	\$ -	\$ -
Early Payments			
2009 ISSUE BANK OF AMERICA	\$ -	\$ -	\$ -
2011 ISSUE BANK OF AMERICA	\$ -	\$ -	\$ -
2012 ISSUE BANK OF AMERICA	\$ (4,727,840)	\$ (4,727,840)	\$ -
2013 Issue BANK OF AMERICA	\$ (4,208,175)	\$ (2,942,372)	\$ (1,265,803)
2015A Issue COLUMBIA STATE BANK	\$ -	\$ -	\$ -
Total Debt Service, Scheduled Only	\$ (1,543,050)	\$ (1,049,200)	\$ (493,850)
Total Debt Service	\$ (10,479,065)	\$ (8,719,412)	\$ (1,759,653)
<i>Debt Service Coverage Ratio</i>		4.85	3.56
Transfer to URA Projects Fund			
<b>Total Expenditures</b>	<b>\$ (10,479,065)</b>	<b>\$ (8,719,412)</b>	<b>\$ (1,759,653)</b>
Ending Balance		\$ -	\$ -
<b>URA Projects Fund</b>			
<b>Resources</b>			
Beginning Balance		\$ 6,494,857	\$ 5,549,773
Interest Earnings	\$ 72,251	\$ 44,502	\$ 27,749
Transfer from TIF Fund	\$ -	\$ -	\$ -
Bond/Loan Proceeds	\$ -	\$ -	\$ -
Other	\$ 750	\$ 750	\$ -
<b>Total Resources</b>	<b>\$ 6,567,858</b>	<b>\$ 6,540,109</b>	<b>\$ 5,577,522</b>
<b>Expenditures (YOE \$)</b>			
Materials and Services	\$ (280,336)	\$ (280,336)	\$ -
Brown Road	\$ (6,287,522)	\$ (710,000)	\$ (5,577,522)
<b>Total Expenditures</b>	<b>\$ (6,567,858)</b>	<b>\$ (990,336)</b>	<b>\$ (5,577,522)</b>
Ending Balance		\$ 5,549,773	\$ -

Source: Tiberius Solutions with information provided by City of Wilsonville

**Exhibit 4. Westside URA Impact to Taxing Districts, FYE 2023-FYE 2024**

Taxing District	Permanent Rate	Impact		Total
		FYE 2023	FYE 2024	
City of Wilsonville	\$ 2.5206	\$ 992,265	\$ 343,405	\$ <b>1,335,669</b>
Clackamas Community College	\$ 0.5582	\$ 219,742	\$ 76,049	\$ <b>295,791</b>
Clackamas County (City)	\$ 2.4042	\$ 946,442	\$ 327,546	\$ <b>1,273,989</b>
County Extension & 4H	\$ 0.0500	\$ 19,683	\$ 6,812	\$ <b>26,495</b>
County Library	\$ 0.3974	\$ 156,441	\$ 54,141	\$ <b>210,583</b>
County Soil Conservation	\$ 0.0500	\$ 19,683	\$ 6,812	\$ <b>26,495</b>
Clackamas ESD	\$ 0.3687	\$ 145,143	\$ 50,231	\$ <b>195,375</b>
TVF&R	\$ 1.5252	\$ 600,413	\$ 207,792	\$ <b>808,206</b>
Port of Portland	\$ 0.0701	\$ 27,596	\$ 9,550	\$ <b>37,146</b>
West Linn/Wilsonville School District	\$ 4.8684	\$ 1,916,504	\$ 663,267	\$ <b>2,579,772</b>
Metro	\$ 0.0966	\$ 38,028	\$ 13,161	\$ <b>51,188</b>
Vector Control	\$ 0.0065	\$ 2,559	\$ 886	\$ <b>3,444</b>
<b>Total</b>	<b>\$ 12.9159</b>	<b>\$ 5,084,500</b>	<b>\$ 1,759,653</b>	<b>\$ 6,844,153</b>

Source: Tiberius Solutions



# Urban Renewal Strategic Plan

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Prepared for the City of Wilsonville  
Prepared by Elaine Howard Consulting, LLC and Tiberius Solutions LLC  
November 21, 2022

# Acknowledgments

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## Summary

The City of Wilsonville began using urban renewal (tax increment finance) in 1992, funding critical infrastructure needed to support new development, reshaping the city. The investments made through urban renewal have dramatically increased the assessed value of properties in the city and made Wilsonville an economically thriving community with an abundance of recreational amenities. With the success of past urban renewal areas, the City has pioneered approaches to share tax increment finance revenues with affected taxing districts that provide services to the urban renewal areas. The City has a long-standing practice of asking for advisory public votes on the creation of new urban renewal areas, and have received overwhelming support for all their urban renewal areas.



The Year 2000 Plan provided necessary transportation and utility infrastructure improvements to attract job-producing investment and increase property values. The plan also funded significant recreational improvements for the residents of Wilsonville including the construction of the popular Town Center and Murase parks. Upon termination (expected in FY 2022-23) overlapping taxing districts will receive tax revenues from over \$500 million in assessed value created by this urban renewal area. This is only a portion of the increased assessed value the area generated as the city began returning assessed value to the property tax rolls in 2005 by removing property from the boundary.

The West Side Plan focused on providing the necessary infrastructure to incentivize the development of over 2,600 housing units and an extensive parks system of more than 160 acres in the Villebois community. The Villebois development is located on 385 acres of previously vacant and underutilized land that provided very little tax revenue. The original assessed value of this urban renewal area was \$16.5 million. The assessed value in FY 2021-22 is over \$747 million. The increased assessed value is expected to be returned to all taxing districts in FY 2023-24. The City also donated land for the construction of Lowrie Primary School to help the school district deal with the influx of children from the Villebois development.



Furthering the city's commitment to creating jobs, the city adopted the Coffee Creek Urban Renewal Plan in 2016 to facilitate the potential creation of more than 1,800 family wage jobs in the community. This is a nascent urban renewal area just starting on the investments that will pave the way for new private development, job creation and assessed value growth.

In an innovative effort to use urban renewal to help address industrial vacancies during the Great Recession, the city implemented a program for single property urban renewal areas. Although this program was not used, the idea spurred the creation of the WIN program that offered greater flexibility and a new scoring system concentrating on investments, jobs and wages. The Wilsonville City Council approved the first WIN program application in 2021, spurring an estimated \$70-\$100M of capital investment, with a commitment to create 200 initial jobs and as many as 200 additional jobs in the future.

As part of the ongoing commitment to involving stakeholders in urban renewal decisions, the city created the Wilsonville Urban Renewal Task Force (Task Force) in 2013. The city recently reconvened the task Force to provide input on this Strategic Plan update.

The Task Force met throughout the summer of 2022 to review and update the Wilsonville Urban Renewal Strategic Plan. The Task Force reviewed the existing urban renewal areas and provided recommendations for potential future uses of urban renewal/tax increment financing in Wilsonville. The recommendations for existing urban renewal areas are:

- Year 2000 Plan: No changes to this existing area that is set to expire in the near future.
- West Side Plan: No changes to this existing area that is set to expire in the near future.
- Coffee Creek Plan:

Project cost estimates should be updated along with the finance plan component of the Report.

A minor amendment to the Plan should be completed to allow funding to be allocated to two new projects: Ridder Road improvements and property acquisition and related activities (e.g. purchasing/negotiating options).

Any potential increase in maximum indebtedness should be brought back to the Task Force for their consideration at a later date.

- The WIN Program:

Scoring criteria should be revised to allow for more points to be awarded for long-time existing Wilsonville businesses.

The application process should include an additional step for earlier vetting of businesses applying for the program, including an opportunity for public input (i.e., public open house or review by other standing city committees).

The Task Force was presented with three potential new uses of urban renewal for their input and recommendation: 1) Wilsonville Town Center, 2) Basalt Creek Industrial Area, and 3) using urban renewal as one tool (of many) to address housing affordability issues. The recommendations for potential future uses of urban renewal areas are:

- The Task Force supports the City's ongoing work to develop a Town Center Infrastructure Finance Plan and recommends the City pursue a full urban renewal feasibility study for the Town Center to include timing, duration, eligible projects, anticipated private development, private contribution, and impact on taxing districts for future Task Force consideration.
- The Task Force recommends the city pursue a full urban renewal feasibility study for Basalt Creek to include timing, duration, eligible projects, anticipated private development, private contribution, and impact on taxing districts for future Task Force consideration.

- Urban renewal should be studied as one of many tools for the development of affordable housing—to include homeownership/first-time homebuyer opportunities, as well as more traditional multifamily affordable housing projects, and potential other, more novel programs or partnerships. The City should pursue designing a range of programs and/or incentives funded through urban renewal/tax increment financing and other funding sources for future Task Force consideration.

DRAFT



# Introduction

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## Definitions

- “Agency” means the Wilsonville Urban Renewal Agency. This Agency is responsible for administration of urban renewal plans.
- “Blight” is defined in ORS 457.010(1)(A-E).
- “City” means the City of Wilsonville, Oregon.
- “City Council” or “Council” means the Wilsonville City Council.
- “Compression” is a reduction in property taxes that can be collected in a given year for an individual property, if the collection amount is going to exceed Oregon constitutional limits (a maximum of \$10 per \$1,000 of real market value for applicable general government taxes or \$5 for applicable education taxes).
- “Fiscal year” means the year commencing on July 1 and closing on June 30.
- “Frozen base” means the total assessed value including all real, personal, manufactured, and utility values within an urban renewal area at the time of adoption. The county assessor certifies the assessed value after the adoption of an urban renewal plan.
- “Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.
- “Maximum indebtedness” means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness. It is the total amount of TIF revenue that may be spent on the principal amount of projects, programs, and administration throughout the life a plan.
- “Oregon Revised Statutes (ORS)” are the codified laws of the State of Oregon. Chapter 457 specifically relates to urban renewal.
- “Revenue sharing” means underlevying TIF revenue to effectively share a portion of the revenue with the other taxing districts impacted by the urban renewal area as defined in ORS 457.470.
- “Tax increment financing (TIF)” is a method of funding urban renewal projects and programs through incurring debt that is repaid by the division of taxes accomplished through the adoption of an urban renewal plan.
- “Tax increment finance revenues” means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the area.
- “Urban Growth Boundary (UGB)” means is used to designate where a city expects to grow over the next 20 years. Land inside the urban growth boundary supports urban services such as roads, water and sewer systems, parks, schools and fire and police protection. The boundary is one of the tools to protect farms and forests from urban sprawl and promote the efficient use of land, public facilities and services inside the boundary. (Metro definition <https://www.oregonmetro.gov/urban-growth-boundary>)

- “Urban renewal area (URA)” means an area included in an urban renewal plan under ORS 457.160.
- “Urban renewal plan” or “Plan” means a plan, as it exists or is changed or modified from time to time, for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.
- “Urban renewal project” or “Project” means any work or undertaking carried out under ORS 457 in an urban renewal area.
- “Urban renewal report” or “Report” means the official report that accompanies the urban renewal plan pursuant to ORS 457.087.

## Task Force Overview

The Wilsonville Urban Renewal Task Force (Task Force) is comprised of a broad group of stakeholders and provides recommendations to the Wilsonville City Council on the use of urban renewal, also called tax increment financing (TIF). The Task Force was originally convened in September 2013 and has convened as needed over the past decade to review decisions and provide advice regarding existing urban renewal areas (URAs) and potential new URAs. The Task Force has provided input on numerous topics, including but not limited to: amendments to the existing Year 2000 and West Side plans, the preparation and adoption of the Coffee Creek Plan, the expiration of the “TIF Zones” program, and the establishment of the reengineered Wilsonville Investment Now (WIN) program.

The initial Wilsonville Urban Renewal Strategic Plan (Strategic Plan) was developed and adopted in 2014. In 2022, Wilsonville reconvened the Task Force with fifteen members to discuss and make recommendations for current and future uses of TIF in Wilsonville, in similar fashion to the 2014 Strategic Plan. Wilsonville City Council President Kristin Akervall chaired the Task Force. The balance of the Task Force was comprised of developers, real estate professionals, taxing district representatives, experts in public finance, the Wilsonville Chamber of Commerce, and City of Wilsonville residents.

The 2022 Task Force was charged with updating the Strategic Plan to provide guidance for the termination of two existing URAs (the Year 2000 Area and the West Side Area), the continued implementation of two other existing URAs/programs (the Coffee Creek Area and the WIN Zones), and potential new uses of urban renewal in the future. Specifically, for each existing URA, the Task Force reviewed the anticipated duration of the plans, project lists, and maximum indebtedness and provided recommendations on each plan. The Task Force also reviewed information on the Town Center Plan, the Basalt Creek planning area, and housing affordability concepts, and made recommendations on each of these potential future uses of urban renewal.

The Task Force met five times to review the information provided by Wilsonville staff and the consulting team. The meetings and discussion topics are listed in Figure 1. Figure 2 (page 7) provides a map of the existing urban renewal areas the Task Force reviewed.

**Figure 1. Task Force Meetings**

Meeting	Date	Discussion Topics
<b>Meeting 1</b>	March 2, 2022	<ul style="list-style-type: none"> <li>• City Council goals</li> <li>• Strategic Plan overview</li> <li>• Purpose of Task Force</li> <li>• Process/Schedule</li> <li>• Urban Renewal 101</li> </ul>
<b>Meeting 2</b>	April 7, 2022	<ul style="list-style-type: none"> <li>• Existing urban renewal areas overview</li> <li>• Coffee Creek</li> <li>• WIN Zones</li> </ul>
<b>Meeting 3</b>	May 23, 2022	<ul style="list-style-type: none"> <li>• Considerations of recommendations for Coffee Creek and WIN Zones</li> <li>• Potential new uses of urban renewal <ul style="list-style-type: none"> <li>○ Town Center</li> </ul> </li> </ul>
<b>Meeting 4</b>	July 13, 2022	<ul style="list-style-type: none"> <li>• Considerations of recommendations for Town Center</li> <li>• Potential new uses of urban renewal <ul style="list-style-type: none"> <li>○ Basalt Creek</li> <li>○ Housing Incentives</li> </ul> </li> </ul>
<b>Meeting 5</b>	August 31, 2022	<ul style="list-style-type: none"> <li>• Summary of previous meetings and review of recommendations and draft Strategic Plan</li> </ul>

## Other Constraints and Limits on Urban Renewal

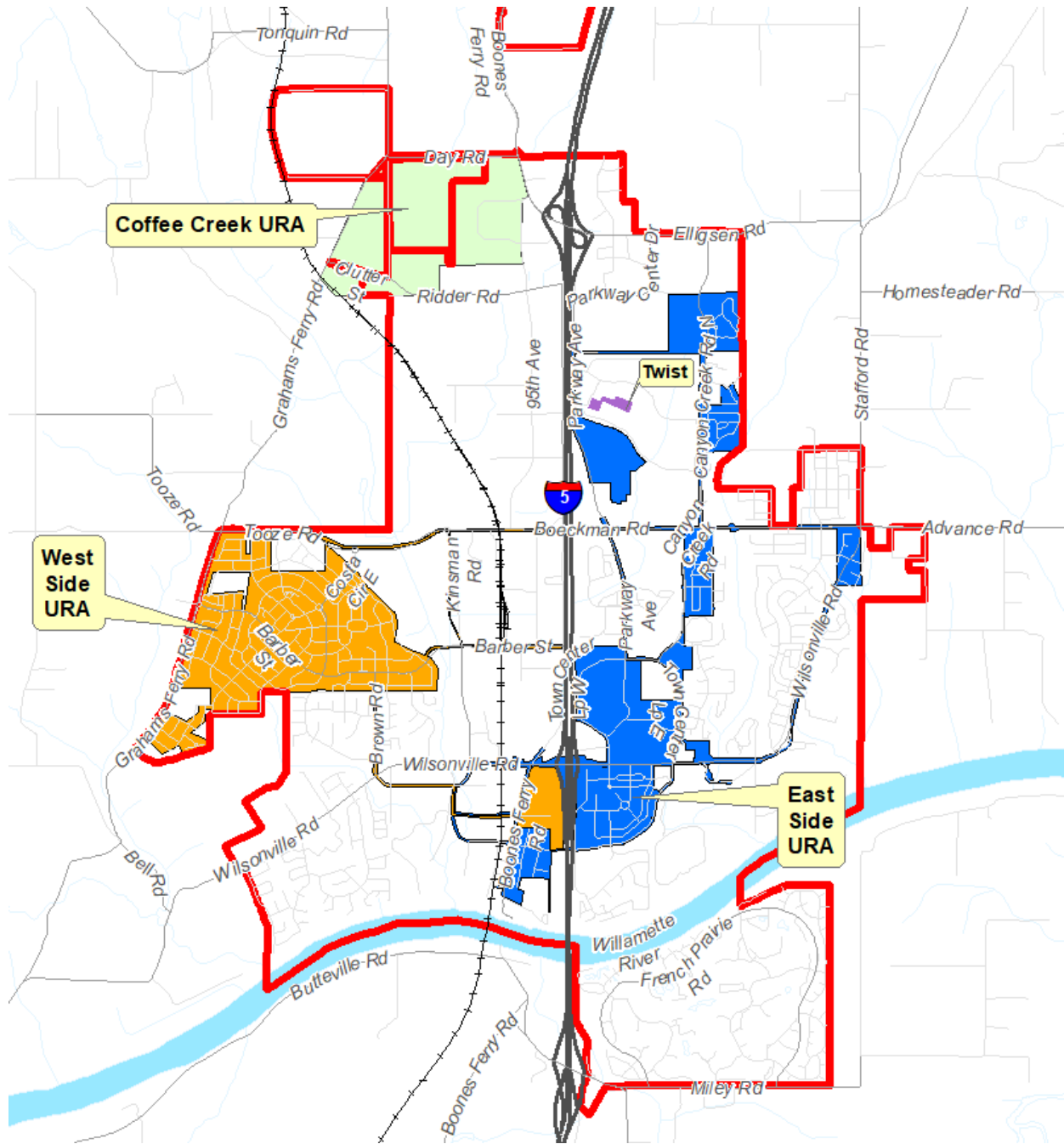
### Acreage and assessed value

Oregon Revised Statutes (ORS) 457 governs the use of urban renewal in Oregon. While the entirety of ORS 457 is applicable to the use of urban renewal in Wilsonville, one specific provision is worth highlighting. ORS 457.420(2)(b) limits the total amount of acreage and assessed value that can be included within URAs for a city with a population less than 50,000 to not more than 25% of the city's incorporated gross acreage and assessed value.

### Voter Approval

ORS 457 does not require voter approval for the use of urban renewal. However, the City of Wilsonville has a long history of seeking input from voters on the use of urban renewal through advisory votes. This practice has long been supported by the Task Force and was documented in the initial Strategic Plan in 2014. As a best practice, the City intends to continue to seek advisory votes prior to establishing new URAs.

Figure 2. Wilsonville Existing Urban Renewal Areas



Source: City of Wilsonville

## Existing Urban Renewal Areas

Wilsonville has four existing URAs, shown in Figure 2.

- Year 2000 Urban Renewal Plan (also called the East Side Plan): focused on properties to the east of Interstate 5 in the core of Wilsonville
- West Side Urban Renewal Plan: created for the development of the Villebois neighborhood
- Coffee Creek Urban Renewal Plan: smaller concentrated URA, mostly underutilized industrial property as well as existing development on Commerce Circle
- Twist WIN Zone: single-property URA established for Twist Bioscience to support high value industrial uses and job creation.

The original two URAs, the Year 2000 Plan and the West Side Plan, have decreased in size over the years to release properties and the associated assessed value back on the tax roll for the benefit of impacted overlapping taxing districts. These URAs only maintain areas that collect sufficient tax increment revenue for debt service payments and future projects. The two newer URAs, Coffee Creek and the WIN Zone for Twist Bioscience, are smaller and more targeted, both concentrating on industrial development and job creation.

The Year 2000, West Side, Coffee Creek, and Twist Bioscience WIN Zone URAs comprise 22.65% of the acreage of the City of Wilsonville. The Year 2000 and West Side urban renewal areas are slated for closure in FY 2023 and 2024 respectively, which will reduce the percentage of acreage in urban renewal to 5.31%, providing the option to place an additional 976.6 acres into an urban renewal area, while remaining under the statutory cap (see Figure 3).

To derive the total percentage of assessed value in urban renewal, the total frozen base values of all URAs is divided by the total assessed value of the City, minus the increment of the urban renewal areas. In Wilsonville, this results in 5.3% of the City's assessed value being located in URAs, which is well below the 25% threshold.

**Figure 3. Acreage and Assessed Value Limitations.**

Urban Renewal Area	Frozen Base/AV	Increment <sup>1</sup> Value	Acres
Year 2000 URA	\$45,326,441	\$505,142,441	449
West Side URA	\$18,017,272	\$729,323,741	411
Coffee Creek	\$83,801,300	\$25,039,372	258
Twist Bioscience WIN Zone	\$3,661,005	To be determined	4.4
Total in URAs	\$147,145,013	\$1,259,505,554	1,122.40
City of Wilsonville*	\$4,032,065,970	-	4,956
Percent of Total	5.31%	-	22.65%

Source: Values from SAL FYE 2021 Clackamas County Report

<sup>1</sup> Increment Value is the amount of assessed value that has been added above the Frozen Base Assessed Value.

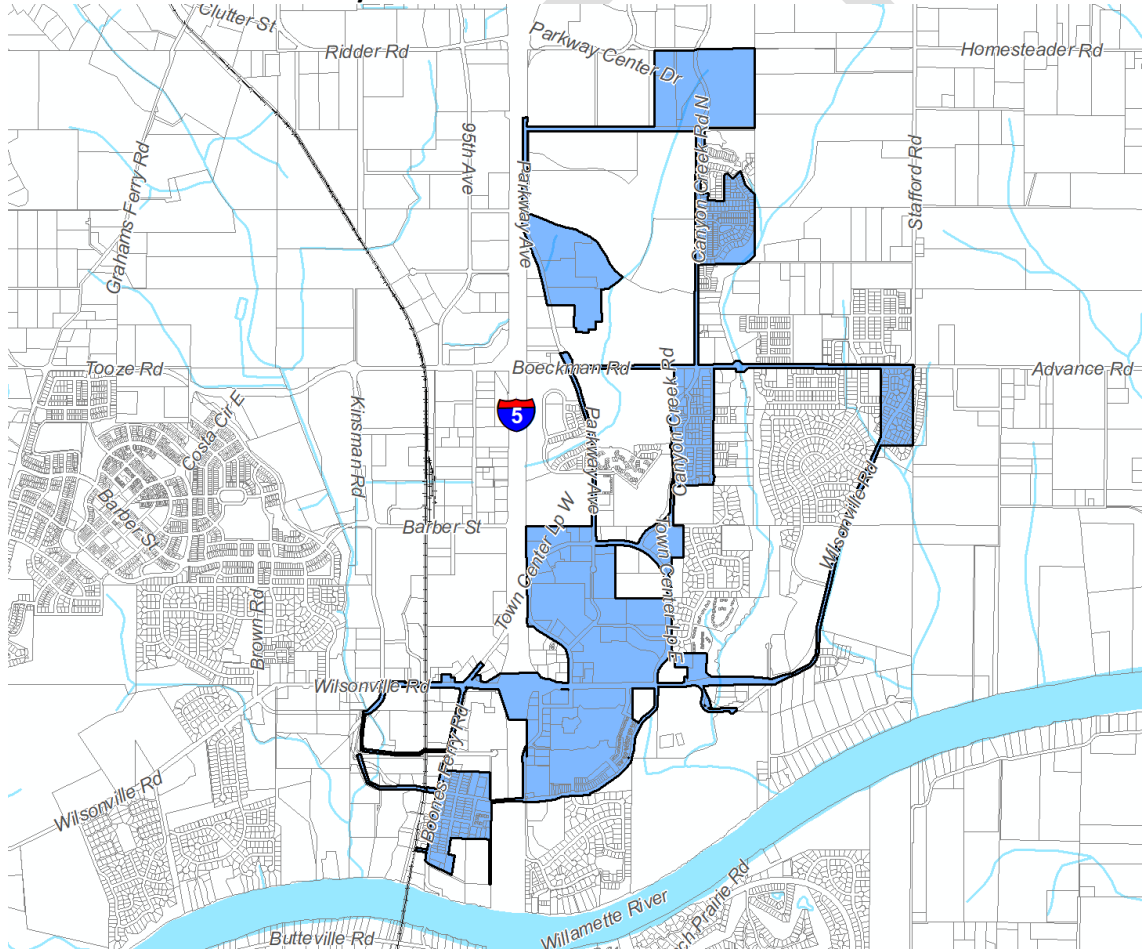
# Year 2000 Plan

## Background

The Year 2000 Urban Renewal Plan (also referred to as the East Side Pan) was created in 1992 with a mission to cure blight, attract job producing investment, buoy property values, and protect residential livability and environmental values. To accomplish this mission, the Year 2000 Plan outlines a variety of specific goals, including: installing the appropriate infrastructure; creating positive transportation linkages; undergrounding utilities; providing avenues for meaningful citizen involvement, and; installing streetscape improvements. The URA is mostly located east of Interstate 5 (I-5). The boundary includes clusters of properties along Wilsonville Road, Boeckman Road, and Canyon Creek Road.

The current boundary of the Year 2000 URA is shown in Figure 4.

**Figure 4. Year 2000 URA Boundary**



Source: City of Wilsonville

## Projects

TIF revenue from the Year 2000 URA has funded many Wilsonville Road projects, I-5 interchange improvements, and the construction of Parkway Avenue, Memorial Drive, Canyon Creek Road, Boeckman Road, Murase Plaza at Memorial Park and Town Center Park, City Hall, the Waste Water Treatment Plant, the Wilsonville High School fields, and many other smaller projects. The remaining projects to be completed are the 5<sup>th</sup> Street Extension and the Boeckman Dip Bridge project. The former is scheduled to be completed in Fiscal Year (FY) 2022-23, with the latter project following in FY 2024-25. The projects identified in the Year 2000 Plan Area are shown in Figure 5.

**Figure 5. Year 2000 Projects Summary** (Source: City of Wilsonville)

Project	Complete
Boeckman Dip	No
5 <sup>th</sup> Street Extension	No
Extend Canyon Creek South of Boeckman	Yes
Old Town Streets	Yes
Livability Projects	Yes
Landover Medians	Yes
Park Improvements (Town Center and Murase Parks)	Yes
Canyon Creek North	Yes
Town Center Loop East Extension	Yes
Town Center Loop West Extension	Yes
Wilsonville Road	Yes
Wilsonville Road Realignment	Yes
Parkway Avenue	Yes
Traffic Signals	Yes
Wilsonville Road Interchange	Yes
Connect to Dependable Water Supply Source	Yes
Hackamore Road/Old Canyon Creek Road	Yes
Canyon Creek North Extension	Yes
Waste Water Treatment Plant Expansion	Yes
Parkway/Trask Street System	Yes
Town Center Outfall and Detention Facility	Yes
Memorial Park	Yes
Joint Use of Athletic, Cultural and Public Assembly Facilities at New High School	Yes
Recreation Facilities, Parking and Landscaping at Clackamas Community College Site in Town Ctr	Yes
Tranquil Park	Yes
Town Center Square (5 to 6 Acres)	Yes
Civic Center Park	Yes
Barn Rehabilitation	Yes
Affordable Housing	Yes

## Financial Considerations

When the Year 2000 URA was established in 1992, it had an assessed value (frozen tax base) of \$44 million. The assessed value in this area has since grown to more than \$550 million and all but two of the planned projects have been completed. The original maximum indebtedness was \$53,851,923 but a later amendment increased this amount to \$92,687,432. The Task Force convened in 2017 to provide a recommendation on adding the Boeckman Dip project to the Year 2000 Plan.

The Task Force voted unanimously to support the City’s efforts to amend the Plan to fund the project. The City Council adopted this amendment, adding the Boeckman Dip project and increasing the maximum indebtedness to \$107,196,524 to enable funding of the project. Per ORS 457, this amendment required “concurrence” from impacted taxing districts, which the City received from the City of Wilsonville, Clackamas County, and the West Linn-Wilsonville School District.

The Year 2000 URA’s boundary resembles a spiderweb or Swiss cheese, mainly due to the successful growth of Assessed Value (AV) in the area, which allowed the City to remove property from the boundary periodically to reduce the amount of annual tax increment revenue (TIF) collected. In 2009, however, the Oregon State Legislature made changes to urban renewal to simplify the process of reducing TIF collected for URAs, like the Year 2000 URA, through an “underlevy.” This process allows URAs to share more funding with taxing districts without making revisions to the boundary each year. Annual TIF revenue in the Year 2000 URA has been voluntarily restricted to \$4 million since FY 2018-19, with the remaining TIF revenue distributed to the overlapping taxing districts by the county assessor.

As of June 30, 2021, \$93,385,000 of the Year 2000 URA’s maximum indebtedness has been used, leaving \$13,811,524 to complete any remaining projects before the term of the URA expires.<sup>2</sup> As of June 30, 2022, the Year 2000 URA had \$3,990,000 of outstanding principal indebtedness, resulting in total scheduled future debt service payments of \$4,444,325, including principal and interest. The last of these payments is scheduled for FY 2024-25. The City anticipates having sufficient resources to repay the indebtedness ahead of schedule in FY 2022-23.

An important financial consideration for the Year 2000 URA is the potential impact on the West Linn-Wilsonville School District’s local option levy upon the URA’s termination. The West Linn-Wilsonville School District currently loses significant tax revenue each year due to property tax “compression.” While the **compression** losses have decreased since the 2014 Strategic Plan was completed, they are still significant. The West Linn-Wilsonville School District lost 23% of their local option levy revenue to compression in FY 2021-22.<sup>3</sup> The division of tax rates that occurs as a result of urban renewal results in the West Linn-Wilsonville School District experiencing less compression than would otherwise

<b>Year 2000 URA</b>	
Adopted:	1992
Original Frozen Base:	\$44 M
Current AV:	\$550.5 M
Maximum Indebtedness:	\$107.2M
Est. Termination:	FY 2022-23

**Compression**

“Compression” is an Oregon tax system issue that that reduces the amount of taxes that can be collected in a given year if the collection amount is going to exceed the pre-set maximum established by Measure 5 and adjusted by Measure 50. The calculations, causes, and effects of compression are extremely complicated. If real market values and assessed values are converging, urban renewal can cause increases in compression. However, urban renewal can also be a tool to help facilitate growth that ultimately reduces compression. Urban renewal can also decrease compression in the schools category when school taxes are re-classified as general government taxes under urban renewal.

<sup>2</sup> City of Wilsonville Urban Renewal Agency, Annual Urban Renewal Report For Fiscal Year Ending June 30, 2021

<sup>3</sup> Clackamas County Assessor, FY 2021-22



occur. When the Year 2000 URA stops collecting TIF revenue, the West Linn-Wilsonville School District will experience an increase in compression losses for their local option levy. However, long-term trends suggest growth in real market values of properties in the area will outpace growth in assessed value of properties in the area, which will result in the gradual reduction of compression loss as a percentage of taxes extended for the West Linn-Wilsonville School District local option levy.

## Issues for Task Force Consideration and Recommendation

### Closure of the Year 2000 URA

Is there a reason to extend the closure date of the Year 2000 URA?

**Task Force Recommendation:** The Year 2000 URA should be closed once the MI is reached and all debt secured by TIF revenue is paid. This is anticipated to be in FY 2022-23.

**Implementation Action:** Transfer real property under ownership of the Urban Renewal Agency to the City of Wilsonville.

### A brief note regarding the closure of both the Year 2000 and West Side URAs:

When the Year 2000 and West side URAs are closed, increment will no longer be collected. All tax revenue within the closed URA boundaries will go to previously-affected overlapping taxing districts. As noted above, TIF revenue has already been returned in part to the districts, but with the closure of the URAs, the full increment will now flow directly through to all taxing districts, as show in the table below:

Taxing District	Permanent Rate	Returned to Tax Roll		
		Westside	Year 2000	Total
West Linn/Wilsonville School Dist	\$ 4.8684	\$ 1,884,654	\$ 1,507,723	\$ 3,392,377
City of Wilsonville	\$ 2.5206	\$ 975,774	\$ 780,619	\$ 1,756,393
Clackamas County (City)	\$ 2.4042	\$ 930,713	\$ 744,571	\$ 1,675,284
Tualatin Valley Fire & Rescue	\$ 1.5252	\$ 590,435	\$ 472,348	\$ 1,062,783
Clackamas County College	\$ 0.5582	\$ 216,090	\$ 172,872	\$ 388,962
Clackamas County Library	\$ 0.3974	\$ 153,841	\$ 123,073	\$ 276,915
Clackamas Education Service Dist	\$ 0.3687	\$ 142,731	\$ 114,185	\$ 256,916
Metro	\$ 0.0966	\$ 37,396	\$ 29,917	\$ 67,312
Port of Portland	\$ 0.0701	\$ 27,137	\$ 21,710	\$ 48,847
County Extension and 4H	\$ 0.0500	\$ 19,356	\$ 15,485	\$ 34,841
Clackamas Soil & Water	\$ 0.0500	\$ 19,356	\$ 15,485	\$ 34,841
Vector Control	\$ 0.0065	\$ 2,516	\$ 2,013	\$ 4,529
<b>Total</b>	<b>\$ 12.9159</b>	<b>\$ 5,000,000</b>	<b>\$ 4,000,000</b>	<b>\$ 9,000,000</b>

Note: No direct impact on West Linn/Wilsonville School District or Clackamas ESD, as increases in local property tax revenue are offset by reductions in allocations from the State School Fund.

# West Side Plan

## Background

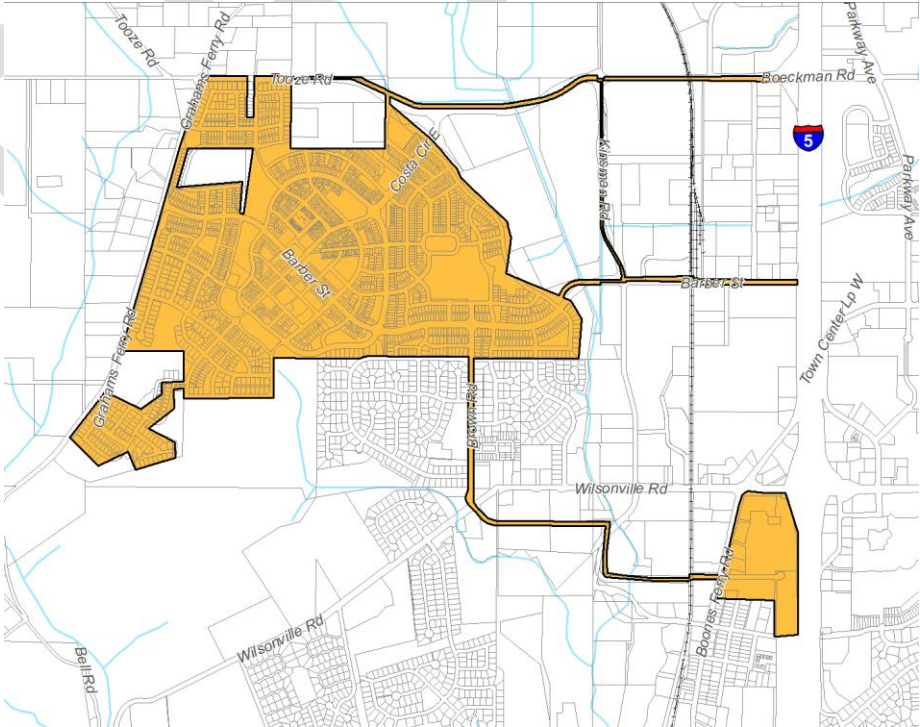
The West Side URA (shown in Figure 6) was created in 2003 after securing approval from 80% of voters in an advisory vote of the public. The goal of the URA is to promote development and fund infrastructure improvements on and around the former Dammasch State Hospital site, resulting in the Villebois Village—a 500-acre award winning community comprised of 2,600 dwelling units and supporting neighborhood commercial—offering quality housing options for a variety of income levels. Specifically, the URA’s goals were to:

<b>West Side URA</b>	
Adopted:	2003
Original Frozen Base:	\$16.5 M
Current AV:	\$747.5 M
% increase in AV:	4530%
MI:	\$49.4 M
Est. Termination:	FY 2023-24

- Develop a transportation network within Villebois
- Provide transportation and utility infrastructure to connect Villebois to the remainder of the City
- Support the development of diverse housing types
- Provide public services and facilities, including a dynamic regional park and trail system
- Make public investments that directly support high-quality private development.

The original West Side URA was 385 acres, but the present area is 411 acres and includes the Villebois area and rights-of-way for Boeckman Road, Barber Road, Kinsman Road, and Brown Road.

**Figure 6. West Side Boundary** (Source: City of Wilsonville)



## Projects

The major projects identified in the West Side Urban Renewal Plan are the construction of the Boeckman Road extension and Barber Street extension, in addition to improvements on Tooze Road, Barber Street, and Brown Road. Smaller projects include a \$2 million contribution to the construction of community and regional parks and the acquisition of an elementary school site as part of a land exchange agreement, where the City obtained an equally-sized parcel from the West Linn-Wilsonville School District on Advance Road for sports fields. The project list is shown in Figure 7.

The only remaining project is an urban upgrade to Brown Road, which is expected to begin design in FY 2022/23.

**Figure 7. West Side Projects Summary**

Project	Complete
Other Transportation/Brown Road	No
Barber St. (Kinsman Rd. to Coffee Lake Dr.)	Yes
Tooze Rd. (110th to Grahams Ferry Rd.)	Yes
Sprinklers	Yes
Parks	Yes
Old Town Escape (Kinsman Option)	Moved to Year 2000 Plan
Kinsman Rd. (Barber to Boeckman Rd.)	Yes; Paid with other funds
Boeckman Rd. Repair	Yes
Boeckman Rd. (95th to 110th)	N/A
Barber St. (Boones Ferry Rd. to Boberg)	N/A
Barber St. (Boberg to Kinsman Rd.)	N/A
Grahams Ferry Rd. (Tooze to LEC)	Completed by private development
School Site	Yes

Source: City of Wilsonville

## Financial Considerations

The URA originally had a frozen base assessed value of \$16.5 million. The assessed value of the URA has increased significantly, and is now over \$777 million.

The maximum indebtedness for the West Side URA was originally \$40 million but was increased to \$49.4 million as a result of the 2014 Strategic Plan, to allow for sufficient funding to complete the projects within the URA. All maximum indebtedness has been allocated to projects.

Since FY 2018-19, annual TIF revenues in this area have been voluntarily restricted to \$5 million, with the remaining TIF distributed to the overlapping taxing districts by the county assessor.

As of June 30, 2022, there was \$9,100,000 of outstanding principal indebtedness, resulting in total scheduled future debt service payments of \$10,479,065, including principal and interest. The last of these payments is scheduled for FY 2027-28. The City anticipates having sufficient resources to repay the indebtedness ahead of schedule in FY 2023-24.

As with the Year 2000 URA, an important financial consideration for the West Side URA is the potential impact of the URA expiration on the West Linn-Wilsonville School District's local option levy. This issue is described in the previous section on the Year 2000 Plan. The City is committed to communication and coordination with the School District on this matter.

## Issues for Task Force Consideration and Recommendation

### Closure of the URA

Is there a reason to extend the closure date of the West Side URA?

**Task Force Recommendation:** The West Side Urban Renewal Area should be closed once the MI is reached and all debt secured by TIF revenue is paid. This is anticipated to be in FY 2023-24.

# Coffee Creek

## Background

<u>Coffee Creek URA</u>	
Adopted:	2016
Original Frozen Base:	\$99 M
Current AV:	\$128.3M
MI:	\$67M
Remaining MI:	\$62.5M
Estimated Termination:	FY 2041-42

The Coffee Creek Industrial Area lies west of I-5 and is adjacent to the northwest corner of the City of Wilsonville (Figure 8). Much of the land in the URA is located outside of Wilsonville’s city limits but within the UGB. Bounded on the north by the Coffee Creek Correctional Facility and Day Road, the Coffee Creek Urban Renewal Area contains approximately 258 acres of land zoned for industrial development. The Coffee Creek URA benefits from prime access to major transportation corridors due to its location

along the I-5 corridor and its resulting easy access to I-5, I-84, OR-26 and OR-217. The Coffee Creek Boundary is shown in Figure 8 (next page).

The URA is projected to provide more than 1,800 family wage jobs at full buildout<sup>4</sup>. Business development in the Coffee Creek URA will synergize with new residential development at Villebois Village and good access to public transportation, including close proximity to the Westside Express Service (WES) rail line.

Recently, the Coffee Creek Logistics Center was completed with 110,000 SF of new flex industrial space available. Two additional warehouses are in process, with 148,000 SF under construction for the Black Creek Group, and another land use application under planning review for Precision Countertops. Such significant industrial investment will greatly benefit the growth in increment that is needed to generate additional funding for infrastructure projects in the Coffee Creek URA.

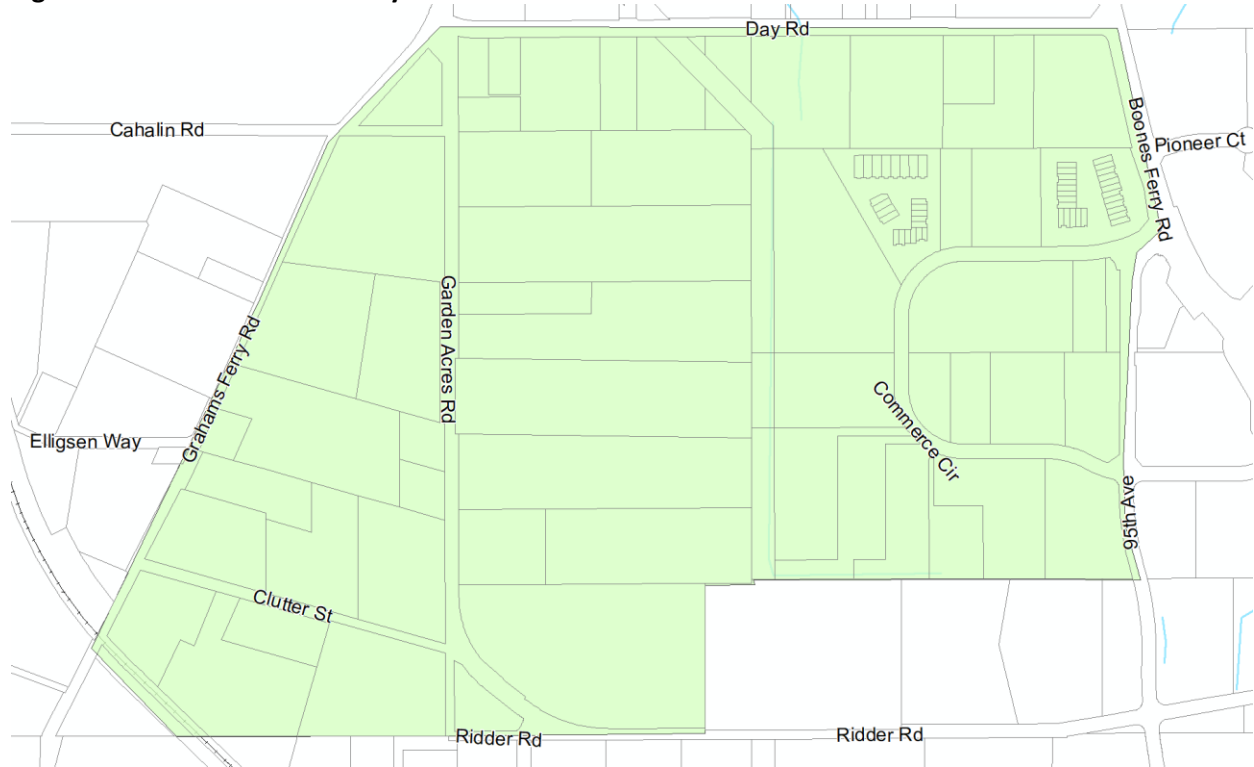
## Projects

The Coffee Creek URA is composed of mostly a combination of older industrial development, underutilized sites, and vacant land. All categories include the potential for future economic uses. However, the URA is lacking the infrastructure to support new development. The projects identified in the Coffee Creek Plan address those infrastructure deficiencies, seen in Figure 9 and Figure 10.

The first phase of the Garden Acres Road project has been completed from Ridder Road to Day Road. The remaining projects focus exclusively on infrastructure to support industrial/employment development. The Coffee Creek Urban Renewal Plan estimated that all projects would be built and the urban renewal debt repaid in 2042.

<sup>4</sup>CCIA Infrastructure Report, Memorandum from FCS Group sent on 4/5/2011.

**Figure 8. Coffee Creek Boundary**



Source: City of Wilsonville

**Figure 9. Projects in Coffee Creek Plan**

Project	Timing
SW Garden Acres Road	Phase I done
SW Day Road	2023-2025
SW Grahams Ferry Road	2031-2034
SW Java Road	2024-2025
SW Clutter Road	2024-2025
Coffee Creek Industrial Area Sewer Extension	2024-2025
Lower Graham's Ferry Road Storm Outfall	2031-2032
Coffee Creek Regional Detention Pond	2029-2030
Fiber Optic Cable	included above
Railroad Undercrossing	2032-2033
Administration	2018-2042
Finance Fees	2018-2033

Source: Coffee Creek Urban Renewal Plan

Figure 10. Infrastructure Projects in Coffee Creek



Source: City of Wilsonville

## Financial Considerations

The Coffee Creek URA was adopted in 2016. The frozen base is \$99,000,000, and the current assessed value is \$128,275,421. The value from Commerce Circle provided a modest frozen base, which provided necessary TIF revenue for the initial infrastructure investments. The estimated termination date of the URA is 2042.

The Coffee Creek URA has a maximum indebtedness of \$67,000,000. The maximum indebtedness remaining is \$62,700,000.

## Issues for Task Force Consideration and Recommendation

### Are any of the projects no longer needed?

**Task Force Recommendation:** All of the projects are still needed, none of the projects should be removed from the Coffee Creek Plan.





## Should the project costs be updated to current dollars? (accuracy of original estimates, inflation assumptions, timing delays, and changes to scope?)

**Task Force Recommendation:** Yes

**Rationale:** *In the years since the Coffee Creek Plan was initially adopted, much has changed, including timing delays and significant inflation. Project costs should be updated and analyzed in a current finance plan to understand the overall capacity to fund the projects in the Coffee Creek URA. This should be completed before such time that the Ridder Road and Property Acquisition projects (noted above) are added to the plan by amendment, so that only one plan amendment is needed.*

## Should there be any changes to the Coffee Creek boundary?

**Task Force Recommendation:** Yes, Ridder Road should be added to allow funding to be allocated to that project. (see rationale above in project additions)

## Should there be changes to the maximum indebtedness of the Coffee Creek URA to account for project cost escalation?

**Task Force Recommendation:** Revisit this issue at a later date when more development has occurred in the URA, more of the projects have been completed, a financial update has been completed and more of the indebtedness has been used.

# WIN Program

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## Background

In 2020, the Wilsonville City Council directed City staff to redesign the TIF Zone program with input from the Task Force, as none of the development that occurred within the six originally-established TIF Zones met the eligibility criteria for the program. Staff prepared a more effective proposal that offered greater flexibility for eligibility, including fewer restrictions on geographic location, a new scoring system that considered investments, jobs, and wages, and two tiers of benefits (either 4 or 7 years). The proposal was reviewed with the Task Force and received unanimous support. The Task Force's recommendations that the program incorporate Diversity, Equity, and Inclusion (DEI) criteria and prioritize legacy Wilsonville businesses were added to the final proposal that was adopted by Council in October 2020 in the form of WIN Administrative Rules, allowing staff to market the program to prospective businesses.

The WIN program is structured as a tax rebate, so qualifying companies must deliver on their commitments (capital investment, jobs, wages, etc.) and pay their taxes before the rebate is issued to them. It is a citywide program—the only boundary restriction is that a WIN project must not be within an existing urban renewal area.

Eligibility is based on a total score received on the following criteria:

- Value of new investment
- Number of new employees
- Compensation of new employees
- DEI Commitments
- Years of Operation in Wilsonville

There are two tiers of benefits (4 and 7 years) depending on a project's score. The full incentive is a tax rebate for 7 years, and a partial incentive is a tax rebate for 4 years. The benefits for qualifying businesses are rebates of 100% of TIF revenue generated by the new investment after the City's administrative costs (up to 10%) have been paid. TIF revenue is only generated from permanent rate levies, not from General Obligation (GO) bonds or local option levies.

The current scoring system is shown in Figure 12.

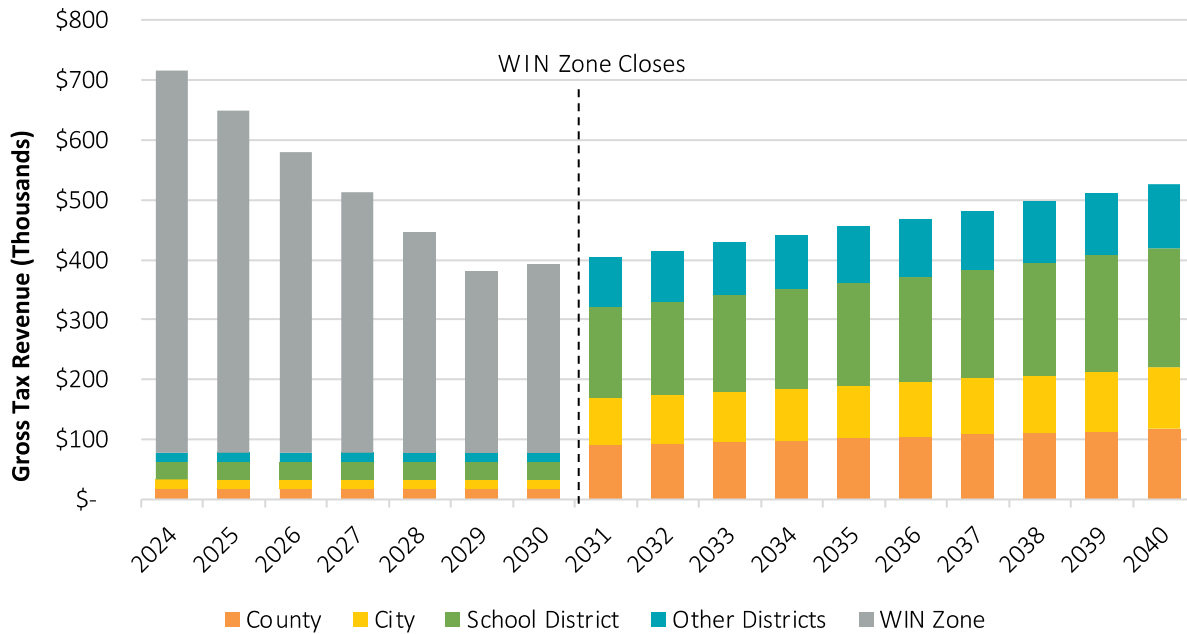
Figure 12. WIN Program Scoring System

Scoring Criteria	
<b>Capital Investment</b>	1 point per \$500,000 of investment
<b>New Employment</b>	0 points: <100% of County average wage
	0.2 points: 100% > 125% of County average wage
	0.4 points: 125% > 150% of County average wage
	0.6 points: >150% of County average wage
<b>Local Business Tenure</b>	0.5 points for each verified year of business operations in the City of Wilsonville. Maximum of four (4) points.
<b>Diversity, Equity, and Inclusion</b>	4 points for meeting two of the following criteria:
	Business Certification (Minority, Women, Disadvantaged, Veteran)
	Certified B Corporation
	DEI Procurement Plan
	DEI Workforce Development Plan
	DEI Company Program with at least 1 FTE
	On-site employer-provided childcare
Benefits	
<b>Less than 60 points</b>	Does not qualify for benefits
<b>60 to 79 points</b>	Partial benefits (4 years)
<b>80 points or above</b>	Full benefits (7 years)

Source: Tiberius Solutions

In early 2021, a qualifying WIN application was received from the exact type of a business Wilsonville was trying to attract—a large traded-sector project that would strengthen the local economy with a significant capital investment and the creation of new, high-wage jobs. Twist Bioscience, a California-based DNA synthesis firm, proposed to redevelop a nearly 200,000 square foot existing facility in Wilsonville, resulting in a \$70 million investment and the creation of 200 new jobs to start, and as many as 400 over time. The business qualified for the WIN Program’s URA property tax rebate, and in 2021, the City Council established the first WIN Zone to support Twist’s investment. Figure 13 shows the property tax revenues forecast to be generated by Twist Bioscience.

**Figure 13. Impacts to Taxing Districts**



Source: Tiberius Solutions

## Issues for Task Force Consideration and Recommendation

### Do we have the right list of scoring criteria?

**Task Force Recommendation:** No

### Should the scoring system change to emphasize or deemphasize any criteria?

**Task Force Recommendation:** The WIN Program should allow for a higher score for long-time existing Wilsonville businesses.

**Rationale:** The health and retention of existing local businesses is important to the city. These businesses should receive priority attention on access to the program.

### Should the level of incentives be increased or decreased?

**Task Force Recommendation:** No

### Are any other changes recommended?

**Task Force Recommendation:** The WIN Program should add a step earlier in the application process for vetting applicants, including an opportunity for public input (i.e., public open house or review by other standing city committees) in order to surface any potential issues or public concerns that may jeopardize the application or project as they progress toward approval.

**Rationale:** The experience from initial application in the WIN program showed that an opportunity for vetting earlier in the process could have been helpful in moving the application smoothly through the process and approval.

# Consideration of Future Uses of Tax Increment Financing

The Task Force was presented with three potential uses of urban renewal for their input and recommendation: 1) Wilsonville Town Center, 2) Basalt Creek Industrial Area, and 3) using urban renewal as one tool (of many) to address housing affordability issues.

## Town Center

### Background

The Wilsonville Town Center Plan (Town Center Plan) was adopted in May 2019. The Town Center Plan envisions a vibrant, walkable destination that inspires people to come together and socialize, shop, live, and work; it is the heart of Wilsonville; it is home to active parks, civic spaces, and amenities that provide year-round, compelling experiences, and; Wilsonville residents and visitors come to Town Center for shopping, dining, culture, and entertainment.

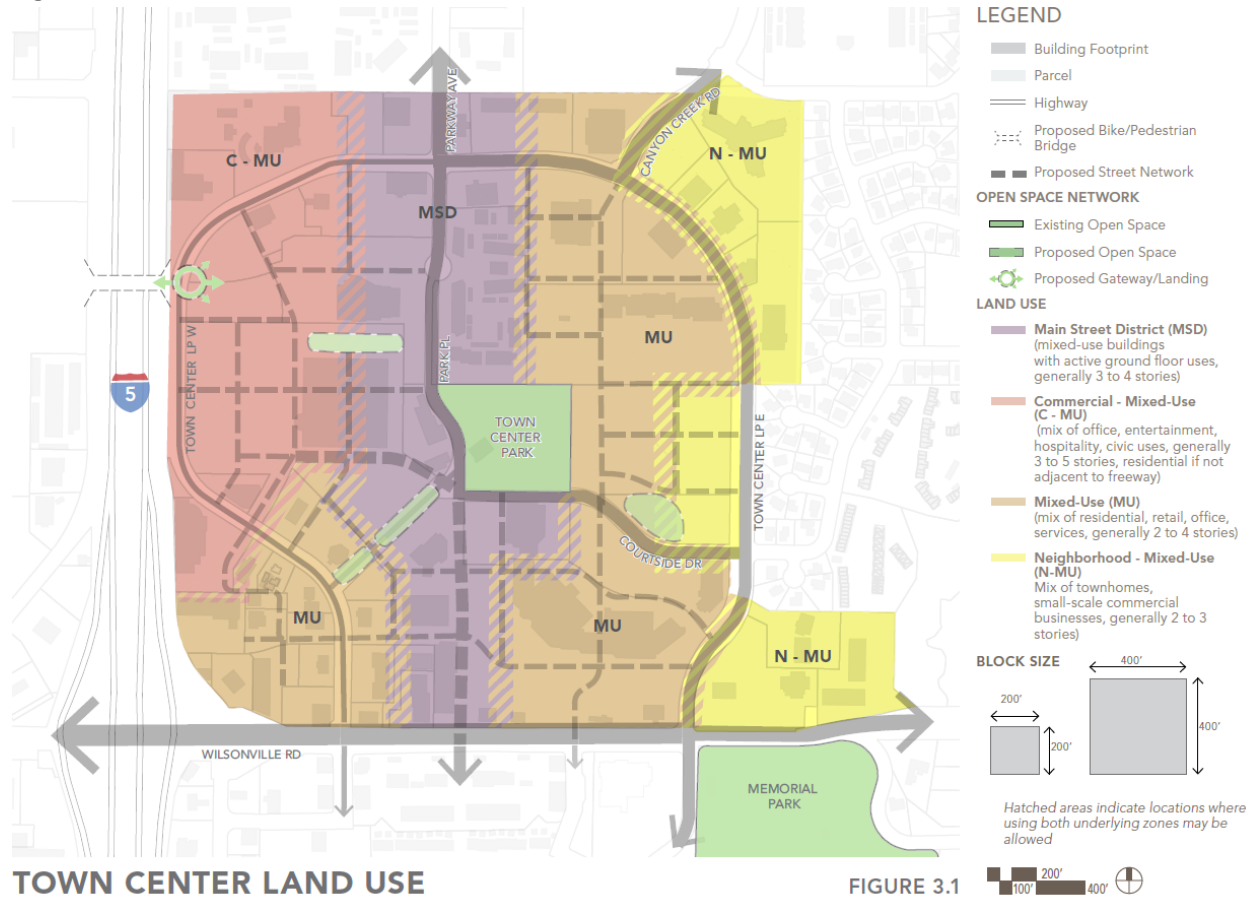


The goals for the Town Center are:

- **Environmental Stewardship:** Integrate nature into the design and function of infrastructure and development in Town Center to protect Wilsonville’s natural resources
- **Harmonious Design:** Ensure buildings and streets are pedestrian-oriented and there are a variety of quality building types and land uses
- **Mixed Uses:** Encourage development that provides interconnected land uses that incorporate play and recreation, with a range of retail, services, dining and entertainment options, and increased opportunities for residential and employment uses.
- **Safe Access and Connectivity:** Provide transportation infrastructure designed to create a safe, accessible environment for all modes of travel in Town Center, foster multimodal access between buildings and land uses in Town Center, connect to surrounding neighborhoods, and provide local and regional accessibility.
- **Community Gathering Places:** Provide vibrant, diverse, and inclusive spaces that bring people together with activities and events for year-round fun, culture and socializing.
- **Economic Prosperity:** Create opportunities to support and grow existing businesses and attract new businesses that provide a diverse range of local and regional retail, entertainment, and commercial activities.

The key elements of the Town Center Plan are new land uses, the Emerald (Park) Chain, Main Street, and other key infrastructure projects including a pedestrian bridge over I-5. Main Street is the heart and backbone of Town Center and its planned “sense of place” best represents the vision for Town Center.

Figure 13. Town Center Land Use



Source: Wilsonville Town Center Master Plan

Figure 13 shows land uses in Town Center, and illustrates how Town Center is focused around Main Street (purple). Future multi-modal connectivity is shown with dashed lines. Areas highlighted in green show the Emerald Chain, an organizing principle around open spaces.

The community’s vision for Town Center is fundamentally different than what exists today. An essential aspect is increased activity. Mixed uses are allowed throughout the Town Center, increasing development opportunities and creating a more dense and vibrant Town Center. The tallest building allowances are located near I-5, tapering down to development that is two-to-three stories closer to the residential area to the east. Active ground floor uses will bring the Main Street to life, and the Emerald Chain, streetscape design, and development standards, will create a pedestrian-oriented environment and spaces in the public realm where people can walk around and gather.

The I-5 Pedestrian Bridge and Gateway Plaza are in the northwest portion of the planning area. The Bridge serves as a critical link in the City’s multi-modal trail network system and in connecting the Town Center to the SMART Transit Center, employment centers, and City neighborhoods west of I-5.

The proposed infrastructure projects, locations, and preliminary cost estimates for Town Center are shown in Figure 14 and Figure 15. They include a combination of new roadway connections, enhancements to existing connections, and pedestrian/bike projects. The infrastructure investments are

a key backbone to help achieve the larger vision as they support new development and mixed use. A number of funding sources, public and private, will be required in order to complete the projects on the following table. The city is currently developing an “Infrastructure Funding Plan” for the Town Center planning area and urban renewal is a funding source that will be considered as part of the overall funding strategy.

## Potential Infrastructure Projects

**Figure 14. Potential Infrastructure Projects**

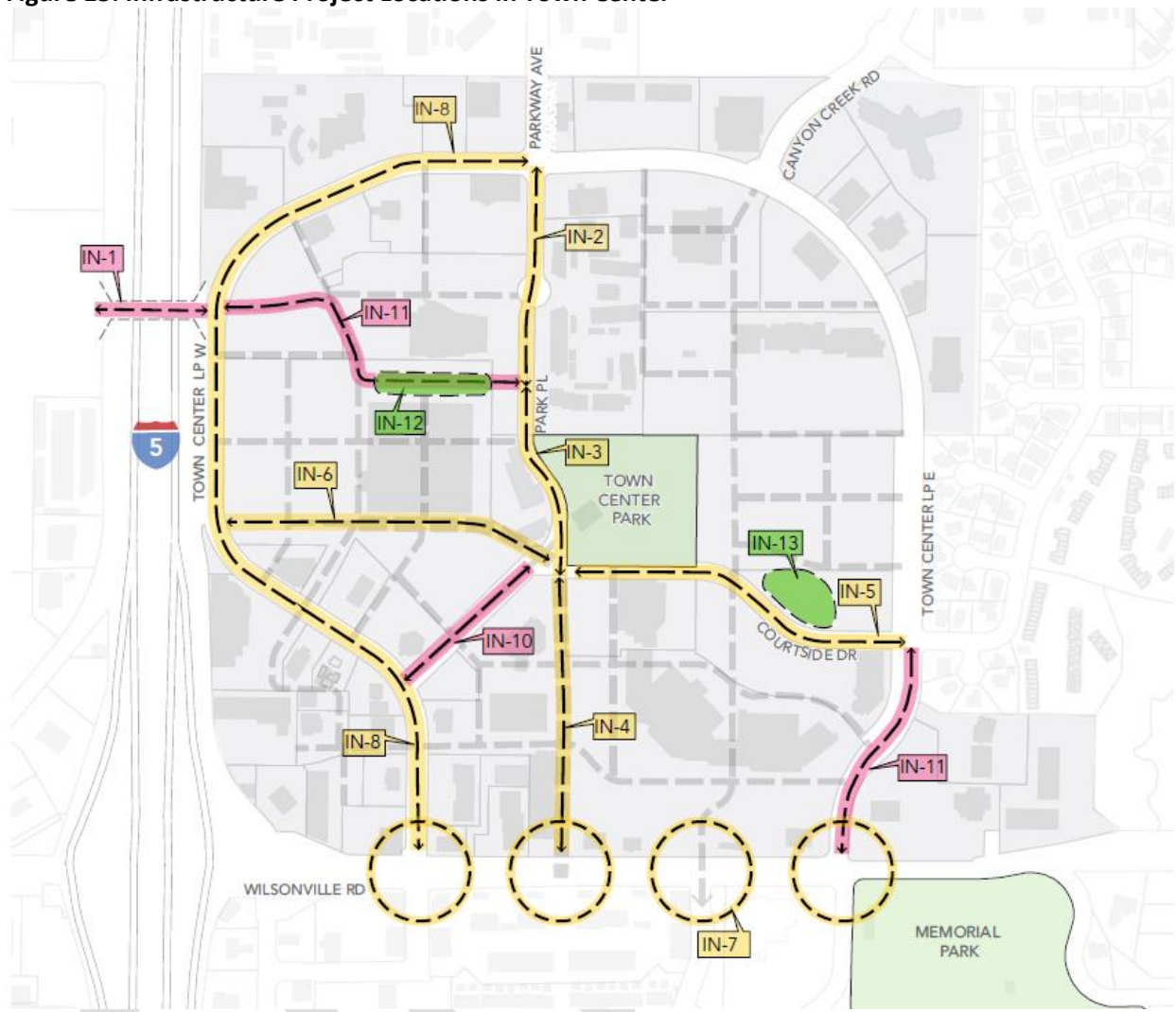
Source: Costs prepared by David Evans Associates, May 2022. Expressed in year 2022 dollars.

Project Number	Project Name	Cost Estimate (Design/Const/ROW)	Prelim. Funding Sources	SDC Category
IN-1	I-5 Bike/Pedestrian Bridge Gateway	\$ 15,000,000	TSDC, Special Assessment, URA	Transportation
IN-2	Park Place Redesign (Town Center Loop to Northern Edge of Town Center Park)	\$ 6,016,685	TSDC, Special Assessment, URA	Transportation
IN-3	Park Place Redesign (Town Center Park to Courtside Drive, Framework Project)	\$ 3,557,920	TSDC, Special Assessment, URA	Transportation
IN-4	Park Place Extension (Courtside Drive to Wilsonville Road, Framework Project)	\$ 7,207,510	TSDC, Special Assessment, URA	Transportation
IN-5	Courtside Drive Improvements (Park Pl. to Town Center Loop E)	\$ 5,010,740	TSDC, Special Assessment, URA	Transportation
IN-6	Courtside Drive Extension (Park Place East to Town Center Loop W, Framework Project)	\$ 5,873,760	TSDC, Special Assessment, URA	Transportation
IN-7	Wilsonville Road Intersection Modifications	\$ 2,462,155	TSDC, LID, URA	Transportation
IN-8	Town Center Loop W Modifications	\$ 2,666,805	TSDC, Special Assessment, URA	Transportation
IN-9	Local Road Network	N/A	Private Development	N/A
IN-10	Park Place Promenade Redesign	\$ 2,628,740	TSDC, URA	Transportation
IN-11	Cycle Tracks	\$ 1,790,770	TSDC, URA	Transportation
IN-12	Promenade (Framework Project)	\$ 2,035,015	TSDC, URA	Transportation
IN-13	Town Center Skatepark	\$ 954,015	Parks SDC, URA	Parks
IN-14	Water, Sewer and Stormwater System Upgrades	\$ 34,986,525	Utility Rates, Connection Charges, LID, URA	Water, Sewer, Storm
<b>TOTAL</b>		<b>\$ 90,190,640</b>		

### Water, Sewer, Storm Detail

IN-14A	Storm System Upgrades	\$ 15,797,330	Developer On-site, SDC, Rates	
IN-14B	Sanitary System Upgrades	\$ 9,905,300	Developer On-site, SDC, Rates	excl. private lines of 8"
IN-14C	Water System Upgrades	\$ 9,283,895	Developer On-site, SDC, Rates	
<b>SUBTOTAL</b>		<b>\$ 34,986,525</b>		

Figure 15. Infrastructure Project Locations in Town Center



Source: Wilsonville Town Center Master Plan

### Financial Considerations

The City is presently conducting an Infrastructure Funding Plan (IFP), updating the cost estimates from the Town Center Plan. The IFP will determine the City’s share of the infrastructure costs to identify funding gaps and consider the feasibility of using urban renewal as one an element of the overall funding strategy. The IFP is anticipated to be completed in late 2022.

### Acreeage Considerations

The Town Center Planning Area is approximately 155 acres.



## Issues for Task Force Consideration and Recommendation

### Is urban renewal an appropriate tool in Town Center to achieve the vision of the community?

**Task Force Recommendation:** The Task Force supports the City's ongoing work to develop a Town Center Infrastructure Funding Plan and recommends the City pursue a full urban renewal feasibility study for the Town Center area to include timing, duration, eligible projects, anticipated private development, private contribution, and impact on taxing districts for future Task Force consideration.

Upon review of the draft Town Center Infrastructure Funding Plan, the City Council also recommends a parking structure be studied and considered as a potential project if warranted and feasible, funded in whole or in part by urban renewal, as a potential project under a new urban renewal plan in Town Center.

The Task Force especially supports infrastructure projects that support private development, but further recommends the exploration of additional tools in a potential Urban Renewal Plan to include programs that support legacy businesses facing displacement pressures, such as tenant improvement grants or loans. The Task Force prefers to limit eligibility for such incentives to those businesses that are not part of a national chain or franchise model, and wishes to ensure eligibility for local legacy businesses and childcare service providers that will support the employers, employees, and residents of the Town Center area, and Wilsonville more broadly.

**Rationale:** *The City of Wilsonville has used tax increment financing as an important part of paying for needed infrastructure in helping to facilitate growth in the city. This tool can be useful in paying for a portion of the infrastructure, which will be required to complete the Town Center vision and support desired uses within the area.*

### Should this question be presented to the community for an advisory vote?

**Task Force Recommendation:** Yes, once a feasibility study has been completed and if the Task Force recommends pursuing urban renewal/TIF at that time.

# Basalt Creek

## Background

The Basalt Creek Planning Area (BCA) is an area of employment lands found in the far northwest quadrant of the Wilsonville UGB. The northernmost portion of the BCA exists within Tualatin jurisdiction. The current Basalt Creek Parkway and its future extension eastward bisect the planning area north/south between the two cities.

The BCA was brought into the Urban Growth Boundary (UGB) in 2004. The Basalt Creek Transportation and Refinement Plan was adopted in November of 2012 and was a joint effort involving Washington County, City of Tualatin, City of Wilsonville, Metro, Oregon Department of Transportation and area residents. The Basalt Creek Concept Plan was adopted by the City in July 2018 and projected that over 2,500 jobs would be available in the Basalt Creek at build out. This includes:

- 1,916 high-tech jobs
- 27 craft industrial jobs<sup>5</sup>
- 581 light industrial jobs<sup>6</sup>

## Basalt Creek within a Regional Context

Due to multiple factors, including Oregon’s unique land use system, which tightly regulates and limits the urbanization of rural unincorporated areas, the supply of development-ready land zoned for industrial and employment uses in the Portland Metro area is quite limited. In fact, it is so limited that it has been identified by many land-use planners and economic development practitioners as a serious concern that may be inhibiting the economic growth and overall competitiveness of the Portland economy when vying for business expansions, relocations, and site selection opportunities.

In an effort to plan for and prepare development-ready employment lands in the Portland area, the regional government, Metro, has been studying and inventorying industrial lands and ranking undeveloped or underdeveloped properties using a tier system. Tier 1 sites are considered development ready with few if any encumbrances or constraints. Lower tiers have development constraints such as lack of infrastructure connectivity, wetlands, brownfield conditions, etc. The Metro Regional Industrial Site Readiness Inventory 2017 update states “there are relatively few unencumbered Tier 1 industrial sites remaining in the inventory and no 50+ or 100+ Tier 1 sites,” and “if this regional issue is not addressed, the Portland region will experience lost opportunities for new game-changer business locations and expansions.” Within the BCA, shown

**Tier 1:** Development-ready within 180 days. It is anticipated that a site can receive all necessary permits; sites can be served with infrastructure and zoned and annexed into the city within this timeframe. No or minimal infrastructure or brownfield remediation is necessary and that due diligence and entitlements could be provided and/or obtained within this time period.

**Tier 2:** Likely to require 7-30 months to become development-ready.

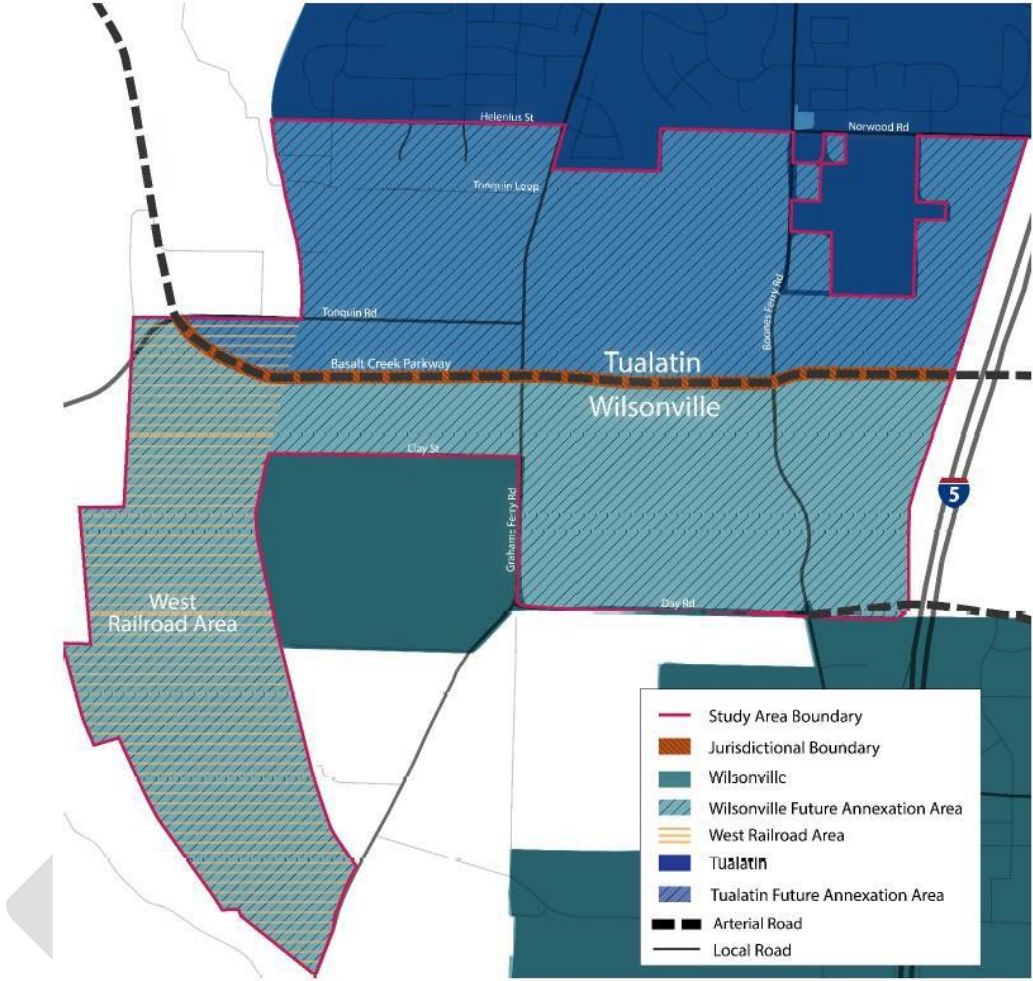
**Tier 3:** Likely to require over 30 months to become development-ready.

<sup>5</sup> Craft industrial could include distilleries, artisans, small shops, and manufacturing at small level.

<sup>6</sup> Basalt Creek Concept Plan, Technical Appendices, p 30-31

in Figure 16 below, there is one site, the “Chamberlain” site, some 43 gross acres, identified as a Tier 3 site.<sup>7</sup>

Figure 16 – Basalt Creek Planning Area



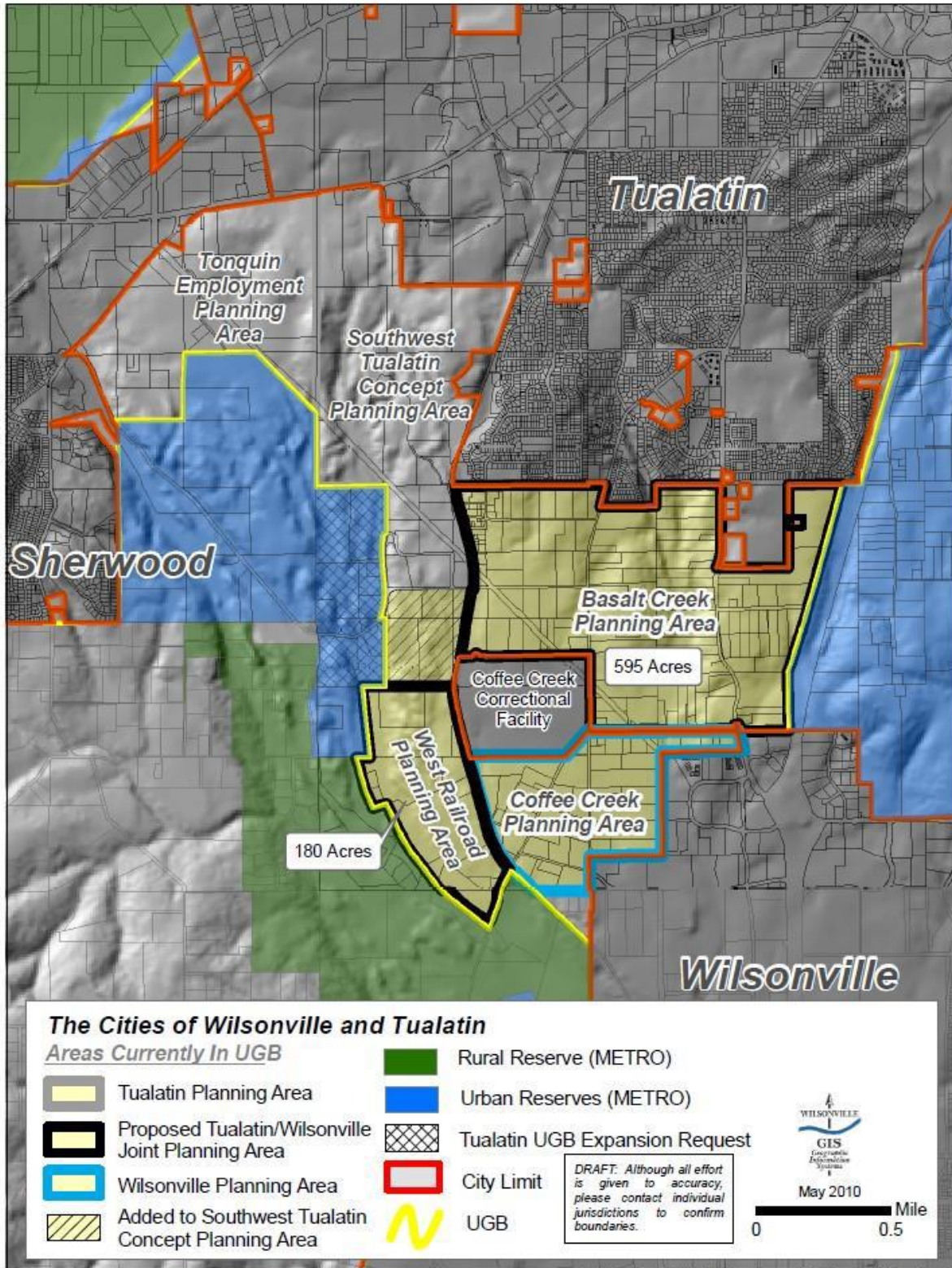
Source: City of Wilsonville

Future work in the Basalt Creek Planning Area, for Wilsonville, includes refining and updating the infrastructure plans and cost estimates and refining the zoning in the area.

Adjacent cities are also pursuing improvements in the area to make it developable, shown in Figure 17. The City of Tualatin adopted an urban renewal plan for their portion of Basalt Creek in 2021. Sherwood adopted an urban renewal plan in 2021 that encompasses the Tonquin Employment Area, adjacent to the Basalt Creek Planning Area.

<sup>7</sup> Metro Regional Industrial Site Readiness Inventory (2017 update)

Figure 17 – Basalt Creek Planning Area and Surrounding Areas



Source: City of Wilsonville

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## Projects

There are eighteen projects that were identified in the Basalt Creek Refinement Plan, for a cost between \$228 million to \$238 million. The potential projects span both jurisdictions—Wilsonville and Tualatin. Wilsonville-specific projects are shown in Figure 18 and the locations are shown in Figure 19 (next page).

**Figure 18 – Potential Projects in Basalt Creek**

Project	Description
1. Basalt Creek Parkway Extension	Basalt Creek Parkway Extension from Grahams Ferry Road to Boones Ferry Road
2. Basalt Creek Trail Projects	2 trails: Basalt Creek Canyon and I-5 Easement
3. Widen Boones Ferry Road to 5 lanes:	Widen Boones Ferry Road between Basalt Creek Parkway and Day Road to five lanes
4. Widen Grahams Ferry Road to 3 lanes	Widen Grahams Ferry Road between Basalt Creek Parkway and Day Road to three lanes with bike lanes, sidewalks, and transit improvements
5. Boones Ferry Road/95 <sup>th</sup> Avenue	Implement access controls on Boones Ferry Road between Day Road and 95 <sup>th</sup> Avenue to improve safety and add capacity.
6. Basalt Creek Parkway Overcrossing:	Extend Basalt Creek Parkway over I-5 as a four-lane roadway
7. Day Road Overcrossing	Extend Day Road over I-5 to Elligsen Road as four-lane roadway
8. Dual Southbound Right Turn Lanes	Add a second southbound right turn lane on the I-5 off-ramp at Boones Ferry Road
9. Pioneer Court Extension	Extend Pioneer Court to the north, approximately 1,000 feet north of Day Road, connect to Boones Ferry Road to the west

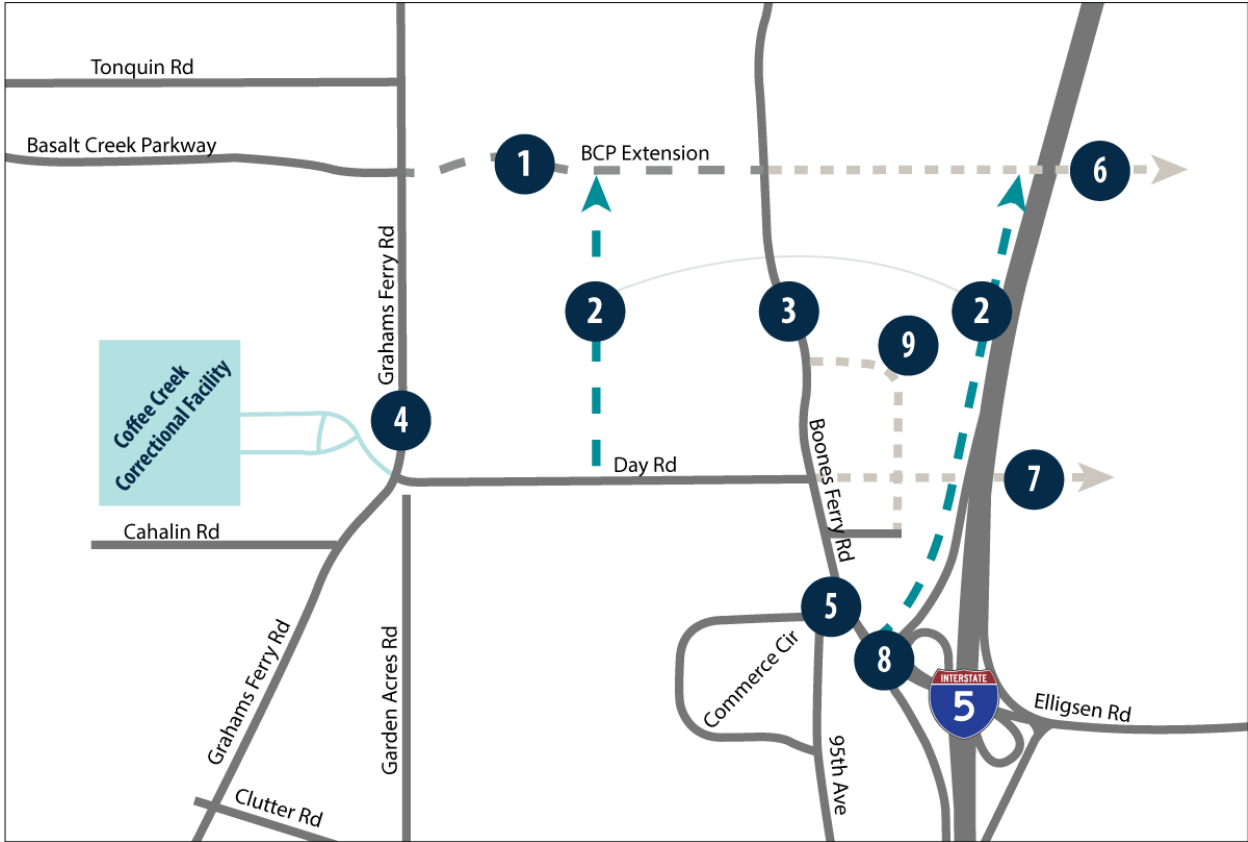
Source: City of Wilsonville

## Acreage Considerations

The portion of the Basalt Creek planning area that is in Wilsonville is 239 acres, of which 136.64 acres are buildable acres.<sup>8</sup> West Railroad (future Wilsonville) is included in the Urban Growth Boundary (UGB) Expansion, but not planned as part of Basalt Creek Planning Area, recognizing it is even further out in time from being able to be served with infrastructure than Basalt Creek. It is 241 gross acres, 60 of which are potentially developable. When added to the acreage in the planning area, there is approximately 480 gross acres, of which 195 are developable. The Urban Growth Boundary expansion is a total of 847 gross acres.

<sup>8</sup> Basalt Creek Concept Plan, Attachment A

Figure 19 – Basalt Creek Project Locations



Source: City of Wilsonville

### Issues for Task Force Consideration and Recommendation

**Is urban renewal an appropriate tool in Basalt Creek to provide improvements to allow the area to develop and add employment and development for the community?**

**Task Force Recommendation:** The Task Force recommends the city pursue a full urban renewal feasibility study for Basalt Creek to include timing, duration, eligible projects, anticipated private development, private contribution, and impact on taxing districts for future Task Force consideration.

**Should this question be presented to the community for an advisory vote?**

**Task Force Recommendation:** Yes, consistent with the City of Wilsonville policy on new urban renewal areas and once a feasibility study has been completed, and if the Task Force recommends using urban renewal as a tool for Basalt Creek at that time.

# Housing Incentives

## Background

The Equitable Housing Strategic Plan, adopted in 2020, evaluated existing housing inventory and identified actions the City could take to address equitable housing issues. The City is currently working towards the goals of HB 2001 and 2003 to incorporate middle housing (housing product between single-family detached and apartments), securing land for affordable housing construction, and looking at how System Development Charges (SDC) may be adjusted. The City is also discussing transit-oriented development at the SMART Central at Wilsonville Station (WES Station on Barber Street), and recently adopted a vertical housing development zone in parts of Villebois Village Center and Town Center. In addition, the City is exploring the possibility of a construction excise tax (up to 1% on building permit valuation) that would help fund an affordable housing trust fund.

### Overview of Equitable Housing Actions (Excerpt from Equitable Housing Strategic Plan)

<b>1. Implementation Actions</b> High-priority actions the City plans to initiate within two years of strategic Plan adoption	<b>2. Actions Requiring Further Exploration</b> High-priority actions that require further research and community discussions for the City to determine how or if it will pursue in the near term.
1A: Explore Implementation of Transit-Oriented Development (TOD) at City-owned Wilsonville Transit Center Property 1B: Incorporate Equitable Housing Needs into Middle Housing Planning 1C: Define Equitable Housing Approaches in New Urban Growth Areas 1D: Create Housing Tax Abatement Programs to Achieve Housing Diversity and Affordability 1E: Facilitate Connections to Partners and Housing Resources Through City Liaison	2A: Secure Land for Development of Affordable and Equitable Housing 2B: Modify Parking Requirements, Which May Reduce Housing Costs 2C: Explore Tactics to Reduce the Impact of Systems Development Charges on Affordable Housing 2D: Partner with Community Land Trusts 2E: Explore Homeownership Support Programs 2F: Explore Housing Preservation Tax Abatement 2G: Support Local Home Repair Programs 2H: Assess Accessibility and Visitability Standards or Incentives

The master planning efforts for Frog Pond include how to ensure affordability. The City can ensure diverse housing product typologies and price points through zoning and policy regulation, but cannot achieve affordability, related to a metric like median income, with regulatory frameworks alone. Therefore, the City is considering a variety of tools to address housing affordability.

The consulting team presented information on URAs across the state that include housing projects to the Task Force. Although these programs did not specifically address homeownership nor first time homebuyers, similar programs could be developed to address City Council’s priorities of homeownership and first-time homebuyers.

## Projects

Housing production has been incentivized across the state in a number of ways using urban renewal/tax increment financing, including:

- Providing property tax rebates to developers for the construction of housing. Using tax rebates allows the urban renewal agency to provide incentives after the development is completed and use tax increment revenues to provide the incentives instead of expending funds up front. (Salem, John Day, Madras, Burns)
- Developing a program to provide up-front incentives from other city funding sources that are repaid with tax increment revenues once the construction is complete and on the tax roll. (Madras, Burns)
- Paying the system development charges of a housing development. (John Day, Burns, Madras)
- Providing tax rebates to developers that provide a certain percentage of their units as long-term affordable in an otherwise market-rate development. (Salem)

## Financial Considerations

The programs that are presently in existence are self-supporting: the property taxes from the new housing pays for the incentive. However, this means that the overlapping taxing districts would forego any property taxes on that property until the incentive is fully paid. The time will vary depending on the amount of incentive required to make the program effective, but it has been as short as ten years.

## Issues for Task Force Consideration and Recommendations

### **Should Wilsonville explore urban renewal/tax increment financing, in addition to other tools, to create affordable housing opportunities in the Frog Pond area, other areas in Wilsonville, or a-site specific area?**

**Task Force Recommendation:** Yes, urban renewal should be studied as one of many tools for the development of affordable housing—to include homeownership/first-time homebuyer opportunities, as well as more traditional multifamily affordable housing projects, and potential other, more novel programs or partnerships. The City should pursue designing a range of programs and/or incentives funded through urban renewal/tax increment financing and other funding sources for future Task Force consideration.

### **Should this question be presented to the community for an advisory vote?**

Yes, if the Task Force recommends it at that time and after the full toolbox has been identified and a specific use of tax increment funding is outlined.



# Appendices

DRAFT



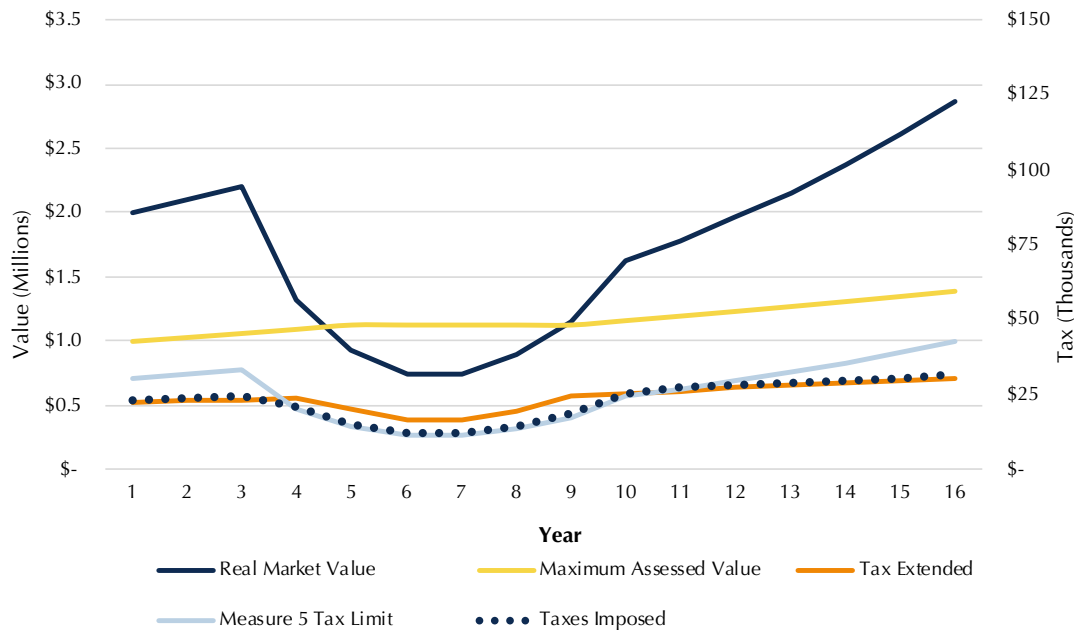
DATE: October 4, 2022  
TO: Matt Lorenzen, City of Wilsonville  
FROM: Nick Popenuk and Ali Danko, Tiberius Solutions  
SUBJECT: IMPACTS OF WILSONVILLE URBAN RENEWAL ON SCHOOL DISTRICT PROPERTY TAX COMPRESSION LOSSES

### What is Compression?

Measure 5, one of Oregon’s two property-tax related ballot measures adopted in the 1990’s, limits the property taxes paid by individual property owners to \$10 per \$1,000 of real market value for general government taxes and \$5 per \$1,000 of real market value for education taxes. If either of these limits are exceeded by the taxes extended on an individual property, the taxes imposed are reduced proportionally until the Measure 5 limits are met. This reduction in property taxes imposed is known as “compression.” Local option levies are reduced first. If local option levies are reduced to zero and a property is still exceeding its Measure 5 limits, then permanent rate levies are reduced proportionally until the limits are no longer exceeded. General obligation bonds are never reduced, as they are not subject to Measure 5 limits.

Exhibit 1 shows the effect of Measure 5 compression on a hypothetical property. In years one through three, the Measure 5 tax limits for the property are higher than the taxes extended to the property. Therefore, the property pays the total tax extended. Beginning in year four, declining real market value results in a corresponding decrease in the maximum allowable tax bill, and the property finds itself in compression due to Measure 5. Therefore, the taxes extended are proportionally reduced until they conform to Measure 5 limits. The compression loss is the difference between tax extended and tax imposed. By year 12, real market value has grown enough so that the taxes extended are once again below the Measure 5 limits, and the property no longer experiences compression.

**Exhibit 1. Compression of Hypothetical Property**



## Effect of Urban Renewal on Compression for Education

When an urban renewal area (URA) is formed, a small portion of all of the overlapping taxing districts' tax rates are reallocated to an urban renewal tax rate. For the purposes of Measure 5 compliance, this new urban renewal tax rate is considered a general government tax rate, even though it was reallocated from both general government and education taxing districts. Resultingly, the total tax rate for education is slightly reduced for the purposes of Measure 5 compliance, as the urban renewal portion was reallocated to general government. This can be beneficial for education taxing districts experiencing compression.

## Compression Experienced by West Linn-Wilsonville School District

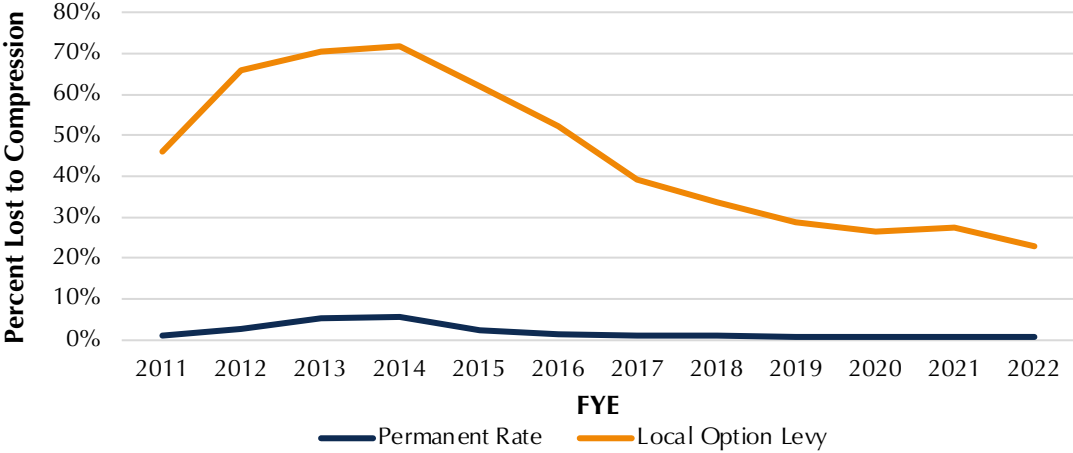
Exhibit 2 and Exhibit 3 show the compression loss experienced by the West Linn-Wilsonville School District in Clackamas County from FYE 2011 to FYE 2022. The district experienced significant compression due to declining real market values as a result of the "Great Recession." In FYE 2012, \$6 million of the district's \$9 million local option levy was lost to compression. As real market values have increased as the economy has recovered, compression loss experienced by the district has declined.

Compression losses for the School District's permanent rate levy peaked at 5.5% in FYE 2014, and have been below 1.0% of taxes to be raised for the past six years. Compression losses for the School District's local option levy have been substantially greater, peaking at 71.8% in FYE 2014, gradually falling to 22.9% in FYE 2022. This means that for every \$1.00 of taxes extended for the School District local option levy, nearly 23 cents are lost to compression, and only 77 cents are imposed.

### Exhibit 2. West Linn-Wilsonville Compression Loss, Clackamas County, FYE 2011-FYE 2022

FYE	Permanent Rate			Local Option Levy		
	To Be Raised	Compression	% Compression	To Be Raised	Compression	% Compression
2011	\$ 26,517,832	\$ 250,172	0.9%	\$ 8,856,903	\$ 4,069,359	45.9%
2012	\$ 27,278,137	\$ 742,896	2.7%	\$ 9,105,602	\$ 6,017,085	66.1%
2013	\$ 27,574,864	\$ 1,498,322	5.4%	\$ 9,319,368	\$ 6,584,457	70.7%
2014	\$ 28,888,348	\$ 1,598,695	5.5%	\$ 9,727,146	\$ 6,985,077	71.8%
2015	\$ 30,527,908	\$ 739,182	2.4%	\$ 10,304,892	\$ 6,393,307	62.0%
2016	\$ 31,910,600	\$ 427,156	1.3%	\$ 10,828,266	\$ 5,649,767	52.2%
2017	\$ 33,403,675	\$ 316,975	0.9%	\$ 11,403,789	\$ 4,472,759	39.2%
2018	\$ 35,489,997	\$ 328,990	0.9%	\$ 11,991,118	\$ 4,052,316	33.8%
2019	\$ 36,901,822	\$ 275,860	0.7%	\$ 12,454,615	\$ 3,569,831	28.7%
2020	\$ 38,660,527	\$ 278,089	0.7%	\$ 12,996,488	\$ 3,448,501	26.5%
2021	\$ 40,147,559	\$ 295,092	0.7%	\$ 13,454,657	\$ 3,692,338	27.4%
2022	\$ 42,144,841	\$ 255,491	0.6%	\$ 14,070,038	\$ 3,215,498	22.9%

**Exhibit 3. West Linn-Wilsonville Compression Loss, Clackamas County, FYE 2011-FYE 2022**



**Impacts of the termination of the West Side Urban Renewal Plan**

The West Side URA was established in 2003 and overlaps the West Linn-Wilsonville School District. The existence of the URA has resulted in subtle changes to the tax rates extended, shifting a portion of the education tax rates to the general government category, which has helped to reduce the amount of property tax compression suffered by education taxing districts (predominantly, by the West Linn-Wilsonville School District local option levy).

The West Side URA is anticipated to terminate in FYE 2024, after collecting sufficient tax increment finance (TIF) revenue to repay its full amount of maximum indebtedness. The termination of the URA will shift a portion of the taxes extended from general government back to education, which is likely to result in increased compression losses for the West Linn-Wilsonville School District local option levy. The exact magnitude of this impact is difficult to calculate, as it depends on the specific ratio of assessed value to real market value and applicable tax rates for each individual property tax account citywide.

This issue was originally identified a decade ago, when compression losses for the school district were substantially more significant. Technical analysis was done at that time to forecast future compression losses, and this analysis informed City decisions to voluntarily underlevy the amount of TIF revenue in this URA, to more gradually phase-out the URA over time, helping to avoid a dramatic increase in compression losses.

The history of voluntary revenue sharing in the area has extended the duration of the URA for several years, and there are no practical actions that the City can take to extend this duration any longer. On June 30, 2022, staff from the City of Wilsonville and consultants from Tiberius Solutions and Elaine Howard Consulting met with staff from the West Linn-Wilsonville School District to discuss this issue, and discuss the implications the termination of the West Side URA.

While termination of the URA is expected to result in increased compression losses for the School District’s local option levy, it will have a positive financial impact for other taxing districts, who will no longer forego property tax revenue for the URA, including the School District’s permanent rate levy. Due to the State’s method of equalizing per-pupil funding for all school districts statewide, the increase in permanent rate tax revenue for the School District will not have a direct, local benefit, as it will ultimately be offset by a reduction in funding from the State School Fund.



DATE: November 3, 2022  
TO: City of Wilsonville  
FROM: Nick Popenuk and Ali Danko  
SUBJECT: FINANCIAL ANALYSIS OF YEAR 2000 AND WEST SIDE URAS

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## Year 2000 Plan

### Exhibit 1. Year 2000 Finance Plan

	FYE 2023
<b>Tax Increment Fund</b>	
<b>Resources</b>	
Beginning Balance	\$ 4,998,646
Interest Earnings	\$ 999
TIF: Current Year	\$ 3,482,880
TIF: Prior Years	\$ 62,000
<b>Total Resources</b>	<b>\$ 8,544,525</b>
<b>Expenditures</b>	
<i>Debt Service</i>	
Scheduled Payments	
2010 Issue - BANK of AMERICA	\$ (589,575)
Du Jour	\$ (4,000,200)
Early Principal Payment	
2010 Issue - BANK of AMERICA	\$ (3,704,750)
Du Jour	\$ -
Total Debt Service, Scheduled Only	\$ (4,589,775)
Total Debt Service	\$ (8,294,525)
<i>Debt Service Coverage Ratio</i>	<i>0.77</i>
Refund Remaining TIF Resources to Assessor	\$ (250,000)
<b>Total Expenditures</b>	<b>\$ (8,544,525)</b>
Ending Balance	\$ -
<b>URA Projects Fund</b>	
<b>Resources</b>	
Beginning Balance	\$ -
Interest Earnings	\$ -
Transfer from TIF Fund	\$ -
Bond/Loan Proceeds	\$ 4,000,000
Other	\$ -
<b>Total Resources</b>	<b>\$ 4,000,000</b>
<b>Expenditures (YOE \$)</b>	
Boeckman Dip	\$ (4,000,000)
<b>Total Expenditures</b>	<b>\$ (4,000,000)</b>
Ending Balance	\$ -

Source: Tiberius Solutions with information provided by City of Wilsonville

**Exhibit 2. Year 2000 URA Impact to Taxing Districts, FYE 2023**

<b>Taxing District</b>	<b>Permanent Rate</b>	<b>Total Impact</b>
City of Wilsonville	\$ 2.5206	\$ 691,800
Clackamas Community College	\$ 0.5582	\$ 153,203
Clackamas County (City)	\$ 2.4042	\$ 659,853
County Extension & 4H	\$ 0.0500	\$ 13,723
County Library	\$ 0.3974	\$ 109,070
County Soil Conservation	\$ 0.0500	\$ 13,723
Clackamas ESD	\$ 0.3687	\$ 101,193
TVF&R	\$ 1.5252	\$ 418,604
Port of Portland	\$ 0.0701	\$ 19,240
West Linn/Wilsonville School District	\$ 4.8684	\$ 1,336,174
Metro	\$ 0.0966	\$ 26,513
Vector Control	\$ 0.0065	\$ 1,784
<b>Total</b>	<b>\$ 12.9159</b>	<b>\$ 3,544,880</b>

Source: Tiberius Solutions

# West Side Plan

## Exhibit 3. West Side URA Finance Plan

	Total	FYE 2023	FYE 2024
<b>Tax Increment Fund</b>			
<b>Resources</b>			
Beginning Balance		\$ 3,598,912	\$ -
Interest Earnings	\$ 36,000	\$ 36,000	\$ -
TIF: Current Year	\$ 6,675,153	\$ 5,000,000	\$ 1,675,153
TIF: Prior Years	\$ 169,000	\$ 84,500	\$ 84,500
<b>Total Resources</b>	<b>\$ 10,479,065</b>	<b>\$ 8,719,412</b>	<b>\$ 1,759,653</b>
<b>Expenditures</b>			
<i>Debt Service</i>			
Scheduled Payments			
2009 ISSUE BANK OF AMERICA	\$ -	\$ -	\$ -
2011 ISSUE BANK OF AMERICA	\$ -	\$ -	\$ -
2012 ISSUE BANK OF AMERICA	\$ (553,450)	\$ (553,450.00)	\$ -
2013 Issue BANK OF AMERICA	\$ (989,600)	\$ (495,750.00)	\$ (493,850.00)
2015A Issue COLUMBIA STATE BANK	\$ -	\$ -	\$ -
Early Payments			
2009 ISSUE BANK OF AMERICA	\$ -	\$ -	\$ -
2011 ISSUE BANK OF AMERICA	\$ -	\$ -	\$ -
2012 ISSUE BANK OF AMERICA	\$ (4,727,840)	\$ (4,727,840)	\$ -
2013 Issue BANK OF AMERICA	\$ (4,208,175)	\$ (2,942,372)	\$ (1,265,803)
2015A Issue COLUMBIA STATE BANK	\$ -	\$ -	\$ -
Total Debt Service, Scheduled Only	\$ (1,543,050)	\$ (1,049,200)	\$ (493,850)
Total Debt Service	\$ (10,479,065)	\$ (8,719,412)	\$ (1,759,653)
<i>Debt Service Coverage Ratio</i>		4.85	3.56
Transfer to URA Projects Fund			
<b>Total Expenditures</b>	<b>\$ (10,479,065)</b>	<b>\$ (8,719,412)</b>	<b>\$ (1,759,653)</b>
Ending Balance		\$ -	\$ -
<b>URA Projects Fund</b>			
<b>Resources</b>			
Beginning Balance		\$ 6,494,857	\$ 5,549,773
Interest Earnings	\$ 72,251	\$ 44,502	\$ 27,749
Transfer from TIF Fund	\$ -	\$ -	\$ -
Bond/Loan Proceeds	\$ -	\$ -	\$ -
Other	\$ 750	\$ 750	\$ -
<b>Total Resources</b>	<b>\$ 6,567,858</b>	<b>\$ 6,540,109</b>	<b>\$ 5,577,522</b>
<b>Expenditures (YOE \$)</b>			
Materials and Services	\$ (280,336)	\$ (280,336)	\$ -
Brown Road	\$ (6,287,522)	\$ (710,000)	\$ (5,577,522)
<b>Total Expenditures</b>	<b>\$ (6,567,858)</b>	<b>\$ (990,336)</b>	<b>\$ (5,577,522)</b>
Ending Balance		\$ 5,549,773	\$ -

Source: Tiberius Solutions with information provided by City of Wilsonville

**Exhibit 4. Westside URA Impact to Taxing Districts, FYE 2023-FYE 2024**

Taxing District	Permanent Rate	Impact		Total
		FYE 2023	FYE 2024	
City of Wilsonville	\$ 2.5206	\$ 992,265	\$ 343,405	\$ <b>1,335,669</b>
Clackamas Community College	\$ 0.5582	\$ 219,742	\$ 76,049	\$ <b>295,791</b>
Clackamas County (City)	\$ 2.4042	\$ 946,442	\$ 327,546	\$ <b>1,273,989</b>
County Extension & 4H	\$ 0.0500	\$ 19,683	\$ 6,812	\$ <b>26,495</b>
County Library	\$ 0.3974	\$ 156,441	\$ 54,141	\$ <b>210,583</b>
County Soil Conservation	\$ 0.0500	\$ 19,683	\$ 6,812	\$ <b>26,495</b>
Clackamas ESD	\$ 0.3687	\$ 145,143	\$ 50,231	\$ <b>195,375</b>
TVF&R	\$ 1.5252	\$ 600,413	\$ 207,792	\$ <b>808,206</b>
Port of Portland	\$ 0.0701	\$ 27,596	\$ 9,550	\$ <b>37,146</b>
West Linn/Wilsonville School District	\$ 4.8684	\$ 1,916,504	\$ 663,267	\$ <b>2,579,772</b>
Metro	\$ 0.0966	\$ 38,028	\$ 13,161	\$ <b>51,188</b>
Vector Control	\$ 0.0065	\$ 2,559	\$ 886	\$ <b>3,444</b>
<b>Total</b>	<b>\$ 12.9159</b>	<b>\$ 5,084,500</b>	<b>\$ 1,759,653</b>	<b>\$ 6,844,153</b>

Source: Tiberius Solutions