

ORDINANCE NO. 1459-21

AN ORDINANCE ADOPTING A SUBSTANTIAL AMENDMENT TO THE LEVETON TAX INCREMENT DISTRICT PLAN TO ADD CERTAIN LAND TO THE PLAN AREA.

WHEREAS, the City has created the Leveton Tax Increment District, and associated Leveton Tax Increment District Plan, under the authority of ORS Chapter 457;

WHEREAS, the City wishes to make a Major Amendment to the Leveton Tax Increment District Plan, as provided by ORS Chapter 457;

WHEREAS, the Tualatin Development Commission (the "TDC"), pursuant to the requirements of ORS Chapter 457, has caused the preparation of the Leveton Tax Increment District Plan Amendment dated August 23, 2021, and attached as Exhibit A (the "Plan Amendment") and incorporated herein by reference;

WHEREAS, the Plan Amendment authorizes certain urban renewal activities within the Leveton Tax Increment Area (the "Area");

WHEREAS, the TDC has caused the preparation of a certain Report Accompanying the Leveton Tax Increment Plan dated August 23, 2021 and attached hereto as Exhibit B (the "Report") to accompany the Plan as required under ORS 457.087); and

WHEREAS, the TDC forwarded the Plan Amendment and Report to the Tualatin Planning Commission, which considered the Plan and Report on July 15, 2021, and adopted a finding that the Plan Amendment conformed with the Tualatin Comprehensive Plan and made a recommendation, which is attached as Exhibit C and incorporated by reference;

WHEREAS, the Plan and the Report were forwarded on June 30, 2021 to the governing body of each taxing district affected by the Plan, and the TDC has thereafter consulted and conferred with each taxing district; and

WHEREAS, on August 3, 2021 the City met with the Washington County Board of Commissioners to review the Plan, including the proposed maximum indebtedness for the Plan; and

WHEREAS, in July 2021, the City caused notice of a hearing to be held before City Council on the Plan, including the required statements of ORS 457.120(3), to be mailed to utility customers within City's incorporated limits; and

WHEREAS, on August 9, 2021 the City Council held a public hearing to review and consider the Plan, the Report, the recommendation of the Tualatin Planning Commission, and the public testimony received on or before that date and to receive additional public testimony; and

WHEREAS, the City Council has determined that the Plan conforms with all applicable legal requirements; and

WHEREAS, after consideration of the record presented through this date, the City Council does by this Ordinance desire to approve the Plan.

THE CITY OF TUALATIN ORDAINS AS FOLLOWS:

Section 1. The Council adopts the Plan Amendment in Exhibit A, adopts the Report in Exhibit B, and adopts the Planning Commission Report in Exhibit C. The Leveton Tax Increment Plan is approved and adopted based upon review and consideration by the City Council, the Tualatin Planning Commission Recommendations, taxing district recommendations each of which is hereby accepted, as well as the public testimony in the record.

Section 2. The Council finds the Plan complies with all applicable requirements of ORS Chapter 457 and the specific criteria of ORS 457.095, based on the information in the Report, the Tualatin Planning Commission Recommendation, and the public testimony before the City Council, including the following findings:

1. The process for the adoption of the Plan has been conducted in accordance with the applicable provisions of Chapter 457 of the Oregon Revised Statutes and all other applicable legal requirements;
2. The area designated in the Plan as the Leveton Tax Increment Area is blighted, as defined by ORS 457.010(1) and is eligible for inclusion within the Plan because of conditions described in Section X of the Report, including the existence of inadequate streets and other rights of way, open spaces, and utilities (ORS 457.010(1)(e));
3. The rehabilitation and redevelopment described in the Plan to be undertaken by the TDC is necessary to protect the public health, safety or welfare of the City because, absent the completion of urban renewal projects, the Area will fail to contribute its fair share of property tax revenues to support City services and will fail to develop and/or redevelop according to the goals of the City's Comprehensive Plan;
4. The Plan conforms to the Tualatin Comprehensive Plan and provides an outline for accomplishing the projects described in the Plan, as more fully described in Section XIII of the Plan and in the Tualatin Planning Commission Recommendation in Exhibit C;
5. No residential displacement will occur as a result of the acquisition and disposition of land and redevelopment activities proposed in the Plan and therefore the Plan does not include provisions to house displaced persons;
6. Adoption of and carrying out the Plan is economically sound and feasible in that eligible projects and activities will be funded by urban renewal tax revenues derived from a division of taxes pursuant to Article IX, section 1c, of the Oregon Constitution and ORS 457.440 and other available funding as more fully described in Sections III and IV of the Report;

7. The City shall assume and complete any activities prescribed it by the Plan; and
8. The TDC consulted and conferred with affected overlapping taxing districts prior to the Plan being forwarded to the City Council.

Section 3. The City Manager is directed to forward a copy of this Ordinance to the TDC.

Section 4. Upon receipt from the City Manager, the TDC shall cause a copy of the Plan to be recorded in the Deed Records of Washington County, Oregon.

Section 5. The City Manager, in accordance with ORS 457.115, shall publish newspaper notice of the adoption of this Ordinance approving the Plan, including the provisions of ORS 457.135, no later than four days following adoption of this Ordinance.

Section 6. The City Manager is delegated the authority to conduct any and all actions necessary to carry out the intent of this Ordinance and ensure compliance with law.

ADOPTED by the City Council this 24th day of August, 2021.

CITY OF TUALATIN, OREGON

BY Frank Bubenik
Mayor

APPROVED AS TO FORM

BY Sean Brady
City Attorney

ATTEST:

BY Sherilyn Lombos
City Recorder

Signature: 
Email: fbubenik@tualatin.gov

Signature: 
Sherilyn Lombos (Aug 24, 2021 15:26 PDT)
Email: slombos@tualatin.gov

Signature: 
Email: sbrady@tualatin.gov

Ordinance 1459-21 - 11th Amendment

Final Audit Report

2021-08-24

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"Ordinance 1459-21 - 11th Amendment" History












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Exhibit A Leveton Tax Increment Plan 11th Amendment

The following changes are made in the Leveton Tax Increment Plan. Added language is shown in *italics*.

B. GOALS AND OBJECTIVES

1. GOALS AND OBJECTIVES OF THE LEVETION TAX INCREMENT PLAN

Goal 3: Improved Traffic and Transportation

Objectives:

- e. *Extend Herman Road within the District*

2. RELATIONSHIP TO LOCAL OBJECTIVES

- b. Traffic and Transportation

The Tualatin Comprehensive Plan section that pertains to this project is:

ECONOMY, COMMERCIAL, & INDUSTRIAL DEVELOPMENT

Plan Details

GOAL 4.2

Encourage new industrial development in ways that strengthen the local tax base and support Tualatin's industrial lands as a major local and regional employment center.

POLICY 4.2.2 Fully develop planned industrial areas, providing full transportation, sewer, and water services prior to or as development occurs.

Finding: *The transportation project in the Plan is intended to directly support the industrial lands in the District and provide connections to residential and commercial lands in Tualatin. The project is in conformance with the Economy, Commercial & Industrial chapter of the Comprehensive Plan.*

C. DESCRIPTION OF PROJECT

Leveton Sector

1. Transportation Access

The extension of Herman Road will improve the bike lanes, sidewalks, and transit stops along Herman Road between the employment district, neighborhoods, and downtown. It will also improve safety and mobility for all roadway users along Herman Road.

D. OUTLINE OF PROJECT ACTIVITIES

1. Public Improvements

a. Road Improvements

- *The Herman Road project is to widen from Tualatin Road to Teton Road. Improve bike lanes, sidewalks, and transit stops along Herman Road between the employment district, neighborhoods, and downtown. The project will improve safety and mobility for all roadway users along Herman Road where currently, bicycles, pedestrians, automobiles, transit, and trucks share two 12-foot vehicle travel lanes because there are no bike lanes or sidewalks. The project will add buffered bike lanes and other Active Transportation components where there are existing sidewalks and bike lanes.*

Report Accompanying the
Leveton Tax Increment Plan DRAFT



City of Tualatin

**City Council/ Tualatin Development
Commission**

Mayor / Chair

Frank Bubenik

City Council / Commissioners

Nancy Grimes, Council President

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Christen Sacco

Bridget Brooks

Cyndy Hillier

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Elaine Howard, Scott Vanden Bos

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I. Introduction

The Report Accompanying the Leveton Tax Increment Plan (Report) contains background information and project details that pertain to the Leveton Tax Increment Plan (Plan). The Report is not a legal part of the Plan but is intended to provide public information and support the findings made by the Tualatin City Council as part of the approval of the Plan.

The Report provides the analysis required to meet the standards of ORS 457.087, including financial feasibility. The Report accompanying the Plan contains the information required by ORS 457.087, including:

- A description of the physical, social, and economic conditions in the area and expected impact of the plan, including fiscal impact in light of increased services; (ORS 457.087(1))
- Reasons for selection of the plan Area; (ORS 457.087(2))
- The relationship between each project to be undertaken and the existing conditions; (ORS 457.087(3))
- The estimated total cost of each project and the source of funds to pay such costs; (ORS 457.087(4))
- The estimated completion date of each project; (ORS 457.087(5))
- The estimated amount of funds required in the Area and the anticipated year in which the debt will be retired; (ORS 457.087(6))
- A financial analysis of the plan; (ORS 457.087(7))
- A fiscal impact statement that estimates the impact of tax increment financing (TIF) upon all entities levying taxes upon property in the urban renewal area; (ORS 457.087(8))
- A relocation report. (ORS 457.087(9))

The relationship of the sections of the Report and the ORS 457.087 requirements is shown in Table 1. The specific reference in the table below is the section of this Report that most addresses the statutory reference. There may be other sections of the Report that also address the statute.

Table 1 - Statutory References

Statutory Requirement	Report Section
ORS 457.087 (1)	X
ORS 457.087 (2)	XI
ORS 457.087 (3)	II
ORS 457.087 (4)	III
ORS 457.087 (5)	VI
ORS 457.087 (6)	IV,V
ORS 457.087 (7)	IV,V
ORS 457.087 (8)	VIII
ORS 457.087 (9)	XII

The Report provides guidance on how the Plan might be implemented. As the Tualatin Development Commission (TDC) reviews revenues and potential projects each year, it has the authority to make adjustments to the implementation assumptions in this Report. The TDC may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different timeframes than projected in this Report, and make other adjustments to the financials as determined by the TDC. The TDC may also make changes as allowed in the Amendments section of the Plan. These adjustments must stay within the confines of the overall maximum indebtedness of the Plan.

Figure 1- Leveton Tax Increment District Boundary Expansion

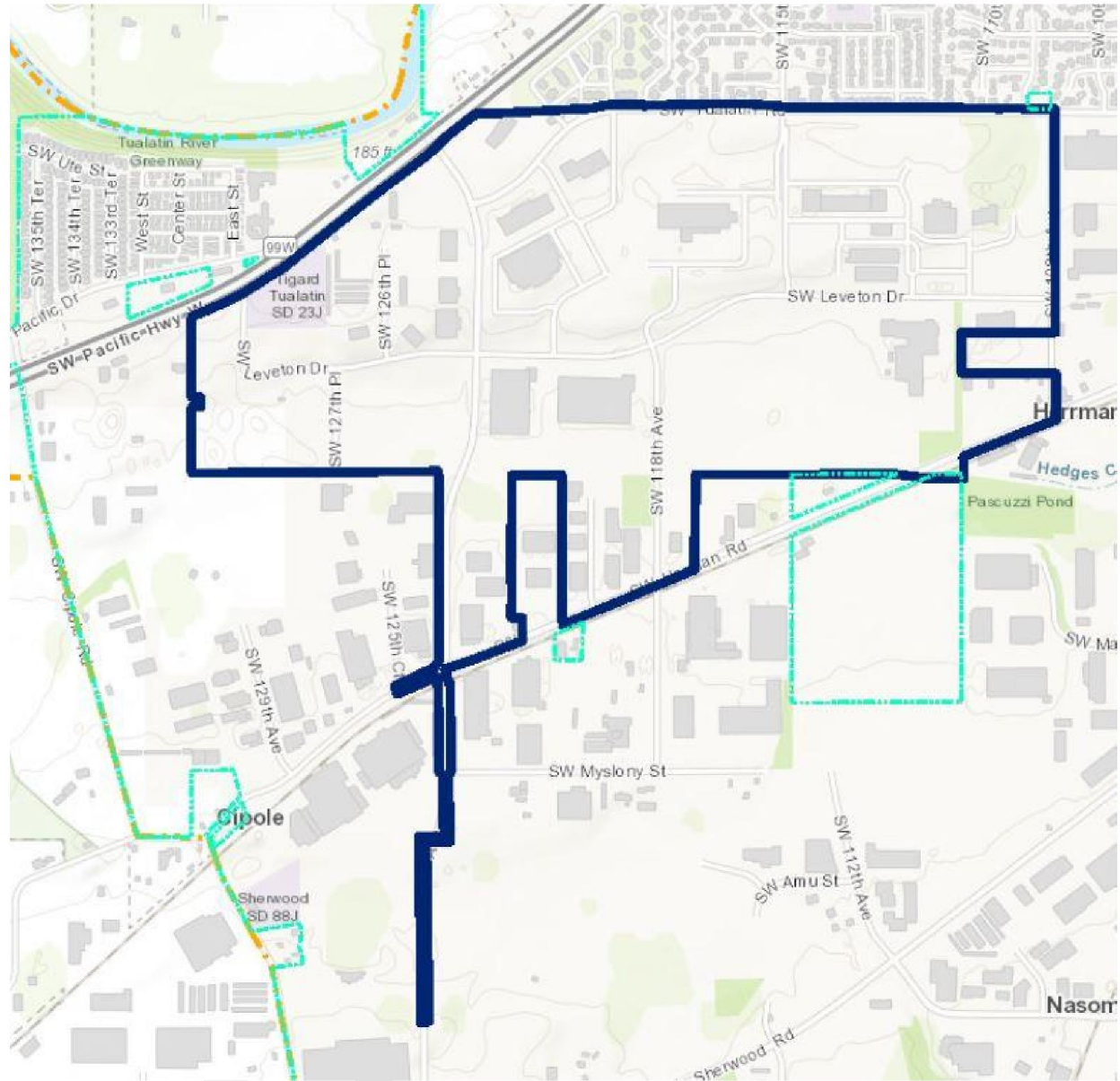
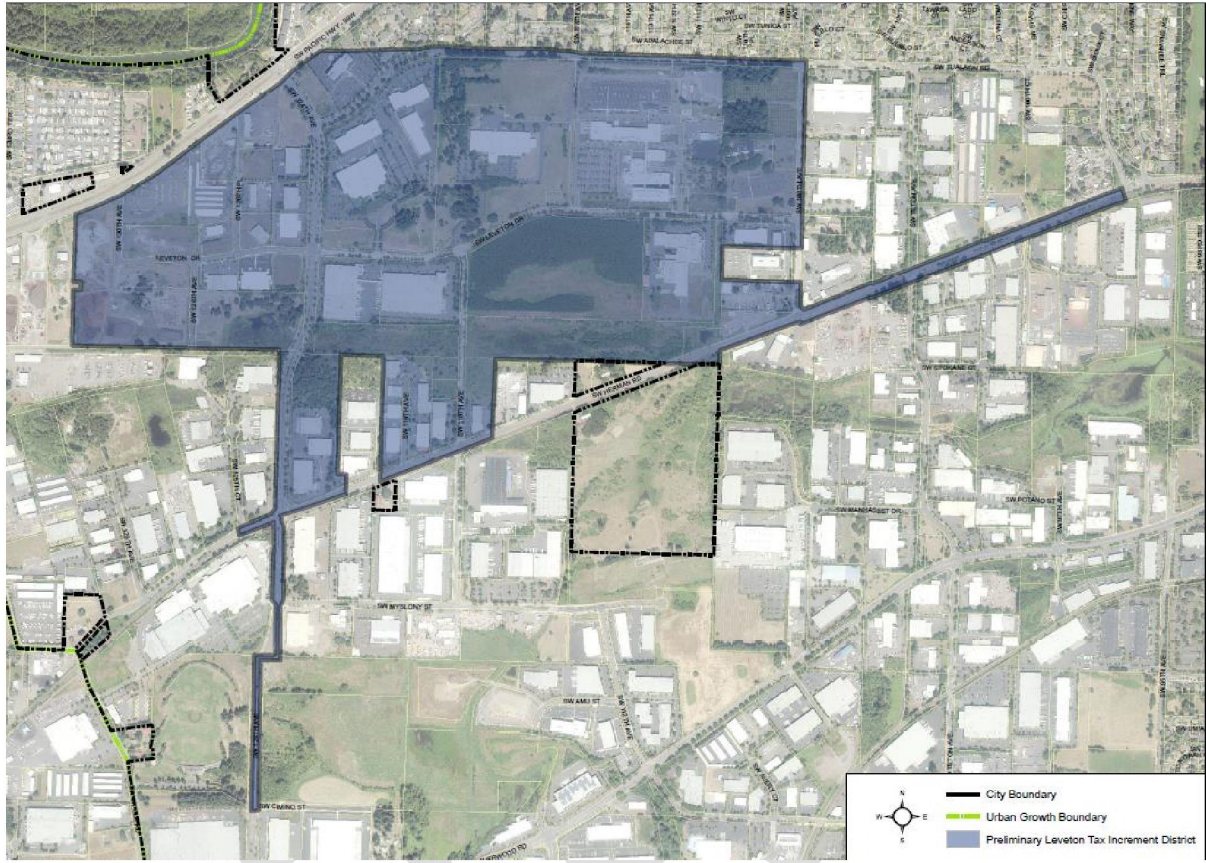


Figure 1- Leveton Tax Increment District Boundary Expansion



II. The Projects in the ArEa AND THE Relationship Between Urban Renewal Projects and the Existing Conditions in the Urban Renewal Area

The projects identified for the Area in the 2021 Substantial Amendment are described below, including how they relate to the existing conditions in the Area.

A. Transportation

The following information for the Herman Road project to widen from Tualatin Road to Teton Road comes from the CIP, p 124.

DESCRIPTION:

Improve bike lanes, sidewalks, and transit stops along Herman Road between the employment district, neighborhoods, and downtown. Improve safety and mobility for all roadway users along Herman Road where currently, bicycles, pedestrians, automobiles, transit, and trucks share two 12-foot vehicle travel lanes because there are no bike lanes or sidewalks. Add buffered bike lanes and other “Active Transportation” components where there are existing sidewalks and bike lanes.

PROJECT SCOPE:

The total project cost includes project development, engineering, environmental permitting, right of way acquisition and construction.

EXISTING CONDITIONS/HISTORY:

This project will enable pedestrians and bicyclist to travel in a safer environment than they currently do when sharing two 12-foot travel lanes with cars, trucks, and buses. Adding sidewalks and bike lanes where they do not currently exist and providing buffered bikes lanes along the rest of the corridor will provide a safer more comfortable environment.

III. The Estimated Total Cost of Each Project and the Sources of Moneys to Pay Such Costs

The total cost estimate for the Herman Road project is shown in Table 2 below. This estimate is from the *City of Tualatin Capital Improvement Plan* (p 103). The portion of this projects paid for by urban renewal must fit within the remaining maximum indebtedness and funds remaining in the Leveton Project Fund.

Table 2 - Estimated Cost of Each Project as Compared to Total Cost

Project Title	Total Estimated Cost from CIP	
Herman Road Extension	FY 2023/24	\$780,000
	FY 2024/25	\$2,415,000

Source: City of Tualatin

IV. Financial Analysis of the Plan

The TDC has approved a budget to allow for the completion of the projects using existing funding in the Leveton Project Fund. There will be no new impacts on taxing districts and no need to borrow additional funds to complete this project. The budget for FY 21-22 for the Leveton Projects Fund has \$3,391,810 in resources and \$3,391,810 in expenditures including \$3,010,000 for the Herman Road project.

V. The Estimated Amount of Tax Increment Revenues Required and the Anticipated Year in Which Indebtedness Will Be Retired

The Area terminated taking division of tax revenues from the Washington County Assessor in FY 2010. There are still remaining funds in the Leveton Projects Fund. The \$3,195,000 of revenues required for the Herman Road project are not new tax increment revenues, but revenues within the Leveton Projects Fund. The budget for FY 21-22 for the Leveton Projects Fund has \$3,391,810 on resources and \$3,391,810 in expenditures including \$3,010,000 for the Herman Road project. There are no existing long term indebtedness commitments in the Area.

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VI. The Anticipated Completion Date for Each Project

Estimated completion dates for the project is in FY 2022/2023.

The TDC may change the completion dates in their annual budgeting process or as project decisions are made in administering the Plan.

VII. Revenue Sharing

Since the URA is no longer taking division of tax revenues, there is no revenue sharing for this URA.

VIII. Impact of the Tax Increment Financing

The impact of tax increment financing on overlapping taxing districts is not relevant to this Amendment. The Leveton Tax Increment District is no longer taking division of taxes. If this project is not pursued, these funds could be used for other specified urban renewal projects.

IX. Compliance With Statutory Limits on Assessed Value and Size of Urban Renewal Area

State law limits the percentage of both a municipality's total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. This limitation pertains to urban renewal areas that are taking division of tax revenues as stipulated in ORS 457.420(2)(b)(A). This urban renewal area is no longer taking division of tax revenues. The City is considering another urban renewal area, and the report on that urban renewal area will address relevant compliance with statutory limits on assessed value and acreage.

X. Existing Physical, Social, and Economic Conditions and Impacts on Municipal Services

This section of the Report describes existing conditions within the Leveton Tax Increment District and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

A. Physical Conditions

1. Land Use

The Area is composed of 57 individual parcels encompassing 351.16 acres in parcels. The City of Tualatin database was used to determine the land use designation of parcels in the Area. Thirteen of the parcels are classified as non-profit or government uses and are tax exempt. By acreage, Commercial uses account for the most prevalent land use within the Area (53.18%). This was followed by Industrial uses (32.22%). Detailed land use designations in the Area can be seen in Table 3.

Table 3 - Land Use in the Area

Land Use	Parcels	Acreage	Percent of Acreage
Commercial	36	186.74	53.18%
Industrial	7	113.13	32.22%
Exempt	11	35.84	10.20%
Multi-Family	1	10.21	2.91%
Miscellaneous	2	5.24	1.49%
TOTAL:	57	351.16	100%

Source: Compiled by Elaine Howard Consulting, LLC with data from the City of Tualatin

2. Comprehensive Plan and Zoning Designations

In Tualatin, there is a one map system. The most prevalent comprehensive plan designation by acreage in the Area is Manufacturing Park (69.96%). The second most prevalent comprehensive plan designation in the Area is Light Manufacturing (18.51%). Detailed comprehensive plan designations in the Area can be seen in Table 4 – Comprehensive Plan and Zoning Designations in the Area.

Table 4 – Comprehensive Plan and Zoning Designations in the Area

Comprehensive Plan	Parcels	Acreage	Percent of Acreage
Manufacturing Park	24	245.66	69.96%
Light Manufacturing	21	64.99	18.51%
General Manufacturing	10	23.11	6.58%
General Commercial	2	17.40	4.96%
TOTAL:	57	351.16	100%

Source: Compiled by Elaine Howard Consulting, LLC with data from the City of Tualatin

B. Infrastructure

This section identifies the existing conditions in the Area to assist in establishing blight in the ordinance adopting the Tax Increment Plan. The blighting condition is the “the existences of inadequate streets and other rights of way, open spaces and utilities” (ORS457.010 (1)(e)).

1. Transportation

The *City of Tualatin Capital Improvement Plan* has identified the Herman Road Extension project as a needed improvement. (CIP p 124)

DESCRIPTION:

Improve bike lanes, sidewalks, and transit stops along Herman Road between the employment district, neighborhoods, and downtown. Improve safety and mobility for all roadway users along Herman Road where currently, bicycles, pedestrians, automobiles, transit, and trucks share two 12-foot vehicle travel lanes because there are no bike lanes or sidewalks. Add buffered bike lanes and other Active Transportation components where there are existing sidewalks and bike lanes.

PROJECT SCOPE:

The total project cost includes project development, engineering, environmental permitting, right of way acquisition and construction.

EXISTING CONDITIONS/HISTORY:

This project will enable pedestrians and bicyclist to travel in a safer environment than they currently do when sharing two 12-foot travel lanes with cars, trucks, and buses. Adding sidewalks and bike lanes where they do not currently exist and providing buffered bikes lanes along the rest of the corridor will provide a safer more comfortable environment.

c. Social Conditions

There is only one lot with residential use in the Area. The area is an employment area for the City of Tualatin providing 7,500 jobs with an average wage of \$98,000.

d. Economic Conditions

1. Building to Land Value Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Value Ratio," or "I:L." The values used are real market values. In urban renewal areas, the I:L is often used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives.

Table 5 shows the improvement to land ratios (I:L) for properties within the Area. There are 11 parcels listed as Exempt from taxation, so they have no assessed value. No improvement value means there are no taxable structures on the tax lot. Overall, the Area is significantly developed.

Table 5 - Improvement to Land Ratios in the Area

Improvement to Land (I:L) Ratio	Parcels	Acreage	Percent of Acreage
Exempt	11	35.84	10.20
No Improvement Value	11	103.98	29.61
0.01-0.50	4	5.98	1.70
0.51-1.00	2	19.35	5.51
1.01-1.50	3	28.79	8.20
1.51-2.00	2	28.68	8.17
2.01-2.50	4	49.38	14.06
2.51-3.00	1	1.06	0.30
3.01-4.00	6	28.66	8.16
> 4.00	13	49.44	14.08
TOTAL:	57	351.16	100.00

Source: Compiled by Elaine Howard Consulting, LLC with data from the city of Tualatin

E. Impact on Municipal Services

There is no fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) as the Area is no longer taking division of tax revenues. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The project being considered for future use of urban renewal funding is a transportation improvement project. The use of funds in the Leveton Projects Fund allows the city to add an additional funding source to the City of Tualatin general fund or system development charges funds to allow these projects to be completed.

XI. Reasons for Selection of Each Urban Renewal Area in the Plan

The reason for selecting the Area is to provide the ability to fund projects and programs necessary to cure blight within the Area.

XII. Relocation report

No relocation is expected from the added project in this amendment. If the TDC acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the TDC shall adopt rules and regulations, as necessary, for the administration of relocation assistance. The TDC will comply with all applicable state law in providing these potential benefits.