



City of Tualatin

## CITY OF TUALATIN Staff Report

**TO:** Chairman and Members of the Tualatin Development Commission

**THROUGH:** Sherilyn Lombos, Administrator

**FROM:** Jonathan Taylor, Economic Development Manager  
Elaine Howard, Elaine Howard Consulting

**DATE:** September 12, 2022

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### **SUBJECT:**

Consideration of Resolution 633-22 of the Tualatin Development Commission commencing the formal review process of the Core Opportunity and Reinvestment Area Plan

### **RECOMMENDATION:**

Staff recommends Council adopt Resolution 633-22 commencing the formal review process of the Core Opportunity and Reinvestment Area Plan.

### **EXECUTIVE SUMMARY:**

Since 2018, the City of Tualatin has worked on several long-range projects to securely position our community for long-term economic prosperity beginning with the Tualatin|2040 project. That project detailed the constraints with the lack of land supply for residential and employment land development. To address these constraints, Council expressed interest in learning about urban renewal. Four education series were held and as a result Council directed staff to conduct two feasibility studies in the areas of the Southwest Industrial/Basalt Creek and the Town Core Areas. On September 28, 2020, the Tualatin City Council was presented the Proposed Study Area 2 Feasibility Study. The study indicated the total potential tax increment finance (TIF) revenue over a 30-year period is estimated to be between \$248.2 million and 362.7 million, depending on the future growth in assessed value in the area. Three growth scenarios were analyzed as described later in this report. This would support a total maximum indebtedness (i.e., the total principal amount of projects to be funded) between \$210 million and \$308.3 million. When accounting for inflation and adjusting the maximum indebtedness to be reported in constant 2020 dollars, we forecast the true financial capacity of the Urban Renewal Area to be between \$118.1 million and \$171.4 million.<sup>1</sup>

Beginning on March 29, 2021, staff held three preliminary sessions with Council to discuss the proposed study area's boundaries, existing conditions/challenges, and confirm priorities and goals previously identified in past phases to prepare for the April 26 workshop.

#### Identified Priorities/Goals:

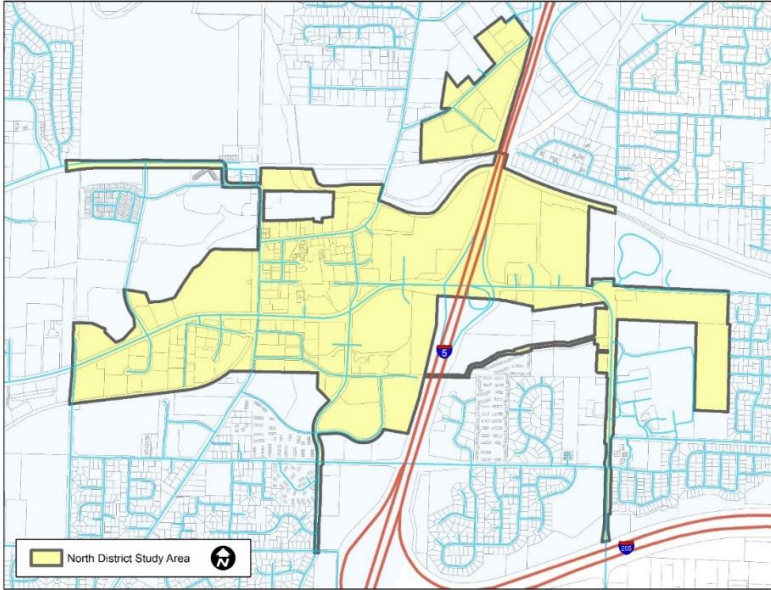
- Establish or create a common identity
- Enhance connectivity
- Ensure a collaborative approach

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<sup>1</sup> Impact options presented reflected 2023 dollars.

- Protect and promote the natural environment
- Foster mixed-use development
- Expand housing options

Proposed Urban Renewal Boundary:



Working Group Recap

On March 28, 2022 City Council passed Resolution 5607-22 establishing a ten member working group to: *provide feedback on existing conditions of the area, proposed vision, and objectives; provide feedback on the proposed boundary, area projects, and project direction; and identity and recommend any additional projects for the proposed area.* Working Group members were: Chief Cassandra Ulven (Tualatin Valley Fire and Rescue), Susan Noack (Tualatin Chamber of Commerce), Cathy Holland (Commercial CIO), Councilor Christen Sacco, Mayor Frank Bubenik, Dr. Aaron Welk, Doug Ulmer, Beth Sethi, Jamison Shields, Denise Cline (TPark).

The Work Group met on April 21, 2022 (Session 1), May 18, 2022 (Session 2), June 16, 2022 (Session 3), and August 9, 2022 (Session 4). Session 1 provided an introduction of the Working Group Members, staff and consultant; the purpose and task of the Working Group, Plan vision discussion, and Plan Priorities and Values. Session 2 focused on urban renewal basics and a strengths, weaknesses, opportunities, and threats (SWOT) exercise for the proposed boundary. Session 3 continued the SWOT exercise from Session 3 and the Working Group discussed Plan Area proposed projects. Session 4 presented the final vision, altered boundary based on prior discussions, and recommended goals, strategies and projects.

Public Outreach Efforts

- February 9, 2022 – Tualatin Chamber of Commerce
- March 12, 2022 – Tualatin Parks Advisory Committee Presentation
- May 19, 2022 – Planning Commission Work Session
- May 2, 2022 – Portland General Electric Meeting
- June 21, 2022 – Commercial Citizen Involvement Organization Meeting
- July 20, 2022 – Level Development (Private Developer Meeting)

July 21, 2022 – Macadam Forbes (Private Developer Meeting)

Plan Vision:

The Plan document vision takes existing work from prior strategic planning efforts and past conversations and recommendations and consolidates them into one purpose. This vision will be utilized for the adopted plan document that will direct funding and policy priorities for future efforts in the proposed area. The following is the proposed vision:

*The Core Opportunity and Reinvestment Area Plan is a guiding document in our community's sustainable effort to strengthen the social, cultural, environmental, and economic vitality of central Tualatin by funding projects that improve property values, eliminate existing and future blight, and create an active civic core.*

Plan Goals and Strategies

The proposed goals and strategies takes Council policy direction, working group feedback, and community input and translates those into applicable urban renewal efforts. The following is a draft of the proposed goals and strategies for the plan document. The order of these goals do not confer priority or preference.

GOAL 1: BLIGHT REMEDIATION

Encourage and facilitate the redevelopment of historically underutilized and vacant parcels and buildings through direct or public-private partnerships.

Implementation Summary: Incentivize public and private development that reduces the acreage of historically underutilized and vacant parcels and buildings. "Historically underutilized or vacant is identified as properties, parcels or buildings being vacant or undeveloped for five years or more."

Strategy 1: Encourage redevelopment of dilapidated parcels within Plan Area.

*Action 1.1: Evaluate opportunities to increase development of commercial and residential mixed-use development.*

*Action 1.2: Provide or fund additional infrastructure needed for increased commercial and residential development.*

*Action 1.3: Acquire property to ensure overall community and economic development needs are met and maintained.*

Strategy 2: Ensure development of vacant parcels within Plan Area flood plain.

*Action 2.1: Evaluate opportunities to increase opportunities for development.*

*Action 2.2: Allocate funding for infrastructure development for site development.*

*Action 2.3: Complete necessary site preparation and mitigation measures need for site development.*

Strategy 3: Reduce vacant commercial and industrial buildings in Plan Area.

*Action 3.1: Conduct market analysis and downtown planning for recruitment and development opportunities.*

*Action 3.2: Prioritize projects that maximize area prosperity and development that reduces existing vacancy rates.*

*Action 3.3: Ensure city owned parcels meet highest and best-use for Plan goals.*

Strategy 4: Leverage tax increment financing with additional funding tools to support economic development.

*Action 4.1: Evaluate opportunities to maximize total project funding with local, regional, state and federal partners.*

*Action 4.2: Provide incentives, rebates, and assistance where gap funding exists for private and public-private development projects.*

Strategy 5: Encourage employment growth and density development in existing areas.

*Action 5.1: Support redevelopment of underutilized commercial and industrial areas.*

## GOAL 2: ENHANCED CONNECTIVITY

Provide residents and workers access to a connected and efficient multi-modal system within, and to/from Plan Area.

Implementation Summary: Construct or upgrade systems that promote efficient and effective transportation within and to the Plan Area.

Strategy 1: Development of main street corridors within Plan area.

*Action 1.1: Completion of Area Transportation Plan.*

*Action 1.2: Develop a main street corridor within the Town Commons for enhanced access to existing businesses.*

Strategy 2: Increase major arterial capacity within Plan Area

*Action 2.1: Widen existing major arterial roads as identified in the Tualatin Transportation System Plan.*

*Action 2.2: Provide or fund additional infrastructure needed for increased commercial, industrial, and residential development.*

Strategy 3: Improve existing intersections

*Action 3.1: Ensure existing intersections along Tualatin-Sherwood Road promote safe pedestrian usage and ease of traffic flow to mitigate congestion growth.*

*Action 3.2: Develop and implement additional access points to zoned light industrial areas along Tualatin Sherwood Road.*

Strategy 4: Expand area trail systems

*Action 4.1: Connect existing trails for a complete recreational and multimodal system*

*Action 4.2: Complete unfinished trails.*

## GOAL 3: MULTI-USE DEVELOPMENT

Encourage and facilitate attainable multi-family housing that's complementary to commercial development with expanded employment opportunities and life-style amenities.

Implementation Summary: Incentivize public and private development that creates an area where individuals live, work, shop, and play near major transportation infrastructure and quality-of-life amenities.

Strategy 1: Ensure an adequate supply of land is available and developable.

*Action 1.1: Evaluate opportunities to increase development within Plan Area.*

*Action 1.2: Acquire land to ensure availability for future development.*

*Action 1.3: Fund infrastructure to support higher density commercial, industrial and residential development.*

*Action 1.4: Review and revise land use requirements and planning district designations, where necessary, to focus housing efforts on areas most suitable.*

Strategy 2: Support development and preservation of housing.

*Action 2.1: Support development of housing affordable to people who have incomes between 60-120% of median family income in Washington County.*

*Action 2.2: Develop and implement additional access points to zoned light industrial areas along Tualatin Sherwood Road.*

Strategy 3: Adjust planning efforts based on economic and market landscapes.

*Action 3.1: Fund planning efforts regarding zoning and development.*

#### GOAL 4: ECONOMIC DEVELOPMENT

Cultivate opportunities for entrepreneurial growth within Plan Area.

Description: Provide small businesses with dedicated financing.

Strategy 1: Develop assistance opportunities to businesses in Plan Area.

*Action 1.1: Provide capital improvement grants to businesses within Plan Area.*

#### GOAL 5: COMMUNITY IDENTITY

Cultivate a shared community identity that represents the area's long standing culture and traditions while fostering community connections and healthy relationship with the environment and each other.

Strategy 1: Establish more recreational opportunities.

*Action 1.1: Fund planning and construction efforts for recreational access to the Tualatin River.*

Strategy 2: Develop a community identity.

*Action 2.1: Fund efforts to establish community design standards for all development projects*

#### GOAL 6: INDUSTRIAL DEVELOPMENT

Promote dense industrial development in the southwestern area of the Plan Area.

Implementation Summary: Incentivize development that promotes denser employment opportunities while ensuring community identity and community health is maintained and enhanced.

#### GOAL 7: PUBLIC UTILITIES

Provide public utilities in the Plan Area as needed to facilitate growth and aesthetic quality.

Implementation Summary: Provide a fully funded utility infrastructure system that assist with eliminating existing blight and encourages future growth.

## GOAL 8: FLOOD MITIGATION

Promote the public health, safety and general welfare while minimizing existing and future impact to public and private development due to flood conditions.

Implementation Summary: Provide resources to reduce flood condition impacts.

## GOAL 9: ENVIRONMENTAL STEWARDSHIP

To protect Tualatin's original asset, its natural environment, the Commission will work to minimize future impacts to adjacent land where future projects may occur.

### *Identified Projects*

The identified projects presented in the draft plan for the Core Opportunity and Reinvestment Area were sourced from existing strategic/development plans adopted by the City of Tualatin and identified needs based on Council and Community input. The projects are divided into 10 areas of focus: mixed-use development, transportation, community identity, economic development, developer assistance, utilities, natural resource protection, flood mitigation, acquisition and disposition, and administration.

### Prosperity Investment Categories

- A. Mixed Use Development
- B. Transportation
- C. Community Identity
- D. Economic Development
- E. Developer Assistance and Incentives
- F. Utilities
- G. Natural Resource Protection
- H. Flood Mitigation
- I. Acquisition and Disposition
- J. Administration

### Mixed Use Development

#### 18970 Catalyst Project

*Project Cost: \$12,435,000*

*Source: Identified Need*

In efforts to meet highest and best use for existing parcels, this catalyst project will seek to fund and implement the design and construction of a mixed-use development with attainable housing and commercial retail at 18970 SW Lower Boones Ferry Road through a public-private partnership. This is city-owned land.

### Transportation

#### Area Transportation System Plan

*Project Cost: \$100,000*

*Source: Identified Need*

Fund efforts to establish long-range vision for identification of projects, programs, and policies that will achieve the Plan Area's transportation goals and needs.

### Main Street Corridor Project (Modification of SW 84<sup>th</sup> and Nyberg Street)

*Project Cost: \$11,000,000*

*Source: Transportation System Plan*

Fund project planning, design considerations and construction of a main street corridor utilizing existing municipal streets to connect Lower Boones Ferry and Tualatin-Sherwood Roads.

### Intersection Improvement Projects

As found necessary within the Plan Area, construction or improvements relating to intersections, including, without limitation, the construction, installation or upgrade of traffic control devices, turn lanes, appurtenances, and/or realignments.

- SW Nyberg and Nyberg Woods Intersection  
*Project Cost: \$2,865,000*  
*Source: Identified Need*
- SW 89<sup>th</sup> + SW Mohave Court and Tualatin Sherwood Road  
*Project Cost: \$2,865,000*  
*Source: Identified Need*

### Roads

As found necessary within the Plan Area, construction or improvements relating to roads, including without limitation, construction of new or extensions of existing roads.

### Nyberg Creek Greenway

*Project Cost: \$2,091,656*

*Source: Parks and Recreation Master Plan*

Connect existing Nyberg Creek Trail to the Tualatin River Greenway with the construction of a trail along the Nyberg Creek Wetlands. Connection of these two existing trails will improve access to recreation opportunities, provide safe modes of transportation off of major arterial roads from adjacent residential areas to the Town Core.

### Tualatin River Greenway Trail

*Project Cost: \$908,344*

*Source: Parks and Recreation Master Plan*

Fully complete the Tualatin River Greenway adjacent to the Town Commons.

## Community Identity

### Tualatin River Plaza and Access and Habitat Restoration Project

*Project Cost: \$5,000,000*

*Source: Parks and Recreation Master Plan*

To design and construction a public gathering space and access point along the Tualatin River. In addition, mitigate impacts while enhance environmental habitats near project area.

### Community Design Standard Master Plan

*Project Cost: \$150,000*

*Source: City Council Request*

Fund efforts to establish community design standards for all new development projects, or redevelopment efforts that increase valuation by more than 20%. These standards will allow Tualatin to develop and cultivate a shared identity and design within Plan Area.

#### Economic Development

##### Capital Development Grants

*Project Cost: \$3,575,000*

*Source: Identified Need*

Provide financial and regulatory resources to small industrial and commercial property owners to update, modernize existing facilities through capital improvements.

#### Developer Assistance and Incentives

Facilitate development and redevelopment on sites in the Area, stimulating growth and providing new employment opportunities and additional mixed use and commercial growth in the Area. An example of a type of assistance is to reduce or eliminate development impacts on adjacent properties.

#### Utilities

Fund future improvements to sanitary and storm water, water supply, and electrical systems as needed to develop historical vacant parcel and store fronts or Plan area needs.

#### Natural Resource Protection

Identify methods and practices for protection and enhancement the Plan's natural environment. Partner with regional organizations to facilitate acquisition, enhancement, mitigation, protection and conservation of natural resource areas within the Plan Area.

#### Flood Mitigation

The Commission's involvement is proposed to be in the form of participating in the local share of any project funded at the local, regional, state, and/or federally funded efforts. The Commission will assume the public-sector leadership role in the redevelopment of historical vacant parcels with the flood plain.

#### Acquisition and Disposition

Based on sales comparable of notable vacant land, the Tualatin Development Commission's may acquire or dispose of real estate for targeted economic development based on submitted request for proposals by private or public partners.

#### Administration

Authorizes expenditures for the administrative costs associated with managing the URA including budgeting and annual reporting, planning and the implementation of projects in the Area.



### Formal Review Process

Upon the adoption of the resolution, the Tualatin Development Commission will begin the required procedural process as required by ORS.

1. Tualatin Development Commission Authorizes Core Opportunity and Reinvestment Area Plan Public Review Process (September 12, 2022)
2. Referral of Plan to Tualatin Planning Commission (September 22, 2022)
3. Consult and Confer with Affected Taxing Districts (45 days)
  - a. The Plan and urban renewal report must be sent to any tax district affected by the Tualatin Development Commission
  - b. September 27 – Tualatin Valley Fire and Rescue Presentation
4. Tualatin City Council Public Hearing (November 12, 2022)
5. Consideration of Plan by City Council (September 28, 2022)
  - a. A new plan is adopted by the governing body of the municipality by ordinance.

### **OUTCOMES OF DECISION:**

The passage of this result will instruct staff to begin the public review process. The Plan Document will be referred to the Tualatin Planning Commission and to the impacted taxing districts.

### **ALTERNATIVES TO RECOMMENDATION:**

None.

### **FINANCIAL IMPLICATIONS:**

None

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### **ATTACHMENTS:**

- Resolution 633-22
- Core Opportunity and Reinvestment Area Plan
- Report Accompanying the Core Opportunity and Reinvestment Area Plan
- Power Point