



*City of Tualatin*

## CITY OF TUALATIN Staff Report

**TO:** Honorable Mayor and Members of the City Council  
**THROUGH:** Sherilyn Lombos, City Manager  
**FROM:** Jonathan Taylor, Economic Development Manager  
**DATE:** 02/28/2022

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**SUBJECT:**  
Prosperity Planning – The Core Opportunity and Reinvestment Area

### **EXECUTIVE SUMMARY:**

A presentation and discussion on the City of Tualatin's prosperity planning efforts in the I-5 Corridor region.

### **Prosperity Planning – The Core Opportunity and Reinvestment Area (CORA)**

#### *What*

The City of Tualatin's prosperity planning efforts have been a multi-year endeavor to securely position our community for long-term economic prosperity. The changing economic landscape (short and long-term) of the COVID-19 Pandemic has further prioritized these efforts.

#### *The Need*

As our community continues to grow, development constraints present challenges for long-term prosperity for our community. The availability of developable land and transportation infrastructure is limited or severely restricted. In addition, the transition around online commerce and supply chain have presented opportunities and challenges for long-term land-use.

#### *The Purpose*

To plan for long-term economic prosperity utilizing a variety of financing tools, primarily tax increment financing, to meet the community needs in alignment with broader community vision.

#### *Brief Background Overview*

Since 2018, the City of Tualatin has worked on several long-range projects to securely position our community for long-term economic prosperity. Efforts began 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 tax increment financing. 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 Northern Core Areas.

In 2020-2021, Council held a number of small group briefings and work sessions that identified key priorities. The priorities included: small business assistance, community identity, access to housing, improved transportation, blight remediation, developer assistance, climate change, and land acquisition.

### ***Recap of Housing Needs and Economics Opportunity Analysis***

In 2019, the City of Tualatin conducted a housing needs (HNA) and economic opportunities analysis (EOA) to determine the projected amount of land needed to accommodate future population and employment growth while evaluating existing land supply to determine the adequacy to meet that need .

#### *Housing Need Analysis*

The forecast from the HNA concluded that Tualatin will grow by about 1,014 households over a twenty year period, with 56% outside the Basalt Creek area. Tualatin will need about 1,014 dwelling units of single-family detached (40%), 152 single family attached (15%), and 456 multifamily (45%). The analysis concluded that the City will have a deficit of 14 acres of land for multifamily unit development.

**Exhibit 1. Comparison of capacity of existing residential land with demand for new dwelling units and land surplus or deficit, Tualatin City Limits and Basalt Creek, 2020 to 2040.**

<b>Residential Plan Designations</b>	<b>Capacity (Dwelling Units)</b>	<b>Demand for New Housing</b>	<b>Remaining Capacity (Supply minus Demand)</b>	<b>Land Surplus or (Deficit) Gross Acres</b>
Low Density	523	466	57	10
Medium Low Density	386	71	315	27
Medium High Density	13	122	(109)	(7)
High Density	285	254	31	2
High Density High-Rise	-	101	(101)	(4)

Source: City of Tualatin, Housing Needs Analysis

#### *Economic Opportunities Analysis*

The EOA forecasted that Tualatin will have an employment growth of 12,591 new employees by 2040, resulting in the demand of 677 gross acres of commercial and employment land. The analysis concluded that the City of Tualatin will have a deficit 249 acres to accommodate growth.

**Exhibit 2. Comparison of the capacity of land with employment land demand by land use type. Tualatin Planning Area 2020-2040**

<b>General Plan Designation</b>	<b>Land Supply (Suitable Gross Acres)</b>	<b>Land Demand (Gross Acres)</b>	<b>Land Sufficiency (Deficit)</b>
Industrial	374	448	(74)
Commercial (incl Retail and Office)	11	186	(175)

Source: City of Tualatin, Economic Opportunities Analysis

## **Prior Prosperity Planning Work**

### *Enhanced Industrial Transit – Herman Road Expansion in the Leveton Tax Increment District*

In 2020, the City Council and Tualatin Development Commission approved the Herman Road Expansion project in the Leveton Tax Increment District. This multi-year project expands Herman Road to add pedestrian access, bike lanes, remedy drainage issues, and a center turn land at an industrial driveway. This expansion will provide relief in industrial and employment traffic to and from the primary industrial core of the City. The anticipated project cost is \$3 million.

### *Greenfield Development and Existing Parcel Redevelopment – The Southwest Industrial and Basalt Creek Development Area.*

To assist with greenfield development in the Basalt Creek area and the redevelopment of industrial properties in the Southwest Industrial Area, the City established the Southwest and Basalt Creek Development Area. The development area consists of 717-acres primarily zoned commercial and industrial. Up to \$55 million dollars have been dedicated to areas of investment: small business assistance; land acquisition; developer assistance; water, road and sewer infrastructure; trail development; and natural resource protection.

## **Prior Strategic Planning**

### Central Urban Renewal District Plan – 1979, Updated 2009

Goal: To strengthen the social and economic development of central Tualatin by stabilizing and improving property values, eliminating existing blight, and preventing future blight; and to encourage and facilitate land uses that result in activity during all business hours, evenings, nights and weekends, and to encourage indoor and outdoor uses.

### Central Tualatin Design Standards – 2001

Goal: To provide a guiding document for future development that creates an urban central city with a strong multimodal network with connections to the river and fostering a rich diversity of mixed-use development.

### Tualatin Town Center Plan – 2005

Goal: To strategically plan for a Town Center that will have distinctive high-quality mixed use development with a wide variety of residential dwellings and retail, professional and service employment opportunities, and important recreational and cultural facilities.

### Tualatin Tomorrow - 2009

Goal: A complete community – a place where children thrive and people connect, neighbors know and care for one another, and community members are proud of their city and quality of life that is second to none.

### Transportation System Plan - 2014

Goal: Establish a long range vision for the combination of projects, programs and policies that will achieve Tualatin's transportation goals.

### Parks and Recreation Master Plan - 2019

Goal: To create a vibrant city, with a healthy and cohesive community, connected through attractive parks, diverse facilities, trails, conservation of natural areas, recreation opportunities, and are and culture that are engaging and accessible to all.

## **Area Major Developments**

### Town Commons – 1994

A 19-acre public-private mixed-used redevelopment project that transformed a number of older, dilapidated buildings (older residential dwellings previously converted to auto-oriented shops) and the non-conforming Herwin Blue Mountain Dog Food Factory into a community gathering place. Within the Town Commons, the Lake of the Commons replaced two city streets with a three-acre pond, substituting asphalt for water and reducing onsite impervious surfaces, traffic congestion, and auto emissions. The redevelopment produced a promenade, public plaza, a hotel, and office and residential buildings.

### Bridgeport Village – 2005

Opened in 2005, Bridgeport Village was a \$250 million, seven year redevelopment of a former Washington County rock quarry into an open air mall. This 30-acre site contains 320,000 sf of retail space and 500,000 sf of office space and over 75 retail and boutique shopping options. In addition, the site has amenities including an 18-screen theater, a four story above ground parking structure, and Italian inspired streetscapes. Bridgeport Village led to broader area development.. Between 2010 and 2022, Whole Foods, REI, and Grand Hotel opened along SW Bridgeport Road. Bridgeport Village has an estimated 1,000 employees.

### Nyberg Woods – 2007

Once the site of a former motel, the redevelopment constructed 250,000 sf with three main anchor buildings, and two smaller retail shop buildings. Due to the site being severely restricted, significant retaining walls were used along Nyberg Street.

### WES Commuter Rail – 2009

The 14.7 mile suburb-to-suburb commuter rail service opened February 2009. The line has a total of five stations with terminus' in Beaverton and Wilsonville and four park and rides. The project cost \$161 million dollars and took 13 years for completion.

### Nyberg Rivers – 2014

The \$65 million redevelopment of the vacant K-Mart building and the demolition of Jiggles with four new buildings for the tenants of Cabela's, New Season, LA Fitness, and several retail and fast-food options. Nyberg Rivers shopping center has an estimated 600 employees.

## **Proposed Working Vision and Values**

### Proposed Plan Working Vision:

The proposed plan document working vision takes existing work from prior strategic planning efforts and consolidates them into one purpose. This vision will be utilized for the adopted plan document that will direct potential funding and policy priorities for future efforts in the propose area. The following is a draft of the proposed working vision for the plan document.

*The Core Opportunity and Reinvestment Area Plan will be a guiding document in our community's efforts to establish and fund projects to create an active civic core; redevelop areas with vibrant high-quality mixed-use developments offering a variety of additional residential dwelling and retail options; increase opportunities for living wage professional and creative employment; promote and develop recreational and cultural facilities, and integrated all efforts into the natural landscape with environmental stewardship.*

### Plan and Effort Values

1. More Housing
2. Leave No Existing Business Behind
3. Enhance Connectivity
4. Foster, create, enhance, and promote identity
5. Maintain and grow existing employment lands

### Plan Area Priorities

Area priorities were determined and consolidated into eight broad categories based on prior work and direction from City Council over the summer of 2021.

1. Community Identity
2. Housing
3. Transportation
4. Small Business Assistance
5. Blight remediation
6. Environmental Stewardship (in lieu of Climate Change)
7. Land Acquisition
8. Developer Assistance

### **Prosperity Plan Working Group**

To facilitate a connected, informed, and engaged community, staff recommends establishing a prosperity plan working group. This proposal is similar to Council's taskforce for the Southwest and Basalt Creek Development Area Plan.

Proposed Working group is as follows:

Membership: The Working Group shall consist of at least (10) participants: 1 (one) from Tualatin Parks Advisory Committee nominated by the Committee, one (1) from the Tualatin Planning Commission nominated by the Commission, one (1) City Council Member nominated by the Mayor, one (1) representative of the Tualatin Chamber of Commerce, one (1) representative from the Commercial Citizen Involvement Organization, one (1) from an interested overlapping taxing district, and four (4) participants shall be from the public at-large who are either property owners or operates a small business in the identified area.

Term: The Working Group Term will expire on December 31, 2022, unless extended or terminated sooner by City Council.

Meetings: At least four (4) meetings will be held by the Working Group. All meetings will be open to the public and minutes taken and published.

Quorum: Five (5) attendees of the Working Group shall constitute for a quorum for the purpose of its duties.

Duties of the Working Group: The Working Group is responsible for the following activities:

- a. Provide feedback on the existing conditions of the area, proposed vision, values and objectives.
- b. Provide feedback on area projects, and project direction.
- c. Identify and recommend additional projects;
- d. Review financial analysis

The Working Group will have no official action other than to provide general public feedback and proposed issues for consideration (either as a body or individual member) by the City of Tualatin and Tualatin Development Commission.

If Council approves of this direction, participants will be solicited with appointments occurring by Resolution by the Tualatin Development Commission on March 28, 2022.

### **Proposed Timeline**

January – February

City staff is currently working on establishing the final boundary to propose to City Council for consideration. Financial impacts on the City, and various taxing districts, will be analyzed with the proposed boundary.

January – July

Led by City Council, staff will propose area projects and bucket list concerns and opportunities during scheduled work sessions. Multiple advisory groups will be established and consulted.

August – December

The City will confer with all regional partners in the preparation for the final adoption of this plan. The plan will be presented to the Tualatin Development Commission, the Tualatin Planning Commission, and the Tualatin City Council – with a scheduled public hearing. Anticipated adoption date is December 2022.

### **Council Questions for Consideration**

1. Is the proposed working vision a good foundation?
2. Are the presented plan values and priorities still consistent with Council's direction and community vision for the area?
3. Does Council agree with the proposed working group template?

### **Next Steps**

Staff will make any alterations to the proposed project and timeline if requested.

If Council is amenable to the working group template, staff will present a slate of participants for the proposed working group and a resolution for adoption on March 28, 2022.

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### **ATTACHMENTS:**

- Attachment A: Power Point Presentation