



City of Tualatin

TUALATIN DEVELOPMENT COMMISSION Staff Report

TO: Honorable Chairman and Members of the Commission
THROUGH: Sherilyn Lombos, Administrator
FROM: Jonathan Taylor, Economic Development Manager
DATE: February 8, 2020

SUBJECT:
Leveton Tax Increment Finance District Proposed Projects

EXECUTIVE SUMMARY:

On October 28, 2019, City Council directed to Staff to identify potential projects for the Leveton District in order fully expend remain funds and terminate the District Plan. City Council requested input from District businesses on areas of concern or project ideas that remaining funds could be used for.

Leveton Tax Increment District (LTID) Background

The LTID was established in 1985 with 377 acres, and expanded to include a total of 380.8 acres. At the time, the total assessed value of the district was \$3,660,924. Establishment of the district was integral to the City's economic development efforts to diversify and internationalize the local economy. Virtually the entire district is zoned for manufacturing. The LTID was established to provide infrastructure and services to support industrial development, and to eliminate mining operations, which were considered to be detrimental to other industries. The overall goal of the district was to facilitate the full industrial development of the area by removing blighting influences and by providing public improvements. The assessed value of the district increased by \$255.5 million (FY 09/10).

In 2010, the City of Tualatin ceased collection of all tax increment revenue from the Leveton Tax Increment District. While tax collection ceased, the District had one outstanding project requiring wetland mitigation. After project completion and COVID-19 grant funding, The LTID has a remaining fund balance of \$3.4 million. In order to complete the termination of the District, all remaining funds must be spent on identified projects.

Area Business Concerns

The following topic areas were discussed with area businesses regarding efforts to make the area more successful. The topics presented are a condensed list based on applicability being related to urban renewal.

- Transportation
- Workforce Mobility

The Proposal

Minor Amendment Projects

A minor amendment to an urban renewal plan is a process to add identified projects referenced in the City's Comprehensive Plan Document to the Urban Renewal Plan Document. Minor amendments are approved by resolution of the Tualatin Development Commission.

Identified Minor Amendment Projects

- Future Urban Renewal Planning - \$400,000
 - To conduct area feasibility studies, provide short and long term vision process, conduct plan development and implement plan documents for the establishment of urban renewal areas in identified districts.
- Rapid Crosswalk Beacons - \$70,000
Location: Intersection SW 108th/ SW Tualatin Road
 - To add a rapid beacon at the crosswalk of SW 108th Avenue and SW Tualatin Road.

Substantial Amendments

A substantial amendment to an urban renewal plan is based on two factors: expansion of the area boundaries greater than 1% or an increase in maximum indebtedness. The substantial amendment is a multi-step process beginning with an approval by the Tualatin Development Commission, a 45-day consult and confer with area taxing entities, conference with Washington County, a public hearing, and final approval by the Tualatin City Council.

In 1989, the City of Tualatin added an additional 33.3 acres to the Leveton Tax Increment District, exceeding 1% of area boundary. Any addition, no matter the size, would require a substantial amendment.

Identified Substantial Amendment Projects

- Plan Expansion – Incorporate Herman Road - \$25,000
 - The administrative process of the plan expansion. This would include area financial analysis and surveying and legal adjustments to the plan area and document.
- Herman Road Extension Project - \$2,905,000
 - Identified in the Transportation Systems Plan, this proposed project will add a sidewalk/path on the north side, bike lanes on both sides, fix the drainage issues, and add a center turn lane at the industrial driveway of Herman Road. It is currently funded through preliminary design.

OUTCOMES OF DECISION:

If the Tualatin Development Commission approves this proposed project list, City Staff will return in March to present the required resolution and documents for the minor amendment to the LTID Plan with the proposed projects. City Staff will also begin working with Elaine Howard to begin the necessary steps required for the substantial amendment process.

FINANCIAL IMPLICATIONS:

None at this time. If the Tualatin Development Commission approves the proposed project list, a formal adoption of proposed projects and costs associated will be presented in March.

ATTACHMENTS:

- Attachment A – PowerPoint