



*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:** October 28, 2019

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### **SUBJECT:**

Tualatin Urban Renewal Education Series Part III. Discussion on the proposed uses for the remaining funds in the Leveton Tax Increment District and Central Urban Renewal District.

### **EXECUTIVE SUMMARY:**

#### **Session III Purpose**

Session III will focus on the process and steps of amending each urban renewal districts' plans and closing down each district. In efforts to effectively close down each district, the remaining district revenues must be properly utilized.

#### **Background:**

In 2010, the City of Tualatin began the official process of closing down its two urban renewal areas: Central Urban Renewal District (CURD) and Leveton Tax Increment Finance District (LTID) with the City ceasing tax increment finance (TIF) collection from both Districts. These two districts were formed for very different purposes, and each were successful in their own development. The CURD was intended to alleviate blight in the downtown area of Tualatin. Implementation of Tualatin Commons is one of CURD's greatest accomplishments. LTID was created to open up new green fields and lands for employment and industry, and over the last 26 year of active zones, it had accommodated 35 new employers, bringing in 2,200 jobs to the City. These two district's assessed value increased over \$435.5 million since 1975.

#### **Series Purpose:**

The Urban Renewal Education series is a three-part session focused on urban renewal basics for the Tualatin Development Commission/City Council. With over \$4 million dollars in cash assets and remaining actions for the Tualatin Development Commission to complete for the closure of CURD and LTID, the sessions will provide overview of Oregon Law regarding Urban Renewal, the history and accomplishments of each districts, roles and responsibilities of the Tualatin Development Commission, and next steps and goals for remaining funds and assets, and steps of officially shutting down each area.

#### **Recap of Session 1 – URA Basics**

On April 28<sup>th</sup>, the Tualatin City Council/Tualatin Development Commission was presented with Session 1 of the Urban Renewal Education Series by our consultant Elaine Howard, Howard Consulting. The session

focused on the general overview of what urban renewal is, how it is funded through tax increment financing (TIF), and how TIF is collected by the authority and its effect on property owners and area taxing entities.

## **Recap of Session 2 – Overview of Tualatin Urban Renewal Districts**

On June 24<sup>th</sup>, the Tualatin City Council/Tualatin Development Commission was presented with Session 2 of the Urban Renewal Education Series by our consultant Elaine Howard, Howard Consulting. The session focused on the general overview and history of the Tualatin Urban Renewal Areas – Central Urban Renewal District and Leveton Tax Increment District, and the current remaining assets of each district, and the next steps of disposition of cash and land assets to officially close down each district.

### **Overview of Districts:**

#### Central Urban Renewal District

CURD was established in 1975 with originally 310 acres, with amending over time to include 327 acres. Upon formation, the total assessed value of the area was \$14,067,089. Most of CURD was zoned for Central Commercial and Commercial Office, with small portions for high-density residential and light manufacturing. The purpose of the CURD was “to alleviate conditions of blight and to create a sense of place downtown.” The overall goal of the CURD was “to strength the social and economic development of central Tualatin by stabilizing and improving property values, eliminating existing blight, and preventing future blight.” Upon completion of the District’s plan, the assessed value of the District had increased by \$194 million dollars (FY 09/10).

#### Noted Accomplishments:

- Tualatin Commons Project. This large-scale mixed-use redevelopment is a key feature. The area includes 80 residential units, 160,000 square feet of commercial space, 500 parking spots. The project cost \$7.9 million for land acquisition and site preparation. The current combined value is over \$30 million.
- Nyberg Street/ I-5 Interchange.
- Land Acquisition for Police Services Building.

#### Leveton Tax Increment District

The LTID was established in 1985 with 377 acres, expanding 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).

#### Noted Accomplishments:

- Reconstruction of SW 124<sup>th</sup> Ave/Pacific Hwy/SW Tualatin Road intersection
- Construction of 118<sup>th</sup> Ave
- SW Leveton Drive
- Herman Road

**Next Steps:**

Upon identifying options and priorities for closing down the Central Urban Renewal and Leveton Urban Renewal District, closure process map, project plans, and plan amendments will be presented to the Tualatin Development Commission for consideration at a later date.

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**ATTACHMENTS:**

[Attachment A - Session III PowerPoint](#)

[Attachment B – Central Urban Renewal District Plan Document](#)

[Attachment C – Leveton Tax Increment Finance District Plan Document](#)

[Attachment D – Tualatin Development Commission Final Report](#)

[Attachment E – Session I](#)

[Attachment F – Session II](#)