



City of Tualatin

CITY OF TUALATIN Staff Report

TO: Honorable Mayor and Members of Council
THROUGH: Sherilyn Lombos, City Manager
FROM: Jonathan Taylor, Economic Development Manager
DATE: August 23, 2021

SUBJECT:

Consideration of Ordinance 1458-21 making certain determinations and findings relating to and approving the Southwest and Basalt Creek Development Area Plan.

RECOMMENDATION:

Staff recommends that the City Council adopt the attached Ordinance.

EXECUTIVE SUMMARY:

Background:

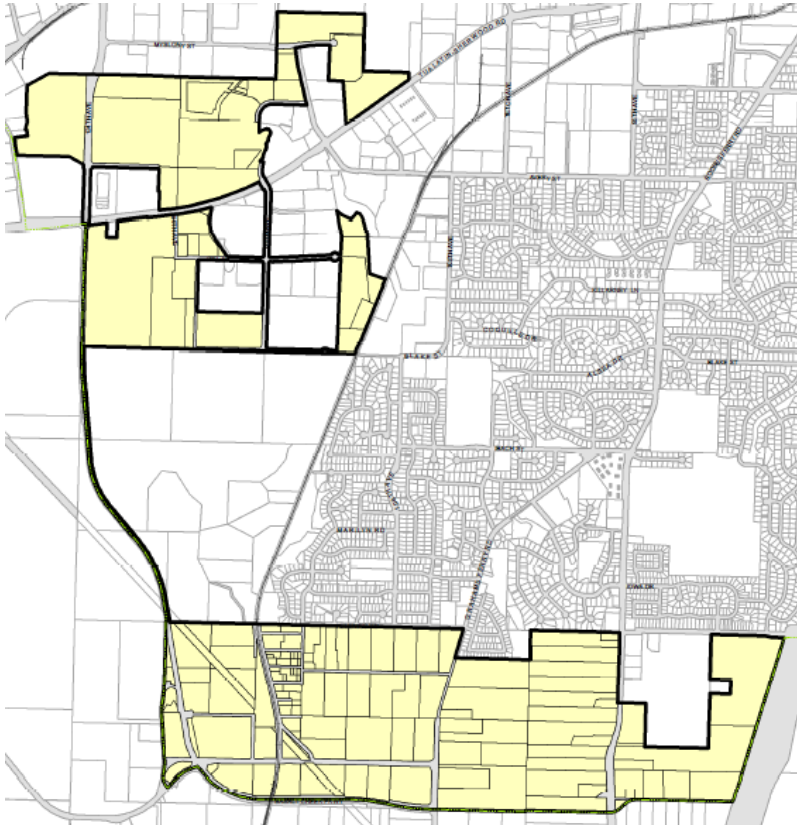
On September 28, 2020, the Tualatin City Council was presented the Proposed Study Area 1 Feasibility Study. The study indicated the total potential tax increment financing (TIF) revenue over a 30-year period is estimated to be between \$28.4 million and \$55.5 million, depending on the future growth in assessed value in the Southwest and Basalt Creek Development Area. Three growth scenarios were analyzed as described in the attached feasibility study. The growth scenarios would support a total maximum indebtedness (i.e., the total principal amount of projects to be funded) between \$24.5 million and \$48.7 million. When accounting for inflation and adjusting the maximum indebtedness to be reported in constant 2020 dollars, the forecast for the true financial capacity of the URA was projected to be between \$13.6 million and \$26.2 million.

The results of the feasibility study have the following key implications:

- Urban renewal could generate significant financial capacity for the Basalt Creek Area and Southwest Industrial Area in the City of Tualatin, including funding for up to \$26.2 million of projects. This funding could pay for significant infrastructure improvements and other high priority economic development projects in this area.
- This financial capacity would not be available immediately, but would build slowly over time. As an example, the soonest the City could adopt an urban renewal plan would be in calendar year 2021, which would result in the Urban Renewal Agency first receiving tax increment revenue in Fiscal Year 2023. Over the first five years of the District (from FY 2023 through FY 2027), annual tax increment revenue is projected to grow to \$400,000. This revenue stream (when combined with financing options, and adjusting for inflation) is projected to support funding for less than \$2 million of projects during this time period. Thus, long-term financial capacity does not necessarily translate into substantial short-term financial capacity.
- Past planning efforts for the Basalt Creek and Southwest Industrial Area have identified key infrastructure projects that are needed in the area. Because of these past planning efforts, there is a clear vision and specific list of projects that could be funded with urban renewal. An urban renewal plan for the Basalt Creek and Southwest Industrial Area could likely gather sufficient public input

through the typical urban renewal planning process, which includes input from an advisory committee.

Proposed Urban Renewal Boundary



Plan Goals

The goals of the Plan represent its basic intents and purposes.

Goal 1: Public Involvement

Implement community involvement practices.

Goal 2: Employment Land Development

Encourage land development that provides high density employment opportunities. Encourage land development in ways that strengthen the local tax base and support Tualatin's employment lands as a major local and regional employment center. Manage land development impacts to the environment and other uses.

Goal 3: Transportation Infrastructure

Maintain and enhance the transportation system to reduce travel times, provide travel-time reliability, provide a functional and smooth transportation system, and promote access and safety for all users. Allow for a variety of alternative transportation choices for residents of and visitors to Tualatin to support a high quality of life and community livability. Support local employment, local businesses, and a prosperous community while recognizing Tualatin's role in the regional economy.

Goal 4: Utility Infrastructure

Provide public services and facilities to meet the present and future needs of the Area.

Goal 5: Developer Assistance and Incentives

Facilitate development and redevelopment on sites in the Area, stimulating growth, providing new employment opportunities and an increased tax base in the Area. Assist in the provision of infrastructure to support the development of additional housing options in the Area.

District 1 Urban Renewal Task Force

District 1 Urban Renewal Task Force (Task Force) was created by Resolution 622-20 by the Tualatin Development Commission tasked with: A. Review the proposed urban renewal plan boundary and make recommendations for size and location of District 1; B. Identify and recommend projects in the proposed area; and C. Review financial analysis and impacts of the proposed district and project.

Task Force members were: Christen Sacco (City Council), Cassandra Ulven (Tualatin Valley Fire and Rescue), Theresa Haskins (Property Owner Representative – Portland General Electric), Grace Lucini (Property Owner), Jilian Felton (Property Owner Representative – Community Partners for Affordable Housing), and Janelle Thompson (Tualatin Planning Commission)

The Task Force met on March 18, 2021 (Meeting 1), April 8, 2021 (Meeting 2), and April 29, 2021 (Meeting 3) via the virtual platform Zoom. Meeting 1 provided an introduction of the Task Force members, staff and consultant; the purpose of the Task Force, the background of the feasibility study; an urban renewal 101, and boundary discussion. Meeting 2 included a boundary discussion update and proposed projects. The boundary update incorporated comments from Community Partners for Affordable Housing. Meeting 3 provided a review of the financial plan and memo. On June 29, 2021, the Urban Renewal Task Force meet for a fourth meeting at the request of Grace Lucini. This meeting was held to officially vote and recommend the proposed projects and boundaries. The task force approved the proposed boundary and projects. Grace Lucini dissented and provided dissenting comments to be included in the minutes.

Agenda and meeting minutes can be referenced at:

<https://www.tualatinoregon.gov/economicdevelopment/proposed-area-1-task-force>

Identified Projects

The identified projects presented in the draft plan for the Basalt and Southwest Development Area were sourced from existing strategic/development plans adopted by the City of Tualatin. The projects are divided into six areas of focus: Transportation, Sewer and Storm Drainage, Natural Resource Protection, Developer Assistance and Incentives, Acquisition/Disposition, Administration

Public Involvement and Outreach

In building on the extensive public outreach for previous plans in which the district has incorporated, the City held an informational webinar, a month-long virtual open house, presented to the Tualatin Chamber of Commerce Business Advocacy Council, solicited feedback from the Citizen Involvement Organizations, and allowed public comment during the 45-day period.

Basalt Creek Informational Webinar

On May 17, 2021, the City of Tualatin held an informational webinar for proposed long-term development and planning projects in the Basalt Creek and Southwest Industrial Areas. The City presented current efforts regarding urban renewal, parks and recreation, and community development. The City allowed for comments and questions from attendees. Primary concerns included issues regarding transportation along Lower Boones Ferry Road and in the Basalt Creek Area.

Virtual Open House

A virtual, self-guided open house for interested individuals was available during the month of July. This open house provided stations to learn about the urban renewal efforts in the proposed area and to provide

opportunities for public input and comments. The virtual open house was located on the City of Tualatin's Urban Renewal Page.

Tualatin Chamber of Commerce

On July 19, 2021 the City of Tualatin presented to the Tualatin Chamber of Commerce Business Advocacy Committee. The presentation include urban renewal efforts of the Southwest and Basalt Creek Development Area and the Leveton Tax Increment District. The BAC indicated their support for these efforts.

Community Involvement Organizations

On July 22, 2021, the City of Tualatin presented to the representatives of the Community Involvement Organizations. The presentation included urban renewal efforts of the Southwest and Basalt Creek Development Area and the Leveton Tax Increment District. After the presentation, the representatives indicated that while they support the efforts to develop the area, they did not support further development of the area until the transportation system could accommodate the proposed growth. The group indicated that the City should look into adding transportation planning into the project list. City Staff recommended that the members of the CIO submit written concerns to the Tualatin City Council. Members noted that traffic across our entire community has "gotten a lot worse" and that the City should focus on how to improve existing traffic conditions before encouraging additional growth.

Conformance to the Tualatin Development Code and the Tualatin Comprehensive Plan

On June 28, 2021, the Tualatin Development Commission adopted Resolution 628-21 to commence the formal review process and forwarded the proposed urban renewal plan to the Tualatin Planning Commission to determine conformance with the Tualatin Development Code and the Tualatin Comprehensive Plan. On July 15, 2021, the Tualatin Planning Commission approved by motion that the proposed Southwest and Basalt Creek Development Area Plan is in conformance.

Washington County Board of Commissioners

Due to the inclusion of unincorporated areas in to the proposed Plan, the Washington County Board of Commissioners must approve by resolution the proposed plan. On August 3, 2021, City Staff and Consultant presented to the Commissioners during a regularly schedule work session. The majority of the Board of Commissioners encouraged the City to reaffirm prior City commitments to support the Basalt Creek Parkway extension. On August 17, 2021, the Commissioners considered a resolution for adoption due to the inclusion of unincorporated area. The Board of Commissioners approved the resolution approving the proposed plan document.

OUTCOMES OF DECISION:

If approved, the City of Tualatin will establish an urban renewal zone in the areas identified in the plan document.

ALTERNATIVES TO RECOMMENDATION:

None.

FINANCIAL IMPLICATIONS:

None

ATTACHMENTS:

- Ordinance
- Southwest and Basalt Creek Development Area Plan
- Report Accompanying the Southwest and Basalt Creek Development Area Plan
- Memo from Assistant Community Development Director