



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: August 22, 2022

SUBJECT:

A discussion regarding the Core Opportunity and Reinvestment Area Plan's vision, goals, strategies, boundary, and identified areas of investment.

EXECUTIVE SUMMARY:

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.

Outcome

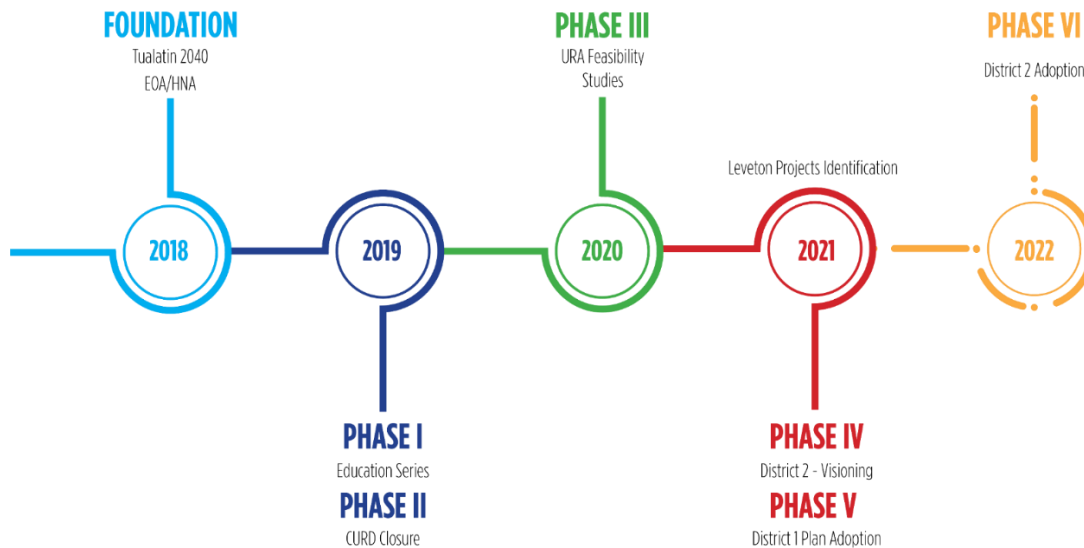
Following the process that has been identified in previous meetings, which is currently underway, a plan document will be created that will provide a roadmap on the utilization of tax increment finance over a set duration period for the funding of priority projects and programs.

Background

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.

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.



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 \$210.0 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 URA to be between \$118.1 million and \$171.4 million.¹

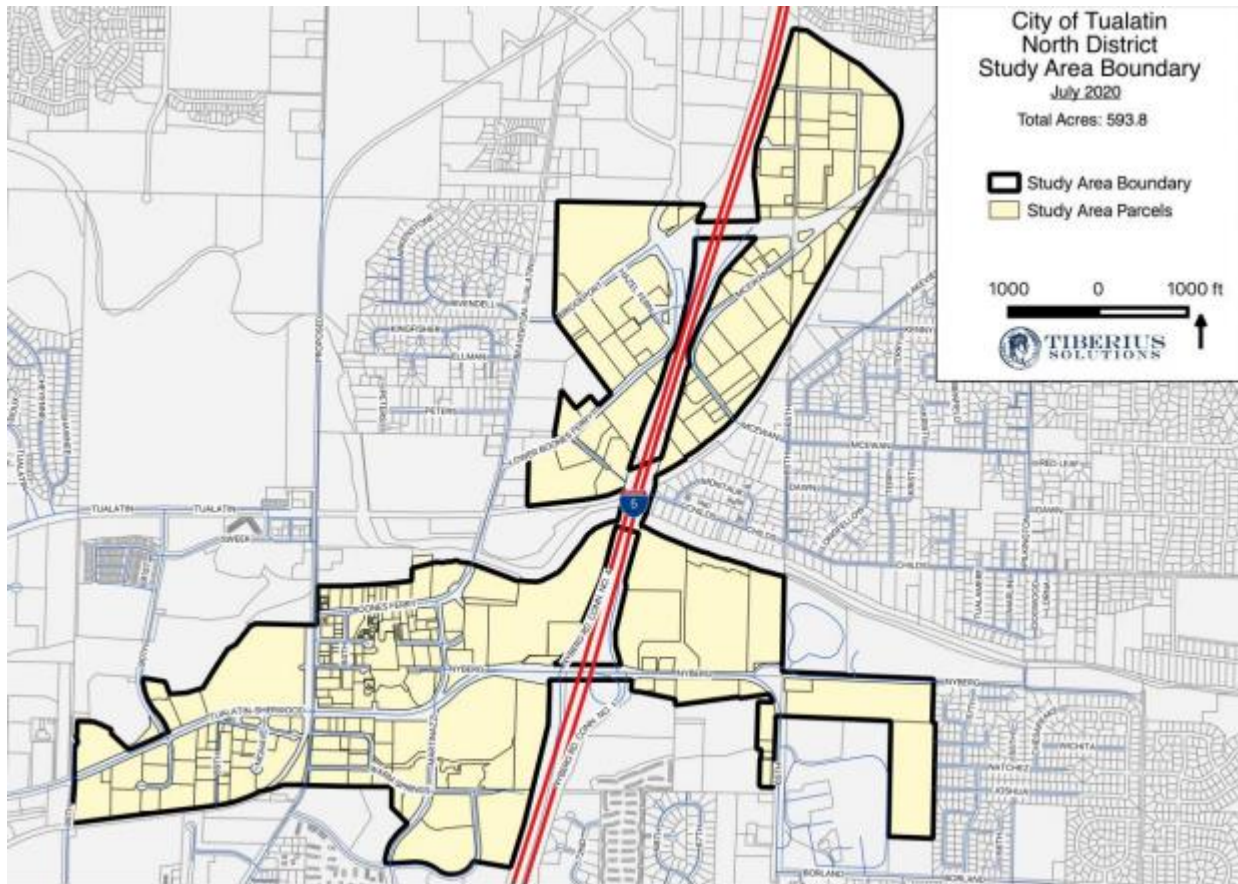
Beginning on March 29, 2021, staff held three preliminary sessions with Council to discuss the proposed study area's boundaries, existing conditions/challenges, and confirm priorities and goals previously identified in past phases to prepare for the April 26 workshop.

Identified Priorities/Goals:

- Establish or create a common identity
- Enhance connectivity
- Ensure a collaborative approach
- Protect and promote the natural environment
- Foster mixed-use development
- Expand housing options

¹ Impact options presented reflected 2023 dollars.

Feasibility Study Area:



The feasibility study area focused on keeping future redevelopment near major transportation modes; enhance current employment lands by increasing capacity; prepare for major regional transportation projects; remedy areas that are prone to environmental issues; enhance existing connectivity; fund major infrastructure projects to prepare for future growth; and based on previous community needs and desires.

Working Group Recap

On March 28, 2022 City Council passed Resolution 56087-22 establishing a ten member working group. Members included: 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 resolution requested the working group: *provide feedback on existing conditions of the area, proposed vision, and objectives; provide feedback on the proposed boundary, area projects, and project direction; and identify and recommend any additional projects for the proposed area.*

Working Group Suggestions:

- Rework the vision statement. “make it more concise and direct.”
- Focus on the Town Commons.
- Add in projects that promote and address community identity.

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)

Policy Question: Does Council agree with the Core Opportunity and Reinvestment Area Plan Vision?

Proposed Plan Vision:

The proposed plan document 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 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 effort to strengthen the social, cultural and economic vitality of central Tualatin by funding projects that improve property values, eliminate existing and future blight, and create an active civic core.

Policy Question: Does Council agree with the Core Opportunity and Reinvestment Area Plan Proposed Goals and Strategies?

Proposed 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.

Council Question: Does Council general agree with the following proposed projects and investment allocations?

Important Note: Projects and investment allocations maybe changed at any time after the adoption of this Plan through a minor amendment process.

In accordance with the Core Opportunity and Reinvestment Area Plan mission, goals, and strategies, projects have been identified under the following prosperity investment categories.

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

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.

- *Goals: 1, 2, 4*

Transportation

Area Transportation System Plan

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.

- *Goals: 3*

Main Street Corridor Project (Modification of SW 84th and Nyberg Street)

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.

- *Goals: 1, 3, 5*

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.

- *Goals: 3*

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.

- *Goals: 3, 6*

Nyberg Creek Greenway

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.

- *Goals: 3, 4, 5*

Tualatin River Greenway Trail

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

- *Goals: 3, 4, 5*

Community Identity

Tualatin River Plaza and Access and Habitat Restoration Project

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.

- *Goals: 4, 5*

Community Design Standard Master Plan

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.

- *Goals: 1, 2, 4, 5, 6, 9*

Economic Development

Capital Development Grants

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

- *Goals: 1, 4*

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.

Council Question: To meet the needs of the community, accomplish Council's priorities, and complete projects in a realistic timeframe, which of the following impact option does Council prefer?

IMPACT OPTIONS

To balance investment projects and priorities with tax implications to our regional taxing districts (including the City of Tualatin General Fund), staff is presenting two options for consideration.

Low Impact

The "Low Impact Scenario" establishes a total of \$53.1 million dollars of maximum indebtedness (MI) to Plan project efforts. This MI amount translates to a fund capacity of \$38.9 million dollars in 2023 dollars. The proposed Plan term is 21 years.

Total Net TIF	\$	66,484,549
Maximum Indebtedness	\$	53,100,000
Capacity (2023\$) - Including Financing Fees	\$	38,850,591
Years 1-5	\$	2,303,522
Years 6-10	\$	15,568,755
Years 11-15	\$	16,335,172
Years 16-20	\$	4,500,000
Years 21-25	\$	143,142

Major projects will occur beginning in year 7.

Major Projects Funded Include:

- Main Street Corridor: \$11,000,000
- 18970 Catalyst Project: \$12,435,000

Investment Category Allocations:

Blight Remediation: \$12.4 million
Transportation: \$11.1 million
Developer Assistance: \$7.5 million
Economic Develop: \$2 million
Community Identity: \$150,000
Administration: \$5.8 million

Impact Scenario Success:

Total Business Assisted: 98
Housing Units Built: 19 – 37
Affordable: 1 – 11
% of Vacant Land Improved: 7%
Trail Mileage Built: 0
Road Mileage Improved: .26

Tax Implications on Regional Taxing Agencies

City of Tualatin:	\$12,758,751
Washington County:	\$12,134,871
Tualatin Valley Fire and Rescue:	\$8,565,582
Tigard Tualatin School District:	\$28,019,539*

*This impact is backfilled by the State of Oregon through student allocation consistent with state law.

Total revenue implications to all taxing districts is \$66,484,549 over a 21-year Plan term.

High Impact

The “High Impact Scenario” establishes a total of \$139 million dollars in maximum indebtedness (MI) to Plan project efforts. This MI translates to a total project finance capacity of \$81 million dollars in 2023 dollars. The proposed Plan terms is 30 years.

Total Net TIF	\$	164,595,865
Maximum Indebtedness	\$	139,000,000
Capacity (2023\$) - Including Financing Fees	\$	81,125,734
Years 1-5	\$	5,778,522
Years 6-10	\$	12,558,755
Years 11-15	\$	13,291,575
Years 16-20	\$	16,492,096
Years 21-25	\$	17,245,035
Years 26-30	\$	15,759,751

Major projects can begin in year 4.

Major Projects Funded Include:

- Main Street Corridor: \$11,000,000
- 18970 Catalyst Project: \$12,435,000
- Tualatin River Plaza: \$5,000,000
- Trail Development: \$3,000,000

Investment Category Allocations:

Blight Remediation:	\$18.2 million
Transportation:	\$18.1 million
Developer Assistance:	\$16 million
Economic Develop:	\$3.6 million
Land Acquisition:	\$11.9 million
Community Identity:	\$5.1 million
Administration:	\$8.3 million

Impact Option Scenario Success:

Total Business Assisted:	119
Housing Units Built:	56 - 112
Affordable:	1 – 46
% Vacant Land Improved:	25-37%
Trail Mileage Built:	.7
Road Mileage Improved:	.26

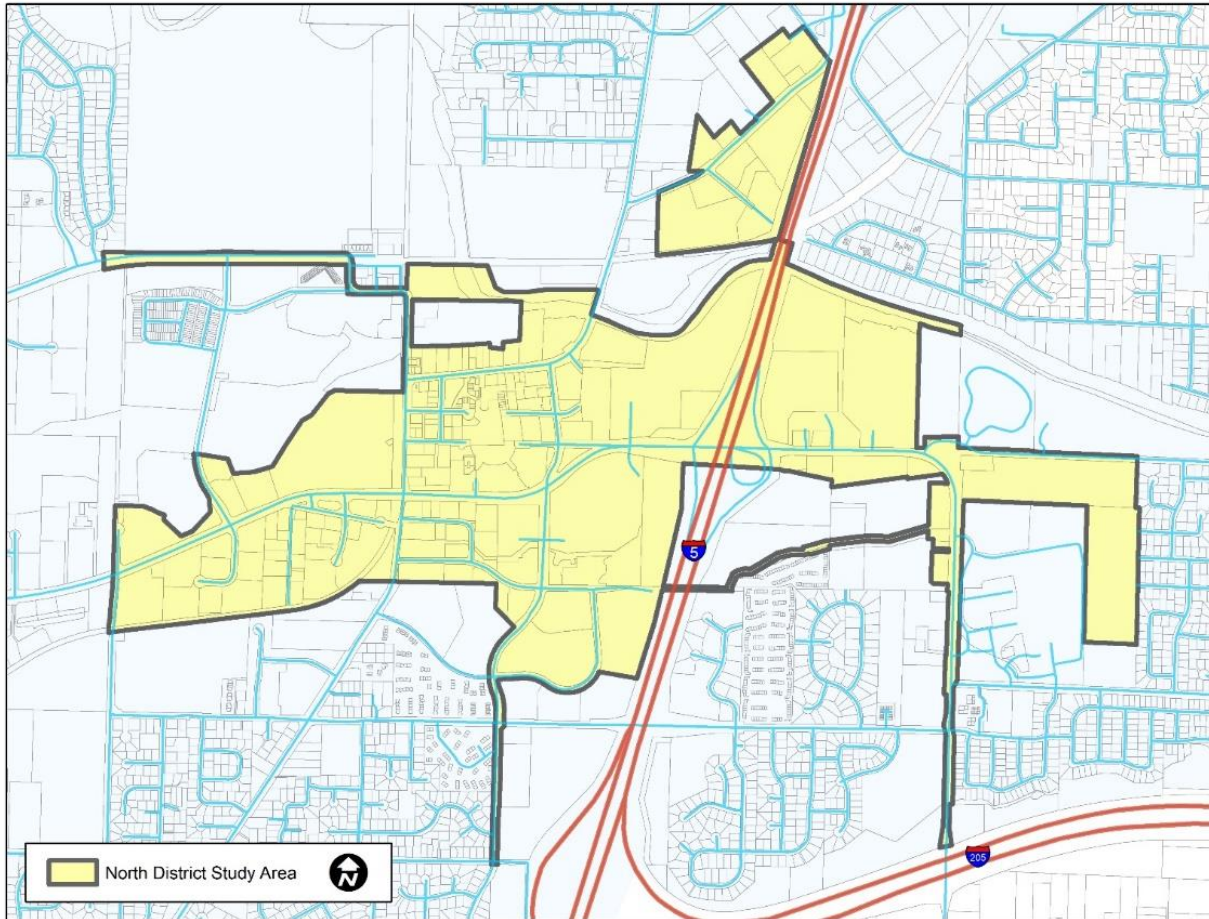
Tax Implications on Regional Taxing Agencies

City of Tualatin:	\$31,512,581
Washington County:	\$30,042,312
Tualatin Valley Fire and Rescue:	\$21,205,819
Tigard Tualatin School District:	\$69,367,999*

*This impact is backfilled by the State of Oregon through student allocation consistent with state law.

Total revenue implications to all taxing districts is \$164,595,865 over a 30-year Plan term.

Council Questions: Does Council approve of the proposed plan boundary?



As with the original proposed boundary, the boundary as presented focuses on six justifications:

1. Keep future redevelopment **near major transportation** modes.
2. **Enhance current employment lands** by increasing capacity.
3. Remedy areas that are prone to **environmental issues**, i.e. flooding.
4. Enhance existing **connectivity**, or provide new connectivity.
5. Fund major infrastructure projects to **prepare for future growth**, leverage area for needs.
6. Based on previous **community needs and desires**.

Changes to the Boundary and Why:

- Removes Bridgeport Village: Metro's Regional Transportation Bond Measure was voted down in 2020. Bridgeport is currently in process of a \$35 million dollar renovation.
- Eliminates "Quadrant 2": No priority projects in the proposed quadrant.
- Removes the RV Park of Portland Site: In consultant with the City of Tualatin and regional taxing districts, this development occurred prior to the adoption of this plan.
- Expands Plan Area rights-of-way: To plan for trail system development and major arterial roadway developments.

If conditions change that require development assistance or infrastructure development in the removed areas, Council may increase the Boundary through a substantial amendment or create a new urban renewal zone.

OUTCOMES OF DECISION:

Depending on the direction Council gives to the policy questions posed, staff will return with modifications and present the proposed Core Opportunity and Reinvestment Area Plan to the Tualatin Development Commission on September 12, 2022. The document that will be presented at the September 12th, 2022 will not be the final document. The document may go through a series of revisions based on Council feedback, community feedback, taxing district feedback, and financial analysis with a final proposed plan on November 12, 2022.

Next Steps:

September: Online Open House

September 12th: Tualatin Development Commission – Recommend plan adoption, forward to Planning Commission, 45 day consult and confer.

September 22nd: Planning Commission Approval

November 12th: City Council Public Hearing

November 28th: Consideration of Final Adoption

FINANCIAL IMPLICATIONS:

None at this time.

ATTACHMENTS:

- Attachment A: Power Point