

City of Tualatin Urban Renewal Feasibility Studies

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August 10, 2020

Question for Council Tonight

If City Council agrees with the following findings, "Should staff prepare a more detailed proposal for moving to the next phase of considering potential new urban renewal areas?"

Agenda

- Background
- Feasibility of Study Area 1
- Feasibility of Study Area 2
- Questions/Discussion
- Next Steps

Why is a feasibility study being conducted?

- The City of Tualatin is conducting this feasibility study to understand if tax increment financing is an appropriate tool to accomplish community priorities in the identified areas.

Background

- Five Phased Approach:
 1. Education Series (Completed)
 2. Closure (Completed)
 - 3. Feasibility Study**
 4. *Future Phases**: Stakeholder Input
 5. *Future Phases**: Urban Renewal Plan

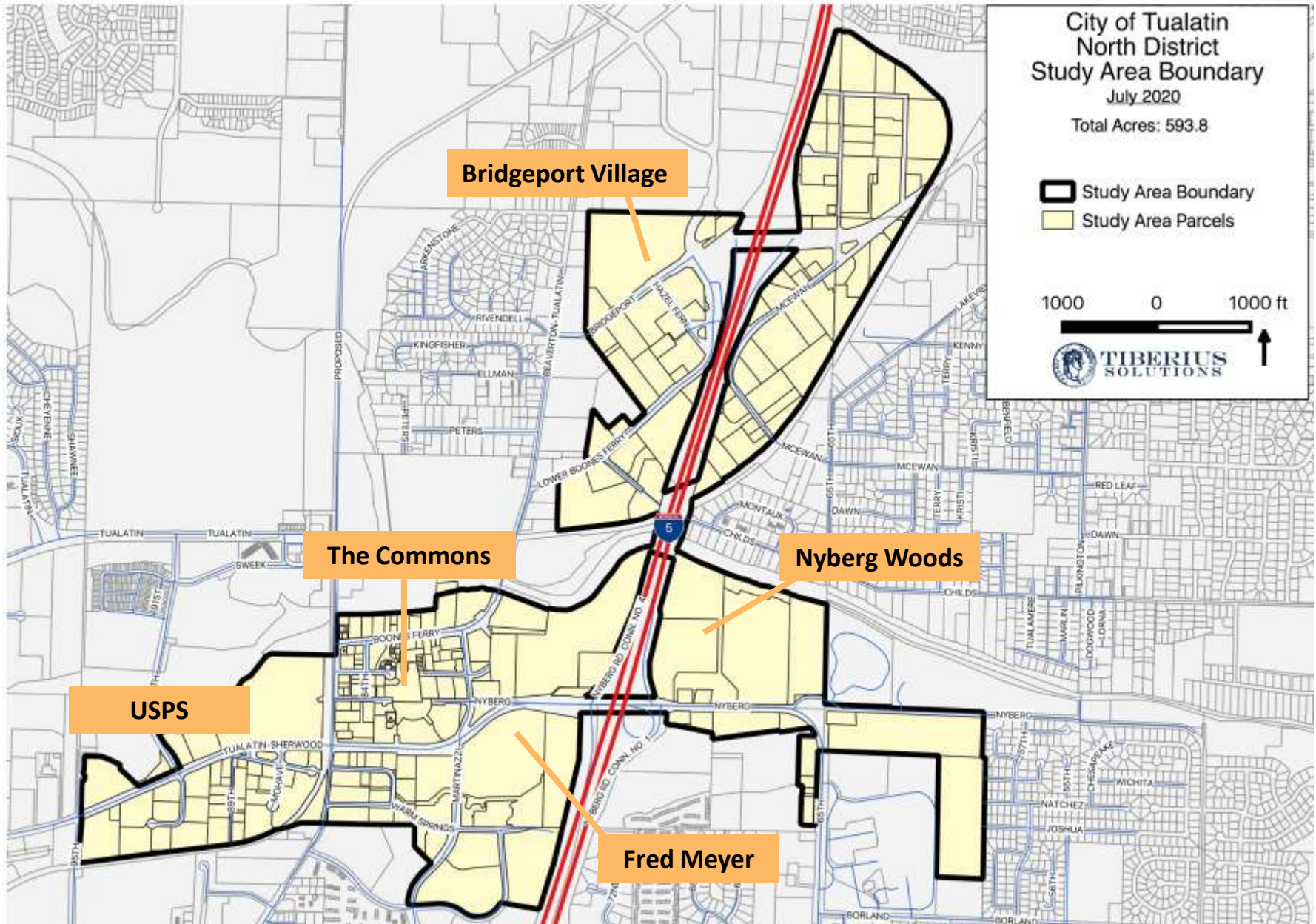
Background

- **Feasibility Study Purpose:**
 - To determine if urban renewal is an appropriate tool to accomplish identified community needs.
 - Important to Note: Project identification, boundary and financial assessments, stakeholder input does not occur during this process.
- Early phases were educational/technical
- Outreach to public and taxing districts will occur in subsequent phases if Council wishes to proceed.

How to determine if an area is feasible?

- Do the proposed boundaries comply with statutory limitations on acreage and assessed value?
- Would the proposed boundaries generate a significant amount of tax increment finance revenue?
- Do the proposed boundaries have public needs that would benefit from urban renewal investment?

Study Area 1 – Boundary



Study Area 1 – Desired Outcomes

- Stakeholder input will identify project list based on community desired outcomes.
- Potential Desired Outcomes:
 - Provide Additional Housing Options
 - Improve Transportation Systems
 - Prepare for increased density
 - Address Long-Term Vacant Buildings
 - Redevelopment Opportunities
 - Property Acquisition

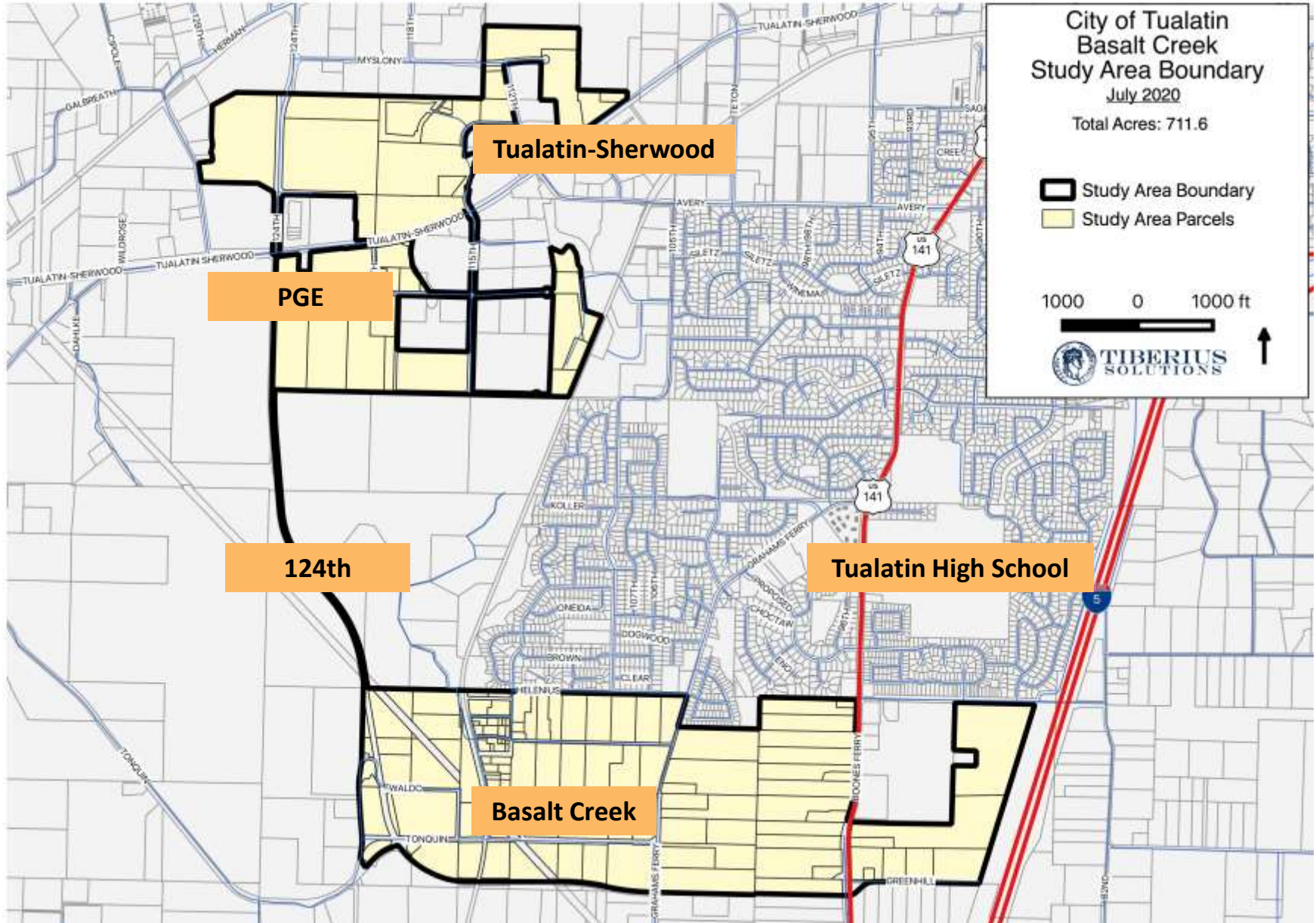
Study Area 1 – Financial Capacity

- Capacity (2020\$): **\$100 million +**
- City Foregone Revenue: **\$0.19 per \$1.00**
- Options to scale back financial impact:
 - “Under-levy” annual TIF
 - Shorten duration of URA
 - Reduce the size of URA boundary

Is this area feasible?

- Do the proposed boundaries comply with statutory limitations on acreage and assessed value?
 - Yes
- Would the proposed boundaries generate a significant amount of tax increment finance revenue?
 - Yes
- Do the proposed boundaries have public needs that would benefit from urban renewal investment?
 - Yes

Study Area 2 – Boundary

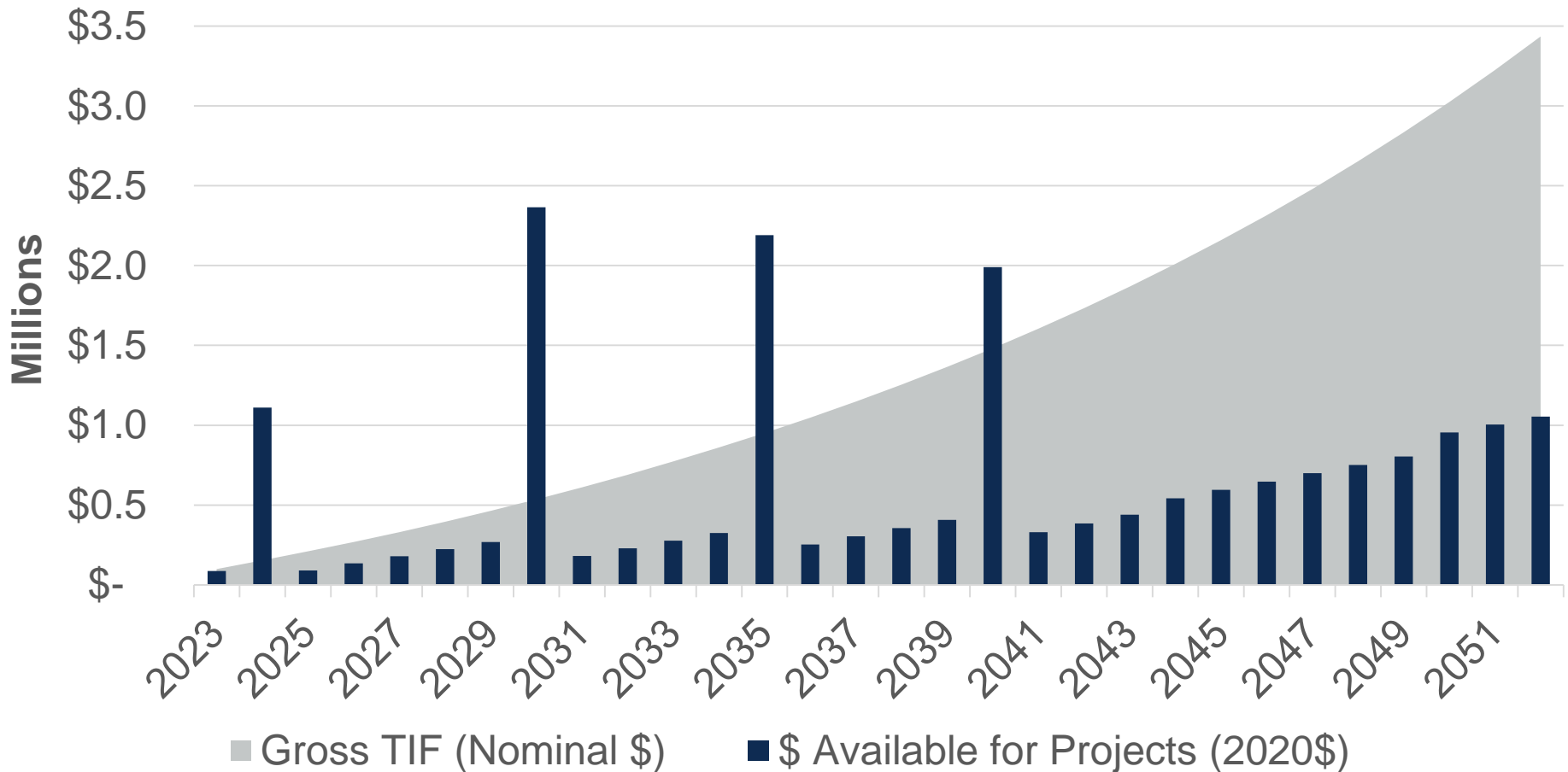


Study Area 2 – Desired Outcomes

- Stakeholder input will identify project list based on community desired outcomes.
- Potential Desired Outcomes:
 - Infrastructure improvements (All Types)
 - Prepare for increased density
 - Greenfield Development
 - Property Acquisition
 - “Mimic the great success” of Leveton

Study Area 2 – Financial Capacity

- Capacity (2020\$): **\$14 to \$26 million**
- City Foregone Revenue: **\$0.13 per \$1.00**



Is this area feasible?

- Do the proposed boundaries comply with statutory limitations on acreage and assessed value?
 - Yes
- Would the proposed boundaries generate a significant amount of tax increment finance revenue?
 - Yes
- Do the proposed boundaries have public needs that would benefit from urban renewal investment?
 - Yes

Consultant Recommendation

- Emphasize stakeholder input if proceeding
- Foster meaningful collaboration with affected taxing districts.
- Leave all options on the table at this time.
- For Boundary 1, explore creative approaches to capitalize on strong financial capacity, while mitigating long-term impacts to taxing districts (including the City.)
- Drafting proposals for next steps to be brought back at a later date.

Next Steps – District 1 (North Area)

If Council wishes to proceed:

- 1.) Official review of feasibility study. (No Official Action is taken)
- 2.) Staff will draft an outline and proposal on how to proceed with moving into the next phase.

Next Steps – District 2 (South Area)

If Council wishes to proceed:

- 1.) Official review of feasibility study. (No Official Action is taken)
- 2.) Staff will draft an outline and proposal on how to proceed with moving into stakeholder input (Phase 4).

Questions for Council Tonight

If City Council agrees with these findings, "Should staff prepare a more detailed proposal for moving to the next phase of considering potential new urban renewal areas?"

Questions?

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