



**CITY COUNCIL MEETING
STAFF REPORT**

Meeting Date: March 2, 2026		Subject: Resolution No. 3258 - Authorizing the City Manager to Execute a Financing Contract with Oregon Business Development Department for Design of the Coffee Creek Day Road Sewer Extension Project (Capital Improvement Project No. 2115)	
		Staff Member: Amy Maag, Development Engineering Manager and Matt Lorenzen, Economic Development Manager	
		Department: Community Development	
Action Required		Advisory Board/Commission Recommendation	
<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input checked="" type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable	
		Comments: N/A	
Staff Recommendation: Staff recommends Council adopt the Consent Agenda.			
Recommended Language for Motion: I move to adopt the Consent Agenda.			
Project / Issue Relates To:			
<input type="checkbox"/> Council Goals/Priorities:	<input checked="" type="checkbox"/> Adopted Master Plan(s): Coffee Creek Master Plan Coffee Creek Urban Renewal Plan	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

Does the Council wish to adopt Resolution No. 3258, authorizing the City Manager to execute a Financing Contract with Oregon Business Development Department (OBDD) for design of the Coffee Creek Day Road Sewer Extension Project (Capital Improvement Project No. 2115).

EXECUTIVE SUMMARY:

The Oregon Legislature adopted Senate Bill 4 in 2023 and committed \$10 million dollars to the Industrial Lands Loan Fund, administered by the Oregon Business Development Department (OBDD) doing business as (dba) Business Oregon, to support private and public investments in industrial lands projects associated with new or expanded semiconductor manufacturing industry uses. The Semiconductor Industrial Lands Loan (SILL) Program's purpose is to accelerate investment in planning and improving industrial lands to support investment in semiconductor manufacturing uses and increase the state's inventory of project-ready industrial sites for semiconductor manufacturing industry investments. The SILL Program is a forgivable loan program designed to reimburse government entities, property owners and businesses, up to \$2.5 million for development projects, and planning activities of at least \$100,000 for sites of 10 acres or more. Development projects can include a range of eligible activities such as land acquisition, infrastructure and utility improvements, and environmental remediation or mitigation of industrial properties for semiconductor manufacturing uses.

Proposed projects must consist of at least 10 acres of site area, be zoned for industrial use, have site access to transportation and freight infrastructure and be located within 50 miles from present semiconductor industry clusters in Oregon located in and around Corvallis, Eugene, Gresham, Hillsboro, Medford, and Redmond. Any public entity such as county, city, port or airport district, and local tribe is eligible, as well as businesses and/or private property owners.

Projects must fall into one of two categories: Planning projects, or development projects. Planning project activities must be completed within 24 months from the date of entering into a loan agreement (financing contract).

Economic Development staff for the City prepared an application for a Planning Project in early 2025, as described below:

“Day Road Sewer Design. All utilities are available along Day Road to enable development, EXCEPT sewer. This necessary installation will promote industrial development AND provide the potential for siting semiconductor (likely supply chain) companies. Design must come before construction, so we are seeking a forgivable SILL loan to fund design/engineering. Construction will be funded by Urban Renewal.”

The City requested and was awarded \$250,000. The total project cost for design of sewer infrastructure (design only; no construction) in Day Road is estimated at \$780,000. The City's match is \$530,000.

Eligible Costs of a Planning Project:

- Planning, engineering, legal and other professional services associated with:
 - Preparation of local, state, and federal permits and related administrative costs
- Direct project expenses to carry out the project and related administrative costs
- Other costs that Business Oregon determines to be necessary or useful for the project

Forgivable Loan Agreement Terms and Conditions

- Planning projects are required to be completed within 24 months of contract execution
- Loan funds are disbursed on an expense reimbursement or cost-incurred basis. Advance payments may be made, although only when justified and approved.
- Loan repayment obligations will be forgiven if approved projects and activities are completed within the performance timelines noted above and completion of any continued use clause which may be a period of up to 10 years.

EXPECTED RESULTS:

To formalize the forgivable loan between OBDD and the City of Wilsonville, the City needs to sign the Financing Contract, an Exhibit to Resolution No. 3258.

Staff expects to expend funds on design work through June 30, 2027. Engineering staff will manage the Day Road Sewer Design Project. Upon project completion and/or at landmark points throughout the project, the City will request reimbursement from OBDD for expenses incurred, up to \$250,000. Such reimbursement payments are considered loan proceeds under the Financing Contract and are fully forgivable if the City completes the project by the Completion Deadline, July 1, 2027, or an alternate date, as agreed upon in writing between OBDD and the City of Wilsonville.

Staff expects to complete the Project on or before June 30, 2027 and does *not* expect to be responsible for repayment of any portion of the \$250,000 forgivable loan.

TIMELINE:

Project work will commence soon after the Financing Contract with OBDD is signed by both parties. The Project must be complete on or before July 1, 2027.

CURRENT YEAR BUDGET IMPACTS:

The City/Urban Renewal Agency had planned to fund this \$780,000 project fully, from the Coffee Creek Urban Renewal Plan. This \$250,000 forgivable loan will decrease costs to the Urban Renewal Agency in the same amount: \$250,000.

COMMUNITY INVOLVEMENT PROCESS:

N/A

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

Extending sewer infrastructure along Day Road will spur industrial development in both Coffee Creek and Basalt Creek industrial areas, strengthening the tax base and the City's general fund.

ALTERNATIVES:

Fund the project fully using tax increment funds from the Coffee Creek Urban Renewal Plan, with no financial assistance from OBDD.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. Resolution No. 3258
 - A. Financing Contract