



Urban Renewal Strategic Plan

Prepared for the City of Wilsonville
Prepared by Elaine Howard Consulting, LLC and Tiberius Solutions LLC
Month Day, Year

Acknowledgments

Urban Renewal Task Force Members

Kristin Akervall, City Council President
Stu Peterson, Macadam Forbes
Susan Myers, Capital Realty
Lauren Jones, Capstone Partners
Alissa Mahar, CCC
Cassandra Ulven, TVF&R
Nancy Faubel, Corner Coffee Shoppe (Town Center Business)
Matt Craigie, Washington County
Remo Douglas, West Linn Wilsonville School District
Pat Mc Gough, West Linn Wilsonville School District
Andrew Karr, Resident, Planning Commissioner
Al Steiger, Resident
Dick Spence, Resident
Christine Reynolds, Orrick - Public Finance / Resident
Kevin Ferrasci O'Malley, Wilsonville Chamber

Wilsonville Staff

Matt Lorenzen, Economic Development Manager
Chris Neamtzu, Community Development Director
Keith Katko, Finance Director
Zach Weigel, City Engineer
Dan Pauly, Planning Manager
Kim Rybold, Senior Planner

Nancy Kraushaar, Project Engineer

Consulting Team

Tiberius Solutions LLC

Nick Popenuk
Ali Danko

Elaine Howard Consulting, LLC

Elaine Howard
Scott Vanden Bos

Table of Contents

<u>Summary</u>	1
<u>Introduction</u>	2
<u>Definitions</u>	2
<u>Task Force Overview</u>	3
<u>Other Constraints and Limits on Urban Renewal</u>	4
<u>Existing Urban Renewal Areas</u>	5
<u>Year 2000 Plan</u>	8
<u>West Side Plan</u>	12
<u>Coffee Creek</u>	15
<u>Background</u>	15
<u>Projects</u>	16
<u>Financial Considerations</u>	17
<u>Issues for Task Force Consideration and Recommendation</u>	17
<u>WIN Program</u>	19
<u>Consideration of Future Uses of Tax Increment Financing</u>	22
<u>Town Center</u>	22
<u>Basalt Creek</u>	27
<u>Housing Incentives</u>	32

Summary

The City of Wilsonville began using urban renewal (tax increment finance) in 1992, funding critical infrastructure needed to support new development, reshaping the city. The investments made through urban renewal have dramatically increased the assessed value of properties in the city and made Wilsonville an economically thriving community with an abundance of recreational amenities. With the success of past urban renewal areas, the City has pioneered approaches to share tax increment finance revenues with affected taxing districts that provide services to the urban renewal areas. The City has a long-standing policy of asking for advisory public votes on the creation of new urban renewal areas and have received overwhelming support for all their urban renewal areas.



The Year 2000 Plan provided necessary transportation and utility infrastructure improvements to attract job-producing investment and increase property values. The plan also funded significant recreational improvements for the residents of Wilsonville including the construction of the popular Town Center and Musase parks. Upon termination (expected in FY 2022-23) overlapping taxing districts will receive tax revenues from over \$500 million in assessed value created by this urban renewal area. This is only a portion of the increased assessed value the area generated as the city began returning assessed value to the property tax rolls in 2005 by removing property from the boundary.

The West Side Plan focused on providing the necessary infrastructure to incentivize the development of over 2,600 housing units and an extensive parks system of more than 160 acres in the Villebois community. The Villebois development is located on 385 acres of previously vacant and underutilized land that provided very little tax revenue. The original assessed value of this urban renewal area was \$16.5 million. The assessed value in FY 2021-22 is over \$747 million. The increased assessed value is expected to be returned to all taxing districts in FY 2023-24. The City also donated land for the construction of Lowrie Elementary School to help the school district deal with the influx of children from the Villebois development.



Furthering the city's commitment to creating jobs, the city adopted the Coffee Creek Urban Renewal Plan in 2016 to facilitate the potential creation of more than 1,800 family wage jobs in the community. This is a nascent urban renewal area just starting on the investments that will pave the way for new private development, job creation and assessed value growth.

In an innovative effort to use urban renewal to help address industrial vacancies during the Great Recession, the city implemented a program for single property urban renewal areas. Although this program was not used, the idea spurred the creation of the WIN program that offered greater flexibility and a new scoring system concentrating on investments, jobs and wages. The Wilsonville City Council approved the first WIN program application in 2021, spurring an estimated \$70 million of investment, with a commitment to create 200 initial jobs and as many as 200 additional jobs in the future.

As part of the ongoing commitment to involving stakeholders in urban renewal decisions, the city created the Wilsonville Urban Renewal Task Force (Task Force) in 2013. The city recently reconvened the task Force to provide input on this Strategic Plan update.

The Task Force met throughout the summer of 2022 to review and update the Wilsonville Urban Renewal Strategic Plan. The Task Force reviewed the existing urban renewal areas and provided recommendations for potential future uses of urban renewal/tax increment financing in Wilsonville. The recommendations for existing urban renewal areas are:

- Year 2000 Plan: No changes to this existing area that is set to expire in the near future.
- West Side Plan: No changes to this existing area that is set to expire in the near future.
- Coffee Creek Plan:
 - Project cost estimates should be updated along with the finance plan component of the Report.
 - A minor amendment to the Plan should be completed to allow funding to be allocated to two new projects: Ridder Road improvements and property acquisition and related activities (e.g. purchasing/negotiating options).
 - Any potential increase in maximum indebtedness should be brought back to the Task Force for their consideration at a later date.
- The WIN Program:
 - Scoring criteria should be revised to allow for more points to be awarded for long-time existing Wilsonville businesses.
 - The application process should include an additional step for earlier vetting of businesses applying for the program, including an opportunity for public input (i.e., public open house or review by other standing city committees).

The Task Force was presented with three potential new uses of urban renewal for their input and recommendation: 1) Wilsonville Town Center, 2) Basalt Creek Industrial Area, and 3) using urban renewal as one tool (of many) to address housing affordability issues. The recommendations for potential future uses of urban renewal areas are:

- The Task Force supports the City's ongoing work to develop a Town Center Infrastructure Finance Plan and recommends the City pursue a full urban renewal feasibility study for the Town Center to include timing, duration, eligible projects, anticipated private development, private contribution, and impact on taxing districts for future Task Force consideration.
- The Task Force recommends the city pursue a full urban renewal feasibility study for Basalt Creek to include timing, duration, eligible projects, anticipated private development, private contribution, and impact on taxing districts for future Task Force consideration.

- Urban renewal should be studied as one of many tools for the development of affordable housing—to include homeownership/first-time homebuyer opportunities, as well as more traditional multifamily affordable housing projects, and potential other, more novel programs or partnerships. The City should pursue designing a range of programs and/or incentives funded through urban renewal/tax increment financing and other funding sources for future Task Force consideration.

DRAFT

Introduction

Definitions

- “Agency” means the Wilsonville Urban Renewal Agency. This Agency is responsible for administration of urban renewal plans.
- “Blight” is defined in ORS 457.010(1)(A-E).
- “City” means the City of Wilsonville, Oregon.
- “City Council” or “Council” means the Wilsonville City Council.
- “Compression” is a reduction in property taxes that can be collected in a given year for an individual property, if the collection amount is going to exceed Oregon constitutional limits (a maximum of \$10 per \$1,000 of real market value for applicable general government taxes or \$5 for applicable education taxes).
- “Fiscal year” means the year commencing on July 1 and closing on June 30.
- “Frozen base” means the total assessed value including all real, personal, manufactured, and utility values within an urban renewal area at the time of adoption. The county assessor certifies the assessed value after the adoption of an urban renewal plan.
- “Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.
- “Maximum indebtedness” means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness. It is the total amount of TIF revenue that may be spent on the principal amount of projects, programs, and administration throughout the life a plan.
- “Oregon Revised Statutes (ORS)” are the codified laws of the State of Oregon. Chapter 457 specifically relates to urban renewal.
- “Revenue sharing” means underlevying TIF revenue to effectively share a portion of the revenue with the other taxing districts impacted by the urban renewal area as defined in ORS 457.470.
- “Tax increment financing (TIF)” is a method of funding urban renewal projects and programs through incurring debt that is repaid by the division of taxes accomplished through the adoption of an urban renewal plan.
- “Tax increment finance revenues” means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the area.
- “Urban Growth Boundary (UGB)” means is used to designate where a city expects to grow over the next 20 years. Land inside the urban growth boundary supports urban services such as roads, water and sewer systems, parks, schools and fire and police protection. The boundary is one of the tools to protect farms and forests from urban sprawl and promote the efficient use of land, public facilities and services inside the boundary. (Metro definition <https://www.oregonmetro.gov/urban-growth-boundary>)

- “Urban renewal area (URA)” means an area included in an urban renewal plan under ORS 457.160.
- “Urban renewal plan” or “Plan” means a plan, as it exists or is changed or modified from time to time, for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.
- “Urban renewal project” or “Project” means any work or undertaking carried out under ORS 457 in an urban renewal area.
- “Urban renewal report” or “Report” means the official report that accompanies the urban renewal plan pursuant to ORS 457.087.

Task Force Overview

The Wilsonville Urban Renewal Task Force (Task Force) is comprised of a broad group of stakeholders and provides recommendations to the Wilsonville City Council on the use of urban renewal, also called tax increment financing (TIF). The Task Force was originally convened in September 2013 and has convened as needed over the past decade to review decisions and provide advice regarding existing urban renewal areas (URAs) and potential new URAs. The Task Force has provided input on numerous topics, including but not limited to: amendments to the existing Year 2000 and West Side plans, the preparation and adoption of the Coffee Creek Plan, the expiration of the “TIF Zones” program, and the establishment of the reengineered Wilsonville Investment Now (WIN) program.

The initial Wilsonville Urban Renewal Strategic Plan (Strategic Plan) was developed and adopted in 2014. In 2022, Wilsonville reconvened the Task Force with fifteen members to discuss and make recommendations for current and future uses of TIF in Wilsonville, in similar fashion to the 2014 Strategic Plan. Wilsonville City Council President Kristin Akervall chaired the Task Force. The balance of the Task Force was comprised of developers, real estate professionals, taxing district representatives, experts in public finance, the Wilsonville Chamber of Commerce, and City of Wilsonville residents.

The 2022 Task Force was charged with updating the Strategic Plan to provide guidance for the termination of two existing URAs (the Year 2000 Area and the West Side Area), the continued implementation of two other existing URAs/programs (the Coffee Creek Area and the WIN Zones), and potential new uses of urban renewal in the future. Specifically, for each existing URA, the Task Force reviewed the anticipated duration of the plans, project lists, and maximum indebtedness and provided recommendations on each plan. The Task Force also reviewed information on the Town Center Plan, the Basalt Creek planning area, and housing affordability concepts, and made recommendations on each of these potential future uses of urban renewal.

The Task Force met five times to review the information provided by Wilsonville staff and the consulting team. The meetings and discussion topics are listed in Figure 1. Figure 2 (page 6) provides a map of the existing urban renewal areas the Task Force reviewed.

Figure 1. Task Force Meetings

Meeting	Date	Discussion Topics
Meeting 1	March 2, 2022	<ul style="list-style-type: none"> ▪ City Council goals ▪ Strategic Plan overview ▪ Purpose of Task Force ▪ Process/Schedule ▪ Urban Renewal 101
Meeting 2	April 7, 2022	<ul style="list-style-type: none"> ▪ Existing urban renewal areas overview <ul style="list-style-type: none"> ▪ Coffee Creek ▪ WIN Zones
Meeting 3	May 23, 2022	<ul style="list-style-type: none"> ▪ Considerations of recommendations for Coffee Creek and WIN Zones <ul style="list-style-type: none"> ▪ Potential new uses of urban renewal ▪ Town Center
Meeting 4	July 13, 2022	<ul style="list-style-type: none"> ▪ Considerations of recommendations for Town Center ▪ Potential new uses of urban renewal ▪ Basalt Creek ▪ Housing Incentives
Meeting 5	August 31, 2022	<ul style="list-style-type: none"> ▪ Summary of previous meetings and review of recommendations and draft Strategic Plan

Other Constraints and Limits on Urban Renewal

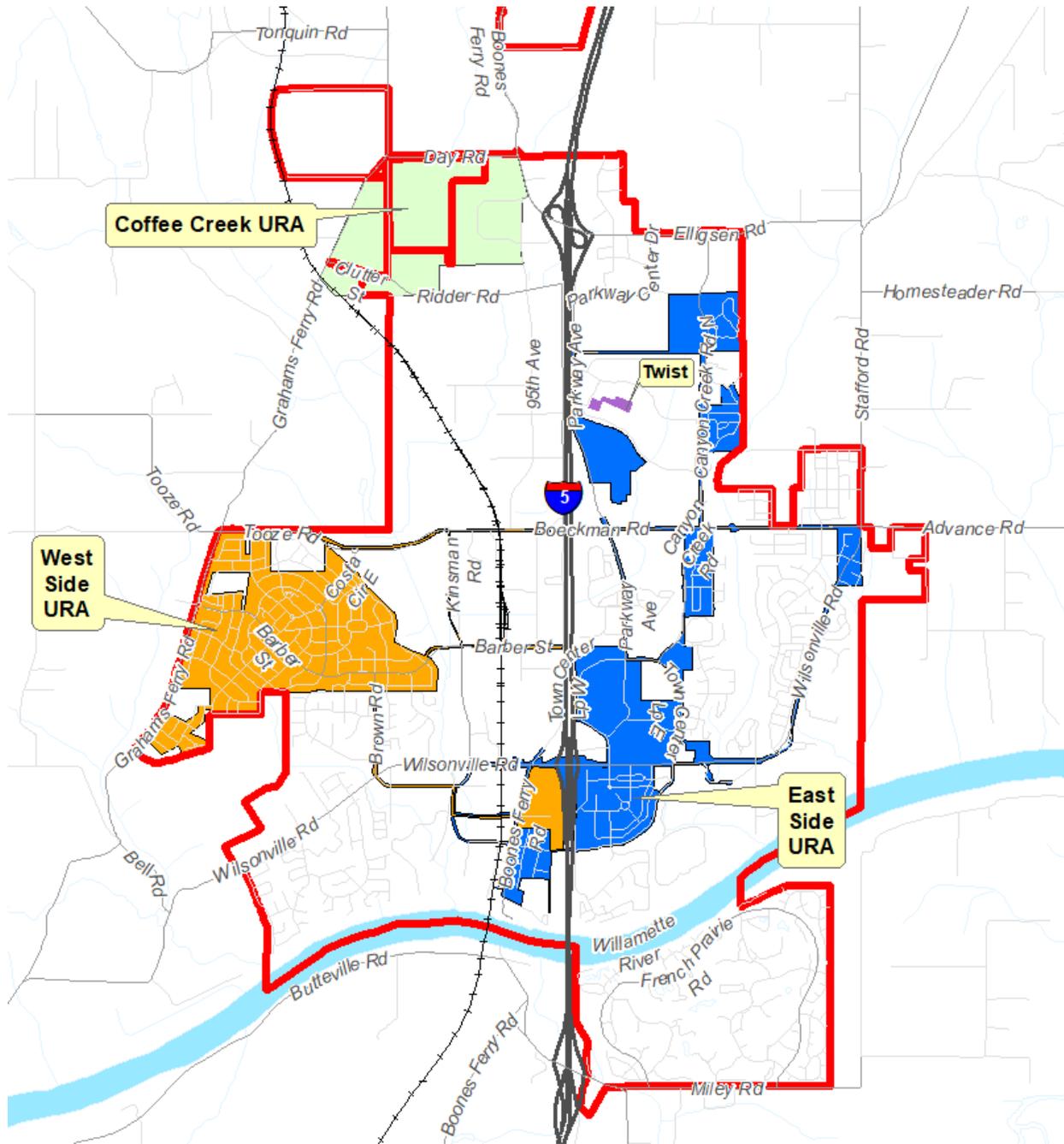
Acres and assessed value

Oregon Revised Statutes (ORS) 457 governs the use of urban renewal in Oregon. While the entirety of ORS 457 is applicable to the use of urban renewal in Wilsonville, one specific provision is worth highlighting. ORS 457.420(2)(b) limits the total amount of acres and assessed value that can be included within URAs for a city with a population less than 50,000 to not more than 25% of the city's incorporated gross acres and assessed value.

Voter Approval

ORS 457 does not require voter approval for the use of urban renewal. However, the City of Wilsonville has a long history of seeking input from voters on the use of urban renewal through advisory votes. This practice has long been supported by the Task Force and was documented in the initial Strategic Plan in 2014. As a best practice, the City intends to continue to seek advisory votes prior to establishing new URAs.

Figure 2. Wilsonville Existing Urban Renewal Areas



Source: City of Wilsonville

Existing Urban Renewal Areas

Wilsonville has four existing URAs, shown in Figure 2.

- Year 2000 Urban Renewal Plan (also called the East Side Plan): focused on properties to the east of Interstate 5 in the core of Wilsonville
- West Side Urban Renewal Plan: created for the development of the Villebois neighborhood
- Coffee Creek Urban Renewal Plan: smaller concentrated URA, mostly underutilized industrial property as well as existing development on Commerce Circle
- Twist WIN Zone: single-property URA established for Twist Bioscience to support high value industrial uses and job creation.

The original two URAs, the Year 2000 Plan and the West Side Plan, have decreased in size over the years to release properties and the associated assessed value back on the tax roll for the benefit of impacted overlapping taxing districts. These URAs only maintain areas that collect sufficient tax increment revenue for debt service payments and future projects. The two newer URAs, Coffee Creek and the WIN Zone for Twist Bioscience, are smaller and more targeted, both concentrating on industrial development and job creation.

The Year 2000, West Side, Coffee Creek, and Twist Bioscience WIN Zone URAs comprise 22.65% of the acreage of the City of Wilsonville. The Year 2000 and West Side urban renewal areas are slated for closure in FY 2023 and 2024 respectively, which will reduce the percentage of acreage in urban renewal to 5.30%, providing the option to place an additional 976.6 acres into an urban renewal area, while remaining under the statutory cap (see Figure 3).

To derive the total percentage of assessed value in urban renewal, the total frozen base values of all URAs is divided by the total assessed value of the City, minus the increment of the urban renewal areas. In Wilsonville, this results in 5.3% of the City’s assessed value being located in URAs, which is well below the 25% threshold.

Figure 3. Acreage and Assessed Value Limitations.

Urban Renewal Area	Frozen Base/AV	Increment ¹ Value	Acres
Year 2000 URA	\$45,326,441	\$505,142,441	449
West Side URA	\$18,017,272	\$729,323,741	411
Coffee Creek	\$83,801,300	\$25,039,372	258
Twist Bioscience WIN Zone	\$3,661,005	To be determined	4.4
Total in URAs	\$147,145,013	\$1,259,505,554	1,122.40
City of Wilsonville*	\$4,032,065,970	-	4,956
Percent of Total	5.31%	-	22.65%

Source: Values from SAL FYE 2021 Clackamas County Report

¹ Increment Value is the amount of assessed value that has been added above the Frozen Base Assessed Value.

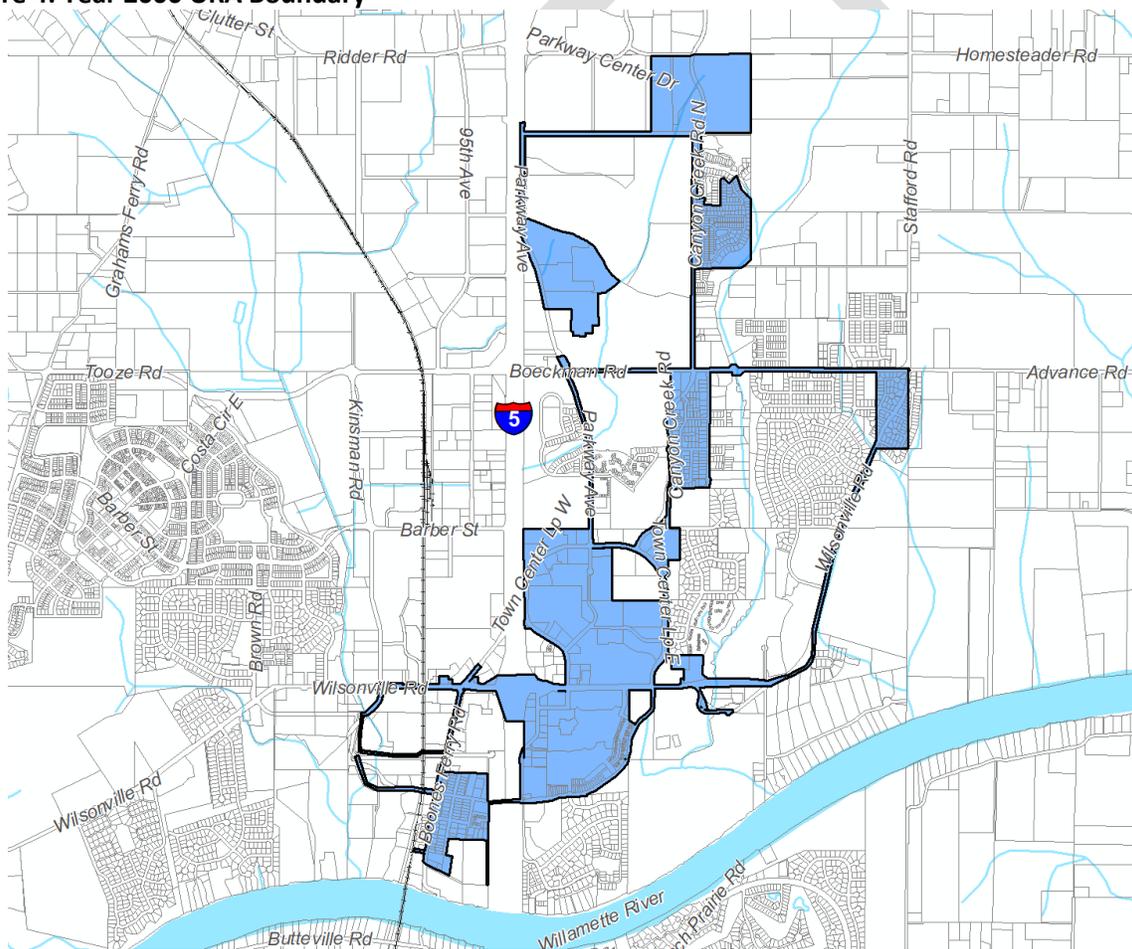
Year 2000 Plan

Background

The Year 2000 Urban Renewal Plan (also referred to as the East Side Plan) was created in 1992 with a mission to cure blight, attract job producing investment, buoy property values, and protect residential livability and environmental values. To accomplish this mission, the Year 2000 Plan outlines a variety of specific goals, including: installing the appropriate infrastructure; creating positive transportation linkages; undergrounding utilities; providing avenues for meaningful citizen involvement, and; installing streetscape improvements. The URA is mostly located east of Interstate 5 (I-5). The boundary includes clusters of properties along Wilsonville Road, Boeckman Road, and Canyon Creek Road.

The current boundary of the Year 2000 URA is shown in Figure 4.

Figure 4. Year 2000 URA Boundary



Source: City of Wilsonville

Projects

TIF revenue from the Year 2000 URA has funded many Wilsonville Road projects, I-5 interchange improvements, and the construction of Parkway Avenue, Memorial Drive, Canyon Creek Road, Boeckman

Road, Murase Plaza at Memorial Park and Town Center Park, City Hall, the Waste Water Treatment Plant, the Wilsonville High School fields, and many other smaller projects. The remaining projects to be completed are the 5th Street Extension and the Boeckman Dip Bridge project. The former is scheduled to be completed in Fiscal Year (FY) 2022-23, with the latter project following in FY 2024-25. The projects identified in the Year 2000 Plan Area are shown in Figure 5.

Figure 5. Year 2000 Projects Summary (Source: City of Wilsonville)

Project	Complete
Boeckman Dip	No
5 th Street Extension	No
Extend Canyon Creek South of Boeckman	Yes
Old Town Streets	Yes
Livability Projects	Yes
Landover Medians	Yes
Park Improvements (Town Center and Murase Parks)	Yes
Canyon Creek North	Yes
Town Center Loop East Extension	Yes
Town Center Loop West Extension	Yes
Wilsonville Road	Yes
Wilsonville Road Realignment	Yes
Parkway Avenue	Yes
Traffic Signals	Yes
Wilsonville Road Interchange	Yes
Connect to Dependable Water Supply Source	Yes
Hackamore Road/Old Canyon Creek Road	Yes
Canyon Creek North Extension	Yes
Waste Water Treatment Plant Expansion	Yes
Parkway/Trask Street System	Yes
Town Center Outfall and Detention Facility	Yes
Memorial Park	Yes
Joint Use of Athletic, Cultural and Public Assembly Facilities at New High School	Yes
Recreation Facilities, Parking and Landscaping at Clackamas Community College Site in Town Ctr	Yes
Tranquil Park	Yes
Town Center Square (5 to 6 Acres)	Yes
Civic Center Park	Yes
Barn Rehabilitation	Yes
Affordable Housing	Yes

Financial Considerations

When the Year 2000 URA was established in 1992, it had an assessed value (frozen tax base) of \$44 million. The assessed value in this area has since grown to more than \$550 million and all but two of the planned projects have been completed. The original maximum indebtedness was \$53,851,923 but a later amendment increased this amount to \$92,687,432. The Task Force convened in 2017 to provide a recommendation on adding the Boeckman Dip project to the Year 2000 Plan.

The Task Force voted unanimously to support the City's efforts to amend the Plan to fund the project. The City Council adopted this amendment, adding the Boeckman Dip project and increasing the maximum indebtedness to \$107,196,524 to enable funding of the project. Per ORS 457, this amendment required "concurrence" from impacted taxing districts, which the City received from the City of Wilsonville, Clackamas County, and the West Linn-Wilsonville School District.

The Year 2000 URA's boundary resembles a spiderweb or Swiss cheese, mainly due to the successful growth of Assessed Value (AV) in the area, which allowed the City to remove property from the boundary periodically to reduce the amount of annual tax increment revenue (TIF) collected. In 2009, however, the Oregon State Legislature made changes to urban renewal to simplify the process of reducing TIF collected for URAs, like the Year 2000 URA, through an "underlevy." This process allows URAs to share more funding with taxing districts without making revisions to the boundary each year. Annual TIF revenue in the Year 2000 URA has been voluntarily restricted to \$4 million since FY 2018-19, with the remaining TIF revenue distributed to the overlapping taxing districts by the county assessor.

As of June 30, 2021, \$93,385,000 of the Year 2000 URA's maximum indebtedness has been used, leaving \$13,811,524 to complete any remaining projects before the term of the URA expires.² As of June 30, 2022, the Year 2000 URA had \$3,990,000 of outstanding principal indebtedness, resulting in total scheduled future debt service payments of \$4,444,325, including principal and interest. The last of these payments is scheduled for FY 2024-25. The City anticipates having sufficient resources to repay the indebtedness ahead of schedule in FY 2022-23.

An important financial consideration for the Year 2000 URA is the potential impact on the West Linn-Wilsonville School District's local option levy upon the URA's termination. The West Linn-Wilsonville School District currently loses significant tax revenue each year due to property tax "compression." While the **compression** losses have decreased since the 2014 Strategic Plan was completed, they are still significant. The West Linn-Wilsonville School District lost 23% of their local option levy revenue to compression in FY 2021-22.³ The division of tax rates that occurs as a result of urban renewal results in the West Linn-Wilsonville School District experiencing less compression than would otherwise

Year 2000 URA

Adopted:	1992
Original Frozen Base:	\$44 M
Current AV:	\$550.5 M
Maximum Indebtedness:	\$107.2M
Est. Termination:	FY 2022-23

Compression

"Compression" is an Oregon tax system issue that reduces the amount of taxes that can be collected in a given year if the collection amount is going to exceed the pre-set maximum established by Measure 5 and adjusted by Measure 50. The calculations, causes, and effects of compression are extremely complicated. If real market values and assessed values are converging, urban renewal can cause increases in compression. However, urban renewal can also be a tool to help facilitate growth that ultimately reduces compression. Urban renewal can also decrease compression in the schools category when school taxes are re-classified as general government taxes under urban renewal.

² City of Wilsonville Urban Renewal Agency, Annual Urban Renewal Report For Fiscal Year Ending June 30, 2021

³ Clackamas County Assessor, FY 2021-22

occur. When the Year 2000 URA stops collecting TIF revenue, the West Linn-Wilsonville School District will experience an increase in compression losses for their local option levy. However, long-term trends suggest growth in real market values of properties in the area will outpace growth in assessed value of properties in the area, which will result in the gradual reduction of compression loss as a percentage of taxes extended for the West Linn-Wilsonville School District local option levy.

Issues for Task Force Consideration and Recommendation

Closure of the Year 2000 URA

Is there a reason to extend the closure date of the Year 2000 URA?

Task Force Recommendation: The Year 2000 URA should be closed once the MI is reached and all debt secured by TIF revenue is paid. This is anticipated to be in FY 2022-23.

Implementation Action: Transfer real property under ownership of the Urban Renewal Agency to the City of Wilsonville.

West Side Plan

Background

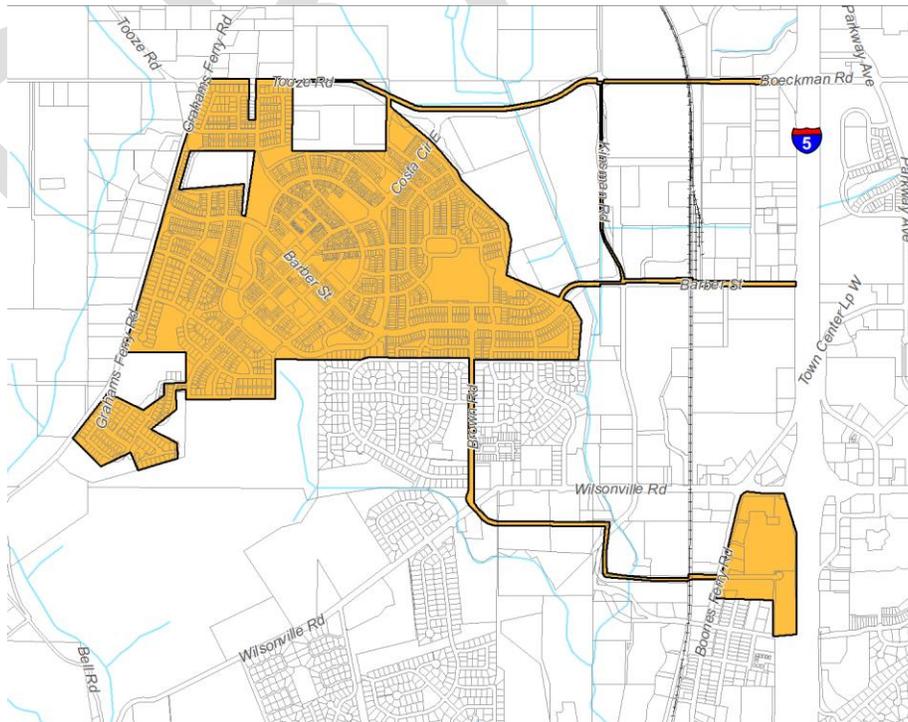
The West Side URA (shown in Figure 6) was created in 2003 after securing approval from 80% of voters in an advisory vote of the public. The goal of the URA is to promote development and fund infrastructure improvements on and around the former Dammasch State Hospital site, resulting in the Villebois Village—a 500-acre award winning community comprised of 2,600 dwelling units and supporting neighborhood commercial—offering quality housing options for a variety of income levels. Specifically, the URA’s goals were to:

West Side URA	
Adopted:	2003
Original Frozen Base:	\$16.5 M
Current AV:	\$747.5 M
% increase in AV:	4530%
MI:	\$49.4 M
Est. Termination:	FY 2023-24

- Develop a transportation network within Villebois
- Provide transportation and utility infrastructure to connect Villebois to the remainder of the City
- Support the development of diverse housing types
- Provide public services and facilities, including a dynamic regional park and trail system
- Make public investments that directly support high-quality private development.

The original West Side URA was 385 acres, but the present area is 411 acres and includes the Villebois area and rights-of-way for Boeckman Road, Barber Road, Kinsman Road, and Brown Road.

Figure 6. West Side Boundary (Source: City of Wilsonville)



Projects

The major projects identified in the West Side Urban Renewal Plan are the construction of the Boeckman Road extension and Barber Street extension, in addition to improvements on Tooze Road, Barber Street, and Brown Road. Smaller projects include a \$2 million contribution to the construction of community and regional parks and the acquisition of an elementary school site as part of a land exchange agreement, where the City obtained an equally-sized parcel from the West Linn-Wilsonville School District on Advance Road for sports fields. The project list is shown in Figure 7.

The only remaining project is an urban upgrade to Brown Road, which is expected to begin design in FY 2022/23.

Figure 7. West Side Projects Summary

Project	Complete
Other Transportation/Brown Road	No
Barber St. (Kinsman Rd. to Coffee Lake Dr.)	Yes
Tooze Rd. (110th to Grahams Ferry Rd.)	Yes
Sprinklers	Yes
Parks	Yes
Old Town Escape (Kinsman Option)	Moved to Year 2000 Plan
Kinsman Rd. (Barber to Boeckman Rd.)	Yes; Paid with other funds
Boeckman Rd. Repair	Yes
Boeckman Rd. (95th to 110th)	N/A
Barber St. (Boones Ferry Rd. to Boberg)	N/A
Barber St. (Boberg to Kinsman Rd.)	N/A
Grahams Ferry Rd. (Tooze to LEC)	Completed by private development
School Site	Yes

Source: City of Wilsonville

Financial Considerations

The URA originally had a frozen base assessed value of \$16.5 million. The assessed value of the URA has increased significantly, and is now over \$777 million.

The maximum indebtedness for the West Side URA was originally \$40 million but was increased to \$49.4 million as a result of the 2014 Strategic Plan, to allow for sufficient funding to complete the projects within the URA. All maximum indebtedness has been allocated to projects.

Since FY 2018-19, annual TIF revenues in this area have been voluntarily restricted to \$5 million, with the remaining TIF distributed to the overlapping taxing districts by the county assessor.

As of June 30, 2022, there was \$9,100,000 of outstanding principal indebtedness, resulting in total scheduled future debt service payments of \$10,479,065, including principal and interest. The last of these payments is scheduled for FY 2027-28. The City anticipates having sufficient resources to repay the indebtedness ahead of schedule in FY 2023-24.

As with the Year 2000 URA, an important financial consideration for the West Side URA is the potential impact of the URA expiration on the West Linn-Wilsonville School District's local option levy. This issue is described in the previous section on the Year 2000 Plan. The City is committed to communication and coordination with the School District on this matter.

Issues for Task Force Consideration and Recommendation

Closure of the URA

Is there a reason to extend the closure date of the West Side URA?

Task Force Recommendation: The West Side Urban Renewal Area should be closed once the MI is reached and all debt secured by TIF revenue is paid. This is anticipated to be in FY 2023-24.

Coffee Creek

Background

<u>Coffee Creek URA</u>	
Adopted:	2016
Original Frozen Base:	\$99 M
Current AV:	\$128.3
MI:	\$67M
Remaining MI:	\$62.5M
Estimated Termination:	FY 2041-42

The Coffee Creek Industrial Area lies west of I-5 and is adjacent to the northwest corner of the City of Wilsonville (Figure 8). Much of the land in the URA is located outside of Wilsonville’s city limits but within the UGB. Bounded on the north by the Coffee Creek Correctional Facility and Day Road, the Coffee Creek Urban Renewal Area contains approximately 258 acres of land zoned for industrial development. The Coffee Creek URA benefits from prime access to major transportation corridors due to its location

along the I-5 corridor and its resulting easy access to I-5, I-84, OR-26 and OR-217. The Coffee Creek Boundary is shown in Figure 8 (next page).

The URA is projected to provide more than 1,800 family wage jobs at full buildout⁴. Business development in the Coffee Creek URA will synergize with new residential development at Villebois Village and good access to public transportation, including close proximity to the Westside Express Service (WES) rail line.

Recently, the Coffee Creek Logistics Center was completed with 110,000 SF of new flex industrial space available. Two additional warehouses are in process, with 148,000 SF under construction for the Black Creek Group, and another land use application under planning review for Precision Countertops. Such significant industrial investment will greatly benefit the growth in increment that is needed to generate additional funding for infrastructure projects in the Coffee Creek URA.

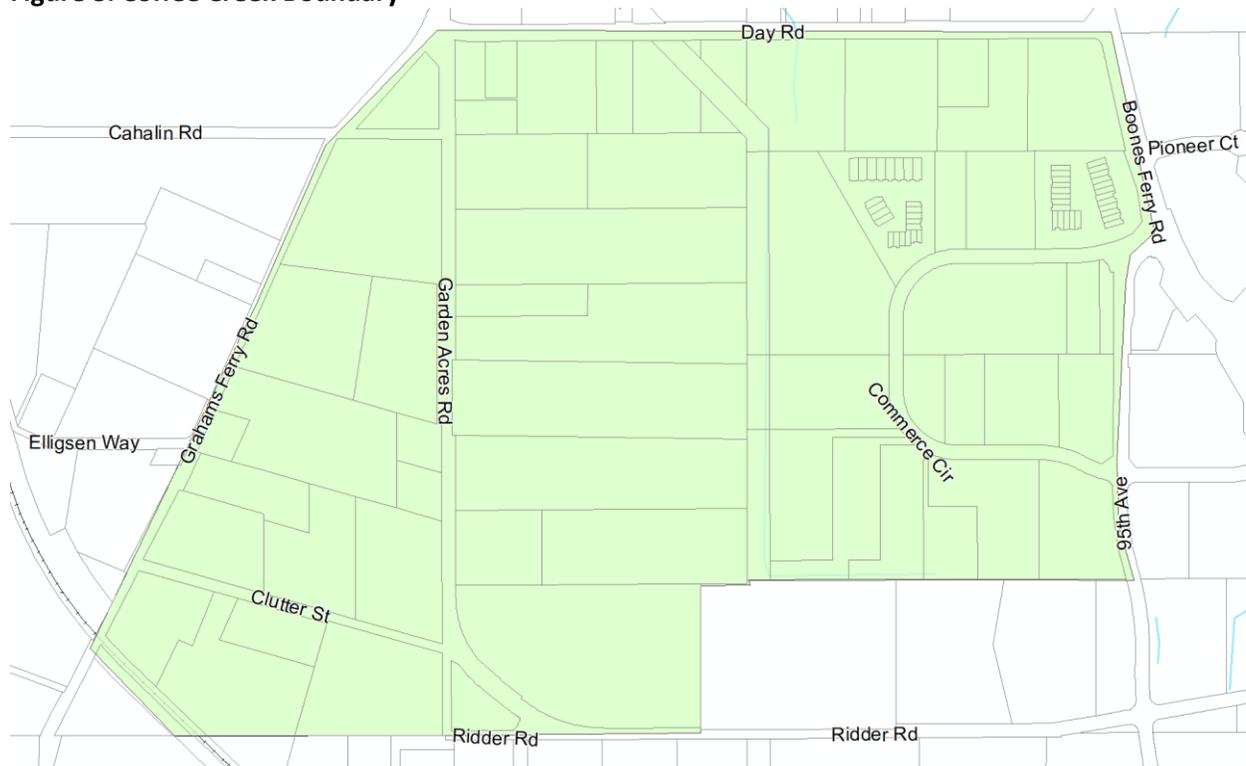
Projects

The Coffee Creek URA is composed of mostly a combination of older industrial development, underutilized sites, and vacant land. All categories include the potential for future economic uses. However, the URA is lacking the infrastructure to support new development. The projects identified in the Coffee Creek Plan address those infrastructure deficiencies, seen in Figure 9 and Figure 10.

The first phase of the Garden Acres Road project has been completed from Ridder Road to Day Road. The remaining projects focus exclusively on infrastructure to support industrial/employment development. The Coffee Creek Urban Renewal Plan estimated that all projects would be built and the urban renewal debt repaid in 2042.

⁴CCIA Infrastructure Report, Memorandum from FCS Group sent on 4/5/2011.

Figure 8. Coffee Creek Boundary



Source: City of Wilsonville

Figure 9. Projects in Coffee Creek Plan

Project	Timing
SW Garden Acres Road	Phase I done
SW Day Road	2023-2025
SW Grahams Ferry Road	2031-2034
SW Java Road	2024-2025
SW Clutter Road	2024-2025
Coffee Creek Industrial Area Sewer Extension	2024-2025
Lower Graham's Ferry Road Storm Outfall	2031-2032
Coffee Creek Regional Detention Pond	2029-2030
Fiber Optic Cable	included above
Railroad Undercrossing	2032-2033
Administration	2018-2042
Finance Fees	2018-2033

Source: Coffee Creek Urban Renewal Plan

Figure 10. Infrastructure Projects in Coffee Creek



Source: City of Wilsonville

Financial Considerations

The Coffee Creek URA was adopted in 2016. The frozen base is \$99,000,000, and the current assessed value is \$128,275,421. The value from Commerce Circle provided a modest frozen base, which provided necessary TIF revenue for the initial infrastructure investments. The estimated termination date of the URA is 2042.

The Coffee Creek URA has a maximum indebtedness of \$67,000,000. The maximum indebtedness remaining is \$62,700,000.

Issues for Task Force Consideration and Recommendation

Are any of the projects no longer needed?

Task Force Recommendation: All of the projects are still needed, none of the projects should be removed from the Coffee Creek Plan.

Should the project costs be updated to current dollars? (accuracy of original estimates, inflation assumptions, timing delays, and changes to scope?)

Task Force Recommendation: Yes

Rationale: *In the years since the Coffee Creek Plan was initially adopted, much has changed, including timing delays and significant inflation. Project costs should be updated and analyzed in a current finance plan to understand the overall capacity to fund the projects in the Coffee Creek URA. This should be completed before such time that the Ridder Road and Property Acquisition projects (noted above) are added to the plan by amendment, so that only one plan amendment is needed.*

Should there be any changes to the Coffee Creek boundary?

Task Force Recommendation: Yes, Ridder Road should be added to allow funding to be allocated to that project. (see rationale above in project additions)

Should there be changes to the maximum indebtedness of the Coffee Creek URA to account for project cost escalation?

Task Force Recommendation: Revisit this issue at a later date when more development has occurred in the URA, more of the projects have been completed, a financial update has been completed and more of the indebtedness has been used.

WIN Program

Background

In 2020, the Wilsonville City Council directed City staff to redesign the TIF Zone program with input from the Task Force, as none of the development that occurred within the six originally-established TIF Zones met the eligibility criteria for the program. Staff prepared a more effective proposal that offered greater flexibility for eligibility, including fewer restrictions on geographic location, a new scoring system that considered investments, jobs, and wages, and two tiers of benefits (either 4 or 7 years). The proposal was reviewed with the Task Force and received unanimous support. The Task Force's recommendations that the program incorporate Diversity, Equity, and Inclusion (DEI) criteria and prioritize legacy Wilsonville businesses were added to the final proposal that was adopted by Council in October 2020 in the form of WIN Administrative Rules, allowing staff to market the program to prospective businesses.

The WIN program is structured as a tax rebate, so qualifying companies must deliver on their commitments (capital investment, jobs, wages, etc.) and pay their taxes before the rebate is issued to them. It is a citywide program—the only boundary restriction is that a WIN project must not be within an existing urban renewal area.

Eligibility is based on a total score received on the following criteria:

- Value of new investment
- Number of new employees
- Compensation of new employees
- DEI Commitments
- Years of Operation in Wilsonville

There are two tiers of benefits (4 and 7 years) depending on a project's score. The full incentive is a tax rebate for 7 years, and a partial incentive is a tax rebate for 4 years. The benefits for qualifying businesses are rebates of 100% of TIF revenue generated by the new investment after the City's administrative costs (up to 10%) have been paid. TIF revenue is only generated from permanent rate levies, not from General Obligation (GO) bonds or local option levies.

The current scoring system is shown in Figure 12.

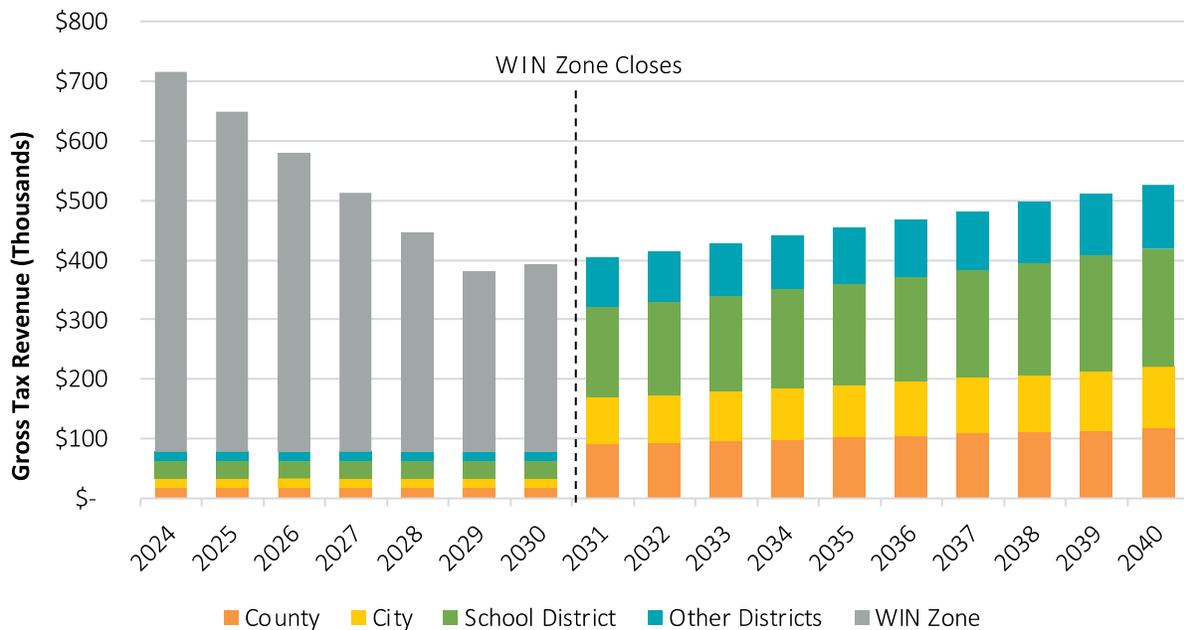
Figure 12. WIN Program Scoring System

Scoring Criteria	
Capital Investment	1 point per \$500,000 of investment
New Employment	0 points: <100% of County average wage
	0.2 points: 100% > 125% of County average wage
	0.4 points: 125% > 150% of County average wage
	0.6 points: >150% of County average wage
Local Business Tenure	0.5 points for each verified year of business operations in the City of Wilsonville. Maximum of four (4) points.
Diversity, Equity, and Inclusion	4 points for meeting two of the following criteria:
	Business Certification (Minority, Women, Disadvantaged, Veteran)
	Certified B Corporation
	DEI Procurement Plan
	DEI Workforce Development Plan
	DEI Company Program with at least 1 FTE
	On-site employer-provided childcare
Benefits	
Less than 60 points	Does not qualify for benefits
60 to 79 points	Partial benefits (4 years)
80 points or above	Full benefits (7 years)

Source: Tiberius Solutions

In early 2021, a qualifying WIN application was received from the exact type of a business Wilsonville was trying to attract—a large traded-sector project that would strengthen the local economy with a significant capital investment and the creation of new, high-wage jobs. Twist Bioscience, a California-based DNA synthesis firm, proposed to redevelop a nearly 200,000 square foot existing facility in Wilsonville, resulting in a \$70 million investment and the creation of 200 new jobs to start, and as many as 400 over time. The business qualified for the WIN Program’s URA property tax rebate, and in 2021, the City Council established the first WIN Zone to support Twist’s investment. Figure 13 shows the property tax revenues forecast to be generated by Twist Bioscience.

Figure 13. Impacts to Taxing Districts



Source: Tiberius Solutions

Issues for Task Force Consideration and Recommendation

Do we have the right list of scoring criteria?

Task Force Recommendation: No

Should the scoring system change to emphasize or deemphasize any criteria?

Task Force Recommendation: The WIN Program should allow for a higher score for long-time existing Wilsonville businesses.

Rationale: The health and retention of existing local businesses is important to the city. These businesses should receive priority attention on access to the program.

Should the level of incentives be increased or decreased?

Task Force Recommendation: No

Are any other changes recommended?

Task Force Recommendation: The WIN Program should add a step earlier in the application process for vetting applicants, including an opportunity for public input (i.e., public open house or review by other standing city committees) in order to surface any potential issues or public concerns that may jeopardize the application or project as they progress toward approval.

Rationale: The experience from initial application in the WIN program showed that an opportunity for vetting earlier in the process could have been helpful in moving the application smoothly through the process and approval.

Consideration of Future Uses of Tax Increment Financing

The Task Force was presented with three potential uses of urban renewal for their input and recommendation: 1) Wilsonville Town Center, 2) Basalt Creek Industrial Area, and 3) using urban renewal as one tool (of many) to address housing affordability issues.

Town Center

Background

The Wilsonville Town Center Plan (Town Center Plan) was adopted in May 2019. The Town Center Plan envisions a vibrant, walkable destination that inspires people to come together and socialize, shop, live, and work; it is the heart of Wilsonville; it is home to active parks, civic spaces, and amenities that provide year-round, compelling experiences, and; Wilsonville residents and visitors come to Town Center for shopping, dining, culture, and entertainment.

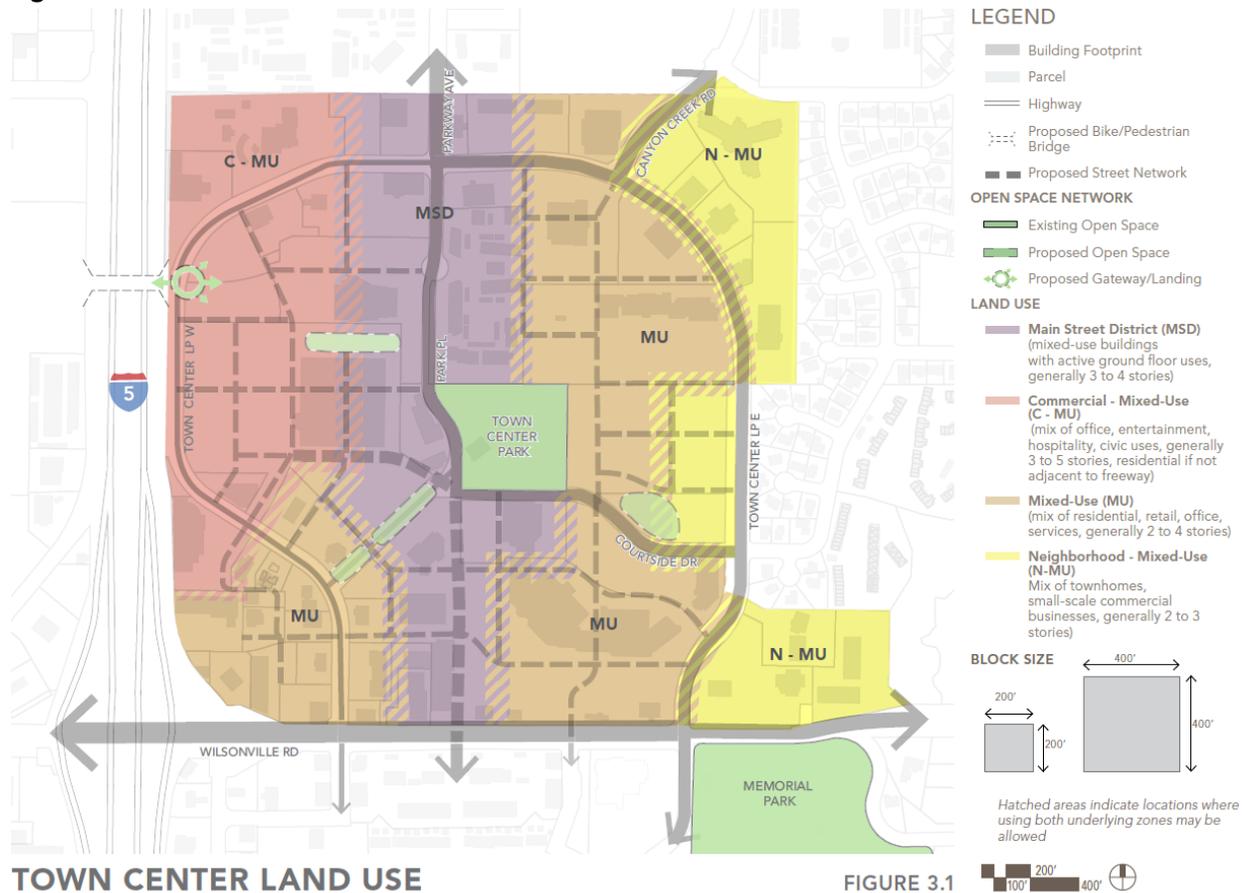


The goals for the Town Center are:

- **Environmental Stewardship:** Integrate nature into the design and function of infrastructure and development in Town Center to protect Wilsonville’s natural resources
- **Harmonious Design:** Ensure buildings and streets are pedestrian-oriented and there are a variety of quality building types and land uses
- **Mixed Uses:** Encourage development that provides interconnected land uses that incorporate play and recreation, with a range of retail, services, dining and entertainment options, and increased opportunities for residential and employment uses.
- **Safe Access and Connectivity:** Provide transportation infrastructure designed to create a safe, accessible environment for all modes of travel in Town Center, foster multimodal access between buildings and land uses in Town Center, connect to surrounding neighborhoods, and provide local and regional accessibility.
- **Community Gathering Places:** Provide vibrant, diverse, and inclusive spaces that bring people together with activities and events for year-round fun, culture and socializing.
- **Economic Prosperity:** Create opportunities to support and grow existing businesses and attract new businesses that provide a diverse range of local and regional retail, entertainment, and commercial activities.

The key elements of the Town Center Plan are new land uses, the Emerald (Park) Chain, Main Street, and other key infrastructure projects including a pedestrian bridge over I-5. Main Street is the heart and backbone of Town Center and its planned “sense of place” best represents the vision for Town Center.

Figure 13. Town Center Land Use



Source: Wilsonville Town Center Master Plan

Figure 14 shows land uses in Town Center, and illustrates how Town Center is focused around Main Street (purple). Future multi-modal connectivity is shown with dashed lines. Areas highlighted in green show the Emerald Chain, an organizing principle around open spaces.

The community’s vision for Town Center is fundamentally different than what exists today. An essential aspect is increased activity. Mixed uses are allowed throughout the Town Center, increasing development opportunities and creating a more dense and vibrant Town Center. The tallest building allowances are located near I-5, tapering down to development that is two-to-three stories closer to the residential area to the east. Active ground floor uses will bring the Main Street to life, and the Emerald Chain, streetscape design, and development standards, will create a pedestrian-oriented environment and spaces in the public realm where people can walk around and gather.

The I-5 Pedestrian Bridge and Gateway Plaza are in the northwest portion of the planning area. The Bridge serves as a critical link in the City’s multi-modal trail network system and in connecting the Town Center to the SMART Transit Center, employment centers, and City neighborhoods west of I-5.

The proposed infrastructure projects, locations, and preliminary cost estimates for Town Center are shown in Figure 15 and Figure 16. They include a combination of new roadway connections, enhancements to existing connections, and pedestrian/bike projects. The infrastructure investments are

a key backbone to help achieve the larger vision as they support new development and mixed use. A number of funding sources, public and private, will be required in order to complete the projects on the following table. The city is currently developing an “Infrastructure Funding Plan” for the Town Center planning area and urban renewal is a funding source that will be considered as part of the overall funding strategy.

Potential Infrastructure Projects

Figure 14. Potential Infrastructure Projects

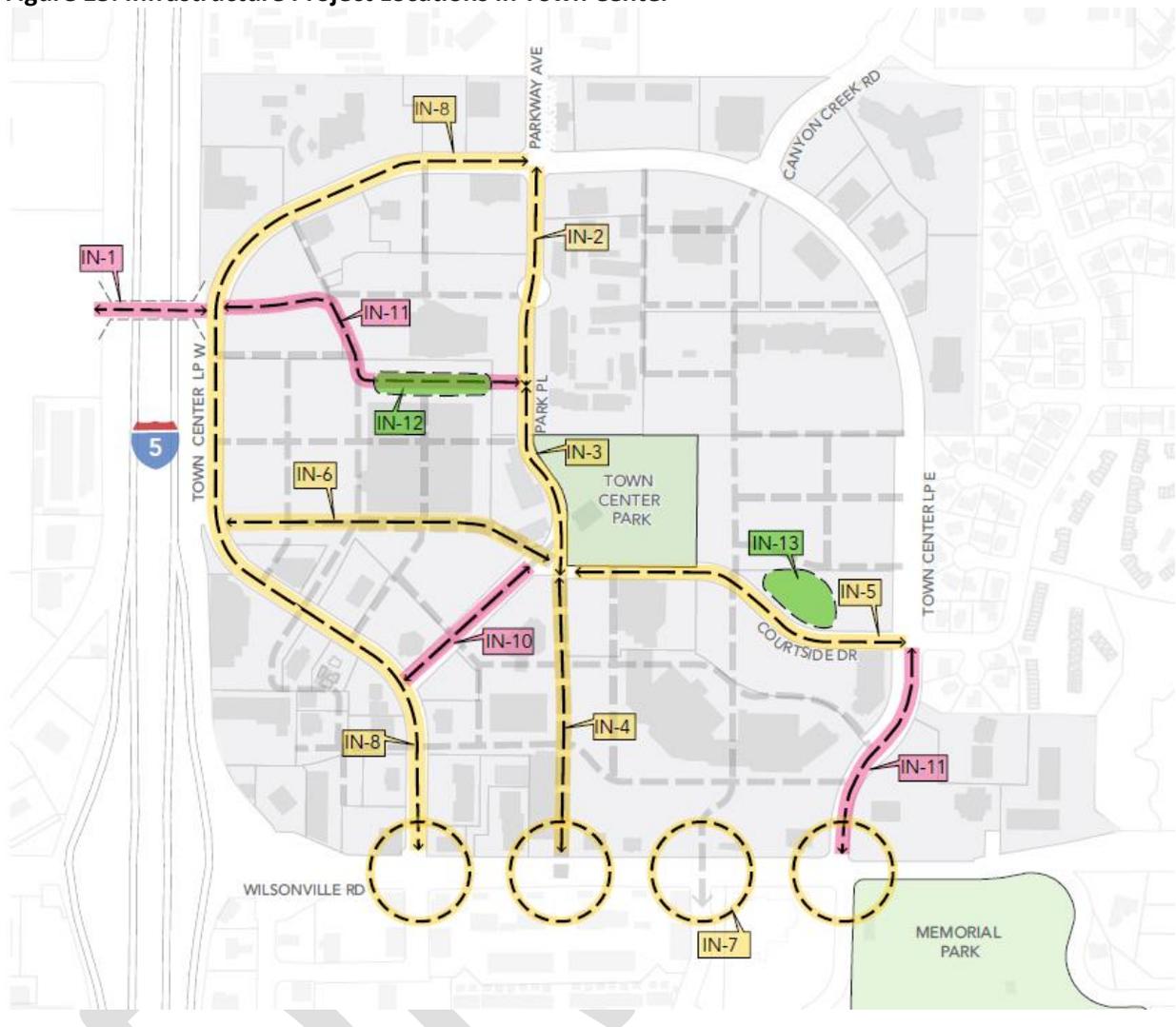
Source: Costs prepared by David Evans Associates, May 2022. Expressed in year 2022 dollars.

Project Number	Project Name	Cost Estimate (Design/Const/ROW)	Prelim. Funding Sources	SDC Category
IN-1	I-5 Bike/Pedestrian Bridge Gateway	\$ 15,000,000	TSDC, Special Assessment, URA	Transportation
IN-2	Park Place Redesign (Town Center Loop to Northern Edge of Town Center Park)	\$ 6,016,685	TSDC, Special Assessment, URA	Transportation
IN-3	Park Place Redesign (Town Center Park to Courtside Drive, Framework Project)	\$ 3,557,920	TSDC, Special Assessment, URA	Transportation
IN-4	Park Place Extension (Courtside Drive to Wilsonville Road, Framework Project)	\$ 7,207,510	TSDC, Special Assessment, URA	Transportation
IN-5	Courtside Drive Improvements (Park Pl. to Town Center Loop E)	\$ 5,010,740	TSDC, Special Assessment, URA	Transportation
IN-6	Courtside Drive Extension (Park Place East to Town Center Loop W, Framework Project)	\$ 5,873,760	TSDC, Special Assessment, URA	Transportation
IN-7	Wilsonville Road Intersection Modifications	\$ 2,462,155	TSDC, LID, URA	Transportation
IN-8	Town Center Loop W Modifications	\$ 2,666,805	TSDC, Special Assessment, URA	Transportation
IN-9	Local Road Network	N/A	Private Development	N/A
IN-10	Park Place Promenade Redesign	\$ 2,628,740	TSDC, URA	Transportation
IN-11	Cycle Tracks	\$ 1,790,770	TSDC, URA	Transportation
IN-12	Promenade (Framework Project)	\$ 2,035,015	TSDC, URA	Transportation
IN-13	Town Center Skatepark	\$ 954,015	Parks SDC, URA	Parks
IN-14	Water, Sewer and Stormwater System Upgrades	\$ 34,986,525	Utility Rates, Connection Charges, LID, URA	Water, Sewer, Storm
TOTAL		\$ 90,190,640		

Water, Sewer, Storm Detail

IN-14A	Storm System Upgrades	\$ 15,797,330	Developer On-site, SDC, Rates	
IN-14B	Sanitary System Upgrades	\$ 9,905,300	Developer On-site, SDC, Rates	excl. private lines of 8"
IN-14C	Water System Upgrades	\$ 9,283,895	Developer On-site, SDC, Rates	
SUBTOTAL		\$ 34,986,525		

Figure 15. Infrastructure Project Locations in Town Center



Source: Wilsonville Town Center Master Plan

Financial Considerations

The City is presently conducting an Infrastructure Finance Plan (IFP), updating the cost estimates from the Town Center Plan. The IFP will determine the City's share of the infrastructure costs to identify funding gaps and consider the feasibility of using urban renewal as one an element of the overall funding strategy. The IFP is anticipated to be completed in late 2022.

Acreeage Considerations

The Town Center Planning Area is approximately 155 acres.

Issues for Task Force Consideration and Recommendation

Is urban renewal an appropriate tool in Town Center to achieve the vision of the community?

Task Force Recommendation: The Task Force supports the City’s ongoing work to develop a Town Center Infrastructure Finance Plan and recommends the City pursue a full urban renewal feasibility study for the Town Center to include timing, duration, eligible projects, anticipated private development, private contribution, and impact on taxing districts for future Task Force consideration.

The Task Force especially supports infrastructure projects that support private development, but further recommends the exploration of additional tools in a potential Urban Renewal Plan to include programs that support legacy businesses facing displacement pressures, such as tenant improvement grants or loans. The Task Force prefers to limit eligibility for such incentives to those businesses that are not part of a national chain or franchise model, and wishes to ensure eligibility for local legacy businesses and childcare service providers that will support the employers, employees, and residents of the Town Center area, and Wilsonville more broadly.

Rationale: *The City of Wilsonville has used tax increment financing as an important part of paying for needed infrastructure in helping to facilitate growth in the city. This tool can be useful in paying for a portion of the infrastructure which will be required to complete the Town Center vision and support desired uses within the area.*

Should this question be presented to the community for an advisory vote?

Task Force Recommendation: Yes, once a feasibility study has been completed and if the Task Force recommends pursuing urban renewal/TIF at that time.

Basalt Creek

Background

The Basalt Creek Planning Area (BCA) is an area of employment lands found in the far northwest quadrant of the Wilsonville UGB. The northernmost portion of the BCA exists within Tualatin jurisdiction. The current Basalt Creek Parkway and its future extension eastward bisect the planning area north/south between the two cities.

The BCA was brought into the Urban Growth Boundary (UGB) in 2004. The Basalt Creek Transportation and Refinement Plan was adopted in November of 2012 and was a joint effort involving Washington County, City of Tualatin, City of Wilsonville, Metro, Oregon Department of Transportation and area residents. The Basalt Creek Concept Plan was adopted by the City in July 2018 and projected that over 2,500 jobs would be available in the Basalt Creek at build out. This includes:

- 1,916 high-tech jobs
- 27 craft industrial jobs⁵
- 581 light industrial jobs⁶

Basalt Creek within a Regional Context

Due to multiple factors, including Oregon’s unique land use system, which tightly regulates and limits the urbanization of rural unincorporated areas, the supply of development-ready land zoned for industrial and employment uses in the Portland Metro area is quite limited. In fact, it is so limited that it has been identified by many land-use planners and economic development practitioners as a serious concern that may be inhibiting the economic growth and overall competitiveness of the Portland economy when vying for business expansions, relocations, and site selection opportunities.

In an effort to plan for and prepare development-ready employment lands in the Portland area, the regional government, Metro, has been studying and inventorying industrial lands and ranking undeveloped or underdeveloped properties using a tier system. Tier 1 sites are considered development ready with few if any encumbrances or constraints. Lower tiers have development constraints such as lack of infrastructure connectivity, wetlands, brownfield conditions, etc. The Metro Regional Industrial Site Readiness Inventory 2017 update states “there are relatively few unencumbered Tier 1 industrial sites remaining in the inventory and no 50+ or 100+ Tier 1 sites,” and “if this regional issue is not addressed, the Portland region will experience lost opportunities for new game-changer business locations and expansions.” Within the BCA, shown

Tier 1: Development-ready within 180 days. It is anticipated that a site can receive all necessary permits; sites can be served with infrastructure and zoned and annexed into the city within this timeframe. No or minimal infrastructure or brownfield remediation is necessary and that due diligence and entitlements could be provided and/or obtained within this time period.

Tier 2: Likely to require 7-30 months to become development-ready.

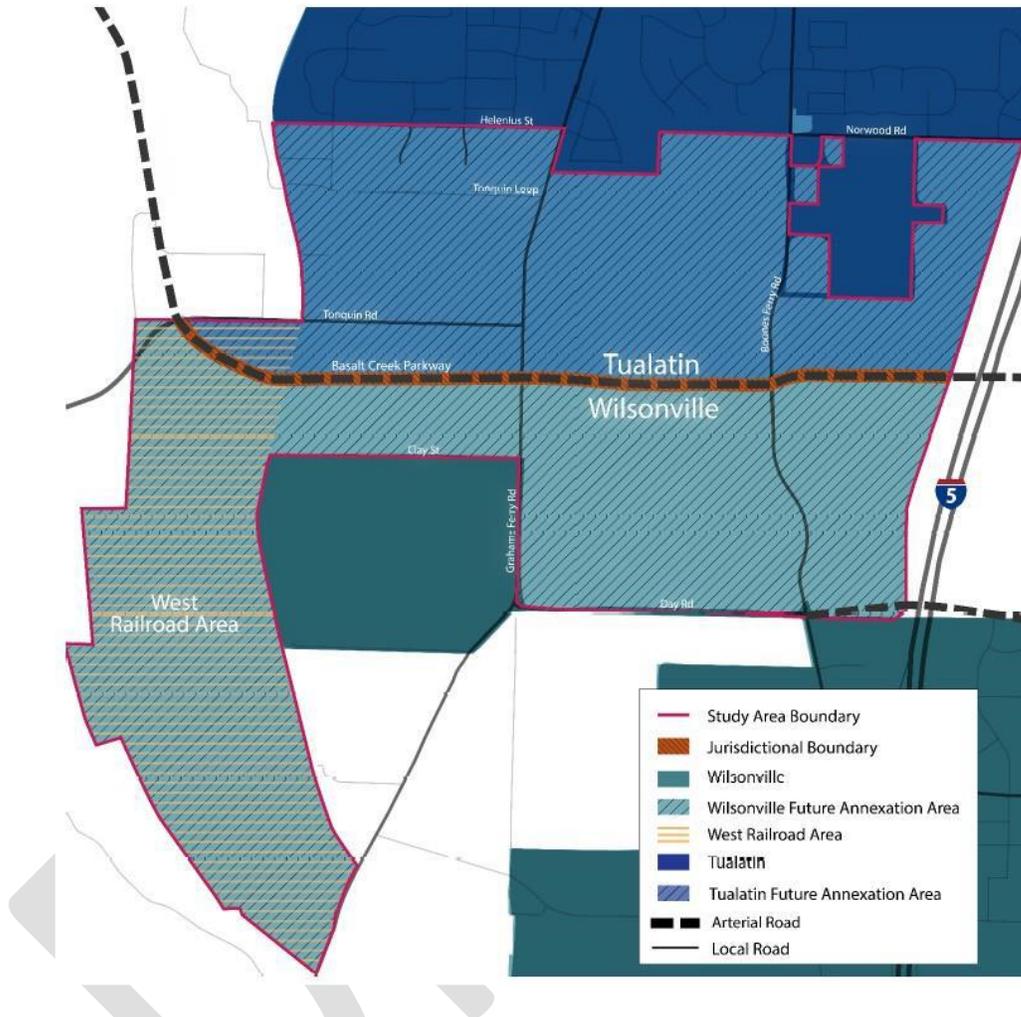
Tier 3: Likely to require over 30 months to become development-ready.

⁵ Craft industrial could include distilleries, artisans, small shops, and manufacturing at small level.

⁶ Basalt Creek Concept Plan, Technical Appendices, p 30-31

in Figure 17 below, there is one site, the “Chamberlain” site, some 43 gross acres, identified as a Tier 3 site.⁷

Figure 16 – Basalt Creek Planning Area



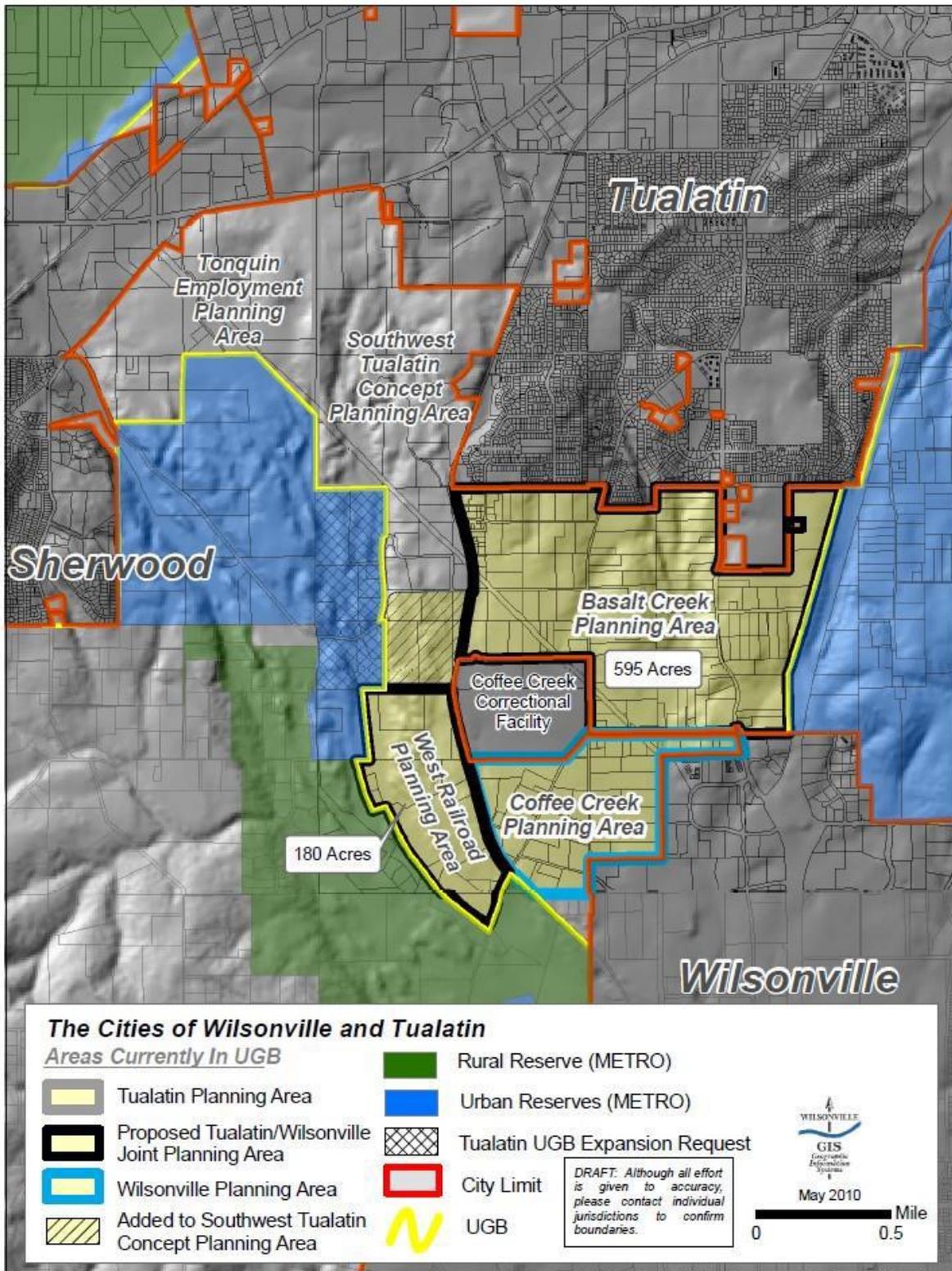
Source: City of Wilsonville

Future work in the Basalt Creek Planning Area, for Wilsonville, includes refining and updating the infrastructure plans and cost estimates and refining the zoning in the area.

Adjacent cities are also pursuing improvements in the area to make it developable, shown in Figure 18. The City of Tualatin adopted an urban renewal plan for their portion of Basalt Creek in 2021. Sherwood adopted an urban renewal plan in 2021 that encompasses the Tonquin Employment Area, adjacent to the Basalt Creek Planning Area.

⁷ Metro Regional Industrial Site Readiness Inventory (2017 update)

Figure 17 – Basalt Creek Planning Area and Surrounding Areas



C:\GIS\projects\2010\041210_plan_area\PlanAreas_hillshade.mxd

Source: City of Wilsonville

Projects

There are eighteen projects that were identified in the Basalt Creek Refinement Plan, for a cost between \$228 million to \$238 million. The potential projects span both jurisdictions—Wilsonville and Tualatin. Wilsonville-specific projects are shown in Figure 19 and the locations are shown in Figure 20 (next page).

Figure 18 – Potential Projects in Basalt Creek

Project	Description
1. Basalt Creek Parkway Extension	Basalt Creek Parkway Extension from Grahams Ferry Road to Boones Ferry Road
2. Basalt Creek Trail Projects	2 trails: Basalt Creek Canyon and I-5 Easement
3. Widen Boones Ferry Road to 5 lanes:	Widen Boones Ferry Road between Basalt Creek Parkway and Day Road to five lanes
4. Widen Grahams Ferry Road to 3 lanes	Widen Grahams Ferry Road between Basalt Creek Parkway and Day Road to three lanes with bike lanes, sidewalks, and transit improvements
5. Boones Ferry Road/95 th Avenue	Implement access controls on Boones Ferry Road between Day Road and 95 th Avenue to improve safety and add capacity.
6. Basalt Creek Parkway Overcrossing:	Extend Basalt Creek Parkway over I-5 as a four-lane roadway
7. Day Road Overcrossing	Extend Day Road over I-5 to Elligsen Road as four-lane roadway
8. Dual Southbound Right Turn Lanes	Add a second southbound right turn lane on the I-5 off-ramp at Boones Ferry Road
9. Pioneer Court Extension	Extend Pioneer Court to the north, approximately 1,000 feet north of Day Road, connect to Boones Ferry Road to the west

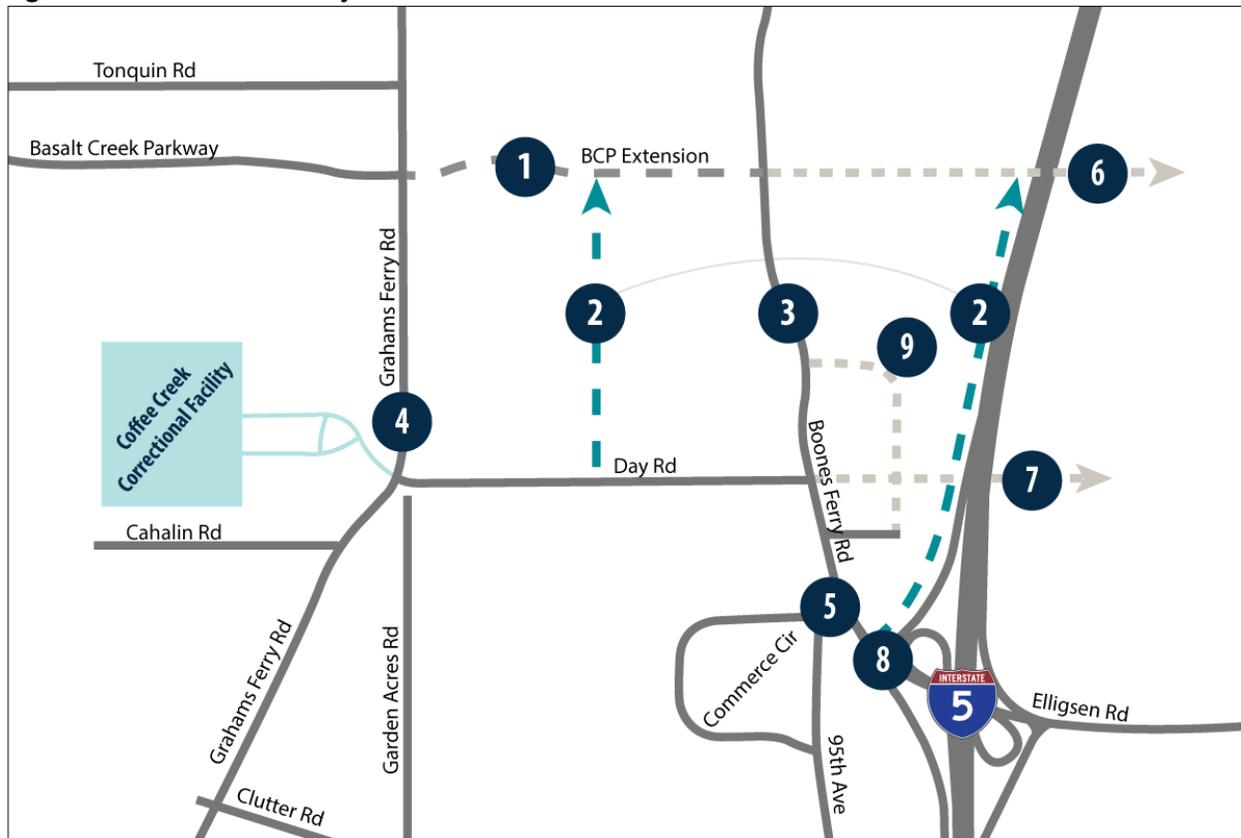
Source: City of Wilsonville

Acreage Considerations

The portion of the Basalt Creek planning area that is in Wilsonville is 239 acres, of which 136.64 acres are buildable acres.⁸ West Railroad (future Wilsonville) is included in the Urban Growth Boundary (UGB) Expansion, but not planned as part of Basalt Creek Planning Area, recognizing it is even further out in time from being able to be served with infrastructure than Basalt Creek. It is 241 gross acres, 60 of which are potentially developable. When added to the acreage in the planning area, there is approximately 480 gross acres, of which 195 are developable. The Urban Growth Boundary expansion is a total of 847 gross acres.

⁸ Basalt Creek Concept Plan, Attachment A

Figure 19 – Basalt Creek Project Locations



Source: City of Wilsonville

Issues for Task Force Consideration and Recommendation

Is urban renewal an appropriate tool in Basalt Creek to provide improvements to allow the area to develop and add employment and development for the community?

Task Force Recommendation: The Task Force recommends the city pursue a full urban renewal feasibility study for Basalt Creek to include timing, duration, eligible projects, anticipated private development, private contribution, and impact on taxing districts for future Task Force consideration.

Should this question be presented to the community for an advisory vote?

Task Force Recommendation: Yes, consistent with the City of Wilsonville policy on new urban renewal areas and once a feasibility study has been completed, and if the Task Force recommends using urban renewal as a tool for Basalt Creek at that time.

Housing Incentives

Background

The Equitable Housing Strategic Plan, adopted in 2020, evaluated existing housing inventory and identified actions the City could take to address equitable housing issues. The City is currently working towards the goals of HB 2001 and 2003 to incorporate middle housing (housing product between single-family detached and apartments), securing land for affordable housing construction, and looking at how System Development Charges (SDC) may be adjusted. The City is also discussing transit-oriented development at the SMART Central at Wilsonville Station (WES Station on Barber Street), and recently adopted a vertical housing development zone in parts of Villebois Village Center and Town Center. In addition, the City is exploring the possibility of a construction excise tax (up to 1% on building permit valuation) that would help fund an affordable housing trust fund.

Overview of Equitable Housing Actions (Excerpt from Equitable Housing Strategic Plan)

1. Implementation Actions High-priority actions the City plans to initiate within two years of strategic Plan adoption	2. Actions Requiring Further Exploration High-priority actions that require further research and community discussions for the City to determine how or if it will pursue in the near term.
1A: Explore Implementation of Transit-Oriented Development (TOD) at City-owned Wilsonville Transit Center Property 1B: Incorporate Equitable Housing Needs into Middle Housing Planning 1C: Define Equitable Housing Approaches in New Urban Growth Areas 1D: Create Housing Tax Abatement Programs to Achieve Housing Diversity and Affordability 1E: Facilitate Connections to Partners and Housing Resources Through City Liaison	2A: Secure Land for Development of Affordable and Equitable Housing 2B: Modify Parking Requirements, Which May Reduce Housing Costs 2C: Explore Tactics to Reduce the Impact of Systems Development Charges on Affordable Housing 2D: Partner with Community Land Trusts 2E: Explore Homeownership Support Programs 2F: Explore Housing Preservation Tax Abatement 2G: Support Local Home Repair Programs 2H: Assess Accessibility and Visitability Standards or Incentives

The master planning efforts for Frog Pond include how to ensure affordability. The City can ensure diverse housing product typologies and price points through zoning and policy regulation, but cannot achieve affordability, related to a metric like median income, with regulatory frameworks alone. Therefore, the City is considering a variety of tools to address housing affordability.

The consulting team presented information on URAs across the state that include housing projects to the Task Force. Although these programs did not specifically address homeownership nor first time homebuyers, similar programs could be developed to address City Council’s priorities of homeownership and first-time homebuyers.

Projects

Housing production has been incentivized across the state in a number of ways using urban renewal/tax increment financing, including:

- Providing property tax rebates to developers for the construction of housing. Using tax rebates allows the urban renewal agency to provide incentives after the development is completed and use tax increment revenues to provide the incentives instead of expending funds up front. (Salem, John Day, Madras, Burns)
- Developing a program to provide up-front incentives from other city funding sources that are repaid with tax increment revenues once the construction is complete and on the tax roll. (Madras, Burns)
- Paying the system development charges of a housing development. (John Day, Burns, Madras)
- Providing tax rebates to developers that provide a certain percentage of their units as long-term affordable in an otherwise market-rate development. (Salem)

Financial Considerations

The programs that are presently in existence are self-supporting: the property taxes from the new housing pays for the incentive. However, this means that the overlapping taxing districts would forego any property taxes on that property until the incentive is fully paid. The time will vary depending on the amount of incentive required to make the program effective, but it has been as short as ten years.

Issues for Task Force Consideration and Recommendations

Should Wilsonville explore urban renewal/tax increment financing, in addition to other tools, to create affordable housing opportunities in the Frog Pond area, other areas in Wilsonville, or a-site specific area?

Task Force Recommendation: Yes, urban renewal should be studied as one of many tools for the development of affordable housing—to include homeownership/first-time homebuyer opportunities, as well as more traditional multifamily affordable housing projects, and potential other, more novel programs or partnerships. The City should pursue designing a range of programs and/or incentives funded through urban renewal/tax increment financing and other funding sources for future Task Force consideration.

Should this question be presented to the community for an advisory vote?

Yes, if the Task Force recommends it at that time and after the full toolbox has been identified and a specific use of tax increment funding is outlined.