



**CITY COUNCIL MEETING
STAFF REPORT**

Meeting Date: June 17, 2023		Subject: Town Center Urban Renewal Feasibility Study (update)	
		Staff Member: Matt Lorenzen, Economic Development Manager	
		Department: Community Development	
Action Required		Advisory Board/Commission Recommendation	
<input 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 type="checkbox"/> Resolution <input checked="" type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input 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: N/A			
Recommended Language for Motion: N/A			
Project / Issue Relates To:			
<input checked="" type="checkbox"/> Council Goals/Priorities: 8. Prioritize and implement recommendations of the Urban Renewal Strategic Plan		<input checked="" type="checkbox"/> Adopted Master Plan(s): <ul style="list-style-type: none"> • Town Center Plan (2019) • Town Center Infrastructure Funding Plan (2022) • Urban Renewal Strategic Plan (2022) 	
		<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

This item is information only at this point, but direction from Council is welcome.

EXECUTIVE SUMMARY:

Urban Renewal (also known as Tax Increment Finance or “TIF”) is a public finance tool used by cities and counties to cure “blight” by supporting new development and redevelopment through the reinvestment of tax increment within a defined geographic area. When a new urban renewal area is established, a boundary is defined and the tax revenue derived from the assessed value of properties within that boundary is frozen in time. Taxing districts receive the same annual tax revenue from the properties within the boundary for the duration of the urban renewal plan that governs the urban renewal area—often 20-30+ years. As assessed value typically increases year to year, and as new development and redevelopment create new assessed value within the urban renewal area, those tax dollars (tax increment) are divided from the frozen base and set aside for Urban Renewal. The tax increment funds are used to pay for public projects and other programs that support new development and the overall revitalization of the urban renewal area.

Urban Renewal Feasibility Study:

Several adopted plans of the City have recommended the study of urban renewal feasibility as a funding mechanism to support the construction of public infrastructure and several economic development strategies found in the Town Center Plan (2019), including most recently the Urban Renewal Strategic Plan (2022) and the Town Center Infrastructure Funding Plan (2022).

Staff has procured the services of qualified consultants, Elaine Howard Consulting and Tiberius Solutions, to complete technical work and analysis as part of the feasibility study.

Staff briefed the Council on June 19, 2023 after the first two meetings of the Urban Renewal Task Force (URTF), which is acting as the technical advisory committee for this study. At that time we had only preliminary analysis to share, as well as a project calendar which was built around a target end date of August 7, 2023, when the Council would potentially approve ballot language for an advisory vote on November 7, 2023.

Since the June 19 briefing, it has become clear that this ambitious timeline was *too* ambitious. Consequently, staff has decided to continue the feasibility study, but at a slower, more deliberate pace that will allow staff and consultants to complete thorough technical analysis and execute an effective communications plan, which the previous timeline would not have allowed for.

EXPECTED RESULTS:

The Feasibility Study and associated revised timeline will provide Council, staff, and residents with the information needed in order to make an informed decision regarding the creation and scope of a new urban renewal area in Town Center.

The new timeline, if a new urban renewal plan is adopted for Town Center before October 2024, will still allow the Urban Renewal Agency (URA) to collect its first deposit of tax increment in 2026, which is the same outcome under the previous project timeline.

(REVISED) TIMELINE:

- May 30: Urban Renewal Task Force (URTF) - Meeting 1 (complete)
- June 14: URTF Meeting 2 – Review Preliminary Analysis (complete)
- June 19: Brief City Council (complete)
- (Appx.) Aug 16: URTF Mtg. 3 – Development assumptions & documentation of blight
- September 18: Council Briefing 2
- Mid-late October: URTF Meeting 4 – Project refinement, timing, prioritization
- Late fall: URTF Meeting 5 – Communications Plan & DRAFT Ballot Language
- December: Council Briefing 3
- January-May 2024: Execute Communications Plan
- February 5, 2024: Council consideration of FINAL ballot language and advisory vote
- March 1, 2024: Last day to submit ballot title to Clackamas County elections
- May 21, 2024: Advisory Vote on Ballot (if so directed by Council)
- June-August 2024: Prepare and adopt formal Urban Renewal Plan and accompanying Report (if so directed by Council)

CURRENT YEAR BUDGET IMPACTS:

The total cost of this study is \$51,348. The cost has been budgeted for and split between FY '23 and FY '24. Similarly, costs will be divided between the CD Admin budget for technical services, and the Capital Improvement Project (CIP) for Town Center Plan implementation.

COMMUNITY INVOLVEMENT PROCESS:

This feasibility study is guided by the Urban Renewal Task Force (URTF), an ad hoc task force of the City, convened on an as-needed basis to act as the technical advisory committee for all matters pertinent to the use of urban renewal in the City.

The URTF is chaired by Council President Kristin Akervall and is comprised of roughly 15 members that represent several interest groups including residents, affected taxing districts, planning commission, real estate development experts, land/property owners, and business owners within Town Center.

The URTF plays a critical role in defining the boundary to be studied, identifying projects and programs to be funded by urban renewal, and ensuring the study is aligned with the values and priorities of the community and affected stakeholders.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

The Town Center Plan is broadly supported in the community and by Council. Many anxiously await the realization of the Plan’s vision, goals, and projects. In order for this to occur, a flexible, substantive, and targeted funding source is needed. The Town Center Infrastructure Funding Plan has identified several funding sources, but ultimately finds that tax increment finance is needed in order to fill forecasted funding gaps. If an urban renewal plan is feasible and adopted in Town Center, the community benefits are many—a walkable, vibrant cultural and commercial district, hundreds of new residences, greater connectivity and safety for cyclists and pedestrians at

Wilsonville Road and across I-5 (proposed bike/ped bridge), and a stronger, more efficient tax base that increases tax revenues per acre by making new use of underutilized land already within the City.

ALTERNATIVES:

When the Feasibility Study is complete, the Council may choose to adopt or reject the findings. Furthermore, the Council may choose to direct staff at the conclusion of the study to refer the creation of a new urban renewal area in Town Center to the electorate for an *advisory* vote on the May 21, 2024 ballot. An advisory vote has been the tradition (but not required by City charter) in Wilsonville when the City has considered the use of urban renewal in other areas of the City previously.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. [URTF Meeting 1 Materials and Minutes](#) (link only)
2. [URTF Meeting 2 Materials and Minutes](#) (link only)