



**CITY COUNCIL MEETING
STAFF REPORT**

Meeting Date: April 6, 2026		Subject: Town Center Urban Renewal Feasibility	
		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 checked="" 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: Goal 4: Communications and Engagement	<input checked="" type="checkbox"/> Adopted Master Plan(s): Town Center Plan	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

In 2025, the City Council established a goal to “develop and conduct education and outreach campaign on Town Center Plan, Urban Renewal, and other infrastructure funding sources” to inform future decisions regarding the Town Center planning area. To address the City Council goal, staff seek answers to the following questions:

1. Does the City Council wish to advance an urban renewal feasibility scenario for the Town Center planning area in preparation for a potential November 2026 ballot measure?
2. If the answer to question one (1) is “yes”, which of the three scenarios listed below does the City Council want to pursue?
 - a. Scenario 1: 10% Redevelopment Acreage Reduction
 - b. Scenario 2: 25% Redevelopment Acreage Reduction
 - c. Scenario 3: 17.5% Redevelopment Acreage Reduction (new option presented April 6)
3. If the answer to question one (1) is “no”, then staff will cease efforts to advance urban renewal opportunities in the Town Center planning area until directed otherwise from the City Council.

EXECUTIVE SUMMARY:

Feasibility Study Revisions

An urban renewal feasibility study is not a prediction of the future or a commitment to a specific development outcome. Instead, it is an analytical exercise designed to determine whether a proposed urban renewal area could realistically support an urban renewal program, which generally includes infrastructure projects and other activities that spur business and development activity.

A feasibility study is based on a defensible, hypothetical development scenario for the area based on existing conditions, zoning, redevelopment potential, and market trends. This scenario is not intended to dictate what will occur on specific properties. Rather, it serves as a set of planning assumptions used to test whether redevelopment over time *could* generate sufficient tax increment revenue.

Because the analysis relies on assumptions about market conditions, development timing, and value growth, the results are illustrative rather than predictive. Actual development may occur differently (it almost certainly will!), and property owners ultimately decide how and when their properties develop or redevelop.

In essence, a feasibility study asks a simple question: Could an urban renewal area generate enough revenue under a *reasonable* development scenario to support an urban renewal program?

Please consider the following when reviewing the revised feasibility scenarios shown on page 4 and 5:

- The assumptions used in 2023, which were based on recently approved development in the Town Center Zone and staff's conversations with developers, are still defensible, if bullish. The revised scenarios on pages 4 and 5 reflect the Council's wish to explore more conservative assumptions and scenarios.
 - The revised scenarios presented here reflect the same assumptions used in 2023 regarding which properties may redevelop over the next 30 years, and which Town Center Zone subdistricts those properties exist within, but the amount of redevelopment (acreage) has been adjusted downward, as noted in the scenarios.
- Developers with whom staff have spoken since 2023 have provided valuable information, which has informed additional adjustments. Namely:
 - Private developers will likely voluntarily build *more* parking than what staff assumed in 2023, even without parking minimums in Town Center. This results in lower Floor-Area-Ratio (FAR) assumptions.
 - Residential unit sizes will likely be larger than what staff assumed in 2023.

- Council may adopt code revisions that prohibit or limit developers from utilizing waivers to add additional building height/stories in certain subdistricts. In 2023, staff assumed some use of waivers. The revised scenarios assume lower building heights, which also results in lower FARs.
- For mixed-use development, the ratio of residential-to-commercial square footage has been reduced from 90% residential to 85% to reflect the assumption that building height waivers will not be available. (Shorter buildings mean a larger percentage of buildings will be commercial, even if the commercial square footage is unchanged. It is the upper floors that are residential, which is where square footage reductions will occur.)

The scenarios presented below reflect a set of *reasonable* assumptions. Certainly, there are numerous other reasonable assumptions and scenarios that could be explored. Again, the objective of a feasibility study is not to predict the future, but rather to illustrate feasibility.

The scenarios presented below are very brief summaries of the most critical financial *outputs*. More detailed tables showing the inputs are included in the attachments to this report.

Council should consider which set of assumptions best reflects its policy goals and the level of redevelopment it believes is realistic for Town Center. Which set of inputs (see attachments) do you support based on community input and the desired level of investment, and subsequently, redevelopment?

Scenario 1 // 10% Redevelopment Acreage Reduction				
	Revised	2023	Difference	Percent
Net TIF	\$ 194,000,000	\$ 214,700,000	\$ (20,700,000)	-10%
Net TIF w/o Revenue Sharing	\$ 194,000,000	\$ 254,700,000	\$ (60,700,000)	-24%
Maximum Indebtedness (MI)	\$ 173,000,000	\$ 180,900,000	\$ (7,900,000)	-4%
MI (2026\$)	\$ 89,800,000	\$ 107,600,000	\$ (17,800,000)	-17%

Total Redevelopment Acreage: 55.65 AC or 38.5% of the developable property in Town Center.

No. of Residential Units: 2,381

Scenario 2 // 25% Redevelopment Acreage Reduction				
	Revised	2023	Difference	Percent
Net TIF	\$ 169,500,000	\$ 214,700,000	\$ (45,200,000)	-21%
Net TIF w/o Revenue Sharing	\$ 169,500,000	\$ 254,700,000	\$ (85,200,000)	-33%
Maximum Indebtedness (MI)	\$ 151,000,000	\$ 180,900,000	\$ (29,900,000)	-17%
MI (2026\$)	\$ 78,500,000	\$ 107,600,000	\$ (29,100,000)	-27%

Total Redevelopment Acreage: 46.38 AC or 32.1% of the developable property in Town Center.

No. of Residential Units: 1,983

A Third Scenario

At the conclusion of the [City Council Work Session held on March 16, 2026](#), the Council requested to see a third scenario—a redevelopment acreage reduction of 17.5%—splitting the difference between 25% and 10%. That scenario is shown below for the Council’s consideration.

Scenario 3 // 17.5% Redevelopment Acreage Reduction						
		Revised		2023	Difference	Percent
	Net TIF	\$ 183,400,000	\$	214,700,000	\$ (31,300,000)	-15%
	Net TIF w/o Revenue Sharing	\$ 183,400,000	\$	254,700,000	\$ (71,300,000)	-28%
	Maximum Indebtedness (MI)	\$ 163,000,000	\$	180,900,000	\$ (17,900,000)	-10%
	MI (2026\$)	\$ 85,000,000	\$	107,600,000	\$ (22,600,000)	-21%

Total Redevelopment Acreage: 51.02 AC or 35.3% of the developable property in Town Center.
No. of Residential Units: 2,183

Revenue vs. Expenses

Everything presented above is about the revenue side of the equation. Urban renewal expenses are those projects and programs the Urban Renewal Agency finances in whole or part with tax increment revenues. The projects and programs must be identified in the urban renewal plan if and when such a plan is adopted and an urban renewal area is established.

The projects identified in the 2019 Town Center Plan, and affirmed in the 2023 Town Center Feasibility Study, are shown on the following page, stated in 2023 dollars.

In the 2023 Feasibility Study, the urban renewal share of infrastructure projects totaled \$72.9M. Because real estate activities and small business incentives and support programs are a critical part of downtown redevelopment, the remaining financial capacity was dedicated to those items, for a total of \$101.1M (2023 dollars), including plan administration costs. Inflated to 2026 dollars, that figure is \$107.6M, which is the figure that appears in the scenario tables on pages 4 and 5.

If Council directs staff to move forward using one of the revised scenarios shown above, the resulting maximum indebtedness would not be sufficient to fund all projects identified in the 2023 feasibility study.

- Under Scenario 1, the maximum indebtedness is \$89.8 million;
- Under Scenario 2 it is \$78.5 million
- Under Scenario 3 it is \$85 million
(all expressed in 2026 dollars).

Rather than removing projects to address the funding gap, staff recommends retaining the full list of eligible projects with the understanding that not all may ultimately be completed. In this

approach, the project list functions as a menu of potential investments, with projects implemented over the life of the urban renewal area based on opportunity, private development partnerships, and available funding. Staff will also continue pursuing grant opportunities to help offset project costs where possible.

It is common for urban renewal plans to include more potential projects than can be funded through maximum indebtedness alone, to allow maximum flexibility to staff and policymakers in a dynamic economic environment. An urban renewal plan can also be amended to increase financial capacity when policymakers desire it, the community supports it, economic conditions allow for it, and development activity justifies it.

Infrastructure Projects	Total Cost	Anticipated UR Share
I-5 Bike/Pedestrian Bridge & Gateway Plaza	\$24,000,000	\$12,000,000
"Main Street"		
"Main Street" North	\$7,200,000	\$4,400,000
"Main Street" Central	\$4,400,000	\$2,740,000
"Main Street" South	\$8,700,000	\$2,350,000
Courtside Drive		
Courtside Drive, East	\$6,000,000	\$3,000,000
Courtside Drive, West	\$7,100,000	\$3,550,000
Wilsonville Road Intersection Improvements	\$3,600,000	\$2,600,000
Town Center Loop W Modifications	\$3,300,000	\$2,300,000
Local Street Network	\$36,000,000	\$9,000,000
Bicycle and Pedestrian Infrastructure	\$7,900,000	\$4,000,000
Underground Utility Relocation	\$42,000,000	\$20,950,000
Parking "Solution(s)" - City Built or Developer Incentives	\$12,000,000	\$6,000,000
TOTAL	\$162,200,000	\$72,890,000

Economic Development Programs & Projects	Anticipated UR Share
Real Estate activities	\$19,000,000
Site Preparation	\$2,080,000
Development & Tenanting Incentives - grants/loans	\$2,080,000
TOTAL	\$23,160,000

Administration	Anticipated UR Share
Administration	\$ 5,050,000
TOTAL	\$ 5,050,000

TOTAL (2023 dollars)	\$ 101,100,000
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Additional Considerations

- Any reduction in financial capacity from the 2023 Study will likely result in insufficient financial capacity to complete *all* the projects shown in the table above. As noted, this is common in urban renewal plans.
- If a Town Center Urban Renewal Plan is adopted, a future City Council (e.g., 10-15 years later) may consider amending the plan to increase financial capacity to ensure completion

of remaining projects. State law limits any such amendment to a 20% increase above the original maximum indebtedness [ORS 457.220(4)(b)] unless the Urban Renewal Agency obtains concurrence from affected taxing districts [ORS 457.220(5)].

- Any increase to maximum indebtedness constitutes a “substantial amendment” under state law, requiring adoption by ordinance and public hearings. If Measure 3-632 passes in May 2026, a substantial amendment would also be subject to a binding public vote.
- Determining with precision which of the three scenarios could fully fund all Town Center projects—assuming a future 20% increase in financial capacity—would require analysis of numerous factors, most of which are far beyond the City’s control (e.g. cost of construction materials, inflation and interest rates). Accordingly, staff offers the following general guidance:
 - Scenario 1 (10% reduction): Likely sufficient financial capacity
 - Scenario 2 (25% reduction): Likely insufficient, though dependent on future conditions
 - Scenario 3 (17.5% reduction): Possibly sufficient, though dependent on future conditions

EXPECTED RESULTS:

The City Council needs to provide staff with direction to pursue, or not pursue, a Town Center urban renewal ballot measure for November 2026 election. If City Council wishes to pursue a ballot measure, then City Council must decide which financial feasibility scenario, as outlined in the staff report, to use as the basis for the ballot title.

Although November may seem distant, many coordinated steps must occur in advance of that date. Timely direction from Council will allow staff and consultants sufficient time to prepare materials and conduct outreach so the community has clear, accurate information about what may be presented to voters in November.

TIMELINE:

The City Council can utilize the Work Session on April 20 to further discuss urban renewal feasibility. However, to properly prepare a potential ballot measure, City Council approval of a feasibility scenario must occur on or before April 20, 2026.

CURRENT YEAR BUDGET IMPACTS:

Funding for the consulting work required for this feasibility study revision work is charged to the Community Development Admin budget, which has sufficient budgeted funds this budget year for special projects such as this.

COMMUNITY INVOLVEMENT PROCESS:

The creation of the 2019 Town Center Plan involved extensive, multi-year public outreach, and the 2023 Urban Renewal Feasibility Study was developed with input from the Urban Renewal Task Force, which is comprised of diverse stakeholders including residents, businesses, property owners, and developers. The impetus for this Feasibility Study update/revision, is the public outreach recently completed by CFM Advocates, under the guidance of the City Manager’s office.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

Town Center currently exhibits several indicators of economic distress, including large vacancies, underutilized properties, stagnant property values, and a widespread community perception that the area is struggling. With a dedicated funding source, the City can begin investing in Town Center to spur private development and reverse the pattern of disinvestment that now plagues the area. Town Center will become the Heart of Wilsonville, which has been expressed consistently as a community desire through the biannual citywide survey, and through other channels, for well over a decade.

ALTERNATIVES:

The Council may direct staff to continue developing and refining one of the scenarios presented in this report, or they may direct staff to develop an alternative scenario. Council may also decide to go another direction entirely, which does not involve urban renewal/tax increment financing in Town Center.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. [2023 Town Center Urban Renewal Feasibility Study](#) (link)
2. Development Assumption Summary Tables
3. Summary of Financial Capacity & Forecasted Debt Availability
4. [March 16, 2026 City Council Meeting Packet & Minutes](#)