



**CITY COUNCIL MEETING
STAFF REPORT**

Meeting Date: December 18, 2023		Subject: Town Center Urban Renewal Feasibility Study	
		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 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: 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:

Does the Council support the findings of the Town Center Urban Renewal Feasibility Study and direct staff to prepare a resolution, including final ballot language, referring the question of Town Center Urban Renewal for an advisory vote on May 21, 2024?

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 spur new development and the overall revitalization of the urban renewal area.

Town Center Urban Renewal Feasibility Study (“Feasibility Study”)

Background

The Urban Renewal Task Force (URTF) has acted as the technical advisory committee for this project. Staff and consultants have held five (5) meetings with the URTF and they have completed their role for this project. Staff and consultants have briefed the Council several times throughout the summer and fall with project updates—most recently, December 4, 2023.

At their final meeting on November 30, 2023, the URTF voted to recommend the Council adopt the findings of the attached Feasibility Study and pursue an advisory vote on the question of Town Center Urban Renewal (as outlined in the Feasibility Study) on the May 21, 2024 ballot. Those present voted unanimously in favor, with one abstention by the representative from Tualatin Valley Fire & Rescue (TVF&R). Several URTF members were absent at the meeting, but they did receive all relevant documents for their review, by email. No additional comments (written or otherwise) relevant to the Feasibility Study and draft ballot language have been received by staff from the URTF. TVF&R has expressed a desire to review future, relevant communications related to any ballot measure or urban renewal plan to ensure impacts to taxing districts are accurately and fairly represented.

Feasibility Study

The Feasibility Study is attached (**Attachment 1**). The City’s consultants on this project stated during the final URTF meeting, this is the longest and most thorough urban renewal feasibility study they have completed, and they have completed dozens on behalf of other cities, including Wilsonville. This does not necessarily make the Feasibility Study superior to others, but it does mean if the May advisory vote outcome is “yes” and the Council directs staff to proceed with the preparation of a formal urban renewal plan for Town Center, much of the statutorily-required work and documentation, which must be included in the final plan and accompanying report, is already complete. This shortens the timeline to adoption and decreases the amount of additional work required of Staff and consultants.

While lengthy, the Feasibility Study is well-organized by component in the table of contents. For those wishing to take a deeper dive into technical financial forecasting methodology, the first appendix may be of interest.

Staff has briefed the Council on each of the components of the Feasibility Study, during four previous briefings over the course of the summer and fall of 2023, but this is the first time Council has seen the entire Feasibility Study presented as a whole.

(Draft) Ballot Language

Staff has developed the attached draft ballot language (**Attachment 2**) for Council’s review and comment. The ballot language has been reviewed and amended by the City Attorney, the Planning and Engineering divisions of Community Development, our urban renewal consultants and the URTF. The original draft was modeled after the language used when Coffee Creek Urban Renewal was referred to voters (**Attachment 3**) in November 2015. The community voted in favor of urban renewal at that election.

After the integration of any comments from Council and a final legal review, Staff will submit the Summary to the Oregon Secretary of State’s Elections Division (SOS) for review under the “Safe Harbor” program. If SOS reviews language and other outbound communications and safe harbor is granted, they will not investigate or assess civil penalties based on any complaint received so long as the material is used in exact approved form and in a manner consistent with all provisions of [ORS 260.432](#) and [OAR 165-013-0030](#). SOS does not grant safe harbor for ballot titles or explanatory statements.

Communications and Public Outreach Plan

Attachment 4 is a working document, developed by Communications staff with input from Economic and Community Development, as well as the URTF. As a working document, the attachment is not a formal plan per se, but it does demonstrate staff’s intentions as they pertain to community outreach in advance of an advisory vote in May 2024. The calendar shown may not be strictly adhered to, but demonstrates the cadence and basic timeline for planned communications.

Several methods will be utilized in order to reach as many voters and as many demographics as possible. Among other methods and tools, staff will utilize aesthetically pleasing and engaging digital and print media, such as social media, professional video, a stand-alone website, and an “advertorial” in Wilsonville Living magazine.

In all cases, communications and collateral must comply with Oregon Elections Law. As such, communications cannot attempt to influence voters. Materials must be objective and factual in nature. For example, the City and its staff can encourage people to vote, and provide information about the ballot measure and its impact, but we cannot encourage a “yes” vote. Communications collateral, digital and print, will be reviewed by the City Attorney’s office for legal compliance, as well as the Oregon SOS under the aforementioned Safe Harbor program.

Next Steps

If, at the January 18, 2024 City Council meeting, the Council adopts a resolution, including final ballot language, referring the question of Town Center urban renewal as an advisory vote on the May 2024 ballot, the following steps will need to be completed:

1. Determine whether to hire a consultant to assist in the urban renewal plan preparation and adoption process.
2. Prepare an Urban Renewal Plan (Plan) pursuant to ORS 457.085 including goals and objectives and projects to pursue.
3. Complete the Report that Accompanies the Plan (Report). The Report must comply with ORS 457.087, both identifying existing conditions and establishing financial feasibility. There is generally a large amount of city staff input in this document, as existing conditions must be identified and projects must be defined.
4. Consider the voters' input on the ballot measure.
5. If the vote is positive and City Council so directs, present the draft Plan and Report to the Urban Renewal Task Force for their input and review.
6. Present the draft Plan and Report to the Agency.
7. Complete a legal description of the urban renewal area that is typically done outside of the urban renewal plan consultant's contract. This legal description must be complete by the final action in front of City Council.
8. Agency, if desired, to pass a motion to start the public review process.
9. Transmit the Plan and Report to all impacted taxing districts.
10. Present the Plan and Report to the Wilsonville Planning Commission for their finding of conformance of the Wilsonville Urban Renewal Plan with the Wilsonville Comprehensive Plan.
11. Present the Plan and Report to the Clackamas County Commission. No action on their behalf is required.
12. Conduct a public hearing in front of Wilsonville City Council, advertised to a specific group as identified in 457.120. Review a non-emergency ordinance.
13. Publish notice if the ordinance for the Plan is adopted.

Steps 6-14, delineated above, would take place during the months of June, July and August of 2024, if Council so directs.

EXPECTED RESULTS:

The Feasibility Study provides 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.

If a new urban renewal plan is adopted for Town Center before October 2024, the Urban Renewal Agency (URA) will collect its first deposit of tax increment in 2026, based on a January 2024 tax roll.

CURRENT YEAR BUDGET IMPACTS:

The total cost of this study is \$51,348. The cost has been budgeted for and split between Fiscal Year 2023-24 and Fiscal Year 2024-25. 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 has been guided by the Urban Renewal Task Force, 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, especially taxing districts.

The City has directly engaged with four of the largest affected taxing districts (the City of Wilsonville being the fifth) as members of the URTF—West Linn Wilsonville School District, Tualatin Valley Fire and Rescue, Clackamas Community College, and Clackamas County. They have seen this Feasibility Study through its development and provided commentary and guidance. Staff and consultants have noted and integrated their input.

Impacts to taxing districts are found on page 34 of the Feasibility Study. Taxing districts have been actively involved with the Feasibility Study primarily because these taxing districts forego some tax revenue while an urban renewal plan is in effect. We recognize their investment in the long-term development of the Wilsonville community and tax base. When the urban renewal area is closed after 25-30 years, all affected taxing districts have a stronger and larger tax revenue base because of new development spurred by urban renewal investments.

If the May advisory vote is a “yes,” and Council proceeds with a formal urban renewal plan for adoption, all impacted taxing districts will have an additional opportunity to comment on the plan during a statutorily-required “consult and confer” period, before the plan is adopted by ordinance.

POTENTIAL IMPACTS OR BENEFIT TO THE COMMUNITY:

If the Council and Urban Renewal Agency adopt an urban renewal plan 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.

Our working forecasts demonstrate the assessed value within Town Center can be increased from roughly \$200 million to nearly \$2 BILLION over the course of the life of a Town Center urban renewal plan: 25-30 years.

ALTERNATIVES:

The Council may choose to adopt or reject the findings of the Town Center Urban Renewal Feasibility Study. Furthermore, the Council may choose to direct staff 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 (or not). An advisory vote has been the practice (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.

If the City does not successfully establish an urban renewal area in Town Center, there are few if any feasible options to fund the construction of infrastructure necessary to achieve the community's vision for Town Center, as found in the 2019 Town Center Plan.

CITY MANAGER COMMENT:

N/A

ATTACHMENTS:

1. Wilsonville Town Center Urban Renewal Feasibility Study, with Appendices
2. Draft Ballot Language for Town Center Urban Renewal
3. Coffee Creek Ballot Language & Resolution
4. Communications and Public Outreach Plan (working document)