



**CITY COUNCIL MEETING  
STAFF REPORT**

<b>Meeting Date:</b> January 18, 2024		<b>Subject: Resolution No. 3099</b>  Town Center Urban Renewal Advisory Vote  <b>Staff Member:</b> Matt Lorenzen, Economic Development Manager  <b>Department:</b> Community Development	
<b>Action Required</b>		<b>Advisory Board/Commission Recommendation</b>	
<input checked="" type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 <sup>st</sup> Reading Date: <input type="checkbox"/> Ordinance 2 <sup>nd</sup> Reading Date: <input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda		<input checked="" type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable  <b>Comments:</b> At their final meeting on November 30, 2023, the Urban Renewal Task Force recommended support for the Urban Renewal Feasibility Study and recommended that the City Council pursue an advisory vote on the creation of an Urban Renewal District in Town Center.	
<b>Staff Recommendation:</b> Staff recommends Council adopt Resolution No. 3099.			
<b>Recommended Language for Motion:</b> I move to adopt Resolution No. 3099.			
<b>Project / Issue Relates To:</b>			
<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"> <li>• Town Center Plan (2019)</li> <li>• Town Center Infrastructure Funding Plan (2022)</li> <li>• Urban Renewal Strategic Plan (2022)</li> </ul>	<input type="checkbox"/> Not Applicable	

**ISSUE BEFORE COUNCIL:**

Does the Council support the findings of the Town Center Urban Renewal Feasibility Study and adoption of Resolution No. 3099, 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 investment 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, the associated 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.

Resolution No. 3099 adopts the findings of the Town Center Urban Renewal Feasibility Study and refers the question of forming a Town Center Urban Renewal district for an advisory vote on May 21, 2024. The language that will appear on the ballot and in the voters’ pamphlet is attached as an exhibit to Resolution No. 3099 (Exhibit B).

### 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 18, 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 staff representative from Tualatin Valley Fire & Rescue (TVF&R). Abstention by TVF&R staff is common practice for their organization because they leave any real or perceived agency endorsement of policy matters to their governing board.

#### Feasibility Study

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 five previous briefings over the course of the summer and fall of 2023.

The final Feasibility Study document is attached as **Exhibit A** to Resolution No. 3099. The study outlines the proposed parameters for a potential Town Center Urban Renewal District, including

but not limited to the proposed district boundary, financial capacity, and a list of projects that could be completed over the approximate 30-year life of the district. If Council adopts Resolution No. 3099, the findings of the document become part of the City's record. The Council and voters should consider the Feasibility Study to be the City's due diligence and the framework for a new Town Center Urban Renewal Plan, if Council proceeds with the formation of an urban renewal district after the May 2024 advisory vote.

#### Ballot Title

Staff has developed ballot language with input from our consultants, select community development staff, the Urban Renewal Task Force, the City Attorney's office, and City Council. The language is attached as **Exhibit B** to Resolution No. 3099.

If Council adopts Resolution No. 3099, staff will submit the Ballot Title to Clackamas County Elections together with applicable fees, before the deadline to do so on March 21, 2024, and the language will appear on the May 2024 ballot and in the voter's pamphlet.

#### Next Steps

If Council adopts Resolution No. 3099, referring the question of Town Center urban renewal as an advisory vote on the May 2024 ballot, the steps below 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.

Note, steps 1-3 will need to occur before the outcome of the May 2024 election is known.

Steps 5-14, 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 voters with the information needed in order to make an informed decision regarding the creation and scope of a new urban renewal district in Town Center.

In the coming months, before the May election, economic and community development staff will be working closely with city communications staff to execute a multi-faceted public information campaign, to raise awareness about the vote and the main points of the proposed urban renewal district in Town Center, including financial capacity, boundary, and projects, as well as impacts to both the community and taxing districts. All communications must comply with Oregon Elections Law.

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:**

Staff has inquired with Clackamas County Elections and learned there will be no cost to the City for placing a ballot measure on the May 21, 2024 ballot.

**COMMUNITY INVOLVEMENT PROCESS:**

An advisory vote is the ultimate opportunity for community involvement and input. Through direct democracy voters are able to indicate their support or disapproval of the City's Town Center urban renewal proposal.

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 provided detailed feedback and helped shape the proposed ballot language. The URTF also 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.

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:**

Beginning in 1990 when the City considered the adoption of its first urban renewal plan, 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.

Theoretically, the Council could move forward with the next steps to form a new urban renewal district without an advisory vote, but this would run contrary to precedent in the City of Wilsonville. The Council may adopt Resolution No. 3099 referring the question of creating a new urban renewal area in Town Center to the electorate for an advisory vote on the May 21, 2024 ballot, or not.

If the City does not 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. Resolution No. 3099
  - A. Wilsonville Town Center Urban Renewal Feasibility Study
  - B. Ballot Title