



# Town Center Feasibility Study

## City Council Work Session

09.18.2023



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# Project Timeline

<b>August 21</b>	<b>URTF Mtg. 3</b> Development assumptions & documentation of blight
<b>September 18</b>	<b>Council Briefing 3</b>
<b>Mid-late October</b>	<b>URTF Mtg. 4</b> Project Refinement, Timing, Prioritization
<b>Late Fall</b>	<b>URTF Mtg. 5</b> DRAFT Ballot Language & Communications Plan
<b>December</b>	<b>Council Briefing 4</b>

# Project Timeline

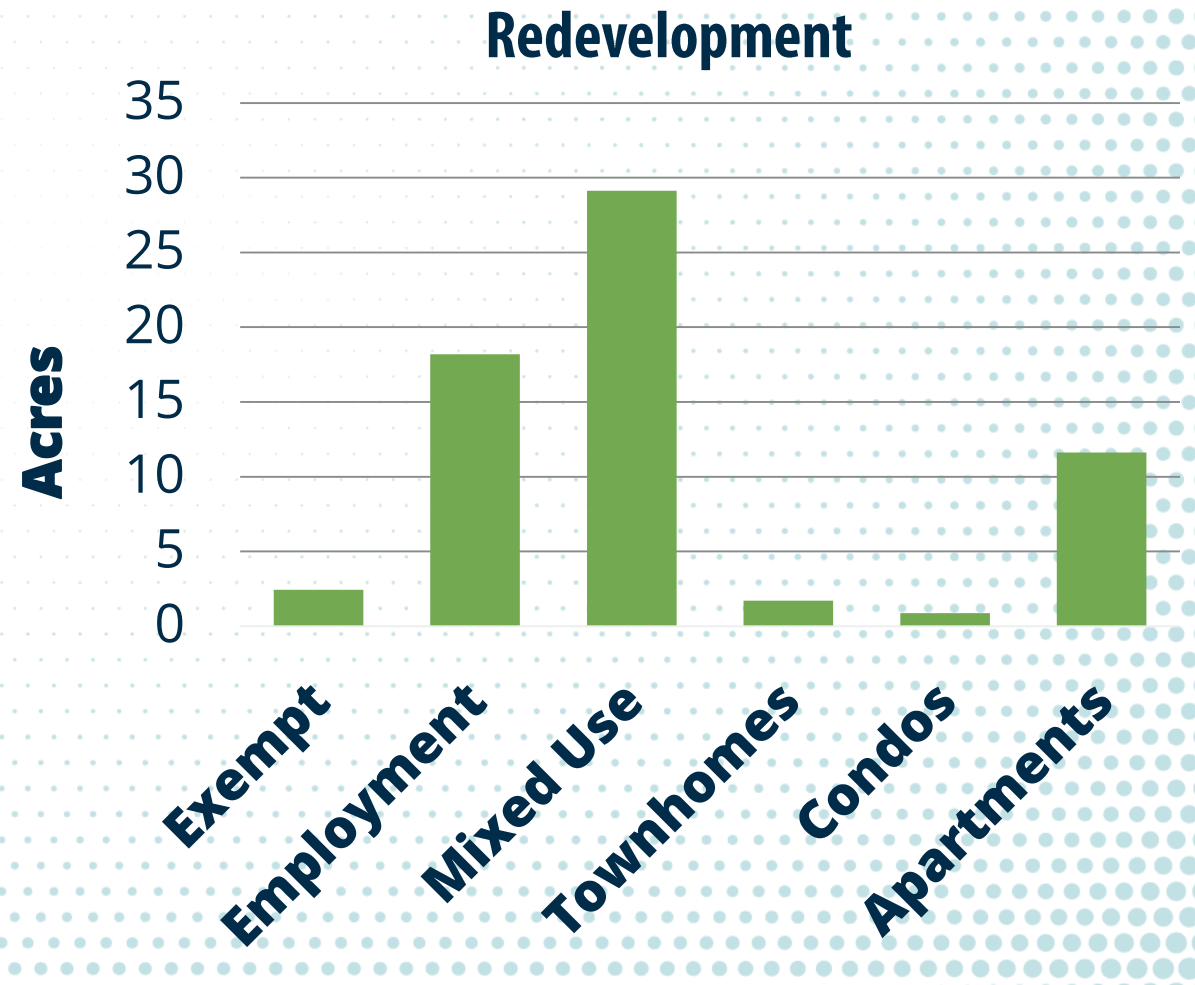
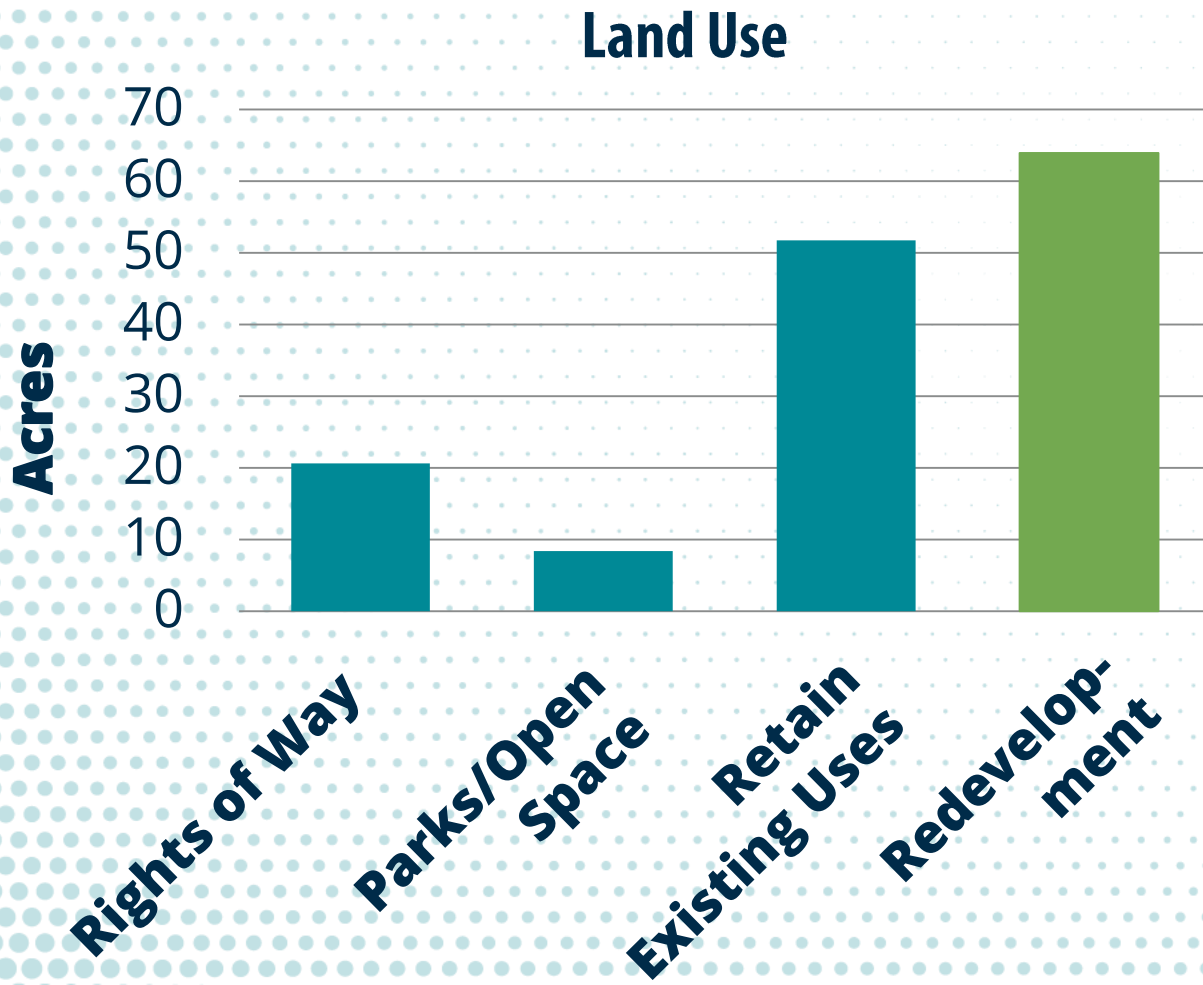
<b>Jan-May 2024</b>	Execute Communications Plan
<b>Feb 5, 2024</b>	<b>Council</b> consideration of FINAL ballot language and advisory vote
<b>Mar 1, 2024</b>	Last day to submit ballot title to Clackamas County elections
<b>May 21, 2024</b>	Advisory Vote on Ballot (if so directed by Council)
<b>June-August 2024</b>	Prepare and adopt formal Urban Renewal Plan and accompanying Report (if so directed by Council)

# Growth in Assessed Value

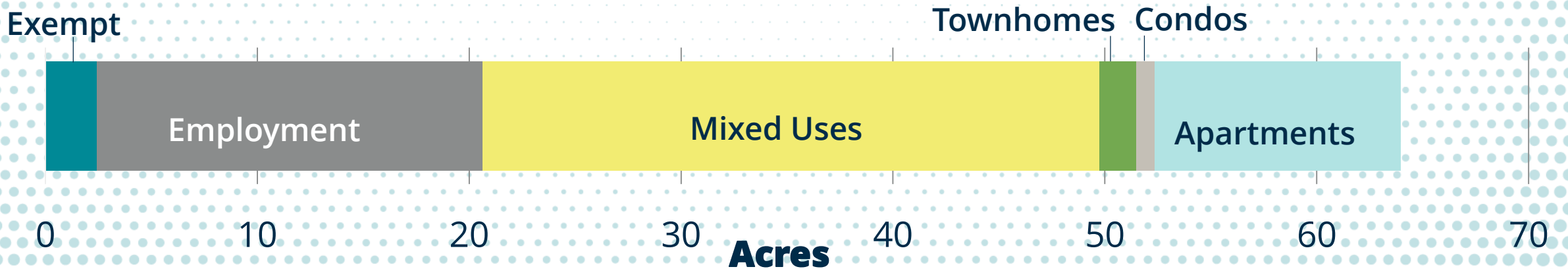
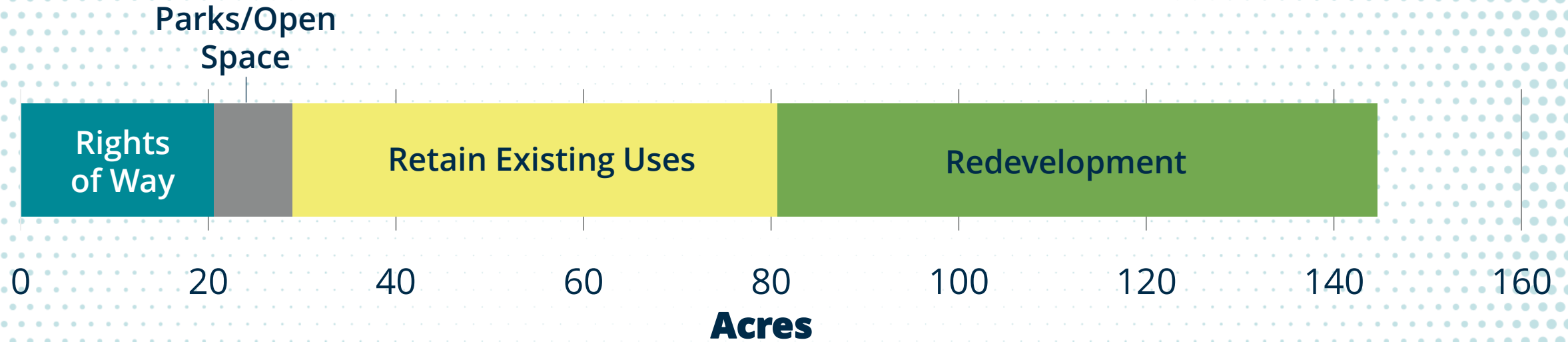
- Appreciation limited to 3.0% per year
- New construction necessary for higher growth
- Previous estimates needed to be refined and vetted
- Updated assumptions with input from City staff and private real estate professionals on Task Force



# Land Use and Development



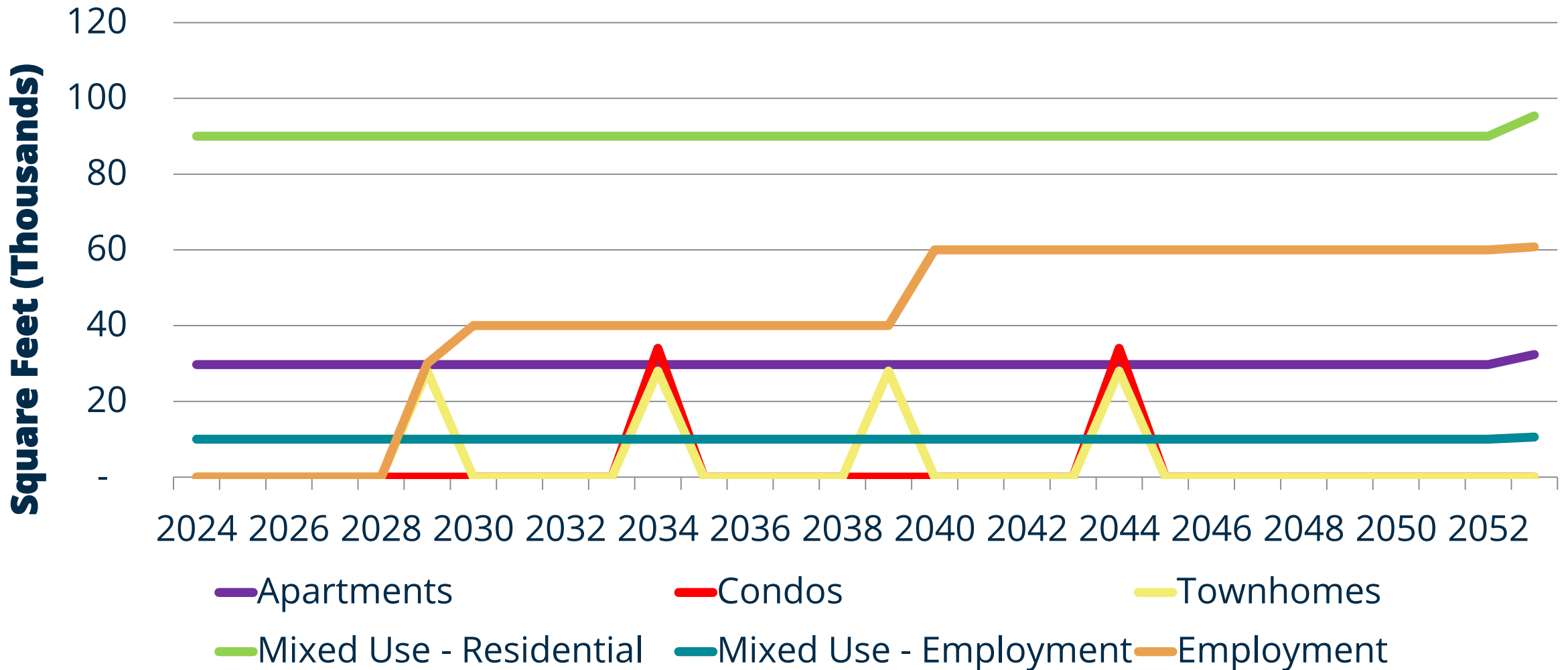
# Land Use and Development



# Summary of New Construction

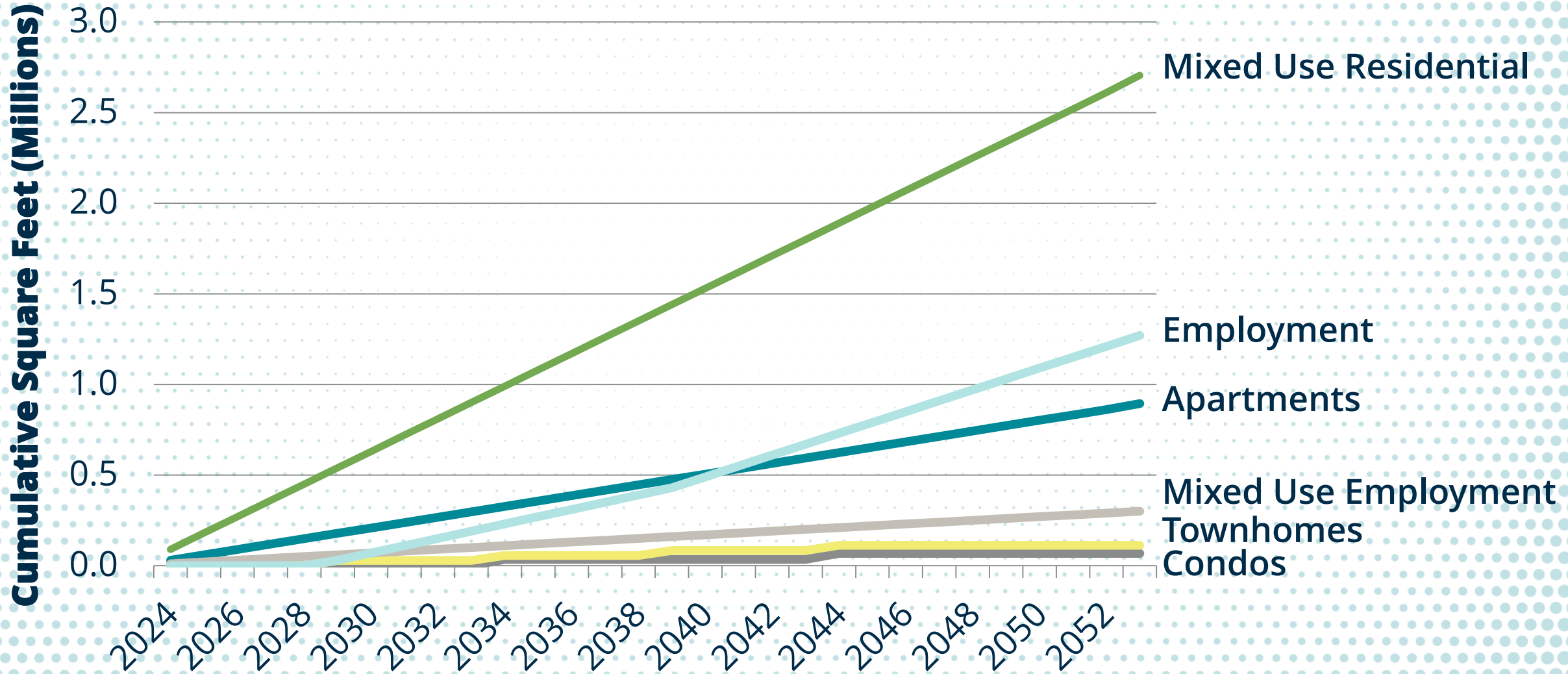
	<b>Average FAR</b>	<b>Total Built SF</b>	<b>Average SF Per Unit</b>	<b>Total New Units</b>
Apartments	1.8	894,000	900 sf	993
Condos	1.8	68,000	1,000 sf	68
Townhomes	1.5	112,000	1,000 sf	112
Mixed Use - Residential	2.1	2,705,000	900 sf	3,006
Mixed Use - Employment	0.1	301,000		
Employment	1.6	1,271,000		
Exempt	1.0	106,000		
<b>Total</b>		<b>5,457,000 sf</b>		<b>4,179</b>

# Forecast Absorption





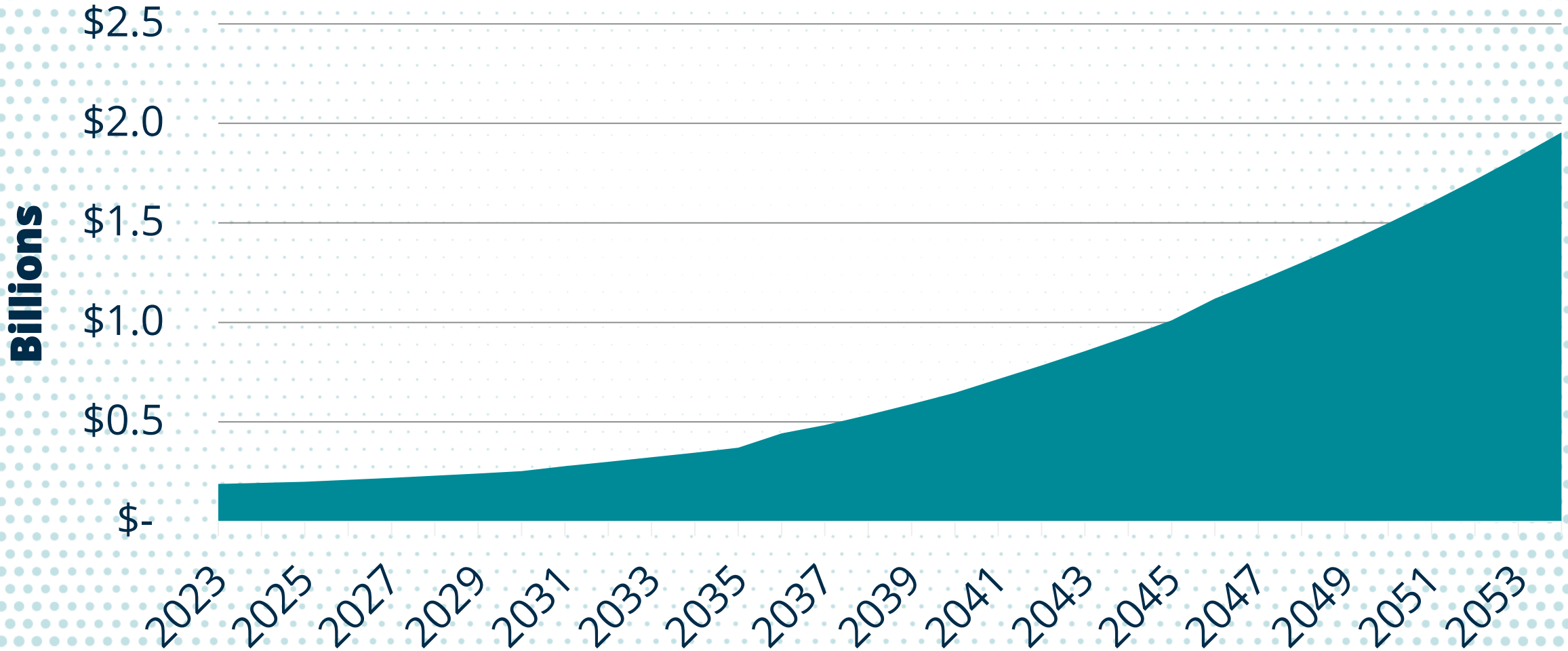
# Forecast Absorption



# Real Market Value

	<b>RMV of Improvements</b>		<b>% VHDZ Eligible</b>
	<b>Per SF</b>	<b>Per Unit</b>	
Apartments	\$400	\$360,000	0%
Condos	\$450	\$450,000	0%
Townhomes	\$425	\$425,000	0%
Mixed-Use Residential	\$400	\$360,000	86%
Mixed-Use Commercial	\$292		0%
Employment	\$289		0%

# Assessed Value

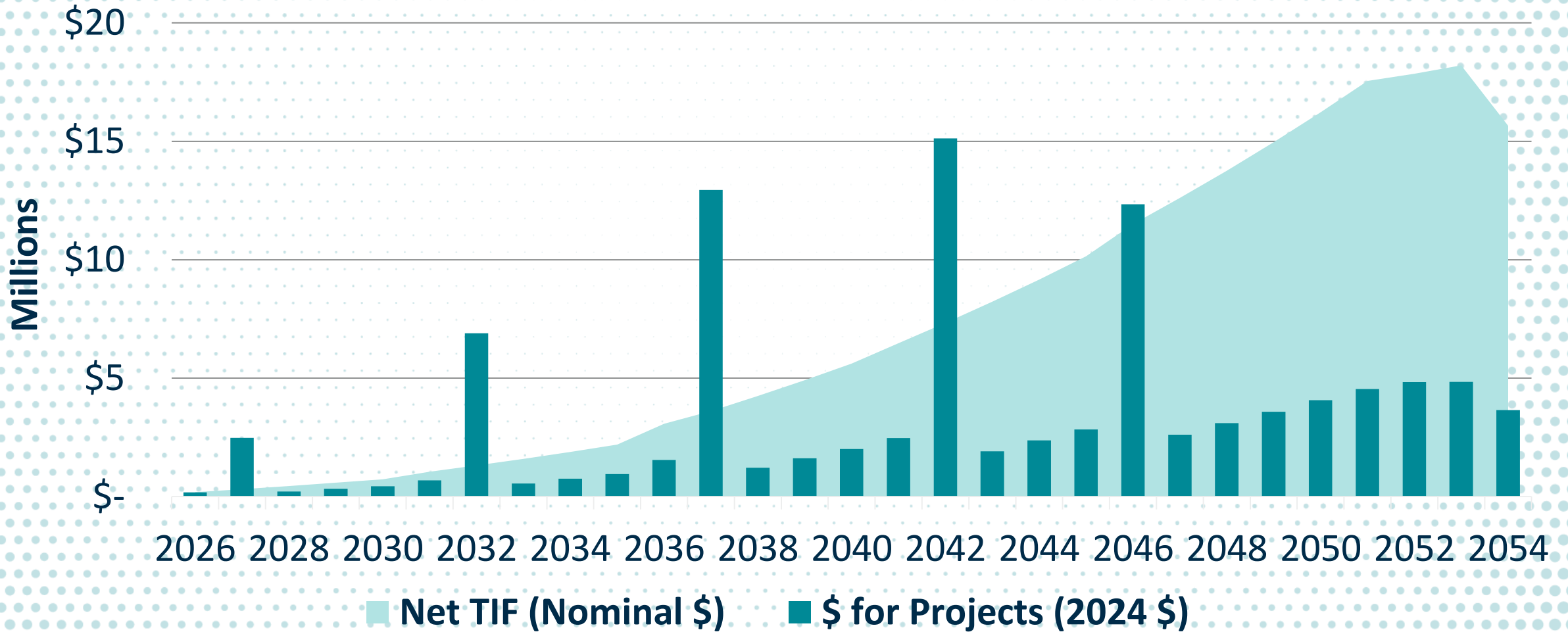


# Financial Capacity

- **Total Tax Increment Revenue:** Equal to the amount of foregone revenue. Reported in “nominal” dollars.
- **Maximum Indebtedness:** Less than total tax increment revenue. Subtracts the amount of revenue spent on interest on indebtedness. Equal to the total capital cost of projects. Reported in nominal dollars.
- **Funding for projects in today’s dollars:** “True” estimate of financial capacity. Equal to maximum indebtedness adjusted for inflation.



# Preliminary Results



# Preliminary Results

	<b>Previous Scenario</b>	<b>New Scenario</b>
<b>Net TIF</b>	<b>\$113,800,000</b>	<b>\$211,400,000</b>
<b>Maximum Indebtedness</b>	<b>\$96,800,000</b>	<b>\$181,000,000</b>
<b>Capacity (2023\$)</b>	<b>\$52,700,000</b>	<b>\$101,100,000</b>
Years 1-5	\$3,200,000	\$3,600,000
Years 6-10	\$6,400,000	\$9,800,000
Years 11-15	\$10,500,000	\$19,300,000
Years 16-20	\$10,800,000	\$24,700,000
Years 21-25	\$10,500,000	\$25,700,000
Years 26-30	\$11,300,000	\$17,900,000



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# Caveats

- Amount, value, and timing of new construction is speculative
- Project costs are preliminary and subject to change
- Future inflation rates and financing terms are uncertain
- All of these factors will affect financial capacity





# Conclusions

- Any maximum indebtedness above \$181M would require concurrence from taxing districts
- Estimated to be sufficient to fund \$101.1M of project costs (2023 \$)
- 28-Year estimated duration is typical of Oregon URAs



# Findings of Blight

ORS 457.010(1)(b): An economic dislocation, **deterioration or disuse of property** resulting from faulty planning.

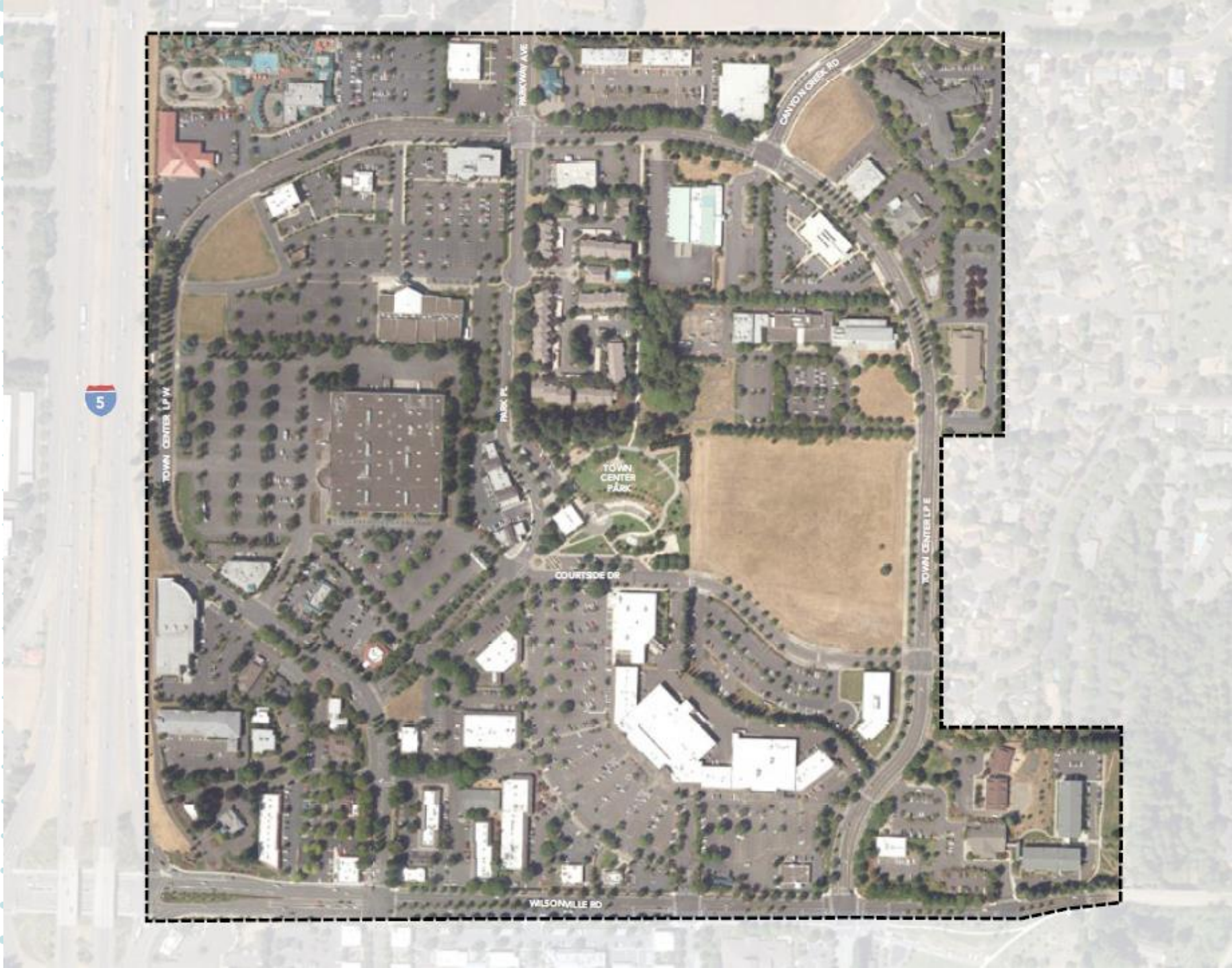
ORS 457.010(1)(c): The division or subdivision and sale of property or **lots of irregular form and shape and inadequate size or dimensions** for property usefulness and development.

ORS 457.010(1)(e): The existence of **inadequate streets and other rights of way**, open spaces and **utilities**.

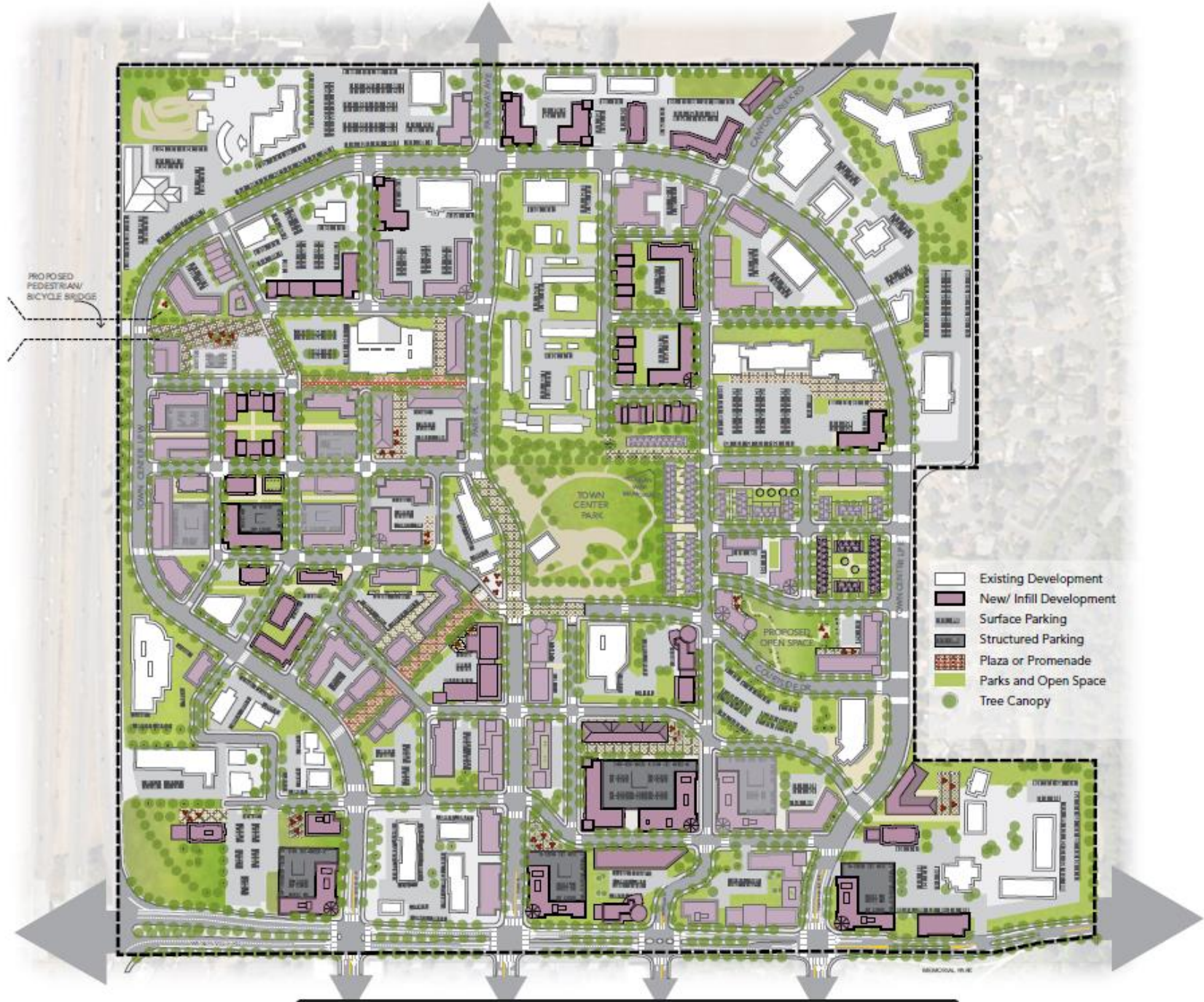
ORS 457.010(1)(g): A prevalence of **depreciated values**, impaired investments and social and economic maladjustments to such an extent that the capacity to pay taxes is reduced and tax receipts are inadequate for the cost of public services rendered.

ORS 457.010(1)(h): A growing or total lack of proper utilization of areas, resulting in a **stagnant and unproductive condition of land potentially useful and valuable** for contributing to the public health, safety and welfare.

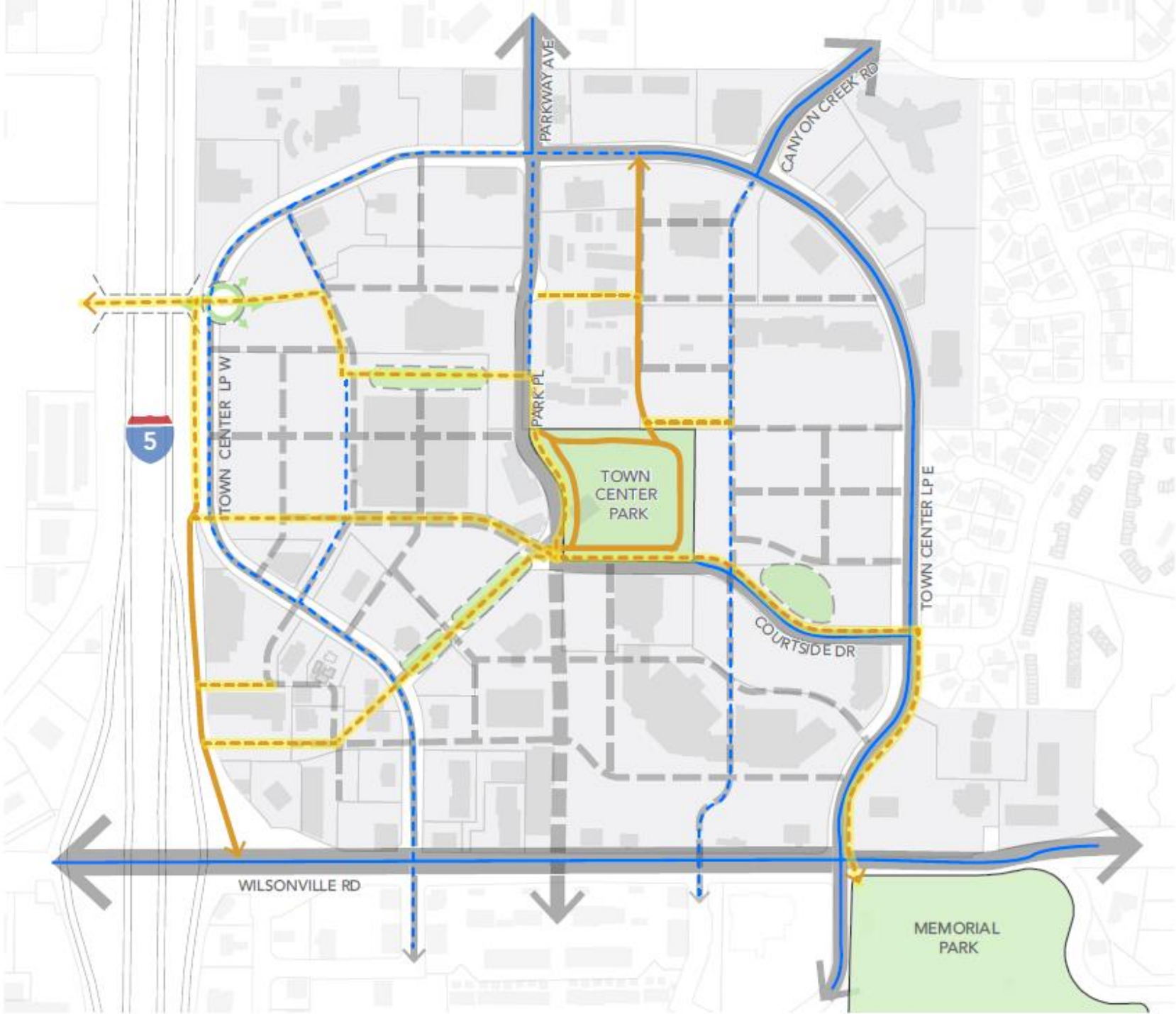
# Existing Conditions



# Full Build-out (Concept)



# Multi-modal network

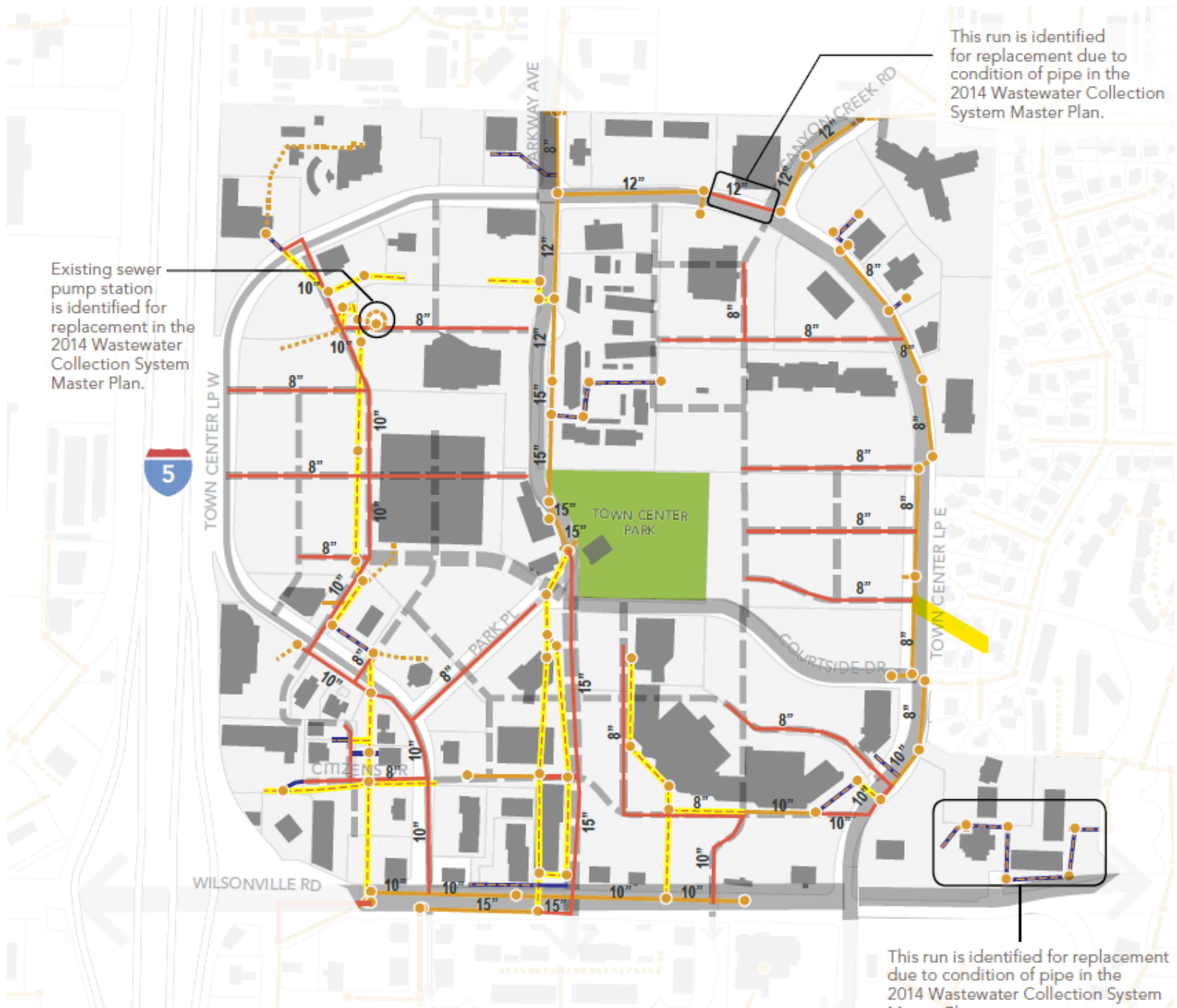


# Stormwater

Problem Area identified as P8. Outfall South of Les Schwab in Section 4.4.1 of the 2012 City of Wilsonville Stormwater Master Plan.



# Sewer



# Water

