

**ORDINANCE NO. 726**

**AN ORDINANCE MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO AND APPROVING A SINGLE-PROPERTY URBAN RENEWAL PLAN KNOWN AS THE 9805 SW BOECKMAN ROAD TIF ZONE.**

WHEREAS, the City Council of the City of Wilsonville (“Council”) has declared that blighted areas exist in the City of Wilsonville and has elected to have the powers of an urban renewal agency exercised by a board designated by the Council; and

WHEREAS, Council has declared that the name of the urban renewal agency shall be the Urban Renewal Agency of the City of Wilsonville (“Agency”); and

WHEREAS, the Agency, as the duly authorized and acting urban renewal agency of the City of Wilsonville, Oregon (“City”), is proposing to undertake certain urban renewal activities in a designated area within the City pursuant to ORS Chapter 457; and

WHEREAS, the Agency, pursuant to the requirements of ORS Chapter 457, has caused the preparation of an urban renewal plan which is attached to this Ordinance as Exhibit A and incorporated herein by this reference (“Plan”). The Plan authorizes urban renewal activities within the urban renewal area known as the **9805 SW BOECKMAN ROAD TIF Zone** (the “Area”); and

WHEREAS, the Agency has caused the preparation of a report to accompany the Plan as required by ORS 457.085(3) (“Report”), which Report is attached to this Ordinance as Exhibit B and incorporated herein by this reference; and

WHEREAS, the Plan and the Report were forwarded to the City of Wilsonville Planning Commission for recommendation, and the Planning Commission considered the Plan and Report on September 11, 2013, adopted a finding that the Plan conformed to the Wilsonville Comprehensive Plan, and recommends that the Plan be approved by the Wilsonville City Council, which recommendation is attached to this Ordinance as Exhibit C and incorporated herein by this reference; and

WHEREAS, the Plan and the Report were forwarded on September 9 and 23, 2013 to the governing body of each taxing district affected by the Plan, and the Agency has thereafter consulted and conferred with said districts; and

WHEREAS, on September 23, 2013 representatives of the Agency met with representatives of Clackamas County to review the Plan, including proposed maximum indebtedness for the Plan; and

WHEREAS, the City Council has received written confirmation supporting the Plan by taxing districts imposing at least 75 percent of the amount of taxes imposed under permanent rate limits in the urban renewal plan area for the fiscal year prior to fiscal year 2013-2014; and

WHEREAS, on October 1, 2013 the City caused notice of the hearing to be held before the City Council on the Plan, including the required statements of ORS 457.120(3), through an article in the October 2013 Boones Ferry Messenger that was mailed to all City of Wilsonville mailing addresses in the 97070 zip code, which includes all postal patrons of the City of Wilsonville; and

WHEREAS, on October 21, 2013 the City Council held a public hearing to review and consider the Plan and Report, the recommendation of the Planning Commission, and the public testimony and exhibits received on that date, and does by this Ordinance desire to approve the Plan.

**NOW THEREFORE, THE COUNCIL OF THE CITY OF WILSONVILLE  
ORDAINS AS FOLLOWS:**

Section 1: Based on the information provided in the Report, the recommendation of the Planning Commission, and the public testimony and exhibits before the City Council, the City Council hereby determines and finds that the Plan complies with all requirements of ORS Chapter 457 and the specific criteria of ORS 457.095(1) through (7), in that:

1. The area designated in the Plan as the Area is blighted, as defined by ORS 457.010(1) and is eligible for inclusion within the Plan because of conditions described in Section II of the Report, including underdevelopment and underutilization of property within the Area.

2. The rehabilitation and redevelopment described in the Plan to be undertaken by the Agency is necessary to protect the public health, safety and welfare of the City because absent the completion of the urban renewal projects, the Area will fail to contribute its fair share of property tax revenues to support City services and will fail to develop and/or redevelop according the goals of the City's Comprehensive Plan.
3. The Plan conforms to the Wilsonville Comprehensive Plan as a whole, and provides an outline for accomplishing the projects described in the Plan, as more fully described in Chapter XI of the Plan and the Planning Commission Report.
4. The Plan conforms to the Wilsonville Economic Development Strategy as more fully described in Chapter XI of the Plan.
5. No acquisition of real property is provided for in the Plan. Since no acquisition of land is provided in the Plan, therefore, no residential displacement will occur.
6. Adoption and carrying out the Plan is economically sound and feasible in that funds are available to complete the Plan projects using urban renewal tax increment revenues derived from a division of taxes pursuant to section 1c, Article IX of the Oregon Constitution and ORS 457.440, and other available funding as shown in Sections V, VI, VII, VIII and IX of the Report; and
7. The City shall assume and complete any activities prescribed it by the Plan.
8. No written recommendations have been received from the taxing districts. Concurrence has been received from 97.1% of the taxing districts including: Clackamas County, Tualatin Valley Fire and Rescue, West Linn/Wilsonville School District, Clackamas Community College, Clackamas County Library District, Metro, Clackamas County Extension Services and 4-H, Clackamas Soil & Water Conservation and the Port of Portland. The City Council is a municipal taxing district and also approved the revenue sharing model in the Plan pursuant to Resolution No. 2441.

Section 2: Based upon the foregoing determinations and findings, and the record in these proceedings, including, but not limited to the Plan, the Report, the recommendations of the Planning Commission, the confirmations by the other taxing districts, and the public testimony and exhibits in the record, the Plan attached hereto as Exhibit A is hereby approved and adopted.

Section 3: The City Recorder shall forward forthwith to the Agency a copy of this Ordinance.

Section 4: The Agency shall thereafter cause a copy of the Plan to be recorded in the Records of Clackamas County, Oregon.

Section 5: The City Recorder, in accordance with ORS 457.115, shall publish notice of the adoption of the Ordinance approving the Plan, including the provisions of ORS 457.135, in the **Wilsonville Spokesman** or **The Oregonian** no later than four days following adoption of this Ordinance.

Section 6: This Plan is being adopted in accordance with the applicable legal requirements and shall be conclusively presumed valid for all purposes 90 days after adoption of the Plan by this Ordinance. Pursuant to Ordinance 457.135, no direct or collateral attack on the action may thereafter be commenced.

SUBMITTED to the Wilsonville City Council and read for the first time at a regular meeting thereof on the 21<sup>st</sup> day of October, 2013, at the hour of 7:00 p.m. at the Wilsonville City Hall 29799 SW Town Center Loop East, Wilsonville, Oregon, and scheduled for second reading on the 4<sup>th</sup> day of November, 2013, commencing at the hour of 7:00 p.m. at Wilsonville City Hall.

---

Sandra C. King, MMC, City Recorder

ENACTED BY THE City Council on the 4th day of November, 2013 by the following votes:

YEAS: -5-

NAYS: -0-

---

Sandra C. King, MMC, City Recorder

DATED and signed by the Mayor this \_\_\_\_\_ day of November, 2013.

---

TIM KNAPP, MAYOR

**SUMMARY OF VOTES:**

Mayor Knapp – Yes

Councilor Goddard – Yes

Councilor Starr – Yes

Councilor Fitzgerald – Yes

Councilor Stevens - Yes

**Attachments:**

Exhibit A - **9805 SW BOECKMAN ROAD** TIF Zone Plan

Exhibit B - **9805 SW BOECKMAN ROAD** TIF Zone Report

Exhibit C - Planning Commission Notice of Decision UR13-0001

# 9805 SW Boeckman Road Urban Renewal Plan



Prepared for the City of Wilsonville  
November 4, 2013

City of Wilsonville

List of Participants

Urban Renewal Board Chair: Tim Knapp

Urban Renewal Board Members: Julie Fitzgerald  
Richard Goddard  
Scott Starr  
Susie Stevens

(Urban Renewal Board is also Wilsonville City Council)

Planning Commission: Ben Altman, Chair  
Eric Postma, Vice Chair  
Al Levit  
Marta McGuire  
Peter Hurley  
Phyllis Millan  
Ray Phelps

Economic Development Strategy Task Force:

Co-Chairs: City Councilors Steve Hurst, Scott Starr

Ron Adams, Chair, Board of Education, Clackamas Community College

Vince Alexander, Wilsonville Resident (resigned December 2012)

Mychelle Ashlock, Operations Manager, Northwest Rugs – Wilsonville

Lita Colligan, Associate Vice President for Strategic Partnerships and

Government Relations, Oregon Tech (OIT) Wilsonville

Catherine Comer, Business & Economic Development Manager,

Clackamas County Economic Development (resigned March 2013)

Danielle Cowan, Executive Director, Clackamas County Tourism & Cultural  
Affairs

Brenner Daniels, Investment Advisor, Holland Partner Group

Mike Duyck, Fire Chief, Tualatin Valley Fire & Rescue District (TVFRD)

Lonnie Gieber, Committee Member, City of Wilsonville Budget Committee

Gale Lasko, General Manager/Partner, Lamb's Market at Wilsonville

Ray Lister, Membership Development Coordinator, International Brotherhood of  
Electrical Workers (IBEW), Local 48

Susan Myers, General Manager, Capital Realty Corp.

Craig Olson, Sr. Director/Site Manager, Rockwell Collins Head-Up Guidance  
Systems

Ray Phelps, Past President, Wilsonville Chamber of Commerce

Dr. William Rhoades, Superintendent, West Linn-Wilsonville School District

Fred Robinson, General Manager, Kinetics Climax, Inc.

Dick Spence, Wilsonville Resident  
Alan Steiger, CPA, Committee Member, City of Wilsonville Budget Committee  
Sandra Suran, CPA, Principal, The Suran Group, LLC  
Doris Wehler, Past President, Wilsonville Chamber of Commerce  
Boyd Westover, Plant Manager, Eaton Corporation, Portland Power Center  
Carol White, Wilsonville Resident

Economic Development Strategy Task Force on Business Attributes and Incentives

Chair: Councilor Scott Starr  
Ron Adams  
Vince Alexander (resigned Dec 2012)  
Mychelle Ashlock  
Catherine Comer (resigned march 2013)  
Danielle Cowan  
Brenner Daniels  
Mike Duyck  
Lonnie Gieber  
Gale Lasko  
Ray Lister  
Susan Myers  
Craig Olson  
Ray Phelps  
Dr. William Rhoades  
Fred Robinson  
Dick Spence  
Sandra Suran, CPA  
Doris Wehler  
Boyd Westover

City Manager:	Bryan Cosgrove
Community Development Director:	Nancy Kraushaar
Finance Director:	Joanne Ossanna
Urban Renewal Manager:	Kristin Retherford
Planning Director:	Chris Neamtzu

Consultant Team:	Elaine Howard Consulting LLC, Elaine Howard, James Vanden Bos ECONorthwest, Lorelei Juntunen, Nick Popenuk, Tessa Krebs Jeannette Launer, Legal Counsel Leslie Vanden Bos, Editor
------------------	--



**TABLE OF CONTENTS**

I. DEFINITIONS	7
II. INTRODUCTION	9
III. GOALS AND OBJECTIVES	12
IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES	14
V. URBAN RENEWAL PROJECTS	14
VI. PROPERTY ACQUISITION AND DISPOSITION	15
VII. RELOCATION METHODS	15
VIII. LAND USES	16
IX. TAX INCREMENT FINANCING OF PLAN	16
X. FUTURE AMENDMENTS TO PLAN	17
XI. RELATIONSHIP TO LOCAL OBJECTIVES	25
APPENDIX A: LEGAL DESCRIPTION	30

## I. DEFINITIONS

---

“Area” means the properties and rights of way located within this 9805 SW Boeckman Urban Renewal Plan urban renewal boundary.

“City” means the City of Wilsonville, Oregon.

“City Council” or “Council” means the City Council of the City of Wilsonville.

“Comprehensive Plan” means the City of Wilsonville Comprehensive Plan and its implementing ordinances, policies, and standards.

“County” means Clackamas County.

“Economic Development Strategy Task Force” means a focused, limited-duration task force composed of leading community members and business managers who helped guide the Economic Development Strategy process and made a recommendation to the City Council.

“Enterprise Zones” means a program established by the State of Oregon in ORS 285C.045-.255, as amended, to provide tax incentives to businesses to locate in specifically designated areas of the state.

“Fiscal year” means the year commencing on July 1 and closing on June 30, the following year.

“Frozen base” means the total assessed value, including all real, personal, manufactured, and utility values within an urban renewal area at the time of plan approval. The county assessor certifies the assessed value after the approval of an urban renewal plan.

“Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value of the frozen base.

“Maximum indebtedness” means the amount of the principal of indebtedness included in a plan, pursuant to ORS 457.190, and does not include indebtedness incurred to refund or refinance existing indebtedness.

“ORS” means the Oregon revised statutes, specifically Chapter 457, which relates to urban renewal.

“Planning Commission” means the Wilsonville Planning Commission.

“Tax increment financing (TIF)” means the system that generates tax revenue through the division of taxes authorized by ORS 457.420 et.seq.

“Tax increment revenues” means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the Area.

“TIF Zones” is the concept established by the Wilsonville City Council that is designed to offer incentives similar to enterprise zones, which stimulate property investment and employment opportunities. This concept is implemented as an urban renewal area.

“Urban renewal agency (agency)” means an urban renewal agency created under ORS 457.035 and 457.045. This agency is responsible for the administration of the urban renewal plan.

“Urban renewal plan” or “Plan” means this 9805 SW Boeckman Road Urban Renewal Plan, as it exists or is changed or modified from time to time, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135, and 457.220.

“Urban renewal project (project)” means any work or undertaking carried out under ORS 457.170 in the Area.

“Urban renewal report” means the official report that accompanies the urban renewal plan, pursuant to ORS 457.085(3).

## II. INTRODUCTION

---

In February 2012, the City of Wilsonville established an Economic Development Advisory Committee (the “Committee”) to develop a strategy for the City’s economic development activities. After six months of public meetings, focus groups, interviews and an economic development summit, the Committee created an *Economic Development Strategy* that was adopted by the Wilsonville City Council in August 2012. The *Economic Development Strategy* describes a vision and principles for City economic development, and recommends twelve actions that are described in some detail. In particular, the *Economic Development Strategy* noted that the City should convene a task force to develop criteria to guide (1) the use of incentives to attract or retain businesses, (2) what businesses would qualify for incentives and under what conditions, (3) what types of incentives would be available to businesses, (4) the funding sources to support the incentives, and (5) expectations of businesses given incentives.

In November 2012, an Economic Development Strategy Task Force (the “Task Force”) was appointed and developed a framework for an incentive program that would more strategically position Wilsonville among its Portland metro-area competitors for economic development. The Task Force consisted of 21 individuals comprising a cross-section of the community. In the process of considering 10 different incentive options, single-property urban renewal districts, called Tax Increment Finance Zones (TIF Zones) emerged as one of the preferred incentive mechanisms. The Task Force recommendation to the Wilsonville City Council proposed the development of five TIF Zones. In Wilsonville, these urban renewal areas will fill a role similar to that of an Enterprise Zone, providing partial property tax rebates for qualifying investments occurring on the properties, thus encouraging companies to locate in Wilsonville and provide valuable economic benefits to the community. This proposal was taken before the City’s electorate in March 2013 and approved by 78.8 percent of voters.

While the TIF Zone incentive packages are similar to Enterprise Zones in concept, they will differ in several key ways in an attempt to make TIF Zones both a lower risk use of public funds and more attractive to potential investors. Each site selected to be a TIF Zone will require the creation of a separate urban renewal plan and report because each site will be its own, individual, urban renewal area. As established by the Task Force, TIF Zone properties must have 100,000 square feet or more of industrially-zoned building space that has the potential for conversion from warehousing to a higher-value, traded-sector use such as manufacturing.

The Agency has prepared the 9805 SW Boeckman Road Urban Renewal Plan (Plan) based on the recommendations of the Task Force. This Plan establishes the second of up to six urban renewal areas using the TIF Zone concept. The Plan contains goals, objectives, and projects for the development of the 9805 SW Boeckman Road Urban Renewal Area (Area). The overall purpose of the Plan is to use tax increment financing to provide incentives for economic investment, to cure blight in underutilized buildings, using strategies that are competitive with Enterprise Zones in other communities in the region.

In general, the purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped. These areas can have old or deteriorated buildings, public spaces that need improvements, streets and utilities in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. The Area selected is an underutilized, industrial-zoned area of Wilsonville that has had a history of partial or complete vacancy and where existing conditions have presented a barrier to attracting new private sector financial investment to convert the Area to a higher-value, traded sector use.

Urban renewal allows for the use of tax increment financing, a financing source that is unique to urban renewal, to fund its projects. Tax increment revenues – the amount of property taxes generated by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established – are used to accomplish projects identified by the urban renewal agency. In this case, other than administration, the Plan has only one project, which is repayment in the form of partial property tax reimbursement for qualifying capital infrastructure investment that increases assessed value and job creation.

The specific projects to be approved in this Plan are outlined in Sections IV and V.

Urban renewal is put into effect when the local government (the City of Wilsonville, in this case) adopts an urban renewal plan. The urban renewal plan defines the urban renewal area, states goals and objectives for the area, lists projects and programs that can be undertaken, provides a dollar limit on the funds that can be borrowed for urban renewal projects, and states how the plan may be changed in the future.

The Area, shown in Figure 1, consists of approximately 24.98 acres.

The Plan will be administered by the Wilsonville Urban Renewal Agency, which was activated by the Wilsonville City Council as the City's Urban Renewal Agency.

Substantial changes to the Plan, if necessary, must be approved by the City Council, as outlined in Section X of this Plan.

An Urban Renewal Report, which accompanies the Plan, contains additional information, as required by ORS 457.085. The technical information in the Report includes:

- A description of the physical, social, and economic conditions in the area;
- Expected impact of the Plan, including fiscal impact, in light of increased services;
- Reasons for selection of each Area in the Plan;
- The relationship between each project to be undertaken and the existing conditions;
- The total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area, and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; and
- A relocation report.

The Plan will be active for a maximum of 15 years as explained in Section V, subsection A, below. If no qualifying investment occurs in the Area that uses the Plan project incentives within five years after the effective date of the Plan, then the Plan will immediately be terminated. The maximum amount of indebtedness (amount of tax increment financing for projects and programs) that may be issued for the Plan is \$12,000,000. For TIF Zones, maximum indebtedness reflects the total of the tax repayment obligation to the qualifying company and represents the maximum amount of tax increment to be collected to meet this obligation as well as administrative costs.

### III. GOALS AND OBJECTIVES

---

The goals of the Plan represent the basic intents and purposes. Accompanying each goal are objectives, which generally describe how the Agency intends to achieve the goals. The urban renewal projects identified in Sections IV and V of the Plan are the specific means of meeting the objectives. The goals relate to adopted plans, as detailed in Section XI, and were developed with input from the Wilsonville Economic Development Strategy Task Force. The goals and objectives will be pursued as economically as is feasible and at the discretion of the urban renewal agency.

#### **Goal 1: *PUBLIC INVOLVEMENT***

Maintain a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the urban renewal adoption process.

##### Objectives:

1. Provide opportunities for public input throughout the adoption process, including a public open house, Planning Commission meeting, and City Council hearing.
2. Provide information on urban renewal on the City of Wilsonville's website.

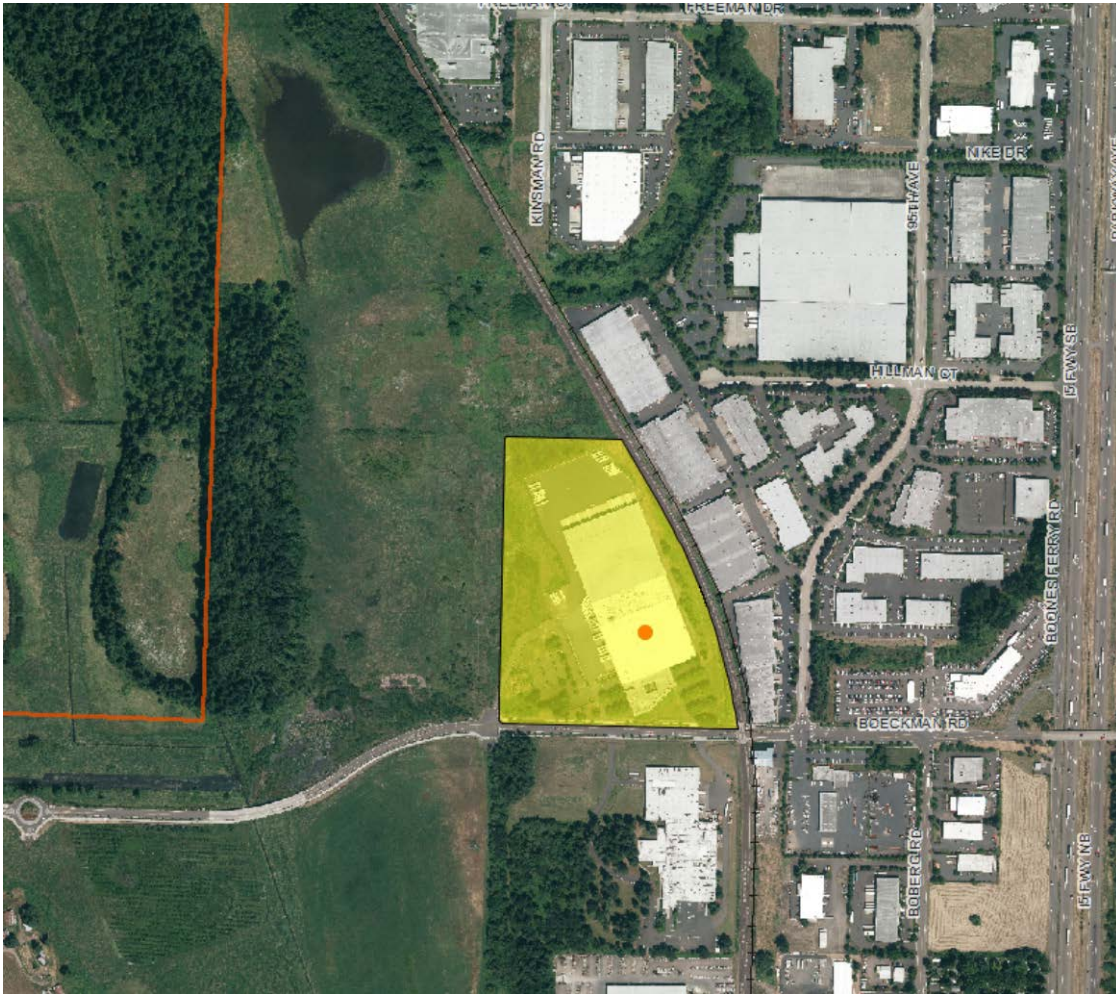
#### **Goal 2: *ECONOMY***

Encourage the economic growth of the Area by encouraging local industrial investment and manufacturing jobs using existing infrastructure and promoting new use of vacant and underutilized industrial properties.

##### Objectives:

1. Provide steady, family-wage jobs for the community.
2. Generate investment that will bolster the local economy and provide revenue for local taxing jurisdictions.
3. Promote the reuse of vacant buildings and encourage infill development by providing incentives for investors to locate in an existing building or build on a site already in the middle of an industrial area and use the existing infrastructure.
4. Partner with public and private entities to incentivize and generate private investment.

Figure 1 – 9805 SW Boeckman Road Urban Renewal Area Boundary



Source: City of Wilsonville



## IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES

---

The primary project within the Area will be providing the return of incremental property taxes to developers as an incentive for redevelopment. Another small use of funds will be to pay for the preparation and administration of the Plan.

## V. URBAN RENEWAL PROJECTS

---

The urban renewal projects authorized by the Plan are described below. These projects are consistent with the Wilsonville Economic Development Strategy and are in conformance with the Wilsonville Comprehensive Plan, as detailed in Section XI of this Plan.

As shown in the Report, urban renewal funds will primarily be used as an incentive to spur industrial development, investment, and job creation. The details of the projects are as follows:

### A. Property tax rebates

This project offers an incentive to the private sector to convert under-utilized industrial buildings into higher value traded-sector uses, such as manufacturing. This project will provide tax rebates of a portion of incremental property tax increases to qualifying investments in the Area.

#### **Property tax rebate mechanics**

The project will rebate up to 75% of the tax increment revenue for three years for each company that:

- Invests at least \$25 million in capital improvements and/or qualified equipment, and;
- Creates 75 or more new, permanent, full-time jobs that pay a minimum of 125% of the average Clackamas County wage rate (not including benefits) in effect at the time the rebate is paid which for 2012 is \$25.33/hour or \$52,693 annual wage rate.

Two additional years (five total) of property tax rebates are available if the average wage of the 75 or more new jobs pay 150% of average wages paid in Clackamas County, which for 2012 equals \$30.40 per hour, or a \$63,230 annual wage.

Additional three- and five-year rebate periods could begin, after approval by the Agency, with any additional new capital investment and job creation meeting the above minimum criteria, providing the potential for up to 10 years of rebates. Again, however, qualified investment needs to be made within five years of program adoption. This limits the potential life of the program and rebates to up to 15 years. Qualifying Businesses must be manufacturing firms. If no qualifying investment has been made in the Area within five years of the effective date of the Plan, the Area will be dissolved.

Any businesses receiving Area benefits will be monitored by the Agency for compliance with qualifying criteria and no rebate shall be given if the business fails to meet any of the qualifications. Additionally, if a business which has received a rebate discontinues business operations in the Area within two years after it receives each rebate payment it will be required to return all or a portion of the rebate as follows. Should a business discontinue business operations within the Area within 12 months after receiving a rebate, the business shall be required to reimburse the Agency 100% of the rebate payment. Should a business discontinue business operations within 24 months of receiving a rebate, the business shall be required to reimburse the Agency 50% of the rebate payment.

## **B. Debt repayment and project administration**

This project will allow for the repayment of costs associated with the preparation, including the potential repayment of the initial planning costs for the development of the urban renewal plan, adoption, and implementation of the Plan. This project also includes ongoing administration of the Plan.

## **VI. PROPERTY ACQUISITION AND DISPOSITION**

---

The Plan does not authorize the acquisition and disposition of property.

## **VII. RELOCATION METHODS**

---

No relocation assistance will be provided because this Plan does not authorize property acquisition. If relocation is required, the Agency will comply with relocation methods required under state law.

## VIII. LAND USES

---

The proposed land use is industrial development. The maximum densities and building requirements are contained in the Wilsonville Development Code.

## IX. TAX INCREMENT FINANCING OF PLAN

---

Tax increment financing consists of using annual tax increment revenues to make payments on debt and to finance the urban renewal projects authorized in the Plan. Tax increment revenues equal most of the annual property taxes imposed on the cumulative *increase* in assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is adopted. (Under current law, the property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.)

### A. General description of the proposed financing methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues; and/or
- Any other public or private source.

Revenues obtained by the Agency will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in planning or undertaking project activities, or otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

## **B. Tax increment financing and maximum indebtedness**

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Agency based upon the distribution schedule established under ORS 311.390.

The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion, is \$12,000,000.

## **C. Prior indebtedness**

Any indebtedness permitted by law and incurred by the Agency or the City of Wilsonville in connection with the preparation of this Plan or prior planning efforts that support the preparation or implementation of this Plan may be repaid from tax increment revenues from the Area when, and if, such funds are available.

## **X. FUTURE AMENDMENTS TO PLAN**

---

The Plan may be amended as described in this section.

### **A. Substantial Amendments**

Substantial Amendments are amendments that:

- Add land to the urban renewal area, except for an addition of land that totals not more than 1% of the existing area of the urban renewal area; or
- Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Planning Commission, and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing shall be provided

to individuals or households within the City of Wilsonville, as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

**B. Minor Amendments**

Minor Amendments are amendments that are not Substantial Amendments in scope. Minor Amendments require approval by the Agency by resolution.

**C. Amendments to the Wilsonville Comprehensive Plan and/or Wilsonville Development Code**

Amendments to the Wilsonville Comprehensive Plan and/or Wilsonville Development Code that affect the Plan and/or the Area shall be incorporated automatically within the Plan without any separate action required by the Agency or the City Council.



Figure 2 – Zoning and Comprehensive Plan Designations



Source: City of Wilsonville

## **XI. RELATIONSHIP TO LOCAL OBJECTIVES**

The Plan relates to local planning and development objectives contained within the City of Wilsonville's Comprehensive Plan and Economic Development Strategy. The following section describes the purpose and intent of these plans, the particular goals and policies within each planning document to which the proposed Plan relates, and an explanation of how the Plan relates to these goals and policies. The numbering of the goals, policies, and implementation strategies will reflect the numbering that occurs in the original document. Italicized text is text that has **not** been taken directly from an original planning document. The Zoning and Comprehensive Plan designations are shown in Figure 2.

This is not a comprehensive list of all parts of the Wilsonville Comprehensive Plan that are supported by this Plan. This list includes the major goals and policies from the Comprehensive Plan that are supported. However, there may be other goals and policies that are not listed, but are still supported by this Plan.

### **A. City of Wilsonville Comprehensive Plan**

The Wilsonville Comprehensive Plan was updated in January 2013. The Comprehensive Plan is an official statement of the goals, policies, implementation measures, and physical plan for the development of the City. The Plan documents the City's approach to the allocation of available resources for meeting current and anticipated future needs. In doing so, it records current thinking regarding economic and social conditions. Because these conditions change over time, the Plan must be directive, but flexible, and must also be periodically reviewed and revised to consider changes in circumstances.

#### **Section A: Citizen Involvement**

**Goal 1.1 To encourage and provide means for interested parties to be involved in land use planning processes, on individual cases and City-wide programs and policies.**

**Policy 1.1.1 The City of Wilsonville shall provide opportunities for a wide range of public involvement in City planning programs and processes.**

*The Plan conforms with Goals 1.1 and Policy 1.1.1 by involving the citizens of Wilsonville in both the creation of the TIF Zone framework and in the decision of whether or not to use that framework to encourage economic development. The Economic Development Strategy Task Force was comprised of a cross-section of members of the community and it helped to both determine that urban renewal areas, then called TIF Zones, were appropriate to use in Wilsonville, and*

*helped decide how these incentives should work. Later, a city-wide vote was held so that the community could weigh in on the decision of whether or not to use TIF Zones. Citizens were included in the adoption phase of the urban renewal plan through a public open house, Planning Commission meeting, and City Council hearing that was noticed as required in ORS 45.*

**Goal 1.2 For Wilsonville to have an interested, informed, and involved citizenry.**

Implementation Measure 1.2.1.c. Establish procedures to allow interested parties reasonable access to information on which public bodies will base their land use planning decisions.

**Policy 1.3 The City of Wilsonville shall coordinate with other agencies and organizations involved with Wilsonville's planning programs and policies.**

*The Plan conforms with Goals 1.2, Policy 1.3, and their Implementation Measures by involving the citizens of Wilsonville in both the creation of the TIF Zone framework and in the decision of whether or not to use that framework to encourage economic development. The Economic Development Strategy Task Force was comprised of a cross-section of members of the community and it helped to both determine that urban renewal areas, then called TIF Zones, were appropriate to use in Wilsonville, and helped decide how these incentives should work. In addition, taxing jurisdictions received formal notice, and, if desired, a briefing on the Plan. Representatives of the three major taxing jurisdictions were included as members of the Task Force that recommended the creation of TIF Zones.*

**Section B: Urban Growth Management**

**Goal 2.1 To allow for urban growth while maintaining community livability, consistent with the economics of development, City administration, and the provision of public facilities and services.**

Implementation Measure 2.1.1.a. Allow development within the City where zoning has been approved and other requirements of the Comprehensive Plan have been met.

Implementation Measure 2.1.1.c. Encourage a balance between residential, industrial, and commercial land use, based on the provisions of this Comprehensive Plan.

Implementation Measure 2.1.1.d. Establish and maintain revenue sources to support the City's policies for urbanization and maintain needed public services and facilities.



**Policy 2.1.1** The City of Wilsonville shall support the development of all land within the City, other than designated open spaces, consistent with the land use designations of the Comprehensive Plan.

*The Plan conforms with Goal 2.1, Policy 2.1.1, and their Implementation Measures by providing financial incentives for the redevelopment of lands already designated as urban and already provided with infrastructure. By doing this, the Plan encourages growth and development within the urban growth boundary, and helps relieve pressures on lands outside of the urban growth boundary.*

#### **Section D: Land Use and Development**

**Goal 4.1** To have an attractive, functional, economically vital community with a balance of different types of land.

**Policy 4.1.1** The City of Wilsonville shall make land use and planning decisions to achieve Goal 4.1.

Implementation Measure 4.1.1.d. In the process of administering the City's Comprehensive Plan, careful consideration will be given to the economic impacts of proposed policies, programs and regulations. Efforts will be made to simplify and streamline the planning and zoning review process while maintaining the quality of development.

Implementation Measure 4.1.1.e. The City shall protect existing and planned industrial and commercial lands from incompatible land uses, and will attempt to minimize deterrents to desired industrial and commercial development.

Implementation Measure 4.1.1.m. Encourage a balance between light industrial and residential growth within the City.

*The Plan conforms with Goal 4.1, Policy 4.1.1, and their Implementation Measures by encouraging the redevelopment of local industrial buildings. This redevelopment will enrich the balanced land uses within Wilsonville. Also, by encouraging redevelopment of the Area, the Plan helps support an economically vital community by bringing jobs to the community and by reducing the number of vacant or underutilized industrial buildings in the City.*

**Policy 4.1.3** City of Wilsonville shall encourage light industry compatible with the residential and urban nature of the City.

Implementation Measure 4.1.3.a. Develop an attractive and economically sound community.

Implementation Measure 4.1.3.c. Favor capital intensive, rather than labor intensive, industries within the City.

Implementation Measure 4.1.3.e. Site industries where they can take advantage of existing transportation corridors such as the freeway, river, and railroad.

*The Plan conforms with Goal 4.1, Policy 4.1.3, and their Implementation Measures by encouraging the redevelopment of local industrial buildings. This redevelopment will help maintain a healthy mix of industrial jobs and industry within the community, and will encourage industrial activities to sites where they can take advantage of existing transportation corridors and other infrastructure.*

## **B. Wilsonville Economic Development Strategy**

The Economic Development Strategy was completed in August 2012, and sets forth an economic strategy for Wilsonville that describes actions to be taken by the public sector for the purpose of stimulating private sector activity. This strategy was developed with the assistance of an advisory committee that met over the course of 4 months and considered input from the community provided in the form of focus groups, interviews with business leaders, an economic summit, public comments and a community survey. The end result was a vision statement for economic development in Wilsonville, and a list of 6 actions to be taken by the public sector. Specific actions that are directly supported by this Urban Renewal Plan are listed below, but other actions from the Economic Development Strategy will also benefit from the successful implementation of this Plan.

Action 2.1 Promote reuse of vacant building, infill development, and redevelopment.

Action 6.2 Develop criteria to guide the use of incentives to attract or retain businesses.

*The projects in the Plan conform with the Economic Development Strategy. They will help to encourage the reuse of existing industrial buildings and infill development by providing an incentive package similar to that of neighboring communities. This incentive package will help incentivize and generate private investment, which will in turn provide jobs for the community and an increased tax base to support local services and infrastructure.*

## **C. Wilsonville Development Code**

The Wilsonville Development Code - Planning and Land Development was enacted for the purpose of promoting the general public welfare by ensuring procedural due process in the administration and enforcement of the City's Comprehensive Plan, Zoning, Design Review, Land Division, and Development Standards. It is contained as Chapter 4 of the Wilsonville Code.

The zoning designation for the property in the Area is PDI - Planned Development Industrial Zone. It is shown in Figure 2. The Plan is not proposing any new zones or

code amendments, nor are there any proposals that would modify any of the existing zones or land uses. The Plan will comply with all requirements of the existing zoning.

#### **D. City of Wilsonville Transportation Systems Plan**

The City of Wilsonville Transportation Systems Plan (TSP) was adopted by the Wilsonville City Council on June 17, 2013.

The TSP is the City's long-term transportation plan and is an element of its Comprehensive Plan. It includes policies, projects, and programs that could be implemented through the City's Capital Improvement Plan, development requirements, or grant funding.

The 2013 TSP process built upon two decades of community planning to create a complete community transportation plan that integrates all travel modes. Most of the policies and projects come from prior adopted plans, including the Comprehensive Plan, 2003 TSP, 2006 Bicycle and Pedestrian Master Plan, and 2008 Transit Master Plan. While the TSP replaces the 2003 TSP in its entirety, it updates and builds upon the 2006 Bicycle and Pedestrian Master Plan and 2008 Transit Master Plan. Where these documents may be in conflict, the new TSP takes precedence.

SW Boeckman Road is designated as a minor arterial, a truck route and a bicycle route.<sup>1</sup> The TSP Executive Summary identifies several SW Boeckman Road projects as being a high priority, including bridge and corridor improvements, dip improvements and urban upgrades, and sidewalk and bikelane infill.<sup>2</sup> SW Boeckman Road is also identified as having a cross section deficiency near the Area.<sup>3</sup> Public bus lines do run along SW Boeckman Road, and though they do not run all the way east to the Area, the Area is considered to be within the SMART Service Area.

*The Plan conforms with the City of Wilsonville Transportation System Plan as the redevelopment planned for the Area is an industrial use and SW Boeckman Avenue will be used as designated in the TSP. SW Boeckman Avenue is classified as a minor arterial, anticipating truck travel.*

<sup>1</sup> City of Wilsonville Transportation System Plan, 2013, Figure 3-2 Functional Class Designations, p 3-6; Figure 3-4 Freight Routes, p 3-9; Figure 3-5 Bicycle Routes, p 3-11.

<sup>2</sup> City of Wilsonville Transportation System Plan, 2013, Executive Summary, p v.

<sup>3</sup> City of Wilsonville Transportation System Plan, 2013, Figure 4-1 Roadway Cross-Section Deficiencies, p 4-5.

## APPENDIX A: LEGAL DESCRIPTION

---

### 9805 SW BOECKMAN ROAD URBAN RENEWAL DISTRICT WILSONVILLE, OREGON

Lots and maps are taken from Assessor's Tax Maps from July, 2013, and attached hereto. The area is described as that land containing that lot or parcel of property situated in the City of Wilsonville, County of Clackamas, and the State of Oregon, lying in Section 11, Township 3 South, Range 1 West of the Willamette Meridian, bounded as follows:

**Commencing** at a point common to Sections 11 and 14, Township 3 South, Range 1 West, Willamette Meridian, Clackamas County, Oregon. Thence North, 1320 feet, more or less; Thence West, 780 feet, more or less, to the point of intersection of the Northeast corner of Tax Lot 900, and the Oregon Electric Railroad Company's West right-of-way line, Assessor's Plat 3 1W 11C, and being the **POINT OF BEGINNING**.

1. Thence South along said West right-of-way line, 1403 feet, more or less, to the point of intersection of said Oregon Electric Railroad Company's West right-of-way line, and the North right-of-way line of Boeckman Road;
2. Thence West along said North right-of-way line, 1087 feet, more or less, to the point of intersection of said North right-of-way line and the East right-of-way line of proposed Kinsman Road
3. Thence North along said East right-of-way line, 1260 feet, more or less, to the Northwest corner of said Tax Lot 900;
4. Thence East, 525 feet, more or less, to the **POINT OF BEGINNING**.

The described property, located entirely within the City of Wilsonville, County of Clackamas and the State of Oregon, contains **twenty five (25)**, acres, more or less.

Due to the possibility of errors in the acreage shown on the Assessor's Tax Maps used to compute the property acreage, the acreage given hereon should be considered accurate to the nearest 1 acre.

# REPORT ACCOMPANYING 9805 SW BOECKMAN ROAD URBAN RENEWAL PLAN



Prepared for the City of Wilsonville

November 4, 2013

**REPORT ACCOMPANYING  
9805 SW BOECKMAN ROAD  
URBAN RENEWAL PLAN**

Consulting team:

**Elaine Howard Consulting, LLC**

**Elaine Howard**

**James Vanden Bos**

**ECONorthwest**

**Lorelei Juntunen**

**Nick Popunek**

**Tessa Krebs**

**Jeannette Launer, Legal Counsel**

**Leslie Vanden Bos, Editor**

## TABLE OF CONTENTS

I. INTRODUCTION	2
II. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES	4
A. <i>Physical Conditions</i>	4
B. <i>Infrastructure: Existing Conditions</i>	6
C. <i>Social Conditions</i>	7
D. <i>Economic Conditions</i>	
E. <i>Impact on Municipal Services</i>	7
III. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN	8
IV. THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA	8
A. <i>Property Tax Rebates</i>	8
B. <i>Debt Service and Administration</i>	8
V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS	9
VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT	10
VII. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED	10
VIII. FINANCIAL ANALYSIS OF THE PLAN	14
IX. IMPACT OF THE TAX INCREMENT FINANCING	17
X. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA	21
XI. RELOCATION REPORT	21

## I. INTRODUCTION

---

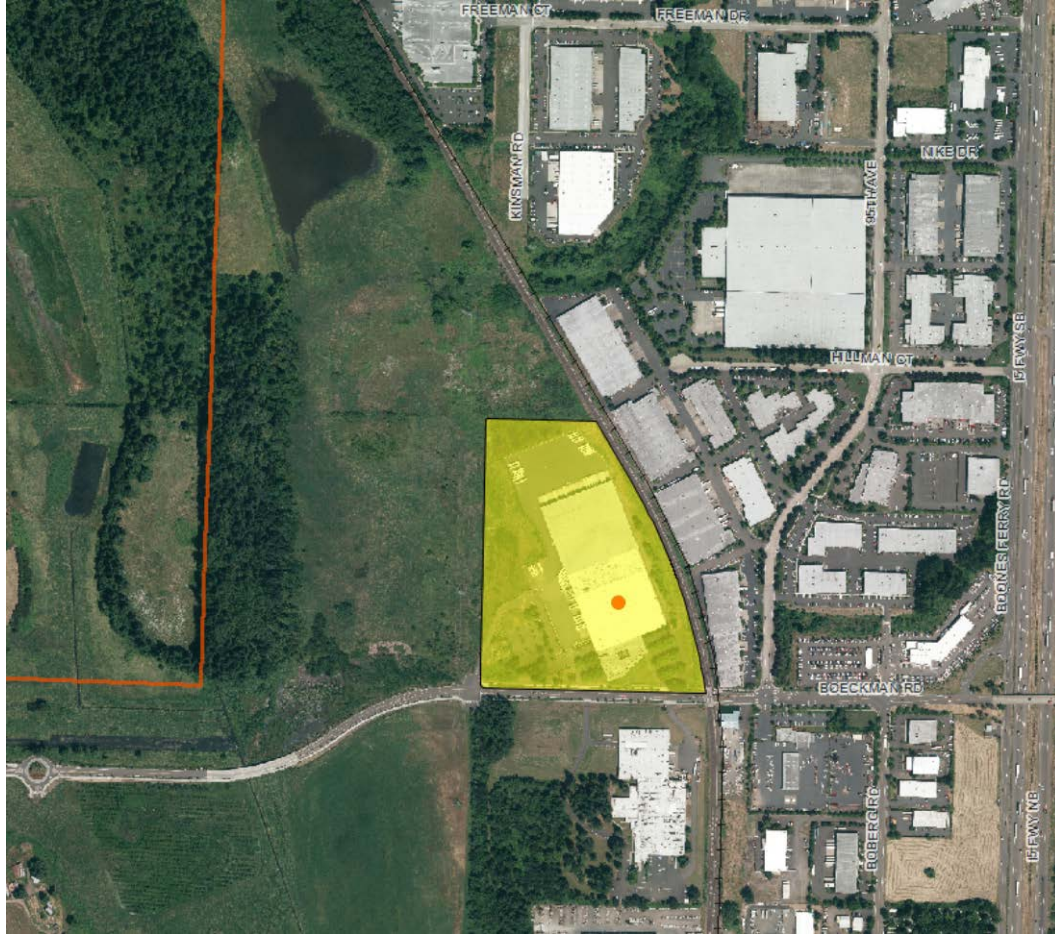
The Report on the 9805 SW Boeckman Road Urban Renewal Plan (Report) contains background information and project details that pertain to the 9805 SW Boeckman Road Urban Renewal Plan (Plan). The Report is not a legal part of the Plan, but is intended to provide public information and a basis for the findings made by the City Council as part of its approval of the Plan.

The Report provides information required by ORS 457.085(3). The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan, but also documents the existing conditions in the 9805 SW Boeckman Road Urban Renewal Area (Area).

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility.



Figure 1 – 9805 SW Boeckman Road Urban Renewal Plan Area Boundary



Source: City of Wilsonville

## II. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES

---

This section of the Report describes existing conditions within the 9805 SW Boeckman Road Urban Renewal Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

### A. Physical Conditions

#### *Land Use*

According to data obtained from the City of Wilsonville and the Clackamas County Assessor’s office, the Area, shown in Figure 1 above, contains 1 industrial use parcel that has 301,000 square feet of building space on 24.98 acres.

#### *Zoning and Comprehensive Plan Designations*

In the City of Wilsonville, the Wilsonville Development Code and the Wilsonville Comprehensive Plan designations differ. The development code establishes districts to control land use throughout the city and regulates development standards within these established use districts. The comprehensive plan designation indicates the type of use allowed on a parcel.

The comprehensive plan designation of the parcel is Industrial, and the zoning is Planned Industrial Development (PDI).



Figure 2 – Area Zoning and Comprehensive Plan Designations



Source: City of Wilsonville

## B. Infrastructure: Existing Conditions

### *Infrastructure*

This section of the Report identifies the existing infrastructure in the Area. However, because this Area consists of only one parcel, this section will instead evaluate the infrastructure directly serving this parcel, along with an evaluation of the conditions of the infrastructure on the parcel itself. Information was obtained from documentation by City of Wilsonville staff.

#### 1. Streets/Sidewalks/Pathways/Bike Lanes

The street servicing the property, SW Boeckman Road, is a minor arterial that is in good condition and meets City standards. SW Boeckman Road has adequate streetscape, sidewalks, curbs, and bike lanes.

There are several planned projects for SW Boeckman Road in the Capital Improvement Plan (CIP), but none of them are in the immediate vicinity of the Area.

#### 2. Water

The water pipe serving the Area is a 3" domestic / 1.5" irrigation that should be adequate for the current or future needs of the Area. There are no projects planned for the water infrastructure serving the Area in the CIP or other planning documents

#### 3. Storm Drainage Master Plan

The storm drain service in the Area is adequate for current and future use, and there are no planned projects for storm drain infrastructure serving the Area in the CIP or other planning documents. However, a building expansion or the addition of impervious surface could trigger new on-site stormwater improvements.

#### 4. Sanitary Sewer

Sewer service to the Area is more than adequate for the current and future needs of the Area, and there are no planned projects for sewer infrastructure serving the Area in the CIP or other planning documents.

#### 5. Parks

There are no public parks in the Area. The 2007 Parks and Recreation Master Plan identifies project P12 Industrial Area Waysides in the northwest industrial area of Wilsonville, which is currently underserved by parks or recreation facilities. These projects are not in the City's short or mid-term Capital Improvement Program and have not been sited.

## 6. Public Parking

There is no public parking in the Area, but there is a bank of private head-in parking along the south end of the building that should provide parking for over 150 vehicles.

## 7. Wetlands

Approximately 127,361 SF along the Area's western boundary is identified as the Coffee Creek wetland buffer and is within the City's Significant Resource Overlay Zone (SROZ).

## 8. Conditions of Buildings

The building has 301,000 square feet of space. It is currently vacant.

## C. Social Conditions

There is only one industrial parcel in the Area and there are no residents that reside within the Area.

## D. Economic Conditions

### *Taxable Value of Property Within the Area*

According to the Clackamas County Assessor's office, the estimated 2011/2012 total assessed value of the real property in the Area is \$10,879,601. The building is underutilized, and if it was fully utilized and converted to a traded-sector use such as manufacturing, the values would increase.

The frozen base is estimated to be \$10,879,601.

## E. Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) is described in Section IX (Impact of the Tax Increment Financing) of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The project being considered for future use of urban renewal is an economic development project. The use of urban renewal funding for this project allows the City to provide an attractive industrial development incentive program that will be competitive with neighboring communities' Enterprise Zone programs. It also allows the city to tap a different funding source besides the City of Wilsonville's general funds to support this program.



All necessary infrastructure to serve the Area is in place and none of the systems are slated for improvements in the CIP. Converting the building structure in the Area to optimized use will take advantage of the existing infrastructure. Because the structure will incur a change in use from warehousing to manufacturing, or another traded-sector use that meets program criteria, there may be a need for additional police and fire services. However, since this structure already exists and has received these services before, these are not totally new service requirements. In addition, a vacant structure can sometimes be vulnerable to vandalism, criminal activity and fire risk. Bringing the structure back to full use will help prevent such risks.

The revenue sharing feature of this urban renewal plan allows for tax increment to be shared with taxing jurisdictions including the City of Wilsonville at the onset of receipt by the Agency of tax increment funds. These funds will help offset any increased services.

### **III. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN**

The reason for selecting the Area is to cure blight by providing the ability to fund an economic incentive program to encourage private sector investment in an underutilized and/or vacant parcel of industrial zoned land.

### **IV. THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA**

The projects identified for the Area, including how they relate to the existing conditions in the Area, are described below:

#### **A. Property Tax Rebates**

This project offers an incentive to the private sector to convert underutilized industrial buildings into higher value traded-sector uses, such as manufacturing, in the Area. This project will provide tax rebates of a portion of incremental property tax increases to qualifying investments in the Area.

*Existing Conditions:*

*This parcel is currently vacant and/or underutilized. It has 301,000 square feet of building space on 24.98 acres.*

#### **B. Debt Service and Administration**

This project will allow for the repayment of costs associated with the preparation (including the potential repayment of the initial planning costs for the development of

the urban renewal plan) adoption, and implementation of the 9805 SW Boeckman Road Urban Renewal Plan. This project also includes ongoing administration and any financing costs associated with the Plan.

*Existing Conditions:*

*As there is currently no urban renewal program for this Area, these activities do not exist.*

## V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The costs of the projects are shown in Table 1. The sources of funds are tax increment revenues. A three percent annual inflation factor is used. These funds will be allocated to the following projects:

- Repayment of a portion of the urban renewal planning costs will occur in the first year that tax increment funds are received (\$12,000 in FY 2013-14, adjusted annually for inflation increases).
- Approximately \$15,000 in FY 2013-14, adjusted for inflation, will be allocated for program administration annually.
- The project will rebate up to 75% of the net tax increment revenue for three years for each qualifying company if the average wage of the 75 or more new jobs pay a minimum of 125% of the average Clackamas County wage rate (not including benefits) in effect at the time the rebate is paid, which for 2012 is \$25.33/hour or \$52,693 annual wage rate. Two additional years (five total) of property tax rebates are available if the average wage of the 75 or more new jobs pay 150% of average wages paid in Clackamas County at the time the rebate is paid, which for 2012 equals \$30.40 per hour, or a \$63,230 annual wage.
- Any net tax increment revenues in excess of what is needed for administrative expenses or tax rebates will be distributed to the impacted taxing jurisdictions.

**Table 1 – Estimated Project Allocations**

TIF Use	Amount
URA Administration	\$141,367
Rebate	\$11,786,512
Total	\$11,927,879

Source: ECONorthwest, TIF: Tax Increment Funds

## VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The anticipated latest completion date of the projects in the 9805 SW Boeckman Road Urban Renewal Plan will be June 30 of the fiscal year ending 15 years after the approval of the Plan. If investments do not occur as outlined in the program guidelines, the Plan may be terminated earlier at the discretion of the Agency.

## VII. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED

Table 2 shows a scenario for how this urban renewal plan may be implemented. This scenario relies on an investment by the developer of over \$407,000,000, in three successive years, receiving \$11,786,512 in tax rebates from tax increment funds received by the Agency. This results in approximately \$12 million in maximum indebtedness, and represents the maximum investment anticipated in the building. Lower investment levels will result in lower actual tax rebates and lower actual maximum indebtedness used. When a developer negotiates an agreement with the City, the projected rebate and revenue sharing numbers will be reevaluated, but may not exceed the \$12 million maximum indebtedness established in this Plan.

**Table 2. Investment Schedule**

Year	Investment Amount		
	Schedule 1	Schedule 2	Schedule 3
2013			
2014			
2015	\$ 137,000,000		
2016		\$135,000,000	
2017			\$135,000,000
2018			

Source: ECONorthwest

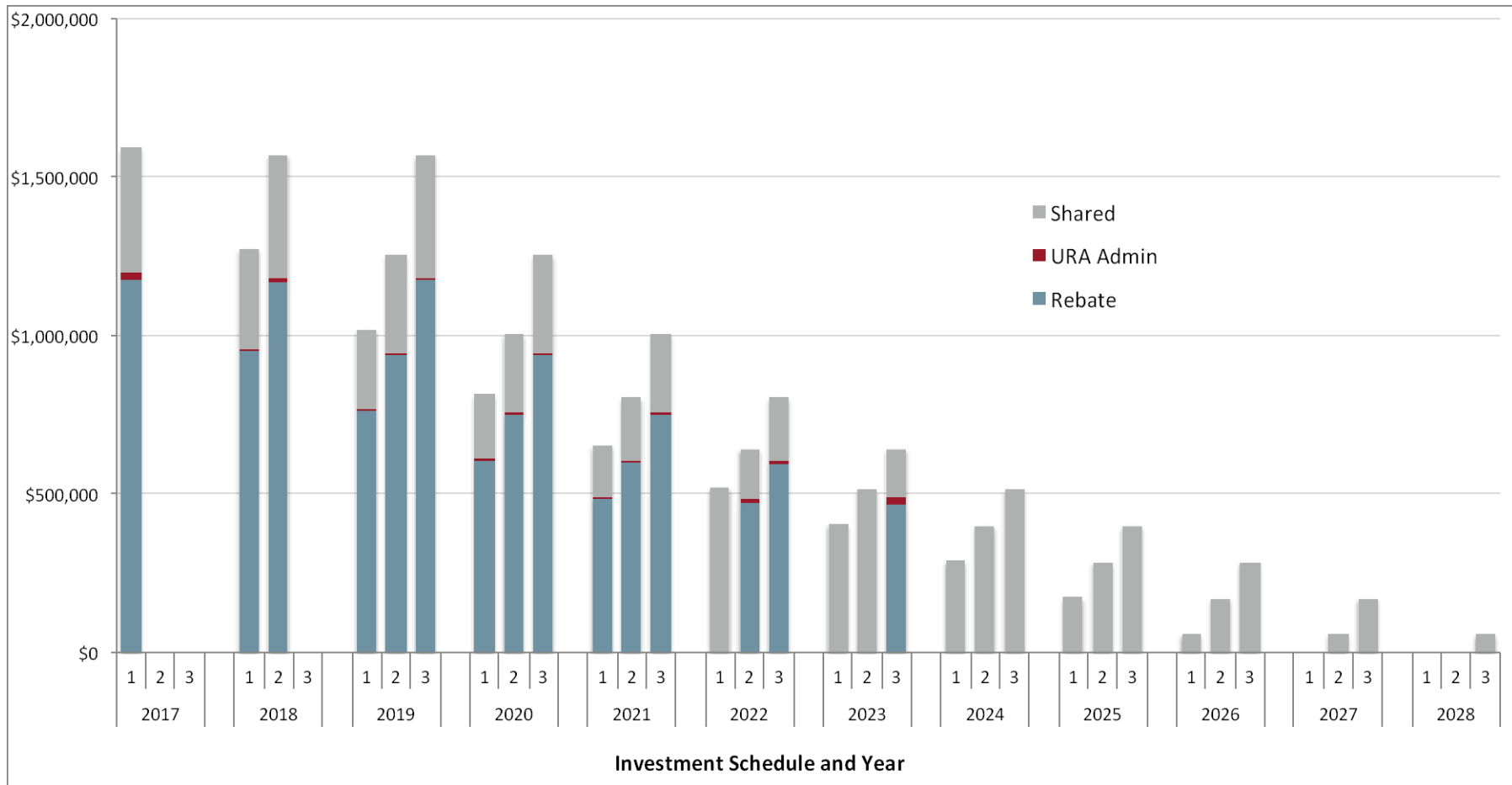
The tax increment revenues and their allocation to administrative costs, developer rebates, and the taxing jurisdictions' share of the increased property tax revenue are shown in Table 3. The 25% to taxing jurisdictions is held constant, the administrative costs are deducted from the 75% share to the developer. Since revenue sharing is anticipated at the onset of the Plan, and this revenue sharing exceeds the potential amount of distributions through revenue sharing required in ORS 457.470, the revenue sharing in ORS 457.470 has been waived by the taxing jurisdictions.



It is anticipated that all expenditures of tax increment funding will be completed within 15 years. The maximum indebtedness is \$12,000,000. In the scenario detailed in Tables 2 and 3, the term of the rebate expires before all of the manufacturer's investment in equipment has depreciated. The result of this is the taxing jurisdictions begin to receive 100% of the TIF revenues in fiscal year 2023-24, and the total amount shared with taxing jurisdictions for the entire duration of the Area ends up being much higher than the net 25% share that is guaranteed during the time the developer is receiving rebates. Table 2 shows the total projected rebate to the developer in this scenario would be \$11,786,512 dollars, while the amount received by taxing jurisdictions is estimated at \$8,282,830 dollars over the 15 year life of the Plan. This is actually 41% of the total tax increment revenue.

Chart 1 depicts this scenario. Each individual investment provides rebates to the developer, and a portion of extra tax increment to taxing jurisdictions, for a five-year period, with any remaining increment shared with the taxing jurisdictions when that rebate period expires. The three investments are depicted in consecutive years, as shown by the 1,2,3 on the horizontal axis of the chart. As shown, once any one investment reaches the 6<sup>th</sup> year, all of the tax increment from that investment is shared with the taxing jurisdictions. This would be accomplished through an under levy.

**Chart 1. Investment, Amortization, and Rebate Schedule**



Source: ECONorthwest

There will be no loans or bonds issued. The amount of funding to service the maximum indebtedness will be raised through the payment of tax increment from the County Assessor's office. Because the project payments are predicated upon the annual tax increment on a formulaic basis allocating first to administrative costs, then a 75/25 split of increment between the developer and impacted taxing jurisdictions, the Plan will be financially feasible. No payments will be made without first receiving the increment from the assessor.

**Table 3 – Tax Increment Revenues and Allocations to Project Costs Sample Scenario**

	URA Admin	Rebate	Shared	Total
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	\$28,883	\$1,165,514	\$398,133	\$1,592,530
2018	\$17,390	\$2,115,090	\$710,826	\$2,843,306
2019	\$17,912	\$2,865,034	\$960,981	\$3,843,927
2020	\$18,449	\$2,287,907	\$768,785	\$3,075,141
2021	\$19,002	\$1,826,030	\$615,010	\$2,460,042
2022	\$19,572	\$1,065,063	\$883,364	\$1,968,000
2023	\$20,159	\$461,872	\$1,080,797	\$1,562,828
2024	\$0	\$0	\$1,204,211	\$1,204,211
2025	\$0	\$0	\$859,716	\$859,716
2026	\$0	\$0	\$515,223	\$515,223
2027	\$0	\$0	\$228,592	\$228,592
2028	\$0	\$0	\$57,192	\$57,192
2029	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0
<b>Total</b>	<b>\$141,367</b>	<b>\$11,786,512</b>	<b>\$8,282,830</b>	<b>\$20,210,708</b>

Source: ECONorthwest, FYE: Fiscal Year End, URA: Urban Renewal Area

## VIII. FINANCIAL ANALYSIS OF THE PLAN

---

The estimated tax increment revenues in the sample scenario, as shown above, are based on projections of the assessed value of investment that could occur within the Area, depreciation of the investment and the total tax rate that will apply in the Area. The assumptions include assumptions of development, as identified in the TIF Zones concept by the City of Wilsonville. Although these assumptions are used as a basis for evaluating the Plan, the financial feasibility is predicated on the simple formula that increased revenues will be shared by the City for administration, by the developer and by the taxing jurisdictions. No payments will be made until tax increment is received from the County Assessor. These payments will be distributed on a formula that includes payments for administrative costs, then a 75/25 split between the developer and impacted taxing jurisdictions.

Table 4 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Table 3. These projections include shared revenue with impacted taxing jurisdictions.

Table 5 shows the investment and depreciation assumptions used in preparing the financial analysis. In this scenario, all investment is assumed to be equipment, and so it is depreciated. The depreciation schedule used in this scenario is a half-year convention over a 10-year recovery period that was published by the Internal Revenue Service in its annual report for how to depreciate property. Depreciation is an annual income tax deduction that allows you to recover the cost or other basis of certain property over the time you use the property. It is an allowance for the wear and tear, deterioration, or obsolescence of the property. In this case, all the investment in property is assumed to depreciate to zero after 10 years. Property can be depreciated at different times throughout the year, depending on the accounting method used. Under the half-year convention, you treat all property placed in service or disposed of during a tax year as placed in service or disposed of at the midpoint of the year. This means that a one-half year of depreciation is allowed for the year the property is placed in service or disposed of.

However, as stated above, for purposes of financial feasibility, the fact that no payments will be made until tax increment is received establishes financial feasibility.

**Table 4 – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues**

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	TIF
2013	\$10,879,601	\$10,879,601	\$0	13.0968	-
2014	\$10,879,601	\$10,879,601	\$0	13.0936	-
2015	\$10,879,601	\$10,879,601	\$0	13.0793	-
2016	\$10,879,601	\$10,879,601	\$0	12.9159	-
2017	\$134,179,601	\$10,879,601	\$123,300,000	12.9159	\$1,592,530
2018	\$231,019,601	\$10,879,601	\$220,140,000	12.9159	\$2,843,306
2019	\$308,491,601	\$10,879,601	\$297,612,000	12.9159	\$3,843,927
2020	\$248,969,201	\$10,879,601	\$238,089,600	12.9159	\$3,075,141
2021	\$201,345,801	\$10,879,601	\$190,466,200	12.9159	\$2,460,042
2022	\$163,249,901	\$10,879,601	\$152,370,300	12.9159	\$1,968,000
2023	\$131,879,901	\$10,879,601	\$121,000,300	12.9159	\$1,562,828
2024	\$104,114,401	\$10,879,601	\$93,234,800	12.9159	\$1,204,211
2025	\$77,442,201	\$10,879,601	\$66,562,600	12.9159	\$859,716
2026	\$50,770,201	\$10,879,601	\$39,890,600	12.9159	\$515,223
2027	\$28,578,101	\$10,879,601	\$17,698,500	12.9159	\$228,592
2028	\$15,307,601	\$10,879,601	\$4,428,000	12.9159	\$57,192
2029	\$10,879,601	\$10,879,601	\$0	12.9159	-
2030	\$10,879,601	\$10,879,601	\$0	12.9159	-
Total					\$20,210,708

Source: ECONorthwest, FYE: Fiscal Year End, TIF: Tax Increment Funds

**Table 5 – Projected Investments and Depreciation Schedules**

Calendar Year	FYE	Investment Schedule 1			Investment Schedule 2			Investment Schedule 3			Total RMV
		Value	Depreciation	RMV	Value	Depr.	RMV	Value	Depr.	RMV	
2013	2015										
2014	2016										
2015	2017	\$137,000,000	10.00%	\$123,300,000							\$123,300,000
2016	2018		18.00%	\$98,640,000	\$135,000,000	10.00%	\$121,500,000				\$220,140,000
2017	2019		14.40%	\$78,912,000		18.00%	\$97,200,000	\$135,000,000	10.00%	\$121,500,000	\$297,612,000
2018	2020		11.52%	\$63,129,600		14.40%	\$77,760,000		18.00%	\$97,200,000	\$238,089,600
2019	2021		9.22%	\$50,498,200		11.52%	\$62,208,000		14.40%	\$77,760,000	\$190,466,200
2020	2022		7.37%	\$40,401,300		9.22%	\$49,761,000		11.52%	\$62,208,000	\$152,370,300
2021	2023		6.55%	\$31,427,800		7.37%	\$39,811,500		9.22%	\$49,761,000	\$121,000,300
2022	2024		6.55%	\$22,454,300		6.55%	\$30,969,000		7.37%	\$39,811,500	\$93,234,800
2023	2025		6.56%	\$13,467,100		6.55%	\$22,126,500		6.55%	\$30,969,000	\$66,562,600
2024	2026		6.55%	\$4,493,600		6.56%	\$13,270,500		6.55%	\$22,126,500	\$39,890,600
2025	2027		3.28%	-		6.55%	\$4,428,000		6.56%	\$13,270,500	\$17,698,500
2026	2028					3.28%	-		6.55%	\$4,428,000	\$4,428,000
2027	2029								3.28%	-	\$0
2028	2030										

FYE: Fiscal Year End RMV: Real Market Value Depr.: Depreciation  
 Source: ECONorthwest

## IX. IMPACT OF THE TAX INCREMENT FINANCING

---

This section describes the impact of tax increment financing of the new maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area.

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the Area. These projections are for impacts estimated for a 15-year period and are shown in Tables 6a and 6b. Table 6a shows the general government taxing jurisdictions and Table 6b shows the education taxing jurisdictions.

The concept for this plan, as defined by the City of Wilsonville, includes a 25% share of net tax increment proceeds with the affected taxing jurisdictions. This formula for revenue sharing is different than the formula described in Oregon Revised Statutes (ORS). Revenue sharing is part of the 2009 legislative changes to urban renewal and means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the area. By statute, the share is a percentage basis dependent upon the tax rates of the taxing jurisdictions. The first threshold is 10% of the original maximum indebtedness. At the 10% threshold, the urban renewal agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold, and the taxing jurisdictions will receive 75% of the increment above the 10% threshold. The second threshold is set at 12.5% of the maximum indebtedness. Since revenue sharing is anticipated at the onset of the Plan, and this revenue sharing exceeds the potential amount of distributions through revenue sharing required in ORS 457.470, the revenue sharing in ORS 457.470 has been waived by the taxing jurisdictions.

The West Linn-Wilsonville School District and the Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the state level. The formula for funding schools, as changed in the 2013 legislative session, is \$6,852 per pupil for FY 2013-14 and \$7,081 per pupil for FY 2014-15, an increase over the 2012 levels. According to the State of Oregon Department of Education,

there was approximately \$1 billion dollars of increased revenues allocated to school financing in the 2013 legislative session.<sup>1</sup>

Tables 6a and 6b show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. It assumes the growth as projected in the other tables in this Report. **It does not offset the foregone revenues with the expected new revenues. Although the taxing jurisdictions are shown to forego approximately \$12 million, as shown in Tables 6a and 6b, they will receive approximately \$8 million, as shown in Table 3. Over the life of the Plan, the taxing jurisdictions will receive over 40% of the total tax increment revenues produced by this sample scenario.**

There is always some discussion about the true impact of urban renewal on the taxing jurisdictions as there is one line of thought that some of the growth projected would not occur “but for” urban renewal. In this case, the building is underutilized either through vacancy or type of use, and expectations are that it will remain underutilized in the future without developer incentives. Given this, there would be no expectation that any increase of property taxes would come from this building without the use of urban renewal.

There is no anticipated change in revenue for affected taxing jurisdictions upon termination of the Plan, which is expected in 15 years. All projected investment is equipment, and equipment’s assessed value depreciates over time. By the time the Area expires, all equipment will be fully depreciated, so there will be no additional assessed value to tax. However, the taxing jurisdictions are receiving 25% of the net increment during the time period the developer is receiving 75% of the net increment, and they are receiving 100% of the increment for the remaining time frame of the Area, as shown in Table 3. If there are any improvements to the building itself, or increases in value of the building itself, the taxing jurisdictions would realize the increased taxes from those investments.

<sup>1</sup> Phone interview with Jan McComb, State of Oregon Department of Education, July 11, 2013.



**Table 6a – Projected Impact on Taxing District Permanent Rate Levies (General Government)**

FYE	Clackamas County	Tualatin Valley Fire & Rescue	City of Wilsonville	Port of Portland	Metro	COUNTY		COUNTY	VECTOR	Subtotal
						EXTENSION & 4-H	COUNTY LIBRARY	SOIL CONS	CONTROL	
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	(222,328)	(141,043)	(233,092)	(6,482)	(8,933)	(4,624)	(36,750)	(4,624)	(601)	(658,477)
2018	(396,946)	(251,818)	(416,164)	(11,574)	(15,949)	(8,255)	(65,613)	(8,255)	(1,073)	(1,175,647)
2019	(536,639)	(340,438)	(562,621)	(15,647)	(21,562)	(11,160)	(88,703)	(11,160)	(1,451)	(1,589,381)
2020	(429,311)	(272,351)	(450,097)	(12,518)	(17,250)	(8,928)	(70,963)	(8,928)	(1,161)	(1,271,507)
2021	(343,439)	(217,874)	(360,067)	(10,014)	(13,799)	(7,142)	(56,768)	(7,142)	(929)	(1,017,174)
2022	(201,897)	(128,081)	(211,672)	(5,887)	(8,112)	(4,199)	(33,372)	(4,199)	(546)	(597,965)
2023	(89,727)	(56,922)	(94,071)	(2,616)	(3,605)	(1,866)	(14,831)	(1,866)	(243)	(265,747)
2024	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>(2,220,287)</b>	<b>(1,408,527)</b>	<b>(2,327,784)</b>	<b>(64,738)</b>	<b>(89,210)</b>	<b>(46,174)</b>	<b>(367,000)</b>	<b>(46,174)</b>	<b>(6,004)</b>	<b>(6,575,898)</b>

Source: ECONorthwest.

**Table 6b – Projected Impact on Taxing District Permanent Rate Levies (Education and Totals)**

FYE	COM COLL CLACK (perm)	ESD CLACKAMAS	SCH WLINN/WILS (perm)	Subtotal Education	Subtotal Gen Govt	Total
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	(51,620)	(34,096)	(450,205)	(535,921)	(658,477)	(1,194,398)
2018	(92,162)	(60,874)	(803,797)	(956,833)	(1,175,647)	(2,132,480)
2019	(124,595)	(82,297)	(1,086,671)	(1,293,563)	(1,589,381)	(2,882,944)
2020	(99,676)	(65,838)	(869,337)	(1,034,851)	(1,271,507)	(2,306,358)
2021	(79,739)	(52,669)	(695,449)	(827,857)	(1,017,174)	(1,845,031)
2022	(46,876)	(30,962)	(408,832)	(486,670)	(597,965)	(1,084,635)
2023	(20,832)	(13,760)	(181,692)	(216,284)	(265,747)	(482,031)
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
<b>Total</b>	<b>(515,500)</b>	<b>(340,496)</b>	<b>(4,495,983)</b>	<b>(5,351,979)</b>	<b>(6,575,898)</b>	<b>(11,927,877)</b>

Source: ECONorthwest. Please refer to the explanation of the schools funding in the preceding section.

## X. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA

State law limits the percentage of both a municipality's total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base, including all real, personal, manufactured, and utility properties in the Urban Renewal Area, is projected to be \$10,879,601. The total assessed value of the City of Wilsonville is \$2,368,094,165. There are three existing urban renewal areas, as shown in Table 7. These three areas, plus the 9805 SW Boeckman Road Area, total 3.32% of the total assessed value of the City of Wilsonville, well below the 25% maximum. The 9805 SW Boeckman Road Area has 24.98 acres, including right-of-way, and the City of Wilsonville has 4,614.4 acres; the other three existing urban renewal areas total 1,032.76 acres. Therefore, 22.45% of the City's acreage is in an urban renewal area, below the 25% state limit.

**Table 7 – Urban Renewal Area Conformance with Assessed Value and Acreage Limits**

Urban Renewal Area	Assessed Value	Acres
9805 SW Boeckman Road	\$10,879,601	24.98
26755 SW 95 <sup>th</sup> Avenue	\$7,064,499	9.76
Year 2000 Plan	\$44,087,806	567
West Side Plan	\$16,526,288	456
City of Wilsonville	\$2,368,094,165	4,712
Percent of Assessed Value in Urban Renewal	3.32%	
Percent of Acreage in Urban Renewal		22.45%

Source: City of Wilsonville, Clackamas County Assessor, U.S. Census Bureau

## XI. RELOCATION REPORT

There is no relocation report required for the Plan. No relocation activities are anticipated.

## **NOTICE OF DECISION**

### **PLANNING COMMISSION**

#### **RECOMMENDATION OF APPROVAL TO CITY COUNCIL**

**FILE NO.:** UR13-0001

**APPLICANT:** City of Wilsonville

**REQUEST:** The Wilsonville Planning Commission adopted Resolution No. UR13-0001, finding that the six proposed Tax Increment Finance Zone (TIF Zone) Urban Renewal Areas are in conformance with the City of Wilsonville's Comprehensive Plan and recommends that the Wilsonville City Council adopt an ordinance to create the six new Urban Renewal Areas to be known as TIF Zones.

After conducting a public hearing on September 11, 2013, the Planning Commission voted to recommend this action to the City Council by passing Resolution No. UR13-0001.

The City Council is scheduled to conduct a Public Hearing on this matter on October 7, 2013, at 7:00 p.m., at the Wilsonville City Hall, 29799 SW Town Center Loop East.

For further information, please contact the Kristin Retherford, Economic Development Manager, 29799 SW Town Center Loop East, or telephone (503) 682-4960.

**PLANNING COMMISSION  
RESOLUTION NO. UR13-0001**

**A WILSONVILLE PLANNING COMMISSION RESOLUTION FINDING THAT THE SIX PROPOSED TAX INCREMENT FINANCE ZONE (TIF ZONE) URBAN RENEWAL AREAS ARE IN CONFORMANCE WITH THE CITY OF WILSONVILLE'S COMPREHENSIVE PLAN AND RECOMMENDS THAT THE WILSONVILLE CITY COUNCIL ADOPT AN ORDINANCE TO CREATE THE SIX NEW URBAN RENEWAL AREAS TO BE KNOWN AS TIF ZONES.**

WHEREAS, on April 15, 2013, after more than a year of public process including input from an Economic Development Advisory Committee, the creation of an Economic Development Strategy, input from an Economic Development Incentive Task Force, and a March 2013 vote by the citizens of Wilsonville approving the creation of single-property urban renewal districts to incentivize business investment and job creation, the Wilsonville Urban Renewal Agency passed URA Resolution No. 230 recommending the creation of multiple single-property urban renewal districts to be called Tax Increment Finance Zones (TIF Zones) and authorizing staff to begin work necessary to create these TIF Zones; and

WHEREAS, City of Wilsonville staff and the consultant team of Elaine Howard Consulting, LLC and ECONorthwest have prepared draft urban renewal plans and reports (the "Plans and Reports") for these six TIF Zone urban renewal attached hereto and incorporated herein as Exhibits 1 through 6; and

WHEREAS, in creating a new urban renewal district, ORS 457 requires plan review and recommendation by the Planning Commission; and

WHEREAS, the Agency has submitted the Plans and Reports to the Planning Commission for review and recommendation in accordance with the procedures that are set forth in ORS Chapter 457; and

WHEREAS, the Planning Commission, after providing the required notice, held a Public Hearing September 11, 2013, to review the Plans and Reports and to gather additional testimony and evidence regarding the Plan; and

WHEREAS, the Planning Commission has afforded all interested parties an opportunity to be heard on this subject and has entered all available evidence and testimony into the public record of their proceeding; and

WHEREAS, the Planning Commission has duly considered the subject, including the staff recommendations and all the exhibits and testimony introduced and offered by all interested parties; and

WHEREAS, the Planning Commission finds the Plans are in conformance with the City's Comprehensive Plan; and

NOW, THEREFORE, BE IT RESOLVED that the Wilsonville Planning Commission does hereby adopt the Staff Report along with the findings and recommendations contained therein, together

with the findings of the Planning Commission recited above, and recommends that the Wilsonville Urban Renewal Agency and City Council approve and adopt the TIF Zone urban renewal districts described in Exhibits 1 through 6, considering those concerns and amendments the Commission has related in the record, by the proposed adopting Ordinance in the record herein.

This Resolution shall be effective upon adoption.

ADOPTED by the Planning Commission of the City of Wilsonville at the regular meeting thereof this eleventh day of September 2013, and filed with the Planning Administrative Assistant on September 12, 2013.

  
Wilsonville Planning Commission

Attest:

  
Linda Straessle, Administrative Assistant III

#### SUMMARY of Votes:

Chair Ben Altman:	<u>Aye</u>
Commissioner Eric Postma:	<u>Aye</u>
Commissioner Peter Hurley:	<u>Aye</u>
Commissioner Al Levit:	<u>Aye</u>
Commissioner Marta McGuire:	<u>Aye</u>
Commissioner Phyllis Millan:	<u>Aye</u>
Commissioner Ray Phelps:	<u>Aye</u>

#### ATTACHMENTS

Exhibit 1 - 26755 SW 95<sup>th</sup> Avenue Plan and Report  
Exhibit 2 - 9805 SW Boeckman Road Plan and Report  
Exhibit 3 - 25600 SW Parkway Center Drive Plan and Report  
Exhibit 4 - 27255 SW 95<sup>th</sup> Avenue Plan and Report  
Exhibit 5 - 29899 SW Boones Ferry Road Plan and Report  
Exhibit 6 - Building 83- 26440 SW Parkway Avenue Plan (Report not included)