



PLANNING COMMISSION

WEDNESDAY, NOVEMBER 12, 2020

III. INFORMATIONAL

- A. Wilsonville Investment Now (WIN) Program (Vance) (30 Minutes)



PLANNING COMMISSION MEETING STAFF REPORT

Meeting Date: November 12, 2020		Subject: Wilsonville Investment Now (WIN) Program Briefing Staff Member: Jordan Vance, Economic Development Manager Department: Community Development	
Action Required		Advisory Board/Commission Recommendation	
<input type="checkbox"/> Motion <input type="checkbox"/> Public Hearing Date: <input type="checkbox"/> Ordinance 1 st Reading Date: <input type="checkbox"/> Ordinance 2 nd Reading Date: <input type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input checked="" type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda		<input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments:	
Staff Recommendation: N/A			
Recommended Language for Motion: N/A			
Project / Issue Relates To: <i>[Identify which goal(s), master plans(s) your issue relates to.]</i>			
<input type="checkbox"/> Council Goals/Priorities	<input checked="" type="checkbox"/> Adopted Master Plan(s) 2012 City Council-adopted Economic Development Strategy	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COMMISSION: Briefing for Planning Commission on Council-adopted Wilsonville Investment Now (WIN) Program and the Commission’s role in the implementation of the program on individual sites.

EXECUTIVE SUMMARY: On October 19, 2020 the Wilsonville City Council adopted administrative rules for a first-of-its-kind incentive program called Wilsonville Investment Now (WIN). The program aims to attract high-value investments to the Wilsonville community by providing site-specific urban renewal tax rebates for qualifying development projects outside of the City’s existing urban renewal areas. The WIN Program is a redesign of the city’s former TIF Zones program and has been modified to offer flexible evaluation criteria and multiple tiers of benefits, making it attractive to a wide range of businesses.

In 2013, the Wilsonville City Council approved the designation of six separate properties as individual urban renewal districts. Each of these properties were referred to as a Tax Increment Financing (TIF) zone. The TIF Zones used the same funding mechanism and State legislative framework as standard urban renewal districts. However, rather than fund large-scale, long-term projects, the TIF Zones were intended to provide property tax rebates as a development incentive for qualifying companies who invest in any of the six properties.

Ultimately, none of the development that occurred within the TIF Zones met the eligibility thresholds established for the program due to inflexible eligibility criteria and limited geographic applicability, and the existing TIF Zones incentive program expired in November 2019. Since this time, City staff have been given direction by Council to pursue an updated TIF Zone program. While the new WIN program offers flexible evaluation criteria and multiple tiers of benefits, the core program concept is the same as the original TIF Zone program: to use single-site urban renewal tax rebates as a tool to attract high-value investment in the Wilsonville community.

The City’s Urban Renewal Task Force met on July 22, 2020 to discuss a revised approach to single-property urban renewal areas and provided unanimous feedback that the WIN Program is a good direction to take. WIN will make the City more competitive with business recruitment, expansion and retention efforts. City Council gave staff direction on September 10 to incorporate the Urban Renewal Task Force’s recommendation into the final program proposal, by including additional factors in the WIN program, including diversity, equity, inclusion, and local business expansion. Please refer to Attachment C to review meeting minutes from the Urban Renewal Task Force meeting.

During the September 10, 2020, Council meeting, Council also asked staff to evaluate WIN program applicability in the Coffee Creek Industrial Area. A full analysis of possible integration approaches and trade-offs can be found as Attachment D. That analysis concludes that the two programs should not be integrated at this time, given the financial impacts of the existing URA to fund infrastructure projects, and the unique and different focuses of each program. The Coffee Creek Urban Renewal Area is designed to provide City-subsidized infrastructure to enable high-wage industrial development while WIN is a broader economic development tool designed to encourage building and equipment redevelopment—along with high-wage employment—outside of existing City urban renewal areas. While staff recommend decoupling the two programs and proceeding with adoption of WIN Administrative Rules at this time, it could be prudent for City staff to conduct further analysis on responsible ways to expand the use of TIF revenue in Coffee Creek to encourage private sector investment.

The City Council adoption of WIN Program Administrative Rules by Resolution 2856 on October 19 allows City staff to market the WIN Program to prospective developers and businesses. This Program will serve as a vital economic development tool to set Wilsonville apart as a destination

of choice for quality business investment, especially in today's uncertain economic environment with additional hardships on employees and businesses brought on by the COVID-19 pandemic.

It should be noted that City Council did not establish any new urban renewal districts by adopting Resolution 2856. That step will not occur until a qualified application to the WIN Program is reviewed by staff, at which time staff will bring back a plan for a single-site urban renewal area for Council's consideration. During the process of establishing the single-site urban renewal areas, the Planning Commission will review the individual plans for consistency with the City's Comprehensive Plan.

It is anticipated it could take up to 4 months to implement the actual Tax Increment Financing (TIF) mechanism that would be used to fund the Program and provide the tax rebate to qualifying applicants. By statute, all urban renewal plans must be adopted by a non-emergency ordinance. All new urban renewal plans must include the following steps in the adoption process:

1. Review by the Urban Renewal Agency.
2. Transmittal to all taxing districts with required 45-day comment period prior to City Council vote on ordinance.
3. Review by the Planning Commission for conformance with the comprehensive plan.
4. Presentation to the County (vote of approval is not required).
5. Notice to all citizens of a public hearing.
6. Public hearing and City Council vote on non-emergency ordinance.

EXPECTED RESULTS: The WIN Program will provide staff with an effective economic development tool in attracting a wider range of high-value, high-wage projects to Wilsonville.

TIMELINE: WIN is live. Upon receipt of a qualified application, staff will bring back a site-specific urban renewal plan, which will take up to four months to adopt.

CURRENT YEAR BUDGET IMPACTS:

The scope of work for the consultant team to assist in establishing the revised program has an estimated budget of \$18,360, with an addendum of \$8,300 for additional scope, totaling \$26,660.

COMMUNITY INVOLVEMENT PROCESS: The City Council met on October 7, 2019, Sept 10, 2020 and October 19, 2020 to discuss the WIN Program. The Urban Renewal Task Force met on July 22. The WIN program incorporates feedback from this stakeholder group that includes residents, taxing districts, state economic development groups, and private sector representatives.

POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY (businesses, neighborhoods, protected and other groups): An updated WIN incentive program has potential to bring more high-wage jobs and high-value development to Wilsonville during uncertain economic times.

ATTACHMENTS:

- A. Resolution No. 2856 – WIN Program Administrative Rules
- B. Wilsonville Investment Now (WIN) Program FAQs
- C. URA Task Force Meeting Results 2020_07_22
- D. Memo on WIN Program Applicability in the Coffee Creek Industrial Area

RESOLUTION NO. 2856

A RESOLUTION OF THE WILSONVILLE CITY COUNCIL ESTABLISHING THE WILSONVILLE INVESTMENT NOW (WIN) PROGRAM ADMINISTRATIVE RULES.

WHEREAS, on December 17, 2012, the Wilsonville City Council approved Resolution No. 2390, referring the Ballot Title “Business Incentive Program for Investment and Job Creation by Manufacturers” to the citizens of Wilsonville for an advisory vote in March of 2013; and

WHEREAS, on March 12, 2013, the citizens of Wilsonville voted to approve the Ballot Title; and

WHEREAS, on March 20, 2013, the City’s Economic Development Task Force completed its recommendations to City Council on economic development incentives and business attributes; and

WHEREAS, on April 15, 2013, City Council approved Resolution No. 2413 adopting the recommendations of the Economic Development Strategy Task Force on business attributes and incentives; and

WHEREAS, on April 15, 2013, the Wilsonville Urban Renewal Agency approved URA Resolution No. 230 recommending that the City Council create multiple single-property urban renewal districts referred to as TIF Zones as a tool to provide incentives for economic development and authorizing staff to begin work necessary to create the Tax Increment Finance Zones; and

WHEREAS, on May 6, 2013, City Council approved Resolution No. 2417 authorizing staff to take necessary steps to create multiple single-property urban renewal districts to be called TIF Zones; and

WHEREAS, on September 5, 2013, the Wilsonville Urban Renewal Agency approved URA Resolution No. 234, recommending that City Council adopt an ordinance to create five single-property urban renewal districts to be called TIF Zones; and

WHEREAS, on October 7th, 2013, the Wilsonville Urban Renewal Agency approved URA Resolutions No. 236, recommending that City Council amend URA Resolution No. 234 to

include a sixth single-property urban renewal district to be called the Building 83 - 26440 SW Parkway Avenue TIF Zone; and

WHEREAS, on November 4, 2013, City Council adopted Ordinance No. 725 approving a single-property urban renewal plan known as the 26755 SW 95th Avenue TIF Zone; and

WHEREAS, on November 4, 2013, City Council adopted Ordinance No. 726 approving a single-property urban renewal plan known as the 9805 SW Boeckman Road TIF Zone; and

WHEREAS, on November 4, 2013, City Council adopted Ordinance No. 727 approving a single-property urban renewal plan known as the 25600 SW Parkway Center Drive TIF Zone; and

WHEREAS, on November 4, 2013, City Council adopted Ordinance No. 728 approving a single-property urban renewal plan known as the 27255 SW 95th Avenue TIF Zone; and

WHEREAS, on November 4, 2013, City Council adopted Ordinance No. 729 approving a single-property urban renewal plan known as the 29899 SW Boones Ferry Road TIF Zone; and

WHEREAS, on November 4, 2013, City Council adopted Ordinance NO. 730 approving a single-property urban renewal plan known as the Bldg. 83 – 26440 SW Parkway Avenue TIF Zone; and

WHEREAS, each TIF Zone single-property urban renewal plan included a provision that the Plan will terminate within five years of the effective date of the Plan if no qualifying investment has been made in the Area; and

WHEREAS, all of the TIF Zone single-property urban renewal plans have been terminated, as no qualifying investments were made in any of the TIF Zone areas prior to the termination dates stipulated in the urban renewal plans; and

WHEREAS, the City Comprehensive Plan Goal 4.1 is “to have an attractive, functional, economically vital community with a balance of different types of land uses;” and

WHEREAS, the City Comprehensive Plan Policy 4.1.3 states “City of Wilsonville shall encourage light industry compatible with the residential and urban nature of the City;” and

WHEREAS, the City Comprehensive Plan Implementation Measure 4.1.3.b is to “Maintain high-quality industrial development that enhances the livability of the area and promotes diversified economic growth and a broad tax base;” and

WHEREAS, the City Comprehensive Plan Implementation Measure 4.1.3.c is to “Favor capital intensive, rather than labor intensive, industries within the City;” and

WHEREAS, Oregon Revised Statutes (ORS) 457 authorizes municipalities in Oregon to establish urban renewal areas, including the authority to raise funds for the purpose of funding economic development projects through the use of tax increment financing; and

WHEREAS, strict eligibility criteria and limited geographic applicability are two factors that restricted the utility of previous single-property urban renewal areas adopted by City Council; and

WHEREAS, following expiration of all of the designated TIF Zones the City's Urban Renewal Task Force met on July 22, 2020 to discuss a revised approach to single-property urban renewal areas known as the Wilsonville Investment Now (WIN) Program, and provided unanimous feedback that the WIN Program is a good direction to take a tax increment finance zone program, and will make the City more competitive with business recruitment, expansion and retention efforts; and

WHEREAS, the City's Urban Renewal Task Force on July 22, 2020 asked the City to consider additional factors in the WIN Program, including (1) diversity, equity, and inclusion; (2) local business expansion; (3) traffic impacts; and (4) traded-sector industry restrictions; and

WHEREAS, on September 10, 2020 City Council gave staff direction to incorporate (1) diversity, equity, and inclusion and (2) local business expansion into the WIN Program as "extra credit" considerations; and

WHEREAS, the economic recession brought on by the Covid-19 pandemic has imposed additional hardships on residents, employees, and businesses in the City of Wilsonville;

NOW THEREFORE, BE IT RESOLVED BY THE WILSONVILLE CITY COUNCIL THAT:

1. The Wilsonville City Council hereby establishes the Wilsonville Investment Now (WIN) Program, intended to provide temporary property tax reimbursement to qualifying businesses based on the following criteria:
 - A) Value of new capital improvements on site
 - B) Number of new employees on site
 - C) Value of compensation of new employees on site
 - D) Commitment to the advancement of diversity, equity, and inclusion goals

- E) Prioritizing the expansion of local businesses that have already invested in Wilsonville
- 2. The Wilsonville City Council directs staff to further develop parameters of the WIN Program through the adoption of Administrative Rules.
- 3. The Wilsonville City Council directs staff to take the necessary steps to prepare single-property urban renewal plans for City Council consideration for any and all successful applicants to the WIN Program.
- 4. This resolution is effective upon adoption.

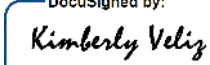
ADOPTED by the Wilsonville City Council at a regular meeting thereof this 19th day of October, 2020, and filed with the Wilsonville City Recorder this date.

DocuSigned by:

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Tim Knapp, Mayor

ATTEST:

DocuSigned by:

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Kimberly Veliz, City Recorder

SUMMARY OF VOTES:

Mayor Knapp	YES
Council President Akervall	YES
Councilor Lehan	YES
Councilor West	YES
Councilor Linville	YES

Exhibit:

- A. Wilsonville Investment Now (WIN) Program Administrative Rules



Exhibit A

Wilsonville Investment Now Program, Administrative Rules

Section 1: Purpose

These administrative rules establish the parameters of the Wilsonville Investment Now (WIN) Program.

WIN is a local incentive program that provides tax rebates for qualifying development projects outside of the City's existing urban renewal areas. The program aims to attract high-value investments in the Wilsonville community that strengthen the local economy by:

- Retaining and expanding local businesses
- Attracting new businesses
- Retaining and expanding high-wage jobs
- Contributing to long-term growth in the property tax base through capital investment

Section 2: Definitions

Capital investment includes:

- Newly constructed buildings or structures.
- New additions to or modification of an existing building or structure.
- Heavy or affixed machinery and equipment
- Personal property items costing \$50,000 or more.
- Personal property items costing \$1,000 or more that are used exclusively for production of tangible goods.

Qualified jobs includes new full-time, on-site employees within 1 year of construction, and excludes temporary, seasonal, construction, or part-time (32 hours or less per week) employees.

Section 3: Benefits

3.1 Overview of Benefits

The WIN Program provides qualified businesses with a partial reimbursement of property tax payments. The program establishes two tiers of benefits.

3.2 Tiers and Duration of Benefits

Businesses that qualify for full benefits are eligible for partial reimbursement of property tax payments for a period of seven (7) years. Businesses that qualify for partial benefits are eligible for partial reimbursement of property tax payments for a period of (4) years.

3.3 Amount of Reimbursement

The annual amount of reimbursement is limited to the amount of tax increment finance (TIF) revenue received by the Wilsonville Urban Renewal Agency ("Agency") for the WIN Zone established on behalf of the qualified business.

Annual TIF revenue generated by a WIN Zone does not equal the amount of annual property taxes paid by a qualified business. Oregon Revised Statutes (ORS) Chapter 457 specifies the process for determining the amount of TIF revenue generated by urban renewal areas, including WIN Zones.

The Agency may deduct administrative costs of the WIN Program from annual TIF revenue before calculating the annual amount of reimbursement.

Section 4: Eligibility

3.1 Scoring Criteria

Qualified businesses must achieve a minimum score, based on the following criteria:

- **New Capital Investment**
 - 1.0 point per \$500,000 of investment
- **New Employment**
 - Points per qualified job, based on average annual wage as a percentage of County average:
 - Average annual wage less than 100% of County average: 0 points per qualified job
 - Average annual wage more than 100%, but less than 125% of County average: 0.2 points per qualified job
 - Average annual wage more than 125%, but less than 150% of County average: 0.4 points per qualified job
 - Average annual wage more than 150% of County average: 0.6 points per qualified job
- **Local Business Tenure**
 - 0.5 points for each verified year of business operations in the City of Wilsonville. Maximum of four (4) points.
- **Diversity, Equity, and Inclusion (DEI)**

- 4.0 points for meeting two (2) or more of the following criteria:
 - Criterion 1: Certified by the State of Oregon as having one or more of the following ownership certifications:
 - Minority Business Enterprise (MBE)
 - Women Business Enterprise (WBE)
 - Disadvantaged Business Enterprise (DBE)
 - Service-Disabled Veteran (SDV)
 - Criterion 2: Certified by the State of Oregon as a B Corporation.
 - Criterion 3: Enters into a signed agreement with the City of Wilsonville (requires annual reporting) to implement a DEI Procurement Plan, making a good-faith effort to increase goods and services purchased in the State of Oregon from businesses owned by people of color, women, disadvantaged individuals, and service-disabled veterans.
 - Criterion 4: Enters into a signed agreement with the City of Wilsonville (requires annual reporting) to implement a Workforce Development Plan, making a good-faith effort to:
 - Promote job openings to a wider group of candidates through recruitment agencies, job fairs, and other approaches targeting people of color and former felons from the Coffee Creek Correctional Facility.
 - Provide career pathways to higher-wage jobs, including ongoing training, professional development and opportunities for promotion to higher-level positions.
 - Engage Wilsonville youth through internships, mentoring, and educational opportunities on career pathways in partnership with the West Linn-Wilsonville School District, Clackamas Community College and Oregon Institute of Technology.
 - Criterion 5: Implements a DEI Company Program, maintaining at least one FTE employee committed to implementing a company program on diversity, equity and inclusion (requires annual reporting).
 - Criterion 6: Provides on-site employer-provided childcare (requires annual reporting).

3.2 Eligibility Thresholds

Businesses are eligible for the WIN program, if they achieve the following scores:

- Less than 60 points: Does not qualify for the WIN program
- Greater than or equal to 60 points but less than 80 points: Qualify for partial benefits (4 years).
- 80 points or more: Qualify for full benefits (7 years).

3.2 Geographic Restrictions

To be eligible for the WIN Program, businesses must be located within the City of Wilsonville and outside of any existing urban renewal areas, including any other WIN Zones.

Section 5: Approval Process

5.1 Initial application

Applicants must complete the WIN Program Application Form in Excel with information on the proposed investment, and submit the completed form to City of Wilsonville staff for review.

5.2 Pre-Approval Meeting

After reviewing the WIN Program Application Form, City staff will offer to meet with the Applicant to answer any questions about the program, review key aspects of the application and request any necessary supporting documents.

5.3 Staff Approval

After the pre-approval meeting, and pending review of any requested supporting documents, City staff will make an initial determination of whether or not the proposed investment qualifies for WIN Program benefits. Staff will notify the Applicant in writing of this decision.

5.4 Development Agreement

Upon Staff approval, the City will provide the Applicant with a development agreement that stipulates the conditions the Applicant must achieve to receive WIN Program benefits in future years, and stipulates the City's obligations to provide property tax reimbursement payments to the Applicant.

Upon final agreement and execution of the Development Agreement, the City will prepare a WIN Zone Plan for consideration by City Council.

5.5 Plan Adoption

The WIN Zone Plan functions as an urban renewal plan, and must be adopted in accordance with ORS Chapter 457. This process includes approval by the Wilsonville Urban Renewal Agency, the Wilsonville Planning Commission, and by the Wilsonville City Council. This process includes a public hearing, and requires the City to consult and confer with all affected taxing districts.

Adoption of WIN Zone Plan by a non-emergency ordinance approved by City Council is the final step in the WIN Program approval process. City Council will prioritize projects that contribute to the long-term growth in the property tax base of the city and may use their discretion in approving projects that are too heavily weighted towards equipment likely to depreciate over time or become obsolete with a new user.

Section 6: Annual Reporting

By January 31 of each year, a Qualified Business must provide the City with all reporting documentation for the prior calendar year, as required in the Development Agreement. This documentation may include:

- Copy of property tax bill and proof of payment.
- Proof of number of employees and wages.
- Proof of compliance with DEI criteria (if applicable)

Section 7: Payment of Benefits

Tax increment finance revenue for each WIN Zone will be collected by the County Assessor and distributed to the Agency as it is paid by property owners citywide. After the conclusion of each fiscal year on June 30, the Agency will account for all TIF revenue received, subtract annual administrative expenses, and determine the amount of property tax reimbursement available for each Qualified Business.

Upon review of all annual reporting documents, and determination that a Qualified Business is in compliance with the terms of the WIN Program and the applicable Development Agreement, the Agency will provide the reimbursement payment to a Qualified Business no later than July 31 each year.

Section 8: Dispute Resolution

The protocol for dispute resolution will be as set forth in the development agreement.



Wilsonville Investment Now (WIN) Program FAQs

What is the Wilsonville Investment Now (WIN) program?

WIN is a local incentive program that provides tax rebates for qualifying development projects outside of the City's existing urban renewal areas. The program aims to attract high-value investments in the Wilsonville community and offers flexible evaluation criteria and multiple tiers of benefits, making it attractive to a wide range of businesses.

What is the qualification criteria for to receive a tax rebate?

The program primarily considers capital investment, job creation, and the wages of those jobs, and provides "extra credit" in the application scoring for local Wilsonville ownership status, and diversity, equity and inclusion (DEI) efforts made by the employer.

To see if your project qualifies for a partial (4 years) or full (7 years) tax rebate, please complete the program application found in supporting documents [here](#). By entering the project's capital investment, jobs and average salary, as well as local Wilsonville ownership status and diversity, equity, inclusion commitments, the application spreadsheet will produce incentive results and rebate amount.

How much money will the tax rebate provide?

The exact amount depends on the value of the project but the WIN program will rebate 100% of the property tax revenue increment generated by the new investment, less the costs to the City of administering the program.

How does the City of Wilsonville fund this program?

The tax rebate is made possible by designating the project property as an individual urban renewal district. This step, allowed by the State of Oregon's legislative framework, would freeze the current property tax revenues on the site and allow the City to rebate additional value of the property generated by the new investment back to the applicant.

What is the definition of qualifying capital investment and new jobs?

Capital investment includes:

- Newly constructed buildings or structures.
- New additions to or modification of an existing building or structure.
- Heavy or affixed machinery and equipment
- Personal property items costing \$50,000 or more.

- Personal property items costing \$1,000 or more that are used exclusively for production of tangible goods.

Qualified jobs includes new full-time, on-site employees within 1 year of construction, and excludes temporary, seasonal, construction, or part-time (32 hours or less per week) employees.

Does this program provide a tax abatement or rebate? What's the difference?

Qualified developments would receive a tax rebate if all standards are met, as opposed to a tax abatement. This means participating businesses will pay property tax up front and on time, but receive a partial or full rebate later once they demonstrate that they have met the required thresholds.

How can I determine if my project location qualifies for the program?

The WIN program allows any qualified development to utilize the program citywide with the exception of existing urban renewal areas. To see a map of existing urban renewal areas in Wilsonville, click [here](#).

How does the application scoring system work?

The program applies a point value to the following factors: capital investment, employment, compensation, local Wilsonville business status, and diversity, equity and inclusion actions. Businesses would be awarded points, based on each of these factors, and a minimum total score would be required to qualify for each tier of benefits.

Policy 4.1.3 of Wilsonville's Comprehensive Plan states that "the City shall encourage light industry compatible with the residential and urban nature of the City." The policy's Implementation Measure 4.1.3.c states that the City should "favor capital intensive, rather than labor intensive, industries within the City." The WIN program reflects Implementation Measure 4.1.3.c by assigning relatively more weight to capital investment than to jobs.

Qualified businesses must achieve a minimum score, based on the following criteria:

- **New Capital Investment**
 - 1.0 point per \$500,000 of investment
- **New Employment**
 - Points per qualified job, based on average annual wage as a percentage of County average:
 - Average annual wage less than 100% of County average: 0 points per qualified job
 - Average annual wage more than 100%, but less than 125% of County average: 0.2 points per qualified job
 - Average annual wage more than 125%, but less than 150% of County average: 0.4 points per qualified job
 - Average annual wage more than 150% of County average: 0.6 points per qualified job

- **Local Business Tenure**
 - 0.5 points for each verified year of business operations in the City of Wilsonville. Maximum of four (4) points.
- **Diversity, Equity, and Inclusion (DEI)**
 - 4.0 points for meeting two (2) or more of the following criteria:
 - Criterion 1: Certified by the State of Oregon as having one or more of the following ownership certifications:
 - Minority Business Enterprise (MBE)
 - Women Business Enterprise (WBE)
 - Disadvantaged Business Enterprise (DBE)
 - Service-Disabled Veteran (SDV)
 - Criterion 2: Certified by the State of Oregon as a B Corporation.
 - Criterion 3: Enters into a signed agreement with the City of Wilsonville (requires annual reporting) to implement a DEI Procurement Plan, making a good-faith effort to increase goods and services purchased in the State of Oregon from businesses owned by people of color, women, disadvantaged individuals, and service-disabled veterans.
 - Criterion 4: Enters into a signed agreement with the City of Wilsonville (requires annual reporting) to implement a Workforce Development Plan, making a good-faith effort to:
 - Promote job openings to a wider group of candidates through recruitment agencies, job fairs, and other approaches targeting people of color and former felons from the Coffee Creek Correctional Facility.
 - Provide career pathways to higher-wage jobs, including ongoing training, professional development and opportunities for promotion to higher-level positions.
 - Engage Wilsonville youth through internships, mentoring, and educational opportunities on career pathways in partnership with the West Linn-Wilsonville School District, Clackamas Community College and Oregon Institute of Technology.
 - Criterion 5: Implements a DEI Company Program, maintaining at least one FTE employee committed to implementing a company program on diversity, equity and inclusion (requires annual reporting).
 - Criterion 6: Provides on-site employer-provided childcare (requires annual reporting).

Businesses are eligible for the WIN program, if they achieve the following scores:

- Less than 60 points: Does not qualify for the WIN program.
- Greater than or equal to 60 points but less than 80 points: Qualify for partial benefits (4 years).
- 80 points or more: Qualify for full benefits (7 years).

How do I submit an application?

Download application worksheet found in supporting documents [here](#) and e-mail complete application to Economic Development Manager Jordan Vance at vance@ci.wilsonville.or.us.

What is the process for approving an application? How long does it take?

The process of plan adoption for each new WIN area is anticipated to take four months.

After City staff approves a developer application for the program, the City would then need to go through the adoption process for a new urban renewal plan to implement the actual Tax Increment Financing (TIF) mechanism that would be used to fund the program and provide the tax rebate to qualifying developers. By statute, all urban renewal plans must be adopted by a non-emergency ordinance. All new urban renewal plans must include the following steps in the adoption process:

1. The process of plan adoption for each new WIN Area is anticipated to take four months.
2. Review by the Urban Renewal Agency.
3. Transmittal to all taxing districts with required 45-day comment period prior to City Council vote on ordinance.
4. Review by the Planning Commission for conformance with the comprehensive plan.
5. Presentation to the County (vote of approval is not required).
6. Notice to all citizens of a public hearing.
7. Public hearing and City Council vote on non-emergency ordinance.

I have a question that isn't addressed by the FAQs on this page. Where can I go for help?

You can contact Economic Development Manager Jordan Vance at 503-826-7500 or vance@ci.wilsonville.or.us to discuss your project and WIN program eligibility.

**URBAN RENEWAL AREA TASK FORCE
Meeting Summary**

Attachment C

DATE: WEDNESDAY, JULY 22, 2020	TIME END: 4:35 PM
LOCATION: 29799 SW TOWN CENTER LOOP EAST, WILSONVILLE, OR ***VIRTUAL MEETING	
TIME START: 3:00 PM	

ATTENDANCE LOG

TASK FORCE MEMBERS		STAFF	OTHER
Mary Closson	Pat McGough	Jordan Vance	Cllr. Kristin Akervall
Kevin Ferrasci O'Malley	Bret Marchant	Tami Bergeron	Nick Popenuk, Consultant
Bryan Guiney	Susie Myers	Keith Katko	Elaine Howard, Consultant
Son Le Hughes	Stu Peterson	Chris Neamtzu	
Amy Juaron	Ken Rencher		
Andrew Karr	Dick Spence	TF MEMBERS ABSENT	
Jon Legarza	Cassandra Ulven	Liz Aspray	Jessica Pelz
		Jeff Deitrick	Christine Reynolds
		Alan Kirk	Steve Sieber
		Ethan Manuel	John Southgate
		Doug Middlesetter	Peter Stalick
		Matt Miller	Al Steiger
		Matt Morvai	John Wynton

AGENDA SUMMARY

AGENDA	ACTIONS
Welcome and introductions	<p>Jordan Vance opened the meeting at 3:04 pm and asked Kristin Akervall to welcome everyone after roll call and brief participant introductions.</p> <p>Councilor Akervall shared a statement asking citizen participants, none known to be attending, to submit comments regarding URA in conjunction with City Council Meetings which are recorded. Testimony received at City Council would be included as part of the URA record.</p> <p>Councilor Akervall provided information regarding the purpose of this Task Force. Today's task force brings together taxing districts as well as stakeholders from the business and development community to provide guidance and recommendations on a proposal by staff to use urban renewal as an incentive tool to attract business investment. The Urban Renewal Task Force is comprised of a group of people who represent the Wilsonville City Council, Broker/Developers, Business/Property Owners, Taxing Districts, Resident/Community and Business Advocacy Groups, and Staff/Consultants.</p> <p>The Task Force will provide guidance and feedback on project deliverables to staff, which will provide information and analysis regarding the URA to the City Council.</p> <p>Councilor Akervall stated this group would be reviewing the new Wilsonville Investment Now (WIN) program regarding URA TIF Zones. In 2019 Council tasked staff to design a new City URA program. Staff recrafted the TIF program to be WIN.</p>

	<p>Councilor provided some meeting logistic specifics so that everyone knows the expectations regarding Zoom meeting logistics.</p>
<p>Urban Renewal districts update</p>	<p>Jordan Vance led the discussion regarding Urban Renewal (UR) districts. Wilsonville has three UR districts comprising 22% of the City's acreage. Jordan started a presentation explaining URA funding and how the TIF revenues are dispersed. He shared the Year 2000 Plan Tax Revenues slide and explained Wilsonville's approach in creating value and minimizing impact on its taxing district partners.</p> <p>Keith Katko, Assistant Finance Director, introduced each of the three URA districts and provided a financial status update:</p> <p>Year 2000 Plan: created in 1992, maximum indebtedness \$107.M, we have remaining available debt capital funds of \$25.8 with Kinsmen and Boeckman dip projects as the remaining targeted expenses.</p> <p>Westside: created in 2003, remaining funds of \$7.5 million to be spent on Brown Road – about two years out.</p> <p>Coffee Creek: created in 2016 and has maximum indebtedness of \$67 M, will be for Garden Acres, SW Java, Day Roads, Sewer extensions, Rd upgrades. Has all or most of these funds left since most of the work has not been completed.</p> <p>Keith's presentation stated "<i>The end is near...</i>" referring to the Year 2000 plan which has outstanding debt \$18.6 M and the Westside plan has outstanding \$27.7 M debt. Both are anticipated to be done in two years.</p> <p>Keith went on to explain the return on investments for each of these taxing districts:</p> <p>Year 2000: Debt issues \$93.4M and assessed value \$461.1M West side: Debt issued \$43.0M and assessed value \$655.1M Coffee Creek: Debt issued \$3.8M and assessed value \$26M</p> <p>Jordan Vance asked for questions. None of the participants had questions.</p>
<p>TIF Zone Incentive Program redesign</p>	<p>Jordan introduced Nick Popenuk of Tiberius solutions who would speak about the TIF Zone incentive program redesign.</p> <p>Nick showed the "TIF Zone Program" was a tax incentive for vacant or underutilized buildings. This was developed during the previous recession. The incentive program was not used due to its constraints which applied to specific sites, rigid qualifying criteria, and required the adoption of an urban renewal plan for each site without knowing if qualifying investment would occur.</p> <p>City staff decided the concept of the TIF Zone Program needed to "sunset" with a new program offered. Hence the development of the WIN Program. This is a tax rebate program – the businesses still pay their taxes and the City can issue rebate after the business has met the criteria of the program. The eligibility criteria: value of new investment, number of new employees, and compensation of new employees. There are two (2) tiers of benefits.</p>

Nick continued to explain benefits for qualifying businesses. Rebates 100% of TIF generated by the new investment; Two tiers of qualifying benefits: full incentive tax rebate for 7 years and partial incentive tax rebate for 4 years.

Eligibility requirements:

- Capital investment 1 point per \$500k
- Points per job based on percent of median county average wage of those jobs (0-.6 points)
- Scoring:
 - Under **60** points: **no** incentive
 - **60-79** points: **partial** incentive
 - **80** or above: **full** incentive

Program application:

- Clear and objective application
- Must be approved prior to construction
- City/applicant meet for preauthorization
- Adopt new UR plan for each investment : public hearing, citywide notice, consult and confer with taxing districts

Nick ended the presentation and moved to an Excel spreadsheet to show hypothetical scenarios using the “application process”. He shared examples where an applicant would qualify for full and partial benefits and also where an applicant would not qualify for benefits. Nick walked through the spreadsheet to show the various taxes associated with the sample businesses and what taxes would be applicable to the incentive WIN program.

Discussion & Comments:

Nick and Jordan invited the participants to provide input and questions. Jordan started a group anonymous poll via the Zoom webinar format, for group discussion.

Poll Question #1: Is this good direction to take the TIF Zone program? (12 respondents)

Yes	83%
No	0%
Not sure	17%

Cassandra asked if the land and AV use of an eligible site count toward State maximums. Nick responded to the question affirmatively.

Susan asked whether we consider transportation impact. How do we avoid distribution centers? Nick responded that we need to hear if there are certain types of businesses that should/not be emphasized by this program. He also said the requirements will be held to an Urban Renewal Plan process which a business will need to undergo. Susan said that the original TIF Zone plan had a goal of avoiding distribution centers. She also believed that current businesses would be concerned that new businesses may use up transportation resources.

Stu spoke in defense of distribution centers such as Columbia Distribution Center. He said they did increase traffic but paid good wages and offered many employment opportunities. A lot of the demand is generated by these distribution centers over retail. He believes that this is the new path for retail sales going forward.

Amy asked if the WIN Program was open to all businesses or traded sector only. Nick answered and said there have not been any recommendations yet and so we are looking for input from this group.

Brian liked the plan and innovative eligibility criteria that considers both investment and jobs in a flexible way, noting that other programs in the state tend to favor one or the other.

Jon was curious about the scoring criteria. Wilsonville has done a great job promoting diverse businesses in the City. Although distribution centers offer wages and jobs, it is a lower wage. He wants to encourage Wilsonville to watch the businesses that want to come to Wilsonville.

Andrew confirmed that the goal of this program is to grow businesses in Wilsonville. Do we want to encourage employment and livability? Should other criteria be considered by adding or subtracting points for the program? Nick confirmed we are just starting this program design and are considering all points such as these.

Ken asked if this program will affect the timing/speed of development in these areas. Ken also asked if there were any new residential development or commercial in the zones – such as Coffee Creek. Chris said that for instance, the retail area in Frog Pond would not qualify for this program.

Kevin asked about payroll specifics for telework jobs. Both Nick and Jordan believe that jobs would need to be located in Wilsonville to be associated with Wilsonville for payroll purposes.

Mary asked to be better informed on this issue. She cited the Coca Cola plant and water usage. How are resources being part of the consideration? Jordan said it currently is not part of the program criteria but could be if the group feels this would be important.

Jordan took a quick “thumbs-up poll” to determine which policy considerations the group would like staff to consider for the WIN program:

- **Traffic:** 5 thumbs up
- **Equity inclusion/diversity:** 8 thumbs up; Brian noted many Oregon enterprise zone programs have equity/community benefit requirements already
- **Local business priority:** 8 thumbs up
- **Traded Sector Companies:** 2 thumbs up

Bret would rather abstain from voting as this is not his community. He noted that he is a proponent of focusing public incentives on traded sector companies.

Jordan asked for any additional eligibility regarding business type. Susan wanted to know if this program excludes heavy industrial. Nick said the existing city zoning would allow/not these types of businesses.

Poll Question #2: Is the program eligibility criteria (11 respondents):

Too flexible:	18%	} Results noted
Reasonable:	55%	
Too rigid:	9%	
Not sure:	17%	

Jordan asked if anyone would like to share the reasoning behind their response. He asked if anyone had recommendations to make the program more balanced. No one responded.

Poll Question #3: Do you believe this program more competitive with business recruitment, expansion and retention efforts (11 respondents):

Yes 100% *Results noted*
No
Not sure

Jordan asked if there were any further questions or comments.

Andrew wondered how much effort is put forth by applicant and city staff before it gets to the public hearing state. Nick responded that the applicant would need to submit a thorough application and have those joint conferences to determine the readiness and applicability of this business and program. Nick said it is of best interest to the City and the applicant for this to move quickly and not delay construction but time will need to be taken to ensure this is a viable opportunity.

Susan said she is an advocate for traffic impact to be considered, as a current business owner.

Cassandra said she feels it is a good use of TIF funds.

RETAKE Poll Question #1: Is this good direction to take the TIF Zone program? (10 respondents)

Yes: 100%

Jordan asked this group if they would like to see the proposal again before it goes to City Council or if they feel direction given to staff was sufficient for them to move forward. Also, Nick offered to share the presentation to their various boards if they wish.

Elaine mentioned that we need to consider traffic for this program. Jordan asked for a thumbs up for the requirements.

Yes: 4 thumbs up

Chris said traffic has always been a concern for this community. It makes a lot of sense to consider traffic requirements by applicable business applicants.

Jordan summarized that the group seemed satisfied with feedback being received for staff to capture the following criteria in the program:

- Business type
- Local business priority
- Traffic
- Diversity/Equity/Inclusion

Jordan thanked everyone for their participation and thoughtful input!

Councilor Akervall thanked presenters and staff for the information developed and shared. She was happy to see the many benefits when a variety of community members come together such as today.

Scribe: Tami Bergeron



DATE: October 7, 2020
TO: Jordan Vance, City of Wilsonville
FROM: Nick Popenuk, Tiberius Solutions
SUBJECT: EVALUATION OF WIN PROGRAM APPLICABILITY IN COFFEE CREEK URA

Background

The City of Wilsonville is considering adoption of the Wilsonville Investment Now (WIN) Program. The WIN Program offers an incentive to potential new development by providing property tax reimbursements to qualifying businesses that make capital investments with high-paying jobs in the City of Wilsonville.

The WIN program would function by establishing a single-property urban renewal area (URA), known as a "WIN Zone" for each qualifying business. The Wilsonville Urban Renewal Agency (Agency) would then receive tax increment finance (TIF) revenue generated by the WIN Zone, and use that revenue to make reimbursement payments to the qualifying business.

Oregon Revised Statutes (ORS) Chapter 457 precludes any property from being located within two overlapping URAs. Thus, while the WIN Program is designed to be applicable anywhere within Wilsonville city limits, it cannot be used to create new WIN Zones inside of an existing URA.

The City currently has three URAs: the Year 2000 Plan, the West Side Plan, and the Coffee Creek Plan. Both the Year 2000 Plan and West Side Plan are scheduled to terminate in the near future. Furthermore, the Year 2000 and West Side URAs do not include sites that are well-suited for the type of development subject to the WIN Program. However, the Coffee Creek URA is anticipated to be in effect for many years, and does include property that is well-suited for the type of development that is the subject of the WIN Program. Thus, City Council asked staff to evaluate the applicability of the WIN Program in the Coffee Creek Industrial Area.

This memorandum identifies and evaluates potential approaches that the City could take to apply the principles of the WIN Program to properties within the Coffee Creek URA.

Potential Approaches

There are two fundamental approaches that the City could take to apply the principals of the WIN Program to properties within the Coffee Creek URA: (1) removing property from the Coffee Creek URA prior to development to facilitate creation of new WIN Zone, and (2) amending the Coffee Creek URA Plan to identify property tax reimbursements to private businesses as an eligible use of TIF funds. Below, we evaluate the pros and cons of both of these approaches.

Option 1. Remove Property from Coffee Creek URA

The Agency can remove any property from the Coffee Creek URA by adopting a minor amendment to the Coffee Creek Urban Renewal Plan. That property would be immediately eligible to be added to a new urban renewal plan, such as a WIN Zone.

Pros

- Allows any property currently within the Coffee Creek URA to take full advantage of the property tax incentives offered by the WIN Program.
- Allows the City to market the WIN Program as truly being applicable citywide.

Cons

- Reduces TIF revenue potential of the Coffee Creek URA. The type of development that qualifies for the WIN Program is likely to have substantial assessed value, capable of generating significant future property tax revenues. Removing these types of properties from the Coffee Creek URA prior to development would significantly reduce the financial capacity of the URA.
- The reduction in TIF revenue would result in a longer time frame to achieve the full maximum indebtedness of the area.
- The reduction in TIF revenue would delay the timing of projects, resulting in an additional cost of inflation, meaning that fewer projects could be funded within the approved maximum indebtedness.

Option 2. Amend Coffee Creek Urban Renewal Plan to Include Property Tax Reimbursements to Private Sector

The Agency could adopt a minor amendment to the Coffee Creek Urban Renewal Plan that updates the project list to include reimbursement payments to private sector development that make investments in the Area. This would still preclude properties in the Coffee Creek URA from participating in the WIN Program. However, it would allow for properties in the Coffee Creek URA to receive the same benefits as those offered by the WIN Program.

Pros

- Allows any property currently within the Coffee Creek URA to take full advantage of the types of tax incentives offered by the WIN Program.
- Allows the City to market the incentives of the WIN Program citywide.
- Has less of a financial impact on the Coffee Creek URA, as the URA would benefit from TIF revenue from qualifying businesses after the temporary WIN Program incentives have expired (4 to 7 years).

Cons

- Reduces financial capacity of the Coffee Creek URA to fund infrastructure projects. The Coffee Creek URA has a maximum indebtedness of \$67M, all of which is allocated to pay for the cost of major infrastructure projects in the area. Even with this investment of TIF revenue, the URA anticipates the need for \$14M in additional funding from systems development charges or other sources. Any TIF revenue allocated to private property tax reimbursements reduces the amount of funding available for infrastructure improvements in the area.
- Instead of reducing the amount of funding for infrastructure investments, the City could consider a substantial amendment to the Coffee Creek URA to increase the maximum indebtedness to fund both the planned infrastructure projects, and reimbursements to

private sector. This approach, however, would increase the duration of the URA and increase the cumulative impact of foregone revenue on affected taxing districts.

Conclusions

Based on the evaluation of potential approaches, we conclude that the two programs should not be integrated at this time given the financial impacts of existing URAs to fund infrastructure projects, and the unique and different focuses of each program. Coffee Creek Urban Renewal Area is designed to provide City-subsidized infrastructure to enable high-wage industrial development while WIN is a broader economic development tool designed to encourage building and equipment redevelopment—along with high-wage employment—outside of existing City urban renewal areas. While staff recommend decoupling the two programs and proceeding with adoption of WIN Administrative Rules at this time, it could be prudent for City staff to conduct further analysis on responsible ways to expand the use of TIF revenue in Coffee Creek to encourage private sector investment.