



DATE: August 31, 2022
TO: Matt Lorenzen, City of Wilsonville
FROM: Nick Popenuk
SUBJECT: URBAN RENEWAL TASK FORCE #5, MEETING NOTES

Participants

Task Force Members

- Kristin Akervall, City Council President
- Matt Craigie, Washington County
- Lauren Jones, Capstone Partners
- Andrew Karr, Resident
- Susan Myers, Capital Realty
- Christine Reynolds, Orrick / Resident
- Stu Peterson, Real Estate Broker, Macadam Forbes
- Dick Spence, Resident
- Alan Steiger, Resident
- Cassandra Ulven, TVF&R
- Nancy Faubel, Town Center Stakeholder, Business Owner

City of Wilsonville Staff

- Keith Katko, Finance Director
- Matt Lorenzen, Economic Development Manager
- Chris Neamtzu, Community Development Director
- Zach Weigel, City Engineer

Consultants

- Elaine Howard, Elaine Howard Consulting
- Nick Popenuk, Tiberius Solutions

Review of Recommendations

Year 2000

- FYE 2023 will be the last year to collect TIF.
- Will remove 449 acres of land from urban renewal areas citywide.
- School Districts are struggling: can we do something with Year 2000 and West Side Plan to help soften the blow to compression of closing down the districts?

- Year 2000 will have sufficient revenue to terminate this fiscal year.
- West Side Plan timeline could be extended a small amount, but is so close to the end of the District's life, that the practical ability to make a difference is small.
- The City has been voluntarily underlevying taxes for the past decade, which has extended the life of these URAs to help gradually transition the school district compression impacts to their local option levies.
- Extending the life of these districts might have positive impacts for the school district's local option levy, but has negative impacts to other overlapping impacted taxing districts.

West Side

- Has already hit its maximum indebtedness, but has outstanding debt service obligations.
- May not need to levy the "full" \$5M of TIF revenue in FYE 2024 (final year of the URA).
- One remaining project to build in the URA: Brown Road. Scheduled to start design this year.
 - Brown Road: The project is ready to go, but subject to staff availability. Estimated 3-year timeline for completion.
- Question on projects listed as "N/A" in the West Side Plan section of the Strategic Plan.
 - Update the Strategic Plan language to note that these projects were completed with funds other than TIF (e.g., Federal Grant).
- Removes 411 acres of land from urban renewal and \$730M of assessed value.
- Any benefit if the City were to reduce the acreage of the URA now?
 - Only benefit would be if the City of Wilsonville felt an urgent need to establish a new URA, which is not the case.
 - Financial benefits to other taxing districts can be achieved more efficiently through the current underlevy process.

Coffee Creek

- Minor amendment to add project for Ridder Road improvements between Garden Acres and 95th. Add bike and pedestrian facilities. Widen the road to the industrial roadway standard. Would upgrade from asphalt to concrete.
- Minor amendment to add project for land acquisition and related activities (i.e., optioning).
 - This amendment does not guarantee that the URA will buy land in the URA, but makes it a possibility, if an opportunity arises and the private-sector is not resolving the parcelized/disjointed nature of property ownership here.
 - Not opposed to the tool: but concerned about how extensively the tool is actually used. Is this the best use of urban renewal resources?
 - Anything that comes up for sale down there, sells pretty quickly. The bigger problem is that property owners in the area are not motivated to sell. No need for the City to compete with the private-sector to buy land.
 - The City could use TIF to buy the land at a premium (above market) price from unwilling sellers. Then the City could sell that land at a lower (market) price.

- The City could also use the tool to purchase small lots that aren't as attractive to the private market.
- Want to avoid "undue enrichment." (i.e., paying too much for the land and giving it away too cheap).
- Consensus recommendation: the Plan should be amended to allow for this tool, but with the contingency that this Task Force would be reconvened in an advisory role before the City would move forward with actually purchasing or selling property if there was the risk of "undue enrichment." Thus, small property transactions or transactions at market value would not need to reconvene the Task Force for input.

WIN Zones

- Update on Twist: \$70M investment is complete. COO in August. They are hiring hundreds of people. They are following through on all of their commitments and obligations. The inside of the building is amazing; "factory of the future." First quarter of 2023 will have grand opening. 200 initial jobs, and potential for 400 total jobs.

Town Center

- What is the timing of the proposed feasibility study analysis?
 - Finance Plan should be completed in fall. Would go out for an RFP for the urban renewal feasibility study at the end of 2022 or early 2023.
 - With redevelopment of Fry's, things are moving quickly.
 - Mixed-use development (like in Town Center) will require public-sector intervention to make it feasible, but industrial development (like in Basalt Creek) has very hot demand (once infrastructure is in place).

Basalt Creek

- This is probably the best industrial land supply in the Portland region now.
- There are developers buying land in the area speculatively, based on the assumed future development potential.

Affordable Housing

- Planning Commission: Concern about how we ensure the unit stays affordable?
 - Deed restrictions.
- How would this affect neighboring property values? Would these lower-value comps bring down the value of market rate homes?
 - No. Deed-restricted affordable housing is not included as comparables during the appraisal process.
- Current rents in Wilsonville:
 - \$1,800 for one-bedroom
 - \$2,100 to \$2,300 for two-bedroom.
 - From June to July, rents increased by 4%.
- Consensus recommendation: Support for the recommendation as written in the draft Strategic Plan, but with tweaks. Broaden the focus of the study to reflect more housing

options than just home ownership. Make it clear that the study will consider multiple funding sources, with TIF as just one of several options. Make it clear that this is just a study and not an endorsement of using TIF.

Next Steps

- Does the group recommend that the City approve this document (conditionally, to include the amendments that were discussed today)?
 - Unanimous approval by all in attendance.
- Councilor Akervall: Thank you all for your input. Welcome your feedback directly at Council.