

EXHIBIT C
YEAR 2000 URA - BOECKMAN CREEK BRIDGE



PLANNING COMMISSION

WEDNESDAY, NOVEMBER 8, 2017

II. WORK SESSION

A. Year 2000 URA – Boeckman Creek Bridge (Vance) (45 minutes)



PLANNING COMMISSION MEETING STAFF REPORT

| | | | |
|---|--|---|--|
| Meeting Date: Nov 8, 2017 | | Subject: Year 2000 Urban Renewal Plan 11 th Amendment Staff Member: Jordan Vance, Economic Development Manager Nancy Kraushaar, PE, Community Development Director 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 checked="" type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable Comments: | |
| Staff Recommendation: Staff will brief the Planning Commission on the proposed Year 2000 Urban Renewal Plan 11th Amendment in preparation for evaluating conformance to the Wilsonville Comprehensive Plan in December. | | | |
| Recommended Language for Motion: N/A | | | |
| Project / Issue Relates To: <i>[Identify which goal(s), master plans(s) your issue relates to.]</i> | | | |
| <input checked="" type="checkbox"/> Council Goals/Priorities | <input checked="" type="checkbox"/> Adopted Master Plan(s) | <input type="checkbox"/> Not Applicable | |

ISSUE BEFORE COMMISSION:

N/A. This is a briefing.

EXECUTIVE SUMMARY:

In response to City Council direction, staff has worked with consultants to draft the proposed 11th Amendment (Amendment) to the Year 2000 Urban Renewal Plan (Year 2000 Plan). The proposed Amendment requires specific edits to the Year 2000 Plan text and is included with this report as **Attachment 1**. The Report Accompanying the Year 2000 Urban Renewal Plan – 11th Amendment (Report) is included with this report as **Attachment 2**.

At their March 20, 2017 meeting, staff briefed the Wilsonville City Council on the Boeckman Dip Bridge project and the potential to use urban renewal tax increment to fund the project. The reason for urban renewal is to provide a financing mechanism to fund improvements including transportation and utility improvements to allow for development in an Area. The Boeckman Dip Bridge project is approximately a \$14 million project. The Boeckman Road right-of-way is located within the Year 2000 Urban Renewal boundary, shown in Figure 1, and area consisting of 454.0 acres of land including rights-of-way.

The staff memo for the March briefing indicated the need for a substantial amendment process in order to have sufficient funding for the project. Staff suggested that the Wilsonville Urban Renewal Task Force be convened to consider the issue and Council agreed and directed staff to move forward. Staff then briefed the task force on a potential amendment to the Y2000 Plan for the Boeckman Dip Bridge at its April 24, 2017 meeting. Upon polling, the task force unanimously agreed on its support for amending the Y2000 Plan to include the project.

With the draft Amendment and Report complete, the next step in pursuing the Amendment will be for the Urban Renewal Agency to move through the public review process, including presentations to the:

- Planning Commission for them to approve conformance with the Wilsonville Comprehensive Plan;
- Clackamas County Board of Commissioners for approval and concurrence;
- West Linn-Wilsonville School District for concurrence;
- Tualatin Valley Fire and Rescue;
- Wilsonville City Council for concurrence and adoption.

The following are the key elements of the Amendment:

- The Boeckman Dip Bridge project will be added to the Year 2000 Plan.
- This is a substantial amendment to the Year 2000 Plan.
- As a part of the Year 2000 Plan Amendment the maximum indebtedness will be increased by \$14,509,101. As this amount exceeds authority in ORS 457 for the Wilsonville City Council to approve on their own, concurrence will be required to increase the maximum indebtedness to this amount. Concurrence is approval by taxing districts that represent 75% of the permanent rate levy.
- The proposed amendment would result in the Year 2000 Plan becoming subject to "revenue sharing" provisions of Oregon Revised Statutes (ORS). The amount of revenue sharing required by ORS is dependent upon the ratio of annual tax increment revenues to the value of the original frozen base. No revenue sharing is required until annual tax increment revenues exceed 10% of the original maximum indebtedness. For the Year 2000 Plan, the original maximum indebtedness was \$53,851,923. This means that

mandatory revenue sharing would begin when tax increment revenues exceed \$5,385,192.

However, the City of Wilsonville already "under levies" annual tax increment revenue for the Year 2000 Plan, through a self-imposed cap of \$4 million in annual tax increment. Under this system, the URA would never achieve the level of annual tax increment revenue that would trigger the revenue sharing provisions of ORS. Thus, the district is effectively engaging in a method of revenue sharing that is more generous to affected taxing districts than the system required by ORS. However, as the City's approach is different from the sharing requirements of ORS, the taxing districts will need to concur with the existing voluntary sharing program.

- The new proposed maximum indebtedness, the limit on the amount of funds that may be borrowed for administration, projects and programs in the Area is \$107,196,524.
- The Plan, as amended, projects 6 years of collecting tax increment revenue, ending in FYE 2023.

Upon direction from the Urban Renewal Agency at their December 4, 2017 meeting, the Wilsonville Planning Commission will be asked to make a recommendation to the City Council regarding the Council's consideration and adoption of the proposed Amendment. The focus of the Planning Commission's review is the conformance of the Amendment with the Wilsonville Comprehensive Plan. This action does not require a public hearing, and the Planning Commission is not being asked to approve the Amendment, but rather make a recommendation to the Wilsonville City Council on the conformance issue.

There are no explicit review criteria for a Planning Commission for the review of an urban renewal amendment. The Oregon Revised Statute (ORS) ORS 457.085(4) states "An urban renewal plan and accompanying report shall be forwarded to the planning commission of the municipality for recommendations, prior to presenting the plan to the governing body of the municipality for approval under ORS 457.095". The generally accepted practice is for the Planning Commission to provide input on the relationship of the Plan to the Local Goals and Objectives and particularly to its conformance to the City of Wilsonville Comprehensive Plan, both of which are elements of the Year 2000 Plan.

EXPECTED RESULTS:

Staff and consultants will brief the Planning Commission on the proposed Amendment and their role in a future adoption process.

POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY (businesses, neighborhoods, protected and other groups):

The Boeckman Dip Bridge will provide a much safer and more accessible connection for all travel modes.

Attachments:

Attachment 1 – DRAFT Year 2000 Urban Renewal Plan Amendment

Attachment 2 – DRAFT Report Accompanying the Year 2000 Urban Renewal Plan Amendment

Year 2000 Urban Renewal Plan – 11th Amendment

Substantial Amendment

The following changes are made to the Year 2000 Urban renewal Plan. Deletions are shown in ~~crossout~~ and additions are shown in *unbolded italics*.

SECTION 404 – Consistency of City’s Comprehensive Plan

Transportation:

The Eleventh Amendment is in conformance with the Transportation section of the Comprehensive Plan as the project to be added to the Plan is a transportation project to allow for a more safe and efficient transportation system.

SECTION 405 – Consistency with Economic Development Policy

The Eleventh Amendment is in conformance with the Economic Development Policy as the project to be added to the Plan is a transportation project to allow for a safer and more efficient transportation system, allowing for continued growth on employment land and improved transportation access for the residential sector to support employment by providing housing opportunities.

SECTION 600 – URBAN RENEWAL ACTIVITIES

601 Urban Renewal Projects and Improvement Activities

A) Roads, Including Utility Work Indicated:

(14)) Boeckman Dip Bridge: The City of Wilsonville (City) recently completed master planning the 175-acre Frog Pond West area that will include improvements to a section of Boeckman Road over Boeckman Creek; the Boeckman Creek canyon is designated SROZ. Currently, this is a decades-old rural road constructed on an embankment with vertical grades that fail to comply with AASHTO (American Association of State Highway and Transportation Officials) design criteria. The road is substandard for urban use and presents safety concerns for all travel modes. The embankment blocks both salmonid and wildlife passage. The roadway lacks bike lanes and a north-side sidewalk, and the “dip” forces emergency services to slow in this area. The City’s Transportation System Plan (TSP) designates the road as a Minor Arterial; the currently planned project will address all of the shortcomings mentioned above and provide an important connection for vehicles, pedestrians and bicyclists to all residential and employment areas east and west of Boeckman Creek and the new Meridian Creek Middle School. Sewer, water, and stormwater utilities will be upgraded or relocated as needed.

602 Acquisition of Real Property

E) Property Which May Be Acquired by Plan Amendment: The Agency has identified the following properties for acquisition pursuant to Section 602 of the Plan:

Summary of Text Changes

Year 2000 Urban Renewal Plan – 11th Amendment – Substantial Amendment

Page 1

3) *Portions of the following tax lots may be acquired for additional right-of-way or easements concerning the Boeckman Dip Project.*

- 31W12D 03200
- 31W12D 03300
- 31W12D 02700
- 31W12D 02600
- 31W13AB15505
- 31W13B 00100
- 31W13B 00200
- 31W13B 00301
- 31W13B 02402

SECTION 700 – FINANCING OF URBAN RENEWAL INDEBTEDNESS

705 **Maximum Amount of Indebtedness** – The maximum amount of indebtedness that may be issued or incurred under the Plan is increased from ~~\$53,851,923.00~~–\$92,687,423.00 by ~~\$38,835,500.00~~ \$14,509,101 to a new total of ~~\$92,687,423~~–\$107,196,524. This is based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion as completion dates were anticipated as of ~~March 1, 2007~~ *October 1, 2017*. The estimates included, but were not limited to, increases in costs due to reasonably anticipated inflation. This amount is the principal of such indebtedness and does not included interest or indebtedness incurred to refund or refinance existing indebtedness. (*Amended by Ordinance No. 498 – June 15, 1998 and Amended by Ordinance No. 639 – August 20, 2007 and Amended by Ordinance No. _____ on _____.*)

Report Accompanying the Year 2000 Urban Renewal Plan 11th Amendment

DRAFT REPORT DATE – OCTOBER 30, 2017

Adopted by the City of Wilsonville

DATE

Ordinance No. ____

The Year 2000 Urban Renewal Area

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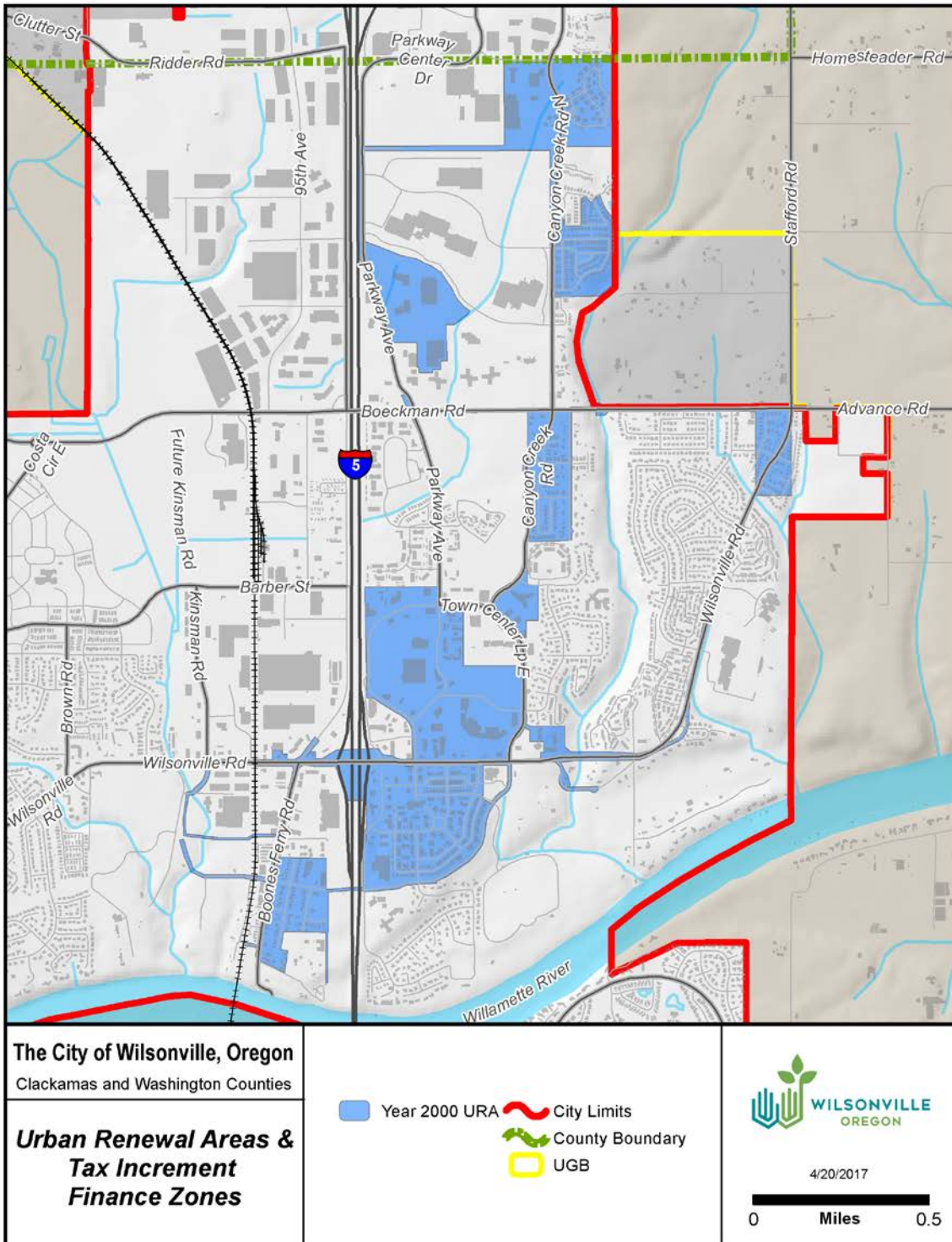
I. INTRODUCTION

The Report on the Year 2000 Urban Renewal Plan Amendment (Report) contains background information and project details that pertain to the Year 2000 Urban Renewal Plan Amendment (Plan). The Report is not a legal part of the Plan, but is intended to provide public information and support the findings made by the City Council as part of the approval of the Plan.

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility. The format of the Report is based on this statute. The Report documents the existing conditions in the Year 2000 Urban Renewal Area (Area) as they relate to the proposed projects in the Plan.

The Report provides guidance on how the urban renewal plan might be implemented. As the Wilsonville Urban Renewal Agency (Agency) reviews revenues and potential projects each year, it has the authority to make adjustments to the implementation assumptions in this Report. The Agency may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different timeframes than projected in this Report, and make other changes as allowed in the amendments section of the Plan.

Figure 1 – The Year 2000 Urban Renewal Plan Area Boundary



Source: City of Wilsonville GIS

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

This section of the Report describes existing conditions within The Year 2000 Urban Renewal Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

A. Physical Conditions

1. Land Use

The Area measures 454.0 total acres in size, encompassing 325.89 acres included in 657 individual parcels, and an additional 128.11 acres in public rights-of-way. An analysis of FYE 2016-2017 property classification data from the Clackamas County Department of Assessment and Taxation database was used to determine the land use designation of parcels in the Area. By acreage, “Commercial land, improved” accounts for the largest land use within the area (34.22%). This is followed by “Multi-family improved” (21.9%), and “Residential improved” (20.22%). The total land uses in the Area, by acreage and number of parcels, are shown in Table 1.

Table 1 – Existing Land Use in Area

| Land Use | Parcels | Acreage | % of Acreage |
|----------------------------|---------|---------|--------------|
| Commercial land, improved | 58 | 111.52 | 34.22% |
| Multi-Family, improved | 10 | 71.38 | 21.90% |
| Residential land, improved | 436 | 65.88 | 20.22% |
| Industrial land, improved | 3 | 25.03 | 7.68% |
| Industrial State appraised | 2 | 18.68 | 5.73% |
| Commercial land, vacant | 12 | 14.27 | 4.38% |
| Residential land, vacant | 57 | 8.73 | 2.68% |
| Residential, condominium | 73 | 4.41 | 1.35% |
| Tract land, vacant | 1 | 3.60 | 1.10% |
| Industrial land, vacant | 3 | 1.82 | 0.56% |
| Tract land, improved | 1 | 0.53 | 0.16% |
| Multi-Family, vacant | 1 | 0.05 | 0.02% |
| Total | 657 | 325.89 | 100.00% |

Source: Compiled by Tiberius Solutions LLC with data from the Clackamas County Department of Assessment and Taxation (FYE 2017)

2. Zoning Designations

As illustrated in Table 2, the most prevalent zoning designation (27.82%) of the Area by acreage is “Planned Development Commercial Town Center”. The second most prevalent zoning designation is “Planned Development Residential-6”, representing 20.82% of the Area.

Table 2 – Existing Zoning Designations

| Zoning | Parcels | Acreage | % of Acreage |
|---|---------|---------|--------------|
| Planned Development Commercial Town Center | 33 | 90.65 | 27.82% |
| Planned Development Residential-6 | 40 | 67.84 | 20.82% |
| Planned Development Industrial | 57 | 60.34 | 18.52% |
| Planned Development Residential-5 | 213 | 28.36 | 8.70% |
| Planned Development Residential-3 | 175 | 25.96 | 7.97% |
| Planned Development Commercial | 32 | 25.83 | 7.93% |
| Residential Agriculture Holding - Residential | 83 | 19.50 | 5.98% |
| Residential | 13 | 3.92 | 1.20% |
| Planned Development Residential-4 | 6 | 2.56 | 0.79% |
| Residential Agriculture Holding - Public | 2 | 0.55 | 0.17% |
| Residential Agriculture-Holding | 3 | 0.38 | 0.12% |
| Total | 657 | 325.89 | 100.00% |

Source: Compiled by Tiberius Solutions LLC with data from the Clackamas County Department of Assessment and Taxation (FYE 2017) and then cross-referenced with City of Wilsonville data.

3. Comprehensive Plan Designations

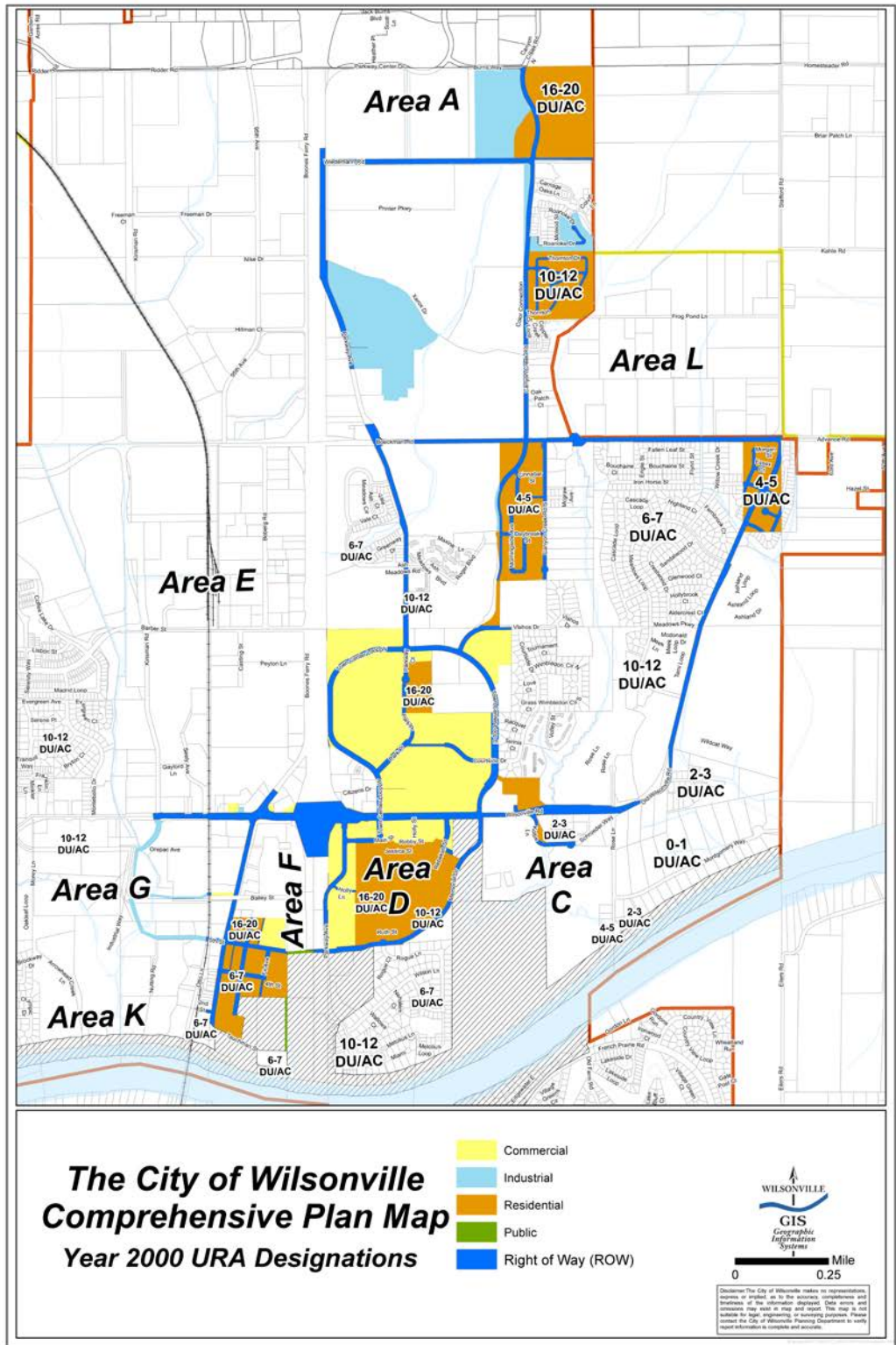
As illustrated in Table 3, the most prevalent comprehensive plan designation (45.58%) of the Area by acreage is “Residential”. The second most prevalent comprehensive plan designation is “Commercial”, representing 35.74% of the Area.

Table 3 – Existing Comprehensive Plan Designations

| Comprehensive Plan Designation | Parcels | Acreage | % of Acreage |
|--------------------------------|---------|---------|--------------|
| Residential | 533 | 148.53 | 45.58% |
| Commercial | 65 | 116.47 | 35.74% |
| Industrial | 57 | 60.34 | 18.52% |
| Public | 2 | 0.55 | 0.17% |
| Total | 657 | 325.89 | 100.00% |

Source: Compiled by Tiberius Solutions LLC data from the Clackamas County Department of Assessment and Taxation (FYE 2017) and then cross-referenced with City of Wilsonville data.

Figure 2 – Area Comprehensive Plan Designations



Source: City of Wilsonville There are two public designated parcels in the Area, however, they are so small they do not show up on the map.

B. Infrastructure

This section identifies the existing conditions in the Area to assist in establishing blight. There are projects listed in several City of Wilsonville infrastructure master plans that relate to these existing conditions. **This does not mean that all of these projects are included in the Plan.** The specific projects that are included in the Plan are listed in Sections IV and V of this Report.

1. Transportation

The following are capital projects in the Area from the City of Wilsonville Transportation Systems Plan:

| Project ID | Project Name | Project Description | Cost |
|------------|--|--|--------------|
| SI-04 | Wilsonville Road/Town Center Loop West Intersection Improvements | Widen the north leg of the intersection and install a second southbound right-turn lane (dual lanes). | \$500,000 |
| BW-08 | Town Center Loop Pedestrian, Bicycle, and Transit Improvements | Create more direct connections between destinations within Town Center area, improve accessibility to civic uses and transit stops, retrofit sidewalks with curb ramps, highlight crosswalks with colored pavement, and construct similar treatments that support pedestrian, bicycle, and transit access and circulations; also construct shared-use path along Town Center Loop West from Wilsonville Road to Parkway Avenue and restripe Town Center Loop East from Wilsonville Road to Parkway Avenue to a three-lane cross-section with bike facilities | \$500,000 |
| BW-09 | Town Center Loop Bike/Pedestrian Bridge | Construct bike/pedestrian bridge over I-5 approximately aligned with Barber Street to improve connectivity of Town Center area with businesses and neighborhoods on west side of I-5; include aesthetic design treatments | \$4,000,000 |
| UU-01 | Boeckman Road Dip Improvements | Upgrade at vertical curve east of Canyon Creek Road to meet applicable cross-section standards (i.e., 3 lanes with bike lanes, sidewalks, and transit stop improvements); options should also be considered to make connections to the regional trail system and to remove the culvert and install a bridge | \$12,220,000 |
| LT-P4 | Canyon Creek Trail | Shared Use Path from Canyon Creek Park to Boeckman Creek Trail providing connectivity to the neighborhoods to the south | \$200,000 |

2. Water

The following are capital projects in the Area from the City of Wilsonville's Water Master Plan:

| Project ID | Description | Total Estimated Cost |
|------------|--|----------------------|
| 168 | 10-inch Loop (Appts E. of Canyon Creek/Burns) | \$41,000 |
| 169 | 8-inch Loop between Vlahos and Canyon Creek | \$42,000 |
| 260 | 10-inch Extension on 4th Street (E. of Fir) | \$69,000 |
| 261 | 8-inch Loop - Magnolia to Tauchman | \$59,000 |
| 271 | 8-inch Loop near Parkway Center/Burns | \$66,000 |
| 273 | 12-inch Loop crossing Boeckman | \$16,000 |
| 274 | 8-inch Loop at Holly/Parkway | \$56,000 |
| 285 | 8-inch Upgrade on Boones Ferry Road (south of 2nd Street) | \$44,000 |
| * | Pipeline and Valve Replacement (Annual Budget for 20-year planning period) | \$173,000 |
| * | Meter Replacement (Annual Budget for 20-year Planning Period) | \$50,000 |

3. Stormwater

The following are projects in the Area from the City of Wilsonville's Stormwater Master Plan (please note that CMP is corrugated metal pipe):

| Project ID | Project Name | Project Location | Existing Conditions | Proposed Solution | Cost Estimate |
|------------|--|--|--|---|---------------|
| BC-8 | Canyon Creek Estates Pipe Removal | Colvin Lane in Canyon Creek Estates | Erosion is occurring upstream and downstream of an existing culvert in the channel. Side slopes of the channel are steep, which enhances natural erosion. | Removal of the culvert and rehabilitation of the creek channel are proposed to fix existing and future channel erosion. Planting of vegetation following removal of the culvert will need to include techniques that strengthen the creek banks through bio-engineering, such as live stakes made from live cuttings of plants that enhance bank stability or other reinforcing techniques. | \$129,504 |
| BC-5 | Boeckman Creek Outfall Realignment | Boeckman Creek, north of SW Wilsonville Road | An 18-inch CMP outfall to Boeckman Creek that drains approximately 11 acres, about 300 feet north of Wilsonville Road, is installed perpendicular to the creek and discharges to a bubbler structure about 3 feet high. Water builds up in the pipe until it flows out of the top of the structure. Some erosion is occurring around the bubbler structure resulting from water dropping out of the top of the structure under pressure. | Realign the last few segments of the pipe and remove the bubbler structure. The pipe would be realigned to allow water to discharge downstream in the direction of the creek flow, reducing the erosion occurring at the outfall. Along with the riprap for energy dissipation and vegetation for stability of the riparian area, this project would assist in stabilizing the outfall. | \$38,441 |
| ST-7 | Boeckman Creek at Boeckman Road Stormwater Study | Boeckman Creek at Boeckman Road | Boeckman Creek at Boeckman Road is currently being used as a water control structure for upstream developments. | Boeckman Road may be replaced with a bridge structure, which would affect the detention facility. This study would evaluate options and identify alternatives for regional detention for upstream drainage. | \$57,000 |

4. Sanitary Sewer

The following are projects in the Area from the City of Wilsonville’s Wastewater Master Plan (please note that LF is linear feet):

| Project ID | Name | Description | Project Limits | Estimated Cost |
|------------|--|--|--|----------------|
| CIP-09 | Parkway Interceptor | Gravity - Pipe Upsizing. 4,540 LF 12" pipe; 150 LF 15" pipe | From Elligsen Road to Boeckman Road | \$4,360,000 |
| CIP-05 | Boeckman Interceptor Phase 1 | Gravity - Pipe Upsizing. 2,320 LF 18" pipe; 920 LF 21" pipe; 970 LF 24" pipe | From High School Interceptor to Memorial Park Pump Station | \$4,270,000 |
| CIP-06 | Boeckman Interceptor Phase 2 | Gravity - Pipe Upsizing. 3,760 LF 18" pipe | From Boeckman Road to High School Interceptor | \$3,240,000 |
| CIP-12 | Memorial Drive Flow Splitter Structure | Flow Splitter Structure - Replacement. Replace Diversion Structure | I-5 Downstream of Memorial Park Pump Station | \$150,000 |
| CIP-16* | Pipe Replacement (0 To 5 Years) | Gravity - Pipe Replacement. Approximately 930 LF Annually; Varied pipe diameters | Various, Approximately \$360,000 Annually | \$1,750,000 |
| CIP-17 | Town Center Loop Pump Station | Pump Station - Replacement. Replace Pump Station | Existing pump station | \$440,000 |
| CIP-19 | Boones Ferry Park Grinder Pump | Pump Station - Restroom Grinder Pump. New grinder pump for park restrooms | Boones Ferry Park | \$30,000 |
| CIP-22* | Pipe Replacement (6 To 10 Years) | Gravity - Pipe Replacement. Approximately 930 LF Annually; Varied pipe diameters | Various, Approximately \$360,000 Annually | \$1,750,000 |
| CIP-25* | Pipe Replacement (11 To 20 Years) | Gravity - Pipe Replacement. Approximately 930 LF Annually; Varied pipe diameters | Various, Approximately \$360,000 Annually | \$1,750,000 |
| CIP-33 | Frog Pond/Advance RD Urban Reserve Area - SW Boeckman Road | Gravity - New Pipe. 2,800 LF 18" pipe | From Stafford Road to Boeckman Creek | \$4,170,000 |

5. Parks and Open Space

The following was reported by Jordan Vance, Economic Development Manager:

“The City’s Bicycle & Pedestrian Master Plan, Dec. 2006, recommends adding the Boeckman Creek Trail and describes it as ‘a critical piece of the potential regional trail loop around Wilsonville, linking to Memorial Park to the South, the Tonquin Trail to the West, and the Stafford Spur Trail to the East. Establishing the Boeckman Creek Trail as a regional trail would increase its usage, provide a much-needed north-south bikeway/walkway corridor and offer an amazing community amenity. This would entail adding a hard surface to facilitate non-motorized travel by wheeled vehicles such as wheelchairs, bicycles, inline skates, and skateboards.’

The City’s Frog Pond West Master Plan (July 2017) and Financing Plan includes further discussion regarding the need for the Boeckman Bridge, upgrades to the Boeckman Interceptor and extending the Boeckman Creek Trail into Frog Pond, ‘The Boeckman Creek Regional Trail will be both a neighborhood amenity and a key pedestrian connection to adjacent areas. South of Boeckman Road, the trail will run within the creek canyon along the sewer line easement. After passing under the future Boeckman Road bridge (which will span the “dip”), the trail will climb to the top of the bank and run along the edge of the vegetated corridor/SROZ and the western edge of the Frog Pond West neighborhood.’”

C. Social Conditions

Data from the US Census Bureau are used to identify social conditions in the Area. The geographies used by the Census Bureau to summarize data do not strictly conform to the Plan Area. As such, the Census Bureau geographies that most closely align to the Plan Area are used, which, in this case, is Block Group 1, Census Tract 227.10 and Block Group 1, Census Tract 244. Within the Area, there are 554 tax lots shown as residential use. According to the US Census Bureau, American Community Survey (ACS) 2010-14, the block groups have 1,819 residents, 80% of whom are white.

Table 4 – Race in the Area

| Race | Number | Percent |
|--|--------------|-------------|
| White alone | 1,447 | 80% |
| Black or African American alone | 30 | 2% |
| American Indian and Alaska Native alone | 154 | 8% |
| Asian alone | 5 | 0% |
| Native Hawaiian and Other Pacific Islander alone | 12 | 1% |
| Some other race alone | 84 | 5% |
| Two or more races | 87 | 5% |
| Total | 1,819 | 100% |

Source: American Community Survey 2011-2015 Five-Year Estimates

The largest percentage of residents in the block groups are between 18-24 years of age (17%).

Table 5 – Age in the Area

| Age | Number | Percent |
|-------------------|--------------|-------------|
| Under 5 years | 176 | 10% |
| 5 to 9 years | 69 | 4% |
| 10 to 14 years | 115 | 6% |
| 15 to 17 years | 104 | 6% |
| 18 to 24 years | 315 | 17% |
| 25 to 34 years | 258 | 14% |
| 35 to 44 years | 194 | 11% |
| 45 to 54 years | 190 | 10% |
| 55 to 64 years | 247 | 14% |
| 65 to 74 years | 107 | 6% |
| 75 to 84 years | 44 | 2% |
| 85 years and over | - | 0% |
| Total | 1,819 | 100% |

Source: American Community Survey 2011-2015 Five-Year Estimates

In the block group, 9% of adult residents have earned a bachelor’s degree or higher. Another 45% have some college education without a degree, and another 26% have graduated from high school with no college experience.

Table 6 – Educational Attainment in the Area

| Education | Number | Percent |
|---|--------------|-------------|
| Less than high school | 155 | 15% |
| High school graduate (includes equivalency) | 272 | 26% |
| Some college | 461 | 45% |
| Associate's degree | 50 | 5% |
| Bachelor's degree | 80 | 8% |
| Master's degree | 14 | 1% |
| Professional school degree | - | 0% |
| Doctorate degree | - | 0% |
| Total | 1,032 | 100% |

Source: American Community Survey 2011-2015 Five-Year Estimates

In the block group, 46% of commuters drove less than 10 minutes to work, and another 41% of commuters drove 10 to 19 minutes to work.

Table 7 – Travel Time to Work in the Area

| Travel time to work | Number | Percent |
|----------------------|------------|-------------|
| Less than 10 minutes | 276 | 46% |
| 10 to 19 minutes | 247 | 41% |
| 20 to 29 minutes | 12 | 2% |
| 30 to 39 minutes | 35 | 6% |
| 40 to 59 minutes | 9 | 2% |
| 60 to 89 minutes | 17 | 3% |
| 90 or more minutes | - | 0% |
| Total | 596 | 100% |

Source: American Community Survey 2011-2015 Five-Year Estimates

Of the means of transportation used to travel to work, the majority, 70%, drove alone with another 15% carpooling.

Table 8 – Means of Transportation to Work in the Area

| Means of Transportation to Work | Number | Percent |
|--|------------|-------------|
| Drove alone | 434 | 70% |
| Carpooled | 95 | 15% |
| Public transportation (includes taxicab) | - | 0% |
| Motorcycle | - | 0% |
| Bicycle | - | 0% |
| Walked | 67 | 11% |
| Other means | - | 0% |
| Worked at home | 23 | 4% |
| Total | 619 | 100% |

Source: American Community Survey 2011-2015 Five-Year Estimates

D. Economic Conditions

1. Taxable Value of Property within the Area

The estimated total assessed value of the Area calculated with data from the Clackamas County Department of Assessment and Taxation for FYE 2017, including all real, personal, manufactured, and utility properties, is estimated to be \$438,251,352 of which \$44,087,806 is frozen base and \$394,163,546 is excess value above the frozen base.

2. Building to Land Value Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Value Ratio," or "I:L." The values used are real market values. In urban renewal areas, the I:L is often used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives.

Table 10 below shows the improvement to land ratios for properties within the Area. One hundred and forty-six parcels in the area (17.79% of the acreage) have I:L ratios of 1.0 or less. In other words, the improvements on these properties are worth less than the land they sit on. A reasonable I:L ratio for properties in the Area is greater than or equal to 2.0. Only 269 of the 657 parcels in the Area, totaling 57.68% of the acreage have I:L ratios of greater than or equal to 2.0 in FYE 2017. In summary, the Area is underdeveloped and not contributing significantly to the tax base in Wilsonville.

Table 10 – I:L Ratio of Parcels in the Area

| Improvement/Land Ratio | Parcels | Acres | % Total |
|------------------------|---------|--------|---------|
| | | | Acres |
| No Improvement Value | 90 | 32.98 | 10.12% |
| 0.01-0.50 | 17 | 9.34 | 2.87% |
| 0.51-1.00 | 39 | 15.64 | 4.80% |
| 1.01-1.50 | 63 | 30.63 | 9.40% |
| 1.51-2.00 | 179 | 49.34 | 15.14% |
| 2.01-2.50 | 143 | 58.00 | 17.80% |
| 2.51-3.00 | 33 | 21.19 | 6.50% |
| 3.01-4.00 | 9 | 14.91 | 4.58% |
| > 4.00 | 84 | 93.86 | 28.80% |
| Total | 657 | 325.89 | 100.00% |

Source: Calculated by Tiberius Solutions LLC with data from Clackamas County Department of Assessment and Taxation (FYE 2017)

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 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 funding is a transportation project. The use of urban renewal funding for this project provides an alternative funding source besides the City of Wilsonville’s General Fund, the Road Operating Fund (gas tax), or system development charges (SDCs).

The financial impacts from tax increment collections will be countered by providing improved infrastructure to serve an area of the city scheduled for future residential development to augment the city’s existing housing stock.

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

The reason for selecting the Area has not changed since inception of the urban renewal plan: to cure blight within the Area.

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

The project identified for the amendment to the Year 2000 Urban Renewal Area is described below, including how it relates to the existing conditions in the Area.

A. Transportation Improvements

1. **Boeckman Road Dip \$14,000,000** – The City of Wilsonville (City) recently completed master planning the 175-acre Frog Pond West area that will include improvements to a section of Boeckman Road over Boeckman Creek; the Boeckman Creek canyon is designated SROZ. The City’s Transportation System Plan (TSP) designates the road as a Minor Arterial; the currently planned project will address all of the shortcomings mentioned in the existing conditions below and provide an important connection for vehicles, pedestrians and bicyclists to all residential and employment areas east and west of Boeckman Creek and to the new Meridian Creek Middle School. The TSP project cost estimate was updated for this report.

Existing conditions: Currently, this is a decades-old rural road constructed on an embankment with vertical grades that fail to comply with AASHTO design criteria. The road is substandard for urban use and presents safety concerns for all travel modes. The embankment blocks both salmonid and wildlife passage. The roadway lacks bike lanes and a north-side sidewalk, and the “dip” forces emergency service vehicles to slow in this area.

V. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The schedule for construction of projects will be based on the availability of funding. The projects will be ongoing and will be completed as directed by the Agency. Annual expenditures for project administration and finance fees are also shown below.

The Area is anticipated to complete all projects and have sufficient tax increment finance revenue to terminate the district in FYE 2023. The projections indicate spending on the Boeckman Dip Bridge project will be completed in FYE 2022. The projections in the financial model assume 3.1% annual growth in the assessed value of real property and a 1.0% change in personal and manufactured property, with no change in utility property.

Estimated annual expenditures by project category are shown in Table 11. All costs shown in Table 11 are in year-of-expenditure dollars, which are adjusted by 3% annually to account for inflation. The Agency may change the completion dates in its annual budgeting process or as project decisions are made in administering the Plan.

Table 11 – Projects and Costs in Year of Expenditure Dollars

| URA PROJECTS FUND | Total | FYE 2018 | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 |
|------------------------------------|-----------------|----------------|----------------|-----------------|----------------|----------------|
| Resources | | | | | | |
| Beginning Balance | | \$ 1,808,885 | \$ 3,011,528 | \$ 1,823,664 | \$ 254,688 | \$ 275,988 |
| Interest Earnings | \$ 71,748 | \$ 18,089 | \$ 30,115 | \$ 18,237 | \$ 2,547 | \$ 2,760 |
| Inter-Agency Loan | \$ 22,810,686 | \$ 3,000,000 | \$ 5,300,000 | \$ 9,700,000 | \$ 3,589,434 | \$ 1,221,252 |
| Bond/Loan Proceeds | \$ 2,900,000 | \$ - | \$ - | \$ - | \$ 2,900,000 | \$ - |
| Other | \$ - | | | | | |
| Total Resources | \$ 25,782,434 | \$ 4,826,974 | \$ 8,341,643 | \$ 11,541,901 | \$ 6,746,669 | \$ 1,500,000 |
| | | | | | | |
| Expenditures (YOE \$) | | | | | | |
| (Old Town Esc) East West connector | \$ (7,000,000) | \$ (1,100,000) | \$ (3,200,000) | \$ (2,700,000) | | |
| Old Town Street Improvements | \$ (1,868,300) | \$ - | \$ (1,245,533) | \$ (622,767) | | |
| Town Center Planning | \$ (118,000) | \$ (88,000) | \$ (20,000) | \$ (5,000) | \$ (5,000) | |
| Livability Projects | \$ (2,288,700) | \$ - | | \$ (1,769,000) | \$ (519,700) | |
| Park Improvements | \$ (25,000) | | \$ (25,000) | | | |
| Boeckman Dip Bridge | \$ (14,000,000) | | \$ (1,400,000) | \$ (5,600,000) | \$ (5,600,000) | \$ (1,400,000) |
| Canyon Creek | \$ - | | | | | |
| Financing Fees | \$ (25,000) | | | | \$ (25,000) | |
| Project Management and Admin | \$ (2,266,319) | \$ (627,446) | \$ (627,446) | \$ (590,446) | \$ (320,981) | \$ (100,000) |
| Total Expenditures | \$ (27,591,319) | \$ (1,815,446) | \$ (6,517,979) | \$ (11,287,213) | \$ (6,470,681) | \$ (1,500,000) |
| | | | | | | |
| Ending Balance | | \$ 3,011,528 | \$ 1,823,664 | \$ 254,688 | \$ 275,988 | \$ - |

Source: Tiberius Solutions LLC

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

Table 12 shows the allocation of tax increment revenues to debt service and loans to the project fund.

It is anticipated that all debt will be retired by FYE 2023 (any outstanding debt will be repaid). The total maximum indebtedness is \$107,196,524, increased from \$92,687,423 by \$14,509,101.

The increase in maximum indebtedness requires concurrence according to ORS 457.220 which limits the increase in maximum indebtedness to 20% of the initial maximum indebtedness as increased annually by inflation. The initial maximum indebtedness of the Year 2000 Plan was \$53,851,923. To adjust the initial maximum indebtedness, the City’s consultant used a 3.0% inflation factor as used in other plans. The inflated maximum indebtedness number used for the 20% calculation was \$94,429,673, and 20% of that was \$18,885,935. That \$18,885,935 added to the original maximum indebtedness yields a potential new maximum indebtedness of \$72,737,858 that would not require concurrence. However, the maximum indebtedness of the Year 2000 Plan is already \$92,687,432, greater than \$72,737,858. This means any change to maximum indebtedness will require concurrence, as the Area’s current maximum indebtedness exceeds the 20% threshold.

Table 12 – Potential Maximum Indebtedness Increases and Concurrence

| Present MI | | Potential New MI | |
|------------------|--------------|-----------------------|------------------------------|
| \$92,687,432 | | \$72,737,858 | |
| Initial MI | | | |
| \$53,851,923 | | | |
| Inflation factor | | 3% | |
| | | Potential MI Increase | Potential MI Plus Initial MI |
| 1-Jul-99 | \$55,467,481 | | |
| 2000 | \$57,131,505 | | |
| 2001 | \$58,845,450 | | |
| 2002 | \$60,610,814 | | |
| 2003 | \$62,429,138 | | |
| 2004 | \$64,302,012 | | |
| 2005 | \$66,231,073 | | |
| 2006 | \$68,218,005 | | |
| 2007 | \$70,264,545 | | |
| 2008 | \$72,372,481 | | |
| 2009 | \$74,543,656 | | |
| 2010 | \$76,779,965 | | |
| 2011 | \$79,083,364 | | |
| 2012 | \$81,455,865 | | |
| 2013 | \$83,899,541 | | |
| 2014 | \$86,416,528 | | |
| 2015 | \$89,009,023 | | |
| 2016 | \$91,679,294 | | |
| 2017 | \$94,429,673 | \$18,885,935 | \$72,737,858 |

Source: Elaine Howard Consulting LLC

Of the \$107,196,524 maximum indebtedness, it is estimated that \$81,385,000 has been used through the end of FYE 2017. The estimated total amount of tax increment revenues required

to service the remaining maximum indebtedness of \$25,811,524 is \$23,327,472 and is made up of tax increment revenues from permanent rate levies. The reason the amount of tax increment revenues needed to service the remaining maximum indebtedness is less than the remaining maximum indebtedness is because the Tax Increment Finance (TIF) Fund has a beginning balance of \$5,478,203 which has not been converted to debt, and does not yet count against the maximum indebtedness.

The finance plans shown in Table 11 and 13 assume Inter-Agency loans from the City, as well as a new bank loan in FYE 2021 to finance a portion of the cost of the Boeckman Dip Bridge project, as well as to refinance outstanding debt. The interest rate for the new bank loan is estimated at 3.25% with a five-year term. Under this assumption, the existing 2010 Bank of America loan is estimated to be paid off in 2021. The assumed financing plan maintains a debt service coverage ratio of at least 1.5 x total annual debt service payments. Although the assumption is the new loan would have a five-year term, it is anticipated there would be sufficient tax increment finance revenues to pay off the loan early, in FYE 2023, and cease collecting tax increment revenues in that year. It may be noted that the debt service coverage ratio in 2023 is not above 1.5, but that is only because the loan is being paid off early, and the payment being made is substantially larger than the payment required.

The time frame of urban renewal is not absolute; it may vary depending on the actual ability to meet the maximum indebtedness. If the economy is slower, it may take longer; if the economy is more robust than the projections, it may take a shorter time period. The Agency may decide to issue bonds or take on loans on a different schedule, and that will alter the financing assumptions. These assumptions show one scenario for financing and that this scenario is financially feasible.

Table 13 – Tax Increment Revenues and Allocations to Debt Service

| TAX INCREMENT FUND | Total | FYE 2018 | FYE 2019 | FYE 2020 | FYE 2021 | FYE 2022 | FYE 2023 |
|------------------------------------|-----------------|-------------------|-------------------|--------------------|--------------------|-------------------|-------------------|
| Resources | | | | | | | |
| Beginning Balance | | \$ 8,996,568.00 | \$ 9,326,632.00 | \$ 7,595,411.00 | \$ 1,452,178.00 | \$ 250,000.00 | \$ 1,403,982.00 |
| Interest Earnings | \$ 290,248 | \$ 89,966.00 | \$ 93,266.00 | \$ 75,954.00 | \$ 14,522.00 | \$ 2,500.00 | \$ 14,040.00 |
| TIF: Current Year | \$ 22,877,472 | \$ 3,759,148.00 | \$ 3,994,901.00 | \$ 3,994,901.00 | \$ 3,987,785.00 | \$ 3,987,785.00 | \$ 3,152,952.00 |
| TIF: Prior Years | \$ 450,000 | \$ 75,000.00 | \$ 75,000.00 | \$ 75,000.00 | \$ 75,000.00 | \$ 75,000.00 | \$ 75,000.00 |
| Bond and Loan Proceeds | | | | | \$ 4,785,000.00 | | |
| Total Resources | \$ 23,617,720 | \$ 12,920,682.00 | \$ 13,489,799.00 | \$ 11,741,266.00 | \$ 10,314,485.00 | \$ 4,315,285.00 | \$ 4,645,974.00 |
| Expenditures | | | | | | | |
| <i>Debt Service</i> | | | | | | | |
| Series 2010 - B of A | \$ (6,562,526) | \$ (594,050.00) | \$ (594,388.00) | \$ (589,088.00) | \$ (4,785,000.00) | \$ - | \$ - |
| New Loan and Refinancing | \$ (8,026,076) | \$ - | \$ - | \$ - | \$ (1,690,051.00) | \$ (1,690,051.00) | \$ (4,645,974.00) |
| Total Debt Service | \$ (14,588,602) | \$ (594,050.00) | \$ (594,388.00) | \$ (589,088.00) | \$ (6,475,051.00) | \$ (1,690,051.00) | \$ (4,645,974.00) |
| <i>Debt Service Coverage Ratio</i> | | 6.33 | 6.72 | 6.78 | 2.36 | 2.36 | 0.68 |
| Inter-Agency Loan | \$ (22,810,686) | \$ (3,000,000.00) | \$ (5,300,000.00) | \$ (9,700,000.00) | \$ (3,589,434.00) | \$ (1,221,252.00) | \$ - |
| Total Expenditures | \$ (37,399,288) | \$ (3,594,050.00) | \$ (5,894,388.00) | \$ (10,289,088.00) | \$ (10,064,485.00) | \$ (2,911,303.00) | \$ (4,645,974.00) |
| Ending Balance | | \$ 9,326,632.00 | \$ 7,595,411.00 | \$ 1,452,178.00 | \$ 250,000.00 | \$ 1,403,982.00 | \$ - |

Source: Tiberius Solutions LLC

VII. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FYE 2023, as shown above, are based on projections of the assessed value of development within the Area and the consolidated tax rate that will apply in the Area. The assumptions include assumed growth in assessed value of 3.1% for real property and 1.0% for personal and manufactured property, derived from a combination of appreciation of existing property values and new construction. No change in value for utility property is assumed.

Additionally, our analysis assumes \$8,975,000 of exception value would be added to the tax roll in FYE 2021, based on a current development proposal in the Area that the City believes is likely to occur.

Table 14 shows the projected incremental assessed value, tax rates and tax increment revenues each year, adjusted for discounts, delinquencies, and compression losses. These projections of increment are the basis for the projections in Tables 11 and 13. Gross TIF is calculated by multiplying the tax rate times the excess value. The tax rate is per thousand dollars of value, so the calculation is “tax rate times excess value divided by one thousand.” The consolidated tax rate includes permanent tax rates and includes one general obligation bond issued by Clackamas Community College. This bond will be impacted through FYE 2020, which is when the bond is scheduled to be repaid in full.

In June 2007, the Agency adopted a resolution to limit future tax increment collections to \$4,000,000 annually (URA Resolution 156) in the Year 2000 Urban Renewal Area. This was originally achieved by reducing the acreage of the URA each year, but the City of Wilsonville instead began under-levying by reducing increment assessed value used when state legislation passed in 2009 to allow it.

Now, each year, the City of Wilsonville uses the UR-50 form to notify the Clackamas County Assessor how much increment value to use. Since FYE 2014, the City of Wilsonville has chosen to use \$303 million in increment each year, which results in TIF revenue of around \$4 million. However, because the consolidated tax rate is decreasing due to expiring bond rates, using \$303 million in increment will not generate \$4 million in TIF revenue in upcoming years. Therefore, our analysis assumes using \$322 million for FYE 2019 and 2020, \$325 million for FYE 2021 and beyond.

Using this increment value should provide TIF revenue very close to \$4 million per year, but the exact amount will depend on adjustments, including discounts for early payment, delinquent taxes, and truncation loss due to rounding. That number is shown in the “Increment Used” column in Table 14. To show the amount of the underlevy each year, Table 14 also includes a “Total Gross TIF” column, which is the amount of tax increment revenues that could have been collected from the “Total Increment” column. The “Total Gross TIF” column less the “Underlevy” column nets the “Gross TIF for URA” column. That gross number is then adjusted for delinquencies to arrive at a “Net TIF for URA”. It is this number, “Net TIF for URA”, that is intended to be no more than \$4,000,000 per year, per direction from the Agency.

Table 14 – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

| FYE | Assessed Value | | Total Increment | Increment Used | Tax Rate | Tax Increment Finance | | | | |
|------|----------------|--------------|-----------------|----------------|----------|-----------------------|---------------|-------------|-------------------------------|-----------------|
| | Total | Frozen Base | | | | Total | Gross TIF | Underlevy | Gross TIF for URA Adjustments | Net TIF for URA |
| 2018 | \$451,880,969 | \$44,087,806 | \$407,793,163 | \$303,000,000 | 13.0594 | \$5,325,534 | (\$1,368,536) | \$3,956,998 | (\$197,850) | \$3,759,148 |
| 2019 | \$465,934,467 | \$44,087,806 | \$421,846,661 | \$322,000,000 | 13.0595 | \$5,509,106 | (\$1,303,947) | \$4,205,159 | (\$210,258) | \$3,994,901 |
| 2020 | \$480,425,029 | \$44,087,806 | \$436,337,223 | \$322,000,000 | 13.0595 | \$5,698,346 | (\$1,493,187) | \$4,205,159 | (\$210,258) | \$3,994,901 |
| 2021 | \$504,342,110 | \$44,087,806 | \$460,254,304 | \$325,000,000 | 12.9159 | \$5,944,599 | (\$1,746,931) | \$4,197,668 | (\$209,883) | \$3,987,785 |
| 2022 | \$520,017,276 | \$44,087,806 | \$475,929,470 | \$325,000,000 | 12.9159 | \$6,147,057 | (\$1,949,389) | \$4,197,668 | (\$209,883) | \$3,987,785 |
| 2023 | \$536,179,643 | \$44,087,806 | \$492,091,837 | \$256,962,100 | 12.9159 | \$6,355,809 | (\$3,036,912) | \$3,318,897 | (\$165,945) | \$3,152,952 |

Source: Tiberius Solutions LLC

Notes: TIF is tax increment revenues. Tax rates are expressed in terms of dollars per \$1,000 of assessed value.

VIII. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the 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 due to the Amendment and are estimated through FYE 2023, and are shown in Tables 15a and 15b. Tables 16s and 16b indicate projections of impacts to the taxing districts if there were no Amendment. These impacts through 2019 would have been the same with or without the Amendment, but in 2020 and beyond, there are additional impacts to taxing districts because the Amendment increases the maximum indebtedness, and increases the length of time required to pay off the debt.

The West Linn Wilsonville School District and the Clackamas Education Service District revenues from permanent tax levies 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 from permanent rate levies 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 replaced with State School Fund revenues, as determined by a funding formula at the State level.

Tables 15a and 15b show the projected impacts to permanent rate levies of taxing districts as a result of this Plan Amendment. Table 15a shows the general government levies, and Table 15b shows the education levies. Please note that impacts on these tables start in FYE 2020, when the new Maximum Indebtedness begins to be used. Tables 16a and 16b show the projected impacts to permanent rate levies of taxing districts if there were no Amendment. Table 16a shows the general government levies, and Table 16b shows the education levies.

Typically, in an urban renewal plan amendment, the increase in maximum indebtedness is equal to or less than the total impacts to taxing jurisdictions due to the amendment. However, in this Amendment that is not the case. There are two factors impacting taxing districts in a plan amendment that increases maximum indebtedness: 1) the dollars that are paying for projects (included in the maximum indebtedness number); and 2) the dollars paying the interest for the debt incurred to pay for the projects (not included in the maximum indebtedness number). Usually when a plan is amended to increase the maximum indebtedness, more debt is incurred, and as such, the amount of interest paid over the life of the Plan increases. That is not projected to be the case in this Plan. In fact, due to the refinancing of a loan, the amount of interest paid over the life of this Plan is projected to decrease, and decrease enough that it causes the overall impact to the taxing districts due to the Amendment to be less than the increase in maximum indebtedness due to the Amendment.

General obligation bonds and local option levies are impacted by urban renewal if they were originally approved by voters in an election prior to October 6, 2001, and if there are tax

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compression impacts under Measure 5. There are no local option levies approved prior to October 6, 2001 that will still be in effect in the Area at the time that tax increment revenues begin to be collected. There is one bond that will be impacted. The impact of the URA on the bond rate is estimated to be less than \$0.01 per \$1,000 of assessed value. This will result in a very minor increase in property taxes for property owners. Table 17 shows the impacts through the scheduled termination of the bond in FYE 2020. Over the three-year period, for a property with an assessed value of \$100,000, the total cumulative impact would be \$0.39 in increased taxes imposed, as shown in Table 17.

Measure 5 limits property taxes from permanent rates and local option levies to \$10 per \$1,000 real market value for general government and \$5 per \$1,000 real market value for education. For each individual property where the property tax rate exceeds these limits, the property's tax bill is reduced, or compressed, first by decreasing local option levies, and then by decreasing permanent tax rates. Although the presence of urban renewal does not increase the overall tax rate in a jurisdiction, urban renewal is considered its own line item as a general government rate when evaluating the Measure 5 limits. Therefore, all other tax rates, in both general government and education, are slightly reduced to account for this. These reduced rates are called urban-renewal adjusted rates.

When an urban renewal area expires, all the adjusted rates will return to their slightly higher unadjusted rates. The education permanent tax rates and local option levies will increase. The aggregate education tax rate in this area already exceeds the \$5 per \$1,000 of assessed value, and in recent years, many properties experienced compression losses due to the Measure 5 limits. The increase in education tax rates due to the eventual termination of the URA may further increase compression losses for education. Since local option levies are compressed first in any situation where the Measure 5 limit is exceeded, they are at the greatest risk of a reduction in revenue. Therefore, in this urban renewal area, the West-Linn Wilsonville School District local option levy has the highest risk of increased compression when the urban area expires.

The potential concern over compression loss is being monitored by the City of Wilsonville and the School District. Increases in real market values of properties in recent years has alleviated much of the compression losses the School District experienced in years past. If the closure of the URA appears as if it will have significant impact on School District compression losses, the URA is prepared to phase out the collection of TIF revenue more slowly, resulting in a more gradual financial impact on the School District.

Table 18 indicates the projected tax revenue to taxing districts in FYE 2024, once urban renewal is terminated. Table 18 breaks the excess value created by the urban renewal area into two categories, "Used" and "Not Used." The "Used" category refers to the excess value that the Agency used to generate their tax increment revenues. The "Not Used" category refers to the excess value that was created in the urban renewal area, but not used for calculations determining tax increment revenues due to the Agency's decision to under-levy on an annual basis.

Table 15a – Projected Impact of Amendment on Taxing District Permanent Rate Levies - General Government -

| FYE | County | | | | | | | | | |
|-------|----------------------------|-------------------------------|---------------------------|--------------------------|------------------------------------|----------------------|----------------------------|-----------------------|--------------------------|---------------------|
| | Clackamas County Permanent | City of Wilsonville Permanent | Extension & 4-H Permanent | County Library Permanent | County Soil Conservation Permanent | FD64 TVF&R Permanent | Port of Portland Permanent | Srv 2 Metro Permanent | Vector Control Permanent | Subtotal Gen. Govt. |
| 2018 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2019 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2020 | \$ (495,222) | \$ (519,198) | \$ (10,299) | \$ (81,857) | \$ (10,299) | \$ (314,164) | \$ (14,439) | \$ (19,898) | \$ (1,339) | \$ (1,466,715) |
| 2021 | \$ (756,258) | \$ (792,872) | \$ (15,728) | \$ (125,005) | \$ (15,728) | \$ (479,762) | \$ (22,050) | \$ (30,386) | \$ (2,045) | \$ (2,239,834) |
| 2022 | \$ (756,258) | \$ (792,872) | \$ (15,728) | \$ (125,005) | \$ (15,728) | \$ (479,762) | \$ (22,050) | \$ (30,386) | \$ (2,045) | \$ (2,239,834) |
| 2023 | \$ (600,860) | \$ (629,950) | \$ (12,496) | \$ (99,319) | \$ (12,496) | \$ (381,179) | \$ (17,519) | \$ (24,142) | \$ (1,624) | \$ (1,779,585) |
| Total | \$ (2,608,598) | \$ (2,734,892) | \$ (54,251) | \$ (431,186) | \$ (54,251) | \$ (1,654,867) | \$ (76,058) | \$ (104,812) | \$ (7,053) | \$ (7,725,968) |

Source: Tiberius Solutions LLC – note there are no impacts due to the Amendment until FYE 2020 when new MI is used.

Table 15b – Projected Impact of Amendment on Taxing District Permanent Rate Levies – Education

| FYE | West Linn- Wilsonville School District Permanent | Clackamas Community College Permanent | Clackamas ESD Permanent | Subtotal Education | Total All |
|-------|--|---------------------------------------|-------------------------|--------------------|-----------------|
| | 2018 | \$ - | \$ - | \$ - | \$ - |
| 2019 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 2020 | \$ (1,002,802) | \$ (114,979) | \$ (75,946) | \$ (1,193,727) | \$ (2,660,442) |
| 2021 | \$ (1,531,389) | \$ (175,586) | \$ (115,977) | \$ (1,822,952) | \$ (4,062,786) |
| 2022 | \$ (1,531,389) | \$ (175,586) | \$ (115,977) | \$ (1,822,952) | \$ (4,062,786) |
| 2023 | \$ (1,216,714) | \$ (139,506) | \$ (92,146) | \$ (1,448,366) | \$ (3,227,951) |
| Total | \$ (5,282,294) | \$ (605,657) | \$ (400,046) | \$ (6,287,997) | \$ (14,013,965) |

Source: Tiberius Solutions LLC note there are no impacts due to the Amendment until FYE 2020 when new MI is used.

Please refer to the explanation of the schools funding in the preceding section

Table 16a – Projected Impact Plan on Taxing District Permanent Rate Levies - General Government – Without Amendment

| FYE | County | | | | | | | | | |
|-------|----------------------------|-------------------------------|---------------------------|--------------------------|------------------------------------|----------------------|----------------------------|-----------------------|--------------------------|---------------------|
| | Clackamas County Permanent | City of Wilsonville Permanent | Extension & 4-H Permanent | County Library Permanent | County Soil Conservation Permanent | FD64 TVF&R Permanent | Port of Portland Permanent | Srv 2 Metro Permanent | Vector Control Permanent | Subtotal Gen. Govt. |
| 2018 | \$ (705,856) | \$ (740,030) | \$ (14,680) | \$ (116,674) | \$ (14,680) | \$ (447,788) | \$ (20,581) | \$ (28,361) | \$ (1,908) | \$ (2,090,558) |
| 2019 | \$ (749,252) | \$ (785,527) | \$ (15,582) | \$ (123,847) | \$ (15,582) | \$ (475,318) | \$ (21,846) | \$ (30,105) | \$ (2,026) | \$ (2,219,085) |
| 2020 | \$ (254,030) | \$ (266,329) | \$ (5,283) | \$ (41,990) | \$ (5,283) | \$ (161,154) | \$ (7,407) | \$ (10,207) | \$ (687) | \$ (752,370) |
| Total | \$ (1,709,138) | \$ (1,791,886) | \$ (35,545) | \$ (282,511) | \$ (35,545) | \$ (1,084,260) | \$ (49,834) | \$ (68,673) | \$ (4,621) | \$ (5,062,013) |

Source: Tiberius Solutions LLC – note this expires when the MI is reached.

Table 16b – Projected Impact on Taxing District Permanent Rate Levies – Education – Without Amendment

| FYE | West Linn- Wilsonville School District Permanent | Clackamas Community College Permanent | Clackamas ESD Permanent | Subtotal Education | Total All |
|--------------|---|--|-------------------------------|-----------------------|-----------------------|
| 2018 | \$ (1,429,328) | \$ (163,884) | \$ (108,248) | \$ (1,701,460) | \$ (3,792,018) |
| 2019 | \$ (1,517,202) | \$ (173,959) | \$ (114,903) | \$ (1,806,064) | \$ (4,025,149) |
| 2020 | \$ (514,400) | \$ (58,980) | \$ (38,957) | \$ (612,337) | \$ (1,364,707) |
| Total | \$ (3,460,930) | \$ (396,823) | \$ (262,108) | \$ (4,119,861) | \$ (9,181,874) |

Source: Tiberius Solutions LLC – note this expires when the MI is reached.

Table 17 - Projected Impact of GO Bonds

| FYE | GO Bond Tax Rate (per \$1,000 AV) | | | Property Tax Paid per \$100,000 AV | | |
|--------------|-----------------------------------|---------|--------------|------------------------------------|-----------------|----------------|
| | Without UR | With UR | Impact of UR | Without UR | With UR | Impact of UR |
| 2018 | 0.1422 | 0.1435 | 0.0013 | \$ 14.22 | \$ 14.35 | \$ 0.13 |
| 2019 | 0.1423 | 0.1436 | 0.0013 | \$ 14.23 | \$ 14.36 | \$ 0.13 |
| 2020 | 0.1423 | 0.1436 | 0.0013 | \$ 14.23 | \$ 14.36 | \$ 0.13 |
| Total | | | | \$ 42.68 | \$ 43.07 | \$ 0.39 |

Source: Tiberius Solutions LLC

Table 18 – Additional Revenues Obtained after Termination of Tax Increment Financing

| Taxing District | Type | Tax Rate | Tax Revenue in FYE 2024 (year after termination) | | | | Total |
|---------------------------------------|-----------|----------------|--|-----------------------------|------------------------------------|---------------------|-------|
| | | | From Frozen Base | From Excess Value (Used) | From Excess Value (Not Used) | | |
| | | | | | | | |
| General Government | | | | | | | |
| Clackamas County | Permanent | 2.4042 | \$ 105,996 | \$ 617,788 | \$ 605,364 | \$ 1,329,148 | |
| City of Wilsonville | Permanent | 2.5206 | \$ 111,128 | \$ 647,699 | \$ 634,673 | \$ 1,393,500 | |
| County Extension & 4-H | Permanent | 0.0500 | \$ 2,204 | \$ 12,848 | \$ 12,590 | \$ 27,642 | |
| County Library | Permanent | 0.3974 | \$ 17,520 | \$ 102,117 | \$ 100,063 | \$ 219,700 | |
| County Soil Conservation | Permanent | 0.0500 | \$ 2,204 | \$ 12,848 | \$ 12,590 | \$ 27,642 | |
| FD64 TVF&R | Permanent | 1.5252 | \$ 67,243 | \$ 391,919 | \$ 384,037 | \$ 843,199 | |
| Port of Portland | Permanent | 0.0701 | \$ 3,091 | \$ 18,013 | \$ 17,651 | \$ 38,755 | |
| Srv 2 Metro | Permanent | 0.0966 | \$ 4,259 | \$ 24,823 | \$ 24,323 | \$ 53,405 | |
| Vector Control | Permanent | 0.0065 | \$ 287 | \$ 1,670 | \$ 1,637 | \$ 3,594 | |
| <i>Subtotal</i> | | <i>7.1141</i> | <i>\$ 313,645</i> | <i>\$ 1,828,055</i> | <i>\$ 1,791,291</i> | <i>\$ 3,932,991</i> | |
| Education | | | | | | | |
| West Linn-Wilsonville School District | Permanent | 4.8684 | \$ 214,637 | \$ 1,250,994 | \$ 1,225,836 | \$ 2,691,467 | |
| Clackamas Community College | Permanent | 0.5582 | \$ 24,610 | \$ 143,436 | \$ 140,552 | \$ 308,598 | |
| Clackamas ESD | Permanent | 0.3687 | \$ 16,255 | \$ 94,742 | \$ 92,837 | \$ 203,834 | |
| <i>Subtotal</i> | | <i>5.7953</i> | <i>\$ 255,502</i> | <i>\$ 1,489,172</i> | <i>\$ 1,459,225</i> | <i>\$ 3,203,899</i> | |
| Total | | 12.9094 | \$ 569,147 | \$ 3,317,227 | \$ 3,250,516 | \$ 7,136,890 | |

Source: Tiberius Solutions LLC

IX. 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 (assumed to be FYE 2017 values), including all real, personal, personal, manufactured, and utility properties in the Area, is \$44,499,418. The total assessed value of the City of Wilsonville less urban renewal excess is \$2,661,811,027. The percentage of assessed value in the Urban Renewal Area is 7.43%, below the 25% threshold.

The Area contains 454 acres, including public rights-of-way, and the City of Wilsonville contains 4,835 acres. This puts 24.57% of the City’s acreage in an Urban Renewal Area when including the City’s other urban renewal areas, which is below the 25% threshold.

Table 19 – Urban Renewal Area Conformance with Assessed Value and Acreage Limits

| Urban Renewal Area | Frozen Base/AV | Acres |
|---------------------|-----------------|---------|
| West Side URA | \$16,109,831 | 415 |
| Year 2000 URA | \$44,499,418 | 454 |
| Coffee Creek | \$99,003,704 | 258.35 |
| TIF Zones | | |
| 27255 SW 95th Ave | \$17,938,434 | 26.07 |
| 26440 SW Parkway | \$12,582,201 | 24.98 |
| 26755 SW 95th Ave | \$7,675,439 | 9.76 |
| Total in URAs | \$197,809,027 | 1188.16 |
| City of Wilsonville | \$3,403,012,022 | 4,835 |
| UR Excess | \$741,200,995 | |
| City less UR Excess | \$2,661,811,027 | |
| Percent of Total | 7.43% | 24.57% |

Source: Compiled by Elaine Howard Consulting, LLC with data from City of Wilsonville and Washington and Clackamas County Department of Assessment and Taxation (FYE 2017)

X. RELOCATION REPORT

There is no relocation report required for the Plan. No specific acquisitions that would result in relocation benefits have been currently identified.

Wilsonville Urban Renewal



Planning Commission Meeting

November 8, 2017

Briefing on
Proposed Year 2000 Urban
Renewal Plan
11th Amendment



TIBERIUS
SOLUTIONS

Purpose



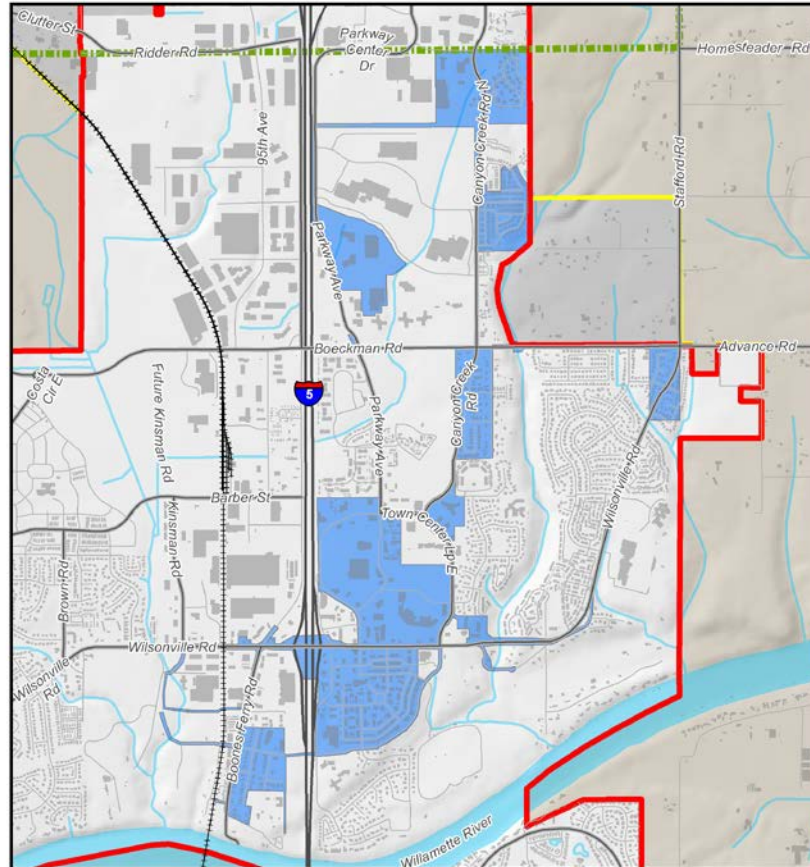
- Brief Planning Commission on proposed Plan Amendment to Year 2000 Plan

Background: Project Discussions



- **City Council briefed on Boeckman Dip Project March 20, 2017**
- **\$14 Million**
- **Substantial amendment**
- **Wilsonville Urban Renewal Task Force unanimously supported Plan Amendment at April 27, 2017 meeting**

Boundary Map



The City of Wilsonville, Oregon
Clackamas and Washington Counties

**Urban Renewal Areas &
Tax Increment
Finance Zones**

- Year 2000 URA
- City Limits
- County Boundary
- UGB



4/20/2017

0 Miles 0.5

Project



- Boeckman Road currently has a major “dip” that is unsafe for all travel modes
- Proposed project is a bridge to address the “dip” and bring road up to current urban design and safety standards

Financial Implications



- **Increasing Maximum Indebtedness (MI) by \$14,509,101**
- **Collection of additional MI extends plan duration through 2023**
- **Closure for unamended plan was targeted for FYE 2020**
- **Concurrence of other taxing districts (approval of 75% of the permanent rate levy)**

Increase in Maximum Indebtedness (MI)



- MI is being increased by more than 20% of original MI indexed for inflation
- Increases above 20% require Concurrence
- Original MI of Y2000 Plan: \$55.5 million
- Current MI of \$92.7 million already exceeds the 20% threshold, so any increase requires concurrence

Alternative Revenue Sharing Program



- **Current under-levying caps Year 2000 TIF collections to \$4 Million**
- **Because it is not the statutory revenue sharing program, concurrence is suggested**

Clackamas County Approval



- Year 2000 Plan area contains unincorporated properties in Clackamas County
- Because there are Clackamas County properties in the boundary, Clackamas County approval of the Plan Amendment in its entirety is required. (not just approval of concurrence issues)

Y2000 Finance Plan



Objectives



- **Fund all previously planned projects in the Year 2000 Plan**
- **Plus: Fund Boeckman Dip project (\$14 million)**

Finance Plan



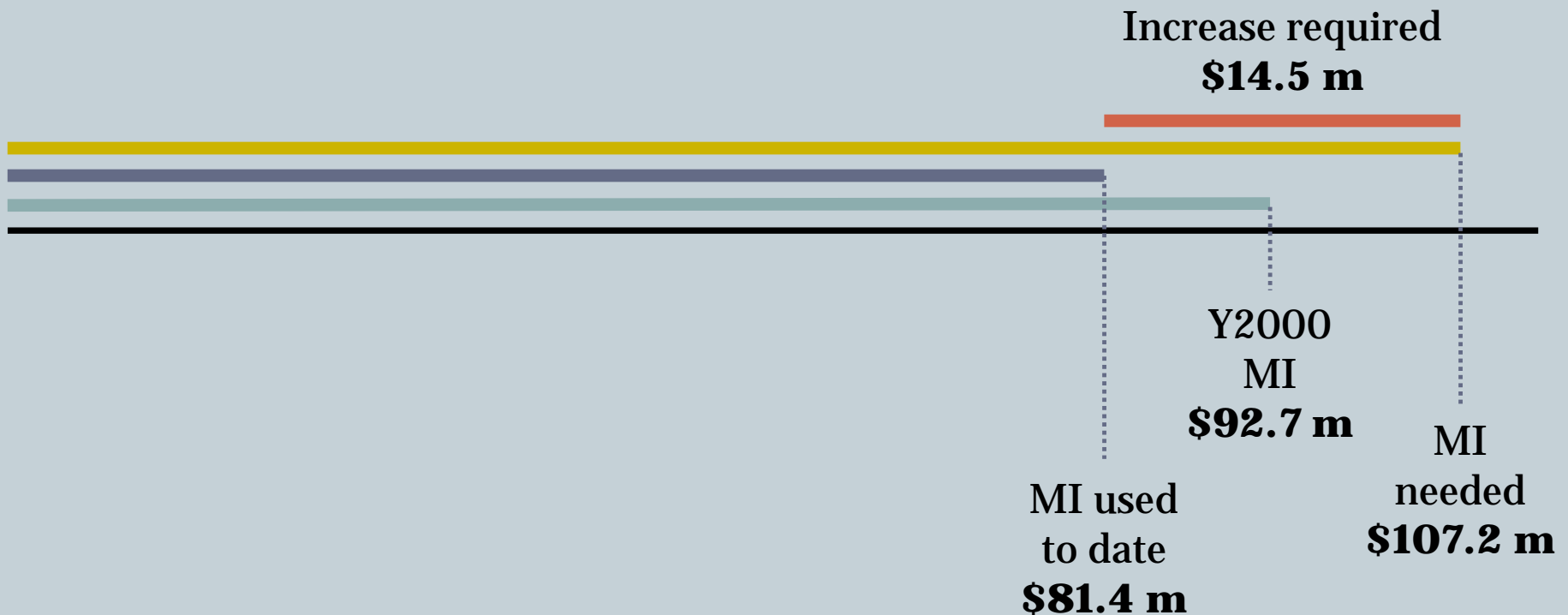
How do we achieve this?

- Take advantage of beginning fund balance
- Over night, inter-agency loans where possible
- Bank loan when necessary
- Refinance outstanding loans to save interest costs, if possible
- Debt repaid and URA targeted to close down in FYE 2023

Constraints



Maximum Indebtedness (MI): the limit on debt that can be incurred by the URA



Impacts: Duration



- TIF revenue is capped by City Council at \$4 million per year
- Adding Boeckman Dip to the project list will require additional years of TIF revenue

Without Amendment

URA targeted to close

in

FYE 2020

With Amendment

URA targeted to close

in

FYE 2023

Impacts: Overlapping Taxing Districts



- Impact to all jurisdictions: **\$14.0 million**
- Impact to City of Wilsonville: **\$2.7 million**
- Impact to school district: **indirect**
- Impact on tax rate: **none**

Questions?



Supplemental Slides: Impacts to Taxing Districts



- Process of 1) Increasing MI and 2) Proposing alternative revenue sharing program complicates the presentation of impacts
- Individualized taxing district letters (Consult and Confer Letters)
- Include the following tables:
 - Alternative revenue sharing program impacts vs statutory
 - Impact of amendment
 - Impact without amendment

Supplemental Slides:

Sample Tables: City of Wilsonville



| FYE | City of Wilsonville Without 4M Cap | City of Wilsonville With 4M Cap | Difference Between 4M Cap and Uncapped |
|--------------|---|---------------------------------------|---|
| 2017 | \$ (743,131) | \$ (743,131) | \$ - |
| 2018 | \$ (740,030) | \$ (740,030) | \$ - |
| 2019 | \$ (1,024,617) | \$ (785,527) | \$ (239,090) |
| 2020 | \$ (1,059,316) | \$ (785,527) | \$ (273,789) |
| 2021 | \$ (1,078,374) | \$ (792,872) | \$ (285,502) |
| 2022 | \$ (618,740) | \$ (792,872) | \$ 174,132 |
| 2023 | \$ - | \$ (629,950) | \$ 629,950 |
| Total | \$ (4,521,077) | \$ (4,526,778) | \$ 5,701 |

| FYE | City of Wilsonville Permanent |
|--------------|-------------------------------------|
| 2018 | \$ - |
| 2019 | \$ - |
| 2020 | \$ (519,198) |
| 2021 | \$ (792,872) |
| 2022 | \$ (792,872) |
| 2023 | \$ (629,950) |
| Total | \$ (2,734,892) |

| FYE | City of Wilsonville Permanent |
|--------------|-------------------------------------|
| 2018 | \$ (740,030) |
| 2019 | \$ (785,527) |
| 2020 | \$ (266,329) |
| Total | \$ (1,791,886) |

Supplemental Slides: Conformance to Comp Plan



Transportation:

- *GOAL 3.2: To encourage and support the availability of a variety of transportation choices for moving people that balance vehicular use with other transportation modes, including walking, bicycling and transit in order to avoid principal reliance upon any one mode of transportation.*
- *Policy 3.2.1 To provide for safe and efficient vehicular, transit, pedestrian and bicycle access and circulation.*
- *Implementation Measure 3.3.1.a. Encourage a balance among housing, employment, and commercial activities within the City so more people are able to live and work within Wilsonville, thereby reducing cross-jurisdictional commuting.*
- *Implementation Measure 3.3.2.a. Provide pedestrian and bicycle connections between residential neighborhoods and major commercial, industrial, and recreational activity centers throughout the city, as shown in the Bicycle and Pedestrian Master Plan. Coordinate the system of pathways planned by adjacent jurisdictions to allow for regional travel.*
- *Implementation Measure 3.3.2.b. Concrete sidewalks will be provided on both sides of all streets unless waived when alternative provisions are found to adequately address pedestrian needs.*
- *Implementation Measure 3.3.2.c. Transportation facilities shall be ADA-compliant.*
- *Implementation Measure 3.3.2.d. Fill gaps in the existing sidewalk and off-street pathway systems to create a continuous network of safe and accessible bicycle and pedestrian facilities.*
- ***The Eleventh Amendment is in conformance with the Transportation section of the Comprehensive Plan as the project to be added to the Plan is a transportation project to allow for a more efficient and safe transportation system.***