

**URBAN RENEWAL AREA TASK FORCE
Meeting Summary**

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.