

**CITY OF WILSONVILLE
URBAN RENEWAL BUDGET COMMITTEE MEETING MINUTES**

June 1, 2016

A regular meeting of the Wilsonville Urban Renewal Budget Committee was held at Wilsonville City Hall on Wednesday, June 1, 2016. Budget Committee Chair Alan Steiger called the meeting to order at 7:30 PM.

Budget Committee members present:

Susie Stevens, Councilor	Tony Holt, Committee Member
Julie Fitzgerald, Councilor	Arthur Park, Committee Member
Alan Steiger, Committee Member	Andrew Karr, Committee Member
Paul Bunn, Committee Member (Arrived at 6:09 pm)	
Tim Knapp, Mayor - Excused	
Scott Starr, Council President - Excused	
Charlotte Lehan, Councilor - absent	

Staff present included:

Bryan Cosgrove, City Manager
Jeanna Troha, Assistant City Manager
Susan Cole, Finance Director
Brian Stevenson, Recreation Coordinator
Sandra King, City Recorder
Pat Duke, Library Director
Scott Simonton, SMART Fleet Services Manager
Holly Miller, IS Manager
Andy Stone, IS
Cathy Rodocker, Asst. Finance Director
Martin Brown, Building Inspector
Stephan Lashbrook, Transit Director
Delora Kerber, Public Works Director
Mark Ottenad, Public Affairs Director
Arnie Gray, Public Works Supervisor
Matt Baker, Public Works Supervisor
Keith Katko, Finance Operations Manager
Stan Sherer, Parks and Recreation Director
Jeff Smith, Police Chief
Eric Mende, Capital Projects Engineering Manager

Chair Steiger read the conduct of public hearing format into the record.

URBAN RENEWAL BUDGET MESSAGE

Finance Director Cole reviewed the agenda for the presentation on the proposed FY2016-17 Wilsonville Urban Renewal Budget and highlighted the Year 2000 Plan and Westside Urban

Renewal Districts via PowerPoint, which included review of the frozen and assessed values, debt, and maximum indebtedness of each district.

URBAN RENEWAL BUDGET PRESENTATION

Finance Director Cole presented the Urban Renewal Budgets via PowerPoint, reviewing the Capital Projects, 5-Year Plan, Capital Project funds, Debt Service funds, and Return on Investment for both the Year 2000 Plan and West Side Urban Renewal Districts. The closure of the Year 2000 Plan, anticipated in FY 2020, was also described.

Staff addressed questions from the Budget Committee with the following comments:

- Originally, the Old Town Streets Project called for some urban improvements to Old Town's streets and sidewalks that were scaled down at the neighborhood's request and to allow input about how the improvements would look. The project had been on the budget for a number of years and the Old Town Plan was completed in 2011. Staff has had numerous conversations with Old Town residents about the improvements, many of which called for curb and gutter, but the residents wanted to retain a more rural type of road with a gravel shoulder. The Streets Project would remain in the budget in hopes of completing some of the improvements in future years. The estimated figures from the Old Town Plan were in the budget, so when preliminary design began on the actual improvements, the estimates would be refined.
- The Brown Road Improvements Project was separate from the East/West Connector. The improvements on Brown Road would only be done from Wilsonville Rd north and not south of Wilsonville Rd. The East/West Connector extended from Wilsonville Rd to Boones Ferry Rd.
- Tax Increment Finance (TIF) Zones were not currently being utilized. Up to six TIF Zones were proposed but three did not have qualifying businesses that wanted to take advantage of the opportunities. The City routinely gets requests from the State for anonymous companies wanting to relocate from other states or within Oregon, so the City submits proposals based on the company's requests and issues; however, nothing typically occurs beyond that point.
 - Pacific Natural Foods moved some of its operations to Wilsonville and were currently in preliminary discussions with the City about adding something more to its site.
 - The economy was much different when the TIF Zones were implemented than what currently existed. Many of the buildings and properties had been filled by companies that did not meet the income thresholds for the high wage jobs the City desired.
 - The sunset of a TIF Zone was tied to the actual district. If the City offered a company the TIF incentive, the company could get the initial three or five year benefit, and if another significant investment was made in the property and/or jobs were added, the TIF benefit could be extended but no more than one time, and then the district would sunset.
 - If the TIF Zone was not utilized, it would remain open until the property was off the market. TIF Zones provided a tool for the City to mimic an enterprise zone, which Wilsonville did not qualify for because the city's median income was higher than the qualifying threshold.
- With regard to the debt of the Year 2000 Plan and its closing, the City had a remaining \$11.3 million in debt that could be issued for the maximum indebtedness, but projects were slated for that money. The plan was that everything would be complete when the district closed and

the debt could be paid with any remaining cash on hand, but the City would no longer be collecting the increment to pay off any future debt. When the district closed, the City could sustain a certain level of installment payments for a couple years with the cash on hand, but not the balloon payment, which the City would have to pay to relieve that debt obligation.

- Currently, the Year 2000 Plan budget was a placeholder for estimated amounts of payoff and restructure but Finance Director Cole would be working with the City's Municipal Financial Advisor and bond council this summer and fall to determine the most advantageous structure for the closure.
- The project costs were different from the amounts in the budget because they did not reflect the cost of financing or the interest on the debt, so they were separate from the capital cost of the projects. Also, unlike other City funds, the urban renewal agency could use debt and urban renewal tax increment to pay for operations. For example, the administration of the urban renewal agency fell under Community Development Department, so the urban renewal agency paid the City roughly \$500,000 each year for that administration through the debt, which was then paid back from the incremental tax that was raised.
- Compression issues resulting from the closure of an urban renewal district stemmed from how the State of Oregon classified and divided taxes. Page 252 of the budget book provided an example using the City of Wilsonville tax code, which Finance Director Cole reviewed to explain how urban renewal worked and the impact that closing the Year 2000 Plan could have on the school district.
- Finance Director Cole clarified that because the economy had recovered and real market values had increased, compression was not as much of a concern as in previous years. In preparation for closing the district, she would get updated information on property taxes and real market values over the summer to do an updated analysis on compression, which she would review with the school district. There was nothing the City could do about compression, but the school district asked that the City keep them informed so they could make adequate plans accordingly.

PUBLIC HEARING/CITIZEN INPUT

Chair Steiger confirmed there was no public comment.

URBAN RENEWAL COMMITTEE DELIBERATIONS

A. Motion to approve the FY 2016-17 Urban Renewal Proposed Budget

Motion: Andrew Karr moved for Approval of the 2016-17 Proposed budget in the amount of \$33,415,770 and levying the full amount of the “divide-the-taxes” for the West Side District; and set the Increment Value in the Year 2000 Plan District to approximately \$303,000,000 which will generate an estimated levy of \$4,200,000. Councilor Fitzgerald seconded the motion.

B. Discussion

Councilor Fitzgerald stated she was confident the proposed budget was the right approach for the next fiscal year.

Councilor Stevens agreed, adding the budget was an excellent tool for building roads, constructing projects, and building the necessary infrastructure to keep the community moving and healthy.

Chair Steiger restated the motion and called for a roll call vote.

Paul Bunn	Yes	Andrew Karr	Yes
Councilor Fitzgerald	Yes	Councilor Stevens	Yes
Tony Holt	Yes	Arthur Park	Yes
Chair Alan Steiger	Yes		

Vote: Motion carried 7 to 0.

Chair Steiger thanked the Budget Committee members for their diligent work in reviewing the budget document and the questions they posed.

City Manager Cosgrove thanked Chair Steiger for all his work offline to help get the budget out and the Committee members for the service they provided the community in reviewing the budgets.

ADJOURN

The 2016-17 Wilsonville Urban Renewal Budget Committee meeting was adjourned at 7:56 PM.

Respectfully submitted,

Paula Pinyerd, ABC Transcription Services, Inc. for
Sandra C. King, City Recorder