

AGENDA

WILSONVILLE CITY COUNCIL MEETING NOVEMBER 4, 2013 7:00 P.M.

**CITY HALL
29799 SW TOWN CENTER LOOP
WILSONVILLE, OREGON**

Mayor Tim Knapp

Council President Scott Starr
Councilor Susie Stevens

Councilor Richard Goddard
Councilor Julie Fitzgerald

CITY COUNCIL MISSION STATEMENT

To protect and enhance Wilsonville's livability by providing quality service to ensure a safe, attractive, economically vital community while preserving our natural environment and heritage.

Executive Session is held in the Willamette River Room, City Hall, 2nd Floor

- | | | |
|------------------|--|-----------|
| 5:00 P.M. | EXECUTIVE SESSION | [15 min.] |
| A. | Pursuant to ORS 192.660(2)(h) Litigation | |
| 5:15 P.M. | COUNCILORS' CONCERNS | [5 min.] |
| 5:25 P.M. | PRE-COUNCIL WORK SESSION | |
| A. | Urban Renewal Strategic Plan Update (Retherford) | [35 min.] |
| B. | Fiber Optic Project (Miller) | [10 min.] |
| C. | Water Study Results (Rodocker/ Ossanna/ Kraushaar/ Kerber) | [30 min.] |
| 6:50 P.M. | ADJOURN | |
-

CITY COUNCIL MEETING

The following is a summary of the legislative and other matters to come before the Wilsonville City Council a regular session to be held, November 4, 2013 at City Hall. Legislative matters must have been filed in the office of the City Recorder by 10 a.m. on October 23, 2013. Remonstrances and other documents pertaining to any matters listed in said summary filed at or prior to the time of the meeting may be considered therewith except where a time limit for filing has been fixed.

- | | |
|------------------|---|
| 7:00 P.M. | CALL TO ORDER |
| A. | Roll Call |
| B. | Pledge of Allegiance |
| C. | Motion to approve the following order of the agenda and/or to remove items from the consent agenda. |

7:05 P.M. MAYOR'S BUSINESS

- A. Welcome to Kitakata Sister City Delegation
- B. Proclamation Declaring November 15, 2013 "America Recycles Day"
- C. Upcoming Meetings

7:30 P.M. COMMUNICATIONS

- A. Metro Councilor Dirksen, Metro Projects Update
- B. WWTP Awarded "Project of the Year" by Oregon Chapter of American Public Works Association (APWA) Award (staff – Kerber)

7:45 P.M. CITIZEN INPUT & COMMUNITY ANNOUNCEMENTS

This is an opportunity for visitors to address the City Council on items *not* on the agenda. It is also the time to address items that are on the agenda but not scheduled for a public hearing. Staff and the City Council will make every effort to respond to questions raised during citizens input before tonight's meeting ends or as quickly as possible thereafter. Please limit your comments to three minutes.

7:55 P.M. COUNCILOR COMMENTS, LIAISON REPORTS & MEETING ANNOUNCEMENTS

- A. Council President Starr – Park & Recreation Advisory Board, Chamber/City Leadership.
- B. Councilor Goddard – Library Board, Chamber Board, and Clackamas County Business Alliance
- C. Councilor Fitzgerald – Planning Commission; Committee for Citizen Involvement; and Library Board
- D. Councilor Stevens – Development Review Panels A and B; Wilsonville Seniors

8:10 P.M. CONSENT AGENDA

- A. **Resolution No. 2442**
A Resolution Of The City Of Wilsonville Authorizing An Intergovernmental Agreement Between Metro And Wilsonville Accepting A Construction Excise Tax Grant To Fund The Frog Pond / Advance Road Planning Project. (staff – Mangle)
- B. **Resolution No. 2443**
A Resolution Or The City Of Wilsonville Incorporating Previously Approved Quasi-Judicial Zoning Map Amendments Onto The Official Zoning Map And Readopting The Official Zoning Map. (Staff – Neamtzu)
- C. **Resolution No. 2444**
A Resolution Of The City Of Wilsonville Authorizing The City Manager To Execute A Design And Build Contract With North Sky Communications, Inc. For Fiber Optic Cable Installation (Capital Improvement Project #8093). (staff – Miller)

8:40 P.M. CONTINUING BUSINESS

- A. **Ordinance No. 725** – Second Reading
An Ordinance Making Certain Determinations And Findings Relating To And Approving A Single-Property Urban Renewal Plan Known As The **26755 SW 95th Avenue** TIF Zone. (staff – Retherford)
- B. **Ordinance No. 726** – Second Reading
An Ordinance Making Certain Determinations And Findings Relating To And Approving A Single-Property Urban Renewal Plan Known As The **9805 SW Boeckman Road** TIF Zone. (staff – Retherford)
- C. **Ordinance No. 727** – Second Reading
An Ordinance Making Certain Determinations And Findings Relating To And Approving A Single-Property Urban Renewal Plan Known As The **25600 SW Parkway Center Drive** TIF Zone. (staff – Retherford)
- D. **Ordinance No. 728** – Second Reading
An Ordinance Making Certain Determinations And Findings Relating To And Approving A Single-Property Urban Renewal Plan Known As The **27255 SW 95th Avenue** TIF Zone. (staff – Retherford)
- E. **Ordinance No. 729** – Second Reading
An Ordinance Making Certain Determinations And Findings Relating To And Approving A Single-Property Urban Renewal Plan Known As The **29899 SW Boones Ferry Road** TIF Zone. (staff – Retherford)
- F. **Ordinance No. 730** – Second Reading
An Ordinance Making Certain Determinations And Findings Relating To And Approving A Single-Property Urban Renewal Plan Known As The **Bldg. 83- 26440 SW Parkway Avenue** TIF Zone. (staff – Retherford)

8:50 P.M. CITY MANAGER'S BUSINESS

8:55 P.M. LEGAL BUSINESS

9:00 P.M. ADJOURN

AN URBAN RENEWAL AGENCY MEETING WILL FOLLOW

Time frames for agenda items are not time certain (i.e. Agenda items may be considered earlier than indicated. The Mayor will call for a majority vote of the Council before allotting more time than indicated for an agenda item.) Assistive Listening Devices (ALD) are available for persons with impaired hearing and can be scheduled for this meeting if required at least 48 hours prior to the meeting. The city will also endeavor to provide the following services, without cost, if requested at least 48 hours prior to the meeting: -Qualified sign language interpreters for persons with speech or hearing impairments. Qualified bilingual interpreters. To obtain services, please contact the City Recorder, (503)570-1506 or king@ci.wilsonville.or.us



MEMORANDUM

TO: Honorable Mayor and City Council
FROM: Michael E. Kohlhoff, City Attorney
DATE: October 28, 2013
RE: School District Boundary Change

Councilor Starr raised the following legal process question:

Q. What is the basis for a school district boundary change?

A. ORS 330.092 provides the boundaries of a school district may not be changed, except:

“(1) Pursuant to ORS 330.090(1) and (3).

(2) By a vote of the people pursuant to the lengthening of the course of study under ORS Chapter 335.

(3) By mutual consent of the district school boards of the two or more affected districts in the manner prescribed in ORS 330.080 to 330.107.

(4) On a request for change or merger proposal submitted to the district boundary board by electors of the affected districts in the manner prescribed in ORS 330.080 to 330.107.”

ORS 330.080 provides the governing body of a county shall constitute the district boundary board and shall have jurisdiction over all school districts in the county.



ORS 330.090(1) involves mergers. ORS 330.090(3) provides that on requests of the school boards of the affected districts or on petition of five percent or 500 electors of each affected district, the district board shall change the boundaries subject to ORS 330.080 to 330.101.

ORS 330.095(1) provides for the content of the request or petition. ORS 330.095(3) provides for where petitions must be submitted when the boundary change affects school districts under the jurisdiction of different boundary boards. ORS 330.095(2) and (4) only apply to mergers.

ORS 330.101 provides for notice before the session of the board at which it will be ordered and for remonstrative petitions for an election to be held in each of the affected districts. The remonstrative petition needs to be signed by at least five percent or at least 500, whichever is less, electors of a school district affected by the proposed change and must be filed within 20 days after the date of the order to effect the proposed change. Sequencing the elections is provided, with the least populated district going first. If defeated, then can be brought up again after 12 months from the date of election.

ORS 330.103 provides for the effective date of the change. ORS 330.106 deals with action by the board pending the effective date of the change. ORS 330.107 provides for the time of 100 days for the first boundary board to act and a 60-day extension for the second boundary board to act, but with special circumstances the State Board of Education may grant additional time.

B. Practical Realities.

The attached map establishes that the boundaries of the Sherwood School District encompass all of Basalt Creek and Coffee Lake Creek. A Basalt Creek change of boundary would affect the Tigard-Tualatin School District as well as the West Linn-Wilsonville School District, given in the current planning proposal the two cities would split Basalt Creek and the two school districts are, respectively, the primary school district for each city. Coffee Creek would be in the West Linn-Wilsonville School District, following the same logic.

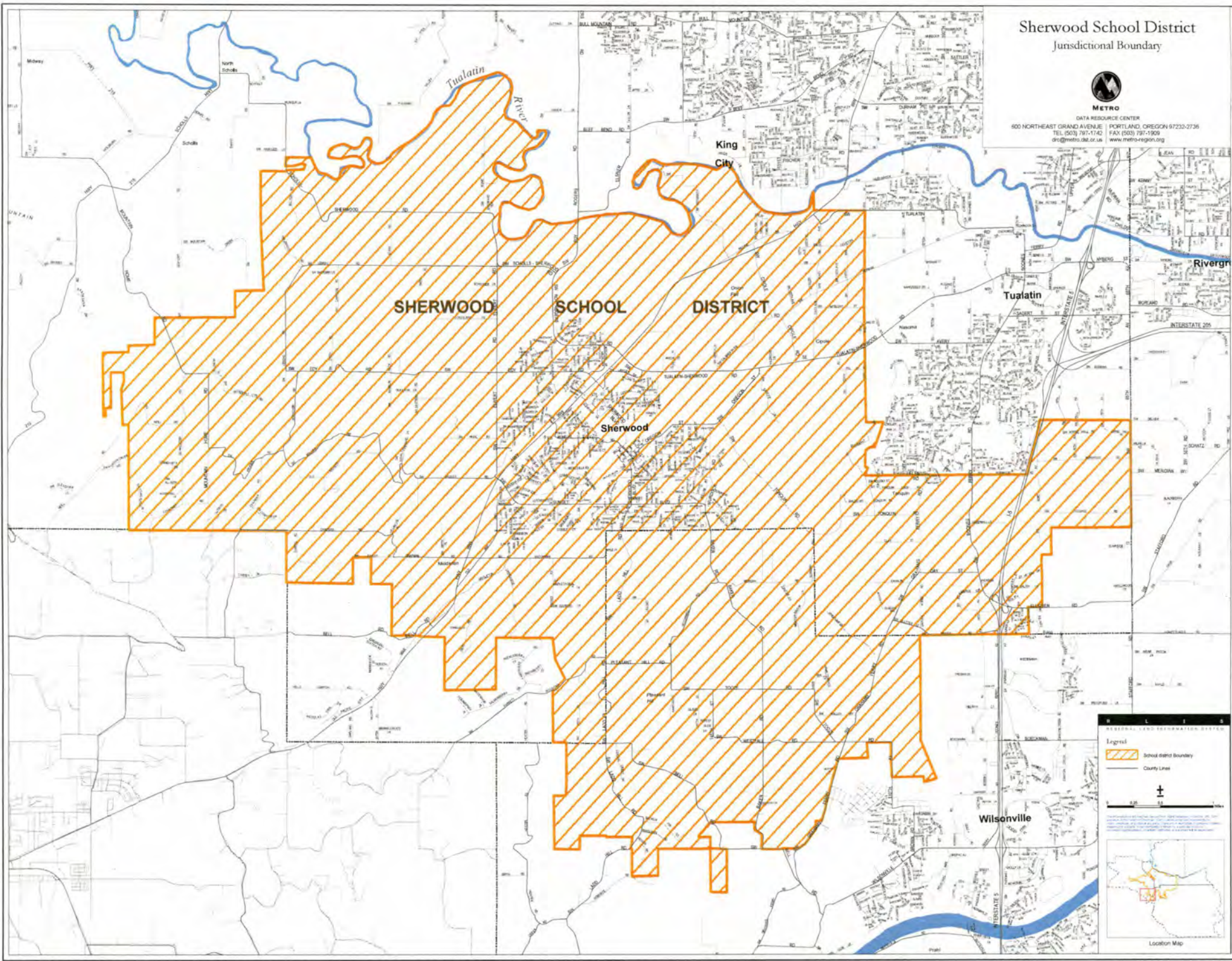
Historically, there is usually some mutual quid pro quo for agreement by two boards for school district boundary changes to occur. Given the Wilsonville areas are all planned industrial, with few school age children, there is no incentive (quid pro quo) currently proposed by the West Linn-Wilsonville School District for the Sherwood School District to give up the future assessed valuation to the West Linn-Wilsonville School District or for the Sherwood electorate to support doing so. This is the current reality of the issue.

mek:tec
encl.

Sherwood School District Jurisdictional Boundary



DATA RESOURCE CENTER
600 NORTHEAST GRAND AVENUE, PORTLAND, OREGON 97232-3736
TEL (503) 787-1742 FAX (503) 787-1909
drc@metro.or.us www.metro-region.org



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: November 4, 2013		Subject: Urban Renewal Strategic Plan Update Staff Member: Kristin Retherford, Economic Development Manager Department: Community Development	
Action Required <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		Advisory Board/Commission Recommendation <input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments: N/A	
Staff Recommendation: N/A			
Recommended Language for Motion: N/A			
PROJECT / ISSUE RELATES TO:			
<input checked="" type="checkbox"/> Council Goal: Economic Development		<input type="checkbox"/>	

ISSUE BEFORE THE CITY COUNCIL:

This is a check-in with Council to discuss three scenarios related to Wilsonville's Urban Renewal Program. The Urban Renewal Task Force (TF) has met twice. At the last meeting, the task force developed three scenarios for further refinement and discussion at their December meeting. These scenarios are described in detail below and a one-page summary prepared by the consultant team is attached. Staff is seeking Council input and comment on these scenarios and to determine if there are additional issues or scenarios you would like staff to develop.

A. Finish Projects in each URA as designated in the UR Plans, then close out

Scenario "A" is designed to fund all projects that are currently identified for the West Side and Year 2000 outstanding project list (attached), then to close both districts. This scenario requires a **substantial amendment** to the West Side Plan to increase maximum indebtedness (MI).

- Year 2000 Plan: Remove as much acreage as possible while leaving sufficient capacity to fund all remaining projects and continue to levy \$4.0 million per year, pay off all debt early, close it down.
- West Side Plan: Amend MI to \$58 million (\$18 million increase), seek concurrence for MI increase, seek concurrence to waive revenue sharing, pay for all projects listed in Plan, pay off debt early, close it down. (Risk: If 75 percent concurrence is not received, MI cannot be increased to this level and some projects will not be funded using urban renewal proceeds.)
- Coffee Creek: Start Coffee Creek when needed acreage is reduced in Year 2000 to allow for this new district and the Coffee Creek area has been annexed.
- Frog Pond: Identify the year in which we would have enough acreage to do Frog Pond. A number of task force members have expressed concerns about using urban renewal for amenity projects that won't increase tax increment, such as parks.

B. Close Out Year 2000 ASAP, West Side Plan completes all projects EXCEPT Old Town Escape, so concurrence isn't (legally) required

In this scenario, MI increases for the West Side Plan, however only at a level that does not LEGALLY require concurrence. The direction from the TF is to pursue concurrence or approval from the taxing districts regardless of legal requirement. Unlike Scenario A, where projects would be unfunded if concurrence is not received, in Scenario B projects could still be funded and completed if only 60 percent or 70 percent approval is received from the other taxing districts. This will allow the West Side Plan to fund all projects except for the Old Town Escape project. The City would either need to find other funding sources for the Old Town Escape, transfer this project to the Year 2000 Urban Renewal Area for funding, or not do the project.

- Year 2000 Plan: Remove as much acreage as possible while leaving sufficient capacity to fund all remaining projects and continue to levy \$4million per year, pay off all debt early, close it down.
- West Side Plan: Amend MI to \$49M, Old Town Escape needs to be funded by some other City source, pay off debt early, close it down.
- Coffee Creek: Start Coffee Creek when needed as acreage is reduced in Year 2000 to allow for this new district and the Coffee Creek area has been annexed.
- Frog Pond: Identify the year in which we would have enough acreage to do Frog Pond. A number of task force members have expressed concerns about using urban renewal for amenity projects that won't increase tax increment, such as parks.

C. Partial Close Out of Year 2000, West Side Plan completes all projects and gets concurrence

This scenario shows a philosophical change in the approach to the Year 2000 Plan. Instead of closing the district early, the alternative is to keep it open, but at a much reduced state. This scenario removes as much acreage as possible, which would make way for the creation of the Coffee Creek URA in a timely fashion. This scenario also funds the few remaining projects in the Year 2000 Plan. In future years, the URA would under-levy, collecting just enough TIF to make scheduled debt service payments. This keeps the URA around longer so that if the City wants to use the URA to fund future redevelopment in Town Center or elsewhere, urban renewal could be used as a funding source.

- Year 2000 Plan: Fund all remaining projects, remove as much acreage as needed to create Coffee Creek URA without jeopardizing the ability of Year 2000 Plan to generate \$4M per year, pay debt service as scheduled, under-levy each year if TIF exceeds \$ needed for debt service. Allows the possibility of funding \$8.5M for Town Center redevelopment projects in the future. To fund more than \$8.5 million in redevelopment projects would require an increase in MI and concurrence from affected taxing districts.
- West Side Plan: Amend MI to \$58 million, seek concurrence for MI increase, revenue sharing kicks in, pay for all projects listed in Plan, pay off debt early, close it down.
- Coffee Creek: Start Coffee Creek when needed as acreage is reduced in Year 2000 to allow for this new district and after the Coffee Creek area has been annexed.
- Frog Pond: Identify the year in which we would have enough acreage to do Frog Pond. A number of task force members have expressed concerns about using urban renewal for amenity projects that won't increase tax increment, such as parks.

URA	Project Name	Schedule	2013 Constant Dollars				Nominal Dollars
			TIF	SDCs	Other	Total Cost	TIF
West Side	Villebois Sprinkler SDC Credit / Repayment from UR	2013/14 - 2017/18	\$ 2,093,185	\$ -	\$ -	\$ 2,093,185	\$ 2,376,900
	Kinsman Rd. Extension - Barber to Boeckman*	2013/14 - 2015/16	\$ -	\$ 2,696,000	\$ 3,373,000	\$ 6,069,000	\$ -
	Barber Street Extension - Kinsman to Coffee Lake Drive	2013/14 - 2014/15	\$ 4,675,000	\$ 59,280	\$ 3,077,000	\$ 7,811,280	\$ 4,908,800
	Tooze Rd. Improvements (110th to Grahams Ferry Rd.)	2013/14 - 2015/16	\$ 2,550,000	\$ 126,620	\$ 4,038,380	\$ 6,715,000	\$ 2,811,400
	Villebois Park Improvements - Promenade	2013/14	\$ 49,000	\$ -	\$ -	\$ 49,000	\$ 49,000
	Villebois Park Improvements - Piccadilly (RP3-B)	2013/14	\$ 213,833	\$ -	\$ -	\$ 213,833	\$ 213,800
	Brown Road Improvements*	2016/17	\$ 4,000,000	\$ -	\$ -	\$ 4,000,000	\$ 4,630,400
	Old Town Escape - either option*	2017/18	\$ 7,410,000	\$ -	\$ -	\$ 7,410,000	\$ 9,006,900
	Villebois Parks Improvements - Montague	2015/16	\$ 786,167	\$ -	\$ -	\$ 786,167	\$ 866,700
	Total	2013/14 - 2017/18	\$ 21,777,185	\$ 2,881,900	\$ 10,488,380	\$ 35,147,465	\$ 24,863,900
Year 2000	Canyon Creek Road South from Boeckman to Valahos	2013/14 - 2014/15	\$ 4,354,800	\$ -	\$ -	\$ 4,354,800	\$ 4,534,000
	Old Town Streets and Streetscape (including Bailey to 5th)	2013/14 - 2015/16	\$ 3,182,500	\$ -	\$ -	\$ 3,182,500	\$ 3,497,600
	Landover Medians	2015/16	\$ 250,000	\$ -	\$ -	\$ 250,000	\$ 275,600
	Livability Grant (Store front improvement grant/loan fund)	2015/16	\$ 250,000	\$ -	\$ -	\$ 250,000	\$ 275,600
	Murase Park Improvements (Playground and Slope Terracing)	2014/15	\$ 350,000	\$ -	\$ -	\$ 350,000	\$ 367,500
	Town Center Redevelopment	2013/14 - 2016/17	\$ -	\$ -	\$ -	\$ -	\$ -
	Total	2013/14 - 2016/17	\$ 8,387,300	\$ -	\$ -	\$ 8,387,300	\$ 8,950,300
Coffee Creek	Coffee Creek Waterlines	2015/16 - 2021/22	\$ 1,296,000	\$ -	\$ -	\$ 1,296,000	\$ 1,832,300
	Coffee Creek Sewer Lines	2015/16 - 2021/22	\$ 1,104,000	\$ -	\$ -	\$ 1,104,000	\$ 1,446,800
	Coffee Creek Streets	2015/16 - 2021/22	\$ 16,963,000	\$ -	\$ -	\$ 16,963,000	\$ 23,439,700
	Coffee Creek Storm Sewer	2015/16 - 2021/22	\$ 2,003,697	\$ -	\$ -	\$ 2,003,697	\$ 2,799,500
	Coffee Creek Parks and Trails	2015/16 - 2021/22	\$ 1,371,000	\$ -	\$ -	\$ 1,371,000	\$ 1,928,900
	Total	2015/16 - 2021/22	\$ 22,737,697	\$ -	\$ -	\$ 22,737,697	\$ 31,447,200
Frog Pond	Boeckman Road Dip Improvemtns UU-01	2017/18 - 2018/19	\$ 5,850,000	\$ -	\$ -	\$ 5,850,000	\$ 7,288,500
	Boeckman Road Urban Upgrade UU-02	2017/18 - 2018/19	\$ 2,100,000	\$ -	\$ -	\$ 2,100,000	\$ 2,616,400
	Stafford Road Urban Upgrade - UU - 06	2017/18 - 2019/20	\$ 5,850,000	\$ -	\$ -	\$ 5,850,000	\$ 7,472,200
	Sewer Repair/Replacement & Maintenance - Boeck Creek	2016/17	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ 2,315,200
	Frog Pond Trail RT-02	2019/20	\$ 290,000	\$ -	\$ -	\$ 290,000	\$ 388,600
	Frog Pond Community Park - P15	2018/19	\$ 10,600,000	\$ -	\$ -	\$ 10,600,000	\$ 13,528,800
	Total	2016/17 - 2019/20	\$ 26,690,000	\$ -	\$ -	\$ 26,690,000	\$ 33,609,700
	Total - All URAs		\$ 79,592,182	\$ 2,881,900	\$ 10,488,380	\$ 92,962,462	\$ 98,871,100

*Some scenarios consider moving these projects from the West Side Plan to the Year 2000 Plan

Wilsonville Urban Renewal Scenarios Summary

A) Finish all projects in West Side and Year 2000 URAs, then close them down to create acreage capacity for new URAs. Concurrence is required for West Side Plan: projects in the West Side Plan would be unfunded if concurrence is not received.

B) Close out Year 2000 Plan as soon as possible. The West Side Plan completes all projects except for the Old Town Escape, so that concurrence is not (legally) required. Old Town Escape is transferred to the Year 2000 Plan, which may entail a small increase in maximum indebtedness.

C) Partial close out of Year 2000 Plan, maintaining the option to fund Town Center development projects. The Year 2000 Plan finishes all remaining projects in the Plan, and then under levies in all future years, collecting just enough TIF to make scheduled debt service payments. This keeps the Year 2000 Plan alive longer, so that urban renewal could be a funding source for Town Center redevelopment efforts in the future, if desired by the City. The West Side Plan would need to be amended with concurrence to increase its maximum indebtedness to fund all projects (same as in Scenario A).

In all scenarios, sufficient acreage would be removed from existing URAs to allow for creation of a new Coffee Creek URA.

URA		Scenario A	Scenario B	Scenario C
Year 2000	Debt Service Payments	Pay off early	Pay off early	Pay off as scheduled
	Fund All Remaining Projects?	Yes	Yes	Yes, and possible \$8.5M for Town Center
West Side	Maximum Indebtedness	Amend to \$58M	Amend to \$49M	Amend to \$58M
	Seek concurrence to increase Maximum Indebtedness?	Yes	No	Yes
	Complete all projects in the UR Plan?	Yes	No, Old Town Escape must be funded by another City source	Yes

City of Wilsonville Water Rate Study

Presentation to City Council (November 4, 2013)

Water Rate Structure Options:

1. Current Rate Structure
2. Scenario 2 (presented at 10/7 Council Work Session)
3. Scenario 2a (new scenario)

Staff Recommendation: Scenario 2a; no overall revenue increase in Fiscal Year 2013/14; future across-the-board annual increases of 2.25%

Scenario 2 (presented at 10/7 Council Work Session):

- a. **Adjusts rates based on the updated cost of service model**
 - Enhances rate equity (revised rates reflect current costs and usage characteristics)
- b. **Reduces monthly minimum usage from 4 ccf to 2 ccf**
 - Aligns minimum usage to the sewer rate minimum; enhances equity for low volume customers; encourages conservation

Scenario 2a (Changes from Scenario 2):

- a. **Reduced irrigation rates** (both irrigation 'class' which includes irrigation meters for multifamily residential and nonresidential customers, and irrigation 'tier' for single family residential)
 - Increased revenue from other classes to maintain revenue neutrality
- b. **Increased percentage of revenue from fixed charges**
 - maintains fixed revenue at 24 percent (same as current rates)
- c. **Residential Bill impacts**
 - Average bill increases for majority of Single Family residential customers are less than \$4.00 per month.
 - Some customer bills decrease (lower fixed charge for small meters)

Attachments

- a. Revenue Recovery by Customer Class and Rate Component (Table 1)
- b. Rate Scenarios (Table 2)
- c. Single Family Residential Average Month Bill Difference (Scenario 2)
- d. Single Family Residential Average Month Bill Difference (Scenario 2a)

Next Steps

Public outreach (November); Public Hearing (December 2, 2013)

*work session.
Rec'd 11/4/13
ack.*

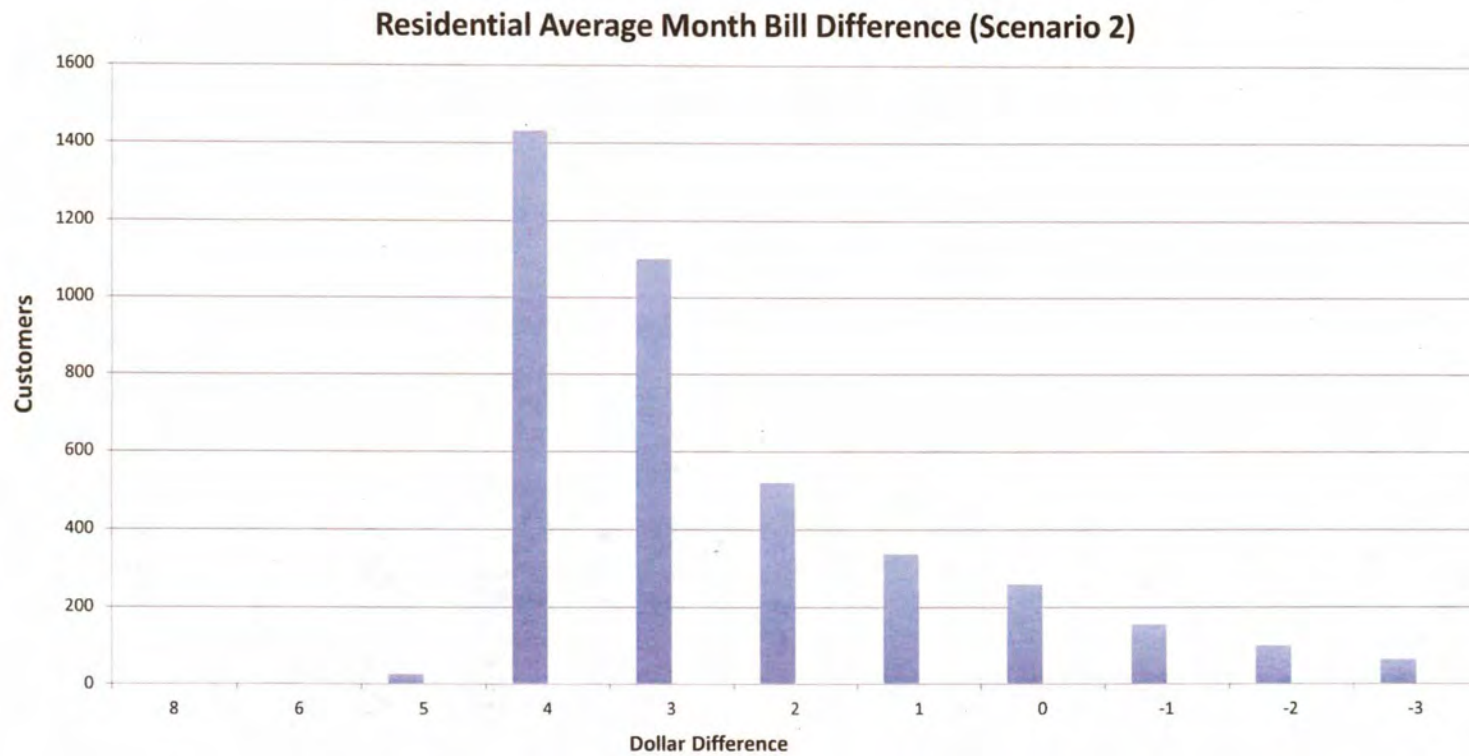
Table 1
City of Wilsonville
Comparison of Revenue Recovery (\$millions)

Class	Current Rates	Scenario 2	Scenario 2a
Residential	\$1.76	\$1.87	\$1.87
Commercial	\$0.81	\$0.77	\$0.79
Industrial	\$0.56	\$0.49	\$0.50
Irrigation	\$1.35	\$1.40	\$1.33
Multifamily	\$0.97	\$0.92	\$0.95
Total	\$5.4	\$5.4	\$5.4
Change from Current			
Residential		6.3%	6.5%
Commercial		-4.4%	-2.1%
Industrial		-13.2%	-10.4%
Irrigation		3.6%	-1.5%
Multifamily		-5.8%	-1.8%
Total By Rate Component			
Fixed Charge	\$1.31	\$1.16	\$1.30
Volume Charge	\$4.14	\$4.28	\$4.14
Total	\$5.4	\$5.4	\$5.4
Fixed Charge	24%	21%	24%
Volume Charge	76%	79%	76%

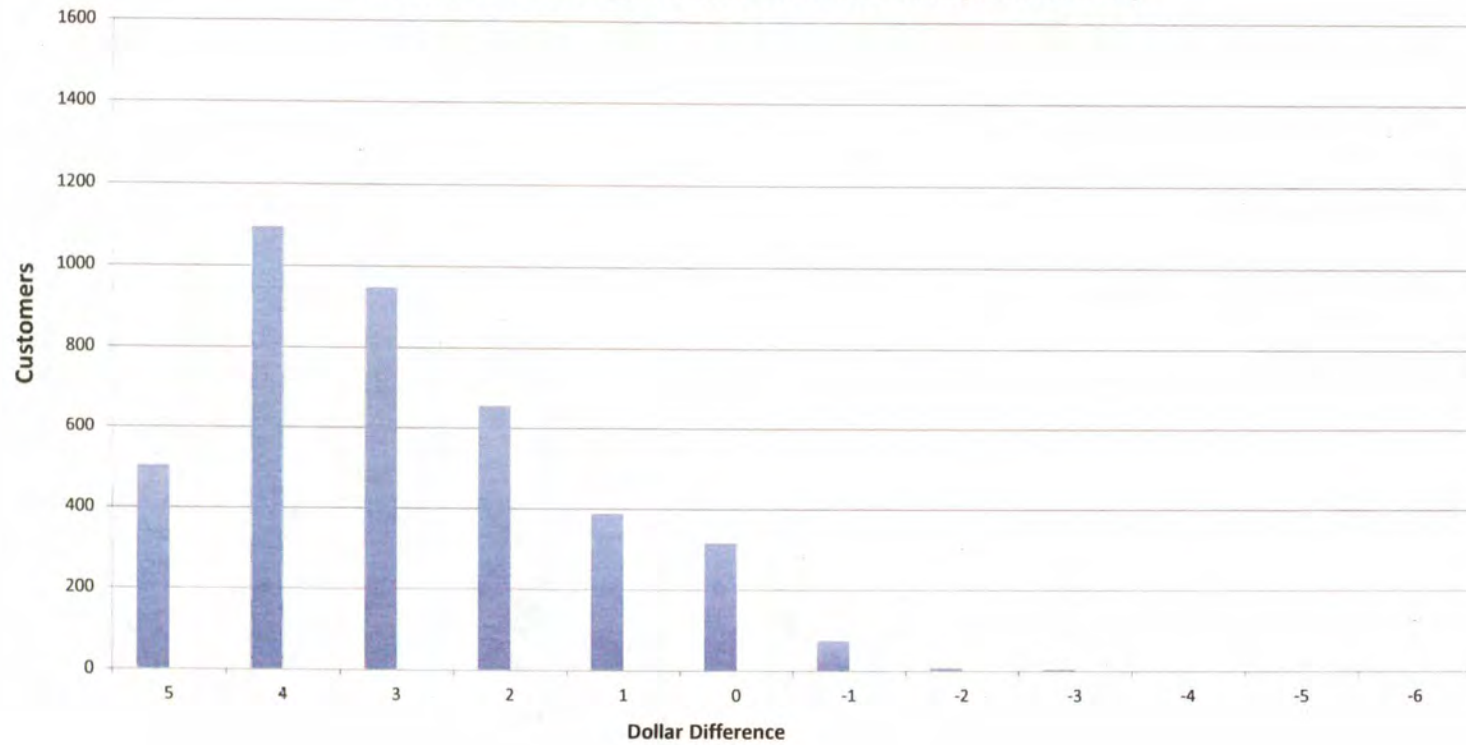
Table 2
City of Wilsonville
Current Rates and Revised Cost-of-Service Scenarios

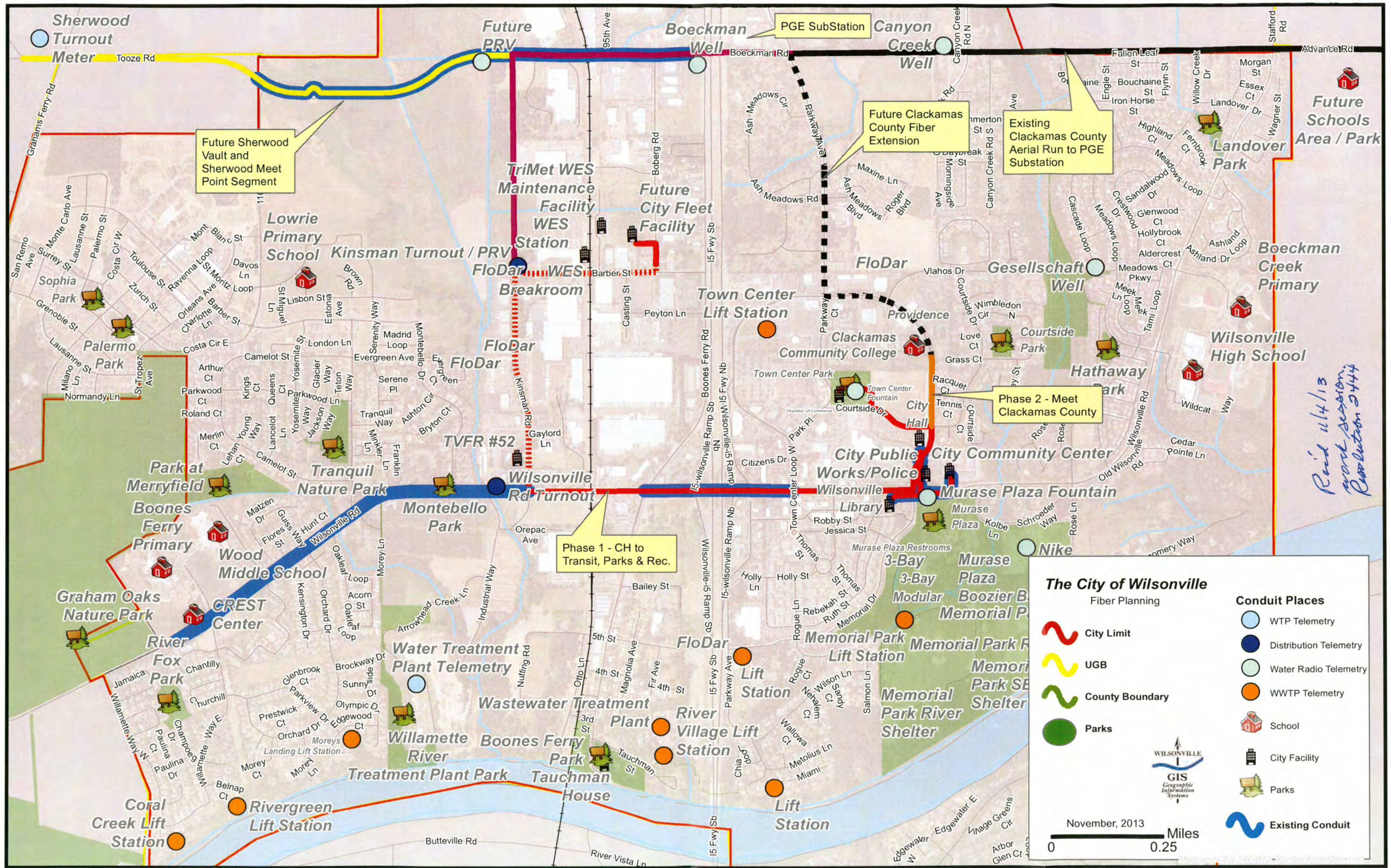
		Current Rates	Revised Cost of Service	
			Scen 2	Scen 2a
Monthly Minimum Quantity (ccf) ¹		4-17	2	2
Residential Rates				
Fixed Charge (\$/mo)		\$19.88	\$17.06	\$19.13
Volume Charge (\$/ccf)				
Tier 1		\$3.70	\$3.51	\$3.22
Tier 2		\$5.61	\$5.73	\$5.39
Nonresidential Rates				
Meter Charge (\$/mo)	Min. Qty (ccf/mo.)			
3/4"	4	\$19.88	\$17.06	\$19.13
1"	4	\$21.91	\$19.03	\$21.12
1.5"	5	\$24.03	\$21.01	\$23.76
2"	6	\$28.16	\$26.44	\$31.04
3"	7	\$32.32	\$66.42	\$62.80
4"	8	\$36.44	\$81.22	\$104.49
6"	10	\$44.81	\$115.77	\$150.80
8"	12	\$55.63	\$155.26	\$203.74
10"	17	\$75.90	\$191.04	\$251.71
Volume Charge (\$/ccf)				
Commercial		\$3.64	\$3.30	\$3.36
Industrial		\$3.92	\$3.29	\$3.41
Irrigation		\$5.61	\$5.73	\$5.39
Multifamily		\$3.79	\$3.34	\$3.46

¹ Current rates monthly quantity varies by meter size

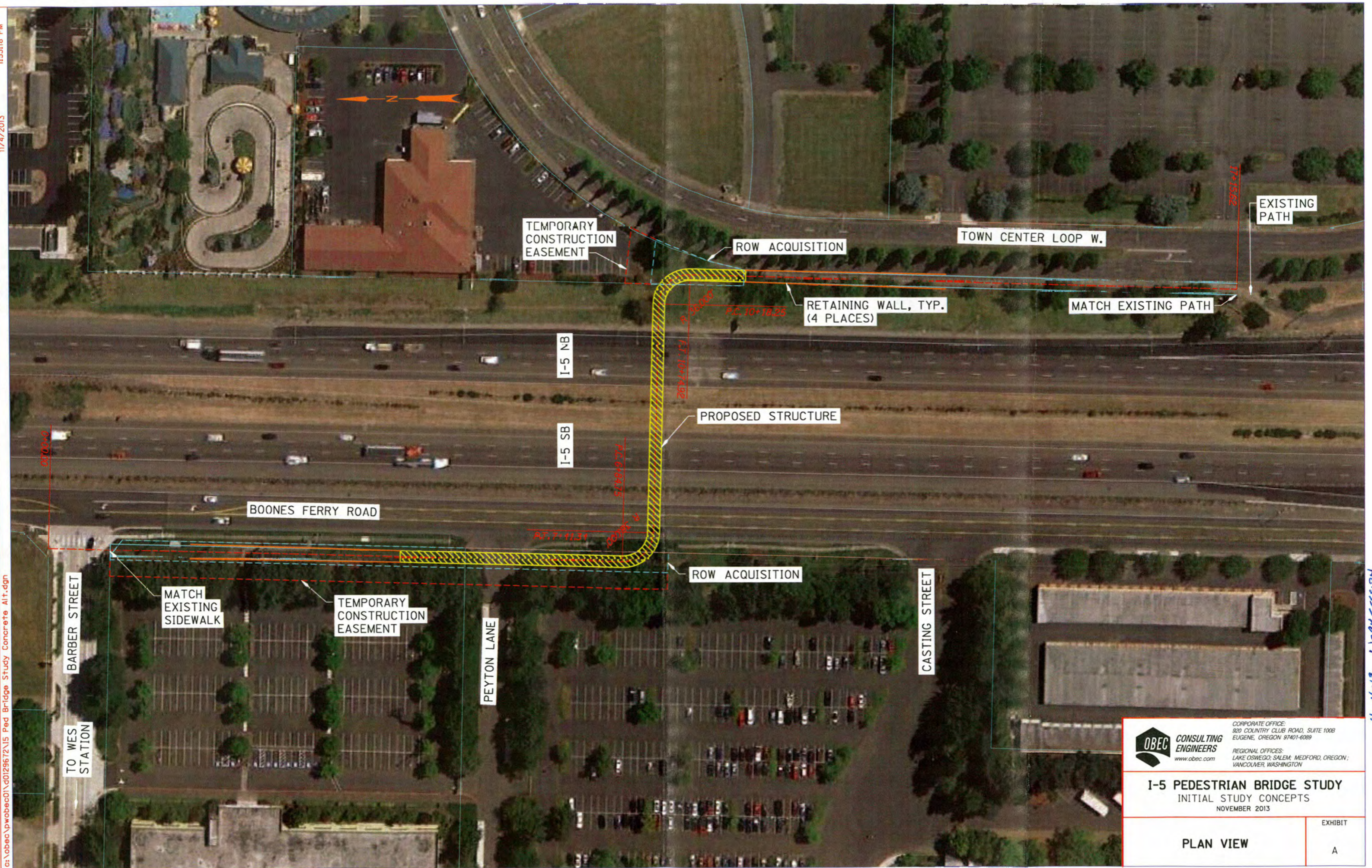


Residential Average Month Bill Difference (Scenario 2a)





Raid 11/4/13
work session
Resolution 2444



CORPORATE OFFICE:
920 COUNTRY CLUB ROAD, SUITE 100B
EUGENE, OREGON 97401-6089

REGIONAL OFFICES:
LAKE OSWEGO; SALEM; MEDFORD, OREGON;
VANCOUVER, WASHINGTON

I-5 PEDESTRIAN BRIDGE STUDY
INITIAL STUDY CONCEPTS
NOVEMBER 2013

PLAN VIEW

EXHIBIT

A

11-4-13 WORK SESSION

Proclamation
Establishing November 15, 2013 as
America Recycles Day

Whereas, Wilsonville recognizes the importance of protecting and preserving our natural resources and adopting conscientious habits that will improve our daily lives and bring about a cleaner, safer, and more sustainable environment; and

Whereas, although there has been a significant increase in the amount of recycling in Wilsonville to date, we must also continue to focus on other initiatives such as waste reduction, composting, the reuse of products and materials, and purchasing recycled products; and

Whereas, by encouraging businesses, state agencies, nonprofit organizations, schools and individuals to celebrate America Recycles Day 2013, we can further promote recycling as an environmentally efficient and economically smart habit; and

Whereas, state and community leaders can encourage recycling by informing citizens about local recycling options, they can also help foster greater awareness of the need to expand collections programs by promoting the benefits of recycling investments for businesses; and

Whereas, it is important that all Wilsonville citizens become involved in recycling activities and learn more about the many recycled and recyclable products available to them as consumers; it is also fitting for Wilsonville to celebrate America Recycles Day 2013 and take action by educating citizens about the recycling options available in our community;

Now, therefore I do hereby recognize November 15, 2013 as America Recycles Day.

Tim Knapp, Mayor
Date: November 4, 2013

CITY COUNCIL ROLLING SCHEDULE

Board and Commission Meetings 2013

NOVEMBER

DATE	DAY	TIME	MEETING	LOCATION
11/4	Monday	7 p.m.	City Council Meeting	Council Chambers
11/11	Monday	Veterans Day – City Offices Closed		
11/13	Wednesday	6 p.m.	Planning Commission	Council Chambers
11/14	Thursday	6 p.m.	Urban Renewal Strategic Plan Task Force	Willamette River Room
11/18	Monday	7 p.m.	City Council Meeting	Council Chambers
11/21	Thursday	6 p.m.	Budget Workshop	Council Chambers
11/25	Monday	6:30 p.m.	DRB Panel B	Council Chambers
11/28-29	Thursday & Friday	Thanksgiving Holiday – City Offices Closed		

COMMUNITY EVENTS

TOURISM STRATEGY COMMUNITY WORKSHOP

Tue, Nov 12, 1:30 pm – Task Force meeting #2
City Hall, Willamette River Room, 2nd floor

FALL LEAF DROP-OF DAY

November 16, 2013 – 9 a.m. – 2 p.m.
City Hall, 29799 SW Town Center Loop
Leaves only – no yard debris. Please bring a donation of new toiletries and personal hygiene items or canned goods for donation to Wilsonville Community Sharing



BUDGET COMMITTEE MEETINGS:

- November 21, 2013 Budget Committee Workshop 6-8 p.m.
- April 28, 2014 6-8 p.m.
- May 1, 2014 6-8 p.m.
- May 8, 2014 6-8 p.m.



Metro update



Wilsonville City Council



Councilor Craig Dirksen
November 4th, 2013



Metro | *Making a great place*

Updates

- Transportation planning and projects
- Land use planning updates
- Community Investment Initiative
- Climate Smart Communities
- Natural areas program
- Willamette falls
- Metro venues

Transportation planning updates

- Agreement on Southwest Corridor Plan and shared investment strategy
- Regional Flexible Funds Allocation
- Draft Active Transportation Plan moving forward for refinement
- RTP update in 2014



3

Land use planning updates

- Urban growth management process underway, will ramp up in 2014
- Community planning and development grants recently awarded
 - Frog Pond/Advance Road Concept Plan



4

Climate Smart Communities

- State requires region to reduce carbon emissions from cars and small trucks by 20% by 2035
- Metro's approach builds on existing local and regional plans
- Evaluation of different approaches will help inform regional conversations this fall and winter



5

Community Investment Initiative

- Group of business, community, public sector leaders
- Thinking about our region's infrastructure needs and the shortage of funds for infrastructure
 - Developed strategic plan last summer
 - Recommending Regional Infrastructure Enterprise



Natural areas program

- 5-year levy approved by voters in May allows for needed improvements in natural areas across the region
- Metro seeking applications for conservation education and restoration grants



Willamette Falls Legacy Project



- Focus on econ. development, public access, healthy habitat, historical and cultural interpretation
- www.rediscoverthefalls.com

Metro venues



- Oregon Convention Center hotel moving forward
- Approval of Metro/City of Portland/Multnomah County IGA almost complete
- Oregon Zoo wins national award, names new lion cubs



Your questions...

Craig Dirksen
Metro Councilor, District 3
503-797-1549
craig.dirksen@oregonmetro.gov

optin

PORTLAND-VANCOUVER AREA ONLINE PANEL



www.oregonmetro.gov/connect


**CITY COUNCIL MEETING
STAFF REPORT**

Meeting Date: November 4, 2013		Subject: Resolution No. 2442 Intergovernmental Agreement with Metro to accept a Community Planning and Development Grant to fund the Frog Pond / Advance Road Planning Project Staff Member: Katie Mangle Department: Community Development	
Action Required <input checked="" 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 checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input checked="" type="checkbox"/> Consent Agenda		Advisory Board/Commission Recommendation <input type="checkbox"/> Approval <input type="checkbox"/> Denial <input checked="" type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable Comments:	
Staff Recommendation: Staff recommends approval of Resolution No. 2442			
Recommended Language for Motion: I move to approve Resolution No. 2442.			
PROJECT / ISSUE RELATES TO:			
<input checked="" type="checkbox"/> Council Goals/Priorities Thoughtful Land Use	<input type="checkbox"/> Adopted Master Plan(s)	<input type="checkbox"/> Not Applicable	

ISSUE BEFORE COUNCIL:

Adopting Resolution No. 2442 (see Attachment A) will authorize the City Manager to sign an intergovernmental agreement (IGA) with Metro to fund the multi-year Frog Pond and Advance Road Planning project.

EXECUTIVE SUMMARY:

In August, Metro awarded the City of Wilsonville a \$341,000 Community Planning and Development grant for planning future urbanization of the Advance Road and Frog Pond areas.

Concept planning for the combined 497-acre area at the intersection of Stafford and Advance Roads will resolve land use and infrastructure issues for future development.

The IGA lays out the responsibilities of the City to manage the project and implement the general scope of work as described in the grant proposal. Metro staff will participate in the project and provide technical assistance. The City will hire consultants directly and be responsible for the costs of producing project deliverables. At specific milestones in the project, Metro will reimburse the City for all grant-funded expenses.

Exhibit A to the IGA includes a schedule of project milestones at which time Metro will reimburse City expenses. If a milestone is not met by the deadline, Metro will require an amendment to the IGA before reimbursing the City for expenses. Therefore, Staff has calculated these dates conservatively. The planned schedule for the work is to complete each phase within approximately one year – well ahead of the schedule outlined in the IGA. There is no penalty for moving faster than the schedule outlined in Exhibit A.

EXPECTED RESULTS:

The project will focus on achieving three primary outcomes:

1. Developing a concept plan for the Frog Pond area, to comply with Metro's Title 11 (the City's conservative compliance deadline is December 31, 2015). See Attachment B for a map of the study area, which defines the Frog Pond and Advance Road sub-areas.
2. Developing a concept plan for the Advance Road Urban Reserve area, as required by Title 11 before this area may be considered to be added to the Metro UGB.
3. Preparing a more detailed master plan for the Frog Pond area to resolve questions of land use, design, feasibility, and infrastructure cost and financing to prepare that area for development implementation to meet identified housing needs.

TIMELINE:

- November 2013: City signs IGA and issues Request for Proposals to hire a team of planning and engineering consultants
- January 2014: City approves consultant contract and project gets underway

CURRENT YEAR BUDGET IMPACTS:

The City will provide an \$80,000 cash match, and commit significant staff resources to the project. Half of the match is included in the current fiscal year budget.

FINANCIAL REVIEW / COMMENTS:

Reviewed by: ____JEO____ Date: ____10/24/13____

Of the \$80,000 committed match, \$40,000 is budgeted in the current year and the remaining \$40,000 will be included in the 2014-15 budget to complete this project.

LEGAL REVIEW / COMMENT:

Reviewed by: MEK____ Date: 10/22/2013____

Resolution approved as to form.

COMMUNITY INVOLVEMENT PROCESS:

Staff has contacted all property owners in the study area regarding the grant award (Attachment C). Property owners and others in the community will be invited to participate in the planning process; preparing the specific public involvement plan is one of the first project tasks following consultant selection.

POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY

By leading the planning effort, the City will balance public interests with feasibility of implementation. Planning for both areas together is the best way to ensure cost-effective provision of infrastructure. Additionally, the project will resolve questions related to design, infrastructure, and land uses that will make it more likely that the Frog Pond area will be ready to construct when the market is ready to support it.

CITY MANAGER COMMENT:**ATTACHMENTS****A. Resolution No. 2442**

Exhibit A. Construction Excise Tax Grant Intergovernmental Agreement, Metro – City of Wilsonville, Frog Pond Advance Road Planning

Exhibit A1. Deliverables Schedule

Exhibit A2. City's Grant Request

B. Map of the study area**C. Letter sent to affected property owners**

RESOLUTION NO. 2442

A RESOLUTION OF THE CITY OF WILSONVILLE AUTHORIZING AN INTERGOVERNMENTAL AGREEMENT BETWEEN METRO AND WILSONVILLE ACCEPTING A CONSTRUCTION EXCISE TAX GRANT TO FUND THE FROG POND / ADVANCE ROAD PLANNING PROJECT

WHEREAS, in 2002 the Metro Council added an approximately 181-acre area located immediately east of the City of Wilsonville city limits, known as Frog Pond, into the Urban Growth Boundary with Metro Ordinance No. 02-969B, in anticipation of eventual annexation by the City for residential development; and

WHEREAS, the City's "20-Year Look" process identified the Advance Road area as the top-priority for future residential development in conjunction with the Frog Pond area; and

WHEREAS, the Frog Pond area currently lacks a concept plan to guide infrastructure planning and development but the City of Wilsonville is required to complete a concept plan for that area by the end of 2015; and

WHEREAS, these two urban growth expansion areas, together, comprise an approximately 497-acre area that could be concept planned together, thereby providing economies of scale for both planning and infrastructure development; and

WHEREAS, Metro maintains a Metro Community Planning and Development Grant Program ("Grant Program") to help fund concept and master planning;

WHEREAS, in 2013 the City of Wilsonville approved Resolution No. 2412 supporting an application to the Grant Program to fund concept planning of the Frog Pond and Advance Road areas and master planning of the Frog Pond area, and contributing a local match of staff time and cash resources, as more particularly set forth in that Resolution; and

WHEREAS, Metro Council adopted Resolution No. 13-4450, awarding \$341,000 from the Grant Program to fund Wilsonville's Frog Pond/Advance Road Planning concept and master planning project, subject to Wilsonville providing the above referenced match .

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. The City Council authorizes the City Manager to sign the *Intergovernmental Agreement Between Metro and the City of Wilsonville, to Fund the Frog Pond /*

Advance Road Planning Project with Construction Excise Tax Grant Funds, in the form attached hereto as **Exhibit A**.

2. This Resolution is effective upon the date of adoption.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this ____ day of November, 2013, and filed with the Wilsonville City Recorder this date.

Tim Knapp, Mayor

ATTEST:

Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Mayor Knapp
Council President Starr
Councilor Goddard
Councilor Fitzgerald
Councilor Stevens

Attachments:

Exhibit A – Intergovernmental Agreement between Metro and the City of Wilsonville to Fund the Frog Pond/Advance Road Planning Project with Construction Excise Tax Grant Funds.

**CONSTRUCTION EXCISE TAX GRANT
INTERGOVERNMENTAL AGREEMENT**

**Metro – City of Wilsonville
Frog Pond / Advance Road Planning**

This Construction Excise Tax Grant Intergovernmental Agreement ("CET Grant IGA") is effective on the last date of signature below, and is entered into by and between Metro, a metropolitan service district organized under the laws of the state of Oregon and the Metro Charter, located at 600 Northeast Grand Avenue, Portland, OR, 97232-2736 ("Metro"), and The City of Wilsonville, OR ("City"), located at 29799 SW Town Center Loop East, Wilsonville, OR 97070, collectively referred to as "Parties."

WHEREAS, Metro has established a Construction Excise Tax ("CET"), Metro Code Chapter 7.04, which imposes an excise tax throughout the Metro regional jurisdiction to fund regional and local planning that is required to make land ready for development after inclusion in the Urban Growth Boundary; and

WHEREAS, the CET is collected by local jurisdictions when issuing building permits, which the local jurisdictions then remit to Metro pursuant to Construction Excise Tax Intergovernmental Agreements to Collect and Remit Tax ("CET Collection IGAs") entered into separately between Metro and the local collecting jurisdictions; and

WHEREAS, the City has submitted a CET Grant Request ("Grant Request") for the Frog Pond/Advance Road Planning ("Project"); and

WHEREAS Metro has agreed to provide the City CET Grant funding for the Project in the amount of \$341,000 subject to the terms and conditions set forth herein, and the parties wish to set forth the funding amounts, timing, procedures and conditions for receiving grant funding from the CET fund for the Project.

NOW THEREFORE, the Parties hereto agree as follows:

1. Metro Grant Award. Metro shall provide CET grant funding to the City for the Project as described in the City's CET Grant Request, attached hereto as Exhibit B and incorporated herein ("Grant Request"), in the amounts and at the milestone and deliverable dates as set forth in Exhibit A attached hereto and incorporated herein ("Deliverables Schedule"), subject to the terms and conditions in this Agreement.
2. City Responsibilities. The City shall perform the Project described in the Grant Request and as specified in this Agreement and in Exhibit A, subject to the terms and conditions specified in this Agreement and subject to the following "funding conditions" identified by the Screening Committee as stated in Metro Council Resolution No. 13-4450, Exhibit A:

- Address sustainability, including stormwater/low impact development.
- Metro staff should serve on the city's technical committee/s overseeing the planning work.
- Address financing and governance commitment.
- Offer transportation choices.

The City shall obtain all applicable permits and licenses from local, state or federal agencies or governing bodies related to the Project, and the City shall use the CET funds it receives under this Agreement only for the purposes specified in the Grant Request and to achieve the deliverables and/or milestones set forth in Exhibit A.

3. Payment Procedures. Estimates of due dates for completion of several Project milestones are set forth on Exhibit A. Within 30 days after the actual completion date of each Project milestone, the City shall submit to

Metro an invoice describing in detail its expenditures as may be needed to satisfy fiscal requirements. Within 30 days of receiving the City's invoice and supporting documents, and subject to the terms and conditions in this Agreement, Metro shall reimburse the City for its eligible expenditures for the applicable deliverable as set forth in Exhibit A. Metro shall send CET payments to:

City of Wilsonville
Attention: Finance Department
29799 SW Town Center Loop E
Wilsonville, OR 97070

4. Funding Provisions.

(a) CET Funds. Metro's funding commitment set forth in this Agreement shall be fulfilled solely through the programming of CET funds; no other funds or revenues of Metro shall be used to satisfy or pay any CET Grant funding commitments.

(b) Waiver. The parties hereby waive and release one another for and from any and all claims, liabilities, or damages of any kind relating to this Agreement or the CET in excess of the liability limitations set forth herein.

5. Project Records. The City shall maintain all records and documentation relating to the expenditure of CET Grant funds disbursed by Metro under this Agreement. The City shall provide Metro with such information and documentation as Metro requires for implementation of the CET grant process. The City shall establish and maintain books, records, documents, and other evidence in accordance with generally accepted accounting principles, in sufficient detail to permit Metro or its auditor to verify how the CET Grant funds were expended. Metro and its auditor shall have access to the books, documents, papers and records of the County that are directly related to this Agreement, the CET grant moneys provided hereunder, or the Project for the purpose of making audits and examinations.

6. Audits, Inspections and Retention of Records. Metro and its representatives shall have full access to and the right to examine, during normal business hours and as often as they deem necessary, all City records with respect to all matters covered by this Agreement and Exhibit A. Such representatives shall be permitted to audit, examine, and make excerpts or transcripts from such records, and to make audits of all contracts, invoices, materials, payrolls and other matters covered by this Agreement. All documents, papers, time sheets, accounting records, and other materials pertaining to costs incurred in connection with the project shall be retained by the City and all of their contractors for three years from the date of completion of the project, or expiration of the Agreement, whichever is later, to facilitate any audits or inspection.

8. Term. This Agreement shall be effective on the date it is executed by both parties, and shall be in effect until all deliverables/milestones have been achieved, all required documentation has been delivered, and all payments have been made as set forth in Exhibit A, unless terminated earlier pursuant to this Agreement.

9. Amendment. This CET Grant IGA may be amended only by mutual written agreement of the Parties.

10. Other Agreements. This CET Grant IGA does not affect or alter any other agreements between Metro and the City.

11. Authority. City and Metro each warrant and represent that each has the full power and authority to enter into and perform this Agreement in accordance with its terms; that all requisite action has been taken by City and Metro to authorize the execution of this Agreement; and that the person signing this Agreement has full power and authority to sign for the City or Metro, respectively.

Metro

City of Wilsonville

By: _____
Martha Bennett

By: _____

Title: Metro Chief Operating Officer

Title: _____

Date: _____

Date: _____

Approved as to Form:

Approved as to Form:

By: Alison Kean

By: _____

Title: Metro Attorney

Title: _____

Date: _____

Date: _____

Attachments:

Exhibit A.1 – Deliverables Schedule

Exhibit A.2 - City's Grant Request

Exhibit A.1

Community Development & Planning Grant IGA Wilsonville – Frog Pond / Advance Road Planning Milestone and Deliverables Schedule for Release of Funds

Milestone	Deliverable	Date Due*	Grant Payment
1.	Execution of CET Grant IGA <ul style="list-style-type: none"> • Issue consultant team RFP 	December 31, 2013	\$19,000
2	Project Setup and Site Analysis <ul style="list-style-type: none"> • Project work plan and consultant scope of work • Public Involvement Plan • Site mapping, inventories, and site analysis. 	April 31, 2014	\$50,500
3.	Preliminary development alternatives <ul style="list-style-type: none"> • Vision statement and objectives, and evaluation criteria • Infrastructure evaluation and financial feasibility documentation • Three development alternatives • Community open house • Selection of one alternative by PC & CC 	October 31, 2014	\$66,000
4.	Final Concept Plan <ul style="list-style-type: none"> • Infrastructure and financing analysis • Draft and Final Concept Plan • Community open house • Adoption of Concept Plan 	April 30, 2015	\$70,000
PHASE ONE TOTAL			\$219,000
5.	Draft Frog Pond Master Plan <ul style="list-style-type: none"> • First draft of Master Plan • Public open house 	December 31, 2015	\$86,000
6.	Draft Comprehensive Plan and implementing ordinances <ul style="list-style-type: none"> • Code for Frog Pond Area 	March 31, 2016	\$20,000
7.	Adoption of Final Master Plan and implementing ordinances <ul style="list-style-type: none"> • Final draft Plan • Final draft Code, Comp. Plan, and TSP 	August 31, 2016	\$16,000

	amendments <ul style="list-style-type: none"> Public hearings and adoption Adoption Process		
PHASE TWO TOTAL			\$122,000
COMPLETE REIMBURSABLE TOTAL			\$341,000

*If the Grant contained any Funding Conditions, Grantee shall demonstrate satisfaction with those conditions prior to the release of funds for the final project milestone.

*Due dates are intended by the parties to be hard estimates of expected milestone completion dates. If the City anticipates that a due date cannot be met due to circumstances beyond its control, it shall inform Metro in writing no later than ten (10) days prior to the due date set forth above and provide a revised estimated due date; and Metro and the City shall mutually agree upon a revision to the milestone due dates set forth in this Agreement.

Note: City of Wilsonville match = \$117,500

Resolution 2442 Attachment A – Exhibit A.1

Community Planning and Development Grant Cover Sheet

Check one:
☐ Letter of Intent
☒ Full Application

Project Name	Frog Pond / Advance Road Planning	Applicant Organization	City of Wilsonville
Contact Name	Chris Neamtzu	Address	29799 SW Town Cntr. Lp. E, Wilsonville, OR 97070
Phone	503-570-1581	Fax	503-682-1015
Email	neamtzu@ci.wilsonville.or.us	Fed. Tax ID #	93-0580494

Fiscal Agent Organization (if different from applicant)

Contact Name	<input type="text"/>	Address	<input type="text"/>
Phone	<input type="text"/>	Fax	<input type="text"/>
Email	<input type="text"/>		

Project Location Description (25 words or less)

The project will develop a Concept Plan for two adjacent areas of land, Frog Pond and Advance Road, and a Master Plan for Frog Pond. Frog Pond area was added to the UGB in 2002 but is unplanned; Advance Rd is an adjacent Urban Reserve. Both areas are located in Clackamas County, immediately east of Wilsonville.

Project Summary (50 words or less)

The project will create one Concept Plan for the Frog Pond and Advance Road areas, and a more detailed Master Plan for the Frog Pond area. The outcome will be Title 11-compliant plans that resolve land use and infrastructure issues and position each area for the next step in urbanization. The Master Plan would detail the land use policies to be applied upon annexation of the property into the city, and include a financing plan for providing needed sewer infrastructure.

Construction Excise Tax Grant funding request \$

Total project cost \$

If submitting more than one proposal, please rank this proposal in order of priority

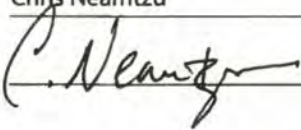
Metro Council District of Project

We, the undersigned, attest that to the best of our knowledge the information in this application is true and that all signatories have authorization to submit this grant application to Metro's Construction Excise Tax Planning Grants Program.

Applicant

Organization Name

Printed Name

Signature  Date

Fiscal Agent

Organization Name

Printed Name

Signature Date

To ensure complete letter of intent or full application, please see section 2 of the Grants Application Handbook for a complete list of necessary documents for submittal.



**29799 SW Town Center Loop East
Wilsonville, OR 97070**
Phone 503-682-0411
Fax 503-682-1015
TDD 503-682-0843
Web www.ci.wilsonville.or.us

April 15, 2013

Ms. Martha Bennett, Chief Operating Officer
Metro
600 NE Grand Ave.
Portland, OR 97232

RE: Frog Pond / Advance Road Planning grant application

Dear Ms. Bennett,

Enclosed is a Community Planning and Development Grant application packet for Wilsonville's Frog Pond / Advance Road Planning project.

The Frog Pond / Advance Road Planning project would develop Title 11-compliant plans supportive of the 2040 growth concept for two adjacent areas of land in Clackamas County, immediately east of Wilsonville, setting the stage for further public and private investment and development. The two areas are Frog Pond, which is in the UGB, and Advance Road, which is a designated Urban Reserve.

Since the project area includes areas that fall within each grant eligibility category (within the UGB and in an Urban Reserve), the narrative describes how the project would meet each of the applicable criteria in each category.

The City of Wilsonville City Council adopted Resolution 2412 on April 15 to support this grant application and commit City resources to the project.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Neamtzu", is written over the printed name.

Chris Neamtzu

Planning Director

Cc: Gerry Uba, Metro
Bryan Cosgrove, City Manager
Katie Mangle, Long Range Planning Manager

Enclosed:

- Application cover sheet;
- Project narrative, including the project description with expected outcomes, site description, background, evaluation criteria, collaborations, proposed milestones, and project manager;
- Budget documents, including a budget narrative, line item budget, and statement of matching funds
- Resolution 2412, demonstrating City Council support and commitment of resources
- Location and vicinity maps
- Letters of support
- Site photos

Wilsonville Frog Pond / Advance Road Planning: Project Narrative

A. PROJECT DESCRIPTION

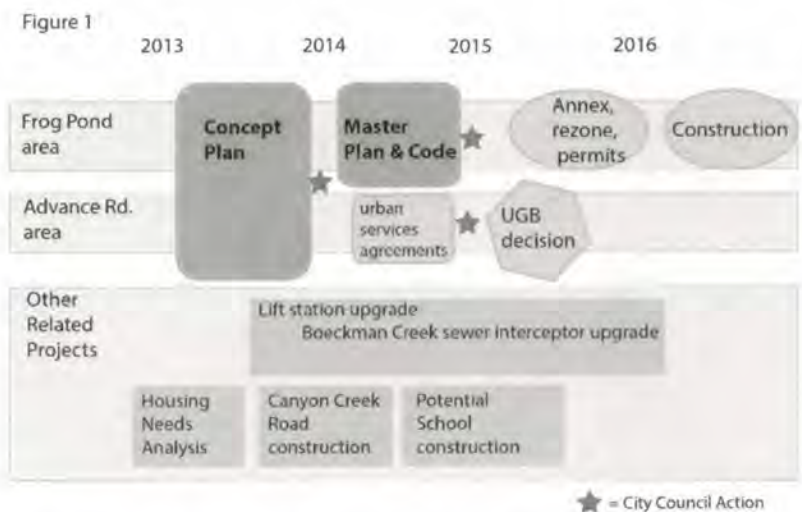
The Frog Pond / Advance Road Planning project would develop Title 11-compliant plans supportive of the 2040 growth concept for two adjacent areas of land in Clackamas County, immediately east of Wilsonville, setting the stage for further public and private investment and development. The two areas are Frog Pond, which is in the UGB, and Advance Road, which is a designated Urban Reserve. The land will be planned for predominantly residential development. The City will lead the project, but engage the development community, property owners, and community members as stakeholders and advisors.

These two areas will likely develop in phases, therefore each could be planned separately. However, they compose a 497-acre area that should be concept planned *together*, thereby providing economies of scale for land use and infrastructure planning. The opportunity to plan in an integrated, holistic manner represents a way to plan for whole community needs rather than one subdivision development at a time. Planning the two areas together is the most promising approach to continuing Wilsonville's success with creating complete communities.

Goals and Expected Outcomes

The project would create one Concept Plan for the Frog Pond and Advance Road areas, and a Master Plan with implementing ordinances for the Frog Pond area. The two project phases are illustrated in Figure 1, which shows the *grant-funded project in orange*, within the context of other related projects and future implementation.

Preparing a concept plan for both areas will be most cost-effective and most likely to lead to great outcomes. Preparing a master plan for the Frog Pond area immediately following the concept plan is the best way to expedite private investment and on-the-ground construction.



PHASE ONE: Concept Plan The Concept Plan will include illustrative maps, figures, and text that address intensity and mix of uses and housing types; location of schools, parks, and natural areas; water quality and ecosystem protection; multimodal transportation; public facilities location and service providers; and a financing plan. The Concept Plan would include a special focus on the biggest hurdle to developing both areas: provision of wastewater service. The outcome will be a framework that furthers the local vision of complete community – sustainability, connectivity, diversity, and strong urban design – in a way that will lead to on-the-ground implementation.

Phase One would result in adoption, by resolution, of illustrative site plans with accompanying narrative that addresses:

- Desired character and identity of the neighborhoods
- Land uses - primarily residential with integration of neighborhood-scale mixed use / commercial
- General location of schools, parks, and gathering places
- Range of housing types, and strategy for creating a neighborhood with diversity of housing type and design
- Well-connected systems of streets, bikeways, pedestrian ways, natural areas, and recreation trails
- General location of new sewer, water, transit, and stormwater systems; connections to existing systems
- Multimodal transportation system conceptual design
- Preliminary cost estimates and feasibility analysis for infrastructure investments
- Known infrastructure and resources: Title 3 and 13 resources; existing utility and transportation infrastructure

PHASE 2: Master Plan and Implementing Ordinances The more detailed Master Plan for development of the Frog Pond area would result in adoption of Comprehensive Plan land use designations, adoption of a Master Plan, and

drafting of zoning to be applied at the time of development. The intent of this phase would be to set the stage for annexation, rezoning, and permitting for development in Frog Pond. The Master Plan would build on the Concept Plan, but include a greater level of detail.

Phase Two would result in adoption of the master plan and amendments to the Comprehensive Plan and Transportation System Plan. It may include amendments to the Wilsonville Development Code. The Master Plan will contain illustrative site plans, conceptual details, and street sections, with accompanying narrative.

The project is scale-able, meaning Phase One may be completed independently of Phase Two (though development may not commence until the tasks identified in Phase Two are completed). However, completing a Master Plan for Frog Pond immediately following the completion of the Concept Plan is important for several reasons:

- For an area that has been in the UGB since 2002, running a seamless, collaborative 2-phase process that creates certainty about land use and infrastructure is *the most expeditious way to lead to on-the-ground development* envisioned by the Community Planning Development Grants program.
- Continuity in the project team, who will be able to use information learned and relationships built during the Concept Plan phase without losing momentum or “changing horses mid-stream”. This continuity will result in cost efficiencies and a better product.
- There will be more certainty and trust around process and what will happen with the input participants provide.
- Continuity in the public dialogue, as inevitably some discussions and ideas generated during the Concept Plan phase will need to be “parked” until they can be used in the Master Plan phase. Moving directly into the second phase will more easily allow for meaningful, organic public discussion while allowing the project team to organize information as needed.

B. PROJECT SITE DESCRIPTION

Frog Pond Area

The Frog Pond area is north of Boeckman Road, between Boeckman Creek and Stafford Road. The land is currently used primarily for small agricultural and rural-residential purposes, with approximately 24 existing residences and one church at the corner of Boeckman Road and Stafford Road. The West Linn/ Wilsonville School District owns and operates an educational farm on Boeckman Road, and an additional lot on Frog Pond Lane. All of the land is zoned as Rural Residential Farm Forest 5-Acre (RRFF5) in Clackamas County. In Wilsonville’s Comprehensive Plan, this area is planned for Residential and identified as Area of Special Concern L. In addition to an abandoned filbert orchard and Christmas tree farm, there are numerous small groves of trees. Boeckman Creek defines the west edge of the site, and 23.3 acres of Significant Resource Overlay Zone protects the riparian buffer around this resource. One public road, Frog Pond Lane, traverses the site. The area contains 44 taxlots under the ownership of 38 separate owners. A Bonneville Power Administration (BPA) easement crosses a portion of the northeast corner of the area.

Advance Road Area

The Advance Road area, Urban Reserve 4H, is a mostly flat site that contains a total of 316 acres. The area spans between the current UGB to the west and Newland Creek to the east; Kahle Road to the north and Kruse Road to the south. The land is currently used primarily for agricultural and rural-residential purposes, including approximately 18 existing residences and the Frog Pond Grange Hall. The site is comprised of 36 taxlots that are currently under the ownership of 30 separate property owners. Of those 36 lots, ten are at least five acres. Though there are improvements on some lots, the area remains largely undeveloped and in agricultural use. A BPA easement traverses the site north of Advance Road, covering 44 acres. The Advance Road area was designated as an Urban Reserve in 2011. Most of the land is zoned Exclusive Farm Use (EFU), with a couple of lots facing Stafford Road zoned RRFF5. One public road, 60th Avenue, traverses the site. No significant wetlands or floodplains are present in the area, although there is about one mile of stream corridor and 35 acres of surrounding riparian areas, located on the edge of the planning area.

Together...

The two areas are adjacent not only to Wilsonville, but also to each other. They share topographic, drainage, and vegetation patterns; and will eventually share schools and a sense of community.

Frog Pond: Within UGB	181 gross ac.
Advance Road: Urban Reserve 4H	316 gross ac.
	<hr/> 497 gross ac.

C. PROJECT BACKGROUND

Wilsonville serves as a gateway between the Portland metropolitan area to the north and the agricultural lands of the Willamette Valley to the south and west. The city straddles I-5, has excellent freeway access, and is close to the I-205 interchange. Over 60% of Oregon's population lives within 50 miles of the city. All these factors make Wilsonville an attractive employment hub for leading high-tech industries, warehouses, and distribution facilities, including Xerox, Mentor Graphics, Flir Systems, Sysco, and Orepac. Wilsonville has been one of Oregon's most rapidly growing cities over the last 20 years for both population and employment. Throughout the growth, the City of Wilsonville has been planning for future changes by growing in a way that is both smart and sustainable.

In 2002, Metro Council added the 181-acre Frog Pond area to the UGB, and the City is responsible for completing a concept plan for that area by the end of 2015. Private developers (West Hills Development and Renaissance Homes) began concept planning for development of this area in 2006. This process included meetings with property owners and City staff, and a natural resources inventory. Just as some initial alternative development schemes were developed, however, the project was halted when the housing market crashed in 2008.

In 2009, Wilsonville's Planning Commission embarked on the "20-Year Look" at potential future expansion areas for Wilsonville. The City concluded that the priority for future residential development should be given to the Frog Pond and Advance Road areas, given their relationship to existing residential uses and property defined as a future school site.

The City has begun to plan the public amenities and systems to serve these areas in the future:

- **Schools.** In 2011, the West Linn/Wilsonville School District and the City completed a public site planning process for development of a 40-acre District-owned property in the Advance Road area that will include a primary school, a middle school, and a 10-acre City sports complex. The District has applied to Metro to add the 40-acre site to the UGB in 2013 to enable project development and fund raising.
- **Wastewater.** The chief infrastructure upgrade needed for the area is wastewater service. Wilsonville has entered into a multi-phase engineering contract to study and design needed solutions. Analysis of the existing trunk line in Boeckman Creek shows that capacity exists to serve the possible new schools in the Advance Road area, but is insufficient to serve all of the Frog Pond and Advance Road growth areas. Capacity to serve these areas will require an upgrade to a major off-site lift station, up-sizing of a sewer interceptor trunk line, and eventual installation of new connecting lines. The lift station is currently in preliminary design and is programmed for construction in 2014-16. The City is also evaluating the Boeckman Creek Interceptor trunk line and developing the plan and schedule for upgrades.
- **Housing.** The City is conducting a Housing Needs Analysis consistent with Statewide Planning Goal 10 to understand demographic trends and housing needs and capacity. The chief research and analysis tasks will be completed in the fall of 2013, timed to inform this concept planning work. For some years Wilsonville actually had more jobs than residents. In recent years, the number of jobs has leveled while the population has continued to grow (in 2010, there were 16,831 jobs, and 19,509 residents). New housing types have included compact single family, rowhousing, and multifamily – in the Villebois area and on the east side of I-5 (in 2012-13, 350 multifamily units were constructed just north of the Town Center). The community's largest residential growth area, Villebois, is forecasted to build out within the next 5-8 years, leaving approximately of 100 acres of buildable residential land within the city limits.
- **Transportation.** The areas are served by Stafford and Advance Roads in the County, and Boeckman and Wilsonville Roads in the City. City and County Transportation System Plans (TSPs) identify projects to improve these routes to complete streets in coordination with land development. Plans for signalization of this arterial intersection have been designed for future implementation. In 2014 the City will construct a key multimodal connection, Canyon Creek Road, which will link the Frog Pond area more directly with the Town Center. In the Bicycle and Pedestrian Master Plan, a trail system is conceptually planned to connect the neighborhoods and the school sites. The City's 2013 TSP assumes build-out of the Frog Pond area, and includes projects needed to support this development. The TSP analysis verified that the two I-5 interchanges in the vicinity have capacity to accommodate development in Frog Pond.

- **Parks and Trails.** The City's 2007 Parks and Recreation Master Plan includes several parks and trails facilities in the area: two Frog Pond Neighborhood Parks and the Advance Road School Community Park.
- **Transit:** The City's SMART transit Route 4 currently connects the area to the Town Center and WES station. The Transit Master Plan includes future service to the area with Routes 204 and 206.

D. EVALUATION CRITERIA *Note: the proposed study area includes land in each grant category. Therefore, criteria that apply similarly to both areas of land are addressed first, followed by the unique criteria that apply to each area.*

D.1. Criteria that apply to both areas – Frog Pond and Advance Road

Jurisdiction/ Service Provider Roles, Responsibilities, and Commitment

The City will lead and manage the project. The City's commitment to planning for development of the Frog Pond and Advance Road areas is illustrated by the planning and investment it is already making to design and plan for construction of utility infrastructure to serve the area.

Wilsonville is somewhat unique for a medium-sized city in that it provides most urban services to the community – development and maintenance of roads and parks, water, wastewater, stormwater, development permitting, urban renewal, law enforcement (via a contract with Clackamas County), and transit. Clackamas County will provide information and planning support, and participate in planning for the future of Stafford Road. The West Linn/Wilsonville School District will both represent its needs as a property-owning stakeholder and also support the efforts to plan a community around the future school. The City will consult with Tualatin Valley Fire and Rescue on emergency service provisions and street layout and design.

The land will remain in the County until a private developer is ready to request annexation, rezoning, and approval of a development plan. Some urban service agreements may require revision before Advance Road is added to the UGB.

Best Practices Model

The project will create a model for planning connected, low impact residential neighborhoods, which are the building blocks for all healthy cities. Growth in Wilsonville has meant quality development in partnership with natural systems, as evidenced in the 500 acre development of Villebois Village. The project will incorporate Wilsonville's existing leading-edge practices such as tree preservation, integration of open space, stormwater management, and walkable village-scale design. Additionally, the concept plan will be developed by allowing for public conversations to include concepts and details throughout the project. Big ideas about what the new places should be will be illustrated through pictures and key design studies, not relying on quantitative metrics to shape the conversation. Design, diversity, and connectivity are key aspects to developing a successful community with an array of housing and building types. Since the project would plan for areas inside and outside of the UGB, it would be a model to be used in either situation.

Leverage

The steps included in this project are required before development can commence within the Frog Pond area, and resolving the land use and infrastructure issues will create opportunities for public and private investment in the infrastructure and new neighborhoods. Investing in planning for this area will lead to further public and private investment in housing and infrastructure.

Development in the Frog Pond and Advance Road areas will be positioned to benefit from proximity to existing and planned infrastructure – SMART transit system, WES Commuter Rail, sewer line improvements, school development, and recent improvements to increase the capacity of the two I-5 interchanges in Wilsonville.

The West Linn-Wilsonville School District owns 40 acres of land and plans to build a new elementary and a new middle school on the land it owns in the Advance Road area, and to collaborate with the City to develop of a regional park that includes sports fields. Development of a new school will strengthen the demand for housing in this area. The School District's existing agricultural learning farm could be a great amenity and resource for the neighborhood.

Matching

The City is prepared to match the grant with \$80,000 cash to fund consultant work, applying \$40,000 to Phase One, \$40,000 to Phase Two. The City will contribute the following in-kind: staff time for GIS analysis, City Attorney review and

consultation, and administrative support; and approximately \$16,000 of consultant time (through an existing contract) to complete infrastructure analyses.

Equity

As of April 2012, development in Wilsonville has contributed \$436,118 to the CET fund. Though Wilsonville is a partner agency in the Basalt Creek Concept Planning project, the City has not directly received any CET funding.

Public Involvement

The proposed approach to public involvement is to use many tools to reach stakeholders and the broader community, and scale the effort to the specific characteristics of each group. Existing property owners will be a key stakeholder group, and all have been contacted by City staff regarding this grant application.

The Wilsonville Planning Commission will oversee the project. To ensure a diverse range of voices influence key policy choices, people with specific interests and expertise (including residents, businesses, parks advocates, homebuilders, and affordable housing specialists) will be recruited to join the project Sounding Board. This will be a forum to address key issues through a balanced and represented conversation. The City will also engage Wilsonville developers in a meaningful way to understand national trends, the regional and local market, and implementation needs.

D.2. Criteria that apply to projects within the UGB – Frog Pond area

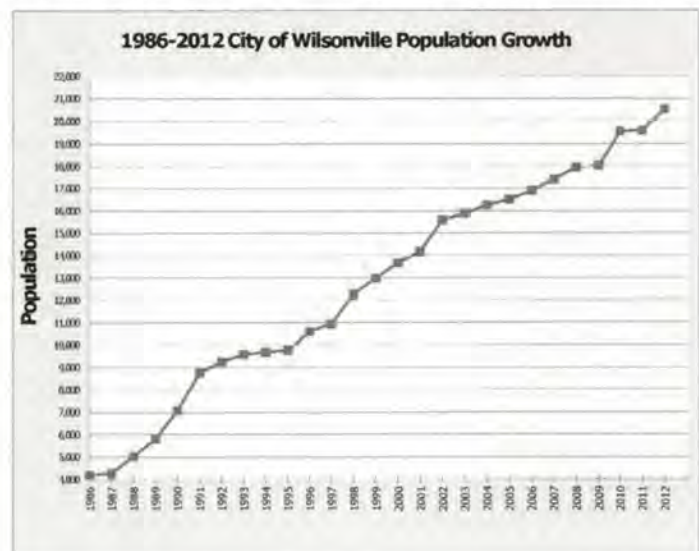
Expected Development Outcomes:

a) Catalyst potential: Within the Frog Pond area, the lots fronting on Boeckman Road and near the intersection with Stafford Road have potential to lead investment due to their proximity to existing infrastructure. At one point, circa 2008, private developers held options on most of the Frog Pond area. One local home builder, Arbor Custom Homes, still owns a significant portion of land on the site. Throughout the past five years, the City has continued to receive inquiries from development partners about their interest in the Frog Pond area. Completing a master plan that resolves land use, and clarifies transportation, and infrastructure issues will remove uncertainty that would otherwise need to be resolved by, and could otherwise impede, private investors.

A 2012 Community Survey reported very high satisfaction with the community, and many indicators speak to the success of the City's long term development and planning strategy: take advantage of the strategic location between Portland and Salem to host a strong economic and jobs base; protect trees and natural resources, integrating the values of sustainability throughout the community; create a thoroughly multimodal transportation system that includes high-quality suburban transit service, sidewalks, bikeways, and a system of off-street paths; and reinforce strong urban design that instills architectural quality and pedestrian-orientation into all new development.

b-c) Probability of development: Given the feasibility of providing urban services and the demand for housing in Wilsonville, it is likely that construction permits will be issued within two years of Master Plan adoption. It is highly likely that permits will be issued within five years.

The Frog Pond area is very close to Oregon Institute of Technology's main Portland-area campus, Mentor Graphics, Fry's, and other major employers in east Wilsonville. Within 1/2 mile of the Frog Pond area there are currently 4,141 jobs. Via Boeckman Road, residents will have easy access to additional jobs on the west side of I-5. Table 2 below lists the resources available within 1.5 miles of the Frog Pond area.



Wilsonville continues to be a growing community, and Metro forecasts continued jobs and housing growth through 2035. Even during the recession, Wilsonville has continued to experience residential development due to the strong market demand for Wilsonville locations and amenities.

d) Community Readiness: For decades, Wilsonville has planned and implemented the vision for balanced development of a complete community built around a strong economy and integration with the environment. The City's leaders and citizens have targeted the Frog Pond site for the next area for residential growth. It is at once on the edge of the city and also connected with jobs, natural resource experiences, surrounding neighborhoods, and schools. The site is accessible in all directions via existing arterial roads. Within a 1.5-mile radius there are thousands of jobs in Wilsonville's industrial sector. Wilsonville's Town Center, which already offers a full array of services and is forecasted to become increasingly dynamic, is located one mile to the southwest.

Table 2. Resources Within 1.5 Miles of the Frog Pond Area		
	2010	2025 Forecast
Jobs	16,831	23,535
Schools	5-plus: Oregon Institute of Technology, Boeckman Elementary, Clackamas Community College, Pioneer Pacific College, Wilsonville High, other technical schools	7-plus: Additional 2 elementary schools, 1 middle school
Parks	4: Memorial Park, Town Center Park, Boeckman Creek Natural Area, Willamette Landing	5-plus: Advance Road playing fields, new neighborhood parks
Urban Amenities and Services	Post Office, City Hall, Community Center, several child care and fitness centers, City Library, 3 grocery stores, retail, Fire District operating center	Potential City Aquatic Center
Transit Lines	5 SMART routes, plus WES Commuter Rail station	TBD

See Section C for the full list of current actions underway to support development in the Frog Pond area.

Regionally Significant:

Planning for the Frog Pond area will support regional goals by preparing an area that is already within the UGB for on-the-ground development. The project will resolve infrastructure needs and establish a community plan for the land use and transportation future of the area. The "Wilsonville way" of planning for housing, community services, open spaces, and infrastructure is to work with private development partners to create a vibrant community integrated with open spaces, quality design and pedestrian orientation. The new neighborhood will be within easy access to jobs and the resources of the Town Center. The neighborhood will include a neighborhood-scale commercial hub, schools, and parks, resulting in a complete community. SMART's transit service and Wilsonville's bikeable streets and trails will connect the new neighborhood to the rest of the community.

Wilsonville continues to have a jobs-housing imbalance in which a large majority of its workers commute from other locations to jobs in Wilsonville. Providing employees who work in Wilsonville with the option to reside here will help reduce traffic congestion on I-5 and overall vehicle miles traveled to help meet metropolitan greenhouse gas reduction goals. The City anticipates expanding employment areas into the Basalt Creek and Coffee Creek areas northwest of Wilsonville, and has a goal of providing housing opportunities for employees of these areas as well. The Frog Pond area alone is large enough to accommodate approximately 1000 housing units, as well as neighborhood-scale retail, parks, trails and open spaces. The City's adopted plans (Bicycle and Pedestrian Plan, TSP, Transit Master Plan, Parks and Recreation Plan, and Water Master Plan) include services to this area. Implementation of these plans will be most successful if the Frog Pond and Advance Road areas are concept planned together.

Wilsonville is a leader in low impact development and protection of natural areas, and has been working for years toward a vision of sustainable urban development. Sustainability and smart growth principles will be manifested in several ways:

- The project site includes protected riparian areas around Boeckman Creek, and the plan would incorporate protection of this area and the valuable trees that populate the site;
- Site design will foster low-impact development that incorporates stormwater and runoff detention and treatment facilities into neighborhood and building design;
- Planning will encourage housing diversity and compact development through quality of public spaces and diversity of styles;

- Site design will encourage opportunities for multiple economic and social exchanges;
- Regional trails will be provided adjacent to these resources.

Location

The neighborhood will not be isolated – they will become part of Wilsonville’s complete community. Frog Pond has the potential to provide between 1,000-1,300 additional households to support Wilsonville Town Center, located approximately ½ mile to the southwest. The study area is not large enough to host its own separate town center, but it will be well-connected with the existing Town Center by multimodal roads, pathways, and transit service. Wilsonville Town Center is forecasted to grow and diversify, and zoning is in place to allow for intensification of building form and uses, with diverse mixed-use development. Population growth in east Wilsonville will improve demand for such services within the core. The site is close to and connected with employment centers located on each side of I-5, and within the Town Center. It will be convenient to the jobs planned for employment land in the Coffee Creek and Basalt Creek areas.

D.3. Criteria for projects located within Urban Reserves – Advance Road Area

The Advance Road area is designated as an Urban Reserve. Though all Metro reserve lands are involved in the Court of Appeals case, the City is not aware of any specific complaints being raised regarding this specific area.

Title 11 Requirements

As outlined in more detail in the Project Description on page one of this narrative, the project would result in a full concept plan for the Advance Road area that meets Title 11 requirements for urban reserves, including a finance plan. The City’s intent is to prepare a plan to this level of detail for both areas, ensuring that resources and infrastructure are planned holistically, and creating the best chance for creating a complete community. The project includes drafting urban services agreements.

Phase One would result in adoption, by resolution, of an illustrative site plan with accompanying narrative that addresses all Functional Plan requirements and includes strategies for:

- Governance: the City is committed to serving the area;
- Finance: demonstrate it is possible for the development to pay for the infrastructure, or identify public funding sources to fund the gap;
- Affordable housing: confirm City policy and the tools to be considered;
- Infrastructure Strategy: Alternatives analysis and concept design for the Boeckman Creek wastewater interceptor and service connections. Conceptual design of water, stormwater, and wastewater service design;
- Street Design: Conceptual design of the roadway network, completion of adjacent arterials, and key intersections. With involvement of Clackamas County, determine the design of Stafford Road as it transitions; from a rural to multi-modal urban street and becomes the gateway into Wilsonville;
- BPA powerline: describe potential uses of the easement that traverses a portion of the Advance Road area;
- Commercial uses: Planning for successful neighborhood-scale retail / commercial amenities;
- Stormwater management: design based on low impact development principles;
- Urban services: Service providers’ agreements between County, City, and other service providers identifying future urban service provision responsibilities, and establishing the City of Wilsonville as the authority to annex and serve the Advance Road area land, following addition to the UGB.

Local Needs and Regional Solutions

Wilsonville will continue to be a growing city, and more land is needed for housing. The 2025 population forecast is for Wilsonville to grow to a population of approximately 30,000. Of that population increase, we can assume that about 7,000 people will be housed in Villebois and Frog Pond as well as additional residential development inside the existing city boundary, resulting in a need to plan for another 5,500-6,500 people in expansion areas over the next 15+ years. These are rough estimates, currently being refined through the Housing Needs Assessment project.

The City of Wilsonville identified the Advance Road area as a site for urbanization to provide primarily residential land to help balance the jobs to housing ratio for the city and for a new school site. It provides approximately 200 gross acres of land for residential development very close to Wilsonville's employment base. Providing housing options for Wilsonville's employees and business owners has the regional benefit of reducing commuting traffic on I-5 and regional roads.

Metro currently estimates that the Advance Road Urban Reserve will not need to be brought into the UGB until 2020-2025. However, the Wilsonville/West Linn School District's growth forecast shows there is already a need to build a new middle school in east Wilsonville, so it purchased a 40-acre site in this area in 2003. The District has requested an amendment to add this site to the UGB in 2013 to allow for planning for development of a school. It is the City's experience that construction of new school facilities heightens market demand for surrounding residential land, so when there is a regional need to allocate more land for housing, the Advance Road area will be a strong candidate site.

Additionally, development in this area could augment regionally-important jobs growth. It is close to jobs and services, open spaces, and schools. Within a 1.5-mile radius there are thousands of jobs in Wilsonville's industrial sector. Wilsonville's Town Center, which already offers a full array of services and is forecasted to become increasingly dynamic, is located one mile to the southwest. Development of the Frog Pond and Advance Road areas into walkable and bike-able, well-connected neighborhoods will provide housing needed to serve the workforce, and additional population needed to support intensification of the Town Center.

Readiness of Land for Development

The Advance Road area is an Urban Reserve, therefore this criterion is not applicable.

E. COLLABORATIONS

West Linn/ Wilsonville School District. The District owns property in both the Frog Pond and Advance Road areas. The School District will participate in the site planning, and coordinate with long-range planning for schools. Contact: Tim Woodley, Director of Operations, 503-673-7995, Woodleyt@wlwv.k12.or.us.

Clackamas County. County staff from Planning, Transportation, and the Housing Authority will participate in the project. Specifically, County staff will collaborate on the conceptual design of Stafford and Advance Roads, helping to identify transportation and affordable housing solutions, and developing service provision agreements. Contact: Martha Fritzie, MFritzie@co.clackamas.or.us, (503) 742-4529.

F. PROPOSED MILESTONES AND DELIVERABLES

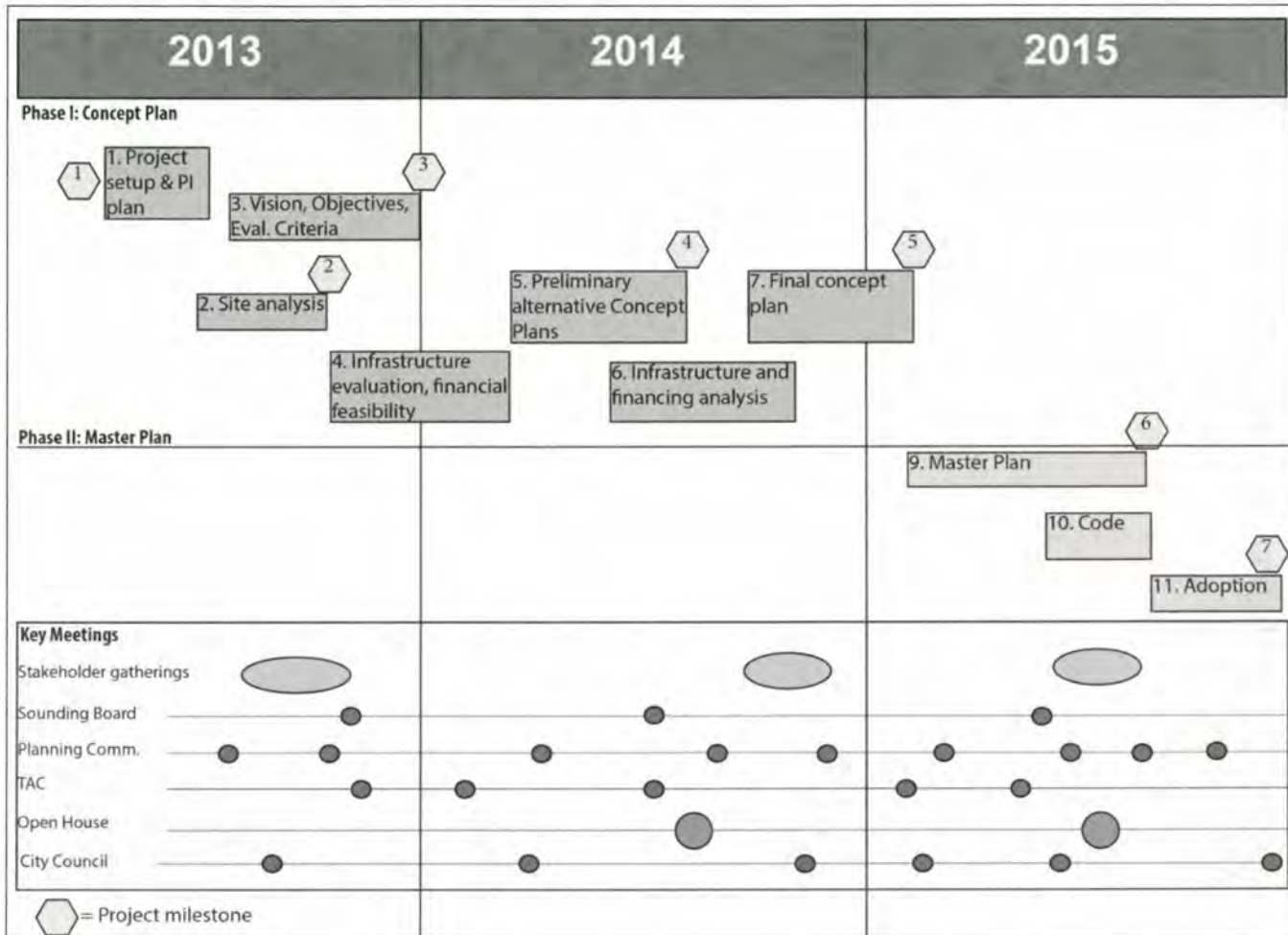
The City proposes seven project milestones that will be tied to deliverables of specific tasks.

1. Grant execution
2. Completion of Task 2: Site analysis
3. Completion of Task 3: Vision, Objectives, Evaluation Criteria
4. Completion of Task 5: Preliminary concept plans
5. Completion of Task 7: Final Concept Plan
6. Completion of Task 9: Draft Master Plan
7. Completion of Task 11: Adoption

G. PROJECT MANAGEMENT Katie Mangle, Wilsonville's Long Range Planning Manager, will be the project manager and Metro's main point of contact for the duration of the project. Katie brings 19 years of experience with delivering positive results on complex planning projects around the Metro region. Contact: mangle@ci.wilsonville.or.us, 503-570-1581.

Wilsonville Frog Pond / Advance Road Planning: Budget Narrative

The project will consist of two major phases of work. Phase One would be broken down into seven distinct tasks to be completed over approximately 18 months. Phase Two would be comprised of three distinct tasks, to be completed over approximately twelve months (including adoption).



Preliminary budget estimates are provided in the attached table. A description of each project task is provided below.

PHASE ONE: CONCEPT PLAN FOR FROG POND AND ADVANCE ROAD

Task 1. Project setup: Once the grant is awarded, staff will develop an RFQ for consultant selection. The successful consultant will be paid a stipend to collaborate with staff in preparing the final scope of work. This will allow these experts to help identify creative methods and approaches to achieving the project expectations and outcomes (within the set overall budget), particularly in regards to sustainability and infrastructure planning.

Project initiation will include establishing the Technical Advisory Committee, Sounding Board, and Public Involvement Plan. An early burst of outreach to property owners will include mailings and invitations to discuss the project and their property in small groups or individually. Property owner engagement and public outreach will continue throughout the project.

Task 2. Site Analysis: Gather mapping, infrastructure, and property data needed to create a planning-level site map. Complete a tree inventory and natural resources assessment. This task includes a stormwater basin review to allow for integration of stormwater management into the concept plan. Key site information will be communicated diagrammatically.

Task 3. Develop vision, objectives, and evaluation criteria: Gather information from stakeholders. Draft vision statement and objectives. Seek Council direction on the development of alternatives. Consider using LEED-ND and/ or Sustainable Transportation Analysis & Rating System (STARS) to structure evaluation criteria. The evaluation criteria shall include, yet not be limited to, the effects and costs of the alternative concepts relating to vision statements, goals and objectives of the Council and the public, natural resources, annexation, infrastructure, transportation, and levels of general government services. Includes 2 PC worksessions, 1 Sounding Board meeting, 1 TAC meeting, and meetings with landowners and other key stakeholders.

Task 4. Infrastructure evaluation / financial feasibility: Evaluate the transportation system, including collecting traffic counts from 10-15 intersections, roadway volume, and speed surveys, bicycle and pedestrian counts, and roadway geometrics, and PM peak hour intersection analysis. Early financial analysis and feasibility study will document current utility infrastructure assumptions and questions, and provide a ballpark range of costs. This task completes basin and flow analysis for the sanitary sewer basin, including: the trunk collection system to serve the sites, Boeckman Creek Interceptor, pipe capacity analysis, and review of alternatives relative to improvements to the interceptor.

Task 5. Preliminary Concept Plans: Develop three alternatives that examine land use patterns, open spaces, water and sewer infrastructure, and transportation. Include finance strategy and affordable housing strategy. Work with Sounding Board to discuss policy issues and provide input into key questions. Open house the plans will be shared at a community open house. Analyze the alternative concepts by applying the evaluative criteria. Select two alternatives to be analyzed in Task 6. Planning Commission to recommend selection of the final plan, for Council confirmation. Produce a draft concept plan document based on selected alternative. Includes one meeting each for TAC, Sounding Board, Planning Commission, and City Council.

Task 6. Concept Plan Infrastructure and Financing Analysis: The purpose of this task is to evaluate the effectiveness of the transportation network among three alternatives, understand the cost of providing urban services, and identify funding sources. The preliminary site plans will be reviewed to assess their ability to adequately serve all modes of transportation, and proposed access locations. Additional issues to be evaluated include internal connectivity and circulation, intersection control, bicycle and pedestrian access and safety, and transit. This element also includes development of preliminary concepts associated with access improvements to and along the sewer line route. Develop a preliminary cost estimate for off-site infrastructure and basic pipe networks and stormwater management within the sites. Identify revenue sources, potential assessed value, and potential tax revenue generated from development.

Task 7. Final Concept Plan:

Prepare a draft Concept Plan that complies with the Urban Growth Management Functional Plan Title 11. Prepare a preliminary cost estimate and finance plan. Present the plan and key recommendations at an Open House. Revise and finalize Concept Plan based on input from the Open House, TAC, Planning Commission, and Council. Phase One would result in adoption, by resolution, of an illustrative site plan with accompanying narrative that addresses all Functional Plan requirements and includes strategies for:

- **Finance:** demonstrate it is possible for the development to pay for the infrastructure, or identify public funding sources to fund the gap;
- **Zoning** for the Frog Pond area: determine whether to utilize Wilsonville's Planned Development process, apply all or part of the Villebois Village zone, or develop unique regulations for Frog Pond;
- **Affordable housing:** confirm City policy and the tools to be considered;

- Infrastructure Strategy: Alternatives analysis and concept design for the Boeckman Creek wastewater interceptor and service connections. Conceptual design for water, stormwater, and wastewater services;
- Street Design: Conceptual design of the roadway network, completion of adjacent arterials, and key intersections. With involvement of Clackamas County, determine the design of Stafford Road as it transitions; from a rural to multi-modal urban street and becomes the gateway into Wilsonville;
- BPA powerline: describe potential uses of the easement that traverses the area;
- Commercial uses: Planning for successful neighborhood-scale retail / commercial amenities;
- Stormwater management: design based on low impact development principles;
- Urban services: Draft service providers' agreements, identifying future urban service provision responsibilities and establishing the City of Wilsonville as the authority to annex and serve the Advance Road area land, following addition to the UGB.

PHASE TWO: MASTER PLAN FOR FROG POND

Task 9. Master Plan for Frog Pond area

Using the Concept Plan as the base, develop a plan that includes a higher level of detail for street design, character of the neighborhoods, location and scale of commercial uses, housing density and typology, affordable housing, and parks. Refine the cost estimate for offsite infrastructure, develop detailed financing strategy. Provide future analysis of the study intersections that would be required to demonstrate compliance with the Transportation Planning Rule to provide long-term transportation findings for the key study intersections. Draft master plan, Comprehensive Plan map, which identifies land use designation, including range of allowed density.

The Master Plan will contain an illustrative site plan, conceptual details, and street sections, with accompanying narrative that addresses:

- Provision for annexation to Wilsonville in coordination with land development;
- Capacity for the number and types of housing units;
- Form and density of housing;
- Natural resource protection areas;
- Location of mixed-use or commercial area;
- Urban design plan;
- Provisions for affordable housing in compliance with Title 7;
- Emergency services;
- Transit service expectations;
- Detailed financing strategy for funding supporting infrastructure and services;
- Safe routes to school strategy for access from the Frog Pond area to the future school on the east side of Stafford Road;
- Identification of transportation improvements by providing future 15-year analysis of study intersections, long-term TPR compliance findings.

Hold public open house to share draft plan. Includes 4 PC mtgs, 3 CC mtgs, 1 open house, 1 Sounding Board mtg, stakeholder gatherings, 1 TAC mtg.

Task 10. Code for Frog Pond area

Draft regulating code to implement the zoning strategy determined in Task 7. Work with stakeholders and Planning Commission to review and revise drafts. Identify needed amendments to the Comprehensive Plan and Transportation System Plan, and prepare drafts for public review. Determine whether the draft Code amendments should be adopted by ordinance (or held for future adoption). Prepare amendments for public hearing.

Task 11. Adoption Process

Phase Two would result in adoption of amendments to the Comprehensive Plan, and Transportation System Plan, and potentially the Development Code. Prepare draft and final documents, including findings of compliance with Metro and state requirements. Hold public hearings.

COST ASSUMPTIONS

- A. Focused public involvement will rely heavily on individual and small-group meetings, social media, a representative Sounding Board, and guidance from the Planning Commission, Committee on Citizen Involvement, and City Council. Budget assumes multiple “stakeholder gatherings” to engage property owners at three points in the project, 3 Sounding Board meetings, 4 TAC meetings, 9 Planning Commission meetings, 5 City Council meetings, 3 open houses (virtual and/or real). See the table below for how different engagement tools could be used with different stakeholder groups. City staff will leads public information tasks (website, general citizen communication). Consultant will facilitate Sounding Board and orchestrate property owner small group meetings. Consultant will attend approximately 75% of public meetings.

	Individual/ small group meetings	Public meetings at key steps	Facilitated discussions	Online info., & engagement	Articles in the press	Ongoing project oversight	Vetting concepts at key steps
Property owners	•	•		•	•		
Adjacent neighborhoods		•					
Sounding Board			•				
Wilsonville community				•	•		
Planning Commission					•	•	
City Council							•

- B. The City Council, as the policy leader and decision-making body, will be asked to provide policy direction and vet alternative selection throughout the project. This will nearly eliminate surprises and ensure that decisions are “set” before moving forward to the next step.
- C. The scope includes sufficient analysis and planning to resolve the design and financing strategy for the single largest impediment to development of the study area: wastewater service. Serving the area will require both expansion of existing facilities and making new connections from the trunk line to the development. The City will fund the infrastructure evaluation and modeling work, and the grant would fund the conceptual design and cost estimating, and financing work.
- D. Transportation analysis conducted as part of Wilsonville’s Transportation System Plan (TSP) update assumed build-out of Frog Pond, which provided the City with confidence that the transportation issues will be minimal. Street and intersection design and function for multimodal connectivity and safe and welcoming transition from rural to urban land use will likely be the prime transportation issues; not impacts to I-5 interchanges.

- F. The Frog Pond / Advance Road Concept Plan project will be created through a collaboration of Wilsonville citizens and property owners, electeds, City staff, and consultants. The grant is proposed to fund City of Wilsonville Community Development staff time spent working directly on the project, and also consultant expertise needed to complete the scope of work outlined in the line item budget.
- G. The proposed project includes land in the UGB and land designated as Urban Reserve. The table below contains a rough estimate of how the requested grant funding would be apportioned to the two funding categories. NOTE: this table is not valid for determining the budget of a smaller-scale project. E.g., nearly the same wastewater analysis will be required if the project only includes the Frog Pond area, so the cost of such a study would not be cut in half if the study area is smaller.

	Grant Budget	Portion (based on land area) to be spent on land in UGB	Portion (based on land area) to be spent on land in Urban Reserve
PHASE ONE: CONCEPT PLAN (Both areas)		36%	64%
	\$219,000	\$78,840	\$140,160
PHASE TWO: MASTER PLAN / ORDINANCES (Frog Pond only)		100%	
	\$122,000	\$122,000	
		\$200,840	\$140,160
			TOTAL \$341,000

MATCHING FUNDS

- City cash contribution: \$80,000 from system development changes; \$40,000 for each phase of the project.
- In-kind contribution of \$16,000 to fund (via an existing contract with Murray Smith Associates) analysis of existing conditions and modeling that will be required to plan for wastewater service to the study area.

- In-kind contributions of the cost of City staff listed in the left-hand column below:

City-funded	Grant-funded
Staff	Staff
City Attorney	Planning
GIS	Natural Resources
Public Communications	Other Community Development
Administrative	Engineering
Finance	
Consultants	Consultants
Murray Smith & Assoc. (existing, budgeted contract to conduct wastewater infrastructure assessment)	Planning Civil and Transportation engineering
	Urban Design
	Stormwater infrastructure planning
	Cost estimating and finance planning
	Transportation planning
	Public involvement
	Project management
Other	
Mailing, printing, video, public meeting expenses	Consultant expenses, including travel; collection traffic data

APPLICANT PERSONNEL

APPLICANT PERSONNEL					
	Staff Position Title	Salary	Estimated Time on Project	Activities Performed	Funding Source
<i>Katie Mangle</i>	<i>Long Range Planning Manager</i>	<i>\$67</i>	<i>550</i>	<i>Project manager, lead planner, oversight of site planning and development code</i>	<i>Grant</i>
<i>Chris Neamtzu</i>	<i>Planning Director</i>	<i>\$74</i>	<i>234</i>	<i>Liaison to Planning Commission and City Council, policy leader, reviewer, parks planner</i>	<i>Grant</i>
<i>Kristin Retherford</i>	<i>Urban Renewal Manager</i>	<i>\$70</i>	<i>64</i>	<i>Strategy and review related to infrastructure funding</i>	<i>Grant</i>
<i>Kerry Rappold</i>	<i>Natural Resources Manager</i>	<i>\$61</i>	<i>66</i>	<i>Strategy and review related to Title 3 & 13 land.</i>	<i>Grant</i>
<i>Nancy Kraushaar</i>	<i>Community Development Director</i>	<i>\$95</i>	<i>95</i>	<i>City Engineer, oversight of infrastructure planning and financing plan</i>	<i>Grant</i>

Associate Planner	Associate Planner	\$44	358	Data collection, research, report writing, organizing public meetings	Grant
Deputy City Engineer	Deputy City Engineer	\$79	283	Strategy and review related to infrastructure planning and financing	Grant
Engineering Tech	Engineering Tech	\$49	200	Data collection, research, schematic design,	Grant
Linda Straessle	Administrative Assistant	\$37	152	Meeting and committee support, contract management, documentation	Match
Mike Kohlhoff	City Attorney	\$100	82	Strategy and review related to zoning, development partnerships, and financing plan	Match
Dan Stark	GIS Manager	\$70	84	GIS mapping and analysis	Match

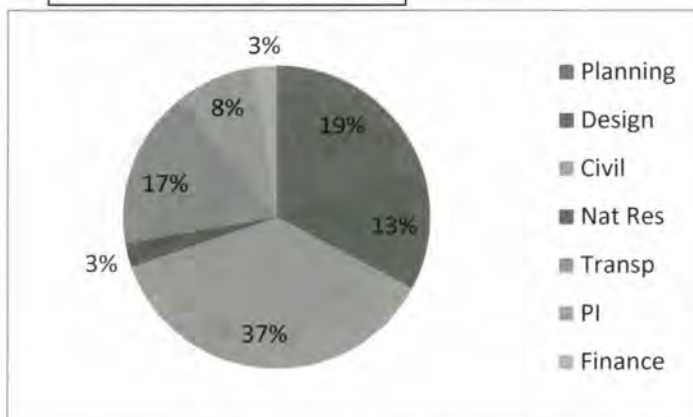
Staff Salary Methodology:

Salary = base wage plus benefits (18.03% PERS rate + 7.65% FICA + 3% 401a (for managers) + 1% (for SMART tax, Workers Compensation, etc.) + 19% for health insurance). Does not include related overhead expenses incurred by the City. Result is divided by "billable hours". Billable hours equal 2,080 less 80 hours vacation per year less 32 hours sick days per year less 80 hours holidays per year = 1,888

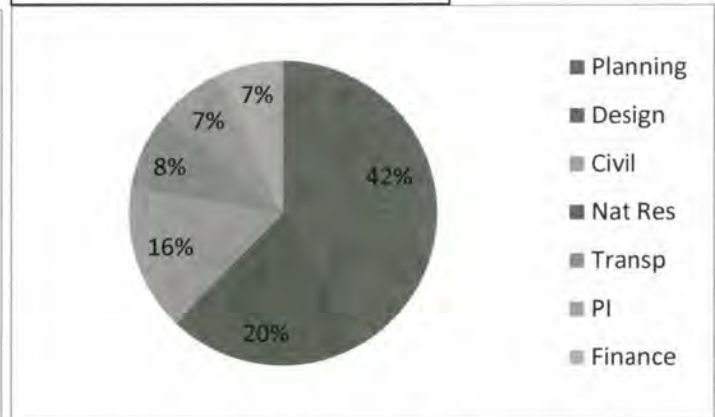
CONSULTANTS AND OTHER PARTNERS:

- Consultants: The project would engage the expertise of planning, engineering, and design consultants. The charts below reflect the estimated breakdown of disciplines needed to complete each phase of the project.

Phase 1: Concept Plan



Phase 2: Master Plan / Code



- School District: District staff will provide data and information related to its long-range planning, facility planning, and demographic projections.
- Clackamas County: County staff will collaborate on urban services agreements, planning and design of Stafford and Advance Roads, and affordable housing strategy.

Community Planning and Development Grant Program
F1 - Project Budget Form

Project Costs

- 1) Estimate the hours of work directly related to your project for agency personnel, consultants, and non-profit personnel. You can delete rows that do not apply and/or add more specific descriptors.
- 2) Explain the tasks each is expected to complete in the budget narrative (i.e., design development, construction estimates, public involvement, technical research, code analysis, etc.).

	Financial Match	InKind Match	CET Grant Request	TOTAL
Personnel Costs				
Agency staff		\$21,500	\$116,000	\$ 137,500
Consultants	\$ 80,000	\$16,000	\$ 213,000	\$ 309,000
Other, please list				\$ -
Total for Planning Services	\$ 80,000	\$ 37,500	\$329,000	\$ 446,500

	Financial Match	InKind Match	CET Grant Request	TOTAL
Other Costs				
Overhead/Indirect costs			\$12,000	\$ 12,000
Total for Other Costs		\$0	\$12,000	\$12,000

TOTAL PROJECT COSTS	\$ 80,000	\$ 37,500	\$341,000	\$ 458,500
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	Estimated Total Cost	Funding Source			Grant Request: Staff time, consultants, & expenses
		City Cash Match	City In-kind Match: Staff time	City In-kind Match: Consultant time	
PHASE ONE: CONCEPT PLAN (Both areas)					
Task 1. Project setup	\$20,500		\$1,500		\$19,000
Task 2. Site Analysis	\$23,500		\$500		\$23,000
Task 3. Develop project vision, objectives, and eval. criteria	\$28,000		\$500		\$27,500
Task 4 Infrastructure Evaluation/ Financial Feasibility	\$49,500	\$20,000		\$16,000	\$13,500
Task 5. Preliminary Concept Plans	\$69,000		\$3,000		\$66,000
Task 6. Concept Plan Infrastructure and Financing Analysis	\$53,500	\$20,000	\$500		\$33,000
Task 7. Final Concept Plan	\$39,000		\$2,000		\$37,000
PHASE ONE Total	\$283,000	\$40,000	\$8,000	\$16,000	\$219,000
PHASE TWO: MASTER PLAN / ORDINANCES (Frog Pond only)					
Task 8. Master Plan for Frog Pond area	\$135,000	\$40,000	\$9,000		\$86,000
Task 9. Code for Frog Pond area	\$22,500		\$2,500		\$20,000
Task 10. Adoption Process	\$18,000		\$2,000		\$16,000
PHASE TWO Total	\$175,500	\$40,000	\$13,500	\$0	\$122,000
TOTAL	\$458,500	\$80,000	\$21,500	\$16,000	\$341,000

F2 - Match Form

Instructions: If your "Match Source" is a professional or technical service received as "In Kind," use the market average or actual salary or bid for that individual or service. Use the "Notes" field to document methodology.

Match Source	Choose One		Choose One		Amount	Notes
City SDC Funds	<input checked="" type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input checked="" type="radio"/> Secured	\$ 80,000.00	Each fund includes long range planning line item.
City General Fund	<input checked="" type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input checked="" type="radio"/> Secured	\$ 21,300.00	Administrative, legal, and GIS staff time
City Wastewater Fund	<input checked="" type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input checked="" type="radio"/> Secured	\$ 16,000.00	Consultant services to assess and model sewer basin infrastructure
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	
	<input type="radio"/> Financial	<input type="radio"/> In Kind	<input type="radio"/> Pending	<input type="radio"/> Secured	\$	

Total \$ 117,300.00

RESOLUTION NO. 2412

A RESOLUTION OF THE CITY OF WILSONVILLE APPROVING APPLICATION FOR A METRO COMMUNITY PLANNING AND DEVELOPMENT GRANT TO FUND CONCEPT PLANNING FOR THE FROG POND AND ADVANCE ROAD AREAS, AND A MASTER PLAN FOR THE FROG POND AREA

WHEREAS, the Metro Council brought an approximately 181-acre area located immediately east of the City of Wilsonville city limits, known as Frog Pond, into the Urban Growth Boundary in 2002, in anticipation of eventual annexation by the City for residential development; and

WHEREAS, the City's "20-Year Look" process identified the Advance Road area as the top-priority for future residential development in conjunction with the Frog Pond area; and

WHEREAS, the Frog Pond area currently lacks a concept plan to guide infrastructure planning and development but the City of Wilsonville is required to complete a concept plan for that area by the end of 2015; and

WHEREAS, the Advance Road area, consisting of approximately 316 acres, is located immediately east of the City of Wilsonville city limits and is located adjacent to the Frog Pond area; and

WHEREAS, these two urban growth expansion areas, together, comprise an approximately 497-acre area that could be concept planned together, thereby providing economies of scale for both land-use planning and infrastructure development; and

WHEREAS, Metro maintains a Metro Community Planning and Development Grant Program ("Grant Program") to help fund concept and master planning;

WHEREAS, under the requirements of Metro's Construction Excise Tax, the City of Wilsonville has collected and contributed over \$400,000 from building permits in support of this Grant Program; and

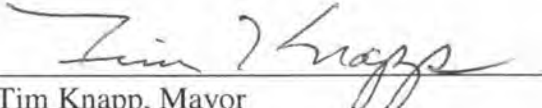
WHEREAS, the City now wishes to make application to the Grant Program for funds in the amount of \$350,000 to help cover the costs of concept planning for the Frog Pond and Advance Road areas and master planning for the Frog Pond area; and

WHEREAS, the application process allows the City to provide a level of match to any grant funds that may be awarded through the Grant Program.

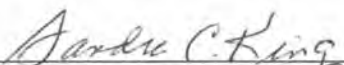
NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. The City Council supports the City of Wilsonville application for Metro's Community Planning and Development Grant Program to fund concept planning of the Frog Pond and Advance Road areas, and master planning of the Frog Pond area.
2. The Planning Director is authorized to file the application with Metro.
3. The City is authorized to contribute an in-kind match of staff time and resources, estimated to be valued at approximately \$100,000 (\$80,000 in cash and \$20,000 in staff time or other resources), over the course of a two-year project.

ADOPTED by the City Council of the City of Wilsonville at a regular meeting thereof this 15th day of April, 2013, and filed with the Wilsonville City Recorder this date.







Tim Knapp, Mayor

ATTEST:


Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:


Mayor Knapp - Yes
Council President Starr - Yes
Councilor Goddard - Yes
Councilor Fitzgerald - Yes
Councilor Stevens - Yes

 Cities
 2002 UGB Expansion
 2004 UGB Expansion
 Urban reserves
 In UGB, Not in City Limits

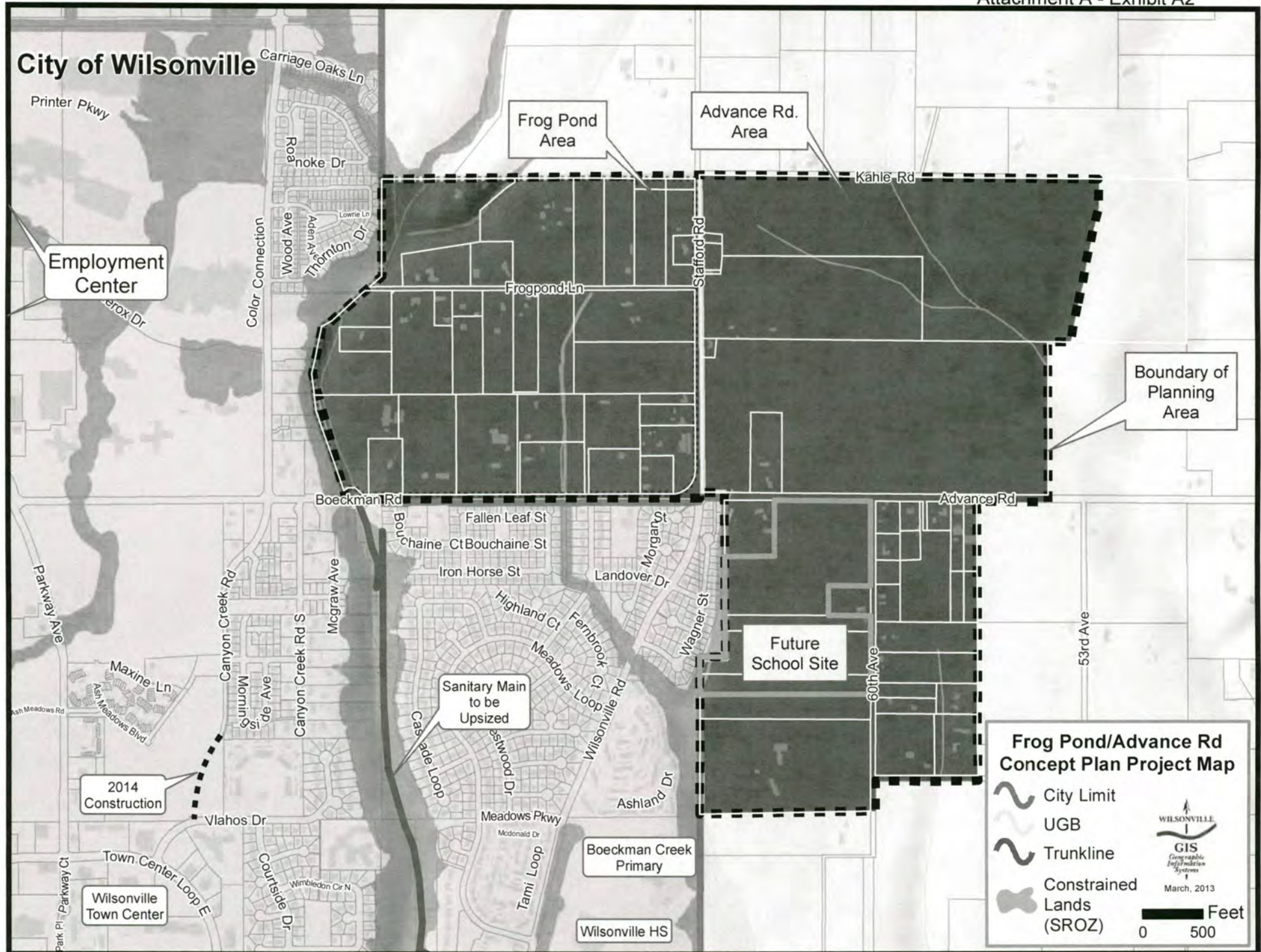
City Limit
UGB
County Boundary



March, 2013



0 Miles 0.5







Attachment A - Exhibit A2

MIKE MCCALLISTER
PLANNING AND ZONING DIRECTOR

DEPARTMENT OF TRANSPORTATION AND DEVELOPMENT

DEVELOPMENT SERVICES BUILDING
150 BEAVERCREEK ROAD OREGON CITY, OR 97045

March 28, 2013

Ms. Martha Bennett, Chief Operating Officer
Metro
600 NE Grand Ave.
Portland, OR 97232

RE: The Frog Pond/Advance Road Concept Plan and Potential Grant Funding

Ms. Bennett,

Clackamas County's Planning & Zoning and Transportation Planning Divisions support the City of Wilsonville's project to prepare a concept plan for the eventual development of the Frog Pond and Advance Road areas.

The Frog Pond/Advance Road Concept Plan project would be supportive of Metro's 2040 growth concept and help set the stage for further public and private investment and development in this area. Planning for both these areas concurrently will provide economies of scale for both planning and infrastructure development, while representing a comprehensive way to plan for whole community needs rather than one subdivision development at a time.

County staff will support this project by sharing data and policy information, coordinating with the city to plan the road network, and coordinating on public communication. We urge you to approve Wilsonville's application for Community Planning & Development grant funds to assist the city in the completion of this important planning project.

Sincerely,

Michael McCallister,
Planning Director

Cc: Katie Mangle, Long Range Planning Manager, City of Wilsonville
Karen Buehrig, Manager, Transportation Planning Division



West Linn – Wilsonville Schools

March 1, 2013

Ms. Martha Bennett, Chief Operating Officer
Metro
600 NE Grand Ave.
Portland, OR 97232

RE: Support of Wilsonville's Application for Frog Pond and Advance Areas Planning

Dear Ms. Bennett,

The West Linn/ Wilsonville School District supports the City of Wilsonville's project to prepare a concept plan for development of the Frog Pond and Advance Road areas.

The District owns property in both areas, and is developing plans to build a middle school within the Advance Road area to serve existing and future Wilsonville students. Several years ago the District and City worked together to create a master plan for that site. Holistic planning for development of the school site will help the school become an anchor for the surrounding neighborhoods.

The District and the City have a history of close and productive partnership on planning for school facilities and residential development. Wilsonville is a growing community, and both agencies recognize the importance of coordinating housing development with development of new schools to serve the new neighborhoods. The District will support this project by sharing data and planning information, participating as a major property owner, and coordinating on public communication.

Sincerely,

DEPARTMENT OF OPERATIONS

Tim K. Woodley, Director

Cc: Dr. William B. Rhoades, Superintendent



29799 SW Town Center Loop East
Wilsonville, OR 97070
Phone 503-682-0411
Fax 503-682-1015
TDD 503-682-0843
Web www.ci.wilsonville.or.us

February 4, 2013

Ms. Martha Bennett, Chief Operating Officer
Metro
600 NE Grand Ave.
Portland, OR 97232

RE: Frog Pond / Advance Road Concept Planning CET grant application

Dear Ms. Bennett,

The City of Wilsonville City Council supports the project to prepare a concept plan for development of the Frog Pond and Advance Road areas. At its joint worksession with the Planning Commission in November 2012, the Wilsonville City Council discussed planning for these growth areas as a 2013 work plan priority. Additionally, the City Council advocated for adding the Advance Road Urban Reserve into the UGB in 2010.

This project would further several City priorities at once, including:

- Fulfilling the City's Title 11 responsibilities for Frog Pond;
- Setting the stage for the next phase of Wilsonville's residential growth to complement continued job growth;
- Planning for efficient public services delivery.

These two areas will likely develop in phases, therefore each could be planned separately. However, the two areas together compose a 497-acre area that should be concept planned together, thereby providing economies of scale for both planning and infrastructure development. The opportunity to plan in an integrated, holistic manner for both Frog Pond and Advance Road urban reserve areas represents a comprehensive way to plan for whole community needs rather than one subdivision development at a time. Planning the two areas together is the most promising approach to continuing Wilsonville's success with creating complete, communities.

Sincerely,

A handwritten signature in black ink that reads "Tim Knapp". The signature is fluid and cursive, with the first name "Tim" and last name "Knapp" clearly distinguishable.

Tim Knapp
Mayor

From: Paul Chaney [<mailto:p2cpersonal@gmail.com>]
Sent: Monday, March 11, 2013 7:03 PM
To: Mangle, Katie
Subject: Frog Pond Development Letter Mar 7, 2013

Dear Ms. Mangle,

Thank you for your letter. We had heard that the City of Wilsonville would be seeking a grant to prepare a concept plan for the development of the Frog Pond area from Chris Neamtzu. We support this initiative and would be willing to assist in this effort subject to personal obligations. We have lived in the Wilsonville area since 1972 and seen the dramatic growth. We now currently reside West of the city with a Sherwood address but consider ourselves to be "Wilsonville-ites" (if such a term exists). We would appreciate being kept informed of any activity with this effort.

Sincerely

Paul & Janene Chaney
27227 SW Xanthus Ct
Sherwood, OR 97140

Property Address:
27227 SW Stafford Rd
Wilsonville, OR 97070

WEST HILLS
DEVELOPMENT

April 15, 2013

Ms. Martha Bennett, Chief Operating Officer
Metro
600 NE Grand Ave.
Portland, OR 97232

RE: Support of Wilsonville's Application for Frog Pond and Advance Areas Planning

Dear Ms. Bennett,

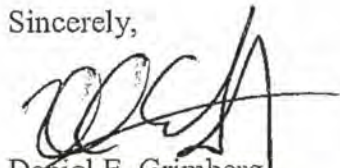
West Hills Development supports the City of Wilsonville's project to prepare a concept plan for development of the Frog Pond and Advance Road areas.

West Hills Development has invested in Wilsonville over many years, and owns property in the Frog Pond area. We are holding it for future development because we believe this will be a successful site for residential development once infrastructure needs are resolved. We support the City's initiative to lead a planning process to create a concept plan, because this plan will set the stage for private development by defining infrastructure needs and establishing the vision for the community.

West Hills Development will support this project by participating as a major property owner, and contributing expertise with regard to development feasibility, market demand and financing.

We look forward to working with the region to deliver quality neighborhoods that we can all be proud of.

Sincerely,



Daniel E. Grimberg
Director of Land Development
West Hills Development

POLYGON NORTHWEST COMPANY

April 12, 2013

Ms. Martha Bennett, Chief Operating Officer
Metro
600 NE Grand Ave.
Portland, OR 97232

RE: Support of Wilsonville's Application for Frog Pond and Advance Areas Planning

Dear Ms. Bennett,

Polygon Northwest supports the City of Wilsonville's project to prepare a concept plan for development of the Frog Pond and Advance Road areas.

Polygon has been building in the City of Wilsonville for many years. Our current investments have been in the Villebois neighborhood. We believe that the Frog Pond and Advance Road area hold great promise for the next generation of quality residential development. Similar to the Villebois community, Frog Pond and Advance are supportive of many of Metro's initiatives to create great places.

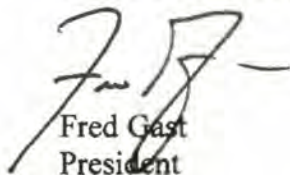
The City of Wilsonville has established a high quality of life for its citizens that our company recognizes and supports. The provision of quality education in the K-12, and higher education, attractive parks facilities and livable neighborhoods are all things that we seek to support with our investment.

A concept plan will set the stage for private development by defining infrastructure needs and establishing a vision for the community. We believe that a contribution from metro for this effort is warranted.

Wilsonville is a growing community, and the Frog Pond area will be a strong site with excellent access to quality jobs, transportation facilities and future parks. We are excited by this project and will support it by participating actively in the concept planning effort.

If I can be of further assistance on this matter, please do not hesitate to contact me directly at 503-314-0807.

Sincerely,
POLYGON NORTHWEST



Fred Gast
President

RE: Advance Road area planning
Marc De Coster mdsporthorse@msn.com
Sent: Mon 4/15/2013 9:10 AM
To: Mangle, Katie <mangle@ci.wilsonville.or.us>

Dear Mrs Mangle,

It was nice meeting you the other day, and we appreciate the time you spend with us.

We support the city's position on creating a concept plan for the future development of the Advance area.

However, since the proposed schools and city park are so close to our property at 5899 SW Kruse Rd we can only support a concept plan if the properties that are currently within the UGB reserve area (Advance area) are added to the the UGB expansion.

Since the construction of a city park and schools would change the total dynamic of our neighborhood and increase traffic in our streets.

We are looking forward to participate in the effort to create a livable neighborhood.

Sincerely,

Marc and Teri DeCoster

From: [Ed Christensen](#)
To: [Mangle, Katie](#)
Subject: Frog Pond
Date: Wednesday, April 03, 2013 9:25:32 AM

Katie,

Last week you asked me to comment on why I think the Frog Pond/Advance Rd. Specific Plan in Wilsonville was important to the Metro area. In 2006, Welkin Engineering (WE) had its best Land Use Development services year ever as a primarily single-family residential land design firm. WE did \$1.4 million in fees in 2006. In 2012, WE had our worst ever, but still WE is still in business. However, WE will emerge from the housing recession crunch before others in our industry, because WE is at the front edge of the curve when the housing market changes.

WE is seeing signs of that now. For 3 straight months WE has had the best billing months consecutively in 4 years. WE has had multiple builders come back to us with their old expired plats and ask what they can do to get them reapproved. However, lots are in short supply. WE has had multiple builders tell us they would buy any sized residential single family product WE knows about; if there were any. The fact is, WE knows they would be interested in a Frog Pond, because WE has asked many of the top builders in the area and outside of our Metro market if they would like this to move forward and their response is yes.

WE has clients who would like to build in Frog Pond next year. It can only happen, if you move this forward quickly. Please make this happen.

Best Regards,

Ed Christensen, PE



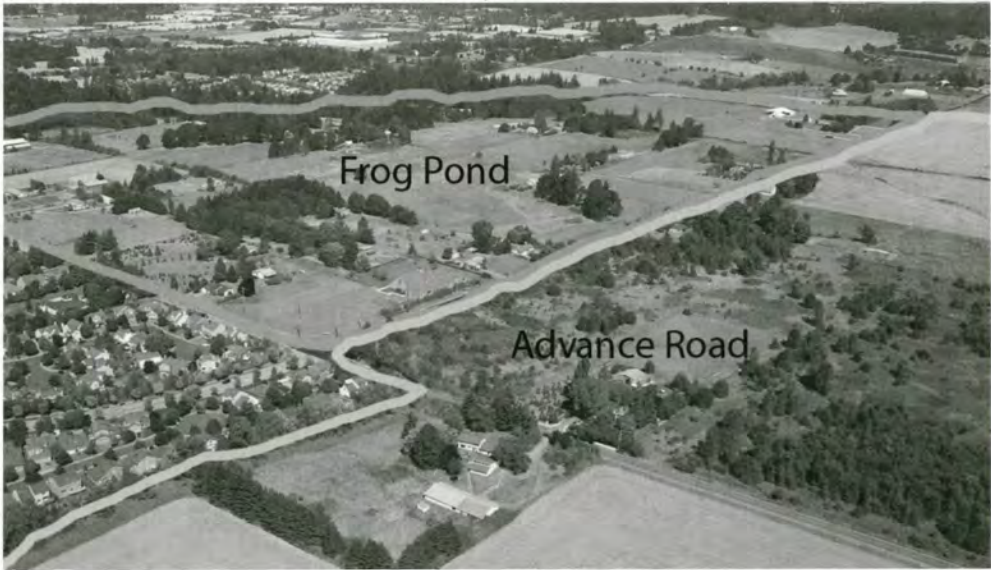
GREAT RESULTS ONE PROJECT AT A TIME
Edward K. Christensen, PE (OR, WA, CA)
President
www.Welkinpc.com
ekc@welkinpc.com
[25260 SW Parkway Ave., Ste G](#)
[Wilsonville, OR 97070](#)
tel: 503.783.0930
fax: 503.783.0932
mobile: 503.380.5324

Always have my latest info
Want a signature like this?

Wilsonville Frog Pond / Advance Road Planning: Site Photos



View of Frog Pond area (outlined in orange) and the northwestern portion of the Advance Road area (outlined in yellow).



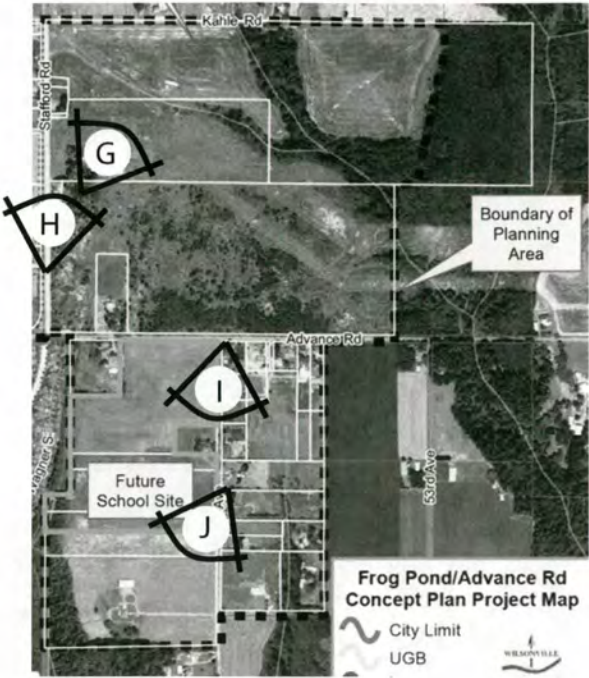
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Wilsonville Frog Pond / Advance Road Planning: **Site Photos**



Wilsonville Frog Pond / Advance Road Planning: Site Photos

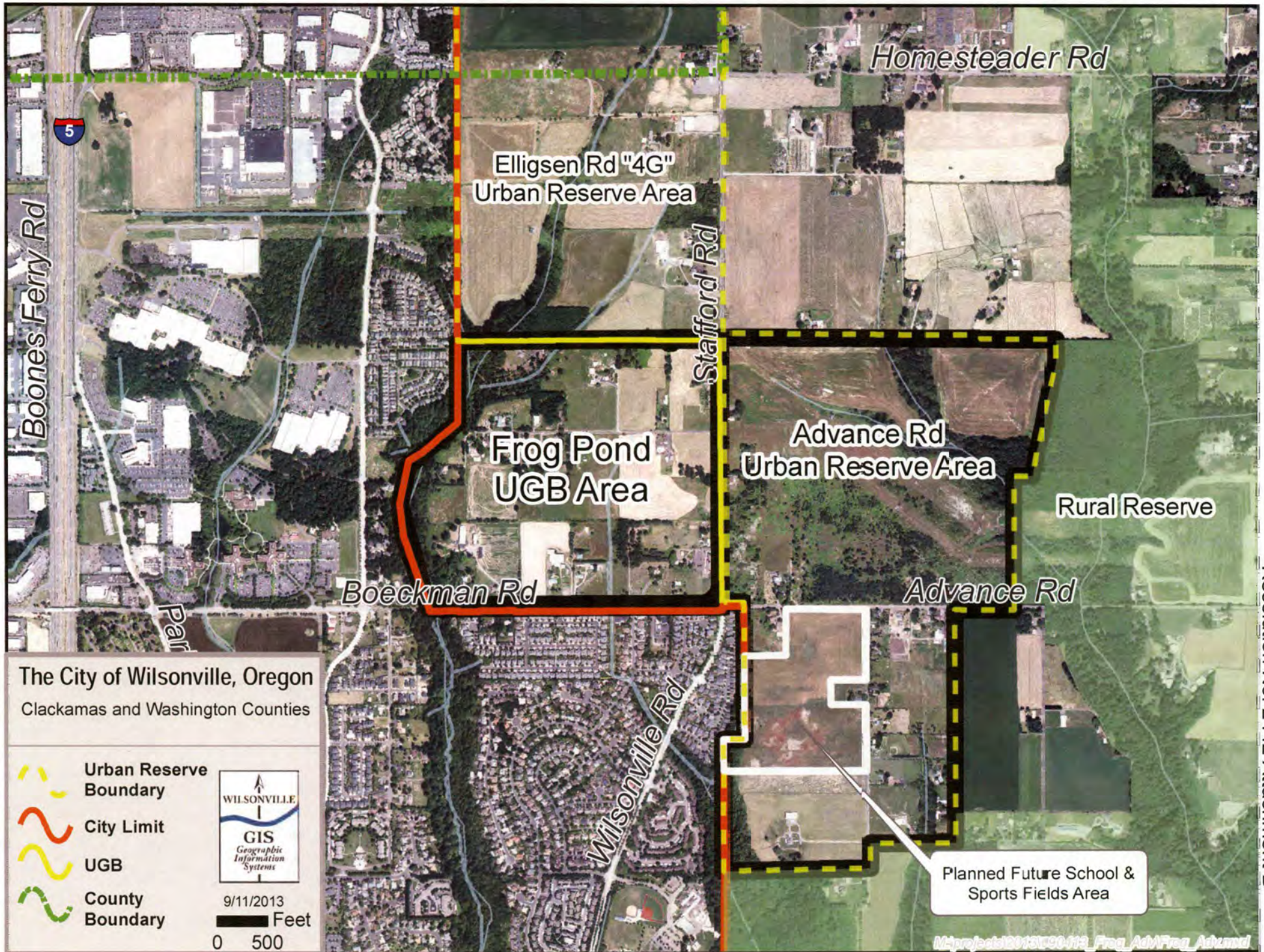


View of the northern portion of the Advance Road area (outlined in yellow). The future school site is immediately south of Advance Road.



Wilsonville Frog Pond / Advance Road Planning: **Site Photos**





September 11, 2013

Greetings,

You are receiving this letter because either you own property within the Frog Pond/ Advance Road Planning study area, or have otherwise identified yourself as being interested in the project.

I'm writing with the good news that on August 15th, the Metro Council awarded the City of Wilsonville a \$341,000 grant to plan for future development of the Frog Pond and Advance Road areas (see enclosed map).

Currently, all of this area is located within Clackamas County's jurisdiction. A Concept Plan is needed for both areas to define expectations for the types of buildings, land uses, transportation, parks, and utilities that will be developed over time.

The Frog Pond/ Advance Road Planning Project will involve two phases, each taking about a year:

1. **Create a Concept Plan for the whole area.** This broad plan will define: the mix of land uses; location of schools, parks, and natural areas; water quality and ecosystem protection; multimodal transportation; public facilities location; and the financial feasibility. This step is required to set the stage for more detailed planning of Frog Pond, and is needed before the Advance Road Urban Reserve area may be considered to be added to the regional Urban Growth Boundary. Planning for both areas together will not only allow everyone to think about the "big picture", but plan for the most cost-effective provision of sewer and other services.
2. **Create a Master Plan for just the Frog Pond area.** This detailed planning of Frog Pond will result in the adoption of Comprehensive Plan land use designations, adoption of a Master Plan, and drafting of zoning to be applied at the time of development. The intent of this phase is to set the stage for annexation, rezoning, and permitting for development.

I will be the City's project manager, and over the next few months I will focus on getting the project up and running. Property owners and other stakeholders will have an important role in the process, and I will be in touch as we define how and when this will occur.

In the meantime, if you would like information about the project, please contact me at any time at (503) 570-1581 or email me at Mangle@ci.wilsonville.or.us. I would be happy to discuss any ideas, concerns, or questions you might have. I look forward to working with you!

Respectfully,

Katie Mangle
Long Range Planning Manager
City of Wilsonville


**CITY COUNCIL MEETING
 STAFF REPORT**

Meeting Date: November 4, 2013	Subject: Resolution No. 2443 Adoption of the Official Zoning Map for the City of Wilsonville Staff Member: Chris Neamtzu, AICP Department: Community Development	
Action Required <input checked="" 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 checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input checked="" type="checkbox"/> Consent Agenda	Advisory Board/Commission Recommendation <input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments:	
Staff Recommendation: Staff recommends that the City Council approve the Official Zoning map for the City of Wilsonville.		
Recommended Language for Motion: This item is scheduled as a consent agenda item, no motion is necessary.		
PROJECT / ISSUE RELATES TO:		
<input type="checkbox"/> Council Goals/Priorities	<input type="checkbox"/> Adopted Master Plan(s)	<input checked="" type="checkbox"/> Not Applicable

ISSUE BEFORE COUNCIL: This is a routine housekeeping item. On a regular basis, the Planning Director brings the Official Zoning Map (Attachment A) of the City of Wilsonville forward for City Council approval. The adoption of the Official Zoning Map of the City incorporates all of the quasi-judicial map changes that City Council has approved since the last official zone map adoption, in this case July of 2009. Land use law requires that cities maintain an Official Zoning Map signed by the Mayor as the legal representation of the zoning of each piece of property within the City.

EXECUTIVE SUMMARY: The Planning Division has recently moved the cartography for the Official Zoning Map from the Computer Aided Drafting and Design (CADD) system in the Engineering Division to the Geographic Information System (GIS) System in the Finance Department. There are several reasons for this transition. First, Metro, the regional government, maintains and updates data layers in GIS and does not use CADD for regional mapping. In order to “speak” with the region around significant mapping issues and to be able to share data across jurisdictional boundaries, compatibility with the GIS software is critical not only for the city, but for our regional partners. Second, GIS affords an opportunity for staff to query the data about a parcel of land in powerful ways, something that a CADD system could not accomplish. Third, map scale, extensive color palettes and watermarking tools available in GIS make the map more visually appealing and efficient for public and staff use.

Adoption of the Official Zoning Map is intended to: 1) provide accurate information to the public; 2) provide a more visually appealing and easy to read map; 3) provide a map with an accurate scale for measurement enhancing the usefulness of the map.

The following is a list of all approved zoning map amendments since the last official adoption in July, 2009.

Approved Zone Map Amendments:

- Ordinance No. 678** **Wilsonville Road Business Park, PNW Properties**
Approved 6/21/2010
- Ordinance No. 680** **Villebois PDP-6 South, Polygon Homes NW**
Approved 8/2/2010
- Ordinance No. 690** **Lowrie Primary School, West Linn/Wilsonville School District**
Approved 1/20/2011
- Ordinance No. 699** **Villebois-PDP-2 East, Redus Or Land, LLC**
Approved 12/19/2011
- Ordinance No. 703** **Jory Trail at the Grove, Holland Partner Group**
Approved 5/7/2012
- Ordinance No. 706** **Fox Center Townhomes, Seema, LLC**
Approved 12/17/2012
- Ordinance No. 708** **Villebois PDP-3 Central, Piazza Park, Villebois Village Center, LLC**
Approved 12/3/2012
- Ordinance No. 709** **Villebois PDP-3 East, Polygon Homes NW**
Approved 12/17/2012
- Ordinance No. 710** **Villebois PDP-4 East, Polygon Homes NW**
Approved 12/17/2012
- Ordinance No. 720** **Villebois PDP-2 North, Polygon Homes NW**
Approved 7/15/2013

Ordinance No. 721 Villebois PDP-4 Central, Polygon Homes NW

Approved 7/15/2013

EXPECTED RESULTS: City Council adoption of the Official Zoning Map will provide customers with a resource that is clear to read and easy for staff to administer. The map will be provided on the City's web site, providing citizens, real estate agents and appraisers with an important information tool.

TIMELINE: The Official Zone Map will be effective immediately upon signing by the Mayor and attesting to by the City Recorder.

CURRENT YEAR BUDGET IMPACTS: NA

FINANCIAL REVIEW / COMMENTS:

Reviewed by: _____ JEO _____ Date: _____ 10/24/13 _____

There are no financial or budgetary impacts.

LEGAL REVIEW / COMMENT:

Reviewed by: MEK _____ Date: 10/23/2013 _____

Resolution approved as to form.

COMMUNITY INVOLVEMENT PROCESS: There is a substantial community involvement process that accompanies each zoning map amendment and development proposal. The process includes public hearings with both the City's Development Review Board and City Council.

This action is a housekeeping item that incorporates all of the previous changes into one easy to use and read Official Zoning Map of the City of Wilsonville.

POTENTIAL IMPACTS or BENEFIT TO THE COMMUNITY (businesses, neighborhoods, protected and other groups): A current Official Zoning Map provides benefits to the community by accurately depicting the zoning of each property in the city.

ALTERNATIVES: NA

CITY MANAGER COMMENT:

ATTACHMENTS:

A. City of Wilsonville Official Zoning Map

RESOLUTION NO. 2443

A RESOLUTION OF THE CITY OF WILSONVILLE AMENDING THE OFFICIAL CITY'S ZONING MAP TO INCORPORATE PREVIOUSLY APPROVED QUASI-JUDICIAL ZONING MAP AMENDMENTS AND ADOPTING A NEW OFFICIAL ZONING MAP

WHEREAS, the current City of Wilsonville Official Zoning Map signed by the Mayor and attested by the City Recorder is dated July 19, 2009; and

WHEREAS, since July 19, 2009, pursuant to Wilsonville Code Section 4.197(.02), the City Council has approved, by zoning orders, eleven amendments to the Official Zoning Map, detailed by reference in the Staff Report dated November 4, 2013; and

WHEREAS, it is important that periodically the City's Official Zoning Map be updated to reflect Council zoning map amendment action(s) in order to track the changes and provide accurate maps; and

WHEREAS, since the land use review process in Wilsonville utilizes a two map system (Comprehensive Plan Map and Zoning Map) that requires periodic amendments to conform the Zoning Map with the Comprehensive Plan Map as part of development review, the City establishes a procedure to readopt an updated Official Zoning Map; and WHEREAS, this Official Zoning Map, when amended with the eleven approved amendments, will also be created in a Geographic Information System (GIS) that allows local information to be shared regionally, at an accurate scale, and with the ability to query the data; and

WHEREAS, according to 51 Or LUBA 107 (2006), a proposal to amend the Official Zoning Map to accurately reflect previously adopted zone map amendments is not a zone change within the meaning of ORS 215.223(3), and does not require public notice; and

WHEREAS, Sections 4.025(.02) and 4.102(.01-.05) require all current approved amendments to the Official Zoning Map to be included on a new Official Zoning Map and be approved by the Mayor, attested by the City Recorder, and filed in the office of the City Recorder.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

Section 1. Findings. The City Council adopts as findings and conclusions the foregoing recitals and the Staff Report of November 4, 2013, labeled Exhibit A and attached hereto and incorporated by reference as if fully set forth herein.

Section 2. Order. Based upon the foregoing recitals, a new Official City of Wilsonville Zoning Map, incorporating the eleven zoning map amendments recited in Exhibit A, is hereby adopted and the Mayor is authorized to approve, sign, and date the Official City of Wilsonville Zoning Map, and the City Recorder shall attest and cause the Official City of Wilsonville Zoning Map to be filed in the Office of the City Recorder. The Official City of Wilsonville Zoning Map, having been duly approved, attested to, and filed, will be the correct and binding zoning in all areas, unless otherwise duly amended. A duplicate original of the new Official Zoning Map, approved, signed, and dated by the Mayor, and attested by the City Recorder, may also be located in the office of the City's Planning Director.

Section 3. This resolution is effective upon adoption.

ADOPTED by the Wilsonville City Council at a regular meeting thereof on the 4th day of November, 2013, commencing at the hour of 7:00 PM, at Wilsonville City Hall, 29799 SW Town Center Loop East, Wilsonville, Oregon, and filed with the Wilsonville City Recorder this date.

Tim Knapp, Mayor

ATTEST:

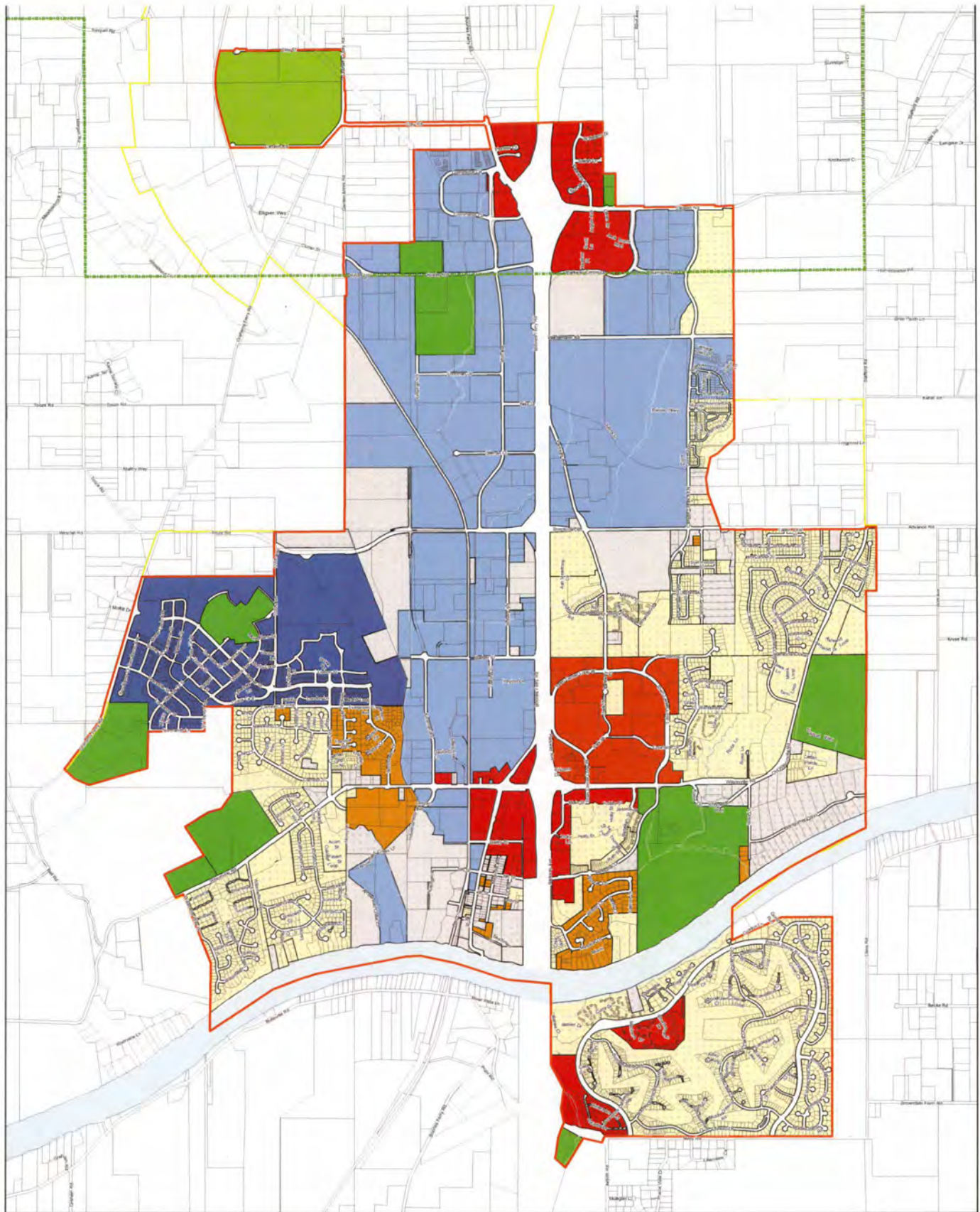
Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Mayor Knapp
Council President Starr
Councilor Goddard
Councilor Fitzgerald
Councilor Stevens

Attachments:

Exhibit A – Staff Report, dated November 4, 2013



City of Wilsonville Zoning Map

- | | |
|--|--|
| ■ Planned Development Commercial (PDC) | --- County Boundary |
| ■ Planned Development Commercial Town Center (PDCTC) | □ City Limits |
| ■ Planned Development Industrial (PDI) | □ UGB |
| ■ Planned Development Residential (PDR) | |
| ■ Public Facilities (PF) | |
| ■ Public Facilities - Corrections (PFC) | |
| ■ Residential (R) | |
| ■ Village (V) | |
| ■ Residential Agricultural Holding (RAH) | |

Official Zoning Map

Mayor _____ Date _____

City Recorder _____ Date _____

Resolution Number: 2403

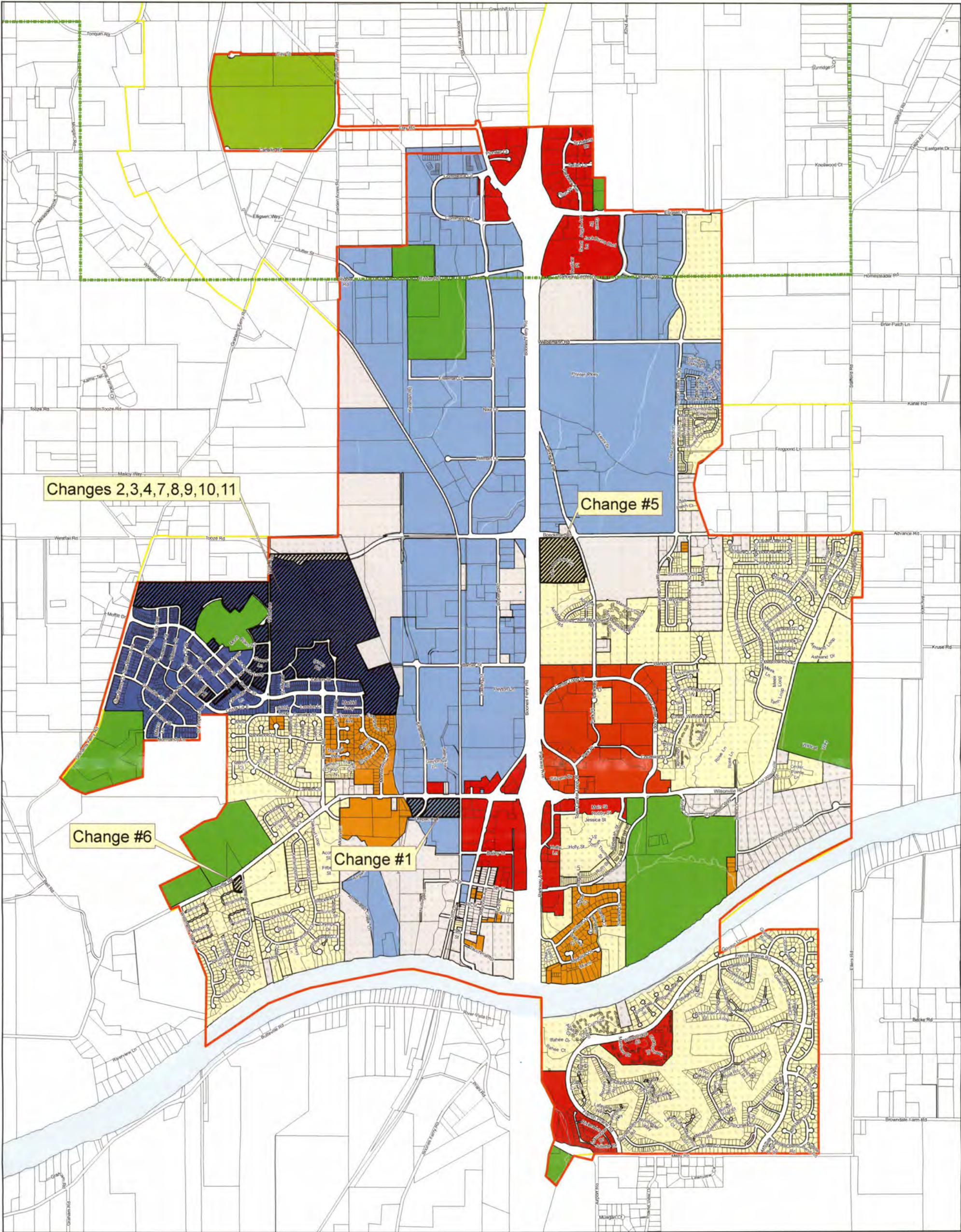


0 November 2, 2013 0.5 Mile

Disclaimer: The City of Wilsonville makes no representations, express or implied, as to the accuracy, completeness, and timeliness of the information displayed. Data errors and omissions may exist in map and report. This map is not suitable for legal, engineering, or surveying purposes. Please contact the City of Wilsonville Planning Department to verify report information is complete and accurate.

Approved Zone Map Amendments:

1. **Ordinance No. 678 Wilsonville Road Business Park, PNW Properties**
Approved 6/21/2010
2. **Ordinance No. 680 Villebois PDP-6 South, Polygon Homes NW**
Approved 8/2/2010
3. **Ordinance No. 690 Lowrie Primary School**
Approved 1/20/2011
4. **Ordinance No. 699 Villebois-PDP-2 East, Redus Or Land, LLC**
Approved 12/19/2011
5. **Ordinance No. 703 Jory Trail at the Grove, Holland Partner Group**
Approved 5/7/2012
6. **Ordinance No. 706 Fox Center Townhomes, Seema, LLC**
Approved 12/17/2012
7. **Ordinance No. 708 Villebois Piazza Park, Villebois Village Center, LLC**
Approved 12/3/2012
8. **Ordinance No. 709 Villebois PDP-3 East, Polygon Homes NW**
Approved 12/17/2012
9. **Ordinance No. 710 Villebois PDP-4 East, Polygon Homes NW**
Approved 12/17/2012
10. **Ordinance No. 720 Villebois PDP-2 North, Polygon Homes NW**
Approved 7/15/2013
11. **Ordinance No. 721 Villebois PDP-4 Central, Polygon Homes NW**
Approved 7/15/2013



City of Wilsonville Zoning Map

- Planned Development Commercial (PDC)

Planned Development Commercial Town Center (PDCTC)

Planned Development Industrial (PDI)

Planned Development Residential (PDR)

Public Facilities (PF)

Public Facilities - Corrections (PFC)

Residential (R)

Village (V)

Residential Agricultural Holding (RAH)
- County Boundary

City Limits

UGB

Official Zoning Map

Mayor _____

Date _____

City Recorder _____

Date _____

Resolution Number: _____

WILSONVILLE

GIS

Geographic Information Systems

0

Mile

0.5

November 12, 2013

Disclaimer:

The City of Wilsonville makes no representations, express or implied, as to the accuracy, completeness and timeliness of the information displayed. Data errors and omissions may exist in map and report. This map is not suitable for legal, engineering, or surveying purposes. Please contact the City of Wilsonville Planning Department to verify report information is complete and accurate.


**CITY COUNCIL MEETING
STAFF REPORT**

Meeting Date: 11/4/2013	Subject: Resolution No. 2444 Awarding the contract for installation of a fiber optic network. Staff Member: Holly Miller Department: IS	
Action Required <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 checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda	Advisory Board/Commission Recommendation <input type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input checked="" type="checkbox"/> Not Applicable Comments:	
Staff Recommendation: Staff recommends approval of Resolution No. 2444.		
Recommended Language for Motion: I move to approve Resolution No. 2444.		
PROJECT / ISSUE RELATES TO: <i>[Identify which goal(s), master plans(s) issue relates to.]</i>		
<input type="checkbox"/> Council Goals/Priorities	<input type="checkbox"/> Adopted Master Plan(s)	<input checked="" type="checkbox"/> Not Applicable Increased efficiency/cost reduction

ISSUE BEFORE COUNCIL:

Approving a sole source contract with North Sky Communications, Inc., as the lowest responsible bidder in an adjoining project with Clackamas County, for the installation of fiber optic infrastructure.

EXECUTIVE SUMMARY:

In December of 2009, following a public contracting bid process, Clackamas County selected North Sky Communications, Inc. (North Sky) as the successful bidder and entered into a contract with North Sky for the design and construction of a county-wide fiber ring known as the BTOP project. The project primarily connected government and educational institutions in the highly

rural areas of the county, providing high speed access to county resources and dark fiber capacity to both public and private sector entities. A connected, but non-grant funded, segment to this network was recently extended to Wilsonville through a Clackamas County partnership with PGE.

In the public bidding documents published for its extensive BTOP fiber project, Clackamas County included an intergovernmental cooperative purchasing statement, allowed pursuant to ORS 279A and Clackamas County procurement rules, which permits other public agencies to take advantage of the County's competitive bid process to purchase equivalent services or products, as described in the bid, under the same submitted unit bid price, but only with the consent of the contractor awarded the contract by the County. North Sky was awarded the Clackamas County contract and has agreed to extend the County unit pricing to the City of Wilsonville.

Although the City could perform its own competitive bid process for the procurement of this design build project, such a process would take significant time and resources. Because taking advantage of the competitive bid process that Clackamas County has already conducted is allowed by statute and, based on North Sky's already acquired understanding of the technical requirements of the Clackamas County Broadband (BTOP) project and established relationship with the various Clackamas County agencies, including Clackamas County ITS and Clackamas County DOT with whom the City staff will need to interact, staff believes it is in the best interest of the City to contract with North Sky for this fiber project. North Sky is also available to immediately begin work on the project and has agreed to extend the same unit pricing and equivalent performance terms of the Clackamas County contract to the City.

The Wilsonville Fiber Project will lay the groundwork for a City fiber ring and connectivity to the Clackamas County fiber network while providing City fiber assets from the Transit/Fleet and future Parks & Rec buildings to City Hall. This infrastructure will deliver significant long term savings (7 to 10 year ROI on a minimum 20 year asset), as well as offer a faster, more secure, more flexible infrastructure system that can be utilized for a variety of services and entities.

In addition to the connections to Transit/Fleet and the future Parks & Rec buildings, multiple additional adjacent facilities will also be connected:

Location	Connectivity Need/Purpose
Multiple Water Telemetry Locations on Wilsonville & Kinsman Road	More reliable monitoring of water system and removal of existing leased and/or radio services
All signals along Wilsonville Road from Town Center Loop East to Kinsman Road	Enhanced communication to enable video monitoring/control for improved traffic flow in the event of accidents or special events
I-5 interchange	Future security camera & lighting connectivity

Murase Plaza & Town Center Park	Centralize irrigation controls & security camera feeds. Reduce cost and improve speed of fountain telemetry communications. Line for future public wireless access.
Library, PW/Police, and the Community Center	Additional network capacity and future connectivity with the Clackamas County fiber network

EXPECTED RESULTS:

Completion of the project will provide a faster, more reliable connection to the Transit/Fleet Building and provide infrastructure for easy future connectivity at the current Visitor's Center. It will connect the adjacent locations, as shown in the table in the Executive Summary, provide significant ROI, and lay the groundwork for future connectivity to Clackamas County.

Connectivity to the Clackamas County fiber network would allow Wilsonville to significantly enhance Library services, implement remote meeting/training attendance and other cost saving communications improvements for the Wilsonville Police, and offer the opportunity for enhanced future collaboration with the county in a variety of programs from GIS & Mapping to traffic signal monitoring.

With the Clackamas County fiber network open to both public and private entities, opportunities exist for businesses that connect to reach more competitive internet & telecommunications providers to lower their service costs, to connect multiple locations/facilities within Clackamas County, and for communities to utilize this connectivity in recruitment for economic development.

On the public side, opportunities exist not only for connectivity to the Clackamas County network but also for inter-agency connectivity. For instance, the City of Sherwood has expressed an interest in connecting to Wilsonville to share telemetry information in the monitoring of already shared water resources, and the connection from Clackamas County to Wilsonville and then to Sherwood could enable Clackamas County to connect with Washington County and thereby provide an even broader network for everyone involved.

Finally, in partnership with Clackamas County, the City's infrastructure could be utilized to provide significantly less expensive, higher speed connectivity between Wilsonville schools and the Clackamas County ESD, with a long term vision of the broader county infrastructure eventually being able to provide high speed access throughout the West Linn-Wilsonville School District.

TIMELINE:

Design will begin immediately with the following construction completion by November 30th, 2013.

CURRENT YEAR BUDGET IMPACTS:

The adopted FY 2013/14 Budget includes sufficient funding for Project #8093.

FINANCIAL REVIEW / COMMENTS:

Reviewed by: _____ JEO _____ Date: _____ 10/28/13 _____

As stated above, the 2013/14 budget includes sufficient funding for this project.

LEGAL REVIEW / COMMENT:

Reviewed by: MEK _____ Date: 10/23/13

Resolution approved as to form.

COMMUNITY INVOLVEMENT PROCESS:

The City, in partnership with Clackamas County, has reached out to a variety of both public and private entities along the route of the fiber optic network. Many of those contacted have expressed an interest in being connected once the Clackamas County segment is complete.

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

Impacts would be temporary construction impacts. It will improve communications internally to the City, save significant cost over time, and provide infrastructure needed for future service offerings. It will also position the City to take advantage of impending connectivity to Clackamas County for enhanced Library, Police, and Traffic service.

ALTERNATIVES:

The City considered maintaining the existing service connections it has in place and adding more leased line service for new locations. Over a conservative 20-year asset life, the projected cost for leased line service would be \$576,000, and leased service would not provide the security, flexibility, or reliability of owned infrastructure. Therefore, continued leased service was not a good alternative. The City could also move forward with the project but do its own competitive bidding process rather than take advantage of the process allowed pursuant to ORS 279A.

CITY MANAGER COMMENT:**ATTACHMENTS**

A. Resolution No. 2444

RESOLUTION NO. 2444

A RESOLUTION OF THE CITY OF WILSONVILLE AUTHORIZING THE CITY MANAGER TO EXECUTE A DESIGN AND BUILD CONTRACT WITH NORTH SKY COMMUNICATIONS, INC. FOR FIBER OPTIC CABLE INSTALLATION (CAPITAL IMPROVEMENT PROJECT #8093)

WHEREAS, the City has planned, designed, and budgeted for the completion of Capital Improvement Project #8093, referred to in the City's Budget as the Fiber Connectivity Project (the "Project"); and

WHEREAS, in conjunction with a County-wide fiber optic installation project, also referred to as the Clackamas County Broadband Project ("County Fiber Project"), Clackamas County followed Oregon public contracting requirements, through a formal advertised public bid process, to solicit sealed bids from qualified contractors in compliance with Oregon Revised Statute (ORS) 279C - Public Contracting for Public Improvements and Related Contracts; and

WHEREAS, the Clackamas contract was awarded to North Sky Communications, Inc. ("North Sky") and that contract included an intergovernmental cooperative purchasing statement, allowed pursuant to ORS 279A, which permits other public agencies to take advantage of the County's competitive bid process to purchase equivalent services or products, as described in the bid, under the same submitted unit bid price, but only with the consent of the contractor awarded the contract by the County; and

WHEREAS, North Sky has agreed to allow the City to purchase equivalent services or products, as described in the bid; and

WHEREAS, time is of the essence and North Sky is available to do the work at the competitive pricing bid through the Clackamas County process; and

WHEREAS, due to its work on the Clackamas County Project, North Sky has already acquired knowledge of the technical requirements of the Clackamas County Project and an understanding of how the City's Project can be designed to interact with or compliment the Clackamas County Project in the future; and

WHEREAS, North Sky has existing working relationships with the various Clackamas County agencies that City staff will interact with to ensure compatibility of the City and County Projects and possible future integration of the City Project with the County Project; and

WHEREAS, the adopted City of Wilsonville FY 2013-14 Budget includes the funds required for Project construction.

NOW, THEREFORE, THE CITY OF WILSONVILLE RESOLVES AS FOLLOWS:

1. The procurement process for the Project duly followed Oregon Public Contracting Rules, which allow other local governments to utilize the Clackamas County competitive bid process results pursuant to ORS 279C.
2. The City Council, acting as the Local Contract Review Board, authorizes the City Manager, as its contracting agent, to complete negotiations and execute a construction contract with North Sky on behalf of the City of Wilsonville that is in the best interest of the public for the lump sum price of \$248,000.
3. This resolution is effective upon adoption.

ADOPTED by the Wilsonville City Council at a regular meeting thereof this ____ day of November, 2013, and filed with the Wilsonville City Recorder this date.

TIM KNAPP, MAYOR

ATTEST:

Sandra C. King, MMC, City Recorder

SUMMARY OF VOTES:

Mayor Knapp
Council President Starr
Councilor Goddard
Councilor Fitzgerald
Councilor Stevens

Res-2444

**CITY OF WILSONVILLE
DESIGN-BUILD CONSTRUCTION CONTRACT**

This Construction Contract ("Contract") for the design and construction of a communications fiber network for the City of Wilsonville ("Fiber Project") is made and entered into on this ____ day of November, 2013 ("Effective Date") by and between the **City of Wilsonville**, a municipal corporation of the State of Oregon (hereinafter referred to as the "City"), and **North Sky Communications, Inc.**, a Delaware corporation (hereinafter referred to as "Contractor").

RECITALS

WHEREAS, in 2010 Clackamas County issued a formal Request For Proposal ("RFP") for the Clackamas County Broadband Innovation Initiative (CBII) Fiber Infrastructure Project ("CBII Project"); and

WHEREAS, the RFP sought proposals from qualified fiber installers to design and construct a 180 mile middle and last mile fiber infrastructure throughout Clackamas County as part of the Clackamas County Broadband Innovation Initiative, as more particularly described in the RFP, dated August 16, 2010, which is incorporated by reference herein; and

WHEREAS, Contractor was the contractor selected through that RFP process and a contract for the CBII Project was entered into between Contractor and Clackamas County ("Clackamas Contract"); and

WHEREAS, the Clackamas Contract, at Section 2.23, contains an Intergovernmental Purchasing Statement whereby, pursuant to ORS 279A and County procurement rules, other public agencies are given the ability to purchase the awarded goods and services from the Contractor under the terms and conditions of the Clackamas Contract; and

WHEREAS, the City has an immediate need to run fiber to its new SMART Transit facility ("SMART Fiber Project") and thereafter to ultimately integrate that fiber with the CBII Project. The City therefore wishes to take advantage of the intergovernmental cooperative purchasing provision of the Clackamas Contract in order to obtain similar design and construction services from the Contractor; and

WHEREAS, the SMART Fiber Project is closely related to and will be linked to the CBII Project and the City has therefore determined that Contractor has the required expertise and knowledge needed to design and construct the SMART Fiber Project to be integrated with the CBII Project; and

WHEREAS, Contractor represents that Contractor is qualified to perform the construction services described herein on the basis of specialized experience and technical expertise; and

WHEREAS, Contractor is prepared to provide such services and agrees to contract with the City to design and build the Fiber Project in accordance with the provisions of this Contract.

NOW, THEREFORE, in consideration of these mutual promises and the terms and conditions set forth herein, the parties agree as follows:

AGREEMENT

Section 1. Contract Documents

This Contract includes and incorporates by reference all of the foregoing recitals and all of the following additional documents: Scope of Work; all plans, drawings, and specifications ("Specifications"); unit pricing consistent with the Clackamas County intergovernmental cooperative purchasing statement; payment and performance bonds; proof of insurance; additional insured endorsements; and the following documents submitted to or contained within Clackamas County, which Contractor warrants remain true and current: Wage Rates and Requirements; Affidavit of Non-Collusion; Congressional Lobbying Certificate; Certificate Regarding Ineligible Contractors; and Conflict of Interest Disclosure Form. Contractor must be familiar with all of the foregoing and comply with them. This Contract and the foregoing documents are collectively referred to as the Contract Documents. Any conflict or inconsistency between the Contract Documents shall be called to the attention of the City by Contractor before proceeding with affected Work. All Contract Documents should be read in concert and Contractor is required to bring any perceived inconsistencies to the attention of the City before executing this Contract. In the event a provision of this Contract conflicts with standards or requirements contained in any of the foregoing other Contract Documents, the provision that is more favorable to the City, as determined by the City, will apply. Should any dispute arise respecting interpretation of the Scope of Work or Specifications during the performance of this Contract, such dispute shall be decided by the City and the decision shall be final and conclusive.

Section 2. Term

The term of this Contract shall be from the Effective Date until all work required to be performed hereunder ("Scope of Work" or "Work") is completed and accepted, unless earlier terminated in accordance herewith. Except in the event of an extension of time agreed to, in writing, by the City, all Work that is designated as Segment 1 must be completed by no later than January 31, 2014, and all remaining Work must be completed no later than February 28, 2014. The 70% Design Package must be delivered to the City no later than 20 working days prior to the start of Segment 1 construction.

Section 3. Contractor's Work

3.1. Contractor will perform the Scope of Work more particularly described on **Exhibit A**, attached hereto and incorporated by reference herein, and in the Specifications and other Contract Documents, all incorporated by reference herein.

3.2. All written documents, drawings, and plans submitted by Contractor in conjunction with the Work shall bear the signature, stamp, or initials of Contractor's authorized Project Manager. Any documents submitted by Contractor which do not bear the signature, stamp, or initials of Contractor's authorized Project Manager, will not be relied upon by the City. Interpretation of plans and answers to questions regarding the Work or Scope of Work given by Contractor's Project Manager may be verbal or in writing, and may be relied upon by the City, whether given verbally or in writing. If requested by the City to be in writing, Contractor's Project Manager will provide such written documentation.

3.3. Contractor will supply all labor and materials needed to perform the Scope of Work.

3.4. Prior to completion and final acceptance of the Work, Contractor shall be held responsible for any loss, injury, or damage to the Work, or to any part thereof, by action of the elements, theft, vandalism, or from any other cause whatsoever, and Contractor shall fully and promptly repair or replace any such loss, injury, or damage to the Work or any materials related thereto.

3.5. Contractor shall not take, sell, use, remove, or otherwise dispose of any sand, gravel, rock, earth, firewood, and/or any other material obtained or produced from within the limits of the rights-of-way or any other property owned or held by the City unless otherwise authorized, in writing, by the City.

3.6. The existence of this Contract between the City and Contractor shall not be construed as the City's promise or assurance that Contractor will be retained for future services beyond the Scope of Work described herein.

3.7. Contractor shall maintain the confidentiality of any confidential information that is exempt from disclosure under state or federal law to which Contractor may have access by reason of this Contract. Contractor warrants that Contractor's employees assigned to work on the Work provided in this Contract shall be clearly instructed to maintain this confidentiality. All agreements with respect to confidentiality shall survive the termination or expiration of this Contract.

Section 4. City's Rights and Responsibilities

4.1. The City will designate a Project Manager to facilitate day-to-day communication between Contractor and the City, including timely receipt and processing of invoices, requests for information, and general coordination of City staff to support the Project.

4.2. The City hereby certifies that sufficient funds are available and authorized to finance the Contract Sum set forth in **Section 5** of this Contract.

4.3. The City will pay the required Bureau of Labor and Industries fee of one-tenth of one percent (0.1%) of the Contract Sum, or as required by statute.

4.4. The City reserves the right to reject any subcontractor or to refuse delivery of materials or services at or from any manufacturer, supplier, or contractor with which the City has reasonable grounds to believe is or may be operating in violation of any local, state, or federal law or which is the subject of pending litigation.

4.5. If Contractor fails, neglects, or refuses to make prompt payment of any claim for labor or services furnished to Contractor or a subcontractor by any person in connection with the Contract as such claim becomes due, the City may, but shall not be obligated to, pay such claim to the person furnishing the labor or services and charge the amount of the payment against funds due or to become due Contractor by reason of the Contract. The payment of a claim in the manner authorized hereby shall not relieve Contractor or its surety from the obligation with respect to any unpaid claim. If the City is unable to determine the validity of any claim for labor or services furnished, the City may withhold from any current payment due Contractor an amount equal to said claim until its validity is determined, and the claim, if valid, is paid by Contractor or the City. There shall be no final acceptance of the Work under the Contract until all such claims have been resolved.

Section 5. Contract Sum

5.1. Except as otherwise set forth in this **Section 5**, the City agrees to pay Contractor the total sum of TWO HUNDRED FORTY-EIGHT THOUSAND DOLLARS (\$248,000) ("Contract Sum") for the total design and construction of the Project in accordance with the Scope of Work, Specifications, and Contract Documents. Any compensation in excess of the Contract Sum will require an express written Change Order between the City and Contractor, as set forth in **Section 5.2**. Contractor hereby warrants that this Contract Sum is based on the same or better unit pricing that was provided in the CBII Project.

5.2. During the course of Contractor's performance, if the City, through its Project Manager, specifically requests Contractor to provide additional services that are beyond those described in the Contract Documents, Contractor shall provide such additional services and bill the City a reasonable agreed upon fee, pursuant to a written Change Order executed in compliance with the provisions of **Section 27**. If any Change Order results in a reduction in cost, the Contract Sum will not be altered. Except in the case where the City requests an expansion in the Project scope, no Change Orders will be allowed by the City and the Contractor will be responsible for any unforeseen conditions, omissions, oversights, or deficiencies that must be corrected in order to deliver the completed Project on time and for the agreed upon Contract Sum. Notwithstanding the foregoing, Contractor will not be responsible for any blockage or collapse of any Integra conduit that Contractor must utilize in the performance of this Contract, unless caused by or exacerbated by Contractor. In the event of such discovered blockage, Contractor will promptly notify the City who, in turn, will be responsible for contacting Integra and causing Integra to promptly correct the situation. Contractor will use all reasonable efforts to work around the blockage or collapsed area but if unreasonable to do so and Integra cannot promptly repair, Contractor shall be entitled to request a Change Order from the City. In the event of any dispute over that Change Order, the

parties will seek expedited arbitration, as set forth in **Section 32.8**, to resolve the dispute. Aside from Integra, there is no other third party conduit located within the Project area.

5.3. Unless expressly set forth in the Scope of Work as a reimbursable expense item that is not included in the Contract Sum of **Subsection 5.1**, or as an additional charge for which a written Change Order has been approved, in accordance with **Subsection 5.2** and the requirements of **Section 27**, Contractor shall only be entitled to the Contract Sum specified in **Subsection 5.1**.

5.4. Contractor will receive monthly progress payments based on Work completed for which an itemized invoice is received by the City within thirty (30) days of receipt, less a ten percent (10%) withholding for retainage, unless the City disputes such invoice. Invoices will reflect the unit pricing. Retainage shall be as outlined in the Contract Documents and as specified under ORS 279C.550 to 279C.570. If the City disputes an invoice, the undisputed portion of the invoice will be paid by the City within the above timeframe, less the retainage. The City will set forth its reasons for the disputed claim amount and make good faith efforts to resolve the invoice dispute with Contractor as promptly as is reasonably possible. Final payment will be held until completion of the final walkthrough, as described in **Section 29**.

5.5. The Contract Price includes the cost of all required fees payable to governmental agencies, including but not limited to plan checking, land use, zoning, and all other similar fees required to perform the Work on the Project.

5.6. Contractor's Contract Sum is all inclusive and includes, but is not limited to, all work-related expenses, salaries or wages plus fringe benefits and contributions, including payroll taxes, workers' compensation insurance, liability insurance, profit, pension benefits, and similar contributions and benefits.

5.7. Contractor's Rate Schedule is attached hereto as **Exhibit B** and incorporated by reference herein. The Rate Schedule will be used to determine the cost of any additional Work approved by a Change Order. As required by ORS 279A.215 Permissive Cooperative Procurement requirements, Contractor warrants that all prices contained within the Rate Schedule are materially the same as provided to Clackamas County in the CBII Project.

Section 6. Prevailing Wages

This is a Contract for a Public Works Project ("Contract"), subject to ORS 279C.800 to 279C.870. Therefore, not less than the current applicable state prevailing wage must be paid on this Project. Wage rates for this project are those published by BOLI effective January 1, 2013 and all subsequent amendments. The BOLI prevailing wage rate for public works contracts can be found at the following web address: http://www.oregon.gov/BOLI/WHI/PWR/Pages/PWR_Oregon_2013.aspx. Because this is a public works contract subject to payment of prevailing wage, each worker in each trade or occupation employed in the performance of the Work, either by Contractor, a subcontractor, or other person doing or contracting to do, or contracting for the whole or any part of the Work, must be paid not less than the applicable state prevailing wage for an hour's work in the same trade or occupation in the locality where

such labor is performed, in accordance with ORS 279C.838 and 279C.840. Contractor must comply with all public contracting wages required by law. Contractor and any subcontractor, or their sureties, shall file a certificate of rate of wage as required by ORS 279C.845. If the City determines at any time that the prevailing rate of wages has not been or is not being paid as required herein, it may retain from the moneys due to Contractor an amount sufficient to make up the difference between the wages actually paid and the prevailing rate of wages, and may also cancel the Contract for breach. Contractor shall be liable to the workers affected for failure to pay the required rate of wage, including all fringe benefits under ORS 279C.840(5). Contractor shall include a contract provision in compliance with this paragraph in every subcontract, and shall require each subcontractor to include in subcontract(s).

Section 7. Filing of Certified Statement

As required in ORS 279C.845(7), the City will retain twenty-five percent (25%) of any amount earned by Contractor under the Contract until Contractor has filed the certified statements required in ORS 279C.845(1). The City will pay to Contractor the amount retained within fourteen (14) days after Contractor files the required certified statements. As required in ORS 279C.845(8), Contractor shall retain twenty-five percent (25%) of any amount earned by a first-tier subcontractor on the Project until the first-tier subcontractor has filed with the City the certified statements required in ORS 279C.845(1). Before paying any amount retained, Contractor shall verify that the first-tier subcontractor has filed the certified statement. Within fourteen (14) days after the first-tier subcontractor files the required certified statement, Contractor shall pay the first-tier subcontractor any amount retained. Contractor shall require all other sub-subcontractors to file certified statements regarding payment of prevailing wage rates with the City.

Section 8. City's Project Manager

The City's Project Managers are Holly Miller and David Soloos (collectively referred to herein as "Project Manager"). Contractor may contact either Project Manager with questions or issues with respect to this Contract. The City shall give Contractor prompt written notice of any redesignation of its Project Manager. Holly Miller's telephone number is 503-570-1514 and email address is miller@ci.wilsonville.or.us. David Soloos' telephone number is 503-570-1534 and email address is soloos@ci.wilsonville.or.us.

Section 9. Contractor's Project Manager

Contractor's Project Manager is Alton Palmer. In the event that Contractor's Project Manager is changed, Contractor shall give the City prompt written notification of such redesignation. Recognizing the need for consistency and knowledge in the administration of the Project, Contractor's Project Manager will not be changed without the written consent of the City, which consent shall not be unreasonably withheld. In the event the City receives any communication from Contractor that is not from Contractor's Project Manager, the City may request verification by Contractor's Project Manager, which verification must be promptly furnished. Alton Palmer's telephone number is 503-209-8644 and email address is awpalmer@northskycomm.com.

Section 10. Project Information

Except for confidential information designated by the City as information not to be shared, Contractor agrees to share Project information with, and to fully cooperate with, those corporations, firms, contractors, public utilities, governmental entities, and persons involved in the Project. No information, news, or press releases related to the Project, whether made to representatives of newspapers, magazines, or television and radio stations, shall be made without the written authorization of the City's Project Manager.

Section 11. Duty to Inform

If, at any time during the performance of this Contract, Contractor becomes aware of actual or potential problems, faults, environmental concerns, or defects in the Project or Scope of Work, or any portion thereof; or of any nonconformance with federal, state, or local laws, rules, or regulations; or if Contractor has any objection to any decision or order made by the City with respect to such laws, rules, or regulations, Contractor shall give prompt written notice thereof to the City's Project Manager. Any delay or failure on the part of the City to provide a written response to Contractor shall neither constitute agreement with nor acquiescence to Contractor's statement or claim, nor constitute a waiver of any of the City's rights.

Section 12. Contractor's Responsibilities

12.1. Except as otherwise mandated by state law and in **Section 5.2**, the performance of Work under this Contract is at Contractor's sole risk. Contractor is an independent contractor for all purposes and shall be entitled to no compensation other than the Contract Sum provided for under **Section 5** of this Contract. Contractor will be solely responsible for determining the manner and means of accomplishing the end result of Contractor's Work. The City does not have the right to control or interfere with the manner or method of accomplishing said Work. The City, however, will have the right to specify and control the results of Contractor's Work so such Work meets the requirements of the Project. Notwithstanding the Oregon Tort Claims Act or provisions of any other contract, Contractor is acting as and assumes liability of an independent contractor as to claims between the City and Contractor. Contractor is solely liable for any Workers' Compensation coverage, social security, unemployment insurance or retirement payments, and federal or state taxes due as a result of payments under the Contract. Any subcontractor hired by Contractor shall be similarly responsible. Contractor shall be liable to the City for any failure of any subcontractor(s) to comply with the terms of the Contract.

12.2. The City understands and agrees that Contractor may request that some Work be performed on the Project by persons or firms other than Contractor, through a subcontract with Contractor. Contractor acknowledges that if such Work is provided to the City pursuant to a subcontract(s) between Contractor and those who provide such services, Contractor may not utilize any subcontractor(s), or in any way assign its responsibility under this Contract, without first obtaining the express written consent of the City. In all cases, processing and payment of billings from subcontractors is solely the responsibility of Contractor.

12.3. Contractor shall be responsible for, and defend, indemnify, and hold the City harmless against, any liability, cost, or damage arising out of Contractor's use of such subcontractor(s) and subcontractor's negligent acts, errors, or omissions. Unless otherwise agreed to, in writing, by the City, Contractor shall require that all of Contractor's subcontractors also comply with and be subject to the provisions of this **Section 12** and meet the same insurance requirements of Contractor under this Contract.

12.4. Contractor shall make prompt payment for any claims for labor, materials, or services furnished to Contractor by any person in connection with this Contract, as such claims become due. Contractor shall not permit any liens or claims to be filed or prosecuted against the City on account of any labor or material furnished to or on behalf of Contractor. If Contractor fails, neglects, or refuses to make prompt payment of any such claim, the City may pay such claim to the subcontractor furnishing the labor, materials, or services, and offset the amount of the payment against funds due, or to become due, to Contractor under this Contract. The City may also recover any such amounts directly from Contractor.

12.5. Contractor must comply with all wage and hour laws. Contractor shall make all required workers' compensation and medical care payments on time. Contractor shall be fully responsible for payment of all employee withholdings required by law, including but not limited to taxes, including payroll, income, Social Security (FICA), and Medicaid. Contractor shall also be fully responsible for payment of salaries, benefits, taxes, and all other charges due on account of any employees. Contractor shall pay all contributions or amounts due the Industrial Accident Fund from Contractor or subcontractor incurred in the performance of this Contract. Contractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167. All costs incident to the hiring of subcontractors or employees shall be Contractor's responsibility. Contractor shall defend, indemnify, and hold the City harmless from claims for payment of all such expenses. Unless otherwise expressly set forth in the Contract Documents as a reimbursable expense item, specific costs associated with items set forth in this subsection shall be deemed as fully and conclusively included in the rate upon which Contractor's Contract Sum is based.

12.6. Contractor agrees that no person shall be discriminated against by Contractor or any subcontractor in the performance of this Contract on the grounds of sex, gender, race, color, creed, marital status, age, disability, or national origin. Any violation of this provision shall be grounds for cancellation, termination, or suspension of the Contract, in whole or in part, by the City. Contractor shall comply with all federal, state, and local laws, regulations, executive orders, and ordinances applicable to the Contract or to the implementation of the Project. Without limiting the generality of the foregoing, Contractor expressly agrees to comply with the following laws, regulations, and executive orders to the extent they are applicable to the Contract or the implementation of the Project: (a) all applicable requirements of state civil rights and rehabilitation statutes, rules, and regulations; (b) Titles VI and VII of the Civil Rights Act of 1964, as amended; (c) Sections 503 and 504 of the Rehabilitation Act of 1973, as amended; (d) the Americans with Disabilities Act of 1990, as amended, and ORS 659A.142; (e) Executive Order 11246, as amended; (f) the Health Insurance Portability and Accountability Act of 1996; (g) the Age Discrimination in Employment Act of 1967, as

amended, and the Age Discrimination Act of 1975, as amended; (h) the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended; (i) all regulations and administrative rules established pursuant to the foregoing laws; and (j) all other applicable requirements of federal civil rights and rehabilitation statutes, rules, and regulations.

12.7. Contractor certifies that Contractor has not discriminated against minority, women, or small business enterprises in obtaining any subcontract.

12.8. Pursuant with ORS 279C.505(2), by execution of this Contract, Contractor agrees to have an employee drug testing program in place at the time of executing the Contract, acknowledges that such a program will be maintained throughout the Contract period, including any extensions, and shall demonstrate to the City that such drug testing program is in place. The failure of Contractor to have, or to maintain, such a drug-testing program is grounds for immediate termination of the Contract. Contractor shall require each subcontractor providing labor for the Project to also comply with this drug testing program requirement.

12.9. Contractor agrees that the City shall not be liable, either directly or indirectly, in any dispute arising out of the substance or procedure of Contractor's drug testing program. Nothing in this drug testing provision shall be construed as requiring Contractor to violate any legal, including constitutional, rights of any employee, including but not limited to selection of which employees to test and the manner of such testing. The City shall not be liable for Contractor's negligence in establishing or implementing, or failure to establish or implement, a drug testing policy or for any damage or injury caused by Contractor's employees acting under the influence of drugs while performing Work covered by the Contract. These are Contractor's sole responsibilities, and nothing in this provision is intended to create any third party beneficiary rights against the City.

12.10. Contractor is solely responsible for ensuring that any subcontractor selection and substitution is in accordance with all legal requirements. The City shall not be liable, either directly or indirectly, in any dispute arising out of Contractor's actions with regard to subcontractor selection and/or substitution.

12.11. Contractor shall make payment promptly, as due, to all parties supplying to such Contractor labor or material for the prosecution of the Work provided for in the Contract, and shall be responsible for payment to such persons supplying labor or material to any subcontractor.

12.12. By execution of this Contract, as required by ORS 305.385(6), Contractor certifies under penalty of perjury that to the best of Contractor's knowledge, Contractor is not in violation of any tax laws described in ORS 305.380(4).

12.13. Contractor agrees that if Contractor or a first-tier subcontractor fails, neglects, or refuses to make payment to a person furnishing labor or materials in connection with this Contract within thirty (30) days after receiving payment from the contracting agency or a contractor, Contractor or the first-tier subcontractor shall owe the person the amount due plus interest charges commencing at the end of the ten (10) day period within which payment is due

under ORS 279C.580(3)(a) and ending upon final payment, unless payment is subject to a good faith dispute as defined in ORS 279C.580. The rate of interest on the amount due shall be calculated in accordance with ORS 279C.515(2). The amount of interest may not be waived.

12.14. Contractor agrees that if Contractor or a subcontractor fails, neglects or refuses to make payment to a person furnishing labor or materials in connection with this Contract, the person may file a complaint with the Construction Contractors Board, unless payment is subject to a good faith dispute as defined in ORS 279C.580.

12.15. Contractor shall make payment promptly, as due, to any party furnishing medical, surgical, hospital, or other needed care and attention, incident to sickness or injury, to the employees of Contractor, of all sums which Contractor agreed to pay for the services or collected or deducted from the wages of employees pursuant to any law, contract, or agreement for the purpose of providing or paying for such service.

12.16. Contractor and all subcontractors shall comply with the provisions of ORS 279C.540 pertaining to maximum hours, holidays, and overtime. With certain exceptions listed below, Contractor shall not require or permit any person to work more than ten (10) hours in any one (1) day, or forty (40) hours in any one (1) week, except in case of necessity, emergency, or where public policy requires it, and in such cases the person shall be paid at least time and a half for:

12.16.1. All overtime in excess of eight (8) hours in any one (1) day or forty (40) hours in any one (1) week when the work week is five (5) consecutive days, Monday through Friday; or

12.16.2. All overtime in excess of ten (10) hours in any one (1) day or forty (40) hours in any one (1) week when the work week is four (4) consecutive days, Monday through Friday; and

12.16.3. All Work performed on the days specified in ORS 279C.540(1)(b) for public improvement contracts.

12.17. Contractor and all subcontractors shall comply with the provisions of ORS 279C.545 pertaining to time limitation on claims for overtime and requirements for posting circulars containing said provisions.

12.18. For personal/professional service contracts, as designated under ORS 279A.055, instead of 12.16.1, 12.16.2, and 12.16.3 above, a laborer shall be paid at least time and a half for all overtime worked in excess of forty (40) hours in any one (1) week, except for individuals under these contracts who are excluded under ORS 653.010 to 653.261 or under 29 USC §§ 201 to 209 from receiving overtime.

12.19. Contractor shall follow all other exceptions, pursuant to ORS 279B.235 (for non-public improvement contracts) and ORS 279C.540 (for public improvement contracts),

including contracts involving a collective bargaining agreement, contracts for services, and contracts for fire prevention or suppression.

12.20. Contractor must give notice to employees who work on a public contract, in writing, either at the time of hire or before commencement of Work on the Contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the employees may be required to work.

12.21. The hourly rate of wage to be paid by any Contractor or subcontractor to employed workers or other persons doing or contracting to do all or part of the work contemplated by a public contract shall be not less than the applicable wage required by law.

12.22. Contractor, its subcontractors, and all employers working under the Contract are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017 and provide the required Workers' Compensation coverage, unless otherwise exempt under ORS 656.126. Contractor shall ensure that each of its subcontractors complies with these requirements.

12.23. In the performance of this Contract, Contractor shall comply with all applicable federal, state, and local laws, municipal codes, regulations, rules, and ordinances, including but not limited to those dealing with public contracts (ORS Chapter 279C) and with the prevention of environmental pollution and the preservation of natural resources (and avoidance of natural resource damages) in the performance of the Contract, including but not limited to ORS 279C.525. To the extent that known environmental and natural resource risks are specifically noted, shown, or specified in the Contract Documents or on the construction drawings, such risks are allocated to Contractor pursuant with ORS 279C.525(8)(a). If new or amended statutes, ordinances, rules, or regulations are adopted, or Contractor encounters a condition not referred to in this Contract, not caused by Contractor, and that was not discoverable by reasonable site inspection which requires compliance with federal, state, or local laws, codes, or regulations dealing with the preservation of the environment, both the City and Contractor shall have all the rights and obligations set forth in ORS 279C.525.

12.24. Contractor shall be liable for any fine imposed against Contractor, the City, or the Project as a result of a violation of any laws or permitting requirements by Contractor or any of its subcontractors, or their sub-subcontractors or any suppliers. Contractor shall procure all permits and licenses, pay all charges and fees, and file all notices incidental to the due and lawful prosecution of the Work. In the performance of the Work to be done under this Contract, Contractor shall use every reasonable and practical means to avoid damage to property and injury to person.

12.25. References to "subcontractor" mean a subcontractor at any tier.

Section 13. Reports to Department of Revenue

When a public contract is awarded to a nonresident bidder and the contract price exceeds Ten Thousand Dollars (\$10,000), Contractor shall promptly report to the Department of Revenue,

on forms to be provided by the Department, the total contract price, terms of payment, length of contract, and such other information as the Department may require, before the City will make final payment on the Contract.

Section 14. Environmental Laws

14.1. In compliance with the provisions of ORS 279C.525, the following is a list of federal, state, and local agencies, of which the City has knowledge, that have enacted ordinances or regulations dealing with the prevention of environmental pollution and the preservation of natural resources that may affect the performance of the Contract:

FEDERAL AGENCIES:

Forest Service
Defense, Department of
Environmental Protection Agency
Bureau of Sport Fisheries and Wildlife
Bureau of Land Management
Bureau of Reclamation
Occupational Safety and Health Administration
Coast Guard

Agriculture, Department of
Soil Conservation Service
Army Corps of Engineers
Interior, Department of
Bureau of Outdoor Recreation
Bureau of Indian Affairs
Labor, Department of
Transportation, Department of
Federal Highway Administration

STATE AGENCIES:

Environmental Quality, Department of
Forestry, Department of
Human Resources, Department of
Soil and Water Conservation Commission
State Land Board

Agriculture, Department of
Fish and Wildlife, Department of
Geology and Mineral Industries, Department of
Land Conservation and Development Commission
National Marine Fisheries Service (NMFS)
State Engineer
Water Resources Board

LOCAL AGENCIES:

County Courts
Port Districts
County Service Districts
Water Districts

City Council
County Commissioners, Board of
Metropolitan Service Districts
Sanitary Districts
Fire Protection Districts

This list may not be all inclusive, and it is the responsibility of Contractor to know all applicable laws and to comply with them in the performance of this Contract.

14.2. Pursuant with ORS 279C.510(1), if this Contract calls for demolition work, Contractor shall salvage or recycle construction and demolition debris, if feasible and cost-effective.

14.3. Pursuant with ORS 279C.510(2), if this Contract calls for lawn or landscape maintenance, Contractor shall compost or mulch yard waste material at an approved site, if feasible and cost-effective.

14.4. Contractor shall be responsible for the immediate clean-up, remediation, reporting, and payment of fines, if any, related to the release of any hazardous substance or material by Contractor or any subcontractor.

Section 15. Subcontractor Requirements

15.1. Contractor's relations with subcontractors shall comply with ORS 279C.580. Pursuant with ORS 279C.580(3), each subcontract for property or services that Contractor enters into with a first-tier subcontractor, including a material supplier, for the purpose of performing a construction contract, shall include:

(a) a payment clause that obligates Contractor to pay the first-tier subcontractor for satisfactory performance under the subcontract within ten (10) days out of such amounts as are paid to Contractor by the contracting agency under the public improvement contract; and

(b) an interest penalty clause that obligates Contractor, if payment is not made within 30 days after receipt of payment from the contracting agency, to pay to the first-tier subcontractor an interest penalty on amounts due in the case of each payment not made in accordance with the payment clause outlined in (a) above. A contractor or first-tier subcontractor may not be obligated to pay an interest penalty if the only reason that the contractor or first-tier subcontractor did not make payment when payment was due is that the contractor or first-tier subcontractor did not receive payment from the contracting agency or contractor when payment was due. The interest penalty period shall begin on the day after the required payment date and end on the date on which payment of the amount due is made and shall be computed at the rate specified in ORS 279C.515(2).

15.2. Contractor shall include in each subcontract, as a condition of performance of such contract, a provision requiring the first-tier subcontractor to include a payment clause and interest penalty clause, conforming to the standards set forth in Section 15.1(a) and (b) above, in each of its subcontracts and requiring that the same clauses be included in any of the first-tier subcontractors' subcontracts with a lower-tier subcontractor or supplier.

15.3. Contractor shall certify that all subcontractors, as described in ORS 701.005(2), will be registered with the Construction Contractors Board or licensed by the State Landscape Contractors Board in accordance with ORS 701.035 or 701.026, respectively, before the subcontractors commence Work under the Contract.

15.4. In no event shall any subcontract be awarded to any person or entity debarred, suspended, or disqualified from federal, state, or municipal contracting.

Section 16. Indemnity

Contractor agrees to indemnify, save harmless, and defend the City, its officers, councilors, and employees from and against all claims and actions, and all expenses incidental to the investigation and defense thereof, arising out of or based upon damage or injuries to persons or property caused by the errors, omissions, fault, or negligence of Contractor or Contractor's employees.

Section 17. Insurance

17.1. Contractor agrees to furnish to the City evidence of commercial general liability insurance in the amount of not less than **\$4,000,000** combined single limit per occurrence / **\$5,000,000** general annual aggregate for personal injury and property damage for the protection of the City, its officers, councilors, and employees against liability for damages because of personal injury, bodily injury, death, or damage to property, including loss of use thereof, in any way related to this Contract. The general aggregate shall apply separately to this Project/location. The City, at its option, may require a complete copy of the above policy.

17.2. If Contractor has assistance of other persons in the performance of this Contract and Contractor is a subject employer, Contractor agrees to qualify and remain qualified for the term of this Contract as an insured employer under ORS 656. Contractor shall maintain employer's liability insurance with limits of **\$100,000** each accident, **\$100,000** disease each employee, and **\$500,000** each policy limit.

17.3. If any other required liability insurance is arranged on a "claims made" basis, "tail" coverage will be required at the completion of this Contract for a duration of thirty-six (36) months or the maximum time period Contractor's insurer will provide "tail" coverage as subscribed, or continuous "claims made" liability coverage for thirty-six (36) months following the Contract completion. Continuous "claims made" coverage will be acceptable in lieu of "tail" coverage, provided its retroactive date is on or before the Effective Date of this Contract.

17.4. Contractor agrees to furnish to the City evidence of business automobile liability insurance in the amount of not less than **\$500,000** combined single limit for bodily injury and property damage for the protection of the City, its officers, councilors, and employees against liability for damages because of bodily injury, death, or damage to property, including loss of use thereof, in any way related to this Contract. The City, at its option, may require a complete copy of the above policy.

17.5. The certificate of insurance, other than the pollution liability insurance, shall include the City as an expressly scheduled additional insured, using form CG 20-10, CG 20-37, CG 32-61 or their equivalent. A blanket endorsement or automatic endorsement is not sufficient to meet this requirement. Proof of insurance must include a copy of the endorsement showing the City as a scheduled insured. Such insurance shall provide sixty (60) days' written notice to the City in the event of a cancellation or material change and include a statement that no act on the part of the insured shall affect the coverage afforded to the City under this insurance. This policy(s) shall be primary insurance with respect to the City. Any insurance or self-insurance maintained by the City shall be excess and shall not contribute to it.

17.6. Contractor shall obtain, at Contractor's sole expense, and keep in effect during the term of this Contract, Pollution Liability insurance covering Contractor's liability for third-party bodily injury and property damage arising from pollution conditions caused by Contractor while performing their operations under the Contract. The insurance coverage shall apply to sudden and accidental pollution events. Any coverage restriction as to time limit for discovery

of a pollution incident and/or a time limit for notice to the insurer must be accepted by the City. The insurance coverage shall also respond to cleanup cost. This coverage may be written in combination with the commercial general liability insurance or professional liability insurance. The policy's limits shall not be less than **\$1,000,000** each loss / **\$1,000,000** aggregate. The policy shall be endorsed to state that the general aggregate limit of liability shall apply separately to this Contract. Any self-insured retention / deductible amount shall be submitted to the City for review and approval.

17.7. Contractor shall require that all of its subcontractors of any tier provide insurance coverage (including additional insured provisions) and limits identical to the insurance required of Contractor under this Contract, unless this requirement is expressly modified or waived by the City.

Section 18. Bonds

18.1. Payment and Performance Bonds. Contractor agrees to furnish to the City separate bonds covering the performance of the Contract and the payment of obligations under the Contract, each in an amount equal to the full amount of the Contract, as amended. Upon the request of any person or entity appearing to be a potential beneficiary of the bonds covering payment of obligations arising in the Contract, Contractor shall promptly furnish a copy of the bonds or shall permit a copy to be made. Contractor shall secure, include costs thereof in the bid, and pay for a performance bond and payment bond, in compliance with ORS 279C.380 and other applicable revised statutes, issued by a bonding company licensed to transact business in the State of Oregon in accordance with the bid and performance bond forms provided or others acceptable to the City. Contractor also agrees that the performance bond to be furnished as specified shall be such as to stay in force for a period of three hundred sixty-five (365) days after acceptance of the Work by the City as a guarantee of repair or replacement of any item(s) of Work found to be defective by reason of faulty workmanship or defective materials.

18.2. Public Works Bond. Contractor shall have a public works bond filed with the Construction Contractors Board prior to starting Work on the Project, in accordance with ORS 279C.830. Additionally, Contractor shall include in every subcontract a provision requiring the subcontractor to have a public works bond filed with the Construction Contractors Board before starting Work, in accordance with ORS 279C.830.

18.3. Completion Bond. Contractor shall also maintain a two (2) year Completion Bond, in a form acceptable to the City and from a surety acceptable to the City, in the full amount of the Contract Sum.

18.4. Bond Claims. Any notice of claim on a payment or performance bond or public works bond shall comply with the requirements of ORS 279C.605.

Section 19. Acceptance of Bond and Insurance

The bonds and insurance required by this Contract shall be furnished to the City within ten (10) days of the date of this Contract, and no operation shall be started prior to written acceptance of said bond and insurance by the City.

Section 20. Early Termination

20.1. This Contract may be terminated prior to the expiration of the agreed upon terms:

- (a) By mutual written consent of the parties;
- (b) By the City.

20.2. If the City terminates this Contract for its own convenience and not due to any default by Contractor, or if the parties mutually agree to terminate this Contract, payment of Contractor shall be prorated to, and include the day of, termination and shall be in full satisfaction of all claims the parties may have against each other under this Contract due to early termination, excepting any claims relating to warranties on Work already performed or payment of subcontractors the amounts owed through the date of termination. Payment will be for Work completed, based on the unit pricing provided on **Exhibit B**.

20.3. Termination under any provision of this Section shall not affect any right, obligation, or liability of Contractor or the City that accrued prior to such termination. Contractor shall surrender to the City items of work or portions thereof, referred to in **Section 26**, for which Contractor has received payment or the City has made payment.

Section 21. Default

21.1. The City may, subject to the provisions of **Section 22** below, by written notice of default to Contractor, terminate the whole or any part of this Contract in any one of the following circumstances.

- (a) If Contractor fails to make delivery of the supplies or to perform the Work within the time specified herein or any extension thereof; or
- (b) If Contractor fails to perform any of the provisions of this Contract, or so fails to make progress as to endanger performance of this Contract in accordance with its terms, and in either of these two circumstances does not cure such failures within a period of ten (10) days (or such longer period as the City may authorize in writing) after receipt of notice from the City specifying such failure.

21.2. In the event the City terminates this Contract, in whole or in part, as provided in paragraph (b) above of this Section, the City may procure, upon such terms and in such manner as the City may deem appropriate, supplies or services similar to those terminated, and

Contractor shall be liable to the City for any excess costs for such similar supplies or services; provided that Contractor shall continue the performance of this Contract to the extent not terminated under the provisions of this Section.

21.3. The rights and remedies of the City provided in this Section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

Section 22. Force Majeure

Contractor shall not be deemed in default or liable for delay damages if the failure to perform the Contract arises out of causes beyond the control of and without the fault or negligence of Contractor. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the City in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but, in every case, the failure to perform must be beyond the control of Contractor and without Contractor's fault or negligence. Contractor shall not be liable for excess costs for failure to perform, unless the supplies or services to be furnished were obtainable from other sources in sufficient time to permit Contractor to meet the required performance schedule.

Section 23. Suspension of Work

The City may suspend, delay, or interrupt all or any part of the Work for such time as the City deems appropriate for its own convenience by giving written notice thereof to Contractor. An adjustment in the time of performance or method of compensation shall be negotiated as a result of such delay or suspension, unless the reason for the delay was within Contractor's control. The City shall not be responsible for Work performed by any subcontractors after notice of suspension is given by the City to Contractor.

Section 24. Subcontractors and Assignments

24.1. Unless expressly authorized, in writing, by the City, Contractor shall neither subcontract with others for any of the Work prescribed herein, nor assign any of Contractor's rights acquired hereunder, without obtaining prior written approval from the City. Work may be performed by persons other than Contractor, provided Contractor advises the City of the names of such subcontractors and the work which they intend to perform, and the City specifically agrees, in writing, to such subcontracting. Contractor acknowledges such services will be provided to the City pursuant to a subcontract(s) between Contractor and subcontractor(s) and no privity of contract exists between the City and the subcontractor(s). Unless otherwise specifically provided by this Contract, the City incurs no liability to third persons for payment of any compensation provided herein to Contractor. Any attempted assignment of this Contract without the written consent of the City shall be void. Except as otherwise specifically agreed, all costs for services performed by others on behalf of Contractor shall not be subject to additional reimbursement by the City.

24.2. The City shall have the right to enter into other agreements for the Project, to be coordinated with this Contract. Contractor shall cooperate with the City and other firms, engineers, or subcontractors on the Project so that all portions of the Project may be completed in the least possible time and within normal working hours. Contractor shall furnish other engineers, subcontractors, and affected public utilities, whose designs are fitted into Contractor's design, detail drawings giving full information so that conflicts can be avoided.

Section 25. Access to Records

The City shall have access, upon request, to such books, documents, receipts, papers, and records of Contractor as are directly pertinent to this Contract for the purpose of making audit, examination, excerpts, and transcripts for a period of four (4) years, unless within that time the City specifically requests an extension. This clause shall survive the expiration, completion, or termination of this Contract.

Section 26. Property of the City

26.1. Originals or certified copies of the original work forms, including but not limited to documents, drawings, tracings, surveying records, mylars, papers, diaries, inspection reports, and photographs, performed or produced by Contractor under this Contract shall be the exclusive property of the City and shall be delivered to the City prior to final payment. Any statutory or common law rights to such property held by Contractor as creator of such work shall be conveyed to the City upon request without additional compensation. Upon the City's approval, and provided the City is identified in connection therewith, Contractor may include Contractor's work in its promotional materials. Drawings may bear a disclaimer releasing Contractor from any liability for changes made on the original drawings and for reuse of the drawings subsequent to the date they are turned over to the City.

26.2. Contractor shall not be held liable for any damage, loss, increased expenses, or otherwise, caused by or attributed to the reuse by the City or its designees of all Work performed by Contractor pursuant to this Contract without the express written permission of Contractor.

Section 27. Contract Modification/Change Orders

Any modification of the provisions of this Contract shall not be enforceable or binding unless reduced to writing and signed by both the City and Contractor. A modification is a written document, contemporaneously executed by the City and Contractor, which increases or decreases the cost to the City over the agreed Contract Sum in **Section 5** of this Contract, or changes or modifies the Scope of Work or the time for performance. In the event Contractor receives any communication of whatsoever nature from the City, which communication Contractor contends gives rise to any modification of this Contract, Contractor shall, within five (5) days after receipt, make a written request for modification to the City's Project Manager in the form of a Change Order. Contractor's failure to submit such written request for modification in the form of a Change Order shall be the basis for refusal by the City to treat said communication as a basis for modification or to allow such modification. In connection

with any modification to this Contract affecting any change in price, Contractor shall submit a complete breakdown of labor, material, equipment, and other costs. If Contractor incurs additional costs or devotes additional time on Project tasks, the City shall be responsible for payment of only those additional costs for which it has agreed to pay under a signed Change Order. To be enforceable, the Change Order must describe with particularity the nature of the change, any delay in time the Change Order will cause, or any increase or decrease in the Contract Sum. The Change Order must be signed and dated by both Contractor and the City before the Change Order may be implemented.

Section 28. Dispute Resolution

In the event of a dispute concerning performance of this Contract, the parties agree to meet to negotiate the problem. If such negotiation fails, the parties will mediate the dispute using a professional mediator, and the parties will split the cost. If the dispute cannot be resolved in either of the foregoing ways within thirty (30) days, either party may file suit in Clackamas County Circuit Court. In the alternative, at the City's election, the parties may follow the dispute resolution procedures found in the Special Provisions.

Section 29. Substantial Completion, Final Completion, and Liquidated Damages

29.1. Contractor's Project Manager and City's Project Manager shall conduct an inspection of the Project when Contractor believes the Work is substantially complete, and create a punch list of items to be completed before final payment will be made. Unless otherwise agreed to, in writing, by both parties, the punch list items will be completed within twenty (20) days thereof, and then a final walk-through will occur to confirm all punch list items have been completed. Final payment will occur upon final acceptance ("Final Acceptance"). Final Acceptance must occur on or before February 28, 2014 or Liquidated Damages will apply.

29.2. The City and Contractor recognize that time is of the essence of this Agreement and that the City will suffer financial loss and public detriment if the Work is not substantially completed within the time specified in the paragraph above, plus any extensions thereof granted, in writing, by the City. They also recognize the delays, expenses, and difficulties involved in proving in a legal proceeding the actual loss suffered by the City if the Work is not substantially completed on time. Accordingly, instead of requiring any such proof, the City and Contractor agree that as Liquidated Damages for delay (but not as a penalty), Contractor shall pay the City the amounts listed below for each and every day that expires after the time specified for Substantial Completion.

29.3. Liquidated Damages shall apply against Contractor and accrue to the City at the rate of Five Hundred Dollars (\$500) for each day that expires after the time specified above for Substantial Completion until the Work is substantially complete.

29.4. After Substantial Completion, if Contractor shall neglect, fail, or refuse to complete the remaining Work within the Contract Time or any proper extension thereof granted by the City, Contractor shall pay the City One Thousand Dollars (\$1,000) for each day that

expires after the time specified above for the Work to reach final completion and be ready for final payment.

29.5. The parties further agree that this amount of Liquidated Damages is a reasonable forecast of just compensation for the harm caused by any breach and that this harm is one which is impossible or very difficult to estimate. In addition to the Liquidated Damages above, Contractor shall reimburse the Engineer for all costs incurred by the Engineer for engineering, inspection, and project management services required beyond the time specified for Substantial Completion. Contractor shall also reimburse the Engineer for all costs incurred for inspection and project management services required due to punch list items not completed within the time allotted for Final Acceptance. If Contractor fails to reimburse the Engineer directly, the City will deduct the cost from Contractor's final pay request.

Section 30. Warranty

30.1. In addition to, and not in lieu of, any other warranties provided by various manufacturers and suppliers, Contractor fully warrants all Work for a period of two (2) year(s) from the date of Final Acceptance of the Work and shall make all necessary repairs and replacements to remedy, in a manner satisfactory to the City's Project Manager and at no cost to the City, any and all defects, breaks, or failures of the Work occurring within two (2) year(s) following the date of completion due to faulty or inadequate materials or workmanship. Repair of damage or disturbances to other improvements under, within, or adjacent to the Work, whether or not caused by settling, washing, or slipping, when such damage or disturbance is caused, in whole or in part, from activities of Contractor in performing his/her duties and obligations under this Contract, is also covered by the warranty when such defects or damage occur within the warranty period. The warranty period shall, with relation to such required repair, be extended two (2) year(s) from the date of completion of such repair.

30.2. If Contractor, after written notice, fails within **ten (10) days** to proceed to comply with the terms of this Section, the City may have the defects corrected, and Contractor and Contractor's surety shall be liable for all expense incurred. In case of an emergency where, in the opinion of the City's Project Manager, delay would cause serious loss or damage, repairs may be made without notice being given to Contractor, and Contractor or Contractor's surety shall pay the cost of repairs. Failure of the City's Project Manager to act in case of an emergency shall not relieve Contractor or Contractor's surety from liability and payment of all such costs.

30.3. Current State Law (ORS 12.135) provides for a ten (10) year period, from the time of Substantial Completion, for the City to file a claim for repairs of defective Work due to Contractor's improper use of materials and/or workmanship, and Contractor agrees it is bound thereby.

Section 31. Notices

Any notice required or permitted under this Contract shall be in writing and shall be given when actually delivered in person or forty-eight (48) hours after having been deposited in the

United States mail as certified or registered mail, addressed to the addresses set forth below, or to such other address as one party may indicate by written notice to the other party.

To City: City of Wilsonville
Attn: Holly Miller
29799 SW Town Center Loop East
Wilsonville, OR 97070

To Contractor: North Sky Communications, Inc.
Attn: Alton Palmer
11818 SE Mill Plain Blvd Ste 410
Vancouver WA 98684

Section 32. Miscellaneous Provisions

32.1. Integration. This Contract, including all exhibits attached hereto, contains the entire and integrated agreement between the parties and supersedes all prior written or oral discussions, representations, or agreements. In case of conflict among these documents, the provisions of this Contract shall control.

32.2. Adherence to Law. Contractor shall adhere to all applicable federal and state laws, including but not limited to laws, rules, regulations, and policies concerning employer and employee relationships, workers' compensation, and minimum and prevailing wage requirements. Any certificates, licenses, or permits that Contractor is required by law to obtain or maintain in order to perform the Work shall be obtained and maintained throughout the term of this Contract.

32.3. Legal Effect and Assignment. This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors, and assigns. This Contract may be enforced by an action at law or in equity.

32.4. No Assignment. Contractor may not delegate the performance of any obligation to a third party unless mutually agreed, in writing. This Contract cannot be assigned without the written consent of the other party, but all claims for overcharges of goods or other anti-trust violations in connection with this Contract are assigned to the City of Wilsonville. Contractor warrants that its suppliers will also assign any such claims.

32.5. Governing Law. This Contract shall be construed in accordance with and governed by the laws of the State of Oregon. All contractual provisions required by ORS Chapter 279A and 279C to be included in public agreements are hereby incorporated by reference and shall become a part of this Contract as if fully set forth herein.

32.6. Jurisdiction. Venue for any dispute will be in Clackamas County Circuit Court.

32.7. Legal Action/Attorney Fees. If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in

connection with any controversy arising out of this Contract or to interpret or enforce any rights or obligations hereunder, the prevailing party shall be entitled to recover attorney, paralegal, accountant, and other expert fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court or body at trial or on any appeal or review, in addition to all other amounts provided by law. If the City is required to seek legal assistance to enforce any term of this Contract, such fees shall include all of the above fees, whether or not a proceeding is initiated. Payment of all such fees shall also apply to any administrative proceeding, trial, and/or any appeal or petition for review.

32.8. Expedited Change Order Arbitration. In the event a dispute arises concerning issuance of a Change Order, as described in **Section 5.2**, the parties agree to submit the dispute to binding arbitration. The parties agree that either Jake Tanzer or Suzanne Hammer are acceptable arbitrators, if available. If not available, the parties will agree to expeditiously select an arbitrator. The arbitration will be held as quickly as reasonably possible, upon written request by one party to the other, and in all cases must occur within thirty (30) days unless both parties agree otherwise. Arbitration will be held at the City of Wilsonville City Hall. The cost of arbitration will be paid by the losing party and the arbitrator's decision will be final. If the Change Order is granted through the arbitration, the arbitrator will also arbitrate any associated delay damages and price increase, based on Contractor's unit pricing, as set forth on **Exhibit B**.

32.9. Nonwaiver. Failure by either party at any time to require performance by the other party of any of the provisions of this Contract shall in no way affect the party's rights hereunder to enforce the same, nor shall any waiver by the party of the breach hereof be held to be a waiver of any succeeding breach or a waiver of this nonwaiver clause.

32.10. Severability. If any provision of this Contract is found to be void or unenforceable to any extent, it is the intent of the parties that the rest of the Contract shall remain in full force and effect, to the greatest extent allowed by law.

32.11. Modification. This Contract may not be modified except by written instrument executed by Contractor and the City.

32.12. Time of the Essence. Time is expressly made of the essence in the performance of this Contract.

32.13. Calculation of Time. Except where the reference is to business days, all periods of time referred to herein shall include Saturdays, Sundays, and legal holidays in the State of Oregon, except that if the last day of any period falls on any Saturday, Sunday, or legal holiday observed by the City of Wilsonville, the period shall be extended to include the next day which is not a Saturday, Sunday, or legal holiday. Where the reference is to business days, periods of time referred to herein shall exclude Saturdays, Sundays, and legal holidays observed by the City of Wilsonville. Whenever a time period is set forth in days in this Agreement, the first day from which the designated period of time begins to run shall not be included.

32.14. Headings. Any titles of the sections of this Contract are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

32.15. Number, Gender and Captions. In construing this Contract, it is understood that, if the context so requires, the singular pronoun shall be taken to mean and include the plural, the masculine, the feminine and the neuter, and that, generally, all grammatical changes shall be made, assumed, and implied to individuals and/or corporations and partnerships. All captions and paragraph headings used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Contract.

32.16. Good Faith and Reasonableness. The Parties intend that the obligations of good faith and fair dealing apply to this Contract generally and that no negative inferences be drawn by the absence of an explicit obligation to be reasonable in any portion of this Contract. The obligation to be reasonable shall only be negated if arbitrariness is clearly and explicitly permitted as to the specific item in question, such as in the case of where this Contract gives the City "sole discretion" or the City is allowed to make a decision in its "sole judgment."

32.17. Other Necessary Acts. Each party shall execute and deliver to the other all such further instruments and documents as may be reasonably necessary to carry out this Contract in order to provide and secure to the other parties the full and complete enjoyment of rights and privileges hereunder.

32.18. Interpretation. As a further condition of this Contract, the City and Contractor acknowledge that this Contract shall be deemed and construed to have been prepared mutually by each party and it shall be expressly agreed that any uncertainty or ambiguity existing therein shall not be construed against any party. In the event that any party shall take an action, whether judicial or otherwise, to enforce or interpret any of the terms of the contract, the prevailing party shall be entitled to recover from the other party all expenses which it may reasonably incur in taking such action, including attorneys' fees and costs, whether incurred in a court of law or otherwise.

32.19. Defined Terms. Capitalized terms not otherwise defined herein shall have the meaning given to them in the Scope of Work.

32.20. Entire Agreement. This Contract, all documents attached to this Contract, and all Contract Documents and laws and regulations incorporated by reference herein, represent the entire agreement between the parties.

32.21. Counterparts. This Contract may be executed in one or more counterparts, each of which shall constitute an original Contract but all of which together shall constitute one and the same instrument.

32.22. Authority. Each party signing on behalf of Contractor and the City hereby warrants actual authority to bind their respective party.

The Contractor and the City hereby agree to all provisions of this Contract.

CONTRACTOR:

NORTH SKY COMMUNICATIONS, INC.,
a Delaware corporation

By: _____

(Print Name) _____

As Its: _____

Employer I.D. No. _____

CITY:

CITY OF WILSONVILLE,
an Oregon municipal corporation

By: _____

(Print Name) _____

As Its: _____

APPROVED AS TO FORM:

Barbara A. Jacobson, Assistant City Attorney
City of Wilsonville, Oregon

ATTESTED TO:

Sandra C. King, MMC, City Recorder
City of Wilsonville, Oregon

E:\fiber proj\doc\ck db fiber-north sky

Wilsonville Fiber Project #8093 Design-Build Scope

1.0 General Description of Project

The project known as “Wilsonville Fiber Project” refers to an optical fiber deployment of at least one (1) 288-strand cable along an approximate 10,000 linear foot route, primarily along Wilsonville and Kinsman Roads in the City of Wilsonville, and one 48 strand cable, approximately 1500 linear feet, primarily along Town Center Loop E and Courtside Drive.

The goal of the project is to implement a fully deployed and tested fiber infrastructure prior to February 28th, 2014. The project requires performance and completion of the following general elements:

- Field verification of the route & options through site walks, and identification of any new design or construction issues
- Coordination with affected external agencies and private companies such as ODOT, Clackamas County, TriMet, and Integra.
- Resolve all questions, including additional issues from site walks
- Preparation and Submittal to the City of a recommended design and draft set of construction/installation drawings, followed by preparation of final specifications and construction drawings which incorporate the review comments and edits of the City and other entities.
- Preparation, Submittal and management of permits required for the project (Public Works, Traffic, etc.)
- Procurement, Construction, and Installation of optical fiber, vaults, conduit and associated materials
- Validation, testing, & verification of performance
- as-built(s) and final project closeout documentation

The following are key contacts of involved parties in the project:

- o City of Wilsonville
 - o Holly Miller, 503.570.1514, miller@ci.wilsonville.or.us
 - o David Soloos, 503.570.1534, soloos@ci.wilsonville.or.us
- o Clackamas County Technology Services (“CBII”)
 - o Dave DeVore, 503.723.4996, ddevore@clackamas.us
- o Clackamas County DOT (“CC DOT”)
 - o Bikram Raghubansh, 503.742.4706, bikramrag@co.clackamas.or.us
- o Integra Telecom
 - o Bob Davidson, Robert.Davidson@integratelecom.com (503) 453-8247
- o TriMet
 - o Ron White, whiter@trimet.org (503) 962-5877

The project makes use of existing conduit and vaults along a majority of the route; CC DOT signaling along Wilsonville Road (2” and 3”), Integra communications along Kinsman, Barber, and part of Boberg Road (1” innerduct within 4” conduit), as well as some city conduit across Town Center Loop E. Although a majority of the route and assets have been defined, portions of the route will require field investigations and significant

communication with multiple entities to determine various route and/or vault options. Key fiber terminus locations within the project include:

- **City Hall**
- **City Transit / Fleet**
- **Town Center Park Visitor's Center**
- Library
- Public Works / Police
- Clackamas County Signal Cabinets along Wilsonville Road & Kinsman/Barber
- ODOT Cabinet at I-5/Wilsonville Road Overpass
- Wilsonville Road & Kinsman/Barber PRV vaults
- Murase Plaza (Park Restrooms)
- Major Splice Locations
 - o Kinsman & Barber
 - o Wilsonville & Kinsman
 - o Interchange "Wilsonville-I5 Northbound"
- Wilsonville Community Center
- Installation & termination of CC DOT supplied FODU at CC DOT specified signaling vaults

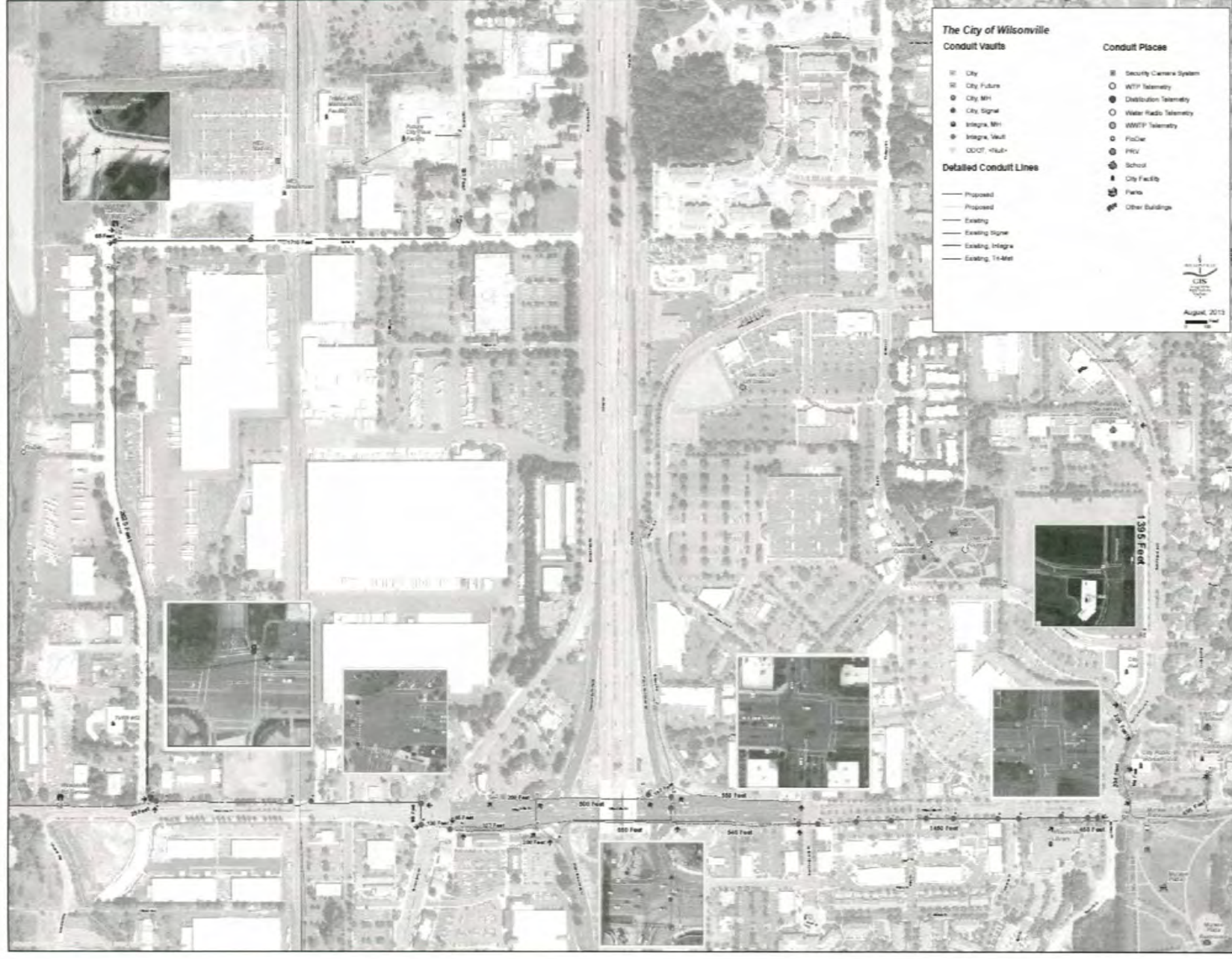
The project anticipates fiber swaps with various entities, therefore it is important that both the equipment specifications as well as the installation conforms to contract requirements and best practices used in partners' networks such as ODOT, CC DOT, CBII, etc.

In performance of the Construction effort, Contractor shall:

- a. Comply with permit requirements, manufacturer instructions and industry best practices.
- b. Procure inventory and stage materials and equipment in preparation for deployment. Test cabling to verify factory tested performance and successful freight transport.
- c. Upgrade CC DOT vaults along Wilsonville Rd as required by design to meet CC DOT specifications for service loops.
- d. Perform the installation (burying, pulling, splicing) of optical fiber along the entire route.
- e. Terminate optical cable at facility locations and major splice points, as specified.
- f. Conduct Final Acceptance Testing once construction is complete; final testing of all fiber to ensure connectivity and performance.
- g. Prepare and submit closeout documentation including all diagrams, as-built drawings, images, testing results and project closeout report.

A general location map for the Work is shown below in Figure 1. A larger map is included as Attachment 4.

FIGURE 1



2.0 Task Descriptions and Deliverables

- 2.1 Review the City's concept design (Segment Details and Project Map - Attachments 3 & 4) and validate field information through site walks; meet with affected/ partner entities and address and resolve questions including conduit availability, rights of way and site delivery locations. (see Attachment 1 for minimum Scope of Questions to be resolved) Prepare an approximately 70% design package for review by the City to include street routes and underground locations. Preliminary design package shall be in 11 x 17 format.
- 2.2 This subsection intentionally left blank.
- 2.3 After review of the 70% design package, incorporate all City and other agency comments and provide final design and engineering of the fiber project including all vaults, splices, underground, site entrance locations, and details. Submit 100% complete design for final review and approval to the City. All drawings shall be on 11x17 format, and stamped and signed by a professional engineer. Plan views shall be drawn to scale at no smaller than 1:40. Both wet-stamped hard copies and electronic copies in original electronic format, of the final design package, shall be delivered to the City.
- 2.4 Provide a separate tabular estimate of quantities and estimated percentage of total Design-Build project cost for each identified segment of the project. (Note: this information will be used as the basis for allocating costs between the various entities receiving benefit from the Project.)
- 2.5 Upon design approval, the City will issue a Notice To Proceed. Contractor shall coordinate and schedule a Pre-Construction meeting with the City and affected entities, and prepare an estimated construction schedule.
- 2.6 Contractor is responsible to prepare documentation, apply for and pay to obtain all required permits for work contemplated (e.g. traffic control, public works, stormwater, electrical).
- 2.7 After applicable permits are in place, Contractor shall immediately begin construction of the improvements and perform the construction work expeditiously and without interruption or delay.
- 2.8 Commissioning and Acceptance: During the start-up, the City of Wilsonville or its designee shall observe and verify each system performance requirement. Required commissioning and acceptance test services shall include:
 - a. Confirming connectivity and performance of all fiber strands, splices and electronics.
 - b. Conducting the performance testing over a consecutive twenty-four (24) hour period.
 - c. Confirming connectivity and performance with connected partners and sites.
 - d. The equipment shall be warranted in writing. When operated and maintained according to the manufacturers operating instructions provided and accepted, it will perform in complete accord with the specifications.
- 2.9 Upon completion and acceptance of the improvements, Contractor shall prepare a final set of as-built drawings and closeout documentation and submit these to the City. Specific Deliverables include:
 - One (1) electronic and one (1) hard copy of project as-built drawings in Auto-Cad/Autodesk format that detail the location of all above-ground and underground utilities and components prior to acceptance of the fiber infrastructure.
 - Prior to system Start-up, the Contractor shall supply to the City of Wilsonville copies of all required equipment documentation, owner manuals, installation schematics and other related documentation.

- The Contractor shall supply the City with manufacturers' warranty information for all installed equipment. The contractor shall provide a statement that the equipment is eligible for all factory warranties.
- The Contractor shall provide a written process and troubleshooting protocol to monitor the performance of the dark fiber to insure connectivity and reliability. Process will be utilized by the City and contracted service company to maintain, trace problems and repair the fiber infrastructure.
- Contractor shall develop and provide the City with a written maintenance schedule for key maintenance tasks for the fiber infrastructure and support equipment. The repair schedule shall include a 24*7*365 emergency repair call center number capable of performing high priority repair of damaged fiber.

3.0 Technical Specifications

3.1 General Design Criteria

The following minimum standards and general design criteria apply to the design and construction of this Project:

- 1) The network shall be built with Single Mode Optical Fiber capable of performing at both 1Gbps and 10Gbps.
- 2) Minimum 288-strand design, except as specifically called out or unless specific locations require a reduction such as; a lack of space remaining in certain signaling conduit as well as entry sweep angle, bend radius and storage at some vaults. In these cases, and only with prior City approval, the minimum may be reduced to 192-strand. All installations shall also feature a pull wire and cable protection.
- 3) Ensure locate (tracer) wires are installed and operate properly. Install a No. 12 AWG THWN stranded copper wire (orange base) in all conduits as a tracer wire, even if not shown.
- 4) Fiber type and manufacturer may be selected at the discretion of the engineer so long as it fulfills the requirements set forth herein along with installation requirements and industry best practices. Corning is preferred; however substitutes of similar quality may be specified. All fiber supplied to the project shall be the product of a single manufacturer.
- 5) All fiber connections shall be LC-Duplex. Engineer may consider 12-strand MPO/MTP if such connection would enhance the installation. The quantities and locations of connections are to be determined "TBD". Also note that CC DOT has provided FODU in the past.
- 6) This section intentionally left blank.
- 7) Vaults #66, 52, 65, 16, 53, 30, 67, 68, 58, & 72 do not currently exist, but shall be considered in the design.
- 8) All vaults shall contain cable slack in the amount typical for similar installations based on industry best practices. Communications Junction Boxes shall have no less than 100ft of slack, depending on cable bend

EXHIBIT B

Payment Unit Description	Unit of Measure	Wv Fiber Combined Unit Price	BTOP Combined Unit Price	North Sky - Clackamas County Unit Price Reference No.
Additional 4" Conduit at crossing	FT	\$ 1.72	\$ 1.72	82
Change/ Install Vaults-3048	EA	\$ 2,296.00	\$ 2,296.28	84
Directional Drill 1-4"	FT	\$ 28.67	\$ 28.67	94 & 82
Engineer & Design	FT	\$ 0.95	\$ 0.95	43
Furn & Install 24F	FT	\$ 1.61	\$ 1.61	4
Furn & Install 288F	FT	\$ 3.32	\$ 3.32	48
Furn & Install 3-1.25" Innerduct	FT	\$ 2.01	\$ 2.01	42
Furn & Install 48F	FT	\$ 1.91	\$ 1.91	5
Fusion splice Fiber	EA	\$ 36.00	\$ 36.00	28
Install "Y" Casting	EA	\$ 339.87	\$ 339.87	77
Install 264TA	EA	\$ 7,944.00	\$ 7,944.80	63
Patch Panel 12 Rack Mount	FT	\$ 299.00	\$ 299.00	25
Patch Panel 288 Rack Mount	FT	\$ 4,487.00	\$ 4,487.00	64
Proof Existing Conduit	FT	\$ 1.50	\$ 1.50	41
Replace Asphalt	SqFt	\$ 14.10	\$ 14.10	24
Replace Concrete	SqFt	\$ 16.60	\$ 16.60	23
Riser Assembly (Bld Entry)	EA	\$ 374.00	\$ 374.50	37
Splice Case (Mid Sheath)	EA	\$ 679.00	\$ 679.00	30
Splice Case	EA	\$ 679.00	\$ 679.00	30
Splice Fiber (Mid Sheath)	EA	\$ 36.00	\$ 36.00	27
Terminate Fiber	EA	\$ 36.00	\$ 36.00	27
Test Fiber	EA	\$ 10.50	\$ 10.50	31
Trench 1-4"	FT	\$ 17.97	\$ 17.97	93 & 82

Any unit pricing for items not listed above will follow the Clackamas County - NorthSky unit pricing.



CITY COUNCIL MEETING STAFF REPORT

Meeting Date: November 4, 2013	Subject: Ordinance Nos. 725, 726, 727, 728, 729 and 730 Adopting six ordinances creating six Tax Increment Finance Zones. Staff Member: Kristin Retherford, Economic Development Manager Department: Community Development	
Action Required <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 checked="" type="checkbox"/> Resolution <input type="checkbox"/> Information or Direction <input type="checkbox"/> Information Only <input type="checkbox"/> Council Direction <input type="checkbox"/> Consent Agenda	Advisory Board/Commission Recommendation <input checked="" type="checkbox"/> Approval <input type="checkbox"/> Denial <input type="checkbox"/> None Forwarded <input type="checkbox"/> Not Applicable Comments: Ordinance Nos. 725, 726, 727, 728, 729 and 730 will each create a single property urban renewal district called a Tax Increment Finance Zone to provide economic development incentives through partial property tax rebates.	
Staff Recommendation: Staff recommends that the City Council adopt Ordinance Nos. 725, 726, 727, 728, 729 and 730		
Recommended Language for Motion: I move to adopt Ordinance Nos. 725, 726, 727, 728, 729 and 730		
PROJECT / ISSUE RELATES TO:		
<input checked="" type="checkbox"/> Council Goal: "D. Develop, Adopt and Begin Implementation of a Comprehensive Economic Development Strategy."		<input type="checkbox"/>

ISSUE BEFORE THE CITY COUNCIL:

This staff report is an update to the staff report presented to City Council on October 21, 2013 relating to the Public Hearing and adoption of Ordinance Nos. 725, 726, 727, 728, 729 and 730. Since the first reading of these Ordinances, the following changes have been made to the Plans and Reports previously submitted in draft version:

1. The date of the plans and reports has been changed to November 4, 2013 and the draft water mark has been removed.
2. Co-Chairs to the Ec Dev Task Force have been added, and Councilor Starr has been added as Chair of the Incentives Task Force with.
3. The Report for the Xerox building has been updated to include the assessed valuation and charts have been included where necessary.

Additionally, since the last meeting the TIF Zone revenue sharing model has received 97.1% concurrency from the taxing districts for the Clackamas County TIF Zones and 94.56% concurrency from the taxing districts for the Washington County TIF Zone. Three of the smaller districts took no formal action on the TIF Zones because a) either their boards weren't going to meet prior to the needed approval date or b) they perceived their percentage to be insignificant with regard to the overall total.

No written comments have been provided by the taxing districts for Council's consideration.

ATTACHMENTS

Ordinance No. 725
Ordinance No. 726
Ordinance No. 727
Ordinance No. 728
Ordinance No. 729
Ordinance No. 730

ORDINANCE NO. 725

AN ORDINANCE MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO AND APPROVING A SINGLE-PROPERTY URBAN RENEWAL PLAN KNOWN AS THE 26755 SW 95TH AVENUE TIF ZONE.

WHEREAS, the City Council of the City of Wilsonville ("Council") has declared that blighted areas exist in the City of Wilsonville and has elected to have the powers of an urban renewal agency exercised by a board designated by the Council; and

WHEREAS, Council has declared that the name of the urban renewal agency shall be the Urban Renewal Agency of the City of Wilsonville ("Agency"); and

WHEREAS, the Agency, as the duly authorized and acting urban renewal agency of the City of Wilsonville, Oregon ("City"), is proposing to undertake certain urban renewal activities in a designated area within the City pursuant to ORS Chapter 457; and

WHEREAS, the Agency, pursuant to the requirements of ORS Chapter 457, has caused the preparation of an urban renewal plan which is attached to this Ordinance as Exhibit A and incorporated herein by this reference ("Plan"). The Plan authorizes urban renewal activities within the urban renewal area known as the 26755 SW 95th Avenue TIF Zone (the "Area"); and

WHEREAS, the Agency has caused the preparation of a report to accompany the Plan as required by ORS 457.085(3) ("Report"), which Report is attached to this Ordinance as Exhibit B and incorporated herein by this reference; and

WHEREAS, the Plan and the Report were forwarded to the City of Wilsonville Planning Commission for recommendation, and the Planning Commission considered the Plan and Report on September 11, 2013, adopted a finding that the Plan conformed to the Wilsonville Comprehensive Plan, and recommends that the Plan be approved by the Wilsonville City Council, which recommendation is attached to this Ordinance as Exhibit C and incorporated herein by this reference; and

WHEREAS, the Plan and the Report were forwarded on September 9, and 23, 2013 to the governing body of each taxing district affected by the Plan, and the Agency has thereafter consulted and conferred with said districts; and

WHEREAS, on September 23, 2013 representatives of the Agency met with representatives of Clackamas County to review the Plan, including proposed maximum indebtedness for the Plan; and

WHEREAS, the City Council has received written confirmation supporting the Plan by taxing districts imposing at least 75 percent of the amount of taxes imposed under permanent rate limits in the urban renewal plan area for the fiscal year prior to fiscal year 2013-2014; and *(Please note: this is subject to change pending what we actually receive in total from the taxing bodies.)*

WHEREAS, on October 1, 2013 the City caused notice of the hearing to be held before the City Council on the Plan, including the required statements of ORS 457.120(3), through an article in the October 2013 *Boones Ferry Messenger* that was mailed to all City of Wilsonville mailing addresses in the 97070 zip code, which includes all postal patrons of the City of Wilsonville; and

WHEREAS, on October 21, 2013 the City Council held a public hearing to review and consider the Plan and Report, the recommendation of the Planning Commission, and the public testimony and exhibits received on that date, and does by this Ordinance desire to approve the Plan.

**NOW THEREFORE, THE COUNCIL OF THE CITY OF WILSONVILLE
ORDAINS AS FOLLOWS:**

Section 1: Based on the information provided in the Report, the recommendation of the Planning Commission, and the public testimony and exhibits before the City Council, the City Council hereby determines and finds that the Plan complies with all requirements of ORS Chapter 457 and the specific criteria of ORS 457.095(1) through (7), in that,

1. The area designated in the Plan as the Area is blighted, as defined by ORS 457.010(1) and is eligible for inclusion within the Plan because of conditions described in Section II of the Report, including underdevelopment and underutilization of property within the Area.
2. The rehabilitation and redevelopment described in the Plan to be undertaken by the Agency is necessary to protect the public health, safety and welfare of the City because absent the completion of the urban renewal projects, the Area will fail to contribute its fair share of property tax revenues to support City services and will fail to develop and/or redevelop according the goals of the City's Comprehensive Plan.
3. The Plan conforms to the Wilsonville Comprehensive Plan as a whole, and provides an outline for accomplishing the projects described in the Plan, as more fully described in Chapter XI of the Plan and the Planning Commission Report.
4. The Plan conforms to the Wilsonville Economic Development Strategy as more fully described in Chapter XI of the Plan.
5. No acquisition of real property is provided for in the Plan. Since no acquisition of land is provided in the Plan, therefore, no residential displacement will occur.
6. Adoption and carrying out the Plan is economically sound and feasible in that funds are available to complete the Plan projects using urban renewal tax increment revenues derived from a division of taxes pursuant to section 1c, Article IX of the Oregon Constitution and ORS 457.440, and other available funding as shown in Sections V, VI, VII, VIII and IX of the Report; and
7. The City shall assume and complete any activities prescribed it by the Plan.

8. The City Council expressly accepts the written recommendations received from the following responsive taxing districts: Clackamas County, Tualatin Valley Fire and Rescue, West Linn/Wilsonville School District, and the Port of Portland. The City Council is a municipal taxing district and also approved the revenue sharing model in the Plan pursuant to Resolution No. 2441. *(Please note: this is subject to change pending what we actually receive in total from the taxing bodies.)*

Section 2: Based upon the foregoing determinations and findings, and the record in these proceedings, including, but not limited to the Plan, the Report, the recommendations of the Planning Commission, the confirmations by the other taxing districts, and the public testimony and exhibits in the record, the Plan attached hereto as Exhibit A is hereby approved and adopted.

Section 3: The City Recorder shall forward forthwith to the Agency a copy of this Ordinance.

Section 4: The Agency shall thereafter cause a copy of the Plan to be recorded in the Records of Clackamas County, Oregon.

Section 5: The City Recorder, in accordance with ORS 457.115, shall publish notice of the adoption of the Ordinance approving the Plan, including the provisions of ORS 457.135, in the **Wilsonville Spokesman** or **The Oregonian** no later than four days following adoption of this Ordinance.

Section 6: This Plan is being adopted in accordance with the applicable legal requirements and shall be conclusively presumed valid for all purposes 90 days after adoption of the Plan by this Ordinance. Pursuant to Ordinance 457.135, no direct or collateral attack on the action may thereafter be commenced.

SUBMITTED to the Wilsonville City Council and read for the first time at a regular meeting thereof on the 21st day of October, 2013, at the hour of 7:00 p.m. at the

Wilsonville City Hall 29799 SW Town Center Loop East, Wilsonville, Oregon, and scheduled for second reading on the 4th day of November, 2013, commencing at the hour of 7:00 p.m. at Wilsonville City Hall.

Sandra C. King, MMC, City Recorder

ENACTED BY THE City Council on the ____ day of November, 2013 by the following votes:

YEAS: ____ NAYS: ____

Sandra C. King, MMC, City Recorder

DATED and signed by the Mayor this ____ day of November, 2013.

TIM KNAPP, MAYOR

SUMMARY OF VOTES:

Mayor Knapp	_____
Councilor Goddard	_____
Councilor Starr	_____
Councilor Fitzgerald	_____
Councilor Stephens	_____

Attachments:

Exhibit A - 26755 SW 95th Avenue TIF Zone Plan
Exhibit B - 26755 SW 95th Avenue TIF Zone Report
Exhibit C - Planning Commission Notice of Decision UR13-0001

26755 SW 95th Avenue Urban Renewal Plan



Prepared for the City of Wilsonville
August 5, 2013

City of Wilsonville

List of Participants

Urban Renewal Board Chair: Tim Knapp

Urban Renewal Board Members: Julie Fitzgerald
Richard Goddard
Scott Starr
Susie Stevens

(Urban Renewal Board is also Wilsonville City Council)

Planning Commission: Ben Altman, Chair
Eric Postma, Vice Chair
Al Levit
Marta McGuire
Peter Hurley
Phyllis Millan
Ray Phelps

Economic Development Strategy Task Force:

Ron Adams, Chair, Board of Education, Clackamas Community College

Vince Alexander, Wilsonville Resident (resigned December 2012)

Mychelle Ashlock, Operations Manager, Northwest Rugs – Wilsonville

Lita Colligan, Associate Vice President for Strategic Partnerships and
Government Relations, Oregon Tech (OIT) Wilsonville

Catherine Comer, Business & Economic Development Manager,
Clackamas County Economic Development (resigned March 2013)

Danielle Cowan, Executive Director, Clackamas County Tourism & Cultural
Affairs

Brenner Daniels, Investment Advisor, Holland Partner Group

Mike Duyck, Fire Chief, Tualatin Valley Fire & Rescue District (TVFRD)

Lonnie Gieber, Committee Member, City of Wilsonville Budget Committee

Gale Lasko, General Manager/Partner, Lamb's Market at Wilsonville

Ray Lister, Membership Development Coordinator, International Brotherhood of
Electrical Workers (IBEW), Local 48

Susan Myers, General Manager, Capital Realty Corp.

Craig Olson, Sr. Director/Site Manager, Rockwell Collins Head-Up Guidance Systems

Ray Phelps, Past President, Wilsonville Chamber of Commerce

Dr. William Rhoades, Superintendent, West Linn-Wilsonville School District

Fred Robinson, General Manager, Kinetics Climax, Inc.

Dick Spence, Wilsonville Resident

Alan Steiger, CPA, Committee Member, City of Wilsonville Budget Committee

Sandra Suran, CPA, Principal, The Suran Group, LLC

Doris Wehler, Past President, Wilsonville Chamber of Commerce

Boyd Westover, Plant Manager, Eaton Corporation, Portland Power Center

Carol White, Wilsonville Resident

City Manager:	Bryan Cosgrove
Community Development Director:	Nancy Kraushaar
Finance Director:	Joanne Ossanna
Urban Renewal Manager:	Kristin Retherford
Planning Director:	Chris Neamtzu

Consultant Team:	Elaine Howard Consulting LLC, Elaine Howard, James Vanden Bos
	ECONorthwest, Lorelei Juntunen, Nick Popenuk, Tessa Krebs
	Jeanette Launer, Legal Counsel
	Leslie Vanden Bos, Editor

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I. DEFINITIONS

“Area” means the properties and rights of way located within this 26755 SW 95th Avenue Urban Renewal Plan urban renewal boundary.

“City” means the City of Wilsonville, Oregon.

“City Council” or “Council” means the City Council of the City of Wilsonville.

“Comprehensive Plan” means the City of Wilsonville Comprehensive Plan and its implementing ordinances, policies, and standards.

“County” means Clackamas County.

“Economic Development Strategy Task Force” means a focused, limited-duration task force composed of leading community members and business managers who helped guide the Economic Development Strategy process and made a recommendation to the City Council.

“Enterprise Zones” means a program established by the State of Oregon in ORS 285C.045-.255, as amended, to provide tax incentives to businesses to locate in specifically designated areas of the state.

“Fiscal year” means the year commencing on July 1 and closing on June 30, the following year.

“Frozen base” means the total assessed value, including all real, personal, manufactured, and utility values within an urban renewal area at the time of plan approval. The county assessor certifies the assessed value after the approval of an urban renewal plan.

“Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value of the frozen base.

“Maximum indebtedness” means the amount of the principal of indebtedness included in a plan, pursuant to ORS 457.190, and does not include indebtedness incurred to refund or refinance existing indebtedness.

"ORS" means the Oregon revised statutes, specifically Chapter 457, which relates to urban renewal.

"Planning Commission" means the Wilsonville Planning Commission.

"Tax increment financing (TIF)" means the system that generates tax revenue through the division of taxes authorized by ORS 457.420 et.seq.

"Tax increment revenues" means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the Area.

"TIF Zones" is the concept established by the Wilsonville City Council that is designed to offer incentives similar to enterprise zones, which stimulate property investment and employment opportunities. This concept is implemented as an urban renewal area.

"Urban renewal agency (agency)" means an urban renewal agency created under ORS 457.035 and 457.045. This agency is responsible for the administration of the urban renewal plan.

"Urban renewal plan" or "Plan" means this 26755 SW 95th Avenue Urban Renewal Plan, as it exists or is changed or modified from time to time, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135, and 457.220.

"Urban renewal project (project)" means any work or undertaking carried out under ORS 457.170 in the Area.

"Urban renewal report" means the official report that accompanies the urban renewal plan, pursuant to ORS 457.085(3).

II. INTRODUCTION

In February 2012, the City of Wilsonville established an Economic Development Advisory Committee (the “Committee”) to develop a strategy for the City’s economic development activities. After six months of public meetings, focus groups, interviews and an economic development summit, the Committee created an *Economic Development Strategy* that was adopted by the Wilsonville City Council in August 2012. The *Economic Development Strategy* describes a vision and principles for City economic development, and recommends twelve actions that are described in some detail. In particular, the *Economic Development Strategy* noted that the City should convene a task force to develop criteria to guide (1) the use of incentives to attract or retain businesses, (2) what businesses would qualify for incentives and under what conditions, (3) what types of incentives would be available to businesses, (4) the funding sources to support the incentives, and (5) expectations of businesses given incentives.

In November 2012, an Economic Development Strategy Task Force (the “Task Force”) was appointed and developed a framework for an incentive program that would more strategically position Wilsonville among its Portland metro-area competitors for economic development. The Task Force consisted of 21 individuals comprising a cross-section of the community. In the process of considering 10 different incentive options, single-property urban renewal districts, called Tax Increment Finance Zones (TIF Zones) emerged as one of the preferred incentive mechanisms. The Task Force recommendation to the Wilsonville City Council proposed the development of five TIF Zones. In Wilsonville, these urban renewal areas will fill a role similar to that of an Enterprise Zone, providing partial property tax rebates for qualifying investments occurring on the properties, thus encouraging companies to locate in Wilsonville and provide valuable economic benefits to the community. This proposal was taken before the City’s electorate in March 2013 and approved by 78.8 percent of voters.

While the TIF Zone incentive packages are similar to Enterprise Zones in concept, they will differ in several key ways in an attempt to make TIF Zones both a lower risk use of public funds and more attractive to potential investors. Each site selected to be a TIF Zone will require the creation of a separate urban renewal plan and report because each site will be its own, individual, urban renewal area. As established by the Task Force, TIF Zone properties must have 100,000 square feet or more of industrially-zoned building space that has the potential for conversion from warehousing to a higher-value, traded-sector use such as manufacturing.

The Agency has prepared the 26755 SW 95th Avenue Urban Renewal Plan based on the recommendations of the Task Force. This Plan establishes one of up to six urban renewal areas using the TIF Zone concept. The Plan contains goals, objectives, and projects for the development of the 26755 SW 95th Avenue Urban Renewal Area. The overall purpose of the Plan is to use tax increment financing to provide incentives for economic investment, to cure blight in underutilized buildings, using strategies that are competitive with Enterprise Zones in other communities in the region.

In general, the purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped. These areas can have old or deteriorated buildings, public spaces that need improvements, streets and utilities in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. The Area selected is an underutilized, industrial-zoned area of Wilsonville that has had a history of partial or complete vacancy and where existing conditions have presented a barrier to attracting new private sector financial investment to convert the Area to a higher-value, traded sector use.

Urban renewal allows for the use of tax increment financing, a financing source that is unique to urban renewal, to fund its projects. Tax increment revenues – the amount of property taxes generated by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established – are used to accomplish projects identified by the urban renewal agency. In this case, other than administration, the Plan has only one project, which is repayment in the form of partial property tax reimbursement for qualifying capital infrastructure investment that increases assessed value and job creation.

The specific projects to be approved in this Plan are outlined in Sections IV and V.

Urban renewal is put into effect when the local government (the City of Wilsonville, in this case) adopts an urban renewal plan. The urban renewal plan defines the urban renewal area, states goals and objectives for the area, lists projects and programs that can be undertaken, provides a dollar limit on the funds that can be borrowed for urban renewal projects, and states how the plan may be changed in the future.

The Area, shown in Figure 1, consists of approximately 9.76 acres.

The Plan will be administered by the Wilsonville Urban Renewal Agency, which was activated by the Wilsonville City Council as the City's Urban Renewal Agency. Substantial changes to the Plan, if necessary, must be approved by the City Council, as outlined in Section X of this Plan.

An Urban Renewal Report, which accompanies the Plan, contains additional information, as required by ORS 457.085. The technical information in the Report includes:

- A description of the physical, social, and economic conditions in the area;
- Expected impact of the Plan, including fiscal impact, in light of increased services;
- Reasons for selection of each Area in the Plan;
- The relationship between each project to be undertaken and the existing conditions;
- The total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area, and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; and
- A relocation report.

The Plan will be active for a maximum of 15 years as explained in Section V, subsection A, below. If no qualifying investment occurs in the Area that uses the Plan project incentives within five years after the effective date of the Plan, then the Plan will immediately be terminated. The maximum amount of indebtedness (amount of tax increment financing for projects and programs) that may be issued for the Plan is \$12,000,000. For TIF Zones, maximum indebtedness reflects the total of the tax repayment obligation to the qualifying company and represents the maximum amount of tax increment to be collected to meet this obligation as well as administrative costs.

III. GOALS AND OBJECTIVES

The goals of the Plan represent the basic intents and purposes. Accompanying each goal are objectives, which generally describe how the Agency intends to achieve the goals. The urban renewal projects identified in Sections IV and V of the Plan are the specific means of meeting the objectives. The goals relate to adopted plans, as detailed in Section XI, and were developed with input from the Wilsonville Economic Development Strategy Task Force. The goals and objectives will be pursued as economically as is feasible and at the discretion of the urban renewal agency.

Goal 1: *PUBLIC INVOLVEMENT*

Maintain a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the urban renewal adoption process.

Objectives:

1. Provide opportunities for public input throughout the adoption process, including a public open house, Planning Commission meeting, and City Council hearing.
2. Provide information on urban renewal on the City of Wilsonville's website.

Goal 2: *ECONOMY*

Encourage the economic growth of the Area by encouraging local industrial investment and manufacturing jobs using existing infrastructure and promoting new use of vacant and underutilized industrial properties.

Objectives:

1. Provide steady, family-wage jobs for the community.
2. Generate investment that will bolster the local economy and provide revenue for local taxing jurisdictions.
3. Promote the reuse of vacant buildings and encourage infill development by providing incentives for investors to locate in an existing building or build on a site already in the middle of an industrial area and use the existing infrastructure.
4. Partner with public and private entities to incentivize and generate private investment.

Figure 1 – 26755 SW 95th Avenue Urban Renewal Area Boundary



Source: City of Wilsonville

IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES

The primary project within the Area will be providing the return of incremental property taxes to developers as an incentive for redevelopment. Another small use of funds will be to pay for the preparation and administration of the Plan.

V. URBAN RENEWAL PROJECTS

The urban renewal projects authorized by the Plan are described below. These projects are consistent with the Wilsonville Economic Development Strategy and are in conformance with the Wilsonville Comprehensive Plan, as detailed in Section XI of this Plan.

As shown in the Report, urban renewal funds will primarily be used as an incentive to spur industrial development, investment, and job creation. The details of the projects are as follows:

A. Property tax rebates

This project offers an incentive to the private sector to convert under-utilized industrial buildings into higher value traded-sector uses, such as manufacturing. This project will provide tax rebates of a portion of incremental property tax increases to qualifying investments in the Area.

Property tax rebate mechanics

The project will rebate up to 75% of the tax increment revenue for three years for each company that:

- Invests at least \$25 million in capital improvements and/or qualified equipment, and;
- Creates 75 or more new, permanent, full-time jobs that pay a minimum of 125% of the average Clackamas County wage rate (not including benefits) in effect at the time the rebate is paid which for 2012 is \$25.33/hour or \$52,693 annual wage rate.

Two additional years (five total) of property tax rebates are available if the average wage of the 75 or more new jobs pay 150% of average wages paid in Clackamas County, which for 2012 equals \$30.40 per hour, or a \$63,230 annual wage.

Additional three- and five-year rebate periods could begin, after approval by the Agency, with any additional new capital investment and job creation meeting the above

minimum criteria, providing the potential for up to 10 years of rebates. Again, however, qualified investment needs to be made within five years of program adoption. This limits the potential life of the program and rebates to up to 15 years. Qualifying Businesses must be manufacturing firms. If no qualifying investment has been made in the Area within five years of the effective date of the Plan, the Area will be dissolved.

Any businesses receiving Area benefits will be monitored by the Agency for compliance with qualifying criteria and no rebate shall be given if the business fails to meet any of the qualifications. Additionally, if a business which has received a rebate discontinues business operations in the Area within two years after it receives each rebate payment it will be required to return all or a portion of the rebate as follows. Should a business discontinue business operations within the Area within 12 months after receiving a rebate, the business shall be required to reimburse the Agency 100% of the rebate payment. Should a business discontinue business operations within 24 months of receiving a rebate, the business shall be required to reimburse the Agency 50% of the rebate payment.

B. Debt repayment and project administration

This project will allow for the repayment of costs associated with the preparation, including the potential repayment of the initial planning costs for the development of the urban renewal plan, adoption, and implementation of the Plan. This project also includes ongoing administration of the Plan.

VI. PROPERTY ACQUISITION AND DISPOSITION

The Plan does not authorize the acquisition and disposition of property.

VII. RELOCATION METHODS

No relocation assistance will be provided because this Plan does not authorize property acquisition. If relocation is required, the Agency will comply with relocation methods required under state law.

VIII. LAND USES

The proposed land use is industrial development. The maximum densities and building requirements are contained in the Wilsonville Development Code.

IX. TAX INCREMENT FINANCING OF PLAN

Tax increment financing consists of using annual tax increment revenues to make payments on debt and to finance the urban renewal projects authorized in the Plan. Tax increment revenues equal most of the annual property taxes imposed on the cumulative *increase* in assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is adopted. (Under current law, the property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.)

A. General description of the proposed financing methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues; and/or
- Any other public or private source.

Revenues obtained by the Agency will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in planning or undertaking project activities, or otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Tax increment financing and maximum indebtedness

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Agency based upon the distribution schedule established under ORS 311.390.

The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion, is \$12,000,000.

C. Prior indebtedness

Any indebtedness permitted by law and incurred by the Agency or the City of Wilsonville in connection with the preparation of this Plan or prior planning efforts

that support the preparation or implementation of this Plan may be repaid from tax increment revenues from the Area when, and if, such funds are available.

X. FUTURE AMENDMENTS TO PLAN

The Plan may be amended as described in this section.

A. Substantial Amendments

Substantial Amendments are amendments that:

- Add land to the urban renewal area, except for an addition of land that totals not more than 1% of the existing area of the urban renewal area; or
- Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Planning Commission, and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing shall be provided to individuals or households within the City of Wilsonville, as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

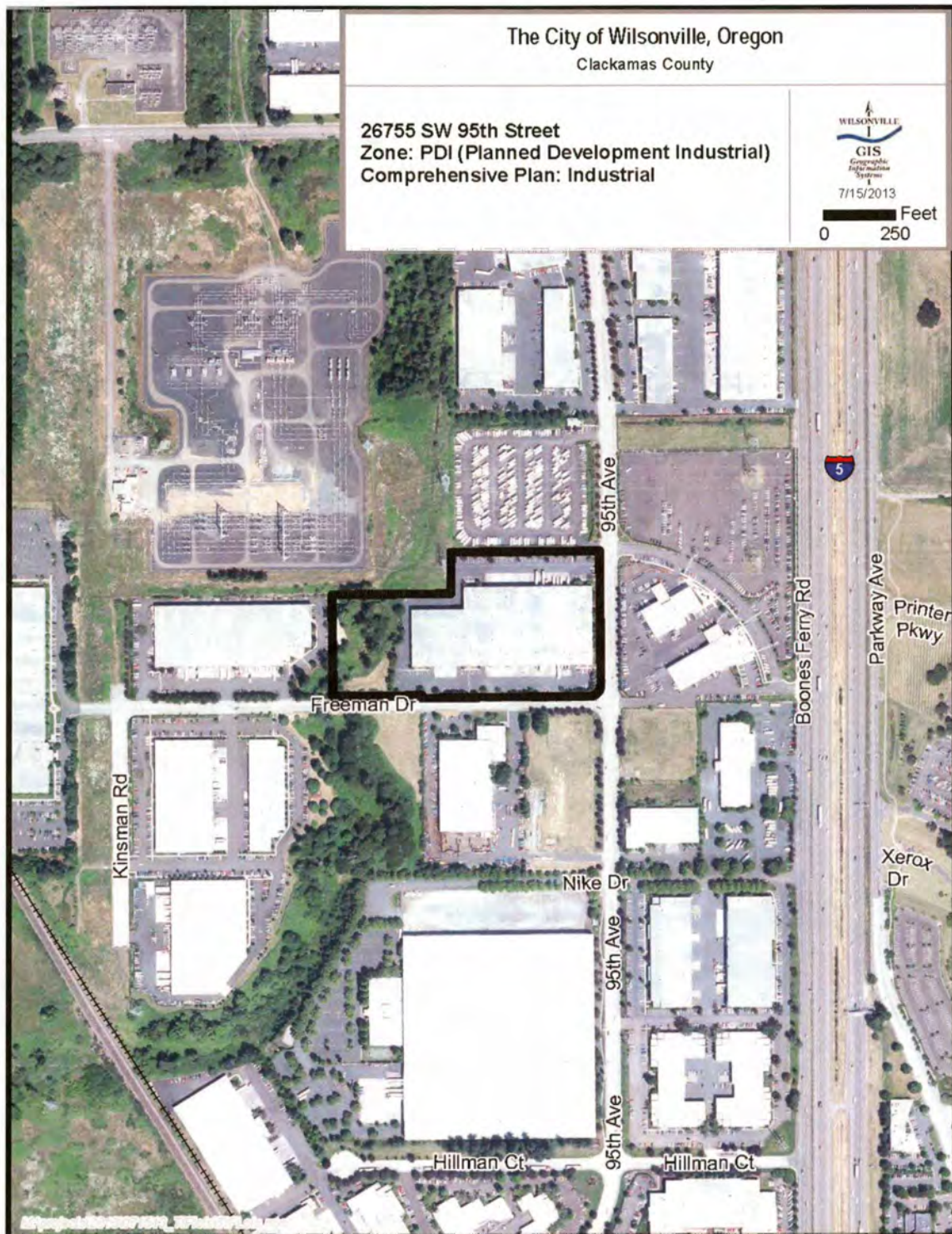
B. Minor Amendments

Minor Amendments are amendments that are not Substantial Amendments in scope. Minor Amendments require approval by the Agency by resolution.

C. Amendments to the Wilsonville Comprehensive Plan and/or Wilsonville Development Code

Amendments to the Wilsonville Comprehensive Plan and/or Wilsonville Development Code that affect the Plan and/or the Area shall be incorporated automatically within the Plan without any separate action required by the Agency or the City Council.

Figure 2 – Zoning and Comprehensive Plan Designations



Source: City of Wilsonville

XI. RELATIONSHIP TO LOCAL OBJECTIVES

The Plan relates to local planning and development objectives contained within the City of Wilsonville's Comprehensive Plan and Economic Development Strategy. The following section describes the purpose and intent of these plans, the particular goals and policies within each planning document to which the proposed Plan relates, and an explanation of how the Plan relates to these goals and policies. The numbering of the goals, policies, and implementation strategies will reflect the numbering that occurs in the original document. Italicized text is text that has **not** been taken directly from an original planning document. The Zoning and Comprehensive Plan designations are shown in Figure 2.

This is not a comprehensive list of all parts of the Wilsonville Comprehensive Plan that are supported by this Plan. This list includes the major goals and policies from the Comprehensive Plan that are supported. However, there may be other goals and policies that are not listed, but are still supported by this Plan.

A. City of Wilsonville Comprehensive Plan

The Wilsonville Comprehensive Plan was updated in January 2013. The Comprehensive Plan is an official statement of the goals, policies, implementation measures, and physical plan for the development of the City. The Plan documents the City's approach to the allocation of available resources for meeting current and anticipated future needs. In doing so, it records current thinking regarding economic and social conditions. Because these conditions change over time, the Plan must be directive, but flexible, and must also be periodically reviewed and revised to consider changes in circumstances.

Section A: Citizen Involvement

Goal 1.1 To encourage and provide means for interested parties to be involved in land use planning processes, on individual cases and City-wide programs and policies.

Policy 1.1.1 The City of Wilsonville shall provide opportunities for a wide range of public involvement in City planning programs and processes.

The Plan conforms with Goals 1.1 and Policy 1.1.1 by involving the citizens of Wilsonville in both the creation of the TIF Zone framework and in the decision of whether or not to use that framework to encourage economic development. The Economic Development Strategy Task Force was comprised of a cross-section of members of the community and it helped to both determine

that urban renewal areas, then called TIF Zones, were appropriate to use in Wilsonville, and helped decide how these incentives should work. Later, a city-wide vote was held so that the community could weigh in on the decision of whether or not to use TIF Zones. Citizens were included in the adoption phase of the urban renewal plan through a public open house, Planning Commission meeting, and City Council hearing that was noticed as required in ORS 45.

Goal 1.2 For Wilsonville to have an interested, informed, and involved citizenry.

Implementation Measure 1.2.1.c. Establish procedures to allow interested parties reasonable access to information on which public bodies will base their land use planning decisions.

Policy 1.3 The City of Wilsonville shall coordinate with other agencies and organizations involved with Wilsonville's planning programs and policies.

The Plan conforms with Goals 1.2, Policy 1.3, and their Implementation Measures by involving the citizens of Wilsonville in both the creation of the TIF Zone framework and in the decision of whether or not to use that framework to encourage economic development. The Economic Development Strategy Task Force was comprised of a cross-section of members of the community and it helped to both determine that urban renewal areas, then called TIF Zones, were appropriate to use in Wilsonville, and helped decide how these incentives should work. In addition, taxing jurisdictions received formal notice, and, if desired, a briefing on the Plan. Representatives of the three major taxing jurisdictions were included as members of the Task Force that recommended the creation of TIF Zones.

Section C: Urban Growth Management

Goal 2.1 To allow for urban growth while maintaining community livability, consistent with the economics of development, City administration, and the provision of public facilities and services.

Implementation Measure 2.1.1.a. Allow development within the City where zoning has been approved and other requirements of the Comprehensive Plan have been met.

Implementation Measure 2.1.1.c. Encourage a balance between residential, industrial, and commercial land use, based on the provisions of this Comprehensive Plan.

Implementation Measure 2.1.1.d. Establish and maintain revenue sources to support the City's policies for urbanization and maintain needed public services and facilities.

Policy 2.1.1 The City of Wilsonville shall support the development of all land within the City, other than designated open spaces, consistent with the land use designations of the Comprehensive Plan.

The Plan conforms with Goal 2.1, Policy 2.1.1, and their Implementation Measures by providing financial incentives for the redevelopment of lands already designated as urban and already provided with infrastructure. By doing this, the Plan encourages growth and development within the urban growth boundary, and helps relieve pressures on lands outside of the urban growth boundary.

Section D: Land Use and Development

Goal 4.1 To have an attractive, functional, economically vital community with a balance of different types of land.

Policy 4.1.1 The City of Wilsonville shall make land use and planning decisions to achieve Goal 4.1.

Implementation Measure 4.1.1.d. In the process of administering the City's Comprehensive Plan, careful consideration will be given to the economic impacts of proposed policies, programs and regulations. Efforts will be made to simplify and streamline the planning and zoning review process while maintaining the quality of development.

Implementation Measure 4.1.1.e. The City shall protect existing and planned industrial and commercial lands from incompatible land uses, and will attempt to minimize deterrents to desired industrial and commercial development.

Implementation Measure 4.1.1.m. Encourage a balance between light industrial and residential growth within the City.

The Plan conforms with Goal 4.1, Policy 4.1.1, and their Implementation Measures by encouraging the redevelopment of local industrial buildings. This redevelopment will enrich the balanced land uses within Wilsonville. Also, by encouraging redevelopment of the Area, the Plan helps support an economically vital community by bringing jobs to the community and by reducing the number of vacant or underutilized industrial buildings in the City.

Policy 4.1.3 City of Wilsonville shall encourage light industry compatible with the residential and urban nature of the City.

Implementation Measure 4.1.3.a. Develop an attractive and economically sound community.

Implementation Measure 4.1.3.c. Favor capital intensive, rather than labor intensive, industries within the City.

Implementation Measure 4.1.3.e. Site industries where they can take advantage of existing transportation corridors such as the freeway, river, and railroad.

The Plan conforms with Goal 4.1, Policy 4.1.3, and their Implementation Measures by encouraging the redevelopment of local industrial buildings. This redevelopment will help maintain a healthy mix of industrial jobs and industry within the community, and will encourage industrial activities to sites where they can take advantage of existing transportation corridors and other infrastructure.

B. Wilsonville Economic Development Strategy

The Economic Development Strategy was completed in August 2012, and sets forth an economic strategy for Wilsonville that describes actions to be taken by the public sector for the purpose of stimulating private sector activity. This strategy was developed with the assistance of an advisory committee that met over the course of 4 months and considered input from the community provided in the form of focus groups, interviews with business leaders, an economic summit, public comments and a community survey. The end result was a vision statement for economic development in Wilsonville, and a list of 6 actions to be taken by the public sector. Specific actions that are directly supported by this Urban Renewal Plan are listed below, but other actions from the Economic Development Strategy will also benefit from the successful implementation of this Plan.

Action 2.1 Promote reuse of vacant building, infill development, and redevelopment.

Action 6.2 Develop criteria to guide the use of incentives to attract or retain businesses.

The projects in the Plan conform with the Economic Development Strategy. They will help to encourage the reuse of existing industrial buildings and infill development by providing an incentive package similar to that of neighboring communities. This incentive package will help incentivize and generate private investment, which will in turn provide jobs for the community and an increased tax base to support local services and infrastructure.

C. Wilsonville Development Code

The Wilsonville Development Code - Planning and Land Development was enacted for the purpose of promoting the general public welfare by ensuring procedural due process in the administration and enforcement of the City's Comprehensive Plan, Zoning, Design Review, Land Division, and Development Standards. It is contained as Chapter 4 of the Wilsonville Code.

The zoning designation for the property in the Area is PDI - Planned Development Industrial Zone. It is shown in Figure 2. The Plan is not proposing any new zones or

code amendments, nor are there any proposals that would modify any of the existing zones or land uses. The Plan will comply with all requirements of the existing zoning.

D. City of Wilsonville Transportation Systems Plan

The City of Wilsonville Transportation Systems Plan (TSP) was adopted by the Wilsonville City Council on June 17, 2013.

The TSP is the City's long-term transportation plan and is an element of its Comprehensive Plan. It includes policies, projects, and programs that could be implemented through the City's Capital Improvement Plan, development requirements, or grant funding.

The 2013 TSP process built upon two decades of community planning to create a complete community transportation plan that integrates all travel modes. Most of the policies and projects come from prior adopted plans, including the Comprehensive Plan, 2003 TSP, 2006 Bicycle and Pedestrian Master Plan, and 2008 Transit Master Plan. While the TSP replaces the 2003 TSP in its entirety, it updates and builds upon the 2006 Bicycle and Pedestrian Master Plan and 2008 Transit Master Plan. Where these documents may be in conflict, the new TSP takes precedence.

SW 95th Avenue is designated as a minor arterial, a truck route and a bicycle route.¹ The TSP Executive Summary identifies 95th Avenue Sidewalk Infill as a priority project to fill in gaps in the sidewalk network on the east side of 95th Avenue from Boeckman Road to Hillman Court, and construct transit stop improvements.² SW 95th Avenue also has a designated cross section deficiency.³ SW 95th Avenue is served by transit.

The Plan conforms with the City of Wilsonville Transportation System Plan as the redevelopment planned for the Area is an industrial use and SW 95th Avenue will be used as designated in the TSP. SW 95th Avenue is classified as a minor arterial, anticipating truck travel.

¹ City of Wilsonville Transportation System Plan, 2013, Figure 3-2 Functional Class Designations, p 3-6; Figure 3-4 Freight Routes, p 3-9; Figure 3-5 Bicycle Routes, p 3-11.

² City of Wilsonville Transportation System Plan, 2013, Executive Summary, p v.

³ City of Wilsonville Transportation System Plan, 2013, Figure 4-1 Roadway Cross-Section Deficiencies, p 4-5.

APPENDIX A: LEGAL DESCRIPTION

26755 SW 95TH AVENUE URBAN RENEWAL DISTRICT WILSONVILLE, OREGON

Lots and maps are taken from Assessor's Tax Maps from July, 2013, and attached hereto. The area is described as that land containing that lot or parcel of property situated in the City of Wilsonville, County of Clackamas, and the State of Oregon, lying in Section 11, Township 3 South, Range 1 West of the Willamette Meridian, bounded as follows:

BEGINNING at a point which bears South 01°34'29" West, 1501.90 feet, more or less, from the corner common to Sections 2 and 11, said point being the most Northerly Northwest corner of Parcel 1, Partition Plat 2001-119, records of said county, Assessor's Plat 3 1W 11;

1. Thence East along the North line of said Parcel 1, 525 feet, more or less, to the point of intersection of said North line with the West right-of-way line of 95th Avenue;
2. Thence South along said West right-of-way line and the extension thereof, 520 feet, more or less, to the point of intersection of said West right-of-way line with the Easterly extension of the North right-of-way line of Freeman Drive;
3. Thence West along said Easterly extension of said North right-of-way line and said North right-of-way line, 955 feet, more or less, to the Southwest corner of said Parcel 1;
4. Thence North along the West line of said Parcel 1, 362 feet, more or less, to the most Southerly Northwest corner of said Parcel 1;
5. Thence East along the North line of said Parcel 1, 418 feet, more or less, to a point which bears South 01°34' 29" West, 148 feet, more or less, from the Point of Beginning;
6. Thence North, 148 feet, more or less, to the **POINT OF BEGINNING**.

The described property, located entirely within the City of Wilsonville, County of Clackamas and the State of Oregon, contains **ten (10)**, acres, more or less.

Due to the possibility of errors in the acreage shown on the Assessor's Tax Maps used to compute the property acreage, the acreage given hereon should be considered accurate to the nearest 1 acre.

REPORT ACCOMPANYING 26755 SW 95TH AVENUE URBAN RENEWAL PLAN



Prepared for the City of Wilsonville

August 5, 2013

**REPORT ACCOMPANYING
26755 SW 95TH AVENUE
URBAN RENEWAL PLAN**

Consulting team:

Elaine Howard Consulting, LLC

Elaine Howard

James Vanden Bos

ECONorthwest

Lorelei Juntunen

Nick Popunek

Tessa Krebs

Jeannette Launer, Legal Counsel

Leslie Vanden Bos, Editor

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I. INTRODUCTION

The Report on the 26755 SW 95th Avenue Urban Renewal Plan (Report) contains background information and project details that pertain to the 26755 SW 95th Avenue Urban Renewal Plan (Plan). The Report is not a legal part of the Plan, but is intended to provide public information and a basis for the findings made by the City Council as part of its approval of the Plan.

The Report provides information required by ORS 457.085(3). The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan, but also documents the existing conditions in the 26755 SW 95th Avenue Urban Renewal Area (Area).

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility.

Figure 1 – 26755 SW 95th Avenue Urban Renewal Plan Area Boundary



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

This section of the Report describes existing conditions within the 26755 SW 95th Avenue Urban Renewal Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

A. Physical Conditions

Land Use

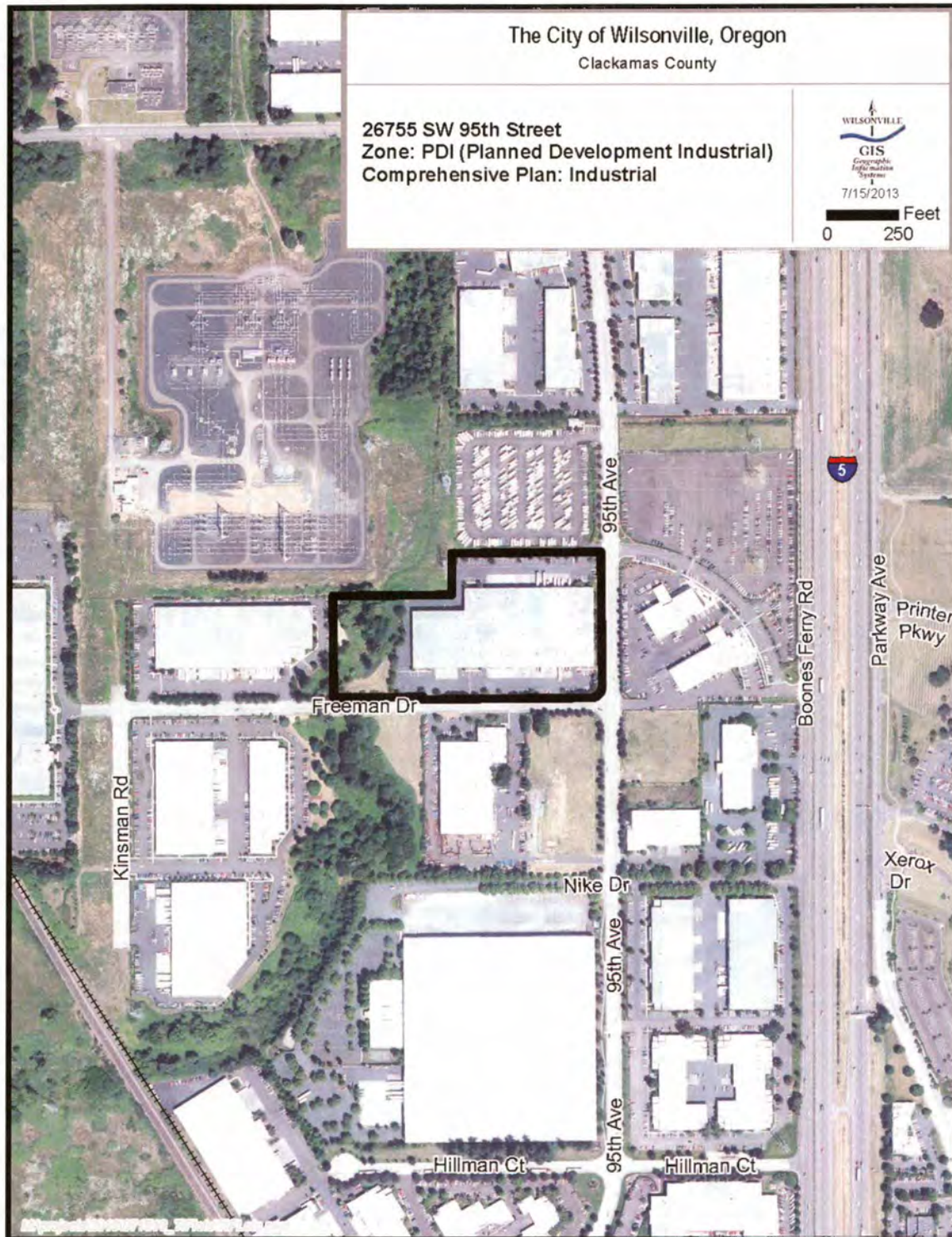
According to data obtained from the City of Wilsonville and the Clackamas County Assessor’s office, the Area, shown in Figure 1 above, contains 1 industrial use parcel that has 165,810 square feet of building space on 9.76 acres.

Zoning and Comprehensive Plan Designations

In the City of Wilsonville, the Wilsonville Development Code and the Wilsonville Comprehensive Plan designations differ. The development code establishes districts to control land use throughout the city and regulates development standards within these established use districts. The comprehensive plan designation indicates the type of use allowed on a parcel.

The comprehensive plan designation of the parcel is Industrial, and the zoning is Planned Industrial Development (PDI).

Figure 2 – Area Zoning and Comprehensive Plan Designations



Source: City of Wilsonville

B. Infrastructure: Existing Conditions

Infrastructure

This section of the Report identifies the existing infrastructure in the Area. However, because this Area consists of only one parcel, this section will instead evaluate the infrastructure directly serving this parcel, along with an evaluation of the conditions of the infrastructure on the parcel itself. Information was obtained from documentation by City of Wilsonville staff.

1. Streets/Sidewalks/Pathways/Bike Lanes

The street servicing the property, SW 95th Avenue, is a minor arterial that is in good condition and meets City standards. SW 95th Avenue has adequate streetscape, sidewalks, curbs, and bike lanes.

There are currently no planned projects for SW 95th Avenue in the Capital Improvement Plan (CIP) or other planning documents.

2. Water

The water pipe serving the Area is a 2" domestic/2" irrigation that should be adequate for the current or future needs of the Area. There are no projects planned for the water infrastructure serving the Area in the CIP or other planning documents.

3. Storm Drainage Master Plan

The storm drain service in the Area is adequate for current and future use, and there are no planned projects for storm drain infrastructure serving the Area in the CIP or other planning documents. However, a building expansion or the addition of impervious surface could trigger new on-site stormwater improvements.

4. Sanitary Sewer

Sewer service to the Area is more than adequate for the current and future needs of the Area, and there are no planned projects for sewer infrastructure serving the Area in the CIP or other planning documents.

5. Parks

There are no public parks in the Area. The 2007 Parks and Recreation Master Plan identifies project P12 Industrial Area Waysides in the northwest industrial area of Wilsonville, which is currently underserved by parks or recreation facilities. These projects are not in the City's short or mid-term Capital Improvement Program and have not been sited.

6. Public Parking

There is no public parking in the Area, but there is a bank of private head-in parking along the south, west, and north ends of the building that should provide parking for over 150 vehicles.

7. Wetlands

Approximately 92,315 SF along the Area's western boundary along the Basalt Creek tributary is identified as wetland and within the City's Significant Resource Overlay Zone.

8. Conditions of Buildings

The building has 165,810 square feet of space. It has been mostly vacant and is considered underutilized.

C. Social Conditions

There is only one industrial parcel in the Area and there are no residents that reside within the Area.

D. Economic Conditions

Taxable Value of Property Within the Area

According to the Clackamas County Assessor's office, the estimated 2011/2012 total assessed value of the real property in the Area is \$6,800,000. The total assessed value including personal property is \$7,064,499. The building is underutilized, and if it was fully utilized and converted to a traded-sector use such as manufacturing, the values would increase.

The frozen base is estimated to be \$7,064,499.

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 (Impact of the Tax Increment Financing) 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 is an economic development project. The use of urban renewal funding for this project allows the City to provide an attractive industrial development incentive program that will be competitive with neighboring communities' Enterprise Zone programs. It also allows

the city to tap a different funding source besides the City of Wilsonville's general funds to support this program.

All necessary infrastructure to serve the Area is in place and none of the systems are slated for improvements in the CIP. Converting the building structure in the Area to optimized use will take advantage of the existing infrastructure. Because the structure will incur a change in use from warehousing to manufacturing, or another traded-sector use that meets program criteria, there may be a need for additional police and fire services. However, since this structure already exists and has received these services before, these are not totally new service requirements. In addition, a vacant structure can sometimes be vulnerable to vandalism, criminal activity and fire risk. Bringing the structure back to full use will help prevent such risks.

The revenue sharing feature of this urban renewal plan allows for tax increment to be shared with taxing jurisdictions including the City of Wilsonville at the onset of receipt by the Agency of tax increment funds. These funds will help offset any increased services.

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

The reason for selecting the Area is to cure blight by providing the ability to fund an economic incentive program to encourage private sector investment in an underutilized and/or vacant parcel of industrial zoned land.

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

The projects identified for the Area, including how they relate to the existing conditions in the Area, are described below:

A. Property Tax Rebates

This project offers an incentive to the private sector to convert underutilized industrial buildings into higher value traded-sector uses, such as manufacturing, in the Area. This project will provide tax rebates of a portion of incremental property tax increases to qualifying investments in the Area.

Existing Conditions:

This parcel is currently vacant and/or underutilized. It has 165,810 square feet of building space on 9.76 acres.

B. Debt Service and Administration

This project will allow for the repayment of costs associated with the preparation (including the potential repayment of the initial planning costs for the development of the urban renewal plan) adoption, and implementation of the 26755 SW 95th Avenue Urban Renewal Plan. This project also includes ongoing administration and any financing costs associated with the Plan.

Existing Conditions:

As there is currently no urban renewal program for this Area, these activities do not exist.

V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The costs of the projects are shown in Table 1. The sources of funds are tax increment revenues. A three percent annual inflation factor is used. These funds will be allocated to the following projects:

- Repayment of a portion of the urban renewal planning costs will occur in the first year that tax increment funds are received (\$12,000 in FY 2013-14, adjusted annually for inflation increases).
- Approximately \$15,000 in FY 2013-14, adjusted for inflation, will be allocated for program administration annually.
- The project will rebate up to 75% of the net tax increment revenue for three years for each qualifying company if the average wage of the 75 or more new jobs pay a minimum of 125% of the average Clackamas County wage rate (not including benefits) in effect at the time the rebate is paid, which for 2012 is \$25.33/hour or \$52,693 annual wage rate. Two additional years (five total) of property tax rebates are available if the average wage of the 75 or more new jobs pay 150% of average wages paid in Clackamas County at the time the rebate is paid, which for 2012 equals \$30.40 per hour, or a \$63,230 annual wage.
- Any net tax increment revenues in excess of what is needed for administrative expenses or tax rebates will be distributed to the impacted taxing jurisdictions.

Table 1 – Estimated Project Allocations

TIF Use	Amount
URA Administration	\$141,367
Rebate	\$11,786,512
Total	\$11,927,879

Source: ECONorthwest, TIF: Tax Increment Funds

VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The anticipated latest completion date of the projects in the 27655 SW 95th Avenue Urban Renewal Plan will be June 30 of the fiscal year ending 15 years after the approval of the Plan. If investments do not occur as outlined in the program guidelines, the Plan may be terminated earlier at the discretion of the Agency.

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

Table 2 shows a scenario for how this urban renewal plan may be implemented. This scenario relies on an investment by the developer of over \$407,000,000, in three successive years, receiving \$11,786,512 in tax rebates from tax increment funds received by the Agency. This results in approximately \$12 million in maximum indebtedness, and represents the maximum investment anticipated in the building. Lower investment levels will result in lower actual tax rebates and lower actual maximum indebtedness used. When a developer negotiates an agreement with the City, the projected rebate and revenue sharing numbers will be reevaluated, but may not exceed the \$12 million maximum indebtedness established in this Plan.

Table 2. Investment Schedule

Year	Investment Amount		
	Schedule 1	Schedule 2	Schedule 3
2013			
2014			
2015	137,000,000		
2016		135,000,000	
2017			135,000,000
2018			

Source: ECONorthwest

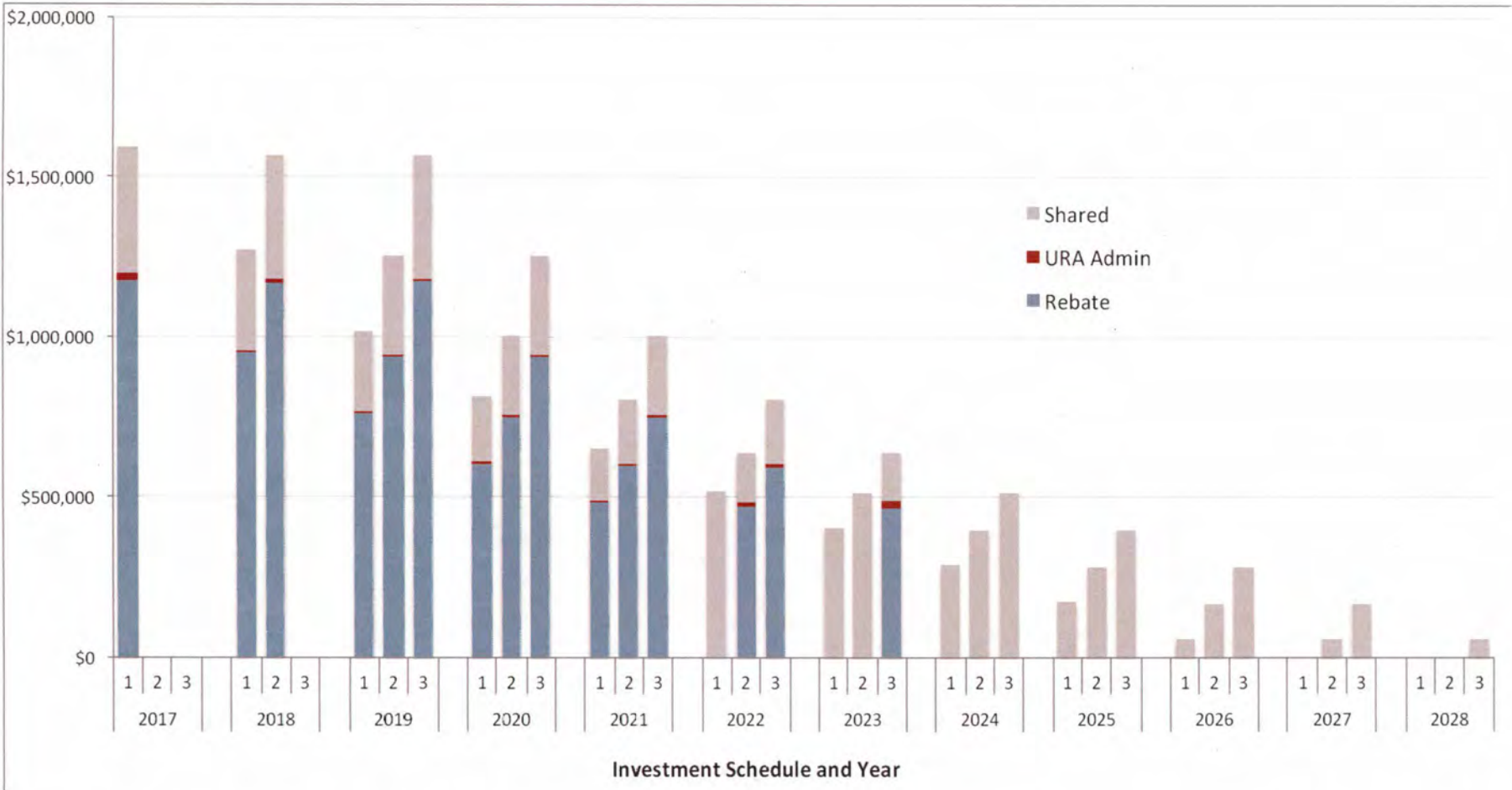
The tax increment revenues and their allocation to administrative costs, developer rebates, and the taxing jurisdictions' share of the increased property tax revenue are shown in Table 3. The 25% to taxing jurisdictions is held constant, the administrative costs are deducted from the 75% share to the developer. Since revenue sharing is anticipated at the onset of the Plan, and this revenue sharing exceeds the potential amount of distributions through revenue sharing required in ORS 457.470, the revenue sharing in ORS 457.470 has been waived by the taxing jurisdictions.

It is anticipated that all expenditures of tax increment funding will be completed within 15 years. The maximum indebtedness is \$12,000,000. In the scenario detailed in

Tables 2 and 3, the term of the rebate expires before all of the manufacturer's investment in equipment has depreciated. The result of this is the taxing jurisdictions begin to receive 100% of the TIF revenues in fiscal year 2023-24, and the total amount shared with taxing jurisdictions for the entire duration of the Area ends up being much higher than the net 25% share that is guaranteed during the time the developer is receiving rebates. Table 2 shows the total projected rebate to the developer in this scenario would be \$11,786,512 dollars, while the amount received by taxing jurisdictions is estimated at \$8,282,830 dollars over the 15 year life of the Plan. This is actually 41% of the total tax increment revenue.

Chart 1 depicts this scenario. Each individual investment provides rebates to the developer, and a portion of extra tax increment to taxing jurisdictions, for a five-year period, with any remaining increment shared with the taxing jurisdictions when that rebate period expires. The three investments are depicted in consecutive years, as shown by the 1,2,3 on the horizontal axis of the chart. As shown, once any one investment reaches the 6th year, all of the tax increment from that investment is shared with the taxing jurisdictions. This would be accomplished through an under levy.

Chart 1. Investment, Amortization, and Rebate Schedule



Source: ECONorthwest

There will be no loans or bonds issued. The amount of funding to service the maximum indebtedness will be raised through the payment of tax increment from the County Assessor's office. Because the project payments are predicated upon the annual tax increment on a formulaic basis allocating first to administrative costs, then a 75/25 split of increment between the developer and impacted taxing jurisdictions, the Plan will be financially feasible. No payments will be made without first receiving the increment from the assessor.

Table 3 – Tax Increment Revenues and Allocations to Project Costs Sample Scenario

FYE	URA Admin	Rebate	Shared	Total
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	\$28,883	\$1,165,514	\$398,133	\$1,592,530
2018	\$17,390	\$2,115,090	\$710,826	\$2,843,306
2019	\$17,912	\$2,865,034	\$960,981	\$3,843,927
2020	\$18,449	\$2,287,907	\$768,785	\$3,075,141
2021	\$19,002	\$1,826,030	\$615,010	\$2,460,042
2022	\$19,572	\$1,065,063	\$883,364	\$1,968,000
2023	\$20,159	\$461,872	\$1,080,797	\$1,562,828
2024	\$0	\$0	\$1,204,211	\$1,204,211
2025	\$0	\$0	\$859,716	\$859,716
2026	\$0	\$0	\$515,223	\$515,223
2027	\$0	\$0	\$228,592	\$228,592
2028	\$0	\$0	\$57,192	\$57,192
2029	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0
Total	\$141,367	\$11,786,512	\$8,282,830	\$20,210,708

Source: ECONorthwest, FYE: Fiscal Year End, URA: Urban Renewal Area

VIII. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues in the sample scenario, as shown above, are based on projections of the assessed value of investment that could occur within the Area, depreciation of the investment and the total tax rate that will apply in the Area. The assumptions include assumptions of development, as identified in the TIF Zones concept by the City of Wilsonville. Although these assumptions are used as a basis for evaluating the Plan, the financial feasibility is predicated on the simple formula that increased revenues will be shared by the City for administration, by the developer and by the taxing jurisdictions. No payments will be made until tax increment is received from the County Assessor. These payments will be distributed on a formula that includes payments for administrative costs, then a 75/25 split between the developer and impacted taxing jurisdictions.

Table 4 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Table 3. These projections include shared revenue with impacted taxing jurisdictions.

Table 5 shows the investment and depreciation assumptions used in preparing the financial analysis. In this scenario, all investment is assumed to be equipment, and so it is depreciated. The depreciation schedule used in this scenario is a half-year convention over a 10-year recovery period that was published by the Internal Revenue Service in its annual report for how to depreciate property. Depreciation is an annual income tax deduction that allows you to recover the cost or other basis of certain property over the time you use the property. It is an allowance for the wear and tear, deterioration, or obsolescence of the property. In this case, all the investment in property is assumed to depreciate to zero after 10 years. Property can be depreciated at different times throughout the year, depending on the accounting method used. Under the half year convention, you treat all property placed in service or disposed of during a tax year as placed in service or disposed of at the midpoint of the year. This means that a one-half year of depreciation is allowed for the year the property is placed in service or disposed of.

However, as stated above, for purposes of financial feasibility, the fact that no payments will be made until tax increment is received establishes financial feasibility.

Table 4 – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	TIF
2013	\$7,064,499	\$7,064,499	\$0	13.0968	-
2014	\$7,064,499	\$7,064,499	\$0	13.0936	-
2015	\$7,064,499	\$7,064,499	\$0	13.0793	-
2016	\$7,064,499	\$7,064,499	\$0	12.9159	-
2017	\$130,364,499	\$7,064,499	\$123,300,000	12.9159	\$1,592,530
2018	\$227,204,499	\$7,064,499	\$220,140,000	12.9159	\$2,843,306
2019	\$304,676,499	\$7,064,499	\$297,612,000	12.9159	\$3,843,927
2020	\$245,154,099	\$7,064,499	\$238,089,600	12.9159	\$3,075,141
2021	\$197,530,699	\$7,064,499	\$190,466,200	12.9159	\$2,460,042
2022	\$159,434,799	\$7,064,499	\$152,370,300	12.9159	\$1,968,000
2023	\$128,064,799	\$7,064,499	\$121,000,300	12.9159	\$1,562,828
2024	\$100,299,299	\$7,064,499	\$93,234,800	12.9159	\$1,204,211
2025	\$73,627,099	\$7,064,499	\$66,562,600	12.9159	\$859,716
2026	\$46,955,099	\$7,064,499	\$39,890,600	12.9159	\$515,223
2027	\$24,762,999	\$7,064,499	\$17,698,500	12.9159	\$228,592
2028	\$11,492,499	\$7,064,499	\$4,428,000	12.9159	\$57,192
2029	\$7,064,499	\$7,064,499	\$0	12.9159	-
2030	\$7,064,499	\$7,064,499	\$0	12.9159	-
Total					\$20,210,708

Source: ECONorthwest, FYE: Fiscal Year End, TIF Revenue: Tax Increment Revenue

Table 5 – Projected Investments and Depreciation Schedules

Calendar Year	FYE	Investment Schedule 1			Investment Schedule 2			Investment Schedule 3			Total RMV
		Value	Depreciation	RMV	Value	Depr.	RMV	Value	Depr.	RMV	
2013	2015										
2014	2016										
2015	2017	\$137,000,000	10.00%	\$123,300,000							\$123,300,000
2016	2018		18.00%	\$98,640,000	\$135,000,000	10.00%	\$121,500,000				\$220,140,000
2017	2019		14.40%	\$78,912,000		18.00%	\$97,200,000	\$135,000,000	10.00%	\$121,500,000	\$297,612,000
2018	2020		11.52%	\$63,129,600		14.40%	\$77,760,000		18.00%	\$97,200,000	\$238,089,600
2019	2021		9.22%	\$50,498,200		11.52%	\$62,208,000		14.40%	\$77,760,000	\$190,466,200
2020	2022		7.37%	\$40,401,300		9.22%	\$49,761,000		11.52%	\$62,208,000	\$152,370,300
2021	2023		6.55%	\$31,427,800		7.37%	\$39,811,500		9.22%	\$49,761,000	\$121,000,300
2022	2024		6.55%	\$22,454,300		6.55%	\$30,969,000		7.37%	\$39,811,500	\$93,234,800
2023	2025		6.56%	\$13,467,100		6.55%	\$22,126,500		6.55%	\$30,969,000	\$66,562,600
2024	2026		6.55%	\$4,493,600		6.56%	\$13,270,500		6.55%	\$22,126,500	\$39,890,600
2025	2027		3.28%	-		6.55%	\$4,428,000		6.56%	\$13,270,500	\$17,698,500
2026	2028					3.28%	-		6.55%	\$4,428,000	\$4,428,000
2027	2029								3.28%	-	\$0
2028	2030										

FYE: Fiscal Year End RMV: Real Market Value Depr.: Depreciation
Source: ECONorthwest

IX. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the new maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal 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 estimated for a 15-year period and are shown in Tables 6a and 6b. Table 6a shows the general government taxing jurisdictions and Table 6b shows the education taxing jurisdictions.

The concept for this plan, as defined by the City of Wilsonville, includes a 25% share of net tax increment proceeds with the affected taxing jurisdictions. This formula for revenue sharing is different than the formula described in Oregon Revised Statutes (ORS). Revenue sharing is part of the 2009 legislative changes to urban renewal and means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the area. By statute, the share is a percentage basis dependent upon the tax rates of the taxing jurisdictions. The first threshold is 10% of the original maximum indebtedness. At the 10% threshold, the urban renewal agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold, and the taxing jurisdictions will receive 75% of the increment above the 10% threshold. The second threshold is set at 12.5% of the maximum indebtedness. Since revenue sharing is anticipated at the onset of the Plan, and this revenue sharing exceeds the potential amount of distributions through revenue sharing required in ORS 457.470, the revenue sharing in ORS 457.470 has been waived by the taxing jurisdictions.

The West Linn-Wilsonville School District and the Education Service District 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 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 substantially replaced with State School Fund revenues, as determined by a funding formula at the state level. The formula for funding schools, as changed in the 2013 legislative session, is \$6,852 per pupil for FY 2013-14 and \$7,081 per pupil for FY 2014-15, an increase over the 2012 levels. According to the State of Oregon Department of Education, there was approximately

\$1 billion dollars of increased revenues allocated to school financing in the 2013 legislative session.¹

Tables 6a and 6b show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. It assumes the growth as projected in the other tables in this Report. **It does not offset the foregone revenues with the expected new revenues. Although the taxing jurisdictions are shown to forego approximately \$12 million, as shown in Tables 6a and 6b, they will receive approximately \$8 million, as shown in Table 3. Over the life of the Plan, the taxing jurisdictions will receive over 40% of the total tax increment revenues produced by this sample scenario.**

There is always some discussion about the true impact of urban renewal on the taxing jurisdictions as there is one line of thought that some of the growth projected would not occur "but for" urban renewal. In this case, the building is underutilized either through vacancy or type of use, and expectations are that it will remain underutilized in the future without developer incentives. Given this, there would be no expectation that any increase of property taxes would come from this building without the use of urban renewal.

There is no anticipated change in revenue for affected taxing jurisdictions upon termination of the Plan, which is expected in 15 years. All projected investment is equipment, and equipment's assessed value depreciates over time. By the time the Area expires, all equipment will be fully depreciated, so there will be no additional assessed value to tax. However, the taxing jurisdictions are receiving 25% of the net increment during the time period the developer is receiving 75% of the net increment, and they are receiving 100% of the increment for the remaining time frame of the Area, as shown in Table 3. If there are any improvements to the building itself, or increases in value of the building itself, the taxing jurisdictions would realize the increased taxes from those investments.

¹ Phone interview with Jan McComb, State of Oregon Department of Education, July 11, 2013.

Table 6a – Projected Impact on Taxing District Permanent Rate Levies (General Government)

FYE	Clackamas County	Tualatin Valley Fire & Rescue	City of Wilsonville	Port of Portland	Metro	COUNTY EXTENSION & 4-H	COUNTY LIBRARY	COUNTY SOIL CONS	VECTOR CONTROL	Subtotal
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	(222,328)	(141,043)	(233,092)	(6,482)	(8,933)	(4,624)	(36,750)	(4,624)	(601)	(658,477)
2018	(396,946)	(251,818)	(416,164)	(11,574)	(15,949)	(8,255)	(65,613)	(8,255)	(1,073)	(1,175,647)
2019	(536,639)	(340,438)	(562,621)	(15,647)	(21,562)	(11,160)	(88,703)	(11,160)	(1,451)	(1,589,381)
2020	(429,311)	(272,351)	(450,097)	(12,518)	(17,250)	(8,928)	(70,963)	(8,928)	(1,161)	(1,271,507)
2021	(343,439)	(217,874)	(360,067)	(10,014)	(13,799)	(7,142)	(56,768)	(7,142)	(929)	(1,017,174)
2022	(201,897)	(128,081)	(211,672)	(5,887)	(8,112)	(4,199)	(33,372)	(4,199)	(546)	(597,965)
2023	(89,727)	(56,922)	(94,071)	(2,616)	(3,605)	(1,866)	(14,831)	(1,866)	(243)	(265,747)
2024	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-
Total	(2,220,287)	(1,408,527)	(2,327,784)	(64,738)	(89,210)	(46,174)	(367,000)	(46,174)	(6,004)	(6,575,898)

Source: ECONorthwest.

Table 6b – Projected Impact on Taxing District Permanent Rate Levies (Education and Totals)

FYE	COM COLL CLACK (perm)	ESD CLACKAMAS	SCH WLINN/WILS (perm)	Subtotal Education	Subtotal Gen Govt	Total
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	(51,620)	(34,096)	(450,205)	(535,921)	(658,477)	(1,194,398)
2018	(92,162)	(60,874)	(803,797)	(956,833)	(1,175,647)	(2,132,480)
2019	(124,595)	(82,297)	(1,086,671)	(1,293,563)	(1,589,381)	(2,882,944)
2020	(99,676)	(65,838)	(869,337)	(1,034,851)	(1,271,507)	(2,306,358)
2021	(79,739)	(52,669)	(695,449)	(827,857)	(1,017,174)	(1,845,031)
2022	(46,876)	(30,962)	(408,832)	(486,670)	(597,965)	(1,084,635)
2023	(20,832)	(13,760)	(181,692)	(216,284)	(265,747)	(482,031)
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
Total	(515,500)	(340,496)	(4,495,983)	(5,351,979)	(6,575,898)	(11,927,877)

Source: ECONorthwest. Please refer to the explanation of the schools funding in the preceding section.

X. 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, including all real, personal, manufactured, and utility properties in the Urban Renewal Area, is projected to be \$7,064,499. The total assessed value of the City of Wilsonville is \$2,368,094,165. There are two existing urban renewal areas, as shown in Table 7. These two areas, plus the 27655 SW 95th Avenue Area, total 2.86% of the total assessed value of the City of Wilsonville, well below the 25% maximum. The 27655 SW 95th Avenue Area has 9.76 acres, including right-of-way, and the City of Wilsonville has 4,712 acres; the other two existing urban renewal areas total 1,023 acres. Therefore, 21.92% of the City's acreage is in an urban renewal area, below the 25% state limit.

Table 7 – Urban Renewal Area Conformance with Assessed Value and Acreage Limits

Urban Renewal Area	Assessed Value	Acres
26755 SW 95 th Avenue	\$7,064,499	9.76
Year 2000 Plan	\$44,087,806	567
West Side Plan	\$16,526,288	456
City of Wilsonville	\$2,368,094,165	4,712
Percent of Assessed Value in Urban Renewal	2.86%	
Percent of Acreage in Urban Renewal		21.92%

Source: City of Wilsonville, Clackamas County Assessor, U.S. Census Bureau

XI. RELOCATION REPORT

There is no relocation report required for the Plan. No relocation activities are anticipated.

ORDINANCE NO. 726

AN ORDINANCE MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO AND APPROVING A SINGLE-PROPERTY URBAN RENEWAL PLAN KNOWN AS THE 9805 SW BOECKMAN ROAD TIF ZONE.

WHEREAS, the City Council of the City of Wilsonville ("Council") has declared that blighted areas exist in the City of Wilsonville and has elected to have the powers of an urban renewal agency exercised by a board designated by the Council; and

WHEREAS, Council has declared that the name of the urban renewal agency shall be the Urban Renewal Agency of the City of Wilsonville ("Agency"); and

WHEREAS, the Agency, as the duly authorized and acting urban renewal agency of the City of Wilsonville, Oregon ("City"), is proposing to undertake certain urban renewal activities in a designated area within the City pursuant to ORS Chapter 457; and

WHEREAS, the Agency, pursuant to the requirements of ORS Chapter 457, has caused the preparation of an urban renewal plan which is attached to this Ordinance as Exhibit A and incorporated herein by this reference ("Plan"). The Plan authorizes urban renewal activities within the urban renewal area known as the **9805 SW BOECKMAN ROAD TIF Zone** (the "Area"); and

WHEREAS, the Agency has caused the preparation of a report to accompany the Plan as required by ORS 457.085(3) ("Report"), which Report is attached to this Ordinance as Exhibit B and incorporated herein by this reference; and

WHEREAS, the Plan and the Report were forwarded to the City of Wilsonville Planning Commission for recommendation, and the Planning Commission considered the Plan and Report on September 11, 2013, adopted a finding that the Plan conformed to the Wilsonville Comprehensive Plan, and recommends that the Plan be approved by the Wilsonville City Council, which recommendation is attached to this Ordinance as Exhibit C and incorporated herein by this reference; and

WHEREAS, the Plan and the Report were forwarded on September 9 and 23, 2013 to the governing body of each taxing district affected by the Plan, and the Agency has thereafter consulted and conferred with said districts; and

WHEREAS, on September 23, 2013 representatives of the Agency met with representatives of Clackamas County to review the Plan, including proposed maximum indebtedness for the Plan; and

WHEREAS, the City Council has received written confirmation supporting the Plan by taxing districts imposing at least 75 percent of the amount of taxes imposed under permanent rate limits in the urban renewal plan area for the fiscal year prior to fiscal year 2013-2014; and
(Please note: this is subject to change pending what we actually receive in total from the taxing bodies.)

WHEREAS, on October 1, 2013 the City caused notice of the hearing to be held before the City Council on the Plan, including the required statements of ORS 457.120(3), through an article in the October 2013 Boones Ferry Messenger that was mailed to all City of Wilsonville mailing addresses in the 97070 zip code, which includes all postal patrons of the City of Wilsonville; and

WHEREAS, on October 21, 2013 the City Council held a public hearing to review and consider the Plan and Report, the recommendation of the Planning Commission, and the public testimony and exhibits received on that date, and does by this Ordinance desire to approve the Plan.

**NOW THEREFORE, THE COUNCIL OF THE CITY OF WILSONVILLE
ORDAINS AS FOLLOWS:**

Section 1: Based on the information provided in the Report, the recommendation of the Planning Commission, and the public testimony and exhibits before the City Council, the City Council hereby determines and finds that the Plan complies with all requirements of ORS Chapter 457 and the specific criteria of ORS 457.095(1) through (7), in that:

1. The area designated in the Plan as the Area is blighted, as defined by ORS 457.010(1) and is eligible for inclusion within the Plan because of conditions described in Section II

of the Report, including underdevelopment and underutilization of property within the Area.

2. The rehabilitation and redevelopment described in the Plan to be undertaken by the Agency is necessary to protect the public health, safety and welfare of the City because absent the completion of the urban renewal projects, the Area will fail to contribute its fair share of property tax revenues to support City services and will fail to develop and/or redevelop according the goals of the City's Comprehensive Plan.
3. The Plan conforms to the Wilsonville Comprehensive Plan as a whole, and provides an outline for accomplishing the projects described in the Plan, as more fully described in Chapter XI of the Plan and the Planning Commission Report.
4. The Plan conforms to the Wilsonville Economic Development Strategy as more fully described in Chapter XI of the Plan.
5. No acquisition of real property is provided for in the Plan. Since no acquisition of land is provided in the Plan, therefore, no residential displacement will occur.
6. Adoption and carrying out the Plan is economically sound and feasible in that funds are available to complete the Plan projects using urban renewal tax increment revenues derived from a division of taxes pursuant to section 1c, Article IX of the Oregon Constitution and ORS 457.440, and other available funding as shown in Sections V, VI, VII, VIII and IX of the Report; and
7. The City shall assume and complete any activities prescribed it by the Plan.
8. The City Council expressly accepts the written recommendations received from the following responsive taxing districts: Clackamas County, Tualatin Valley Fire and Rescue, West Linn/Wilsonville School District, and the Port of Portland. The City Council is a municipal taxing district and also approved the revenue sharing model in the

Plan pursuant to Resolution No. 2441. *(Please note: this is subject to change pending what we actually receive in total from the taxing bodies.)*

Section 2: Based upon the foregoing determinations and findings, and the record in these proceedings, including, but not limited to the Plan, the Report, the recommendations of the Planning Commission, the confirmations by the other taxing districts, and the public testimony and exhibits in the record, the Plan attached hereto as Exhibit A is hereby approved and adopted.

Section 3: The City Recorder shall forward forthwith to the Agency a copy of this Ordinance.

Section 4: The Agency shall thereafter cause a copy of the Plan to be recorded in the Records of Clackamas County, Oregon.

Section 5: The City Recorder, in accordance with ORS 457.115, shall publish notice of the adoption of the Ordinance approving the Plan, including the provisions of ORS 457.135, in the **Wilsonville Spokesman** or **The Oregonian** no later than four days following adoption of this Ordinance.

Section 6: This Plan is being adopted in accordance with the applicable legal requirements and shall be conclusively presumed valid for all purposes 90 days after adoption of the Plan by this Ordinance. Pursuant to Ordinance 457.135, no direct or collateral attack on the action may thereafter be commenced.

SUBMITTED to the Wilsonville City Council and read for the first time at a regular meeting thereof on the 21st day of October, 2013, at the hour of 7:00 p.m. at the Wilsonville City Hall 29799 SW Town Center Loop East, Wilsonville, Oregon, and scheduled for second reading on the 4th day of November, 2013, commencing at the hour of 7:00 p.m. at Wilsonville City Hall.

Sandra C. King, MMC, City Recorder

ENACTED BY THE City Council on the ____ day of November, 2013 by the following votes:

YEAS: _____ NAYS: _____

Sandra C. King, MMC, City Recorder

DATED and signed by the Mayor this ____ day of November, 2013.

TIM KNAPP, MAYOR

SUMMARY OF VOTES:

Mayor Knapp	_____
Councilor Goddard	_____
Councilor Starr	_____
Councilor Fitzgerald	_____
Councilor Stephens	_____

Attachments:

- Exhibit A - **9805 SW BOECKMAN ROAD** TIF Zone Plan
- Exhibit B - **9805 SW BOECKMAN ROAD** TIF Zone Report
- Exhibit C - Planning Commission Notice of Decision UR13-0001

9805 SW Boeckman Road Urban Renewal Plan



Prepared for the City of Wilsonville
August 5, 2013

City of Wilsonville

List of Participants

Urban Renewal Board Chair:

Tim Knapp

Urban Renewal Board Members:

Julie Fitzgerald
Richard Goddard
Scott Starr
Susie Stevens

(Urban Renewal Board is also Wilsonville City Council)

Planning Commission:

Ben Altman, Chair
Eric Postma, Vice Chair
Al Levit
Marta McGuire
Peter Hurley
Phyllis Millan
Ray Phelps

Economic Development Strategy Task Force:

Ron Adams, Chair, Board of Education, Clackamas Community College

Vince Alexander, Wilsonville Resident (resigned December 2012)

Mychelle Ashlock, Operations Manager, Northwest Rugs – Wilsonville

Lita Colligan, Associate Vice President for Strategic Partnerships and
Government Relations, Oregon Tech (OIT) Wilsonville

Catherine Comer, Business & Economic Development Manager,
Clackamas County Economic Development (resigned March 2013)

Danielle Cowan, Executive Director, Clackamas County Tourism & Cultural
Affairs

Brenner Daniels, Investment Advisor, Holland Partner Group

Mike Duyck, Fire Chief, Tualatin Valley Fire & Rescue District (TVFRD)

Lonnie Gieber, Committee Member, City of Wilsonville Budget Committee

Gale Lasko, General Manager/Partner, Lamb's Market at Wilsonville

Ray Lister, Membership Development Coordinator, International Brotherhood of
Electrical Workers (IBEW), Local 48

Susan Myers, General Manager, Capital Realty Corp.

Craig Olson, Sr. Director/Site Manager, Rockwell Collins Head-Up Guidance Systems

Ray Phelps, Past President, Wilsonville Chamber of Commerce

Dr. William Rhoades, Superintendent, West Linn-Wilsonville School District

Fred Robinson, General Manager, Kinetics Climax, Inc.

Dick Spence, Wilsonville Resident

Alan Steiger, CPA, Committee Member, City of Wilsonville Budget Committee

Sandra Suran, CPA, Principal, The Suran Group, LLC

Doris Wehler, Past President, Wilsonville Chamber of Commerce

Boyd Westover, Plant Manager, Eaton Corporation, Portland Power Center

Carol White, Wilsonville Resident

City Manager:	Bryan Cosgrove
Community Development Director:	Nancy Kraushaar
Finance Director:	Joanne Ossanna
Urban Renewal Manager:	Kristin Retherford
Planning Director:	Chris Neamtzu

Consultant Team:	Elaine Howard Consulting LLC, Elaine Howard, James Vanden Bos
	ECONorthwest, Lorelei Juntunen, Nick Popenuk, Tessa Krebs
	Jeannette Launer, Legal Counsel
	Leslie Vanden Bos, Editor

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I. DEFINITIONS

"Area" means the properties and rights of way located within this 9805 SW Boeckman Urban Renewal Plan urban renewal boundary.

"City" means the City of Wilsonville, Oregon.

"City Council" or "Council" means the City Council of the City of Wilsonville.

"Comprehensive Plan" means the City of Wilsonville Comprehensive Plan and its implementing ordinances, policies, and standards.

"County" means Clackamas County.

"Economic Development Strategy Task Force" means a focused, limited-duration task force composed of leading community members and business managers who helped guide the Economic Development Strategy process and made a recommendation to the City Council.

"Enterprise Zones" means a program established by the State of Oregon in ORS 285C.045-.255, as amended, to provide tax incentives to businesses to locate in specifically designated areas of the state.

"Fiscal year" means the year commencing on July 1 and closing on June 30, the following year.

"Frozen base" means the total assessed value, including all real, personal, manufactured, and utility values within an urban renewal area at the time of plan approval. The county assessor certifies the assessed value after the approval of an urban renewal plan.

"Increment" means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value of the frozen base.

"Maximum indebtedness" means the amount of the principal of indebtedness included in a plan, pursuant to ORS 457.190, and does not include indebtedness incurred to refund or refinance existing indebtedness.

“ORS” means the Oregon revised statutes, specifically Chapter 457, which relates to urban renewal.

“Planning Commission” means the Wilsonville Planning Commission.

“Tax increment financing (TIF)” means the system that generates tax revenue through the division of taxes authorized by ORS 457.420 et.seq.

“Tax increment revenues” means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the Area.

“TIF Zones” is the concept established by the Wilsonville City Council that is designed to offer incentives similar to enterprise zones, which stimulate property investment and employment opportunities. This concept is implemented as an urban renewal area.

“Urban renewal agency (agency)” means an urban renewal agency created under ORS 457.035 and 457.045. This agency is responsible for the administration of the urban renewal plan.

“Urban renewal plan” or “Plan” means this 9805 SW Boeckman Road Urban Renewal Plan, as it exists or is changed or modified from time to time, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135, and 457.220.

“Urban renewal project (project)” means any work or undertaking carried out under ORS 457.170 in the Area.

“Urban renewal report” means the official report that accompanies the urban renewal plan, pursuant to ORS 457.085(3).

II. INTRODUCTION

In February 2012, the City of Wilsonville established an Economic Development Advisory Committee (the “Committee”) to develop a strategy for the City’s economic development activities. After six months of public meetings, focus groups, interviews and an economic development summit, the Committee created an *Economic Development Strategy* that was adopted by the Wilsonville City Council in August 2012. The *Economic Development Strategy* describes a vision and principles for City economic development, and recommends twelve actions that are described in some detail. In particular, the *Economic Development Strategy* noted that the City should convene a task force to develop criteria to guide (1) the use of incentives to attract or retain businesses, (2) what businesses would qualify for incentives and under what conditions, (3) what types of incentives would be available to businesses, (4) the funding sources to support the incentives, and (5) expectations of businesses given incentives.

In November 2012, an Economic Development Strategy Task Force (the “Task Force”) was appointed and developed a framework for an incentive program that would more strategically position Wilsonville among its Portland metro-area competitors for economic development. The Task Force consisted of 21 individuals comprising a cross-section of the community. In the process of considering 10 different incentive options, single-property urban renewal districts, called Tax Increment Finance Zones (TIF Zones) emerged as one of the preferred incentive mechanisms. The Task Force recommendation to the Wilsonville City Council proposed the development of five TIF Zones. In Wilsonville, these urban renewal areas will fill a role similar to that of an Enterprise Zone, providing partial property tax rebates for qualifying investments occurring on the properties, thus encouraging companies to locate in Wilsonville and provide valuable economic benefits to the community. This proposal was taken before the City’s electorate in March 2013 and approved by 78.8 percent of voters.

While the TIF Zone incentive packages are similar to Enterprise Zones in concept, they will differ in several key ways in an attempt to make TIF Zones both a lower risk use of public funds and more attractive to potential investors. Each site selected to be a TIF Zone will require the creation of a separate urban renewal plan and report because each site will be its own, individual, urban renewal area. As established by the Task Force, TIF Zone properties must have 100,000 square feet or more of industrially-zoned building space that has the potential for conversion from warehousing to a higher-value, traded-sector use such as manufacturing.

The Agency has prepared the 9805 SW Boeckman Road Urban Renewal Plan (Plan) based on the recommendations of the Task Force. This Plan establishes the second of up to six urban renewal areas using the TIF Zone concept. The Plan contains goals, objectives, and projects for the development of the 9805 SW Boeckman Road Urban Renewal Area (Area). The overall purpose of the Plan is to use tax increment financing to provide incentives for economic investment, to cure blight in underutilized buildings, using strategies that are competitive with Enterprise Zones in other communities in the region.

In general, the purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped. These areas can have old or deteriorated buildings, public spaces that need improvements, streets and utilities in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. The Area selected is an underutilized, industrial-zoned area of Wilsonville that has had a history of partial or complete vacancy and where existing conditions have presented a barrier to attracting new private sector financial investment to convert the Area to a higher-value, traded sector use.

Urban renewal allows for the use of tax increment financing, a financing source that is unique to urban renewal, to fund its projects. Tax increment revenues – the amount of property taxes generated by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established – are used to accomplish projects identified by the urban renewal agency. In this case, other than administration, the Plan has only one project, which is repayment in the form of partial property tax reimbursement for qualifying capital infrastructure investment that increases assessed value and job creation.

The specific projects to be approved in this Plan are outlined in Sections IV and V.

Urban renewal is put into effect when the local government (the City of Wilsonville, in this case) adopts an urban renewal plan. The urban renewal plan defines the urban renewal area, states goals and objectives for the area, lists projects and programs that can be undertaken, provides a dollar limit on the funds that can be borrowed for urban renewal projects, and states how the plan may be changed in the future.

The Area, shown in Figure 1, consists of approximately 24.98 acres.

The Plan will be administered by the Wilsonville Urban Renewal Agency, which was activated by the Wilsonville City Council as the City's Urban Renewal Agency.

Substantial changes to the Plan, if necessary, must be approved by the City Council, as outlined in Section X of this Plan.

An Urban Renewal Report, which accompanies the Plan, contains additional information, as required by ORS 457.085. The technical information in the Report includes:

- A description of the physical, social, and economic conditions in the area;
- Expected impact of the Plan, including fiscal impact, in light of increased services;
- Reasons for selection of each Area in the Plan;
- The relationship between each project to be undertaken and the existing conditions;
- The total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area, and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; and
- A relocation report.

The Plan will be active for a maximum of 15 years as explained in Section V, subsection A, below. If no qualifying investment occurs in the Area that uses the Plan project incentives within five years after the effective date of the Plan, then the Plan will immediately be terminated. The maximum amount of indebtedness (amount of tax increment financing for projects and programs) that may be issued for the Plan is \$12,000,000. For TIF Zones, maximum indebtedness reflects the total of the tax repayment obligation to the qualifying company and represents the maximum amount of tax increment to be collected to meet this obligation as well as administrative costs.

III. GOALS AND OBJECTIVES

The goals of the Plan represent the basic intents and purposes. Accompanying each goal are objectives, which generally describe how the Agency intends to achieve the goals. The urban renewal projects identified in Sections IV and V of the Plan are the specific means of meeting the objectives. The goals relate to adopted plans, as detailed in Section XI, and were developed with input from the Wilsonville Economic Development Strategy Task Force. The goals and objectives will be pursued as economically as is feasible and at the discretion of the urban renewal agency.

Goal 1: *PUBLIC INVOLVEMENT*

Maintain a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the urban renewal adoption process.

Objectives:

1. Provide opportunities for public input throughout the adoption process, including a public open house, Planning Commission meeting, and City Council hearing.
2. Provide information on urban renewal on the City of Wilsonville's website.

Goal 2: *ECONOMY*

Encourage the economic growth of the Area by encouraging local industrial investment and manufacturing jobs using existing infrastructure and promoting new use of vacant and underutilized industrial properties.

Objectives:

1. Provide steady, family-wage jobs for the community.
2. Generate investment that will bolster the local economy and provide revenue for local taxing jurisdictions.
3. Promote the reuse of vacant buildings and encourage infill development by providing incentives for investors to locate in an existing building or build on a site already in the middle of an industrial area and use the existing infrastructure.
4. Partner with public and private entities to incentivize and generate private investment.

Figure 1 – 9805 SW Boeckman Road Urban Renewal Area Boundary



Source: City of Wilsonville

IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES

The primary project within the Area will be providing the return of incremental property taxes to developers as an incentive for redevelopment. Another small use of funds will be to pay for the preparation and administration of the Plan.

V. URBAN RENEWAL PROJECTS

The urban renewal projects authorized by the Plan are described below. These projects are consistent with the Wilsonville Economic Development Strategy and are in conformance with the Wilsonville Comprehensive Plan, as detailed in Section XI of this Plan.

As shown in the Report, urban renewal funds will primarily be used as an incentive to spur industrial development, investment, and job creation. The details of the projects are as follows:

A. Property tax rebates

This project offers an incentive to the private sector to convert under-utilized industrial buildings into higher value traded-sector uses, such as manufacturing. This project will provide tax rebates of a portion of incremental property tax increases to qualifying investments in the Area.

Property tax rebate mechanics

The project will rebate up to 75% of the tax increment revenue for three years for each company that:

- Invests at least \$25 million in capital improvements and/or qualified equipment, and;
- Creates 75 or more new, permanent, full-time jobs that pay a minimum of 125% of the average Clackamas County wage rate (not including benefits) in effect at the time the rebate is paid which for 2012 is \$25.33/hour or \$52,693 annual wage rate.

Two additional years (five total) of property tax rebates are available if the average wage of the 75 or more new jobs pay 150% of average wages paid in Clackamas County, which for 2012 equals \$30.40 per hour, or a \$63,230 annual wage.

Additional three- and five-year rebate periods could begin, after approval by the Agency, with any additional new capital investment and job creation meeting the above minimum criteria, providing the potential for up to 10 years of rebates. Again, however, qualified investment needs to be made within five years of program adoption. This limits the potential life of the program and rebates to up to 15 years. Qualifying Businesses must be manufacturing firms. If no qualifying investment has been made in the Area within five years of the effective date of the Plan, the Area will be dissolved.

Any businesses receiving Area benefits will be monitored by the Agency for compliance with qualifying criteria and no rebate shall be given if the business fails to meet any of the qualifications. Additionally, if a business which has received a rebate discontinues business operations in the Area within two years after it receives each rebate payment it will be required to return all or a portion of the rebate as follows. Should a business discontinue business operations within the Area within 12 months after receiving a rebate, the business shall be required to reimburse the Agency 100% of the rebate payment. Should a business discontinue business operations within 24 months of receiving a rebate, the business shall be required to reimburse the Agency 50% of the rebate payment.

B. Debt repayment and project administration

This project will allow for the repayment of costs associated with the preparation, including the potential repayment of the initial planning costs for the development of the urban renewal plan, adoption, and implementation of the Plan. This project also includes ongoing administration of the Plan.

VI. PROPERTY ACQUISITION AND DISPOSITION

The Plan does not authorize the acquisition and disposition of property.

VII. RELOCATION METHODS

No relocation assistance will be provided because this Plan does not authorize property acquisition. If relocation is required, the Agency will comply with relocation methods required under state law.

VIII. LAND USES

The proposed land use is industrial development. The maximum densities and building requirements are contained in the Wilsonville Development Code.

IX. TAX INCREMENT FINANCING OF PLAN

Tax increment financing consists of using annual tax increment revenues to make payments on debt and to finance the urban renewal projects authorized in the Plan. Tax increment revenues equal most of the annual property taxes imposed on the cumulative *increase* in assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is adopted. (Under current law, the property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.)

A. General description of the proposed financing methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues; and/or
- Any other public or private source.

Revenues obtained by the Agency will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in planning or undertaking project activities, or otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Tax increment financing and maximum indebtedness

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Agency based upon the distribution schedule established under ORS 311.390.

The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion, is \$12,000,000.

C. Prior indebtedness

Any indebtedness permitted by law and incurred by the Agency or the City of Wilsonville in connection with the preparation of this Plan or prior planning efforts that support the preparation or implementation of this Plan may be repaid from tax increment revenues from the Area when, and if, such funds are available.

X. FUTURE AMENDMENTS TO PLAN

The Plan may be amended as described in this section.

A. Substantial Amendments

Substantial Amendments are amendments that:

- Add land to the urban renewal area, except for an addition of land that totals not more than 1% of the existing area of the urban renewal area; or
- Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Planning Commission, and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing shall be provided

to individuals or households within the City of Wilsonville, as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

B. Minor Amendments

Minor Amendments are amendments that are not Substantial Amendments in scope. Minor Amendments require approval by the Agency by resolution.

C. Amendments to the Wilsonville Comprehensive Plan and/or Wilsonville Development Code

Amendments to the Wilsonville Comprehensive Plan and/or Wilsonville Development Code that affect the Plan and/or the Area shall be incorporated automatically within the Plan without any separate action required by the Agency or the City Council.

Figure 2 – Zoning and Comprehensive Plan Designations



Source: City of Wilsonville

XI. RELATIONSHIP TO LOCAL OBJECTIVES

The Plan relates to local planning and development objectives contained within the City of Wilsonville's Comprehensive Plan and Economic Development Strategy. The following section describes the purpose and intent of these plans, the particular goals and policies within each planning document to which the proposed Plan relates, and an explanation of how the Plan relates to these goals and policies. The numbering of the goals, policies, and implementation strategies will reflect the numbering that occurs in the original document. Italicized text is text that has **not** been taken directly from an original planning document. The Zoning and Comprehensive Plan designations are shown in Figure 2.

This is not a comprehensive list of all parts of the Wilsonville Comprehensive Plan that are supported by this Plan. This list includes the major goals and policies from the Comprehensive Plan that are supported. However, there may be other goals and policies that are not listed, but are still supported by this Plan.

A. City of Wilsonville Comprehensive Plan

The Wilsonville Comprehensive Plan was updated in January 2013. The Comprehensive Plan is an official statement of the goals, policies, implementation measures, and physical plan for the development of the City. The Plan documents the City's approach to the allocation of available resources for meeting current and anticipated future needs. In doing so, it records current thinking regarding economic and social conditions. Because these conditions change over time, the Plan must be directive, but flexible, and must also be periodically reviewed and revised to consider changes in circumstances.

Section A: Citizen Involvement

Goal 1.1 To encourage and provide means for interested parties to be involved in land use planning processes, on individual cases and City-wide programs and policies.

Policy 1.1.1 The City of Wilsonville shall provide opportunities for a wide range of public involvement in City planning programs and processes.

The Plan conforms with Goals 1.1 and Policy 1.1.1 by involving the citizens of Wilsonville in both the creation of the TIF Zone framework and in the decision of whether or not to use that framework to encourage economic development. The Economic Development Strategy Task Force was comprised of a cross-section of members of the community and it helped to both determine that urban renewal areas, then called TIF Zones, were appropriate to use in Wilsonville, and

helped decide how these incentives should work. Later, a city-wide vote was held so that the community could weigh in on the decision of whether or not to use TIF Zones. Citizens were included in the adoption phase of the urban renewal plan through a public open house, Planning Commission meeting, and City Council hearing that was noticed as required in ORS 45.

Goal 1.2 For Wilsonville to have an interested, informed, and involved citizenry.

Implementation Measure 1.2.1.c. Establish procedures to allow interested parties reasonable access to information on which public bodies will base their land use planning decisions.

Policy 1.3 The City of Wilsonville shall coordinate with other agencies and organizations involved with Wilsonville's planning programs and policies.

The Plan conforms with Goals 1.2, Policy 1.3, and their Implementation Measures by involving the citizens of Wilsonville in both the creation of the TIF Zone framework and in the decision of whether or not to use that framework to encourage economic development. The Economic Development Strategy Task Force was comprised of a cross-section of members of the community and it helped to both determine that urban renewal areas, then called TIF Zones, were appropriate to use in Wilsonville, and helped decide how these incentives should work. In addition, taxing jurisdictions received formal notice, and, if desired, a briefing on the Plan. Representatives of the three major taxing jurisdictions were included as members of the Task Force that recommended the creation of TIF Zones.

Section C: Urban Growth Management

Goal 2.1 To allow for urban growth while maintaining community livability, consistent with the economics of development, City administration, and the provision of public facilities and services.

Implementation Measure 2.1.1.a. Allow development within the City where zoning has been approved and other requirements of the Comprehensive Plan have been met.

Implementation Measure 2.1.1.c. Encourage a balance between residential, industrial, and commercial land use, based on the provisions of this Comprehensive Plan.

Implementation Measure 2.1.1.d. Establish and maintain revenue sources to support the City's policies for urbanization and maintain needed public services and facilities.

Policy 2.1.1 The City of Wilsonville shall support the development of all land within the City, other than designated open spaces, consistent with the land use designations of the Comprehensive Plan.

The Plan conforms with Goal 2.1, Policy 2.1.1, and their Implementation Measures by providing financial incentives for the redevelopment of lands already designated as urban and already provided with infrastructure. By doing this, the Plan encourages growth and development within the urban growth boundary, and helps relieve pressures on lands outside of the urban growth boundary.

Section D: Land Use and Development

Goal 4.1 To have an attractive, functional, economically vital community with a balance of different types of land.

Policy 4.1.1 The City of Wilsonville shall make land use and planning decisions to achieve Goal 4.1.

Implementation Measure 4.1.1.d. In the process of administering the City's Comprehensive Plan, careful consideration will be given to the economic impacts of proposed policies, programs and regulations. Efforts will be made to simplify and streamline the planning and zoning review process while maintaining the quality of development.

Implementation Measure 4.1.1.e. The City shall protect existing and planned industrial and commercial lands from incompatible land uses, and will attempt to minimize deterrents to desired industrial and commercial development.

Implementation Measure 4.1.1.m. Encourage a balance between light industrial and residential growth within the City.

The Plan conforms with Goal 4.1, Policy 4.1.1, and their Implementation Measures by encouraging the redevelopment of local industrial buildings. This redevelopment will enrich the balanced land uses within Wilsonville. Also, by encouraging redevelopment of the Area, the Plan helps support an economically vital community by bringing jobs to the community and by reducing the number of vacant or underutilized industrial buildings in the City.

Policy 4.1.3 City of Wilsonville shall encourage light industry compatible with the residential and urban nature of the City.

Implementation Measure 4.1.3.a. Develop an attractive and economically sound community.

Implementation Measure 4.1.3.c. Favor capital intensive, rather than labor intensive, industries within the City.

Implementation Measure 4.1.3.e. Site industries where they can take advantage of existing transportation corridors such as the freeway, river, and railroad.

The Plan conforms with Goal 4.1, Policy 4.1.3, and their Implementation Measures by encouraging the redevelopment of local industrial buildings. This redevelopment will help maintain a healthy mix of industrial jobs and industry within the community, and will encourage industrial activities to sites where they can take advantage of existing transportation corridors and other infrastructure.

B. Wilsonville Economic Development Strategy

The Economic Development Strategy was completed in August 2012, and sets forth an economic strategy for Wilsonville that describes actions to be taken by the public sector for the purpose of stimulating private sector activity. This strategy was developed with the assistance of an advisory committee that met over the course of 4 months and considered input from the community provided in the form of focus groups, interviews with business leaders, an economic summit, public comments and a community survey. The end result was a vision statement for economic development in Wilsonville, and a list of 6 actions to be taken by the public sector. Specific actions that are directly supported by this Urban Renewal Plan are listed below, but other actions from the Economic Development Strategy will also benefit from the successful implementation of this Plan.

Action 2.1 Promote reuse of vacant building, infill development, and redevelopment.

Action 6.2 Develop criteria to guide the use of incentives to attract or retain businesses.

The projects in the Plan conform with the Economic Development Strategy. They will help to encourage the reuse of existing industrial buildings and infill development by providing an incentive package similar to that of neighboring communities. This incentive package will help incentivize and generate private investment, which will in turn provide jobs for the community and an increased tax base to support local services and infrastructure.

C. Wilsonville Development Code

The Wilsonville Development Code - Planning and Land Development was enacted for the purpose of promoting the general public welfare by ensuring procedural due process in the administration and enforcement of the City's Comprehensive Plan, Zoning, Design Review, Land Division, and Development Standards. It is contained as Chapter 4 of the Wilsonville Code.

The zoning designation for the property in the Area is PDI - Planned Development Industrial Zone. It is shown in Figure 2. The Plan is not proposing any new zones or

code amendments, nor are there any proposals that would modify any of the existing zones or land uses. The Plan will comply with all requirements of the existing zoning.

D. City of Wilsonville Transportation Systems Plan

The City of Wilsonville Transportation Systems Plan (TSP) was adopted by the Wilsonville City Council on June 17, 2013.

The TSP is the City's long-term transportation plan and is an element of its Comprehensive Plan. It includes policies, projects, and programs that could be implemented through the City's Capital Improvement Plan, development requirements, or grant funding.

The 2013 TSP process built upon two decades of community planning to create a complete community transportation plan that integrates all travel modes. Most of the policies and projects come from prior adopted plans, including the Comprehensive Plan, 2003 TSP, 2006 Bicycle and Pedestrian Master Plan, and 2008 Transit Master Plan. While the TSP replaces the 2003 TSP in its entirety, it updates and builds upon the 2006 Bicycle and Pedestrian Master Plan and 2008 Transit Master Plan. Where these documents may be in conflict, the new TSP takes precedence.

SW Boeckman Road is designated as a minor arterial, a truck route and a bicycle route.¹ The TSP Executive Summary identifies several SW Boeckman Road projects as being a high priority, including bridge and corridor improvements, dip improvements and urban upgrades, and sidewalk and bikelane infill.² SW Boeckman Road is also identified as having a cross section deficiency near the Area.³ Public bus lines do run along SW Boeckman Road, and though they do not run all the way east to the Area, the Area is considered to be within the SMART Service Area.

The Plan conforms with the City of Wilsonville Transportation System Plan as the redevelopment planned for the Area is an industrial use and SW Boeckman Avenue will be used as designated in the TSP. SW Boeckman Avenue is classified as a minor arterial, anticipating truck travel.

¹ City of Wilsonville Transportation System Plan, 2013, Figure 3-2 Functional Class Designations, p 3-6; Figure 3-4 Freight Routes, p 3-9; Figure 3-5 Bicycle Routes, p 3-11.

² City of Wilsonville Transportation System Plan, 2013, Executive Summary, p v.

³ City of Wilsonville Transportation System Plan, 2013, Figure 4-1 Roadway Cross-Section Deficiencies, p 4-5.

APPENDIX A: LEGAL DESCRIPTION

9805 SW BOECKMAN ROAD URBAN RENEWAL DISTRICT WILSONVILLE, OREGON

Lots and maps are taken from Assessor's Tax Maps from July, 2013, and attached hereto. The area is described as that land containing that lot or parcel of property situated in the City of Wilsonville, County of Clackamas, and the State of Oregon, lying in Section 11, Township 3 South, Range 1 West of the Willamette Meridian, bounded as follows:

Commencing at a point common to Sections 11 and 14, Township 3 South, Range 1 West, Willamette Meridian, Clackamas County, Oregon. Thence North, 1320 feet, more or less; Thence West, 780 feet, more or less, to the point of intersection of the Northeast corner of Tax Lot 900, and the Oregon Electric Railroad Company's West right-of-way line, Assessor's Plat 3 1W 11C, and being the **POINT OF BEGINNING**.

1. Thence South along said West right-of-way line, 1403 feet, more or less, to the point of intersection of said Oregon Electric Railroad Company's West right-of-way line, and the North right-of-way line of Boeckman Road;
2. Thence West along said North right-of-way line, 1087 feet, more or less, to the point of intersection of said North right-of-way line and the East right-of-way line of proposed Kinsman Road
3. Thence North along said East right-of-way line, 1260 feet, more or less, to the Northwest corner of said Tax Lot 900;
4. Thence East, 525 feet, more or less, to the **POINT OF BEGINNING**.

The described property, located entirely within the City of Wilsonville, County of Clackamas and the State of Oregon, contains **twenty five (25)**, acres, more or less.

Due to the possibility of errors in the acreage shown on the Assessor's Tax Maps used to compute the property acreage, the acreage given hereon should be considered accurate to the nearest 1 acre.

REPORT ACCOMPANYING 9805 SW BOECKMAN ROAD URBAN RENEWAL PLAN



Prepared for the City of Wilsonville

August 5, 2013

**REPORT ACCOMPANYING
9805 SW BOECKMAN ROAD
URBAN RENEWAL PLAN**

Consulting team:

Elaine Howard Consulting, LLC

Elaine Howard

James Vanden Bos

ECONorthwest

Lorelei Juntunen

Nick Popunek

Tessa Krebs

Jeannette Launer, Legal Counsel

Leslie Vanden Bos, Editor

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DRAFT

I. INTRODUCTION

The Report on the 9805 SW Boeckman Road Urban Renewal Plan (Report) contains background information and project details that pertain to the 9805 SW Boeckman Road Urban Renewal Plan (Plan). The Report is not a legal part of the Plan, but is intended to provide public information and a basis for the findings made by the City Council as part of its approval of the Plan.

The Report provides information required by ORS 457.085(3). The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan, but also documents the existing conditions in the 9805 SW Boeckman Road Urban Renewal Area (Area).

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility.

Figure 1 – 9805 SW Boeckman Road Urban Renewal Plan Area Boundary



Source: City of Wilsonville

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

This section of the Report describes existing conditions within the 9805 SW Boeckman Road Urban Renewal Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

A. Physical Conditions

Land Use

According to data obtained from the City of Wilsonville and the Clackamas County Assessor’s office, the Area, shown in Figure 1 above, contains 1 industrial use parcel that has 301,000 square feet of building space on 24.98 acres.

Zoning and Comprehensive Plan Designations

In the City of Wilsonville, the Wilsonville Development Code and the Wilsonville Comprehensive Plan designations differ. The development code establishes districts to control land use throughout the city and regulates development standards within these established use districts. The comprehensive plan designation indicates the type of use allowed on a parcel.

The comprehensive plan designation of the parcel is Industrial, and the zoning is Planned Industrial Development (PDI).

Figure 2 – Area Zoning and Comprehensive Plan Designations



Source: City of Wilsonville

B. Infrastructure: Existing Conditions

Infrastructure

This section of the Report identifies the existing infrastructure in the Area. However, because this Area consists of only one parcel, this section will instead evaluate the infrastructure directly serving this parcel, along with an evaluation of the conditions of the infrastructure on the parcel itself. Information was obtained from documentation by City of Wilsonville staff.

1. Streets/Sidewalks/Pathways/Bike Lanes

The street servicing the property, SW Boeckman Road, is a minor arterial that is in good condition and meets City standards. SW Boeckman Road has adequate streetscape, sidewalks, curbs, and bike lanes.

There are several planned projects for SW Boeckman Road in the Capital Improvement Plan (CIP), but none of them are in the immediate vicinity of the Area.

2. Water

The water pipe serving the Area is a 3" domestic / 1.5" irrigation that should be adequate for the current or future needs of the Area. There are no projects planned for the water infrastructure serving the Area in the CIP or other planning documents.

3. Storm Drainage Master Plan

The storm drain service in the Area is adequate for current and future use, and there are no planned projects for storm drain infrastructure serving the Area in the CIP or other planning documents. However, a building expansion or the addition of impervious surface could trigger new on-site stormwater improvements.

4. Sanitary Sewer

Sewer service to the Area is more than adequate for the current and future needs of the Area, and there are no planned projects for sewer infrastructure serving the Area in the CIP or other planning documents.

5. Parks

There are no public parks in the Area. The 2007 Parks and Recreation Master Plan identifies project P12 Industrial Area Waysides in the northwest industrial area of Wilsonville, which is currently underserved by parks or recreation facilities. These projects are not in the City's short or mid-term Capital Improvement Program and have not been sited.

6. Public Parking

There is no public parking in the Area, but there is a bank of private head-in parking along the south end of the building that should provide parking for over 150 vehicles.

7. Wetlands

Approximately 127,361 SF along the Area's western boundary is identified as the Coffee Creek wetland buffer and is within the City's Significant Resource Overlay Zone (SROZ).

8. Conditions of Buildings

The building has 301,000 square feet of space. It is currently vacant.

C. Social Conditions

There is only one industrial parcel in the Area and there are no residents that reside within the Area.

D. Economic Conditions

Taxable Value of Property Within the Area

According to the Clackamas County Assessor's office, the estimated 2011/2012 total assessed value of the real property in the Area is \$10,879,601. The building is underutilized, and if it was fully utilized and converted to a traded-sector use such as manufacturing, the values would increase.

The frozen base is estimated to be \$10,879,601.

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 (Impact of the Tax Increment Financing) 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 is an economic development project. The use of urban renewal funding for this project allows the City to provide an attractive industrial development incentive program that will be competitive with neighboring communities' Enterprise Zone programs. It also allows the city to tap a different funding source besides the City of Wilsonville's general funds to support this program.

All necessary infrastructure to serve the Area is in place and none of the systems are slated for improvements in the CIP. Converting the building structure in the Area to optimized use will take advantage of the existing infrastructure. Because the structure will incur a change in use from warehousing to manufacturing, or another traded-sector use that meets program criteria, there may be a need for additional police and fire services. However, since this structure already exists and has received these services before, these are not totally new service requirements. In addition, a vacant structure can sometimes be vulnerable to vandalism, criminal activity and fire risk. Bringing the structure back to full use will help prevent such risks.

The revenue sharing feature of this urban renewal plan allows for tax increment to be shared with taxing jurisdictions including the City of Wilsonville at the onset of receipt by the Agency of tax increment funds. These funds will help offset any increased services.

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

The reason for selecting the Area is to cure blight by providing the ability to fund an economic incentive program to encourage private sector investment in an underutilized and/or vacant parcel of industrial zoned land.

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

The projects identified for the Area, including how they relate to the existing conditions in the Area, are described below:

A. Property Tax Rebates

This project offers an incentive to the private sector to convert underutilized industrial buildings into higher value traded-sector uses, such as manufacturing, in the Area. This project will provide tax rebates of a portion of incremental property tax increases to qualifying investments in the Area.

Existing Conditions:

This parcel is currently vacant and/or underutilized. It has 301,000 square feet of building space on 24.98 acres.

B. Debt Service and Administration

This project will allow for the repayment of costs associated with the preparation (including the potential repayment of the initial planning costs for the development of the urban renewal plan) adoption, and implementation of the 9805 SW Boeckman Road Urban Renewal Plan. This project also includes ongoing administration and any financing costs associated with the Plan.

Existing Conditions:

As there is currently no urban renewal program for this Area, these activities do not exist.

V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The costs of the projects are shown in Table 1. The sources of funds are tax increment revenues. A three percent annual inflation factor is used. These funds will be allocated to the following projects:

- Repayment of a portion of the urban renewal planning costs will occur in the first year that tax increment funds are received (\$12,000 in FY 2013-14, adjusted annually for inflation increases).
- Approximately \$15,000 in FY 2013-14, adjusted for inflation, will be allocated for program administration annually.
- The project will rebate up to 75% of the net tax increment revenue for three years for each qualifying company if the average wage of the 75 or more new jobs pay a minimum of 125% of the average Clackamas County wage rate (not including benefits) in effect at the time the rebate is paid, which for 2012 is \$25.33/hour or \$52,693 annual wage rate. Two additional years (five total) of property tax rebates are available if the average wage of the 75 or more new jobs pay 150% of average wages paid in Clackamas County at the time the rebate is paid, which for 2012 equals \$30.40 per hour, or a \$63,230 annual wage.
- Any net tax increment revenues in excess of what is needed for administrative expenses or tax rebates will be distributed to the impacted taxing jurisdictions.

Table 1 – Estimated Project Allocations

TIF Use	Amount
URA Administration	\$141,367
Rebate	\$11,786,512
Total	\$11,927,879

Source: ECONorthwest, TIF: Tax Increment Funds

VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The anticipated latest completion date of the projects in the 9805 SW Boeckman Road Urban Renewal Plan will be June 30 of the fiscal year ending 15 years after the approval of the Plan. If investments do not occur as outlined in the program guidelines, the Plan may be terminated earlier at the discretion of the Agency.

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

Table 2 shows a scenario for how this urban renewal plan may be implemented. This scenario relies on an investment by the developer of over \$407,000,000, in three successive years, receiving \$11,786,512 in tax rebates from tax increment funds received by the Agency. This results in approximately \$12 million in maximum indebtedness, and represents the maximum investment anticipated in the building. Lower investment levels will result in lower actual tax rebates and lower actual maximum indebtedness used. When a developer negotiates an agreement with the City, the projected rebate and revenue sharing numbers will be reevaluated, but may not exceed the \$12 million maximum indebtedness established in this Plan.

Table 2. Investment Schedule

Year	Investment Amount		
	Schedule 1	Schedule 2	Schedule 3
2013			
2014			
2015	\$ 137,000,000		
2016		\$135,000,000	
2017			\$135,000,000
2018			

Source: ECONorthwest

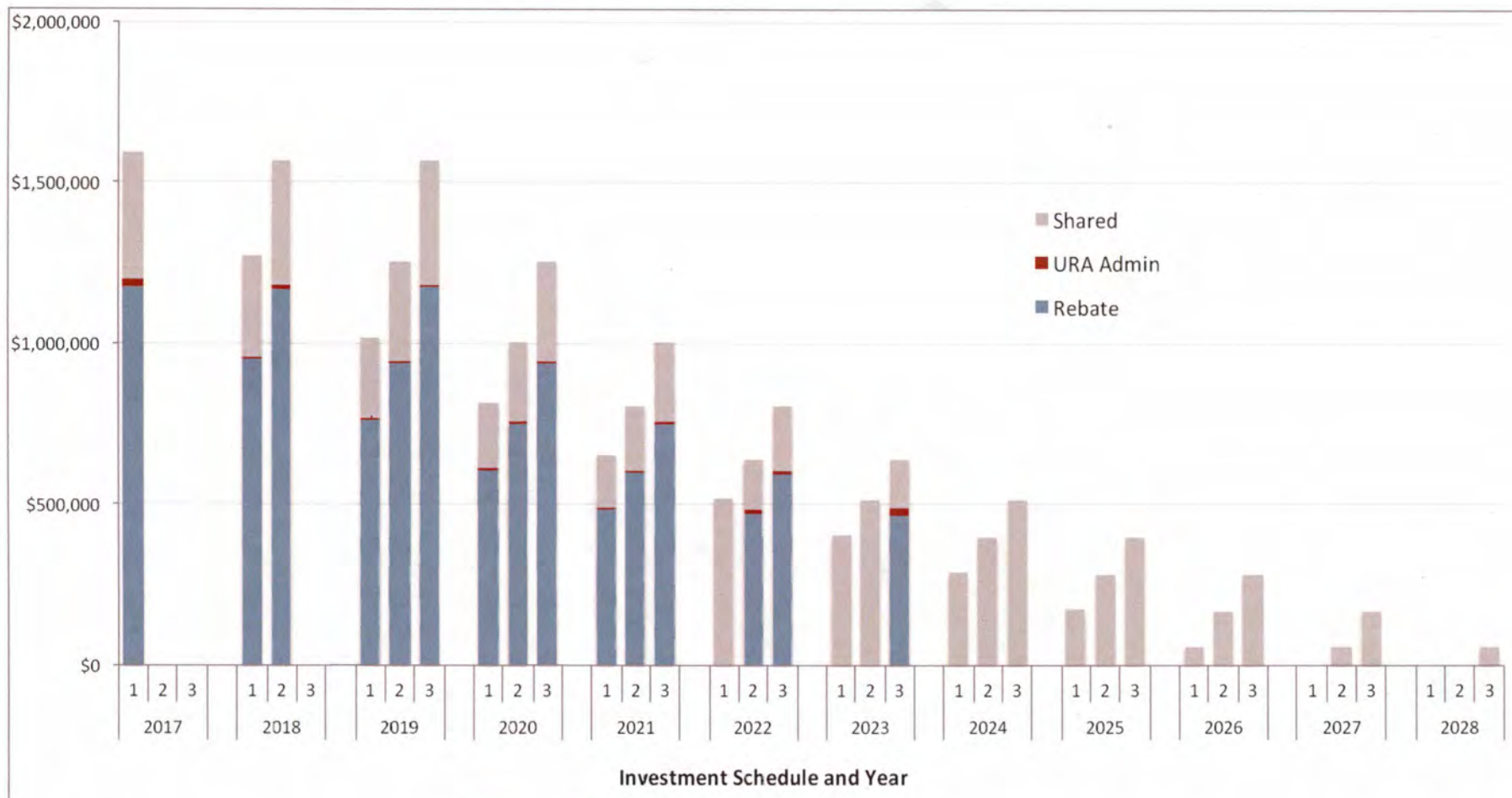
The tax increment revenues and their allocation to administrative costs, developer rebates, and the taxing jurisdictions' share of the increased property tax revenue are shown in Table 3. The 25% to taxing jurisdictions is held constant, the administrative costs are deducted from the 75% share to the developer. Since revenue sharing is anticipated at the onset of the Plan, and this revenue sharing exceeds the potential

amount of distributions through revenue sharing required in ORS 457.470, the revenue sharing in ORS 457.470 has been waived by the taxing jurisdictions.

It is anticipated that all expenditures of tax increment funding will be completed within 15 years. The maximum indebtedness is \$12,000,000. In the scenario detailed in Tables 2 and 3, the term of the rebate expires before all of the manufacturer's investment in equipment has depreciated. The result of this is the taxing jurisdictions begin to receive 100% of the TIF revenues in fiscal year 2023-24, and the total amount shared with taxing jurisdictions for the entire duration of the Area ends up being much higher than the net 25% share that is guaranteed during the time the developer is receiving rebates. Table 2 shows the total projected rebate to the developer in this scenario would be \$11,786,512 dollars, while the amount received by taxing jurisdictions is estimated at \$8,282,830 dollars over the 15 year life of the Plan. This is actually 41% of the total tax increment revenue.

Chart 1 depicts this scenario. Each individual investment provides rebates to the developer, and a portion of extra tax increment to taxing jurisdictions, for a five-year period, with any remaining increment shared with the taxing jurisdictions when that rebate period expires. The three investments are depicted in consecutive years, as shown by the 1,2,3 on the horizontal axis of the chart. As shown, once any one investment reaches the 6th year, all of the tax increment from that investment is shared with the taxing jurisdictions. This would be accomplished through an under levy.

Chart 1. Investment, Amortization, and Rebate Schedule



Source: ECONorthwest

There will be no loans or bonds issued. The amount of funding to service the maximum indebtedness will be raised through the payment of tax increment from the County Assessor's office. Because the project payments are predicated upon the annual tax increment on a formulaic basis allocating first to administrative costs, then a 75/25 split of increment between the developer and impacted taxing jurisdictions, the Plan will be financially feasible. No payments will be made without first receiving the increment from the assessor.

Table 3 – Tax Increment Revenues and Allocations to Project Costs Sample Scenario

	URA Admin	Rebate	Shared	Total
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	\$28,883	\$1,165,514	\$398,133	\$1,592,530
2018	\$17,390	\$2,115,090	\$710,826	\$2,843,306
2019	\$17,912	\$2,865,034	\$960,981	\$3,843,927
2020	\$18,449	\$2,287,907	\$768,785	\$3,075,141
2021	\$19,002	\$1,826,030	\$615,010	\$2,460,042
2022	\$19,572	\$1,065,063	\$883,364	\$1,968,000
2023	\$20,159	\$461,872	\$1,080,797	\$1,562,828
2024	\$0	\$0	\$1,204,211	\$1,204,211
2025	\$0	\$0	\$859,716	\$859,716
2026	\$0	\$0	\$515,223	\$515,223
2027	\$0	\$0	\$228,592	\$228,592
2028	\$0	\$0	\$57,192	\$57,192
2029	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0
Total	\$141,367	\$11,786,512	\$8,282,830	\$20,210,708

Source: ECONorthwest, FYE: Fiscal Year End, URA: Urban Renewal Area

VIII. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues in the sample scenario, as shown above, are based on projections of the assessed value of investment that could occur within the Area, depreciation of the investment and the total tax rate that will apply in the Area. The assumptions include assumptions of development, as identified in the TIF Zones concept by the City of Wilsonville. Although these assumptions are used as a basis for evaluating the Plan, the financial feasibility is predicated on the simple formula that increased revenues will be shared by the City for administration, by the developer and by the taxing jurisdictions. No payments will be made until tax increment is received from the County Assessor. These payments will be distributed on a formula that includes payments for administrative costs, then a 75/25 split between the developer and impacted taxing jurisdictions.

Table 4 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Table 3. These projections include shared revenue with impacted taxing jurisdictions.

Table 5 shows the investment and depreciation assumptions used in preparing the financial analysis. In this scenario, all investment is assumed to be equipment, and so it is depreciated. The depreciation schedule used in this scenario is a half-year convention over a 10-year recovery period that was published by the Internal Revenue Service in its annual report for how to depreciate property. Depreciation is an annual income tax deduction that allows you to recover the cost or other basis of certain property over the time you use the property. It is an allowance for the wear and tear, deterioration, or obsolescence of the property. In this case, all the investment in property is assumed to depreciate to zero after 10 years. Property can be depreciated at different times throughout the year, depending on the accounting method used. Under the half-year convention, you treat all property placed in service or disposed of during a tax year as placed in service or disposed of at the midpoint of the year. This means that a one-half year of depreciation is allowed for the year the property is placed in service or disposed of.

However, as stated above, for purposes of financial feasibility, the fact that no payments will be made until tax increment is received establishes financial feasibility.

Table 4 – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	TIF
2013	\$10,879,601	\$10,879,601	\$0	13.0968	-
2014	\$10,879,601	\$10,879,601	\$0	13.0936	-
2015	\$10,879,601	\$10,879,601	\$0	13.0793	-
2016	\$10,879,601	\$10,879,601	\$0	12.9159	-
2017	\$134,179,601	\$10,879,601	\$123,300,000	12.9159	\$1,592,530
2018	\$231,019,601	\$10,879,601	\$220,140,000	12.9159	\$2,843,306
2019	\$308,491,601	\$10,879,601	\$297,612,000	12.9159	\$3,843,927
2020	\$248,969,201	\$10,879,601	\$238,089,600	12.9159	\$3,075,141
2021	\$201,345,801	\$10,879,601	\$190,466,200	12.9159	\$2,460,042
2022	\$163,249,901	\$10,879,601	\$152,370,300	12.9159	\$1,968,000
2023	\$131,879,901	\$10,879,601	\$121,000,300	12.9159	\$1,562,828
2024	\$104,114,401	\$10,879,601	\$93,234,800	12.9159	\$1,204,211
2025	\$77,442,201	\$10,879,601	\$66,562,600	12.9159	\$859,716
2026	\$50,770,201	\$10,879,601	\$39,890,600	12.9159	\$515,223
2027	\$28,578,101	\$10,879,601	\$17,698,500	12.9159	\$228,592
2028	\$15,307,601	\$10,879,601	\$4,428,000	12.9159	\$57,192
2029	\$10,879,601	\$10,879,601	\$0	12.9159	-
2030	\$10,879,601	\$10,879,601	\$0	12.9159	-
Total					\$20,210,708

Source: ECONorthwest, FYE: Fiscal Year End, TIF: Tax Increment Funds

Table 5 – Projected Investments and Depreciation Schedules

Calendar Year	FYE	Investment Schedule 1			Investment Schedule 2			Investment Schedule 3			Total RMV
		Value	Depreciation	RMV	Value	Depr.	RMV	Value	Depr.	RMV	
2013	2015										
2014	2016										
2015	2017	\$137,000,000	10.00%	\$123,300,000							\$123,300,000
2016	2018		18.00%	\$98,640,000	\$135,000,000	10.00%	\$121,500,000				\$220,140,000
2017	2019		14.40%	\$78,912,000		18.00%	\$97,200,000	\$135,000,000	10.00%	\$121,500,000	\$297,612,000
2018	2020		11.52%	\$63,129,600		14.40%	\$77,760,000		18.00%	\$97,200,000	\$238,089,600
2019	2021		9.22%	\$50,498,200		11.52%	\$62,208,000		14.40%	\$77,760,000	\$190,466,200
2020	2022		7.37%	\$40,401,300		9.22%	\$49,761,000		11.52%	\$62,208,000	\$152,370,300
2021	2023		6.55%	\$31,427,800		7.37%	\$39,811,500		9.22%	\$49,761,000	\$121,000,300
2022	2024		6.55%	\$22,454,300		6.55%	\$30,969,000		7.37%	\$39,811,500	\$93,234,800
2023	2025		6.56%	\$13,467,100		6.55%	\$22,126,500		6.55%	\$30,969,000	\$66,562,600
2024	2026		6.55%	\$4,493,600		6.56%	\$13,270,500		6.55%	\$22,126,500	\$39,890,600
2025	2027		3.28%	-		6.55%	\$4,428,000		6.56%	\$13,270,500	\$17,698,500
2026	2028					3.28%	-		6.55%	\$4,428,000	\$4,428,000
2027	2029								3.28%	-	\$0
2028	2030										

FYE: Fiscal Year End RMV: Real Market Value Depr.: Depreciation
Source: ECONorthwest

IX. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the new maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal 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 estimated for a 15-year period and are shown in Tables 6a and 6b. Table 6a shows the general government taxing jurisdictions and Table 6b shows the education taxing jurisdictions.

The concept for this plan, as defined by the City of Wilsonville, includes a 25% share of net tax increment proceeds with the affected taxing jurisdictions. This formula for revenue sharing is different than the formula described in Oregon Revised Statutes (ORS). Revenue sharing is part of the 2009 legislative changes to urban renewal and means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the area. By statute, the share is a percentage basis dependent upon the tax rates of the taxing jurisdictions. The first threshold is 10% of the original maximum indebtedness. At the 10% threshold, the urban renewal agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold, and the taxing jurisdictions will receive 75% of the increment above the 10% threshold. The second threshold is set at 12.5% of the maximum indebtedness. Since revenue sharing is anticipated at the onset of the Plan, and this revenue sharing exceeds the potential amount of distributions through revenue sharing required in ORS 457.470, the revenue sharing in ORS 457.470 has been waived by the taxing jurisdictions.

The West Linn-Wilsonville School District and the Education Service District 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 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 substantially replaced with State School Fund revenues, as determined by a funding formula at the state level. The formula for funding schools, as changed in the 2013 legislative session, is \$6,852 per pupil for FY 2013-14 and \$7,081 per pupil for FY 2014-15, an increase over the 2012 levels. According to the State of Oregon Department of Education,

there was approximately \$1 billion dollars of increased revenues allocated to school financing in the 2013 legislative session.¹

Tables 6a and 6b show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. It assumes the growth as projected in the other tables in this Report. **It does not offset the foregone revenues with the expected new revenues. Although the taxing jurisdictions are shown to forego approximately \$12 million, as shown in Tables 6a and 6b, they will receive approximately \$8 million, as shown in Table 3. Over the life of the Plan, the taxing jurisdictions will receive over 40% of the total tax increment revenues produced by this sample scenario.**

There is always some discussion about the true impact of urban renewal on the taxing jurisdictions as there is one line of thought that some of the growth projected would not occur "but for" urban renewal. In this case, the building is underutilized either through vacancy or type of use, and expectations are that it will remain underutilized in the future without developer incentives. Given this, there would be no expectation that any increase of property taxes would come from this building without the use of urban renewal.

There is no anticipated change in revenue for affected taxing jurisdictions upon termination of the Plan, which is expected in 15 years. All projected investment is equipment, and equipment's assessed value depreciates over time. By the time the Area expires, all equipment will be fully depreciated, so there will be no additional assessed value to tax. However, the taxing jurisdictions are receiving 25% of the net increment during the time period the developer is receiving 75% of the net increment, and they are receiving 100% of the increment for the remaining time frame of the Area, as shown in Table 3. If there are any improvements to the building itself, or increases in value of the building itself, the taxing jurisdictions would realize the increased taxes from those investments.

¹ Phone interview with Jan McComb, State of Oregon Department of Education, July 11, 2013.

Table 6a – Projected Impact on Taxing District Permanent Rate Levies (General Government)

FYE	Clackamas County	Tualatin Valley Fire & Rescue	City of Wilsonville	Port of Portland	Metro	COUNTY EXTENSION & 4-H	COUNTY LIBRARY	COUNTY SOIL CONS	VECTOR CONTROL	Subtotal
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	(222,328)	(141,043)	(233,092)	(6,482)	(8,933)	(4,624)	(36,750)	(4,624)	(601)	(658,477)
2018	(396,946)	(251,818)	(416,164)	(11,574)	(15,949)	(8,255)	(65,613)	(8,255)	(1,073)	(1,175,647)
2019	(536,639)	(340,438)	(562,621)	(15,647)	(21,562)	(11,160)	(88,703)	(11,160)	(1,451)	(1,589,381)
2020	(429,311)	(272,351)	(450,097)	(12,518)	(17,250)	(8,928)	(70,963)	(8,928)	(1,161)	(1,271,507)
2021	(343,439)	(217,874)	(360,067)	(10,014)	(13,799)	(7,142)	(56,768)	(7,142)	(929)	(1,017,174)
2022	(201,897)	(128,081)	(211,672)	(5,887)	(8,112)	(4,199)	(33,372)	(4,199)	(546)	(597,965)
2023	(89,727)	(56,922)	(94,071)	(2,616)	(3,605)	(1,866)	(14,831)	(1,866)	(243)	(265,747)
2024	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-
Total	(2,220,287)	(1,408,527)	(2,327,784)	(64,738)	(89,210)	(46,174)	(367,000)	(46,174)	(6,004)	(6,575,898)

Source: ECONorthwest.

Table 6b – Projected Impact on Taxing District Permanent Rate Levies (Education and Totals)

FYE	COM COLL CLACK (perm)	ESD CLACKAMAS	SCH WLINN/WILS (perm)	Subtotal Education	Subtotal Gen Govt	Total
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	(51,620)	(34,096)	(450,205)	(535,921)	(658,477)	(1,194,398)
2018	(92,162)	(60,874)	(803,797)	(956,833)	(1,175,647)	(2,132,480)
2019	(124,595)	(82,297)	(1,086,671)	(1,293,563)	(1,589,381)	(2,882,944)
2020	(99,676)	(65,838)	(869,337)	(1,034,851)	(1,271,507)	(2,306,358)
2021	(79,739)	(52,669)	(695,449)	(827,857)	(1,017,174)	(1,845,031)
2022	(46,876)	(30,962)	(408,832)	(486,670)	(597,965)	(1,084,635)
2023	(20,832)	(13,760)	(181,692)	(216,284)	(265,747)	(482,031)
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
Total	(515,500)	(340,496)	(4,495,983)	(5,351,979)	(6,575,898)	(11,927,877)

Source: ECONorthwest. Please refer to the explanation of the schools funding in the preceding section.

X. 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, including all real, personal, manufactured, and utility properties in the Urban Renewal Area, is projected to be \$10,879,601. The total assessed value of the City of Wilsonville is \$2,368,094,165. There are three existing urban renewal areas, as shown in Table 7. These three areas, plus the 9805 SW Boeckman Road Area, total 3.32% of the total assessed value of the City of Wilsonville, well below the 25% maximum. The 9805 SW Boeckman Road Area has 24.98 acres, including right-of-way, and the City of Wilsonville has 4,614.4 acres; the other three existing urban renewal areas total 1,032.76 acres. Therefore, 22.45% of the City's acreage is in an urban renewal area, below the 25% state limit.

Table 7 – Urban Renewal Area Conformance with Assessed Value and Acreage Limits

Urban Renewal Area	Assessed Value	Acres
9805 SW Boeckman Road	\$10,879,601	24.98
26755 SW 95 th Avenue	\$7,064,499	9.76
Year 2000 Plan	\$44,087,806	567
West Side Plan	\$16,526,288	456
City of Wilsonville	\$2,368,094,165	4,712
Percent of Assessed Value in Urban Renewal	3.32%	
Percent of Acreage in Urban Renewal		22.45%

Source: City of Wilsonville, Clackamas County Assessor, U.S. Census Bureau

XI. RELOCATION REPORT

There is no relocation report required for the Plan. No relocation activities are anticipated.

ORDINANCE NO. 727

AN ORDINANCE MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO AND APPROVING A SINGLE-PROPERTY URBAN RENEWAL PLAN KNOWN AS THE 25600 SW PARKWAY CENTER DRIVE TIF ZONE.

WHEREAS, the City Council of the City of Wilsonville ("Council") has declared that blighted areas exist in the City of Wilsonville and has elected to have the powers of an urban renewal agency exercised by a board designated by the Council; and

WHEREAS, Council has declared that the name of the urban renewal agency shall be the Urban Renewal Agency of the City of Wilsonville ("Agency"); and

WHEREAS, the Agency, as the duly authorized and acting urban renewal agency of the City of Wilsonville, Oregon ("City"), is proposing to undertake certain urban renewal activities in a designated area within the City pursuant to ORS Chapter 457; and

WHEREAS, the Agency, pursuant to the requirements of ORS Chapter 457, has caused the preparation of an urban renewal plan which is attached to this Ordinance as Exhibit A and incorporated herein by this reference ("Plan"). The Plan authorizes urban renewal activities within the urban renewal area known as the **25600 SW PARKWAY CENTER DRIVE TIF Zone** (the "Area"); and

WHEREAS, the Agency has caused the preparation of a report to accompany the Plan as required by ORS 457.085(3) ("Report"), which Report is attached to this Ordinance as Exhibit B and incorporated herein by this reference; and

WHEREAS, the Plan and the Report were forwarded to the City of Wilsonville Planning Commission for recommendation, and the Planning Commission considered the Plan and Report on September 11, 2013, adopted a finding that the Plan conformed to the Wilsonville Comprehensive Plan, and recommends that the Plan be approved by the Wilsonville City Council, which recommendation is attached to this Ordinance as Exhibit C and incorporated herein by this reference; and

WHEREAS, the Plan and the Report were forwarded on September 9 and 23, 2013 to the governing body of each taxing district affected by the Plan, and the Agency has thereafter consulted and conferred with said districts; and

WHEREAS, on September 24, 2013 the City met with representatives of Washington County to review the Plan, including proposed maximum indebtedness for the Plan; and

WHEREAS, the City Council has received written confirmation supporting the Plan by taxing districts imposing at least 75 percent of the amount of taxes imposed under permanent rate limits in the urban renewal plan area for the fiscal year prior to fiscal year 2013-2014; and
(Please note: this is subject to change pending what we actually receive in total from the taxing bodies.)

WHEREAS, on October 1, 2013 the City caused notice of the hearing to be held before the City Council on the Plan, including the required statements of ORS 457.120(3), through an article in the October 2013 Boones Ferry Messenger that was mailed to all City of Wilsonville mailing addresses in the 97070 zip code, which includes all postal patrons of the City of Wilsonville; and

WHEREAS, on October 21, 2013 the City Council held a public hearing to review and consider the Plan and Report, the recommendation of the Planning Commission, and the public testimony and exhibits received on that date, and does by this Ordinance desire to approve the Plan.

**NOW THEREFORE, THE COUNCIL OF THE CITY OF WILSONVILLE
ORDAINS AS FOLLOWS:**

Section 1: Based on the information provided in the Report, the recommendation of the Planning Commission, and the public testimony before the City Council, the City Council hereby determines and finds that the Plan complies with all requirements of ORS Chapter 457 and the specific criteria of ORS 457.095(1) through (7), in that:

1. The area designated in the Plan as the Area is blighted, as defined by ORS 457.010(1) and is eligible for inclusion within the Plan because of conditions described in Section II

of the Report, including underdevelopment and underutilization of property within the Area.

2. The rehabilitation and redevelopment described in the Plan to be undertaken by the Agency is necessary to protect the public health, safety and welfare of the City because absent the completion of the urban renewal projects, the Area will fail to contribute its fair share of property tax revenues to support City services and will fail to develop and/or redevelop according the goals of the City's Comprehensive Plan.
3. The Plan conforms to the Wilsonville Comprehensive Plan as a whole, and provides an outline for accomplishing the projects described in the Plan, as more fully described in Chapter XI of the Plan and the Planning Commission Report.
4. The Plan conforms to the Wilsonville Economic Development Strategy as more fully described in Chapter XI of the Plan.
5. No acquisition of real property is provided for in the Plan. Since no acquisition of land is provided in the Plan, therefore, no residential displacement will occur.
6. Adoption and carrying out the Plan is economically sound and feasible in that funds are available to complete the Plan projects using urban renewal tax increment revenues derived from a division of taxes pursuant to section 1c, Article IX of the Oregon Constitution and ORS 457.440, and other available funding as shown in Sections V, VI, VII, VIII and IX of the Report; and
7. The City shall assume and complete any activities prescribed it by the Plan.
8. The City Council expressly accepts the written recommendations received from the following responsive taxing districts: Washington County, Tualatin Valley Fire and Rescue, West Linn/Wilsonville School District, and the Port of Portland. The City Council is a municipal taxing district and also approved the revenue sharing model in the

Plan pursuant to Resolution No. 2441. *(Please note: this is subject to change pending what we actually receive in total from the taxing bodies.)*

Section 2: Based upon the foregoing determinations and findings, and the record in these proceedings, including, but not limited to the Plan, the Report, the recommendations of the Planning Commission, the confirmations by the other taxing districts, and the public testimony and exhibits in the record, the Plan attached hereto as Exhibit A is hereby approved and adopted.

Section 3: The City Recorder shall forward forthwith to the Agency a copy of this Ordinance.

Section 4: The Agency shall thereafter cause a copy of the Plan to be recorded in the Records of Washington County, Oregon.

Section 5: The City Recorder, in accordance with ORS 457.115, shall publish notice of the adoption of the Ordinance approving the Plan, including the provisions of ORS 457.135, in the **Wilsonville Spokesman or The Oregonian** no later than four days following adoption of this Ordinance.

Section 6: This Plan is being adopted in accordance with the applicable legal requirements and shall be conclusively presumed valid for all purposes 90 days after adoption of the Plan by this Ordinance. Pursuant to Ordinance 457.135, no direct or collateral attack on the action may thereafter be commenced.

SUBMITTED to the Wilsonville City Council and read for the first time at a regular meeting thereof on the 21st day of October, 2013, at the hour of 7:00 p.m. at the Wilsonville City Hall 29799 SW Town Center Loop East, Wilsonville, Oregon, and scheduled for second reading on the 4th day of November, 2013, commencing at the hour of 7:00 p.m. at Wilsonville City Hall.

Sandra C. King, MMC, City Recorder

ENACTED BY THE City Council on the ____ day of November, 2013 by the following votes:

YEAS: _____

NAYS: _____

Sandra C. King, MMC, City Recorder

DATED and signed by the Mayor this _____ day of November, 2013.

TIM KNAPP, MAYOR

SUMMARY OF VOTES:

Mayor Knapp	_____
Councilor Goddard	_____
Councilor Starr	_____
Councilor Fitzgerald	_____
Councilor Stephens	_____

Attachments:

- Exhibit A - **25600 SW PARKWAY CENTER DRIVE** TIF Zone Plan
- Exhibit B - **25600 SW PARKWAY CENTER DRIVE** TIF Zone Report
- Exhibit C - Planning Commission Notice of Decision UR13-0001

25600 SW Parkway Center Drive Urban Renewal Plan



**Prepared for the City of Wilsonville
August 5, 2013**

City of Wilsonville

List of Participants

Urban Renewal Board Chair:

Tim Knapp

Urban Renewal Board Members:

Julie Fitzgerald
Richard Goddard
Scott Starr
Susie Stevens

(Urban Renewal Board is also Wilsonville City Council)

Planning Commission:

Ben Altman, Chair
Eric Postma, Vice Chair
Al Levit
Marta McGuire
Peter Hurley
Phyllis Millan
Ray Phelps

Economic Development Strategy Task Force:

Ron Adams, Chair, Board of Education, Clackamas Community College

Vince Alexander, Wilsonville Resident (resigned December 2012)

Mychelle Ashlock, Operations Manager, Northwest Rugs – Wilsonville

Lita Colligan, Associate Vice President for Strategic Partnerships and
Government Relations, Oregon Tech (OIT) Wilsonville

Catherine Comer, Business & Economic Development Manager,
Clackamas County Economic Development (resigned March 2013)

Danielle Cowan, Executive Director, Clackamas County Tourism & Cultural
Affairs

Brenner Daniels, Investment Advisor, Holland Partner Group

Mike Duyck, Fire Chief, Tualatin Valley Fire & Rescue District (TVFRD)

Lonnie Gieber, Committee Member, City of Wilsonville Budget Committee

Gale Lasko, General Manager/Partner, Lamb's Market at Wilsonville

Ray Lister, Membership Development Coordinator, International Brotherhood of
Electrical Workers (IBEW), Local 48

Susan Myers, General Manager, Capital Realty Corp.

Craig Olson, Sr. Director/Site Manager, Rockwell Collins Head-Up Guidance Systems

Ray Phelps, Past President, Wilsonville Chamber of Commerce

Dr. William Rhoades, Superintendent, West Linn-Wilsonville School District

Fred Robinson, General Manager, Kinetics Climax, Inc.

Dick Spence, Wilsonville Resident

Alan Steiger, CPA, Committee Member, City of Wilsonville Budget Committee

Sandra Suran, CPA, Principal, The Suran Group, LLC

Doris Wehler, Past President, Wilsonville Chamber of Commerce

Boyd Westover, Plant Manager, Eaton Corporation, Portland Power Center

Carol White, Wilsonville Resident

City Manager:	Bryan Cosgrove
Community Development Director:	Nancy Kraushaar
Finance Director:	Joanne Ossanna
Urban Renewal Manager:	Kristin Retherford
Planning Director:	Chris Neamtzu

Consultant Team:	Elaine Howard Consulting LLC, Elaine Howard, James Vanden Bos ECONorthwest, Lorelei Juntunen, Nick Popenuk, Tessa Krebs Jeannette Launer, Legal Counsel Leslie Vanden Bos, Editor
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I. DEFINITIONS

"Area" means the properties and rights of way located within this 25600 SW Parkway Center Drive Urban Renewal Plan urban renewal boundary.

"City" means the City of Wilsonville, Oregon.

"City Council" or "Council" means the City Council of the City of Wilsonville.

"Comprehensive Plan" means the City of Wilsonville Comprehensive Plan and its implementing ordinances, policies, and standards.

"County" means Clackamas County.

"Economic Development Strategy Task Force" means a focused, limited-duration task force composed of leading community members and business managers who helped guide the Economic Development Strategy process and made a recommendation to the City Council.

"Enterprise Zones" means a program established by the State of Oregon in ORS 285C.045-.255, as amended, to provide tax incentives to businesses to locate in specifically designated areas of the state.

"Fiscal year" means the year commencing on July 1 and closing on June 30, the following year.

"Frozen base" means the total assessed value, including all real, personal, manufactured, and utility values within an urban renewal area at the time of plan approval. The county assessor certifies the assessed value after the approval of an urban renewal plan.

"Increment" means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value of the frozen base.

"Maximum indebtedness" means the amount of the principal of indebtedness included in a plan, pursuant to ORS 457.190, and does not include indebtedness incurred to refund or refinance existing indebtedness.

"ORS" means the Oregon revised statutes, specifically Chapter 457, which relates to urban renewal.

"Planning Commission" means the Wilsonville Planning Commission.

"Tax increment financing (TIF)" means the system that generates tax revenue through the division of taxes authorized by ORS 457.420 et.seq.

"Tax increment revenues" means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the Area.

"TIF Zones" is the concept established by the Wilsonville City Council that is designed to offer incentives similar to enterprise zones, which stimulate property investment and employment opportunities. This concept is implemented as an urban renewal area.

"Urban renewal agency (agency)" means an urban renewal agency created under ORS 457.035 and 457.045. This agency is responsible for the administration of the urban renewal plan.

"Urban renewal plan" or "Plan" means 25600 SW Parkway Center Drive, as it exists or is changed or modified from time to time, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135, and 457.220.

"Urban renewal project (project)" means any work or undertaking carried out under ORS 457.170 in the Area.

"Urban renewal report" means the official report that accompanies the urban renewal plan, pursuant to ORS 457.085(3).

II. INTRODUCTION

In February 2012, the City of Wilsonville established an Economic Development Advisory Committee (the “Committee”) to develop a strategy for the City’s economic development activities. After six months of public meetings, focus groups, interviews and an economic development summit, the Committee created an *Economic Development Strategy* that was adopted by the Wilsonville City Council in August 2012. The *Economic Development Strategy* describes a vision and principles for City economic development, and recommends twelve actions that are described in some detail. In particular, the *Economic Development Strategy* noted that the City should convene a task force to develop criteria to guide (1) the use of incentives to attract or retain businesses, (2) what businesses would qualify for incentives and under what conditions, (3) what types of incentives would be available to businesses, (4) the funding sources to support the incentives, and (5) expectations of businesses given incentives.

In November 2012, an Economic Development Strategy Task Force (the “Task Force”) was appointed and developed a framework for an incentive program that would more strategically position Wilsonville among its Portland metro-area competitors for economic development. The Task Force consisted of 21 individuals comprising a cross-section of the community. In the process of considering 10 different incentive options, single-property urban renewal districts, called Tax Increment Finance Zones (TIF Zones) emerged as one of the preferred incentive mechanisms. The Task Force recommendation to the Wilsonville City Council proposed the development of five TIF Zones. In Wilsonville, these urban renewal areas will fill a role similar to that of an Enterprise Zone, providing partial property tax rebates for qualifying investments occurring on the properties, thus encouraging companies to locate in Wilsonville and provide valuable economic benefits to the community. This proposal was taken before the City’s electorate in March 2013 and approved by 78.8 percent of voters.

While the TIF Zone incentive packages are similar to Enterprise Zones in concept, they will differ in several key ways in an attempt to make TIF Zones both a lower risk use of public funds and more attractive to potential investors. Each site selected to be a TIF Zone will require the creation of a separate urban renewal plan and report because each site will be its own, individual, urban renewal area. As established by the Task Force, TIF Zone properties must have 100,000 square feet or more of industrially-zoned building space that has the potential for conversion from warehousing to a higher-value, traded-sector use such as manufacturing.

The Agency has prepared 25600 SW Parkway Center Drive Urban Renewal Plan (Plan) based on the recommendations of the Task Force. This Plan establishes the third of up to six urban renewal areas using the TIF Zone concept. The Plan contains goals, objectives, and projects for the development of 25600 SW Parkway Center Drive Urban Renewal Area (Area) . The overall purpose of the Plan is to use tax increment financing to provide incentives for economic investment, to cure blight in underutilized buildings, using strategies that are competitive with Enterprise Zones in other communities in the region.

In general, the purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped. These areas can have old or deteriorated buildings, public spaces that need improvements, streets and utilities in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. The Area selected is an underutilized, industrial-zoned area of Wilsonville that has had a history of partial or complete vacancy and where existing conditions have presented a barrier to attracting new private sector financial investment to convert the Area to a higher-value, traded sector use.

Urban renewal allows for the use of tax increment financing, a financing source that is unique to urban renewal, to fund its projects. Tax increment revenues – the amount of property taxes generated by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established – are used to accomplish projects identified by the urban renewal agency. In this case, other than administration, the Plan has only one project, which is repayment in the form of partial property tax reimbursement for qualifying capital infrastructure investment that increases assessed value and job creation.

The specific projects to be approved in this Plan are outlined in Sections IV and V.

Urban renewal is put into effect when the local government (the City of Wilsonville, in this case) adopts an urban renewal plan. The urban renewal plan defines the urban renewal area, states goals and objectives for the area, lists projects and programs that can be undertaken, provides a dollar limit on the funds that can be borrowed for urban renewal projects, and states how the plan may be changed in the future.

The Area, shown in Figure 1, consists of approximately 10.35 acres.

The Plan will be administered by the Wilsonville Urban Renewal Agency, which was activated by the Wilsonville City Council as the City's Urban Renewal Agency.

Substantial changes to the Plan, if necessary, must be approved by the City Council, as outlined in Section X of this Plan.

An Urban Renewal Report, which accompanies the Plan, contains additional information, as required by ORS 457.085. The technical information in the Report includes:

- A description of the physical, social, and economic conditions in the area;
- Expected impact of the Plan, including fiscal impact, in light of increased services;
- Reasons for selection of each Area in the Plan;
- The relationship between each project to be undertaken and the existing conditions;
- The total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area, and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; and
- A relocation report.

The Plan will be active for a maximum of 15 years as explained in Section V, subsection A, below. If no qualifying investment occurs in the Area that uses the Plan project incentives within five years after the effective date of the Plan, then the Plan will immediately be terminated. The maximum amount of indebtedness (amount of tax increment financing for projects and programs) that may be issued for the Plan is \$12,000,000. For TIF Zones, maximum indebtedness reflects the total of the tax repayment obligation to the qualifying company and represents the maximum amount of tax increment to be collected to meet this obligation as well as administrative costs.

III. GOALS AND OBJECTIVES

The goals of the Plan represent the basic intents and purposes. Accompanying each goal are objectives, which generally describe how the Agency intends to achieve the goals. The urban renewal projects identified in Sections IV and V of the Plan are the specific means of meeting the objectives. The goals relate to adopted plans, as detailed in Section XI, and were developed with input from the Wilsonville Economic Development Strategy Task Force. The goals and objectives will be pursued as economically as is feasible and at the discretion of the urban renewal agency.

Goal 1: *PUBLIC INVOLVEMENT*

Maintain a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the urban renewal adoption process.

Objectives:

1. Provide opportunities for public input throughout the adoption process, including a public open house, Planning Commission meeting, and City Council hearing.
2. Provide information on urban renewal on the City of Wilsonville's website.

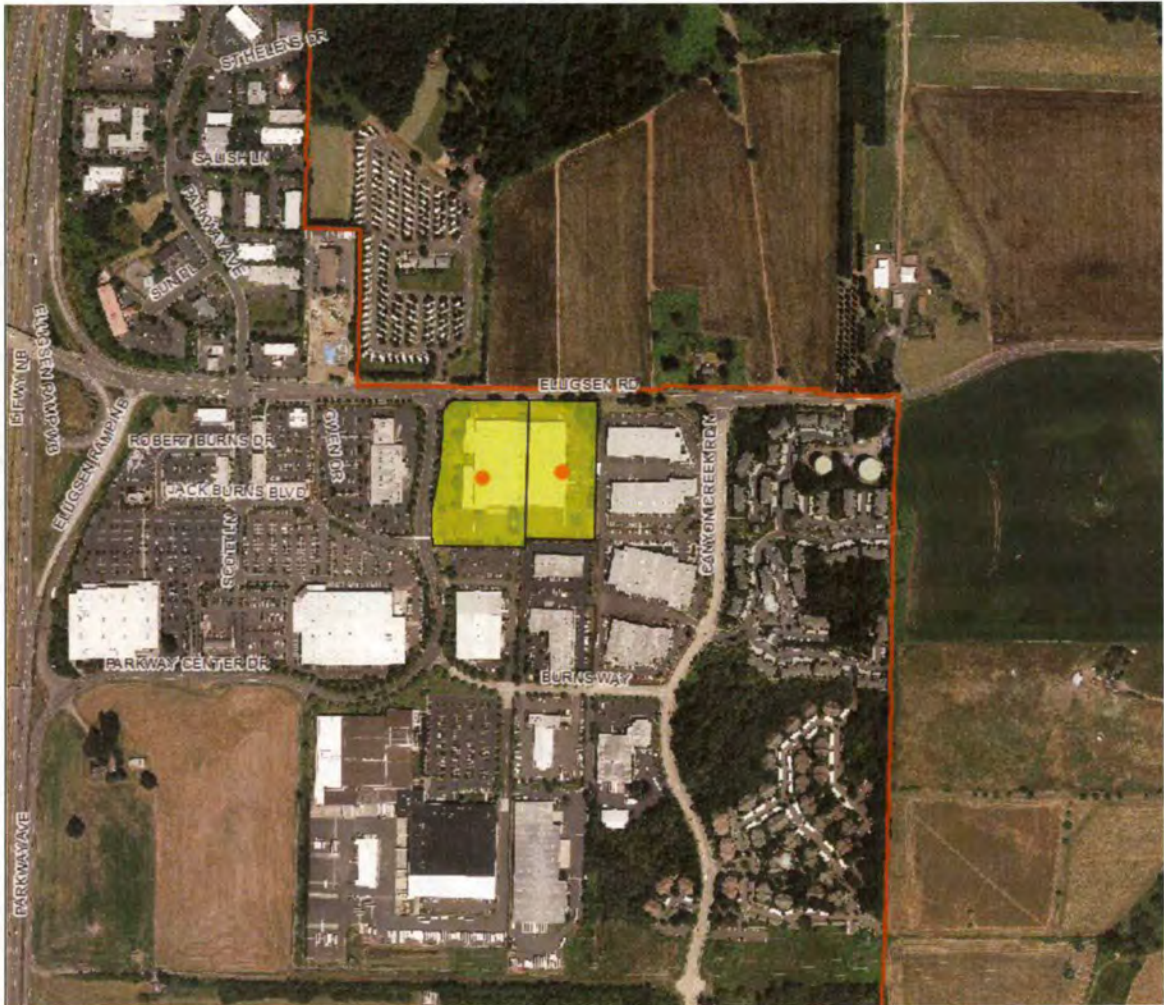
Goal 2: *ECONOMY*

Encourage the economic growth of the Area by encouraging local industrial investment and manufacturing jobs using existing infrastructure and promoting new use of vacant and underutilized industrial properties.

Objectives:

1. Provide steady, family-wage jobs for the community.
2. Generate investment that will bolster the local economy and provide revenue for local taxing jurisdictions.
3. Promote the reuse of vacant buildings and encourage infill development by providing incentives for investors to locate in an existing building or build on a site already in the middle of an industrial area and use the existing infrastructure.
4. Partner with public and private entities to incentivize and generate private investment.

Figure 1 – 25600 SW Parkway Center Drive Urban Renewal Area Boundary



Source: City of Wilsonville

IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES

The primary project within the Area will be providing the return of incremental property taxes to developers as an incentive for redevelopment. Another small use of funds will be to pay for the preparation and administration of the Plan.

V. URBAN RENEWAL PROJECTS

The urban renewal projects authorized by the Plan are described below. These projects are consistent with the Wilsonville Economic Development Strategy and are in conformance with the Wilsonville Comprehensive Plan, as detailed in Section XI of this Plan.

As shown in the Report, urban renewal funds will primarily be used as an incentive to spur industrial development, investment, and job creation. The details of the projects are as follows:

A. Property tax rebates

This project offers an incentive to the private sector to convert under-utilized industrial buildings into higher value traded-sector uses, such as manufacturing. This project will provide tax rebates of a portion of incremental property tax increases to qualifying investments in the Area.

Property tax rebate mechanics

The project will rebate up to 75% of the tax increment revenue for three years for each company that:

- Invests at least \$25 million in capital improvements and/or qualified equipment, and;
- Creates 75 or more new, permanent, full-time jobs that pay a minimum of 125% of the average Clackamas County wage rate (not including benefits) in effect at the time the rebate is paid which for 2012 is \$25.33/hour or \$52,693 annual wage rate.

Two additional years (five total) of property tax rebates are available if the average wage of the 75 or more new jobs pay 150% of average wages paid in Clackamas County, which for 2012 equals \$30.40 per hour, or a \$63,230 annual wage.

Additional three- and five-year rebate periods could begin, after approval by the Agency, with any additional new capital investment and job creation meeting the above minimum criteria, providing the potential for up to 10 years of rebates. Again, however, qualified investment needs to be made within five years of program adoption. This limits the potential life of the program and rebates to up to 15 years. Qualifying Businesses must be manufacturing firms. If no qualifying investment has been made in the Area within five years of the effective date of the Plan, the Area will be dissolved.

Any businesses receiving Area benefits will be monitored by the Agency for compliance with qualifying criteria and no rebate shall be given if the business fails to meet any of the qualifications. Additionally, if a business which has received a rebate discontinues business operations in the Area within two years after it receives each rebate payment it will be required to return all or a portion of the rebate as follows. Should a business discontinue business operations within the Area within 12 months after receiving a rebate, the business shall be required to reimburse the Agency 100% of the rebate payment. Should a business discontinue business operations within 24 months of receiving a rebate, the business shall be required to reimburse the Agency 50% of the rebate payment.

B. Debt repayment and project administration

This project will allow for the repayment of costs associated with the preparation, including the potential repayment of the initial planning costs for the development of the urban renewal plan, adoption, and implementation of the Plan. This project also includes ongoing administration of the Plan.

VI. PROPERTY ACQUISITION AND DISPOSITION

The Plan does not authorize the acquisition and disposition of property.

VII. RELOCATION METHODS

No relocation assistance will be provided because this Plan does not authorize property acquisition. If relocation is required, the Agency will comply with relocation methods required under state law.

VIII. LAND USES

The proposed land use is industrial development. The maximum densities and building requirements are contained in the Wilsonville Development Code.

IX. TAX INCREMENT FINANCING OF PLAN

Tax increment financing consists of using annual tax increment revenues to make payments on debt and to finance the urban renewal projects authorized in the Plan. Tax increment revenues equal most of the annual property taxes imposed on the cumulative *increase* in assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is adopted. (Under current law, the property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.)

A. General description of the proposed financing methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues; and/or
- Any other public or private source.

Revenues obtained by the Agency will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in planning or undertaking project activities, or otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Tax increment financing and maximum indebtedness

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Agency based upon the distribution schedule established under ORS 311.390.

The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion, is \$12,000,000.

C. Prior indebtedness

Any indebtedness permitted by law and incurred by the Agency or the City of Wilsonville in connection with the preparation of this Plan or prior planning efforts that support the preparation or implementation of this Plan may be repaid from tax increment revenues from the Area when, and if, such funds are available.

X. FUTURE AMENDMENTS TO PLAN

The Plan may be amended as described in this section.

A. Substantial Amendments

Substantial Amendments are amendments that:

- Add land to the urban renewal area, except for an addition of land that totals not more than 1% of the existing area of the urban renewal area; or
- Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Planning Commission, and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing shall be provided to individuals or households within the City of Wilsonville, as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

B. Minor Amendments

Minor Amendments are amendments that are not Substantial Amendments in scope. Minor Amendments require approval by the Agency by resolution.

C. Amendments to the Wilsonville Comprehensive Plan and/or Wilsonville Development Code

Amendments to the Wilsonville Comprehensive Plan and/or Wilsonville Development Code that affect the Plan and/or the Area shall be incorporated automatically within the Plan without any separate action required by the Agency or the City Council.

Figure 2 – Zoning and Comprehensive Plan Designations



Source: City of Wilsonville

XI. RELATIONSHIP TO LOCAL OBJECTIVES

The Plan relates to local planning and development objectives contained within the City of Wilsonville's Comprehensive Plan and Economic Development Strategy. The following section describes the purpose and intent of these plans, the particular goals and policies within each planning document to which the proposed Plan relates, and an explanation of how the Plan relates to these goals and policies. The numbering of the goals, policies, and implementation strategies will reflect the numbering that occurs in the original document. Italicized text is text that has **not** been taken directly from an original planning document. The Zoning and Comprehensive Plan designations are shown in Figure 2.

This is not a comprehensive list of all parts of the Wilsonville Comprehensive Plan that are supported by this Plan. This list includes the major goals and policies from the Comprehensive Plan that are supported. However, there may be other goals and policies that are not listed, but are still supported by this Plan.

A. City of Wilsonville Comprehensive Plan

The Wilsonville Comprehensive Plan was updated in January 2013. The Comprehensive Plan is an official statement of the goals, policies, implementation measures, and physical plan for the development of the City. The Plan documents the City's approach to the allocation of available resources for meeting current and anticipated future needs. In doing so, it records current thinking regarding economic and social conditions. Because these conditions change over time, the Plan must be directive, but flexible, and must also be periodically reviewed and revised to consider changes in circumstances.

Section A: Citizen Involvement

Goal 1.1 To encourage and provide means for interested parties to be involved in land use planning processes, on individual cases and City-wide programs and policies.

Policy 1.1.1 The City of Wilsonville shall provide opportunities for a wide range of public involvement in City planning programs and processes.

The Plan conforms with Goals 1.1 and Policy 1.1.1 by involving the citizens of Wilsonville in both the creation of the TIF Zone framework and in the decision of whether or not to use that framework to encourage economic development. The Economic Development Strategy Task Force was comprised of a cross-section of members of the community and it helped to both determine

that urban renewal areas, then called TIF Zones, were appropriate to use in Wilsonville, and helped decide how these incentives should work. Later, a city-wide vote was held so that the community could weigh in on the decision of whether or not to use TIF Zones. Citizens were included in the adoption phase of the urban renewal plan through a public open house, Planning Commission meeting, and City Council hearing that was noticed as required in ORS 45.

Goal 1.2 For Wilsonville to have an interested, informed, and involved citizenry.

Implementation Measure 1.2.1.c. Establish procedures to allow interested parties reasonable access to information on which public bodies will base their land use planning decisions.

Policy 1.3 The City of Wilsonville shall coordinate with other agencies and organizations involved with Wilsonville's planning programs and policies.

The Plan conforms with Goals 1.2, Policy 1.3, and their Implementation Measures by involving the citizens of Wilsonville in both the creation of the TIF Zone framework and in the decision of whether or not to use that framework to encourage economic development. The Economic Development Strategy Task Force was comprised of a cross-section of members of the community and it helped to both determine that urban renewal areas, then called TIF Zones, were appropriate to use in Wilsonville, and helped decide how these incentives should work. In addition, taxing jurisdictions received formal notice, and, if desired, a briefing on the Plan. Representatives of the three major taxing jurisdictions were included as members of the Task Force that recommended the creation of TIF Zones.

Section C: Urban Growth Management

Goal 2.1 To allow for urban growth while maintaining community livability, consistent with the economics of development, City administration, and the provision of public facilities and services.

Implementation Measure 2.1.1.a. Allow development within the City where zoning has been approved and other requirements of the Comprehensive Plan have been met.

Implementation Measure 2.1.1.c. Encourage a balance between residential, industrial, and commercial land use, based on the provisions of this Comprehensive Plan.

Implementation Measure 2.1.1.d. Establish and maintain revenue sources to support the City's policies for urbanization and maintain needed public services and facilities.

Policy 2.1.1 The City of Wilsonville shall support the development of all land within the City, other than designated open spaces, consistent with the land use designations of the Comprehensive Plan.

The Plan conforms with Goal 2.1, Policy 2.1.1, and their Implementation Measures by providing financial incentives for the redevelopment of lands already designated as urban and already provided with infrastructure. By doing this, the Plan encourages growth and development within the urban growth boundary, and helps relieve pressures on lands outside of the urban growth boundary.

Section D: Land Use and Development

Goal 4.1 To have an attractive, functional, economically vital community with a balance of different types of land.

Policy 4.1.1 The City of Wilsonville shall make land use and planning decisions to achieve Goal 4.1.

Implementation Measure 4.1.1.d. In the process of administering the City's Comprehensive Plan, careful consideration will be given to the economic impacts of proposed policies, programs and regulations. Efforts will be made to simplify and streamline the planning and zoning review process while maintaining the quality of development.

Implementation Measure 4.1.1.e. The City shall protect existing and planned industrial and commercial lands from incompatible land uses, and will attempt to minimize deterrents to desired industrial and commercial development.

Implementation Measure 4.1.1.m. Encourage a balance between light industrial and residential growth within the City.

The Plan conforms with Goal 4.1, Policy 4.1.1, and their Implementation Measures by encouraging the redevelopment of local industrial buildings. This redevelopment will enrich the balanced land uses within Wilsonville. Also, by encouraging redevelopment of the Area, the Plan helps support an economically vital community by bringing jobs to the community and by reducing the number of vacant or underutilized industrial buildings in the City.

Policy 4.1.3 City of Wilsonville shall encourage light industry compatible with the residential and urban nature of the City.

Implementation Measure 4.1.3.a. Develop an attractive and economically sound community.

Implementation Measure 4.1.3.c. Favor capital intensive, rather than labor intensive, industries within the City.

Implementation Measure 4.1.3.e. Site industries where they can take advantage of existing transportation corridors such as the freeway, river, and railroad.

The Plan conforms with Goal 4.1, Policy 4.1.3, and their Implementation Measures by encouraging the redevelopment of local industrial buildings. This redevelopment will help maintain a healthy mix of industrial jobs and industry within the community, and will encourage industrial activities to sites where they can take advantage of existing transportation corridors and other infrastructure.

B. Wilsonville Economic Development Strategy

The Economic Development Strategy was completed in August 2012, and sets forth an economic strategy for Wilsonville that describes actions to be taken by the public sector for the purpose of stimulating private sector activity. This strategy was developed with the assistance of an advisory committee that met over the course of 4 months and considered input from the community provided in the form of focus groups, interviews with business leaders, an economic summit, public comments and a community survey. The end result was a vision statement for economic development in Wilsonville, and a list of 6 actions to be taken by the public sector. Specific actions that are directly supported by this Urban Renewal Plan are listed below, but other actions from the Economic Development Strategy will also benefit from the successful implementation of this Plan.

Action 2.1 Promote reuse of vacant building, infill development, and redevelopment.

Action 6.2 Develop criteria to guide the use of incentives to attract or retain businesses.

The projects in the Plan conform with the Economic Development Strategy. They will help to encourage the reuse of existing industrial buildings and infill development by providing an incentive package similar to that of neighboring communities. This incentive package will help incentivize and generate private investment, which will in turn provide jobs for the community and an increased tax base to support local services and infrastructure.

C. Wilsonville Development Code

The Wilsonville Development Code - Planning and Land Development was enacted for the purpose of promoting the general public welfare by ensuring procedural due process in the administration and enforcement of the City's Comprehensive Plan, Zoning, Design Review, Land Division, and Development Standards. It is contained as Chapter 4 of the Wilsonville Code.

The zoning designation for the property in the Area is PDI - Planned Development Industrial Zone. It is shown in Figure 2. The Plan is not proposing any new zones or

code amendments, nor are there any proposals that would modify any of the existing zones or land uses. The Plan will comply with all requirements of the existing zoning.

D. City of Wilsonville Transportation Systems Plan

The City of Wilsonville Transportation Systems Plan (TSP) was adopted by the Wilsonville City Council on June 17, 2013.

The TSP is the City's long-term transportation plan and is an element of its Comprehensive Plan. It includes policies, projects, and programs that could be implemented through the City's Capital Improvement Plan, development requirements, or grant funding.

The 2013 TSP process built upon two decades of community planning to create a complete community transportation plan that integrates all travel modes. Most of the policies and projects come from prior adopted plans, including the Comprehensive Plan, 2003 TSP, 2006 Bicycle and Pedestrian Master Plan, and 2008 Transit Master Plan. While the TSP replaces the 2003 TSP in its entirety, it updates and builds upon the 2006 Bicycle and Pedestrian Master Plan and 2008 Transit Master Plan. Where these documents may be in conflict, the new TSP takes precedence.

25600 SW Parkway Center Drive is designated as a major arterial, a truck route and a bicycle route.¹ The TSP Executive Summary identifies two 25600 SW Parkway Center Drive projects as being a high priority, an urban upgrade and a center trail connector.² 25600 SW Parkway Center Drive is also identified as having a cross section deficiency near the Area.³ Public bus lines do run along 25600 SW Parkway Center Drive, and there are multiple bus stops near the Area.

The Plan conforms with the City of Wilsonville Transportation System Plan as the redevelopment planned for the Area is an industrial use and 25600 SW Parkway Center Drive will be used as designated in the TSP. 25600 SW Parkway Center Drive is classified as a major arterial, anticipating truck travel.

¹ City of Wilsonville Transportation System Plan, 2013, Figure 3-2 Functional Class Designations, p 3-6; Figure 3-4 Freight Routes, p 3-9; Figure 3-5 Bicycle Routes, p 3-11.

² City of Wilsonville Transportation System Plan, 2013, Executive Summary, p v.

³ City of Wilsonville Transportation System Plan, 2013, Figure 4-1 Roadway Cross-Section Deficiencies, p 4-5.

APPENDIX A: LEGAL DESCRIPTION

25600 SW PARKWAY CENTER DRIVE URBAN RENEWAL DISTRICT WILSONVILLE, OREGON

Lots and maps are taken from Assessor's Tax Maps from July, 2013, and attached hereto. The area is described as that land containing all lots or parcels of property situated in the City of Wilsonville, County of Washington, and the State of Oregon, lying in Section 1, Township 3 South, Range 1 West of the Willamette Meridian, bounded as follows:

Commencing at a point common to Sections 1, 2, 11 and 12, Township 3 South, Range 1 West, Willamette Meridian, Washington County, Oregon. Thence East along the South line of said Section 1, 1330 feet, more or less, to the Southeast corner of Parcel 2, Partition Plat 1991-082, records of said county. Thence North along the East line of said Parcel 2, 673 feet, more or less, to the Southeast corner of Tax Lot 1508, records of said county, Assessor's Plat 3 1W 1, and being the **POINT OF BEGINNING**.

1. Thence West along the South line of said Tax Lot 1508, 305 feet, more or less, to a point on the East line of Tax Lot 1507;
2. Thence South along said East line, 41 feet, more or less, to the Southeast corner of said Tax Lot 1507;
3. Thence West along the South line of said Tax Lot 1507, 412 feet, more or less, to the point of intersection of said South line with the East right-of-way line of Parkway Avenue;
4. Thence North along said East right-of-way line and the extension thereof, 665 feet, more or less, to the point of intersection of said East right-of-way line with the Westerly extension of the South right-of-way line of Elligsen Road;
5. Thence East along said Westerly extension of said South right-of-way line and said South right-of-way line, 686 feet, more or less, to the Northeast corner of said Tax Lot 1508;
6. Thence South along the East line of said Tax Lot 1508, 622 feet, more or less, to the **POINT OF BEGINNING**.

The described property, located entirely within the City of Wilsonville, County of Washington, and the State of Oregon, contains **ten (10)**, acres, more or less.

Due to the possibility of errors in the acreage shown on the Assessor's tax maps used to compute the property acreage, the acreage given hereon should be considered accurate to the nearest 1 acre.

DRAFT

REPORT ACCOMPANYING 25600 SW PARKWAY CENTER DRIVE URBAN RENEWAL PLAN



Prepared for the City of Wilsonville

August 5, 2013

**REPORT ACCOMPANYING
25600 SW PARKWAY CENTER DRIVE
URBAN RENEWAL PLAN**

Consulting team:

Elaine Howard Consulting, LLC

Elaine Howard

James Vanden Bos

ECONorthwest

Lorelei Juntunen

Nick Popunek

Tessa Krebs

Jeannette Launer, Legal Counsel

Leslie Vanden Bos, Editor

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DRAFT

I. INTRODUCTION

The Report on the 25600 SW Parkway Center Drive Urban Renewal Plan (Report) contains background information and project details that pertain to the 25600 SW Parkway Center Drive Urban Renewal Plan (Plan). The Report is not a legal part of the Plan, but is intended to provide public information and a basis for the findings made by the City Council as part of its approval of the Plan.

The Report provides information required by ORS 457.085(3). The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan, but also documents the existing conditions in the 25600 SW Parkway Center Drive Urban Renewal Area (Area).

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility.

Figure 1 – 25600 SW Parkway Center Drive Urban Renewal Plan Area Boundary



Source: City of Wilsonville

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

This section of the Report describes existing conditions within the 25600 SW Parkway Center Drive Urban Renewal Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

A. Physical Conditions

Land Use

According to data obtained from the City of Wilsonville and the Clackamas County Assessor’s office, the Area, shown in Figure 1 above, contains 2 industrial use parcels that have a building with 177,288 square feet of building space on 10.35 acres.

Zoning and Comprehensive Plan Designations

In the City of Wilsonville, the Wilsonville Development Code and the Wilsonville Comprehensive Plan designations differ. The development code establishes districts to control land use throughout the city and regulates development standards within these established use districts. The comprehensive plan designation indicates the type of use allowed on a parcel.

The comprehensive plan designation of the parcels is Industrial, and the zoning is Planned Industrial Development (PDI).

Figure 2 – Area Zoning and Comprehensive Plan Designations



Source: City of Wilsonville

B. Infrastructure: Existing Conditions

Infrastructure

This section of the Report identifies the existing infrastructure in the Area. However, because this Area consists of only two parcels, this section will instead evaluate the infrastructure directly serving these parcels, along with an evaluation of the conditions of the infrastructure on the parcels themselves. Information was obtained from documentation by City of Wilsonville staff.

1. Streets/Sidewalks/Pathways/Bike Lanes

The street servicing the building, SW Parkway Center Drive, is a major arterial that is in good condition and meets City standards. SW Parkway Center Drive has adequate streetscape, sidewalks, curbs, and bike lanes.

There are currently two priority projects in the Capital Improvement Plan planned for SW Parkway Center Drive, an urban upgrade and a center trail connector.

2. Water

The water pipe serving the Area is a 2" domestic/2" irrigation that should be adequate for the current or future needs of the Area. There are no projects planned for the water infrastructure serving the Area in the CIP or other planning documents.

3. Storm Drainage Master Plan

The storm drain service in the Area is adequate for current and future use, and there are no planned projects for storm drain infrastructure serving the Area in the CIP or other planning documents. However, a building expansion or the addition of impervious surface could trigger new on-site stormwater improvements.

4. Sanitary Sewer

Sewer service to the Area is more than adequate for the current and future needs of the Area, and there are no planned projects for sewer infrastructure serving the Area in the CIP or other planning documents.

5. Parks

There are no public parks in the Area. The 2007 Parks and Recreation Master Plan identifies project P12 Industrial Area Waysides in the northwest industrial area of Wilsonville, which is currently underserved by parks or recreation facilities. These

projects are not in the City's short or mid-term Capital Improvement Program and have not been sited.

6. Public Parking

There is no public parking in the Area, but there are banks of private head-in parking along the south, west, and east ends of the building that should provide parking for over 260 vehicles.

7. Wetlands

There are no wetlands or Significant Resource Overlay Zoning in or immediately around the Area.

8. Conditions of Buildings

The building has 177,288 square feet of space and is currently vacant.

C. Social Conditions

There are only two industrial parcels in the Area and there are no residents that reside within the Area.

D. Economic Conditions

Taxable Value of Property Within the Area

According to the Clackamas County Assessor's office, the estimated 2011/2012 total assessed value of the real property in the Area is \$7,476,210. The building is underutilized, and if it was fully utilized and converted to a traded-sector use such as manufacturing, the values would increase.

The frozen base is estimated to be \$7,476,210.

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 (Impact of the Tax Increment Financing) 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 is an economic development project. The use of urban renewal funding for this project allows the City to provide an attractive industrial development incentive program that will be competitive with neighboring communities' Enterprise Zone programs. It also allows

the city to tap a different funding source besides the City of Wilsonville's general funds to support this program.

All necessary infrastructure to serve the Area is in place and none of the systems are slated for improvements in the CIP. Converting the building structure in the Area to optimized use will take advantage of the existing infrastructure. Because the structure will incur a change in use from warehousing to manufacturing, or another traded-sector use that meets program criteria, there may be a need for additional police and fire services. However, since this structure already exists and has received these services before, these are not totally new service requirements. In addition, a vacant structure can sometimes be vulnerable to vandalism, criminal activity and fire risk. Bringing the structure back to full use will help prevent such risks.

The revenue sharing feature of this urban renewal plan allows for tax increment to be shared with taxing jurisdictions including the City of Wilsonville at the onset of receipt by the Agency of tax increment funds. These funds will help offset any increased services.

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

The reason for selecting the Area is to cure blight by providing the ability to fund an economic incentive program to encourage private sector investment in an underutilized and/or vacant parcel of industrial zoned land.

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

The projects identified for the Area, including how they relate to the existing conditions in the Area, are described below:

A. Property Tax Rebates

This project offers an incentive to the private sector to convert underutilized industrial buildings into higher value traded-sector uses, such as manufacturing, in the Area. This project will provide tax rebates of a portion of incremental property tax increases to qualifying investments in the Area.

Existing Conditions:

This building is currently vacant and/or underutilized. It has 177,288 square feet of building space on 10.35 acres.

B. Debt Service and Administration

This project will allow for the repayment of costs associated with the preparation (including the potential repayment of the initial planning costs for the development of the urban renewal plan) adoption, and implementation of the 25600 SW Parkway Center Drive Urban Renewal Plan. This project also includes ongoing administration and any financing costs associated with the Plan.

Existing Conditions:

As there is currently no urban renewal program for this Area, these activities do not exist.

V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The costs of the projects are shown in Table 1. The sources of funds are tax increment revenues. A three percent annual inflation factor is used. These funds will be allocated to the following projects:

- Repayment of a portion of the urban renewal planning costs will occur in the first year that tax increment funds are received (\$12,000 in FY 2013-14, adjusted annually for inflation increases).
- Approximately \$15,000 in FY 2013-14, adjusted for inflation, will be allocated for program administration annually.
- The project will rebate up to 75% of the net tax increment revenue for three years for each qualifying company if the average wage of the 75 or more new jobs pay a minimum of 125% of the average Clackamas County wage rate (not including benefits) in effect at the time the rebate is paid, which for 2012 is \$25.33/hour or \$52,693 annual wage rate. Two additional years (five total) of property tax rebates are available if the average wage of the 75 or more new jobs pay 150% of average wages paid in Clackamas County at the time the rebate is paid, which for 2012 equals \$30.40 per hour, or a \$63,230 annual wage.
- Any net tax increment revenues in excess of what is needed for administrative expenses or tax rebates will be distributed to the impacted taxing jurisdictions.

Table 1 – Estimated Project Allocations

TIF Use	Amount
URA Administration	\$141,367
Rebate	\$11,119,186
Total	\$11,260,553

Source: ECONorthwest, TIF: Tax Increment Funds

VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The anticipated latest completion date of the projects in the 25600 SW Parkway Center Drive Urban Renewal Plan will be June 30 of the fiscal year ending 15 years after the approval of the Plan. If investments do not occur as outlined in the program guidelines, the Plan may be terminated earlier at the discretion of the Agency.

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

Table 2 shows a scenario for how this urban renewal plan may be implemented. This scenario relies on an investment by the developer of over \$407,000,000, in three successive years, receiving \$11,119,186 in tax rebates from tax increment funds received by the Agency. This results in approximately \$12 million in maximum indebtedness, and represents the maximum investment anticipated in the building. Lower investment levels will result in lower actual tax rebates and lower actual maximum indebtedness used. When a developer negotiates an agreement with the City, the projected rebate and revenue sharing numbers will be reevaluated, but may not exceed the \$12 million maximum indebtedness established in this Plan.

Table 2. Investment Schedule

Year	Investment Amount		
	Schedule 1	Schedule 2	Schedule 3
2013			
2014			
2015	137,000,000		
2016		135,000,000	
2017			135,000,000
2018			

Source: ECONorthwest

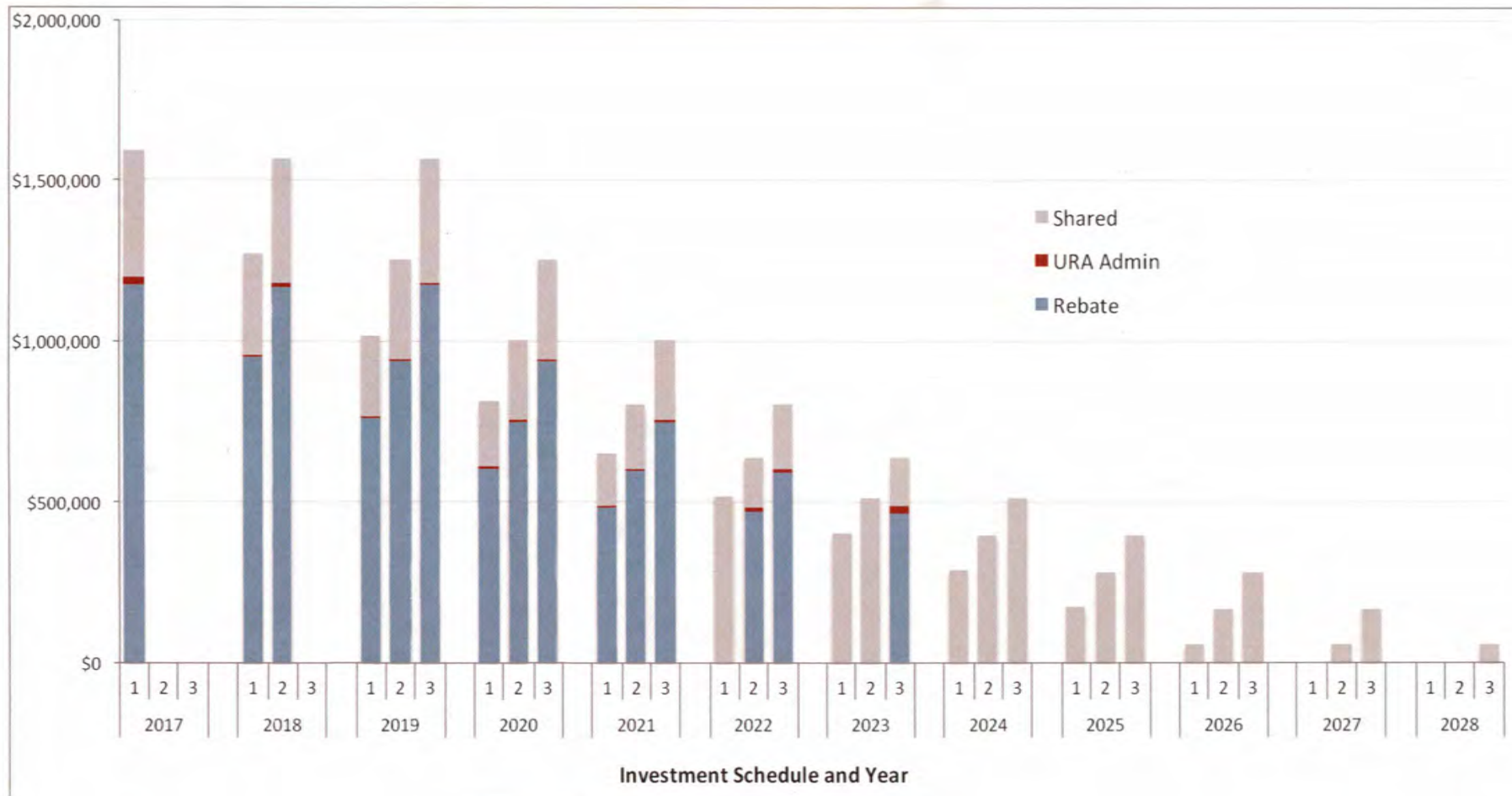
The tax increment revenues and their allocation to administrative costs, developer rebates, and the taxing jurisdictions' share of the increased property tax revenue are shown in Table 3. The 25% to taxing jurisdictions is held constant, the administrative costs are deducted from the 75% share to the developer. Since revenue sharing is anticipated at the onset of the Plan, and this revenue sharing exceeds the potential

amount of distributions through revenue sharing required in ORS 457.470, the revenue sharing in ORS 457.470 has been waived by the taxing jurisdictions.

It is anticipated that all expenditures of tax increment funding will be completed within 15 years. The maximum indebtedness is \$12,000,000. In the scenario detailed in Tables 2 and 3, the term of the rebate expires before all of the manufacturer's investment in equipment has depreciated. The result of this is the taxing jurisdictions begin to receive 100% of the TIF revenues in fiscal year 2023-24, and the total amount shared with taxing jurisdictions for the entire duration of the Area ends up being much higher than the net 25% share that is guaranteed during the time the developer is receiving rebates. Table 2 shows the total projected rebate to the developer in this scenario would be \$11,119,186 dollars, while the amount received by taxing jurisdictions is estimated at \$7,803,788 dollars over the 15 year life of the Plan. This is actually 40.8% of the total tax increment revenue.

Chart 1 depicts this scenario. Each individual investment provides rebates to the developer, and a portion of extra tax increment to taxing jurisdictions, for a five-year period, with any remaining increment shared with the taxing jurisdictions when that rebate period expires. The three investments are depicted in consecutive years, as shown by the 1,2,3 on the horizontal axis of the chart. As shown, once any one investment reaches the 6th year, all of the tax increment from that investment is shared with the taxing jurisdictions. This would be accomplished through an under levy.

Chart 1. Investment, Amortization, and Rebate Schedule



Source: ECONorthwest

There will be no loans or bonds issued. The amount of funding to service the maximum indebtedness will be raised through the payment of tax increment from the County Assessor's office. Because the project payments are predicated upon the annual tax increment on a formulaic basis allocating first to administrative costs, then a 75/25 split of increment between the developer and impacted taxing jurisdictions, the Plan will be financially feasible. No payments will be made without first receiving the increment from the assessor.

Table 3 – Tax Increment Revenues and Allocations to Project Costs Sample Scenario

FYE	URA Admin	Rebate	Shared	Total
2013				
2014				
2015				
2016				
2017	\$28,883	\$1,097,768	\$375,550	\$1,502,201
2018	\$17,390	\$1,996,308	\$668,334	\$2,682,032
2019	\$17,912	\$2,703,003	\$904,981	\$3,625,896
2020	\$18,449	\$2,158,626	\$723,642	\$2,900,717
2021	\$19,002	\$1,722,962	\$578,543	\$2,320,507
2022	\$19,572	\$1,005,988	\$830,813	\$1,856,373
2023	\$20,159	\$434,531	\$1,019,493	\$1,474,183
2024			\$1,135,908	\$1,135,908
2025			\$810,952	\$810,952
2026			\$485,999	\$485,999
2027			\$215,626	\$215,626
2028			\$53,948	\$53,948
2029				
2030				
Total	\$141,367	\$11,119,186	\$7,803,788	\$19,064,342

Source: ECONorthwest, FYE: Fiscal Year End, URA: Urban Renewal Area

VIII. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues in the sample scenario, as shown above, are based on projections of the assessed value of investment that could occur within the Area, depreciation of the investment and the total tax rate that will apply in the Area. The assumptions include assumptions of development, as identified in the TIF Zones concept by the City of Wilsonville. Although these assumptions are used as a basis for evaluating the Plan, the financial feasibility is predicated on the simple formula that increased revenues will be shared by the City for administration, by the developer and by the taxing jurisdictions. No payments will be made until tax increment is received from the County Assessor. These payments will be distributed on a formula that includes payments for administrative costs, then a 75/25 split between the developer and impacted taxing jurisdictions.

Table 4 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Table 3. These projections include shared revenue with impacted taxing jurisdictions.

Table 5 shows the investment and depreciation assumptions used in preparing the financial analysis. In this scenario, all investment is assumed to be equipment, and so it is depreciated. The depreciation schedule used in this scenario is a half-year convention over a 10-year recovery period that was published by the Internal Revenue Service in its annual report for how to depreciate property. Depreciation is an annual income tax deduction that allows you to recover the cost or other basis of certain property over the time you use the property. It is an allowance for the wear and tear, deterioration, or obsolescence of the property. In this case, all the investment in property is assumed to depreciate to zero after 10 years. Property can be depreciated at different times throughout the year, depending on the accounting method used. Under the half-year convention, you treat all property placed in service or disposed of during a tax year as placed in service or disposed of at the midpoint of the year. This means that a one-half year of depreciation is allowed for the year the property is placed in service or disposed of.

However, as stated above, for purposes of financial feasibility, the fact that no payments will be made until tax increment is received establishes financial feasibility.

Table 4 – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	TIF
2013	\$7,476,210	\$7,476,210	\$0	12.3549	-
2014	\$7,476,210	\$7,476,210	\$0	12.3522	-
2015	\$7,476,210	\$7,476,210	\$0	12.3467	-
2016	\$7,476,210	\$7,476,210	\$0	12.1833	-
2017	\$130,776,210	\$7,476,210	\$123,300,000	12.1833	\$1,502,201
2018	\$227,616,210	\$7,476,210	\$220,140,000	12.1833	\$2,682,032
2019	\$305,088,210	\$7,476,210	\$297,612,000	12.1833	\$3,625,896
2020	\$245,565,810	\$7,476,210	\$238,089,600	12.1833	\$2,900,717
2021	\$197,942,410	\$7,476,210	\$190,466,200	12.1833	\$2,320,507
2022	\$159,846,510	\$7,476,210	\$152,370,300	12.1833	\$1,856,373
2023	\$128,476,510	\$7,476,210	\$121,000,300	12.1833	\$1,474,183
2024	\$100,711,010	\$7,476,210	\$93,234,800	12.1833	\$1,135,908
2025	\$74,038,810	\$7,476,210	\$66,562,600	12.1833	\$810,952
2026	\$47,366,810	\$7,476,210	\$39,890,600	12.1833	\$485,999
2027	\$25,174,710	\$7,476,210	\$17,698,500	12.1833	\$215,626
2028	\$11,904,210	\$7,476,210	\$4,428,000	12.1833	\$53,948
2029	\$7,476,210	\$7,476,210	\$0	12.1833	-
2030	\$7,476,210	\$7,476,210	\$0	12.1833	-
Total					\$19,064,342

Source: ECONorthwest, FYE: Fiscal Year End, TIF Revenue: Tax Increment Revenue

Table 5 – Projected Investments and Depreciation Schedules

Calendar Year	FYE	Investment Schedule 1			Investment Schedule 2			Investment Schedule 3			Total RMV
		Value	Depreciation	RMV	Value	Depr.	RMV	Value	Depr.	RMV	
2013	2015										
2014	2016										
2015	2017	\$137,000,000	10.00%	\$123,300,000							\$123,300,000
2016	2018		18.00%	\$98,640,000	\$135,000,000	10.00%	\$121,500,000				\$220,140,000
2017	2019		14.40%	\$78,912,000		18.00%	\$97,200,000	\$135,000,000	10.00%	\$121,500,000	\$297,612,000
2018	2020		11.52%	\$63,129,600		14.40%	\$77,760,000		18.00%	\$97,200,000	\$238,089,600
2019	2021		9.22%	\$50,498,200		11.52%	\$62,208,000		14.40%	\$77,760,000	\$190,466,200
2020	2022		7.37%	\$40,401,300		9.22%	\$49,761,000		11.52%	\$62,208,000	\$152,370,300
2021	2023		6.55%	\$31,427,800		7.37%	\$39,811,500		9.22%	\$49,761,000	\$121,000,300
2022	2024		6.55%	\$22,454,300		6.55%	\$30,969,000		7.37%	\$39,811,500	\$93,234,800
2023	2025		6.56%	\$13,467,100		6.55%	\$22,126,500		6.55%	\$30,969,000	\$66,562,600
2024	2026		6.55%	\$4,493,600		6.56%	\$13,270,500		6.55%	\$22,126,500	\$39,890,600
2025	2027		3.28%	-		6.55%	\$4,428,000		6.56%	\$13,270,500	\$17,698,500
2026	2028					3.28%	-		6.55%	\$4,428,000	\$4,428,000
2027	2029								3.28%	-	\$0
2028	2030										

FYE: Fiscal Year End RMV: Real Market Value Depr.: Depreciation
Source: ECONorthwest

IX. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the new maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal 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 estimated for a 15-year period and are shown in Tables 6a and 6b. Table 6a shows the general government taxing jurisdictions and Table 6b shows the education taxing jurisdictions.

The concept for this plan, as defined by the City of Wilsonville, includes a 25% share of net tax increment proceeds with the affected taxing jurisdictions. This formula for revenue sharing is different than the formula described in Oregon Revised Statutes (ORS). Revenue sharing is part of the 2009 legislative changes to urban renewal and means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the area. By statute, the share is a percentage basis dependent upon the tax rates of the taxing jurisdictions. The first threshold is 10% of the original maximum indebtedness. At the 10% threshold, the urban renewal agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold, and the taxing jurisdictions will receive 75% of the increment above the 10% threshold. The second threshold is set at 12.5% of the maximum indebtedness. Since revenue sharing is anticipated at the onset of the Plan, and this revenue sharing exceeds the potential amount of distributions through revenue sharing required in ORS 457.470, the revenue sharing in ORS 457.470 has been waived by the taxing jurisdictions.

The West Linn-Wilsonville School District and the Education Service District 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 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 substantially replaced with State School Fund revenues, as determined by a funding formula at the state level. The formula for funding schools, as changed in the 2013 legislative session, is \$6,852 per pupil for FY 2013-14 and \$7,081 per pupil for FY 2014-15, an increase over the 2012 levels. According to the State of Oregon Department of Education,

there was approximately \$1 billion dollars of increased revenues allocated to school financing in the 2013 legislative session.¹

Tables 6a and 6b show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. It assumes the growth as projected in the other tables in this Report. **It does not offset the foregone revenues with the expected new revenues. Although the taxing jurisdictions are shown to forego approximately \$12 million, as shown in Table 6a and 6b, they will receive approximately \$8 million, as shown in Table 3. Over the life of the Plan, the taxing jurisdictions will receive over 40% of the total tax increment revenues produced by this sample scenario.**

There is always some discussion about the true impact of urban renewal on the taxing jurisdictions as there is one line of thought that some of the growth projected would not occur "but for" urban renewal. In this case, the building is underutilized either through vacancy or type of use, and expectations are that it will remain underutilized in the future without developer incentives. Given this, there would be no expectation that any increase of property taxes would come from this building without the use of urban renewal.

There is no anticipated change in revenue for affected taxing jurisdictions upon termination of the Plan, which is expected in 15 years. All projected investment is equipment, and equipment's assessed value depreciates over time. By the time the Area expires, all equipment will be fully depreciated, so there will be no additional assessed value to tax. However, the taxing jurisdictions are receiving 25% of the net increment during the time period the developer is receiving 75% of the net increment, and they are receiving 100% of the increment for the remaining time frame of the Area, as shown in Table 3. If there are any improvements to the building itself, or increases in value of the building itself, the taxing jurisdictions would realize the increased taxes from those investments.

¹ Phone interview with Jan McComb, State of Oregon Department of Education, July 11, 2013.

Table 6a – Projected Impact on Taxing District Permanent Rate Levies (General Government)

FYE	Washington County	Tualatin Valley Fire & Rescue	City of Wilsonville	Port of Portland	Metro	Subtotal
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	(207,921)	(141,043)	(233,093)	(6,482)	(8,933)	(597,472)
2018	(371,623)	(252,090)	(416,613)	(11,586)	(15,966)	(1,067,878)
2019	(502,139)	(340,625)	(562,929)	(15,656)	(21,574)	(1,442,923)
2020	(401,774)	(272,543)	(450,415)	(12,526)	(17,262)	(1,154,520)
2021	(321,475)	(218,073)	(360,395)	(10,023)	(13,812)	(923,778)
2022	(189,265)	(128,388)	(212,178)	(5,901)	(8,132)	(543,864)
2023	(83,912)	(56,922)	(94,071)	(2,616)	(3,605)	(241,126)
2024	-	-	-	-	-	-
Total	(2,078,109)	(1,409,684)	(2,329,694)	(64,790)	(89,284)	(5,971,561)

Source: ECONorthwest.

Table 6b – Projected Impact on Taxing District Permanent Rate Levies (Education and Totals)

FYE	Portland Community College (perm)	Clackamas County ESD	West Linn SD (perm)	Education Subtotal	Gen Subtotal	Total
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	(26,152)	(34,096)	(450,205)	(529,179)	(597,472)	(1,126,651)
2018	(46,742)	(60,940)	(804,666)	(945,818)	(1,067,878)	(2,013,696)
2019	(63,158)	(82,342)	(1,087,267)	(1,277,992)	(1,442,923)	(2,720,915)
2020	(50,534)	(65,884)	(869,951)	(1,022,554)	(1,154,520)	(2,177,074)
2021	(40,435)	(52,717)	(696,082)	(818,187)	(923,778)	(1,741,965)
2022	(23,805)	(31,036)	(409,810)	(481,697)	(543,864)	(1,025,561)
2023	(10,554)	(13,760)	(181,692)	(213,563)	(241,126)	(454,689)
2024	-	-	-	-	-	-
Total	(261,380)	(340,775)	(4,499,673)	(5,288,990)	(5,971,561)	(11,260,551)

Source: ECONorthwest. Please refer to the explanation of the schools funding in the preceding section.

X. 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, including all real, personal, manufactured, and utility properties in the Urban Renewal Area, is projected to be \$7,476,210. The total assessed value of the City of Wilsonville is \$2,368,094,165. There are four existing urban renewal areas, as shown in Table 7. These four areas, plus the 25600 SW Parkway Center Drive Area, total 3.63% of the total assessed value of the City of Wilsonville, well below the 25% maximum. The 25600 SW Parkway Center Drive Area has 10.35 acres, including right-of-way, and the City of Wilsonville has 4,712 acres; the other four existing urban renewal areas total 1,057.74 acres. Therefore, 22.67% of the City's acreage is in an urban renewal area, below the 25% state limit.

Table 7 – Urban Renewal Area Conformance with Assessed Value and Acreage Limits

Urban Renewal Area	Assessed Value	Acres
25600 SW Parkway Center Drive	\$7,476,210	10.35
9805 SW Boeckman Road	\$10,879,601	24.98
26755 SW 95 th Avenue	\$7,064,499	9.76
Year 2000 Plan	\$44,087,806	567
West Side Plan	\$16,526,288	456
City of Wilsonville	\$2,368,094,165	4,712
Percent of Assessed Value in Urban Renewal	3.63%	
Percent of Acreage in Urban Renewal		22.67%

Source: City of Wilsonville, Clackamas County Assessor, U.S. Census Bureau

XI. RELOCATION REPORT

There is no relocation report required for the Plan. No relocation activities are anticipated.

ORDINANCE NO. 728

AN ORDINANCE MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO AND APPROVING A SINGLE-PROPERTY URBAN RENEWAL PLAN KNOWN AS THE 27255 SW 95TH AVENUE TIF ZONE.

WHEREAS, the City Council of the City of Wilsonville ("Council") has declared that blighted areas exist in the City of Wilsonville and has elected to have the powers of an urban renewal agency exercised by a board designated by the Council; and

WHEREAS, Council has declared that the name of the urban renewal agency shall be the Urban Renewal Agency of the City of Wilsonville ("Agency"); and

WHEREAS, the Agency, as the duly authorized and acting urban renewal agency of the City of Wilsonville, Oregon ("City"), is proposing to undertake certain urban renewal activities in a designated area within the City pursuant to ORS Chapter 457; and

WHEREAS, the Agency, pursuant to the requirements of ORS Chapter 457, has caused the preparation of an urban renewal plan which is attached to this Ordinance as Exhibit A and incorporated herein by this reference ("Plan"). The Plan authorizes urban renewal activities within the urban renewal area known as the **27255 SW 95TH AVENUE TIF Zone** (the "Area"); and

WHEREAS, the Agency has caused the preparation of a report to accompany the Plan as required by ORS 457.085(3) ("Report"), which Report is attached to this Ordinance as Exhibit B and incorporated herein by this reference; and

WHEREAS, the Plan and the Report were forwarded to the City of Wilsonville Planning Commission for recommendation, and the Planning Commission considered the Plan and Report on September 11, 2013, adopted a finding that the Plan conformed to the Wilsonville Comprehensive Plan, and recommends that the Plan be approved by the Wilsonville City Council, which recommendation is attached to this Ordinance as Exhibit C and incorporated herein by this reference; and

WHEREAS, the Plan and the Report were forwarded on September 9 and 23, 2013 to the governing body of each taxing district affected by the Plan, and the Agency has thereafter consulted and conferred with said districts; and

WHEREAS, on September 23, 2013 representatives of the Agency met with representatives of Clackamas County to review the Plan, including proposed maximum indebtedness for the Plan; and

WHEREAS, the City Council has received written confirmation supporting the Plan by taxing districts imposing at least 75 percent of the amount of taxes imposed under permanent rate limits in the urban renewal plan area for the fiscal year prior to fiscal year 2013-2014; and
(Please note: this is subject to change pending what we actually receive in total from the taxing bodies.)

WHEREAS, on October 1, 2013 the City caused notice of the hearing to be held before the City Council on the Plan, including the required statements of ORS 457.120(3), through an article in the October 2013 Boones Ferry Messenger that was mailed to all City of Wilsonville mailing addresses in the 97070 zip code, which includes all postal patrons of the City of Wilsonville; and

WHEREAS, on October 21, 2013 the City Council held a public hearing to review and consider the Plan and Report, the recommendation of the Planning Commission, and the public testimony and exhibits received on that date, and does by this Ordinance desire to approve the Plan.

**NOW THEREFORE, THE COUNCIL OF THE CITY OF WILSONVILLE
ORDAINS AS FOLLOWS:**

Section 1: Based on the information provided in the Report, the recommendation of the Planning Commission, and the public testimony and exhibits before the City Council, the City Council hereby determines and finds that the Plan complies with all requirements of ORS Chapter 457 and the specific criteria of ORS 457.095(1) through (7), in that,:

1. The area designated in the Plan as the Area is blighted, as defined by ORS 457.010(1) and is eligible for inclusion within the Plan because of conditions described in Section II

of the Report, including underdevelopment and underutilization of property within the Area.

2. The rehabilitation and redevelopment described in the Plan to be undertaken by the Agency is necessary to protect the public health, safety and welfare of the City because absent the completion of the urban renewal projects, the Area will fail to contribute its fair share of property tax revenues to support City services and will fail to develop and/or redevelop according the goals of the City's Comprehensive Plan.
3. The Plan conforms to the Wilsonville Comprehensive Plan as a whole, and provides an outline for accomplishing the projects described in the Plan, as more fully described in Chapter XI of the Plan and the Planning Commission Report.
4. The Plan conforms to the Wilsonville Economic Development Strategy as more fully described in Chapter XI of the Plan.
5. No acquisition of real property is provided for in the Plan. Since no acquisition of land is provided in the Plan, therefore, no residential displacement will occur.
6. Adoption and carrying out the Plan is economically sound and feasible in that funds are available to complete the Plan projects using urban renewal tax increment revenues derived from a division of taxes pursuant to section 1c, Article IX of the Oregon Constitution and ORS 457.440, and other available funding as shown in Sections V, VI, VII, VIII and IX of the Report; and
7. The City shall assume and complete any activities prescribed it by the Plan.
8. The City Council expressly accepts the written recommendations received from the following responsive taxing districts: Clackamas County, Tualatin Valley Fire and Rescue, West Linn/Wilsonville School District, and the Port of Portland. The City Council is a municipal taxing district and also approved the revenue sharing model in the

Plan pursuant to Resolution No. 2441. *(Please note: this is subject to change pending what we actually receive in total from the taxing bodies.)*

Section 2: Based upon the foregoing determinations and findings, and the record in these proceedings, including, but not limited to the Plan, the Report, the recommendations of the Planning Commission, the confirmations by the other taxing districts, and the public testimony and exhibits in the record, the Plan attached hereto as Exhibit A is hereby approved and adopted.

Section 3: The City Recorder shall forward forthwith to the Agency a copy of this Ordinance.

Section 4: The Agency shall thereafter cause a copy of the Plan to be recorded in the Records of Clackamas County, Oregon.

Section 5: The City Recorder, in accordance with ORS 457.115, shall publish notice of the adoption of the Ordinance approving the Plan, including the provisions of ORS 457.135, in the **Wilsonville Spokesman or The Oregonian** no later than four days following adoption of this Ordinance.

Section 6: This Plan is being adopted in accordance with the applicable legal requirements and shall be conclusively presumed valid for all purposes 90 days after adoption of the Plan by this Ordinance. Pursuant to Ordinance 457.135, no direct or collateral attack on the action may thereafter be commenced.

SUBMITTED to the Wilsonville City Council and read for the first time at a regular meeting thereof on the 21st day of October, 2013, at the hour of 7:00 p.m. at the Wilsonville City Hall 29799 SW Town Center Loop East, Wilsonville, Oregon, and scheduled for second reading on the 4th day of November, 2013, commencing at the hour of 7:00 p.m. at Wilsonville City Hall.

Sandra C. King, MMC, City Recorder

ENACTED BY THE City Council on the ____ day of November, 2013 by the following votes:

YEAS: _____

NAYS: _____

Sandra C. King, MMC, City Recorder

DATED and signed by the Mayor this _____ day of November, 2013.

TIM KNAPP, MAYOR

SUMMARY OF VOTES:

Mayor Knapp	_____
Councilor Goddard	_____
Councilor Starr	_____
Councilor Fitzgerald	_____
Councilor Stephens	_____

Attachments:

- Exhibit A - **27255 SW 95TH AVENUE** TIF Zone Plan
- Exhibit B - **27255 SW 95TH AVENUE** TIF Zone Report
- Exhibit C - Planning Commission Notice of Decision UR13-0001

27255 SW 95th Avenue Urban Renewal Plan



Prepared for the City of Wilsonville
August 5, 2013

City of Wilsonville

List of Participants

Urban Renewal Board Chair:

Tim Knapp

Urban Renewal Board Members:

Julie Fitzgerald
Richard Goddard
Scott Starr
Susie Stevens

(Urban Renewal Board is also Wilsonville City Council)

Planning Commission:

Ben Altman, Chair
Eric Postma, Vice Chair
Al Levit
Marta McGuire
Peter Hurley
Phyllis Millan
Ray Phelps

Economic Development Strategy Task Force:

Ron Adams, Chair, Board of Education, Clackamas Community College

Vince Alexander, Wilsonville Resident (resigned December 2012)

Mychelle Ashlock, Operations Manager, Northwest Rugs – Wilsonville

Lita Colligan, Associate Vice President for Strategic Partnerships and
Government Relations, Oregon Tech (OIT) Wilsonville

Catherine Comer, Business & Economic Development Manager,
Clackamas County Economic Development (resigned March 2013)

Danielle Cowan, Executive Director, Clackamas County Tourism & Cultural
Affairs

Brenner Daniels, Investment Advisor, Holland Partner Group

Mike Duyck, Fire Chief, Tualatin Valley Fire & Rescue District (TVFRD)

Lonnie Gieber, Committee Member, City of Wilsonville Budget Committee

Gale Lasko, General Manager/Partner, Lamb's Market at Wilsonville

Ray Lister, Membership Development Coordinator, International Brotherhood of
Electrical Workers (IBEW), Local 48

Susan Myers, General Manager, Capital Realty Corp.

Craig Olson, Sr. Director/Site Manager, Rockwell Collins Head-Up Guidance Systems

Ray Phelps, Past President, Wilsonville Chamber of Commerce

Dr. William Rhoades, Superintendent, West Linn-Wilsonville School District

Fred Robinson, General Manager, Kinetics Climax, Inc.

Dick Spence, Wilsonville Resident

Alan Steiger, CPA, Committee Member, City of Wilsonville Budget Committee

Sandra Suran, CPA, Principal, The Suran Group, LLC

Doris Wehler, Past President, Wilsonville Chamber of Commerce

Boyd Westover, Plant Manager, Eaton Corporation, Portland Power Center

Carol White, Wilsonville Resident

City Manager:	Bryan Cosgrove
Community Development Director:	Nancy Kraushaar
Finance Director:	Joanne Ossanna
Urban Renewal Manager:	Kristin Retherford
Planning Director:	Chris Neamtzu

Consultant Team:	Elaine Howard Consulting LLC, Elaine Howard, James Vanden Bos
	ECONorthwest, Lorelei Juntunen, Nick Popenuk, Tessa Krebs
	Jeannette Launer, Legal Counsel
	Leslie Vanden Bos, Editor

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I. DEFINITIONS

“Area” means the properties and rights of way located within this 27255 SW 95th Avenue Urban Renewal Plan urban renewal boundary.

“City” means the City of Wilsonville, Oregon.

“City Council” or “Council” means the City Council of the City of Wilsonville.

“Comprehensive Plan” means the City of Wilsonville Comprehensive Plan and its implementing ordinances, policies, and standards.

“County” means Clackamas County.

“Economic Development Strategy Task Force” means a focused, limited-duration task force composed of leading community members and business managers who helped guide the Economic Development Strategy process and made a recommendation to the City Council.

“Enterprise Zones” means a program established by the State of Oregon in ORS 285C.045-.255, as amended, to provide tax incentives to businesses to locate in specifically designated areas of the state.

“Fiscal year” means the year commencing on July 1 and closing on June 30, the following year.

“Frozen base” means the total assessed value, including all real, personal, manufactured, and utility values within an urban renewal area at the time of plan approval. The county assessor certifies the assessed value after the approval of an urban renewal plan.

“Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value of the frozen base.

“Maximum indebtedness” means the amount of the principal of indebtedness included in a plan, pursuant to ORS 457.190, and does not include indebtedness incurred to refund or refinance existing indebtedness.

“ORS” means the Oregon revised statutes, specifically Chapter 457, which relates to urban renewal.

“Planning Commission” means the Wilsonville Planning Commission.

“Tax increment financing (TIF)” means the system that generates tax revenue through the division of taxes authorized by ORS 457.420 et.seq.

“Tax increment revenues” means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the Area.

“TIF Zones” is the concept established by the Wilsonville City Council that is designed to offer incentives similar to enterprise zones, which stimulate property investment and employment opportunities. This concept is implemented as an urban renewal area.

“Urban renewal agency (agency)” means an urban renewal agency created under ORS 457.035 and 457.045. This agency is responsible for the administration of the urban renewal plan.

“Urban renewal plan” or “Plan” means this 27255 SW 95th Avenue Urban Renewal Plan, as it exists or is changed or modified from time to time, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135, and 457.220.

“Urban renewal project (project)” means any work or undertaking carried out under ORS 457.170 in the Area.

“Urban renewal report” means the official report that accompanies the urban renewal plan, pursuant to ORS 457.085(3).

II. INTRODUCTION

In February 2012, the City of Wilsonville established an Economic Development Advisory Committee (the “Committee”) to develop a strategy for the City’s economic development activities. After six months of public meetings, focus groups, interviews and an economic development summit, the Committee created an *Economic Development Strategy* that was adopted by the Wilsonville City Council in August 2012. The *Economic Development Strategy* describes a vision and principles for City economic development, and recommends twelve actions that are described in some detail. In particular, the *Economic Development Strategy* noted that the City should convene a task force to develop criteria to guide (1) the use of incentives to attract or retain businesses, (2) what businesses would qualify for incentives and under what conditions, (3) what types of incentives would be available to businesses, (4) the funding sources to support the incentives, and (5) expectations of businesses given incentives.

In November 2012, an Economic Development Strategy Task Force (the “Task Force”) was appointed and developed a framework for an incentive program that would more strategically position Wilsonville among its Portland metro-area competitors for economic development. The Task Force consisted of 21 individuals comprising a cross-section of the community. In the process of considering 10 different incentive options, single-property urban renewal districts, called Tax Increment Finance Zones (TIF Zones) emerged as one of the preferred incentive mechanisms. The Task Force recommendation to the Wilsonville City Council proposed the development of five TIF Zones. In Wilsonville, these urban renewal areas will fill a role similar to that of an Enterprise Zone, providing partial property tax rebates for qualifying investments occurring on the properties, thus encouraging companies to locate in Wilsonville and provide valuable economic benefits to the community. This proposal was taken before the City’s electorate in March 2013 and approved by 78.8 percent of voters.

While the TIF Zone incentive packages are similar to Enterprise Zones in concept, they will differ in several key ways in an attempt to make TIF Zones both a lower risk use of public funds and more attractive to potential investors. Each site selected to be a TIF Zone will require the creation of a separate urban renewal plan and report because each site will be its own, individual, urban renewal area. As established by the Task Force, TIF Zone properties must have 100,000 square feet or more of industrially-zoned building space that has the potential for conversion from warehousing to a higher-value, traded-sector use such as manufacturing.

The Agency has prepared the 27255 SW 95th Avenue Urban Renewal Plan (Plan) based on the recommendations of the Task Force. This Plan establishes the fourth of up to six urban renewal areas using the TIF Zone concept. The Plan contains goals, objectives, and projects for the development of the 27255 SW 95th Avenue Urban Renewal Area (Area). The overall purpose of the Plan is to use tax increment financing to provide incentives for economic investment, to cure blight in underutilized buildings, using strategies that are competitive with Enterprise Zones in other communities in the region.

In general, the purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped. These areas can have old or deteriorated buildings, public spaces that need improvements, streets and utilities in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. The Area selected is an underutilized, industrial-zoned area of Wilsonville that has had a history of partial or complete vacancy and where existing conditions have presented a barrier to attracting new private sector financial investment to convert the Area to a higher-value, traded sector use.

Urban renewal allows for the use of tax increment financing, a financing source that is unique to urban renewal, to fund its projects. Tax increment revenues – the amount of property taxes generated by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established – are used to accomplish projects identified by the urban renewal agency. In this case, other than administration, the Plan has only one project, which is repayment in the form of partial property tax reimbursement for qualifying capital infrastructure investment that increases assessed value and job creation.

The specific projects to be approved in this Plan are outlined in Sections IV and V.

Urban renewal is put into effect when the local government (the City of Wilsonville, in this case) adopts an urban renewal plan. The urban renewal plan defines the urban renewal area, states goals and objectives for the area, lists projects and programs that can be undertaken, provides a dollar limit on the funds that can be borrowed for urban renewal projects, and states how the plan may be changed in the future.

The Area, shown in Figure 1, consists of approximately 26.07 acres.

The Plan will be administered by the Wilsonville Urban Renewal Agency, which was activated by the Wilsonville City Council as the City's Urban Renewal Agency.

Substantial changes to the Plan, if necessary, must be approved by the City Council, as outlined in Section X of this Plan.

An Urban Renewal Report, which accompanies the Plan, contains additional information, as required by ORS 457.085. The technical information in the Report includes:

- A description of the physical, social, and economic conditions in the area;
- Expected impact of the Plan, including fiscal impact, in light of increased services;
- Reasons for selection of each Area in the Plan;
- The relationship between each project to be undertaken and the existing conditions;
- The total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area, and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; and
- A relocation report.

The Plan will be active for a maximum of 15 years as explained in Section V, subsection A, below. If no qualifying investment occurs in the Area that uses the Plan project incentives within five years after the effective date of the Plan, then the Plan will immediately be terminated. The maximum amount of indebtedness (amount of tax increment financing for projects and programs) that may be issued for the Plan is \$12,000,000. For TIF Zones, maximum indebtedness reflects the total of the tax repayment obligation to the qualifying company and represents the maximum amount of tax increment to be collected to meet this obligation as well as administrative costs.

III. GOALS AND OBJECTIVES

The goals of the Plan represent the basic intents and purposes. Accompanying each goal are objectives, which generally describe how the Agency intends to achieve the goals. The urban renewal projects identified in Sections IV and V of the Plan are the specific means of meeting the objectives. The goals relate to adopted plans, as detailed in Section XI, and were developed with input from the Wilsonville Economic Development Strategy Task Force. The goals and objectives will be pursued as economically as is feasible and at the discretion of the urban renewal agency.

Goal 1: *PUBLIC INVOLVEMENT*

Maintain a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the urban renewal adoption process.

Objectives:

1. Provide opportunities for public input throughout the adoption process, including a public open house, Planning Commission meeting, and City Council hearing.
2. Provide information on urban renewal on the City of Wilsonville's website.

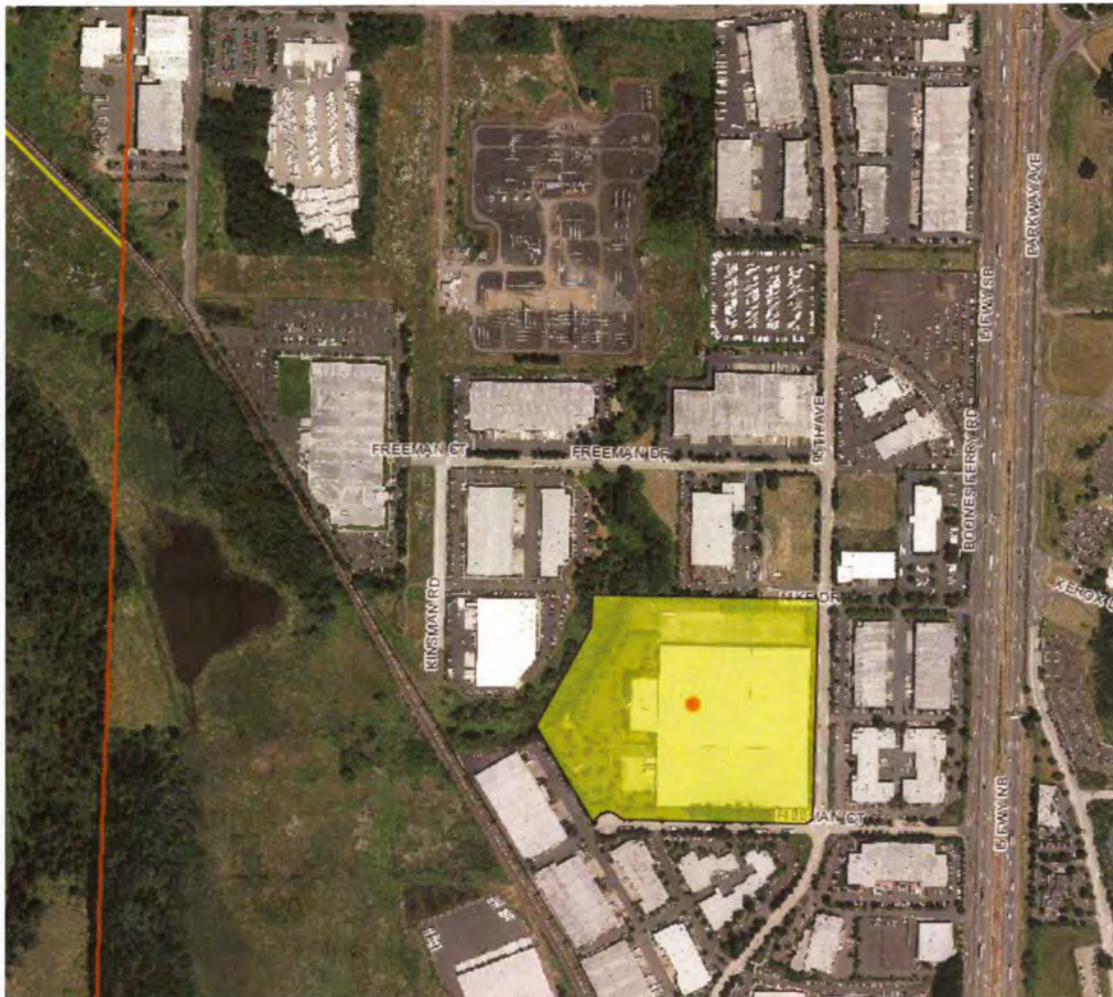
Goal 2: *ECONOMY*

Encourage the economic growth of the Area by encouraging local industrial investment and manufacturing jobs using existing infrastructure and promoting new use of vacant and underutilized industrial properties.

Objectives:

1. Provide steady, family-wage jobs for the community.
2. Generate investment that will bolster the local economy and provide revenue for local taxing jurisdictions.
3. Promote the reuse of vacant buildings and encourage infill development by providing incentives for investors to locate in an existing building or build on a site already in the middle of an industrial area and use the existing infrastructure.
4. Partner with public and private entities to incentivize and generate private investment.

Figure 1 – 27255 SW 95th Avenue Urban Renewal Area Boundary



Source: City of Wilsonville

IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES

The primary project within the Area will be providing the return of incremental property taxes to developers as an incentive for redevelopment. Another small use of funds will be to pay for the preparation and administration of the Plan.

V. URBAN RENEWAL PROJECTS

The urban renewal projects authorized by the Plan are described below. These projects are consistent with the Wilsonville Economic Development Strategy and are in conformance with the Wilsonville Comprehensive Plan, as detailed in Section XI of this Plan.

As shown in the Report, urban renewal funds will primarily be used as an incentive to spur industrial development, investment, and job creation. The details of the projects are as follows:

A. Property tax rebates

This project offers an incentive to the private sector to convert under-utilized industrial buildings into higher value traded-sector uses, such as manufacturing. This project will provide tax rebates of a portion of incremental property tax increases to qualifying investments in the Area.

Property tax rebate mechanics

The project will rebate up to 75% of the tax increment revenue for three years for each company that:

- Invests at least \$25 million in capital improvements and/or qualified equipment, and;
- Creates 75 or more new, permanent, full-time jobs that pay a minimum of 125% of the average Clackamas County wage rate (not including benefits) in effect at the time the rebate is paid which for 2012 is \$25.33/hour or \$52,693 annual wage rate.

Two additional years (five total) of property tax rebates are available if the average wage of the 75 or more new jobs pay 150% of average wages paid in Clackamas County, which for 2012 equals \$30.40 per hour, or a \$63,230 annual wage.

Additional three- and five-year rebate periods could begin, after approval by the Agency, with any additional new capital investment and job creation meeting the above

minimum criteria, providing the potential for up to 10 years of rebates. Again, however, qualified investment needs to be made within five years of program adoption. This limits the potential life of the program and rebates to up to 15 years. Qualifying Businesses must be manufacturing firms. If no qualifying investment has been made in the Area within five years of the effective date of the Plan, the Area will be dissolved.

Any businesses receiving Area benefits will be monitored by the Agency for compliance with qualifying criteria and no rebate shall be given if the business fails to meet any of the qualifications. Additionally, if a business which has received a rebate discontinues business operations in the Area within two years after it receives each rebate payment it will be required to return all or a portion of the rebate as follows. Should a business discontinue business operations within the Area within 12 months after receiving a rebate, the business shall be required to reimburse the Agency 100% of the rebate payment. Should a business discontinue business operations within 24 months of receiving a rebate, the business shall be required to reimburse the Agency 50% of the rebate payment.

B. Debt repayment and project administration

This project will allow for the repayment of costs associated with the preparation, including the potential repayment of the initial planning costs for the development of the urban renewal plan, adoption, and implementation of the Plan. This project also includes ongoing administration of the Plan.

VI. PROPERTY ACQUISITION AND DISPOSITION

The Plan does not authorize the acquisition and disposition of property.

VII. RELOCATION METHODS

No relocation assistance will be provided because this Plan does not authorize property acquisition. If relocation is required, the Agency will comply with relocation methods required under state law.

VIII. LAND USES

The proposed land use is industrial development. The maximum densities and building requirements are contained in the Wilsonville Development Code.

IX. TAX INCREMENT FINANCING OF PLAN

Tax increment financing consists of using annual tax increment revenues to make payments on debt and to finance the urban renewal projects authorized in the Plan. Tax increment revenues equal most of the annual property taxes imposed on the cumulative *increase* in assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is adopted. (Under current law, the property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.)

A. General description of the proposed financing methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues; and/or
- Any other public or private source.

Revenues obtained by the Agency will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in planning or undertaking project activities, or otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Tax increment financing and maximum indebtedness

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Agency based upon the distribution schedule established under ORS 311.390.

The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion, is \$12,000,000.

C. Prior indebtedness

Any indebtedness permitted by law and incurred by the Agency or the City of Wilsonville in connection with the preparation of this Plan or prior planning efforts

that support the preparation or implementation of this Plan may be repaid from tax increment revenues from the Area when, and if, such funds are available.

X. FUTURE AMENDMENTS TO PLAN

The Plan may be amended as described in this section.

A. Substantial Amendments

Substantial Amendments are amendments that:

- Add land to the urban renewal area, except for an addition of land that totals not more than 1% of the existing area of the urban renewal area; or
- Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Planning Commission, and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing shall be provided to individuals or households within the City of Wilsonville, as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

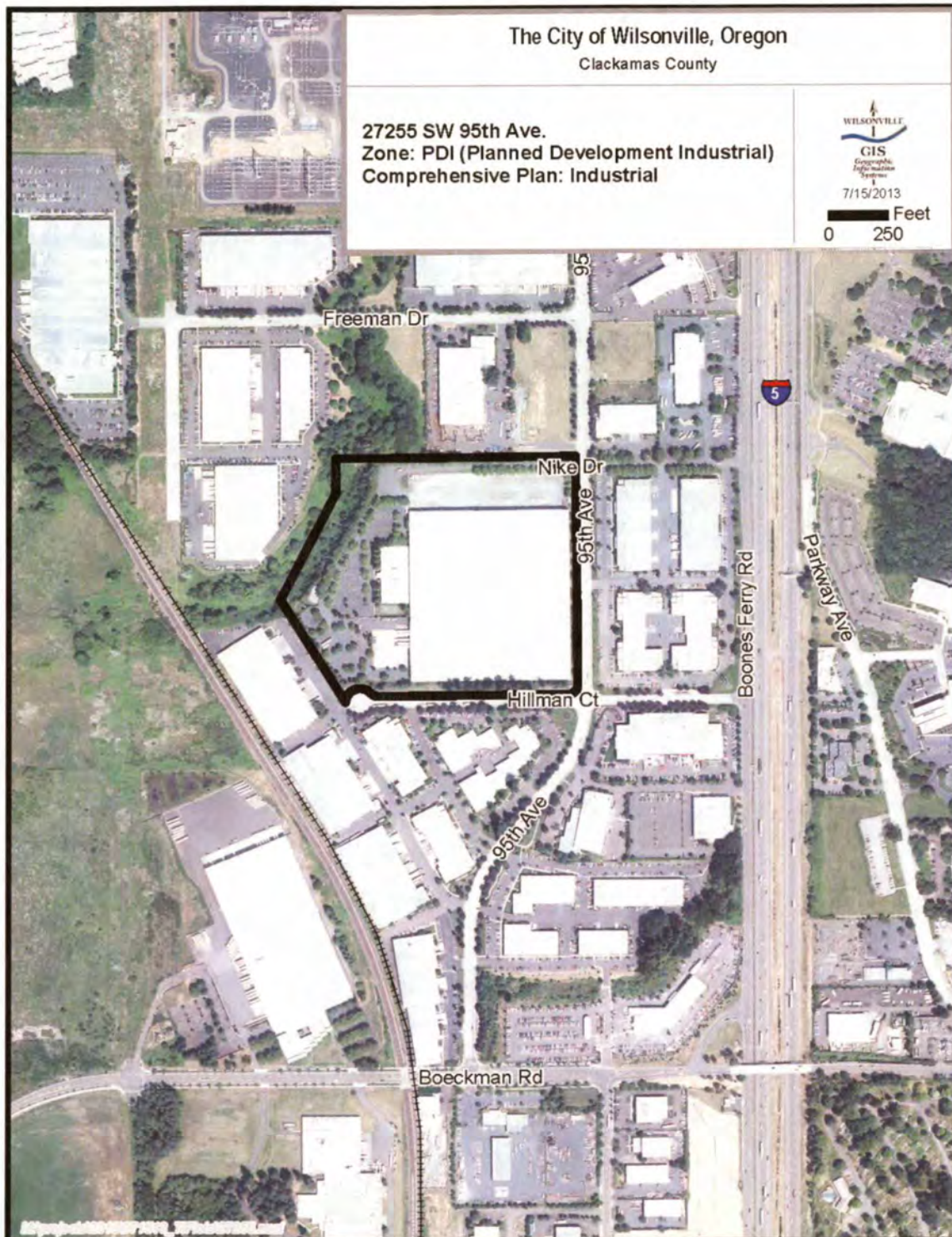
B. Minor Amendments

Minor Amendments are amendments that are not Substantial Amendments in scope. Minor Amendments require approval by the Agency by resolution.

C. Amendments to the Wilsonville Comprehensive Plan and/or Wilsonville Development Code

Amendments to the Wilsonville Comprehensive Plan and/or Wilsonville Development Code that affect the Plan and/or the Area shall be incorporated automatically within the Plan without any separate action required by the Agency or the City Council.

Figure 2 – Zoning and Comprehensive Plan Designations



Source: City of Wilsonville

XI. RELATIONSHIP TO LOCAL OBJECTIVES

The Plan relates to local planning and development objectives contained within the City of Wilsonville's Comprehensive Plan and Economic Development Strategy. The following section describes the purpose and intent of these plans, the particular goals and policies within each planning document to which the proposed Plan relates, and an explanation of how the Plan relates to these goals and policies. The numbering of the goals, policies, and implementation strategies will reflect the numbering that occurs in the original document. Italicized text is text that has **not** been taken directly from an original planning document. The Zoning and Comprehensive Plan designations are shown in Figure 2.

This is not a comprehensive list of all parts of the Wilsonville Comprehensive Plan that are supported by this Plan. This list includes the major goals and policies from the Comprehensive Plan that are supported. However, there may be other goals and policies that are not listed, but are still supported by this Plan.

A. City of Wilsonville Comprehensive Plan

The Wilsonville Comprehensive Plan was updated in January 2013. The Comprehensive Plan is an official statement of the goals, policies, implementation measures, and physical plan for the development of the City. The Plan documents the City's approach to the allocation of available resources for meeting current and anticipated future needs. In doing so, it records current thinking regarding economic and social conditions. Because these conditions change over time, the Plan must be directive, but flexible, and must also be periodically reviewed and revised to consider changes in circumstances.

Section A: Citizen Involvement

Goal 1.1 To encourage and provide means for interested parties to be involved in land use planning processes, on individual cases and City-wide programs and policies.

Policy 1.1.1 The City of Wilsonville shall provide opportunities for a wide range of public involvement in City planning programs and processes.

The Plan conforms with Goals 1.1 and Policy 1.1.1 by involving the citizens of Wilsonville in both the creation of the TIF Zone framework and in the decision of whether or not to use that framework to encourage economic development. The Economic Development Strategy Task Force was comprised of a cross-section of members of the community and it helped to both determine

that urban renewal areas, then called TIF Zones, were appropriate to use in Wilsonville, and helped decide how these incentives should work. Later, a city-wide vote was held so that the community could weigh in on the decision of whether or not to use TIF Zones. Citizens were included in the adoption phase of the urban renewal plan through a public open house, Planning Commission meeting, and City Council hearing that was noticed as required in ORS 45.

Goal 1.2 For Wilsonville to have an interested, informed, and involved citizenry.

Implementation Measure 1.2.1.c. Establish procedures to allow interested parties reasonable access to information on which public bodies will base their land use planning decisions.

Policy 1.3 The City of Wilsonville shall coordinate with other agencies and organizations involved with Wilsonville's planning programs and policies.

The Plan conforms with Goals 1.2, Policy 1.3, and their Implementation Measures by involving the citizens of Wilsonville in both the creation of the TIF Zone framework and in the decision of whether or not to use that framework to encourage economic development. The Economic Development Strategy Task Force was comprised of a cross-section of members of the community and it helped to both determine that urban renewal areas, then called TIF Zones, were appropriate to use in Wilsonville, and helped decide how these incentives should work. In addition, taxing jurisdictions received formal notice, and, if desired, a briefing on the Plan. Representatives of the three major taxing jurisdictions were included as members of the Task Force that recommended the creation of TIF Zones.

Section C: Urban Growth Management

Goal 2.1 To allow for urban growth while maintaining community livability, consistent with the economics of development, City administration, and the provision of public facilities and services.

Implementation Measure 2.1.1.a. Allow development within the City where zoning has been approved and other requirements of the Comprehensive Plan have been met.

Implementation Measure 2.1.1.c. Encourage a balance between residential, industrial, and commercial land use, based on the provisions of this Comprehensive Plan.

Implementation Measure 2.1.1.d. Establish and maintain revenue sources to support the City's policies for urbanization and maintain needed public services and facilities.

Policy 2.1.1 The City of Wilsonville shall support the development of all land within the City, other than designated open spaces, consistent with the land use designations of the Comprehensive Plan.

The Plan conforms with Goal 2.1, Policy 2.1.1, and their Implementation Measures by providing financial incentives for the redevelopment of lands already designated as urban and already provided with infrastructure. By doing this, the Plan encourages growth and development within the urban growth boundary, and helps relieve pressures on lands outside of the urban growth boundary.

Section D: Land Use and Development

Goal 4.1 To have an attractive, functional, economically vital community with a balance of different types of land.

Policy 4.1.1 The City of Wilsonville shall make land use and planning decisions to achieve Goal 4.1.

Implementation Measure 4.1.1.d. In the process of administering the City's Comprehensive Plan, careful consideration will be given to the economic impacts of proposed policies, programs and regulations. Efforts will be made to simplify and streamline the planning and zoning review process while maintaining the quality of development.

Implementation Measure 4.1.1.e. The City shall protect existing and planned industrial and commercial lands from incompatible land uses, and will attempt to minimize deterrents to desired industrial and commercial development.

Implementation Measure 4.1.1.m. Encourage a balance between light industrial and residential growth within the City.

The Plan conforms with Goal 4.1, Policy 4.1.1, and their Implementation Measures by encouraging the redevelopment of local industrial buildings. This redevelopment will enrich the balanced land uses within Wilsonville. Also, by encouraging redevelopment of the Area, the Plan helps support an economically vital community by bringing jobs to the community and by reducing the number of vacant or underutilized industrial buildings in the City.

Policy 4.1.3 City of Wilsonville shall encourage light industry compatible with the residential and urban nature of the City.

Implementation Measure 4.1.3.a. Develop an attractive and economically sound community.

Implementation Measure 4.1.3.c. Favor capital intensive, rather than labor intensive, industries within the City.

Implementation Measure 4.1.3.e. Site industries where they can take advantage of existing transportation corridors such as the freeway, river, and railroad.

The Plan conforms with Goal 4.1, Policy 4.1.3, and their Implementation Measures by encouraging the redevelopment of local industrial buildings. This redevelopment will help maintain a healthy mix of industrial jobs and industry within the community, and will encourage industrial activities to sites where they can take advantage of existing transportation corridors and other infrastructure.

B. Wilsonville Economic Development Strategy

The Economic Development Strategy was completed in August 2012, and sets forth an economic strategy for Wilsonville that describes actions to be taken by the public sector for the purpose of stimulating private sector activity. This strategy was developed with the assistance of an advisory committee that met over the course of 4 months and considered input from the community provided in the form of focus groups, interviews with business leaders, an economic summit, public comments and a community survey. The end result was a vision statement for economic development in Wilsonville, and a list of 6 actions to be taken by the public sector. Specific actions that are directly supported by this Urban Renewal Plan are listed below, but other actions from the Economic Development Strategy will also benefit from the successful implementation of this Plan.

Action 2.1 Promote reuse of vacant building, infill development, and redevelopment.

Action 6.2 Develop criteria to guide the use of incentives to attract or retain businesses.

The projects in the Plan conform with the Economic Development Strategy. They will help to encourage the reuse of existing industrial buildings and infill development by providing an incentive package similar to that of neighboring communities. This incentive package will help incentivize and generate private investment, which will in turn provide jobs for the community and an increased tax base to support local services and infrastructure.

C. Wilsonville Development Code

The Wilsonville Development Code - Planning and Land Development was enacted for the purpose of promoting the general public welfare by ensuring procedural due process in the administration and enforcement of the City's Comprehensive Plan, Zoning, Design Review, Land Division, and Development Standards. It is contained as Chapter 4 of the Wilsonville Code.

The zoning designation for the property in the Area is PDI - Planned Development Industrial Zone. It is shown in Figure 2. The Plan is not proposing any new zones or

code amendments, nor are there any proposals that would modify any of the existing zones or land uses. The Plan will comply with all requirements of the existing zoning.

D. City of Wilsonville Transportation Systems Plan

The City of Wilsonville Transportation Systems Plan (TSP) was adopted by the Wilsonville City Council on June 17, 2013.

The TSP is the City's long-term transportation plan and is an element of its Comprehensive Plan. It includes policies, projects, and programs that could be implemented through the City's Capital Improvement Plan, development requirements, or grant funding.

The 2013 TSP process built upon two decades of community planning to create a complete community transportation plan that integrates all travel modes. Most of the policies and projects come from prior adopted plans, including the Comprehensive Plan, 2003 TSP, 2006 Bicycle and Pedestrian Master Plan, and 2008 Transit Master Plan. While the TSP replaces the 2003 TSP in its entirety, it updates and builds upon the 2006 Bicycle and Pedestrian Master Plan and 2008 Transit Master Plan. Where these documents may be in conflict, the new TSP takes precedence.

27255 SW 95th Avenue is designated as a minor arterial, a truck route and a bicycle route.¹ The TSP Executive Summary identifies 95th Avenue Sidewalk Infill as a priority project to fill in gaps in the sidewalk network on the east side of 95th Avenue from Boeckman Road to Hillman Court, and construct transit stop improvements.² SW 95th Avenue also has a designated cross section deficiency.³ SW 95th Avenue is served by transit, and there are multiple bus stops near the Area.

The Plan conforms with the City of Wilsonville Transportation System Plan as the redevelopment planned for the Area is an industrial use and SW 95th Avenue will be used as designated in the TSP. SW 95th Avenue is classified as a minor arterial, anticipating truck travel.

¹ City of Wilsonville Transportation System Plan, 2013, Figure 3-2 Functional Class Designations, p 3-6; Figure 3-4 Freight Routes, p 3-9; Figure 3-5 Bicycle Routes, p 3-11.

² City of Wilsonville Transportation System Plan, 2013, Executive Summary, p v.

³ City of Wilsonville Transportation System Plan, 2013, Figure 4-1 Roadway Cross-Section Deficiencies, p 4-5.

APPENDIX A: LEGAL DESCRIPTION

27255 SW 95TH AVENUE URBAN RENEWAL DISTRICT WILSONVILLE, OREGON

Lots and maps are taken from Assessor's Tax Maps from July, 2013, and attached hereto. The area is described as that land containing that lot or parcel of property situated in the City of Wilsonville, County of Clackamas, and the State of Oregon, lying in Section 11, Township 3 South, Range 1 West of the Willamette Meridian, bounded as follows:

BEGINNING at a point which bears East, 2161 feet, more or less, from the corner common to Sections 10 and 11, said point being the Northwest corner of Tax Lot 3101, Assessor's Plat 3 1W 11.

1. Thence East along the North line of said Tax Lot 3101, 1112 feet, more or less, to the point of intersection of said North line with the West right-of-way line of 95th Avenue;
2. Thence South along said West right-of-way line and the extension thereof, 1018 feet, more or less, to the point of intersection of said West right-of-way line with the Easterly extension of the North right-of-way line of Hillman Court;
3. Thence West along said Easterly extension of said North right-of-way line and said North right-of-way line, 1011 feet, more or less, to the Southwest corner of said Tax Lot 3101;
4. Thence Northwest along the West line of said Tax Lot 3101, 517 feet, more or less;
5. Thence Northeast along said West line of said Tax Lot 3101, 510 feet, more or less, to a point which bears South, 148 feet, more or less, from the Point of Beginning;
6. Thence North, 148 feet, more or less, to the **POINT OF BEGINNING**.

The described property, located entirely within the City of Wilsonville, County of Clackamas and the State of Oregon, contains **twenty six (26)**, acres, more or less.

Due to the possibility of errors in the acreage shown on the Assessor's Tax Maps used to compute the property acreage, the acreage given hereon should be considered accurate to the nearest 1 acre.

REPORT ACCOMPANYING 27255 SW 95TH AVENUE URBAN RENEWAL PLAN



Prepared for the City of Wilsonville

August 5, 2013

**REPORT ACCOMPANYING
27255 SW 95TH AVENUE
URBAN RENEWAL PLAN**

Consulting team:

Elaine Howard Consulting, LLC

Elaine Howard

James Vanden Bos

ECONorthwest

Lorelei Juntunen

Nick Popunek

Tessa Krebs

Jeannette Launer, Legal Counsel

Leslie Vanden Bos, Editor

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DRAFT

I. INTRODUCTION

The Report on the 27255 SW 95th Avenue Urban Renewal Plan (Report) contains background information and project details that pertain to the 27255 SW 95th Avenue Urban Renewal Plan (Plan). The Report is not a legal part of the Plan, but is intended to provide public information and a basis for the findings made by the City Council as part of its approval of the Plan.

The Report provides information required by ORS 457.085(3). The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan, but also documents the existing conditions in the 27255 SW 95th Avenue Urban Renewal Area (Area).

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility.

Figure 1 – 27255 SW 95th Avenue Urban Renewal Plan Area Boundary



Source: City of Wilsonville

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

This section of the Report describes existing conditions within the 27255 SW 95th Avenue Urban Renewal Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

A. Physical Conditions

Land Use

According to data obtained from the City of Wilsonville and the Clackamas County Assessor’s office, the Area, shown in Figure 1 above, contains 1 industrial use parcel that has 508,277 square feet of building space on 26.07 acres.

Zoning and Comprehensive Plan Designations

In the City of Wilsonville, the Wilsonville Development Code and the Wilsonville Comprehensive Plan designations differ. The development code establishes districts to control land use throughout the city and regulates development standards within these established use districts. The comprehensive plan designation indicates the type of use allowed on a parcel.

The comprehensive plan designation of the parcel is Industrial, and the zoning is Planned Industrial Development (PDI).

Figure 2 – Area Zoning and Comprehensive Plan Designations



Source: City of Wilsonville

B. Infrastructure: Existing Conditions

Infrastructure

This section of the Report identifies the existing infrastructure in the Area. However, because this Area consists of only one parcel, this section will instead evaluate the infrastructure directly serving this parcel, along with an evaluation of the conditions of the infrastructure on the parcel itself. Information was obtained from documentation by City of Wilsonville staff.

1. Streets/Sidewalks/Pathways/Bike Lanes

The street servicing the property, SW 95th Avenue, is a minor arterial that is in good condition and meets City standards. SW 95th Avenue has adequate streetscape, sidewalks, curbs, and bike lanes.

There are currently a number of priority projects planned for SW 95th Avenue in the Capital Improvement Plan, including sidewalk infill and transit stop improvements.

2. Water

The water pipe serving the Area is a 2" domestic that should be adequate for the current or future needs of the Area. There are no projects planned for the water infrastructure serving the Area in the CIP or other planning documents

3. Storm Drainage Master Plan

The storm drain service in the Area is adequate for current and future use, and there are no planned projects for storm drain infrastructure serving the Area in the CIP or other planning documents. However, a building expansion or the addition of impervious surface could trigger new on-site stormwater improvements.

4. Sanitary Sewer

Sewer service to the Area is more than adequate for the current and future needs of the Area, and there are no planned projects for sewer infrastructure serving the Area in the CIP or other planning documents.

5. Parks

There are no public parks in the Area. The 2007 Parks and Recreation Master Plan identifies project P12 Industrial Area Waysides in the northwest industrial area of Wilsonville, which is currently underserved by parks or recreation facilities. These projects are not in the City's short or mid-term Capital Improvement Program and have not been sited.

6. Public Parking

There is no public parking in the Area, but there is parking along the south and west ends of the building that should provide parking for over 250 vehicles.

7. Wetlands

Approximately 91,784 SF along the Area's western boundary borders the Basalt Creek wetlands and is within the City's Significant Resource Overlay Zone.

8. Conditions of Buildings

The building has 508,277 square feet of space. It is currently used for warehousing and is considered underutilized.

C. Social Conditions

There is only one industrial parcel in the Area and there are no residents that reside within the Area.

D. Economic Conditions

Taxable Value of Property Within the Area

According to the Clackamas County Assessor's office, the estimated 2011/2012 total assessed value of the real property in the Area is \$15,982,441. The total assessed value including personal property is \$16,608,823. The building is underutilized, and if it was fully utilized and converted to a traded-sector use such as manufacturing, the values would increase.

The frozen base is estimated to be \$16,608,823.

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 (Impact of the Tax Increment Financing) 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 is an economic development project. The use of urban renewal funding for this project allows the City to provide an attractive industrial development incentive program that will be competitive with neighboring communities' Enterprise Zone programs. It also allows the city to tap a different funding source besides the City of Wilsonville's general funds to support this program.

All necessary infrastructure to serve the Area is in place and none of the systems are slated for improvements in the CIP. Converting the building structure in the Area to optimized use will take advantage of the existing infrastructure. Because the structure will incur a change in use from warehousing to manufacturing, or another traded-sector use that meets program criteria, there may be a need for additional police and fire services. However, since this structure already exists and has received these services before, these are not totally new service requirements. In addition, a vacant structure can sometimes be vulnerable to vandalism, criminal activity and fire risk. Bringing the structure back to full use will help prevent such risks.

The revenue sharing feature of this urban renewal plan allows for tax increment to be shared with taxing jurisdictions including the City of Wilsonville at the onset of receipt by the Agency of tax increment funds. These funds will help offset any increased services.

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

The reason for selecting the Area is to cure blight by providing the ability to fund an economic incentive program to encourage private sector investment in an underutilized and/or vacant parcel of industrial zoned land.

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

The projects identified for the Area, including how they relate to the existing conditions in the Area, are described below:

A. Property Tax Rebates

This project offers an incentive to the private sector to convert underutilized industrial buildings into higher value traded-sector uses, such as manufacturing, in the Area. This project will provide tax rebates of a portion of incremental property tax increases to qualifying investments in the Area.

Existing Conditions:

This parcel is currently vacant and/or underutilized. It has 508,277 square feet of building space on 26.07 acres.

B. Debt Service and Administration

This project will allow for the repayment of costs associated with the preparation (including the potential repayment of the initial planning costs for the development of the urban renewal plan) adoption, and implementation of the 27255 SW 95th Avenue Urban Renewal Plan. This project also includes ongoing administration and any financing costs associated with the Plan.

Existing Conditions:

As there is currently no urban renewal program for this Area, these activities do not exist.

V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The costs of the projects are shown in Table 1. The sources of funds are tax increment revenues. A three percent annual inflation factor is used. These funds will be allocated to the following projects:

- Repayment of a portion of the urban renewal planning costs will occur in the first year that tax increment funds are received (\$12,000 in FY 2013-14, adjusted annually for inflation increases).
- Approximately \$15,000 in FY 2013-14, adjusted for inflation, will be allocated for program administration annually.
- The project will rebate up to 75% of the net tax increment revenue for three years for each qualifying company if the average wage of the 75 or more new jobs pay a minimum of 125% of the average Clackamas County wage rate (not including benefits) in effect at the time the rebate is paid, which for 2012 is \$25.33/hour or \$52,693 annual wage rate. Two additional years (five total) of property tax rebates are available if the average wage of the 75 or more new jobs pay 150% of average wages paid in Clackamas County at the time the rebate is paid, which for 2012 equals \$30.40 per hour, or a \$63,230 annual wage.
- Any net tax increment revenues in excess of what is needed for administrative expenses or tax rebates will be distributed to the impacted taxing jurisdictions.

Table 1 – Estimated Project Allocations

TIF Use	Amount
URA Administration	\$141,367
Rebate	\$11,786,512
Total	\$11,927,879

Source: ECONorthwest, TIF: Tax Increment Funds

VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The anticipated latest completion date of the projects in the 27255 SW 95th Avenue Urban Renewal Plan will be June 30 of the fiscal year ending 15 years after the approval of the Plan. If investments do not occur as outlined in the program guidelines, the Plan may be terminated earlier at the discretion of the Agency.

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

Table 2 shows a scenario for how this urban renewal plan may be implemented. This scenario relies on an investment by the developer of over \$407,000,000, in three successive years, receiving \$11,786,512 in tax rebates from tax increment funds received by the Agency. This results in approximately \$12 million in maximum indebtedness, and represents the maximum investment anticipated in the building. Lower investment levels will result in lower actual tax rebates and lower actual maximum indebtedness used. When a developer negotiates an agreement with the City, the projected rebate and revenue sharing numbers will be reevaluated, but may not exceed the \$12 million maximum indebtedness established in this Plan.

Table 2. Investment Schedule

Year	Investment Amount		
	Schedule 1	Schedule 2	Schedule 3
2013			
2014			
2015	137,000,000		
2016		135,000,000	
2017			135,000,000
2018			

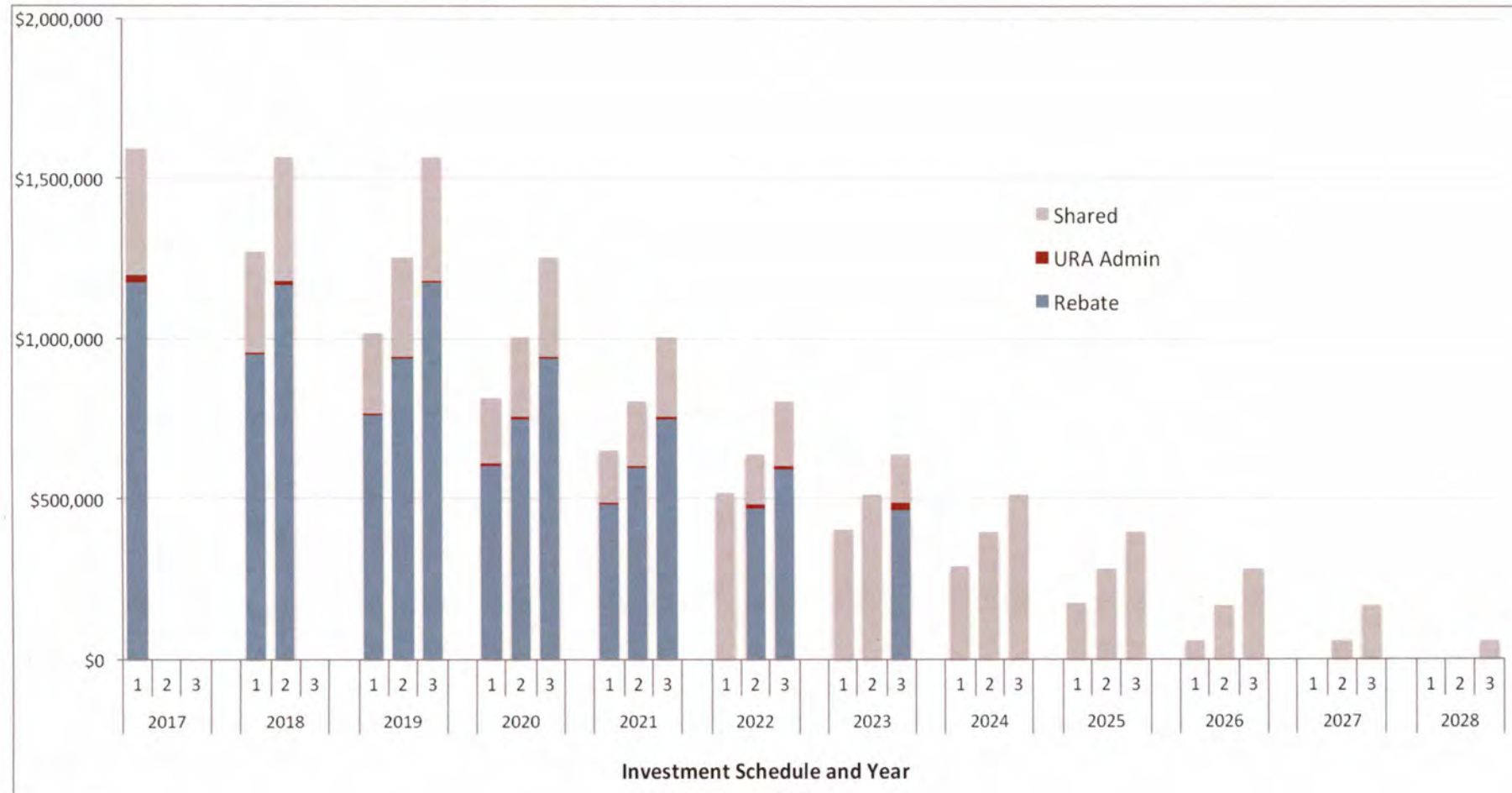
Source: ECONorthwest

The tax increment revenues and their allocation to administrative costs, developer rebates, and the taxing jurisdictions' share of the increased property tax revenue are shown in Table 3. The 25% to taxing jurisdictions is held constant, the administrative costs are deducted from the 75% share to the developer. Since revenue sharing is anticipated at the onset of the Plan, and this revenue sharing exceeds the potential amount of distributions through revenue sharing required in ORS 457.470, the revenue sharing in ORS 457.470 has been waived by the taxing jurisdictions.

It is anticipated that all expenditures of tax increment funding will be completed within 15 years. The maximum indebtedness is \$12,000,000. In the scenario detailed in Tables 2 and 2, the term of the rebate expires before all of the manufacturer's investment in equipment has depreciated. The result of this is the taxing jurisdictions begin to receive 100% of the TIF revenues in fiscal year 2023-24, and the total amount shared with taxing jurisdictions for the entire duration of the Area ends up being much higher than the net 25% share that is guaranteed during the time the developer is receiving rebates. Table 2 shows the total projected rebate to the developer in this scenario would be \$11,786,512 dollars, while the amount received by taxing jurisdictions is estimated at \$8,282,830 dollars over the 15 year life of the Plan. This is actually 41% of the total tax increment revenue.

Chart 1 depicts this scenario. Each individual investment provides rebates to the developer, and a portion of extra tax increment to taxing jurisdictions, for a five-year period, with any remaining increment shared with the taxing jurisdictions when that rebate period expires. The three investments are depicted in consecutive years, as shown by the 1,2,3 on the horizontal axis of the chart. As shown, once any one investment reaches the 6th year, all of the tax increment from that investment is shared with the taxing jurisdictions. This would be accomplished through an under levy.

Chart 1. Investment, Amortization, and Rebate Schedule



Source: ECONorthwest

There will be no loans or bonds issued. The amount of funding to service the maximum indebtedness will be raised through the payment of tax increment from the County Assessor's office. Because the project payments are predicated upon the annual tax increment on a formulaic basis allocating first to administrative costs, then a 75/25 split of increment between the developer and impacted taxing jurisdictions, the Plan will be financially feasible. No payments will be made without first receiving the increment from the assessor.

Table 3 – Tax Increment Revenues and Allocations to Project Costs Sample Scenario

	URA Admin	Rebate	Shared	Total
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	\$28,883	\$1,165,514	\$398,133	\$1,592,530
2018	\$17,390	\$2,115,090	\$710,826	\$2,843,306
2019	\$17,912	\$2,865,034	\$960,981	\$3,843,927
2020	\$18,449	\$2,287,907	\$768,785	\$3,075,141
2021	\$19,002	\$1,826,030	\$615,010	\$2,460,042
2022	\$19,572	\$1,065,063	\$883,364	\$1,968,000
2023	\$20,159	\$461,872	\$1,080,797	\$1,562,828
2024	\$0	\$0	\$1,204,211	\$1,204,211
2025	\$0	\$0	\$859,716	\$859,716
2026	\$0	\$0	\$515,223	\$515,223
2027	\$0	\$0	\$228,592	\$228,592
2028	\$0	\$0	\$57,192	\$57,192
2029	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0
Total	\$141,367	\$11,786,512	\$8,282,830	\$20,210,708

Source: ECONorthwest, FYE: Fiscal Year End, URA: Urban Renewal Area

VIII. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues in the sample scenario, as shown above, are based on projections of the assessed value of investment that could occur within the Area, depreciation of the investment and the total tax rate that will apply in the Area. The assumptions include assumptions of development, as identified in the TIF Zones concept by the City of Wilsonville. Although these assumptions are used as a basis for evaluating the Plan, the financial feasibility is predicated on the simple formula that increased revenues will be shared by the City for administration, by the developer and by the taxing jurisdictions. No payments will be made until tax increment is received from the County Assessor. These payments will be distributed on a formula that includes payments for administrative costs, then a 75/25 split between the developer and impacted taxing jurisdictions.

Table 4 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Table 3. These projections include shared revenue with impacted taxing jurisdictions.

Table 5 shows the investment and depreciation assumptions used in preparing the financial analysis. In this scenario, all investment is assumed to be equipment, and so it is depreciated. The depreciation schedule used in this scenario is a half-year convention over a 10-year recovery period that was published by the Internal Revenue Service in its annual report for how to depreciate property. Depreciation is an annual income tax deduction that allows you to recover the cost or other basis of certain property over the time you use the property. It is an allowance for the wear and tear, deterioration, or obsolescence of the property. In this case, all the investment in property is assumed to depreciate to zero after 10 years. Property can be depreciated at different times throughout the year, depending on the accounting method used. Under the half-year convention, you treat all property placed in service or disposed of during a tax year as placed in service or disposed of at the midpoint of the year. This means that a one-half year of depreciation is allowed for the year the property is placed in service or disposed of.

However, as stated above, for purposes of financial feasibility, the fact that no payments will be made until tax increment is received establishes financial feasibility.

Table 4 – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	TIF
2013	\$16,608,823	\$16,608,823	\$0	13.0968	-
2014	\$16,608,823	\$16,608,823	\$0	13.0936	-
2015	\$16,608,823	\$16,608,823	\$0	13.0793	-
2016	\$16,608,823	\$16,608,823	\$0	12.9159	-
2017	\$139,908,823	\$16,608,823	\$123,300,000	12.9159	\$1,592,530
2018	\$236,748,823	\$16,608,823	\$220,140,000	12.9159	\$2,843,306
2019	\$314,220,823	\$16,608,823	\$297,612,000	12.9159	\$3,843,927
2020	\$254,698,423	\$16,608,823	\$238,089,600	12.9159	\$3,075,141
2021	\$207,075,023	\$16,608,823	\$190,466,200	12.9159	\$2,460,042
2022	\$168,979,123	\$16,608,823	\$152,370,300	12.9159	\$1,968,000
2023	\$137,609,123	\$16,608,823	\$121,000,300	12.9159	\$1,562,828
2024	\$109,843,623	\$16,608,823	\$93,234,800	12.9159	\$1,204,211
2025	\$83,171,423	\$16,608,823	\$66,562,600	12.9159	\$859,716
2026	\$56,499,423	\$16,608,823	\$39,890,600	12.9159	\$515,223
2027	\$34,307,323	\$16,608,823	\$17,698,500	12.9159	\$228,592
2028	\$21,036,823	\$16,608,823	\$4,428,000	12.9159	\$57,192
2029	\$16,608,823	\$16,608,823	\$0	12.9159	-
2030	\$16,608,823	\$16,608,823	\$0	12.9159	-
Total					\$20,210,708

Source: ECONorthwest, FYE: Fiscal Year End, TIF Revenue: Tax Increment Revenue

Table 5 – Projected Investments and Depreciation Schedules

Calendar Year	FYE	Investment Schedule 1			Investment Schedule 2			Investment Schedule 3			Total RMV
		Value	Depreciation	RMV	Value	Depr.	RMV	Value	Depr.	RMV	
2013	2015										
2014	2016										
2015	2017	\$137,000,000	10.00%	\$123,300,000							\$123,300,000
2016	2018		18.00%	\$98,640,000	\$135,000,000	10.00%	\$121,500,000				\$220,140,000
2017	2019		14.40%	\$78,912,000		18.00%	\$97,200,000	\$135,000,000	10.00%	\$121,500,000	\$297,612,000
2018	2020		11.52%	\$63,129,600		14.40%	\$77,760,000		18.00%	\$97,200,000	\$238,089,600
2019	2021		9.22%	\$50,498,200		11.52%	\$62,208,000		14.40%	\$77,760,000	\$190,466,200
2020	2022		7.37%	\$40,401,300		9.22%	\$49,761,000		11.52%	\$62,208,000	\$152,370,300
2021	2023		6.55%	\$31,427,800		7.37%	\$39,811,500		9.22%	\$49,761,000	\$121,000,300
2022	2024		6.55%	\$22,454,300		6.55%	\$30,969,000		7.37%	\$39,811,500	\$93,234,800
2023	2025		6.56%	\$13,467,100		6.55%	\$22,126,500		6.55%	\$30,969,000	\$66,562,600
2024	2026		6.55%	\$4,493,600		6.56%	\$13,270,500		6.55%	\$22,126,500	\$39,890,600
2025	2027		3.28%	-		6.55%	\$4,428,000		6.56%	\$13,270,500	\$17,698,500
2026	2028					3.28%	-		6.55%	\$4,428,000	\$4,428,000
2027	2029								3.28%	-	\$0
2028	2030										

FYE: Fiscal Year End RMV: Real Market Value Depr.: Depreciation
Source: ECONorthwest

IX. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the new maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal 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 estimated for a 15-year period and are shown in Tables 6a and 6b. Table 6a shows the general government taxing jurisdictions and Table 6b shows the education taxing jurisdictions.

The concept for this plan, as defined by the City of Wilsonville, includes a 25% share of net tax increment proceeds with the affected taxing jurisdictions. This formula for revenue sharing is different than the formula described in Oregon Revised Statutes (ORS). Revenue sharing is part of the 2009 legislative changes to urban renewal and means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the area. By statute, the share is a percentage basis dependent upon the tax rates of the taxing jurisdictions. The first threshold is 10% of the original maximum indebtedness. At the 10% threshold, the urban renewal agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold, and the taxing jurisdictions will receive 75% of the increment above the 10% threshold. The second threshold is set at 12.5% of the maximum indebtedness. Since revenue sharing is anticipated at the onset of the Plan, and this revenue sharing exceeds the potential amount of distributions through revenue sharing required in ORS 457.470, the revenue sharing in ORS 457.470 has been waived by the taxing jurisdictions.

The West Linn-Wilsonville School District and the Education Service District 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 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 substantially replaced with State School Fund revenues, as determined by a funding formula at the state level. The formula for funding schools, as changed in the 2013 legislative session, is \$6,852 per pupil for FY 2013-14 and \$7,081 per pupil for FY 2014-15, an increase over the 2012 levels. According to the State of Oregon Department of Education,

there was approximately \$1 billion dollars of increased revenues allocated to school financing in the 2013 legislative session.¹

Tables 6a and 6b show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. It assumes the growth as projected in the other tables in this Report. **It does not offset the foregone revenues with the expected new revenues. Although the taxing jurisdictions are shown to forego approximately \$12 million, as shown in Table 6a and 6b, they will receive approximately \$8 million, as shown in Table 3. Over the life of the Plan, the taxing jurisdictions will receive over 40% of the total tax increment revenues produced by this sample scenario.**

There is always some discussion about the true impact of urban renewal on the taxing jurisdictions as there is one line of thought that some of the growth projected would not occur "but for" urban renewal. In this case, the building is underutilized either through vacancy or type of use, and expectations are that it will remain underutilized in the future without developer incentives. Given this, there would be no expectation that any increase of property taxes would come from this building without the use of urban renewal.

There is no anticipated change in revenue for affected taxing jurisdictions upon termination of the Plan, which is expected in 15 years. All projected investment is equipment, and equipment's assessed value depreciates over time. By the time the Area expires, all equipment will be fully depreciated, so there will be no additional assessed value to tax. However, the taxing jurisdictions are receiving 25% of the net increment during the time period the developer is receiving 75% of the net increment, and they are receiving 100% of the increment for the remaining time frame of the Area, as shown in Table 3. If there are any improvements to the building itself, or increases in value of the building itself, the taxing jurisdictions would realize the increased taxes from those investments.

¹ Phone interview with Jan McComb, State of Oregon Department of Education, July 11, 2013.

Table 6a – Projected Impact on Taxing District Permanent Rate Levies (General Government)

FYE	Clackamas County	Tualatin Valley Fire & Rescue	City of Wilsonville	Port of Portland	Metro	COUNTY EXTENSION & 4-H	COUNTY LIBRARY	COUNTY SOIL CONS	VECTOR CONTROL	Subtotal
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	(222,328)	(141,043)	(233,092)	(6,482)	(8,933)	(4,624)	(36,750)	(4,624)	(601)	(658,477)
2018	(396,946)	(251,818)	(416,164)	(11,574)	(15,949)	(8,255)	(65,613)	(8,255)	(1,073)	(1,175,647)
2019	(536,639)	(340,438)	(562,621)	(15,647)	(21,562)	(11,160)	(88,703)	(11,160)	(1,451)	(1,589,381)
2020	(429,311)	(272,351)	(450,097)	(12,518)	(17,250)	(8,928)	(70,963)	(8,928)	(1,161)	(1,271,507)
2021	(343,439)	(217,874)	(360,067)	(10,014)	(13,799)	(7,142)	(56,768)	(7,142)	(929)	(1,017,174)
2022	(201,897)	(128,081)	(211,672)	(5,887)	(8,112)	(4,199)	(33,372)	(4,199)	(546)	(597,965)
2023	(89,727)	(56,922)	(94,071)	(2,616)	(3,605)	(1,866)	(14,831)	(1,866)	(243)	(265,747)
2024	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-
Total	(2,220,287)	(1,408,527)	(2,327,784)	(64,738)	(89,210)	(46,174)	(367,000)	(46,174)	(6,004)	(6,575,898)

Source: ECONorthwest.

Table 6b – Projected Impact on Taxing District Permanent Rate Levies (Education and Totals)

FYE	COM COLL CLACK (perm)	ESD CLACKAMAS	SCH WLINN/WILS (perm)	Subtotal Education	Subtotal Gen Govt	Total
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	(51,620)	(34,096)	(450,205)	(535,921)	(658,477)	(1,194,398)
2018	(92,162)	(60,874)	(803,797)	(956,833)	(1,175,647)	(2,132,480)
2019	(124,595)	(82,297)	(1,086,671)	(1,293,563)	(1,589,381)	(2,882,944)
2020	(99,676)	(65,838)	(869,337)	(1,034,851)	(1,271,507)	(2,306,358)
2021	(79,739)	(52,669)	(695,449)	(827,857)	(1,017,174)	(1,845,031)
2022	(46,876)	(30,962)	(408,832)	(486,670)	(597,965)	(1,084,635)
2023	(20,832)	(13,760)	(181,692)	(216,284)	(265,747)	(482,031)
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
Total	(515,500)	(340,496)	(4,495,983)	(5,351,979)	(6,575,898)	(11,927,877)

Source: ECONorthwest. Please refer to the explanation of the schools funding in the preceding section.

X. 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, including all real, personal, manufactured, and utility properties in the Urban Renewal Area, is projected to be \$16,608,823. The total assessed value of the City of Wilsonville is \$2,368,094,165. There are five existing urban renewal areas, as shown in Table 7. These five areas, plus the 27255 SW 95th Avenue Area, total 4.33% of the total assessed value of the City of Wilsonville, well below the 25% maximum. The 27255 SW 95th Avenue Area has 26.07 acres, including right-of-way, and the City of Wilsonville has 4,712 acres; the other five existing urban renewal areas total 1,068.09 acres. Therefore, 23.22% of the City's acreage is in an urban renewal area, below the 25% state limit.

Table 7 – Urban Renewal Area Conformance with Assessed Value and Acreage Limits

Urban Renewal Area	Assessed Value	Acres
27255 SW 95 th Avenue	\$16,608,823	26.07
25600 SW Parkway Center Drive	\$7,476,210	10.35
9805 SW Boeckman Road	\$10,879,601	24.98
26755 SW 95 th Avenue	\$7,064,499	9.76
Year 2000 Plan	\$44,087,806	567
West Side Plan	\$16,526,288	456
City of Wilsonville	\$2,368,094,165	4,712
Percent of Assessed Value in Urban Renewal	4.33%	
Percent of Acreage in Urban Renewal		23.22%

Source: City of Wilsonville, Clackamas County Assessor, U.S. Census Bureau

XI. RELOCATION REPORT

There is no relocation report required for the Plan. No relocation activities are anticipated.

ORDINANCE NO. 729

AN ORDINANCE MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO AND APPROVING A SINGLE-PROPERTY URBAN RENEWAL PLAN KNOWN AS THE 29899 SW BOONES FERRY ROAD TIF ZONE.

WHEREAS, the City Council of the City of Wilsonville ("Council") has declared that blighted areas exist in the City of Wilsonville and has elected to have the powers of an urban renewal agency exercised by a board designated by the Council; and

WHEREAS, Council has declared that the name of the urban renewal agency shall be the Urban Renewal Agency of the City of Wilsonville ("Agency"); and

WHEREAS, the Agency, as the duly authorized and acting urban renewal agency of the City of Wilsonville, Oregon ("City"), is proposing to undertake certain urban renewal activities in a designated area within the City pursuant to ORS Chapter 457; and

WHEREAS, the Agency, pursuant to the requirements of ORS Chapter 457, has caused the preparation of an urban renewal plan which is attached to this Ordinance as Exhibit A and incorporated herein by this reference ("Plan"). The Plan authorizes urban renewal activities within the urban renewal area known as the **29899 SW BOONES FERRY ROAD TIF Zone** (the "Area"); and

WHEREAS, the Agency has caused the preparation of a report to accompany the Plan as required by ORS 457.085(3) ("Report"), which Report is attached to this Ordinance as Exhibit B and incorporated herein by this reference; and

WHEREAS, the Plan and the Report were forwarded to the City of Wilsonville Planning Commission for recommendation, and the Planning Commission considered the Plan and Report on September 11, 2013, adopted a finding that the Plan conformed to the Wilsonville Comprehensive Plan, and recommends that the Plan be approved by the Wilsonville City Council, which recommendation is attached to this Ordinance as Exhibit C and incorporated herein by this reference; and

WHEREAS, the Plan and the Report were forwarded on September 9 and 23, 2013 to the governing body of each taxing district affected by the Plan, and the Agency has thereafter consulted and conferred with said districts; and

WHEREAS, on September 23, 2013 representatives of the Agency met with representatives of Clackamas County to review the Plan, including proposed maximum indebtedness for the Plan; and

WHEREAS, the City Council has received written confirmation supporting the Plan by taxing districts imposing at least 75 percent of the amount of taxes imposed under permanent rate limits in the urban renewal plan area for the fiscal year prior to fiscal year 2013-2014; and *(Please note: this is subject to change pending what we actually receive in total from the taxing bodies.)*

WHEREAS, on October 1, 2013 the City caused notice of the hearing to be held before the City Council on the Plan, including the required statements of ORS 457.120(3), through an article in the October 2013 Boones Ferry Messenger that was mailed to all City of Wilsonville mailing addresses in the 97070 zip code, which includes all postal patrons of the City of Wilsonville; and

WHEREAS, on October 21, 2013 the City Council held a public hearing to review and consider the Plan and Report, the recommendation of the Planning Commission, and the public testimony and exhibits received on that date, and does by this Ordinance desire to approve the Plan.

**NOW THEREFORE, THE COUNCIL OF THE CITY OF WILSONVILLE
ORDAINS AS FOLLOWS:**

Section 1: Based on the information provided in the Report, the recommendation of the Planning Commission, and the public testimony and exhibits before the City Council, the City Council hereby determines and finds that the Plan complies with all requirements of ORS Chapter 457 and the specific criteria of ORS 457.095(1) through (7), in that:

1. The area designated in the Plan as the Area is blighted, as defined by ORS 457.010(1) and is eligible for inclusion within the Plan because of conditions described in Section II of the Report, including underdevelopment and underutilization of property within the Area.
2. The rehabilitation and redevelopment described in the Plan to be undertaken by the Agency is necessary to protect the public health, safety and welfare of the City because absent the completion of the urban renewal projects, the Area will fail to contribute its fair share of property tax revenues to support City services and will fail to develop and/or redevelop according the goals of the City's Comprehensive Plan.
3. The Plan conforms to the Wilsonville Comprehensive Plan as a whole, and provides an outline for accomplishing the projects described in the Plan, as more fully described in Chapter XI of the Plan and the Planning Commission Report.
4. The Plan conforms to the Wilsonville Economic Development Strategy as more fully described in Chapter XI of the Plan.
5. No acquisition of real property is provided for in the Plan. Since no acquisition of land is provided in the Plan, therefore, no residential displacement will occur.
6. Adoption and carrying out the Plan is economically sound and feasible in that funds are available to complete the Plan projects using urban renewal tax increment revenues derived from a division of taxes pursuant to section 1c, Article IX of the Oregon Constitution and ORS 457.440, and other available funding as shown in Sections V, VI, VII, VIII and IX of the Report; and
7. The City shall assume and complete any activities prescribed it by the Plan.

8. The City Council expressly accepts the written recommendations received from the following responsive taxing districts: Clackamas County, Tualatin Valley Fire and Rescue, West Linn/Wilsonville School District, and the Port of Portland. The City Council is a municipal taxing district and also approved the revenue sharing model in the Plan pursuant to Resolution No. 2441. *(Please note: this is subject to change pending what we actually receive in total from the taxing bodies.)*

Section 2: Based upon the foregoing determinations and findings, and the record in these proceedings, including, but not limited to the Plan, the Report, the recommendations of the Planning Commission, the confirmations by the other taxing districts, and the public testimony and exhibits in the record, the Plan attached hereto as Exhibit A is hereby approved and adopted.

Section 3: The City Recorder shall forward forthwith to the Agency a copy of this Ordinance.

Section 4: The Agency shall thereafter cause a copy of the Plan to be recorded in the Records of Clackamas County, Oregon.

Section 5: The City Recorder, in accordance with ORS 457.115, shall publish notice of the adoption of the Ordinance approving the Plan, including the provisions of ORS 457.135, in the **Wilsonville Spokesman** or **The Oregonian** no later than four days following adoption of this Ordinance.

Section 6: This Plan is being adopted in accordance with the applicable legal requirements and shall be conclusively presumed valid for all purposes 90 days after adoption of the Plan by this Ordinance. Pursuant to Ordinance 457.135, no direct or collateral attack on the action may thereafter be commenced.

SUBMITTED to the Wilsonville City Council and read for the first time at a regular meeting thereof on the 21st day of October, 2013, at the hour of 7:00 p.m. at the

Wilsonville City Hall 29799 SW Town Center Loop East, Wilsonville, Oregon, and scheduled for second reading on the 4th day of November, 2013, commencing at the hour of 7:00 p.m. at Wilsonville City Hall.

Sandra C. King, MMC, City Recorder

ENACTED BY THE City Council on the ____ day of November, 2013 by the following votes:

YEAS: _____ NAYS: _____

Sandra C. King, MMC, City Recorder

DATED and signed by the Mayor this ____ day of November, 2013.

TIM KNAPP, MAYOR

SUMMARY OF VOTES:

Mayor Knapp	_____
Councilor Goddard	_____
Councilor Starr	_____
Councilor Fitzgerald	_____
Councilor Stephens	_____

Attachments:

Exhibit A - **29899 SW BOONES FERRY ROAD** TIF Zone Plan
Exhibit B - **29899 SW BOONES FERRY ROAD** TIF Zone Report
Exhibit C - Planning Commission Notice of Decision UR13-0001

29899 SW Boones Ferry Road Urban Renewal Plan



Prepared for the City of Wilsonville
August 5, 2013

City of Wilsonville

List of Participants

Urban Renewal Board Chair: Tim Knapp

Urban Renewal Board Members: Julie Fitzgerald
Richard Goddard
Scott Starr
Susie Stevens

(Urban Renewal Board is also Wilsonville City Council)

Planning Commission: Ben Altman, Chair
Eric Postma, Vice Chair
Al Levit
Marta McGuire
Peter Hurley
Phyllis Millan
Ray Phelps

Economic Development Strategy Task Force:

Ron Adams, Chair, Board of Education, Clackamas Community College

Vince Alexander, Wilsonville Resident (resigned December 2012)

Mychelle Ashlock, Operations Manager, Northwest Rugs – Wilsonville

Lita Colligan, Associate Vice President for Strategic Partnerships and
Government Relations, Oregon Tech (OIT) Wilsonville

Catherine Comer, Business & Economic Development Manager,
Clackamas County Economic Development (resigned March 2013)

Danielle Cowan, Executive Director, Clackamas County Tourism & Cultural
Affairs

Brenner Daniels, Investment Advisor, Holland Partner Group

Mike Duyck, Fire Chief, Tualatin Valley Fire & Rescue District (TVFRD)

Lonnie Gieber, Committee Member, City of Wilsonville Budget Committee

Gale Lasko, General Manager/Partner, Lamb's Market at Wilsonville

Ray Lister, Membership Development Coordinator, International Brotherhood of
Electrical Workers (IBEW), Local 48

Susan Myers, General Manager, Capital Realty Corp.

Craig Olson, Sr. Director/Site Manager, Rockwell Collins Head-Up Guidance Systems

Ray Phelps, Past President, Wilsonville Chamber of Commerce

Dr. William Rhoades, Superintendent, West Linn-Wilsonville School District

Fred Robinson, General Manager, Kinetics Climax, Inc.

Dick Spence, Wilsonville Resident

Alan Steiger, CPA, Committee Member, City of Wilsonville Budget Committee

Sandra Suran, CPA, Principal, The Suran Group, LLC

Doris Wehler, Past President, Wilsonville Chamber of Commerce

Boyd Westover, Plant Manager, Eaton Corporation, Portland Power Center

Carol White, Wilsonville Resident

City Manager:	Bryan Cosgrove
Community Development Director:	Nancy Kraushaar
Finance Director:	Joanne Ossanna
Urban Renewal Manager:	Kristin Retherford
Planning Director:	Chris Neamtzu

Consultant Team:	Elaine Howard Consulting LLC, Elaine Howard, James Vanden Bos
	ECONorthwest, Lorelei Juntunen, Nick Popenuk, Tessa Krebs
	Jeannette Launer, Legal Counsel
	Leslie Vanden Bos, Editor

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I. DEFINITIONS

“Area” means the properties and rights of way located within this 29899 SW Boones Ferry Road Urban Renewal Plan urban renewal boundary.

“City” means the City of Wilsonville, Oregon.

“City Council” or “Council” means the City Council of the City of Wilsonville.

“Comprehensive Plan” means the City of Wilsonville Comprehensive Plan and its implementing ordinances, policies, and standards.

“County” means Clackamas County.

“Economic Development Strategy Task Force” means a focused, limited-duration task force composed of leading community members and business managers who helped guide the Economic Development Strategy process and made a recommendation to the City Council.

“Enterprise Zones” means a program established by the State of Oregon in ORS 285C.045-.255, as amended, to provide tax incentives to businesses to locate in specifically designated areas of the state.

“Fiscal year” means the year commencing on July 1 and closing on June 30, the following year.

“Frozen base” means the total assessed value, including all real, personal, manufactured, and utility values within an urban renewal area at the time of plan approval. The county assessor certifies the assessed value after the approval of an urban renewal plan.

“Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value of the frozen base.

“Maximum indebtedness” means the amount of the principal of indebtedness included in a plan, pursuant to ORS 457.190, and does not include indebtedness incurred to refund or refinance existing indebtedness.

“ORS” means the Oregon revised statutes, specifically Chapter 457, which relates to urban renewal.

“Planning Commission” means the Wilsonville Planning Commission.

“Tax increment financing (TIF)” means the system that generates tax revenue through the division of taxes authorized by ORS 457.420 et.seq.

“Tax increment revenues” means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the Area.

“TIF Zones” is the concept established by the Wilsonville City Council that is designed to offer incentives similar to enterprise zones, which stimulate property investment and employment opportunities. This concept is implemented as an urban renewal area.

“Urban renewal agency (agency)” means an urban renewal agency created under ORS 457.035 and 457.045. This agency is responsible for the administration of the urban renewal plan.

“Urban renewal plan” or “Plan” means this 29899 SW Boones Ferry Road Urban Renewal Plan, as it exists or is changed or modified from time to time, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135, and 457.220.

“Urban renewal project (project)” means any work or undertaking carried out under ORS 457.170 in the Area.

“Urban renewal report” means the official report that accompanies the urban renewal plan, pursuant to ORS 457.085(3).

II. INTRODUCTION

In February 2012, the City of Wilsonville established an Economic Development Advisory Committee (the “Committee”) to develop a strategy for the City’s economic development activities. After six months of public meetings, focus groups, interviews and an economic development summit, the Committee created an *Economic Development Strategy* that was adopted by the Wilsonville City Council in August 2012. The *Economic Development Strategy* describes a vision and principles for City economic development, and recommends twelve actions that are described in some detail. In particular, the *Economic Development Strategy* noted that the City should convene a task force to develop criteria to guide (1) the use of incentives to attract or retain businesses, (2) what businesses would qualify for incentives and under what conditions, (3) what types of incentives would be available to businesses, (4) the funding sources to support the incentives, and (5) expectations of businesses given incentives.

In November 2012, an Economic Development Strategy Task Force (the “Task Force”) was appointed and developed a framework for an incentive program that would more strategically position Wilsonville among its Portland metro-area competitors for economic development. The Task Force consisted of 21 individuals comprising a cross-section of the community. In the process of considering 10 different incentive options, single-property urban renewal districts, called Tax Increment Finance Zones (TIF Zones) emerged as one of the preferred incentive mechanisms. The Task Force recommendation to the Wilsonville City Council proposed the development of five TIF Zones. In Wilsonville, these urban renewal areas will fill a role similar to that of an Enterprise Zone, providing partial property tax rebates for qualifying investments occurring on the properties, thus encouraging companies to locate in Wilsonville and provide valuable economic benefits to the community. This proposal was taken before the City’s electorate in March 2013 and approved by 78.8 percent of voters.

While the TIF Zone incentive packages are similar to Enterprise Zones in concept, they will differ in several key ways in an attempt to make TIF Zones both a lower risk use of public funds and more attractive to potential investors. Each site selected to be a TIF Zone will require the creation of a separate urban renewal plan and report because each site will be its own, individual, urban renewal area. As established by the Task Force, TIF Zone properties must have 100,000 square feet or more of industrially-zoned building space that has the potential for conversion from warehousing to a higher-value, traded-sector use such as manufacturing.

The Agency has prepared the 29899 SW Boones Ferry Road Urban Renewal Plan (Plan) based on the recommendations of the Task Force. This Plan establishes the fifth of up to six urban renewal areas using the TIF Zone concept. The Plan contains goals, objectives, and projects for the development of the 29899 SW Boones Ferry Road Urban Renewal Area (Area). The overall purpose of the Plan is to use tax increment financing to provide incentives for economic investment, to cure blight in underutilized buildings, using strategies that are competitive with Enterprise Zones in other communities in the region.

In general, the purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped. These areas can have old or deteriorated buildings, public spaces that need improvements, streets and utilities in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. The Area selected is an underutilized, industrial-zoned area of Wilsonville that has had a history of partial or complete vacancy and where existing conditions have presented a barrier to attracting new private sector financial investment to convert the Area to a higher-value, traded sector use.

Urban renewal allows for the use of tax increment financing, a financing source that is unique to urban renewal, to fund its projects. Tax increment revenues – the amount of property taxes generated by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established – are used to accomplish projects identified by the urban renewal agency. In this case, other than administration, the Plan has only one project, which is repayment in the form of partial property tax reimbursement for qualifying capital infrastructure investment that increases assessed value and job creation.

The specific projects to be approved in this Plan are outlined in Sections IV and V.

Urban renewal is put into effect when the local government (the City of Wilsonville, in this case) adopts an urban renewal plan. The urban renewal plan defines the urban renewal area, states goals and objectives for the area, lists projects and programs that can be undertaken, provides a dollar limit on the funds that can be borrowed for urban renewal projects, and states how the plan may be changed in the future.

The Area, shown in Figure 1, consists of approximately 15.40 acres.

The Plan will be administered by the Wilsonville Urban Renewal Agency, which was activated by the Wilsonville City Council as the City's Urban Renewal Agency.

Substantial changes to the Plan, if necessary, must be approved by the City Council, as outlined in Section X of this Plan.

An Urban Renewal Report, which accompanies the Plan, contains additional information, as required by ORS 457.085. The technical information in the Report includes:

- A description of the physical, social, and economic conditions in the area;
- Expected impact of the Plan, including fiscal impact, in light of increased services;
- Reasons for selection of each Area in the Plan;
- The relationship between each project to be undertaken and the existing conditions;
- The total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area, and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; and
- A relocation report.

The Plan will be active for a maximum of 15 years as explained in Section V, subsection A, below. If no qualifying investment occurs in the Area that uses the Plan project incentives within five years after the effective date of the Plan, then the Plan will immediately be terminated. The maximum amount of indebtedness (amount of tax increment financing for projects and programs) that may be issued for the Plan is \$12,000,000. For TIF Zones, maximum indebtedness reflects the total of the tax repayment obligation to the qualifying company and represents the maximum amount of tax increment to be collected to meet this obligation as well as administrative costs.

III. GOALS AND OBJECTIVES

The goals of the Plan represent the basic intents and purposes. Accompanying each goal are objectives, which generally describe how the Agency intends to achieve the goals. The urban renewal projects identified in Sections IV and V of the Plan are the specific means of meeting the objectives. The goals relate to adopted plans, as detailed in Section XI, and were developed with input from the Wilsonville Economic Development Strategy Task Force. The goals and objectives will be pursued as economically as is feasible and at the discretion of the urban renewal agency.

Goal 1: *PUBLIC INVOLVEMENT*

Maintain a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the urban renewal adoption process.

Objectives:

1. Provide opportunities for public input throughout the adoption process, including a public open house, Planning Commission meeting, and City Council hearing.
2. Provide information on urban renewal on the City of Wilsonville's website.

Goal 2: *ECONOMY*

Encourage the economic growth of the Area by encouraging local industrial investment and manufacturing jobs using existing infrastructure and promoting new use of vacant and underutilized industrial properties.

Objectives:

1. Provide steady, family-wage jobs for the community.
2. Generate investment that will bolster the local economy and provide revenue for local taxing jurisdictions.
3. Promote the reuse of vacant buildings and encourage infill development by providing incentives for investors to locate in an existing building or build on a site already in the middle of an industrial area and use the existing infrastructure.
4. Partner with public and private entities to incentivize and generate private investment.

[illegible]

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29899 SW Boones Ferry Road Urban Renewal Plan

IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES

The primary project within the Area will be providing the return of incremental property taxes to developers as an incentive for redevelopment. Another small use of funds will be to pay for the preparation and administration of the Plan.

V. URBAN RENEWAL PROJECTS

The urban renewal projects authorized by the Plan are described below. These projects are consistent with the Wilsonville Economic Development Strategy and are in conformance with the Wilsonville Comprehensive Plan, as detailed in Section XI of this Plan.

As shown in the Report, urban renewal funds will primarily be used as an incentive to spur industrial development, investment, and job creation. The details of the projects are as follows:

A. Property tax rebates

This project offers an incentive to the private sector to convert under-utilized industrial buildings into higher value traded-sector uses, such as manufacturing. This project will provide tax rebates of a portion of incremental property tax increases to qualifying investments in the Area.

Property tax rebate mechanics

The project will rebate up to 75% of the tax increment revenue for three years for each company that:

- Invests at least \$25 million in capital improvements and/or qualified equipment, and;
- Creates 75 or more new, permanent, full-time jobs that pay a minimum of 125% of the average Clackamas County wage rate (not including benefits) in effect at the time the rebate is paid which for 2012 is \$25.33/hour or \$52,693 annual wage rate.

Two additional years (five total) of property tax rebates are available if the average wage of the 75 or more new jobs pay 150% of average wages paid in Clackamas County, which for 2012 equals \$30.40 per hour, or a \$63,230 annual wage.

Additional three- and five-year rebate periods could begin, after approval by the Agency, with any additional new capital investment and job creation meeting the above

minimum criteria, providing the potential for up to 10 years of rebates. Again, however, qualified investment needs to be made within five years of program adoption. This limits the potential life of the program and rebates to up to 15 years. Qualifying Businesses must be manufacturing firms. If no qualifying investment has been made in the Area within five years of the effective date of the Plan, the Area will be dissolved.

Any businesses receiving Area benefits will be monitored by the Agency for compliance with qualifying criteria and no rebate shall be given if the business fails to meet any of the qualifications. Additionally, if a business which has received a rebate discontinues business operations in the Area within two years after it receives each rebate payment it will be required to return all or a portion of the rebate as follows. Should a business discontinue business operations within the Area within 12 months after receiving a rebate, the business shall be required to reimburse the Agency 100% of the rebate payment. Should a business discontinue business operations within 24 months of receiving a rebate, the business shall be required to reimburse the Agency 50% of the rebate payment.

B. Debt repayment and project administration

This project will allow for the repayment of costs associated with the preparation, including the potential repayment of the initial planning costs for the development of the urban renewal plan, adoption, and implementation of the Plan. This project also includes ongoing administration of the Plan.

VI. PROPERTY ACQUISITION AND DISPOSITION

The Plan does not authorize the acquisition and disposition of property.

VII. RELOCATION METHODS

No relocation assistance will be provided because this Plan does not authorize property acquisition. If relocation is required, the Agency will comply with relocation methods required under state law.

VIII. LAND USES

The proposed land use is industrial development. The maximum densities and building requirements are contained in the Wilsonville Development Code.

IX. TAX INCREMENT FINANCING OF PLAN

Tax increment financing consists of using annual tax increment revenues to make payments on debt and to finance the urban renewal projects authorized in the Plan. Tax increment revenues equal most of the annual property taxes imposed on the cumulative *increase* in assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is adopted. (Under current law, the property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.)

A. General description of the proposed financing methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues; and/or
- Any other public or private source.

Revenues obtained by the Agency will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in planning or undertaking project activities, or otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Tax increment financing and maximum indebtedness

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Agency based upon the distribution schedule established under ORS 311.390.

The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion, is \$12,000,000.

C. Prior indebtedness

Any indebtedness permitted by law and incurred by the Agency or the City of Wilsonville in connection with the preparation of this Plan or prior planning efforts

that support the preparation or implementation of this Plan may be repaid from tax increment revenues from the Area when, and if, such funds are available.

X. FUTURE AMENDMENTS TO PLAN

The Plan may be amended as described in this section.

A. Substantial Amendments

Substantial Amendments are amendments that:

- Add land to the urban renewal area, except for an addition of land that totals not more than 1% of the existing area of the urban renewal area; or
- Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Planning Commission, and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing shall be provided to individuals or households within the City of Wilsonville, as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

B. Minor Amendments

Minor Amendments are amendments that are not Substantial Amendments in scope. Minor Amendments require approval by the Agency by resolution.

C. Amendments to the Wilsonville Comprehensive Plan and/or Wilsonville Development Code

Amendments to the Wilsonville Comprehensive Plan and/or Wilsonville Development Code that affect the Plan and/or the Area shall be incorporated automatically within the Plan without any separate action required by the Agency or the City Council.

Figure 2 – Zoning and Comprehensive Plan Designations



Source: City of Wilsonville

XI. RELATIONSHIP TO LOCAL OBJECTIVES

The Plan relates to local planning and development objectives contained within the City of Wilsonville's Comprehensive Plan and Economic Development Strategy. The following section describes the purpose and intent of these plans, the particular goals and policies within each planning document to which the proposed Plan relates, and an explanation of how the Plan relates to these goals and policies. The numbering of the goals, policies, and implementation strategies will reflect the numbering that occurs in the original document. Italicized text is text that has **not** been taken directly from an original planning document. The Zoning and Comprehensive Plan designations are shown in Figure 2.

This is not a comprehensive list of all parts of the Wilsonville Comprehensive Plan that are supported by this Plan. This list includes the major goals and policies from the Comprehensive Plan that are supported. However, there may be other goals and policies that are not listed, but are still supported by this Plan.

A. City of Wilsonville Comprehensive Plan

The Wilsonville Comprehensive Plan was updated in January 2013. The Comprehensive Plan is an official statement of the goals, policies, implementation measures, and physical plan for the development of the City. The Plan documents the City's approach to the allocation of available resources for meeting current and anticipated future needs. In doing so, it records current thinking regarding economic and social conditions. Because these conditions change over time, the Plan must be directive, but flexible, and must also be periodically reviewed and revised to consider changes in circumstances.

Section A: Citizen Involvement

Goal 1.1 To encourage and provide means for interested parties to be involved in land use planning processes, on individual cases and City-wide programs and policies.

Policy 1.1.1 The City of Wilsonville shall provide opportunities for a wide range of public involvement in City planning programs and processes.

The Plan conforms with Goals 1.1 and Policy 1.1.1 by involving the citizens of Wilsonville in both the creation of the TIF Zone framework and in the decision of whether or not to use that framework to encourage economic development. The Economic Development Strategy Task Force was comprised of a cross-section of members of the community and it helped to both determine

that urban renewal areas, then called TIF Zones, were appropriate to use in Wilsonville, and helped decide how these incentives should work. Later, a city-wide vote was held so that the community could weigh in on the decision of whether or not to use TIF Zones. Citizens were included in the adoption phase of the urban renewal plan through a public open house, Planning Commission meeting, and City Council hearing that was noticed as required in ORS 45.

Goal 1.2 For Wilsonville to have an interested, informed, and involved citizenry.

Implementation Measure 1.2.1.c. Establish procedures to allow interested parties reasonable access to information on which public bodies will base their land use planning decisions.

Policy 1.3 The City of Wilsonville shall coordinate with other agencies and organizations involved with Wilsonville's planning programs and policies.

The Plan conforms with Goals 1.2, Policy 1.3, and their Implementation Measures by involving the citizens of Wilsonville in both the creation of the TIF Zone framework and in the decision of whether or not to use that framework to encourage economic development. The Economic Development Strategy Task Force was comprised of a cross-section of members of the community and it helped to both determine that urban renewal areas, then called TIF Zones, were appropriate to use in Wilsonville, and helped decide how these incentives should work. In addition, taxing jurisdictions received formal notice, and, if desired, a briefing on the Plan. Representatives of the three major taxing jurisdictions were included as members of the Task Force that recommended the creation of TIF Zones.

Section C: Urban Growth Management

Goal 2.1 To allow for urban growth while maintaining community livability, consistent with the economics of development, City administration, and the provision of public facilities and services.

Implementation Measure 2.1.1.a. Allow development within the City where zoning has been approved and other requirements of the Comprehensive Plan have been met.

Implementation Measure 2.1.1.c. Encourage a balance between residential, industrial, and commercial land use, based on the provisions of this Comprehensive Plan.

Implementation Measure 2.1.1.d. Establish and maintain revenue sources to support the City's policies for urbanization and maintain needed public services and facilities.

Policy 2.1.1 The City of Wilsonville shall support the development of all land within the City, other than designated open spaces, consistent with the land use designations of the Comprehensive Plan.

The Plan conforms with Goal 2.1, Policy 2.1.1, and their Implementation Measures by providing financial incentives for the redevelopment of lands already designated as urban and already provided with infrastructure. By doing this, the Plan encourages growth and development within the urban growth boundary, and helps relieve pressures on lands outside of the urban growth boundary.

Section D: Land Use and Development

Goal 4.1 To have an attractive, functional, economically vital community with a balance of different types of land.

Policy 4.1.1 The City of Wilsonville shall make land use and planning decisions to achieve Goal 4.1.

Implementation Measure 4.1.1.d. In the process of administering the City's Comprehensive Plan, careful consideration will be given to the economic impacts of proposed policies, programs and regulations. Efforts will be made to simplify and streamline the planning and zoning review process while maintaining the quality of development.

Implementation Measure 4.1.1.e. The City shall protect existing and planned industrial and commercial lands from incompatible land uses, and will attempt to minimize deterrents to desired industrial and commercial development.

Implementation Measure 4.1.1.m. Encourage a balance between light industrial and residential growth within the City.

The Plan conforms with Goal 4.1, Policy 4.1.1, and their Implementation Measures by encouraging the redevelopment of local industrial buildings. This redevelopment will enrich the balanced land uses within Wilsonville. Also, by encouraging redevelopment of the Area, the Plan helps support an economically vital community by bringing jobs to the community and by reducing the number of vacant or underutilized industrial buildings in the City.

Policy 4.1.3 City of Wilsonville shall encourage light industry compatible with the residential and urban nature of the City.

Implementation Measure 4.1.3.a. Develop an attractive and economically sound community.

Implementation Measure 4.1.3.c. Favor capital intensive, rather than labor intensive, industries within the City.

Implementation Measure 4.1.3.e. Site industries where they can take advantage of existing transportation corridors such as the freeway, river, and railroad.

The Plan conforms with Goal 4.1, Policy 4.1.3, and their Implementation Measures by encouraging the redevelopment of local industrial buildings. This redevelopment will help maintain a healthy mix of industrial jobs and industry within the community, and will encourage industrial activities to sites where they can take advantage of existing transportation corridors and other infrastructure.

B. Wilsonville Economic Development Strategy

The Economic Development Strategy was completed in August 2012, and sets forth an economic strategy for Wilsonville that describes actions to be taken by the public sector for the purpose of stimulating private sector activity. This strategy was developed with the assistance of an advisory committee that met over the course of 4 months and considered input from the community provided in the form of focus groups, interviews with business leaders, an economic summit, public comments and a community survey. The end result was a vision statement for economic development in Wilsonville, and a list of 6 actions to be taken by the public sector. Specific actions that are directly supported by this Urban Renewal Plan are listed below, but other actions from the Economic Development Strategy will also benefit from the successful implementation of this Plan.

Action 2.1 Promote reuse of vacant building, infill development, and redevelopment.

Action 6.2 Develop criteria to guide the use of incentives to attract or retain businesses.

The projects in the Plan conform with the Economic Development Strategy. They will help to encourage the reuse of existing industrial buildings and infill development by providing an incentive package similar to that of neighboring communities. This incentive package will help incentivize and generate private investment, which will in turn provide jobs for the community and an increased tax base to support local services and infrastructure.

C. Wilsonville Development Code

The Wilsonville Development Code - Planning and Land Development was enacted for the purpose of promoting the general public welfare by ensuring procedural due process in the administration and enforcement of the City's Comprehensive Plan, Zoning, Design Review, Land Division, and Development Standards. It is contained as Chapter 4 of the Wilsonville Code.

The zoning designation for the property in the Area is PDI - Planned Development Industrial Zone. It is shown in Figure 2. The Plan is not proposing any new zones or

code amendments, nor are there any proposals that would modify any of the existing zones or land uses. The Plan will comply with all requirements of the existing zoning.

D. City of Wilsonville Transportation Systems Plan

The City of Wilsonville Transportation Systems Plan (TSP) was adopted by the Wilsonville City Council on June 17, 2013.

The TSP is the City's long-term transportation plan and is an element of its Comprehensive Plan. It includes policies, projects, and programs that could be implemented through the City's Capital Improvement Plan, development requirements, or grant funding.

The 2013 TSP process built upon two decades of community planning to create a complete community transportation plan that integrates all travel modes. Most of the policies and projects come from prior adopted plans, including the Comprehensive Plan, 2003 TSP, 2006 Bicycle and Pedestrian Master Plan, and 2008 Transit Master Plan. While the TSP replaces the 2003 TSP in its entirety, it updates and builds upon the 2006 Bicycle and Pedestrian Master Plan and 2008 Transit Master Plan. Where these documents may be in conflict, the new TSP takes precedence.

SW Boones Ferry Road is designated as a collector, a truck route and a bicycle route.¹ The TSP Executive Summary identifies two high priority projects for SW Boones Ferry Road, both relating to pedestrian and bikeway improvements.² The road also has a designated cross section deficiency near the Area.³ SW Boones Ferry Road is served by transit, and there are multiple bus stops near the Area.

The Plan conforms with the City of Wilsonville Transportation System Plan as the redevelopment planned for the Area is an industrial use and SW Boones Ferry Road will be used as designated in the TSP. SW Boones Ferry Road is classified as a collector, anticipating truck travel.

¹ City of Wilsonville Transportation System Plan, 2013, Figure 3-2 Functional Class Designations, p 3-6; Figure 3-4 Freight Routes, p 3-9; Figure 3-5 Bicycle Routes, p 3-11.

² City of Wilsonville Transportation System Plan, 2013, Executive Summary, p v.

³ City of Wilsonville Transportation System Plan, 2013, Figure 4-1 Roadway Cross-Section Deficiencies, p 4-5.

APPENDIX A: LEGAL DESCRIPTION

29899 SW BOONES FERRY ROAD URBAN RENEWAL DISTRICT **WILSONVILLE, OREGON**

Lots and maps are taken from Assessor's Tax Maps from July, 2013, and attached hereto. The area is described as that land containing all lots or parcels of property situated in the City of Wilsonville, County of Clackamas, and the State of Oregon, lying in Section 14, Township 3 South, Range 1 West of the Willamette Meridian, bounded as follows:

Commencing at a point common to Sections 14 and 23, Township 3 South, Range 1 West, Willamette Meridian, Clackamas County, Oregon. Thence West along the South line of said Section 14, 110 feet, more or less; Thence North, 49 feet, more or less, to the point of intersection with the North right-of-way line of Wilsonville Road, and the East right-of-way line of the Oregon Electric Railroad, also being the Southwest corner of Parcel 2, Partition Plat 2003-082, records of said county, Assessor's Plat 3 1W 14D, and being the **POINT OF BEGINNING**.

1. Thence North along said East right-of-way line, 928 feet, more or less, to the Northwest corner of said Parcel 2
2. Thence East, 1091 feet, more or less, to the Northeast corner of said Parcel 2;
3. Thence South along the East line of said Parcel 2, 146 feet, more or less;
4. Thence Southeast continuing along said East line, 117 feet, more or less, to the point of intersection with said East Line, and the Northwesterly right-of-way line of Boones Ferry Road;
5. Thence Southwest along said Northwesterly right-of-way line, 563 feet, more or less;
6. Thence Northwest along the South line of said Parcel 2, 191 feet, more or less;
7. Thence Southwest continuing along said South line of said Parcel 2, 265 feet, more or less;
8. Thence Northwest continuing along said South line of said Parcel 2, 141 feet, more or less;
9. Thence South continuing along said South line of said Parcel 2, 60 feet, more or less;

10. Thence West continuing along said South line of said Parcel 2, 354 feet, more or less;
11. Thence South, 251 feet, more or less, to the point of intersection of the most Southerly Southeast corner of said Parcel 2, and the North right-of-way line of Wilsonville Road;
12. Thence West along said North right-of-way line, 60 feet, more or less, to the **POINT OF BEGINNING.**

The described property, located entirely within the City of Wilsonville, County of Washington, and the State of Oregon, contains **sixteen (16)**, acres, more or less.

Due to the possibility of errors in the acreage shown on the Assessor's tax maps used to compute the property acreage, the acreage given hereon should be considered accurate to the nearest 1 acre.

REPORT ACCOMPANYING 29899 SW BOONES FERRY ROAD URBAN RENEWAL PLAN



Prepared for the City of Wilsonville

August 5, 2013

**REPORT ACCOMPANYING
29899 SW BOONES FERRY ROAD
URBAN RENEWAL PLAN**

Consulting team:

Elaine Howard Consulting, LLC

Elaine Howard

James Vanden Bos

ECONorthwest

Lorelei Juntunen

Nick Popunek

Tessa Krebs

Jeannette Launer, Legal Counsel

Leslie Vanden Bos, Editor

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I. INTRODUCTION

The Report on the 29899 SW Boones Ferry Road Urban Renewal Plan (Report) contains background information and project details that pertain to the 29899 SW Boones Ferry Road Urban Renewal Plan (Plan). The Report is not a legal part of the Plan, but is intended to provide public information and a basis for the findings made by the City Council as part of its approval of the Plan.

The Report provides information required by ORS 457.085(3). The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan, but also documents the existing conditions in the 29899 SW Boones Ferry Road Urban Renewal Area (Area).

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility.

Figure 1 – 29899 SW Boones Ferry Road Urban Renewal Plan Area Boundary



Source: City of Wilsonville

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

This section of the Report describes existing conditions within the 29899 SW Boones Ferry Road Urban Renewal Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

A. Physical Conditions

Land Use

According to data obtained from the City of Wilsonville and the Clackamas County Assessor’s office, the Area, shown in Figure 1 above, contains 1 industrial use parcel that has 250,650 square feet of building space on 15.40 acres.

Zoning and Comprehensive Plan Designations

In the City of Wilsonville, the Wilsonville Development Code and the Wilsonville Comprehensive Plan designations differ. The development code establishes districts to control land use throughout the city and regulates development standards within these established use districts. The comprehensive plan designation indicates the type of use allowed on a parcel.

The comprehensive plan designation of the parcel is Industrial, and the zoning is Planned Industrial Development (PDI).

Figure 2 – Area Zoning and Comprehensive Plan Designations



Source: City of Wilsonville

B. Infrastructure: Existing Conditions

Infrastructure

This section of the Report identifies the existing infrastructure in the Area. However, because this Area consists of only one parcel, this section will instead evaluate the infrastructure directly serving this parcel, along with an evaluation of the conditions of the infrastructure on the parcel itself. Information was obtained from documentation by City of Wilsonville staff.

1. Streets/Sidewalks/Pathways/Bike Lanes

The street servicing the property, SW Boones Ferry Road, is a collector that is in good condition and meets City standards. SW Boones Ferry Road has adequate streetscape, sidewalks, curbs, and bike lanes.

There are currently two priority projects for SW Boones Ferry Road in the Capital Improvement Plan, both relating to pedestrian and bikeway improvements.

2. Water

The water pipe serving the Area is a 1.5" domestic/1.5" irrigation that should be adequate for the current or future needs of the Area. There are no projects planned for the water infrastructure serving the Area in the CIP or other planning documents.

3. Storm Drainage Master Plan

The storm drain service in the Area is adequate for current and future use, and there are no planned projects for storm drain infrastructure serving the Area in the CIP or other planning documents. However, a building expansion or the addition of impervious surface could trigger new on-site stormwater improvements.

4. Sanitary Sewer

Sewer service to the Area is more than adequate for the current and future needs of the Area, and there are no planned projects for sewer infrastructure serving the Area in the CIP or other planning documents.

5. Parks

There are no public parks in the Area. The 2007 Parks and Recreation Master Plan identifies project P12 Industrial Area Waysides in the northwest industrial area of Wilsonville, which is currently underserved by parks or recreation facilities. These projects are not in the City's short or mid-term Capital Improvement Program and have not been sited.

6. Public Parking

There is no public parking in the Area, but there are banks of private head-in parking along the south, west, and east ends of the building that should provide parking for over 100 vehicles.

7. Wetlands

There are no wetlands or Significant Resource Overlay Zoning in or immediately around the Area.

8. Conditions of Buildings

The building has 250,650 square feet of space. It is currently used for warehousing and is considered underutilized.

C. Social Conditions

There is only one industrial parcel in the Area and there are no residents that reside within the Area.

D. Economic Conditions

Taxable Value of Property Within the Area

According to the Clackamas County Assessor's office, the estimated 2011/2012 total assessed value of the real property in the Area is \$ 13,505,100. The total assessed value including personal property is \$14,458,913. The building is underutilized, and if it was fully utilized and converted to a traded-sector use such as manufacturing, the values would increase.

The frozen base is estimated to be \$14,458,913.

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 (Impact of the Tax Increment Financing) 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 is an economic development project. The use of urban renewal funding for this project allows the City to provide an attractive industrial development incentive program that will be competitive with neighboring communities' Enterprise Zone programs. It also allows

the city to tap a different funding source besides the City of Wilsonville's general funds to support this program.

All necessary infrastructure to serve the Area is in place and none of the systems are slated for improvements in the CIP. Converting the building structure in the Area to optimized use will take advantage of the existing infrastructure. Because the structure will incur a change in use from warehousing to manufacturing, or another traded-sector use that meets program criteria, there may be a need for additional police and fire services. However, since this structure already exists and has received these services before, these are not totally new service requirements. In addition, a vacant structure can sometimes be vulnerable to vandalism, criminal activity and fire risk. Bringing the structure back to full use will help prevent such risks.

The revenue sharing feature of this urban renewal plan allows for tax increment to be shared with taxing jurisdictions including the City of Wilsonville at the onset of receipt by the Agency of tax increment funds. These funds will help offset any increased services.

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

The reason for selecting the Area is to cure blight by providing the ability to fund an economic incentive program to encourage private sector investment in an underutilized and/or vacant parcel of industrial zoned land.

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

The projects identified for the Area, including how they relate to the existing conditions in the Area, are described below:

A. Property Tax Rebates

This project offers an incentive to the private sector to convert underutilized industrial buildings into higher value traded-sector uses, such as manufacturing, in the Area. This project will provide tax rebates of a portion of incremental property tax increases to qualifying investments in the Area.

Existing Conditions:

This parcel is currently vacant and/or underutilized. It has 250,650 square feet of building space on 15.40 acres.

B. Debt Service and Administration

This project will allow for the repayment of costs associated with the preparation (including the potential repayment of the initial planning costs for the development of the urban renewal plan) adoption, and implementation of the 29899 SW Boones Ferry Road Urban Renewal Plan. This project also includes ongoing administration and any financing costs associated with the Plan.

Existing Conditions:

As there is currently no urban renewal program for this Area, these activities do not exist.

V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The costs of the projects are shown in Table 1. The sources of funds are tax increment revenues. A three percent annual inflation factor is used. These funds will be allocated to the following projects:

- Repayment of a portion of the urban renewal planning costs will occur in the first year that tax increment funds are received (\$12,000 in FY 2013-14, adjusted annually for inflation increases).
- Approximately \$15,000 in FY 2013-14, adjusted for inflation, will be allocated for program administration annually.
- The project will rebate up to 75% of the net tax increment revenue for three years for each qualifying company if the average wage of the 75 or more new jobs pay a minimum of 125% of the average Clackamas County wage rate (not including benefits) in effect at the time the rebate is paid, which for 2012 is \$25.33/hour or \$52,693 annual wage rate. Two additional years (five total) of property tax rebates are available if the average wage of the 75 or more new jobs pay 150% of average wages paid in Clackamas County at the time the rebate is paid, which for 2012 equals \$30.40 per hour, or a \$63,230 annual wage.
- Any net tax increment revenues in excess of what is needed for administrative expenses or tax rebates will be distributed to the impacted taxing jurisdictions.

Table 1 – Estimated Project Allocations

TIF Use	Amount
URA Administration	\$141,367
Rebate	\$11,786,512
Total	\$11,927,879

Source: ECONorthwest, TIF: Tax Increment Funds

VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The anticipated latest completion date of the projects in the 29899 SW Boones Ferry Road Urban Renewal Plan will be June 30 of the fiscal year ending 15 years after the approval of the Plan. If investments do not occur as outlined in the program guidelines, the Plan may be terminated earlier at the discretion of the Agency.

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

Table 2 shows a scenario for how this urban renewal plan may be implemented. This scenario relies on an investment by the developer of over \$407,000,000, in three successive years, receiving \$11,786,512 in tax rebates from tax increment funds received by the Agency. This results in approximately \$12 million in maximum indebtedness, and represents the maximum investment anticipated in the building. Lower investment levels will result in lower actual tax rebates and lower actual maximum indebtedness used. When a developer negotiates an agreement with the City, the projected rebate and revenue sharing numbers will be reevaluated, but may not exceed the \$12 million maximum indebtedness established in this Plan.

Table 2. Investment Schedule

Year	Investment Amount		
	Schedule 1	Schedule 2	Schedule 3
2013			
2014			
2015	137,000,000		
2016		135,000,000	
2017			135,000,000
2018			

Source: ECONorthwest

The tax increment revenues and their allocation to administrative costs, developer rebates, and the taxing jurisdictions' share of the increased property tax revenue are shown in Table 3. The 25% to taxing jurisdictions is held constant, the administrative costs are deducted from the 75% share to the developer. Since revenue sharing is anticipated at the onset of the Plan, and this revenue sharing exceeds the potential

amount of distributions through revenue sharing required in ORS 457.470, the revenue sharing in ORS 457.470 has been waived by the taxing jurisdictions.

It is anticipated that all expenditures of tax increment funding will be completed within 15 years. The maximum indebtedness is \$12,000,000. In the scenario detailed in Tables 2 and 3, the term of the rebate expires before all of the manufacturer's investment in equipment has depreciated. The result of this is the taxing jurisdictions begin to receive 100% of the TIF revenues in fiscal year 2023-24, and the total amount shared with taxing jurisdictions for the entire duration of the Area ends up being much higher than the net 25% share that is guaranteed during the time the developer is receiving rebates. Table 2 shows the total projected rebate to the developer in this scenario would be \$11,786,512 dollars, while the amount received by taxing jurisdictions is estimated at \$8,282,830 dollars over the 15 year life of the Plan. This is actually 41% of the total tax increment revenue..

Chart 1 depicts this scenario. Each individual investment provides rebates to the developer, and a portion of extra tax increment to taxing jurisdictions, for a five-year period, with any remaining increment shared with the taxing jurisdictions when that rebate period expires. The three investments are depicted in consecutive years, as shown by the 1,2,3 on the horizontal axis of the chart. As shown, once any one investment reaches the 6th year, all of the tax increment from that investment is shared with the taxing jurisdictions. This would be accomplished through an under levy.

Chart 1. Investment, Amortization, and Rebate Schedule



Source: ECONorthwest

There will be no loans or bonds issued. The amount of funding to service the maximum indebtedness will be raised through the payment of tax increment from the County Assessor's office. Because the project payments are predicated upon the annual tax increment on a formulaic basis allocating first to administrative costs, then a 75/25 split of increment between the developer and impacted taxing jurisdictions, the Plan will be financially feasible. No payments will be made without first receiving the increment from the assessor.

Table 3 – Tax Increment Revenues and Allocations to Project Costs Sample Scenario

	URA Admin	Rebate	Shared	Total
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	\$28,883	\$1,165,514	\$398,133	\$1,592,530
2018	\$17,390	\$2,115,090	\$710,826	\$2,843,306
2019	\$17,912	\$2,865,034	\$960,981	\$3,843,927
2020	\$18,449	\$2,287,907	\$768,785	\$3,075,141
2021	\$19,002	\$1,826,030	\$615,010	\$2,460,042
2022	\$19,572	\$1,065,063	\$883,364	\$1,968,000
2023	\$20,159	\$461,872	\$1,080,797	\$1,562,828
2024	\$0	\$0	\$1,204,211	\$1,204,211
2025	\$0	\$0	\$859,716	\$859,716
2026	\$0	\$0	\$515,223	\$515,223
2027	\$0	\$0	\$228,592	\$228,592
2028	\$0	\$0	\$57,192	\$57,192
2029	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0
Total	\$141,367	\$11,786,512	\$8,282,830	\$20,210,708

Source: ECONorthwest, FYE: Fiscal Year End, URA: Urban Renewal Area

VIII. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues in the sample scenario, as shown above, are based on projections of the assessed value of investment that could occur within the Area, depreciation of the investment and the total tax rate that will apply in the Area. The assumptions include assumptions of development, as identified in the TIF Zones concept by the City of Wilsonville. Although these assumptions are used as a basis for evaluating the Plan, the financial feasibility is predicated on the simple formula that increased revenues will be shared by the City for administration, by the developer and by the taxing jurisdictions. No payments will be made until tax increment is received from the County Assessor. These payments will be distributed on a formula that includes payments for administrative costs, then a 75/25 split between the developer and impacted taxing jurisdictions.

Table 4 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Table 3. These projections include shared revenue with impacted taxing jurisdictions.

Table 5 shows the investment and depreciation assumptions used in preparing the financial analysis. In this scenario, all investment is assumed to be equipment, and so it is depreciated. The depreciation schedule used in this scenario is a half-year convention over a 10-year recovery period that was published by the Internal Revenue Service in its annual report for how to depreciate property. Depreciation is an annual income tax deduction that allows you to recover the cost or other basis of certain property over the time you use the property. It is an allowance for the wear and tear, deterioration, or obsolescence of the property. In this case, all the investment in property is assumed to depreciate to zero after 10 years. Property can be depreciated at different times throughout the year, depending on the accounting method used. Under the half-year convention, you treat all property placed in service or disposed of during a tax year as placed in service or disposed of at the midpoint of the year. This means that a one-half year of depreciation is allowed for the year the property is placed in service or disposed of.

However, as stated above, for purposes of financial feasibility, the fact that no payments will be made until tax increment is received establishes financial feasibility.

Table 4 – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	TIF
2013	\$14,458,913	\$14,458,913	\$0	13.0968	-
2014	\$14,458,913	\$14,458,913	\$0	13.0936	-
2015	\$14,458,913	\$14,458,913	\$0	13.0793	-
2016	\$14,458,913	\$14,458,913	\$0	12.9159	-
2017	\$137,758,913	\$14,458,913	\$123,300,000	12.9159	\$1,592,530
2018	\$234,598,913	\$14,458,913	\$220,140,000	12.9159	\$2,843,306
2019	\$312,070,913	\$14,458,913	\$297,612,000	12.9159	\$3,843,927
2020	\$252,548,513	\$14,458,913	\$238,089,600	12.9159	\$3,075,141
2021	\$204,925,113	\$14,458,913	\$190,466,200	12.9159	\$2,460,042
2022	\$166,829,213	\$14,458,913	\$152,370,300	12.9159	\$1,968,000
2023	\$135,459,213	\$14,458,913	\$121,000,300	12.9159	\$1,562,828
2024	\$107,693,713	\$14,458,913	\$93,234,800	12.9159	\$1,204,211
2025	\$81,021,513	\$14,458,913	\$66,562,600	12.9159	\$859,716
2026	\$54,349,513	\$14,458,913	\$39,890,600	12.9159	\$515,223
2027	\$32,157,413	\$14,458,913	\$17,698,500	12.9159	\$228,592
2028	\$18,886,913	\$14,458,913	\$4,428,000	12.9159	\$57,192
2029	\$14,458,913	\$14,458,913	\$0	12.9159	-
2030	\$14,458,913	\$14,458,913	\$0	12.9159	-
Total					\$20,210,708

Source: ECONorthwest, FYE: Fiscal Year End, TIF: Tax Increment Funds

Table 5 – Projected Investments and Depreciation Schedules

Calendar Year	FYE	Investment Schedule 1			Investment Schedule 2			Investment Schedule 3			Total RMV
		Value	Depreciation	RMV	Value	Depr.	RMV	Value	Depr.	RMV	
2013	2015										
2014	2016										
2015	2017	\$137,000,000	10.00%	\$123,300,000							\$123,300,000
2016	2018		18.00%	\$98,640,000	\$135,000,000	10.00%	\$121,500,000				\$220,140,000
2017	2019		14.40%	\$78,912,000		18.00%	\$97,200,000	\$135,000,000	10.00%	\$121,500,000	\$297,612,000
2018	2020		11.52%	\$63,129,600		14.40%	\$77,760,000		18.00%	\$97,200,000	\$238,089,600
2019	2021		9.22%	\$50,498,200		11.52%	\$62,208,000		14.40%	\$77,760,000	\$190,466,200
2020	2022		7.37%	\$40,401,300		9.22%	\$49,761,000		11.52%	\$62,208,000	\$152,370,300
2021	2023		6.55%	\$31,427,800		7.37%	\$39,811,500		9.22%	\$49,761,000	\$121,000,300
2022	2024		6.55%	\$22,454,300		6.55%	\$30,969,000		7.37%	\$39,811,500	\$93,234,800
2023	2025		6.56%	\$13,467,100		6.55%	\$22,126,500		6.55%	\$30,969,000	\$66,562,600
2024	2026		6.55%	\$4,493,600		6.56%	\$13,270,500		6.55%	\$22,126,500	\$39,890,600
2025	2027		3.28%	-		6.55%	\$4,428,000		6.56%	\$13,270,500	\$17,698,500
2026	2028					3.28%	-		6.55%	\$4,428,000	\$4,428,000
2027	2029								3.28%	-	\$0
2028	2030										

FYE: Fiscal Year End RMV: Real Market Value Depr.: Depreciation
Source: ECONorthwest

IX. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the new maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal 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 estimated for a 15-year period and are shown in Tables 6a and 6b. Table 6a shows the general government taxing jurisdictions and Table 6b shows the education taxing jurisdictions.

The concept for this plan, as defined by the City of Wilsonville, includes a 25% share of net tax increment proceeds with the affected taxing jurisdictions. This formula for revenue sharing is different than the formula described in Oregon Revised Statutes (ORS). Revenue sharing is part of the 2009 legislative changes to urban renewal and means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the area. By statute, the share is a percentage basis dependent upon the tax rates of the taxing jurisdictions. The first threshold is 10% of the original maximum indebtedness. At the 10% threshold, the urban renewal agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold, and the taxing jurisdictions will receive 75% of the increment above the 10% threshold. The second threshold is set at 12.5% of the maximum indebtedness. Since revenue sharing is anticipated at the onset of the Plan, and this revenue sharing exceeds the potential amount of distributions through revenue sharing required in ORS 457.470, the revenue sharing in ORS 457.470 has been waived by the taxing jurisdictions.

The West Linn-Wilsonville School District and the Education Service District 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 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 substantially replaced with State School Fund revenues, as determined by a funding formula at the state level. The formula for funding schools, as changed in the 2013 legislative session, is \$6,852 per pupil for FY 2013-14 and \$7,081 per pupil for FY 2014-15, an increase over the 2012 levels. According to the State of Oregon Department of Education,

there was approximately \$1 billion dollars of increased revenues allocated to school financing in the 2013 legislative session.¹

Tables 6a and 6b show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. It assumes the growth as projected in the other tables in this Report. **It does not offset the foregone revenues with the expected new revenues. Although the taxing jurisdictions are shown to forego approximately \$12 million, as shown in Tables 6a and 6b, they will receive approximately \$8 million, as shown in Table 3. Over the life of the Plan, the taxing jurisdictions will receive over 40% of the total tax increment revenues produced by this sample scenario.**

There is always some discussion about the true impact of urban renewal on the taxing jurisdictions as there is one line of thought that some of the growth projected would not occur "but for" urban renewal. In this case, the building is underutilized either through vacancy or type of use, and expectations are that it will remain underutilized in the future without developer incentives. Given this, there would be no expectation that any increase of property taxes would come from this building without the use of urban renewal.

There is no anticipated change in revenue for affected taxing jurisdictions upon termination of the Plan, which is expected in 15 years. All projected investment is equipment, and equipment's assessed value depreciates over time. By the time the Area expires, all equipment will be fully depreciated, so there will be no additional assessed value to tax. However, the taxing jurisdictions are receiving 25% of the net increment during the time period the developer is receiving 75% of the net increment, and they are receiving 100% of the increment for the remaining time frame of the Area, as shown in Table 3. If there are any improvements to the building itself, or increases in value of the building itself, the taxing jurisdictions would realize the increased taxes from those investments.

¹ Phone interview with Jan McComb, State of Oregon Department of Education, July 11, 2013.

Table 6a – Projected Impact on Taxing District Permanent Rate Levies (General Government)

FYE	Clackamas County	Tualatin Valley Fire & Rescue	City of Wilsonville	Port of Portland	Metro	COUNTY EXTENSION & 4-H	COUNTY LIBRARY	COUNTY SOIL CONS	VECTOR CONTROL	Subtotal
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	(222,328)	(141,043)	(233,092)	(6,482)	(8,933)	(4,624)	(36,750)	(4,624)	(601)	(658,477)
2018	(396,946)	(251,818)	(416,164)	(11,574)	(15,949)	(8,255)	(65,613)	(8,255)	(1,073)	(1,175,647)
2019	(536,639)	(340,438)	(562,621)	(15,647)	(21,562)	(11,160)	(88,703)	(11,160)	(1,451)	(1,589,381)
2020	(429,311)	(272,351)	(450,097)	(12,518)	(17,250)	(8,928)	(70,963)	(8,928)	(1,161)	(1,271,507)
2021	(343,439)	(217,874)	(360,067)	(10,014)	(13,799)	(7,142)	(56,768)	(7,142)	(929)	(1,017,174)
2022	(201,897)	(128,081)	(211,672)	(5,887)	(8,112)	(4,199)	(33,372)	(4,199)	(546)	(597,965)
2023	(89,727)	(56,922)	(94,071)	(2,616)	(3,605)	(1,866)	(14,831)	(1,866)	(243)	(265,747)
2024	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-
Total	(2,220,287)	(1,408,527)	(2,327,784)	(64,738)	(89,210)	(46,174)	(367,000)	(46,174)	(6,004)	(6,575,898)

Source: ECONorthwest.

Table 6b – Projected Impact on Taxing District Permanent Rate Levies (Education and Totals)

FYE	COM COLL CLACK (perm)	ESD CLACKAMAS	SCH WLINN/WILS (perm)	Subtotal Education	Subtotal Gen Govt	Total
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	(51,620)	(34,096)	(450,205)	(535,921)	(658,477)	(1,194,398)
2018	(92,162)	(60,874)	(803,797)	(956,833)	(1,175,647)	(2,132,480)
2019	(124,595)	(82,297)	(1,086,671)	(1,293,563)	(1,589,381)	(2,882,944)
2020	(99,676)	(65,838)	(869,337)	(1,034,851)	(1,271,507)	(2,306,358)
2021	(79,739)	(52,669)	(695,449)	(827,857)	(1,017,174)	(1,845,031)
2022	(46,876)	(30,962)	(408,832)	(486,670)	(597,965)	(1,084,635)
2023	(20,832)	(13,760)	(181,692)	(216,284)	(265,747)	(482,031)
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
Total	(515,500)	(340,496)	(4,495,983)	(5,351,979)	(6,575,898)	(11,927,877)

Source: ECONorthwest. Please refer to the explanation of the schools funding in the preceding section.

X. 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, including all real, personal, manufactured, and utility properties in the Urban Renewal Area, is projected to be \$14,458,913. The total assessed value of the City of Wilsonville is \$2,368,094,165. There are six existing urban renewal areas, as shown in Table 7. These six areas, plus the 29899 SW Boones Ferry Road Area, total 4.94% of the total assessed value of the City of Wilsonville, well below the 25% maximum. The 29899 SW Boones Ferry Road Area has 15.40 acres, including right-of-way, and the City of Wilsonville has 4,712 acres; the other six existing urban renewal areas total 1,094.16 acres. Therefore, 23.55% of the City's acreage is in an urban renewal area, below the 25% state limit.

Table 7 – Urban Renewal Area Conformance with Assessed Value and Acreage Limits

Urban Renewal Area	Assessed Value	Acres
29899 SW Boones Ferry Road	\$14,458,913	15.40
27255 SW 95 th Avenue	\$16,608,823	26.07
25600 SW Parkway Center Drive	\$7,476,210	10.35
9805 SW Boeckman Road	\$10,879,601	24.98
26755 SW 95 th Avenue	\$7,064,499	9.76
Year 2000 Plan	\$44,087,806	567
West Side Plan	\$16,526,288	456
City of Wilsonville	\$2,368,094,165	4,712
Percent of Assessed Value in Urban Renewal	4.94%	
Percent of Acreage in Urban Renewal		23.55%

Source: City of Wilsonville, Clackamas County Assessor, U.S. Census Bureau

XI. RELOCATION REPORT

There is no relocation report required for the Plan. No relocation activities are anticipated.

ORDINANCE NO. 730

AN ORDINANCE MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO AND APPROVING A SINGLE-PROPERTY URBAN RENEWAL PLAN KNOWN AS THE BLDG. 83- 26440 SW PARKWAY AVENUE TIF ZONE.

WHEREAS, the City Council of the City of Wilsonville ("Council") has declared that blighted areas exist in the City of Wilsonville and has elected to have the powers of an urban renewal agency exercised by a board designated by the Council; and

WHEREAS, Council has declared that the name of the urban renewal agency shall be the Urban Renewal Agency of the City of Wilsonville ("Agency"); and

WHEREAS, the Agency, as the duly authorized and acting urban renewal agency of the City of Wilsonville, Oregon ("City"), is proposing to undertake certain urban renewal activities in a designated area within the City pursuant to ORS Chapter 457; and

WHEREAS, the Agency, pursuant to the requirements of ORS Chapter 457, has caused the preparation of an urban renewal plan which is attached to this Ordinance as Exhibit A and incorporated herein by this reference ("Plan"). The Plan authorizes urban renewal activities within the urban renewal area known as the **BLDG. 83- 26440 SW PARKWAY AVENUE TIF Zone** (the "Area"); and

WHEREAS, the Agency has caused the preparation of a report to accompany the Plan as required by ORS 457.085(3) ("Report"), which Report is attached to this Ordinance as Exhibit B and incorporated herein by this reference; and

WHEREAS, the Plan and the Report were forwarded to the City of Wilsonville Planning Commission for recommendation, and the Planning Commission considered the Plan and Report on September 11, 2013, adopted a finding that the Plan conformed to the Wilsonville Comprehensive Plan, and recommends that the Plan be approved by the Wilsonville City Council, which recommendation is attached to this Ordinance as Exhibit C and incorporated herein by this reference; and

WHEREAS, the Plan and the Report were forwarded on September 9 and 23, 2013 to the governing body of each taxing district affected by the Plan, and the Agency has thereafter consulted and conferred with said districts; and

WHEREAS, on September 23, 2013 representatives of the Agency met with representatives of Clackamas County to review the Plan, including proposed maximum indebtedness for the Plan; and

WHEREAS, the City Council has received written confirmation supporting the Plan by taxing districts imposing at least 75 percent of the amount of taxes imposed under permanent rate limits in the urban renewal plan area for the fiscal year prior to fiscal year 2013-2014; and
(Please note: this is subject to change pending what we actually receive in total from the taxing bodies.)

WHEREAS, on October 1, 2013 the City caused notice of the hearing to be held before the City Council on the Plan, including the required statements of ORS 457.120(3), through an article in the October 2013 Boones Ferry Messenger that was mailed to all City of Wilsonville mailing addresses in the 97070 zip code, which includes all postal patrons of the City of Wilsonville; and

WHEREAS, on October 21, 2013 the City Council held a public hearing to review and consider the Plan and Report, the recommendation of the Planning Commission, and the public testimony and exhibits received on that date, and does by this Ordinance desire to approve the Plan.

**NOW THEREFORE, THE COUNCIL OF THE CITY OF WILSONVILLE
ORDAINS AS FOLLOWS:**

Section 1: Based on the information provided in the Report, the recommendation of the Planning Commission, and the public testimony and exhibits before the City Council, the City Council hereby determines and finds that the Plan complies with all requirements of ORS Chapter 457 and the specific criteria of ORS 457.095(1) through (7), in that:

1. The area designated in the Plan as the Area is blighted, as defined by ORS 457.010(1) and is eligible for inclusion within the Plan because of conditions described in Section II

of the Report, including underdevelopment and underutilization of property within the Area.

2. The rehabilitation and redevelopment described in the Plan to be undertaken by the Agency is necessary to protect the public health, safety and welfare of the City because absent the completion of the urban renewal projects, the Area will fail to contribute its fair share of property tax revenues to support City services and will fail to develop and/or redevelop according the goals of the City's Comprehensive Plan.
3. The Plan conforms to the Wilsonville Comprehensive Plan as a whole, and provides an outline for accomplishing the projects described in the Plan, as more fully described in Chapter XI of the Plan and the Planning Commission Report.
4. The Plan conforms to the Wilsonville Economic Development Strategy as more fully described in Chapter XI of the Plan.
5. No acquisition of real property is provided for in the Plan. Since no acquisition of land is provided in the Plan, therefore, no residential displacement will occur.
6. Adoption and carrying out the Plan is economically sound and feasible in that funds are available to complete the Plan projects using urban renewal tax increment revenues derived from a division of taxes pursuant to section 1c, Article IX of the Oregon Constitution and ORS 457.440, and other available funding as shown in Sections V, VI, VII, VIII and IX of the Report; and
7. The City shall assume and complete any activities prescribed it by the Plan.
8. The City Council expressly accepts the written recommendations received from the following responsive taxing districts: Clackamas County, Tualatin Valley Fire and Rescue, West Linn/Wilsonville School District, and the Port of Portland. The City Council is a municipal taxing district and also approved the revenue sharing model in the

Plan pursuant to Resolution No. 2441. *(Please note: this is subject to change pending what we actually receive in total from the taxing bodies.)*

Section 2: Based upon the foregoing determinations and findings, and the record in these proceedings, including, but not limited to the Plan, the Report, the recommendations of the Planning Commission, the confirmations by the other taxing districts, and the public testimony and exhibits in the record, the Plan attached hereto as Exhibit A is hereby approved and adopted.

Section 3: The City Recorder shall forward forthwith to the Agency a copy of this Ordinance.

Section 4: The Agency shall thereafter cause a copy of the Plan to be recorded in the Records of Clackamas County, Oregon.

Section 5: The City Recorder, in accordance with ORS 457.115, shall publish notice of the adoption of the Ordinance approving the Plan, including the provisions of ORS 457.135, in the **Wilsonville Spokesman or The Oregonian** no later than four days following adoption of this Ordinance.

Section 6: This Plan is being adopted in accordance with the applicable legal requirements and shall be conclusively presumed valid for all purposes 90 days after adoption of the Plan by this Ordinance. Pursuant to Ordinance 457.135, no direct or collateral attack on the action may thereafter be commenced.

SUBMITTED to the Wilsonville City Council and read for the first time at a regular meeting thereof on the 21st day of October, 2013, at the hour of 7:00 p.m. at the Wilsonville City Hall 29799 SW Town Center Loop East, Wilsonville, Oregon, and scheduled for second reading on the 4th day of November, 2013, commencing at the hour of 7:00 p.m. at Wilsonville City Hall.

Sandra C. King, MMC, City Recorder

ENACTED BY THE City Council on the ____ day of November, 2013 by the following votes:

YEAS: _____

NAYS: _____

Sandra C. King, MMC, City Recorder

DATED and signed by the Mayor this _____ day of November, 2013.

TIM KNAPP, MAYOR

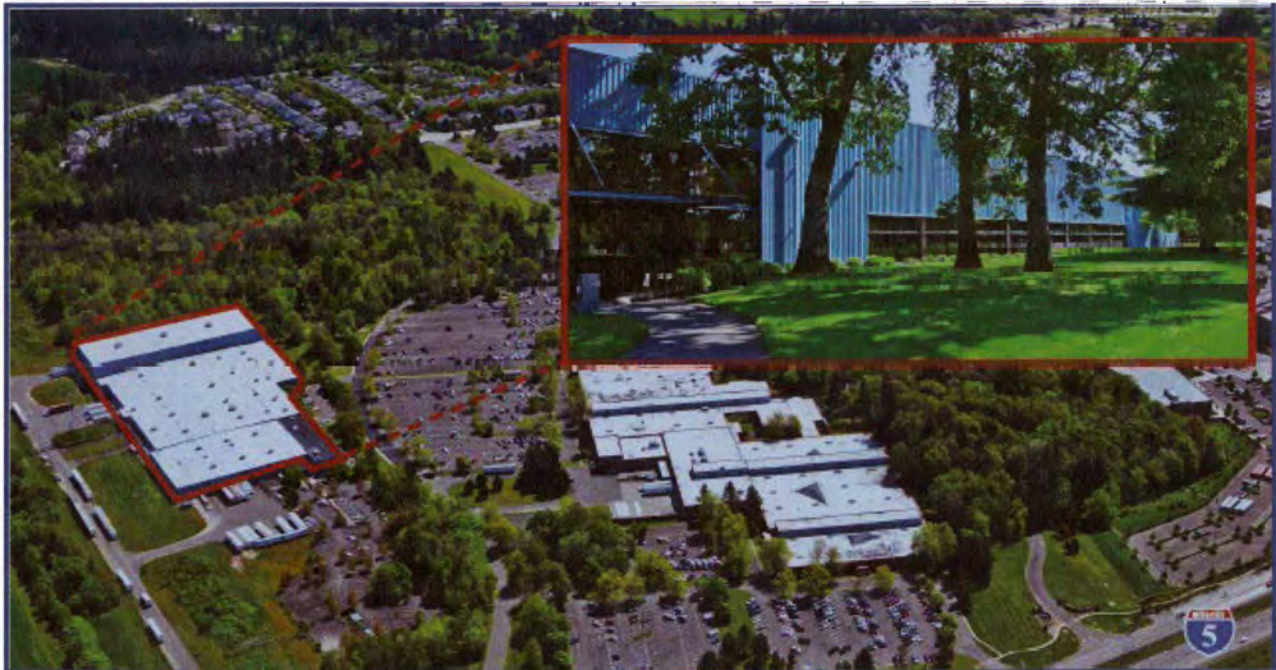
SUMMARY OF VOTES:

Mayor Knapp	_____
Councilor Goddard	_____
Councilor Starr	_____
Councilor Fitzgerald	_____
Councilor Stephens	_____

Attachments:

Exhibit A - **BLDG. 83- 26440 SW PARKWAY AVENUE** TIF Zone Plan
Exhibit B - **BLDG. 83- 26440 SW PARKWAY AVENUE** TIF Zone Report
Exhibit C - Planning Commission Notice of Decision UR13-0001

Building 83 - 26440 SW Parkway Avenue Urban Renewal Plan



Prepared for the City of Wilsonville
September 11, 2013

City of Wilsonville

List of Participants

Urban Renewal Board Chair: Tim Knapp

Urban Renewal Board Members: Julie Fitzgerald
Richard Goddard
Scott Starr
Susie Stevens

(Urban Renewal Board is also Wilsonville City Council)

Planning Commission: Ben Altman, Chair
Eric Postma, Vice Chair
Al Levit
Marta McGuire
Peter Hurley
Phyllis Millan
Ray Phelps

Economic Development Strategy Task Force:

Ron Adams, Chair, Board of Education, Clackamas Community College

Vince Alexander, Wilsonville Resident (resigned December 2012)

Mychelle Ashlock, Operations Manager, Northwest Rugs – Wilsonville

Lita Colligan, Associate Vice President for Strategic Partnerships and
Government Relations, Oregon Tech (OIT) Wilsonville

Catherine Comer, Business & Economic Development Manager,
Clackamas County Economic Development (resigned March 2013)

Danielle Cowan, Executive Director, Clackamas County Tourism & Cultural
Affairs

Brenner Daniels, Investment Advisor, Holland Partner Group

Mike Duyck, Fire Chief, Tualatin Valley Fire & Rescue District (TVFRD)

Lonnie Gieber, Committee Member, City of Wilsonville Budget Committee

Gale Lasko, General Manager/Partner, Lamb's Market at Wilsonville

Ray Lister, Membership Development Coordinator, International Brotherhood of
Electrical Workers (IBEW), Local 48

Susan Myers, General Manager, Capital Realty Corp.

Craig Olson, Sr. Director/Site Manager, Rockwell Collins Head-Up Guidance Systems

Ray Phelps, Past President, Wilsonville Chamber of Commerce

Dr. William Rhoades, Superintendent, West Linn-Wilsonville School District

Fred Robinson, General Manager, Kinetics Climax, Inc.

Dick Spence, Wilsonville Resident

Alan Steiger, CPA, Committee Member, City of Wilsonville Budget Committee

Sandra Suran, CPA, Principal, The Suran Group, LLC

Doris Wehler, Past President, Wilsonville Chamber of Commerce

Boyd Westover, Plant Manager, Eaton Corporation, Portland Power Center

Carol White, Wilsonville Resident

City Manager:	Bryan Cosgrove
Community Development Director:	Nancy Kraushaar
Finance Director:	Joanne Ossanna
Urban Renewal Manager:	Kristin Retherford
Planning Director:	Chris Neamtzu

Consultant Team:	Elaine Howard Consulting LLC, Elaine Howard, James Vanden Bos
	ECONorthwest, Lorelei Juntunen, Nick Popenuk, Tessa Krebs
	Jeannette Launer, Legal Counsel
	Leslie Vanden Bos, Editor

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I. DEFINITIONS

"Area" means the properties and rights of way located within this 26440 SW Parkway Avenue Urban Renewal Plan urban renewal boundary.

"City" means the City of Wilsonville, Oregon.

"City Council" or "Council" means the City Council of the City of Wilsonville.

"Comprehensive Plan" means the City of Wilsonville Comprehensive Plan and its implementing ordinances, policies, and standards.

"County" means Clackamas County.

"Economic Development Strategy Task Force" means a focused, limited-duration task force composed of leading community members and business managers who helped guide the Economic Development Strategy process and made a recommendation to the City Council.

"Enterprise Zones" means a program established by the State of Oregon in ORS 285C.045-.255, as amended, to provide tax incentives to businesses to locate in specifically designated areas of the state.

"Fiscal year" means the year commencing on July 1 and closing on June 30, the following year.

"Frozen base" means the total assessed value, including all real, personal, manufactured, and utility values within an urban renewal area at the time of plan approval. The county assessor certifies the assessed value after the approval of an urban renewal plan.

"Increment" means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value of the frozen base.

"Maximum indebtedness" means the amount of the principal of indebtedness included in a plan, pursuant to ORS 457.190, and does not include indebtedness incurred to refund or refinance existing indebtedness.

"ORS" means the Oregon revised statutes, specifically Chapter 457, which relates to urban renewal.

"Planning Commission" means the Wilsonville Planning Commission.

"Tax increment financing (TIF)" means the system that generates tax revenue through the division of taxes authorized by ORS 457.420 et.seq.

"Tax increment revenues" means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the Area.

"TIF Zones" is the concept established by the Wilsonville City Council that is designed to offer incentives similar to enterprise zones, which stimulate property investment and employment opportunities. This concept is implemented as an urban renewal area.

"Urban renewal agency (agency)" means an urban renewal agency created under ORS 457.035 and 457.045. This agency is responsible for the administration of the urban renewal plan.

"Urban renewal plan" or "Plan" means 26440 SW Parkway Avenue, as it exists or is changed or modified from time to time, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135, and 457.220.

"Urban renewal project (project)" means any work or undertaking carried out under ORS 457.170 in the Area.

"Urban renewal report" means the official report that accompanies the urban renewal plan, pursuant to ORS 457.085(3).

II. INTRODUCTION

In February 2012, the City of Wilsonville established an Economic Development Advisory Committee (the “Committee”) to develop a strategy for the City’s economic development activities. After six months of public meetings, focus groups, interviews and an economic development summit, the Committee created an *Economic Development Strategy* that was adopted by the Wilsonville City Council in August 2012. The *Economic Development Strategy* describes a vision and principles for City economic development, and recommends twelve actions that are described in some detail. In particular, the *Economic Development Strategy* noted that the City should convene a task force to develop criteria to guide (1) the use of incentives to attract or retain businesses, (2) what businesses would qualify for incentives and under what conditions, (3) what types of incentives would be available to businesses, (4) the funding sources to support the incentives, and (5) expectations of businesses given incentives.

In November 2012, an Economic Development Strategy Task Force (the “Task Force”) was appointed and developed a framework for an incentive program that would more strategically position Wilsonville among its Portland metro-area competitors for economic development. The Task Force consisted of 21 individuals comprising a cross-section of the community. In the process of considering 10 different incentive options, single-property urban renewal districts, called Tax Increment Finance Zones (TIF Zones) emerged as one of the preferred incentive mechanisms. The Task Force recommendation to the Wilsonville City Council proposed the development of five TIF Zones. In Wilsonville, these urban renewal areas will fill a role similar to that of an Enterprise Zone, providing partial property tax rebates for qualifying investments occurring on the properties, thus encouraging companies to locate in Wilsonville and provide valuable economic benefits to the community. This proposal was taken before the City’s electorate in March 2013 and approved by 78.8 percent of voters.

While the TIF Zone incentive packages are similar to Enterprise Zones in concept, they will differ in several key ways in an attempt to make TIF Zones both a lower risk use of public funds and more attractive to potential investors. Each site selected to be a TIF Zone will require the creation of a separate urban renewal plan and report because each site will be its own, individual, urban renewal area. As established by the Task Force, TIF Zone properties must have 100,000 square feet or more of industrially-zoned building space that has the potential for conversion from warehousing to a higher-value, traded-sector use such as manufacturing.

The Agency has prepared the Building 83 - 26440 SW Parkway Avenue Urban Renewal Plan (Plan) based on the recommendations of the Task Force. This Plan establishes the sixth of up to six urban renewal areas using the TIF Zone concept. The Plan contains goals, objectives, and projects for the development of the Building 83 - 26440 SW Parkway Avenue Urban Renewal Area (Area). The overall purpose of the Plan is to use tax increment financing to provide incentives for economic investment, to cure blight in underutilized buildings, using strategies that are competitive with Enterprise Zones in other communities in the region.

In general, the purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped. These areas can have old or deteriorated buildings, public spaces that need improvements, streets and utilities in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. The Area selected is an underutilized, industrial-zoned area of Wilsonville that has had a history of partial or complete vacancy and where existing conditions have presented a barrier to attracting new private sector financial investment to convert the Area to a higher-value, traded sector use.

Urban renewal allows for the use of tax increment financing, a financing source that is unique to urban renewal, to fund its projects. Tax increment revenues – the amount of property taxes generated by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established – are used to accomplish projects identified by the urban renewal agency. In this case, other than administration, the Plan has only one project, which is repayment in the form of partial property tax reimbursement for qualifying capital infrastructure investment that increases assessed value and job creation.

The specific projects to be approved in this Plan are outlined in Sections IV and V.

Urban renewal is put into effect when the local government (the City of Wilsonville, in this case) adopts an urban renewal plan. The urban renewal plan defines the urban renewal area, states goals and objectives for the area, lists projects and programs that can be undertaken, provides a dollar limit on the funds that can be borrowed for urban renewal projects, and states how the plan may be changed in the future.

The Area, shown in Figure 1, consists of approximately 27 acres.

The Plan will be administered by the Wilsonville Urban Renewal Agency, which was activated by the Wilsonville City Council as the City's Urban Renewal Agency.

Substantial changes to the Plan, if necessary, must be approved by the City Council, as outlined in Section X of this Plan.

An Urban Renewal Report, which accompanies the Plan, contains additional information, as required by ORS 457.085. The technical information in the Report includes:

- A description of the physical, social, and economic conditions in the area;
- Expected impact of the Plan, including fiscal impact, in light of increased services;
- Reasons for selection of each Area in the Plan;
- The relationship between each project to be undertaken and the existing conditions;
- The total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area, and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; and
- A relocation report.

The Plan will be active for a maximum of 15 years as explained in Section V, subsection A, below. If no qualifying investment occurs in the Area that uses the Plan project incentives within five years after the effective date of the Plan, then the Plan will immediately be terminated. The maximum amount of indebtedness (amount of tax increment financing for projects and programs) that may be issued for the Plan is \$12,000,000. For TIF Zones, maximum indebtedness reflects the total of the tax repayment obligation to the qualifying company and represents the maximum amount of tax increment to be collected to meet this obligation as well as administrative costs.

III. GOALS AND OBJECTIVES

The goals of the Plan represent the basic intents and purposes. Accompanying each goal are objectives, which generally describe how the Agency intends to achieve the goals. The urban renewal projects identified in Sections IV and V of the Plan are the specific means of meeting the objectives. The goals relate to adopted plans, as detailed in Section XI, and were developed with input from the Wilsonville Economic Development Strategy Task Force. The goals and objectives will be pursued as economically as is feasible and at the discretion of the urban renewal agency.

Goal 1: *PUBLIC INVOLVEMENT*

Maintain a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the urban renewal adoption process.

Objectives:

1. Provide opportunities for public input throughout the adoption process, including a public open house, Planning Commission meeting, and City Council hearing.
2. Provide information on urban renewal on the City of Wilsonville's website.

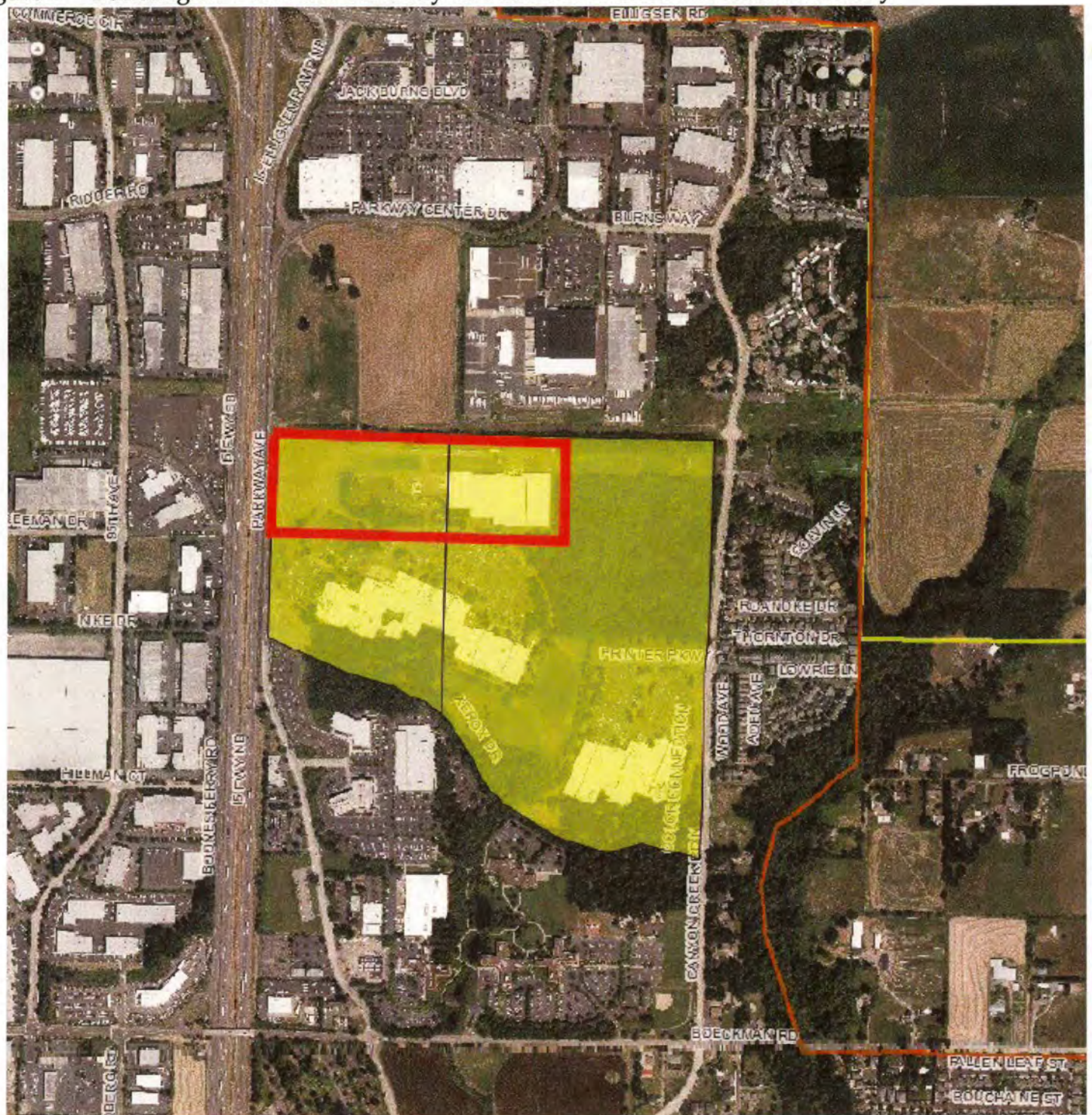
Goal 2: *ECONOMY*

Encourage the economic growth of the Area by encouraging local industrial investment and manufacturing jobs using existing infrastructure and promoting new use of vacant and underutilized industrial properties.

Objectives:

1. Provide steady, family-wage jobs for the community.
2. Generate investment that will bolster the local economy and provide revenue for local taxing jurisdictions.
3. Promote the reuse of vacant buildings and encourage infill development by providing incentives for investors to locate in an existing building or build on a site already in the middle of an industrial area and use the existing infrastructure.
4. Partner with public and private entities to incentivize and generate private investment.

Figure 1 – Building 83- 26440 SW Parkway Avenue Urban Renewal Area Boundary



Source: City of Wilsonville

IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES

The primary project within the Area will be providing the return of incremental property taxes to developers as an incentive for redevelopment. Another small use of funds will be to pay for the preparation and administration of the Plan.

V. URBAN RENEWAL PROJECTS

The urban renewal projects authorized by the Plan are described below. These projects are consistent with the Wilsonville Economic Development Strategy and are in conformance with the Wilsonville Comprehensive Plan, as detailed in Section XI of this Plan.

As shown in the Report, urban renewal funds will primarily be used as an incentive to spur industrial development, investment, and job creation. The details of the projects are as follows:

A. Property tax rebates

This project offers an incentive to the private sector to convert under-utilized industrial buildings into higher value traded-sector uses, such as manufacturing. This project will provide tax rebates of a portion of incremental property tax increases to qualifying investments in the Area.

Property tax rebate mechanics

The project will rebate up to 75% of the tax increment revenue for three years for each company that:

- Invests at least \$25 million in capital improvements and/or qualified equipment, and;
- Creates 75 or more new, permanent, full-time jobs that pay a minimum of 125% of the average Clackamas County wage rate (not including benefits) in effect at the time the rebate is paid which for 2012 is \$25.33/hour or \$52,693 annual wage rate.

Two additional years (five total) of property tax rebates are available if the average wage of the 75 or more new jobs pay 150% of average wages paid in Clackamas County, which for 2012 equals \$30.40 per hour, or a \$63,230 annual wage.

Additional three- and five-year rebate periods could begin, after approval by the Agency, with any additional new capital investment and job creation meeting the above

minimum criteria, providing the potential for up to 10 years of rebates. Again, however, qualified investment needs to be made within five years of program adoption. This limits the potential life of the program and rebates to up to 15 years. Qualifying Businesses must be manufacturing firms. If no qualifying investment has been made in the Area within five years of the effective date of the Plan, the Area will be dissolved.

Any businesses receiving Area benefits will be monitored by the Agency for compliance with qualifying criteria and no rebate shall be given if the business fails to meet any of the qualifications. Additionally, if a business which has received a rebate discontinues business operations in the Area within two years after it receives each rebate payment it will be required to return all or a portion of the rebate as follows. Should a business discontinue business operations within the Area within 12 months after receiving a rebate, the business shall be required to reimburse the Agency 100% of the rebate payment. Should a business discontinue business operations within 24 months of receiving a rebate, the business shall be required to reimburse the Agency 50% of the rebate payment.

B. Debt repayment and project administration

This project will allow for the repayment of costs associated with the preparation, including the potential repayment of the initial planning costs for the development of the urban renewal plan, adoption, and implementation of the Plan. This project also includes ongoing administration of the Plan.

VI. PROPERTY ACQUISITION AND DISPOSITION

The Plan does not authorize the acquisition and disposition of property.

VII. RELOCATION METHODS

No relocation assistance will be provided because this Plan does not authorize property acquisition. If relocation is required, the Agency will comply with relocation methods required under state law.

VIII. LAND USES

The proposed land use is industrial development. The maximum densities and building requirements are contained in the Wilsonville Development Code.

IX. TAX INCREMENT FINANCING OF PLAN

Tax increment financing consists of using annual tax increment revenues to make payments on debt and to finance the urban renewal projects authorized in the Plan. Tax increment revenues equal most of the annual property taxes imposed on the cumulative *increase* in assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is adopted. (Under current law, the property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.)

A. General description of the proposed financing methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues; and/or
- Any other public or private source.

Revenues obtained by the Agency will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in planning or undertaking project activities, or otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Tax increment financing and maximum indebtedness

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Agency based upon the distribution schedule established under ORS 311.390.

The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion, is \$12,000,000.

C. Prior indebtedness

Any indebtedness permitted by law and incurred by the Agency or the City of Wilsonville in connection with the preparation of this Plan or prior planning efforts that support the preparation or implementation of this Plan may be repaid from tax increment revenues from the Area when, and if, such funds are available.

X. FUTURE AMENDMENTS TO PLAN

The Plan may be amended as described in this section.

A. Substantial Amendments

Substantial Amendments are amendments that:

- Add land to the urban renewal area, except for an addition of land that totals not more than 1% of the existing area of the urban renewal area; or
- Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Planning Commission, and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing shall be provided to individuals or households within the City of Wilsonville, as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

B. Minor Amendments

Minor Amendments are amendments that are not Substantial Amendments in scope. Minor Amendments require approval by the Agency by resolution.

C. Amendments to the Wilsonville Comprehensive Plan and/or Wilsonville Development Code

Amendments to the Wilsonville Comprehensive Plan and/or Wilsonville Development Code that affect the Plan and/or the Area shall be incorporated automatically within the Plan without any separate action required by the Agency or the City Council.

Figure 2 – Zoning and Comprehensive Plan Designations



Source: City of Wilsonville

XI. RELATIONSHIP TO LOCAL OBJECTIVES

The Plan relates to local planning and development objectives contained within the City of Wilsonville's Comprehensive Plan and Economic Development Strategy. The following section describes the purpose and intent of these plans, the particular goals and policies within each planning document to which the proposed Plan relates, and an explanation of how the Plan relates to these goals and policies. The numbering of the goals, policies, and implementation strategies will reflect the numbering that occurs in the original document. Italicized text is text that has **not** been taken directly from an original planning document. The Zoning and Comprehensive Plan designations are shown in Figure 2.

This is not a comprehensive list of all parts of the Wilsonville Comprehensive Plan that are supported by this Plan. This list includes the major goals and policies from the Comprehensive Plan that are supported. However, there may be other goals and policies that are not listed, but are still supported by this Plan.

A. City of Wilsonville Comprehensive Plan

The Wilsonville Comprehensive Plan was updated in January 2013. The Comprehensive Plan is an official statement of the goals, policies, implementation measures, and physical plan for the development of the City. The Plan documents the City's approach to the allocation of available resources for meeting current and anticipated future needs. In doing so, it records current thinking regarding economic and social conditions. Because these conditions change over time, the Plan must be directive, but flexible, and must also be periodically reviewed and revised to consider changes in circumstances.

Section A: Citizen Involvement

Goal 1.1 To encourage and provide means for interested parties to be involved in land use planning processes, on individual cases and City-wide programs and policies.

Policy 1.1.1 The City of Wilsonville shall provide opportunities for a wide range of public involvement in City planning programs and processes.

The Plan conforms with Goals 1.1 and Policy 1.1.1 by involving the citizens of Wilsonville in both the creation of the TIF Zone framework and in the decision of whether or not to use that framework to encourage economic development. The Economic Development Strategy Task Force was comprised of a cross-section of members of the community and it helped to both determine

that urban renewal areas, then called TIF Zones, were appropriate to use in Wilsonville, and helped decide how these incentives should work. Later, a city-wide vote was held so that the community could weigh in on the decision of whether or not to use TIF Zones. Citizens were included in the adoption phase of the urban renewal plan through a public open house, Planning Commission meeting, and City Council hearing that was noticed as required in ORS 45.

Goal 1.2 For Wilsonville to have an interested, informed, and involved citizenry.

Implementation Measure 1.2.1.c. Establish procedures to allow interested parties reasonable access to information on which public bodies will base their land use planning decisions.

Policy 1.3 The City of Wilsonville shall coordinate with other agencies and organizations involved with Wilsonville's planning programs and policies.

The Plan conforms with Goals 1.2, Policy 1.3, and their Implementation Measures by involving the citizens of Wilsonville in both the creation of the TIF Zone framework and in the decision of whether or not to use that framework to encourage economic development. The Economic Development Strategy Task Force was comprised of a cross-section of members of the community and it helped to both determine that urban renewal areas, then called TIF Zones, were appropriate to use in Wilsonville, and helped decide how these incentives should work. In addition, taxing jurisdictions received formal notice, and, if desired, a briefing on the Plan. Representatives of the three major taxing jurisdictions were included as members of the Task Force that recommended the creation of TIF Zones.

Section C: Urban Growth Management

Goal 2.1 To allow for urban growth while maintaining community livability, consistent with the economics of development, City administration, and the provision of public facilities and services.

Implementation Measure 2.1.1.a. Allow development within the City where zoning has been approved and other requirements of the Comprehensive Plan have been met.

Implementation Measure 2.1.1.c. Encourage a balance between residential, industrial, and commercial land use, based on the provisions of this Comprehensive Plan.

Implementation Measure 2.1.1.d. Establish and maintain revenue sources to support the City's policies for urbanization and maintain needed public services and facilities.

Policy 2.1.1 The City of Wilsonville shall support the development of all land within the City, other than designated open spaces, consistent with the land use designations of the Comprehensive Plan.

The Plan conforms with Goal 2.1, Policy 2.1.1, and their Implementation Measures by providing financial incentives for the redevelopment of lands already designated as urban and already provided with infrastructure. By doing this, the Plan encourages growth and development within the urban growth boundary, and helps relieve pressures on lands outside of the urban growth boundary.

Section D: Land Use and Development

Goal 4.1 To have an attractive, functional, economically vital community with a balance of different types of land.

Policy 4.1.1 The City of Wilsonville shall make land use and planning decisions to achieve Goal 4.1.

Implementation Measure 4.1.1.d. In the process of administering the City's Comprehensive Plan, careful consideration will be given to the economic impacts of proposed policies, programs and regulations. Efforts will be made to simplify and streamline the planning and zoning review process while maintaining the quality of development.

Implementation Measure 4.1.1.e. The City shall protect existing and planned industrial and commercial lands from incompatible land uses, and will attempt to minimize deterrents to desired industrial and commercial development.

Implementation Measure 4.1.1.m. Encourage a balance between light industrial and residential growth within the City.

The Plan conforms with Goal 4.1, Policy 4.1.1, and their Implementation Measures by encouraging the redevelopment of local industrial buildings. This redevelopment will enrich the balanced land uses within Wilsonville. Also, by encouraging redevelopment of the Area, the Plan helps support an economically vital community by bringing jobs to the community and by reducing the number of vacant or underutilized industrial buildings in the City.

Policy 4.1.3 City of Wilsonville shall encourage light industry compatible with the residential and urban nature of the City.

Implementation Measure 4.1.3.a. Develop an attractive and economically sound community.

Implementation Measure 4.1.3.c. Favor capital intensive, rather than labor intensive, industries within the City.

Implementation Measure 4.1.3.e. Site industries where they can take advantage of existing transportation corridors such as the freeway, river, and railroad.

The Plan conforms with Goal 4.1, Policy 4.1.3, and their Implementation Measures by encouraging the redevelopment of local industrial buildings. This redevelopment will help maintain a healthy mix of industrial jobs and industry within the community, and will encourage industrial activities to sites where they can take advantage of existing transportation corridors and other infrastructure.

B. Wilsonville Economic Development Strategy

The Economic Development Strategy was completed in August 2012, and sets forth an economic strategy for Wilsonville that describes actions to be taken by the public sector for the purpose of stimulating private sector activity. This strategy was developed with the assistance of an advisory committee that met over the course of 4 months and considered input from the community provided in the form of focus groups, interviews with business leaders, an economic summit, public comments and a community survey. The end result was a vision statement for economic development in Wilsonville, and a list of 6 actions to be taken by the public sector. Specific actions that are directly supported by this Urban Renewal Plan are listed below, but other actions from the Economic Development Strategy will also benefit from the successful implementation of this Plan.

Action 2.1 Promote reuse of vacant building, infill development, and redevelopment.

Action 6.2 Develop criteria to guide the use of incentives to attract or retain businesses.

The projects in the Plan conform with the Economic Development Strategy. They will help to encourage the reuse of existing industrial buildings and infill development by providing an incentive package similar to that of neighboring communities. This incentive package will help incentivize and generate private investment, which will in turn provide jobs for the community and an increased tax base to support local services and infrastructure.

C. Wilsonville Development Code

The Wilsonville Development Code - Planning and Land Development was enacted for the purpose of promoting the general public welfare by ensuring procedural due process in the administration and enforcement of the City's Comprehensive Plan, Zoning, Design Review, Land Division, and Development Standards. It is contained as Chapter 4 of the Wilsonville Code.

The zoning designation for the property in the Area is PDI - Planned Development Industrial Zone. It is shown in Figure 2. The Plan is not proposing any new zones or

code amendments, nor are there any proposals that would modify any of the existing zones or land uses. The Plan will comply with all requirements of the existing zoning.

D. City of Wilsonville Transportation Systems Plan

The City of Wilsonville Transportation Systems Plan (TSP) was adopted by the Wilsonville City Council on June 17, 2013.

The TSP is the City's long-term transportation plan and is an element of its Comprehensive Plan. It includes policies, projects, and programs that could be implemented through the City's Capital Improvement Plan, development requirements, or grant funding.

The 2013 TSP process built upon two decades of community planning to create a complete community transportation plan that integrates all travel modes. Most of the policies and projects come from prior adopted plans, including the Comprehensive Plan, 2003 TSP, 2006 Bicycle and Pedestrian Master Plan, and 2008 Transit Master Plan. While the TSP replaces the 2003 TSP in its entirety, it updates and builds upon the 2006 Bicycle and Pedestrian Master Plan and 2008 Transit Master Plan. Where these documents may be in conflict, the new TSP takes precedence.

Parkway Avenue is designated as a minor arterial, a freight route and a bicycle route.¹ The TSP Executive Summary identifies one Parkway Avenue projects as being a high priority, an urban upgrade and a Parkway Center Trail Connector is also designated as a high priority.² Parkway Avenue is also identified as having a cross section deficiency near the Area.³ Public bus lines do run along Parkway Avenue, and there are multiple bus stops near the Area.

The Plan conforms with the City of Wilsonville Transportation System Plan as the redevelopment planned for the Area is an industrial use and SW Parkway Center Drive will be used as designated in the TSP. Parkway Center Drive is classified as a minor arterial, anticipating freight travel.

¹ City of Wilsonville Transportation System Plan, 2013, Figure 3-2 Functional Class Designations, p 3-6; Figure 3-4 Freight Routes, p 3-9; Figure 3-5 Bicycle Routes, p 3-11.

² City of Wilsonville Transportation System Plan, 2013, Executive Summary, p v.

³ City of Wilsonville Transportation System Plan, 2013, Figure 4-1 Roadway Cross-Section Deficiencies, p 4-5.

APPENDIX A: LEGAL DESCRIPTION

**26440 SW Parkway Avenue URBAN RENEWAL DISTRICT
WILSONVILLE, OREGON**

DRAFT

NOTICE OF DECISION
PLANNING COMMISSION
RECOMMENDATION OF APPROVAL TO CITY
COUNCIL

FILE NO.: UR13-0001

APPLICANT: City of Wilsonville

REQUEST: The Wilsonville Planning Commission adopted Resolution No. UR13-0001, finding that the six proposed Tax Increment Finance Zone (TIF Zone) Urban Renewal Areas are in conformance with the City of Wilsonville's Comprehensive Plan and recommends that the Wilsonville City Council adopt an ordinance to create the six new Urban Renewal Areas to be known as TIF Zones.

After conducting a public hearing on September 11, 2013, the Planning Commission voted to recommend this action to the City Council by passing Resolution No. UR13-0001.

The City Council is scheduled to conduct a Public Hearing on this matter on October 7, 2013, at 7:00 p.m., at the Wilsonville City Hall, 29799 SW Town Center Loop East.

For further information, please contact the Kristin Retherford, Economic Development Manager, 29799 SW Town Center Loop East, or telephone (503) 682-4960.

**PLANNING COMMISSION
RESOLUTION NO. UR13-0001**

A WILSONVILLE PLANNING COMMISSION RESOLUTION FINDING THAT THE SIX PROPOSED TAX INCREMENT FINANCE ZONE (TIF ZONE) URBAN RENEWAL AREAS ARE IN CONFORMANCE WITH THE CITY OF WILSONVILLE'S COMPREHENSIVE PLAN AND RECOMMENDS THAT THE WILSONVILLE CITY COUNCIL ADOPT AN ORDINANCE TO CREATE THE SIX NEW URBAN RENEWAL AREAS TO BE KNOWN AS TIF ZONES.

WHEREAS, on April 15, 2013, after more than a year of public process including input from an Economic Development Advisory Committee, the creation of an Economic Development Strategy, input from an Economic Development Incentive Task Force, and a March 2013 vote by the citizens of Wilsonville approving the creation of single-property urban renewal districts to incentivize business investment and job creation, the Wilsonville Urban Renewal Agency passed URA Resolution No. 230 recommending the creation of multiple single-property urban renewal districts to be called Tax Increment Finance Zones (TIF Zones) and authorizing staff to begin work necessary to create these TIF Zones; and

WHEREAS, City of Wilsonville staff and the consultant team of Elaine Howard Consulting, LLC and ECONorthwest have prepared draft urban renewal plans and reports (the "Plans and Reports") for these six TIF Zone urban renewal attached hereto and incorporated herein as Exhibits 1 through 6; and

WHEREAS, in creating a new urban renewal district, ORS 457 requires plan review and recommendation by the Planning Commission; and

WHEREAS, the Agency has submitted the Plans and Reports to the Planning Commission for review and recommendation in accordance with the procedures that are set forth in ORS Chapter 457; and

WHEREAS, the Planning Commission, after providing the required notice, held a Public Hearing September 11, 2013, to review the Plans and Reports and to gather additional testimony and evidence regarding the Plan; and

WHEREAS, the Planning Commission has afforded all interested parties an opportunity to be heard on this subject and has entered all available evidence and testimony into the public record of their proceeding; and

WHEREAS, the Planning Commission has duly considered the subject, including the staff recommendations and all the exhibits and testimony introduced and offered by all interested parties; and

WHEREAS, the Planning Commission finds the Plans are in conformance with the City's Comprehensive Plan; and

NOW, THEREFORE, BE IT RESOLVED that the Wilsonville Planning Commission does hereby adopt the Staff Report along with the findings and recommendations contained therein, together

with the findings of the Planning Commission recited above, and recommends that the Wilsonville Urban Renewal Agency and City Council approve and adopt the TIF Zone urban renewal districts described in Exhibits 1 through 6, considering those concerns and amendments the Commission has related in the record, by the proposed adopting Ordinance in the record herein.

This Resolution shall be effective upon adoption.

ADOPTED by the Planning Commission of the City of Wilsonville at the regular meeting thereof this eleventh day of September 2013, and filed with the Planning Administrative Assistant on September 12, 2013.



Wilsonville Planning Commission

Attest:



Linda Straessle, Administrative Assistant III

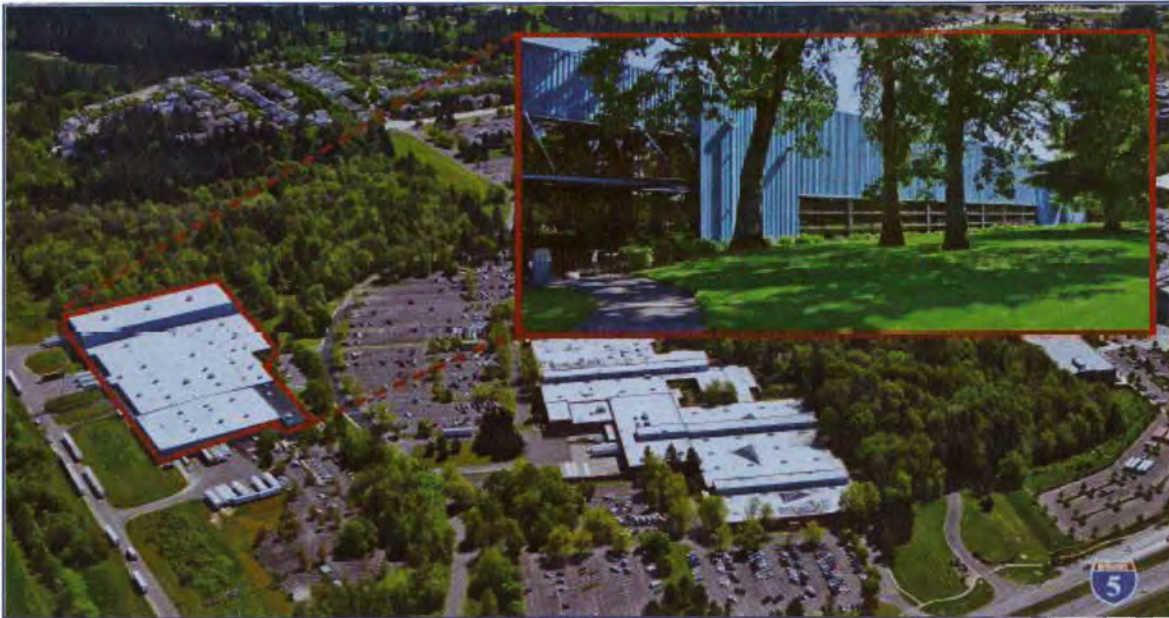
SUMMARY of Votes:

Chair Ben Altman:	<u>Aye</u>
Commissioner Eric Postma:	<u>Aye</u>
Commissioner Peter Hurley:	<u>Aye</u>
Commissioner Al Levit:	<u>Aye</u>
Commissioner Marta McGuire:	<u>Aye</u>
Commissioner Phyllis Millan:	<u>Aye</u>
Commissioner Ray Phelps:	<u>Aye</u>

ATTACHMENTS

Exhibit 1 - 26755 SW 95th Avenue Plan and Report
Exhibit 2 - 9805 SW Boeckman Road Plan and Report
Exhibit 3 - 25600 SW Parkway Center Drive Plan and Report
Exhibit 4 - 27255 SW 95th Avenue Plan and Report
Exhibit 5 - 29899 SW Boones Ferry Road Plan and Report
Exhibit 6 - Building 83- 26440 SW Parkway Avenue Plan (Report not included)

REPORT ACCOMPANYING BUILDING 83 - 26440 SW PARKWAY AVENUE URBAN RENEWAL PLAN



Prepared for the City of Wilsonville

September 11, 2013

**REPORT ACCOMPANYING
BUILDING 83 - 26440 SW PARKWAY AVENUE
URBAN RENEWAL PLAN**

Consulting team:

Elaine Howard Consulting, LLC

Elaine Howard

James Vanden Bos

ECONorthwest

Lorelei Juntunen

Nick Popunek

Tessa Krebs

Jeannette Launer, Legal Counsel

Leslie Vanden Bos, Editor

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DRAFT

I. INTRODUCTION

The Report on the Building 83 - 26440 SW Parkway Avenue Urban Renewal Plan (Report) contains background information and project details that pertain to the Building 83 - 26440 SW Parkway Avenue Urban Renewal Plan (Plan). The Report is not a legal part of the Plan, but is intended to provide public information and a basis for the findings made by the City Council as part of its approval of the Plan.

The Report provides information required by ORS 457.085(3). The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan, but also documents the existing conditions in the Building 83 - 26440 SW Parkway Avenue Urban Renewal Area (Area).

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility.

Figure 1 – Building 83 - 26440 SW Parkway Avenue Urban Renewal Plan Area Boundary



Source: City of Wilsonville

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

This section of the Report describes existing conditions within the Building 83 - 26440 SW Parkway Avenue Urban Renewal Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

A. Physical Conditions

Land Use

According to data obtained from the City of Wilsonville and the Clackamas County Assessor’s office, the Area, shown in Figure 1 above, sits on 2 industrial use parcels, but does not fully encompass either parcel, and has a building with 203,247 square feet (sf) of building space on 27 acres. The building space is broken out by warehouse: 69,176 sf, Production/manufacturing 102,970 sf, Office 33,576 sf.

Zoning and Comprehensive Plan Designations

In the City of Wilsonville, the Wilsonville Development Code and the Wilsonville Comprehensive Plan designations differ. The development code establishes districts to control land use throughout the city and regulates development standards within these established use districts. The comprehensive plan designation indicates the type of use allowed on a parcel.

The comprehensive plan designation of the parcels is Industrial, and the zoning is Planned Industrial Development (PDI).

Figure 2 – Area Zoning and Comprehensive Plan Designations



Source: City of Wilsonville

B. Infrastructure: Existing Conditions

Infrastructure

This section of the Report identifies the existing infrastructure in the Area. However, because this Area consists only of portions of two parcels, this section will instead evaluate the infrastructure directly serving these parcels, along with an evaluation of the conditions of the infrastructure on the parcels themselves. Information was obtained from documentation by City of Wilsonville staff.

1. Streets/Sidewalks/Pathways/Bike Lanes

The street servicing the building, SW Parkway Avenue, is a minor arterial that is in good condition and meets City standards.

There is currently one priority project in the Capital Improvement Plan planned for SW Parkway Avenue, an urban upgrade.

2. Water

The general Area is served by a private 8" distribution system for domestic, irrigation and fire service, which is adequate for current and future needs. The water pipe serving the building is a 2" domestic/with a separate 2" irrigation service that should be adequate for the current or future needs of the building. There are no projects planned for the water infrastructure serving the Area in the CIP or other planning documents.

3. Storm Drainage Master Plan

The storm drain service in the Area is adequate for current and future use, and there are no planned projects for storm drain infrastructure serving the Area in the CIP or other planning documents. However, a building expansion or the addition of impervious surface could trigger new on-site stormwater improvements.

4. Sanitary Sewer

Sewer service to the Area is 8" and 10" collectors which are more than adequate for the current and future needs of the Area, assuming there is no major conversion of the facilities to a high water/sewer usage facility, and there are no planned projects for sewer infrastructure serving the Area in the CIP or other planning documents.

5. Parks

There are no public parks in the Area. The 2007 Parks and Recreation Master Plan identifies project P12 Industrial Area Waysides in the northwest industrial area of Wilsonville, which is currently underserved by parks or recreation facilities. These projects are not in the City's short or mid-term Capital Improvement Program and have not been sited.

6. Public Parking

There is no public parking in the Area, but there are banks of private head-in parking along the south and west ends of the building that should provide parking for over 150 vehicles.

7. Wetlands

There are wetlands and Significant Resource Overlay Zoning along the east side of the facility.

8. Conditions of Buildings

The building has 203,247 square feet of space and is currently vacant.

C. Social Conditions

There are only portions of two industrial parcels in the Area and there are no residents that reside within the Area.

D. Economic Conditions

Taxable Value of Property Within the Area

According to the Clackamas County Assessor's office, the estimated 2011/2012 total assessed value of the real property in the Area is \$_____. The frozen base is estimated to be \$_____ which includes an estimate of the value of the land, which the county assessor will quantify once the plan is adopted. This is an estimate to allow for the preparation of this document. The property is now bundled with other XEROX properties and assessed as one. The Clackamas County Assessor will have to establish a separate building and land value for this urban renewal area.

The building is underutilized, and if it was fully utilized and converted to a traded-sector use such as manufacturing, the values would increase.

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 (Impact of the Tax Increment Financing) 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 is an economic development project. The use of urban renewal funding for this project allows the City to provide an attractive industrial development incentive program that will be competitive with neighboring communities' Enterprise Zone programs. It also allows the city to tap a different funding source besides the City of Wilsonville's general funds to support this program.

All necessary infrastructure to serve the Area is in place and none of the systems are slated for improvements in the CIP. Converting the building structure in the Area to optimized use will take advantage of the existing infrastructure. Because the structure will incur a change in use from warehousing to manufacturing, or another traded-sector use that meets program criteria, there may be a need for additional police and fire services. However, since this structure already exists and has received these services before, these are not totally new service requirements. In addition, a vacant structure can sometimes be vulnerable to vandalism, criminal activity and fire risk. Bringing the structure back to full use will help prevent such risks.

The revenue sharing feature of this urban renewal plan allows for tax increment to be shared with taxing jurisdictions including the City of Wilsonville at the onset of receipt by the Agency of tax increment funds. These funds will help offset any increased services.

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

The reason for selecting the Area is to cure blight by providing the ability to fund an economic incentive program to encourage private sector investment in an underutilized and/or vacant parcel of industrial zoned land.

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

The projects identified for the Area, including how they relate to the existing conditions in the Area, are described below:

A. Property Tax Rebates

This project offers an incentive to the private sector to convert underutilized industrial buildings into higher value traded-sector uses, such as manufacturing, in the Area. This project will provide tax rebates of a portion of incremental property tax increases to qualifying investments in the Area.

Existing Conditions:

This building is currently vacant and/or underutilized. It has 203,247 square feet of building space on 27 acres.

B. Debt Service and Administration

This project will allow for the repayment of costs associated with the preparation (including the potential repayment of the initial planning costs for the development of the urban renewal plan) adoption, and implementation of the Building 83 - 26440 SW Parkway Avenue Urban Renewal Plan. This project also includes ongoing administration and any financing costs associated with the Plan.

Existing Conditions:

As there is currently no urban renewal program for this Area, these activities do not exist.

V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The costs of the projects are shown in Table 1. The sources of funds are tax increment revenues. A three percent annual inflation factor is used. These funds will be allocated to the following projects:

- Repayment of a portion of the urban renewal planning costs will occur in the first year that tax increment funds are received (\$12,000 in FY 2013-14, adjusted annually for inflation increases).
- Approximately \$15,000 in FY 2013-14, adjusted for inflation, will be allocated for program administration annually.
- The project will rebate up to 75% of the net tax increment revenue for three years for each qualifying company if the average wage of the 75 or more new

jobs pay a minimum of 125% of the average Clackamas County wage rate (not including benefits) in effect at the time the rebate is paid, which for 2012 is \$25.33/hour or \$52,693 annual wage rate. Two additional years (five total) of property tax rebates are available if the average wage of the 75 or more new jobs pay 150% of average wages paid in Clackamas County at the time the rebate is paid, which for 2012 equals \$30.40 per hour, or a \$63,230 annual wage.

- Any net tax increment revenues in excess of what is needed for administrative expenses or tax rebates will be distributed to the impacted taxing jurisdictions.

Table 1 – Estimated Project Allocations

TIF Use	Amount
URA Administration	\$141,367
Rebate	\$11,786,512
Total	\$11,927,879

Source: ECONorthwest, TIF: Tax Increment Funds

VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The anticipated latest completion date of the projects in the Building 83 - 26440 SW Parkway Avenue Urban Renewal Plan will be June 30 of the fiscal year ending 15 years after the approval of the Plan. If investments do not occur as outlined in the program guidelines, the Plan may be terminated earlier at the discretion of the Agency.

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

Table 2 shows a scenario for how this urban renewal plan may be implemented. This scenario relies on an investment by the developer of over \$407,000,000, in three successive years, receiving \$11,786,512 in tax rebates from tax increment funds received by the Agency. This results in approximately \$12 million in maximum indebtedness, and represents the maximum investment anticipated in the building. Lower investment levels will result in lower actual tax rebates and lower actual maximum indebtedness used. When a developer negotiates an agreement with the City, the projected rebate and revenue sharing numbers will be reevaluated, but may not exceed the \$12 million maximum indebtedness established in this Plan.

Table 2. Investment Schedule

Year	Investment Amount		
	Schedule 1	Schedule 2	Schedule 3
2013			
2014			
2015	137,000,000		
2016		135,000,000	
2017			135,000,000
2018			

Source: ECONorthwest

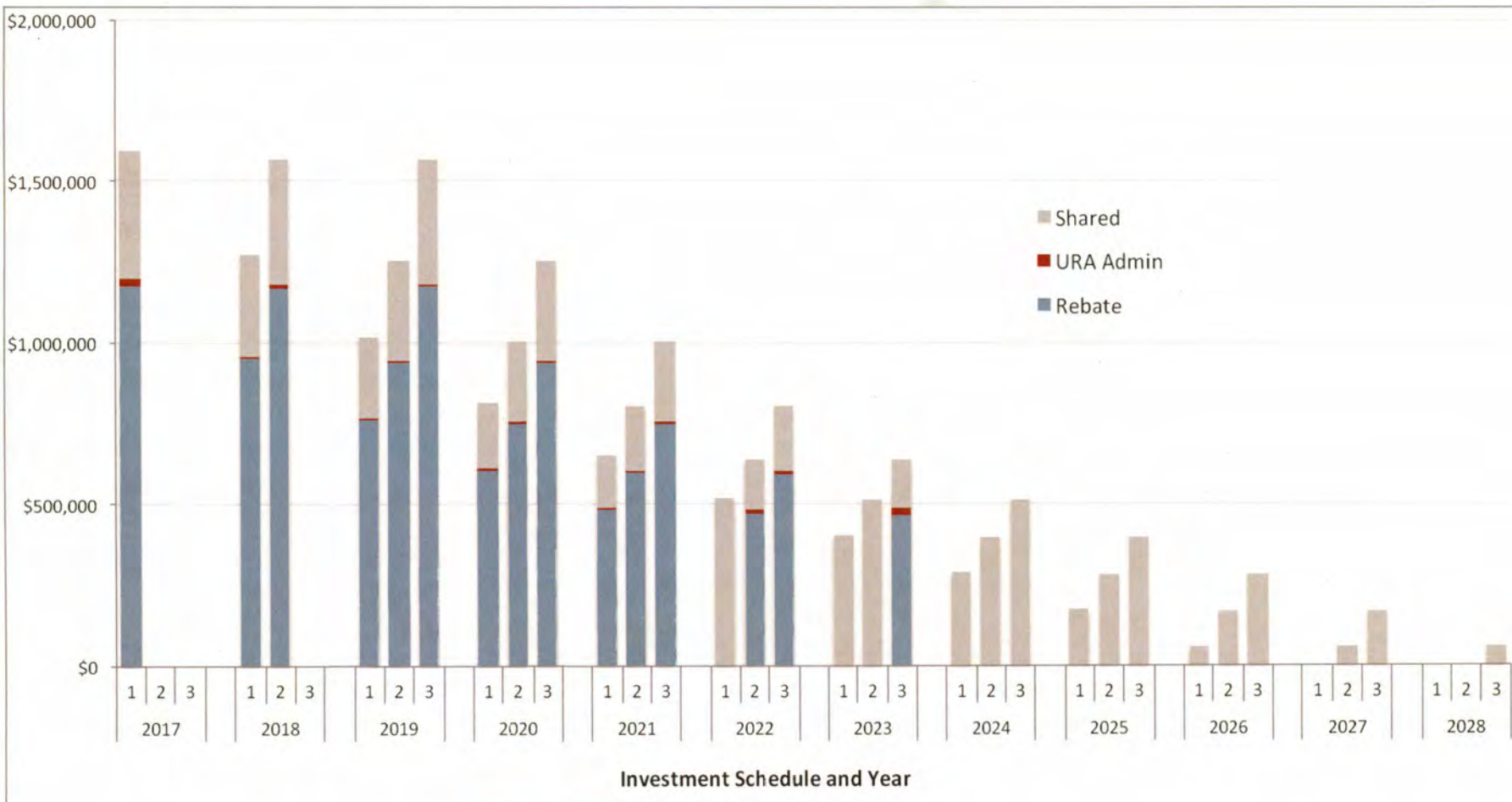
The tax increment revenues and their allocation to administrative costs, developer rebates, and the taxing jurisdictions' share of the increased property tax revenue are shown in Table 3. The 25% to taxing jurisdictions is held constant, the administrative costs are deducted from the 75% share to the developer. Since revenue sharing is anticipated at the onset of the Plan, and this revenue sharing exceeds the potential

amount of distributions through revenue sharing required in ORS 457.470, the revenue sharing in ORS 457.470 has been waived by the taxing jurisdictions.

It is anticipated that all expenditures of tax increment funding will be completed within 15 years. The maximum indebtedness is \$12,000,000. In the scenario detailed in Tables 2 and 3, the term of the rebate expires before all of the manufacturer's investment in equipment has depreciated. The result of this is the taxing jurisdictions begin to receive 100% of the TIF revenues in fiscal year 2023-24, and the total amount shared with taxing jurisdictions for the entire duration of the Area ends up being much higher than the net 25% share that is guaranteed during the time the developer is receiving rebates. Table 2 shows the total projected rebate to the developer in this scenario would be \$11,786,512 dollars, while the amount received by taxing jurisdictions is estimated at \$8,282,830 dollars over the 15 year life of the Plan. This is actually 41% of the total tax increment revenue.

Chart 1 depicts this scenario. Each individual investment provides rebates to the developer, and a portion of extra tax increment to taxing jurisdictions, for a five-year period, with any remaining increment shared with the taxing jurisdictions when that rebate period expires. The three investments are depicted in consecutive years, as shown by the 1,2,3 on the horizontal axis of the chart. As shown, once any one investment reaches the 6th year, all of the tax increment from that investment is shared with the taxing jurisdictions. This would be accomplished through an under levy.

Chart 1. Investment, Amortization, and Rebate Schedule



Source: ECONorthwest

There will be no loans or bonds issued. The amount of funding to service the maximum indebtedness will be raised through the payment of tax increment from the County Assessor's office. Because the project payments are predicated upon the annual tax increment on a formulaic basis allocating first to administrative costs, then a 75/25 split of increment between the developer and impacted taxing jurisdictions, the Plan will be financially feasible. No payments will be made without first receiving the increment from the assessor.

Table 3 – Tax Increment Revenues and Allocations to Project Costs Sample Scenario

FYE	URA Admin	Rebate	Shared	Total
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	\$28,883	\$1,165,514	\$398,133	\$1,592,530
2018	\$17,390	\$2,115,090	\$710,826	\$2,843,306
2019	\$17,912	\$2,865,034	\$960,981	\$3,843,927
2020	\$18,449	\$2,287,907	\$768,785	\$3,075,141
2021	\$19,002	\$1,826,030	\$615,010	\$2,460,042
2022	\$19,572	\$1,065,063	\$883,364	\$1,968,000
2023	\$20,159	\$461,872	\$1,080,797	\$1,562,828
2024	\$0	\$0	\$1,204,211	\$1,204,211
2025	\$0	\$0	\$859,716	\$859,716
2026	\$0	\$0	\$515,223	\$515,223
2027	\$0	\$0	\$228,592	\$228,592
2028	\$0	\$0	\$57,192	\$57,192
2029	\$0	\$0	\$0	\$0
2030	\$0	\$0	\$0	\$0
Total	\$141,367	\$11,786,512	\$8,282,830	\$20,210,708

Source: ECONorthwest, FYE: Fiscal Year End, URA: Urban Renewal Area

VIII. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues in the sample scenario, as shown above, are based on projections of the assessed value of investment that could occur within the Area, depreciation of the investment and the total tax rate that will apply in the Area. The assumptions include assumptions of development, as identified in the TIF Zones concept by the City of Wilsonville. Although these assumptions are used as a basis for evaluating the Plan, the financial feasibility is predicated on the simple formula that increased revenues will be shared by the City for administration, by the developer and by the taxing jurisdictions. No payments will be made until tax increment is received from the County Assessor. These payments will be distributed on a formula that includes payments for administrative costs, then a 75/25 split between the developer and impacted taxing jurisdictions.

Table 4 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Table 3. These projections include shared revenue with impacted taxing jurisdictions.

Table 5 shows the investment and depreciation assumptions used in preparing the financial analysis. In this scenario, all investment is assumed to be equipment, and so it is depreciated. The depreciation schedule used in this scenario is a half-year convention over a 10-year recovery period that was published by the Internal Revenue Service in its annual report for how to depreciate property. Depreciation is an annual income tax deduction that allows you to recover the cost or other basis of certain property over the time you use the property. It is an allowance for the wear and tear, deterioration, or obsolescence of the property. In this case, all the investment in property is assumed to depreciate to zero after 10 years. Property can be depreciated at different times throughout the year, depending on the accounting method used. Under the half-year convention, you treat all property placed in service or disposed of during a tax year as placed in service or disposed of at the midpoint of the year. This means that a one-half year of depreciation is allowed for the year the property is placed in service or disposed of.

However, as stated above, for purposes of financial feasibility, the fact that no payments will be made until tax increment is received establishes financial feasibility.

Table 4 – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

This table will be prepared once the assessed values are determined. This does not impact the impacts on taxing jurisdictions.

Source: ECONorthwest, FYE: Fiscal Year End, TIF Revenue: Tax Increment Revenue

Table 5 – Projected Investments and Depreciation Schedules

Calendar Year	FYE	Investment Schedule 1			Investment Schedule 2			Investment Schedule 3			Total RMV
		Value	Depreciation	RMV	Value	Depr.	RMV	Value	Depr.	RMV	
2013	2015										
2014	2016										
2015	2017	\$137,000,000	10.00%	\$123,300,000							\$123,300,000
2016	2018		18.00%	\$98,640,000	\$135,000,000	10.00%	\$121,500,000				\$220,140,000
2017	2019		14.40%	\$78,912,000		18.00%	\$97,200,000	\$135,000,000	10.00%	\$121,500,000	\$297,612,000
2018	2020		11.52%	\$63,129,600		14.40%	\$77,760,000		18.00%	\$97,200,000	\$238,089,600
2019	2021		9.22%	\$50,498,200		11.52%	\$62,208,000		14.40%	\$77,760,000	\$190,466,200
2020	2022		7.37%	\$40,401,300		9.22%	\$49,761,000		11.52%	\$62,208,000	\$152,370,300
2021	2023		6.55%	\$31,427,800		7.37%	\$39,811,500		9.22%	\$49,761,000	\$121,000,300
2022	2024		6.55%	\$22,454,300		6.55%	\$30,969,000		7.37%	\$39,811,500	\$93,234,800
2023	2025		6.56%	\$13,467,100		6.55%	\$22,126,500		6.55%	\$30,969,000	\$66,562,600
2024	2026		6.55%	\$4,493,600		6.56%	\$13,270,500		6.55%	\$22,126,500	\$39,890,600
2025	2027		3.28%	-		6.55%	\$4,428,000		6.56%	\$13,270,500	\$17,698,500
2026	2028					3.28%	-		6.55%	\$4,428,000	\$4,428,000
2027	2029								3.28%	-	\$0
2028	2030										

FYE: Fiscal Year End RMV: Real Market Value Depr.: Depreciation
Source: ECONorthwest

IX. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the new maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal 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 estimated for a 15-year period and are shown in Tables 6a and 6b. Table 6a shows the general government taxing jurisdictions and Table 6b shows the education taxing jurisdictions.

The concept for this plan, as defined by the City of Wilsonville, includes a 25% share of net tax increment proceeds with the affected taxing jurisdictions. This formula for revenue sharing is different than the formula described in Oregon Revised Statutes (ORS). Revenue sharing is part of the 2009 legislative changes to urban renewal and means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the area. By statute, the share is a percentage basis dependent upon the tax rates of the taxing jurisdictions. The first threshold is 10% of the original maximum indebtedness. At the 10% threshold, the urban renewal agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold, and the taxing jurisdictions will receive 75% of the increment above the 10% threshold. The second threshold is set at 12.5% of the maximum indebtedness. Since revenue sharing is anticipated at the onset of the Plan, and this revenue sharing exceeds the potential amount of distributions through revenue sharing required in ORS 457.470, the revenue sharing in ORS 457.470 has been waived by the taxing jurisdictions.

The West Linn-Wilsonville School District and the Education Service District 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 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 substantially replaced with State School Fund revenues, as determined by a funding formula at the state level. The formula for funding schools, as changed in the 2013 legislative session, is \$6,852 per pupil for FY 2013-14 and \$7,081 per pupil for FY 2014-15, an increase over the 2012 levels. According to the State of Oregon Department of Education,

there was approximately \$1 billion dollars of increased revenues allocated to school financing in the 2013 legislative session.¹

Tables 6a and 6b show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. It assumes the growth as projected in the other tables in this Report. **It does not offset the foregone revenues with the expected new revenues. Although the taxing jurisdictions are shown to forego approximately \$12 million, as shown in Table 6a and 6b, they will receive approximately \$8 million, as shown in Table 3. Over the life of the Plan, the taxing jurisdictions will receive over 40% of the total tax increment revenues produced by this sample scenario.**

There is always some discussion about the true impact of urban renewal on the taxing jurisdictions as there is one line of thought that some of the growth projected would not occur "but for" urban renewal. In this case, the building is underutilized either through vacancy or type of use, and expectations are that it will remain underutilized in the future without developer incentives. Given this, there would be no expectation that any increase of property taxes would come from this building without the use of urban renewal.

There is no anticipated change in revenue for affected taxing jurisdictions upon termination of the Plan, which is expected in 15 years. All projected investment is equipment, and equipment's assessed value depreciates over time. By the time the Area expires, all equipment will be fully depreciated, so there will be no additional assessed value to tax. However, the taxing jurisdictions are receiving 25% of the net increment during the time period the developer is receiving 75% of the net increment, and they are receiving 100% of the increment for the remaining time frame of the Area, as shown in Table 3. If there are any improvements to the building itself, or increases in value of the building itself, the taxing jurisdictions would realize the increased taxes from those investments.

¹ Phone interview with Jan McComb, State of Oregon Department of Education, July 11, 2013.

Table 6a – Projected Impact on Taxing District Permanent Rate Levies (General Government)

FYE	Clackamas County	Tualatin Valley Fire & Rescue	City of Wilsonville	Port of Portland	Metro	COUNTY EXTENSION & 4-H	COUNTY LIBRARY	COUNTY SOIL CONS	VECTOR CONTROL	Subtotal
2013	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-
2015	-	-	-	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-
2017	(222,328)	(141,043)	(233,092)	(6,482)	(8,933)	(4,624)	(36,750)	(4,624)	(601)	(658,477)
2018	(396,946)	(251,818)	(416,164)	(11,574)	(15,949)	(8,255)	(65,613)	(8,255)	(1,073)	(1,175,647)
2019	(536,639)	(340,438)	(562,621)	(15,647)	(21,562)	(11,160)	(88,703)	(11,160)	(1,451)	(1,589,381)
2020	(429,311)	(272,351)	(450,097)	(12,518)	(17,250)	(8,928)	(70,963)	(8,928)	(1,161)	(1,271,507)
2021	(343,439)	(217,874)	(360,067)	(10,014)	(13,799)	(7,142)	(56,768)	(7,142)	(929)	(1,017,174)
2022	(201,897)	(128,081)	(211,672)	(5,887)	(8,112)	(4,199)	(33,372)	(4,199)	(546)	(597,965)
2023	(89,727)	(56,922)	(94,071)	(2,616)	(3,605)	(1,866)	(14,831)	(1,866)	(243)	(265,747)
2024	-	-	-	-	-	-	-	-	-	-
2025	-	-	-	-	-	-	-	-	-	-
2026	-	-	-	-	-	-	-	-	-	-
2027	-	-	-	-	-	-	-	-	-	-
2028	-	-	-	-	-	-	-	-	-	-
2029	-	-	-	-	-	-	-	-	-	-
2030	-	-	-	-	-	-	-	-	-	-
Total	(2,220,287)	(1,408,527)	(2,327,784)	(64,738)	(89,210)	(46,174)	(367,000)	(46,174)	(6,004)	(6,575,898)

Source: ECONorthwest.

Table 6b – Projected Impact on Taxing District Permanent Rate Levies (Education and Totals)

FYE	COM COLL CLACK (perm)	ESD CLACKAMAS	SCH WLINN/WILS (perm)	Subtotal Education	Subtotal Gen Govt	Total
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	(51,620)	(34,096)	(450,205)	(535,921)	(658,477)	(1,194,398)
2018	(92,162)	(60,874)	(803,797)	(956,833)	(1,175,647)	(2,132,480)
2019	(124,595)	(82,297)	(1,086,671)	(1,293,563)	(1,589,381)	(2,882,944)
2020	(99,676)	(65,838)	(869,337)	(1,034,851)	(1,271,507)	(2,306,358)
2021	(79,739)	(52,669)	(695,449)	(827,857)	(1,017,174)	(1,845,031)
2022	(46,876)	(30,962)	(408,832)	(486,670)	(597,965)	(1,084,635)
2023	(20,832)	(13,760)	(181,692)	(216,284)	(265,747)	(482,031)
2024	-	-	-	-	-	-
2025	-	-	-	-	-	-
2026	-	-	-	-	-	-
2027	-	-	-	-	-	-
2028	-	-	-	-	-	-
2029	-	-	-	-	-	-
2030	-	-	-	-	-	-
Total	(515,500)	(340,496)	(4,495,983)	(5,351,979)	(6,575,898)	(11,927,877)

Source: ECONorthwest. Please refer to the explanation of the schools funding in the preceding section.

X. 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, including all real, personal, manufactured, and utility properties in the Urban Renewal Area, is projected to be \$_____. This is an estimate as the property is now bundled with other XEROX properties and assessed as one. The Clackamas County Assessor will have to establish a separate building and land value for this urban renewal area. The total assessed value of the City of Wilsonville is \$2,368,094,165. There are seven existing urban renewal areas, as shown in Table 7. These seven areas, plus the Building 83 - 26440 SW Parkway Avenue Area, total _____% of the total assessed value of the City of Wilsonville, well below the 25% maximum. (We know that the assessed value of this building will not cause the city of Wilsonville to exceed the 25% threshold) The Building 83 - 26440 SW Parkway Avenue Area has 27 acres, and the City of Wilsonville has 4,712 acres; the other seven existing urban renewal areas total 1,108.56 acres. Therefore, 24.12% of the City's acreage is in an urban renewal area, below the 25% state limit.

Table 7 – Urban Renewal Area Conformance with Assessed Value and Acreage Limits

Urban Renewal Area	Assessed Value	Acres
Building 83 - 26440 SW Parkway Avenue	xxxx	27.00
29899 SW Boones Ferry Road	\$14,458,913	15.40
27255 SW 95th Avenue	\$16,608,823	26.07
25600 SW Parkway Center Drive	\$7,476,210	10.35
9805 SW Boeckman Road	\$10,879,601	24.98
26755 SW 95th Avenue	\$7,064,499	9.76
Year 2000 Plan	\$44,087,806	567
West Side Plan	\$16,526,288	456
Total in Urban Renewal		1,135.56
City of Wilsonville	\$2,368,094,165	4,712
Percent of Assessed Value in Urban Renewal	____%	
Percent of Acreage in Urban Renewal		24.12%

Source: City of Wilsonville, Clackamas County Assessor

XI. RELOCATION REPORT

There is no relocation report required for the Plan. No relocation activities are anticipated.

DRAFT

King, Sandy

From: King, Sandy
Sent: Tuesday, November 05, 2013 10:43 AM
To: 'LFaxon@CommNewspapers.com'
Subject: Public Notice
Attachments: TIF Zone Ordinance Adoption 11513.doc

Importance: High

Louise;

Can you publish this Notice of Adoption in your on-line paper and publish in the printed copy as well, and send proof of publication? The Notice of Adoption must be published within 4 days of adoption of the Ordinances, which was Monday, November 4, 2013.

Many thanks.

Sandra C. King, MMC
City Recorder
City of Wilsonville
503-570-1506

PUBLIC RECORDS LAW DISCLOSURE: Messages to and from this e-mail address is a public record of the City of Wilsonville and may be subject to public disclosure. This e-mail is subject to the State Retention Schedule.

King, Sandy

From: LFaxon@CommNewspapers.com
Sent: Tuesday, November 05, 2013 12:10 PM
To: King, Sandy
Subject: RE: Public Notice

Good Afternoon Sandy,

Notice received. I wish I could be this in tomorrow's newspaper, but it is already at the press. I will get this notice in the **November 13th edition** of the **Wilsonville Spokesman**. Once published, I will send affidavits of publication to your attention.

I will publish it online by close of day today!

Thank you,

Louise Faxon

Legal Advertising

Community Newspapers/Portland Tribune

6605 SE Lake Rd, Portland 97222-2161

PO Box 22109, Portland OR 97269-2109

(503) 546-0752; fax (503) 620-3433

Legals Notices are online at: <http://publicnotices.portlandtribune.com>

From: King, Sandy [mailto:king@ci.wilsonville.or.us]

Sent: Tuesday, November 05, 2013 10:43 AM

To: Louise Faxon

Subject: Public Notice

Importance: High

Louise;

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**NOTICE OF ADOPTION OF THE WILSONVILLE TAX INCREMENT FINANCE ZONE (TIF ZONE)
URBAN RENEWAL PLANS**

The City Council of the City of Wilsonville has adopted Ordinance Numbers 725, 726, 727, 728, 729 and 730 on November 4, 2013 approving the 26755 SW 95th Avenue Urban Renewal Plan, 9805 SW Boeckman Road Urban Renewal Plan, 25600 SW Parkway Center Drive Urban Renewal Plan, 27255 SW 95th Avenue Urban Renewal Plan, 29899 SW Boones Ferry Road Urban Renewal Plan, and Building 83 - 26440 SW Parkway Avenue Plan. The Plans have been adopted in conformance with the applicable legal requirements and shall be conclusively presumed valid for all purposes 90 days after the adoption of the ordinance. No direct or collateral attack on the action may thereafter be commenced.

King, Sandy

From: OregonLive.com <oregonlive@clicknbuy.com>
Sent: Tuesday, November 05, 2013 11:11 AM
To: King, Sandy
Subject: Your OregonLive.com Posting Confirmation



Thank you for your order! If you have any questions about your order, please feel free to contact our Customer Support Team. The details of your order are below.

Oregonlive.com will not contact you to obtain your credit card information again. Be aware of anyone who attempts to retrieve your information for this purchase after this point.

Your posting:

- will appear online within approximately 90 minutes
- will take up to 24 hours to appear online if placed within the Pets or Autos categories
- will include expanded text, at least 1 photo and buyer-seller communication!
- may include e-commerce capabilities (*included in select packages*)

Log in to your account to EDIT/REMOVE this posting or POST another item (many categories are **FREE to POST!**) by going to this URL: <http://secure.adpay.com/Login.aspx?l=25687210>

If your email program does not recognize the web address above as an active link, please copy and paste the address into your web browser.

Order Number: 3391771
Placed: 11/5/2013 11:11:19 AM
Bill To:
Sandra King

Ad ID: ORE11200083
Title: Notice of Adoption of the Wilsonville Tax Increment Finance Zone (TIF ZONE) Urban Renewal Plans
Description: **Notice of Adoption of the Wilsonville Tax Increment Finance Zone (TIF ZONE) Urban Renewal Plans**
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727, 728, 729 and 730 on November 4, 2013 approving the 26755 SW 95th Avenue Urban Renewal Plan, 9805 SW Boeckman Road Urban Renewal Plan, 25600 SW Parkway Center Drive Urban Renewal Plan, 27255 SW 95th Avenue Urban Renewal Plan, 29899 SW Boones Ferry Road Urban Renewal Plan, and Building 83 - 26440 SW Parkway Avenue Plan. The Plans have been adopted in conformance with the applicable legal requirements and shall be conclusively presumed valid for all purposes 90 days after the adoption of the ordinance. No direct or collateral attack on the action may thereafter be commenced.

Package: **Basic OregonLive.com Ad**

\$10

- 30 days on OregonLive.com
- **1 photo**
- Expanded text
- Buyer-seller communication

Photos: 0

Print Photos: 0

Multimedia: 0

Online Start Date: 11/5/2013

Online End Date: 12/5/2013

Category: Legal

Parent Category: Notices and Announcements

Price:

Base Price:	\$10.00
Total:	\$10.00

Total Items: 1


Order Total: \$10.00

Payment Type: Credit Card

Thank you for using OregonLive.com Classifieds!

OregonLive.com wants to connect with you anytime, anywhere. Follow us on [Twitter](#), Like us on [Facebook](#), or visit [OregonLive.com](#) on your mobile device.

Welcome Sandra!
(not Sandra?)

 **Printer Friendly**

Notice of Adoption of the Wilsonville Tax Increment Finance Zone (TIF ZONE)...

Category: Notices and Announcements - Legal
Views: 1

Start Date: 11/5/2013

Description

Notice of Adoption of the Wilsonville Tax Increment Finance Zone (TIF ZONE) Urban Renewal Plans

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Account # 2000014297

City of Wilsonville

30000 SW Town Center Lp E

Wilsonville OR 97070 USA

Phone 503-570-1506

Fax

E-mail king@ci.wilsonville.or.us

Payor Information

Account # 2000014297

City of Wilsonville

30000 SW Town Center Lp E

Wilsonville OR 97070 USA

Phone 503-570-1506

PO Number

Sales Rep.

kimo

Ordered By

Sandra C. King

Ad Content Proof

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WILSONVILLE TAX INCREMENT
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Total Amount	\$198.01	Promo Type	C-Legal Ad 1x	Ad Size	1.0 X 29 Li
Payment Amt	\$0.00	Special Pricing	None	Color	<NONE>
Amount Due	\$198.01	Attributes			

Payment Method

Tear Sheets

0

Proofs

0

Affidavits

1

Blind Box

Materials

Invoice Text Urban Renewal Plans - Notice

Product: Edition: Zone	Placement	Position	# Inserts
Oregonian All: Full Run	C-NoticeAds - Classified	C008-PublicNotices	1
Run Dates	11/8/2013		

Sort Text NOTICE OF ADOPTION OF THE WILSONVILLE TAX INCREMENT FINANCE ZONE TIF ZONE URBAN RENEWAL PLANS THE CITY COUNCIL OF THE CITY OF WILSONVILLE HAS ADOPTED
Run Schedule Invoice Text NOTICE OF ADOPTION OF THE WILSONVILLE TAX INCREMENT FINANCE ZONE (TIF ZONE) URBAN RENEWAL PLANS The City Council of the City

Product: Edition: Zone	Placement	Position	# Inserts
Online All: Full Run	C-NoticeAds - Classified	C008-PublicNotices	1
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City of Wilsonville

November 4, 2013 City Council Meeting Action Minutes

COUNCILORS	STAFF	STAFF	STAFF
Mayor Knapp	Bryan Cosgrove	Stan Sherer	Cathy Rodocker
Councilor Goddard	Mike Kohlhoff	Holly Miller	Joanne Ossanna
Councilor Starr	Jeanna Troha	Mark Ottenad	Katie Mangle
Councilor Fitzgerald	Sandra King	Delora Kerber	Angela Handran
Councilor Stevens	Nancy Kraushaar	Barbara Jacobson	
	Kristin Retherford	Stephan Lashbrook	
	Chris Neamtzu	Eric Mende	

AGENDA	ACTIONS
COUNCILOR CONCERNS <ul style="list-style-type: none"> Councilor Fitzgerald asked about the status of a “white paper” on the commercial vs. industrial zoning where Auto Zone is located, and wanted a follow up on the result. Councilor Starr was concerned about memorializing an ‘incorrect zoning’ with the adoption of Resolution 2443. There may be uses between commercial and industrial zoning (sports related and automotive) that do not fit the current code. Councilor Goddard requested a map outlining where the zoning changes had been made. 	<ul style="list-style-type: none"> Staff met with the Mayor and Councilor Starr and found a resolution to the matter so no “white paper” was prepared. An audit of the existing businesses in the Wilsonville Road Business Park was done, resulting in an additional 6,000 square feet of commercial use allowing Mr. Transmission to locate in the Business Park.. <p>Staff offered to prepare a background memo with additional information.</p> <ul style="list-style-type: none"> Staff understood the Councilor wanted to review the zoning code language itself for permitted uses and balance of percentages allowed. Staff offered to look at what other cities allow in similar types of zones and talk about whether changes should be made. Staff would bring back the maps showing the zoning changes that had been approved.
WORK SESSION <ul style="list-style-type: none"> Fiber Optic Project Urban Renewal Strategic Plan Update Water Study Results 	<ul style="list-style-type: none"> Councilors received a briefing on the project which will improve communications to all city buildings, and provide infrastructure needed for future service to public facilities. Staff provided three scenarios to Council and received the nod to move forward. Staff and the consultant developed and recommend Scenario 2a; that contains no overall revenue increase in FY 2013/14; future across-the-board annual increases of 2.25%;

<ul style="list-style-type: none"> Connect Oregon Grant Update 	<p>reduced irrigation rates; and increased percentage of revenue from fixed charges.</p> <ul style="list-style-type: none"> Staff was given the go ahead to proceed with writing the grant.
REGULAR MEETING	
<u>Mayor's Business</u> <ul style="list-style-type: none"> Kitakata Sister City Delegation Proclamation declaring 11/15/13 "America Recycles Day" Upcoming Meetings 	<ul style="list-style-type: none"> The 16 students and 2 chaperones were welcomed to Wilsonville by the Mayor and Councilors. Proclamation read by the Mayor. Announced by the Mayor.
<u>Communications</u> <ul style="list-style-type: none"> Metro Councilor Dirksen WWTP Project of the Year Award 	<ul style="list-style-type: none"> Councilor Dirksen spoke about happenings at Metro. The city received the Project of the Year award by Oregon APWA for the WWTP project.
<u>Consent Agenda</u> <ul style="list-style-type: none"> Resolution 2442 Authorizing IGA Between Metro And City For Grant Funding The Frog Pond And Advance Road Planning Project Resolution 2443 Incorporating Approved Zoning Map Amendments And Readopting Official Zoning Map Resolution 2444 Authorizing The CM To Sign A Design And Build Contract For Fiber Optic Cable Installation 	<p>Consent agenda approved 5-0.</p>
<u>Continuing Business</u> <ul style="list-style-type: none"> Ordinances 725, 726, 727, 728, 729, and 730 Creating Single Property Urban Renewal TIF Zones 	<p>All ordinances adopted 5-0 on second reading.</p>
<u>City Manager's Business</u> <ul style="list-style-type: none"> Following the Basalt Creek work session October 29th, staff contacted the property owners who had information/questions. No December 16th Council Meeting. Thanked the volunteers who deliver Meals on Wheels. 	
<u>Legal Business</u> <ul style="list-style-type: none"> There was no report. 	
URBAN RENEWAL AGENCY MEETNIG	<p>Item moved to November 18 meeting.</p>

RECORDED BY: SCK