

THE URBAN RENEWAL AGENCY OF THE CITY OF WILSONVILLE

ANNUAL REPORT

2025



FOR FISCAL YEAR ENDING JUNE 30, 2025

This report fulfills the requirements, as prescribed in ORS 457.460, for the filing of an annual report detailing the financial activity of an urban renewal area established in Oregon.



WILSONVILLE
OREGON

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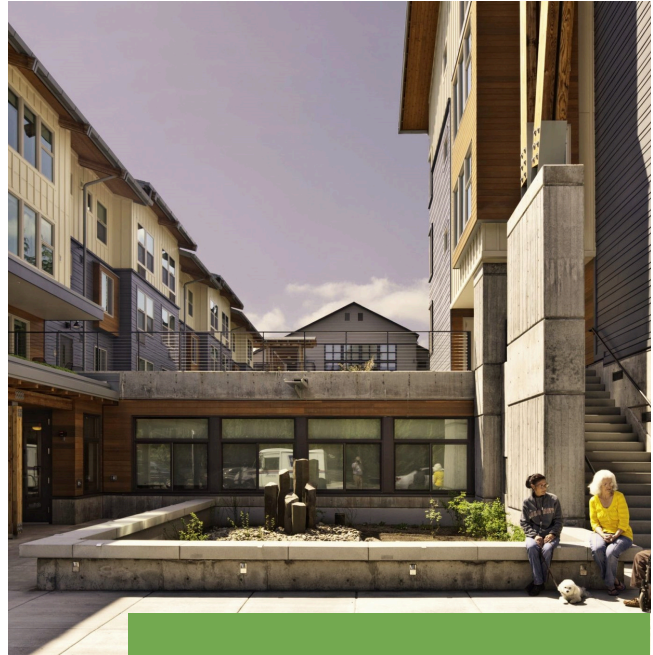
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INTRODUCTION

The Urban Renewal Agency of the City of Wilsonville oversees the City's three urban renewal plan areas (Year 2000, West Side, and Coffee Creek), as well as a site-specific local economic development program known as Wilsonville Investment Now (WIN). The Agency is a separate municipal corporation, governed by the City of Wilsonville's City Council members. Only the Coffee Creek Plan and the WIN Program are collecting tax increment.



2

UR Plan Areas collecting
increment

1990

Incorporated (Ord. 369)

ORS 457

Authorizing Statute

Although tax increment is no longer being collected, the Year 2000 and West Side Plan areas remained open in FY 2024–25 and continue until construction in progress is completed. Detailed information on the City's one remaining increment collecting urban renewal plan and the WIN Program is provided below. A map showing the urban renewal area boundaries is included on the final page of this report.



THE URBAN RENEWAL CONCEPT

Urban Renewal, also known as Tax Increment Financing (TIF), is a funding mechanism authorized by Oregon Revised Statutes (ORS) and implemented by local governments. It is used to cure “blight” (as defined by ORS). More specifically, in Wilsonville urban renewal has been used to finance improvements in designated urban renewal areas. Tax Increment Financing (TIF) is not a new tax. Rather, TIF uses existing taxes—specifically, the increased property tax revenue generated by the increase in property values due to new development, redevelopment, and annual tax increases that occur with or without urban renewal.

HERE'S A BREAKDOWN OF HOW IT WORKS:

1

Designation of an Urban Renewal Area: A city designates a specific area as an urban renewal area, creates a plan, and establishes a maximum level of indebtedness derived using methodology outlined in ORS. In Oregon, tax increment revenues can only be used to pay off debt associated with urban renewal projects up to a maximum level of indebtedness as outlined in a plan's creation.

2

Establishment of a Base (Frozen) Property Tax Value: The property tax value of the area is assessed at the time the urban renewal area is established. This is known as the "frozen value" of the district. It represents the current value of the properties in the district, which will continue to contribute to the local taxing authorities (e.g., city, county, vector, fire) as usual.

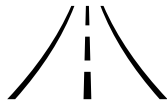
3

Incremental Growth in Property Tax Values: As the urban renewal district undergoes improvements (such as infrastructure upgrades, private (re)development, or new construction), the property values within the district rise. The increase in property values (the "increment") is the difference between the base value and the new value after improvements.

4

Tax Increment Financing: The increase in property tax revenue from the higher property values (the tax increment) is captured and set aside to fund the urban renewal projects within the area. This means, while an urban renewal plan is in effect, instead of the tax increment revenues going to the local taxing authorities (the county, TVFR, Metro, etc), they are redirected to finance the costs of urban renewal projects in the designated area. As such, urban renewal is a joint investment by all affected taxing agencies, for the benefit of all public budgets in the long term.





**FINANCE
IMPROVEMENTS**



**CURE
BLIGHT**



**STRENGTHEN
TAX BASE**

5

Use of the Tax Increment: The captured tax increment is used to pay for various urban renewal activities, such as building infrastructure (roads, utilities, etc.), removing blight, improving public spaces, or attracting private investment. These projects aim to further enhance the area, attracting new development, businesses, and residents.

6

Duration of Tax Increment Financing: TIF is typically used for a limited period, often 20 to 30 years. Once the period expires, the tax increment financing ends, and the full property taxes (including the increment) are returned to the local taxing authorities.

7

Impact: Over time, TIF helps to stimulate economic development, enhance property values, and improve the overall quality of life within the urban renewal district. It is seen as a way for municipalities to fund redevelopment without raising taxes or relying solely on general funds. In essence, Urban Renewal Tax Increment Financing leverages the future growth in tax revenue to pay for present improvements, creating a self-sustaining mechanism to spark development or revitalize underdeveloped areas. Once the plan is complete, moreover, all overlapping taxing districts reap the benefit of the enhanced tax value assessment.

Annual Taxes Generated

New property tax revenue from assessed value created above the “frozen” base

Used to retire debt incurred to complete projects authorized by ORS 457 and the adopted Plan.

REVENUE
SHARING

**NEW TAX
BASE**

Increment
released back to
taxing districts

TAX INCREMENT

EXISTING “FROZEN” TAX BASE

Revenues continue to flow to taxing districts

Life of TIF District



PLAN SUMMARY

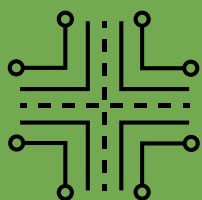
THE YEAR 2000 PLAN

The Year 2000 (East Side) Plan was adopted August 29, 1990 (Ordinance #373). The Plan reached its \$107,196,524 maximum indebtedness (MID) and paid off all its existing debt in FY 2022-23. **Tax increment collections terminated on 06/30/2023.**

Over 33 years, strategic investments made under the Plan addressed these blighted conditions, buoying property values and livability while supporting new industrial, commercial, and residential development.

The final project for the Year 2000 Plan is the **Boeckman Road Corridor Project**. The primary components—the bridge and roundabout—are complete. Remaining work includes stream restoration under the new bridge (Beginning Spring 2026) and extension of the Boeckman Creek Trail under the bridge and continuing south to Memorial Park (Beginning Summer 2027).

BOECKMAN ROAD CORRIDOR PROJECT



Project Costs

\$107.2M



Return on Investment

1165%

PLAN SUMMARY

THE WEST SIDE PLAN

VILLEBOIS



The West Side Urban Renewal Plan was adopted November 3, 2003 (Ordinance #560). The Plan reached it's \$49,400,000 maximum indebtedness (MID) and paid off all its existing debt in FY 2023-24.

Tax increment collections were terminated on 06/30/2024.

The West Side Plan was created in order to build public infrastructure to enable the development of the master-planned community of Villebois in west Wilsonville. The West Side Plan is one of the most successful uses of urban renewal in Oregon history, in terms of assessed value creation, private investment leverage, as well as community development and partnership with impacted taxing districts.

In 2016, the City began revenue sharing, which allowed taxing districts to enjoy new tax revenues before the plan stopped increment collection in 2024.

The final project for the West Side Plan is the **Brown Road Improvements Project**. Design is complete with construction starting May 2026.

BROWN ROAD IMPROVEMENTS PROJECT



PLAN SUMMARY

THE COFFEE CREEK PLAN

The Coffee Creek Urban Renewal Plan was adopted on October 17, 2016 (Ordinance #796). The 258.3 acre area seeks to develop a new employment area in Northwest Wilsonville that will attract general industrial, warehouse, flex, and research and development related business. At plan adoption, a debt limit (MID) of \$67M was created. At fiscal year-end (06/30/2025), the amount of indebtedness remaining for the Plan Area is \$62.2M. An additional \$500,000 of debt is budgeted for FY 2025-26.

Annual increment collections for the Coffee Creek Plan are nearing \$1,000,000 which will allow the agency to take on more projects, such as the Day Road Sewer Project, which is being designed now, using urban renewal funds, combined with forgivable loan funds from Business Oregon—the state’s economic development agency.

The Agency is also exploring the possibility of amending the Coffee Creek Plan to allow for land assembly activities, such as acquiring, aggregating, and disposing of land for private development. Time and experience have shown this intervention may be necessary in order to facilitate private development in the plan area.

PRECISION COUNTERTOPS



Precision Countertops relocated their headquarters, showroom and manufacturing facilities from Boones Ferry Road to Garden Acres Road in Coffee Creek, just 1-mile away.

Garden Acres Road was the first urban renewal project in the Coffee Creek, constructed with the intent to spur private development along its frontage.

In this instance urban renewal allowed a local business to grow and continue investing locally.

PROGRAM SUMMARY

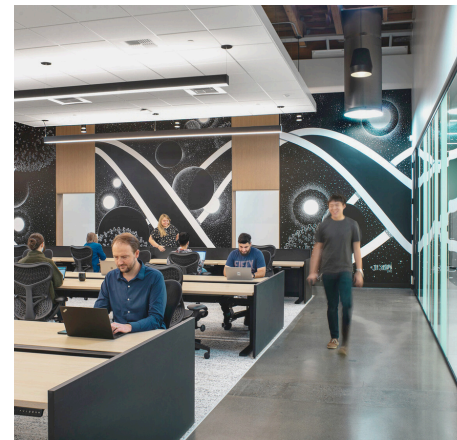
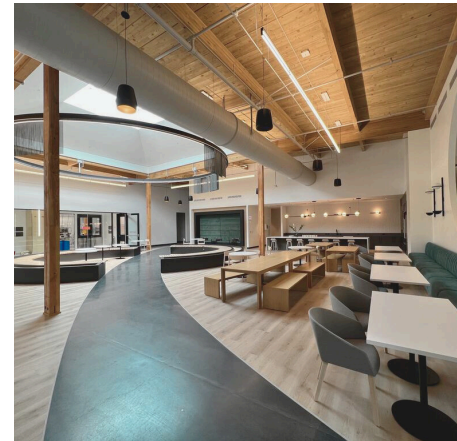


Twist Bioscience Corporation became the first successful applicant under the WIN program on September 9, 2021, via Ordinance No. 849. This site-specific urban renewal area is approximately 4.4 acres in size, has a 7-year lifespan, and an MID of \$10,000,000. The first year of tax increment collections and rebate occurred in FYE 2024 and \$8.08M of MID remains as of 06/30/25.

The Wilsonville City Council adopted administrative rules for the Wilsonville Investment Now (WIN) Program via Resolution 2856 on October 19, 2020.

WIN is a local economic development program that seeks to incentivize businesses to operate in Wilsonville by providing partial property tax rebates for qualifying development projects outside of the City's existing urban renewal areas.

The first program of its kind in Oregon, WIN aims to attract high-value investments from a wide range of businesses. The program's flexible evaluation criteria provide multiple tiers of benefit, including rewards for Wilsonville-owned business and those prioritizing diversity, equity and inclusion initiatives. The administrative rules allow staff to promote the program, and to bring back site-specific applications for City Council consideration upon receipt.



IMPACT ON TAXING DISTRICTS

The following chart shows the impact (forgone tax revenue) of the City's urban renewal plans on the tax collections for the preceding year (FY 2024-25) for all the taxing districts with property taxation authority inside Wilsonville's UR areas.

As noted, urban renewal agencies do not levy any additional taxes. Instead, during a urban renewal plan's lifespan, overlapping taxing districts 'forgo' a portion of their permanent rate, through an administrative process called "division of tax". Once the UR Plan is terminated, the taxing districts receive the full permanent rate of taxes and the benefit of increased property values.

District	Coffee Creek	TWIST WIN	Total Tax Revenue Forgone
Clackamas County	\$	\$ 190,260	\$ 190,260
Washington County	\$ 137,526	\$	\$ 137,526
City of Wilsonville	\$ 134,743	\$ 199,360	\$ 334,103
Clackamas Extension & 4-H	\$	\$ 3,668	\$ 3,668
Clackamas Library District	\$	\$ 31,175	\$ 31,175
Clackamas Soil Conservation Distr.	\$	\$ 3,668	\$ 3,668
Tualatin Soil Conservation Distr.	\$ 5,501	\$	\$ 5,501
Tualatin Valley Fire & Rescue	\$ 93,089	\$ 120,217	\$ 213,306
Clackamas Community College	\$	\$ 44,012	\$ 44,012
Portland Community College	\$ 17,265	\$	\$ 17,265
Vector Control	\$	\$ 458	\$ 458
Port of Portland	\$ 4,025	\$ 5,510	\$ 9,535
Metro Service District	\$ 5,010	\$ 7,507	\$ 12,517
TOTAL	\$ 397,159	\$ 605,835	\$ 1,002,994

EDUCATION

Because of how funds are allocated to schools in Oregon, Wilsonville's use of urban renewal does not result in the school district getting less funding than it would typically receive. Schools and Education Service Districts get their funds on a "per-pupil basis" from the State School Fund. The State School Fund uses a state-wide equalization formula that provides all schools with roughly equivalent funding per pupil. The Oregon Legislature establishes the per-pupil funding ratios and backfills any reduced property tax revenues (such as forgone revenue from urban renewal, enterprise zones, etc.) with other funding sources. Forgone revenues are displayed in the table above for transparency purposes only.

District	Coffee Creek	TWIST WIN	Total Tax Revenue Forgone
Clackamas County	\$	\$ 385,017	\$ 385,017
Washington County	\$ 294,414	\$	\$ 294,414
City of Wilsonville	\$	\$ 28,721	\$ 28,721
Clackamas Extension & 4-H	\$ 9,382	\$	\$ 9,382
TOTAL	\$ 303,796	\$ 413,738	\$ 717,534



BENEFITS TO TAXING DISTRICTS

“Total assessed valuation of the District among all four counties, in which we levy taxes, grew 5.14% in 2023-24 on AV that our permanent tax rate is levied upon. This is largely due to the expiration of a URA in Wilsonville.”

It is a best practice to close an urban renewal plan when it has accomplished its purpose. The Urban Renewal Agency of the City of Wilsonville has stopped increment collections for two urban renewal plans, and taxing district budgets benefit. When all project work is complete, the plans will be closed.

FY 2024-25

FINANCIAL REPORTING

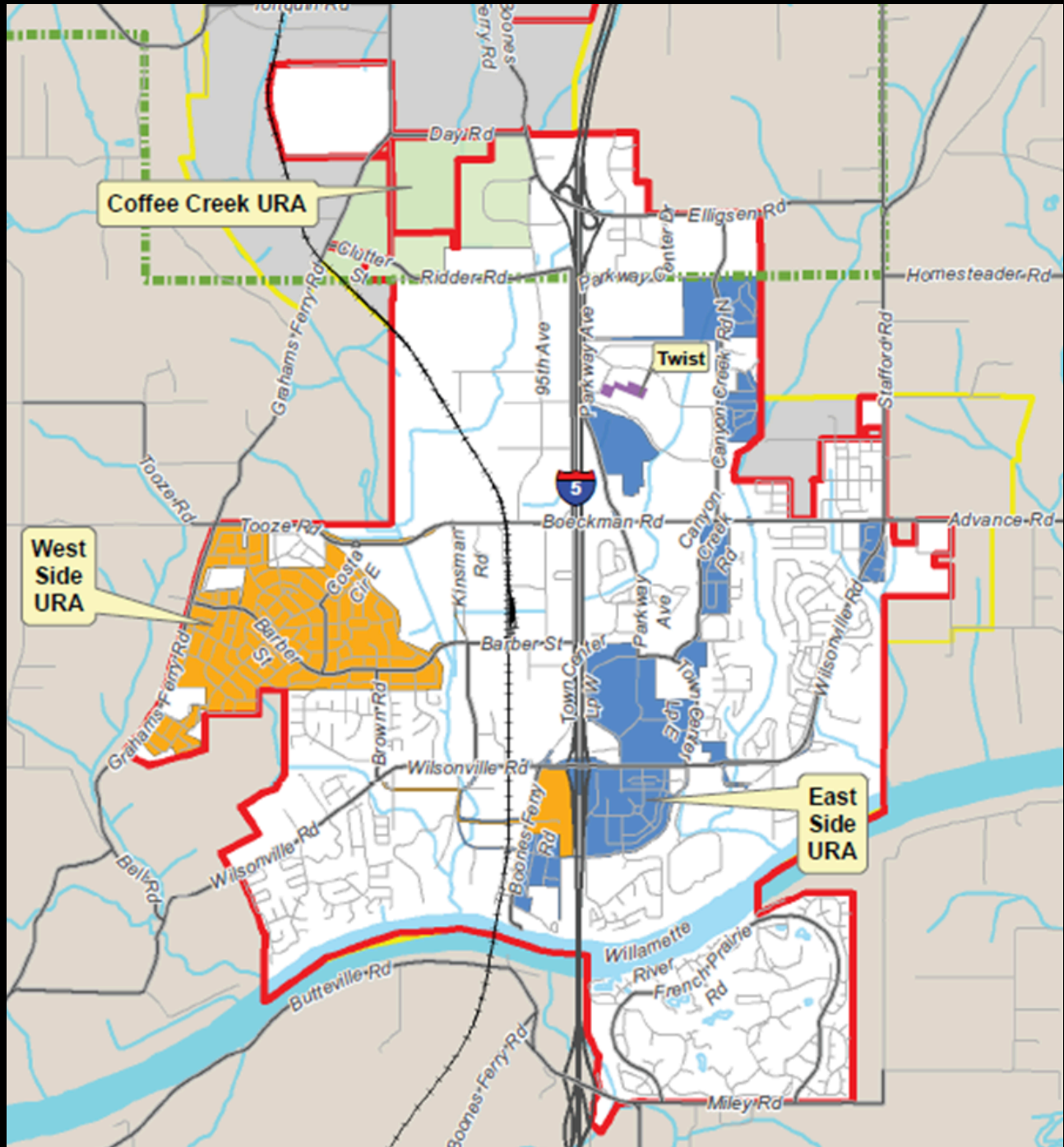
	Year 2000 FY 2024-25 ACTUALS	West Side FY 2024-25 ACTUALS	Coffee Creek FY 2024-25 ACTUALS	WIN Prgm FY 2024-25 ACTUALS	TOTAL
REVENUES:					
Tax Increment	\$ -	\$ -	\$ 678,044	\$ 979,791	\$ 1,657,835
Investment revenue		307,718	47,938	-	355,656
TOTAL RESOURCES	-	307,718	725,982	979,791	2,013,491
EXPENDITURES					
Materials and services	-	147,200	136,004	980,364	1,263,568
Capital Improvement Projects (CIP):					
CIP #4212 - Boeckman Corridor	1,454,119	-	-	-	1,454,119
CIP #4216 - Brown Road		464,874	-	-	464,874
Debt Service	-	-	278,115	-	278,155
TOTAL REQUIREMENTS	1,454,119	612,074	414,119	980,364	3,460,676
Net change	(1,454,119)	(304,356)	311,863	(573)	(1,447,185)
Beginning balance	1,454,119	6,643,947	739,203	2,277	8,839,546
Ending balance	-	6,339,591	1,051,066	1,704	7,392,361

FY 2025-26

ESTIMATED REVENUE & BUDGET

	Year 2000 FY 2025-26 BUDGET	West Side FY 2025-26 BUDGET	Coffee Creek FY 2025-26 BUDGET	WIN Prgm FY 2025-26 BUDGET	TOTAL
REVENUES:					
Tax Increment	\$ -	\$ -	\$ 718,000	\$ 1,174,100	\$ 1,892,100
Investment revenue	-	224,000	43,000	-	267,000
Issuance of debt	-	-	500,000	-	500,000
TOTAL RESOURCES	-	224,000	1,261,000	1,174,100	2,659,100
EXPENDITURES:					
Materials and services	-	375,000	236,004	1,174,100	1,785,104
Capital Improvement Projects (CIP):					
CIP #4216 - Brown Road	-	2,851,000	-	-	2,851,000
CIP #2115 - Day Road Sewer Ext.	-	-	630,000	-	630,000
Debt Service	-	-	780,000	-	780,000
Transfer Out	-	151,000	-	-	151,000
TOTAL REQUIREMENTS	-	3,377,000	1,646,004	1,174,100	6,197,104
Net change	-	(3,153,000)	(385,004)	-	(3,538,004)
Beginning fund balance	-	5,747,691	1,023,000	-	6,770,691
Ending fund balance	-	2,594,691	637,996	-	3,232,687

MAP OF URBAN RENEWAL AREAS



NEED MORE INFO?



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