

**CITY OF WILSONVILLE  
URBAN RENEWAL AGENCY**

The Urban Renewal Agency held a regular meeting on July 6, 2015 in the Wilsonville City Hall immediately following the adjournment of the City Council meeting. Chair Knapp called the meeting to order at 8:13 p.m. Board Members present: Tim Knapp, Chair, Board Members Starr, Fitzgerald, Stevens, and Lehan.

Staff included: Bryan Cosgrove, Executive Director; Mike Kohlhoff, City Attorney; Jeanna Troha, Assistant City Manager; Sandra King, City Recorder, and Kristin Retherford, Economic Development Manager.

**CALL TO ORDER**

Chair Knapp called the URA meeting to order at 8:13 p.m. followed by roll call.

**CITIZEN INPUT** - There was none.

**NEW BUSINESS**

Mr. Kohlhoff read the title of URA Resolution No. 258 into the record.

Kristin Retherford announced she will be attending the OCCMA conference to present information on the City's TIF zone models which have generated considerable interest throughout the state.

A. **URA Resolution No. 258**

A Resolution Of The Urban Renewal Agency Of The City Of Wilsonville Declaring Property Located At 11650 SW Tooze Road As Surplus Property And No Longer Needed For A Public Purpose.

Kristin Retherford presented the staff report. In 2006 the Urban Renewal Agency acquired a 9.9 acre property (the "Property") located at 11650 SW Tooze Road for a new west-side primary school in Villebois. The Agency paid the appraised value of \$4,150,000 for the Property. This acquisition is identified as a project in the West Side Urban Renewal Plan, and is part of an agreement between the West Linn-Wilsonville School District to exchange 10 acres of City-owned land in the Villebois area for 10 acres of District-owned land east of the City at Advance Road so that the District can construct a primary school and the City can construct sports fields.

Subsequent to this purchase, the proposed school site was relocated to the east side of the Villebois neighborhood, and the Urban Renewal Agency acquired an alternate school site in 2011. This change in location was due to the slow-down in the economy which affected the pace of development in Villebois and the installation of necessary infrastructure. Meeting the District's schedule for opening the school at the original location would have required several million dollars of public investment to expedite the installation of critical infrastructure. Relocating the school to an area that was already served with much of the needed infrastructure became a more cost-effective and expeditious option than building a school in the initial

location.

While the value of the Property diminished significantly during the recession, it appears that the real estate market has substantially recovered and that there may now be a market demand for the Property near, or at, the original acquisition price. Revenue from the sale of the Property is needed to fund improvements to Tooze Road from just east of the Property through the intersection with Graham's Ferry Road. This project is currently in design. Consequently, staff recommends declaring the Property surplus at this time and auctioning it for sale with a minimum acceptable bid of \$4,150,000. If an acceptable bid is not received, the Agency can allow more time for pricing recovery and place the Property up for auction again at future date.

Staff recommends a sealed-bid auction format with bids due Wednesday, August 26, 2015. This would allow ten weeks for marketing and due diligence. The Agency Board could accept the winning bid at its first meeting in September and the transaction could close in October.

Approval of URA Resolution No 258 declaring the property surplus will allow staff to finalize an auction schedule and process and begin marketing the property for auction.

Sale of the Property could generate over four million dollars of urban renewal program income for the West Side Urban Renewal Area to complete the Tooze Road improvement project. Any excess funds would be used to complete other outstanding projects in the West Side Urban Renewal Plan.

Mr. Kohlhoff suggested adding the following language to Section 2 of the resolution, "with a minimum acceptable bid starting at \$4,150,000". The Section would read, "The Executive Director and staff of the Urban Renewal Agency may move forward with necessary steps to dispose of the Property through a sealed-bid auction process, *with a minimum acceptable of \$4,150,000* and upon bid acceptance by the Urban Renewal Agency Board, negotiate and execute agreements and documents necessary to complete this transaction.

Board Members agreed with the suggested language offered by Mr. Kohlhoff in that it would guarantee the City recouping its purchase price.

Mr. Starr expressed interested in reserving the right for an interesting bid, particularly if it is from a local developer/builder, to pursue more affordable housing.

Mr. Kohlhoff described the constraints on the property which include a park, Tooze Road construction, and the existing road to the development.

Ms. Fitzgerald asked if there was a way to specify a custom builder.

Mr. Kohlhoff suggested staff return with information about a grant program that would help first time homebuyers with down payments.

Mr. Cosgrove thought Ms. Fitzgerald was asking to specify that the property be sold with the stipulation a certain number of lots were to be set aside for smaller custom builders; however, that was not in the resolution before the Board.

Ms. Fitzgerald asked if that was even possible.

Mr. Kohlhoff said the City could impose its own conditions on the sale.

Ms. Retherford offered to bring information to the Board as part of the sales process, if the Board wished to explore that further.

Mr. Cosgrove clarified the resolution before the Board focused on return on investment only.

Chair Knapp mentioned the funding the City invested in the Canyon Creek Apartments to help create affordable housing for seniors. This discussion is about what the Board's priority is, is it recouping the purchase price, or is there some other objective. If the Board wants to have a discussion about priorities does that influence whether the property is sold.

Ms. Retherford stated in reviewing the priorities as we went through the Urban Renewal Strategic Planning process it was determined the proceeds from the sale of this property would come in as program income to be used as a major funding source for constructing Tooze Road. That project, which has some federal funding in the engineering phase, is ready to move into property acquisition this fall with construction to begin in about a year. Construction will be deferred if the program income proceeds are not available to fund construction. Ms. Retherford noted there are concurrency issues with development approvals in Villebois that are going to require the improvements on Tooze Road and at the intersection of Grahams Ferry Road to be constructed in the very near future. There is that fact to consider as the Board is looking at affordable housing.

Chair Knapp mentioned the other component is whether more affordable housing might be a future component of the east neighborhood in Frog Pond. There is a mix of options before the Board; the concurrency question does pertain to City obligations and expectations of the private side working on development in Villebois.

Ms. Retherford offered the option of declaring the property surplus, then issue a request for proposals, include the sale price the City wants to realize, as well as the other factors the Council is interested in, and ask developers who are interested in purchasing and developing the property to propose what they would build on the property.

Mr. Kohlhoff expressed concern about the City's financial responsibility in developing Regional Park 5.

Mr. Starr did not want to walk away from an opportunity to get the purchase price back, plus there are the concerns about the infrastructure too. Once the property is sold, Council could hold discussions with the developer to create an agreement for some type of affordable housing or program that may allow people to purchase a home. Mr. Starr's preference was that the need is more immediate to see what the market will bring and if the land can be surplus and sold. He felt there were options to be looked at in partnering with a developer, builder, or future homeowner.

Mr. Kohlhoff understood Mr. Starr to be talking about a home buyer grant program and that staff will bring information to the Council and Board about those options at a later date.

Ms. Fitzgerald thought it was a good idea to amend the resolution adding the \$4.15 million into the wording and then secondarily, hearing back from staff about ways to address some of these potential first time homebuyer opportunities.

**Motion:** Ms. Fitzgerald moved to approve URA Resolution No. 258 with the amendments read by Mr. Kohlhoff and further direct staff to bring back information on affordable housing opportunities with the proceeds of the land sale if it occurs. Ms. Lehan seconded the motion.

**Vote:** Motion carried 5-0.

### **CONSENT AGENDA**

Mr. Kohlhoff read the title of the Consent Agenda for the record.

A. Minutes of the June 15, 2015 URA Meeting.

**Motion:** Ms. Lehan moved to approve the Consent Agenda. Mr. Starr seconded the motion.

**Vote:** Motion carried 5-0.

### **ADJOURN**

The URA meeting adjourned at 8:34p.m.

Respectfully submitted,

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Sandra C. King, City Recorder

ATTEST:

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Tim Knapp, Chair