

BEFORE THE METRO COUNCIL

FOR THE PURPOSE OF APPROVING THE CITY)
OF WILSONVILLE TAX INCREMENT)
FINANCING REQUEST FOR FIVE URBAN)
RENEWAL AREAS.

RESOLUTION NO. 13-4469

Introduced by Chief Operating Officer Martha
Bennett in concurrence with Council
President Tom Hughes

WHEREAS, the City of Wilsonville, Oregon is considering the approval of up to six urban renewal plans including:

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
Building 83 - 26440 SW Parkway Avenue Urban Renewal Plan

hereinafter collectively referred to as TIF Zones Plans; and

WHEREAS, five of the TIF Zones are in Clackamas County and one is in Washington County;
and

WHEREAS, the TIF Zones Plans and the Reports accompanying the TIF Zones Plans provide for sharing with the taxing districts overlapping the TIF Zones the tax revenue which would otherwise be distributed to the Wilsonville Urban Renewal Agency ("Agency") under ORS 457.440 et.seq. ("TIF Zones Revenue Sharing"); and

WHEREAS, the TIF Zones Revenue Sharing would begin in the first year that the Agency receives tax increment revenue; and

WHEREAS, the TIF Zones Revenue Sharing will use a different formula to calculate distributions to the overlapping taxing districts, but will exceed in total amount the revenue that would be received by the overlapping taxing districts under ORS 457.440(4); and

WHEREAS, ORS 457.440(7) states that the revenue limitations in ORS 457.440(4) do not apply to the extent that the municipality approving a plan obtains the written concurrence of taxing districts imposing at least 75 percent of the total amount of taxes imposed under permanent rates in the urban renewal area; and

WHEREAS, Metro imposes property taxes under a permanent rate in the TIF Zones and wishes to indicate its acceptance of the TIF Zones Revenue Sharing formula and the resulting proposed increase in revenues to be distributed to the County as described in the TIF Zones Plans and in the Reports accompanying the TIF Zones Plans, now therefore

BE IT RESOLVED that the Metro Council hereby concurs with the TIF Zones Revenue Sharing formula and agrees that the revenue limitations otherwise applicable under ORS 457.440(4) will not apply

ADOPTED by the Metro Council this 24th day of October 2013.

Approved as to Form:



Alison R. Kean, Metro Attorney



Date: September 18, 2013

Re: Proposed Tax Increment Financing Urban Renewal Plan
Building 83 - 26440 SW Parkway Avenue Urban Renewal Plan

I. BACKGROUND

On September 9, 2013, we sent you information about five potential new urban renewal zones in Wilsonville (TIF Zones). The original concept that was voted on by Wilsonville residents allowed up to six TIF Zones. At the time of the earlier correspondence, only five of the property owners had indicated an interest to be included. On Tuesday, September 10, 2013, the sixth property owner confirmed their desire to be included. All six proposed TIF Zones are shown in Figure 1. This letter is the official transmission of the sixth proposed TIF Zones urban renewal plan and report.

We are attaching the DRAFT proposed urban renewal plan and report for the sixth TIF Zone property, Building 83 – 26440 SW Parkway Avenue Urban Renewal Plan, to this correspondence. The concept is the same in each of the proposed TIF Zones: the primary project within each urban renewal area will be 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 Plans.

At this time, we are working to identify the assessed value of the property so we can estimate the frozen base. There are two tables in the attached report that are incomplete as we do not have this information, Table 4 on page 17 and Table 7 on page 23 . However, this information will not impact the taxing jurisdictions as the proposed maximum indebtedness is the factor that will impact taxing jurisdictions. The maximum indebtedness proposed for each TIF Zones Plan is the same: \$12 million. The impacts table included in this memorandum shows the impacts, which are the same, for each proposed zone in Clackamas County.

The purpose of the plan's project is to use urban renewal funds as an incentive to the private sector to convert under-utilized industrial buildings into higher value manufacturing sites in each of the Urban Renewal Areas (Areas), and ultimately spur industrial redevelopment, capital investment, and job creation. This project will provide tax rebates of a portion of incremental property tax increases to qualifying investments in each of the Areas.

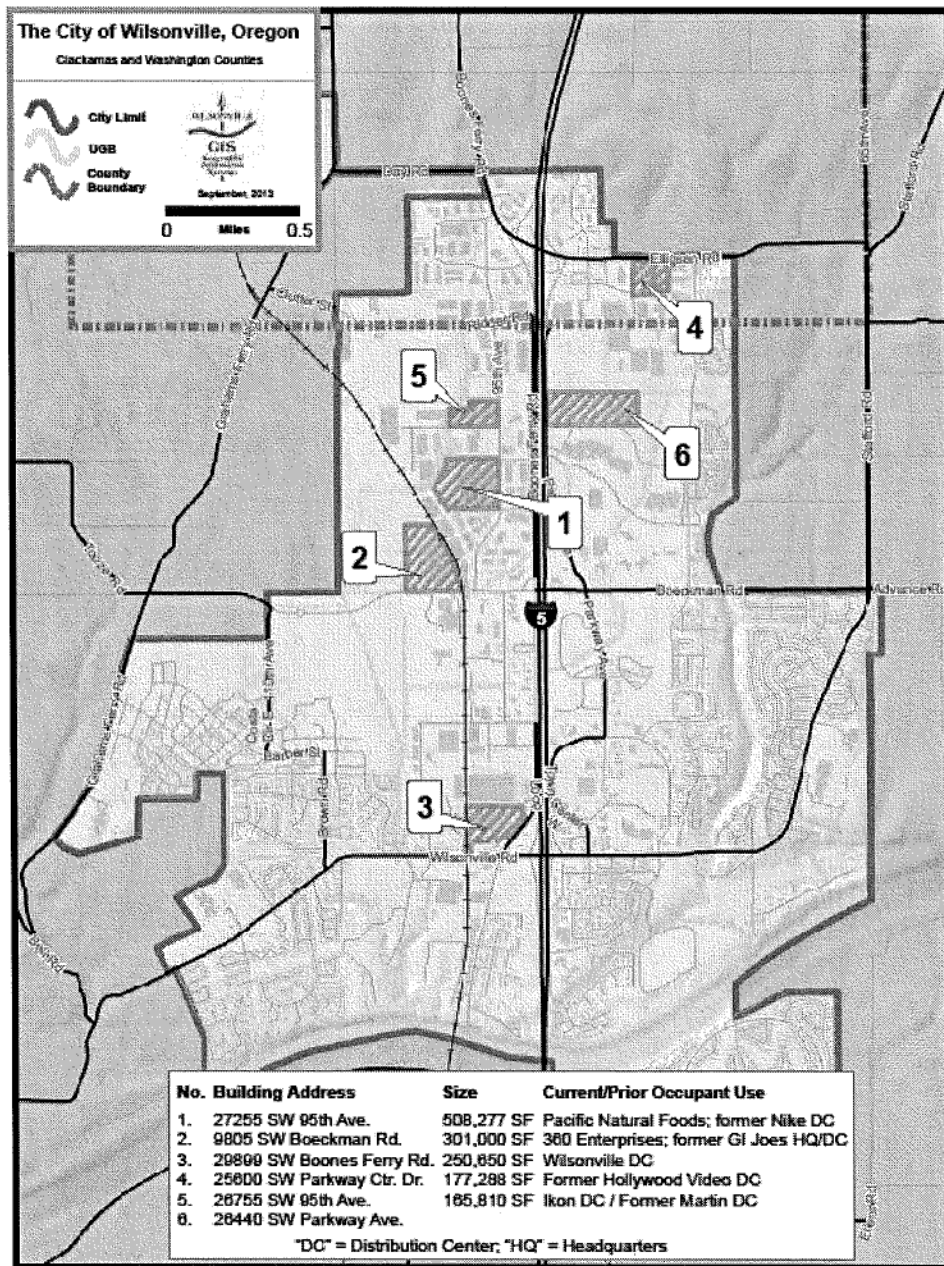
The legal requirements for the adoption of an urban renewal plan stipulate that the proposed urban renewal plan be sent to representatives of overlapping taxing districts. Although the approval of overlapping taxing districts is not typically required, the proposed revenue sharing with the taxing jurisdictions is different than that defined in the statutes. Therefore, we are asking each board of each taxing jurisdiction **to adopt the attached resolution to concur with this revenue sharing concept**. The proposed revenue sharing for these TIF Zones Plans exceeds

the revenue sharing defined in ORS 457. This resolution has been modified from the one sent on September 9th to indicate this sixth TIF Zone.

In addition, the City Council is required to respond specifically to any written recommendations of the districts.

The Wilsonville City Council is scheduled to consider the adoption of the proposed TIF Zones Urban Renewal Plans on October 21, 2013 at Wilsonville City Hall, 29799 SW Town Center Loop E, Wilsonville, Oregon at 7:00 pm.

Figure 1 – Proposed TIF Zones



Tables 1a and 1b show the projected impacts to the taxing districts as a result of the proposed TIF Zones Urban Renewal Plans. (Tables 6a and 6b in each of the reports on the plans.) These tables compare a taxing jurisdiction's revenue scenario where development occurs and the proposed TIF Zones exist with a scenario where the exact same amount of development occurs but there is no TIF Zone.

The West Linn-Wilsonville School District and the Clackamas 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 charts. 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 that are foregone because of the use of Tax Increment Financing are replaced (as determined by a funding formula at the State level) with State School Fund revenues.

Table 1a – 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	(223,673)	(141,896)	(234,502)	(6,522)	(8,987)	(4,652)	(36,972)	(4,652)	(605)	(662,461)
2018	(397,755)	(252,332)	(417,012)	(11,597)	(15,982)	(8,272)	(65,746)	(8,272)	(1,075)	(1,178,043)
2019	(537,473)	(340,967)	(563,494)	(15,671)	(21,595)	(11,178)	(88,841)	(11,178)	(1,453)	(1,591,850)
2020	(430,170)	(272,895)	(450,997)	(12,543)	(17,284)	(8,946)	(71,105)	(8,946)	(1,163)	(1,274,049)
2021	(344,323)	(218,435)	(360,994)	(10,040)	(13,835)	(7,161)	(56,915)	(7,161)	(931)	(1,019,795)
2022	(202,808)	(128,659)	(212,627)	(5,913)	(8,149)	(4,218)	(33,523)	(4,218)	(548)	(600,663)
2023	(90,665)	(57,517)	(95,054)	(2,644)	(3,643)	(1,886)	(14,986)	(1,886)	(245)	(268,526)
Total	(2,226,867)	(1,412,701)	(2,334,680)	(64,930)	(89,475)	(46,313)	(368,088)	(46,313)	(6,020)	(6,595,387)

Source: ECONorthwest

Table 1b – Projected Impact on Taxing District Permanent Rate Levies (Education and Totals)

FYE	COM COLL CLACK (perm)	ESD CLACKAMAS	SCH WLINN/WILS (perm)	Education Subtotal	General Government Subtotal	Total
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	(51,932)	(34,302)	(452,927)	(539,161)	(662,461)	(1,201,622)
2018	(92,349)	(60,998)	(805,436)	(958,783)	(1,178,043)	(2,136,826)
2019	(124,789)	(82,425)	(1,088,359)	(1,295,573)	(1,591,850)	(2,887,423)
2020	(99,876)	(65,969)	(871,075)	(1,036,920)	(1,274,049)	(2,310,969)
2021	(79,944)	(52,804)	(697,240)	(829,988)	(1,019,795)	(1,849,783)
2022	(47,087)	(31,102)	(410,677)	(488,866)	(600,663)	(1,089,529)
2023	(21,050)	(13,904)	(183,592)	(218,546)	(268,526)	(487,072)
Total	(517,027)	(341,504)*	(4,509,306*)	(5,367,837)	(6,595,387)	(11,963,224)

Source: ECONorthwest. Please refer to the explanation of the schools funding in the preceding section.

*This amount has traditionally been backfilled by the State School Fund to restore a portion of the school district and ESD's funding.

II. PROCESS FOR REVIEW

The process for final review of the Plans and Reports include the following steps:

September 5	Wilsonville Urban Renewal Agency review (completed for 5 TIF Zones)
September 6	Send formal notice to taxing jurisdictions (completed for 5 TIF Zones)
September 11	Planning Commission review (completed)
September/October	Presentation to Clackamas and Washington County Commissions (date not yet set)
October 1	Notice to property owners in Boones Ferry Messenger
October 21	City Council Public Hearing
November 4	City Council second reading and vote

If you would like to provide written comments they will be responded to by the Wilsonville City Council. Please provide any written comments by October 7, 2013.

For more information, please contact either Kristin Retherford, Economic Development Manager and project manager, or Bryan Cosgrove, City Manager, as shown below.

Bryan Cosgrove, City Manager	Kristin Retherford, Economic Development Manager
City of Wilsonville	City of Wilsonville
503.570.1503	503.570.1539
cosgrove@ci.wilsonville.or.us	retherford@ci.wilsonville.or.us

Sincerely,

Kristin Retherford, Economic Development Manager
City of Wilsonville
29799 SW Town Center Loop E
Wilsonville, OR 97128

Attachments:

Exhibit 1 – Building 83 – 26440 SW Parkway Avenue Plan and Report
Resolution for Adoption

September 9, 2013



29799 SW Town Center Loop E
Wilsonville, Oregon 97070
(503) 682-1011
(503) 682-1015 Fax Administration
(503) 682-7025 Fax Community Development

Metro
Martha Bennett, Chief Operating Officer
600 NE Grand Avenue
Portland, Oregon 97232-2736

Re: Proposed Tax Increment Financing Urban Renewal Plans

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

Dear Ms. Bennett,

On March 12, 2013 the citizens of Wilsonville voted in favor of creating up to six single-property Urban Renewal Districts to incentivize capital investment and job creation by manufacturers. These Urban Renewal Districts, which will be referred to as Tax Increment Financing Zones (TIF Zones) will provide incentives to qualifying companies by rebating up to 75% of the property tax increment in each TIF Zone. Approximately 1% of the increment will be collected by the Wilsonville Urban Renewal Agency for administrative costs, and the remaining increment (approximately 24%) will be under-levied and shared by the overlapping taxing districts.

If no qualifying investment is made within five years of creating these TIF Zones they will be closed down and the properties returned to the tax rolls. If a qualifying investment does occur within any given TIF Zone, a business may receive an initial three-year or five-year rebate depending on criteria more fully explained below, and may qualify for more than one rebate period up to a maximum of ten years of rebates commencing with the first rebate. The TIF Zones have a maximum lifespan of fifteen years from the date of creation, at which point they will be closed and all property tax revenues returned to the tax rolls. The maximum indebtedness for each TIF Zone is being set at \$12 million. No borrowing will occur in these urban renewal areas; rather the debt obligation will consist of the rebate agreements with qualifying companies. More details on the financial mechanics of these TIF Zones is provided below.

Until a business submits an application and qualifies for this rebate program in any given TIF Zone all tax increment from that TIF Zone, excluding the small percentage for administrative costs, will be under-levied each year and shared with other taxing districts.



This letter includes a copy of the Urban Renewal Plan and Report for each TIF Zone in compliance with ORS 457. Because the increment sharing model to occur under these plans exceeds that required by ORS 457, thus deviating from statute, we are asking each taxing district to approve the resolution included in this packet indicating that your agency accepts this higher level of revenue sharing in lieu of the statutory requirement.

Additional background information is provided below.

I. BACKGROUND

The March 12, 2013 election approving creation of these TIF Zones was the result of nearly a year of public process that began with the creation of an Economic Development Advisory Committee in the spring of 2012, City Council's adoption of an Economic Development Strategy in August 2012, and the convening of an Economic Development Task Force in November 2012 to further examine the issues of business incentives and attributes. On April 15, 2013, the Wilsonville Urban Renewal Agency approved URA Resolution 230 recommending that City Council create multiple single-property urban renewal districts, to be called Tax Increment Finance Zones (TIF Zones), and authorizing staff to begin the work necessary to create the TIF Zones. Draft Plans have been prepared and are out for public review.

The Wilsonville City Council is considering adoption of ordinances to establish five TIF Zones located at 26755 SW 95th Avenue, 9805 SW Boeckman Road, 25600 SW Parkway Center Drive, 27255 SW 95th Avenue, and 29899 SW Boones Ferry Road (Figure 1). Four of these are in Clackamas County and one in Washington County. The primary project within each urban renewal area will be 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 Plans.

The purpose of each plan's project is to use urban renewal funds as an incentive to the private sector to convert under-utilized industrial buildings into higher value manufacturing sites in each of the Urban Renewal Areas (Areas), and ultimately spur industrial redevelopment, capital investment, and job creation. These projects will provide tax rebates of a portion of incremental property tax increases to qualifying investments in each of the Areas.

II. STATUTORY REQUIREMENTS

The legal requirements for the adoption of an urban renewal plan stipulate that the proposed urban renewal plan be sent to representatives of overlapping taxing districts. Although the approval of overlapping taxing districts is not typically required, the proposed revenue sharing with the taxing jurisdictions is different than that defined in the statutes. Therefore, we are asking each board of each taxing jurisdiction to **adopt the attached resolution to concur with this revenue sharing concept**. The proposed revenue sharing for these TIF Zones Plans exceeds the revenue sharing defined in ORS 457.

In addition, the City Council is required to respond specifically to any written recommendations of the districts. This letter is the official transmission of the five proposed TIF Zones urban renewal plans.

The Wilsonville City Council is scheduled to consider the adoption of the proposed Wilsonville Urban Renewal Plan on October 21, 2013 at Wilsonville City Hall, 29799 SW Town Center Loop E, Wilsonville, Oregon at 7:00 pm.

III. FINANCING AND IMPACT ON TAXING JURISDICTIONS

The proposed maximum indebtedness, the limit on the amount of funds that may be spent on administration, projects, and programs in each TIF Zone Area, is \$12 million. It should be understood that these urban renewal plans were developed using an investment scenario. Once a specific business signs an agreement with the City to participate in a TIF Zone, we will re-analyze the financial agreement and provide you with an update on the revenue sharing projections. **The investment modeled in Table 1 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 business 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.

The projects 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 a \$52,693 annual wage.

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, 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 traded-sector, such as 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 that 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.

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 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 of each of the reports on the plans and below in Table 1.

It is anticipated that all expenditures of tax increment funding will be completed within 15 years. The maximum indebtedness for each Plan is \$12 million. In the scenario detailed in Tables 2 and 3 of each of the reports on the plans, 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 \$11,821,851, while the amount received by taxing jurisdictions is estimated at \$8,247,490 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 3 investments are depicted in consecutive years, as shown by the 1, 2, and 3 on the horizontal axis of the chart. As shown, once any one investment reaches the sixth year, all of the tax increment from that investment is shared with the taxing jurisdictions. This would be accomplished through an under levy.

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, **we are asking the taxing jurisdictions for concurrence with the revised revenue sharing per ORS 457.470(7).** Table 3 and Chart 2 depict the differences between the two revenue sharing concepts. A resolution to be passed by your board for this concurrence is attached. **Please notify us when this resolution is passed.**

Table 1 – Investment Schedule

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

Source: ECONorthwest

Table 2 – Tax Increment Revenues and Allocations to Project Costs Sample Scenario

FYE	URA Admin	Rebate	Shared	Total
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	\$28,883	\$1,172,736	\$390,911	\$1,592,530
2018	\$17,390	\$2,119,437	\$706,479	\$2,843,306
2019	\$17,912	\$2,869,511	\$956,504	\$3,843,927
2020	\$18,449	\$2,292,519	\$764,173	\$3,075,141
2021	\$19,002	\$1,830,780	\$610,260	\$2,460,042
2022	\$19,572	\$1,069,956	\$878,472	\$1,968,000
2023	\$20,159	\$466,912	\$1,075,757	\$1,562,828
2024	-	-	\$1,204,211	\$1,204,211
2025	-	-	\$859,716	\$859,716
2026	-	-	\$515,223	\$515,223
2027	-	-	\$228,592	\$228,592
2028	-	-	\$57,192	\$57,192
2029	-	-	-	-
2030	-	-	-	-
Total	\$141,367	\$11,821,851	\$8,247,490	\$20,210,708

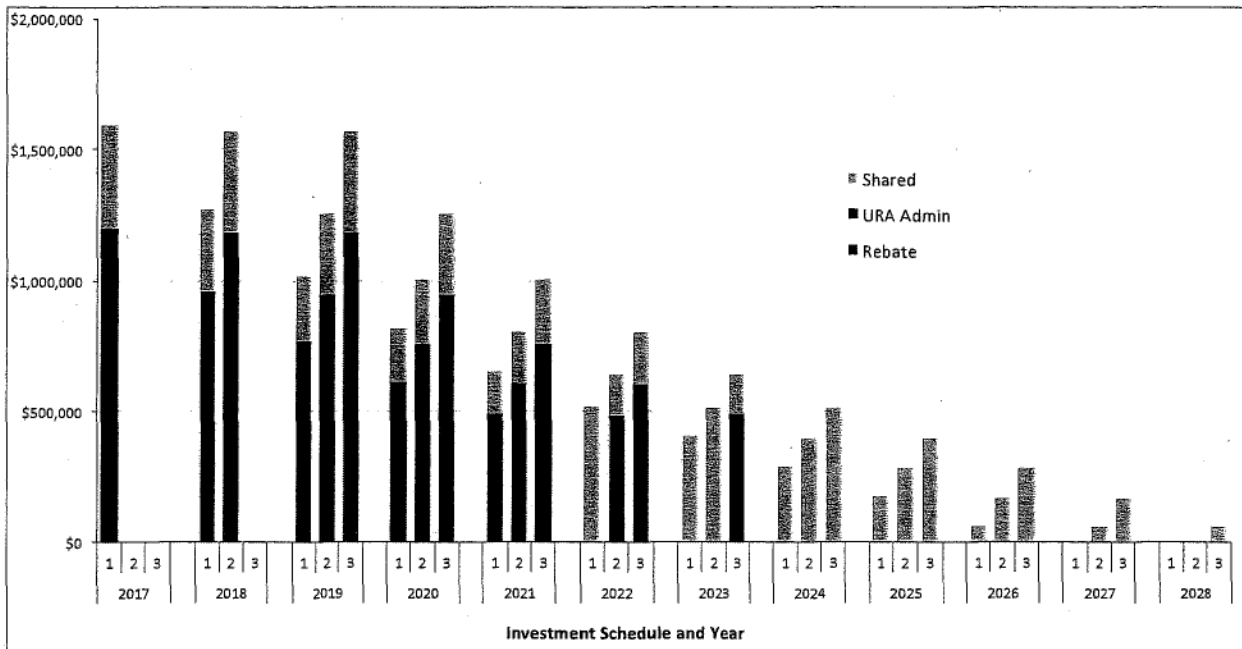
Source: ECONorthwest, FYE: Fiscal Year End, URA: Urban Renewal Area

Table 3 – Proposed Versus Standard Revenue Sharing

FYE	TIF Zone Proposal		Standard Rev. Sharing	
	For URA	Shared	For URA	Shared
2017	\$1,201,619	\$390,911	\$1,592,530	\$0
2018	\$2,136,827	\$706,479	\$1,500,000	\$1,343,306
2019	\$2,887,423	\$956,504	\$1,500,000	\$2,343,927
2020	\$2,310,968	\$764,173	\$1,500,000	\$1,575,141
2021	\$1,849,782	\$610,260	\$1,500,000	\$960,042
2022	\$1,089,528	\$878,472	\$1,500,000	\$468,000
2023	\$487,071	\$1,075,757	\$1,500,000	\$62,828
2024	\$0	\$1,204,211	\$1,204,211	\$0
2025	\$0	\$859,716	\$859,716	\$0
2026	\$0	\$515,223	\$515,223	\$0
2027	\$0	\$228,592	\$228,592	\$0
2028	\$0	\$57,192	\$57,192	\$0
Total	\$11,963,218	\$8,247,490	\$13,457,464	\$6,753,244

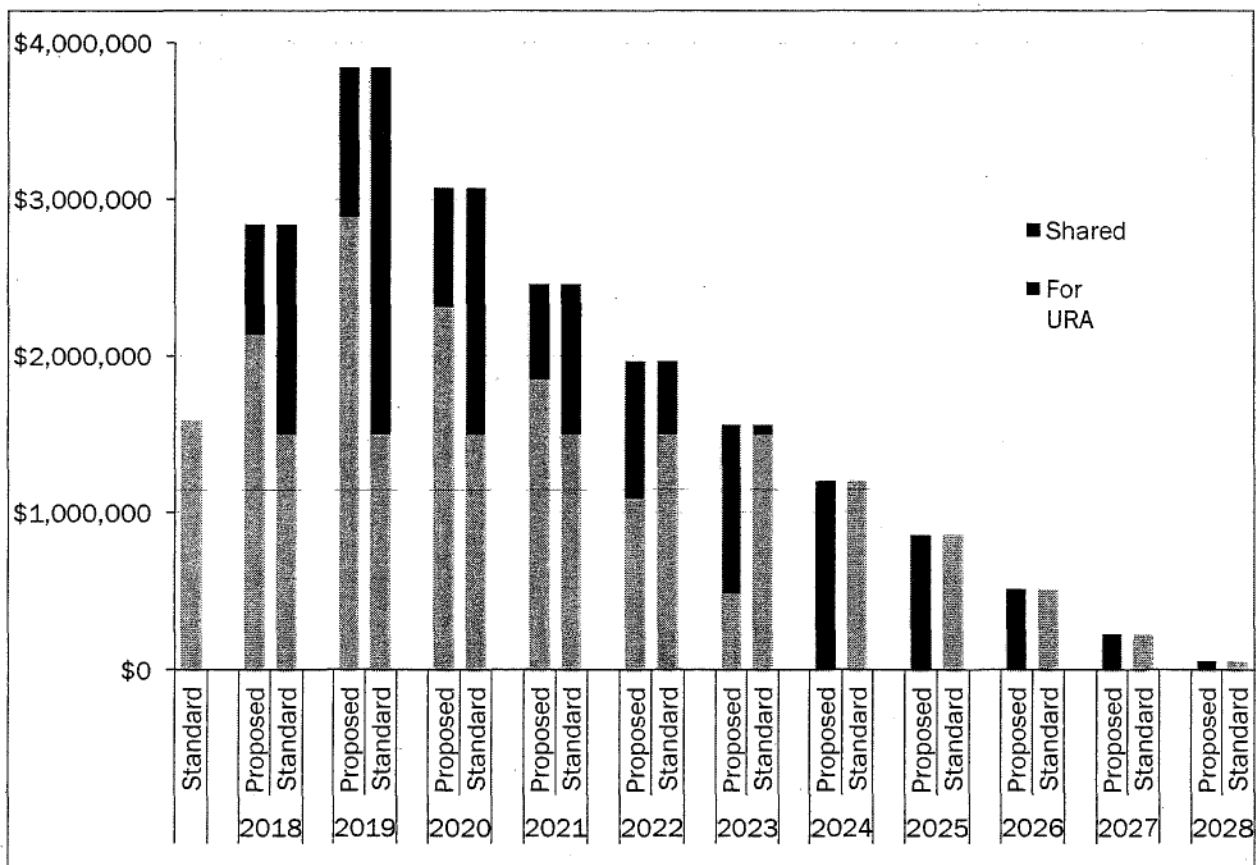
Source: ECONorthwest, URA: Urban Renewal Area

Chart 1 – Investment, Amortization, and Rebate Schedule



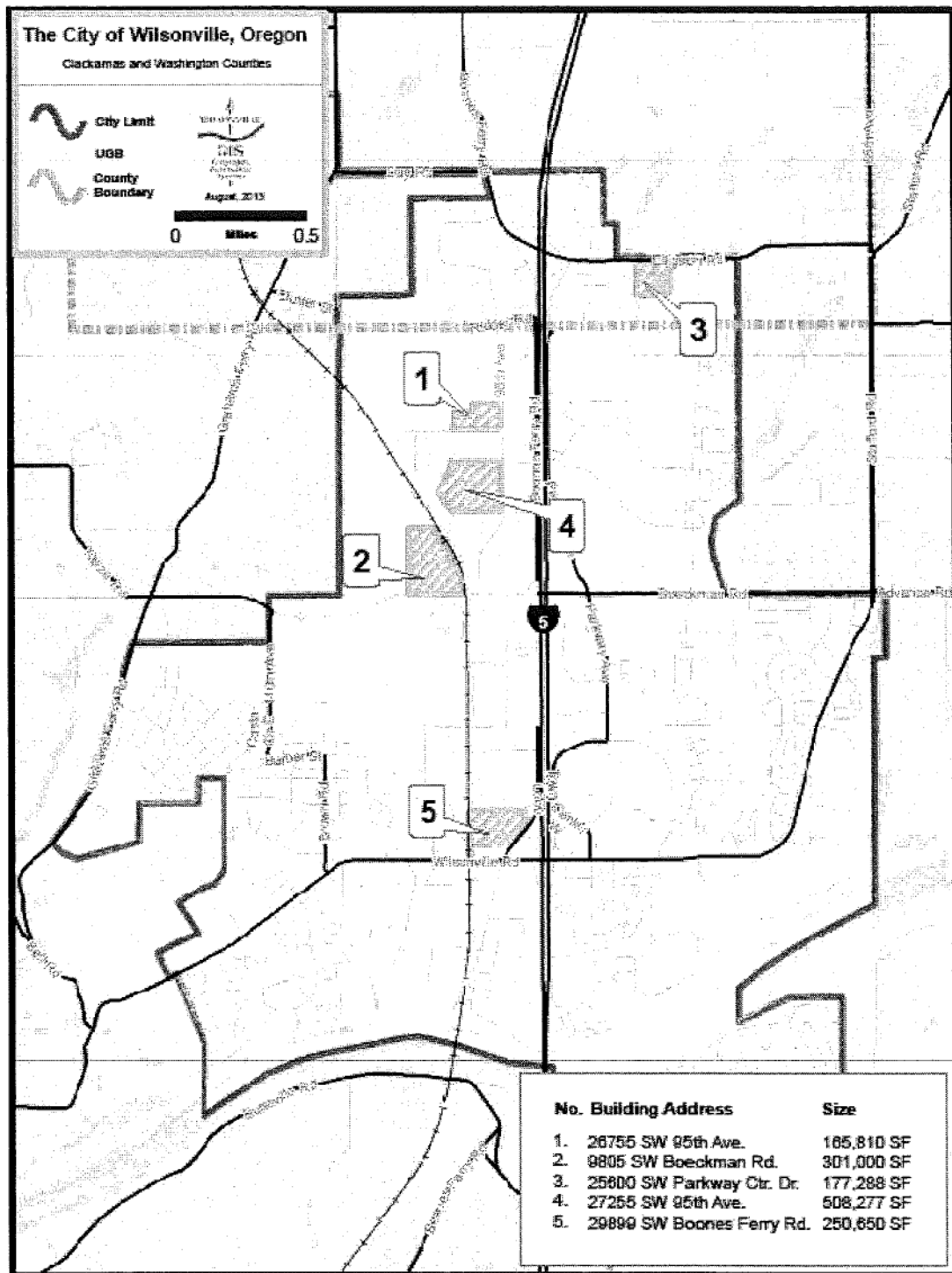
Source: ECONorthwest, URA: Urban Renewal Area

Chart 2 – Proposed Versus Standard Revenue Sharing



Source: ECONorthwest, URA: Urban Renewal Area

Figure 1 – Proposed TIF Zones



Tables 4a and 4b show the projected impacts to the taxing districts as a result of the proposed TIF Zones Urban Renewal Plans. (Tables 6a and 6b in each of the reports on the plans.) These tables compare a taxing jurisdiction's revenue scenario where development occurs and the proposed TIF Zones exist with a scenario where the exact same amount of development occurs but there is no TIF Zone.

The West Linn-Wilsonville School District and the Clackamas 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 charts. 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 that are foregone because of the use of Tax Increment Financing are replaced (as determined by a funding formula at the State level) with State School Fund revenues.

Table 4a – 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	(223,673)	(141,896)	(234,502)	(6,522)	(8,987)	(4,652)	(36,972)	(4,652)	(605)	(662,461)
2018	(397,755)	(252,332)	(417,012)	(11,597)	(15,982)	(8,272)	(65,746)	(8,272)	(1,075)	(1,178,043)
2019	(537,473)	(340,967)	(563,494)	(15,671)	(21,595)	(11,178)	(88,841)	(11,178)	(1,453)	(1,591,850)
2020	(430,170)	(272,895)	(450,997)	(12,543)	(17,284)	(8,946)	(71,105)	(8,946)	(1,163)	(1,274,049)
2021	(344,323)	(218,435)	(360,994)	(10,040)	(13,835)	(7,161)	(56,915)	(7,161)	(931)	(1,019,795)
2022	(202,808)	(128,659)	(212,627)	(5,913)	(8,149)	(4,218)	(33,523)	(4,218)	(548)	(600,663)
2023	(90,665)	(57,517)	(95,054)	(2,644)	(3,643)	(1,886)	(14,986)	(1,886)	(245)	(268,526)
Total	(2,226,867)	(1,412,701)	(2,334,680)	(64,930)	(89,475)	(46,313)	(368,088)	(46,313)	(6,020)	(6,595,387)

Source: ECONorthwest

Table 4b – Projected Impact on Taxing District Permanent Rate Levies (Education and Totals)

FYE	COM COLL CLACK (perm)	ESD CLACKAMAS	SCH WLINN/WILS (perm)	Education Subtotal	General Government Subtotal	Total
2013	-	-	-	-	-	-
2014	-	-	-	-	-	-
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	(51,932)	(34,302)	(452,927)	(539,161)	(662,461)	(1,201,622)
2018	(92,349)	(60,998)	(805,436)	(958,783)	(1,178,043)	(2,136,826)
2019	(124,789)	(82,425)	(1,088,359)	(1,295,573)	(1,591,850)	(2,887,423)
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2022	(47,087)	(31,102)	(410,677)	(488,866)	(600,663)	(1,089,529)
2023	(21,050)	(13,904)	(183,592)	(218,546)	(268,526)	(487,072)
Total	(517,027)	(341,504)*	(4,509,306*)	(5,367,837)	(6,595,387)	(11,963,224)

Source: ECONorthwest. Please refer to the explanation of the schools funding in the preceding section.

*This amount has traditionally been backfilled by the State School Fund to restore a portion of the school district and ESD's funding.

IV. PROCESS FOR REVIEW

The process for final review of the Plans and Reports include the following steps:

September 5	Wilsonville Urban Renewal Agency review (completed)
September 9	Send formal notice to taxing jurisdictions
September 11	Planning Commission review
September/October	Presentation to Clackamas and Washington County Commissions (date not yet set)
October 1	Notice to property owners in Boones Ferry Messenger
October 21	City Council Public Hearing
November 4	City Council second reading and vote

The five draft TIF Zones Plans and Reports are enclosed with this letter. If you would like to provide written comments they will be responded to by the Wilsonville City Council. Please provide any written comments by October 7, 2013.

For more information, please contact me at 503.570.1539 or retherford@ci.wilsonville.or.us.

Sincerely,



Kristin Retherford, Economic Development Manager
City of Wilsonville
29799 SW Town Center Loop E
Wilsonville, OR 97128

Attachments:

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

STAFF REPORT

IN CONSIDERATION OF RESOLUTION NO. 13-4469, FOR THE PURPOSE OF APPROVING THE CITY OF WILSONVILLE TAX INCREMENT FINANCING REQUEST FOR FIVE URBAN RENEWAL AREAS.

Date: 10/24/13

Prepared by: Tim Collier X1913
Brian Harper X 1833

BACKGROUND

On March 12, 2013 the citizens of Wilsonville voted in favor of creating up to six single property Urban Renewal Districts to incentivize capital investment and job creation by manufacturers. The City is proposing 5 parcel-specific Urban Renewal Areas (none of which are located within their Town Center), that will each be capped at a \$12 million dollar increment over a 15 year period. The proposal for each area is to allow for up to 75% of the property tax to be collected as increment and rebated to the company/developer that offers improvements to the properties that meet specific metrics. The metrics focus on job creation and average pay for positions created. The remaining 25% of the increment will then be split between a 1% administrative overhead cost, and 24% split back up among the original, overlapping taxing entities. If no development occurs on a particular property within the 15 year timeframe, the URA is dissolved and the no tax dollars are collected towards the increment.

Although this is a rather unique application of the Urban Renewal model, there does not seem to be any conflict with regional policies or regulations regarding the practice. Metro staff are familiar with the sites discussed in this effort, and the City has made it clear that drawing manufacturing and higher-paying jobs to these sites is a priority. The City of Wilsonville is convinced, based on the lack of private investment to date, that the Urban Renewal designation will spur interest in the private sector to consider these parcels for future investment. Metro is looking forward to seeing how this new application of Urban Renewal policy fares for the City of Wilsonville, as it may have further application around the region, if proven to be successful. The projected financial impact to Metro is not expected to happen until 2017 and will be negligible to all overall property tax revenues.

ANALYSIS/INFORMATION

1. **Known Opposition** None Known
2. **Legal Antecedents** Because the increment sharing model to occur under these plans exceeds that required by ORS 457 Urban Renewal, the City of Wilsonville is asking all affected jurisdictions to approve the attached resolution acknowledging the higher level of revenue sharing in lieu of the statutory requirements.
3. **Anticipated Effects** Metro will forgo some future property taxes on increased assessed value in order to assist the City of Wilsonville with revitalizing the five TIF zones.
4. **Budget Impacts** Projected impacts do not begin until 2017. Amount of property taxes forgone over the 2017-2023 time period will be approximately \$89,000

RECOMMENDED ACTION

Staff recommends that the Metro Council support the City of Wilsonville's new application of Urban Renewal policy as the impact to Metro will be minimal, but it may have further application to other areas in the region if successful.