

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS
Session Worksheet

Presentation Date: 12/15/15 **Approx Start Time:** 2:30 pm **Approx Length:** 1 hr

Presentation Title: Wilsonville Urban Renewal

Department: County Administration

Presenters: Nancy Newton, Deputy County Administrator; Kristen Retherford, Economic Development Manager, City of Wilsonville

Other Invitees: Chris Storey, County Counsel; Elaine Howard, Consultant for the City of Wilsonville

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

No action is requested at this time. Representatives from the City of Wilsonville are appearing before the Board in order to provide information regarding amendments to their urban renewal plan and answer any questions the Board may have. The City has provided official transmission of the proposed Wilsonville West Side Urban Renewal Plan Amendment, the proposed changes are attached.

The legal requirements for the adoption of an urban renewal plan substantial amendment stipulate that the proposed urban renewal plan be sent to representatives of overlapping taxing districts. Although the approval of the overlapping taxing districts is not required, the City Council for the City of Wilsonville is required to respond specifically to any written recommendations of the districts. Written comments must be submitted to the Wilsonville City Recorder by December 30, 2015.

EXECUTIVE SUMMARY:

In 2013 the City of Wilsonville appointed the Wilsonville Urban Renewal Strategic Plan Task Force (Task Force) to determine how to proceed with urban renewal in the city of Wilsonville. The Task Force was chaired by Councilor Scott Starr of the Wilsonville City Council and consisted of representatives of the Wilsonville/West Linn School District, Tualatin Valley Fire and Rescue and business and community leaders.

The specific recommendations of the Task force are detailed in the materials provided by the City of Wilsonville (attached letter and Wilsonville West Side Urban Renewal Plan amendments). The Amendment would increase the maximum indebtedness of the Plan by \$9,400,000 to a total of \$49,400,000. **No new projects are being added to the Wilsonville West Side Urban Renewal Plan.**

Substantial amendments are required to be adopted in the same manner as the adoption of an urban renewal plan, requiring review by the Wilsonville Urban Renewal Agency, notice to the taxing jurisdictions, review by the Wilsonville Planning Commission, notice to the citizens of Wilsonville and a Wilsonville City Council hearing.

FINANCIAL IMPLICATIONS (current year and ongoing):

One of the changes made by the 2009 Oregon legislature was instituting revenue sharing with impacting taxing jurisdictions. The financial projections, completed by ECONorthwest, project that the West Side Urban Renewal Area will begin revenue sharing in 2017 as a result of this Amendment. Please see the attached Report Accompanying West Side Urban Renewal Plan Second Amendment, pages 27 – 33 for a detailed financial analysis of the plan including impact on overlapping taxing districts.

The following table shows the assessed value and acreage of area impacted by the plan amendment (see page 2 of the West Side Urban Renewal Plan Second Amendment).

| Urban Renewal Area | Frozen Base/AV | Acres |
|-------------------------------|-----------------------|--------------|
| West Side URA | \$ 16,109,831 | 399.55 |
| Year 2000 URA | \$ 44,499,418 | 451.15 |
| 27255 SW 95 th Ave | \$ 17,938,434 | 26.07 |
| 26440 SW Parkway | \$ 12,582,201 | 24.98 |
| 26755 SW 95 th Ave | \$ 7,675,439 | 9.76 |
| Total in URAs | \$ 98,805,323 | 911.51 |
| City of Wilsonville* | \$2,429,384,903 | 4,805 |
| Percent of Total | 4.07% | 19% |

LEGAL/POLICY REQUIREMENTS:

There are no legal changes or policy requirements at this time.

PUBLIC/GOVERNMENTAL PARTICIPATION:

This policy session is in addition to the official notification provided by the City of Wilsonville. There is no official action needed from the Board.

OPTIONS:

If the Board desires to submit written comments, they must be submitted as specified above. Staff does not have any additional options to present at this time.

RECOMMENDATION:

There is no staff recommendation for this policy session.

ATTACHMENTS:

- November 30, 2015 letter from the City of Wilsonville to County Administrator Don Krupp
- West Side Urban Renewal Plan Second Amendment
- Report on the West Side Urban Renewal Plan Second Amendment

SUBMITTED BY: Nancy Newton, Deputy County Administrator

Division Director/Head Approval _____

Department Director/Head Approval _____

County Administrator Approval _____

For information on this issue or copies of attachments, please contact Nancy Newton at (503) 742-5918



29799 SW Town Center Loop E
Wilsonville, Oregon 97070
(503) 682-1011
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November 30, 2015

BOARD OF COMMISSIONERS

Clackamas County
Donald Krupp, County Administrator
2051 Kaen Road
Oregon City, Oregon 97045

DEC 03 2015
DK

Re: Substantial Amendment to West Side Urban Renewal Area, City of Wilsonville

The City of Wilsonville is preparing a substantial amendment (Amendment) to the West Side Urban Renewal Plan (Plan). We have sent this letter to you directly, but please share it with your board, as we are required to share it with the governing body of the taxing district. The legal requirements for the adoption of an urban renewal plan substantial amendment stipulate that the proposed urban renewal plan be sent to representatives of overlapping taxing districts. Although the approval of overlapping taxing districts is not required, the City Council is required to respond specifically to any written recommendations of the districts. This letter is the official transmission of the proposed Wilsonville West Side Urban Renewal Plan Amendment.

In 2013 the city of Wilsonville appointed the Wilsonville Urban Renewal Strategic Plan Task Force (Task Force) with the task to determine how to proceed with urban renewal in the city of Wilsonville. The Task Force was chaired by Councilor Scott Star of the Wilsonville City Council and consisted of representatives of the Wilsonville West Linn School District, Tualatin Valley Fire and Rescue, and business and community leaders. The Task Force made recommendations for the current urban renewal plan areas as well as recommendations to pursue urban renewal in other areas in Wilsonville.

The Task Force's recommendation for the West Side Urban Renewal Plan was to increase the maximum indebtedness to the amount that could be increased through the authority of the Wilsonville City Council in order to complete projects already specified in the Plan as project costs have increased from those specified when the plan was adopted. The recommendation of the Task Force also included moving the Old Town Escape project to the Year 2000 Plan as it has sufficient maximum indebtedness capacity to complete the project, and not adding any additional projects into the West Side Urban Renewal Plan. The Task Force's recommendations were adopted by the Wilsonville City Council in November, 2014.

The Amendment would increase the maximum indebtedness of the Plan by \$9,400,000 to a total of \$49,400,000, remove property, remove two projects, the Old Town Escape and Kinsman Road projects from the Plan, and generally update the Plan. The Kinsman Road project is being funded through other sources. Maximum indebtedness is the total amount of money allowed to be spent on projects, programs, and administration during the life of the Plan. **No new projects**



are being added to the West Side Urban Renewal Plan. Substantial amendments are required to be adopted in the same manner as the adoption of an urban renewal plan, requiring review by the Wilsonville Urban Renewal Agency, notice to the taxing jurisdictions, review by the Wilsonville Planning Commission, notice to the citizens of Wilsonville and a Wilsonville City Council hearing. While the approval of overlapping taxing districts is not required, the City Council is required by statute to respond specifically to any written recommendations of the overlapping taxing districts. This letter is the notice to the taxing jurisdictions.

One of the changes made by the 2009 Oregon legislature was instituting revenue sharing with impacted taxing jurisdictions. This revenue sharing clause is applied to existing urban renewal plans when actions are taken that result in an increase in the maximum indebtedness of these existing plans. Revenue sharing is instituted at certain specified trigger points as specific in ORS 457.470. The financial projections, completed by ECONorthwest, project that the West Side Urban Renewal Area (Area) will begin revenue sharing in 2017 as a result of this Amendment.

This Substantial Amendment to the West Side Urban Renewal Area was initially authorized by the Wilsonville Urban Renewal Agency in February 2015 and will be submitted to the Agency Board for their additional review on January 7, 2016. It was also reviewed by the Wilsonville Planning Commission on November 12, 2015 and December 9, 2015. The Wilsonville City Council will hold a hearing on January 21, 2016 with a vote on February 1, 2016. If you would like to submit any written comments to the Wilsonville City Council, please submit them to Sandy King, City Recorder (king@ci.wilsonville.or.us), by December 30, 2015.

The taxing jurisdictions tables in the attached Report are shown in nominal dollars in the years in which the impacts occur.

For more information, please contact Kristin Retherford, Economic Development Manager (503.570.1539, retherford@ci.wilsonville.or.us) or Nancy Kraushaar, Community Development Director (503.570.1562, kraushaar@ci.wilsonville.or.us).

Sincerely,



Kristin Retherford
Economic Development Manager

Attachments:

- A. West Side Urban Renewal Plan Second Amendment
- B. Report on the West Side Urban Renewal Plan Second Amendment

West Side Urban Renewal Plan Second Amendment

The following changes are made to the West Side Urban Renewal Plan. Deletions are shown in ~~crossout~~ and additions are shown in *italics*.

I. INTRODUCTION

The First Amendment, adopted September 15, 2008, added property to the urban renewal area, and updated one section in the Report on the Plan to list deficient conditions in the areas to be added to the Plan.

The Second Amendment, adopted February 1, 2016, removed property from the Plan Area, increased the maximum indebtedness of the Plan, updated sections IV. Map and Legal description of the Urban Renewal Area, V. Urban Renewal Projects, VI. Relationship to Local Objective, updated Exhibit A: Legal Description of the Area, and updated the Report on the Plan. The Second Amendment was adopted to allow the Plan to achieve its original objectives and complete the original projects in the Plan.

IV. MAP AND LEGAL DESCRIPTION OF URBAN RENEWAL AREA

Figure 3 shows that the estimated total assessed value of Area, which will constitute its Certified Base, is *estimated to be* ~~\$3,362,161~~ *\$16,109,831*. The Certified Base value of the Year 2000 Urban Renewal Plan, as amended, is *estimated to be* ~~\$55,230,442~~ *44,499,418*. The total of the ~~two~~ Certified Bases constitutes an estimated ~~4.2~~ *4.07%* of the City's assessed value excluding the incremental assessed value of the ~~Year 2000 Urban Renewal Plan~~ urban renewal areas in Wilsonville. *These numbers reflect the 2015/16 amendment to both the West Side and the Year 2000 Plans and the 2015/16 assessed values. For the purpose of calculating the statutory limit on assessed value in urban renewal areas citywide, one uses the total assessed value of the City, less the total excess value of all urban renewal areas. Note that the Year 2000 Plan does not use all of its excess value, as it collects a lower amount of TIF revenue than the maximum allowed by statute through a process called under-levying. For the Year 2000 Plan, the full amount of the excess value is included in the calculation, and not just the excess value used for the purposes of calculating TIF.*

The total acreage in urban renewal areas constitutes ~~23.7~~ *19%* of the City's acreage. The Plan thus complies with the statutory limits (ORS 457.420) on the value and size of urban renewal areas using tax increment financing.

Figure 3 Assessed Value and Acreage of Area (former table deleted)

| Urban Renewal Area | Frozen Base/AV | Acres |
|-----------------------------|------------------------|---------------|
| West Side URA | \$16,109,831 | 399.55 |
| Year 2000 URA | \$44,499,418 | 451.15 |
| TIF Zones | | |
| 27255 SW 95th Ave | \$17,938,434 | 26.07 |
| 26440 SW Parkway | \$12,582,201 | 24.98 |
| 26755 SW 95th Ave | \$7,675,439 | 9.76 |
| Total in URAs | \$98,805,323 | 911.51 |
| City of Wilsonville* | \$2,429,384,903 | 4,805 |
| Percent of Total | 4.07% | 19% |

*less the total excess value (This table represents 2016 amendments to both the West Side Urban Renewal Area and the Year 2000 Urban Renewal Area)

V. URBAN RENEWAL PROJECTS

B. Urban Renewal Projects

1. Public Improvements

- a) Roadway System Improvements
 - A new north-south connector at Kinsman
 - Another Old Town/Wilsonville Road connection

VI. RELATIONSHIP TO LOCAL OBJECTIVES

Public Facilities and Services

GOAL 3.1: To assure that good quality public facilities and services are available with adequate, but not excessive, capacity to meet community needs, while also assuring that growth does not exceed the community's commitment to provide adequate facilities and services.

Water:

Policy 3.1.5 The City shall continue to develop, operate and maintain a water system, including wells, pumps, reservoirs, transmission mains and a surface water treatment plant capable of serving all urban development within the incorporated City limits, in conformance with federal, state, and regional water quality standards. The City shall also continue to maintain the lines of the distribution system once they have been installed and accepted by the City.

The Second Amendment conforms to this section of the comprehensive plan as a project funded through the Second Amendment is the construction of new water lines in Tooze Road.

Fire:

Policy 3.1.8 The City of Wilsonville shall continue to coordinate planning for fire safety with the Tualatin Valley Fire and Rescue District.

Implementation Measure 3.1.8.c The City shall require that all buildings be designed to a maximum fire flow rating of 3,000 GPM at 20 p.s.i. or such other standard as may be agreed to by the City and the Fire District.

The Second Amendment conforms to this section of the Comprehensive Plan as a project that will continue to be funded in the Plan is sprinklers for new residential development within the Area.

Parks:

Policy 3.1.11 The City of Wilsonville shall conserve and create open space throughout the City for specified objectives including park lands.

Implementation Measure 3.1.11.b Provide an adequate diversity and quantity of passive and active recreational opportunities that are conveniently located for the people of Wilsonville.

Implementation Measure 3.1.11.e Require small neighborhood parks (public or private) in residential areas and encourage maintenance of these parks by homeowner associations.

The Second Amendment conforms to this section of the Comprehensive Plan as the development of Montague Park (previously named Collina Park) and the Villebois Greenway are projects that will continue to be funded in the Plan.

Transportation:

GOAL 3.2: To encourage and support the availability of a variety of transportation choices for moving people that balance vehicular use with other transportation modes, including walking, bicycling and transit in order to avoid principal reliance upon any one mode of transportation.

Policy 3.2.1 To provide for safe and efficient vehicular, transit, pedestrian and bicycle access and circulation.

Implementation Measure 3.3.1.a. Encourage a balance among housing, employment, and commercial activities within the City so more people are able to live and work within Wilsonville, thereby reducing cross-jurisdictional commuting.

Implementation Measure 3.3.1.d. Continue use of the Planned Development/ Master Plan process to encourage developments that make it more convenient for people to use transit, to walk, to bicycle, and to drive less to meet daily needs.

Implementation Measure 3.3.2.a. Provide pedestrian and bicycle connections between residential neighborhoods and major commercial, industrial, and recreational activity centers throughout the city, as shown in the Bicycle and Pedestrian Master Plan. Coordinate the system of pathways planned by adjacent jurisdictions to allow for regional travel.

Implementation Measure 3.3.2.b. Concrete sidewalks will be provided on both sides of all streets unless waived when alternative provisions are found to adequately address pedestrian needs.

Implementation Measure 3.3.2.c. Transportation facilities shall be ADA-compliant.

Implementation Measure 3.3.2.d. Fill gaps in the existing sidewalk and off-street pathway systems to create a continuous network of safe and accessible bicycle and pedestrian facilities.

The Second Amendment is in conformance with the Transportation section of the Comprehensive Plan as projects to be funded in the Plan are transportation projects to allow for a more efficient transportation system and to complete the transportation system in the Area.

Land Use and Development

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

Commercial

Policy 4.1.2 The City of Wilsonville shall encourage commercial growth primarily to serve local needs as well as adjacent rural and agricultural lands.

The Second Amendment conforms to this section of the Comprehensive Plan as the development of infrastructure will help facilitate access to any new commercial development within the Area.

Residential

Policy 4.1.4 The City of Wilsonville shall provide opportunities for a wide range of housing types, sizes, and densities at prices and rent levels to accommodate people who are employed in Wilsonville.

Implementation Measure 4.1.4.c Establish residential areas that are safe, convenient, healthful, and attractive places to live while encouraging variety through the use of planned developments and clusters.

Implementation Measure 4.1.4.d Encourage the construction and development of diverse housing types, but maintain a general balance according to housing type and geographic distribution, both presently and in the future. Such housing types may include, but shall not be limited to: Apartments, single-family detached, single-family common wall, manufactured homes, mobile homes, modular homes, and condominiums in various structural forms.

Implementation Measure 4.1.4.i Restrict the number of housing starts to the capacities of public facilities and services.

Implementation Measure 4.1.4.l The City shall work to improve the balance of jobs and housing within its jurisdictional boundaries.

Implementation Measure 4.1.4.p In an effort to balance residential growth with the City's employment base, the City shall encourage the development of housing to meet the needs of the employees working in the City.

Implementation Measure 4.1.4.r All development, except as indicated in the lowest density districts, will coincide with the provision of adequate streets, water, and sanitary sewerage and storm drainage facilities, as specified in the Public Facilities and Services Section of the Plan. These facilities shall be (a) capable of adequately serving all intervening properties as well as the proposed development and (b) designed to meet City standards.

The Second Amendment conforms to this section of the Comprehensive Plan as the purpose of the Plan is to help provide the infrastructure and parks necessary for the development of new housing for the city of Wilsonville residents.

Compact Urban Development:

Policy 4.1.6 Require the development of property designated "Residential-Village" on the Comprehensive Plan Map to create livable, sustainable urban areas which provide a strong sense of place through integrated community design, while also making efficient use of land and urban services.

Implementation Measure 4.1.6.a Development in the "Residential-Village" Map area shall be directed by the Villebois Village Concept Plan (depicting the general character of proposed land uses, transportation, natural resources, public facilities, and infrastructure strategies), and subject to relevant Policies and Implementation Measures in the Comprehensive Plan; and implemented in accordance with the Villebois Village Master Plan, the "Village" Zone District, and any other provisions of the Wilsonville Planning and Land Development Ordinance that may be applicable.

The Second Amendment conforms to this section of the Comprehensive Plan as the purpose of the Plan is to help provide the infrastructure and parks necessary for new development on property designated as Residential Village.

Consistency with Economic Development Policy

The City of Wilsonville Economic Development Strategy was adopted in August of 2012. It specified ten key actions, one of which was to

Action 3.1 Coordinate capital improvement planning to ensure infrastructure availability on employment land.

The Second Amendment is in conformance with the Economic Development Policy as some of the projects to be completed are infrastructure projects. The transportation projects will allow for a more efficient transportation system and to complete the transportation system in the Area, allowing for increased growth on employment land and access for the residential sector to key employment land. The utility projects will provide the necessary infrastructure to support continued growth in the residential sector to help support the growth on employment land.

X. TAX INCREMENT FINANCING OF PLAN

B. Tax Increment Financing and Maximum Indebtedness

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 ~~\$40,000,000~~ \$49,400,000 (forty nine million four hundred thousand dollars).

This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness.

XIII. RECORDING OF PLAN

A copy of the City Council's Non-Emergency approving this Plan under ORS 457.095 shall be sent by the Council to the Urban Renewal Agency and a copy shall be sent together with a copy of the Plan and Report to the Clackamas County Board of Commissioners Assessor. Following receipt of such ordinance and the Clackamas County Board of Commissioners resolution approving the Plan, this Plan shall be recorded by the Agency with the Recording Office of Clackamas County.

XIV. RECORDING OF SUBSTANTIAL AMENDMENTS

A copy of the City Council's non-emergency ordinance approving this Amendment under ORS 457.095 shall be sent by the Council to the Urban Renewal Agency and a copy shall be sent together with a copy of the Amendment and Report to the Clackamas County Assessor. Following receipt of such ordinance this Amendment shall be recorded by the Agency with the Recording Office of Clackamas County.

Exhibit A: Legal Description of the Area

**REPORT ACCOMPANYING WEST SIDE
URBAN RENEWAL PLAN SECOND
AMENDMENT**

Prepared for the City of Wilsonville

February 1, 2016

West Side Urban Renewal Area

Elaine Howard Consulting, LLC

Elaine Howard

ECONorthwest

Nick Popenuk, Ali Danko, Rob Wyman

Jeannette Launer, Legal Counsel

I. TABLE OF CONTENTS

| | |
|---|----|
| I. TABLE OF CONTENTS..... | 3 |
| I. INTRODUCTION..... | 4 |
| II. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES..... | 10 |
| III. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN.. | 19 |
| IV. THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA..... | 19 |
| V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS | 20 |
| VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT | 21 |
| VII. AMOUNT OF INCREASED MAXIMUM INDEBTEDNESS ALLOWED | 21 |
| VIII. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED | 23 |
| IX. FINANCIAL ANALYSIS OF THE PLAN..... | 27 |
| X. IMPACT OF THE TAX INCREMENT FINANCING..... | 30 |
| XI. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA | 34 |
| XII. RELOCATION REPORT..... | 35 |

I. INTRODUCTION

The Report on the Amendment to the West Side Urban Renewal Plan (Report) contains background information and project details pertaining to the West Side Urban Renewal Plan Amendment (Amendment). The Report is not a legal part of the Wilsonville Urban Renewal Plan (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 Amendment to the Plan.

The Report provides the information required in 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 West Side Urban Renewal Area (Area).

The West Side Urban Renewal Plan was adopted on November 3, 2003 and has an existing maximum indebtedness of \$40,000,000. To date, there has been one amendment summarized below:

Amendment 1:

- Added 62 acres to the Plan boundary, and \$14,130,809 of assessed value to the Plan's frozen base.
- Revised the boundary map and legal description of the Plan boundary to reflect the addition of land in this First Substantial Amendment
- Updated one section in the Report on the Plan to list the deficient conditions in the areas to be added to the Plan.

The 2nd Amendment to the West Side Urban Renewal Plan seeks to raise the Maximum Indebtedness (MI) of the Plan by \$9,400,000, bringing the total MI to be incurred to \$49,400,000 and to delete acreage from the Plan area. This is considered a substantial amendment as it is an increase to the maximum indebtedness and, therefore, will require a City Council vote on a non-emergency ordinance.

The Villebois Village Concept Plan (Concept Plan) was adopted by the City of Wilsonville on June 2, 2003. The Concept Plan lays the foundation for innovative mixed-use community that includes three distinct residential neighborhoods, a viable commercial and employment core, and interconnected series of roads and trails, and a strong commitment to natural spaces and the environment.

The concept plan was based on three fundamental guiding principles: connectivity (connections between neighbors, within the village itself, with the rest of the city and with other parts of the region) diversity and sustainability.

The use of tax increment funding from urban renewal is one of the tools to implement the guiding principles, and specifically provide financing for the transportation network implementing the conductivity principle.

The area was formerly the site of the Dammasch State Hospital. The Oregon legislature authorized the sale of the hospital for redevelopment. At that time, the site contained no productive use of property.

When the urban renewal plan was originally adopted, project costs were identified for the transportation network, including upgrading of other major utilities within the area. The entire transportation network is required to allow for the full development of the area, taking it from an underperforming area to a vibrant mixed-use neighborhood. Many of those transportation improvements have been completed, however a few key projects are left to be constructed. In order to have the financing for these projects, an amendment to the urban renewal plan to increase the maximum indebtedness is required.

The city formed an Urban Renewal Task Force (Task Force) in September 2013, and asked it to forward recommendations to City Council on the future use of urban renewal in Wilsonville. The task force considered possible amendments to existing urban renewal plans as well as the possibility of creating new urban renewal areas. Key points of the Task Force recommendation for the West Side Urban Renewal Area are listed below:

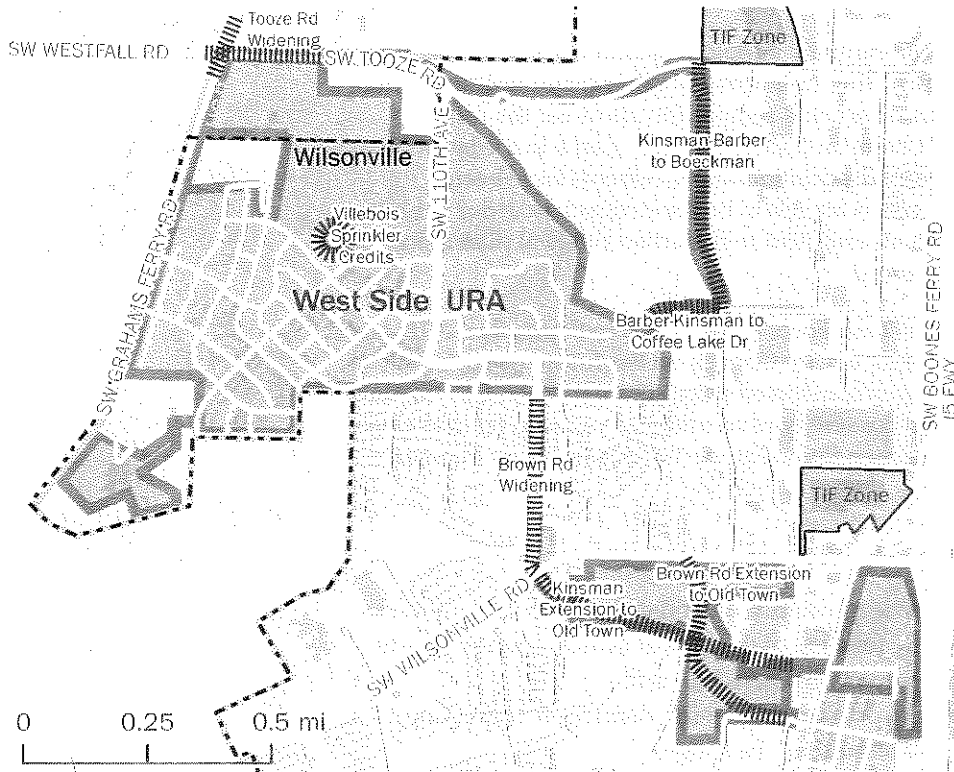
West Side Plan:

- a. Amend plan to increase maximum indebtedness from \$32 million to \$49.4 million, to allow funding of the critical infrastructure projects that the city is contractually obligated to fund.
- b. Formal concurrence of overlapping taxing districts is not required for this amendment, and should not be sought.
- c. Following precedent from previous plan amendment processes, do not seek an advisory vote of the public.
- d. Do not add any new projects to the project list; doing so would increase the life of the district and require a larger increase in maximum indebtedness.
- e. Do not fund the Old Town Escape project with TIF dollars (though other funding sources could be used). This project is not a contractually obligated project.

The Task Force's recommendations were adopted by the City Council in 2014, and this amendment is an implementation of those recommendations.

Figure 1 shows the West Side Urban Renewal Area prior to this Amendment. Figures 2a-2d show the areas to be deleted from the Area. Figure 3 shows the Area after the Amendment.

Figure 1 –West Side Urban Renewal Plan Area Boundary Prior to Amendment



Figures 2a – 2d – Property to be Deleted from Area

Area to be removed from the West Side URA

Figure 2a. 31W15 00900 – 2.99 acres

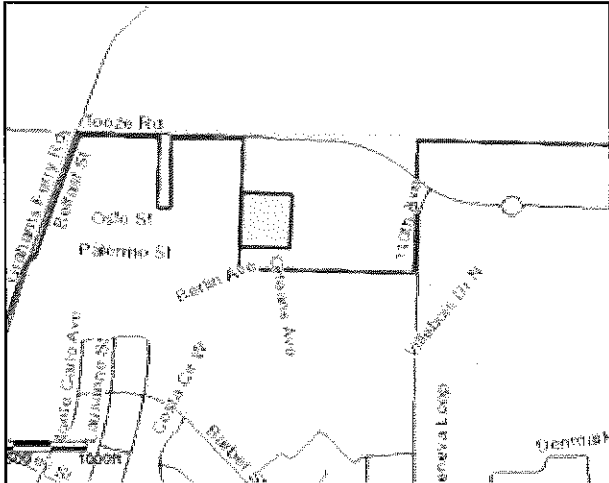


Figure 2b. 31W15 00800 – 8.69 acres

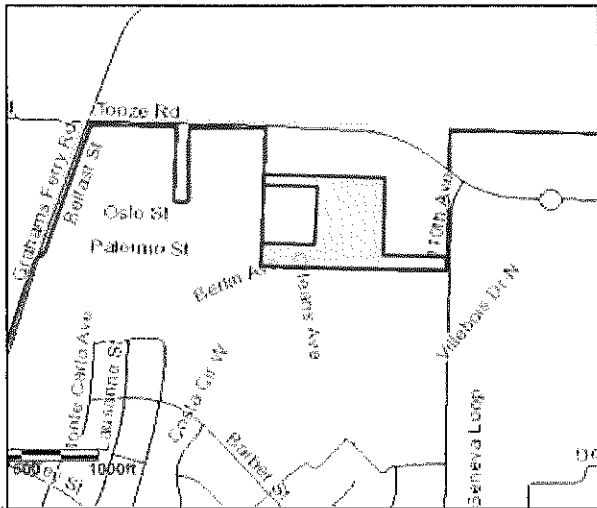


Figure 2c. 31W15 01203 - 1 acre

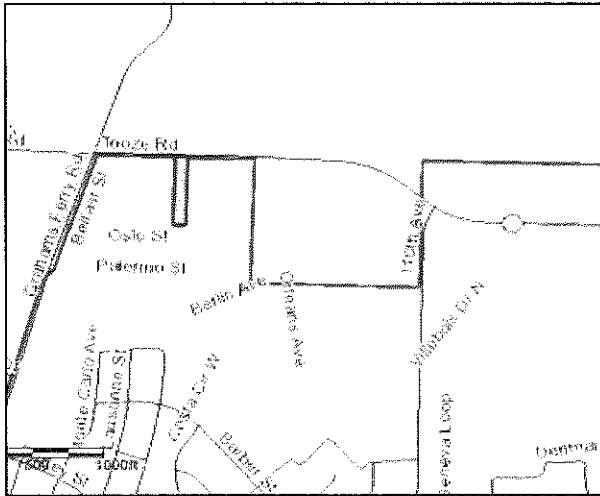


Figure 2d. NOTE: the area is yellow in the middle of the parcel is NOT being removed from the Area. Orange/dark shaded area inside the dark outline. Affects 31W23B 00100, 31W23B 00101, 31W23B 00500, 31W23BD00400, 31W23BD00300, 31W23BD00200, 31W23BD00101, 31W23AB02000, 31W23AB02101, 31W23AB02100, 31W23AB03000, 31W23AB02900, 31W23AB02800, 31W23AB02700, 31W23AB02600, 31W23AB02400 – approximately 58.45

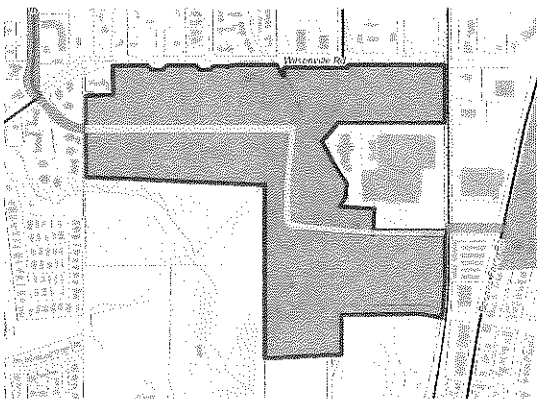
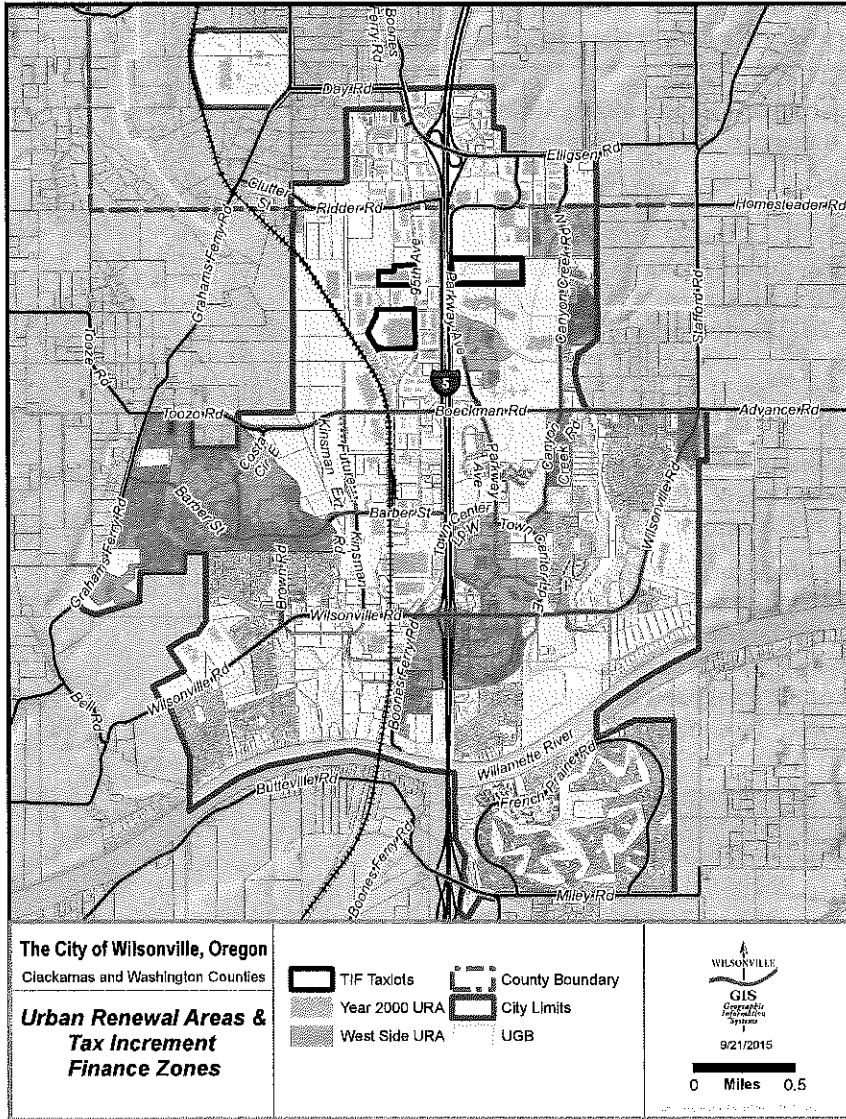


Figure 3 - Area as Amended



Note: this figure shows the full package of amendments contemplated, so shows the removal of property from the West Side URA and the addition of some of that property into the Year 2000 URA.

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

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

Physical Conditions

There were approximately 470.45 acres in the area prior to the Amendment. Twenty-five tax lots totaling approximately 70.90 acres are being removed from the Area. This property is shown in Figures 2a – 2d. The post amendment acreage will be 399.55 acres and total 1,269 tax lots.

Land Use

According to the Clackamas County Assessor’s Office, the Area as amended, shown in Figure 3, contains 1,681 parcels, and consists of 293.8 acres in parcels and 105.7 acres of right-of-way, for a total size of 399.55 acres.

An analysis of FY 2015/16 property classification data from the Clackamas County Assessment and Taxation database was used to determine the land use designation of parcels in the Area. Within the Area, the largest use of land is vacant properties account for 59 percent of the parcels and 61 percent of the acreage. Single-family residential uses account for 38 percent of the total parcels, and comprise 17 percent of the total acreage of the Area.

Table 1 - Existing Land Use of Area

| Land Use | Acres | | Parcels | |
|---------------------------|--------------|----------------|--------------|----------------|
| | Number | Percent | Number | Percent |
| Vacant | 180.5 | 61.44% | 988 | 58.77% |
| Single Family Residential | 51.3 | 17.46% | 643 | 38.25% |
| Public Exempt | 34 | 11.57% | 29 | 1.73% |
| Commercial | 17 | 5.79% | 7 | 0.42% |
| Multi-Family Residential | 10.7 | 3.64% | 9 | 0.54% |
| Industrial | 0.2 | 0.07% | 1 | 0.06% |
| Condominium | 0.1 | 0.03% | 4 | 0.24% |
| Total | 293.8 | 100.00% | 1,681 | 100.00% |

Source: Clackamas County Assessor’s data

Zoning and Comprehensive Plan Designations

An analysis of FY 2015/16 property classification data from the Clackamas County Assessment and Taxation database was used to determine the zoning and comprehensive plan designation of parcels in the Area. Within the Area, the largest zoning category is Village (60% of total acreage). Following this is Public Facilities at 15 percent of the total acreage of the Area.

Table 2 – Zoning of Area

| Zoning | Acres | | Parcels | |
|---|--------------|----------------|--------------|----------------|
| | Number | Percent | Number | Percent |
| Village | 177.2 | 60.29% | 1,328 | 79.00% |
| Public Facilities | 44.7 | 15.21% | 216 | 12.85% |
| Farm (EFU) | 34.9 | 11.87% | 109 | 6.48% |
| Planned Development Commercial | 22.7 | 7.72% | 9 | 0.54% |
| Residential Agricultural Holding Village/Industrial | 10 | 3.40% | 9 | 0.54% |
| Planned Development Industrial | 4.4 | 1.50% | 10 | 0.59% |
| Total | 293.9 | 100.00% | 1,681 | 100.00% |

Source: Clackamas County Assessor's data

Within the Area, the largest comprehensive plan category is Village (89 percent of total acreage). Following this is Commercial at approximately 7 percent of the acreage of the Area.

Table 3 – Comprehensive Plan Designations of Area

| Comprehensive Plan | Acres | | Parcels | |
|--------------------|--------------|----------------|--------------|----------------|
| | Number | Percent | Number | Percent |
| Village | 261.2 | 88.87% | 1,657 | 98.57% |
| Commercial | 22.7 | 7.72% | 9 | 0.54% |
| Industrial | 5.7 | 1.94% | 12 | 0.71% |
| Residential | 4.3 | 1.46% | 3 | 0.18% |
| Total | 293.9 | 100.00% | 1,681 | 100.00% |

Source: Clackamas County Assessor's data

Infrastructure

Street and Sidewalk Conditions

There are sections of road and sidewalk that do not adequately serve the community. Significant new development is planned that requires the extension of the transportation system within the area. The proposed construction of these transportation improvements will facilitate this new development. The transportation system needs to be upgraded to provide a safe and appealing transportation network that will encourage efficient pedestrian and vehicular travel. The specific roads that require major improvements are Barber Road, Tooze Road and Brown Road.

The following projects are listed in the Wilsonville Transportation Systems Plan.¹

| | |
|---------------------------|---|
| UU-03 Brown Road Upgrades | upgrade to meet cross-section standards (i.e. three lanes with bike lanes, sidewalks, and transit stops) |
| UU-07 Tooze Road Upgrades | upgrade to meet cross-section standards (i.e. three lanes with bike lanes, sidewalks, and transit stop improvements); includes roundabout at Grahams Ferry Road/Tooze Road Intersection |

Storm water

Upgrading the storm water system is a component of the Tooze Road project.

Waste water

There are no existing waste-water deficiencies identified in master plans in the Area.

Water

Upgrading the water line is a component of the Tooze Road project. This project is listed in the Wilsonville Water Master Plan² and in the Wilsonville 2015 – 16 budget as a CIP project.

CIP #1131 – Tooze Road waterline which will complete a planned 18" water line from Grahams Ferry Road to the vacated 100th Avenue right-of-way in order to provide increased fire flow capacity and system redundancy to allow additional growth and development.

¹ Wilsonville Transportation Systems Plan, June 17, 2013, Ordinance 718, p 5-10, Figure 5-5, p 5-11.

² Wilsonville Water Master Plan, September 6, 2012, Ordinance 707. Appendix, Figure 4, Priority Improvements and Replacements

Parks

There are two remaining parks to do be developed as indicated in the Wilsonville Parks Master Plan³, Villebois Parks System:

NP 4 – Collina Park (renamed to Monatgue Park)

RP 4 – Villebois Greenway

³ Wilsonville Parks and Recreation Master Plan, p35

Social Conditions

The United States Census Bureau provides the following information about the characteristics of residents in the Area. The Area of reference does not conform to any official US Census boundaries. Instead we have to use boundaries that most closely approximate the boundary of the Area. Data for most social conditions are not available at geographic levels smaller than Census Tracts. The Area is located within two census tracts. Because these Census boundaries are larger than the Area boundary, we show percentages, instead of total numbers. Note that data for age and race is available at the block group level (a smaller geographic area than Census tracts). Below, we report the data on age and race at the tract level to be consistent with the other social conditions reported in this document, but we note important variations for age and race between the Census tract and block group data.

Age: The highest percentage of residents are 45-54 years old, and the majority of residents are between 18-54 years old. The Census block group data is very similar to the Census tract data.

Table 4 – Age

| Age | Percent |
|-------------------|---------|
| Under 5 Years | 7% |
| 5 to 9 Years | 9% |
| 10 to 14 Years | 8% |
| 15 to 17 Years | 5% |
| 18 to 24 Years | 10% |
| 25 to 34 Years | 16% |
| 35 to 44 Years | 10% |
| 45 to 54 Years | 19% |
| 55 to 64 Years | 9% |
| 65 to 74 Years | 4% |
| 75 to 84 Years | 1% |
| 85 Years and over | 0% |
| Total | 100% |

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

Race: The majority of the residents are white (83 percent). The block group data indicates 82% white, a minor fluctuation.

Table 5 – Race

| Race | Percent |
|--|---------|
| White Alone | 83% |
| Black or African American Alone | 1% |
| American Indian and Alaska Native Alone | 2% |
| Asian Alone | 4% |
| Native Hawaiian and Other Pacific Islander Alone | 1% |
| Some Other Race Alone | 5% |
| Two or More races | 4% |
| Total | 100% |

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

Education: Thirty- three percent of the residents have some college while another 30 percent have their Bachelor’s degree and ten percent have a Master’s degree.

Table 6 – Educational Attainment

| Educational Attainment | Percent |
|---|---------|
| Less Than High School | 11% |
| High School Graduate (includes equivalency) | 10% |
| Some college | 33% |
| Bachelor’s degree | 30% |
| Master’s degree | 10% |
| Professional school degree | 3% |
| Doctorate degree | 2% |
| Total | 100% |

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

Note: Universe is population 25 years and over

Travel time to work: Thirty-three percent of the workers 16 years of age and older spend less than 19 minutes travelling to work. Forty percent travel over half an hour to get to work.

Table 7 – Travel Time to Work

| Travel Time to Work | Percent |
|----------------------|---------|
| Less than 10 minutes | 11% |
| 10 to 19 minutes | 23% |
| 20 to 29 minutes | 17% |
| 30 to 39 minutes | 23% |
| 40 to 59 minutes | 15% |
| 60 to 89 minutes | 1% |
| 90 or More minutes | 0% |
| Worked at home | 9% |
| Total | 100% |

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer
 Note: Universe is workers 16 years and over

Mode of Transportation to work: Seventy-seven percent of the workers 16 years of age and older drove by themselves to work. None of the workers bicycled to work.

Table 8 – Mode of Transportation to Work

| Mode of Transportation to Work | Percent |
|--|---------|
| Drove Alone | 77% |
| Carpooled | 5% |
| Public transportation (Includes Taxicab) | 2% |
| Motorcycle | 0% |
| Bicycle | 0% |
| Walked | 5% |
| Other means | 1% |
| Worked at home | 9% |
| Total | 100% |

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer
 Note: Universe is workers 16 years and over

Economic Conditions

Taxable Value of Property Within the Area

The FY 2015/16 frozen base of the West Side Urban Renewal Areas is \$16,526,288. This frozen base would decrease in FYE 2018 as a result of the removal of property as part of this amendment. We estimate that the frozen base after the amendment would be \$16,109,831. The assessor will determine this exact number upon completion of this amendment. The total assessed value of the City of Wilsonville in FY 2015/16 is \$2,881,983,635 in Clackamas County plus assessed value of \$290,790,949 in Washington County. The excess value is \$743,389,681. Excess value is the assessed value created in urban renewal after the frozen base is set. Wilsonville has also added excess value back to the tax rolls by taking properties out of the urban renewal boundary.

Building to Land Value Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Ratio", or "I:L." The values used are real market values. In urban renewal areas, the I:L may be used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives. A healthy condition of real estate investment in the Area was established in the original Report on the Plan at 2:1 or more.

Table 9, below, "I:L Ratio of Parcels in the Area", shows the improvement to land ratios for the new properties within the Area. Approximately 60% of the acreage in the Area is vacant, so has no improvement value. Fifteen percent of the acreage meets the I:L ratio of 2.0, and if the vacant properties are considered, 72% of the Area is below the 2:1 threshold. If this threshold is reduced to 1:1, 61% of the properties still would not meet this threshold due to the properties with no improvement value.

Table 9 - I:L Ratio of Parcels in the Area

| I:L ratio | Parcels | Acres | % of Total |
|-------------------|--------------|--------------|----------------|
| Exempt | 29 | 34.0 | 11.58% |
| No building value | 963 | 177.5 | 60.41% |
| <1 | 9 | 0.7 | 0.22% |
| <2 | 306 | 33.9 | 11.55% |
| <3 | 303 | 37.8 | 12.87% |
| 3 and over | 23 | 5.4 | 1.85% |
| No land value | 48 | 4.5 | 1.51% |
| Total | 1,681 | 293.9 | 100.00% |

Source: raw data from Clackamas County Assessor

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 the Section on Impact of Tax Increment Financing of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The development of this urban renewal area has been planned by the city of Wilsonville since the adoption of the urban renewal plan in 2003. Significant new housing has been added to the city of Wilsonville through the development of this urban renewal area, and more housing will be added as a result of the completed infrastructure. This additional housing provides economic development due to the jobs from construction, the long-term jobs associated with the housing development, more residents in Wilsonville to frequent the local businesses and new students to support the school system. Although there have been significant infrastructure investments and there will be additional significant investments, these projects have been planned by the city as part of the overall development of Wilsonville.

The projects to be completed with tax increment revenues are transportation projects some of which include utilities in the roads, and projects that are required by existing redevelopment agreements: sprinklers and parks. The use of tax increment funding for these projects allows the city to tap a different funding source than the City of Wilsonville’s general funds to make these improvements and fulfill these commitments.

It is anticipated that these improvements will catalyze development on the adjacent undeveloped and underdeveloped parcels. This development will require city services, but will also generate systems development charges and revenues from the use of utilities in the Area. It is also anticipated that any new housing will help

support the school district as new students are anticipated. Since the school district funding is on a per pupil basis, any new students will assist in their overall funding. As the development will be new construction, it will be up to current building code, and will aid in any fire-protection needs. The commitment for sprinklers on buildings in the area will also assist in fire protection needs.

These impacts will be countered by providing major transportation funding for vital connections to Wilsonville and major parcels of undeveloped and underdeveloped land.

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

There is no new property being added to the urban renewal area.

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

There are no new projects identified for the area. All projects contemplated are projects that were in the original urban renewal plan.

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

The estimated project funding is shown in the table below. These numbers are in year of expenditure dollars and will correspond to Table 12b. The source of money for the table below is tax increment financing. The sprinklers are a reimbursement of the water systems development charge (SDC) fund. The parks contribution had a set amount of \$2 million, with \$1,002,100 remaining to be allocated.

The intent of the sprinkler reimbursement program was to give a credit or discount to developers off of the Water SDC. The initial estimate for the West Side URA's contribution to reimburse the Water SDC fund for these sprinkler credits was \$2.5 million. The actual cost for these sprinkler credits is currently estimated at \$6.8 million. While 100% of Villebois single-family residences are to be sprinkled, the West Side URA is not fully responsible for these costs and is not expected to make the Water SDC fund whole. Each fiscal year, the amount actually paid from the West Side URA to the Water SDC fund will be capped at \$500,000 until build out of Villebois. Once all the capital projects in the West Side plan are complete, the remaining amount of maximum indebtedness, if any, will be used to pay down any accumulated liability for sprinkler reimbursement. After this payment, any remaining liability will then be written off, and the Water SDC fund will at that time experience a loss.

Comment [E1]: Kristin, this is a new paragraph, please make sure it is OK

Table 10 – Estimated Project Costs

| Project | Estimated Urban Renewal Portion* | Anticipated Completion Date |
|--|----------------------------------|-----------------------------|
| Barber Street - Kinsman Road to Coffee Lake Road | \$1,599,500 | October, 2015 |
| Tooze Road – 110 th To Grahams Ferry Road | \$2,520,000 | FY 2016/17 |
| Sprinklers | \$3,232,522 | FY 2020/21 |
| Parks | \$1,002,100 | FY 2015/16 |
| Other Transportation/Brown Road | \$4,788,200 | FY 2019/20 |
| Administration | \$2,016,300 | |
| Financing Fees | \$100,000 | |
| Total Expenditures | \$15,528,622 | |

Comment [NP2]: \ Do we want a table that shows both 2015 constant and year of expenditure dollars? Kristin, I think we decided to leave this table as is, please verify.

Source: City of Wilsonville staff * dollars in year of expenditure

VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The anticipated project completion dates are identified in the Table 10 above. These project completion dates may be adjusted during the annual budgeting process.

VII. AMOUNT OF INCREASED MAXIMUM INDEBTEDNESS ALLOWED

ORS 457.220(4)(a) and (b) state that an urban renewal plan’s indebtedness may be increased, but is limited to the aggregate of all amendments under this subsection, and may not exceed 20% of the plan’s initial maximum indebtedness, as adjusted by the index used in the plan to compute future costs of projects that will be financed under the plan. The computation for the West Side Urban Renewal Plan is shown below. The initial maximum indebtedness was \$40,000,000. The adjustment factor in the Plan was 3% as identified in Section V, page 18 of the original Report on the West Side Urban Renewal Plan. Therefore, the Plan’s maximum indebtedness may

be increased by the Wilsonville City Council by \$11,406,087. Although the potential increase is \$11,406,087, the actual increase being requested is \$9,400,000.

Table 11 - Potential Maximum Indebtedness Increase per Year of Operation

| Original MI Calendar year | \$40,000,000 | Potential MI Increase |
|------------------------------|-----------------|-----------------------|
| 2004 | \$41,200,000.00 | \$8,240,000.00 |
| 2005 | \$42,436,000.00 | \$8,487,200.00 |
| 2006 | \$43,709,080.00 | \$8,741,816.00 |
| 2007 | \$45,020,352.40 | \$9,004,070.48 |
| 2008 | \$46,370,962.97 | \$9,274,192.59 |
| 2009 | \$47,762,091.86 | \$9,552,418.37 |
| 2010 | \$49,194,954.62 | \$9,838,990.92 |
| 2011 | \$50,670,803.26 | \$10,134,160.65 |
| 2012 | \$52,190,927.35 | \$10,438,185.47 |
| 2013 | \$53,756,655.17 | \$10,751,331.03 |
| 2014 | \$55,369,354.83 | \$11,073,870.97 |
| 2015 | \$57,030,435.47 | \$11,406,087.09 |

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

Table 12a shows the tax increment revenues and their allocation to loan repayments, reimbursements, and debt service. The project costs are inflated by 5% annually starting in FY 2015/16. The following tables shows the debt being retired in FY 2023/24. Table 12b shows the project fund allocations including specific project costs by year.

Table 12a - Tax Increment Revenues and Allocations to Debt Service

| | Total | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|---|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| DEBT SERVICE FUND | | | | | |
| Resources | | | | | |
| Beginning Fund Balance | | \$ - | \$ - | \$ - | \$ - |
| TIF for URA | \$ 46,995,394 | \$ 5,055,728 | \$ 5,055,728 | \$ 5,055,728 | \$ 5,055,728 |
| Total Resources | \$ 46,995,394 | \$ 5,055,728 | \$ 5,055,728 | \$ 5,055,728 | \$ 5,055,728 |
| Expenditures | | | | | |
| <i>Debt Service</i> | | | | | |
| Previous Outstanding Loans | \$ (38,295,788) | \$ (2,213,548) | \$ (2,214,528) | \$ (2,213,408) | \$ (2,210,188) |
| 2015 Taxable Loan - \$4.25M at 2.63%, 120 months | | \$ (484,342) | \$ (484,342) | \$ (484,342) | \$ (484,342) |
| 2015 Tax-Exempt Loan - \$750k at 3.65%, 60 months | | \$ (164,401) | \$ (164,401) | \$ (164,401) | \$ (164,401) |
| Total Debt Service | \$ (38,295,788) | \$ (2,862,291) | \$ (2,863,271) | \$ (2,862,151) | \$ (2,858,931) |

Source: ECONorthwest

Table 12a - Tax Increment Revenues and Allocations to Debt Service, continued

| | Total | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|---|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| DEBT SERVICE FUND | | | | | | |
| Resources | | | | | | |
| Beginning Fund Balance | | \$ - | \$ - | \$ - | \$ - | \$ - |
| TIF for URA | \$ 46,995,394 | \$ 5,055,728 | \$ 5,055,728 | \$ 5,055,728 | \$ 5,055,728 | \$ 2,194,007 |
| Total Resources | \$ 46,995,394 | \$ 5,055,728 | \$ 5,055,728 | \$ 5,055,728 | \$ 5,055,728 | \$ 2,194,007 |
| Expenditures | | | | | | |
| <i>Debt Service</i> | | | | | | |
| Previous Outstanding Loans | \$ (38,295,788) | \$ (2,204,745) | \$ (2,207,178) | \$ (2,207,100) | \$ (2,209,503) | \$ (5,374,428) |
| 2015 Taxable Loan - \$4.25M at 2.63%, 120 months | | \$ (484,342) | \$ (484,342) | \$ (484,342) | \$ (484,342) | \$ (484,342) |
| 2015 Tax-Exempt Loan - \$750k at 3.65%, 60 months | | \$ (164,401) | | | | |
| Total Debt Service | \$ (38,295,788) | \$ (2,853,488) | \$ (2,691,520) | \$ (2,691,442) | \$ (2,693,845) | \$ (5,858,770) |

Source: ECONorthwest

Table 12b – Project Fund

| | Total | 2015-16 | 2016-17 | 2017-18 | 2018-19 |
|--|----------------------|---------------------|---------------------|---------------------|---------------------|
| PROJECT FUND | | | | | |
| <i>Resources</i> | | | | | |
| Beginning Balance | | \$ 858,622 | \$ 2,321,315 | \$ - | \$ - |
| Pay-as-you-go (Transfer from D/S Reserve Fund) | \$ 10,372,494 | \$ - | \$ 1,032,472 | \$ 1,426,200 | \$ 1,240,900 |
| Bond/Loan Proceeds | \$ 5,000,000 | \$ 5,000,000 | \$ - | \$ - | \$ - |
| Interest Earnings | \$ 33,313 | \$ 4,293 | \$ 23,213 | \$ - | \$ - |
| Total Resources | \$ 15,405,807 | \$ 5,862,915 | \$ 3,377,000 | \$ 1,426,200 | \$ 1,240,900 |
| <i>Expenditures (nominal \$)</i> | | | | | |
| Barber St. (Kinsman Rd. to Coffee Lake Dr.) | \$ 1,599,500 | \$ 1,599,500 | | | |
| Tooze Rd. (110th to Grahams Ferry Rd.) | \$ 2,520,000 | | \$ 2,520,000 | | |
| Sprinklers | \$ 3,232,522 | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| Parks | \$ 1,002,100 | \$ 1,002,100 | | | |
| Other Transportation/Brown Road | \$ 4,788,200 | | | \$ 551,300 | \$ 347,300 |
| URA Admin | \$ 2,016,300 | \$ 340,000 | \$ 357,000 | \$ 374,900 | \$ 393,600 |
| Financing Fees | \$ 100,000 | \$ 100,000 | \$ - | \$ - | \$ - |
| Other | | | | | |
| Total Expenditures | \$ 15,258,622 | \$ 3,541,600 | \$ 3,377,000 | \$ 1,426,200 | \$ 1,240,900 |

Source: ECONorthwest.

Table 12b – Project Fund, continued

| | Total | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 |
|--|----------------------|---------------------|-------------------|------------------|------------------|------------------|
| PROJECT FUND | | | | | | |
| <i>Resources</i> | | | | | | |
| Beginning Balance | | \$ - | \$ - | \$ - | \$ - | \$ - |
| Pay-as-you-go (Transfer from D/S Reserve Fund) | \$ 10,372,494 | \$ 4,802,900 | \$ 764,422 | \$ 33,500 | \$ 35,200 | \$ 36,900 |
| Bond/Loan Proceeds | \$ 5,000,000 | | \$ - | | | |
| Interest Earnings | \$ 33,313 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Resources | \$ 15,405,807 | \$ 4,802,900 | \$ 764,422 | \$ 33,500 | \$ 35,200 | \$ 36,900 |
| <i>Expenditures (nominal \$)</i> | | | | | | |
| Barber St. (Kinsman Rd. to Coffee Lake Dr.) | \$ 1,599,500 | | | | | |
| Tooze Rd. (110th to Grahams Ferry Rd.) | \$ 2,520,000 | | | | | |
| Sprinklers | \$ 3,232,522 | \$ 500,000 | \$ 732,522 | | | |
| Parks | \$ 1,002,100 | | | | | |
| Other Transportation/Brown Road | \$ 4,788,200 | \$ 3,889,600 | | | | |
| URA Admin | \$ 2,016,300 | \$ 413,300 | \$ 31,900 | \$ 33,500 | \$ 35,200 | \$ 36,900 |
| Financing Fees | \$ 100,000 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other | | | | | | |
| Total Expenditures | \$ 15,258,622 | \$ 4,802,900 | \$ 764,422 | \$ 33,500 | \$ 35,200 | \$ 36,900 |

Source: ECONorthwest.

IX. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FY 2023/24 as shown above, are based on projections of the assessed value of development within the Area and the total tax rate that will apply in the Area. The assumptions include growth rates of 3% plus assumptions on building permits for single-family residential properties in Villebois as forecasted by the City of Wilsonville. The assumptions also include approximately \$8.9 million dollars of FY 2015-16 assessed value being removed from the district. Due to appreciation, this is shown in Table 13 as approximately \$11.6 million in assessed value in FYE 2018, when the change is expected to affect the tax roll.

Table 13 – Exception Assessed Value and Other Adjustments

| FYE | # of Units | RMV /unit | CPR | AV coming | | Other AV | Total EV |
|------|------------|-----------|-------|-----------|--------------|---------------|--------------|
| | | | | AV /unit | on Tax Roll | Adjustments | |
| 2015 | 115 | \$328,000 | 82.5% | \$270,600 | \$31,119,000 | | \$31,119,000 |
| 2016 | 194 | \$337,840 | 82.5% | \$278,718 | \$54,071,292 | | \$54,071,292 |
| 2017 | 320 | \$347,975 | 82.5% | \$287,079 | \$91,865,280 | | \$91,865,280 |
| 2018 | 204 | \$358,414 | 82.5% | \$295,692 | \$60,321,168 | -\$11,602,132 | \$48,719,036 |
| 2019 | 141 | \$369,166 | 82.5% | \$304,562 | \$42,943,242 | | \$42,943,242 |
| 2020 | 145 | \$380,241 | 82.5% | \$313,699 | \$45,486,355 | | \$45,486,355 |
| 2021 | 275 | \$391,648 | 82.5% | \$323,110 | \$88,855,250 | | \$88,855,250 |
| 2022 | 158 | \$403,397 | 82.5% | \$332,803 | \$52,582,874 | | \$52,582,874 |

Source: ECONorthwest, with input from city of Wilsonville staff. RMV is real market value. CPR is change property ratio. AV is assessed value. Exception Value is new value caused by new development.

Table 14a 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 12. The tax rate varies due to changes in General Obligation (GO) Bond rates, which are not constant but change over time. Table 14b shows the projected revenue sharing that begins in FYE 2017, with tax increment revenues to the urban renewal agency limited to \$5,055,728 starting in FYE 2016 and projecting an under-levy in the final year, FYE 2024. Due to the tax increment revenues forecasted for 2016 exceeding the “transition amount” of this amendment, the transition amount will be used establish the baseline for revenue sharing. The transition amount is \$5,055,728 and shown in Table 14a below in FYE 2016. ORS 457.470(d) defines transition amount as the maximum division of taxes for a plan in the year in which the plan is first substantially amended to increase maximum indebtedness on or after January 1, 2010.

Table 14a - Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

| FYE | Assessed Value | Frozen Base | Excess Value | Tax Rate | TIF |
|------|----------------|-------------|--------------|----------|------------|
| 2015 | 314,499,353 | 16,526,288 | 297,973,065 | 14.6173 | 4,355,563 |
| 2016 | 378,824,033 | 16,526,288 | 362,297,745 | 13.9546 | 5,055,728 |
| 2017 | 481,790,131 | 16,526,288 | 465,263,843 | 13.6213 | 6,337,481 |
| 2018 | 544,696,330 | 16,109,831 | 528,586,499 | 13.0639 | 6,905,401 |
| 2019 | 603,711,254 | 16,109,831 | 587,601,423 | 13.0640 | 7,676,425 |
| 2020 | 667,037,048 | 16,109,831 | 650,927,217 | 13.0640 | 8,503,713 |
| 2021 | 775,628,791 | 16,109,831 | 759,518,960 | 12.9159 | 9,809,871 |
| 2022 | 851,203,164 | 16,109,831 | 835,093,333 | 12.9159 | 10,785,982 |
| 2023 | 876,459,121 | 16,109,831 | 860,349,290 | 12.9159 | 11,112,186 |
| 2024 | 902,469,956 | 16,109,831 | 886,360,125 | 12.9159 | 11,448,139 |

Source: ECNorthwest

Table 14b - Tax Increment Revenues and Revenue Sharing

| FYE | TIF | | |
|------|------------|-----------|-----------|
| | Total | for URA | Shared |
| 2015 | 4,355,563 | 4,355,563 | - |
| 2016 | 5,055,728 | 5,055,728 | - |
| 2017 | 6,337,481 | 5,055,728 | 1,281,753 |
| 2018 | 6,905,401 | 5,055,728 | 1,849,673 |
| 2019 | 7,676,425 | 5,055,728 | 2,620,697 |
| 2020 | 8,503,713 | 5,055,728 | 3,447,985 |
| 2021 | 9,809,871 | 5,055,728 | 4,754,143 |
| 2022 | 10,785,982 | 5,055,728 | 5,730,254 |
| 2023 | 11,112,186 | 5,055,728 | 6,056,458 |
| 2024 | 11,448,139 | 2,194,007 | 9,254,133 |

Source: ECONorthwest

X. 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 through FYE 2024, and are shown in Tables 15a and 15b, below. The total amounts reflect only the permanent rate levies impacted by the amendment. Note there is a positive impact until FYE 2021 due to the removal of property from the urban renewal area. The negative impact begins in FY 2021 and is a result of the increased maximum indebtedness. If not for the amendment, all indebtedness would have been paid off by this time. The impacts of bonds are made up by slightly increased bond rates to the taxpayer as shown in Table 16. It should be noted that the impact of revenue sharing makes the impacts to the taxing jurisdictions remain fairly stable throughout the life of the district. The sharing is shown in Table 14b.

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 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 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.

Tables 15a and 15b show the projected impacts to permanent rate levies of taxing districts; 15a is the general government taxes and 15b is the education taxes.

Table 15a - Projected Impact of Amendment on Taxing District Permanent Rate Levies, General Government

| FYE | General Government | | | | | | | | |
|-------|---------------------|------------|----------------|------------------|--------------------|------------------|------------------|--------------|----------------|
| | Clack County (City) | County 4-H | County Library | County Soil Cons | Wilsonville (Perm) | Fire 64 Tualatin | Port of Portland | Metro (Perm) | Vector Control |
| 2015 | - | - | - | - | - | - | - | - | - |
| 2016 | - | - | - | - | - | - | - | - | - |
| 2017 | 226,474 | 4,710 | 37,435 | 4,710 | 237,439 | 143,673 | 6,603 | 9,100 | 612 |
| 2018 | 339,402 | 7,059 | 56,101 | 7,059 | 355,834 | 215,313 | 9,896 | 13,637 | 917 |
| 2019 | 481,450 | 10,013 | 79,581 | 10,013 | 504,759 | 305,427 | 14,038 | 19,345 | 1,301 |
| 2020 | 543,588 | 11,305 | 89,852 | 11,305 | 569,905 | 344,847 | 15,849 | 21,841 | 1,469 |
| 2021 | (941,087) | (19,572) | (155,556) | (19,572) | (986,650) | (597,016) | (27,440) | (37,813) | (2,544) |
| 2022 | (941,087) | (19,572) | (155,556) | (19,572) | (986,650) | (597,016) | (27,440) | (37,813) | (2,544) |
| 2023 | (941,087) | (19,572) | (155,556) | (19,572) | (986,650) | (597,016) | (27,440) | (37,813) | (2,544) |
| 2024 | (408,398) | (8,493) | (67,506) | (8,493) | (428,171) | (259,084) | (11,908) | (16,409) | (1,104) |
| Total | (1,640,745) | (34,122) | (271,205) | (34,122) | (1,720,184) | (1,040,872) | (47,842) | (65,925) | (4,437) |

Source: ECONorthwest

Table 15b - Projected Impact of Amendment on Taxing District Permanent Rate Levies, Education

| FYE | Education | | | |
|-------|------------------------|--------------------|-----------|-------------|
| | WL / WILS SD (Perm) | Clack CC (Perm) | Clack ESD | Total |
| 2015 | - | - | - | - |
| 2016 | - | - | - | - |
| 2017 | 458,600 | 52,582 | 34,731 | 1,216,670 |
| 2018 | 687,273 | 78,801 | 52,050 | 1,823,341 |
| 2019 | 974,915 | 111,782 | 73,834 | 2,586,456 |
| 2020 | 1,100,741 | 126,209 | 83,363 | 2,920,275 |
| 2021 | (1,905,659) | (218,499) | (144,322) | (5,055,730) |
| 2022 | (1,905,659) | (218,499) | (144,322) | (5,055,730) |
| 2023 | (1,905,659) | (218,499) | (144,322) | (5,055,730) |
| 2024 | (826,989) | (94,821) | (62,631) | (2,194,007) |
| Total | (3,322,437) | (380,944) | (251,619) | (8,814,455) |

Source: ECONorthwest

The projected annual impact on a property owner due to an increase in bond rates from the Amendment is shown in Table 16. The impacts are projected for a property valued at \$100,000. It easy to translate that into other property values by multiplying the amount.

Table 16 – Impact on Bond Rates

| FYE | West Linn / Wilsonville School District | | |
|------|---|-----------------------------------|-----------------------------------|
| | City of Wilsonville | Wilsonville School District | Clackamas Community College |
| 2015 | | \$0.00 | \$0.00 |
| 2016 | | \$0.00 | \$0.00 |
| 2017 | | (\$0.75) | (\$0.04) |
| 2018 | | \$0.00 | (\$0.06) |
| 2019 | | \$0.00 | (\$0.09) |
| 2020 | | \$0.00 | (\$0.10) |

Source: ECONorthwest

Table 17 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2025.

Table 17 – Projected Revenue to Taxing Jurisdictions after Termination of Urban Renewal

| Tax District Name | Tax Rate | ix Revenue in FYE 2025 (year after expiration) | | |
|---------------------------------|------------------|--|----------------------|-------------------|
| | | From Frozen Base | From Excess Value | Total |
| General Government | | | | |
| Clackamas County (City) | \$2.4042 | \$ 38,731 | \$ 2,195,392 | 2,234,123 |
| County Extension & 4H | \$0.0500 | \$ 805 | \$ 45,657 | 46,462 |
| County Library | \$0.3974 | \$ 6,402 | \$ 362,885 | 369,287 |
| County Soil Conservation | \$0.0500 | \$ 805 | \$ 45,657 | 46,462 |
| City of Wilsonville | \$2.5206 | \$ 40,606 | \$ 2,301,682 | 2,342,288 |
| Tualatin Valley Fire & Rescue | \$1.5252 | \$ 24,571 | \$ 1,392,734 | 1,417,305 |
| Port of Portland | \$0.0701 | \$ 1,129 | \$ 64,012 | 65,141 |
| Metro | \$0.0966 | \$ 1,556 | \$ 88,210 | 89,766 |
| Vector Control | \$0.0065 | \$ 105 | \$ 5,935 | 6,040 |
| Total General Government | \$7.1206 | \$ 114,710 | \$ 6,502,164 | 6,616,874 |
| Education | | | | |
| WL/Wilsonville School Dist | \$4.8684 | \$ 78,429 | \$ 4,445,572 | 4,524,001 |
| Clackamas Community Coll | \$0.5582 | \$ 8,993 | \$ 509,719 | 518,712 |
| Clackamas ESD | \$0.3687 | \$ 5,940 | \$ 336,678 | 342,618 |
| Total Education | \$5.7953 | \$ 93,362 | \$ 5,291,969 | 5,385,331 |
| Total | \$12.9159 | \$ 208,072 | \$ 11,794,133 | 12,002,205 |

Source: ECONorthwest

XI. 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, personal manufactured, and utility properties in the West Side Urban Renewal Area after this amendment is estimated to be \$16,109,831. The total assessed value of the frozen base of all urban renewal areas in the City of Wilsonville is estimated at \$98,805,323 after amendments to both the West Side and the Year 2000 (Table 18b).

The FY 2015/16 total assessed value of the City of Wilsonville less urban renewal excess value is \$2,429,384,903, including value from Clackamas and Washington counties. Urban renewal excess is the growth of assessed value in the urban renewal area over the frozen base. Given these numbers, after amendments to the West Side and Year 2000, 4.07% of the total assessed value is in urban renewal, below the 25% maximum (Table 18b).

The Area has approximately 399.55 acres, including right of way. This acreage plus the acreage from the other urban renewal areas after the completion of the 2015/16 amendments is 911.51 acres in urban renewal and the City of Wilsonville has 4,805 acres; therefore 19% of the City's acreage is in an urban renewal area, below the 25% state limit (Table 18b).

When property is added to an urban renewal area, the full assessed value of the property being added is added to the frozen base value. When property is removed from an urban renewal area the frozen base is not adjusted by that full amount. Instead, it is adjusted by a proportional amount, based on the ratio of the existing frozen base of the area to the total assessed value of the area. For the purpose of calculating the statutory limit on assessed value in urban renewal areas citywide, the total assessed value of the City, less the total excess value of all urban renewal areas was used. Note that the Year 2000 Plan does not use all of its excess value, as it collects a lower amount of TIF revenue than the maximum allowed by statute through a process called under-levying. For the Year 2000 Plan, the full amount of the excess value in the calculation was used, and not just the excess value used for the purposes of calculating TIF.

Table 18a - Urban Renewal Area Conformance with Assessed Value and Area Limits
 – West Side Amendment only

| Urban Renewal Area | Frozen Base/AV | Acres |
|----------------------|-----------------|----------|
| West Side URA | \$16,109,831 | 399.55 |
| Year 2000 URA | \$44,087,806 | 570.4 |
| TIF Zones | | |
| 27255 SW 95th Ave | \$17,938,434 | 26.07 |
| 26440 SW Parkway | \$12,582,201 | 24.98 |
| 26755 SW 95th Ave | \$7,675,439 | 9.76 |
| Total in URAs | \$98,393,711 | 1,030.76 |
| City of Wilsonville* | \$2,429,384,903 | 4,805 |
| Percent of Total | 4.05% | 21% |

Source: City of Wilsonville, Clackamas County Assessor The West Side AV is the estimated frozen base after the amendment. This includes both Clackamas County and Washington County properties, less incremental assessed value in urban renewal areas

Table 18b - Urban Renewal Area Conformance with Assessed Value and Area Limits
 - After Proposed Year 2000 Amendment and West Side Amendment

| Urban Renewal Area | Frozen Base/AV | Acres |
|----------------------|-----------------|--------|
| West Side URA | \$16,109,831 | 399.55 |
| Year 2000 URA | \$44,499,418 | 451.15 |
| TIF Zones | | |
| 27255 SW 95th Ave | \$17,938,434 | 26.07 |
| 26440 SW Parkway | \$12,582,201 | 24.98 |
| 26755 SW 95th Ave | \$7,675,439 | 9.76 |
| Total in URAs | \$98,805,323 | 911.51 |
| City of Wilsonville* | \$2,429,384,903 | 4,805 |
| Percent of Total | 4.07% | 19% |

Note: This table conforms with the map in Figure 3 that shows the urban renewal areas after the package of amendments. *This includes both Clackamas County and Washington County properties, less incremental assessed value in urban renewal areas

XII. RELOCATION REPORT

There is no relocation anticipated due to this amendment.